



BAREFOOT BAY RECREATION DISTRICT

October 1, 2018

Dear Honorable Trustees and Residents of Barefoot Bay Recreation District,

It is my professional honor and pleasure to present to you the FY19 Approved Budget. This document represents the culmination of 10 plus months of staff's time. The information contained herein comprises the finished product that began with a "townhall style" meeting on 30Nov17, development of the FY19-23 Five-year Financial Model and Capital Improvement Plan (5yrFM&CIP, as incorporated herein), the line item budget as requested by the department managers, the FY19 Working Draft Proposed Budget (WDPB) (presented to the Board of Trustees on 28Mar18) and final FY19 Approved Budget as adopted by the BOT on 26Jun18. The FY19-23 5yrFM&CIP was reviewed by the Board of Trustees (BOT) on 30Jan18. The FY19 WDPB was approved by the BOT in multiple workshops and meetings in April and May. Complicating this year's document is the planned financing of multiple Repair and Maintenance (R&M)/Capital projects. On 09Feb18, the BOT directed staff to begin working with Special District Services, Inc. personnel to begin the process of financing said projects. Unknown at this time is the type of financing, bank loan or issuance of tax free bonds, the BOT will select. For simplicity, the FY19 Approved Budget assumes the issuance of tax free bonds which have a higher cost of issuance. If a bank loan is chosen or ultimately this BOT or a future BOT decides not to finance the projects, the work of changing the FY19 Budget will be less complicated if the costliest form of financing is initially planned. Therefore, this document contains information on the General Fund and the new 2018 Bond Projects Fund. A third fund will exist (Debt Service) once the bond revenue is received. However, since it is only used to account for pre-funding of the annual debt-service payment and the payment of the debt service, it will not be added to the "all funds" data and charts/tables to avoid double counting the same monies and distorting the true amount of revenues/sources and expenditures/uses of BBRD. The prior year "General Fund Analysis" section is now titled "Fund Analyses" which will aggregate the General and 2018 Bond Projects Funds and then detail each fund separately.

In early June 2018 (right before adoption of the FY19 Budget), the BOT began discussing downsizing the list of projects within the 2018 Bond Fund. Due to the uncertainty of the final list and then state requirement to adopt the budget by the end of June, the BOT adopted the FY19 Budget as prepared with the understanding that the 2018 Bond Fund could be adjusted when the financing is accomplished. Hence, this document is based on the budget reviewed and adopted by the BOT on June 26, 2018 and not any subsequent discussions of the BOT.

Changes from FY18 Approved Budget

The FY19 Approved Budget is presented as a combination of the General Fund FY19 Approved Budget and the 2018 Bond Projects FY19 Approved Budget. While many years ago BBRD had multiple funds (specific current departments were separate funds), FY19 marks a new era where a separate fund is planned to be added to the general ledger to account for new activity financed through an issuance of tax exempt bonds. Whereas, previous documents solely focused on the General Fund, this document will cover both funds and in appropriate places present data and narrative analyses of the combined "All Funds." Of note, a third fund (Debt Service) will be used to accumulate monies for the annual debt service payment but as in years past this fund will not be shown as it is simply a pass-through holding mechanism to satisfy the

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terms of the bond issuance. Annual payments for the debt service will be made from the Debt Service Fund.

All Funds

FY19 All Funds Approved Budget Summary

The FY19 All Funds Budget is approved with \$15,826,132 in expenditures/uses and a surplus of \$413,468 in revenues/sources (i.e. \$16,239,600 in revenues/sources). While some organizations with a budgetary surplus will use an offsetting number as a plug to achieve a “balanced budget,” I believe the exclusion of this plug number within this document provides for easier comprehension of the General Fund budget for the reader.

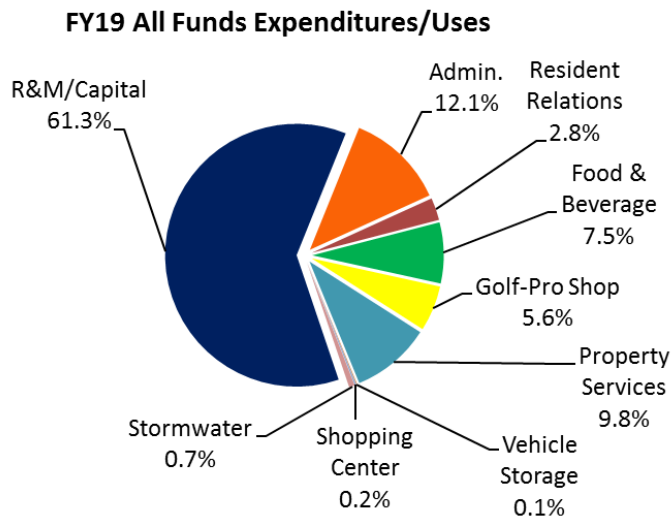
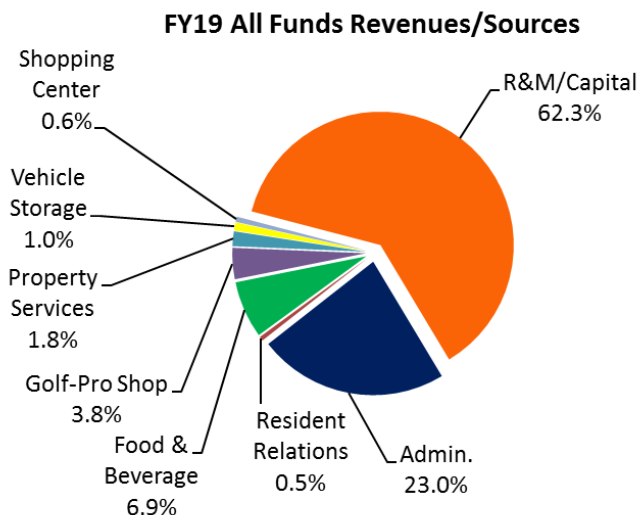
The FY19 All Funds total revenues/sources are \$10,015,893 or 160.96% higher than the FY18 Original Budget. The FY19 All Funds total expenditures/uses are \$9,602,425 or 154.29% higher than the FY18 Original Budget. When use of fund balance (General Fund) in 2018 is removed, the total revenues/sources are \$10,183,201 163.62% higher than the previous year primarily due to FY19 being the first year of the 2018 Bond Projects Fund. Likewise, total expenditures/uses are \$2,743,185 or 44.64% higher when contingency is removed from both funds (General Fund in FY18 & 19 and 2018 Bond Projects Fund).

A summary of the All Funds revenues/sources and expenditures/uses is provided below:

The FY19 All Funds Approved Budget is based on an assessment rate of \$760.44 per year per lot.

	FY 17 Actual	FY18 Original Budget	FY 18 Est. Year-end	FY 19 Base Budget	FY 19 Decision Points	FY 19 Approved Budget
Revenues/Sources						
Administration	3,585,202	3,626,797	3,645,885	3,631,685	109,442	3,741,127
Resident Relations	114,902	87,100	83,500	84,015	-	84,015
Food & Beverage	1,020,215	995,424	1,088,594	1,126,217	-	1,126,217
Golf-Pro Shop	629,704	648,213	613,411	613,609	-	613,609
Property Services	266,746	372,400	290,000	290,000	-	290,000
Vehicle Storage	148,554	161,402	160,610	160,645	-	160,645
Shopping Center	84,696	115,063	102,468	103,235	-	103,235
R&M/Capital Projects	-	217,308	129,089	50,000	10,070,752	10,120,752
Total Revenues/Sources	5,850,018	6,223,707	6,113,557	6,059,406	10,180,194	16,239,600
Expenditures/Uses						
Administration	1,615,811	1,268,027	1,070,883	1,197,367	717,055	1,914,422
Resident Relations	347,933	417,857	415,077	435,997	-	435,997
Food & Beverage	1,068,680	1,023,085	1,132,864	1,166,196	17,505	1,183,701
Golf-Pro Shop	817,294	905,103	913,901	885,340	-	885,340
Property Services	1,355,094	1,395,749	1,391,760	1,451,324	95,535	1,546,859
Vehicle Storage	14,800	15,602	15,742	15,542	-	15,542
Shopping Center	36,314	32,100	32,650	32,085	-	32,085
Stormwater	242,586	54,084	143,052	110,034	-	110,034
R&M/Capital Projects	355,009	1,112,100	1,505,814	75,000	9,627,152	9,702,152
Total Expenditures/Uses	5,853,520	6,223,707	6,621,743	5,368,885	10,457,247	15,826,132
					surplus/deficit	413,468

As illustrated in pie charts below, the addition of the 2018 Bond Projects Fund for FY19 skews the distribution of budgeted funds toward the R&M/Capital Department as it is the only department within the 2018 Bond Projects Fund. Further analysis of the General Fund later in this section and elsewhere in this document provides a more accurate picture of the distribution of monies for operating departments.



As detailed in the following pages and in other sections of this document, all personnel costs and daily operating and maintenance costs are confined to the General Fund. Capital outlays are split between both funds with the large future capital projects being mainly budgeted in the 2018 Bond Projects Fund.

All Funds Revenues/Sources

As illustrated in the above pie chart on the left, the majority of FY19 All Funds Approved Budget total revenues/sources are within the two funds' R&M/Capital departments. Unlike prior years, where the majority of budgeted revenues/sources were recurring monies, the FY19 Approved Budget contains a majority one-time sources as follows:

- \$651,000 Interfund transfer from the 2018 Bond Projects Fund to the General Fund
- \$9,419,752 Bond proceeds within the 2018 Bond Projects Fund

When these one-time sources are removed from the FY19 Approved Budget total revenues and expenditures, along with the FY18 use of fund balance, the increase is only \$112,449 or 1.86% over the FY18 Original Budget, all of which is General Fund monies.

All Funds Expenditures/Uses

Similar to revenues/sources, the above pie chart on the right illustrates that the R&M/Capital department contain the majority of expenditures/uses approved for FY19. Most of the budgeted R&M/Capital Departments expenditures/uses is a revenue-offset "reserve" budget of \$6,842,634 (to make the initial year of the 2018 Bond Projects Fund balance). Hence, of the \$8,640,052 or 154.29% increase from R&M/Capital Department's FY18 Original Budget, \$1,676,118 is related to new operating and/or capital expenditures/uses. The balance of the increase is from:

- \$651,000 Interfund transfer to the General Fund from the 2018 Bond Projects Fund

- \$250,000 cost of debt issuance in the 2018 Bond Projects Fund

Specific departmental increases or decreases of significance are summarized later in this section.

All Funds Decision Points Summary

The inclusion of the anticipated bond issuance and first year of related expenditures dramatically alters the traditional perspective of decision points (changes in service level and R&M/Capital projects) by the sheer magnitude of the bond receipts compared to the value of approved General Fund decision points. The chart to the right illustrates this distortion.

