

**PARK DISTRICT OF HIGHLAND PARK
BOARD OF PARK COMMISSIONERS
MINUTES OF WORKSHOP MEETING
APRIL 14, 2020**

The Workshop Meeting of the Board of Park Commissioners of the Park District of Highland Park was conducted remotely due to the Governor’s Declaration of Emergency as a result of the COVID-19 Pandemic. Members of the public were able to view a live stream of the Workshop Board Meeting.

The meeting was called to order at 6:00 p.m. by President Kaplan.

ROLL CALL

Present: Commissioner Bernstein, Commissioner Grossberg, Commissioner Flores Weisskopf, Vice President Ruttenberg, President Kaplan

Absent: None

Staff Present: Executive Director Romes; Director Smith, Director Voss, Director Dunn, Director Peters, Director Gogola, Director Carr; Assistant Director Maliszewski; General Manager/Superintendent of Golf Operations Ochs; Executive Coordinator Hejnowski

ADDITIONS TO THE AGENDA – None

PUBLIC COMMENT FOR ITEMS ON THE AGENDA – None

ROSEWOOD BEACH UPDATE

Director Smith reported that the sand nourishment and breakwater repairs for the Recreation Cove began last week and provided a brief presentation providing images of the site before the repairs and the anticipated changes. Some of the challenges at the site include undermining of the board walk, exposed footing to the shade structure, and significant sand loss through out the cove. The focus of the project is to bring in birds eye sand to protect those areas and rebuild the shoreline. Additionally, stones will be placed along the interior wall of the South breakwater. This will reduce the amount of sand migrating through its pores. All materials are being brought in through the lower part of the parking lot.

Director Smith reported that the excavations have already began and smaller stones are being placed against the interior wall of the south breakwater. A filter fabric will be placed over the area and covered with a mixture of stones to further support the existing breakwater. Director Smith shared images to further explain the process and anticipated changes. In addition, to the breakwater repairs, all the loads of sand have been delivered and are being placed throughout the cove. Director Smith reported that SmithGroup has recommended purchasing an additional 2000 tons of bird’s eye sand and provided a brief explanation of how that impacts the project.

The original budget for the project was \$350,000. With the construction and engineering, the project costs are currently at \$323,843. The cost for the additional 2000 tons of bird's eye sand along with the grating and placement is \$56,800. The total project cost would be \$380,643. Director Smith is meeting with John Keno and SmithGroup to further discuss the recommendation.

President Kaplan asked if further actions are needed at this time.

Director Smith asked if the Park Board of Commissioners approves the District meeting with John Keno and SmithGroup to gather costs and better understand why the additional materials are needed.

The Park Board of Commissioners approved Director Smiths request.

POST-ISSUANCE TAX COMPLIANCE REPORT

Director Peters reported that in conjunction with the debt certificate issued on June 18, 2012 (certificated 2012a) the Park Board of Commissioners adopted the bond record keeping policy which the District agrees to keep and retain sufficient records regarding all of the debt certificates and bonds. The District needs to file the appropriate financial data with FEMA and spend the funds in a timely and appropriate manner and continue making payments to avoid becoming delinquent, and any other outlined items to remain compliant. This will ensure the District's debt certificate and bonds do not become federally taxable. Once those items mature a review of all contracts and records will be done to ensure those items are still in compliance with the federal tax laws. The District is currently in compliance with the tax law requirements and no further actions are required at this time. Director Peters provided a copy of the Tax Compliance Report to the Park Board of Commissioners.

APPROVAL OF RESOLUTION 2020-08 AUTHORIZING IMRF BENEFIT PROTECTION LEAVE SERVICE

Executive Director Romes reported that Governor Pritzker issued Executive Orders to close certain facilities, businesses, and operations as part of the effort to fight the spread of COVID-19. As a result of the closing all park district facilities, Part-Time Class 2 and 3 employees were put on furlough as of April 11. Such employees on furlough are in unpaid status, but their employment has not been severed from the Park District. 12 Part-Time Class 2 employees are participating members of Illinois Municipal Retirement Fund (IMRF). To help combat the loss of service credit resulting from an unpaid leave, including a furlough, an IMRF employer can offer employees a "Benefit Protection Leave." Members who take an authorized IMRF Benefit Protection Leave may receive service credit for up to a maximum of 12 months over their entire career, provided they pay the IMRF member contributions plus applicable interest, and the governing body adopts an authorizing resolution. Benefit Protection Leave service is only for periods the member was on unpaid leave.

