

MINUTES OF A FINANCE COMMITTEE MEETING OF THE BOARD OF PARK COMMISSIONERS OF THE PARK DISTRICT OF HIGHLAND PARK HELD ON THURSDAY, AUGUST 6, 2020, AT 9:00 AM. THE MEETING 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 FINANCE COMMITTEE MEETING AND SUBMIT ITEMS FOR PUBLIC COMMENT VIA EMAIL TO THE EXECUTIVE DIRECTOR TO BE READ ALOUD DURING THE MEETING.

Present: Commissioner Bernstein, Commissioner Grossberg, President Ruttenberg

Also, Present: Executive Director Romes; Director Peters; Director Carr; Director Smith; Assistant Director Maliszewski, Manager Warsaw; Accountant Rosen; Accounts Payable Lakoske; Executive Coordinator Hejnowski

Guest Speaker: None

Public Comment for Items on the Agenda - None.

July 15, 2020, Finance Committee Meeting minutes were approved.

Recreation Center Usage Report

Director Carr provided an overview of the operations for the Recreation Center of Highland Park, once the facility was able to re-open on June 1, 2020. He reported that staff began offering outdoor group exercise classes and indoor personal training effective that date. Outdoor group exercise classes are averaging 30 participants per class each week, and indoor personal training sessions are available during the facility hours of operation. As of July 6, staff were able to reopen the fitness floor, which members and non-members could make a reservation and pay a daily fee to utilize this feature. Unfortunately, due to low usage, averaging 35 visits per day, staff reduced the facility hours of operation from 76 hours per week to 39 hours per week. Currently, the Recreation Center of Highland Park is open Monday through Saturday from 6:00 a.m. – 10:30 a.m. and weeknights (Monday through Thursday) from 4:00 p.m. – 7:00 p.m. The facility is closed on Sundays. Director Carr hopes to extend those hours once the season changes.

With the completion of the pool shell replacement, staff are putting together plans to re-open the aquatic center. Hours of operation will be limited, offering lap swim Monday through Saturday from 6:00 a.m. – 10:00 a.m., which is a total of 29 hours per week. Afternoons would be reserved for rentals and the learn to swim program. Staff are hoping to re-open the aquatic center Monday, August 17.

Director Carr reviewed the actual utilization and revenue figures vs. the budgeted figures. During the first 26 days of reopening the fitness floor, there have been 806 participants, generating \$3,783, which is around 3-4 participants per hour. As a result, Director Carr contacted neighboring Districts regarding their participant usage. The Deerfield Park District’s is averaging 28 participants per day, Whereas Wilmette Park District is averaging 40 participants per day.

President Ruttenberg would like to know how many of those 35 participants, which the Park District of Highland Park is averaging, are repeat users.

Director Carr reported that most of our participants are repeat users, however, he will provide the exact number and follow up with the Committee to share the exact number of unique users per month.

During the first 30 days of offering outdoor group exercise classes, there have been 1,272 participants, generating \$7,832. He reported that spin classes are averaging 15 participants per class and yoga is averaging 13 participants per class.

As for lap swim reservations, Director Carr anticipates 192 participants within the first 26 days, which will generate \$960. Reservation fees will mimic the fitness floor fee structure, which is \$5 for current/active members (whose memberships are suspended), \$7 for residents who do not have a current/active membership, and \$9 for non-residents. To stay within the Department of Commerce and Economic Opportunity (DCEO) guidelines, the maximum number of users within a given timeslot is 6 participants, since the guidelines allow for 1 user per lane. Staff will offer 1-hour reservations from 6:00 a.m. – 10:00 a.m. Monday through Saturday, which includes access to the family changing areas within the locker rooms.

Lastly, Director Carr reported that during the first 30 days of personal training sessions, there have been 361 participants, generating \$13,447. Unfortunately, those numbers are still much lower than normal operations, which the District generates between \$26,000 - \$27,000 monthly during the summer season.

