

**MINUTES OF A THE FINANCE COMMITTEE MEETING
OF THE PARK DISTRICT OF HIGHLAND PARK
HELD ON DECEMBER 7, 2023, 8:04 AM.**

Present: Commissioner Bernstein, Commissioner Ruttenberg

Absent: None

Also, Present: Executive Director Romes; Director Peters, Director Smith, Director Voss, Director Gogola, Director Baird; Assistant Director Reyes, Assistant Director Acevedo, Manager Baczek; Accountant Moraru; Coordinator Hejnowski

Guest Speaker: None

Additions to the Agenda

Executive Director Romes reported that if there is any time before the meeting adjourns, he would like to provide an update on lot 3. Lot 3 will be added to other business.

Budget Presentation

Director Peters reviewed the 2024 budget overview. Highlights include the General, Special Recreation and Recreation Funds anticipate a combined operating surplus, before transfers, of \$3,310,705. Of that surplus, \$3,600,000 will be transferred to the Capital Projects Fund and an additional \$1,674,800 to Debt Service. Capital expenditures are approximately \$11.8 million, operating expenditures are approximately \$22.7 million, consolidated expenditures, including operations, debt, and capital, are approximately \$37.9 million, and tax support for the 2024 fiscal year represents approximately 53% of total revenues

New for 2024, in an effort to remain both fiscally responsible and strategic in the delivery of services to the community, staff anticipates continued development and implementation of a Values Driven Strategic Plan, working toward submission for the Distinguished Accreditation award in 2025, developing an HR performance management system, implementing an HR intranet system, and conducting a comprehensive employee engagement survey. The District will continue to collaborate with the Parks Foundation and a fundraising consultant to support Capital Campaign Fundraising.

Projects in Progress include:

- ***Planning and Design for Construction of Multi-Purpose Facility*** (addressing West Ridge Center) Sports Field Master Plan (Synthetic Turf Field Construction).
- ***Land Management Plan – the*** plan covers 9 major topics: Park Maintenance, Stormwater Management, Lakefront Maintenance, Natural Areas, Park Inventory, Real Estate, Park Amenities, Connectivity, and Cultural Resources.
- ***Park Site Plans*** - The Park Site Plan initiative is in response to goals and objectives established in GreenPrint 2024 and the Land Management Plan. The plan will evaluate the Park District’s outdoor parks based on Park District standards to then offer recommendations for park improvements.

- **Sunset Woods Site Master Plan** - The plan strives to consider the timeless park holistically and in the context of the Highland Park community and surrounding area. The Park District applied for an Open Space Lands Acquisition and Development Grant (OSLAD) in the amount of \$600,000 to assist in funding components for the master plan. In 2023 the Park District was awarded \$600,000 for phase 1 of the Sunset Woods Master Plan project. Phase 1 includes a new relocated skate park, wheel friendly plaza, multi-use basketball court, and game area. The project is expected to break ground summer 2024.
- **Golf Learning Center Optimization Report** - The intent of the Golf Learning Center Optimization Report is to improve financial performance while meeting community and regional recreational needs at the Highland Park Golf Learning Center facility. The plan includes a comprehensive assessment and future recommendations that will be used to guide programs and investments. The recommendations address: the driving range, mini golf, building and general site connectivity, programming, operations, agreements and marketing strategy, relationship to the Dome and The Preserve, new amenities, capital improvements, and services.

On August 30, 2023, a Request for Proposal for Recreational Services of an Enterprise Facility at 2205 Skokie Valley Road (commonly known as Lot 3/Golf Learning Center) was issued by the District. Three responses were received; none from the current licensee. As such, the District expects large changes to occur at the site in late 2024 or early 2025.

- **Athletic Fields Master Plan** - The Park District provides both informal and programmed competition level sports fields at locations throughout the community. The District's Planning and Athletics Departments developed a comprehensive sports field master plan that addresses existing fields to meet current and projected program needs as well as explores potential new field configurations that would gain efficiencies in scheduling, program management, and tournament opportunities; ancillary amenities and infrastructure; maintenance; stormwater management, lighting, and utilities; as well as improved parking management strategies.
- **Lakefront Master Plan** - The recommendations are intended to guide lakefront operations, beaches, capital planning, and support possible future grant opportunities.
- **Park Avenue Site Master Plan** - The purpose of the plan is to address key issues facing the site including: improvements to the yacht club building, enhancements for non-motorized boaters, and enhancements to the pedestrian connections to and through the park. This plan does not directly address the breakwater nor boat launch.

