



Park District Board of Commissioners
Budget Workshop Meeting
April 9, 2015

Call to Order: President Gallagher called the meeting to order at 7:00pm.
Commissioners Present: Commissioners Aquilina, Collins, Bachour-Chemaly, Gallagher
Commissioner Absent: Commissioners Myers, Wheeler, Hartwig
Telephonic: Commissioner Myers (7:05pm)
Commissioner Arrival: Commissioner Wheeler (7:30pm)
Guests: Emily Coleman (Northwest Herald)
Staff: Jason Herbster, Erik Jakubowski, Ann Viger, Debra Oldham, Kim Buscemi, Jack Sebesta, Anne Sandor
Pledge of Allegiance: The Pledge of Allegiance was recited.
Approval of Agenda: Commissioner Chemaly approved the agenda, as presented.
Seconded by Commissioner Aquilina
Roll Call:
Ayes: 4 (Aquilina, Collins, Bachour-Chemaly, Gallagher)

2015-2016 Proposed Budget

Jason Herbster, Executive Director thanked staff for their work and for going above and beyond to get the Park District budget where it is today.

Division Head reports to follow.

Superintendent of Business Services: Debra Oldham reported that the preparation of the proposed budget was a group effort and explained that individual departments met with their staff and then the management team met as a whole. This year was significantly more challenging than usual and cuts were required across the board. Oldham stated that the document meets the district's objectives while staying within our resource limitations and then referred to the Crystal Lake Park District Mission statement: *To enhance the lives of our residents by providing programs, services, facilities and open spaces that safely promote health, recreation and community in an environmentally and fiscally responsible manner.*

Oldham explained that part of being fiscally responsible requires that when preparing both the tax levy and budget the projected beginning and ending balances, in addition to projected revenues and expenditures are addressed. It is important that the fund balance and the Park District's fund balance policy (attached) be addressed to ensure that the district does not over accumulate fund balances or as in the event of certain funds are not currently in compliance with the district's fund balance policy and effort is being made to correct the situation. Last year's audit management letter specifically mentioned three funds, Debt Service, Golf Learning Center and The Racket Club.

The anticipated April 2016 year-end fund balance calculated based on the proposed budget provides for 4.42 months of operating coverage. The total expected ending fund balance of \$5.35M provides for over four months coverage based on the proposed budget.

Debt payments scheduled for 2015 are significantly higher than the 2014 debt service, approximately \$600,000. A resolution authorizing the transfer of the payments due in 2015 from the Corporate Fund to the Bond and Interest Fund will be presented to the Board at the April 2015 Regular Park Board meeting. A schedule of Debt payments is attached.

The proposed budget includes the addition of a full-time IT position, finance software conversion and implementation, the purchase of registration software and the balance of the financial software, equipment, training and support. Our current contractual support team will continue assisting the implementation of the new software and to familiarize the IT position with current operations and equipment.

The purchase and installation of the Recreation software has been re-budgeted.

Taxes as a percentage of revenues is up by 4%, due to the fact that debt proceeds are down 4%. Budgeted debt service expenses increase by 4% and capital expenditures are down 4%.

Superintendent of Recreation Services: Kim Buscemi reported that almost all programs are now structured to meet a contribution margin of 30% or higher. This includes all direct costs. Exceptions are camps and senior programs. The upcoming budget includes minimum wage anticipation of \$10/hour.

Buscemi highlighted the following challenges for the upcoming fiscal year.

- Re-cooping lost revenue from State funded families. Buscemi noted that approximately 50 families receive State funding for Extended Time. The Governor's Budget proposal includes children over 5 years of age will not be eligible for assistance. Current funding will be available through June 2015. There was \$92,000 lost revenue to the ET program as the current funding covered only 50% of the monthly rate.
- Fix Extended Time rates so they are consistent.
- Continue to work towards increasing camp contribution margins.
- Implement new youth athletic programs to replace declining participation.
- Continue to replace old, worn out supplies, equipment and facility amenities to stay competitive.
- Develop strategies to increase Crystal Lake Park District awareness in the community.

To provide a more comprehensive description of what is happening in the Recreation Services Division and the direction it is headed, each Recreation Supervisor had submitted their Budget Summaries, program statistics, 2014/2015 goals with final updates, 2015/2016 goals, and program analysis which included a competitive analysis, program life cycle, program pricing system and SWOT (strength, weakness, opportunities and threats) for the Board to review.

