

AGENDA

- I. Call to Order
- II. Roll Call
- III. Pledge of Allegiance
- IV. Approval of Agenda
- V. Matters from the Public
- VI. Discussion/Direction Items
 - a. General Obligation Bonds – Series 2023
 - b. Funding Needs 2024-2025
 - c. Tax Levy Review of Models and Determination of Increase Percentage
 - d. The Racket Club Report Review
 - e. Police Review
 - f. Full Time Employee Compensation Structure Update
 - g. Hill Farm Barn Process Update
- VII. Matters from the Board
- VIII. Adjourn

Next Park Board Regular Meeting:
October 19, 2023
Administrative Office 6:30pm
Next Committee of the Whole Meeting:
November 2, 2023
Administrative Office 6:30pm

**The public comment portion of the meeting occurs at the time set forth on the meeting agenda. The public comment period is intended to provide an opportunity for individuals to comment on matters related to the Park District. Speakers are limited to three (3) minutes per person during the public comment portion of the meeting, unless extended by the Board at its discretion. The total amount of time allocated for public comments at a particular meeting is 30 minutes unless determined otherwise by the Presiding Officer.*

Public wishing to comment that cannot attend the meeting may provide written comment to the Executive Director, jherbster@crystallakeparks.org, by 3:00pm on the day of the Board meeting. All written comments will be read at the Board meeting.

ADA: In compliance with the Americans with Disabilities Act this and all other meetings of the Crystal Lake District are located in facilities that are physically accessible to those who have disabilities. If additional reasonable accommodations are needed for persons who qualify under the Act as having a "disability", please contact the Park District during normal business hours at 815-459-0680 at least 48 hours prior to any meeting so that such accommodations can be provided.



COMMITTEE MEMORANDUM

DATE: September 28, 2023

TO: Board of Commissioners

FROM: Jason Herbster, Executive Director
Tina Becke, Superintendent of Business Services

SUBJECT: Annual Rollover Bonds

Please see the attached correspondence from Speer Financial regarding the Tax Exempt General Obligation Limited Tax Park Bonds, Series 2023 (rollover bonds).

Aaron Gold, Vice President at Speer Financial, will review the planning packet and review the timeline necessary for these bonds to be issued and placed on the 2023 property tax levy.

This will include adopting the Bond Ordinance followed by the Closing. The Bond documents will be filed with the County after closing.

The District's anticipated Debt Service Extension Base for the 2023 property tax levy is \$1,274,283.53. By issuing the maximum amount allowed by law, the District will be able to use \$139,225 for ongoing capital projects and the remainder to pay off the 12/15/2023 debt service payments for Series 2012B, 2018A, 2020A, and 2022B.

RECOMMENDATION:

For discussion purposes to determine the timeline of the bond issuance.

Serving the Residents of Crystal Lake and Lakewood

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 *Speer Financial, Inc.*
INDEPENDENT MUNICIPAL ADVISORS

Crystal Lake Park District, McHenry County, Illinois

General Obligation Limited Tax Park Bonds, Series 2023
(the "Bonds")

PLANNING PACKET – 9/5/2023





Speer Financial, Inc.

- Independent municipal advisor to the District since 1984
- Financial planning, refunding analysis and debt modeling services
- Continuing disclosure services
- Serving over 80 Park and Forest Preserve District Clients*
- #1 Municipal Advisor in Illinois, for 2022, based on volume of sales**

230 West Monroe Street, Suite 2630
Chicago, IL 60606
(312) 346-3700
www.speerfinancial.com

*Based on Speer Financial, Inc. Records

** Source: Thomson Reuters

Ms. Tina Becke
Superintendent of Business Services
Crystal Lake Park District
One East Crystal Lake Ave.
Crystal Lake, Illinois 60014

Dear Tina:

General Obligation Limited Tax Park Bonds, or the Rollover Bonds, are payable from a direct property tax that is limited by the District's debt service extension base. The District has annually issued rollover bonds to fully utilize this levying capacity and has used the proceeds from these bonds to repay other prior obligations of the District and to generate new money to support the District's capital initiatives.

This planning packet is structured to provide you with the preliminary details of the proposed issuance and is designed to aid the decision-making process. Current and future market conditions and interest rates are subject to change and any information based on such market conditions and interest rates are not guaranteed.

Speer Financial, Inc. is not affiliated with any broker-dealer nor do we serve in any capacity other than municipal advisor. This enables Speer to offer unbiased advice solely in the District's best interests and avoid any conflicts of interest. Should you have any questions regarding any information presented in this planning packet please don't hesitate to reach out to me. I look forward to assisting you through this process.

Sincerely,

Aaron Gold
Vice President
Speer Financial, Inc.
(847) 533-2154
agold@speerfinancial.com

Distribution List

CONTACT	ROLE/TITLE	ORGANIZATION	EMAIL	PHONE
Jason Herbster	Executive Director	Crystal Lake Park District	jherbster@crystallakeparks.org	(779) 994-4248
Tina Becke	Superintendent of Business Services	Crystal Lake Park District	tbecke@crystallakeparks.org	(779) 994-4245
Anjali Vij	Bond Counsel	Chapman and Cutler LLP	anjvij@chapman.com	(312) 845-3472
Jennifer Krahn	Bond Counsel	Chapman and Cutler LLP	jkrahn@chapman.com	(312) 845-3827
Anthony Miceli	Municipal Advisor	Speer Financial, Inc.	amiceli@speerfinancial.com	(312) 529-5881
Aaron Gold	Municipal Advisor	Speer Financial, Inc.	agold@speerfinancial.com	(847) 533-2154
Henrietta Skolnick	Municipal Advisor	Speer Financial, Inc.	hskolnick@speerfinancial.com	(312) 346-3700

Financing Timetable

ACTION	PARTY RESPONSIBLE	DATE
BINA Publication Deadline	District	NA
BINA Public Hearing	District	NA
Competitive Sale	All Parties	11/15/2023
Adopt Bond Ordinance	District	11/16/2023
Closing	All Parties	12/5/2023

Newspaper Publication

Board Action

Bond Issue Notification Act (BINA) – GO Limited Tax Park Bonds

A BINA Hearing **WILL NOT** be required to proceed with the issuance of the Rollover Bonds

Definition

- The BINA requires a Board to hold a public hearing concerning the District's intent to sell General Obligation Bonds prior to adopting a bond ordinance.

Exemptions

- Proceeds that are used to refund other general obligation bonds.
- The District is issuing general obligation bonds that have been approved via a referendum.

Expiration

- The authority to issue is security specific and remains in effect for three years after the date of the BINA hearing.

Requirements

- A notice of the public hearing must be published not less than seven and not more than thirty days before the public hearing.
- The notice of the public hearing must be posted at the principal office of the Park Board at least two days before the public hearing.
- The Park Board is required to wait seven days following the BINA Hearing before adopting the bond ordinance.

Date	BINA Amount	Issue Name	Amount Utilized	Remaining Capacity	Expires
10/21/2021	3,200,000			3,200,000	10/21/2024
		Series 2021	997,745	2,202,255	10/21/2024
		Series 2022A	1,169,965	1,032,290	10/21/2024
		Series 2023*	139,225	893,065	10/21/2024

*Preliminary, subject to change.

Prohibition of Tax Exempt Advanced Refundings

The Tax Cuts and Jobs Act (the “Act”) was adopted effective December of 2017. One of the sections prohibits units of local government from issuing tax-exempt bonds to advance refund other tax-exempt bonds.

Many issuers annually issue short term non-referendum general obligation bonds (“rollover bonds”) to generate the proceeds necessary to make the payments due on longer term alternate revenue source bonds (“alternate bonds”). The District can make alternate bond payment(s) due in December with tax-exempt rollover bond proceeds as long as the rollover bonds are issued within 90 days of the December alternate bond payment date(s). The Act does not permit the use of tax-exempt rollover bond proceeds received in the fall of 2023 to be used to retire the alternate bond payment(s) due in June of 2024 because the rollover bonds were issued more than 90 days prior to the June alternate bond payment date(s).

This restriction on the use of tax-exempt rollover bond proceeds to make the June 2024 alternate bond payment(s) requires one of two decisions:

1. The District can substitute and utilize other available resources to make the June 2024 payment(s).
2. The District can issue a taxable series of bonds sized specifically to make the June 2024 payment(s).

The District’s financing model was revised in the previous year to utilize other available resources to make the June 15, 2024 interest payments on the District’s outstanding alternate revenue source park bonds, in the amount of \$124,425.

