

**MINUTES OF A THE FINANCE COMMITTEE MEETING  
OF THE PARK DISTRICT OF HIGHLAND PARK  
HELD ON NOVEMBER 14, 2023, 8:02 AM.**

**Present:** Commissioner Bernstein, Commissioner Ruttenberg

**Absent:** None

**Also, Present:** Executive Director Romes; Deputy Director Carr, Director Peters, Director Smith, Director Voss, Director Gogola, Director Baird; Director Hall; Assistant Director Reyes, Assistant Director Acevedo, Manager Ochs, Manager Sassorossi, Manager Deptula; Coordinator Hejnowski

**Guest Speaker:** None

**Additions to the Agenda**

None.

**Budget Presentation**

Director Peters reviewed the 2024 budget calendar (upcoming meetings until the public hearing for the 2024 Combined Budget Ordinance in January 2024) and considerations and assumptions for developing the proposed 2024 budget.

Director Peters provided a Districtwide Budget Comparison, highlights included staff are projecting the District to have a \$3.9 million surplus as of December 31, 2023 (capital and transfers are excluded from this amount). The Surplus is attributed to programming, property taxes, memberships, rentals, and income tax revenue.

Director Peters reviewed revenues and expenses in the proposed 2024 budget by function.

- Administration Function anticipates a \$709,543 surplus after transfers.
- Parks Function anticipates a deficit. This is typical, since revenue is only generated from park permit fees; whereas expenses are high to maintain properties.
- Recreation Function has an increase in programming, membership, and rental revenue and expenses from salaries and wages. The 2024 Budget includes a \$3 million transfer to the capital fund.

Director Peters reviewed the districtwide budget comparison with transfers, highlighting an intentional net deficit spend of just under \$4 million.

Director Peters reviewed the projected cash on hand, anticipating \$30,812,091 as of January 1, 2024 and \$27,036,635 as of December 31, 2024.

**Updated Tax Levy Presentation**

Director Peters reviewed the tax levy timeline.

She reminded the Committee that the District relies on 50/50 split between revenues from property taxes and operating funds.

She provided a tax levy refresher, noting the purpose of a tax levy which captures funds to support mission critical community assets and services:

- **Capital Repair and Replacement** – Tiers 1-3 Capital Projects (\$37M in 5-Year Capital Plan)
- **Capital Improvements** – Tiers 4-6 Capital Projects (\$30M) of which \$28M is currently unfunded (Tier 6)
- **Operational Maintenance** - 44 parks, 4 Lakefront properties, nearly 800 acres of open space, and 11 facilities

She reviewed the tax levy consideration which includes increasing the levy by the **CPI and New Growth** avoids a negative impact on future levies and long-term funding for capital repair, replacement, improvements, and operational maintenance. Overall, the CPI (6.5%) is greater than Tax Levy Cap (5%) and Operational Expenses are projected to increase, includes part-time and seasonal wages including minimum wage increase to \$15/hr. (19%), Materials and Supplies (7.3%), Utilities (9.9%), Health Insurance Premiums (PPO 7.9%, HMO 7.7%, Dental 3.0%, Vision 22.2%), and Building Safety and Security, IT and Cyber Security. Additionally, Capital Project Construction, Architecture and Management Costs continue to increase consistent with CPI and over the next 5 years are projected to be more than \$28 million. The proposed levy allows Grant in Aid Scholarships funds to increase from \$100,000 - \$150,000 and the Park District of Highland Park to sustain operations, capital repair, replacement, and improvements.

She reviewed the tax levy factors for the general and recreation funds.

- CPI for 2023 is 6.5%, tax levy cap is 5%.
- New Growth accounts for new property which cannot be accessed in future years. As of September 18, 2023, new growth is estimated at \$10 Million, so staff are recommending \$20 Million.
- EAV (Equalized Assessed Valuation) is 8.83% per Lake County Assessor/Clerk as of September 18, 2023, so 8.83% is recommended.
- Special Recreation Fund is .04% of EAV.

She reviewed the tax bill, and the impacts for an individual taxpayer, specifically, the impacts if a taxpayers equalized assessed valuation of their house went up 10%. She provided different examples, below average, average, and above average property values, and the impacts based on the Park District's proposed 6.9% increase to the tax levy.

She reviewed the surrounding truth in taxation rates of other Highland Park government bodies.

She reviewed tax levy calculations. Noting the general fund, which is tax capped, would see a 6.45% change, the recreation fund, which is tax capped, would see a 6.93% change, the special recreation fund would see a 10.34% change, for an overall increase of 6.96%. She reviewed the historical rates that the district levied. The key considerations for the proposed tax levy include:

- The District's Tax Levy increase will be less than the 6.5% CPI.
- A 5% levy, plus new growth will provide the District with revenue to sustain its operations and address increases in Part-time & Seasonal Wages, Construction, Materials and Supplies, Utilities, Health Insurance, Security, and IT.
- The District has more than \$28 million in unfunded capital expenditures.
- The District will continue to focus on equity, alternative revenue sources and grant-in-aid scholarships.

