

FINANCE COMMITTEE OF THE WHOLE

Park Center
2400 Chestnut Street
Glenview, IL 60025
Regular Meeting Minutes
Tuesday, April 11, 2017

1. Roll Call

Commissioner Kuhn called the meeting to order at 6:05 p.m. and the roll was called.

Commissioners/Official Staff present: Commissioners Dan Peterson, Dave Dillon, Charlie Kuhn, Bill Casey, Angie Katsamakakis, Bob Patton, Dave Tosh, Treasurer Bill Moore, Executive Director Michael McCarty, Deputy Executive Director Barb Cremin, Superintendent of Parks and Facilities Jim Warnstedt, Superintendent of Leisure Services Elsa Fischer, Superintendent of Special Facilities Lori Lovell; Manager of Business Services Nicole Hopkins

Commissioners/Official Staff absent: None

2. Agenda Topics

- a. Budget for Fiscal Year 2017-2018:** Executive Director Michael McCarty reported that the budget process is the culmination of a year-long process of public input opportunities and decision points including board approval of the tax levy, capital replacement purchases, employee merit increase pool, salary ranges and the annual recommendations pertaining to fees and operations of major park district facilities. He provided an overview of the objectives in developing the budget which included, programs and services to meet the needs of the community, well maintained, safe and accessible parks and facilities, ability to attract and retain quality staff, support services to meet business needs, fiscal responsibility and alignment with the District's 2015-2018 Strategic Plan and the District's guiding principles. He also identified some challenges facing the District with pending or potential legislative actions, public and private competition, increasing operating and maintenance expenses, lack of state-funded grants and balancing the use of taxes with user fees while still providing quality services.

The budget reflects the impact of a flat tax levy, moderate fee increases, stable participation levels, fully staffed operations, an annual bond to fund capital projects, and a full season of Glenview Ice Center and Café operations. It also reflects shifting General and Administrative expenses from Special Revenue facilities to the Corporate fund. The Recreation and Outdoor contributions to capital replacement funding are being paid from the capital replacement fund balance in 2017/2018. The bond and interest levy is being partially abated by using funds from Capital development to pay debt service on outstanding bonds in order to reduce the impact on the taxpayer.

Staff presented a budget of \$34,835,431 for the fiscal year beginning May 1, 2017, an overall increase of 3.5% over the 2016/2017 projected expenditures. Of which \$25,979,615 is for operations, \$4,174,804 is for capital expenditures and \$4,681,012 is for debt. Operating expenses are increasing by 1.1% over 2016/2017 projected expenditures.

The District presented a budget which showed total revenue of \$34,022,248; total expenses of \$34,835,431 and the planned use of \$863,233 of reserves accumulated in prior years for the purpose of funding capital projects and other one-time expenses. Tax revenue is 52% of the total budgeted revenue while user fees and charges are 41.5% of total budgeted

Major budgeted capital projects include the addition of two paddle tennis courts, sports field lighting at Flick Park, remodeling Cole field house and remodeling the Park Center fitness shower area.

The budget projected that the reserves as of April 30, 2018 will be \$20,642,776, of which \$10,031,383 is in the Capital Replacement fund and \$3,077,449 is in the Capital Development fund. The Capital Replacement fund is the planned savings for replacement of specified fixed assets when they reach the end of their useful life. Of the remaining reserves, \$342,132 is for debt service payments and \$7,191,812 is reserves in the remaining funds. Most funds are at or above target reserve levels, with the exception of the Special Facilities. Steps continue to be taken in the 2017/2018 budget to help build necessary reserves for the Special Facilities (Glenview Park Golf Club, Glenview Tennis Club, Glenview Prairie Club, and Glenview Ice Center) by using the Corporate fund to pay the General and Administrative charges that are allocated to those facilities.

While the park district's budget for operations is relatively consistent from year to year, the major variables in this year's budget are primarily attributed to filling staff positions that were temporarily vacant in the prior year, wage increases for part-time staff to remain competitive with the new Cook County minimum wage, increased food and beverage sales at The Café, the full season for Glenview Ice Center, increased paddle tennis and fitness memberships, new sponsorship revenue, and fewer capital projects. No new positions are being added to the full-time headcount for the 2017/2018 budget.

Commissioner questions and discussion included items related to the cost of renovating Cole field house, the projected net loss from the Cafe and contract terms with Kemper Sports Management, the status of the livestock shed at Wagner Farm, the safety enhancements planned for the Wagner Farm crosswalk, the HVAC and refrigeration systems at the Glenview Ice Center, the sustainability of relieving operating facilities from paying their share of General and Administrative and/or capital replacement costs, the need for additional quotes for alarm system installations, trends in recreation program enrollments and both the general golf market and the operations, course maintenance and financial performance for the Glenview Park Golf Club.

The committee felt that additional discussion should take place over the next year at the committee level on the following topics:

- To review options for improving the financial position of the Glenview Park Golf Club and Café and requested a monthly financial report for The Cafe.
- To review options for addressing the declining enrollment and reduction in user fees for recreation programs.
- To have further discussion on funding the replacement of high-cost assets and facility renovations.

- To consider reporting payments from intergovernmental agreements and sports groups separate from donations.
- To consider changing the name of the Tort Liability.
- To consider adding electric charging stations when pavement projects are planned in parking lots.
- To determine the appropriate future use for the house on the Grove property.

b. Other- None

3. Matters from the Public

None

4. Committee Recommendation(s)/Direction

- To recommend Board approval of the 2017/2018 Glenview Park District budget in the amount of \$34,835,431 at the April 27, 2017 Board meeting.

5. Adjourn

The meeting was adjourned at 8:48 p.m.

ATTEST:

Daniel B. Peterson
Board President

Michael D. McCarty
Board Secretary

Approved this 27th day of April 2017