The Park District desires to adopt an authorizing resolution designating COVID-19 related unpaid furlough time as IMRF Benefit Protection Leave which will allow eligible furloughed employees to purchase up to 12 months of service credit over their career provided that they pay the IMRF member contribution plus applicable interest consistent with the terms and conditions set by IMRF for said purchase. Executive Director Romes reported that there is no immediate payment required from the District as the costs will be reflected in future contribution rates. Based on the number of employees in this classification, and since its optional, staff estimates the approval of such applications will have minimal impact on the District.

To apply for this leave protection a form must be submitted to the District's designated agent. IMRF requires the Park Board approve each application during a Regular or Special Board Meeting, unless the agency adopts a resolution authorizing an agent to approve such applications. Staff recommends granting such authority to the Secretary of the Park District Board of Commissioners as outlined in Resolution 2020-8 to ensure all applications are being approved in a timely fashion.

Commissioner Bernstein asked if this procedure was recommended by IMRF.

Executive Director Romes reported that the procedure and general template were provided to all their agencies. IMRF is trying to prevent a time lapse in the application approval process.

Vice President Ruttenberg would like a better definition of service credits.

Director Dunn reported that service credits are the number of months an employee works. When an employee is furloughed and no longer receiving wages from the District, that employee can no longer earn credit for those months. For 2020, employees should have earned 12 months of service credit, which applies towards their pension calculations, but due to the furlough will see a reduction in the number of months earned.

Vice President Ruttenberg would like to know if IMRF is taking salaries and wages into account and applying a formula to calculate time and service.

Director Dunn reported that she is required to provide IMRF the average of the last 12 months worth of employee wages so IMRF can verify that report against the monthly reports. This will be taken into consideration when calculating the employee vs. District contributions.

Vice President Ruttenberg asked if an employee has a 3-month furlough, when would the District be required to make those contributions.

Director Dunn reported that IMRF will include that amount in the annual bill. The cost will be based on the current 4.12% that the employer pays after the employee pays their contribution of 4.5%.

Motion was made by Commissioner Bernstein seconded by Vice President Ruttenberg to approve Resolution 2020-08 Authorizing IMRF Benefit Protection Leave Service.

Roll Call:

Aye: Commissioner Bernstein, Commissioner Grossberg, Commissioner Flores
Weisskopf, Vice President Ruttenberg, President Kaplan
Nay: None
Absent: None
Abstain: None

Motion Carried

COVID-19 EMERGENCY OPERATIONS PLANNING UPDATE

Executive Director Romes reported that it has been 5 weeks since the Park District has closed all parks and facilities. As the District navigates through these unprecedented times the highest priority continues to be in the protection of the District's greatest resources so staff are planning for an implementation of protocol that ensures the health and safety of staff and the community. While these decisions may seem extreme to some they were made for the uncompromised safety of the community. This time of uncertainty causes stress and anxiety, so the Park district has made significant efforts to continue engaging with the community.

Director Gogola provided a brief overview of the communications shared with the community regarding engagement and education. Since the closure, communications have been focused on amplifying important health and safety messaging from the City of Highland Park, the county, state, and federal officials. The second area is providing updates on facility closures. The third and final area, is keeping residents engaged with the District through virtual programs. Staff have built a variety of virtual programs including fitness, early childhood lessons, nature programs, performing arts tutorials, aquatics water safety tips, and golf, tennis, and athletic drills. The District has provided the community with over 85 virtual programs and activities. This past week those videos received 8,000 views. Since the programs were created, the videos have accumulated 10,000 views. In the last month, the District has seen 162% increase in monthly social media followers and a 521% increase in social media engagement, which tracks followers who leave, share, or track a post. These resources have been archived into the Happy and Healthy at Home page located on the home page of the park website.

In addition, the District is working with Northshore University Health Systems to better educate and provide helpful resources to the community regarding COVID-19. Staff are conducting outbound calls from the District's database and encouraging residents who have experienced COVID-19 systems to reach out to the Northshore University Hotline.

Lastly, in a show of gratitude to healthcare workers and first responders in Highland Park, the District is offering a free one-month trail to the Recreation Center of Highland Park, plus 50% off annual memberships with a free kid fit add on once the facility re-opens. If Hidden Creek AquaPark opens this summer, those same individuals and families will receive 10 free admission passes.

Commissioner Bernstein appreciates the plans staff have implemented to thank healthcare workers and first responders of Highland Park.

Commissioner Grossberg would like to know how many employees are involved with the communication pieces.

Director Gogola reported that the Recreation Team, comprised of 30 employees, are uploading virtual programs, online contests, and resources into a shared Google Document. The communications team takes those items and distributes them across the Districts communication channels and to the entire community database.

Vice President Ruttenberg suggests sharing more email blasts with the entire community. He does not want staff to focus on the age differential.

