

MINUTES OF A FINANCE COMMITTEE MEETING OF THE BOARD OF PARK COMMISSIONERS OF THE PARK DISTRICT OF HIGHLAND PARK HELD ON THURSDAY, SEPTEMBER 10, 2020, 4:00PM. 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 Ochs, Manager Warsaw; Accountant Rosen; Accounts Payable Lakoske; Executive Coordinator Hejnowski

Guest Speaker: None

Public Comment for Items on the Agenda

None.

August 20, 2020, Finance Committee Meeting minutes were approved.

Special Disclaimer from Public Financial Management (PFM)

Director Peters shared the District’s special disclaimer, reporting that the research and any forecasts are based on current information as of August 31, 2020, as is considered to be reliable, but the District does not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates, and forecasts contained herein are also as of the date hereof and are subject to change without prior notification.

Draft of the 5-Year Funding Model

Director Peters shared a draft of the District’s 5-year Capital Plan, which indicates how much the District is planning to allocate each year for capital repair, replacement and improvement projects based on the established prioritization tiers for capital projects. She reported that maintenance projects have been prioritized under Tier’s 1-3 vs. improvement projects which have been prioritized under tier’s 4 -5.

Director Peters reported that the Park District is projecting \$4.5 million in Capital expenditures for 2020 maintenance projects prioritized under Tier’s 1 -3 and \$31,592 for improvement projects prioritized under Tier’s 4-5, for a total of \$4,590,789. In 2021, the Park District has allocated \$6 in Capital expenditures towards maintenance projects prioritized under Tier’s 1 -3 and \$938,900 towards improvement projects prioritized under Tier’s 4-5, for a total of \$7,010,846. By 2025 the Park District is projecting \$30,328,081 in capital project expenditures.

President Ruttenberg would like to know if the Master Planning for West Ridge Center is included in the 5-Year Capital Plan.

Commissioner Bernstein reported that the Park District has 3 large projects, which require master plans, those projects include West Ridge Center, Centennial Ice Arena, and Sunset Woods. He would like to know which, if any, of those projects are included in the 5-year Capital Plan.

Director Smith reported that Centennial Ice Arena and Sunset Woods are included in the 5-year Capital Plan.

Vice President Kaplan joined the meeting at 4:07 p.m.

Director Peters shared a report of the Park District's 5-Year Funding Model, only including Capital Projects for Tiers 1-3.

Commissioner Bernstein would like to know if the Park District's funding model complies with the bond terms.

Director Peters reported that the 5-Year Funding Model complies with the terms and conditions of the bonds.

Director Peters shared a report of the Park District's 5-Year Funding Model, including Capital Projects in all Tiers 1-5.

Commissioner Bernstein reported that the Park District is projecting a deficit of \$248,987 as of December 31, 2022 and that deficit will increase to \$7.7 million for the year ending December 31, 2025.

President Ruttenberg reported that the Park District is expecting to see a deficit in the future, whether that be in 2022 or 2025.

Commissioner Bernstein would like to know if increasing the Tax Levy will impact any of these figures.

Director Peters reported that the figures reported assume a full levy.

Draft of the 5-Year Capital Plan

Director Smith shared a report examining a draft of the Park District's 5 Year Capital Plan and asked Park Board Commissioners to focus conversation on 2021.

District-Wide Annual Projects

Director Smith reported the projects occurring next year include ADA porous path conversion projects at several parks, district-wide sign replacements, the replacement of waste and recycling containers, completion of the Illinois Coastal Management Program Grant, and possibly a contribution to the Edgewood Middle School Gymnasium renovation.

Executive Director Romes reported that staff has a meeting with School District 112 to discuss the renovation project and the shared usage agreement between the School District and the Park District. While the Park District benefits from using the gymnasium, the Park District is not obligated to contribute \$50,000 to the School.

Vice President Kaplan would like to know if the contribution is a one-time cost and when the current agreement is set to expire.

Executive Director Romes reported that the current intergovernmental agreement between School District 112 and the Park District is expiring in 2026.

Technology projects

Director Smith reported that the projects occurring next year include a PCI Compliance Penetration & Audit Testing, which are tests that will reduce possible threats and increase security, and Infrastructure Replacement costs to cover licenses that need to be renewed.

