

# University Park Recreation District

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<http://universityparkrd.com/>

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The Workshop meeting of the **Board of Supervisors of University Park Recreation District** will be held on **Tuesday, February 28, 2023, at 10:00 a.m.** at the **Community Center** located at 8301 The Park Boulevard, University Park, FL 34201 and or virtually.

**Meeting ID:** 845 8893 8513

**Passcode:** 755354

**Join meeting via Zoom:**

<https://us02web.zoom.us/j/84588938513?pwd=eUE4Q3BTNGVLNXBsOGViRXk1cWo2QT09>

## **BOARD OF SUPERVISORS' WORKSHOP MEETING AGENDA**

### **Organizational Matters**

- Call to Order
- Roll Call
- Pledge of Allegiance
- Public Comment Period *[for any members of the public desiring to speak on any proposition before the Board]*

### **Discussion**

1. Update from Mark Criden Regarding the Presentation to the Neighborhood Chairs
2. Presentation from Steve Ludmerer Regarding the Financing Options
3. Input from the Board of Supervisors Regarding the Business Plan Concept

Date	Meeting Type	Time	Location	Note
March 10, 2023	BOS Meeting	1:00 PM	University Park	Community Center
April 4, 2023	Workshop Meeting	TBD	University Park	Community Center

### **Adjournment**



# **University Park Recreation District**

Update from Mark Criden Regarding the  
Presentation to the Neighborhood Chairs

# **University Park Recreation District**

Presentation from Steve Ludmerer  
Regarding the Financing Options

# Capital Needs and Financing Options

February 28, 2023

# Agenda

- What are UPCC's Capital Needs?
- Capital Needs, Years 2023 through 2027
- Capital Sources and Options
- Some Pros and Cons
- Financial Summary – The Bottom Line
- Timing
- Implications and Conclusions

# Capital Funds Needs = Capital Reserve Study Results + Other Priority Needs

- Capital Reserve Study
  - Foundation for capital planning, 20-year horizon
  - Contracted with specialists in Golf/Country Clubs
  - Historic files and info; two people on-site for a week
  - Identified all assets > \$2,500 in value, date installed, useful life
  - Includes all golf course components, racquets, fitness/wellness, dining, kitchen, infrastructure
  - Reviewed and curated by John, Curtis, et. al., leases considered
  - Projects replacement cost and funds needed by year (inflation considered)
  - Capital Reserve Fund should be a minimum of 2 years of future needs (~ 3 million)
- Other Priority Needs—estimated - specifics to be available in March 2023

# Qualifiers for this Presentation

- These are our Capital Needs developed through rigorous analysis.
- Estimated cost of new facilities are approximated, but undoubtedly close
- We do not yet have a configuration for other priority needs 'new facilities'.
- More detail on new facilities will be available before any homeowner vote.
- Potential Bond costs based upon 5.5% 30 year rate and 2021 home values.
- The Board requested this analysis and update.
- Board actions need to be in place in a defined timeline.