The Rollover Bonds Sizing Constraints

Total Debt Capacity

		Non-Referendum Debt Capacity 0.575% of EAV	Total Debt Capacity 2.875% of EAV
District EAV (2023 Estimated EAV)	1,772,882,993		
Total	1,772,882,993		
Statutory Non-Referendum Authority (0.575% of EAV)		10,194,077	
Statutory Debt Limitation (2.875% of EAV)			50,970,386
Applicable Debt:	Final Maturity Date:		
GO Park Bonds (ARS), Series 2012B	12/15/2023	140,000	-
GO Park Bonds (ARS), Series 2018A	12/15/2023	340,000	-
GO Park Bonds (ARS), Series 2020A	12/15/2024	1,015,000	-
GO Limited Tax Park Bonds, Series 2022A	12/15/2023	1,169,965	1,169,965
GO Park Bonds (ARS), Series 2022B	12/15/2042	5,460,000	-
GO Limited Tax Park Bonds, Series 2023	12/15/2024	1,212,000	1,212,000
Total		9,336,965	2,381,965
Legal Debt Margin*		7,812,112	48,588,421

*Preliminary, subject to change (as of 12/5/2023).

Debt Service Extension Base (DSEB)

Year	DSEB	CPI Increase	Cumulative Increase
Base	931,458.41		
2009	932,389.86	0.10%	931.45
2010	957,564.38	2.70%	26,105.97
2011	971,927.84	1.50%	40,469.43
2012	1,001,085.67	3.00%	69,627.26
2013	1,018,104.12	1.70%	86,645.71
2014	1,033,375.68	1.50%	101,917.27
2015	1,041,642.68	0.80%	110,184.27
2016	1,048,934.17	0.70%	117,475.76
2017	1,070,961.78	2.10%	139,503.37
2018	1,093,451.97	2.10%	161,993.56
2019	1,114,227.55	1.90%	182,769.14
2020	1,139,854.78	2.30%	208,396.37
2021	1,155,812.74	1.40%	224,354.33
2022	1,213,603.37	5.00%	282,144.96
2023	1,274,283.53	5.00%	342,825.12

The Rollover Bonds: Preliminary Model

Crystal Lake Park District, McHenry County, Illinois

General Obligation Limited Tax Park Bonds, Series 2023

Dated: December 5, 2023 | ***Preliminary***

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Levy	DSEB Total
12/05/2023	-	-	-	-		-
12/15/2024	1,212,000.00	5.000%	62,283.33	1,274,283.33	2023	1,274,283.33
Total	\$1,212,000.00	-	\$62,283.33	\$1,274,283.33		-

Yield Statistics

Bond Year Dollars	\$1,245.67
Average Life	1.028 Years
Average Coupon	4.9999997%
Net Interest Cost (NIC)	4.9999997%
True Interest Cost (TIC)	4.9356846%
Bond Yield for Arbitrage Purposes	4.9356846%

IRS Form 8038

Net Interest Cost	4.9999997%
Weighted Average Maturity	1.028 Years

Levy Year	Bond Year	DSEB	Series 2022A	Series 2023*	Total	DSEB Capacity
2022	2023	1,213,603.37	1,213,600.14	-	1,213,600.14	3.23
2023	2024	1,274,283.53	-	1,274,283.33	1,274,283.33	0.20

*Preliminary, subject to change.

Crystal Lake Park District, McHenry County, Illinois
General Obligation Limited Tax Park Bonds, Series 2023
Preliminary Costs of Issuance/Allocation of Proceeds

Security:	GO LTD	
Tax Status:	Tax-Exempt	
Issue:	Series 2023	Total
Issue Size:	1,212,000.00	1,212,000.00

Service	Service Provider		Total
Financial Advisor	Speer Financial, Inc.	6,800.00	6,800.00
Bond Counsel	Chapman and Cutler LLP	7,500.00	7,500.00
Term Sheet Preparation	Speer Financial, Inc.	350.00	350.00
SpeerBids.com	Speer Financial, Inc.	350.00	350.00
Total Costs of Issuance:		15,000.00	15,000.00

Prior Obligations	Payment Date		Total
Series 2012B	12/15/2023	141,400.00	141,400.00
Series 2018A	12/15/2023	346,800.00	346,800.00
Series 2020A	12/15/2023	315,375.00	315,375.00
Series 2022B	12/15/2023	254,200.00	254,200.00
Prior Obligations Paid with Bond Proceeds:		1,057,775.00	1,057,775.00

Capital Proceeds		Total
Total Capital Proceeds	139,225.00	139,225.00
Rounding:	-	-

Method of Sale

Competitive Term
Sheet Sale

Prior Obligations Paid With Non-Bond Proceeds			
Prior Obligations	Payment Date		Total
Series 2020A	6/15/2024	18,125.00	18,125.00
Series 2022B	6/15/2024	106,300.00	106,300.00
Prior Obligations Paid with Non-Bond Proceeds:		124,425.00	124,425.00

*Preliminary, subject to change.

Other Outstanding Obligations:
General Obligation Limited Tax Park Bonds

Crystal Lake Park District, McHenry County, Illinois

General Obligation Limited Tax Park Bonds, Series 2022A

Dated: December 1, 2022

Final

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Levy	DSEB Total
12/01/2022	-	-	-	-	-	-
12/15/2023	1,169,965.00	3.590%	43,635.14	1,213,600.14	2022	1,213,600.14
Total	\$1,169,965.00	-	\$43,635.14	\$1,213,600.14		-

Yield Statistics

Bond Year Dollars	\$1,215.46
Average Life	1.039 Years
Average Coupon	3.5899996%
Net Interest Cost (NIC)	3.5899996%
True Interest Cost (TIC)	3.5559140%
Bond Yield for Arbitrage Purposes	3.5559140%

IRS Form 8038

Net Interest Cost	3.5899996%
Weighted Average Maturity	1.039 Years

Levy Year	Bond Year	DSEB	Series 2022A	Series 2023*	Total	DSEB Capacity
2022	2023	1,213,603.37	1,213,600.14	-	1,213,600.14	3.23
2023	2024	1,274,283.53	-	1,274,283.33	1,274,283.33	0.20

*Preliminary, subject to change.

Other Outstanding Obligations:
Alternate Revenue Source Bonds

**Crystal Lake Park District
Rollover Bond Financing Model - 9/3/2023**

		Sources	Uses	Difference
Levy Year	Bond Year	Rollover Bond Proceeds*	Total ARS Debt Service	Annual Capital Proceeds (Operating Fund Contribution)*
2021	2022	983,545	1,370,875	(387,330)
2022	2023	1,162,520	1,263,507	(100,987)
2023	2024	1,197,000	1,182,200	14,800
2024	2025	1,215,000	955,725	259,275
2025	2026	1,233,200	996,600	236,600
2026	2027	1,251,700	366,800	884,900
2027	2028	1,270,500	369,000	901,500
2028	2029	1,289,600	365,900	923,700
2029	2030	1,308,900	367,500	941,400
2030	2031	1,328,500	368,700	959,800
2031	2032	1,348,400	369,500	978,900
2032	2033	1,368,600	369,900	998,700
2033	2034	1,389,100	365,000	1,024,100
2034	2035	1,409,900	364,800	1,045,100
2035	2036	1,431,000	369,100	1,061,900
2036	2037	1,452,500	367,900	1,084,600
2037	2038	1,474,300	366,300	1,108,000
2038	2039	1,496,400	364,300	1,132,100
2039	2040	1,518,800	366,800	1,152,000
2040	2041	1,541,600	363,800	1,177,800
2041	2042	1,564,700	365,300	1,199,400
2042	2043	1,588,200	341,700	1,246,500
2043	2044	1,612,000	-	1,612,000
		31,435,965	11,981,207	19,454,758

*Preliminary, subject to change.

Crystal Lake Park District
Aggregate Alternate Revenue Source Bond Debt Service Schedule (12-15-2023)

Call Date:	Series 2012B 12/15/2020			Series 2018A NA			Series 2020A NA			Series 2022B 12/15/2031			Payment Source		Total
	12/15	6/15	Total	12/15	6/15	Total	12/15	6/15	Total	12/15	6/15	Total	Rollover Bonds	Corporate Fund	
2024	141,400	-	141,400	346,800	-	346,800	315,375	18,125	333,500	254,200	106,300	360,500	1,057,775	124,425	1,182,200
2025	-	-	-	-	-	-	743,125	-	743,125	106,300	106,300	212,600	849,425	106,300	955,725
2026	-	-	-	-	-	-	-	-	-	906,300	90,300	996,600	906,300	90,300	996,600
2027	-	-	-	-	-	-	-	-	-	280,300	86,500	366,800	280,300	86,500	366,800
2028	-	-	-	-	-	-	-	-	-	286,500	82,500	369,000	286,500	82,500	369,000
2029	-	-	-	-	-	-	-	-	-	287,500	78,400	365,900	287,500	78,400	365,900
2030	-	-	-	-	-	-	-	-	-	293,400	74,100	367,500	293,400	74,100	367,500
2031	-	-	-	-	-	-	-	-	-	299,100	69,600	368,700	299,100	69,600	368,700
2032	-	-	-	-	-	-	-	-	-	304,600	64,900	369,500	304,600	64,900	369,500
2033	-	-	-	-	-	-	-	-	-	309,900	60,000	369,900	309,900	60,000	369,900
2034	-	-	-	-	-	-	-	-	-	310,000	55,000	365,000	310,000	55,000	365,000
2035	-	-	-	-	-	-	-	-	-	315,000	49,800	364,800	315,000	49,800	364,800
2036	-	-	-	-	-	-	-	-	-	324,800	44,300	369,100	324,800	44,300	369,100
2037	-	-	-	-	-	-	-	-	-	329,300	38,600	367,900	329,300	38,600	367,900
2038	-	-	-	-	-	-	-	-	-	333,600	32,700	366,300	333,600	32,700	366,300
2039	-	-	-	-	-	-	-	-	-	337,700	26,600	364,300	337,700	26,600	364,300
2040	-	-	-	-	-	-	-	-	-	346,600	20,200	366,800	346,600	20,200	366,800
2041	-	-	-	-	-	-	-	-	-	350,200	13,600	363,800	350,200	13,600	363,800
2042	-	-	-	-	-	-	-	-	-	358,600	6,700	365,300	358,600	6,700	365,300
2043	-	-	-	-	-	-	-	-	-	341,700	-	341,700	341,700	-	341,700
Total	141,400	-	141,400	346,800	-	346,800	1,058,500	18,125	1,076,625	6,675,600	1,106,400	7,782,000	8,222,300	1,124,525	9,346,825

