

**MINUTES OF THE FINANCE COMMITTEE MEETING
OF THE PARK DISTRICT OF HIGHLAND PARK
HELD ON JUNE 22, 2022 6:09 P.M.**

Present: Commissioner Bernstein, Commissioner Ruttenberg, President Grossberg

Absent: None

Also, Present: Executive Director Romes; Director Peters, Director Carr, Director Smith;
Assistant Director Maliszewski; Manager Baczek; Accountant Jaba; Coordinator
Hejnowski Manager Schwartz

Guest Speaker: None

Additions to the Agenda

None.

Approval of the Finance Committee Meeting Minutes from May 26, 2022

The Minutes from the May 26, 2022 Finance Committee Meeting were approved.

June 2022 Bid Results

Manager Schwartz reviewed the bid results from the 2022 Centennial Ice Arena Renovation and Site Improvement. The District received three bids, Kandu Construction, Simpson Construction, and Stuckey Construction. Simpson Construction was the lowest bidder, but they failed to bid on the specified items, so staff is recommending that the Park Board consider Stuckey Construction since they are the lowest most responsible bidder. Since the project is over budget staff presented three options; full scope estimated at \$4.2 million which includes all the proposed interior renovations (new entry and lobby) and the proposed exterior renovations (parking lot renovations and drainage improvements), Option A estimated at \$3.7 million which includes all the proposed interior renovations (new entry and lobby) and reduced exterior renovations removing the north parking lot repairs and only replacing lights at the turnaround and main lot, and lastly, Option B, estimated at \$3.4 which reduces the interior and exterior renovations, removing some of the entry enhancements, removing the parking lot repairs, only replacing lights at the turnaround and main lot, and partial drainage improvements.

Commissioner Ruttenberg would like to know if there are funds budgeted for 2023 for this project.

Manager Schwartz reported that this project was only budgeted for 2022.

Unrelated to the 2022 Centennial Ice Arena Renovation and Site Improvement Bid, Assistant Director Maliszewski reported that the ice rink has been experiencing some issues for several months, and once the ice was removed during our regular and annual maintenance deeper issues were found. Staff has been in communication with the Mechanical Engineering Firm, IB Story, who designed and engineered the compressor and ice matt system, as well as Stellar Industrial Solutions, the contractor that installed the Compressor, or any of their subcontractors that performed the work at Centennial Ice Arena in 2020.

IB Story has been on the site several times due to the issues staff were experiencing prior to the ice being removed, including this past May, where they indicated that the ice will level out if Zamboni usage is

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reduced. Once the ice is removed it was their opinion that the problem would correct itself. Whereas Stellar Industrial Solutions felt it was their opinion that the floor heaved after visiting the site last Friday. The District has two conflicting opinions, so staff has been in contact with Wiss, Janney, Elstner and Associates Engineering (WJE), whom we have worked with in the past, to get a proposal to conduct an investigation as to what damage has occurred, why it occurred, and potential solutions exist to repair the issues so long as the structure of the facility is not at risk.

Commissioner Bernstein requested that staff expedite this project and place it as a top priority since closing the rink would negatively impact not only program participants and their families but the Highland Park Giants Hockey Association and the Falcons Hockey Association.

Michael Schaffer, President of the Highland Park Giants Hockey Association, would like staff to consider a short-term solution that would permit ice usage in the fall of 2022 and spring of 2023, so long as such usage is safe.

Director Smith reported that staff does not have a recommendation from WJE Engineers, however, they will look at potential solutions (short and long-term) and determine if the rink is safe for use.

Commissioner Bernstein requested that Executive Director Romes share updates with the Park Board as they are received.

Director Smith reported that as for the 2022 Centennial Ice Arena Renovation and Site Improvement Project, the three bids are good for 90 days.

Manager Schwartz reported the original timeline was to award the bid this month and start construction in July, with an anticipated completion date by the end of the year.

Commissioner Bernstein and Commissioner Ruttenberg would like to place the 2022 Centennial Ice Arena Renovation and Site Improvement Project on hold or defer it until 2023.

Commissioner Bernstein reported that the consensus of the Finance Committee is to differ this discussion until there is more analysis from WJE Engineering.

2022 Capital Plan Update and 10-Year Funding Model

Director Smith provided an update on the 2022 Capital Plan.

***A. Capital Plan Update
District Wide/Annual***

There is an issue that has been identified with a number of red oak trees, so the year end projection will surpass the budgeted amount for the Tree Removals.