	Number	Value
Revenues/Sources		
General Fund*	1	109,442
2018 Bond Projects Fund	1	9,419,752
Total Revenues/Sources	2	9,529,194
Expenditures/Uses		
General Fund	7	1,037,495
2018 Bond Projects Fund**	1	2,577,118
Total Expenditures/Uses	8	3,614,613

* Indicates one-time transfer from 2018 Bond Projects Fund is removed from the table but is included in pie chart on the previous page and line-item and summary data presented elsewhere in this document.

** Indicates \$6,842,634 in capital contingency (plug to balance the first year budget of the new fund and that represents the balance of the projects to be completed over the next two fiscal years) is removed from the table but is included in pie chart on the previous page and line-item and summary data presented elsewhere in this document.

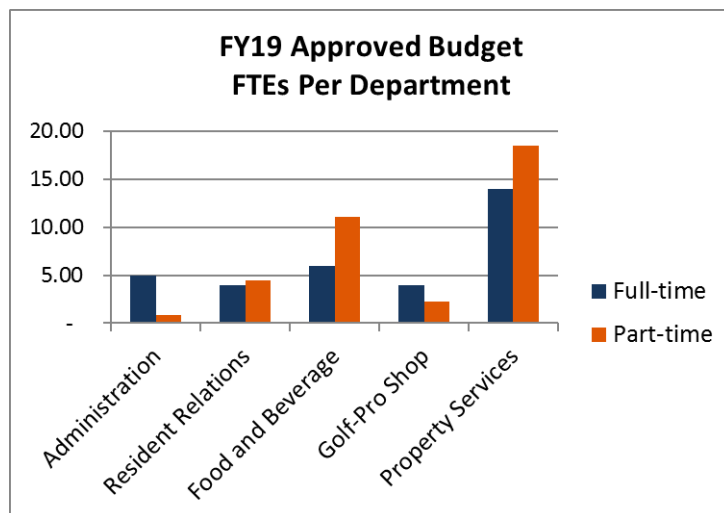
Personnel Summary

Beginning with the FY16 WDPB, personnel calculations shifted from the traditional “head count” method to the use of full-time equivalents (FTEs). The use of FTEs (as defined as the decimal number of hours worked when compared to a normal 40-hour week – i.e. part-time employees scheduled for 20 hours a week is a 0.50 FTE) allows the reader to better understand the staffing levels of departments rather than presenting an inflated perception of the raw number of part-time employees. The FY19 Approved Budget continues the practice where all personnel calculations are listed as FTEs. Additionally, FY19 will continue the current practice of operating most departments on a majority part-time staffing pattern.

Approved for FY19 are 70.05 FTEs, an increase of 3.01 FTEs from the FY18 Original Budget. This increase is the result of the following actions:

Personnel Changes made in the Base Budget

- Reduction 0.42 FTE Receptionist Clerk position in Administration: District Clerk due to the function being eliminated mid-FY19 when the New Administration Building is completed and occupied (receptionist duties will shift to the Resident Relations which will be housed in the front of the new building).
- Addition of 0.17 Administrative Assistant in Administration: District Clerk as the result of the elimination of 0.15 FTE one-time seasonal FY18 hours (summer records management work) and the



addition of 0.32 FTE recurring hours to support the District Clerk once the new Administration Building is completed and occupied.

- Reduction of 1.22 FTE in Golf-Pro Shop among various non-exempt positions due to efficiency improvements from the addition of the Associate Golf Professional position in FY18.
- Addition of 0.75 FTE in Food & Beverage due to various adjustments to part-time positions to address labor needs of growing sales.

Personnel Changes made via Decision Points

- Addition of 1.00 FTE Building Tech III position in Property Services: Building to address the growing demands placed upon staff by the large number of small R&M/Capital projects approved by the BOT and growing service expectations of residents.
- Addition of 0.85 FTE Groundskeeper positions (seasonal) in Property Services: Grounds to handle peak landscaping maintenance tasks currently handled by higher paid Building Techs.
- Addition of 0.65 FTE Custodian positions in Property Services: Custodial to meet the new regulatory requirements for a “Crowd monitor” staff person at all gatherings of 50 or people. This was added to the budget after the FY19 WDPB was submitted to the BOT (when BBRD received regulatory notice)
- Addition of 0.23 FTE in Food & Beverage to convert a part-time cook position to full-time. This decision point was added by the BOT during the FY19 WDPB review process.

Furthermore, 46.60% of FY19 FTEs are full-time employees demonstrating a fairly even distribution of full-time to part-time staffing hours worked. The FY19 Approved Budget continues the historic practice of allocating approximately 3% of payroll costs (excluding taxes) to employee incentives. Starting in FY17, this amount was split between COLA and merit increases. Starting in FY18, the timing of the employee evaluations and increases was moved to December to coincide with the annual increase in the State of Florida minimum wage increase in January. FY19 will continue this practice.

General Fund

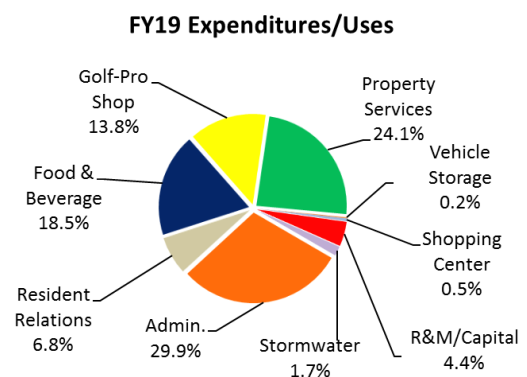
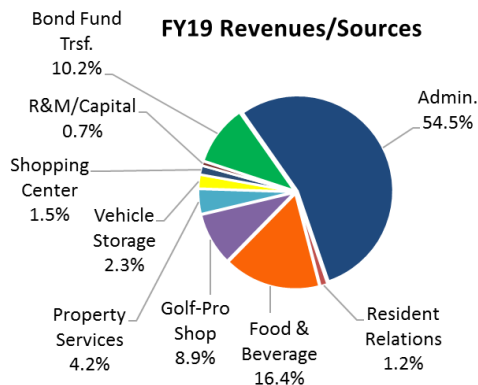
The summary of multi-year revenues/sources and expenditures/uses at the department and sub-department levels are presented on the following pages. Subsequently, summary information regarding changes in specific departments are provided along with information regarding submitted and recommended decision points. Other sections of this document contain varying degrees of summary and detailed information geared toward the anticipated needs of different readers.

**The FY19 General Fund Approved Budget is based on an assessment rate of \$760.44
per year per lot.**

	FY 17 Actual	FY18 Original Budget	FY 18 Est. Year-end	FY 19 Base Budget	FY 19 Decision Points	FY 19 Approved Budget
Revenues/Sources						
District Clerk	917	5,750	7,325	3,900	-	3,900
Finance	3,584,285	3,621,047	3,638,560	3,627,785	109,442	3,737,227
Administration	3,585,202	3,626,797	3,645,885	3,631,685	109,442	3,741,127
Customer Service	82,483	77,800	70,500	71,015	-	71,015
DOR	32,419	9,300	13,000	13,000		13,000
Comm. Watch	-	-	-	-	-	-
Resident Relations	114,902	87,100	83,500	84,015	-	84,015
Administration	-	-	-	-	-	-
Lounge	405,595	385,592	422,661	434,450	-	434,450
19th Hole	354,990	378,965	376,831	386,713	-	386,713
Pasta Night	52,398	51,916	58,779	61,812	-	61,812
Special Events	207,232	178,951	230,323	243,242	-	243,242
Food & Beverage	1,020,215	995,424	1,088,594	1,126,217	-	1,126,217
Golf-Pro Shop	629,704	648,213	613,411	613,609	-	613,609
Buildings	-	-	-	-	-	-
Grounds	-	-	-	-	-	-
Custodial	-	-	-	-	-	-
Pools	-	-	-	-	-	-
Recreation	266,746	372,400	290,000	290,000	-	290,000
Property Services	266,746	372,400	290,000	290,000	-	290,000
Vehicle Storage	148,554	161,402	160,610	160,645	-	160,645
Shopping Center	84,696	115,063	102,468	103,235	-	103,235
Stormwater	-	-	-	-	-	-
R&M/Capital Projects	-	217,308	129,089	50,000	651,000	701,000
Total Revenues/Sources	5,850,018	6,223,707	6,113,557	6,059,406	760,442	6,819,848

The FY19 General Fund Approved Budget is based on an assessment rate of \$760.44
per year per lot.

	FY 17 Actual	FY18 Original Budget	FY 18 Est. Year-end	FY 19 Base Budget	FY 19 Decision Points	FY 19 Approved Budget
Expenditures/Uses						
District Clerk	576,347	597,156	532,915	572,278	17,055	589,333
Finance	1,039,463	670,871	537,968	625,089	700,000	1,325,089
Administration	1,615,811	1,268,027	1,070,883	1,197,367	717,055	1,914,422
Customer Service	134,659	138,645	132,926	138,682	-	138,682
DOR	213,274	198,446	211,186	217,658	-	217,658
Comm. Watch	27,834	80,766	70,965	79,657	-	79,657
Resident Relations	375,766	417,857	415,077	435,997	-	435,997
Administration	88,971	94,388	89,962	92,518	-	92,518
Lounge	385,020	350,210	384,124	393,875	-	393,875
19th Hole	387,266	392,942	413,584	422,487	11,244	433,731
Pasta Night	39,315	44,712	48,448	49,083	-	49,083
Special Events	168,108	140,833	196,746	208,233	6,261	214,494
Food & Beverage	1,068,680	1,023,085	1,132,864	1,166,196	17,505	1,183,701
Golf-Pro Shop	817,294	905,103	913,901	885,340	-	885,340
Buildings	453,024	465,256	457,769	480,156	52,116	532,272
Grounds	155,309	167,187	159,337	168,380	19,119	187,499
Custodial	278,229	284,219	278,200	286,757	14,000	300,757
Pools	380,138	378,641	394,605	411,856	-	411,856
Recreation	88,394	100,446	101,849	104,175	10,300	114,475
Property Services	1,355,094	1,395,749	1,391,760	1,451,324	95,535	1,546,859
Vehicle Storage	14,800	15,602	15,742	15,542	-	15,542
Shopping Center	36,314	32,100	32,650	32,085	-	32,085
Stormwater	242,586	54,084	143,052	110,034	-	110,034
R&M/Capital Projects	355,009	1,112,100	1,505,814	75,000	207,400	282,400
Total Expenditures/Uses	5,881,354	6,223,707	6,621,743	5,368,885	1,037,495	6,406,380
					surplus/deficit	413,468



FY19 General Fund Approved Budget Summary

The FY19 General Fund Approved Budget is presented at \$6,406,380 in total expenditures/uses and with a surplus of \$413,468 in total revenues/sources. Although most years a balanced budget is presented by having total revenues/sources match total expenditures/uses or by using fund balance when total expenditures/uses exceed total revenues/sources, the FY19 Approved Budget meets the requirement of a balanced budget by having a surplus. A plug number in reserves is possible to force the two figures to match but little is gained from such an exercise while the casual reader may be mis-lead into thinking total expenditures/uses are actual monies planned to be spent versus containing a reserve number.