Crystal Lake Park District, McHenry County, Illinois

General Obligation Park Bonds (Alternate Revenue Source), Series 2022B

Dated: December 29, 2022

FINAL

Callable: 12/15/2031

Credit Rating: S&P.....AA (stable)

Purpose: \$5.5M New Money; New Park Development

Security: GO Limited Tax Park Bonds/Corporate Fund

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/29/2022	-	-	-	-	-
06/15/2023	-	-	100,706.67	100,706.67	100,706.67
12/15/2023	145,000.00	4.000%	109,200.00	254,200.00	-
06/15/2024	-	-	106,300.00	106,300.00	360,500.00
12/15/2024	-	-	106,300.00	106,300.00	-
06/15/2025	-	-	106,300.00	106,300.00	212,600.00
12/15/2025	800,000.00	4.000%	106,300.00	906,300.00	-
06/15/2026	-	-	90,300.00	90,300.00	996,600.00
12/15/2026	190,000.00	4.000%	90,300.00	280,300.00	-
06/15/2027	-	-	86,500.00	86,500.00	366,800.00
12/15/2027	200,000.00	4.000%	86,500.00	286,500.00	-
06/15/2028	-	-	82,500.00	82,500.00	369,000.00
12/15/2028	205,000.00	4.000%	82,500.00	287,500.00	-
06/15/2029	-	-	78,400.00	78,400.00	365,900.00
12/15/2029	215,000.00	4.000%	78,400.00	293,400.00	-
06/15/2030	-	-	74,100.00	74,100.00	367,500.00
12/15/2030	225,000.00	4.000%	74,100.00	299,100.00	-
06/15/2031	-	-	69,600.00	69,600.00	368,700.00
12/15/2031	235,000.00	4.000%	69,600.00	304,600.00	-
06/15/2032	-	-	64,900.00	64,900.00	369,500.00
12/15/2032	245,000.00	4.000%	64,900.00	309,900.00	-
06/15/2033	-	-	60,000.00	60,000.00	369,900.00
12/15/2033	250,000.00	4.000%	60,000.00	310,000.00	-
06/15/2034	-	-	55,000.00	55,000.00	365,000.00
12/15/2034	260,000.00	4.000%	55,000.00	315,000.00	-
06/15/2035	-	-	49,800.00	49,800.00	364,800.00
12/15/2035	275,000.00	4.000%	49,800.00	324,800.00	-
06/15/2036	-	-	44,300.00	44,300.00	369,100.00
12/15/2036	285,000.00	4.000%	44,300.00	329,300.00	-
06/15/2037	-	-	38,600.00	38,600.00	367,900.00
12/15/2037	295,000.00	4.000%	38,600.00	333,600.00	-
06/15/2038	-	-	32,700.00	32,700.00	366,300.00
12/15/2038	305,000.00	4.000%	32,700.00	337,700.00	-
06/15/2039	-	-	26,600.00	26,600.00	364,300.00
12/15/2039	320,000.00	4.000%	26,600.00	346,600.00	-
06/15/2040	-	-	20,200.00	20,200.00	366,800.00
12/15/2040	330,000.00	4.000%	20,200.00	350,200.00	-
06/15/2041	-	-	13,600.00	13,600.00	363,800.00
12/15/2041	345,000.00	4.000%	13,600.00	358,600.00	-
06/15/2042	-	-	6,700.00	6,700.00	365,300.00
12/15/2042	335,000.00	4.000%	6,700.00	341,700.00	-
06/15/2043	-	-	-	-	341,700.00
Total	\$5,460,000.00	-	\$2,422,706.67	\$7,882,706.67	-

Yield Statistics

Bond Year Dollars	\$60,567.67
Average Life	11.093 Years
Average Coupon	4.0000000%
Net Interest Cost (NIC)	3.8186989%
True Interest Cost (TIC)	3.7656154%
Bond Yield for Arbitrage Purposes	3.6312461%

Crystal Lake Park District, McHenry County, Illinois

General Obligation Park Bonds (Alternate Revenue Source), Series 2020A

Dated: September 3, 2020

FINAL

Callable: NA

Credit Rating: S&P.....AA (stable)

Purpose: Bond proceeds will be used to various capital improvements of the client.

Security: GO Limited Tax Park Bonds/Corporate Fund

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Bondy Year Total
09/03/2020	-	-	-	-	-
12/15/2020	-	-	21,250.00	21,250.00	-
06/15/2021	-	-	37,500.00	37,500.00	58,750.00
12/15/2021	395,000.00	5.000%	37,500.00	432,500.00	-
06/15/2022	-	-	27,625.00	27,625.00	460,125.00
12/15/2022	90,000.00	5.000%	27,625.00	117,625.00	-
06/15/2023	-	-	25,375.00	25,375.00	143,000.00
12/15/2023	290,000.00	5.000%	25,375.00	315,375.00	-
06/15/2024	-	-	18,125.00	18,125.00	333,500.00
12/15/2024	725,000.00	5.000%	18,125.00	743,125.00	-
06/15/2025	-	-	-	-	743,125.00
Total	\$1,500,000.00	-	\$238,500.00	\$1,738,500.00	-

Yield Statistics

Bond Year Dollars	\$4,770.00
Average Life	3.180 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	0.6612484%
True Interest Cost (TIC)	0.6064198%
Bond Yield for Arbitrage Purposes	0.4404172%

Crystal Lake Park District, McHenry County, Illinois

General Obligation Park Bonds (Alternate Revenue Source), Series 2018A

Dated: June 5, 2018

Final

Callable: NA

Credit Rating: S&P.....AA (stable)

Purpose: Bond proceeds will be used to provide capital for playground upgrades, capital equipment, synthetic turf replacement, flood relief, parking lot renovation, tennis and basketball court renovations and other routine capital improvements.

Security: GO Limited Tax Park Bonds/Corporate Fund

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Bond Year Total
06/05/2018	-	-	-	-	-
12/15/2018	-	-	31,666.67	31,666.67	-
06/15/2019	-	-	30,000.00	30,000.00	61,666.67
12/15/2019	45,000.00	4.000%	30,000.00	75,000.00	-
06/15/2020	-	-	29,100.00	29,100.00	104,100.00
12/15/2020	365,000.00	4.000%	29,100.00	394,100.00	-
06/15/2021	-	-	21,800.00	21,800.00	415,900.00
12/15/2021	400,000.00	4.000%	21,800.00	421,800.00	-
06/15/2022	-	-	13,800.00	13,800.00	435,600.00
12/15/2022	350,000.00	4.000%	13,800.00	363,800.00	-
06/15/2023	-	-	6,800.00	6,800.00	370,600.00
12/15/2023	340,000.00	4.000%	6,800.00	346,800.00	346,800.00
Total	\$1,500,000.00	-	\$234,666.67	\$1,734,666.67	\$1,734,666.67

Yield Statistics

Bond Year Dollars	\$5,866.67
Average Life	3.911 Years
Average Coupon	4.0000001%
Net Interest Cost (NIC)	2.5389038%
True Interest Cost (TIC)	2.4523531%
Bond Yield for Arbitrage Purposes	2.2724352%

Crystal Lake Park District, McHenry County, Illinois

General Obligation Park Bonds (Alternate Revenue Source), Series 2012B

Final

Callable: December 15, 2020

Credit Rating: S&P.....AA (stable)

Purpose: The 2012B Bond proceeds will be used (i) to finance certain capital improvements in the District which include the renovation of West Security: Corporate Fund