When examining all operational expenses and revenues for the Recreation Center of Highland Park, Director Carr reported that the facility lost \$86,503 during July since revenue from fitness floor reservations, personal training, and group exercise classes could not support the expenses from utilities and staffing. He anticipates that number to slightly decrease, losing a little over \$85,000, if staff decide to fill the indoor pool and offer lap swim reservations and programming. While lap swim will not support the pool expenses, the Highland Park Aquatics Club is looking for a new home since they no longer can use the indoor pools at the local High Schools, so staff are estimating revenue from rentals and programming to offset some of the facility expenses. Finally, if staff decide to keep the facility open with limited hours strictly for fitness classes and personal training sessions, the facility is still estimated to lose a little over \$73,000 a month. Unfortunately, Director Carr reported that this facility is aligning with the worst-case scenario projected in May, which estimates the Recreation Center of Highland Park to lose around \$91,000 a month.

Commissioner Grossberg asked if 75% of losses last month were from salary expenses.

Director Carr reported that there are heavy costs to keep the facility open and operating, but a large amount is also due to staffing expenses.

Commissioner Bernstein would like to know if a second wave occurs and the facility needs to close, would the District still be losing \$91,000 a month from this facility, assuming the Park Board doesn't decide to cut additional expenses, specifically salaries.

Director Carr reported that the facility will continue to lose \$91,000 unless additional expenses are cut.

Commissioner Bernstein would like to know if staff are surprised by these numbers.

Director Carr reported that staff was hoping to reactivate memberships this year and that no longer seems to be a possibility. Staff was surprised the usage is averaging 35 participants a day, however, the weather has been great for outdoor recreation, so there is not a push or need for indoor recreation at this time. As a result, staff are trying to change with the times and increase outdoor programming to generate more revenue.

Commissioner Bernstein would like to know if this is a dramatic change in fitness center usage from 2019 vs. 2020.

Director Carr reported that actual utilization is a significant loss, on a slow day the facility averages 800 participants a day, so he is estimating the Recreation Center of Highland Park is operating at a 5 – 10% utilization rate.

Commissioner Grossberg would like to know if the neighboring District has activated their membership.

Director Carr reported that most neighboring districts including Buffalo Grove, Lake Forest, Wilmette, and Glencoe, have not reactivated their memberships since their average usage rate is reflective of our numbers. Glenview is the only nearby district that has reactivated their memberships since they are averaging 150 participants per day. Glenview allows individuals to purchase a fitness membership, a fitness class membership, or a combination to keep costs lower.

Director Carr provided an update regarding the short terms plans for the Recreation Center of Highland Park. As for August and September, staff will continue offering outdoor group fitness classes, personal training sessions, and fitness floor reservations. Additionally, staff will offer lap swim reservations, aquatic programs, pool rentals, and introduce a 30-day unlimited pass for the fitness center, fitness classes, and lap swim to reduce the costs for repeat users. To better manage expenses, staff will continue to monitor the facility hours and staffing levels and implement reductions as needed.

Looking ahead to October through December, staff will continue offering fitness center reservations, lap swim, aquatic programming, and pool rentals. As for outdoor programming, so long as the weather permits outdoor recreation, classes will be available. Since the local schools will no longer be available to provide gymnasium space, indoor athletic programming will be offered at this facility. Staff would like to reactive memberships, so they are exploring several options and may restructure our current membership since this facility relies heavily on membership dues to offset expenses. Before COVID, the Recreation Center of Highland Park generated \$95,000 - \$105,000 a month from membership dues. Lastly, virtual programming alternatives will be available should the state forbid in-person programming due to a spike in cases.

In preparation for 2021, staff are budgeting based on the current phase the state is in, however, changes need to be made, so staff will most likely restructure and launch our new membership in the fourth quarter of 2020.

Commissioner Bernstein supports the idea of restricting our memberships.

Director Carr reviewed the results from the survey regarding usage of the Indoor Pool at the Recreation Center of Highland Park. As of today, staff received 200 responses. Of those responses, 34% plan to use the indoor pool should it reopen, 35% may use the indoor pool should it reopen, and 31% will not use it

since they feel it is unsafe at this time. Of that 34% who plan to use the indoor pool should it reopen, 70% would use it for lap swim, 26% for aqua fitness, and 22% for open swim. The preferred lap swim hours are weekday mornings.

