



BAREFOOT BAY RECREATION DISTRICT

October 1, 2017

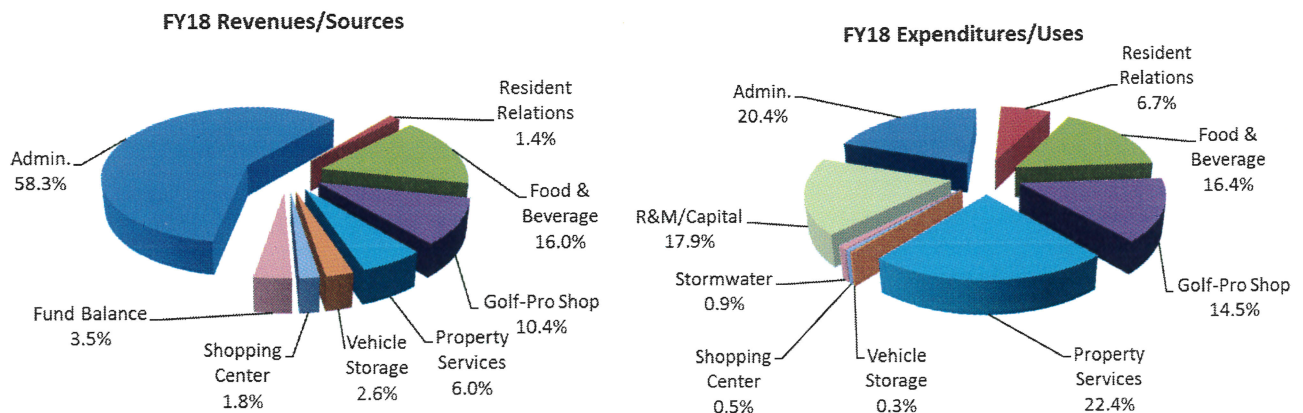
Dear Honorable Trustees and Residents of Barefoot Bay Recreation District,

It is my professional honor and pleasure to present to you the FY18 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 as the line item budget as requested by the department managers and assembled and balanced to available revenues by the Finance Manager and me. The Five-year Financial Model and Capital Improvement Plan (5yrFM&CIP, as incorporated herein) was reviewed by the Finance Advisory Committee prior to Board of Trustees (BOT) review and endorsement on 31Jan17. On 10Feb17, the BOT abolished all advisory committees (while retaining the two quasi-judicial committees: Architectural Review Control and Violations) and restored the historic submittal date of April 1st for this document. On 27Jun17, the FY18 Proposed Budget was adopted by the BOT thereby becoming the FY18 Approved Budget that is the basis of this document.

FY18 is the first debt free fiscal year in the history of BBRD. Although small loans and financing mechanisms remain in use (i.e. stormwater loan, fleet golf cart financing, copier financing, etc.), the cost of these are nominal and could be paid off in a single year if so desired. Financing certain items, as previously listed, are done for payment smoothing effects over multiple years rather than being beyond the ability of BBRD to pay at one time (as was the case of the \$8,500,000 loan for the purchase of the common area). In FY15, the BOT decided through the 5yrFM&CIP review to hold the assessment rate steady and reinvest surplus revenues in future years into service enhancements and increased R&M/Capital projects. The FY18 Approved Budget continues this approach with \$1,062,100 in R&M/Capital projects and \$3,064,482 planned for the five-years of FY18-22.

Revenues and Expenditures Summary

The General Fund FY18 Approved Budget is presented balanced at \$6,223,707 (with use of fund balance). The total revenue/sources and total expenditures/uses are each \$54,253 or 0.88% higher than the FY17 Original Budget. When use of fund balance is removed from both years, the FY18 Approved Budget is \$54,253 or 0.88% higher than the FY17 Original Budget.



The FY18 Approved Budget is based on an assessment rate of \$738.00 per year per lot.

	FY 16	FY17	FY 17	FY 18	FY 18	FY 18
	Actual	Original	Est.	Base	Decision	Approved
		Budget	Year-end	Budget	Points	Budget
Revenues/Sources						
District Clerk	16,965	3,385	5,550	5,750	-	5,750
Finance	3,575,502	3,535,700	3,550,939	3,533,225	87,822	3,621,047
Administration	3,592,467	3,539,085	3,556,489	3,538,975	87,822	3,626,797
Customer Service	69,653	81,709	77,884	77,800	-	77,800
DOR	21,550	8,000	16,135	9,300		9,300
Comm. Watch	-	-	-	-	-	-
Resident Relations	91,203	89,709	94,019	87,100	-	87,100
Administration	-	-	-	-	-	-
Lounge	331,636	273,190	376,129	385,592	-	385,592
19th Hole	384,673	386,301	369,715	378,965	-	378,965
Pasta Night	64,019	71,789	50,650	51,916	-	51,916
Special Events	147,157	174,049	174,405	178,951	-	178,951
Food & Beverage	927,485	905,329	970,899	995,424	-	995,424
Golf-Pro Shop	629,506	826,306	616,338	617,761	30,452	648,213
Buildings	-	-	-	-	-	-
Grounds	-	-	-	-	-	-
Custodial	-	-	-	-	-	-
Pools	-	-	-	-	-	-
Recreation	257,845	260,000	249,500	245,000	127,400	372,400
Property Services	257,845	260,000	249,500	245,000	127,400	372,400
Vehicle Storage	127,676	147,590	145,790	147,162	14,240	161,402
Shopping Center	124,797	114,435	92,024	115,063	-	115,063
Stormwater	165,000	-	-	-	-	-
R&M/Capital Projects*	-	287,000	198,222	50,000	167,308	217,308
Total Revenues/Sources	5,915,979	6,169,454	5,923,281	5,796,485	427,222	6,223,707

* Indicates Grant Department was closed at end of FY16 and FY16 expenditures are combined into R&M/Capital Department for said fiscal year.

The FY18 Approved Budget is based on an assessment rate of \$738.00 per year per lot.