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i	Bond Year Total
10/04/2012	-	-	-	-	-
12/15/2012	-	-	10,866.95	10,866.95	-
06/15/2013	-	-	27,550.00	27,550.00	38,416.95
12/15/2013	240,000.00	2.000%	27,550.00	267,550.00	-
06/15/2014	-	-	25,150.00	25,150.00	292,700.00
12/15/2014	110,000.00	2.000%	25,150.00	135,150.00	-
06/15/2015	-	-	24,050.00	24,050.00	159,200.00
12/15/2015	315,000.00	2.000%	24,050.00	339,050.00	-
06/15/2016	-	-	20,900.00	20,900.00	359,950.00
12/15/2016	350,000.00	2.000%	20,900.00	370,900.00	-
06/15/2017	-	-	17,400.00	17,400.00	388,300.00
12/15/2017	270,000.00	2.000%	17,400.00	287,400.00	-
06/15/2018	-	-	14,700.00	14,700.00	302,100.00
12/15/2018	310,000.00	2.000%	14,700.00	324,700.00	-
06/15/2019	-	-	11,600.00	11,600.00	336,300.00
12/15/2019	280,000.00	2.000%	11,600.00	291,600.00	-
06/15/2020	-	-	8,800.00	8,800.00	300,400.00
12/15/2020	350,000.00	2.000%	8,800.00	358,800.00	-
06/15/2021	-	-	5,300.00	5,300.00	364,100.00
12/15/2021	255,000.00	2.000%	5,300.00	260,300.00	-
06/15/2022	-	-	2,750.00	2,750.00	263,050.00
12/15/2022	135,000.00	2.000%	2,750.00	137,750.00	-
06/15/2023	-	-	1,400.00	1,400.00	139,150.00
12/15/2023	140,000.00	2.000%	1,400.00	141,400.00	141,400.00
Total	\$2,755,000.00	-	\$330,066.95	\$3,085,066.95	\$3,085,066.95

Field Statistics

Bond Year Dollars	\$16,503.35
Average Life	5.990 Years
Average Coupon	2.0000000%
Net Interest Cost (NIC)	1.4760058%
True Interest Cost (TIC)	1.4461972%
Bond Yield for Arbitrage Purposes	1.3251267%



MEMORANDUM

DATE: September 27, 2023

TO: Park Board of Commissioners

FROM: Jason Herbstler – Executive Director

SUBJECT: Funding Needs 2024-2025

Capital projects and funding are a fluid situation. The number of projects, the staff available to implement and manage the projects and funding available always presents challenges. Additional challenges in recent years involve the economy, supply chain issues and the instability of pricing. With that said, the Crystal Lake Park District continues to do well providing the needed updates and improvements for the parks, land and facilities under its care.

Per the Board's request at the September 7, 2023, Committee of the Whole meeting, staff has assembled the current list (see attached) of capital projects from the Ten Year Capital Replacement and Improvement Schedule for the fiscal years 2024-25, 2025-26, 2026-27. Items on the Ten Year Capital Replacement and Improvement Schedule have a cost estimated at over \$5,000 and a life expectancy over 5 years. Items not meeting that criteria would be placed in the operating budget. The upcoming three year total for capital projects is \$18,612,000. It should be noted the attached list does not include projects that will be the result of many of the Comprehensive Master Plan initiatives.

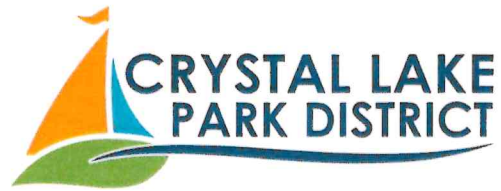
Using information from the 2023-24 budget, the projected year end fund balance is \$8,020,640. Per the Park District fund balance policy, \$4,497,244 is to be on hand. This leaves a fund balance surplus of \$3,523,396. The surplus includes \$2,345,000 of proceeds from the 2022B debt issuance from last year that are committed to the Haligus Park project and approximately \$1,000,000 for other capital projects. That leaves the uncommitted surplus at \$178,396.

The most recent Fund Balance Report dated August 31, 2023, shows an ending fund balance of \$15,641,551.19. Backing out the budgeted amount to be on hand (\$4,497,244) and the committed funds (\$2,345,000) this balance drops to \$8,799,307.19.

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The balance of \$8,799,307.19 can be misleading as some rollover projects from last year and new projects from this year have not been paid out. The Haligus project alone for fiscal year 2023-24 accounts for \$3,115,000 and little of that has been paid out to date.

Fund balance is building up as programs appear to be out pacing budget so far in fiscal year 2023-24. As has been discussed in the past, funding for capital projects comes from fund balance, tax dollars and the issuance of debt. Debt is an excellent funding tool for large scale projects like the Haligus Park project or a major infrastructure project. Issuing debt for an air conditioning replacement or window replacement is an expensive undertaking (debt issuance/consultant fees) for these types of projects unless several are bundled together.

If the completion of capital projects were able to happen at a more rapid pace, it is likely a small fund balance surplus would exist. As costs continue to escalate at a record pace, considerations moving forward may include more bundling of projects, additional staff to manage projects or the contracting of a construction manager to assume some of the project load. The path the Park District has historically followed allows for work to be consistently performed annually that makes improvements throughout the parks and facilities that the community recognizes. That reflects well on the Park District that funds are being used to invest back in the community's infrastructure and one of the most important services the community uses.

In addition to capital needs, it is important to remember that the cost of goods and the cost of doing business continue to rise. The CPI is 6.5% and the maximum that can be levied is 5% per Property Tax Extension Limitation Law (PTELL).

RECOMMENDATION:

This information is being provided to supplement the tax levy discussion

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Capital Replacement Improvement Schedule

2024-25/2025-26/2026-27

2024-2025

<u>Facility</u>	<u>Description</u>	<u>Cost Estimate</u>
Administrative Office	Art room flooring	\$ 10,000.00
	Replace interior lobby doors/ADA	\$ 20,000.00
	Window Replacement	\$ 90,000.00
	Lobby/Office Renovations	\$ 40,000.00
	Lower Level Restrooms	\$ 18,000.00
	Roof - flat and metal	\$ 180,000.00
Brighton Oaks Park	Tennis/Basketball Court Replacement	\$ 645,000.00
	Tennis Court Color Coat	\$ 35,000.00
	Tennis Court Fencing	\$ 85,000.00
	Basketball court color coat	\$ 20,000.00
Butternut Preserve	Gazebo Enlarge / new picnic pavilion	\$ 60,000.00
	Paths	\$ 10,000.00
	Benches	\$ 15,000.00
	Picnic Pavillion	\$ 90,000.00
	Solar Lights	\$ 20,000.00
	Building - painting and replacement of siding boards	\$ 25,000.00
Colonel Gustavus A. Palmer House	Parking Lot (reconstruction)	\$ 65,000.00
	Parking Lot lighting (solar?)	\$ 25,000.00
	Add benches	\$ 9,000.00
	Add 1-2 solar lights (motion activated for after hours)	\$ 10,000.00
	Trees - add, remove/replacements	\$ 2,000.00
	Bike Path	\$ 15,000.00
Feinberg Park	Basketball Court - rebuild	\$ 60,000.00
	Basketball court color coat	\$ 20,000.00
	Parking Lot - crack fill/seal/stripe	\$ 10,000.00
	Backstop	\$ 6,000.00
Four Colonies Park	Bike Path-crack fill/seal/stripe	\$ 20,000.00
	Back Stop Fencing	\$ 8,000.00
	Development	\$ 2,000,000.00
Haigus Park	Police Office	\$ 10,000.00
Hill Farm Park	Professional Services - Design engineering	\$ 30,000.00
Kamijima Park	Chain link fence-east property line	\$ 15,000.00

Capital Replacement Improvement Schedule

2024-25/2025-26/2026-27

Lake Park/Main Beach	Sand Box play - add play equipment	\$	12,000.00
	Building exterior - Clay Tile Roofs - Repair	\$	10,000.00
	Building exterior- brick (Tuckpoint)	\$	50,000.00
	Professional Services - Band Shell Improvements	\$	25,000.00
	Shade Structure - add shelter	\$	50,000.00
	Bollard Path Lights	\$	35,000.00
	Professional Services - Entrance Paving Engineering	\$	48,000.00
	Entrance Stamped Asphalt (replace w/ permeable paving)	\$	355,000.00
	Decorative Fencing/Gates	\$	175,000.00
	Parking Lot (reconstruction)	\$	996,000.00
	Building Aquatics-LVT flooring in office/entry	\$	36,000.00
	Maintenance Garage	\$	30,000.00
	Maintenance garage floors - epoxy phase 2	\$	175,000.00
	Maintenance garage roof	\$	40,000.00
Lippold Park	Wetland Area Walking Paths	\$	75,000.00
	Wetlands/ponds	\$	10,000.00
	Boncosky clubhouse windows/doors	\$	10,000.00
	Boncosky clubhouse AC	\$	10,000.00
	Boncosky fields bleachers/benches	\$	10,000.00
	Boncosky Drainage Imp	\$	85,000.00
	Boncosky shelter/picnic area - wood with asphalt roof	\$	40,000.00
	Boncosky concrete plaza	\$	100,000.00
	Playground (2001 Landscape Structures/NuToys)	\$	200,000.00
	Playground Surface (EWF)	\$	30,000.00
	Update disc golf course	\$	50,000.00
	Add 3-4 solar lighting	\$	25,000.00
	Skate Park 2009	\$	300,000.00
	Add concrete bowls	\$	50,000.00
	Add curbs and walls	\$	50,000.00
	Reset walkway and ramp	\$	20,000.00
	Rehab pavilion	\$	12,000.00
	Reset brick paving	\$	25,000.00
	Rehab equipment	\$	10,000.00
	Rehab sand courts	\$	8,000.00
	Add benches	\$	9,000.00