# Capital Needs, Capital Sources, Capital Reserves and Financing Options

2023 through 2027

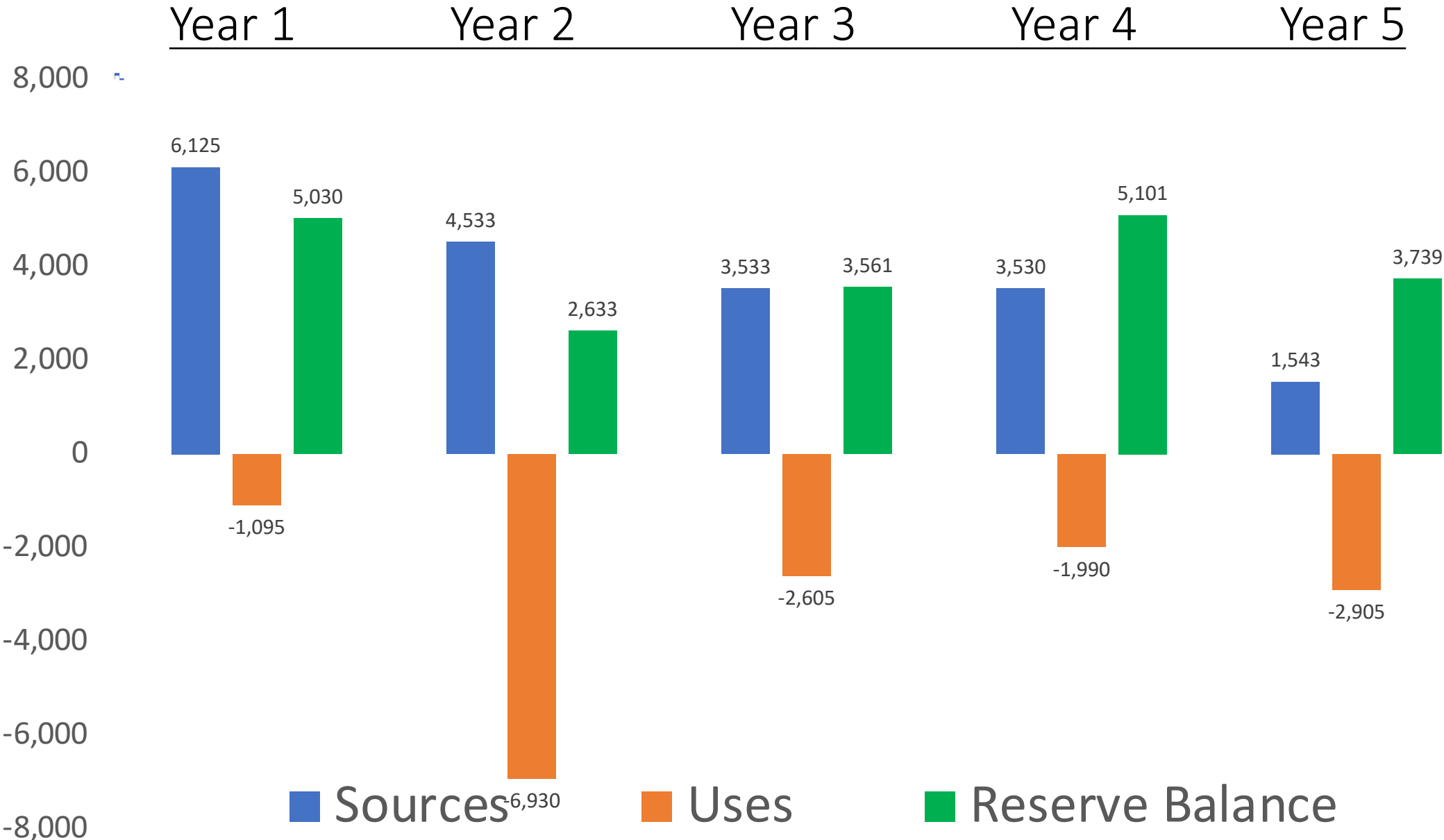
# Summary—Capital Needs – No New Facilities– 2023 through 2027

Description	2023	2024	2025	2026	2027
Golf course irrigation, lake banks, bridges & equipment	\$345	\$6,500	\$2,530	\$1,875	\$2,550
Maintain existing Dining Facilities, kitchen	390	180	40	25	5
Maintain existing Varsity Club, Pro Shop, Adm Facilities, Parking Lot	215	190	5	15	350
Maintain existing Racquets, Fitness Center facilities & equipment	85	60	30	75	0
Kitchen, Varsity Club, Pro Shop, Wellness Center, Adm Facilities remodels & Expanded Parking Lot	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FOR EACH YEAR	\$1,035	\$6,930	\$2,605	\$1,990	\$2,905
<b>GRAND TOTAL 5 YEARS ENDING 2027</b>	<b>\$15,465</b>				

