

Livermore Area Recreation and Park District

Staff Report

TO: Director Palajac and Facilities Committee

FROM: Mat Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Business Services Manager

DATE: May 4, 2023

SUBJECT: Preview of Capital Improvement Program (CIP) and Operating Capital Budget for FY23-24

PURPOSE: This report is intended to provide a preview of staff's recommendation for the FY23-24 Capital Improvement Program (CIP) and Operating Capital Budget that will be presented to the larger Board at its May 31, 2023 Board Budget Workshop.

BACKGROUND: The Board recently approved a multi-year plan for CIP at its March 8, 2023 Board Meeting. Since that meeting, staff have established, for the first time, clear criteria for designating a project as CIP or Operating Capital (see Appendix A). In applying these definitions to staff's previous CIP plans, several projects will now be treated as Operating Capital (formerly referred to as "Capital Equipment"). Thus, both CIP and Operating Capital are presented in this staff report, with notes as to items that have been reclassified.

Note: these classification changes will have NO impact on the District's General Fund or plans for AB1600 project funding (project funding is not affected).

Changes that have been made to staff's CIP Budget proposal vs what was reviewed the March, 2023 Budget Workshop are listed below (General Fund unless otherwise noted):

1. Projects moved FROM CIP TO Operating Capital:

- a. Shade Structures/Various Parks (\$60k per year – AB1600)
- b. FY22-23:
 - i. Mocho Community Garden (\$90k – AB1600)
 - ii. Aquatics Scoreboard (\$92k)
 - iii. Trevarno HVAC / Little House (\$35k in FY22-23)
- c. FY23-24:
 - i. Cresta Blanca floor (\$95k)
 - ii. ESS Buildings (\$100k moved from FY22-23 to FY23-24 and increased to \$200k)
- d. FY24-25:
 - i. Roof at Trevarno (\$65k, was FY23-24, now slated for FY24-25)

Note: projects that are in progress and for which actual spending has occurred will not be subject to reclassification (example: Patterson Ranch Trail)

2. Projects/Equipment For Inclusion in Operating Capital:

- a. FY22-23:
 - i. Shade Structure RLCC Café Plaza (\$13k)
 - ii. Aerator for Sports Field Maintenance (\$18k)
 - iii. Smithco Infield Grooming Machine (\$25k)
- b. FY23-24:
 - i. Christensen School Roof (\$30k)
 - ii. Robertson Park Field 3 – natural turf replacement (\$150k)
 - iii. Bill Payne Sports Fields (2) – reducing the size of infield to expand availability to youth sports (\$100k – AB1600)

Operating Capital Projections: FY22-23 through FY23-24

(actual results through March, 2023)

	FY22-23 Fcst	FY23-24 Prelim Budget	FY24-25
AB1600			
(1) Shade Structures/Various Parks	\$60,000	\$60,000	\$60,000
Bill Payne Sports Fields (2) - reducing size of infield	\$0	\$100,000	\$0
(1) Mocho Community Garden	\$90,000	\$0	\$0
Sub-total, AB1600 Operating Capital	\$150,000	\$160,000	\$60,000