Capital Replacement Improvement Schedule

2024-25/2025-26/2026-27

Sund Complex (Mickey Sund)	Professional Services - Design Engineering	\$ 160,000.00
Soccer	Irrigation Replacement	\$ 60,000.00
Parking Lots	Rebuild complex per 2021 engineering plans	\$ 1,620,000.00
	Pave gravel parking lots	\$ 465,000.00
Spoerl Park	Building windows/doors	\$ 25,000.00
Sterne's Woods & Fen	Fen restoration/natural area management	\$ 10,000.00
Veteran Acres		
Sled Hill	Lights	\$ 150,000.00
Pond Area	Boardwalk/bridges/Piers improvements	\$ 80,000.00
	Docks	\$ 35,000.00
West Park/West Beach	Chain link fencing - west half/launch	\$ 50,000.00
	Parking lot (seal coat and stripe)	\$ 60,000.00
	Deck railing	\$ 30,000.00
	Boat launch ramp repair/replace	\$ 180,000.00
Willows Edge	Fishing pier	\$ 15,000.00
Winding Creek Bike Path/Park	Bike path	\$ 20,000.00
	Benches	\$ 5,000.00
Woodland Estates Park	Gazebo - wood with asphalt roof	\$ 65,000.00
	Tennis courts replacement/fencing/basketball court/parking lot	\$ 660,000.00
	Sand volleyball court renovation	\$ 10,000.00
Woods creek Park	Shelter repairs	\$ 15,000.00
	Tennis courts replacement/fencing	\$ 380,000.00
	Basketball Court replacement	\$ 60,000.00
	Shelter - add water line and drinking fountain	\$ 12,000.00
	Pond shoreline restoration	\$ 25,000.00
	Add additional fishing pier(s) with benches	\$ 45,000.00
	Add solar lights (motion activated for evening hours)	\$ 15,000.00
	Replace fishing pier	\$ 45,000.00
	Shade sail for playground area	\$ 40,000.00
Miscellaneous	Professional Services - ADA transition plan update, Buildings and parks	\$ 50,000.00
	New Boat launch key system	\$ 35,000.00
Trucks	F250 4x4 pickup (2)	\$ 120,000.00
	F550 4X4 Dump (1)	\$ 80,000.00
Equipment	JD Tractor w/ loader 6105E or 5100E	\$ 90,000

Capital Replacement Improvement Schedule

2024-25/2025-26/2026-27

Tractor mounted stump grinder	\$	6,000
Tractor mounted woodsdeck mower	\$	10,000
tractor mounted backhoe	\$	12,000
15' pull behind mower	\$	20,000
Ventrac machine w/ 3 attachments	\$	50,000
Ride on aerator/seedler	\$	20,000
walk behind slit seeder	\$	4,000
Brown bed edger	\$	6,000
Dingo TX1300	\$	18,000
60" zero turn disel mower	\$	32,000
Toro 4000 11 ft mower	\$	100,000
toro cart w/ large bed HDX-D 4WD	\$	40,000
Toro sand pro	\$	35,000
Total	\$	11,889,000.00

Capital Replacement Improvement Schedule

2024-25/2025-26/2026-27

2025-2026

<u>Facility</u>	<u>Description</u>	<u>Cost Estimate</u>
Administration	Parking Lot Lights	\$ 30,000.00
Brighton Oaks	Lobby/Office Renovations	\$ 30,000.00
Canterbury Park	Gazebo	\$ 40,000.00
	Playground - large	\$ 310,000.00
	Playground surface (EWF)	\$ 90,000.00
	Playground-small	\$ 160,000.00
Colonel Gustavus A. Palmer House	Consultant-Exhibits master plan workshop	\$ 20,000.00
Cress Creek	Stream Restoration	\$ 100,000.00
	Trail Improvements	\$ 30,000.00
Grand Oaks	Kitchen/Storage	\$ 150,000.00
Indian Prairie	Naturalize Detention Basin	\$ 80,000.00
Kamajima Park	Add a picnic shelter	\$ 40,000.00
	Add Brick Pathway	\$ 20,000.00
	Add Benches	\$ 12,000.00
Lippold Park		
	Gravel driveway and ADA parking spaces	\$ 225,000.00
	Add dog agility events	\$ 30,000.00
	Add Benches	\$ 9,000.00
	Repair Pathway	\$ 12,000.00
Skate Park	Shelter/Patio	\$ 90,000.00
	Water Well	\$ 5,000.00
Batting Cages	Pitching Machines	\$ 50,000.00
	Shed Repairs	\$ 10,000.00
Sand Volleyball	Renovate path	\$ 20,000.00
Parking Lots	Pave gravel parking lots	\$ 710,000.00
Lake Park / Main Beach	Band Shell (raise band stage)	\$ 200,000.00
The Racket Club	Building Siding	\$ 51,000.00
	Flooring	\$ 45,000.00
	HVAC	\$ 15,000.00
	Windows/Doors	\$ 10,000.00
	Sidewalks, paths, patio	\$ 45,000.00
	Parking Lot/ADA work	\$ 25,000.00

Capital Replacement Improvement Schedule

2024-25/2025-26/2026-27

Spoerl Park	Add Shelter	\$	60,000.00
	Add Bathroom to Shelter	\$	30,000.00
	Add Solar Lighting	\$	15,000.00
Sterling Meadows	Naturalize Detention Basin	\$	20,000.00
Sterne's Woods & Fen	Fen restoration/natural area management	\$	12,000.00
Sunset Meadows	Tear Down Christ House	\$	30,000.00
Veteran Acres Park			
	North Area	\$	20,000.00
	Gravel parking lot improvements	\$	200,000.00
	Gravel parking lot reconstruction or paving	\$	40,000.00
	Spectator and player areas, ADA walkway	\$	50,000.00
	Upper diamond fencing	\$	180,000.00
West Park/West Beach	Extend Building Deck via Piers	\$	18,000.00
Willows Edge	Add Solar Lights	\$	18,000.00
Woodscreek	Add Solar Lights	\$	160,000.00
Wyndwood Park	Playground	\$	100,000.00
	Playground Surface	\$	35,000.00
	Paved Path	\$	15,000.00
	Add 1-2 Solar Lights	\$	30,000
Equipment	Skyjack Sissor lift	\$	80,000
	Kubota Tractor	\$	80,000
	Case 585 Tractor	\$	25,000
	Topdresser	\$	130,000
	250 HP pickup truck w/plow (2)	\$	90,000
	550 Dump truck w/plow & salter(1)	\$	
Total		\$	4,102,000.00

Capital Replacement Improvement Schedule

2024-25/2025-26/2026-27

2026-2027

<u>Facility</u>	<u>Description</u>	<u>Cost Estimate</u>
Administration	Lobby/Office Renovations	\$ 30,000.00
Bird Park	Tennis Court replacement	\$ 120,000.00
	Tennis court color coat	\$ 25,000.00
	Tennis court fence	\$ 65,000.00
	Basketball Court (1996) replacement	\$ 60,000.00
	Basketball court color coat	\$ 20,000.00
	Parking Lot (Seal Coat)	\$ 20,000.00
	Parking Lot (reconstruction)	\$ 114,000.00
	Add solar lights (motion activated for after hours)	\$ 20,000.00
Della Street Park	Bridge over creek	\$ 45,000.00
	Pathway to bridge	\$ 15,000.00
Fetzner Park	Bike Path (reconstruction)	\$ 170,000.00
Grand Oaks	Exterior - siding	\$ 50,000.00
	Window Replacement	\$ 60,000.00
Hill Farm Park	Playground Surfacing (PIP)	\$ 120,000.00
Johns Park	Playground	\$ 160,000.00
	Playground surface (PIP)	\$ 100,000.00
	Bike Path-crack fill, seal, stripe	\$ 15,000.00
	Basketball Court replacement	\$ 60,000.00
	Basketball court color coat	\$ 15,000.00
Knaack Park	Playground	\$ 150,000.00
	Playground surface (EWF)	\$ 30,000.00
	Add gazebo / picnic pavilion	\$ 50,000.00
	Add 1-2 benches	\$ 3,000.00
Lake Park/Main Beach	Building exterior- brick (Tuckpoint)	\$ 20,000.00
	Boat launch parking area	\$ 195,000.00
	Kayak storage area	\$ 25,000.00
	Boat launch fencing/gates	\$ 10,000.00
	Asphalt Paths (north end)	\$ 160,000.00
	North beach improvements	\$ 85,000.00
	Band Shell (EXPAND & raise band stage)	\$ 150,000.00
	Shade Structure - add shelter	\$ 50,000.00