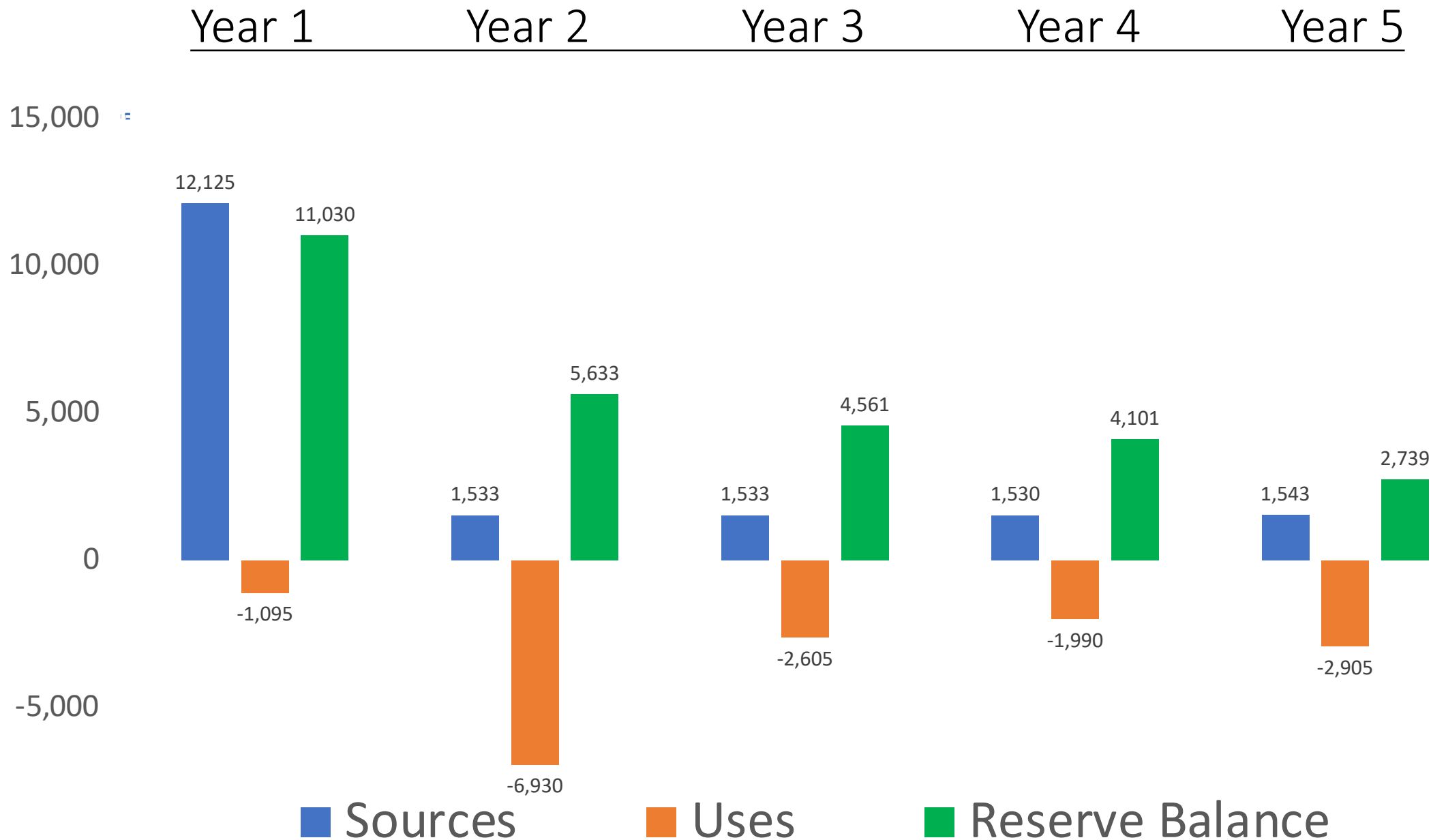
# Summary - Capital Sources; No Bond – 2023 through 2027

Description	2023	2024	2025	2026	2027
Club Operations 5-year forecast including initiation fees, capital fees & outside play allocation	\$1,025	\$1,033	\$1,033	\$1,030	\$1,043
Other capital sources, <u>to be determined</u> (increased initiation & capital fees, transfer fees, other)	100	500	500	500	
<b>TOTAL Sources, No Bond, with Assessments Issued in 2023</b>	<b>\$6,125</b>				

