

FINANCE COMMITTEE

Park Center
2400 Chestnut Street
Glenview, IL 60025
Regular Meeting Minutes
Thursday, July 21, 2016

1. Roll Call

Commissioner Kuhn called the meeting to order at 8:05 a.m. and the roll was called.

Commissioners/Official Staff present: Commissioners Charlie Kuhn, Bill Casey (arrived 8:20 a.m.), Bob Patton (via phone), Dave Tosh, Treasurer Bill Moore, Executive Director Michael McCarty, Deputy Executive Director Barb Cremin, Manager of Business Services Nicole Hopkins

Commissioners/Official Staff absent: Commissioner Dave Dillon

2. Agenda Topics

- a. Budget and Appropriations Ordinance:** Barb Cremin reported that the Budget and Appropriations Ordinance will be discussed in a public meeting immediately preceding the July board meeting and board approval will be requested at the July 28, 2016 board meeting.

It was further explained that the Budget and Appropriation Ordinance is a required filing that sets the legal maximum that could be spent in specific line items within each fund if sufficient funds were available. This means that any possible expense needs to be anticipated and included as part of the Budget and Appropriations Ordinance. No expenditures can be made, even if funding becomes available, unless the expenditure has been anticipated and provided for in the appropriation ordinance. For example, if unanticipated funds, such as grant funds or donations, became available, the District would not be able to use them as intended without additional legal filings. Based on this reality, it is the common practice of government entities to set the appropriation higher than budgeted expenditures to assure that there is adequate leeway in each of the line items. Commissioners received a copy of the proposed Budget and Appropriations Ordinance in the Finance Committee packet for their review. The Commissioners present at the meeting supported the staff recommendation to approve the Budget and Appropriation Ordinance as presented.

- b. Preliminary 2015-2016 Year End Financial Statements:** Barb Cremin reported that the official year-end financial statements will be final after the auditors have completed their review and any adjusting entries identified during that process are posted. The purpose of the preliminary statements was to keep the Finance Committee apprised on the financial performance of the District, subject to any needed additional adjustments.

Overall, the District ended the year better than both the prior year and better than budget. The District's net loss was \$754,755 as compared to a budgeted loss of \$4,756,471. The variance is primarily due to capital projects and the unbudgeted land donation of 8 acres at the Grove at a value of \$2,750,000. The prior year's loss was \$2,534,996. However, the number and timing of capital projects can make a significant difference in the comparison between the prior year and current year. Commissioner Kuhn asked how much the

overall variance to budget would be excluding the land donation for the Grove and other capital related variances. The total variance was \$4,756,471 less \$2,750,000 for the Grove Land Donation and \$1,656,997 in other Capital Variances. This left a variance of \$349,474.

Staff provided a breakdown of Operating and Non-Operating financial results to provide a further understanding of the District's overall performance. Operating revenue and expenses help assess how the facilities are performing without considering tax revenue, capital expenditures, interfund transfers and grants/donations. The biggest variance between actual performance and budget was in the non-operating line items.

Operating Net Loss of \$10,161,127 was slightly better than the Budgeted Net Loss of 10,654,929. Operating Revenues were 2.8% greater than prior year but short of budget by 2.3%. Operating Expenses were 1.6% greater than the prior year but were 3.4% less than budget.

Non-Operating Net was better than both prior year and budget. Net non-Operating surplus was \$9,406,372 as compared to a budgeted net surplus of \$5,898,457. The prior year's budgeted net was a surplus of \$7,608,177. Non-operating revenues were significantly better than budget, primarily due to recording the 8 acres of land acquired at The Grove. Non-operating expenses were significantly better than budget primarily due to capital projects and other initiatives that were deferred or came in under budget.

From an operations standpoint, the Glenview Ice Center and Recreation had the largest favorable operating variance as compared to the budget while the golf operations performed less than budgeted primarily because the anticipated significant increase in revenue over the prior year did not materialize.

c. Other- None

3. Matters from the Public

None

4. Committee Recommendation(s)/Direction

- To provide a staff recommendation to the Board for approval of the Budget and Appropriation Ordinance 2016-09 as presented in the Finance Committee packet at the July 28, 2016 Board meeting.

5. Adjourn

The meeting was adjourned at 8:25 a.m.

ATTEST:

Daniel B. Peterson
Board President

Michael D. McCarty
Board Secretary

Approved this 28th day of July 2016