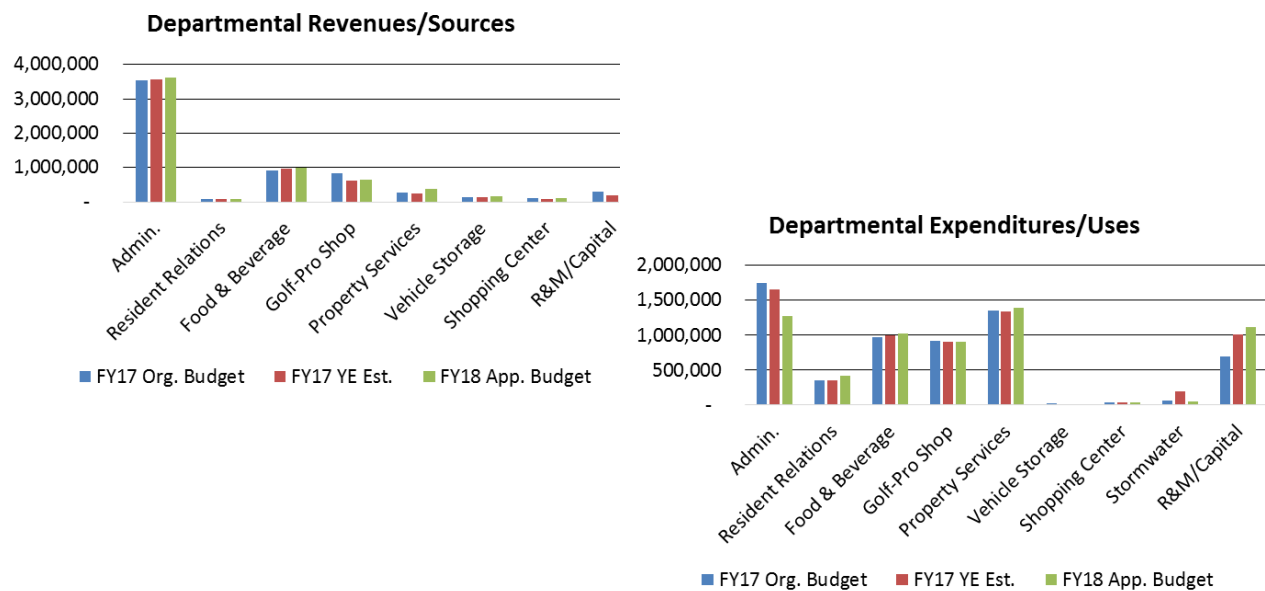
	FY 16	FY17	FY 17	FY 18	FY 18	FY 18
	Actual	Original	Est.	Base	Decision	Approved
		Budget	Year-end	Budget	Points	Budget
Expenditures/Uses						
District Clerk	590,615	621,369	669,062	586,082	11,074	597,156
Finance	1,046,886	1,129,976	984,417	670,871	-	670,871
Administration	1,637,501	1,751,345	1,653,479	1,256,953	11,074	1,268,027
Customer Service	116,361	125,690	129,598	138,645	-	138,645
DOR	195,603	175,028	187,902	202,446	(4,000)	198,446
Comm. Watch	N/A	50,000	33,153	80,766	-	80,766
Resident Relations	311,964	350,718	350,653	421,857	(4,000)	417,857
Administration	79,535	76,081	90,225	94,388	-	94,388
Lounge	331,218	276,151	344,067	350,210	-	350,210
19th Hole	419,575	421,115	381,043	392,942	-	392,942
Pasta Night	52,598	55,033	42,283	44,712	-	44,712
Special Events	105,649	140,198	135,714	140,833	-	140,833
Food & Beverage	988,576	968,578	993,332	1,023,085	-	1,023,085
Golf-Pro Shop	837,826	922,505	911,279	848,962	56,141	905,103
					-	-
Buildings	390,183	416,605	447,548	460,576	4,680	465,256
Grounds	167,404	185,297	170,446	167,187	-	167,187
Custodial	280,594	281,171	257,679	284,219	-	284,219
Pools	376,461	377,995	366,599	378,641	-	378,641
Recreation	91,684	90,822	97,114	98,246	2,200	100,446
Property Services	1,306,326	1,351,890	1,339,386	1,388,869	6,880	1,395,749
Vehicle Storage	17,097	18,579	15,095	15,602	-	15,602
Shopping Center	31,027	40,469	32,127	32,100	-	32,100
Stormwater	111,862	70,870	196,934	54,084	-	54,084
R&M/Capital Projects*	313,395	694,500	1,005,810	50,000	1,062,100	1,112,100
Total Expenditures/Uses	5,555,573	6,169,454	6,498,095	5,091,512	1,132,195	6,223,707
					surplus/deficit	-

* Indicates Grant Department was closed at end of FY16 and FY16 expenditures are combined into R&M/Capital Department for said fiscal year.

The FY18 Approved Budget is built upon the following parameters:

- A \$1.50 a month increase in the current assessment to \$61.50 a month
- A 10% increase in Vehicle Storage fees
- A 10% increase in Golf-Pro Shop membership fees
- A 10% increase in Golf-Pro Shop private cart user fees
- A 2.5% increase in Food & Beverage prices
- 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
- 7% increase in liability insurance premiums
- Elimination of the annual transfer to debt service fund (last payment was made in FY17)
- \$1,064,100 in R&M/capital projects
- \$50,000 in capital contingency
- \$29,012 in operating contingency
- Use of \$167,308 in fund balance for one-time projects to bring General Fund balance down towards 20% of annual operating costs over the 5-year period of the 5-year Financial Model and Capital Improvement Plan (5yrFM&CIP). FY18 will be the second and last year of budgeted use of fund balance as FY19-22 are projected to have total revenues/sources exceeding total expenditures/uses.

Multi-year charts for revenues/sources and expenditures/uses below illustrate the relatively stable revenue streams with the exception of Golf-Pro Shop Department due to continued declining membership. Expenditures tend to have more variability due to changing priorities of the BOT and the retirement of debt service (paid out of the Administration Department: Finance Sub-Department) in FY17 and the corresponding increase in R&M/Capital Department expenditures. Detailed analyses of changes in departmental numbers are provided on pages A-8 of this section.



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 FY18 Approved Budget is the first year where all personnel calculations are listed as FTEs. Previous year’s budget documents used a hybrid system of head count and FTEs as the conversion to use of FTEs is only reasonably accomplished in a proactive manner (i.e. converting historical data was too time consuming to warrant given staffing limitations).

FY18 will continue the current practice of operating most departments on a majority part-time staffing pattern. Historically, two departments, Administration and Golf – Pro Shop deviate from this norm. Through attrition, the Golf – Pro Shop Department transitioned in FY16 to a more part-time intensive staffing pattern. FY18 Approved Budget contains the following personnel change:

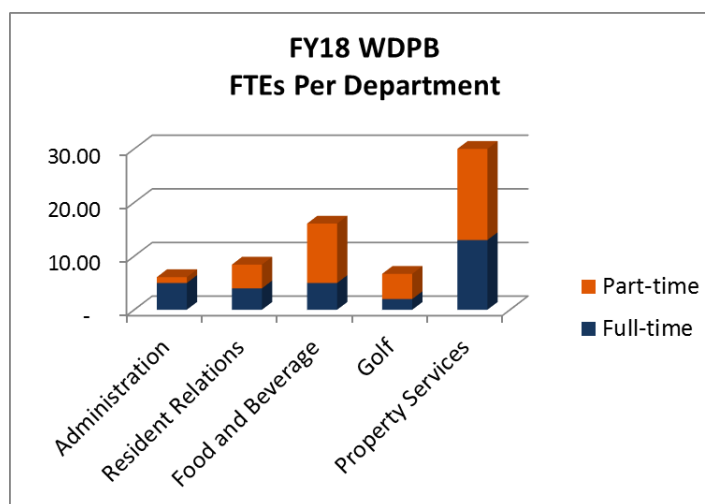
- Decision Point for an addition of 0.23 FTE Administrative Assistant (seasonal intern) within Administration: District Clerk to address records retention issues.
- Decision Point for a full-time Associate Golf Professional position (added by BOT) within the Golf-Pro Shop Department. Due to a planned re-organization of duties within the department, only 0.75 FTEs are added by this Decision Point whereas 0.25 FTE (Golf) Clerk position is reduced within the department.