Capital Replacement Improvement Schedule

2024-25/2025-26/2026-27

	Gaming area additions	\$	12,000.00
	Swim piers	\$	30,000.00
	Skate Lights	\$	20,000.00
	Boat storage/piers	\$	30,000.00
	Fishing piers (handicap)	\$	15,000.00
	Beach Office	\$	100,000.00
Lippold Park			
	Hound Town	\$	5,000.00
	Dog Agility	\$	25,000.00
	Add Shelter	\$	65,000.00
	Add Washroom	\$	10,000.00
	Add Dog Splash Play	\$	20,000.00
	Add Looped gravel pathway	\$	15,000.00
	Add Benches	\$	9,000.00
	Add Solar Lighting	\$	15,000.00
	Reset Walkway Ramp	\$	15,000.00
	Overlay paths and gravel parking	\$	80,000.00
Spoerl	New park sign on Pingree	\$	25,000.00
Sterne's Woods & Fen	Fen Restoration / natural area management	\$	12,000.00
Veteran Aces			
	Nature Center	\$	150,000.00
	Parking Lot Reconstruction	\$	80,000.00
	Basketball court replacement	\$	60,000.00
	Add picnic pavilion	\$	20,000.00
West Park/West Beach	Building LVT Flooring in foyer & main room	\$	25,000
Equipment	Skag mower	\$	70,000
	Case Skid Steer	\$	15,000
	Case Skid Steer trailer	\$	140,000
	2 - 250 HP pickup truck w/plow	\$	100,000
	1 - 550 Dump truck w/plow & salter	\$	2,621,000.00
Total		\$	2,621,000.00



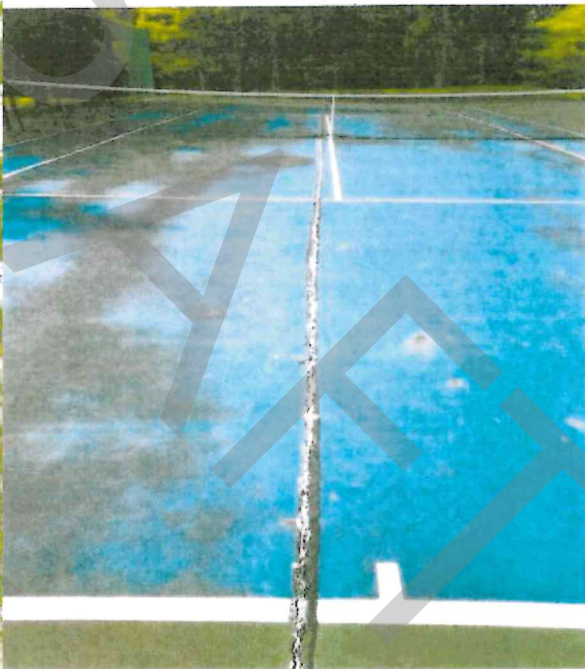
Spoerl Park Playground Surface



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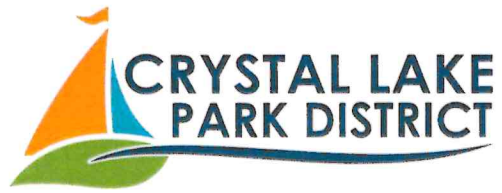
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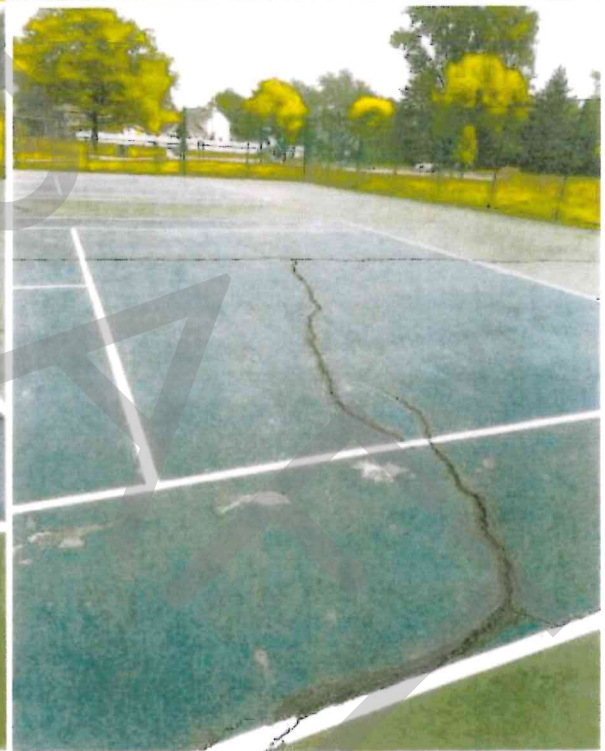
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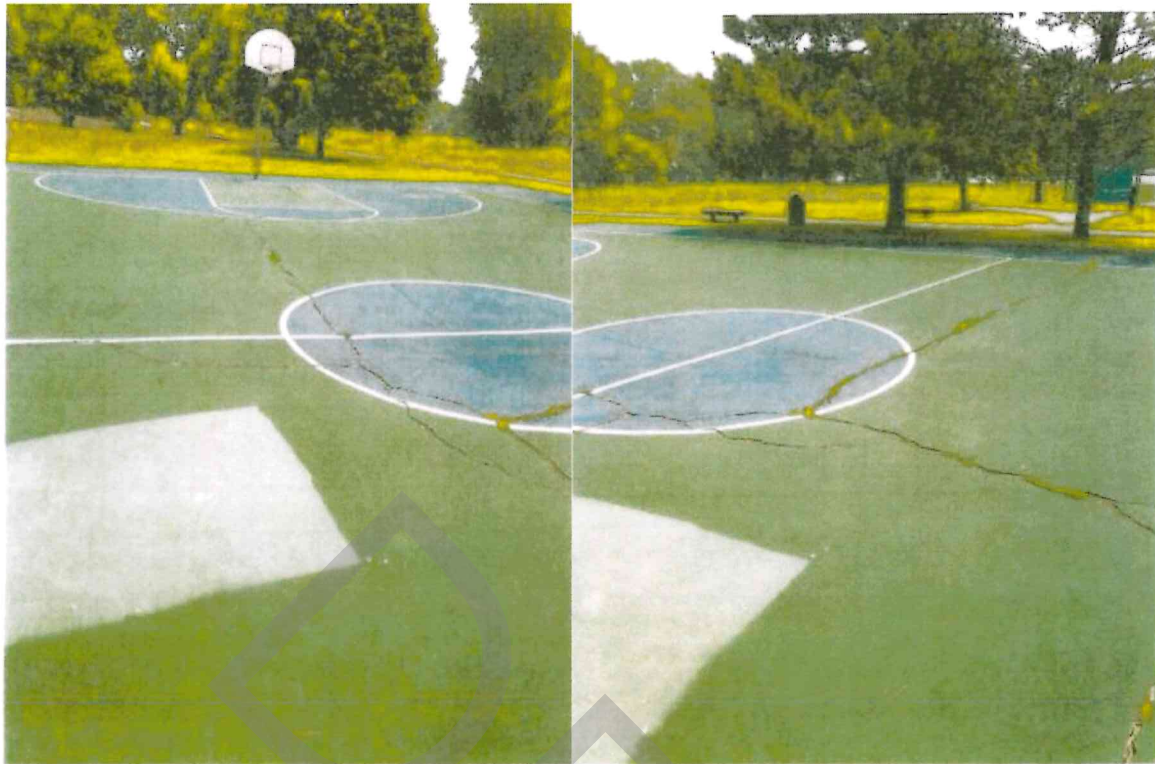
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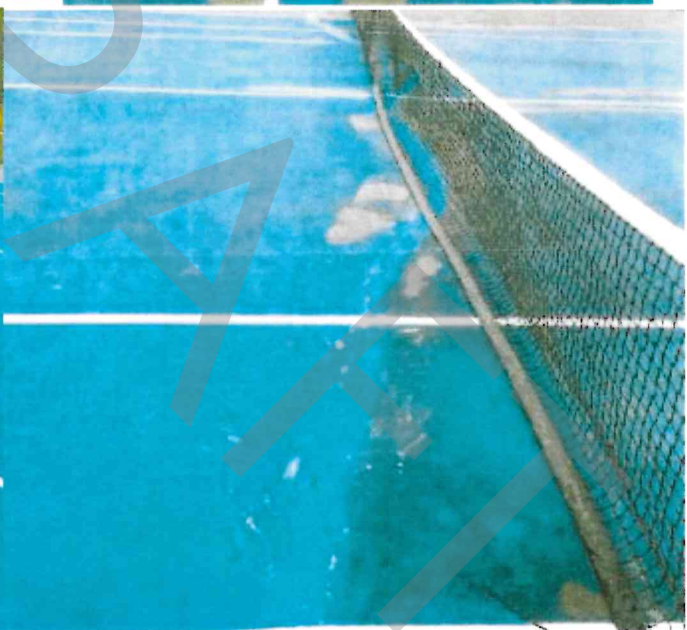
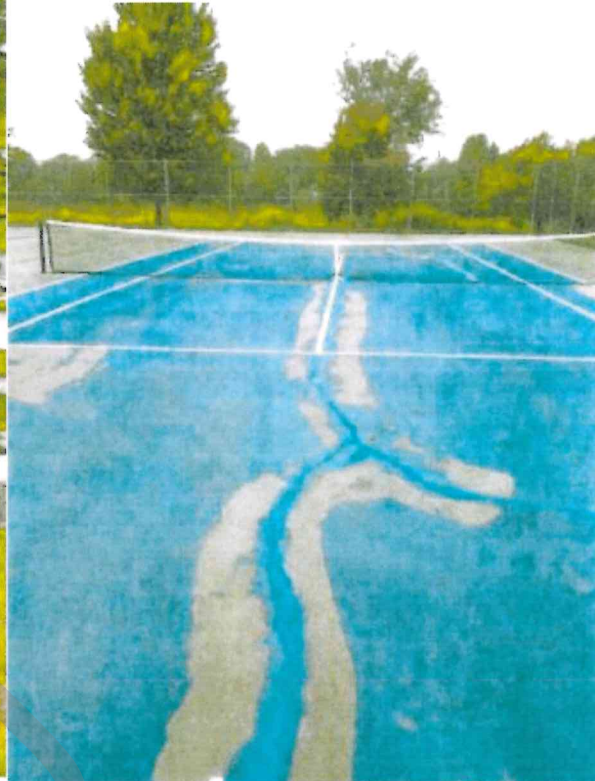
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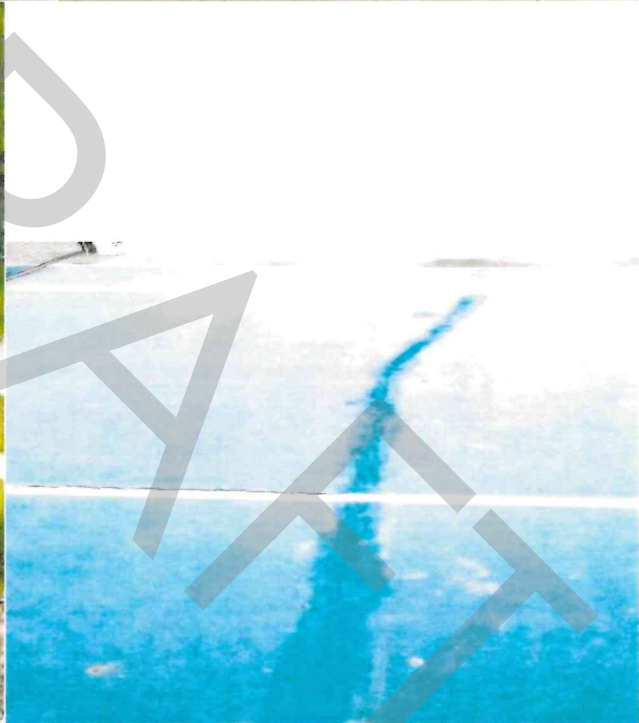
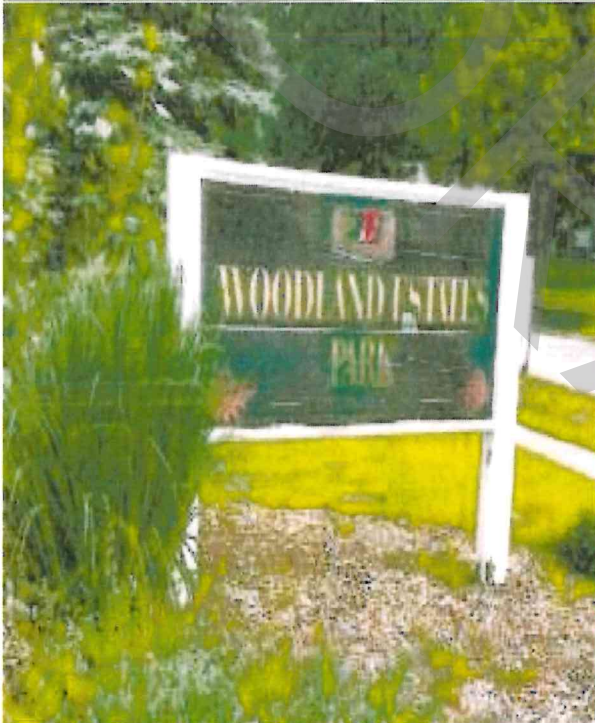
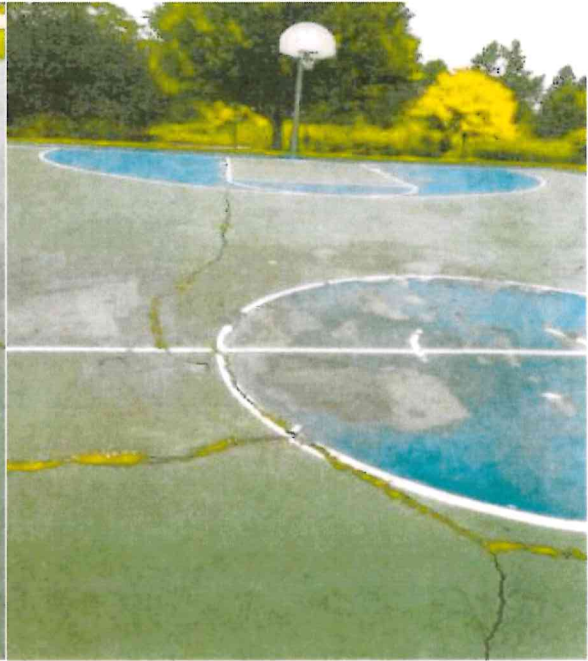
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BOARD MEMORANDUM

