

MINUTES OF A FINANCE COMMITTEE MEETING OF THE BOARD OF PARK COMMISSIONERS OF THE PARK DISTRICT OF HIGHLAND PARK HELD ON WEDNESDAY, APRIL 22, 2021, 4:02 PM. 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 Elect Freeman, Commissioner Bernstein, Vice President Kaplan, President Ruttenberg

Also, Present: Executive Director Romes; Director Peters, Director Dunn, Director Gogola, Director Voss, Director Smith, Director Carr; Assistant Director Maliszewski; Manager Ochs, Manager Warsaw; Administrator Rosen; Accountant Bhardwaj; Manager Johnson; Coordinator Hejnowski

Guest Speaker: None

Public Comment for Items on the Agenda

None

2021 Financial Forecasts and Treasurer’s Report

Projected Cash Flow/Operations (Operations General and Recreation Fund)

Director Peters presented the District’s chart of 2021 operations which examines the General and Recreation Funds comparing the budgeted vs. projected cash on hand at the end of each month. As of December 31, 2021, the Park District budgeted to have about \$12.2 million in cash on hand. However, as of March 31, staff are projecting that to increase to \$13.6 million. She reminded the Finance Committee Liaisons that the General and Recreation Funds have a 25% reserve policy, which based on the 2021 expenditures is about a \$4.1 million reserve balance.

Operations (General and Recreation Funds) Budget vs. Actual

Director Peters reported that as of March 31, 2021, staff budgeted \$1.49 million in operating revenue and she is pleased to report the actual revenue is \$1.63 million, surpassing the budgeted amount. Additionally, the actual expenses are significantly less than the budgeted amount. The actual expenses as of March 31, were \$2.46 million vs. the budgeted \$3.16 million, resulting in a year-to-date net surplus of \$835,208.10. When comparing the District’s current financial status to a three-year average pre-covid (2017 – 2019), the year-to-date monthly net difference is a \$76,617.89 shortfall.

President Ruttenberg asked Director Peters to explain the reason for the three-year average for Commissioner-elect Freeman.

Director Peters reported that Commissioner Bernstein requested a comparison of the District’s revenue and expenses pre-covid to today.

Commissioner Elect Freeman would like to know why the shortfall has significantly decreased from the previous month.

Director Peters reported that several programs are excelling, and payroll expenses are significantly under budget.

Executive Director Romes reported that Spring registration is much higher than expected with revenue surpassing the 2019 registration figures, which was prior to COVID.

Vice President Kaplan would like to know which spring programs are generating the most revenue.

Director Peters reported that tennis registration increased from a \$94,000 surplus to a \$254,000 surplus, golf has a \$110,000 surplus, and programming and staffing expenses are significantly under budget.

Commissioner Bernstein would like to know why staff are anticipating a large spike in revenue as of May.

Director Peters reported that camp and property tax revenue hits the budget in May and June.

Commissioner Bernstein would like to know if property tax payments will be staggered like the previous year.

Director Peers reported that Lake County is back to a regular tax collection year.

Commissioner Bernstein requested that staff be prepared to answer tax-related questions which may come from the community.

Director Peters reported that since the Park District issued a flat tax levy, the only residents who will see an increase are those property owners with an increased EAV, however, staff will be prepared to answer any questions the community may have.

General Fund

Director Peters reported that as of March 31, 2021, actual revenue is trending with the budgeted amount of \$55,833, whereas actual expenses are significantly less than the budgeted amount. The actual expenses as of March 31, were \$831,386 vs. the budgeted \$1.13 million, which contributed to the resulting year-to-date net surplus of \$281,603.81.

Recreation Fund

As of March 31, 2021, staff budgeted \$1.43 million in revenue, whereas the actual revenue is slightly higher at \$1.57 million. Much like the general fund, actual expenses are significantly less than the budgeted amount. The actual expenses as of March 31, were \$1.63 million vs. the budgeted \$2.04 million, resulting in a year-to-date net surplus of \$553,604.29.