Specifically, the FY18 Approved Budget contains 68.04 FTEs (31 full-time and 37.04 part-time employees) as illustrated to the right.

The reader should note that the FY18 Approved Budget also contains funding for one contract position through Special Districts Services, Inc. (Community Manager, a full-time recurring position).

Although the FY17 Budget contained a second contract position (a full-time Management Analyst with only 4 months budgeted for FY17 and plans for position to be fully funded in FY18 and subsequent years), due to the delays in the Replacement Building F project and a lack of office space for the position, funding for said position will not be included in FY18, but is factored into out years of the 5yrFM&CIP.

The FY18 Approved Budget continues the historic practice of allocating 3% of payroll costs (excluding taxes) to employee incentives. Starting in FY17, this amount was split between COLA and merit increases. Approved for FY18 is the realignment of the timing of the employee evaluations and increases to coincide with the annual increase in the State of Florida minimum wage increase. To offset the three months without an increase (October through December), BBRD will offer a maximum 4% increase (1.5% COLA and max of 2.5% merit) effective the first payroll in January which has the same FY18 costs



as a maximum 3% increase spread out over 12 months. Future fiscal years will continue this new schedule with evaluation developed and given to employees in late November to early December with the effective date of the first payroll in January. Although long-term, an additional percentage increase will increase future year's payrolls slightly, I believe the additional cost is worth the avoidance of a decline in employee morale that would occur if annual increases were delayed three months without any offsetting benefit to the employees.

FY18 Approved Budget Decision Points Summary

For the FY18 Approved Budget, 8 revenues/sources and 14 expenditures/uses decision points were considered. All 8 revenues/sources decision points were approved by the BOT thereby increasing projected receipts by \$427,222 as listed below.

Revenue/Sources

- \$167,308 Use of Fund Balance
- \$87,822 Increase in Assessment by \$1.50 per Month
- \$3,500 Increase Seasonal Monthly Renter Membership Fee by \$5
- \$1,500 Increase Adult Annual Renter Social Membership Renewal Fee by \$25
- \$122,400 Increase New Homeowner Social Membership Fee by \$255
- \$14,240 10% increase in Vehicle Storage Fees
- \$23,067 10% increase in Golf-Pro Shop Membership Fees
- \$7,385 10% increase in Golf-Pro Shop Private Golf Cart Fees

Of the 14 expenditures/uses decision points considered, the BOT approved 10 decision points at a cost of \$1,132,195 as follows:

Expenditures/Uses

- \$959 MS Office 365 for Senior Staff
- \$7,425 Summer Intern (Records Retention)
- \$2,690 Florida Association of Special Districts (FASD) Annual Conference (2 trustees)
- <\$4,000> Delete ARCC Volunteer Inspectors' Stipend
- \$15,000 Additional Golf R&M Budget
- \$41,141 Associate Golf Professional (1.0 FTE) Position
- \$4,680 Property Services Radio System
- \$2,200 Lawn Bowling & Softball Field Annual Over Seeding and Nematode Treatment
- \$13,500 D/E Emergency Backup Generator
- \$1,048,600 R&M/Capital Projects Endorsed by BOT at 5yrFM&CIP Review Workshop

All decision points are summarized starting on pages A-15 of this transmittal letter and are detailed in the decision point portion of the "Budgetary Detail" section of this document starting on page D-60. R&M and/or capital projects are listed individually in the 5-year Financial Model & Capital Improvement Plan Section.

FY17 Accomplishments

BBRD has a proud and rich heritage of providing quality recreation amenities for residents and guests while operating in a fiscally responsible manner. 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 achieved/completed by 30Sep17:

- Successful preparation, emergency management and clean-up related to the impact of Hurricane Matthew a Category 3 Hurricane that veered slightly away from BBRD within 6 hours of the wall of the eye passing by BBRD
- Successful preparation, emergency management and clean-up related to the impact of Hurricane Irma a Category 3 Hurricane that pounded the peninsula of Florida from bottom to top
- Implementation of an emergency hotline system for residents to call during future emergencies
- Implementation of BBRD's first ever market based, comparative worth employee classification and pay grade system
- Resolution of the Guinther v. BBRD lawsuit regarding the application of the \$25,000 Charter referendum requirement to the Replacement Building F project
- Implementation of web-based BOT agenda and minutes key word search feature to BBRD's website
- Implementation of a bi-weekly softball infield tilling program that has resolved long-term resident dissatisfaction with quality of infield
- Implementation of stormwater maintenance (i.e. BBRD clearing of exotic and nuisance vegetation on canals and swales and then periodic mowing of canal banks)
- Expansion of Food & Beverage Department's themed music and food events per the Revised Food & Beverage Principles of Operations adopted by the BOT in 2016
- Completion of FY16 CCTV upgrade and expansion project
- Completion of design for Replacement Building F project (anticipated to break ground mid-FY18)
- Shuffle Board Courts resurfacing (Grant funded)
- Procurement of new bleachers for Softball field
- Completion of the majority of Beach project, Phase II
 - Removal of exotics
 - Construction of privacy berm and hedge along Highway A1A
 - Installation of a pervious driving and parking surface
 - Installation of handicap parking spaces
 - Replacement and upgrade of picnic area items
 - Installation of a CCTV system for security and remote monitoring of site
- Winter over seeding of golf course, softball field and lawn bowling court
- Completion of Golf Course bunker replacement, Phase II
- Installation of Golf Course additional sub-surface drainage and improvements to surface drainage
- Replacement of Building D A/C system
- Replacement of 19th Hole A/C
- Replacement of 19th Hole tables & chairs
- Replacement of 19th Hole linoleum flooring with long lasting luxury vinyl tile flooring
- Replacement of 19th Hole carpeting with long lasting commercial tile carpet
- Replacement of portable sound systems in Buildings A and D/E
- Upgrade of Building A sound system
- Procurement of an on-site long-term records storage unit (replaced rental unit)
- Replacement of a Property Services golf cart
- Replacement of Property Services dump truck

Several projects will be completed in and/or were deferred to FY18 due to the following reasons:

- Completion of design for future kitchen expansion in Building A and the 19th Hole (Delay in design)
- Completion of analysis and compilation of rough magnitude of costs for projects the BOT is considering financing with future debt (late start of work)