The FY19 General Fund Approved Budget total revenues/sources is \$6,819,848. This amount is \$596,141 or 9.58% higher than the FY18 Original Budget. When the one-time interfund transfer of \$651,000 from the 2018 Bond Projects Fund is removed from FY19 and the use of fund balance removed from FY18, FY19 Approved Budget total revenues/sources are \$112,449 or 1.81% higher than the FY18 Original Budget. Specific details of the changes in revenues/sources start on pages A-10 of this section.

The FY19 General Fund Approved Budget total expenditures/uses of \$6,406,380 is \$82,673 or 2.94% higher than the FY18 Original Budget. While the overall change from the prior budget seems marginal, changes related to the planned issuances of bonds in FY19 and the resulting debt service requirements are significant and detailed later in this section starting on page A-11. Approved expenditures/uses in the form of decision points are summarized starting on page A-12 and detailed starting on pages D-58.

The FY19 General Fund Approved Budget was developed upon conservative yet realistic revenue projections based on multi-year trends and economic conditional analyses. If an unexpected spike in revenues is identified for a fiscal year, a conservative approach is taken in case the increase is not sustainable. Although tight budgetary pressures encourage the optimistic evaluation of future revenue projections, a cautious approach is advisable to avoid unnecessary and painful mid-year reductions if rosy projections do not come true. The summary of multi-year revenues/sources and expenditures/uses at the department and sub-department levels are presented on the following pages.

Basis of Development of the FY19 Budget

Specifically, the FY19 General Fund Approved Budget is built upon the following parameters:

Revenues/sources

- A \$1.87 a month increase in the current assessment to \$63.37 a month containing the following elements:
 - \$0.95 or 1.50% increase to maintain the ability of BBRD to fund R&M/Capital projects needs given the impact of inflationary pressures on operating costs (recommended to be an annual increase)
 - \$0.72 a month increase to offset \$41,874 in declining Golf Membership revenues
 - \$0.20 a month to offset \$11,915 in lost Shopping Center revenues from the use of one unit by the BFBHOA
- A 2.50% increase in Food & Beverage prices
- \$651,000 (one-time) transfer from the 2018 Bond Projects Fund for partial reimbursement of FY18 General Fund costs of the New Administration Building project

Expenditures/uses

- Continuation of a formal pay plan with a maximum of 3% of payroll costs split between a COLA and merit increase for all eligible employees
- 15% increase in health insurance premiums
- 3% increase in dental insurance premiums
- 0% increase in workers compensation insurance premiums (assumes a negligible decrease due to experience)
- 0% increase in liability insurance premiums (year 2 of a 2-year rate agreement)
- \$700,000 transfer to the Debt Service Fund (pre-funding of the first payment on debt service as the result of planned issuance of tax-exempt bonds in FY19)
- \$130,095 in 7 approved operating decision points (summarized on page A-12 and detailed starting on page D-58)
- \$207,400 in R&M/capital projects
- \$75,000 in capital contingency
- \$20,618 in operating contingency
- A one-time surplus of \$413,468 in total revenues/sources exceeding total expenditures/uses. The reader is cautioned not to view this as free money to be easily spent on new projects, services or acquisitions as the monies are programmed into future years expenditures. A significant reduction in this surplus will likely require increasing revenues/sources or deferring R&M/capital projects planned for future years.

Charts on the following pages illustrate the relative stability of BBRD's General Fund finances except for the following:

Revenues/sources)

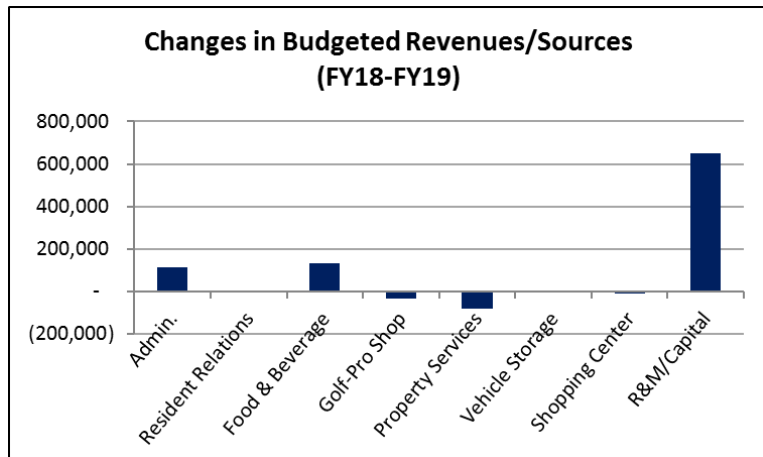
- Administration (assessment increase)
- Food & Beverage (continued strong sales and the addition of the Barefoot by the Lake Festival)
- Golf-Pro Shop (continued declining membership)
- Property Services (slight decline in genuine home sales and a mis-calculation of the potential receipts from the one-time social membership fee rate increase in FY18)
- R&M/Capital (one-time receipt of inter-fund transfer from 2018 Bond Projects Fund for partial reimbursement of FY18 General Fund New Administration Building project costs)

Expenditures/uses

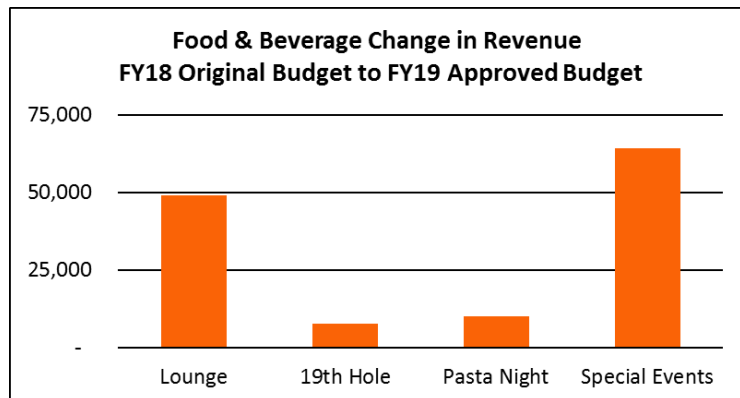
- Administration (new debt service transfer for the planned bond issuance, decision point for web-based agenda system and 6 months budget for a Management Analyst position via the SDS contract)
- Food & Beverage (conversion of a part-time cook position to full-time, FY18 mid-year employee increases, continued growth in sales and the addition of the Barefoot by the Lake Festival)
- Property Services (FY18 mid-year employee increases and various decision points)
- Stormwater (multiple minor sized canal bank restoration projects)
- R&M/Capital (shift of large projects from the General Fund to the 2018 Bond Projects Fund)

General Fund Revenues/Sources

The largest dollar increase in revenues/sources is projected for the R&M/Capital Department due to the planned interfund transfer of \$651,000 from the 2018 Bond Projects Fund in F19 to partially reimburse the General Fund for F18 costs of the New Administration Building project. When the use of fund balance is removed from FY18, the R&M/Capital Department total receipts are 1,302.00% or \$651,000 higher than the previous year. Of note, both FY18 and FY19 have \$50,000 in grant receipts budgeted, although the FY18 monies are not anticipated to be received until FY19.



The Food and Beverage Department is projected to have the second highest increase in revenues/sources primarily as a result of a 2.50% increase in prices, increased sales and the annual Barefoot by the Lake Festival begun in FY18. This 13.14% departmental increase is projected to generate an additional \$130,793 in revenue. This continues the trend of strong growth in Food & Beverage as FY17 ended with \$392,153 or 62.4% more receipts than FY10 receipts. When individual sub-departmental changes in revenue are examined (see chart to the right), the continued growth in the Lounge is only second to the growth in Special Events primarily due to the festival being budgeted for FY19 and not contemplated during the development of the FY18 Budget. Said growth in the Lounge is attributed to specialty food and music nights as allowed by the BOT approved Revised Food & Beverage Principles of Operations (updated in 2016). Likewise, the operational subsidy required to operate the 19th Hole year-round is a result of the BOT's decision that maximum hours of operations is more important than full departmental cost recovery through sales.



The third largest increase is in the Administration Department due to an approved \$1.87 a month increase in the assessment while offset by minor decreases in other revenue streams. The departmental increase of \$114,330 represents a 3.15% increase over the FY18 Original Budget.

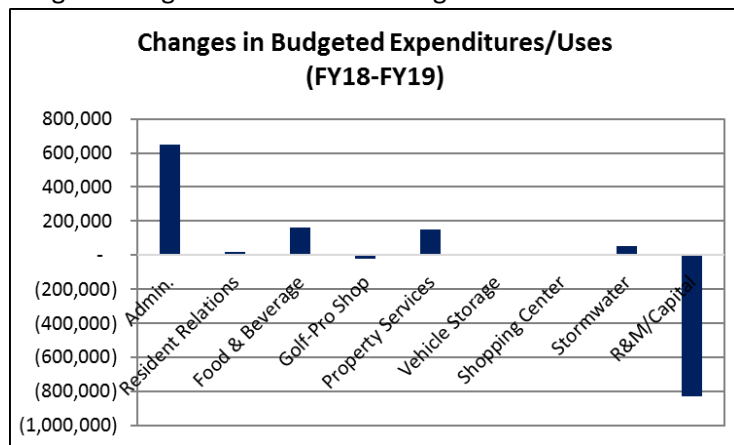
The Golf-Pro Shop Department is projected to continue the downward trend in total revenues/sources due to declining membership numbers. This trend is anticipated to continue through FY22 and possibly stabilize in FY23. The reader should not be surprised by declining revenues/sources in this department in future years as only 1.28% of new homeowners (as determined over a 12-month period in 2017) obtained golf memberships as compared to the approximately 4% of current residents who have memberships. This trend is not unique to BBRD as the percentage of golfers in North America continues to decline except in the high and very high social economic strata of society.

The Property Services Department is projected to have the largest decrease in revenue. The FY19 Approved Budget of \$290,000 is projected to have \$82,400 or 22.13% less receipts than the previous budget year due to the FY18 Budget being prepared based on a calculation error in the recreation fees line-item. Specifically, when the BOT was discussing increasing the one-time social membership fee from \$495 to \$750 plus tax, I failed to remember the renters' social membership fees that is a minority portion of the line-item's receipts. Hence, the FY18 Budget was over-projected. Compounding this problem is the apparent slight decline in the number of genuine home sales in FY18 as compared to the same period (first 5 months) last year when this document is originally developed. To better account for these issues, separate revenue line items will be used for the two revenue streams starting in FY19.

General Fund Expenditures/Uses

The largest dollar increase in expenditures/uses is approved for the Administration Department with \$646,395 or 50.98% increase over the FY18 Original Budget due to the following factors:

- First year of an inter-fund transfer to the Debt Service Fund (\$700,000) for the planned bond issuance. Although the first actual debt service payment will probably not be required until FY20, pre-funding of the annual payment is a common requirement in such financial deals.
- Decision point for a web-based agenda process and archival system (\$17,055)
- Funding for 6 months of the Management Analyst position (to be added to the SDS contract) previously approved as part of the FY17 Budget (there is no place for the person until the New Administration Building is constructed and occupied).
- Decrease of \$35,548 Finance personnel costs primarily due to a decrease in the number of employees electing employee medical coverage.



