

**MINUTES OF A THE FINANCE COMMITTEE MEETING
OF THE PARK DISTRICT OF HIGHLAND PARK
HELD ON OCTOBER 11, 2022 8:04 A.M.**

Present: Commissioner Bernstein, Vice President Freeman

President Grossberg joined the meeting at 8:44 a.m.

Absent: None

Also, Present: Executive Director Romes; Director Peters, Director Gogola; Director Smith; Director Voss; Director Carr; Director Kopka; Director Ochs; Assistant Director Maliszewski; Manager Baczek; Coordinator Hejnowski

Guest Speaker: None

Additions to the Agenda

None.

Fund Balance Policy

Director Peters provided a review of the Park District's fund balances over the last ten years.

Commissioner Bernstein would like to know if there is a policy for the Capital Fund.

Director Peters reported that based on findings from neighboring Districts a policy is not recommended.

Commissioner Bernstein would like to know where funds for emergency repairs are allocated.

Director Peters reported that money would be taken from the reserves, and the general and recreation funds since money cannot fluidly move from the capital fund.

Commissioner Bernstein requested that a summary be shared with Commissioner Ruttenberg explaining which funds allow money to fluidly move between funds.

General Fund

Currently, there is a 25% reserve. Auditors recommend a 40% reserve; however, staff and legal counsel are recommending 30-40% of annual operating expenditures.

Recreation Fund

Currently, there is a 25% reserve. Auditors recommend a 40% reserve; however, staff and legal counsel are recommending 30-40% of annual operating expenditures.

Special Recreation Fund

Currently, there is a 15% reserve. Staff and legal counsel are recommending a 20-30% reserve, and that significant amounts be transferred yearly to support ADA projects as identified by staff.

October 11, 2022

Debt Service

Staff and legal counsel are recommending removing the fund balance policy for this fund since this fund is meant to pay off principal and interest, this aligns with neighboring Districts.

Staff received consensus from the Finance Committee to place the recommended changes to the fund balance policy on the consent agenda at the October 26 Regular Meeting.

Draft Five-Year Capital Plan Review

Director Smith reminded the Finance Committee that the Five-Year Capital Plan prioritizes projects through tiers, and staff has added a new tier.

Tier 1: Safety/Legal Compliance

Any investment where the primary purpose is to correct a safety hazard or is pursuant to a legal contract, ordinance, or law.

Tier 2: Critical Repair/Replace Existing Items

A project fits this criterion if it is an existing asset that is in critical condition. An asset is defined as critical if it meets one or more of the following criteria: If not addressed in the proposed year it may pose a safety hazard; If not addressed and fails, it could lead to a larger expense and/or impact programming/recreation.

Tier 3: Scheduled Replacement

A project fits this criterion if it is an existing asset that is recommended for replacement and has reached its useful life.

Tier 4: Improve Existing Items

These projects improve built environment, park land, or equipment that staff recommend improvement, but the recommended improvement would have limited or no impact on status quo operations. These projects are proactive in nature and keep the District looking fresh, up to date, or benefit existing recreation offerings.

Tier 5: New

Projects that are adding capacity/programming or altering current conditions. Not completing these projects would have no impact on the District status quo.

Tier 6: Unfunded

Identified projects that do not have confirmed funding. May require alternative funding strategies.

Director Smith highlighted significant projects in the 2023 plan.

A. Parks:

Danny Cunniff Park

Staff are trying to put together a fundraising committee to support pickleball renovations earmarked for 2023.

Commissioner Bernstein and Vice President Freeman reported that converting tennis courts into pickleball courts is a priority over the lights.

Larry Fink Park

\$500,000 has been allocated to Danny Cunniff Park thanks to the Athletic Boosters Club, as they are trying to raise \$1.7 million for the Fink Park Athletic Field Development project instead of \$1 million.

Commissioner Bernstein requested a follow-up meeting with the Park Board to discuss the District's Athletic Fields.

Moraine Park

\$1.5 million is unfunded for the toe restoration.

Commissioner Bernstein would like to discuss this project at a future Lakefront, Parks, and Natural Areas Committee Meeting.

Port Clinton Park

Would like a meeting with the City of Highland Park and the downtown Business Alliance to discuss funding for this project.

Sunset Woods Park

There are funds budgeted to conduct a site survey to support the master plan.

Commissioner Bernstein commended staff on the Albion Restoration.

The Preserve of Highland Park

President Grossberg commended staff on trail signage.

B. Facilities:

Centennial Ice Arena

Commissioner Bernstein would like staff to present options for the old gymnastics space at a future Facilities and Recreation Committee Meeting.

Deer Creek Racquet Club

There is \$200,000 budgeted for planning dollars to renovate the facility to possibly renovate the racquetball courts.

Commissioner Bernstein requested that staff get the locker room and racquetball court dimensions to explore alternative usage. Furthermore, he would like to discuss how to spend the \$200,000 budgeted in 2023 at a future Facilities and Recreation Committee Meeting.

Golf Learning Center

There is \$200,000 budgeted in 2023 for possible locker room repairs.

Commissioner Bernstein would like an update on capital improvements, lease terms, and share a business model for the dome in the spring of 2023.

Hidden Creek AquaPark

The concrete decking and shade structure are being replaced. Both repairs will be completed before opening weekend in 2023.

Park Avenue Beach and Boating Facility

South storage repair has been broken into two phases and there are funds earmarked for the first phase. There are also funds from the OSLAD grant earmarked for 2023. Lastly, there are funds budgeted for a daily pay pass system, whether it be an app or a machine.

Recreation Center of Highland Park

Commissioner Bernstein requested that the locker room repair/replacement, gymnasium floor resurfacing, and the lower-level lobby floor replacement be discussed in the spring of 2023 at a Facilities and Recreation Committee Meeting.

Sunset Valley Golf Club

The current golf cart lease expires at the end of 2023, however, staff will go out to bid this year so that the new carts are ready to be used in 2024 since delivery takes 12-14 months.

Commissioner Bernstein feels the tent pad is underutilized and requested staff explore enhancements.

Manager Ochs reported that there are funds budgeted to purchase new furniture to enhance the tent pad.

West Ridge Center

Executive Director Romes reported that Holabird and Root will present to the Park Board in November.

Park Avenue Sub-Fund

Director Peters reported that the Park District issued \$17 million in debt certificates in 2021. \$15 million of those debt certificates would be spent to renovate West Ridge Center and \$2 million on projects at Park Avenue Beach and Boating Facility. Staff would like to pay Park Avenues' debt from operations, so staff would like to create a Park Avenue Sub-Fund for transparency. Based on projections, Park Avenue will have a \$23,000 deficit as of December 31, 2022. However, as the site is renovated operating revenues will increase, and staff anticipates the site will have a surplus, staff are recommending a sub-fund to closely monitor revenue and expenses at the site.

Vice President Freeman supports staff's recommendation and would like other large-scale projects to have sub-funds.

Commissioner Bernstein would like to know if the Auditors support staffs recommendation.

Director Peters reported that the Auditors support staff's recommendation.

Staff received consensus from the Finance Committee to create a Park Avenue Sub-Fund.

Finance Committee Meeting Minutes
October 11, 2022

Other Business

None.

Open to the Public to Address the Board

None.

Adjournment

The meeting adjourned at 9:36 a.m.

Respectfully submitted,

Roxanne Hejnowski

Roxanne Hejnowski, Assistant Secretary