# CAPITAL SOURCES & USES with no Bond Issued, Years 1 – 5



# CAPITAL SOURCES & USES w/ \$12MM Bond (\$11mm net) Years 1 – 5



# Capital Funding Options

Funding Alternative	Comments
Municipal Bond	Lowest cost long term financing = 30 years
Bank Financing	Higher cost than municipal bond; not supported by operating yield
Asset Financing – Capital Leases	Term will be 5-7 years; Higher interest rate; possible for some collateral items
UPCAI Loan	UPCAI needs their capital reserves; legal issues
Homeowner Assessment	Board Decision; Feasible

# THE KEY ALTERNATIVE CAPITAL SOURCES\*

## 30 Year Bond, Requires Board Approval & Homeowner Referendum

PROS	CONS
Muni Bond is lowest cost financing	Cost of issuance = ~ \$600,000 (w/o insurance) DSR = 6/12 months interest
Spreads obligation over useful life of the assets	Approximate five month process after Board approval to initiative referendum
Lower cost to current homeowners	Capitalized interest (depending upon timing) reduces project yield.
Obligation transfer with sale of home.	Requires Assessment Methodology, Public Equalization Hearing.

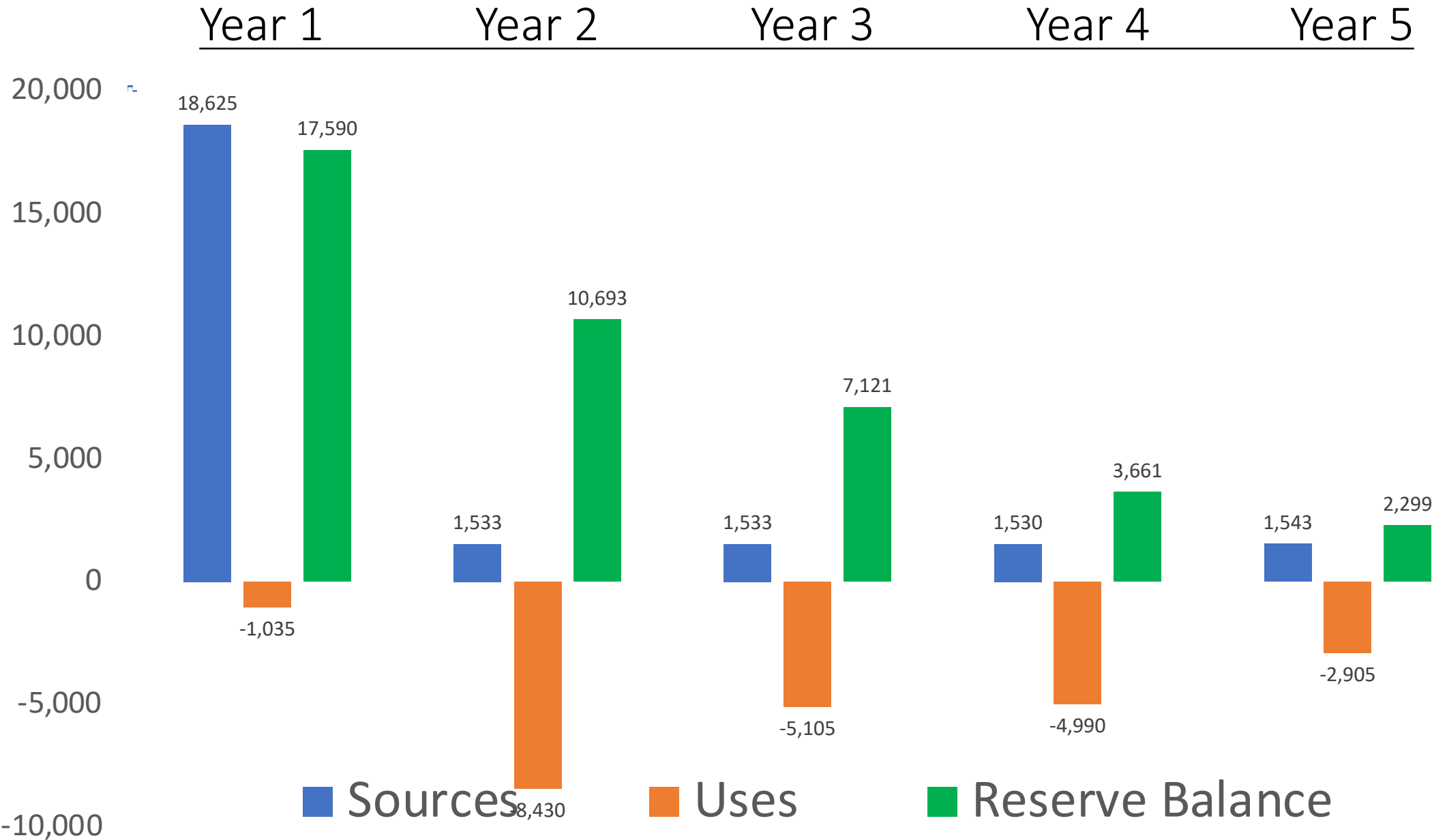
## Assessments, Requires Only Board Approval