The second largest increase is approved for the Food & Beverage Department with \$160,616 or 15.70% increase over the FY18 Original Budget. The primary factors for the increase are the conversion of a part-time cook position to full-time, strong growth in sales in Special Events due to growth in catering, BBRD events and that the Barefoot by the Lake Festival was not a part of the FY18 Original Budget. The FY19 Approved Budget for Special Events is based on an expanded Festival (one and a half days versus the inaugural one-day event in FY18). And as in years past, continued growth in sales in the Lounge is primarily a result of specialty food nights sales and the associated cost of personnel, supplies and live music.

The third largest increase is approved for Property Services Department with \$151,110 or 10.83% increase over the FY18 Original Budget. The primary factors include FY18 mid-year employee increases and five recommended decision points. The reader is encouraged to remember that Property Services has 46.41% of all current personnel so the annual mid-year pay adjustments has a disproportional impact on the annual increase in expenditures/uses when compared to other departments.

The R&M/Capital Department has the largest decrease in total budget approved for FY19 at \$826,700 or 74.61% from the FY18 Original Budget due to the planned issuance of tax exempt bonds and the shifting of major projects from this department within the General Fund to the 2018 Bond Projects Fund.

General Fund Decision Points Detail

One of the many ways the Department Managers and I strive to improve operations is through a focus on continuous improvement. One manifestation of this effort is the following decision points that were developed and submitted for consideration by the BOT. Two revenues/sources and eight expenditures/uses decision points were requested by department managers. Of these, I recommended both revenue/sources and seven expenditures/uses decision points as part of the FY19 WDPB.

During the budget review workshops, the following decision points were added:

Revenues/Sources

- Increase in Assessment by \$0.63 per Month (by Trustee Diana)

Expenditures/Uses

- Pool #3 Heater Upgrade (by Trustee Diana)
- Fireworks Display (by Trustee Diana)
- 0.65 FTE Custodians for Crowd Monitoring (by staff)
- Geo-thermo Heaters for Pools (by Trustee Cavaliere)
- Training for ARCC Members (by Trustee Cavaliere)

Two of three revenues/sources decision points were approved by the BOT and are included in the FY19 General Fund Approved Budget, thereby, increasing projected receipts by \$760,422.

Seven of the ten expenditures/uses decision points were approved by the BOT and are included in the FY19 General Fund Approved Budget, thereby, increasing projected expenditures/uses by \$1,045,995 over the Base Budget. All decision points are summarized as follows:

Revenues/Sources Decision Points Included in the FY19 Budget

- \$167,308 Increase in the monthly assessment by \$1.87
For the majority of past 20 years of BBRD's existence, BOTs have tried to hold the assessment rate steady as long as possible and when absolutely required then raise the rate. In my opinion, this practice lead to the mis-guided annual debate of "whether the assessment rate should be increased?" The reason I believe this is a mis-guided debate is the fact that BBRD's assessment is a non-ad valorem assessment which does not rise or fall based on the value of property like the commonly recognized property tax used to fund cities, counties and schools in Florida. With the receipts from the assessment representing 59.45% of the FY18 General Fund's total revenues/sources, it is not financially feasible in the long-run to hold said revenue stream constant while almost all of BBRD's expenditures/uses increase due to inflationary pressures.

Approved for FY19 and planned for future years is an annual 1.50% increase in the assessment that will allow BBRD to maintain an equitable purchasing power for the personnel, goods and services needed to provide services to residents and guests. When needed, additional increases in the rate can be made for specific purposes. This separation of rate increases based on inflationary pressures and other needs will help communicate to residents, property owners and other stakeholders the

rationale behind the increases. Specifically, approved for FY19 are three individual increases that comprise the total \$1.87 a month increase.

- \$0.95 or 1.50% increase due to inflationary pressures
- \$0.72 a month increase to offset \$41,874 in declining Golf Membership revenues
- \$0.20 a month to offset \$11,915 in lost Shopping Center revenues from the use of one unit by the BFBHOA

An approximation of these three components was presented to the BOT and community at the FY19-23 5yrFM&CIP workshop in January without major opposition. As proposed, the FY19 Approved Budget (which contains the FY19-23 5yrFM&CIP) maintains estimated ending fund balance percentages range from 29.41% in FY19 estimated year-end to 22.63% in FY23. Although these percentages are well above the BBRD minimum policy of 20%, the out years do not contain many R&M/capital projects and therefore the surplus fund balance permits future BOTs the ability to address needs of BBRD that are as of now unknown and/or unanticipated.

- \$651,000 One-time (inter-fund) transfer from the 2018 Bond Projects Fund
Federal law allows a government entity to reimburse itself for the cost of eligible work performed within a certain period of time from the issuance of tax exempt bonds under certain circumstance. Within the list of projects and planned expenses of the 2018 Bond Projects Fund is \$651,000 which represents approximately 66% of the FY18 costs of the New Administration Building project. If the issuance of the bonds is greatly delayed or canceled the receipt of this money will not be made and the BOT may need to re-examine the FY19 Budget to either cancel or defer specific projects or increase revenues through a one-time special assessment.

Revenues/Sources Decision Points Not Included in the FY19 Budget

- \$36,885 Increase in the monthly assessment by \$0.63
Trustee Diana proposed rounding up the assessment to \$64.00 per month. The majority of the BOT did not support this proposal.

Expenditures/Uses Decision Points Included in the FY19 Budget

- \$17,055 Web-based BOT Agenda System
Up until approximately four years ago, BOT agendas (memos and supporting information) were not made available to the public. Historically, agenda memos contained very little information and residents had to file a public records request to obtain copies. To increase transparency, I started posting the entire agenda packages on BBRD's website in early 2014 and eventually the BOT authorized the procurement of a ceiling mounted projector to permit the display of agenda memos and other information during meetings and workshops.

The current process of creating memos and supporting materials, converting them to Adobe Acrobat format and then assembling them into one large file is very time consuming and antiquated. Staff researched various options in 2017 and has determined that BoardDocs Pro best meets the needs of BBRD as it is an easily customizable, cloud-based agenda and document management service. In addition to dramatic improvements in the agenda management processes and effectiveness, organizations using this service consistently report substantial annual cost savings, time-of-staff savings of up to 75% and increased transparency for residents.

Additionally, the District Clerk will be able to record the action details during BOT meetings. BoardDocs Pro also supports multiple motions per agenda item, multiple votes per item and consent

agenda items. Using the consent feature, the BOT can vote on several agenda items at once. Many other features are available for the ease of staff and residents in assembling and accessing the agenda, minutes and other documents. A savings of approximately \$3,945 will affect the recurring cost by eliminating the agenda and minutes search software, ClerkBase, currently in use.

- **\$17,505 Cook F/T Conversion (0.23 FTE)**

The addition of 1.0 FTE Cook and deletion in 0.77 FTE of part-time positions (0.65 FTE Cook and 0.16 FTE Catering Coordinator) will result in a net increase of 0.23 FTE and would add tremendous value to the services the department provides to the community through a team of strong, well trained culinary staff delivering consistent service and high quality of product. Due to the seasonal nature of BBRD's Food & Beverage business, it is increasingly difficult to retain quality part-time cooks throughout the slow summer months. Staff believes it is vital to secure a stable and cohesive team to not only continue the success of the department but to be prepared to grow our sales and services given the plan to build efficiently equipped facilities. This can happen by recruiting and retaining qualified culinary staff. Staff believes that the conversion of a part time cook to full time will provide better consistency of product and service, increase sales and meet the current and long-term goals of the District.

The Department has 16.82 FTEs in the FY19 Base Budget, of which 5 are full-time employees (one Food & Beverage Manager, One Kitchen Supervisor, one Cook, one Bar Supervisor and one Bartender). This decision point would add a 6th full-time position. I did not support the additional cost to carry a 6th full-time position in in the department when preparing the FY19 WDPB. During the budget workshops, the BOT was sympathetic to the department manager's desire to retain a better-quality culinary staff, with the planned closure of the Lounge in FY19 (for a few months) and Buildings D&E/19th Hole/Pro Shop in FY20 & 21 (for 9-12 months) and the Building A Kitchen in FY20 (for a few months) and added this to the FY19 Budget (Decisions made by the BOT after the adoption of the FY19 Approved Budget indicates the probability of the aforementioned closures occurring questionable at the date of this document).

- **\$19,119 Seasonal Groundskeeper Positions (0.85 FTE)**

The Property Services: Grounds Sub-department is responsible for all common area turf and planter maintenance (excluding the golf Course) plus DOR violation lot mows. The growing number of small projects coupled with the typical summer heavy rains are increasingly creating a backlog of work during the summer months. Not only were residents unhappy with the appearance of the common areas last year but the timeliness of project completions suffered. This request will add two seasonal (5 months) 40-hours a week positions to raise the service level towards the expectations of the residents.

- **\$45,316 Building Tech III Position (1.0 FTE)**

The addition of 1.0 FTE Building Tech III position will increase the speed which the Property Services: Building Sub-department staff can execute projects (one-time and/or maintenance related). The addition of a Building Tech III position will permit more complex projects to be completed quicker in addition to increasing the turnaround speed of work order requests.

- **\$6,800 Property Services Radio System Repeater**

Within the FY18 Budget, Property Services has funding for handheld radios to improve communications between staff. However, with the layout of BBRD, even the best of radios has limited range. To obtain optimal radio contact, a repeater system is needed which can connect to the large

antenna at the Property Service Building (at Falcon Drive). The addition of a repeater system will make the radios capable of reaching all of BBRD, including the beach.

- \$12,000 Pool #3 Heater Upgrade
The BOT added this decision point during the budget review process. The upgrade of Pool #3's heater from a 400,000 btu. unit to a 1,000,000 btu. unit will provide a similar level of service as Pools #1 & #2 which were upgraded in FY18.
- \$10,300 Fireworks Display
The BOT added the cost of an annual July fireworks display during the budget review process. This will continue the summertime tradition started in 2018.
- \$14,000 Custodians for Crowd Monitoring (0.65 FTE)
Staff requested this decision point be added during the budget workshops based on new regulatory requirements from the Fire Marshall's office that was not known during the preparation of the FY19 WDPB.
- \$700,000 Transfer to Debt Service Fund
This decision point will fund the required first year of an inter-fund transfer to the Debt Service Fund for the planned bond issuance. Although the first actual debt service payment will probably not be required until FY20, pre-funding of the annual payment is a common requirement in such financial deals. If the BOT ultimately decides not to issue bonds, this transfer will not occur and the budget item will be deleted (largely off-set by the Transfer from the 2018 Bond Projects Fund).
- \$195,400 R&M/Capital Projects (as originally presented to the BOT as part of the FY19-23 5yrFM&CIP)
At the 30Jan18 FY19-23 5yrFM&CIP workshop, the BOT reviewed the list of 12 projects planned for FY19 within the General Fund. No changes were made to the list. Please see page F-10 of the 5yrFM&CIP section of this document for a listing of the FY19 General Fund Approved Budget projects and page F-13 (fold out page) for the actual FY19-23 General Fund 5yrFM&CIP.