Commissioner Flores Weisskopf suggests finding creative marketing pitches to encourage the community to share information with friends and family members. She also would like to try and pull more community engagement on social media channels.

Director Gogola reported that the Recreation Team is working on resources to better engage the community.

President Kaplan asked if the Park Board could be included on the email newsletters. He would also like to know if the district is offering live or recorded fitness classes.

Director Gogola reported that the email database has been updated and at this time the community can watch recorded fitness videos, nothing is streaming live at this time.

Executive Director Romes reported that as stewards of the community, staff must ensure that the Park District's physical resources and financial health sustains through this pandemic. The cancellation of programs and decision to close all Park District facilities has created a significant financial impact, causing the District to lose \$500,000 in revenue each month. As an organization that exists to serve the invaluable needs yet tangible benefits of recreation staff are forced to navigate through uncharted territory. As a result, staff has prepared an emergency response business plan which will provide direction and guide future decisions related to

essential business function including safety and emergency action planning, park and facility maintenance planning, assessments of current and future recreation services, employee management, and financial sustainability. The emergency response business plan is meant to be a fluid document since details regarding the pandemic are changing weekly and, in some circumstances, daily. The information in this plan will allow the District to quickly adapt to ever changing situations. The plan focuses on three specific initiatives including emergency planning, strategic planning, and financial planning. Executive Director Romes provided a highlight of the to date efforts and the recommended next steps.

1. **Emergency Planning** - Since the closure essential work has continued through out the District, which includes the care and protection of the District's facilities, properties, capital equipment, and IT infrastructure. Additional essential job duties include administrative functions such as managing customer inquiries, implementation of procedures, policies, laws, ordinances and intergovernmental cooperation with the City of Highland Park and other local and regional partners. Essential human resources functions include payroll processing, unemployment claims processing, state, and federal reporting, and maintaining employee relations. Essential financial functions include daily bookkeeping, payment processing for bills and invoices, refund processing, and ongoing evaluations of the District's cash flow. Essential recreation duties include future assessments to identify short term and long-term plans for programs. In addition, the District has revised the capital plan and identified a list of projects which will commence this year. To this end, staff have developed new workplace safety protocols that address standards for personal hygiene, sanitation, and social distancing.
2. **Strategic Planning** - To reduce the financial constraints of the community, staff have placed all memberships on hold and refunds have been issued for winter Programs. Staff are offering a variety of free virtual programs and working on comprehensive list and curriculum for pre-registered virtual programs to keep the community engaged during these difficult times. As facilities re-open staff are planning classes which will comply with the governor's restrictions and will operate at partial level. Staff are looking at classes which can be offered for groups of 10, 50, or 100 people which will provide accommodations to ensure the health and safety of staff and patrons is a primary concern.
 - a. **Delays and Closures** - Staff recommends delaying the opening of Hidden Creek AquaPark and the beaches till June 13. Staff would like to have a decision made regarding the cancellation of fourth fest and all associated activities. Staff are working collaboratively with the City of Highland Park. Staff are considering closing Centennial Ice Arena for the remainder of the Spring and Summer. Staff would like to have a determination made in the next week. Staff are examining and exploring summer camp modifications and creating several scenarios. Staff

are focusing on engaging activities while offering limited field trips, and potential eliminating specialty camps. Staff will have a decision made by mid-May if the district decides to close Hidden Creek AquaPark for the summer.

Vice President Ruttenberg would like a list of the critical dates so the Park Board will know when decisions would have to be made regarding the cancellation of programs or closure of facilities.

Commissioner Grossberg would like to know how much the District would save from closing Hidden Creek AquaPark for the summer.

Executive Director Romes reported that Hidden Creek typically operates at a loss.

Director Carr reported that the District budgets Hidden Creek AquaPark to lose \$60,000 - \$100,000 a year. The actual loss last summer was \$135,000.

President Kaplan would like to know if all capital projects have been deferred for Hidden Creek AquaPark.

Director Carr reported the pool heater replacement has been deferred to 2021, the sand filtration system replacement has been differed to the Fall of this year. If Hidden Creek AquaPark opens this summer, the slides needed to be resurfaced in order to operate, so those repairs have been approved and are occurring over the next couple weeks.

