



20 Year Capital Plan Task Force Final Report Recap

Lake Bluff Park District Board

March 18, 2013

Task Force Membership

- ▶ David Forlow, Chairman
- ▶ Chris Hambleton
- ▶ Piet Kreunen
- ▶ David McElvain
- ▶ Jim Moss
- ▶ France Pitera
- ▶ Peter Arnstein, Foundation Liaison
- ▶ Rob Douglass, Board of Commissioners
- ▶ Bob Wallace, Board of Commissioners (1)
- ▶ Ron Salski, Staff Liaison

(1) During Term as TF Member, Mr. Wallace appointed to LBPD Board to serve remaining term of resigning Board member

TF Activity: A 12+ Month Effort

Obtain Data

- ACG Asset Review
- ADA Report
- Usage/Participation Data
- Aquatic Engineering Reports
- LBPD Financial Data

Put Data in Context

- Quantify Needs
- Quantify Resources
- Staff Input
- Meet With Experts
- Six TF Meetings
- Input From Residents

Quantify the Problem

- CapEx > Resources
- Debt Service Restricts Resources
- Acute Thru 2024
- Focus on 2013-24
- Assess Need vs. Want
- Develop Decision Model

Propose Solutions

- Establish CapEx Spend Plan in Context of Resources
- Reduce CapEx By 70%
- Minimal Asset Eliminations
- Enhanced Financial Planning
- Policy Enhancements

Key Findings

- ▶ ACG Detailed \$12m In CapEx Thru 2032
- ▶ ACG \$12m Includes \$3m In Aquatic Facility From 3rd Party Proposals
- ▶ Debt Service Restrains Available Resources
- ▶ TF Focused on 2013-2024 Given Debt Service & Capital Investment Needs
- ▶ TF Scenario Produced Plan for \$3.3m In Spend Thru 2024; 67% Cost Savings
- ▶ Financial Planning Needs to Be Enhanced to Include Maintenance, Repair & Replacement of Assets to Avoid Future Problems

Assumptions Used

Program	Revenue Growth %	Expense Growth %	Usage Rate Change %
Golf	1%	1% thru 2015 2% 2016+	1%
Rec Center	3% thru 2015 2% 2016+	2%	1%
Paddle	7% 2014 5% 2015 2% 2016+	3% 2014 2% 2015+	1%
Pool	3% thru 2015 2% 2016+	2%	1%
Beach	2%	2%	1%
Admin	3% thru 2015 2% 2016+	2%	1%
Programs	5% 2014 4% 2015 2% 2016+	2%	1%