General Fund Decision Point Not Included in the FY19 Budget

- \$8,500 West RV Lot CCTV System Repairs/Replacement
Staff proposed within the FY19 WDPB the replacement of the current CCTV system in West RV. The current closed-circuit television (CCTV) system was installed in 2012. The cameras and wire need replacing to improve the clarity of the recordings. Currently, the recordings do not provide clear footage, due to degradation of the cameras and the wiring. The estimated cost is to replace the cameras, cables, conduit, labor, wire and installation. During the budget workshops, the BOT removed this item from the budget.
- Cost Unknown Geo-Thermo Heaters for Pools
During the budget workshops, Trustee Cavaliere requested this item be added to the Decision Point list for consideration. Due to time constraints, feasibility and costs were not able to be determined in time for inclusion in the FY19 Approved Budget. Staff will research this issue and include it in the FY20-24 5yrFM&CIP to be submitted to the BOT in January 2019 for consideration.

- **Cost Unknown** Training for ARCC members
During the budget workshops, Trustee Cavaliere requested this item be added to the Decision Point list for consideration. Due to time constraints, feasibility and costs were not able to be determined in time for inclusion in the FY19 Approved Budget. Staff will research this issue and include it in the FY20-24 5yrFM&CIP to be submitted to the BOT in January 2019 for consideration.

Decision points are detailed in the decision point portion of the “Budgetary Detail” section of this document starting on page D-58. R&M/Capital projects are listed individually in the 5yrFM&CIP Section of this document starting on page F-10.

2018 Bond Projects Fund

A separate fund is recommended when a public-sector entity finances significant amounts of money for capital projects to ensure said funds are expensed per the terms of the financing. The BOT is currently considering issuing tax-exempt bonds that would require a minimum of 85% of the projects’ cost to be spent within 36 months of the date of the receipt of said funds. Hence, the 2018 Bond Projects Fund FY19-23 5yrFM&CIP section was developed with the plan of receiving said funds in early FY19 and fully expending all monies by the end of FY21. Once all monies are spent, the fund would be closed.

The FY19 2018 Bond Projects Fund Approved Budget

	FY 17 Actual	FY18 Original Budget	FY 18 Est. Year-end	FY 19 Base Budget	FY 19 Decision Points	FY 19 Approved Budget
Revenues/Sources						
R&M/Capital Projects	-	-	-	-	9,419,752	9,419,752
Total Revenues/Sources	-	-	-	-	9,419,752	9,419,752
						-
Expenditures/Uses						
R&M/Capital Projects	-	-	-	-	9,419,752	9,419,752
Total Expenditures/Uses	-	-	-	-	9,419,752	9,419,752
					surplus/deficit	-

FY19 2018 Bond Projects Fund Approved Budget Summary

Due to FY19 being the first year of the fund and the purpose of said fund being limited to construction of specific capital projects, the typical analysis of revenues/sources, expenditures/use and fund balance is not possible. Instead, a summary of each revenue/source and project approved for FY19 is provided below.

2018 Bond Projects Fund Revenues/Sources

- **\$9,419,752** Bond Receipts
Projected for FY19 is the issuance of tax-exempt bonds to fund specific projects. At the time of the drafting of this document the estimated gross bond receipts were \$9,419,752.00. A variety of issues could alter this amount up or down as the final interest rate and issuance costs are not finalized. No other significant source of revenue is anticipated for the fund in FY19.

2018 Bond Projects Fund Expenditures/Uses

- **\$250,000** Issuance Costs

Industry standard indicate approximately \$250,000 in pre-issuance cost can be expected. These costs are rolled into the final bond issuance and then distributed to the respective parties (i.e. netted out of the monies received by BBRD). For clarity and due to accounting standards, these costs are shown as a separate expense and the gross bond receipts are also shown versus just the net receipts. If the BOT ultimately decides to secure a 15-year bank loan instead of the planned 30-year bond, these costs would be greatly reduced.

- **\$651,000** Reimbursement to the General Fund

Eligible expenses are reimbursable prior to the issuance of the bonds. Due to the uncertain timing of the receipts, staff conservatively estimates 66% of FY18 General Fund New Administration Building project can be planned for reimbursement to the General Fund. Said expense is shown as a transfer to the General Fund in FY19.

2018 Bond Projects Fund Decision Points Summary

Since all projects within the fund are new to FY19, the use of a separate decision point summary table (as used for the General Fund in the “Budgetary Detail” section) is omitted to avoid redundancies. The value listed next to the title of the projects is the total project budget versus the FY19 Approved Budget. A breakout of the multi-year budgets can be found in the 5yrFM&CIP Section of this document.

Expenditures/Uses Included in the FY19 2018 Bond Projects Fund Budget

- **\$284,748** New Administration Building (final 10% of building construction, data/phone system, furniture, access road, parking, generator, removal of old building, etc.)

This is the continuation of the project begun in 2015 within the General Fund. To the right is the current estimated cost projections for the project. Once the new building is completed, the access road, parking and drainage facility will be installed by a third-party. Simultaneously, the telephone/data and security systems will be installed by a separate vendor.

I estimate staff will be able to occupy the new building sometime between November and December 2018. Once the new building is occupied, the old building will be removed, and final site restoration work will be completed.

	Budget
Design and Permitting	88,970
New Building (plus access road and short-term parking)	925,756
Construction inspections services	24,200
Allowance for change orders (3%)	(6,000)
Telephone/data system	33,000
Internal security system	4,000
Furniture (not all existing being replaced)	21,000
Old building removal	4,000
Site restoration and landscaping	3,800
Emergency backup generator	75,000
Total	1,173,726

- **\$250,000** New D-E/19th Hole/Pro Shop Complex

This \$5,000,000 project is comprised of the removal of the existing structure and the construction of a larger building with the 19th Hole, meeting rooms D&E and the Pro Shop under one roof as compared to the current three separate buildings. The conceptual design phase was funded in the General Fund as separate projects (FY16 and FY18). FY19 Approved Budget contains funding for the specific site plan design and construction drawings. Funding is planned in FY20 and FY21 for the demolition and construction phases (After adoption of the FY19 Budget, the BOT decided to delete this project from consideration in lieu of a much smaller D/E renovation project and construction of a new building

behind the Shopping Center. Said changes are not listed within this document since they occurred after the adoption of the budget.).

- \$159,500 Upgrade Electrical Infrastructure in Building A
This previously General Fund project will complete the replacement of obsolete electrical equipment and upgrade the building to meet current and future needs. This project is planned to be conducted simultaneously as the HVAC Replacement/Upgrade project listed below and will meet the needs of the Building A Kitchen Expansion project.
- \$110,000 Building A HVAC Replace/Upgrade
Based on an analysis of the HVAC system, this project will replace the aging units and provide other upgrades that will improve the energy efficiency of the building and extend the expected useful economic life of each HVAC unit. This project is planned to be conducted simultaneously as the Upgrade Electrical Infrastructure project listed above and will meet the needs of the Building A Kitchen Expansion project.
- \$350,000 Lounge Enlargement
This new project would increase the square footage of the Lounge by 50%. Current General Fund projects that are impacted by the changing foot print of the building will be delayed until this project is completed (late FY19) (After the adoption of the FY19 Approved Budget, the BOT voted to explore the alternate options of a 100% expansion versus a scrap and rebuild. No decision on the course of action was made at the date of this document.).
- \$80,000 Replace Electrical Infrastructure in Shopping Center
The BOT moved this current FY18 General Fund project into the 2018 Bond Projects Fund. This project will update aged electrical panels and permit the installation of additional parking lot lights (separate General Fund project scheduled for completion in FY19).
- \$93,870 Beach Projects, Ph. 3 (Restrooms)
The BOT moved this current FY18 General Fund project into the 2018 Bond Projects Fund. This project would replace the current port-a-potties and would require the installation of a septic tank, drain field and new building.
- \$87,000 (Golf Course) Lake Bank Restoration, Ph. 6 (left of 11 tee box, right of 16 green)
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund. All lake bank restoration projects are planned to be bid and executed via one contract.
- \$87,000 (Golf Course) Lake Bank Restoration, Ph. 7 (between holes 10 & 12)
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund. All lake bank restoration projects are planned to be bid and executed via one contract.
- \$87,000 (Golf Course) Lake Bank Restoration, Ph. 8 (right of 6, right of 2, right of 3 & behind 5)
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund. All lake bank restoration projects are planned to be bid and executed via one contract.

- \$87,000 (Golf Course) Lake Bank Restoration, Ph. 9 (right of 15, right of 14 & right of 14 green)
The BOT moved this planned General Fund project into the 2018 Bond Projects Fund. All lake bank restoration projects are planned to be bid and executed via one contract.

Expenditures/Uses Not Included in the FY19 2018 Bond Projects Fund Budget

- \$258,611 Additional Storage at Falcon Drive
This new project would seek to purchase one acre of the adjacent 8.26 acres and then construct an 1,800-square foot pre-engineered metal storage building. The purchase of the land would require approval of the voters due to BBRD's Charter (originally planned for the November 2019 ballot). However, during the budget workshops, the BOT removed this project from the 2018 Bond Projects Fund and did not add it back into the General Fund.

Accomplishments and Initiatives

FY18 Accomplishments

BBRD has a proud and rich heritage of providing quality recreation amenities for residents and guests while operating in a fiscally responsible manner. Due to the BOT making the New Administration Building project the top priority last year (after the FY18-22 5yrFM&CIP was adopted with the majority of the New Administration Building project being budgeted in FY19) and the on-going effort to issue approximately \$9.4 Million in bonds for specific projects, many FY18 budgeted projects and/or carry-forward projects from FY17 cannot be executed due to the need to ensure the General Fund balance does not go below the BOT adopted minimum fund balance policy of 20%. This uncertainty surrounding the issuance of the bonds and the possible appeal of the validation process by residents opposed to the financing required a cautious approach to project execution through the balance of FY18. Although some items listed below represent new initiatives, most are existing services/processes that staff has increased focus upon to meet residents' expectations.

