

BUDGET FOOTNOTES
RECREATION FUND – ADMINISTRATION DIVISION (55700)

1. **Salaries: (\$118,200)** A full-time Administrative Secretary position has been left vacant effective a retirement on June 30, 2006. The duties of this position have been shifted to other full-time staff and new part-time staff.
2. **Temporary Help: (\$10,000)** Part-time staff will be hired to perform some of the work previously done by the full-time Administrative Secretary.
3. **IMRF: (\$7,700)** The FY 2007/08 budget contained funds for a one time \$373,300 lump sum payment to the Illinois Municipal Retirement Fund (IMRF), as the employer portion of the Village's participation in the Early Retirement Incentive Program in 2006. This was the estimated cost for the three Recreation Department employees who retired under this program. This payment was made from a surplus balance over the 100% funding calculation in the Village's IMRF account. A consequence of maintaining a smaller surplus in this IMRF account is that future contributions will need to be made at a higher rate. The Village has opted to increase this contribution rate by a percentage point each of the last several years, in an effort to ensure that a surplus is maintained. The contribution rate in 2008/09 is 6.5%, a 30% increase from the 5% contribution rate of 2007-08. This is up 650% over the last five years. The reduction in full-time staff has helped keep our total costs down. In 2008/09, the total cost of IMRF contributions is budgeted at \$44,000. If our funding level drops below 100% of the actuarial requirement, the contribution rate could increase to as much as 13%, resulting in an annual cost of \$88,000 at current employment levels.
4. **Debt Service Payment: (\$338,900)** Debt service on a 20-year \$4,580,000 January 2003 General Obligation Bond Issue to finance a golf course renovation. The bond issue carries an average annual interest cost of 4.25%. The bond repayment schedule calls for annual principal and interest payments of about \$340,000. The total amount of all principal and interest payments to retire the bonds is \$6,830,000. Payments began in 2003. \$1,702,248 in payments have been made to date. \$5,127,153 remains to be paid. The final payment is scheduled for January 1, 2023. General Obligation Bonds were issued to obtain the most favorable interest rate, with the full cost of retiring the bonds to be borne by the Recreation Fund. Bond payments are funded from golf course user fees. No property taxes are used.
5. **IFT / Health Insurance: (\$63,600)** While the cost of providing employee health insurance coverage is increasing, this line item is reduced because of the number of full-time staff receiving this benefit has been reduced from fourteen to nine. As a result, this line item is lower than it would be if staffing levels had remained the same.
6. **IFT / Insurance – General: (\$28,000)** Prior to January 1, 2006, the Village funded State Unemployment Claims through the State unemployment insurance program, with the expense reflected in this line item. In recent years, the cost of the State program escalated significantly, to the point that the cost of this insurance program was much

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larger than the total amount of benefits paid to unemployment claimants Village-wide. Effective January 1, 2006, the Village opted out of the State unemployment insurance program and is paying unemployment claims on a dollar for dollar basis. Beginning in FY 2006/07 we budgeted \$55,000 for unemployment claims, but these dollars are charged to new line items in the appropriate Recreation Fund operating Division. This line item was reduced by about \$31,000 annually, leaving the Recreation Department with a cost increase of \$24,000 per year. For the last two years, cash balances in the Village's Insurance Fund have been used to keep insurance costs down in all funds. Without the use of cash balances in that fund, the expense in this line item would be \$24,000 greater on 2008-09. This expense will increase to its normal level in the future.

7. **Land Improvements: (\$37,000)** This is the asphalt paving of an existing gravel parking lot at Panfish Park. The entrance to this park is accessible from Park Boulevard. This paving will improve the appearance of the park and will allow us to better maintain public access after snow falls.
8. **Vehicles: (\$40,000)** This is the replacement of a 1990 dump truck that has been used three seasons beyond its fifteen year expected life.