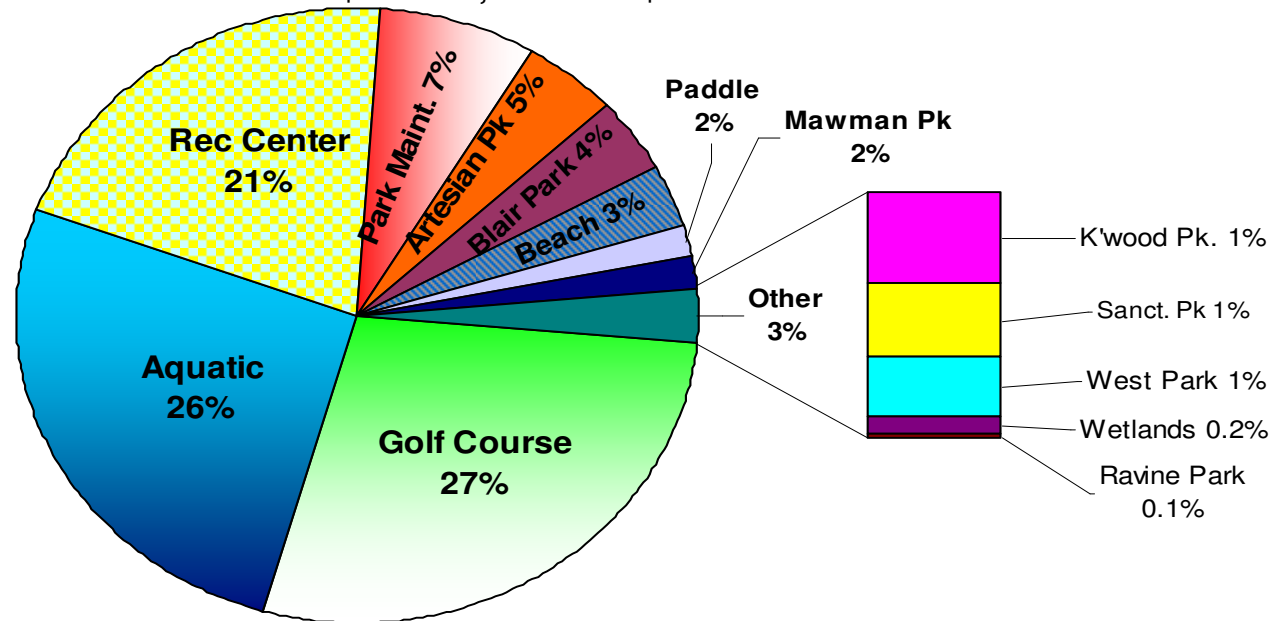
- ▶ No Intent to Be Prescriptive or Setting Policy on Fees/Pay
- ▶ Conservative/Realistic
- ▶ Operating Budget Offers Great Potential
- ▶ Need to Understand Price vs. Usage Dynamics

