

## **M E M O**

**TO: President and Members of the Park Board**  
**CC: President and Members of the Town Council**  
**David F. Shafer, Clerk-Treasurer**

**FROM: Thomas F. DeGiulio, Town Manager**

### **MEETING**

**DATE: July 7, 2014**

**RE: Capital Projects**

This memo tries to address the issues raised by the Clerk-Treasurer's office on 6/30/14 regarding the Park Board's discussion of my June 26, 2014 memo. At the Park Board's meeting in addition to all the Board members, Mr. Nellans and Mr. Simonetto were present along with several staff members. The lengthy discussions covered the priorities of the Park Board and the major projects we are accomplishing and what was going to be reprogrammed in 2015 or delayed until an unspecified time.

In our group discussion, it was brought up using other sources of capital funding in 2015 and beyond. This is one of the comments in the Clerk-Treasurer's memo. I have attached a copy of their memo.

I believe several comments made by the Clerk-Treasurer's office are the result of not being in on the Park Board meeting discussion to hear the specifics. My memo may have left some issues unclear.

The major caveats are that Community Park and Centennial Park are the priority projects. My earlier memo addressed specifically what other projects are being delayed or tabled. As with any capital project budget, timing is critical for funding. There must be flexibility to pay for projects as they are ready to go.

I made it clear at the Park Board meeting that Staff would review all of the outstanding Parks bond issue resolutions. If Community Park or Centennial were not included in the issues that we wished to use for funding that we had a legal process to go through to properly reauthorize funding. This process will begin in July.

This reprogramming may cause some concern from individuals or groups that a project is tabled or delayed. However, the greater good is served by getting the projects that are ready, funded and finished. This is how it works at NIRPC and how we have done things here in the past.

Community and Centennial are the shovel ready projects. We will have the second proposal from the contractors for Centennial within the week. The Technical Committee will review it and be prepared to make recommendations to the Town Council and Park Board hopefully by the end of July or early August. Work would realistically not begin until the fall. It will continue

over the winter and into 2015. Therefore your cash outlays will go out over time. We do need to know the amount and where this will come from. The contracts can be written to provide notices to proceed for various phases over time. This will allow for appropriations and cash to be available.

The answer to how much we will actually need and when, is waiting for the revised proposal from the Centennial contractor. Things will generally be done separately.

### **Community Park**

We do know what we have left to pay from Phase III from TIF and Park Bonds. We now know the costs for Phase III at Community. We know we have to finish the internal road, the north parking lot; the entry road to St. Tom's from Calumet and the remaining landscaping at Community. When reprogramming from other sources, I meant with the 2015 Park Bond Issue for landscaping. Other capital sources, means those sources that can be spent on road projects. These include General Obligation Bonds, Park Board, Gaming, etc. It was discussed that existing balances in General Obligation Bonds earmarked for building improvements could be used for Centennial Park if necessary. It would require the same reauthorization process that we will use for the Park Bonds. The projects planned would be reprioritized and reprogrammed in G.O. Bonds or other appropriate funding sources.

### **TIF Allocation Fund**

The Redevelopment Commission has committed to Tec-Air. The Boyer agreement is in process.

The Grade Separation can be reprogrammed in to 2015 for \$1.0 million. The RDC must recognize that the \$1.0 million commitment is locked into the TIF Allocation Fund in the 2015 budget. That allows the balance to be available to be adjusted. This resolves most of the "cash" shortfall in TIF. The Clerk Treasurer's office and the Manager's office can work through those issues as the year comes to a close. We have several options where we can look into transfers and other alternatives. I would anticipate these to be resolved by August 29<sup>th</sup>, when I leave.

### **Responses to Clerk-Treasurer Memo of 6/30/14**

- A. **Cobblestones** – the tennis court issues once resolved will likely bring the balance of appropriations to zero. Any surplus will be transferred.
- B. **Monon Trail Park** – No issue. The acquisition will continue. The Park will be bid after October, when our Community Development Block Grant Funds are available.
- C. **Westlakes** – The issue raised is "...no stated funding sources for future work". The discussion at the meeting was to reprogram in a future park bond issue, as early as 2015. The only expenses known for 2014 are for the design work. The over seeding and irrigation work on the existing fields may begin as funds are available. The sure expense is \$40,000. The rest is dependent upon the other variables. If the top dressing and over seeding is not done in 2014 it will be put into the next bid package and funded.