Accomplishments/projects anticipated to be achieved/completed by 30Sep18:

- Repaired damages to amenities and buildings sustained from Hurricane Irma (impacted BBRD on 11Sep17)
 - Softball field fence
 - Building D/E fascia
 - Golf cart barn roof
 - Golf course Irrigation pedestals
- Completion of Community Center grant program
 - Bocce ball courts (4) replacements
 - Procurement of benches and covers for bocce ball and shuffle board courts
- Procurement of additional Christmas street and building lights and another shed to safely house them during the off-season
- BBRD's first budget kick-off townhall meeting
- Third straight "clean" financial audit
- Conversion of off-site monthly rental storage unit for records retention to on-site facility and comprehensive sorting and re-filing of long-term records.
- Transition to a new general liability and workers compensation insurance company thereby reducing costs and expanding coverage lines
- Institution of a new employee recognition program (i.e. rewards for ideas resulting in cost savings or safety improvement plus the ability to recognize work above and beyond the call of duty)

- Comprehensive revision of the policy manual and employee handbook (scheduled for summer of 2018)
- Inaugural Barefoot by the Lake Festival
- Installation of sun shades (i.e. “sails”) south of the Lounge
- Additional acquisitions of distressed properties and the removal of said homes under the Neighborhood revitalization program (planned for the summer of 2018)
- Replacement of Custodial mid-size truck
- Replacement of dump truck
- Replacement of Building D/E chairs
- Upgrade of Building D/E video recording system to meet the public access channel’s new high-def requirements
- Replacement of golf carts used by Property Services staff with heavy duty utility carts
- Replacement of Pool#1 heater with a larger (2.5 times) unit to address the seasonal breakdowns resulting from having a water temperature goal of 86 degrees Fahrenheit
- Restriping of parking lots
- Completion of Golf Course Grant program (restroom renovations, drainage improvements, and picnic area behind green #18)
- Continued Golf Course bunker repairs, replacement of cart paths and drainage improvements
- Replanting of Golf Course with palm trees (last two hurricanes resulted in the loss of many trees)
- Golf Course turf restoration #13 behind green
- Completion of Golf Course pump house construction (started in FY17)
- Completion of design and construction drawings for expansion of Building A Kitchen
- Completion of design and construction drawings for expansion of 19th Hole Kitchen
- New Administration Building project substantially completed
- Replacement of Building A asphalt shingle roofs with a metal roofs
- Pool #1 Walkway Roof Replacement
- Completion of phase II of replacement D/E Complex Conceptual Design (includes Buildings D&E/19th Hole/ Pro shop/Cart Barn)
- Concrete approach at west end of Guinther bypass to address erosion problems
- Conversion of two tennis courts into four Pickleball courts
- Various small scale stormwater projects
- Completion of Cherokee and Tamarind Stormwater projects
- Procurement of a sickle bar attachment to reach further down canal banks with Skid Steer boom arm

Ongoing Initiatives of Importance:

Excerpt from the FY15 WDPB Supplement:

“After digesting the previous section, the reader may be in a less than positive mind frame regarding the current status of BBRD regarding financial, operational and infrastructural aspects. I believe the exact opposite perspective is appropriate. A renaissance is only possible when a person or organization takes a deep look into the mirror and decides she/he can do much better.” – John W. Coffey, Community Manager

As predicted four years ago, BBRD is now riding a wave of positive change.

- Our golf course continues to be recognized as the best local public golf course (2018 being the fourth consecutive year of being voted “Best Public Golf Course” in the area)

- Enhanced DOR enforcement continues to improve the appearance of the community
- The Community Watch program, working in close cooperation with the Brevard County Sheriff's Office (BCSO) regular scheduled deputies and BBRD's off-duty deputy program personnel continues to increase the perception of security and aid the BCSO in gathering information about suspect properties
- Food & Beverage sales continue to climb with FY18 receipts projected to finish over 73.33% higher than FY10 total receipts
- Stormwater canal maintenance program is now in periodic maintenance mode and able to address minor canal bank erosion problems
- Management continues to increase transparency in operations and improve customer service with new technology. A sampling of past efforts includes:
 - Implementation of *ClerkBase*, a searchable web-based service for BOT meeting and minutes (to be eliminated in favor of a Web-based system which will provide a similar service along with other improvements)
 - Expanded use of *CitizenServe*, BBRD's on-line DOR Enforcement database to allow residents to search properties for existing violations and report new cases
 - Use of mobile phone photographs of social membership badge as identification when a resident forgets her/his physical badge
 - Use of *MailChimp*, a web-based bulk e-mail service to distribute information to residents who sign up for specific topics. Staff is making a concerted effort in FY18 to sign up more residents to the various areas of interest available under this program.
 - Use of a hot line phone number for use before, during and immediately after an emergency or natural disaster. The toll-free number is **1.833.664.BBRD (1.833.664.2273)**. Outside of these times the hotline goes automatically to a voice mail message instructing the caller to dial the Administration phone number during normal business hours. This hot line number is a method of expanding BBRD's ability to answer residents' questions outside of normal business hours before, during and after an emergency or natural disaster.

Needless to say, BBRD staff works to continually make Barefoot Bay a better place to live, eat and play every single day.

- Completion of the Property Services Preventive Maintenance Plan
 - Property Services staff started conducting an inventory of BBRD grounds, buildings and amenities (excluding the golf course) in FY16.
 - Due to the continued heavy workload of Property Services Department, I instructed staff last year to seek a web-based preventative maintenance solution rather than create one in house to speed up the execution of this vital initiative. It was hoped that such a solution could be found by the end of 2017 and incorporated into this document.
 - Due to the uniqueness of BBRD (not having in-ground or aerial utilities to maintain) commercial products reviewed last year are either too small in scope or too large and costly to justify their procurement.
 - The current work order web-based system (FacilityDude) appears to offer the best cost-effective solution to our needs but significant training is required to better use the system to establish a preventative maintenance program. Staff is planning on sending an employee to an out-of-state travel to the vendor's annual training session and will provide that information at a future BOT meeting for BOT approval per Policy Manual requirements.

- Employee Job and Safety Training
 - The importance of a properly trained workforce cannot be overstated. When I arrived at BBRD five years ago, workers compensation rates were double the industry standard due to high cost and number of claims in previous years. Staff has worked diligently to reduce workers compensation claims and BBRD experienced a significant decline in premiums in FY18 as a result.
 - Each department provides group and/or individual safety and job-related training as dictated by the work involved in each job classification by their immediate supervisor and/or department manager.
 - The use of outside trainers began in FY17 and continues going forward.
 - Specific training for jobs continues to be refined and improved, such as the development of an official “BBRD recipe book” for all cooks to use was implemented in 2016 and is in the process of being updated by the new Kitchen supervisor. The consistency of quality and portions has increased as the result of said revision.
 - The use of pre-employment and return-to-work lift testing for positions with heavy lifting requirements (started in FY16) continues to show dividends as individuals not capable of safely performing specific jobs are now disqualified prior to starting work.
- Leveraging Federal and State Monies Through Grant Programs
 - Completed Projects
 - Land Water Conservation Fund (LWCF). The \$400,000 (50% match) Community Center Park Project was completed in early 2016 and closeout paperwork submitted for reimbursement. BBRD originally submitted documentation to receive \$198,222 reimbursement. However, due to changes in state requirements a lesser amount (\$129,089) was received in FY18.
 - Florida Recreation Development Assistance Program (FRDAP). The \$50,000 (no match) Community Center Park Phase 1 Project was awarded to BBRD in 2015 and was budgeted in FY17. The first component of the program (shuffle board court resurfacing) was completed in FY17 and the remaining major components (bocce ball court rebuilds and acquisition of benches with covers) were completed early this year. Elements of said project are included within the 5yrFM&CIP section of this document. Reimbursement of the project costs was promptly received by BBRD.
 - On-going Projects
 - Florida Recreation Development Assistance Program (FRDAP). The \$50,000 (no match) Golf Course Project was awarded to BBRD in FY15 and was budgeted in FY17. All elements of said program were anticipated to be completed by the end of FY18. As of the date of this document a few minor procurements are outstanding and anticipated to be completed by the end of calendar year 2018. Reimbursement of the project costs is anticipated in FY19.

FY19 Initiatives (non-R&M/Capital Projects)

- Financing of specific capital projects
 - The BOT began in the summer of 2017 discussing the possibility of financing certain capital projects through the issuance of long-term debt. Initially, the BOT developed an expansive list of projects to be considered for financing. Multiple workshops refined this list along with the aid of BBRD’s engineering firm in the development of rough order of magnitude cost estimates. At the end of November 2017, the BOT had refined their list to 26 projects costing an estimated \$8,230,661.

- As required by the BOT adopted FY19 Budget preparation calendar, I submitted a financially feasible 5yrFM&CIP (containing two separate 5yrFM&CIPs for each fund) to the BOT on 11Jan18. Although not intended as any particular commentary on the list developed by the BOT in 2017, I refined the list to maintain R&M projects within the General Fund (shorter useful economic lifespans), listed major capital projects within the 2018 Bond Projects Fund (to be able to properly track monies derived from any debt issuance and to align similar projects in one of the two funds). Hence, the FY19-23 2018 Bond Projects Fund 5yrFM&CIP contains \$9,169,752 in project related costs (plus an estimated \$250,000 in bond issuance costs). The BOT did not make any changes to either 5yrFM&CIP at their review workshop on 30Jan18 (Although the BOT did start making changes to the 2018 Bond Projects Fund list of projects after adoption of the FY19 Approved Budget. As referenced elsewhere, those changes are not incorporated into this document.).
- In 2018, the BOT hired Mr. Clark Bennett as BBRD's official financial advisor and has discussed the issues involved in financing projects with the BOT. Multiple workshops and meetings have been held without a firm consensus of which projects and the budgets of said being developed as of the date of this document.
- The development of the basis of this document was based on the following assumptions:
 - The issuance of bonds will occur in the first quarter of FY19
 - Unless otherwise specifically described, the term "tax-exempt bonds" shall mean either 30-year bonds or a 15-year bank loan
 - A new "capital projects" fund (to be called the "2018 Bond Projects Fund) will be established to account for all transactions associated with the monies received and expended for projects to be financed
 - \$700,000 will be sufficient for the first year's debt service payment
 - The bond issuance will require annual pre-funding of the debt service payment (i.e. transfer of FY20 debt service payment into the Debt Service in FY19 via an inter-fund transfer from the General Fund)
 - The cost of issuing 30-year bonds is used as it is the higher cost of issuance as compared to a bank loan and reducing the cost of the overall bond program will be easier to do than increasing the costs after the FY19 Budget is adopted.
 - If the issuance of the bonds is significantly delayed or canceled, the BOT may need to review the General Fund FY19 Approved Budget since the one-time transfer from the 2018 Bond Projects Fund and the transfer of monies to the Debt Service Fund will largely cancel each other out thereby leaving very little money for R&M/Capital projects already budgeted but currently deferred.
- Transition of Resident Relations staff to New Administration Building
 - Completion of the New Administration Building in early to mid-FY19 will have administrative staff within the Office of District Clerk, Finance Office, Resident Relations Department and Food & Beverage Department working in one building to provide residents and guests "one-stop shopping" for all their needs with BBRD staff. Consolidation of staff from their existing locations will be time intensive and probably require a minimum one-day closure of all offices and the use of overtime for staff to work through a Saturday to make the move in a minimally disruptive manner as possible to residents. The fact that this relocation will probably take place during the winter season only adds to the complexity of the situation.