DATE: September 28, 2023
TO: Board of Commissioners
FROM: Jason Herbster, Executive Director
Tina Becke, Superintendent of Business Services
SUBJECT: 2023 Property Tax Levy Determination of Funds

Attached please find the proposed 2023 Tax Levy information. The Proposed Levy is indicated in the **bold** column near the center of the following pages. The figures are presented with the intent to capture all new growth and with the understanding that adjustments will be made to reflect actual assessment figures received by the County. The levy amounts will be reduced if the Park District is over the limit but never added to if the levy is under the limit. Three proposed levy scenarios are attached as the Board requested at the September 7, 2023 Committee of the Whole meeting. These scenarios include debt service.

The county assessor's office indicates a Consumer Price Index of 6.5%, which brings into effect the Property Tax Extension Limitation Law. The maximum amount that can be levied is 5%.

Each scenario separates the proposed capped funds (Corporate, Recreation, IMRF, Liability, Audit, Natural History) from the proposed non-capped funds (Special Recreation and Debt Service). The non-capped funds also include a line for the Revenue Recapture that the County provides. This is to show the total amount for the prior year's extension received. All scenarios show a proposed increase in total, even the zero percent increase version, which is attributed to new growth.

The proposed 2023 Special Recreation levy is an increase of \$27,335.82 from the 2022 levy, with a total levy of \$728,955. This will cover the 2024/25 NISRA dues, inclusion costs, and limited ADA projects or upgrades.

The Debt Service Levy is \$1,274,283 which is the amount proposed for the 2023 rollover bond.

If the total levy is more than 105 percent of last year's extension, a Truth in Taxation hearing will be scheduled. Funds generated from the 2023 Tax Levy will support the 2024-2025 Budget.

RECOMMENDATION:
For discussion purposes.

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CRYSTAL LAKE PARK DISTRICT
2023 Proposed Levy-All Funds 5% (Max) with New Growth

Capped	Ceiling Rate	Maximum Levy (Tax Ceiling)	Projected Beg Fund Bal	Projected 2024/25 Expenses	Non-Tax Revenue	Need Amount	Proposed 2023 Levy	Projected Yr End Fund Balance	Minimum Op Coverage (per Fund Bal Policy)	2022 Extension	Increase (Decrease)	% Change
Corporate	0.00100	\$ 1,822,389					1,530,500			1,328,010.96	202,489.04	15.25%
Addl Corp	0.00250	4,555,971					2,531,221			2,500,007.23	31,213.77	1.25%
Total Corporate		\$ 6,378,360	\$ 4,193,279	\$ 6,521,279	\$ 500,000	\$ 3,784,384	4,061,721	\$ 2,233,721	\$ 1,956,384	\$ 3,828,018.19	\$ 233,702.81	6.11%
Recreation	0.00120	2,186,866	2,953,133	5,662,773	2,000,000	2,125,333	2,130,000	1,420,360	1,415,693	1,909,644.47	220,355.53	11.54%
IMRF			228,168	424,553		238,840	247,000	50,615	42,455	286,515.92	(39,515.92)	-13.79%
Liability			209,709	275,000		92,791	120,000	54,709	27,500	139,503.84	(19,503.84)	-13.98%
Audit	0.00005	91,119	32,279	40,000		11,721	24,000	16,279	4,000	25,003.17	(1,003.17)	-4.01%
Natural History	0.00070	1,275,672	234,187	426,189	45,000	232,240	317,000	169,998	85,238	317,004.48	(4.48)	0.00%
Total Capped			\$ 7,850,755	\$ 13,349,794	\$ 2,545,000	\$ 6,485,309	6,899,721	\$ 3,945,682	\$ 3,531,270	\$ 6,505,690.07	\$ 394,030.93	6.06%
				EST Total Maximum Levy for Capped Funds			\$ 6,899,721					