Parks Equipment

Director Smith reported that the costs for 2021 are due to several vehicles that need to be replaced, and we no longer can defer these costs as the vehicles have exceeded their lifespan.

President Ruttenberg would like to know what the average lifespan of a 4x4 pickup with plow is.

Director Vos reported that the average life has increased from 7 to 10 years, whereas a vehicle without a plow has a 12 – 13-year lifespan.

Parks and Natural Areas

A. Danny Cunniff Park

Director Smith reported that the projects occurring next year include a back-stop replacement and the possible repair and removal of a fishing deck. Staff would remove the deck without disrupting the gazebo.

B. Larry Fink Park

Director Smith reported that the projects occurring next year include renovations to the outdoor basketball courts.

C. Moraine Park

Director Smith reported that the Park District currently has \$50,000 reserved in 2020 to cover the costs for the construction documents and \$450,000 reserved in 2021 for the construction costs to restore the pathway.

Commissioner Bernstein would like to know where the Park District is in the approval process for this project.

Director Smith reported that staff presented the proposed repairs from the Daniel Creaney Company to the Park Board of Commissioners at the August Workshop Meeting and we are awaiting further direction from the Park Board of Commissioners whether or not to move forward with the project.

Commissioner Grossberg would like the District to move forward with the project, so the pathway restoration can be completed in 2021.

Vice President Kaplan and President Ruttenberg would like to defer the project.

Commissioner Bernstein is concerned with the District's potential deficit in the next 3 – 5 years and as much as he would like to see this project occur, he does not feel it should be prioritized at this time.

Executive Director Romes suggested that staff reallocate the \$50,000 for construction documents to 2021 and the \$450,000 for construction to 2022.

Commissioner Bernstein supported Executive Director Romes's recommendation.

President Ruttenberg would like this project included in a Master Plan as he feels there are more opportunities at the site.

Commissioner Grossberg suggested that there is not much else which can be done at the site, and he is fearful if the project is deferred it will never be completed.

Commissioner Bernstein would like to know when the 5 Year Capital Plan will be presented to the entire Park Board of Commissioners.

Director Smith reported in October.

Commissioner Bernstein reported that there are two different opinions regarding this project so he would like it presented to the entire Park Board of Commissioners so a vote can be taken.

Commissioner Grossberg would like to know when the dog beach was initially closed.

Director Smith reported in April of 2019.

President Ruttenberg would like staff to explore the possibility of providing water access for dogs at the north side of Park Avenue Beach, suggesting this area of Park Avenue is underutilized. Additionally, there is a parking lot at the site which provides easy access to users.

Director Smith reminded liaisons that the wooden stair replacement is tied to the pathway restoration, so the stairs will be deferred to follow the repair schedule for the pathway restoration. Additionally, the path restoration does not include the Ravine 10 Project with the US Army Corps and the City of Highland Park. Both the City of Highland Park and the Park District are sending a joint letter to the US Army Corps letting them know both parties would like to defer the project until 2023 or later.

D. Deutch Park

Director Smith reported that the projects occurring next year include the replacement of the playground and patio.

President Ruttenberg reported that the playground is not on property owned by the Park District.

Director Smith reported that the playground was donated, however, the Park District is responsible for maintaining the park as part of contractual terms with the Homeowners Association.

Commissioner Bernstein reported that there is a written agreement indicating that the Park District agreed to maintain the park as part of the donation terms.

Director Smith reported that he will share a copy of the agreement with Committee Board Members.

E. *Rosewood Beach*

Director Smith reported that the budget for 2021 includes \$750,000 for the revetment in the Interpretive and Swimming Coves. However, SmithGroup reported the Interpretive Cove is a priority and the Park District could wait on the Swimming Cove.

Commissioner Bernstein would like to discuss the possibility of trap bags as a temporary solution.

Director Smith reported that staff received a \$50,000 estimate from SmithGroup for trap bags in the Interpretive Cove as a temporary solution for the Fall and Winter months. SmithGroup feels Trap Bags will perform as expected for this area but cannot ensure it as there has been little use of this product in this area.