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9. **Capital Expenditures:** (\$298,000)

	<u>Qty</u>	<u>Item</u>	<u>Budget</u>	
Replacement	1	Fairway Mower	\$ 44,000	<i>a</i>
Replacement	5	Walking Greensmowers	39,000	<i>b</i>
Replacement	1	Riding Greensmower Electric	31,000	<i>c</i>
Replacement	1	Self Contained Sprayer	26,000	<i>d</i>
Replacement		Computers	25,000	<i>e</i>
Replacement	1	Riding Greensmower Electric	24,000	<i>f</i>
Replacement		Point of Sale System	20,000	<i>g</i>
Replacement	1	Turf Truckster w/Dump	19,000	<i>h</i>
Replacement	1	Greens Aerifier	19,000	<i>i</i>
Replacement	1	Dishwasher	12,000	<i>j</i>
Replacement	3	Greens Cutting Units	10,000	<i>k</i>
Replacement		Televisions	8,000	<i>l</i>
Replacement	1	Turf Runabout Electric	5,000	<i>m</i>
Replacement	1	Turf Runabout Electric	5,000	<i>n</i>
Replacement		Kithchen Misc Contingency	5,000	<i>o</i>
Replacement	1	Copier	5,000	<i>p</i>
Replacement	1	Ketchen Refridgerator (half height)	1,000	<i>q</i>
			<u>\$ 298,000</u>	

a - This is the replacement of a 1994 fairway mower that has been used four seasons beyond its ten year expected life.

b - This is the replacement of five 1995 walking greens mowers that have been used three seasons beyond their ten year expected life. The new mowers will employ an advanced mowing design that will allow a better and closer cut, resulting in smoother and faster putting surfaces.

c - This is the replacement of a 2000 electric riding greens mower that has been used one season beyond its six year expected life. This mower is used in early morning hours to mow tees and greens near residential homes. For more than ten years we have used electric mowers, which are virtually silent in operation, to minimize noise near homes, in response to complaints from residents during warm weather months when windows are left open. We begin mowing these areas at 5:00 AM. There is a small market for electric riding greens mowers. They cost 25% more than conventional gasoline riding greens mowers and last half as long. As a

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result, the cost per year to use an electric riding is three times as much as the cost per year of a gasoline powered mower.

d - This is the replacement of a 1987 self contained sprayer that has been used six seasons beyond its fifteen year expected life. This sprayer will replace a sprayer mounted on a truckster. It is used to spray materials on tees and greens. This purchase will free up an old truckster, which will be returned to fleet duty.

e - This is routine replacement of existing computers, peripherals and software, including hardware that operates the computerized point-of sale (POS) system purchased in 1997. We do not have any service agreements on any computer hardware or peripherals throughout the department, finding that it is more economical to replace these items when they fail rather than maintain expensive service agreements. 2008 will be the eleventh season using this POS system. Much of the original hardware is still in use. Replacement needs will increase as the equipment ages.

f - This is the replacement of a 1989 riding greens mowers that has been used four seasons beyond its fifteen year expected life.

g - This is the replacement of the Point-Of-Sale (POS) software in use since 1997. We will explore replacing our POS software in the coming year, with the goal of finding a replacement for 2009. This software replacement will coincide with the purchase of new hardware. This purchase should provide the opportunity to notably improve customer service.

h - This is the replacement of a 1986 turf truckster with dump box that has been used seven seasons beyond its fifteen year expected life.

i - This is the replacement of a 1991 greens aerifier that has been used two seasons beyond its fifteen year expected life.

j - This is the routine replacement of dishwasher that is no longer performing adequately. A new dishwasher will improve the appearance of our china, flatware and glassware.

k - This is the replacement of three cutting units on an existing riding greens mower that still has some useful life. The new cutting units will employ the same advanced mowing design as the new walking greens mowers noted in item #3 on the previous page.

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l - This is the replacement of televisions in the Village Links Grille. This replacement will upgrade existing units to larger flat panel televisions to improve customer satisfaction.

m & n - These are replacement of a 1993 and 1994 a turf runabout that has been used five and four seasons beyond their ten year expected life. We will purchase electric runabouts to allow quiet operation around golf customers.

o - This is a contingency for replacement of kitchen equipment that fails during the year and is too old to repair economically. We operate the equipment until it fails and requires a major repair. While we are certain that some equipment will need to be replaced in the coming year, we cannot identify the specific items until they fail.

p - This is the routine replacement of a copier in the clubhouse office.

q - This is the routine replacement of a half height refrigerator that failed at the end of the 2007 season.