The plan builds upon other current and previous studies such as: 2007 Highland Park Lakefront Plan, 2018 PDHP Community Input Surveys, Beach Management Strategy Plan, Smith Group Barge Replacement Study, and Capital Improvement Plan.

The Park District was awarded Open Space Lands Acquisition and Development Grant (OSLAD) funding in the amount of \$400,000 to implement Site Master Plan Phase 1 Improvements. This project will make improvements to the north end of the property including improved pedestrian access, native landscaping, parking improvements and the addition of a beach boardwalk. Construction is expected to begin Spring 2024 and completed Fall of 2024.

- **Beach Management Plan** - After two initial invitations for bids during the first half of 2022, that were unsuccessful due to weather conditions, contractor feedback, and high costs, the District went under contract following a third invitation for bid for the Millard Bluff Grading & Tree Removal project during the fourth quarter of 2022 with RES Environmental Operating Company. The project began in December of 2022 with the removal of more than 200 trees, many non-native or hazardous, to relieve the bluff face of heavy material and reduce the shade canopy. The second half of the work began in late March which included removing the topsoil from the top of the bluff, followed by bluff regrading to a 2:1 slope in three distinct sections, and the respreading of topsoil. Finally, in late May, seeding and plant plugs were installed with an erosion control blanket on all disturbed slope soils.

Following the completion of the contracted work, Parks & Natural Areas staff have maintained the temporary path to protect and allow for the growth of native plantings. Fencing is expected to remain, at a minimum, through the first half of 2024. Work will continue through the final months of 2023 with the planting of 18 replacement trees throughout the park to fulfill the City's original tree removal permit and the removal of the wooden, upper portions of the garden potting shed.

- **Sustainability Plan** - The Park District of Highland Park embraces concepts of sustainable practices in its mission statement and in its Environmental Policy. From 1992 to 2015 the District's Environmental Policy served as the primary document guiding sustainable efforts. In 2015, Park District staff developed the District's first sustainability plan to identify strategies to achieve sustainability goals and better coordinate with City-wide priorities. The 2015 plan has since been used as an internal document guiding practices leading to quantifiable achievements in District operations. It was updated in 2018 and will be updated again in 2024.
- **Capital Plan (Annual and 5-year)** - The Park District's 5-year Capital Plan is approved annually, and reviewed throughout the year, to ensure critical repair and replacement projects, facility and park improvements, and GreenPrint Projects are identified and funded. The Plan is prioritized into 6 tiers: Tier 1: Safety/Legal Compliance, Tier 2: Critical Repair/Replace, Tier 3: Scheduled Replacement, Tier 4: Improvement of existing Items, Tier 5: New improvements, and Tier 6: Unfunded
- **Values Driven Strategic Plan** - At the end of 2016, the District completed its 2012-16 Strategic Plan. As one of the top park districts in the state and an "Illinois Distinguished Agency" with a wide variety of outstanding programs, events, parks and facilities, it is important for the District to continue to be proactive meeting the community's ever-changing demands for programs and facilities. In 2016, staff developed the 2016-2020 Strategic Plan incorporating new initiatives identified through a series of focus groups with staff and community representatives.

As the District completed nearly all initiatives outlined in the Strategic Plan, an update to the District's Strategic Plan was completed in 2023. After redefining Park District Values in 2022, the District established a Values Driven Strategic Plan coinciding with updated District Values of Welcoming, Caring and Extraordinary.

The Park District's Values Driven Strategic Plan provides direction on what operational Goals and Objectives we want to achieve to align our **operational perspectives** with our **Mission, Values and Vision**.

Operational Perspectives:

- **Customer** – Individuals and Groups that our Park District provides Mission Critical Services to
- **Team Member** – Individuals and Teams who deliver Mission Critical Services to Customers
- **Resources** – Assets that enable Team Members to deliver our Mission to Customers

Values Driven Strategic Themes:

- Build personal relationships
 - Create inclusivity
 - Deliver the extraordinary
 - Empower our team
 - Grow our team
 - Value our Team
 - Build and maintain trust
 - Create a sustainable future
 - Steward our resources
- **Annual Work Plan** - The Park District's Annual Work Plan is a compilation of annual goals derived from the above Park District planning documents and are financially reflected in the 2024 Budget.