- Building A electrical infrastructure replacement, Phase II (postponed until design for Building A Kitchen project was received so as not to conflict with design work)
- Pool #2 pit replacement (inability to obtain bids and desire not to execute project during the busy winter season)
- Replacement of Building A shingle roof with a metal roof (contracted, but delays on vendor's side)
- Replacement of Pool #1 Walkway roof (contracted, but delays on vendor's side)
- Bocce Ball Courts replacement (grant funded) (Irma delayed)
- Shuffle Board and Bocce Ball courts bench replacements and procurement of additional benches with covers (grant funded) (Irma delayed)
- Stormwater projects on Tamarind Circle and Cherokee Court (Irma and County permitting delays on Cherokee change order work and final cleanup)
- Completion of Golf Course grant funded projects (Irma delayed)
- Construction of Golf Course Pump House (permitting delays)
- Extension of Beach boardwalk to handicap parking spaces (Irma delayed)
- Upgrade Lounge golf cart parking area to crushed concrete (Irma delayed)

FY18 Approved Budget Summary

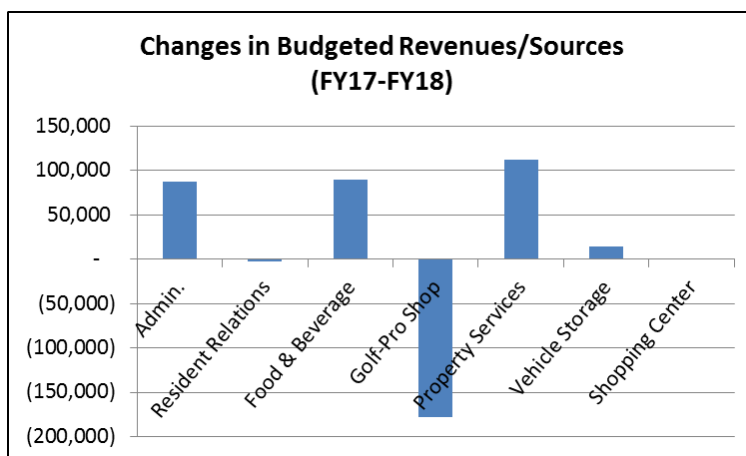
The FY18 Approved Budget was developed upon conservative yet realistic revenue projections based on multi-year trends and economic conditional analyses. If an unexpected spike in revenues is identified for a fiscal year, a conservative approach is taken in case the increase is not sustainable. Although 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. Fiscal Years 15 and 16 budgets proved very accurate with most revenue/source line-items meeting or exceeding projected receipts with a few exceptions. FY17 broke with this pattern as an unexpected significant number of golf membership cancellations (due to health reasons) occurred after the FY17 WDPB was developed preventing the Golf-Pro Shop Department from realizing projected FY16 Year-end and FY17 WDPB revenue/source budgeted numbers. Staff has increased the scrutiny in the preparation of the FY18 Approved Budget to prevent such inconsistencies from recurring.

The FY18 Approved Budget totals \$6,223,707. This amount represents a \$54,253 or 0.88% increase from the FY17 Original Budget. This very slight increase is a result of a combination of decreased budgeted revenues/sources offset by increasing revenues/sources (decision points summarized starting on page A – 15 and detailed starting on pages D – 60.

Revenues/Sources

The largest dollar increase in revenues/sources is projected for the Property Services Department as a result of the increases in new homeowner social membership one-time fee, seasonal monthly renter social membership fee and adult annual renter social membership renewal fee.

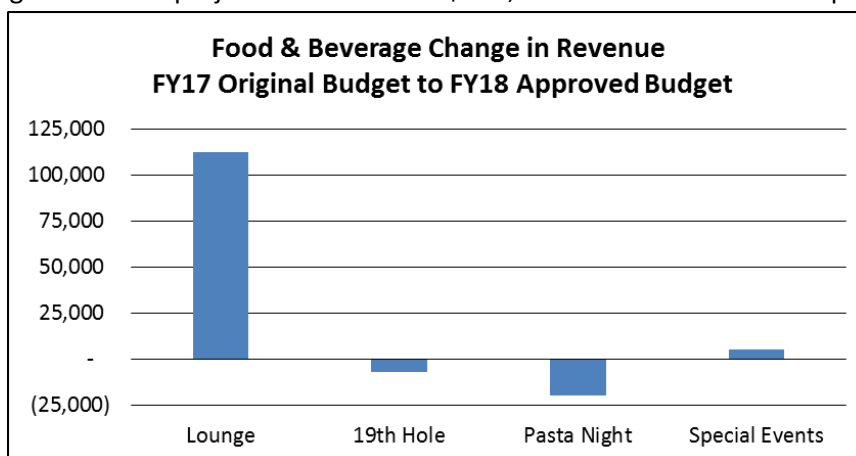
These increases of \$127,400 represent a 43.23% increase over the FY17 initially Approved Budget (FY18 Base Budget was forecasted \$15,000 lower than the previous year due to the anticipated plateauing of



home sales in FY17. Hence, the full amount of the three increases must be netted out of the decrease in Base Budget recurring revenues.).

The Food and Beverage Department is projected to have the second highest increase in revenues/sources primarily as a result of a 2.5% increase in prices and increased sales. This 9.95% departmental increase is projected to generate additional \$90,095 revenue. This continues the trend of strong growth in Food & Beverage as FY17 is projected to end with \$342,837 or 54.59% more receipts

than FY10 receipts. When individual sub-departmental changes in revenue are examined (see chart to the right), the growth in the Lounge Sub-department masks minor decreases in the Pasta Night and 19th Hole Sub-departments. Said growth in the Lounge Sub-department is attributed to new specialty food and music nights as allowed by the BOT approved



Revised Food & Beverage Principles of Operations (most recently updated in 2016). Likewise the operational subsidy required to operate the 19th Hole year-round is a result of the BOT 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 \$1.50 a month increase in the assessment while offset by minor decreases in other revenue streams. The departmental increase of \$87,712 represents a 2.48% increase over the FY17 Original Budget.

The Vehicle Storage Department is projected to have the smallest increase in revenue as the result of continued high occupancy of storage lots and an approved 10% increase in storage fees. This 9.36% increase is projected to generate additional \$13,812.