President Ruttenberg would like to better understand what performs as expected means.

Director Smith reported that the idea is to place large Trap Bags along the beach to protect the Interpretive Center for the Fall and Winter months when storms and waves are most threatening and damaging. Come the Spring, the bags would be cut, and the sand would be spread throughout the cove. Since this product has not been used much in this area, SmithGroup cannot ensure its performance, but feels Trap Bags may be able to withstand the forces of the lake for the Fall and Winter season. Additionally, there are permitting concerns, so staff needs to further investigate with SmithGroup.

President Ruttenberg would like to know what experience other communities have had using Trap Bags as storm protection.

Director Smith will reach out to SmithGroup and follow up.

Commissioner Bernstein would like a cost breakdown.

Director Smith reported that much of the cost is for the contractor, general mobilization, creating an entrance, and protecting the lot from the heavy truck loads.

Commissioner Bernstein would like a cost comparison between the trap bags versus the revetments.

Director Smith will develop a cost comparison and share those figures at a future Finance Committee Meeting. Additionally, he reminded liaisons that there is a \$110,000 savings from SmithGroup on the revetment project if both coves are completed together.

Commissioner Bernstein would like to know when the Park Board of Commissioners needs to make a decision.

Director Smith reported that the revetment would have to be installed next spring so that the project is completed by Memorial Day, so a decision would need to be made early next year.

Executive Director Romes reported that the Park Board of Commissioners and staff have already agreed to move forward with the permitting and construction documents for the revetment. As for the trap bags, a decision would need to be made by October.

Commissioner Bernstein would like a comparison of the Trap Bags short term solution, the Trap Bag mid-term solution, and the revetment long term solution to be discussed at the September 17 Finance Committee Meeting.

Director Smith reported that additional costs for 2021 include the boardwalk repairs, to which staff and SmithGroup presented three repair options at the August Board meeting. There is currently \$165,000 reserved for the boardwalk repairs in 2021, which would cover the most expensive of the three options presented. This option would remove the current boardwalk, install a sheet pile wall, and install a new boardwalk. The least expensive option, estimated at \$50,000, would remove the boardwalk, and inject a chemical concrete filler to provide support and level out the area. Director Smith has reached out to the US Army Corps and Woodhouse Tinnucci Architects and has not heard back from the US Army Corps; however, Woodhouse Tinnucci Architects would like to learn more about the most affordable options and recommended a contractor to get a better idea of costs.

F. *Rosewood Park*

Director Smith reported that the projects occurring next year include the ravine path drainage improvement with Stormwater Management. This project was originally scheduled to occur this year; however, it was deferred because of the pandemic. Staff feels this project needs to be completed in 2021 as it will address the drainage issues in the park, the washout along the ravine, and prevent bluff failures similar to the ones occurring at Moraine. This will also level out the portion of the path that is very steep.

Commissioner Bernstein would like to know if this is a two-part project.

Director Smith reported that this is a two-part project and the funds reserved in 2021 would cover both parts, the drainage repairs, and the path regrading.

President Ruttenberg agrees with staff recommendation and would like the project to occur in 2021.

Director Smith reported that drains will be placed in the upper park along with path regrading, and underwater boring will occur which will redirect the water flow to prevent further washout of the path.

Commissioner Grossberg agrees with staff's recommendation as this project preserves the Park Districts' current amenities.

Vice President Kaplan and Commissioner Bernstein would like the project to occur in 2021.

G. Skokie River Woods/The Preserve

Director Smith reported that the budgeted amount for 2021 includes \$224,000 for the north/south trail development. These are the budgeted dollar amounts for the larger projects occurring at The Preserve. He reported that his numbers may be adjusted based on bid results.

H. Sunset Woods Park

Director Smith reported that these budgeted amounts are for the playground renovation and master planning. The majority of the fee from Hitchcock Design Group occurred this year, whereas the final design construction of the playground will occur in 2021.

Commissioner Grossberg reported that the task force meetings have been going very well and staff have been receiving great feedback from the community. The community would like to preserve the spirit of the park while updating the equipment.