Regarding Salaries and Wages, Director Peters reported that a Classification and Compensation Plan was developed and approved on January 1, 2023, which forms the foundation of the compensation, recruitment, management and retaining of employees. Positions were evaluated based on the nature of work, essential duties, responsibilities, qualifications required and relative level of difficulty. Similar positions were grouped creating a classification structure.

Based on industry standards, salary ranges were determined for each classification. The administration of a classification and compensation plan is a continuous process, adapting to changing conditions. As part of the budget process, staff evaluate annually a set of market indicators and a survey of comparable entities to determine if pay ranges are still relevant and to create the recommended pay range adjustments. After pay range adjustments are made, then a recommendation is made for the annual merit budget.

For 2024, a 4% plus a 1% contingency full-time salary pool (merit/compensation contingency) increase is budgeted for all full-time employees.

In 2023, a Part Time and Seasonal Compensation and Classification Study was completed. Part-time and Seasonal positions were classified by skill and pay ranges were defined. Both studies support the Employee Values Driven strategic theme and initiatives. Salaries are budgeted accordingly in the 2024 budget to adhere to minimum wage laws.

Looking at the capital analysis, she reported that expenditures for 2024 are detailed in Appendix A and are accounted for in the Capital Fund. The Capital Plan (CP) summarizes districtwide replacement needs for 2024 and the next four years prioritized by Tier. As the first step of the budget process, planning and facility staff review the requirements of all facilities and parks, creating and updating repair and replacement schedules. For informational purposes Appendix B provides a summarized schedule of replacement items for 2024 and the next four years.

For 2024, the budget has been prepared while incorporating District values. Striving to always be extraordinary, welcoming, and caring, we have incorporated opportunities to ensure equity and inclusion, along with fiscal responsibility, in delivering services through our programs and at our facilities. We have increased the Grant-in-Aid budget by 3%, addressing financial barriers for residents, while still incorporating cost recovery strategies and seeking alternative revenue sources such as grants and donations. The Champion's Gala is scheduled again for 2024 and usually generates tens of thousands of dollars that the Parks Foundation of Highland Park donates toward aid for residents. Investment income far exceeded the budget in 2023, as operations rebounded from Covid-19, and staff felt more comfortable to invest again. Additionally, with inflation being so high, rates on investments were over 5%.

Director Peters reviewed the 2024 proposed fees and charges for each facility.

Commissioner Bernstein and Commissioner Ruttenberg are opposed to charging residents to access Rosewood Beach.

Commissioner Ruttenberg is opposed to charging residents to use the indoor track at the Recreation Center of Highland Park. He would also like staff to revisit personal training fees, suggesting that trainer salaries may need to increase.

Commissioner Ruttenberg reported this is a remarkable document.

December 2024 Bid Results

A. *Park Avenue Boating Facility South Parking Lot Restoration*

Director Smith reported that the Park District of Highland Park received four bids for materials and labor to complete the 2024 Park Avenue Boating Facility South Parking Lot Restoration Project. The scope of this project is removal of the damaged parking lot and timber walls, installation of sheet pile with steel channel cap and pedestrian guardrail, and installation of armor stone at the Park Avenue Boating Facility south parking lot.

The low bidder was Lakes and Rivers Contracting at \$441,065 (includes base bid plus additional armor stone alternate). There is \$476,000 in the 2024 Capital budget for this project. This contractor has favorable references and experience working with the Park District of Highland Park.

The Finance Committee requested staff present the engineering proposal and renderings to the Park Board of Commissioners at a future Committee Meeting.

The Finance Committee recommends placing the agreement with Lakes and Rivers Contracting for the Base Bid and the additional Armor Stone Alternate on the consent agenda at the December 13, 2023 Regular Meeting of the Park Board.

B. *Larry Fink Memorial Park Baseball Field Improvements*

Director Smith reported that the Park District of Highland Park received four bids for materials and labor to complete the 2024 Larry Fink Memorial Park Baseball Field Improvements Project. These improvements include an artificial turf infield, fencing and warning track, dugout and spectator area shade and associated grading, drainage and pathway work.

The low bidder was Stuckey Construction at \$953,428 (includes base bid, electric to sump pump alternate, bleacher shade cover alternate, and new dugout benches alternate). The project is over

budget by \$19,190, however, the Fox Family may be willing to donate more to the project and the Parks Foundation are confident they will meet their fundraising goal of \$500,000.