CapEx Distribution By Asset

Big \$ in Big Parts of Footprint

Total Capital Expenditure By Location

Total \$11.3 mln, excludes \$600K ADA



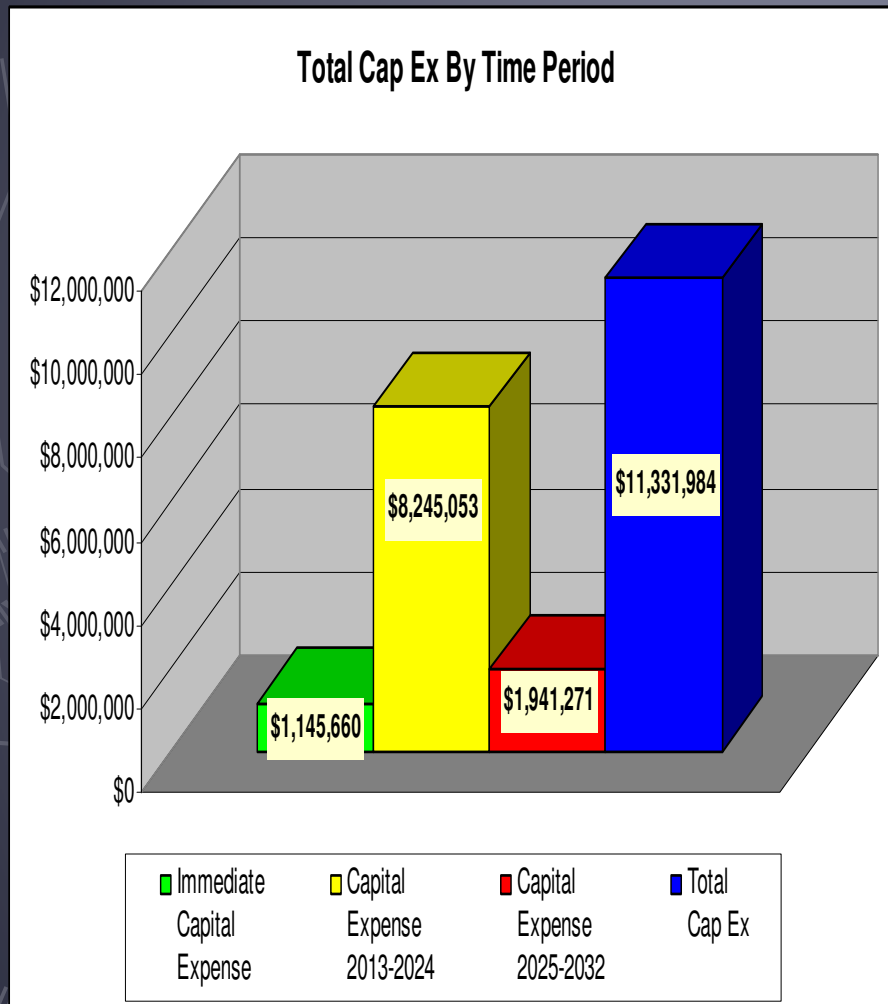
Usage: Big Asset = Big Usage

Asset	Total Users 2013-2024 (1) (3)	% of Residents in Total Users (1)	(\$000) S CapEx & ADA Thru 2024 (2)	(\$000) S Cash Flow thru 2024 (1) (3)	(\$Cost)/Income Per User	
					Total Users (4)	Resident Users (4)
Sunrise Park / Beach	208,792	93%	\$371	(\$1,683)	(\$8.06)	(\$8.63)
Fitness/Rec. Center	702,737	93%	\$1,900	(\$2,522)	(\$3.59)	(\$3.85)
Aquatic	189,299	85%	\$3,043	(\$3,176)	(\$16.78)	(\$19.72)
Programs	168,145	65%	\$0	\$2,717	\$16.16	\$25.02
Paddle	97,402	38%	\$150	(\$515)	(\$5.29)	(\$14.10)
Golf (2)	334,501	28%	\$2,512	(\$6,117)	(\$18.29)	(\$65.78)
Other (1)	NA	NA	\$2,016	(\$11,314)	NA	NA

(1) Based on 2011 actual; 'Other' excludes tax levy & overhead
(2) Unadjusted ACG totals, \$252K golf cart leases included
(3) See Exhibit 7 for forecast assumptions
(4) Based on cash flow thru 2024

- ▶ Paddle & Golf: 60%+ Users Nonresidents
- ▶ Cashflow Excludes Overhead & Tax Levy
- ▶ Harder to Measure Usage of General Parks

CapEx Not Evenly Distributed



▶ Immediate:

- Golf Club/Eq: \$762K; Rec Bldg.: \$189K; Park Maint. Eq: \$146K

▶ 2013-24: Pool \$3mln

- Golf Eq. \$709K
- \$250-\$500K Per: Playground Eq.; Fitness Eq.; Carpet; Carts; Lots/Paths

▶ 2025+

- Golf Eq. \$484K
- \$200-\$300K Per: Fitness Eq., General Eq., Carts
- Playground Eq: \$120K

