

**MINUTES OF A FINANCE COMMITTEE MEETING OF THE BOARD OF PARK COMMISSIONERS OF THE PARK DISTRICT OF HIGHLAND PARK HELD ON THURSDAY, JANUARY 21, 2021, 4:01 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 Bernstein, 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; Accountant Rosen; Manager Johnson; Coordinator Hejnowski

**Guest Speaker:** None

**Public Comment for Items on the Agenda**

None.

December 3, 2020 Finance Committee Meeting minutes were approved.

**Updated Financial Forecasts**

***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. 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 \$4.1 million. The amount in the reserve balance is lower than seen in previous years since the 2021 budget assumed our region of the state will be in Phase 4 of the Governor’s restorative plan. However, staff are hoping our region will be in Phase 5 as of 2022, so the reserve balance would increase significantly and look similar to amounts seen in the past.

She reported that the District’s budgeted cash on hand as of December 31, 2021, will be three times the amount of the reserve balance. While this seems high, she reported that this decision was pre-planned and recommended by the District’s financial advisors since 65% of the District’s revenue will be supported by property taxes and the first installment arrives in May. When examining the projected cash on hand, she reported that the District is currently in Tier 3, Phase 4, of the Governor’s restorative plan, which puts the District in a difficult financial position, since less revenue is able to be generated from programs and services, and the District is having to issue refunds once again. Staff are anticipating that programs and services will still be limited in February and March, which affects the first quarter’s cash flow. However, she is pleased to report that the District received \$160,000 in property tax revenue this past week, which significantly offset those cash flows. Staff are predicting little to no difference on December 31, 2021, in the budgeted vs. projected cash on hand.

***Budget vs. Actual vs. Projected Operations (General and Recreation Fund)***

This report provided a comparison of the 2020 budget vs. the actual figures as of December 31, plus the year-end projections. Director Peters reported that the District budgeted \$21.7 million in revenue and projected to spend \$18.6 million, which provided a \$3 million surplus for the end of the year. She is pleased to report, that the District ended with a surplus of \$3.6 million, which is a year-to-date net difference of \$595,047 when comparing the actual vs. the budgeted revenue. This was due to Sunset Valley Golf Club having a \$618,000 surplus. Additionally, the District received \$200,000 in grants from the CARES Act, and staff reduced payroll expenses by \$2.6 million.

Commissioner Bernstein would like to know why the actual revenue is higher than the projected revenue.

Director Peters reported that the District received \$200,000 in grants from the CARES Act which were not expected, so it was not included in the projections.

***Budget vs. Actual vs. Projected No Taxes/Transfers (Recreation Fund)***

This report provided a comparison of the 2020 budget vs. the actual figures as of December 31, plus the year-end projections without the support from property taxes and transfers from the General Fund. Director Peters reported that the District budgeted \$10.5 million in revenue and projected to spend \$12.9 million, which is a \$2.4 million operating deficit for the end of the year. However, the deficit was \$2.7 million which is a year-to-date net difference of \$369,370 from the budget vs. actual.

***Monthly Payroll Budget vs. Actual vs. Projection***

Director Peters reported that the District budgeted roughly \$10 million in payroll expenses. After completing the December payroll expenses, the District spent \$7.4 million which is a difference of \$2.6 million from budgeted vs. actual. The savings are attributed to furloughing staff, implementing a hiring freeze, and suspending merit increases. Overall, this was a \$44,422 year-to-date net difference from actual vs. projected expenses.

Commissioner Bernstein would like to know what the District's current financial status is and what staff are expecting over the next quarter.

Director Peters reported that the Park District ended up better than projected due to the surplus at Sunset Valley Golf Club, the unsuspected property tax payments, and grants from the CARES Act in January. While this is good news, she reported that staff needs to monitor the District's cash flow since 65% of revenue will be supplied by property taxes. The monthly cash balances will continue decreasing until May when the first installment from property taxes is received, but even with the decreasing amounts, she reported that the District's finances are healthy.

Commissioner Bernstein would like to know if staff are projecting the golf course financials to look like 2019 or 2020.

Executive Director Romes reported that staff are projecting the golf courses' financials to look similar to 2019. While staff are hoping to generate more revenue than 2019, he is pleased to report that the District is not counting on the golf course to support the District.

**2021 First Quarter Project Updates**

Director Smith provided a brief review of 2021 projects which are occurring in the first quarter and asked for feedback from the Finance Committee Liaisons.

**a. *Deutsch Tot Lot – Playground and Patio Replacement***

Director Smith reported that the District has money budgeted for the replacement of the playground, however, the 20-year agreement with the Homeowner’s Association is expiring this year and there are no outside funding sources from the Homeowner’s Association to support the replacement. If the current contract is not terminated by either the District or the Homeowner’s Association, then the agreement automatically extends for a 12-month term and the Park District would be responsible for returning the site to the condition it was in 20 years ago, so staff recommend letting the agreement extend for one more year so that both parties can agree upon the acceptable conditions which the Park District would leave the site in. After the one-year extension, the Park District would terminate the agreement so that the Homeowner’s Association would be responsible for managing the site. The District is currently discussing small scale changes to play equipment and turf installations. Overall, Director Smith reported that he and staff are looking for consensus from the Finance Committee Liaisons which allows the current agreement to extend for one more year so both parties can agree upon acceptable conditions vs. the Park district being responsible for replacing the site to its condition 20 years ago.

