

Call to Order:

Vice – President Michehl called the meeting to order at 6:30 PM.

Roll Call:

Commissioners Present: Cathy Cagle, Jason Heisler, Michael Jacobson, Karen Johnson, Linda Matthias, Sarah Michehl

Commissioners Absent: Eric Anderson

Legal Counsel: Scott Puma, Ancel, Glink, Diamond, Bush, DiCianni and Krafthefer, P.C.

Staff: Jason Herbster, Executive Director, Erik Jakubowski, Superintendent of Park Services, Amy Olson Manager of Park Planning and Development, Tina Becke, Superintendent of Business Services, Kurt Reckamp, Superintendent of Recreation Programs and Facility Services, Anne Sandor, Recording Secretary

Pledge of Allegiance: The Pledge of Allegiance was recited.

Citizens: Richard Jackim, Jim Bates, Sports Club Advisors, Inc.

Approval of Agenda

Commissioner Cagle moved to approve the agenda. Seconded by Commissioner Jacobson. All were in favor.

Matters from the Public: None

Discussion Items

A. The Racket Club Financial and Operational Assessment – Rich Jackim and Jim Bates

Mr. Jackim noted he was impressed with the well-run facility and the professional staff. Overall, The Racket Club is a remarkable asset for the Crystal Lake Community, and it is accomplishing the vision and the goal of the Park District; to provide a valuable service and resource for the community. It is rare for a community to have such a facility. He encouraged the District to focus on improvements and to promote appropriately and said it would be a shame to sell it and the District should do all it can do to keep it.

Mr. Jackim gave a review of the financial and operational assessment highlighting the following recommendations.

1. The non-resident membership dues are not where they should be. The fees should be compared to for-profit clubs and increased on an annual basis. Increase the dues each year until they are comparable to for-profit clubs.
2. Even with proposed price increases, the strategy is a little disconnected. Some services are increased, and some are not getting increased at all. Plan on 3% inflation and at least 5% increases per year to dues and all fees so customers are accustomed to regular annual price increases was suggested. Need to look at a strategy to increase fees across the board, as if managing a for-profit club.
3. Build better experiences for the community and members of Club. Invest in a professional tennis staff. There are some dedicated staff members that do an exceptional job, but a lot rests on their shoulders. There are some part-time staff running recreational programs.

4. The District needs to have motivated staff that have a clear understanding of all aspects of tennis. An incentive program to improve the professional tennis staff was suggested. This can be done by developing an incentive-based compensation program that will motivate staff to help increase membership. Adding fitness programs, i.e., Silver Sneakers/One Pass programs can potentially benefit the Club.
5. Develop/format pathways for all tennis programs, from youth to adult to competitive programming.
6. Do more to incorporate Pickle Ball.

Board Questions/Concerns

Commissioner Cagle asked about the comment in regard to experiencing a Covid Bump with 80% usage rate that could fall and could be vulnerable if key staff fell. Mr. Jakim stated the District needs to develop more professional tennis staff that is able to engage the community, promote programs and develop retention. Now is the right time to increase pricing, and do it fairly, by using a percent base increase.

Cagle asked if the reception area and locker rooms needed to be remodeled. Jackim stated the interior of the club is good and recommended deferring some of the scheduled capital expenses for 3-5 years. He noted the outdoor shed is not used and needs repairs.

Commissioner Jacobson asked if the non-resident rates are raised too much, could this cause the Club to lose it's members. Mr. Jackim stated as long as the fee is lower that the private for-profit club, the members will stay.

Commissioner Cagle said the new software program will be greatly received by the members and asked if it was common for members to have charges on account. Mr. Jackim stated the members will enjoy using this system, and it is common and noted the ACH program will save 1.5% on credit card fees. Superintendent Becke asked about the financial reporting portion of the software and ability to upload to the Incode software. Jackim said it is a QuickBooks export-input system and the program would need to be customized to the District's system.