PROS	CONS
Eliminates Financing Cost	Does not match useful life
Simple Straightforward Board Approval	Penalizes current homeowners
	Annual cost to homeowners is multiple of Bond cost.
	Requires Public Hearing; 30 days mailed notice to homeowners

# Summary—Capital Needs – With New Facilities– 2023 through 2027

Description	2023	2024	2025	2026	2027
Golf course irrigation, lake banks, bridges & equipment	\$345	\$6,500	\$2,530	\$1,875	\$2,550
Maintain existing Dining Facilities, kitchen	390	180	40	25	5
Maintain existing Varsity Club, Pro Shop, Adm Facilities, Parking Lot	215	190	5	15	350
Maintain existing Racquets, Fitness Center facilities & equipment	85	60	30	75	0
Kitchen, Varsity Club, Pro Shop, Wellness Center, Adm Facilities remodels & Expanded Parking Lot	<u>0</u>	<u>2,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
TOTAL FOR EACH YEAR	\$1,035	\$8,930	\$5,605	\$4,990	\$2,905
<b>GRAND TOTAL 5 YEARS ENDING 2027</b>	<b>\$23,465</b>				

# CAPITAL SOURCES & USES with \$19MM Bond (\$17.5 net), 2023 -2027



# Some Pros and Cons of Capital Needs

Existing Infrastructure		Pro	Con
	Irrigation, Lake Banks, Bridges (2024)	Required to support most important revenue generating asset	Some homeowners reject golf course maintenance or improvements as not their responsibility.
New Infrastructure		Pro	Con
	Kitchen	Efficiency, Capacity, Quality, Member Satisfaction	Some think F&B is fine and no investment needed.
	Varsity/Pro Shop Swap	Member Satisfaction	Some see this as golf focused; not supporting broad membership.
	Activity/Meeting Space Expansion	Member Satisfaction; Support Social Members	Some feel it unnecessary to expand this amenity
	Fitness/Wellness Center	Member Satisfaction; Support Social Members	Some feel it unnecessary to expand this amenity.
	Office Upgrades	Staff Satisfaction	Some feel it unnecessary

# THE BOTTOM LINE

	<b>BOND With New Facilities</b>	<b>BOND Without New Facilities</b>	<b>NO BOND No New Facilities</b>
<b>Projected average annual cost per home by tax year:</b>			
<b>2023</b>	<b>\$1185</b>	<b>\$755</b>	<b>\$5000</b>
<b>2024</b>	<b>\$1185</b>	<b>\$755</b>	<b>\$3000</b>
<b>2025</b>	<b>\$1185</b>	<b>\$755</b>	<b>\$2000</b>
<b>2026</b>	<b>\$1185</b>	<b>\$755</b>	<b>\$2000</b>
<b>2027</b>	<b>\$1185</b>	<b>\$755</b>	<b>\$ 0</b>

# Financial Summary

- Capital Reserves shortfall of ~\$300-500,000 can be achieved.
- No Bond Requires Annual Assessment— \$5,000/3,000/2,000/2,000 (over 4 years).
- With \$12 MM Bond cost to average homeowners will be ~ \$755 per year (range ~ \$535 to \$1118).
- With \$19 MM Bond cost to average homeowner will be ~ \$1185 per year (range ~\$850 to ~\$1775)
- Average increase of \$430 per year (\$1.18/ day) will enable new 'first class' facilities and support home values..
- Timing is critical!