President Ruttenberg would like to know how much it would cost the Park District to restore the site to its original condition vs. the mid-level restoration staff are proposing.

Commissioner Bernstein reported that the Deutsch family indicated they are agreeable to working with the District, so long as there is still a legacy for their son. He feels the proposed mid-level restoration is a workable solution for both parties.

Commissioner Bernstein and President Ruttenberg supported the one-year extension and mid-level restoration.

**b. *Golf Learning Center - Mini Golf Carpet Replacement***

Director Smith reported that his project no longer requires approval from the Park Board of Commissioners since the repair costs decreased and fell below the bid requirement threshold. As a result, repairs will soon commence.

**c. *Golf Learning Center - Parking Lot Resurface and Sidewalk Addition***

Director Smith reported that construction will begin in the Fall and part of the project will include the addition of a sidewalk adjacent to the outdoor driving range, which will require the Park District to hire an engineering firm. Additionally, the Park District will resurface the parking lot, and work with the Illinois Department of Transportation (IDOT) to repair the entrance/exit apron. Staff are currently gathering quotes from engineering firms and have contacted IDOT regarding permits.

President Ruttenberg would like to know if a permeable sidewalk could be installed and requested that staff gather quotes for that as an option.

Director Smith reported that he will explore that as part of the project.

Commissioner Bernstein would like to know if a carriage walk is included along the northside of the parking lot.

Director Smith reported that the carriage walk is part of the engineering process.

**d. Golf Learning Center - Site Planning**

Director Smith reported that staff are gathering quotes from firms.

Executive Director Romes reported that staff met with several firms, however, one of the firms, Sports Facility Management, would conduct a marketing, competitive, and financial analysis which examines infrastructure and all operations, including, marketing and trend data. They will work with staff and key stakeholders to develop a site plan which provides a return on investment, pricing strategies, and future development. Staff feels Sports Facility Management, quotes a fair cost which permits wish list items including, heated hitting stations, improved hitting surfaces, and improved site layout for private lessons.

President Ruttenberg would like to know if the site plan and improvements consider the dome and the Skokie River Woods connection.

Executive Director Romes reported that Skokie River Woods and the connectivity with the Golf Learning Center and the Preserve are known since Sports Facility Management is focused on revenue generation, which incorporates the dome, outdoor driving range, and mini golf. Regarding access, Skokie River Woods will be considered, however, it is not part of the plan.

President Ruttenberg recommends taking everything into account.

Director Smith reported that regarding connectivity, Skokie River Woods and the Golf Learning Center were taken into account with the Skokie River Woods project at the Preserve. That project will extend a portion of the sidewalk from the Skokie River Woods to the lower lot of the Golf Learning Center.

President Ruttenberg is pleased to hear that was a separate effort, so the site has been examined as a whole.

Commissioner Bernstein would like to know if this project includes repairs and resurfacing of the upper parking lot by the dome, as that parking lot is difficult to navigate.

Director Smith reported that the upper parking lot will be resurfaced.

Commissioner Bernstein would like to know if there is anything that can be done to improve traffic flow. Additionally, he would like to know if the apron to 41 will be improved.

Director Smith reported that all of this is included, hence why staff are currently in communication with IDOT and gathering quotes from engineering firms so that construction can occur in the Fall.

President Ruttenberg suggests staff reach out to our State Representatives to see if they could assist with this project.

Commissioner Bernstein suggests repairing the apron so that it looks similar to the Chantilly ingress/egress.

President Ruttenberg would like to know if there are any updates regarding the new sign.

Executive Director Romes reported that the sign will be replaced in the fourth quarter.

President Ruttenberg would like to know if staff discussed the sign with the City of Highland Park.

Director Smith reported that the City of Highland Park has agreed that the sign would be replaced in 2021.

**e. *Park Avenue – Automatic Gate***

Director Smith reported that staff has been working with gate contractors on pricing and design and met with the City Officials to finalize the ideal location for the gate. The next step is to connect with Gaywald Hamilton so they can conduct a small turning analysis at the bottom of the hill to see if the width can be decreased in any area so vehicles can turn around. Staff will discuss project updates at the February 4 Finance Committee Meeting, and if there is consensus from liaisons the plan will be presented to the Park Board of Commissioners at the February 9 Workshop Meeting.

**f. *Park Avenue - Site Planning***

Staff are working with Lakota Group, which was the firm that conducted GreenPrint for the District. Staff are finalizing the plan and meeting with board liaisons next week.

President Ruttenberg would like to know if the site plan includes the north and south locations.

Director Smith reported both the north and south locations are included.