Commissioner Bernstein asked if having the indoor pool open significantly impacts the operating costs.

Director Carr reported that while lap swim does not generate much revenue, staff hopes pool rentals and programs will offset the expenses, so if the facility is open it makes sense to operate the indoor pool.

President Ruttenberg would like to know how much it costs to operate the indoor pool.

Director Carr reported it costs \$3,000 a month with staffing expenses to operate the indoor pool.

Lakefront Beaches Update

Director Carr provided a brief update on the significant operational impacts at the lakefront, reporting that Rosewood Beach has incurred additional staffing expenses due to offering lap swim, additional lifeguards and park ambassadors needed for crowd coverage and ordinance control, and the extended swim season, through the end of September. Park Avenue Boating Facility, Millard, and Moraine have incurred additional staffing expenses from park ambassadors needed for parking and traffic control, crowd coverage, and ordinance violations. Lastly, the Park District hired an outside agency to supply security officers to provide additional support along our lakefronts. Staff are estimating the cost for security officers to be \$38,140.

Director Carr reported that the expenses listed above will be shared between Rosewood Beach and Park Avenue Boating Facility (60% for Rosewood Beach vs. 40% for Park Avenue Boating Facility). As of July 31, Rosewood Beach has generated \$64,655 from parking revenue, daily fees, and seasonal non-resident beach passes, however, the additional staffing costs have generated an expense of \$114,777. Rosewood Beach is currently operating at a \$50,000 loss. Whereas Park Avenue Boating Facility has generated \$119,141 in revenue which is due to yacht club leasing fees, boat leasing fees, and boat launches vs. \$30,957 in expenses.

Director Carr examined the 2020 budget vs. the year-end estimated projections for the lakefront properties. He reported that Rosewood Beach was budgeted to generate \$86,515 in revenue, however, staff are projecting the year-end to be \$72,830. The decrease is due to the loss of revenue from concessions. As for expenses, a little over \$144,000 was budgeted vs. the estimated to be a little over \$196,000. The increase is due to the significant staffing costs and the security officers needed to manage crowds while enforcing park policies. As a result, Rosewood beach is projected to lose a little over \$123,000 this year. Park Avenue was budgeted to generate \$104,681 in revenue and staff are pleased to report that number has increased to \$120,451. Usage at this facility has significantly increased due to the pandemic and lack of boat launches available. As for expenses, a little over \$120,000 was budgeted vs. the actual which decreased to \$106,767. This is due to no longer having to dredge. Park Avenue Boating Facility is projected to generate \$13,683 this year. Unfortunately, Director Carr reported that the lakefront properties will operate at a loss of \$109,886.

Commissioner Bernstein would like to know if the police contract is included with the lakefront figures.

Executive Director Romes reported that the police contract is a separate line item in the budget, so the contract would not impact the lakefront numbers.

Financial Highlights of COVID-19

Director Peters provided a brief report examining the District's COVID-19 related expenses, which compares the budgeted amount for 2020 vs. the year-end projections and the difference. She reported that staff are keeping track of supply and staffing expenses related to the pandemic. As of today, the District has spent \$71,701 in supplies and \$108,549 in lakefront staffing expenses. The District budgeted \$32,888 in staffing expenses for the lakefront, which is a net difference of \$75,661. While the District budgeted \$110,000 for police services supplied by the City of Highland Park, both parties decided to revoke the contract shortly after the closure on March 13. As a result, the Park District saved \$77,313 in police services. Director Peters reported that the Park District will submit claims through the Lake County Cares Act and FEMA in hopes of receiving assistance for much of these expenses.

President Ruttenberg feels the actual COVID-19 related expenses should be much higher than the year-end projection \$212,937 in expenses.

Director Peters reported that while there has been talk of additional lost revenue support related to COVID-19, unfortunately, Lake County and FEMA have not provided any, thus far.