# Timing

- Objective is to be able to perform Irrigation Upgrade, Repair Lake Banks and Bridges, and reduce golf course water usage in off-season 2024.
- Funds of at least \$6.5 million must be in hand by December 31, 2023.
- Funds must be collected with taxes in Nov 2023
- Amount must be in TRIM notice (Closes August 1, 2023)
- To be in TRIM notice must be in Preliminary Budget approved by Board in May 2023.
- Assessment can be reduced (if Bond anticipated) in Final Budget no later than September 15, 2023.
- Board needs to make April/May decision on Bond, Assessment or Dual Path

# Strategic Implications and Board Decision

# Implications/Conclusions

- Club performance has positively advanced key strategic issues from 2020.
- Membership constraints are manageable; this is a member experience decision.
- Operating Forecast generates surplus and contributes to Capital needs.
- Current initiation fees, capital dues, and 10% outside play, even with additional \$500,000/year are insufficient to support our EXISTING infrastructure needs.
- We need an additional \$10 - \$12 million over the next 5 years to support EXISTING infrastructure, BEFORE new kitchen, wellness/fitness, activity space, pro shop move, and office needs.
- “Exemplary” new facilities will cost ~ \$8 million and support home values..
- A decision at/before May 2023 Board meeting is required.

QUESTIONS/COMMENTS

# **University Park Recreation District**

Input from the Board of Supervisors  
Regarding the Business Plan Concept

**From:** [Vivian Carvalho](#)  
**To:** [Sally Dickson](#); [Steven Ludmerer](#); [David.Murphy@universityparkrd.com](mailto:David.Murphy@universityparkrd.com); [Russell.Piersons@universityparkrd.com](mailto:Russell.Piersons@universityparkrd.com); [mark.criden@universityparkrd.com](mailto:mark.criden@universityparkrd.com)  
**Cc:** [Venessa Ripoll](#); [ifetsick](#); [mbarnebey@blalockwalters.com](mailto:mbarnebey@blalockwalters.com)  
**Subject:** UPRD- Follow-up Items from BOS Continued Workshop Meeting 2.14.23  
**Date:** Wednesday, February 15, 2023 1:47:00 PM  
**Attachments:** [image001.jpg](#)  
**Importance:** High

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**\*If you are a Board Member, please do not “reply all” per the Florida Sunshine Laws.\***

Good Afternoon Board of Supervisors:

We wanted to reach out to you in regards to some of the follow-up items from the Board of Supervisors Continued Workshop Meeting held yesterday February 14, 2023.

Please send a list of items for the Concept of the Business Plan & (Committee) discussion that the Board will have at the February 28, 2023 Workshop Meeting. Below are the items to include in your email response by 4 sections:

Section 1- Business Plan

- Bullet points of the description that the Business Plan will contain

Section 2- Business Plan (Committee)

- Bullet points of the concept of the (Committee) and indicate the process for naming the Chair person and number of members in the committee. Also the qualification and background experience that would be beneficial component on serving in such (Committee).

Section 3- Goals and Objectives

- Bullet points on the goals and objectives of the (Committee)

Section 4- Timeframe

- Bullet points of timeframe and length that the (Committee) will be in existence.

As we discussed please send your list by noon on 2.21.23 so the final list can be compiled and circulated to the Board with the Agenda package.

If anyone has any question in regards to these follow-up items please contact management only.

Regards,

Vivian Carvalho  
District Manager

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**University Park Recreation District**  
**Response from Board of Supervisors**  
**2/21/2023**

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***David Murphy's Email Response***

**1) Business Plan**

- \* overarching objective/ definition for UPCC (separate from Mission)
- \* current member profile
- \* projected member profile in 5 years. Similarities and differences.
- \* sources of future members and competition for these members
- \* measurements and monitoring of success of UPCC
- \* role of resident vs. non-resident members
- \* communication, messaging, outreach plans to attract future members
- \* financial forecasts, P&L, balance sheet, reserves for next 5 years

**2) Committee**

- \* will create the business plan under the supervision of the Chair
- \* 5-member committee plus Chair
- \* diverse group...membership level, age, gender, length of membership, with a weighting toward younger and newer (under 5 year) members
- \* expertise in a discipline.....finance, marketing/ brand management, communications, strategic planning/M&A, HOA/Club director.
- \* candidate names to be presented by Board members and GM as well as selected from volunteers obtained on Club Weekly outreach
- \* committee members and Chair chosen by a vote of the RD board

**3) Goals and Objective**

- \* creation of a five-year business plan that utilizes sources including the current five-year financial forecast, the 20 year capital needs

analysis, Master Plan documents and the historic summary of the turnover. In addition, the plan will incorporate findings from the various current Advisory Groups.