Commissioner Cagle asked how often a tennis club brings in consultants. Jackim said there is a gap between larger clubs and mom/pop run clubs. Larg clubs have staff in-house that do this work. Reviews are done on a case-by-case basis as these facilities are very different.

Commissioner Cagle noted there were huge changes proposed. Where does the Club fall compared to other clubs. Mr. Jackim noted that currently the Club is not profitable. Once the proposed changes are made, the Club could see a profit \$300,000 net income in approximately four years. The Club will then be compared to other clubs in the mid-range profitability.

Commissioner Michehl noted the significant infrastructure investment, i.e., court replacement investment taking 20 years to recoup costs. Mr. Jackim noted investing in staff and generating revenue is the best way to get the biggest return on investment.

Commissioner Cagle asked if pensions is determined. Cost benefits were not studied.

Commissioner Matthias noted by adding programs and amenities for the older members will justify the need for membership increases. She asked about the employee incentive program. Mr. Bates stated staff would work to retain and bring in memberships and receive a commission-type incentive. Cagle asked if the District could have this program. Puma stated this is common practice in the field. The tennis-based software could track the incentive program. The Board thanked Mr. Jackim and Mr. Bates for their presentation and commended them on their report.

Executive Director Herbster stated staff will review the report and determine what will work for the Club. The software needs will be reviewed to be sure it can load in to the current accounting software. Commissioner Michehl stated there is room for improvement to serve the residents and to make things easier on staff. Superintendent Reckamp stated there are fair points noted in the report and there are some things that may not work to improve the customer experience or improve profitability. Staff will review the reports and will be looking at options to improve operations and finances. Director Herbster agreed with the suggestion of annual incremental increases across the board.

Cagle noted that the reason the study was done was because the Board was told the members would not agree with a \$1 increase, that financially the Club was not an investment and there was question on whether or not to keep the Club. Executive Director Herbster stated staff made changes five or six years ago due to financial reasons, and these changes provided a positive impact to the bottom line. Staff implemented the non-resident fees and have heard very little from the non-residents. Commissioner Michehl suggested not to be afraid of increases and would like to see a plan based on the recommendations of the study and from staff. Herbster agreed and suggested re-evaluating the organizational structure. Cagle suggested staff include implementing the software should be a priority. Executive Director agreed and staff will research the software suggested by the consultant to determine its compatibility to the Club.

Commissioner Cagle requested the plan be presented to the Board at a Committee Meeting of the Whole. Executive Director suggested it be submitted with the annual fee schedule in November.

Commissioner Structure and participant retention was discussed. Reckamp suggested this could lead to implementing a commission program across the whole district.

Commissioner Johnson asked if people go to the club for recreation or do they seek tennis pro instruction and if it necessary to bring in more pros. Reckamp answered they want both. The lack of space is a struggle and juggling schedules are challenging. Commissioner Cagle stated the District needs to determine a goal for the Club; is it more competitive or recreational. Director Herbster stated that the District is here to provide for all levels.

Commissioner Cagle asked about the noise at pickle ball courts at Spoerl. The sound proofing cost of fencing and mats were discussed. Attorney Puma is working with other agencies on sound proofing courts and will share information. Michehl suggested integrating pickle ball at the Racket Club and in other parks.

Amy Olson reported that she has received many calls for additional pickleball courts and will hold community meetings when resurfacing or installing courts to see if adding pickleball courts would be a good choice for specific locations.

The Board requested staff review the recommendations and present a plan to the Board.

B. D47 Facility Intergovernmental Agreement Renewal

Commissioner Cagle requested adding playground funding to the agreement. Herbster suggested not including playground funding in the facility use agreement as he will be meeting with the D47 Superintendent to discuss playgrounds.

The Board agreed to place the IGA renewal on the consent agenda for approval at the August 17, 2023, Regular Park Board meeting.

- C. McHenry County Division of Transportation -Randall Road from Polaris Drive/Acorn Lane to Ackman Road Winding Creek Bike Path 4(f) Impacts
Executive Director Herbster noted that there will need to be an intergovernmental agreement made with the City for use of the right-of way.