Special Recreation Fund

Director Peters reported that this fund is trending as expected.

Debt Service Fund

Director Peters reported that this fund is trending as expected.

Capital Fund

Director Peters reported that the \$64,925.25 year-to-date net difference is due to timing differences.

President Ruttenberg asked Director Peters to explain the spike in revenue from November to December.

Director Peters reported that the spike in revenue is represented by year-end transfers from the recreation and special recreation funds to the capital fund.

Commissioner Bernstein commended Director Peters and the business office for their efforts and the easy-to-understand presentations.

Commissioner Elect Freeman reported that she appreciates staff's efforts and is pleased to see the Park District is tracking financials and is planning for the future.

Cumulative Monthly Payroll Actual vs. Budget

Director Peters reported that as of March 31, the Park District budgeted \$1.69 million in expenditures, and she is pleased to report that the actual expenses are slightly less at \$1.54 million, resulting in a year-to-date savings of \$148,211.11.

Non-Cumulative Monthly Payroll Actual vs. Budget

Director Peters reported that for the month of March, the Park District budgeted \$620,404.53 in expenditures, whereas the actual expenses are slightly less at \$565,056.33, resulting in a month-to-date savings of \$55,348.20.

Commissioner Elect Freeman would like to know if staff plans to fill those vacant positions.

Executive Director Romes reported that the Park District froze or eliminated 18 positions in 2020. When budgeting for 2021, the Park Board of Commissioners approved filling 8 of the frozen positions, after reviewing the Park District's financial status as of April 1, 2021.

Conclusion

Director Peters reported that several programs and services were canceled until mid-January due to COVID-19 mitigation measures. Fortunately, that allowed the Park District to significantly reduce payroll expenses resulting in a \$148,000 savings. Additionally, the number of people being vaccinated is increasing, while positivity rates and hospitalizations are decreasing so the Park District has seen a significant increase in Spring and Summer registrations resulting in an \$835,208 surplus in revenue. Indoor tennis had a \$254,000 surplus of actual revenue vs. budgeted and golf had a \$110,435 surplus. Furthermore, when comparing the pre-covid three-year average to the current year, the District has reduced the shortfall to \$77,000. Lastly, the Park District is continuing to receive unbudgeted financial support, which includes \$200,000 in property taxes.

Commissioner Bernstein once again commended Director Peters. Additionally, he would like to know how baseball registration is doing.

Assistant Director Maliszewski reported that there are over 300 players registered for the spring, which is an all-time high, plus 80 children registered for travel ball. Staff has never seen numbers like this and they are eager for games to begin over the next couple of weeks.

Commissioner Bernstein is pleased to hear the registration numbers and would like to resurrect the Baseball Advisory Committee.

Assistant Director Maliszewski reported that he would love for the committee to reconvene once permitted.

2021 Park Avenue Dredging Bid

Director Smith reported that the District typically conducts an annual dredging of sand at Park Avenue in order for the boat launch to operate. Due to the high lake water levels last year, it was recommended to differ this project, however, since then the lake water levels have receded so the annual dredging will need to commence in order for the boat launch to operate. Staff recently received four bids for this project, which included mobilization fees and the cost per cubic yard of sand removed. The lowest bid was \$36,846, however, staff only budgeted \$30,000 for the project. After staff further evaluated the site, they feel the amount of sand being removed will not meet or exceed the permitted amount of 1,800 cubic yards so staff are proposing to re-bid the project with a reduction to the dredging area. If there is consensus from the Finance Committee to re-bid the project, staff will share the updated results at the May 6 Finance Committee Meeting and seek approval from the entire Park Board of Commissioners at the May 11 Workshop Meeting, so that the completion date will occur before Memorial Day weekend.

Commissioner Bernstein reported that it is the consensus of the Finance Committee to re-bid the project and share the updated results at the May 6 Finance Committee Meeting.

Other Business

Director Peters reported that the next Finance Committee meetings are Thursday, May 6 and Thursday, May 20 at 4:00 p.m.

The meeting adjourned at 4:34 p.m.