Superintendent of Facility Services, Jack Sebesta noted that Adjustments to two (2) staffing positions per the Compensation Study recommendations. Sebesta highlighted the following items for the Facility Services Division.

The Racket Club:

- Projected steady level in gross revenues - \$1,539,900.00.
- Significant decrease in expense areas - \$49,700.00.
- Note: Anticipated decrease in Health Insurance line item expense of \$14,000.00 – which is NOT reflected in current budget.
- Significant increase in net revenues - \$53,400.00. (Includes \$25,000 decrease in electrical services).
- Note: Per above item of Health Insurance decrease anticipated Net Revenues of \$67,800.00 – not reflected in current budget
- Major projects completed in 2014/2015 included the Over Sized fan units and conversion of Metal Halide light fixtures to LED fixtures for the indoor courts. Fan Project cost came in under budget and the LED Conversion was almost completely paid for via monies from two separate grants.
- Budgeted decrease of \$25,000.00 in electrical expenses for upcoming fiscal year.
- Anticipated improvement in member comfort level.
- \$134,750.00 coverage of CLPD non-Racket Club salaries.
- \$78,965.00 payment of principal and interest.
- Increase in USTA participation for members and in USTA events.
- Increased focus on the Junior Developmental USTA tennis program.

Family Golf Center:

- Purchase of new ball picking/work cart for range at \$15,000.00
- Continue rolling replacement of range balls – four year program. Two thousand dozen rotated out every four years. Five hundred (500) dozen in FY 15/16.
- Continue rehabilitation of Short Game area. Finish greenside and fairway bunker work.
- Finish rehabilitation of grass tee area to Short Mow Bluegrass.
- Install two (2) walkway areas from blacktop tee areas to grass tee areas to reduce wear and tear on overall grass tee area. (carpet replacement, mulch replacement and clean up)
- Co-market with other facilities including Food Service and Aquatics.
- Increase school group rentals/revenues through direct marketing to all age levels for physical education classes and golf team agreements. (Net \$21,365 for Fiscal year 2014/2015 -anticipate to do better 2015/2016)

Park Place:

- Maintain current level of advertisement and promotion budgets.
- Continue searching out “unique” rental opportunities such as the Sunday morning church service rental – anticipated \$12,000.00 in additional revenues for fiscal year. (6-month rental contract signed)
- Continue to co-market the facility with other Park District facilities.

- Take advantage of additional freedom in scheduling abilities with the move of Senior Age programs to Grand Oaks.
- Increase viability of facility throughout the Crystal Lake Chamber of Commerce membership.

Food Service:

- Promote and advertise the “New Menu Selections” that are being integrated into both the Main Beach and Boncosky Complex menus – including corn dogs, new ice cream options and Kona Ice (special events and tournaments only).
- Utilization of additional vendors for various products to ensure that we are achieving the best possible pricing on commodities.
- New vendor contract with Coca Cola beginning fiscal year 2014/2015.
- Continue and expand “Meal Deal” program both at Main Beach and Boncosky. Market strongly to visiting summer camp groups as well as during adult and youth events at Boncosky.
- Continue and maintain the complete separation of Main Beach and Boncosky so as to better determine trends and “hot” selling items at each location.
- Monitor and continue reduction of staffing levels at both locations with the primary focus on Main Beach.
- Additional grilling opportunities at various special events such as Movies in the Park and the Summer Concert series.
- Continue limited basis week day liquor sales at the Boncosky Complex during the 2015 adult softball season.
- Anticipate significantly reduced sales at Boncosky during adult softball league nights as numbers in program continue to decrease. (Spring adult league softball is only running Tuesday, Thursday and Friday)

Natural History/Palmer House:

- Begin marketing and programming of the portable climbing wall.
- Continue and strengthen already strong relationship with both Boy and Girl Scout organizations. Become the “one-stop” shop for all scouting badge requirement needs.
- Finalize and complete the on-going Teams Course Ground Elements and incorporate into the expanded Outdoor Education model that we are developing.
- Continue and expand strong relationships with School District 47 and School District 155.
- Expand the community offerings at the Colonel Palmer House and at Nature Center

Barlina Preschool:

- \$135, 000 Revenue, \$30,000 Net
- Hold staffing expenses steady in 2015/2016 after an almost 14% reduction in 2014/2015 (Net is just under \$21,000)
- Continue partnership with School District 47.
- Explore non-traditional marketing venues to increase exposure to target market

Field/Event Rental:

- Fencing Replacement removed from proposed budget.
- Increase revenue 6% from \$53,000.00 to \$56,000.00 in fiscal year 2015/2016.
- Construct permanent dugout covers for Boncosky Complex color coded to match the bleachers/dugout benches
- Explore possibility of retrofitting of Boncosky field lights to LED fixtures. Will include research into possible grant assistance such as was utilized at The Racket Club in FY 2014/2015. (Grants based on wattage use)

Facility/Shelter Rentals:

- Exceed \$50,000.00 in total rentals for the fiscal year. (just under \$45,000 to date)
- Budgeted amount increased from \$44,000.00 (actual YTD) to \$51,500.00 2015/2016

Lippold Advertising/Batting Cages:

- Budgeted revenue of \$11,000.00 in gross revenues for advertising (\$12,000 this year)
- Budgeted revenue of \$9,500.00 in gross revenues for batting cages.

Superintendent of Parks Services, Erik Jakubowski, highlighted in-house and contractual projects budgeted in the Corporate Fund.

- Barlina House Preschool: Add Central Air Unit
- Rotary Building: Replace the furnace
- Grand Oaks: Replacing Air Conditioner
- Park Place: Roof Replacement (Shingled Roof)
- Contractual Mowing costs lower this year with four additional parks Butternut, Woodland Estates, NISRA and Sterne's
- Equipment Rental for Stump Grinder
- Elevator Pit Ladders for Barlina House, Administrative Building and Rotary Building (State Ordinance)
- Grand Oaks: Replace ceiling tiles (in-house)
- Ground Light installation at West Beach, Grand Oaks and Main Beach
- New Gate installation for delivers at West Beach
- Replace Chipper -estimate \$60,000

Director of Planning and Development, Ann Viger-highlighted two major capital projects that were removed from the proposed budget.

- Two playgrounds -Sterling Meadows and Asbury
- Contractual Burn at the Conservation District

Viger noted if the grant funding is not restored, the District's priorities will need to be re-evaluated.

Viger highlighted the following capital projects that remain in the proposed budget.

- Main Beach Design and Construction Document Phase for the OLSAD project (Playground and Marina)
- Architectural work for the Pavilion interior remodel.
- The purchase of the Wirkus property.

Major ADA projects include:

- Rebuild handicap parking spots at Lippold
- Nature Center restroom remodel
- Affiliate groups update of facilities per ADA audit
- Access to the upper diamond at Veteran Acres

Commissioner Comments

Commissioner Collins requested a comparison analysis for Park Place. Sebesta stated that staff conducts comparisons on a bi-annual basis.

Commissioner Gallagher suggested looking into the financial plan as \$1.5 million dollars does not go too far for capital projects.

Larry Wheeler asked plans for roof replacement at the Barlina Barn. Ann Viger stated that capital replacement plan includes \$130,000 to address the barn in the next fiscal year.

The Board thanked staff for their reports and commented that the budget was very well presented. The Board expressed their appreciation for the detailed reports submitted by the Recreation Supervisors.

It was a consensus of the Board to display the Proposed Budget on display for at least 30 days at the Administrative Office, the Crystal Lake Pubic Library and the Park District website.

Executive Session:

- A. Litigation 2(c)11
- B. Personnel 2(c)1
- C. Sale or Lease 2(c) 6
- D. Land Acquisition/Lease 2(c)5
- E. Review of Minutes 2(c)21

Commissioner Bachour-Chemaly moved to enter Executive Session at 9:05 PM to discuss items B, Personnel 2(c) 1, C. Sale or Lease 2 (c) 6 and D. Land Acquisition/Lease 2 (c) 5.

Seconded by Commissioner Aquilina

Roll Call:

Ayes: 6 (Aquilina, Collins, Myers, Wheeler, Bachour-Chemaly, Gallagher)

Nays: 0

Reconvene:

Commissioner Collins moved to return to open session at 10:03 PM.

Seconded by Commissioner Aquilina

Roll Call:

Ayes: 6 (Aquilina, Collins, Myers, Wheeler, Bachour-Chemaly, Gallagher)

Nays: 0

Adjourn:

Commissioner Collins moved to adjourn the meeting at 10:05 PM.

Seconded by Commissioner Bachour-Chemaly

Roll Call:

Ayes: 6 (Aquilina, Collins, Myers, Wheeler, Bachour-Chemaly, Gallagher)

Nays: 0

Approve: _____ Attest: _____
President Secretary