The Board agreed to place the approval of the project on the consent agenda for approval at the August 17, 2023, Regular Park Board meeting.

- D. Outdoor Tennis/Basketball Court Conditions

Manager Olson reported that the conditions of the tennis/basketball courts at Brighton Oaks, Four Colonies, Sam Johns, Woodscreek and Woodland Estates parks are due to be replaced. The courts are playable due to crack fill maintenance, but the crack fill only lasts approximately six months. Executive Director Herbster noted the courts need to be fully reconstructed costing between \$115,000 and \$179,000 per court.

The Board discussed holding community input meetings to determine the need for courts at each park and agreed to review the National Standards for park amenities. Herbster suggested informing the community of the challenges at the input meetings.

Commissioner Cagle expressed concern that current amenities might become too expensive and asked to look at alternatives every time something needs replacing.

Commissioner Michehl noted the importance of maintaining what we have and asked that the Board be informed of these types of projects. She suggested the Board keep these projects in mind when discussing the tax levy.

Manager Olson noted that there will be a community input meeting for the renovation of Della Street Park on August 16. A survey is also available online for Della Street. Summer campers have been surveyed on a theme design for the re-surfacing project at Main Beach playground.

- E. IPRA Environmental Report Card

Executive Director Herbster reported that the District received a good score on the Environmental Report Card, and noted these are best practices for the Distinguished Accreditation review. Moving forward, Preston Skultety, Natural Resources Manager and the Environmental Committee members will continue to work in areas to approve upon.

Policy 11.1, Environmental Policy, was distributed to the Board. Commissioner Cagle requested that this policy be revised and brought up to date. Manager Skultety and the Environmental Committee will review this policy and it will be presented to the Park Board for review and discussion at a future meeting.

- F. Lake Harvester Update

Superintendent Jakubowski reported that the required payment has been sent to Weeder's Digest, and the weed harvester is scheduled for delivery next week. Current staff will be trained on the equipment. Commissioner Cagle asked where the harvester will be stored. Jakubowski stated there are multiple storage areas. Cagle asked about the harvesting schedule. Staff will be working with Hey and Associates on a schedule. Commissioner Michehl asked if additional staff will need to be hired. Jakubowski answered the decision has not been determined. Commissioner Michehl requested a weed harvesting schedule be developed with the advice from Hey and Associates.

Direction Items

A. Tax Levy

Executive Director Herbster reviewed the levy process. A capital project list was distributed showing expenses amounting to \$6,890,000.00 being needed to cover all projects listed. He noted a total of \$996,000.00 is needed for the Main Beach parking lot reconstruction project.

Executive Director Herbster attended the Cost Recovery Certification program in March, which it was made clear the surplus fund balance is necessary and common in completing capital projects. Taxes and debt issuance can also be used.

Truth and Taxation 105% rule and public notice were discussed.

Last year the District levied 4%. The Board discussed the needs and agreed to levy for 5% plus new growth. Superintendent Becke will draft a model to present to the Board to review at the Committee of the Whole meeting in September.

B. Flock Camera Safety Proposal

Executive Director Herbster noted the license plate reader cameras would be placed in the more popular parks, i.e., Lippold Park and Veteran Acres Park. The Board agreed the cameras were not needed and denied the proposal to purchase the Flock Safety LPR Cameras.

Matters from the Board:

Commissioner Karen Johnson attended the Band Shell dedication for the Parks Initiative Foundation. She said the committee members were pleased.

Commissioner Michehl noted there was a huge turn out for the Babe Ruth Iron Man tryouts. She said that showed her that it is well worth investing in the ball fields.

Commissioner Matthias reported that a co-worker of hers commended Facility Supervisor, Antony Mores for his work on accommodating them at their facility rental.

Adjourn:

Commissioner Matthias adjourned the meeting at 8:24pm. Seconded by Commissioner Cagle. All were in favor.

Approve: _____ Attest: _____
President Secretary