#### 4) Timeframe

- \* identification of candidates. Selection by the RD Board (March 10)
- \* presentation of Advisory Group material and development of a refined Business Plan outline - (April 14)
- \* presentation of the initial draft of the Business Plan - (June 9)
- \* final presentation- (August 11)
- \* edits and formal approval of the Business Plan - (September 8)

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#### ***Mark Criden's Email Response***

I have nothing to add to this at this time. This basically contains the questions I need answered.

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#### ***Rusty Piersons' Email Response***

##### Section 1- Business Plan

- Bullet points of the description that the Business Plan will contain
  - At a high level, a business plan should create a clear, objective and compelling picture of who the business is, where it's going, when it's going to get there, how it's going to get there and what it's going to do quarter by quarter and year by year to get there
  - Steps
    1. Build an "as is picture" that clarifies who we are, what we offer (provide) and how we operate today
    2. Build a "will be picture" that clarifies who we want to be, what we want to offer and how we want to be operating X years from now
    3. Build a "how and what we're going to do to get there" picture that explains the key metrics we are going to track and what we intend to accomplish quarter by quarter and year by year to achieve our "will be picture"

## Section 2- Business Plan (Committee)

- Bullet points of the concept of the (Committee) and indicate the process for naming the Chair person and number of members in the committee. Also the qualification and background experience that would be beneficial component on serving in such (Committee).
  - The Board Representative should be Rusty. The chair person should be selected by Rusty as well.
  - The committee should consist of full, racquets and social members (resident and non-resident) and non-member owners with significant business leadership experience who are personally interested in building a better club. 6 to 7 other members beyond John and Rusty. The chair person, Rusty and John should select the committee with final approval from the Board.
  - John Fetsick should be on the committee.

## Section 3- Goals and Objectives

- Bullet points on the goals and objectives of the (Committee)
  - Build a clear, objective and compelling metrics and priorities driven business plan that is easy to understand, unambiguous and captures the hearts and minds of the majority of the lot owners in the RD.
  - Gain board approval by September 2023.
  - Present to the RD lot owners and club members in October 2023.

## Section 4- Timeframe

- Bullet points of timeframe and length that the (Committee) will be in existence.
  - The business plan committee like all future board driven committees should be on-going standing committees.
  - Business plans are not static. They need to be adjusted as needed. Things change and stuff happens.

The final mission of this committee. The Board should set certain guidelines and requests for the committee to deliver. Then allow this group full autonomy from the board. In which they must deliver an unbiased and completely untarnished position developed thru strong input from homeowners/members perspective and various valid research and fact finding. To deliver a powerful Business Umbrella for the Club Board. At which time the Board will review and adjust as need be. Then present to the homeowners/members. Now the Board can leverage their constitutes for present and future major improvements/investments and gain financial commitments alike.

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## ***Steve Ludmerer' s Email Response***

### **I. Business Plan Components**

1. Description of Company- Mission & Vision
2. Executive Summary
3. Product or Service Offerings
4. Target Markets, size, sociographic, anticipated changes
5. Marketing and Sales; competition
6. SWOT Analysis
7. Facilities – current and future
8. Organization and Staffing; Member Advisory Group(s) composition
9. Capital Requirements
10. Operating forecast(s); inherent risks and risk mitigation
11. KPIs; milestones.

### **II. Process**

Key strategic issues must be decided by Board before Bus Plan team is activated. These issues include, but not limited to: Mission and Vision; Facilities- now and future, Capital Requirements and Reserves, Membership Levels/Caps.