General Fund

Board Room Equipment	\$10,559	\$0	\$0	actuals through March - unplanned
Potable Generator System	\$60,705	\$0	\$0	actuals through March - IN Budget (funded by County)
Riding Lawnmower	\$6,063	\$0	\$0	actuals through March unplanned
(1) Trevarno HVAC	\$35,341	\$0	\$0	< offset - was in CIP
Mower	\$15,970	\$0	\$0	actuals through March unplanned
Pool Covers	\$30,608	\$0	\$0	actuals through March unplanned
Mower	\$78,648	\$0	\$0	actuals through March unplanned
Pool Vacuum	\$10,036	\$0	\$0	actuals through March unplanned
Handfed Chippers	\$78,575	\$0	\$0	actuals through March unplanned
Shade Structure - RLCC café plaza	\$13,290	\$0	\$0	
(1) Roof at Trevarno (now slated for FY24-25 - total Tear-off)	\$0	\$0	\$65,000	< offset - was in CIP
(1) ESS Buildings - remodel (2 buildings interior mostly - ADA)	\$0	\$200,000	\$0	< offset - was in CIP but only at \$100k
(1) Aquatics Score Board	\$92,000	\$0	\$0	< offset - was in CIP
(1) Cresta Blanca Floor	\$0	\$95,000	\$0	< offset - was in CIP
Christensen roof	\$0	\$30,000	\$0	< was in Prelim FY23-24 Maintenance budget
Aerator for Sports Field Maintenance	\$18,000	\$0	\$0	
Smithco Infield Grooming Machine	\$25,000	\$0	\$0	
Robertson Park Field 3 - natural turf replacement	\$0	\$150,000	\$0	< net new for FY23-24
	\$0	\$0	\$0	
	\$0	\$0	\$0	
Sub-total, General Fund Operating Capital	\$474,794	\$475,000	\$65,000	
TOTAL OPERATING CAPITAL	\$624,794	\$635,000	\$125,000	

(1) Included in Final CIP Budget for FY22-23+; now in Operating Capital given the criteria for CIP vs Operating Capital established March, 2023

CIP Project Financials - Project Spending View: FY22-23 and FY23-24, with preliminary projections for FY24-25 thru FY27-28

Actual Results through January 3, 2022 (schedule updated 4/18/22)

includes ALL projects that have spending in FY22-23 and/or that will be completed in FY22-23 or beyond; reflects CIP criteria adopted in March, 2023

Project #	Project Name	Status	Project Funding Source	6-Year Projections			
				FY22-23 Forecast	FY23-24 Preliminary Budget	FY24-25 Projection	FY25-28 Projection
			AB1600	261,514	1,223,117	2,000,000	6,000,000
			Restricted Fund	\$0	\$82,800	\$0	\$0
			General Fund	\$1,902,522	\$0	\$0	\$0
			Reserve Funds	\$0	\$500,000	\$1,300,000	\$1,500,000
			Total Spend	2,164,036	1,805,917	3,300,000	7,500,000
				\$0			
tbd	Park Capacity Enhancements	Not Yet Begun	AB1600	\$0	\$0	\$2,000,000	\$6,000,000
tbd	Amphitheater for Sycamore Grove - Arroyo side	Not Yet Begun	AB1600	\$0	\$300,000		
tbd	Bill Clark Park Playground (Equipment/accessibility)	Not Yet Begun	AB1600	\$0	\$117,200	\$0	\$0
tbd	Bill Clark Park Playground (Equipment/accessibility)	Not Yet Begun	Restricted Fund	\$0	\$82,800	\$0	\$0
tbd	Park Equipment Replacement - Ida Holm	Not Yet Begun	Reserve Funds	\$0	\$250,000		
tbd	Park Equipment Replacement - Jack Williams	Not Yet Begun	Reserve Funds	\$0	\$250,000		
tbd	Park Equipment Replacement - Tex Spruiell	Not Yet Begun	Reserve Funds	\$0	\$0	\$250,000	
tbd	Park Equipment Replacement - Mocho	Not Yet Begun	Reserve Funds	\$0	\$0	\$250,000	
tbd	Park Equipment Replacement - El Padro	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Lester J Knott	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Hagemann	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Altamont Creek	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Christensen	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Al Caffodio	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Synthetic Turf Replacement - Cayetano	Not Yet Begun	Reserve Funds	\$0	\$0	\$800,000	
006	Restroom at Sycamore Picnic Area (for picnics and programs)	In Progress	AB1600	\$204,760	\$0	\$0	\$0
451	Bike Pump Track - Sunken Gardens	In progress	AB1600	\$5,214	\$805,917	\$0	\$0
723	Patterson Ranch Trail	In progress	AB1600	\$44,495	\$0	\$0	\$0
017	Trevarno Road Water/Sewer Assessment District (last phase)	In Progress	General Fund	\$49,515	\$0	\$0	\$0
730	Rodeo Stadium Infrastructure Improvements	In Progress	General Fund	\$248,392	\$0	\$0	\$0
902	Joe Michell Building (last phase)	Completed	AB1600	\$7,045	\$0	\$0	\$0
018	Synthetic Turf - Robertson (2 fields)	Completed	General Fund	\$1,604,615	\$0	\$0	\$0
			Totals	\$2,164,036	\$1,805,917	\$3,300,000	\$7,500,000