**g. *Sunset Valley Golf Club Bridge Removal and Replacement***

Director Smith reported that the District has money budgeted in 2021 to work with an engineering firm that will be responsible for surveying, bridge design, and all the geo-tech work. Each step will be presented to the Park Board of Commissioners to complete the 3-year phased approach. Staff will provide an update and request approval from the Park Board of Commissioners at the February 23 Board Meeting.

President Ruttenberg would like to know how much a bridge cost.

Director Smith reported that the Park District has \$5,000 - \$6,000 budgeted in 2022 to replace two bridges and remove one.

**h. *Sunset Woods Park – Playground Replacement and Master Planning***

Director Smith reported that the community survey was completed in December, based on those results Hitchcock Design group is finalizing the concept plan which will be reviewed with the board liaisons next week and presented to the Park Board of Commissioners at the February 9 Workshop Meeting. If the Park Board of Commissioners approves the concept plan, Hitchcock Group will begin the final design.

President Ruttenberg would like to know what the timetable is for the final design.

Director Smith reported a contract for approval will be presented to the Park Board of Commissioners at the February 23 Board Meeting. The goal is to have construction completed by the end of 2021.

Commissioner Bernstein would like to know if staff could communicate the project scope with the community as there is a lot of misinformation circulating.

Executive Director Romes reported that the final concept design will be presented to the Park Board of Commissioners in February, which excludes additional parking, so that meeting will clear up some of the misinformation, however, staff can share an update with the community to clear up some of those concerns currently circulating.

President Ruttenberg feels that parking is a challenge at the site so he was wondering if the District should plan for increased parking as part of the renovations in the master plan.

Executive Director Romes reported that staff are recommending removing the additional north parking lot as it received a lot of negative feedback from the community for disturbing natural areas. However, staff have identified other areas for additional parking.

Commissioner Bernstein requests staff only focus on funded items.

## **Other Business**

### **a. Summer Camp 2021 Update**

Manager Fiori provided a brief review of the 2020 summer camp season and plans for 2021. She reported that the objective for 2020 was to offer a safe, happy, and memorable environment for children which was designed for residents with an essential need for childcare. As of 2021, staff will reintroduce the District's signature camps to residents and neighboring communities and will offer financial assistance and discounts so that camps are accessible to anyone who wishes to participate. The Marketing campaign is "let's take back summer" as staff wants to offer a memorable and safe return to recreation during these challenging times. Families will receive updates through print and digital media.

The 2021 camp structure and schedules have significantly changed from 2020, since camps will once again be open to anyone interested in participating. Staff are extending the offerings so that children ages kindergarten through 8th grade can register for a full 7-week program from 9:00 am – 3:30 p.m. After camp will be available at all 11 camp locations to provide added convenience and safety for families. Staff are excited to offer 18 camps, along with the re-introduction of swim lessons, visits to Hidden Creek AquaPark, and offsite field trips.

As for fees, Manager Fiori reported that the goal has always been to ensure that camp is financially accessible to anyone interested in participating. Currently, camp is \$12.86 per hour, which is reasonably priced when compared to nannies and babysitters. Families can take advantage of payment plans, apply for grant-in-aid scholarships, and receive sibling discounts to help reduce costs. As for participation, Manager Fiori is pleased to report that the 2021 summer camp season has 650 spots available, which means the Park District can employ 70 part-time seasonal instructors, which is a significant increase from 2020 which only had 40 campers and 15 part-time seasonal staff. Also, there are a variety of options including week-to-week, 4-week, or the full 7-week sessions.

Commissioner Bernstein would like to know what the District's recruiting plan is, since most part-time seasonal employees could not return last summer.

Manager Fiori reported that last summer the District was able to employ all the 2019 camp directors and assistant directors, however, there are several other employees needed, so staff are reading the 2019 employee performance reviews to determine which employees could be offered a position this summer.

Commissioner Bernstein would like to know if staff are anticipating issues with 2021 seasonal employment.

Manager Fiori reported that while she has a high return rate of 50 – 60%, she is not anticipating issues, however, they have alternate plans in place if they are having a difficult time filling positions.

Regarding safety, Manager Fiori reported that the District is committed to researching, learning, and attending seminars regarding the best practices so those will be implemented along with COVID mitigation strategies. She is pleased to report that the District's partners, North Shore School District 112 (NSSD 112) and North Suburban Special Recreation Association (NSSRA) are working with the District to implement additional safety measures, including the utilization of space at NSSD 112 locations for social distancing and NSSRA will offer inclusion aids.

Overall, Manager Fiori reported that registration begins February 3 for residents.

President Ruttenberg reported that staff did a marvelous job last summer, despite the challenges. this is a great effort.

Commissioner Bernstein thanked Manager Fiori, stating that her presentation exceeded his expectations.

***b. Upcoming Meetings***

Director Peters reported that the next Finance Committee meetings are Thursday, February 4, and Thursday, February 18 at 4:00 p.m.

The meeting adjourned at 5:01 p.m.