- D. **Community Park** – Other capital funds for landscaping means the 2015 Park Bond Issue. That issue will be \$1,970,000 and sold early in the year. The new Park Director and Board will have to decide on the other priority projects. We have included the miscellaneous drainage improvements in the Olthoff estimate for Phase IV.

The new road and parking estimated at \$350,000 will be bid separately. It includes redoing the entry to St. Tom's. The Town Council and Park Board will make decisions on where to fund the road and parking lot from. The options include TIF, G.O. Bonds, Gaming, Park Bonds or a combination. I would recommend a combination of these sources with TIF as the last use.

In my June 26<sup>th</sup> memo we list the bid cost at \$2,242,740. This included the rejected bid of the fencing at \$478,730. The revised fencing bid was \$445,950. This lowers our preconstruction cost by \$32,780. The new cost is \$2,209,960.

To be clear this does not include demo of the south end tennis courts, the transfer of the excess dirt to Westlakes and the pulverizing of the top soil. The landscaping of the demo and south end also needs to be considered.

- E. **Centennial Park** – Until we know what the costs will be for Centennial, all we can do is speculate. We discussed timing and how it will impact cash and appropriations. We also discussed the possibility of using existing G.O. bonds earmarked for building improvements. This will assist in the shortfall if the project exceeds \$2,258,791. We need to address that issue as we come to it. With the sequencing of the phase of Centennial, you will have time and opportunity to do that.

Project	Estimate	Funding Source	Available Appropriations	Comments
A Cobblestones Tennis Courts	\$ 28,000.00	419-91527-64247	\$ 28,968.87	Enough to cover estimate with \$8,968.87 extra

B Monon Trail Park	\$ 532,700.00	419-9152213-64100	\$ 303,624.18	Enough to cover estimate but it's \$1,651.82 less than 06/24/14 memo
		419-9152214-64100	\$ 150,000.00	
		419-9152213-64250	\$ 270,000.00	
			\$ 723,624.18	

C Westlakes	None given	419-9152211-64251	\$ 219,121.20	This is total available in stated funding source of 06/24/14 memo. For Centennial Park land exchange only. Irrigation, overseeding and new soccer fields delayed to 2015 with no stated funding source.
		419-9152212-64251	\$ 130,000.00	
			\$ 349,121.20	

D Community Park	Park Bond Only			
Phases III & IV estimate to be funded by Park Bonds	\$ 2,236,866.70	419-9152211-64259	\$ 120,000.98	For 2015, no funding source listed, but 06-24-14 memo suggests "other capital funds": landscaping of final phase (est. \$115K); drainage improvements (no estimate); entry and parking (est. \$200K)
		419-9152213-64602CPK	\$ 916.50	
		419-9152214-64602CPK	\$ 1,793,392.58	
			\$ 1,914,310.06	
			+ 349,121	
				The conservative cost estimate of \$2,236,866.70 for Phases III & IV to come from Park Bonds exceeds the amount available by \$322,556.64.
				There is an additional \$377,023.59 for Phase III to be funded by TIF. This brings the projected cost to complete to \$2,613,890.29.

E Centennial Park: Bonds	\$2.0M - \$2.7M	2011 Park Bond	\$ 443,499.99	Projects abandoning
		2012 Park Bond	\$ 453,973.50	atty, Grove Park, bike paths, other imp, mach & equip
		2013 Park Bond	\$ 82,473.41	atty, Grove, White Oak, Heritage Parks, mach & equip
		Total avail from Park Bond	\$ 979,946.90	atty, Community Park, mach & equip
		2012 MMC Refinancing	\$ 1,278,844.51	
		Total available	\$ 2,258,791.41	
		06/24/14 Memo	\$ 2,868,844.51	\$610,053.10 difference; \$48,910.53 available in the 2008-2010 Park Bonds

## TIF Allocation Fund

## Cash Forecast

\$ 2,256,916.45	06/29/14 Cash	
\$ (533,260.63)	06/29/14 encumbrances	\$320K generator lease - maybe able to use electric fund for part of payment.
\$ (5,895.07)	Payroll to year-end	
\$ 150,000.00	Rent revenue	
\$ 2,350,000.00	TIF revenue	
\$ (1,322,785.10)	Debt service - June	
\$ (1,477,112.50)	Debt service - December	
\$ 1,417,863.15	12/31/14 cash estimate	

## Expenditures per 06/24/14 Memo

\$ 377,023.59	Balance of Community Park	
\$ 615,000.00	Tec-Air	
\$ 525,000.00	Boyer	
\$ 500,000.00	Grade Separation	\$596,160.44 short of estimated year-end cash
\$ 2,017,023.59		