APPENDIX A

CIP vs Operating Capital vs Maintenance of Structures and Grounds (operating expense)

I. SPENDING CLASSIFICATIONS

Operating Capital:

1. Definition (consistent with the District's current accounting guidelines):
 - a. Includes property, plant, and equipment that have a total acquisition cost (including taxes, delivery, and installation) per unit that amounts to more than \$5,000 and an expected useful life greater than 1 year but which is not a part of an approved CIP initiative (defined below). Can be a newly purchased asset or an improvement to an existing capital asset that extends its useful life.
 - b. The District does not consider capitalization of bulk purchases where per unit costs are less than \$5,000.
 - c. Cost \$ amount threshold (beyond which a project can be considered as CIP): estimated cost, from design to completion, is less than the current limitations identified in CUPCCA (California Uniform Public Construction Cost Accounting act, which the District has elected to follow) as the threshold beyond which a formal bid process is required. As of this writing that limit is \$200,000. Example: a project to add a new pool fixture at a District site that costs \$175,000 would be treated as Operating Capital. IF the same project amounted to \$200,000, it could be considered a CIP project and reported as such. Note: Operating Capital projects that could qualify for AB1600 funding will be included in AB1600 reporting as such.
2. Accounted for in the operating unit responsible for its acquisition (eg, Information Technology).

Maintenance of Structures and Grounds:

1. Definition
 - a. Outlays to maintain the useful life of structures and grounds that do not extend the useful life of the asset and/or enhance its assessed value.
 - b. Includes on-going, routine maintenance efforts, as opposed to an initiative (project) with a distinct start and end date.
 - c. Accounted for in the operating unit responsible for the completion of the work, by location.

Capital Improvement Program (CIP):

1. Definition
 - a. Acquisition of land and/or development (improvement) of land for a park, trail, recreation facility, office, or other park operation, and construction (new/expansion/renovation) of facilities or improvements, such as public buildings and facilities, including administrative offices, schools, infrastructure used for the generation and distribution of water and utilities, and parks,

- playgrounds, and recreation. Could include information technology-focused projects such as new network infrastructure to enhance District-side systems connectivity.
- b. CIP program costs include planning, engineering, designing, delivery, installation, capital equipment, and other costs that are reasonably attributed to the effort to deliver the new or renovated infrastructure. Typically will include fixed assets that will be included in the overall CIP initiative.
 - c. A discreet project, one with a defined start and end date, as opposed to on-going, routine maintenance.
 - d. Cost \$ amount threshold (beyond which a project can be considered as CIP): estimated cost, from design to completion, exceeds the current limitations identified in CUPCCA as the threshold beyond which a formal bid process is required. As of this writing that limit is \$200,000.
 - e. Typically multi-year in duration (12 months or more);
 - f. May rely on special, restricted funding (eg grants, trusts, AB1600)
 - i. Note: AB1600-eligible projects will NOT be subject to the Cost Estimate constraint outlined in item 1.d., above.

2. Funding Sources

- a. AB1600 (developer fees administered by, and shared with, the District and the City of Livermore – in the case of public parks - and intended for capital improvement programs in response to development projects that will impact service levels for public infrastructure (in LARPD’s case, parks and recreation-focused).
 - i. Reflects reimbursement of costs incurred to address increased demand for public facilities reasonably attributed to development projects in order to:
 - 1. Add new, or enhance existing, facilities to increase the level of service in response to increased public demand; or
 - 2. Achieve an adopted level of service that is consistent with the general plan
- b. General Fund
 - i. Unassigned Reserve funds that are available for CIP initiatives that do not meet the criteria for AB1600 or other restricted funding.
- c. Trusts and Grants
 - i. Typically establish specific spending guidelines for fund use.