Capital Projects Update

Manager Schwartz provided a brief update on capital projects. The first items reviewed were the approved ADA improvements. She reported that Cloverdale and Devonshire Parks are receiving path improvements, Sunset Woods Park is receiving an ADA compliant path to access the tennis courts, and the Golf Learning Center will undergo an ADA restroom renovation. The path improvements for Cloverdale and Devonshire parks are budgeted at \$100,000, however, staff found during development and planning that the improvements may cost around \$170,000 so the project was split into three portions, with the hopes that the alternate bids may come in lower than projected. As for tennis access at Sunset Woods Park, the project was budgeted at \$31,000 and the estimate came in at \$25,000. Lastly, the restroom renovation at the Golf Learning Center was budgeted at \$75,000 and the estimate came in at \$50,000. Manager Schwartz reported that the District budgeted \$206,000 for these ADA improvements, however, staff estimate the total cost to be around \$245,000.

Cloverdale Park

Manager Schwartz reported that the scope of this project is to install an ADA accessible porous paved path throughout the park with accessible routes to all the major play amenities. The priority, which is estimated at \$111,000, would widen a portion of the path that provides access to the tennis courts and major play areas, adjust those entry slopes, create depressed curbed entries, and correct level changes. The alternate, which is estimated at an additional \$39,000, would maximize ADA accessibility throughout the entire park, installing a porous paved path to the tennis courts, major play areas, and all supporting routes. Additionally, support amenities such as trash cans and benches will be relocated to provide maximum accessibility along the path.

President Ruttenberg would like to know if the alternate improvement is recommended.

Manager Schwartz recommends including the alternate improvement if the Park Board of Commissioners is willing to go over budget.

Devonshire Park

Manager Schwartz reported that the project scope at Devonshire is similar to Cloverdale, which is to install an ADA accessible porous paved path connecting the neighborhood and the playground. This would widen the current path connecting the neighborhood and the playground, adjust slopes, correct level changes, and relocate support amenities. The estimated cost is \$21,000.

Sunset Woods Park

Manager Schwartz reported that the scope of this project is to create an ADA accessible entry from the parking lot to the tennis courts, which requires parking spaces to be relocated, the installation of a depressed curb entry, the creation of a crosswalk, and corrected slopes.

Golf Learning Center

Manager Schwartz reported that the scope of this project is to improve the current restrooms so they are compliant with the 2010 ADA design guidelines, which requires the installation of exterior doors, replacing the current sink counter and fixtures so they comply with ADA height guidelines as well as the partitions so they provide adequate space and new flooring.

President Ruttenberg would like to know if staff have plans to improve the appearance of the Golf Learning Center Facility.

Director Smith reported that staff are setting aside planning dollars for further improvements to the facility in 2021.

Executive Director Romes reported that this project strictly uses Special Recreation Funds, which need to be spent this year. Remaining alternations to the Golf Learning Center were categorized as Tier 4 or 5 priorities, so those improvements will not be conducted this year.

President Ruttenberg would like to know if the ADA improvements will be impacted by the 2021 improvements.

Executive Director Romes reported that unless the Park Board of Commissioners decides to tear down and rebuild the facility or relocate plumbing, the recommended ADA improvements will not be impacted by 2021 improvements.

President Ruttenberg and Commissioner Bernstein approve the recommended ADA improvements.

The next item Manager Schwartz planned to review are the possible facility improvements for West Ridge Center.

President Ruttenberg and Commissioner Bernstein would like staff to outline the District's service needs, review the funding models for GreenPrint projects, and discuss the impacts from COVID-19 before discussing possible repairs, replacements, or facility renovations at West Ridge Center.

Executive Director Romes reported that staff plan to review the 5-year funding model/capital plans in November.

Commissioner Bernstein reported that everyone understands West Ridge Center needs a significant renovation, however, he would like to better understand how COVID-19 has impacted the funding model tied to the major GreenPrint projects, such as West Ridge Center and Centennial Ice Arena.

President Ruttenberg agreed with Commissioner Bernstein, asking to defer conversations about West Ridge Center at this time. He and Commissioner Bernstein would like to discuss the funding model, capital projects, and next steps before specific plans for West Ridge Center.

The meeting adjourned at 10:23 a.m.