A Case for a Focus Thru 2024

Financial Resource Coverage of CapEx 2013-2032

Year	Sources			Uses			Coverage		
	(A) Net Op. Inc.	(B) Tax Levy	C=(A)+(B) Total	D Overhead/ Admin	E Debt Service	F=D+E Total	G=C-F Net Proceeds	H CapEx & ADA	I=G-H Excess/ Shortfall
2013	\$264,319	\$2,546,000	\$2,810,319	(\$2,110,000)	(\$632,620)	(\$2,742,620)	\$67,699	(\$3,609,589)	(\$3,541,890)
2014	\$333,281	\$2,609,650	\$2,942,931	(\$2,172,130)	(\$617,636)	(\$2,789,766)	\$153,165	(\$1,210,468)	(\$1,057,303)
2015	\$329,916	\$2,674,891	\$3,004,807	(\$2,222,897)	(\$617,223)	(\$2,840,120)	\$164,687	(\$977,457)	(\$812,769)
2016	\$326,383	\$2,741,764	\$3,068,146	(\$2,274,861)	(\$620,488)	(\$2,895,349)	\$172,797	(\$842,238)	(\$669,441)
2017	\$322,678	\$2,810,308	\$3,132,985	(\$2,328,053)	(\$627,373)	(\$2,955,426)	\$177,559	(\$1,371,597)	(\$1,194,037)
2018	\$318,796	\$2,880,565	\$3,199,362	(\$2,382,501)	(\$628,228)	(\$3,010,729)	\$188,633	(\$316,233)	(\$127,600)
2019	\$314,734	\$2,952,579	\$3,267,313	(\$2,438,235)	(\$642,768)	(\$3,081,003)	\$186,311	(\$361,659)	(\$175,349)
2020	\$310,486	\$3,026,394	\$3,336,880	(\$2,495,285)	(\$350,536)	(\$2,845,821)	\$491,059	(\$488,434)	\$2,625
2021	\$306,048	\$3,102,054	\$3,408,101	(\$2,553,684)	(\$574,689)	(\$3,128,373)	\$279,728	(\$144,400)	\$135,328
2022	\$301,414	\$3,179,605	\$3,481,019	(\$2,613,463)	(\$578,889)	(\$3,192,352)	\$288,667	(\$335,449)	(\$46,782)
2023	\$296,580	\$3,259,095	\$3,555,675	(\$2,674,656)	(\$577,689)	(\$3,252,345)	\$303,331	(\$193,545)	\$109,786
2024	\$291,541	\$3,340,573	\$3,632,114	(\$2,737,295)	(\$576,129)	(\$3,313,424)	\$318,690	(\$139,950)	\$178,740
2025	\$286,291	\$3,424,087	\$3,710,378	(\$2,801,416)	(\$190,088)	(\$2,991,503)	\$718,875	(\$96,400)	\$622,475
2026	\$280,826	\$3,509,689	\$3,790,515	(\$2,867,053)	(\$187,650)	(\$3,054,703)	\$735,812	(\$258,900)	\$476,912
2027	\$275,139	\$3,597,431	\$3,872,571	(\$2,934,244)	\$0	(\$2,934,244)	\$938,327	(\$325,546)	\$612,781
2028	\$269,226	\$3,687,367	\$3,956,593	(\$3,003,024)	\$0	(\$3,003,024)	\$953,568	(\$166,800)	\$786,768
2029	\$263,080	\$3,779,551	\$4,042,631	(\$3,073,433)	\$0	(\$3,073,433)	\$969,198	(\$165,400)	\$803,798
2030	\$256,696	\$3,874,040	\$4,130,736	(\$3,145,509)	\$0	(\$3,145,509)	\$985,227	(\$390,125)	\$595,102
2031	\$250,068	\$3,970,891	\$4,220,959	(\$3,219,291)	\$0	(\$3,219,291)	\$1,001,668	(\$191,100)	\$810,568
2032	\$243,189	\$4,070,163	\$4,313,353	(\$3,294,820)	\$0	(\$3,294,820)	\$1,018,532	(\$347,000)	\$671,532
Totals	\$5,840,690	\$65,036,698	\$70,877,388	(\$53,341,850)	(\$7,422,004)	(\$60,763,854)	\$10,113,534	(\$11,932,290)	(\$1,818,756)

- ▶ Debt Service Soaks Up Resources Thru 2024
- ▶ Ex-Debt Service; Sufficient Resources in Aggregate
- ▶ Short-fall=Inadequate \$ to Replace Assets

Task Force Savings Scenario

2013-2024 Expense Base Adjustments		
Category	Amount \$	Comment
Gross 2013-2024 Expense	\$8,245,053	Excludes ADA
Less:		
Items <\$10K to Op Budget	\$375,894	87 different items
Golf Expense Eliminated	\$28,600	Assumes Modular Clubhouse (\$500K Aggregate Savings)
Moved to 2013 Budget	\$152,950	Main Parking Lot Rec Center
Golf Expense to Op lease	\$252,000	Assume leasing carts
Beach expense transfer	\$125,000	Assume cost of stairs and guardhouse to Beach group
Net 2013-2024 Expenses	\$7,310,609	