Technology

The infrastructure replacement is more than budgeted.

Parks Equipment

Vehicle replacements have been deferred until 2023 due to delays.

Danny Cunniff Park

Pickleball sound reduction screens are less than budgeted.

Moraine Park

The wooden stair replacement has been moved to 2023.

Moroney Park

Staff reduced the budget, planning costs are in 2022 construction costs are in 2023.

The Preserve of Highland Park

The Compton Avenue Trail obligations will be completed by spring of 2025, so staff moved costs to 2023 and 2024.

Centennial Ice Arena

The District is \$650,000 to \$1.5 million over budget depending on all the number of alternates selected for the building and site renovation project.

Golf Learning Center

The Sign replacement was significantly less than budgeted.

Hidden Creek AquaPark

The slide structure repairs, and the sound system replacement were less than budgeted. The pool shell and shade structure replacements were deferred until 2023.

Park Avenue Beach and Boating Facility

Staff added two ancillary line items, and two-line items for donations and grant funds. The south storage pad repair year end project costs will most likely be reduced based on recommendations from the Finance Committee to pursue a third less costly option.

Recreation Center of Highland Park

The locker room repair/replacement, gymnasium floor resurfacing, and the lower-level lobby floor replacement were deferred until 2023.

Commissioner Bernstein would like to discuss the plans for the fall re-grand opening of the RCHP at a future Finance Committee Meeting.

B. Ten-Year Funding Model

Director Peters reported that there was over \$27.5 million in the capital fund on January 1, 2022. Staff plans on transferring \$2 million from the Recreation Fund, \$1 million from the General Fund, \$500,000 from the Special Recreation Fund, and spending \$11.6 million on capital projects, leaving \$19.5 million in the yearend balance. When preparing the 2023 budget, staff plan on transferring another \$2 million from the Recreation Fund, \$1.5 million from the General Fund, \$500,000 from the Special Recreation Fund, and spending \$17.8 million on capital projects, leaving \$5.6 million in the yearend balance. In 2024, there will be a bond issuance, however, inflation will affect bond issuance figures, costing the District more to issue debt. In 2025 – 2027, staff anticipates the yearend balances will fall under \$1 million, however, the next bond issuance cannot occur until 2028. The District will not have enough money to fund slated projects in 2027, so some can be deferred into 2028.

Commissioner Bernstein would like to know if the District can decrease the amount in our fund balances (reserves) in 2025, 2026, and 2027.

Director Peters reported that the District can decrease the amount of the fund balances (reserves) for those years, and staff would encourage that if the economy and the Park District are in a good place.

Commissioner Bernstein requested staff opinion on the ten-year funding model.

Director Peters reported that the District's financials look good over the next 10 years. This is a living document constantly changing. The figures over the last 5 years are assumptions. If the country goes into a recession, there will be a shrinking of the market and prices will come down.

Commissioner Bernstein stressed the importance of keeping the West Ridge Building and Site Plan project within budget since several other projects have gone over.

Commissioner Bernstein requested that the ten-year funding model be reviewed more often.

Other business

Director Peters reported that staff recently went out to bid for natural gas and based on the results, the cost significantly increased so the District will be \$32,000 over budget. Thankfully, the District has a favorable rate on electricity, so the yearend costs for electricity will be \$21,000 less than budgeted. However, when combining natural gas and electricity the District will be \$11,000 over budget in utilities.

The next Finance Committee meeting is scheduled for Thursday, July 14 at 8:00 a.m.

Other Business

None.

Open to the Public to Address the Board

None.

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Closed Session

A motion was made by Commissioner Bernstein, seconded by Commissioner Ruttenberg to adjourn into Closed Session for discussion of Section 2(c) 29 - for discussions between internal or external auditors and the Board.

Roll Call:

Aye: Commissioner Bernstein, Commissioner Ruttenberg

Nay: None

Absent: President Grossberg

Abstain: None

Motion Carried

The meeting adjourned into Closed Session at 7:26 p.m.

The meeting reconvened into Open Session at 7:31 p.m.

Release of Closed Session Minutes

Commissioner Bernstein reported that the Finance Committee met in Closed Session under Section 2(c) 29 - for discussions between internal or external auditors and the Board.

The Park Board Commissioners evaluated the performance of Park District auditors, Sikich LLP.

Adjournment

The meeting adjourned at 7:34 p.m.

Respectfully submitted,

Roxanne Hejnowski

Roxanne Hejnowski, Assistant Secretary