Commissioner Bernstein and Commissioner Ruttenberg support staff's recommendation for tax levy.

**Sunset Woods Park Improvements Site Design and Engineering Services Agreement**

Director Smith reminded the Committee that at the September 27, 2023 Regular Meeting, staff reviewed the three Request for Qualifications submittals for design services for the Open Space Lands Acquisition and Development (OSLAD) Grant Project to implement Phase 1 of the Sunset Woods Master Plan which includes new multi-use basketball court, new skate park, new wheel friendly plaza, new game court, native planting and interpretation area. The scope also includes design services for related Capital Projects for replacement of athletic field and tennis lighting, assessment of existing tennis courts and associated drainage improvements. Staff received consensus from the Park Board of Commissioners to proceed soliciting a proposal from the top-ranked firm, Lamar Johnson Collaborative (LJC). Staff have negotiated a fee with LJC. The agreement was shared with the Park Board and the Public in the November 15, 2023 Regular Meeting Packet.

The Committee recommends keeping this item on the consent agenda at the November 15, 2023 Regular Meeting of the Park Board.

**Lot 3 Enterprise Facility at 2205 Skokie Valley Road Project**

Manager Ochs reported that a Request for Proposals was released on September 30, 2023, for an Agreement for Recreational Services of an Enterprise Facility at 2205 Skokie Valley Road, Highland Park, in consideration for payment to the Park District of Highland Park. The Park District received three RFP submittals: Ron Saslow Pickleball Dome, Golf Development Strategies and The Golf Practice, and The Golf Practice Partnership with The Highland Park Golf Learning Center. Submittals were required to present a plan for the following scope of work: the operation and management of an enterprise facility, with consideration given to a proposed design, construction, and financing at 2205 Skokie Valley Road. Proposals could be for all, or portions of the entire property.

- **Ron Saslow Pickleball Dome** proposed donating a new Four-Season Air Supported Dome structure with Pickleball and Padel courts with certain restrictions and the Park District operating the facility upon completion. The new Dome will include a reception area, and pro shop.
- **Golf Development Strategies and The Golf Practice** proposed reimagining the driving range, reconfiguring the putting green and short game area, operating the dome "as is" in the short term with future long term improvement considerations, and expanding the food and beverage area. Golf Development Strategies and The Golf Practice will offer \$100,000 payment per year for rental of the space where the current dome is located, and a \$20,000 payment per year for the management fee of the Highland Park Golf Learning Center site. Golf Development Strategies would assume all operational responsibilities and associated expenses for the entire site excluding River's Edge Miniature Golf.
- **The Golf Practice Partnership with The Highland Park Golf Learning Center** proposed providing golf operational program and services. The Golf Practice will provide a \$20,000 yearly payment to the Park District for exclusive use of four grass hitting bays for The Golf Practice coaches will provide instruction. The Golf Practice will provide a revenue share agreement with the Park District for all golf programming (excluding private lessons).

A committee of Park District staff and Park Board liaisons interviewed all three firms. Qualifications and criteria consistent with the RFQ were considered, and then reviewed and discussed at the Finance

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Committee Meeting on October 17, the Facility and Recreation Committee Meeting on October 18, and the Regular Park Board Meeting on October 25. The Park Board provided consensus to negotiate an Independent Contract Agreement with The Golf Practice, and a Donor Agreement with Ron Saslow. While an agreement is not being considered for approval with Golf Development Strategies at this time, discussions may continue in consideration of a future agreement.

The independent contract with The Golf Practice was shared with the Park Board and the Public in the November 15, 2023 Regular Meeting Packet. The Committee supports staff's recommendations and will recommend the Park Board of Commissioners approve the independent contract with The Golf Practice.

**Changes to Policy 5.03 Refund of District Fees**

Manager Deptula reported that staff and the Park District's Legal Counsel recommends changing policy 5.03 Refund of District Fees to include the addition of policy 5.03.07: Household Credits Left on Account. Credits left on household accounts over 365 days will be returned to the account holder via the original payment method if over \$10, if less than \$10, the credit will be donated to the Parks Foundation of Highland Park.

**Centennial Ice Arena Monthly Financial Update**

Manager Sassorossi provided a 2023 budget overview as of October 31 comparing actual revenues and expenses and projected for programs and rentals.

**Other Business**

None.

**Open to the Public to Address the Board**

None.

**Adjournment**

The meeting adjourned at 9:52 a.m.

Respectfully submitted,



Roxanne Hejnowski, Assistant Secretary