- ▶ Initial Adjustments to 2013-2024 CapEx Base
- ▶ Modular Clubhouse Solution Strongly Endorsed
- ▶ Need to Ensure Op Budget Transfers Get Attention
- ▶ Transfer to Beach Committee Illustrative
- ▶ Excludes \$1.145mln of "immediate" with 60% savings

Task Force Detailed Savings

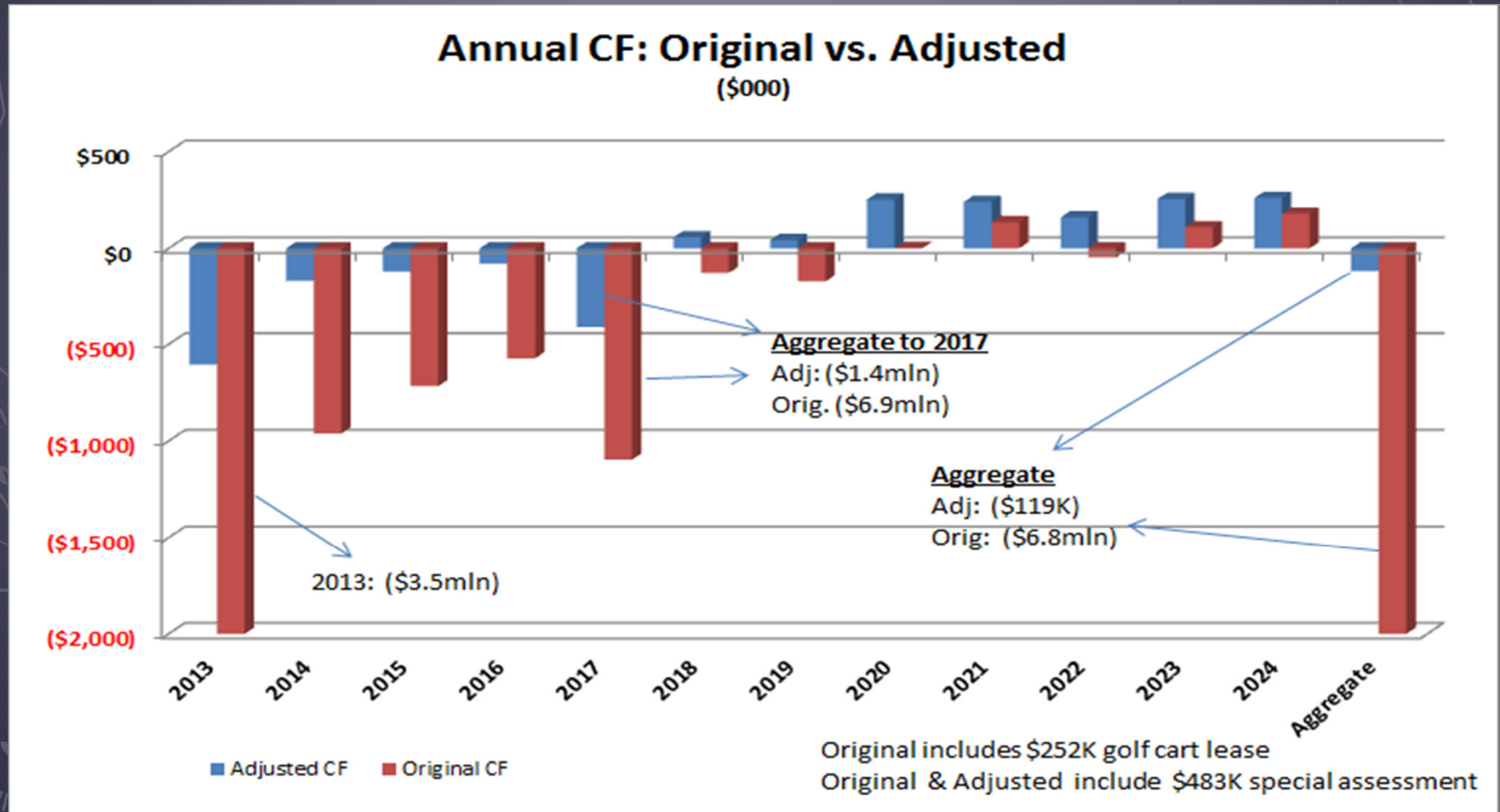
2013-2024 CapEx Items Detail

Asset/Activity	Original CapEx \$	CapEx Savings \$	Adjusted CapEx \$	% CapEx Savings
Pool	\$2,976,731	\$2,679,058	\$297,673	90%
Golf Infrastructure	\$1,070,700	\$479,510	\$591,190	45%
Golf Clubhouse	\$629,750	\$437,368	\$192,382	69%
Buildings (ex-Beach)	\$533,645	\$72,500	\$461,145	14%
Maintenance Equip	\$477,800	\$238,900	\$238,900	50%
Playground Equip	\$462,700	\$354,525	\$108,175	77%
Fitness Equip	\$387,700	\$201,350	\$186,350	52%
Lots, Paths, Fences	\$279,084	\$215,508	\$63,576	77%
Carpet	\$276,800	\$221,440	\$55,360	80%
Golf Course	\$255,000	\$180,600	\$74,400	71%
Golf Cart	\$252,000	\$252,000	\$0	100%
Skate Park	\$225,000	\$180,000	\$45,000	80%
HVAC	\$219,200	\$99,600	\$119,600	45%
Technology	\$209,000	\$73,000	\$136,000	35%
Tennis	\$106,175	\$76,823	\$29,353	72%
Beach Paths	\$105,400	\$91,550	\$13,850	87%
Baseball	\$89,000	\$89,000	\$0	100%
Paddle	\$84,000	\$59,250	\$24,750	71%
Fire Systems	\$80,000	\$0	\$80,000	0%
Beach Buildings	\$75,000	\$75,000	\$0	100%