Chair should be General Manager, supported by personnel in Finance, Marketing, HR, ideally in service business environments. May be employees or members. If members participate, they should represent different (all) membership levels (Social, Racquets, and Full) and both recent and longer-term owners.

### **III. Goals and Objectives**

To produce a document to serve as guideline for Management. To be the underlying backdrop for MBOs.

To put in place a process to measure KPIs/milestones on a regular (no less than 2 year) basis.

### **IV. Timeframe**

Team should be formed once Board decisions are made. (Mission and Vision; Facilities- now and future, Capital Requirements and Reserves, Membership Levels/Caps.). Process should target for 6 months completion.

## Suggested Template for Updating UPRD Business Plan

### I. **Executive Summary**

- a. Brief History 2019 – 2023
- b. How UP is Governed today
- c. RD Vision, Mission, and Values
- d. Summary of Past Surveys Indicating Member Wants
  - i. Prioritize Amenities that promote socialization of Members.
- e. Current Health of the Club – Finances, Membership
  - i. Absence of and Priority of Building Reserves
- f. Objectives and Strategies
- g. Phase I Actions and Status

### II. **Phase II Proposal**

- a. Summary of 2020 SWOT Analysis
- b. Review Priorities of Needs/Wants – Cost, Benefits
- c. Funding Requirements – Highlight 3-5 Years/10-year LRF.
- d. Funding Options with Recommendation

### III. **Communications Campaign to Build Resident Support**

- a. Campaign vs. Communications
- b. Uncouple from Routine Communications
  - a. Separate Spotlight on Proposal
- c. Resident Education via Neighborhood Meetings
- d. Q & As with Prompt Returns – Shared with All
- e. Aggressive Get Out the Vote Effort

### IV. **Deliverables to Membership**

- a. Clear and Concise proposal with timetable
- b. Implementation Plan/Responsibilities
- c. Impact of LRF

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## ***Sally Dickson's Email Response***

### **Business Plan Outline**

Major components of a plan should include the following:

1. Executive Summary
  - a. Purpose and goal of constructing the Business Plan
2. Overview of Club/RD history
  - a. Mission, vision, and values
  - b. How UP is governed
3. Challenges/Solutions
  - a. Review existing SWOT analysis– update as needed
  - b. Address solutions to significant SWOT issues identified
4. Identify all UPCC stakeholders and current offerings
  - a. Identify planned offerings and benefits to stakeholders
5. Outline Marketing tactics from existing plan
  - a. Identify target markets
6. Timeline for strategic and tactical efforts.
7. Communications campaign needed to build resident support.
8. Identify success metrics
9. Financial plan and projections (3-5 years)
  - a. Starting point is recently prepared 5-year forecast
  - b. Management will revise based on agreed assumptions

### **Section 2- Business Plan (Committee)**

- **Bullet points of the concept of the (Committee) and indicate the process for naming the Chairperson and number of members in the committee. Also, the qualification and background experience that would be beneficial component on serving in such (Committee).**

The Business Plan is RD Board of Supervisors responsibility; however, assistance is appropriate if needed during the process. Final product is approved by the Board of Supervisors. "Committee" or whatever we choose to call it operates as follows:

1. Must abide by Sunshine Laws
2. Chair to be appointed by Board of Supervisors (can be a Supervisor or a community volunteer)
  - a. If a Supervisor serves as Chair, 4 other committee members to be appointed by the remaining Supervisors (total of 5)
  - b. Qualifications based on past business experience, professional knowledge, knowledge of the Club and its workings, integrity

### **Section 3- Goals and Objectives**

- **Bullet points on the goals and objectives of the (Committee)**

### **Section 4- Timeframe**

- **Bullet points of timeframe and length that the (Committee) will be in existence.**

Goals and Objectives:

1. Establish and publish a timeline of meeting dates/agendas
  2. Compile all of the existing information relative to each of the identified components of the Business Plan as a starting point
  3. Where information currently exists, update to reflect current circumstances
  4. Provide written documentation of components presented as part of the updated Plan
  5. Develop a written presentation format for the finalized document
    - Pending approval of contents by the RD Board of Supervisors
  6. Complete the project by a date established by the RD Board of Supervisors at the outset
-