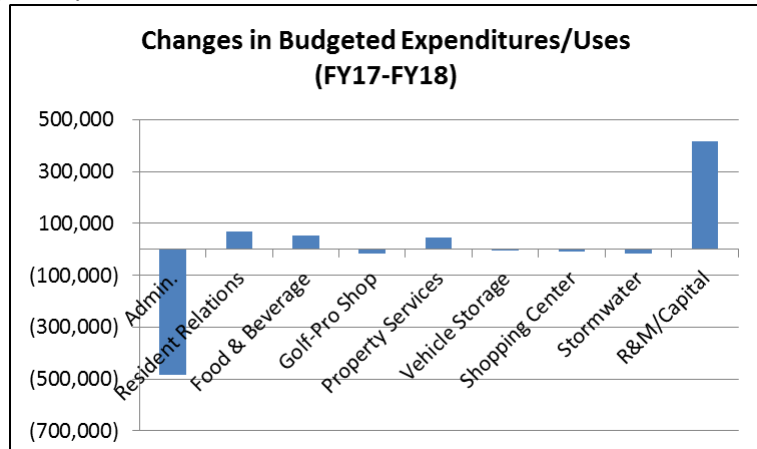
The Resident Relations Department is projected to have minor decreases in revenues/sources in FY18 due to FY16 and F17 appearing to be the peak years of DOR related receipts.

Conversely, the Golf-Pro Shop Department is projected to have the largest decrease in revenue. The FY18 Approved Budget is projected to have \$178,093 or 21.53% less receipts than the previous budget year due to the FY17 Budget being prepared based on growth in membership and related fees but shortly afterwards a high number of residents canceled their memberships due to medical reasons. Offsetting this decrease in membership are approved increases in membership and private golf cart fees for FY18. Sadly, the reader should expect continued declining revenues/sources in this department in future years as only 1.28% of new homeowners (as determined over a 12 month period) obtained golf memberships as compared to the estimated 4.36% 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.

Expenditures/Uses

The largest dollar and percentage increase in expenditures/uses is approved for the R&M/Capital Department with \$417,600 or 60.13% increase over the FY17 Original Budget due to the following factors:

- FY17 being the final year of the debt service payment (partial payment in FY17) for the common areas mortgage (thereby freeing up funding for projects)
- Use of fund balance to fund one-time projects and to reduce fund balance toward the 20% minimum fund balance policy as adopted by the BOT in 2016
- The BOT, at their 5yrFM&CIP workshop, shifting projects approved for out years (FY19-22) into FY18
- One decision point for 27 RM/Capital projects was approved by the BOT at a cost of \$1,062,100
- One stand-alone capital project (Emergency backup generator for Building D/E) decision point (submitted by staff after the 5yrFM&CIP workshop) for a cost of \$13,500



The second largest increase is approved for the Resident Relations Department with \$67,139 or 19.14% increase over the FY17 Original Budget due to the transfer of the off-duty Sheriff Deputy Patrol program from Administration: Office of the District Clerk and the impact of the adoption of the employee pay and classification plan mid-FY17. Only one decision point was approved which is actually a cost reduction:

- Delete ARCC Volunteer Inspector's Stipend (savings of \$4,000)

The third largest percentage increase is approved for the Food & Beverage Department with \$54,507 or 5.63% increase over the FY17 Original Budget. The primary factors for the increase are strong growth in sales at the Lounge Sub-department (due in part to specialty food nights that were not a part of the FY17 Original Budget and higher salary costs in Administration Sub-department as a result of the BOT adoption of an employee pay and classification plan in FY17 [salary wage increases were originally budgeted in Administration: Finance and then transferred among departments mid-year]). Offsetting these increases are decreases in sales in 19th Hole Sub-department due to the transfer of specialty nights to the Special Event Sub-department. Additionally, the Pasta Night Sub-department is projected to decline 18.75% from the FY17 Original Budget. Probably factors for this decline include competition from other weekly specialty food events and changing customer preferences.

The FY18 Administration Budget has the largest decrease in expenditures/uses as compared to the FY17 Original Budget with \$483,318 or 27.60% less expenditures. The primary reason for the decrease is the elimination of the transfer to the Debt Service Fund (last payment was made in FY17). Offsetting this reduction are the following approved decision points:

- MS Office 365 for Senior Staff at cost of \$959
- Summer Intern (Records Retention) at a cost of \$7,425
- Florida Association of Special Districts (FASD) Annual Conference (2 trustee) at a cost of \$2,690

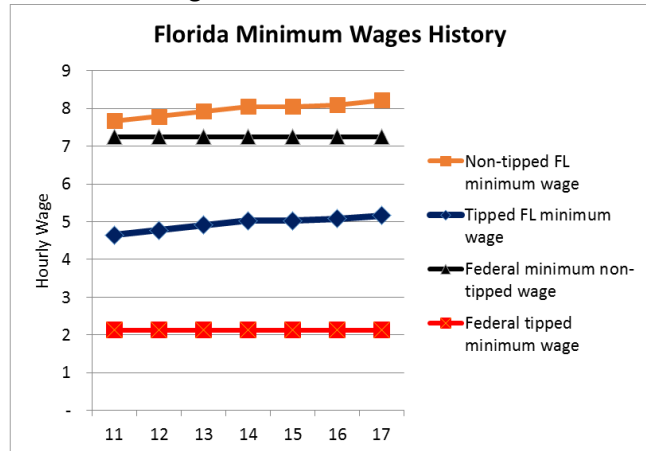
Challenges within the FY18 Budget

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 minimal increases in the assessment and other fees while acknowledging the need for an annual 2.5% increase in food and beverage prices (due to rising product and employee costs) within the FY18 Approved Budget. The approved FY18-22 Five-Year Financial Model and Capital Improvement Plan (5yrFM&CIP) was developed in November and December of 2016 and was reviewed by the BOT on 30Jan17. Due to the early preparation of the 5yrFM&CIP, staff had proposed a \$2.50 a month increase in the assessment for FY18 and other increases in fees to fund the 5-year window of essential operating and R&M/capital projects. When the BOT abolished the advisory committees in early February, staff gained an additional month to refine revenue projections (returning to the historic working draft approved budget submittal date of April 1). This additional month permitted staff to use FY17’s first 5 months of revenue and expenditure data, thereby increasing the data reliability by 25%. Hence, due to refined revenue data, I was able to reduce the FY18 Working Draft Proposed Budget assessment increase from \$2.50 to \$1.00 a month. Subsequently, during the budget workshops, the BOT raised the assessment increase to \$1.50 which was later adopted within the FY18 Approved Budget. However, other challenges, both monetary and non-monetary still face BBRD that include:

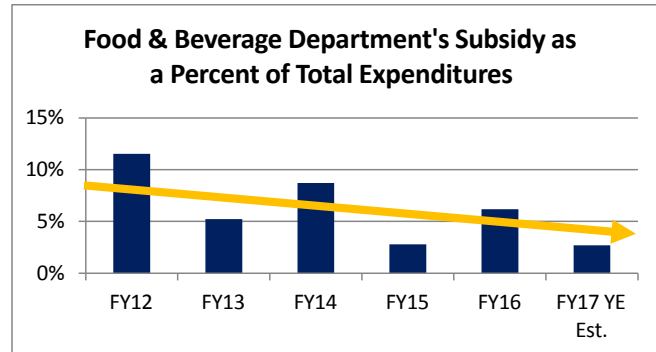
- Impact of the Patient Protection and Affordable Care Act (PPACA) often referred to as “Obamacare” on personnel costs
 - 33.3% (10 out of 30) of employees eligible to elect employee funded medical insurance did not choose coverage during the FY17 open enrollment period. BBRD costs could rise significantly simply by new employees (through attrition) electing the available coverage. Specifically, if all 11 (one new full-time position added in FY18) positions turned over in a single year, BBRD would incur an additional \$100,694 in health insurance premiums which equates to an increase in the assessment of \$1.72 a month (based on estimated employee health insurance renewal of 15% which was the information available to the BOT during the budget process. Subsequently, BBRD received a 29% renewal increase notice from the insurance broker. Unknown at the time of the editing of this document was the final increase as the BOT had not yet adopted the FY18 employee insurance policies.). The reader should note BBRD has 2 fewer full-time positions thanks to the Golf-Pro Shop converting vacant full-time positions to part-time.
 - 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 employee’s elect medical coverage, the budget can be used for unanticipated expenses as directed by the BOT.
 - 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

- can likely expect to see double digit or high single digit increases in medical insurance costs for the foreseeable future. BBRD has an older than normal workforce, recent experience with employees having costly medical treatments and therefore can expect to pay higher rates than comparable public sector entities.
- Uncertainty of the Trump Administration's effort to "repeal and replace" Obamacare. At the time of the drafting of this document, several efforts to repeal and replace were not successful. President Trump has vowed to continue to work to fix the problems inherent in our current health insurance system. 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 and Beverage facilities. No short-term solution, except increased patience and understanding on the part of residents is possible. The construction of replacement Building F 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 recent 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 are 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.). 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.
 - 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 third straight year.
 - 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 332. Analysis of a recent 12 month period of new homeowners found only 1.28% of them purchased golf memberships compared with the current 4.36% of BBRD residents who have golf memberships. Clearly, a continued decline in memberships can be expected.
 - Completion of the Replacement Building F Project
 - In 2016, a resident filed a lawsuit seeking an immediate and permanent injunction against further work on the project and requiring a referendum of the voters to proceed (based on BBRD charter language). The project was later paused due to the lawsuit. In June 2017, BBRD prevailed in the lawsuit and the BOT directed staff to resume the project. Construction plans were completed in September with the project anticipated to go out for bid in the Autumn and construction to start in early Spring 2018. Completion of the project is expected in late 2018.

- Initial funding for the project was established in FY15 when the BOT moved monies into the project budget. Funding for the project (as set by the FY18 Approved Budget and FY18-22 5yrFM&CIP) is currently approved for FY18 and FY19 of the FY18-22 5yrFM&CIP. However, the BOT instructed staff to move forward with the project in June 2017 and modification to the timing of some projects within the FY18-22 5yrFM&CIP will be needed unless the BOT decides to borrow money for this and other projects (as is currently being discussed).
- 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 7 years, the Florida minimum wage has grown as follows:
 - Tipped minimum wage increased 18.7% from 2011 to estimated 2018
 - Non-tipped minimum wage increased 11.9% from 2011 to estimated 2018
 - 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 off of the state minimum wage.
- 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.
- Continued disagreement among residents of how Food & Beverage Department should operate
 - Three and a half 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.



- 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.
- 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.
- Earlier this 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 this document (see pages D – 68 & 69) but not recommended for inclusion in the FY18 Working Draft Proposed 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 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.



FY18 Initiatives

Summary of Recent Initiatives

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 three 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
- Enhanced DOR enforcement has improved the appearance of the community
- The new Community Watch program, working in close cooperation with the Brevard County Sheriff's Office regular scheduled deputies and BBRD's off-duty deputy program personnel have increased the perception of security
- Food & Beverage sales continue to climb with FY17 receipts projected to finish over 54.59% higher than FY10 receipts
- Stormwater canal maintenance program completed the clearing canal banks of exotic and/or nuisance vegetation and is now in periodic maintenance mode
- Management continues to increase transparency in operations and improve customer service with new technology. A sampling of recent efforts include:
 - Implementation of *ClerkBase*, a searchable web-based service for BOT meeting and minutes
 - 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
 - Use of a new hot line phone number for use before, during and immediately after an emergency or natural disaster. The toll-free number is **1.833.664.INFO (1.833.664.4636)**. Outside of these times the hotline will go 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.

Decision Points

FY18 Approved Budget:

One way BBRD 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 developed and submitted for consideration by the BOT. Five revenues/sources and 13 expenditure/uses decision points were requested by department managers. All 5 revenues/sources decision points were included in the FY18 Working Draft Proposed Budget, thereby, increasing projected receipts by \$345,236. However, due to fiscal limitations, I was only able recommend 8 of the expenditures/uses decision points for funding at a cost of \$1,074,709. The BOT added three revenue/sources decision points and approved the five requested ones for a total of \$427,222. Additionally, the BOT added two expenditures/uses decision point and approved all recommended decision points for a total cost of \$1,132,195. All decision points are summarized below:

Approved Revenues/Sources

- Use of Fund Balance
\$167,308 (one-time) to fund R&M/capital projects. I originally recommended the use of \$241,996 in fund balance but after the BOT added other revenue enhancing decision points this amount was reduced. Use of said monies will not have a negative impact to BBRD's fiscal condition as the FY16 ending fund balance of 36.70% and FY17 estimated year-end fund balance of 25.68% are significantly higher than the BOT adopted minimum General Fund balance policy of 20%.
- Increase in Assessment by \$1.50 per Month
\$87,822 (recurring) to fund operations and R&M/capital projects over the next five years. I originally recommended a \$1.00 a month increase (\$58,548 in recurring revenue) in the FY18 Working Draft Proposed Budget to maintain fund balance above the minimum General Fund balance policy of 20% over the five-year period of FY18-22. However, the addition of the "\$255 increase in new homeowner social membership fee" decision point by the BOT during a budget workshop without any offsetting expenditures/uses negates the concern of going below minimum fund balance policy within the five year window. As adopted, the estimated ending fund balance percentages range from 23.05% in FY18 estimated year-end to 30.25% in FY22. Staff anticipates the BOT will add additional expenditures/uses in subsequent years thereby bringing the fund balance back toward the minimum policy of 20%.
- \$5 increase in seasonal monthly renter social membership fee
\$3,500 (recurring) to fund operations was added by the BOT during a budget workshop.
- \$25 increase in (renter's) social membership renewal fee
\$1,500 (recurring) to fund operations was added by the BOT during a budget workshop.
- \$255 increase in new homeowner (one-time) social membership fee
\$122,400 (recurring) to fund operations was added by the BOT during a budget workshop.
- 10% increase in Vehicle Storage Fees
\$14,240 (recurring) to fund the increasing operational costs of BBRD while maintaining a rental fee that is comparable to neighboring storage facilities. Additionally, the repaving of the Micco RV lot is planned for FY22.
- 10% increase in Golf-Pro Shop Membership Fees
\$23,067 (recurring) to offset the growing operational deficit of the Golf-Pro Shop Department and the continued long-term decline in membership. Ironically, as the number of members continues to decline, member rounds played remains relatively constant as many members play more rounds per week. During a budget workshop, the BOT instructed staff to address the disparity between single and family rates in addition to granting staff the ability of flexible pricing to encourage greater green fees play. Approved membership rates remain under other comparable public course costs. This decision point can be found on page D-61.
- 10% increase in Private Golf Cart Fees
\$7,385 (recurring) to offset the growing operational deficit of the Golf-Pro Shop Department and the continued long-term decline in membership. Ironically, as the number of members continues to decline, member rounds played remains relatively constant as many members play more rounds per