Challenges within the FY19 Approved Budget

The old adage of “there are no problems money cannot solve” is as true as ever, but BBRD like most public entities does not have unlimited resources. Department managers developed their budget requests under the guidance that essential needs will be funded, service quality improvements will have priority and excessive budgets for unidentified needs will be scrutinized and reduced if needed. The Finance Manager and I worked with each department manager to develop win-win results within their budgets to fund the majority of requested items while staying within the framework of 1.50% annual and one-time specific increases in the assessment while acknowledging the need for an annual 2.5% increase in food and beverage prices (due to rising product and employee costs) within the FY19 Approved Budget. However, other challenges, both monetary and non-monetary still face BBRD including:

- Impact of the Patient Protection and Affordable Care Act (PPACA) often referred to as “Obamacare” on personnel costs
 - 36.36% (12 out of 33) of employees eligible to elect employee funded medical insurance did not choose coverage during the FY18 open enrollment period. BBRD costs could rise significantly simply by new employees (through attrition) electing the available coverage. Specifically, if all 12 (including the two new full-time positions approved for FY19) positions turned over in a single year, BBRD would incur an additional \$127,249 in health insurance premiums which equates to an increase in the assessment of \$2.17. Additionally, if any of the 12 were to elect dependent coverage this amount would significantly increase.
 - In 2017, the BOT increased the employer percentage paid toward premiums from 75% to 80% for employee only coverage and from 0% to 25% for dependent coverage. Subsequently, one employee elected one of the options for dependent coverage in FY18. Additionally, the BOT stated their intent to incrementally increase the employer paid percentage of health insurance premiums to 90% for employee only coverage and to 50% for dependent coverage although no specific deadline was set. The FY19 Approved Budget uses a 15% increase in health insurance premiums. Only when renewal quotes are received in late August to early September will the BOT be able to make the final decisions regarding the specifics of coverage.
 - Due to Obamacare’s required use of an employee census (listing of age of each employee) and insurance experience (prior year’s use of medical insurance and resulting cost to carrier), BBRD will likely see double digit or high single digit increases in medical insurance costs for the foreseeable future. BBRD can expect to pay higher rates than comparable public-sector entities since we have an older than normal workforce coupled with recent experience of employees having costly medical treatments.
 - 2017 ushered in the federal tax on “Cadillac” health insurance plans. Although BBRD’s plan is not defined as a “Caddy,” some staff currently use their spouse’s insurance due to their “Caddy” benefits. The most likely scenario BBRD may face is employers (of BBRD employees’ spouses) providing “Caddy” insurance plans will simply increase the cost to cover spouses and/or children forcing them into other plans (such as BBRD’s employee plan) or into the Obamacare marketplaces. Anticipating the possibility of one or more employees leaving their spouse’s insurance plan, staff budgeted funding in contingency within Administration: Finance to cover up to two employees in the event of increased election of coverage this fall. If no additional employees elect medical coverage, the budget can be used for unanticipated expenses.
 - Uncertainty of the impact of the Obamacare “penalty” for individuals not having medical insurance coverage. Currently, experts are divided whether the removal of the penalty for not having insurance will have a positive, negative or neutral impact on future group rates. In the absence of the repeal or dramatic revision of Obamacare, BBRD can expect double digit annual increases to health insurance premiums that not only are costly to BBRD but significantly decrease

the take home pay of employees. Long-term impact of declining take home pay for key full-time positions is potentially costly in terms of turnover and declining employee skill sets as organizations with richer health insurance plans will be more attractive for prospective employees.

- Conflicting desires of residents for use of limited facilities
 - Staff and the BOT continue to witness resident frustration over the limited size of BBRD meeting rooms and Food & Beverage facilities. No short-term solution, except increased patience and understanding on the part of residents, is possible. The construction of New Administration Building in FY18 and early FY19 will help alleviate this problem with the addition of a new small meeting room available to residents, clubs and organizations. Lastly, the reader should be aware of a real estate statistic that speaks volume to the differing opinions of residents. Namely, *median* home value in BBRD was approximately \$88,000 in 2015. When one considers that one-half of residents' homes were less than \$88,000 in value, it is not a stretch to infer the wide variability of household disposable income, and therefore, the differing of opinions on the level of the annual assessment and quality of optional amenities (i.e. food, drinks, golf green fees, etc.). A brief survey of on-line realtor companies indicated that the overwhelming majority of homes for sale are still within the \$80,000-\$115,000 range as of the date of the document. Homes for sale at the extreme low and high ends outside this range were also present but were considerable fewer in number. No easy answers will be found regarding this issue anytime soon other than an acceptance of a growing level of disagreement within the community regarding costs and prices.
 - As the BOT moves forward with plans to issue tax exempt bonds for various projects the probability of the current D/E Complex (19th Hole/D&E/Pro Shop/Cart Barn) being demolished and a new expanded building being constructed grows (Although this statement was correct at the time of the budget review, shortly thereafter, the BOT decided to discontinue plans to scrap and re-build the complex. The following language is retained in the original format as this was the information available to the BOT and the public at the time of the adoption of the FY19 Approved Budget.). In anticipation of the loss of the D/E meeting rooms for 9-12 months, staff has developed a tentative plan for prioritization of remaining meeting space during said construction:
 - Temporary scheduling priorities
 - Food & Beverage would have Building A for two fixed nights a week
 - The BOT would have Building A reserved for four meetings/workshops a month. After the end of each meeting during the construction process, staff would open any unused reservations (within the next few weeks) for other club/organization's use
 - Large clubs/groups that meet currently in either D/E or A would shift to every other month meeting schedule in Building A
 - Small social groups (under 50 regular attendees) would be encouraged to form temporary alliances with other small groups to be able to use Building A
 - Small groups that do not join in temporary alliances for meeting space will be limited to quarterly meetings at a maximum in Building A
 - Very small groups would be able to use the New Administration Building public meeting room (to be scheduled through the calendar coordinator)
 - Clubs/organizations desiring to hold Christmas parties in Building A will be limited to 4-hour durations and will be required to choose from either 1-5pm or 6-10pm slots to maximize the number of clubs/organizations that can hold such events
 - The BOT needs to instruct staff how the BFBHOA is to be treated. Currently, there are mixed signals whether the BFBHOA is just another club/organization or does it warrant

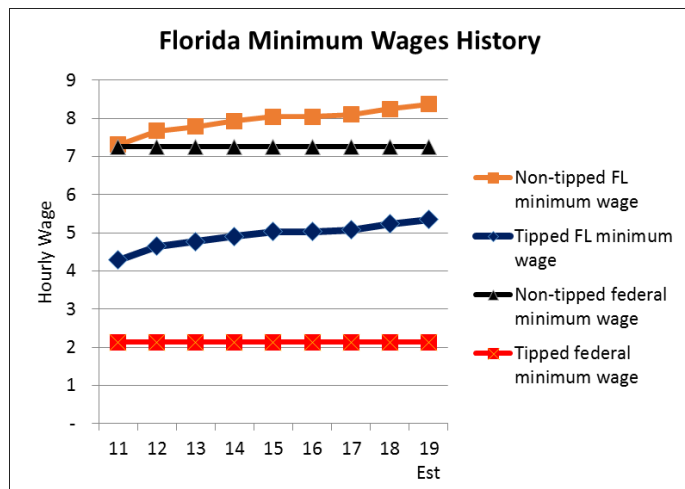
special treatment (i.e. more important than other clubs/organizations but less important than the BOT or BBRD functions).

- If the project is on track to begin in Spring 2020, staff would announce the new temporary rules in January 2019 and require all clubs/groups to submit reservation requests no later than end of March 2019 for the duration of the construction project. Staff would then announce no later than 01May19 the schedule of meeting rooms for FY20 (beginning October 1, 2019). The reader should note that after the adoption of this document, the BOT decided to not pursue this project in favor of a smaller renovation of Building D/E and the construction of a new building behind the shopping center. The original language is retained for the edification of the reader into the planning thoughts of staff regarding the development of the FY19 WDPB and later FY19 Approved Budget.
- Continued decline in golf memberships coupled with high number of rounds of golf being played by members each year
 - Thanks largely to Golf Operations Manager Ernie Cruz (hired in late FY15) the Golf-Pro Shop has witnessed unprecedented revitalization and recognition.
 - The course was voted “Best Public Course” in southern Brevard by readers of a weekly newspaper for the fourth straight year (2014-2018).
 - Membership at the course has been in a downward death spiral for much of the past two decades. In a 16-year span, memberships went from 805 in 2001 to the current low of 319 (as of early March 2018). Additionally, many residents in 2017 dropped their family membership and only renewed a single membership (as one spouse deciding they no longer could play enough golf to justify the costs). An analysis of a recent 12-month period (in 2017) of new homeowners found only 1.28% of them purchased golf memberships compared with the 4.36% of BBRD residents (in 2017) who have golf memberships. Clearly, a continued decline in memberships can be expected.
- Disagreement among residents over the level of direct cost of the Golf-Pro Shop Department and related R&M/Capital projects funded through golf fees
 - At the request of a trustee, the following rough breakout of cost was developed to illustrate the approximate allocation of current costs regarding the operations of the department. Although some people continue to denigrate the conditions of the course, it is my belief that most golfers are pleased with the direction the department is headed.
 - Specifically, I believe there are five pathways the department can take in the next 10-20 years:
 1. Continued operations as an amenity seeking the highest level of quality grounds and service as is feasible
 - \$232,019 Quality course costs (plus the base level amenity cost of option #2)
 - \$86,741 Department Management (2.0 FTE, full-time, with offset reduction in clerk hours)
 - \$34,451 Additional Pro Shop staff (1.0 FTE, Pro Shop Coordinator in charge of inventory)
 - \$9,260 Additional Player Assistant staff (0.41 FTE)
 - \$30,000 Additional repair and maintenance projects (does not include capital projects in R&M/Capital Department and can vary by year)
 - \$71,568 Additional operating expenses (Pro Shop operations, tournaments, Junior golf Clinic, etc.)
 2. Converting the course to a basic “no frills” course where minimum improvements are made, and decision makers are aware of the slow and gradual decline in quality of the course
 - \$653,321 Base level amenity cost

- \$456,759 ABM maintenance costs
- \$85,403 Minimal Pro Shop Clerk positions (3.5 FTE all part-time)
- \$24,809 Minimal Player Assistant positions (1.28 FTE part-time paid, additional volunteer)
- \$15,000 Minimal repair and maintenance projects
- 3. Closure of the course and maintenance of the grounds as unimproved common area (mowed once a week with a large field mower and no effort is made to maintain an exclusive Bermuda turf)
 - \$120,000 Required costs if course is closed
 - \$32,206 Groundskeeper (1.5 FTE, all part-time)
 - \$26,582 Crew Leader (0.50 FTE, full-time with benefits)
 - \$50,000 Equipment lease-purchase costs (tractors to mow, maintenance carts, etc.)
 - \$10,400 Fuel and supplies
- 4. Closure of the course and conversion to a mixture of passive and active recreational amenities (due to the complexity of this option, no cost estimates were made as the range is only limited by one's imagination when considering how to re-develop 40 acres of land)
- 5. A fifth option is occasionally mentioned by residents, namely converting the acreage to new homes. I believe this option is not financially feasible, based on the current value of empty lots and the cost of installing all the needed infrastructure (water, sewer, drainage, electricity, roads, etc.), and therefore I did not explore it.
- Wage Inflation Primarily due to the Florida State Minimum Wage Law