Golf Cart Barn	\$61,375	\$61,375	\$0	100%
Beach Infrastructure	\$54,000	\$0	\$54,000	0%
Misc. Items	\$67,000	\$42,000	\$25,000	63%
Misc. < \$10K (1)	\$413,654	\$330,923	\$82,731	80%
Totals	\$9,390,713	\$6,511,279	\$2,879,434	69%

Task Force Savings By Asset

Capital Expense Savings By Asset			
	Original CapEx \$	Adjusted CapEx \$	% Reduction
(\$000)			
Aquatic Facility	\$2,977	\$298	90%
Rec. Center	\$1,828	\$971	47%
Golf	\$2,387	\$942	61%
Park Maintenance	\$601	\$302	50%
Blair Park	\$394	\$81	79%
Artesian Park	\$398	\$99	75%
Sunrise Park / Beach	\$324	\$80	75%
Knollwood Park	\$119	\$28	76%
Mawman Park	\$100	\$24	76%
Paddle	\$100	\$28	72%
West Park	\$80	\$11	86%
Sanctuary Park	\$57	\$10	82%
Wetlands	\$21	\$4	80%
Ravine Park	\$7	\$1	80%
Totals	\$9,391	\$2,879	69%

Task Force vs. Original Cashflow



Recap Task Force Findings

- ▶ Needs Outstrip Resources; Decisions Needed
- ▶ 3rd Party Input Helpful; May Need Input on Needs (Maintain Asset); Rather Than Wants (New Asset)
- ▶ Focus Up to 2024 Needed Given Debt Service
- ▶ TF Scenario Shows Reasonable Path Available
- ▶ TF Model Tool May Prove Useful
- ▶ Pool Likely Needs to Be Considered in Stages: Get to 5 Years, Get to 10 Years and Beyond
- ▶ More Rigor Needed Around Asset Purchase to Include LT Maintenance/Replacement of Asset