week. During a budget workshop, the BOT instructed staff to address the inequity of the same price for single and family rates in addition to granting staff the ability of flexible pricing to encourage greater green fees play. This decision point can be found on page D-62.

Approved Expenditures/Uses

- MS Office 365 for Senior Staff
\$959 (recurring) to provide a subscription based automatic upgrade of Microsoft Office software for the Community Manager, Department Managers and Lead Accountant, thereby, decreasing compatibility issues for staff who produces 99.94% of materials for BOT agenda and public information. This decision point can be found on page D-63.
- Summer Intern (Records Retention)
\$7,425 (\$5,036 one-time and \$2,389 recurring) to provide a summertime position to assist the District Clerk in organizing existing records to decrease time involved in future records retrieval and/or destruction. This Decision Point will fund a one-time seasonal position (0.23 FTE) based on Administrative Assistant (NE-13) position for 12 weeks and then in subsequent fiscal years an annual 4 week minimum wage position (0.08 FTE). This decision point can be found on page D-64.
- Florida Association of Special Districts (FASD) Annual Conference (2 Trustees)
\$2,690 (recurring) to permit the attendance of two trustees to the annual Florida Association of Special Districts (FASD) conference. FASD is the state-wide advocacy, educational and networking group for special district elected and appointed officials (similar to the Florida League of Cities). Annual membership (based on size of an organization's budget) for BBRD would be \$5,000. However, one or more trustees can attend their events (i.e. certified district official training, legislative forum, annual conference, etc.) for only \$100 over member rates, thereby making membership not required or cost-effective. I had originally submitted a decision point for one trustee attendance at a cost of \$1,245, but the BOT changed it to permit two trustees' attendance during a budget workshop. This decision point can be found on page D-65.
- Delete ARCC Volunteer Inspectors' Stipend
<\$4,000> (recurring) by eliminating the stipend paid to the committee volunteers for their inspection of properties with active ARCC permits. At the 7Feb17 joint BOT-BFBHOA workshop, the BOT directed staff to revise the Policy Manual to remove said enabling language and for the DOR staff to take over the responsibilities of the inspections. The BOT later adopted the revised Policy Manual change thereby necessitating the approval of this request. This decision point can be found on page D-67.
- Additional Golf R&M Budget
\$15,000 (recurring) to return the Golf-Pro Shop R&M Budget to historic levels to address maintenance and repair needs as they occur. Since mid-FY14, the Golf-Pro Shop Department has received a minimum \$40,000 in R&M budget (spread out over Buildings, Grounds and Equipment line-items). Due to the inclusion of the cost of annual overseeding and nematode treatment (\$15,852), the effective discretionary R&M budget as I originally proposed (due to revenue/sources limitations) was substantially lower. The BOT added this back into the budget during a budget workshop after they had added aforementioned revenue enhancing decision points. This decision point can be found on page D-70.

- **Associate Golf Professional Position**
\$41,141 (recurring) to fund the addition of 1.0 FTE Associate Golf Professional position and the deletion of 0.25 FTE Clerk positions. This change will increase consistency of player and customer experiences by having a professional staff person at work seven days a week (as opposed to the five days a week the Golf Operations Manager now works). The BOT added this Decision Point to the FY18 Proposed Budget at the 12May17 BOT meeting and later approved as part of the FY18 Approved Budget. This decision point can be found on page D-71.
- **Property Services Radio System**
\$4,680 (one-time) to procure handheld radios for Property Services staff (Buildings and Grounds Sub-departments) to use versus the current reliance on personal cell phones or driving to physically find someone to relay a message. Approximately 10 years ago, Property Services had a radio system that was not replaced when it became obsolete. This decision point can be found on page D-72.
- **Lawn Bowling & Softball Field Annual Over Seeding and Nematode Treatment**
\$2,200 (recurring) to fund the annual over seeding of a winter rye grass that enables residents to have a higher quality playing surface and safe guards against the impact of cold weather on the Bermuda grass. Likewise, this decision point will fund annual treatment of nematodes (during the hot growing summer season nematodes multiply and eat the roots of the Bermuda grass thereby hampering and even killing the grass. There is no applicable cure for nematodes.). The only reasonable course of action is to annually treat the nematodes, thereby keeping their numbers low and enabling the Bermuda grass to flourish. This decision point can be found on page D-73.
- **D/E Emergency Backup Generator**
\$13,500 (one-time) to procure a propane powered emergency backup generator for Building D/E for use in emergency situations. Per the BOT adopted Emergency Management Plan, essential staff bunker in place in Building D/E during storm events to ensure access to BBRD immediately after winds go below 40 MPH. In 2016, 5 souls bunkered in place during Hurricane Matthew which saw the loss of electrical power to the building for approximately 8-10 hours. A portable generator was used to power the reach-in coolers and limited lighting. If a more severe storm is experienced, staff could be required to operate out of Building D/E for multiple days (until roads are cleared and a curfew is lifted) and the portable generator is insufficient for said need. The procurement of an emergency backup generator could power essential needs (refrigeration, lights, fans, etc.) but would not be powerful enough to power the 19th Hole and Pro Shop simultaneously. This decision point can be found on page D-75.
- **R&M/Capital Projects Endorsed by BOT at 5yrFM&CIP Review Workshop**
\$1,048,600 (one-time). At the 26Jan16 Five-Year Financial Model & Capital Improvement Program (5yrFM&CIP) workshop, the BOT endorsed a FY17 R&M and Capital plan containing 22 projects. One project was shifted into FY18 thereby reducing the DP cost by \$32,000 in FY17. Please see page F-7 of the 5yrFM&CIP section of this document for a listing of the FY18 Approved Budget projects (includes above listed D/E Emergency Backup Generator) and page F-11 (fold out page) for the actual 5yrFM&CIP.