- In 2005 the State of Florida enacted a state minimum wage law that is indexed to inflation and resets each January. The impact of the state law as compared to federal minimum wage rates can be seen in the chart to the right. Additionally, over the last 8 years, the Florida minimum wage has grown as follows:

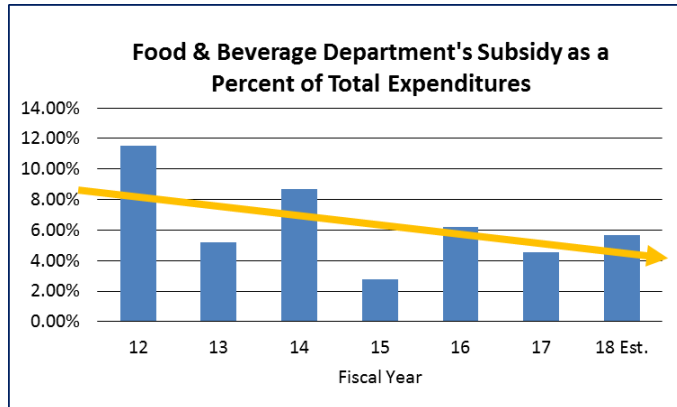
- Tipped minimum wage increased 24.7% from 2011 to estimated 2019
- Non-tipped minimum wage increased 14.5% from 2011 to estimated 2019



- The impact upon BBRD is primarily felt in the Food & Beverage and Property Services Departments which have the highest percentage of low skilled positions. Although most years' 3% maximum employee incentive (COLA and merit increase) exceeds the increase in the state minimum wage, if inflation ever heats back up in future years, BBRD could see much larger payroll increases as the base of the employee pay and classification plan is indexed from the state minimum wage.
- Tipped minimum wage in Florida is calculated as \$3.02 less than non-tipped minimum wage so the actual percentage increase is higher each year for the tipped minimum wage. Hence, even if non-tipped minimum wage does not exceed the budgeted 3% increase, the tipped minimum wage will probably exceed said threshold.

- Challenges in soliciting bids and quotes for R&M/Capital projects
 - BBRD continues to face challenges in obtaining quotes from vendors for R&M/Capital projects. It is not unusual for staff, when calling a vendor about submitting a proposal for a project, to be told “we do not work for Barefoot Bay.” The primary reason appears to be a hard to shake reputation started years ago of BBRD being a difficult place for vendors to work. This reputation, which in my opinion had a degree of validity years ago, was based on vendor interactions with previous staff and residents. I do not believe this to be true now, but as the old saying goes “bad reputations are easy to get, but hard to lose.”
 - The location of BBRD probably also factors into this issue. Although many residents may view the BBRD/Micco area as a sizable population center, the number of quality trades vendors is rather limited. Population centers of Melbourne/Palm Bay/West Melbourne (195,000, 2017 estimate) and Vero Beach (15,000, 2017 estimate) require significant travel for vendors to visit work sites to develop proposals and commutes that add to the cost of projects further discouraging vendors from responding to requests for quotes/bids/proposals.
 - The interactions of unhappy residents with vendors is contributing to this problem. Within the early part of FY18, BBRD’s civil engineer of record was inspecting work performed in the rear of some homes (within drainage easements) and was shocked at the vulgar and abusive language some residents made toward him and the contractor in general. Ironically, the engineer deemed the work satisfactory and closed out the contract as opposed to the view’s expressed by the homeowners.
- Continued disagreement among residents of how Food & Beverage Department should operate
 - Four years ago, the Food & Beverage Department had not (in the recent past) ever been given formal direction from the BOT regarding how it should be operated. Individual trustees had strong opinion, but they varied and were given to either the department manager or community manager individually rather than as official BOT direction. From FY10 through FY13 (prior to my arrival), total departmental revenues grew only 8.40% over the three-year period.
 - To formalize BOT direction, a document was developed based on exhaustive data analysis and was reviewed and adopted by the BOT in 2014. This F&B *Principles of Operations* clearly stated that the department is to be operated as an amenity where maximum hours of operations is more important than generating a surplus or breaking even, although management is to minimize the required subsidy as much as possible. The required subsidy was clearly demonstrated to be a function of summer hours that are not profitable. In the revised 2016 edition, management was given the flexibility to modify hours slightly to further reduce the subsidy yet full operations during the unprofitable summer months was retained.
 - Based on the F&B *Principles of Operations* adopted by the BOT and the organizational embrace of the professional management style I brought to BBRD in early FY14, total departmental revenues grew an astounding 49.85% the next three years (through the end of FY17).

- As the chart to the right illustrates the amount of the required annual subsidy is trending downward over the last several years when viewed as a percentage of total departmental expenditures. The cyclical increase and decrease is attributed to management trying to be responsive to residents and BOT concerns (i.e. greater consistency of service was an issue in 2015 and the BOT increased the number of full-time positions in FY16 as a result) and to variability in customer level and seasonal and/or weather patterns.



- The reader should note the estimated subsidy for FY18 of \$65,270 in the previous chart is higher than the \$44,270 as listed in the “Budgetary Detail” section of this document (page D-21). This difference is due to the timing of work done on differing parts of this document. Time does not permit everything to be drafted, reviewed, edited and printed in the last two weeks of March (after end of February revenue and expenditure report is published). Hence, the budget detail is largely set by the end of February (with exceptions made for significant revenue streams) and the Transmittal Letter is the last section to be drafted and therefore has the most up-to-date information contain herein. The differences in the two projections is largely the result of the following issues that total \$31,792:
 - \$11,678 decrease in January revenue over FY17 due primarily to poor weather on street dance days
 - \$4,600 paid out in vacation and sick time to an employee who retired from full-time work (although remains as a part-time employee)
 - \$3,123 paid out in sick time to an employee who was on medical leave
 - \$6,345 increase in employee insurances premium costs due to a new employee electing coverage not used by his predecessor
 - \$6,046 increase in overtime expense over last year due to sustain operations while multiple culinary positions were vacant and existing part-time staff were close to their Obamacare maximum hours allowed to work
 Total increase in expenses over FY17: \$20,114
- Last year, the BFBHOA conducted a resident census and survey that asked (among many other questions) how the Food & Beverage Department should operate. One possible answer was for the functions to be privatized. Sadly, I do not believe most people who completed the survey realized my staff is not currently allowed to operate the department under the parameters that a vendor would enjoy (freedom to set hours of operations and a decreased level of political interference regarding personnel issues). The percentage of respondents desiring this option was significant but fell far short of being a majority.
- Two decision points listed within the FY18 Approved Budget (see pages D-68&69) but not recommended for inclusion in the FY18 Approved Budget by me or included in the FY18 Approved Budget by the BOT addressed the elimination or at least a dramatic decrease of the required subsidy of the Food and Beverage Department in FY18. I did not recommend them last year because they are contrary to the current F&B *Principles of Operations* as adopted by the BOT last year. However, I asked the Food & Beverage Manager to develop them due to the constant complaints I hear from residents and individual trustees in my office about the annual subsidy. It was my hope that their inclusion in this document would spur a healthy debate by the BOT and

community during the budget workshops and either confirm the status of the *Principles of Operations* or spur the BOT to revise the *Principles of Operations*. Said debate did occur with a majority (not all) of the BOT confirming the desire to continue with an operational subsidy to maintain operations during the unprofitable summertime. Sadly, I fear this issue is still not resolved as many people believe that “bigger kitchens” or “bigger dining areas” will cure the historical need for an operating subsidy.

- Confusion among residents and stakeholders regarding increased complexity of FY19 Budget due to addition of the 2018 Bond Projects Fund and reestablishment of the Debt Service Fund.
 - Although previously mentioned, it goes without saying the added complexity of this document resulting from the planned issuance of tax-exempt bonds cannot be under-stated. Staff’s past efforts in communicating directly with residents via BOT meeting messaging, articles in the *Tattler*, the *Peek at the Week*, bulletin board postings, www.bbrd.org, bulk e-mail messages, snipe signs, etc. have improved the conveyance of information but illustrates improvements can still be achieved. Statistics of the bulk e-mail system during the week leading up to Hurricane Irma’s landfall illustrated that on average less than half of enrollees were opening the messages within a 24-hour period of receiving them.
 - To better explain the Proposed FY19 Budget via the required mailout notice to all property owners, staff sent out a 4-page (front and back) document this year as compared to the typical 2-page (front and back) flyer used in past years.

Summary and Acknowledgements

The FY19 Approved Budget represents the accumulation of many hours of teamwork by staff, to provide a transparent policy and fiscal guide for the Board of Trustees (BOT) to review and ultimately approve a budget for the next year. BBRD does not rise or fall on the work of any one individual but as the results of each employee working as a team to deliver services as identified and requested by the BOT. This document is one of many fruits of the labor of employees and the policy direction of the BOT.

The reader is encouraged to remember that the state of BBRD is not only the result of the current efforts of the BOT and staff but is built upon the foundation built by previous Trustees, residents and staff. What we have today in BBRD is an inheritance given to us by those who have previously walked the path that we have before us today. The strength of BBRD is found in the cohesiveness of the team approach now in place among management and staff operating under the policy direction from the BOT. Although a few would like to return to the days of one trustee micromanaging staff, most informed residents now understand the benefit of a professionally and ethically ran organization.

I would like to personally express my appreciation to those individuals who have enabled the production of this FY19 Approved Budget document. I am humbled every day to be entrusted by the BOT to serve as your Community Manager. This position is not one that is taken lightly and I strive every day to manage operations in a manner that builds upon successes of my predecessors and that executes policy direction of the BOT. Each BBRD employee deserves specific recognition for her/his role played in our organization, although space does not permit me to specifically recognize each employee individually. However, Dawn Myers, District Clerk, and Naomi Davis, Receptionist, merit special recognition for their dedication to BBRD and support they have provided in the development of the FY19 Approved Budget. Finance Manager Charles Henley, warrants special recognition for his time devoted to assisting the other department managers in their personnel budgeting. His efforts in providing greater accuracy in the development of these numbers are a testimony to his professional work ethos and character. Lastly, I wish to thank Susan Cuddie, retired Resident Relations Manager/Human Resources Coordinator, for her years of service to

BBRD and her professionalism and comradery over the four and half years we served together. Her portfolio was as diverse as one could imagine yet Ms. Cuddie excelled in all endeavors. I am happy for Sue in her retirement but will miss her each day going forward. With that being said, any errors or omissions contained within the FY19 Approved Budget are solely my responsibility.

In conclusion, as I have served you and our community for the past five years, I am humbled by the privilege to come to BBRD every day and be entrusted with the responsibility of managing this organization. I believe as the BOT and staff work together we are making BBRD the *perfect place to live, work and play*.

In public service,

John W. Coffey
Barefoot Bay Recreation District Community Manager



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