Facilities

A. Centennial Ice Arena

Director Smith reported that the projects occurring next year include the drainage improvements from stormwater management. There is an issue around the West side of the facility where water comes in near a back door. Staff had to install a trench for the new compressor, and staff wants to make certain water is not filling in this area. Additionally, there is the GreenPrint item to renovate the lobby, office area, restrooms, locker rooms, parking lot, and drop off area. Staff are proposing \$150,000 in planning costs for 2021 and primary construction, which is estimated at \$1.4 million, would occur in 2022. Staff applied for a park grant for this project, however, staff does not expect to hear anything from the state till next year.

Commissioner Bernstein would like to know where staff is with the planning process.

Director Smith reported that the project was placed on hold due to the park grant.

President Ruttenberg suggests staff move forward with planning.

Commissioner Bernstein would like to know if the District plans to complete the project even without the park grant.

Executive Director Romes reported that staff are recommending moving forward with or without the grant funds.

President Ruttenberg, Vice President Kaplan, and Commissioner Bernstein would like staff to move forward with planning.

President Ruttenberg would like to know if the renovation includes the gymnastics studio.

Director Smith reported that the work for the gymnastics studio would be minimal at this time. Currently, the plan is to improve ADA access, blow out a wall for a viewing area, and repurpose the office area.

B. Deer Creek Racquet Club

Director Smith reported that the projects occurring next year include \$75,000 to resurface, level, and color the indoor tennis courts.

President Ruttenberg would like to know if the racquetball courts are being used?

Director Carr reported that the utilization of the racquetball court is low so staff may turn this into a singles court to try and generate more revenue, however, this is not a project that would occur next year as it requires more planning and the restructuring of the locker rooms. However, staff are looking at other athletic opportunities for this space such as private baseball lessons.

Commissioner Bernstein suggests installing a golf simulator.

Executive Director Romes reported that staff are looking at purchasing golf simulators, however, staff are examining other sites, such as the Golf Learning Center.

Manager Ochs reported that golf simulators are in the masterplan for the Golf Learning Center.

Commissioner Bernstein would like to know how much golf simulator costs.

Manager Ochs reported that golf simulators range from \$25,000 - \$35,000.

Commissioner Bernstein would like staff to explore temporary locations for golf simulators and costs, suggesting relocating those simulators once the master plan for the Golf Learning Center is complete.

C. *Golf Learning Center*

Director Smith reported that the projects occurring next year include \$24,000 to replace the sign, which is an obligation under the lot 3 agreement, which is a shared cost between the City of Highland Park and the Park District. Additionally, the Park District will replace the range cart and the fairway bank mower. Finally, the Park District will be resurfacing the upper and lower parking lot and a portion of the sidewalk creating a pathway from the Golf Learning Center to the Preserve.

President Ruttenberg would like to know if the City of Highland Park also shares the costs for parking lot repairs at the Golf Learning Center.

Director Smith reported that the City of Highland Park is also responsible for 50% of parking lot repairs at the Golf Learning Center, however, the City will not have funds available until 2024.

President Ruttenberg reported that the Park District will be spending \$400,000 in capital projects in 2021 at the Golf Learning Center since the City of Highland Park cannot cover repair costs until 2024.

President Ruttenberg would like to know how often the fairway banks mower and sprayers are used at the Golf Learning Center.

Manager Ochs reported that the fairway banks mower and sprayer are used daily.

President Ruttenberg would like to know if a shared-use equipment schedule could be created between Sunset Valley Golf Club and the Golf Learning Center, so the Park District would not have to purchase new equipment next year.

Manager Ochs will investigate creating a shared-use equipment schedule and follow up.

Commissioner Bernstein would like to know if the parking lot resurfacing will improve the entrance and exit point into the facility from Skokie Valley Road.

Director Smith reported that the parking lot resurfacing project will repair and improve the entrance and exit into the facility. He will work with IDOT on permitting.

Director Smith reported that the Park District also has \$15,000 reserved in 2021 for site planning and \$10,000 to replace the variable frequency drive (VFD) in the pump house.

Manager Ochs reported that the VFD in the pump house is an irrigation line that waters the range. The useful lifecycle for irrigation lines is 15 years and the current line has been operating for 18 years, so it needs to be replaced. If the irrigation line were to fail the building will no longer receive water which will halt all operations.

