

**MINUTES OF A THE FINANCE COMMITTEE MEETING
OF THE PARK DISTRICT OF HIGHLAND PARK
HELD ON OCTOBER 22, 2024, 8:03 AM.**

Present: Commissioner Labrador, President Bernstein

Absent: None

Also, Present: Executive Director Romes; Deputy Director Carr, Director Peters, Director Smith, Director Voss, Director Gogola, Assistant Director Reyes, Assistant Director Acevedo, Manager Ochs, Manager Baczek, Manager Kutscheid, Manager Schwartz, Accountant Moraru, Coordinator Hejnowski

Guest Speaker: None

Vice President Freeman joined the meeting at 8:09 a.m.

Additions to the Agenda

None.

Rory David Deutsch Tot Lot

Director Smith reported that this is a unique property since the Park District does not own the land but manages the site for the Homeowners Association. The Park District and the Homeowners Association have been extending the agreement while working on updated terms. Staff are proposing to continue to maintain the land as a Park District site. The Park District would not be responsible for Capital improvements beyond initial improvements, renew a 10-year term, with an option for the Park District to extend year-to-year for a maximum of 5 years, at the end of the term, and management of the site will transfer to Property Owners Association as is. Director Smith reviewed the proposed playground and site improvements, which will also be shared with the Homeowners Association.

Truth in Taxation Resolution/Levy Presentation

Director Peters reviewed the tax levy timeline, noting the Park Board of Commissioners will pass the Truth in Taxation Resolution at the November 20, 2024 Regular Meeting.

She is pleased to report that operating revenue has surpassed property tax revenue. This is attributed to donations generated by the Parks Foundation and staff to help bridge the gap for projects.

She provided a tax levy refresher, highlighting the purpose. The tax levy helps fund capital repair and replacement, capital improvements, and operational maintenance costs.

She reviewed the tax levy consideration which includes increasing the levy by the ***CPI and New Growth*** to avoid a negative impact on future levies and long-term funding for capital repair, replacement, improvements, and operational maintenance.

Additionally, the Tax Levy will match the 3.4% CPI, a 3.4% levy, plus new growth will provide the Park District with the revenue to sustain its operations and address increases in:

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- Part-time & Seasonal Wages (minimum wage increase)
- Construction and Repair/Replacement
- Health Insurance
- ADA Transition Plan costs over the next 5 years
- Programs and Facilities and associated Materials and Supplies
- Employer of Choice/Competitive Salaries and Benefits

She reminded the Committee that the Park District has more than \$32 million in unfunded capital improvement projects, and the Park District will continue to focus on equity, alternative revenue sources, and grant-in-aid scholarships.

She reviewed the 32-year history of tax caps in Illinois.

She reviewed the tax bill and the impacts on an individual taxpayer.

She reviewed tax levy calculations. Noting the general fund and the recreation fund, which are tax-capped, both would see a 4.57% change and the special recreation fund would see a 12.29% change, for an overall increase of 5.15%.

She reviewed the historical rates that the district levied.

For comparison, she reviewed Truth in Taxation rates for other Highland Park government bodies.

Draft Five Year Trends of Health Insurance Costs

Director Hall presented the 5-year health insurance cost trends at the District and management's strategy to address rising costs while continuing to offer employees a quality health benefits structure.

These are recent national health insurance trends that drive up insurance costs.

1. **Rising Costs** are not a new trend but there has been new cost pressure in recent years due to the pandemic and rising costs in various areas.
2. **Mental Health** is a trend, that trend has shifted from removing a stigma of mental healthcare to plans providing more resources for care.
3. **Virtual Care** offerings are on the rise.
4. **Plan Flexibility** is a trend and becoming a necessity for cost management with companies offering more plan options with employer-funded HRAs and HSAs for potential cost-sharing and saving. SHRM administrators a national benefits survey each year. Every year, the employer-sponsored benefits that are most important to employees are health insurance, flexible leave, and retirement planning options.

She provided an overview of what current health insurance offerings include. She is pleased to report that the Park District offers a good variety of options.

She reviewed consortium pricing and its impact on the district. The Park District of Highland Park and the Peoria Park District are the two largest agencies utilizing Park District Risk Management Agency (PDRMA) health insurance.

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She reviewed the PDRMA medical insurance rate history over the last five years. 2024 had a significant increase in PPO plans.

She reviewed the Park District's annual health insurance costs dating back to 2018.

The District's goal is to Address Rising Health Insurance Costs while continuing to offer quality health benefit structure.

Prior to 2024, the Historical Medical Health Plan Offerings to Employees included two medical plan options:

1. PPO - Deductible Plan that included an in-house deductible reimbursement.
2. HMO - \$0 in-network deductible.

This year, when plan price increases reached a new high, the Park District selected a third comparable medical plan option:

1. PPO option (Deductible with a Health Reimbursement Account). This is a lower direct cost to employer and employee.
2. Reduced employee contribution % for HMO option. The HMO option is less costly for the District, so the district reduced the employee contribution % as a cost-sharing opportunity for employees to switch from PPO to HMO.
3. At the end of 2024, the District is ending the administration of the in-house deductible reimbursement that is tied to the PPO deductible plan. The PPO with HRA plan offers a comparable deductible when factoring in the HRA, and it's a less costly plan up-front to the District because of the higher deductible.

Other Business

Executive Director Romes that the Park District received a draft revision of the Lot 4 Agreement with the City of Highland Park and the Park District (parking lot and share site terms for the Recreation Center, the Highland Park Senior Center, and the Preserve of Highland Park).

Commissioner Ruttenberg and Vice President Freeman will be the liaisons for updating the terms of the Lot 4 Agreement.

Open to the Public to Address the Board

None.

Adjournment

The meeting adjourned at 9:14 a.m.

Respectfully submitted,



Roxanne Hejnowski, Assistant Secretary