Task Force Recommendations

- ▶ Pursue Grants
- ▶ Explore Debt Restructuring With Banks
- ▶ Implement Enhanced Financial Planning to Address CapEx Directly & Formally
- ▶ Establish Asset Management Plans Covering Purchase Efficiency, Repair, Maintenance and Replacement
- ▶ Assess Purchase vs. Lease Opportunities
- ▶ Adopt Policies on Impact Fees
- ▶ Establish Policy for Mix of User Fees & Tax Dollars to Support Activities
- ▶ Golf Course & Pool Need Further Study to Develop Detailed Multi-Year Plans & Strategic Role of Asset

Wrap-Up

- ▶ Questions?
- ▶ Request For Information?
- ▶ Thank-You!

Appendix 1: Golf Clubhouse

Golf Clubhouse Project		
	Renovate	Modular Replacement
ADA Items		
<i>Acess/Signage/Doorways</i>	\$125K	\$29K
Immediate Items		
<i>Gut Renovation (Plumbing, Elec, etc..)</i>	\$450K	\$192K
<i>Roof Replacement</i>	\$64K	\$0K
<i>Fire System</i>	\$35K	\$0K
<i>Other</i>	\$35K	\$0K
2013-2024 Items		
<i>HVAC/Unit Heaters</i>	\$9K	\$0K
<i>Siding</i>	\$5K	\$0K
<i>Deck Replacement</i>	\$15K	\$0K
Total All Items	\$738K	\$221K

- ▶ Significant & Immediate Project
- ▶ Cost of Renovation Led to Explore Options
- ▶ Attractiveness: Cost & Flexibility
- ▶ Food & Beverage?
- ▶ More Investigation Needed

Appendix 2: Aquatic Facility

Aquatic Facility & Buildings Options								
	Item Cost Estimate	Task Force \$300K Solution	5 Yr. Solution w/Spray Pool	5 Yr. Solution w/Wading Pool	Renovate Main Pool w/Spray Pool	Renovate Main Pool w/Wading Pool	New Aquatic Facility	New Aquatic Bldg. & Renovate Pool
Total Project Cost		\$300K	\$888K	\$1.1mln	\$2.7mln	\$3.0mln	\$7.0mln	\$5.0mln
General Costs/Overhead								
Construction/Design		\$60K	\$257K	\$269K	\$560K	\$590K	\$2.0mln	\$1.825mln
Repair Allowance		\$30K	\$51K	\$51K	\$56K	\$56K	NA	NA
Other Allowances		\$28K	\$99K	\$117K	\$283K	\$304K	\$1.0mln	NA
Specific Item Costs								
Fix Main Pool Leaks	\$59K	X	X	X		X	incl.	incl.
Main Pool Rehab	\$432K				X	X		\$337K
Main Pool New	\$1.97mln						X	
Refurbish Shade Structures/Lift	\$48K	X	X	X				
New Shade Structures/Lift	\$54K				X	X	incl.	incl.
New Finishes Bathhouse/Concess.	\$75K	X	X	X				
Full Remodel Bathhouse	\$685K				X	X		
Wading Pool	\$500K			X		X	\$338K	\$425K
Spray Pool	\$300K		X		X			
Replace Pool Decks	\$247K				X	X	incl.	\$121K
New Lighting	\$109K				X	X	incl.	\$85K
New Bathhouse	\$1.68mln						X	incl.
New Mechanical Room	???							incl.
New Offices	???							incl.

- ▶ Various Pool Options; Not All Apples-to-Apples
- ▶ TF Proposal is Aggressive Band-Aid for 5 Years
- ▶ Grant May Make Wading Pool Viable
- ▶ Need Plan to Finance to Get Past Debt Service Hump