Not Approved

- **Electronic Resident Badging System**
\$63,581 (\$56,729 one-time and \$12,048 recurring [costs do not equal total as new residents will require new badging and decision point only contains cost of initial badges]) to convert current badging system to smart card system, gate readers (electronic self-opening access gates not included) and card readers for pool hosts. This decision point would improve resident interactions at pools by eliminating bulky social membership suspension booklets and allow staff to deactivate social membership badges once a resident moves out of BBRD. Although I did not recommend this decision point for FY18, the BOT in reviewing the detailed information on page D-66 added it to the 5yrFM&CIP as a funded project in FY20.
- **Reduced 19th Hole Summer Food Service**
<\$29,665> (recurring) to reduce hours of food service during the summer season. Although the BOT adopted a Revised Food and Beverage *Principles of Operations* document in 2016 which clearly states maximum hours of service in the 19th Hole is more important than breaking even financially, due to ongoing criticism of the required subsidy needed to operate the 19th Hole during the summer months, a limited food service decision point was developed per my request to allow those who advocate the Food & Beverage Department break even have an opportunity to see the operational impact of said approved policy. Consideration of this decision point must also include the “Eliminate Summer Pasta Night Service” decision point as Pasta Night cannot be offered without the current hours of operations of the 19th Hole (unless the location is changed to Building A). Specific details of this reduction in service can be found on page D-68. The BOT reviewed this and by a split vote decided not to include it in the FY18 Approved Budget.
- **Eliminate Summer Pasta Night Service**
<\$856> (recurring) to eliminate Pasta Night during the summer season. Although the BOT adopted a Revised Food and Beverage *Principles of Operations* document in 2016 which clearly states maximum hours of service in the 19th Hole is more important than breaking even financially, due to ongoing criticism of the required subsidy needed to operate the 19th Hole during the summer months, a limited food service decision point and this accompanying decision point was developed per my request to allow those who advocate the Food & Beverage Department break even have an opportunity to see the operational impact of said approved policy. Specific details of this decision point can be found on page D-69. The BOT reviewed this and by a split vote decided not to include it in the FY18 Approved Budget.
- **Replacement of Micco RV Lot CCTV System**
\$12,000 (one-time) to replace camera(s) destroyed during previous year’s lighting strikes and upgrade existing cameras and systems to provide better quality recordings. Specific details of this decision point can be found on page D-74.

Ongoing Initiatives of Importance:

- **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.
 - Property Services Manager and I had planned to work together to develop the second phase of the plan (an assessment and replacement schedule with associated costs) by the end of calendar year 2016 but did not accomplish this task due to other higher priority assignments.

- Due to the continued heavy workload of Property Services Department, I have instructed staff to seek a web-based preventative maintenance solution rather than create one in house to speed up the execution of this vital initiative. It is hoped that such a solution can be found by the end of this calendar year and incorporated into the FY19-23 5yrFM&CIP.
- Employee Job and Safety Training
 - The importance of a properly trained workforce cannot be overstated. When I arrived at BBRD 3.5 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 should start to see a reduction (however offset by statewide increases in workers' compensation premiums) within the next few years.
 - Safe working training is provided in a multi-facet approach in BBRD. An organization wide and department specific training program (*Target Solutions*, a complementary service of our insurance carrier) is in its third year of use. BBRD-wide and department/job specific courses are taken by employees. Specific courses are required of each new hire and other courses are required of employees annually (BBRD-wide and job specific). The annual courses are spread over a three-year window to provide a range of instruction and tri-annual updates.
 - Each department also 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 continuing 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 refined and implemented in calendar year 2016. 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 is now anticipated. The original anticipated receipt is included in this document (FY17 Year-end Estimate) for clarity and since the amount the state says BBRD can expect to receive changes on a regular basis.
 - On-going Projects
 - Florida Recreation Development Assistance Program (FRDAP). The \$50,000 (no match) Community Center Park Phase 1 Project was awarded to BBRD last fall and is budgeted in FY17 and anticipated to be completed within FY18 per program guidelines. The first project of the program (shuffle board court resurfacing) was completed in February 2017. Elements of said project are included within the 5yrFM&CIP section of this document.
 - Florida Recreation Development Assistance Program (FRDAP). The \$50,000 (no match) Golf Course Project was awarded to BBRD this year and is budgeted in FY17. All elements of said program are anticipated to be completed in FY18. Reimbursement of the project costs is anticipated later in FY18.

- Canceled Projects
 - Coastal Partnership Initiative (CPI). The \$60,000 (50% match) Beach Project was awarded to BBRD in FY16. Although elements of this program previously were anticipated in out years, the 12 month program limit necessitated the use of the LWCF budget during this fiscal year. A town hall style meeting was held last year to identify project priorities and the BOT submitted a revised scope of work plan based on a site plan. At the time of the drafting of the FY18 Working Draft Proposed Budget, staff anticipated completion of this program before the 30Jun17 deadline. Subsequent to the publication of said document, staff received notice from the State that the federal government had declined to approve the request for modification and had canceled the grant. Hence the FY18-22 5yrFM&CIP shows zero expenditures in the FY17 Year-end Estimate column for this project.
 - Land Water Conservation Fund (LWCF). The \$200,000 (50% match) Beach Project was awarded to BBRD in FY16. Funding of the project is included within FY17-19 and listed within the 5yrFM&CIP section of this document. The work planned for this program includes items identified at the beach town hall meeting and included on the BOT approved site plan. The BOT reviewed this program after the adoption of the FY18 Approved Budget this calendar year as the majority of high priority items of residents are not conducive to this program which requires 50% of expenditures to be on active recreation amenities. After a very careful consideration of the benefits and cost of the program, the BOT voted to withdraw from the grant agreement. The BOT stated they would continue to pursue the residents' identified support projects but pay for said projects out of BBRD funds only. Hence, elements program are included in the rest of this document (as they were included in the FY18-22 5yrFM&CIP as part of the adoption of the FY8 Approved Budget) but will be removed in the FY19-23 5yrFM&CIP.

Summary and Acknowledgements

The FY18 Approved Budget represents the accumulation of many hours of teamwork by staff and the Board of Trustees (BOT), to provide a transparent policy and fiscal guide for the new fiscal 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 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.

I would like to personally express my appreciation to those individuals who have enabled the production of this FY18 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, merits special recognition for her dedication to BBRD and support she has provided in the development of the FY18 Approved Budget. Finally, former Finance Manager Kimi Cheng, CGFO, warrants exceptional recognition for her time devoted to the preparation of the FY18 WDPB and this document. Ms. Cheng fine-tuned departmental budget numbers that allows greater

accuracy in the development of these documents. Her efforts are a testimony to her professional work ethos and character. Without the assistance of Ms. Cheng, this document would not have been possible. As much as Ms. Cheng played a part of the budget process, I am confident that the new Finance Manager, Charles Henley, will seamlessly continue the quality work BBRD has come to expect from this position. With that being said, any errors or omissions contained within the FY18 Approved Budget are solely my responsibility.

In conclusion, as I have served you and our community for the past four 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, BFBHOA 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