The Finance Committee recommends placing the agreement with Stuckey Construction for the Base Bid and three Alternates on the consent agenda at the December 13, 2023 Regular Meeting of the Park Board.

C. *Hidden Creek AquaPark Pool Shell Maintenance Project*

Director Smith reported that the Park District of Highland Park received two sealed bids on Thursday, November 16, 2023, for materials and labor to complete the 2024 Hidden Creek Aqua Park Pool Shell Maintenance Project. Work is scheduled to occur March through early May 2024.

The low bidder was Absolute Home Improvements at \$39,950 (includes prep work, repair of damaged areas, painting the entire pool shell, and painting of transition lines, stair treads, and PDHP logo). There is \$50,000 in the 2024 Capital Budget for this project. This contractor has favorable references and experience working with the Park District of Highland Park.

The Finance Committee recommends placing the agreement with Absolute Home Improvements on the consent agenda at the December 13, 2023 Regular Meeting of the Park Board.

Hidden Creek AquaPark Concrete Deck Replacement Change Order

Director Smith reported that the 2023 Hidden Creek AquaPark Deck Replacement required the removal of the existing pool deck. The existing pool deck had the electrical and communication conduit unexpectedly embedded in the deck concrete. This Change Order is to replace the electrical and communication conduit and install it below the new pool deck.

The replacement of the electrical and communication conduit Change Order in the amount of \$38,940. There was \$671,000 in the 2023 Capital Budget for this project. With the change order total project expenses are \$690,360.

The Finance Committee recommends placing the 2023 Hidden Creek Aqua Park Deck Replacement Change Order on the consent agenda at the December 13, 2023 Regular Meeting of the Park Board.

Deer Creek Racquet Club Parking Lot Engineering Proposal

Director Smith reported that the renovation of the Deer Creek Raquet Club Parking Lot is budgeted for completion in 2024. The Park District of Highland Park has received a proposal from Gewalt, Hamilton Associates, Inc. for engineering design services, including survey, wetland delineation, construction documents, permitting, bidding assistance, construction administration and subsurface exploration. There is \$500,000 in the 2024 Capital Budget. The project is \$3,450 over budget.

The Finance Committee recommends placing the agreement with Gewalt Hamilton Associates, Inc. on the consent agenda at the December 13, 2023 Regular Meeting of the Park Board.

Other Business

A. *Ordinance #2023-10 An Ordinance Amending the Appropriation Ordinance for the Fiscal Year 2023*

Director Peters reported that as the year progressed, Recreation Fund Item types 680, Cost of Goods Sold, and 720, Capital Outlay began to run over budget. As of 11/30/23, Cost of Goods sold was over budget by 156% (\$32,439.85) and Capital Outlay was over budget by 119% (\$13,348.88). As both are

Finance Committee Meeting Minutes
December 7, 2023

over budget by more than 110%, they also are exceeding the appropriation filed with Lake County. After consultation with both our attorney and auditors, staff have been advised that a formal budget amendment does not need to be filed with the County. However, a budget transfer, approved by ordinance, must take place. Recreation Item Type 130, Special Events, has over \$50,000 of unused expense budget in the line-item Independence Day Independent Contractors. As the event concluded in July, staff recommend transferring from this Recreation Fund Item Type. Additionally, as allowed by the auditors, Incode will not have a new budget created; the transfer will be in the Annual Consolidated Financial Report only.

The Finance Committee recommends placing Ordinance 2023-10, An Ordinance Amending the Appropriation Ordinance for Fiscal Year 2023 that will transfer \$54,207,50 from Recreation Fund Item Type 130, Special Events to Recreation Fund Item Type 680, Cost of Goods Sold, for \$38,404.28 and to Recreation Fund Item Type 720, Capital Outlay, for \$15,803.22, on the consent agenda at the December 13, 2023 Regular Meeting.

B. Lot 3 Update

Executive Director Romes reported that he is meeting with the City of Highland Park regarding the termination rights to be extended in the Second Amendment to Lot 3 Lease Agreement by and Between the City of Highland Park and the Park District of Highland Park.

Open to the Public to Address the Board

None.

Adjournment

The meeting adjourned at 9:47 a.m.

Respectfully submitted,

Roxanne Hejnowski

Roxanne Hejnowski, Assistant Secretary