Commissioner Bernstein would like the master plan for the Golf Learning Center to include improvements to the experience when hitting golf balls on the driving range.

D. *Heller Nature Center*

Director Smith reported that the projects occurring next year include \$16,500 to replace a Kubota and \$35,000 to replace the HVAC unit, which are scheduled replacements.

Commissioner Bernstein would like to know how the facility is being utilized.

Director Carr reported that the facility is not open to the public, however, the facility is being utilized for program purposes.

Commissioner Bernstein does not feel the HVAC unit should be replaced if the facility has limited usage, as this may not be a priority project, and would like to defer the replacement should usage not increase.

E. *Hidden Creek Aquapark*

Director Carr reported that the projects occurring next year are scheduled maintenance projects, including the resurfacing of two water slides, heater replacements, and stairwell repairs.

F. *Park Avenue Boating Facility*

Executive Director Romes said the Park District has funds reserved in 2021 for site improvements, however these need to be further discussed. Additionally, the Park District has \$40,000 reserved for the installation of an automatic gate near the water plant.

Commissioner Bernstein would like to know if any upcoming meetings are scheduled for the Park Avenue Working Group.

Executive Director Romes reported that staff does not have a date scheduled at this time, however, staff are meeting with the North Shore Yacht Club in the next few weeks.

G. Recreation Center of Highland Park

Director Smith reported that the costs for 2021 include planning dollars for the locker room renovations, the replacement of lighting and fans in the gymnasium, and the equipment upgrade for spin bikes.

H. Sunset Valley Golf Club

Manager Ochs reported that the costs for 2021 include \$200,000 to replace cart pathways, \$290,000 for the removal and the replacement of identified bridges, \$72,085 for the renewal of the golf cart lease, \$5,995 to purchase/lease a walk green mower, and \$10,000 towards the pump house VFD replacement.

Commissioner Bernstein would like to learn more about the identified bridges.

Manager Ochs reported that a district-wide bridge inspection report was conducted in 2019, which identified two bridges in need of replacement, one is the far south bridge next to the 3rd tee, the other bridge is near the 15th tee.

Commissioner Bernstein would like to know more about the cart path replacement.

Manager Ochs reported that 25% of this project was completed during the renovation, so the remaining paths will be replaced.

I. West Ridge Center

Director Smith reported that the costs for 2021 include the installation of door fobs for the classrooms, replacement of the HVAC unit and furnace, and lastly, the district-wide master planning dollars were allocated to this facility so staff can begin working on those plans.

Commissioner Bernstein would like to know if the master planning process for West Ridge Center will be similar to the master planning process for Sunset Woods or GreenPrint.

Executive Director Romes reported that the master planning process will be similar to the process for Sunset Woods.

Draft of the 2020 Fall Finance Schedule

Director Peters highlighted key changes to the 2020/2021 finance schedule which includes, filing for the Cares Act which is due October 15, the HP Field House Pro Forma and Business Plan for the Recreation Center of Highland Park completed by December 8, filing for FEMA will be submitted by December 21, the 2021 budget will be presented to the Park Board of Commissioners January 21, 2021, and the budget will be approved on February 23, 2021. In 2019, the budget was presented to the Park Board of Commissioners in November and the budget was approved in December of that same year. The delay was recommended by the District's legal counsel and our auditors, and we found that the neighboring districts will also follow this schedule. She reported that the Park District no longer needs to amend the budget, which was originally planned since the funds to support the construction of the NSSRA facility are in the capital fund instead of the special recreation fund. However, as the amount is shown in transfers, an amendment is not necessary. Additionally, due to the impacts of COVID-19, the district's expenses and revenue will be

significantly different from the figures filed with Lake County, but our auditors, Sikich LLP and legal counsel reported that the Park District does not need to amend the 2020 budget. Director Peters reported that our auditors will most likely release a statement for the Park District to place in the CAFR package regarding the impacts of the pandemic. Thankfully, Director Peters reported that none of these changes will negatively impact the Park District GFOA certificate.

The meeting adjourned at 6:09 p.m.