3. **Business Planning** – After reviewing the District’s expenditures staff have created a plan that ensures the continuation of the District’s required and essential functions while also significantly reducing expenses, while causing minimal impacts to the fund balance, and maintaining an adequate cash flow. These efforts include the a \$2.5million deferral of capital projects and \$600,000 in operating expenses has been eliminated from the 2020 budget.
 - a. ***Staff Management*** – 186 Part-time class 2 and 3 employees are unable to work during the closure and have been placed on furlough effective April 11. This is an estimated savings of \$60,000 per month. The District is moving into the first phase of reducing hours for part-time class 1 and full-time employees. These employees are essential human capital working long days to provide mission critical programs throughout the community. These employees are invaluable resources to the District, so the decisions surrounding future staffing levels have not been taken lightly. Beginning April 18 all 97 full-time positions and 12 class 1 part-time employees will have reduced schedules and a reduction in weekly wages, this is will result in a 20% reduction of hours and a savings of \$91,402 per month. The District is evaluating and placing several vacant positions on hold and enforcing a merit freeze for the

remainder of 2020. This provides and additional savings of \$500,000. Efforts are being evaluated weekly and considering the health and safety of staff and the community, performance of essential work duties, and the management operations, capital expenditures, and staffing. If the stay at home order continues the District has numerous contingencies plans to manage finances.

- b. **Cash Flow Model** – Director Peters provided a brief presentation of the District’s cash flow model, reporting that this model represents the District’s current cash on hand and projections through June assuming the closure will extend through July 1. This is a worst-case scenario model, assuming all programs and events will be cancelled, facilities will remain closed till July 1, and the tax revenues will be delayed till the Fall. As of April, the District has a little over \$8.7million in cash on hand, a little over \$7.2million in bond proceedings, and a little over \$7million in capital funds. As of May, staff project the District will have a little over \$7.3million in cash on hand, and as a June that number will decrease to a little over \$6.4million. By the end of June staff project that the District will fall below the 25% reserve policy. Director Peters advised against spending any money currently available in the capital fund, suggesting that those funds will need to transferred into the operational fund to help sustain the District’s financial health and cover the costs of the debt certificate should the stay at home order extend into June. As a result, staff differed \$2.5million in capital projects, and will use the funds from the park bonds to cover the costs of the approved 2020 capital expenditures. Director Peters reported that this model is ever changing but feels the District will sustain its financial health so long as these measures are followed and the estimated \$11million in tax revenues are received.

Commissioner Grossberg would like to know what would happen if the District does not receive the full amount in tax revenues.

Director Peters reported that all approved 2020 capital expenditures are being funded by the park bonds, since there’s a good chance tax revenues will not come in till the Fall, in which case the District will need to borrow money from the capital fund to cover operational expenses. Funds from the Park Bonds cannot be used for operational costs, since it was stated during the bond issuance that those funds would be used strictly for capital projects.

Commissioner Grossberg would like to know how much the District would save if all staff stopped working.

Director Peters reported around \$3.3million plus several hundreds of thousands from insurance.

Commissioner Bernstein reported that the Park Board Finance Liaisons are paying close attention to the District’s cash on hand. The Liaisons have gone through this model in detail and even in the worst-case scenario as presented the District’s finances will remain healthy. The District is fortunate to have flexibility from the park bonds.

Councilman Blumberg wanted to speak on behalf of the City to thank the Park District for their collaborative efforts and it is deeply appreciated that staff are enforcing social distancing while providing access to some parks and open spaces.

Commissioner Bernstein thanked the city, the mayor, and the governor for their proactive efforts to be in front of the curve. The Park District have been working collaboratively to keep the community informed and safe.

REVIEW OF VOUCHERS

Director Peters reported that expenses have been significantly reduced since the closure. The total expenditures this past month have been less than half a million.

CLOSED SESSION

Motion was made by Vice President Ruttenberg, seconded by Commissioner Bernstein to adjourn into Closed Session for discussion of Section 2(c)1 – the appointment, employment, compensation, discipline of the District including legal counsel for the District; Section 2(c) 29 - for discussions between internal or external auditors and the Board. Possible action by the Board on items discussed in closed session for discussions between internal or external auditors and the Board.

Roll Call:

Aye: Commissioner Bernstein, Commissioner Grossberg, Commissioner Flores
Weisskopf, Vice President Ruttenberg, President Kaplan
Nay: None
Absent: None
Abstain: None

Motion Carried

The meeting adjourned into Closed Session at 7:35 p.m.

The meeting reconvened into Open Session at 8:06p.m.

ACTION FROM CLOSED SESSION IF ANY

President Kaplan reported that the Board met in Closed Session for discussion of Section 2(c)1 – the appointment, employment, compensation, discipline of the District including legal counsel for the District; Section 2(c) 29 - for discussions between internal or external auditors and the Board.

Workshop Meeting Minutes
April 14, 2020

ADJOURNMENT

A motion was made by Commissioner Ruttenberg and seconded by Commissioner Bernstein and approved by a unanimous vote. The Board Meeting adjourned at 8:07 p.m.

Respectfully submitted,

Brian Romes, Secretary