Non-Capped	Ceiling Rate	Maximum Levy (Tax Ceiling)	Projected Beg Fund Bal	Projected 2024/25 Expenses	Non-Tax Revenue	Need Amount	Proposed 2023 Levy	Projected Yr End Fund Balance	Minimum Op Coverage (per Fund Bal Policy)	2022 Extension	Increase (Decrease)	% Change
Revenue Recapture										14,834.24		
Special Recreation	0.00040	728,955	419,870	813,240		474,694	728,955	335,585	81,324	701,619.58	27,335.82	3.90%
Debt Service			354,241	1,274,283			1,274,283	354,241	N/A	1,213,601.40	60,681.93	5.00%
Total Non-Capped			\$ 774,111	\$ 2,087,523.33			\$ 2,003,238.73	\$ 689,826	\$ 81,324	\$ 1,915,220.98	\$ 88,017.75	4.60%
Total			\$ 8,624,866	\$ 15,437,317.33			Total Levy \$ 8,902,959.73			\$ 8,435,745.29	\$ 482,048.68	5.714%

Tax Year	Property Tax Rate History		Total	% Change
	Capped Rate	Non Capped Rate		
2015	0.43301	0.120473	0.553483	-0.85%
2016	0.41437	0.116637	0.531007	-4.06%
2017	0.40349	0.114324	0.517814	-2.48%
2018	0.388109	0.112173	0.500282	-3.39%
2019	0.381871	0.106754	0.488625	-2.33%
2020	0.377421	0.103845	0.481266	-1.51%
2021	0.366850	0.103478	0.470328	-2.27%
2022 est	0.39699	0.115260	0.512247	8.91%

Proposed Increase Breakdown	
CPI 5.0%	\$ 325,284.50
New Growth	68,746.39
Adjustment	0.04
Debt Service	60,681.93
Special Rec	27,335.82
Total	482,048.68

Corporate/Special Revenue Levy \$ 7,628,676.40 Subject to truth in taxation **\$ 7,222,143.89 \$ 421,366.75 5.834%**

CRYSTAL LAKE PARK DISTRICT
2023 Proposed Levy-All Funds 2.5% with New Growth

Capped	Ceiling Rate	Maximum Levy (Tax Ceiling)	Projected Beg Fund Bal	Projected 2024/25 Expenses	Non-Tax Revenue	Need Amount	Proposed 2023 Levy	Projected Yr End Fund Balance	Minimum Op Coverage (per Fund Bal Policy)	2022 Extension	Increase (Decrease)	% Change
Corporate	0.00100	\$ 1,822,389					1,488,500			1,328,010.96	160,489.04	12.08%
Addl Corp	0.00250	4,555,971					2,490,221			2,500,007.23	(9,786.23)	-0.39%
Total Corporate		\$ 6,378,360	\$ 4,193,279	\$ 6,521,279	\$ 500,000	\$ 3,784,384	3,978,721	\$ 2,150,721	\$ 1,956,384	\$ 3,828,018.19	\$ 150,702.81	3.94%
Recreation	0.00120	2,186,866	2,953,133	5,662,773	2,000,000	2,125,333	2,048,721	1,339,081	1,415,693	1,909,644.47	139,076.53	7.28%
IMRF			228,168	424,553		238,840	247,000	50,615	42,455	286,515.92	(39,515.92)	-13.79%
Liability			209,709	275,000		92,791	120,000	54,709	27,500	139,503.84	(19,503.84)	-13.98%
Audit	0.00005	91,119	32,279	40,000		11,721	24,000	16,279	4,000	25,003.17	(1,003.17)	-4.01%
Natural History	0.00070	1,275,672	234,187	426,189	45,000	232,240	317,000	169,998	85,238	317,004.48	(4.48)	0.00%
Total Capped			\$ 7,850,755	\$ 13,349,794	\$ 2,545,000	\$ 6,485,309	6,735,442	\$ 3,781,403	\$ 3,531,270	\$ 6,505,690.07	\$ 229,751.93	3.53%
				EST Total Maximum Levy for Capped Funds			\$ 6,899,721					

Non-Capped	Ceiling Rate	Maximum Levy (Tax Ceiling)	Projected Beg Fund Bal	Projected 2024/25 Expenses	Non-Tax Revenue	Need Amount	Proposed 2023 Levy	Projected Yr End Fund Balance	Minimum Op Coverage (per Fund Bal Policy)	2022 Extension	Increase (Decrease)	% Change
Revenue Recapture										14,834.24		
Special Recreation	0.00040	728,955	419,870	813,240		474,694	728,955	335,585	81,324	701,619.58	27,335.82	3.90%
Debt Service			354,241	1,274,283			1,274,283	354,241	N/A	1,213,601.40	60,681.93	5.00%
Total Non-Capped			\$ 774,111	\$ 2,087,523.33			\$ 2,003,238.73	\$ 689,826	\$ 81,324	\$ 1,915,220.98	\$ 88,017.75	4.60%
Total			\$ 8,624,866	\$ 15,437,317.33			Total Levy \$ 8,738,680.73			\$ 8,435,745.29	\$ 317,769.68	3.767%

Property Tax Rate History				
Tax Year	Capped Rate	Non Capped Rate	Total	% Change
2015	0.43301	0.120473	0.553483	-0.85%
2016	0.41437	0.116637	0.531007	-4.06%
2017	0.40349	0.114324	0.517814	-2.48%
2018	0.388109	0.112173	0.500282	-3.39%
2019	0.381871	0.106754	0.488625	-2.33%
2020	0.377421	0.103845	0.481266	-1.51%
2021	0.366850	0.103478	0.470328	-2.27%
2022 est	0.38754	0.115260	0.502795	6.90%

Proposed Increase Breakdown	
CPI 2.5%	\$ 162,642.25
New Growth	67,109.57
Adjustment	0.11
Debt Service	60,681.93
Special Rec	27,335.82
Total	317,769.68

Corporate/Special Revenue Levy \$ 7,464,397.40 Subject to truth in taxation \$ 7,222,143.89 \$ 257,087.75 3.560%

CRYSTAL LAKE PARK DISTRICT
2023 Proposed Levy-All Funds 0% with New Growth

Capped	Ceiling Rate	Maximum Levy (Tax Ceiling)	Projected Beg Fund Bal	Projected 2024/25 Expenses	Non-Tax Revenue	Need Amount	Proposed 2023 Levy	Projected Yr End Fund Balance	Minimum Op Coverage (per Fund Bal Policy)	2022 Extension	Increase (Decrease)	% Change
Corporate	0.00100	\$ 1,822,389					1,447,500			1,328,010.96	119,489.04	9.00%
Addl Corp	0.00250	4,555,971					2,448,221			2,500,007.23	(51,786.23)	-2.07%
Total Corporate		\$ 6,378,360	\$ 4,193,279	\$ 6,521,279	\$ 500,000	\$ 3,784,384	3,895,721	\$ 2,067,721	\$ 1,956,384	\$ 3,828,018.19	\$ 67,702.81	1.77%
Recreation	0.00120	2,186,866	2,953,133	5,662,773	2,000,000	2,125,333	1,967,442	1,257,802	1,415,693	1,909,644.47	57,797.53	3.03%
IMRF			228,168	424,553		238,840	247,000	50,615	42,455	286,515.92	(39,515.92)	-13.79%
Liability			209,709	275,000		92,791	120,000	54,709	27,500	139,503.84	(19,503.84)	-13.98%
Audit	0.00005	91,119	32,279	40,000		11,721	24,000	16,279	4,000	25,003.17	(1,003.17)	-4.01%
Natural History	0.00070	1,275,672	234,187	426,189	45,000	232,240	317,000	169,998	85,238	317,004.48	(4.48)	0.00%
Total Capped			\$ 7,850,755	\$ 13,349,794	\$ 2,545,000	\$ 6,485,309	6,571,163	\$ 3,617,124	\$ 3,531,270	\$ 6,505,690.07	\$ 65,472.93	1.01%
				EST Total Maximum Levy for Capped Funds			\$ 6,899,721					

Non-Capped												
Revenue Recapture										14,834.24		
Special Recreation	0.00040	728,955	419,870	813,240		474,694	728,955	335,585	81,324	701,619.58	27,335.82	3.90%
Debt Service			354,241	1,274,283			1,274,283	354,241	N/A	1,213,601.40	60,681.93	5.00%
Total Non-Capped			\$ 774,111	\$ 2,087,523.33			\$ 2,003,238.73	\$ 689,826	\$ 81,324	\$ 1,915,220.98	\$ 88,017.75	4.60%
Total			\$ 8,624,866	\$ 15,437,317.33			Total Levy \$ 8,574,401.73			\$ 8,435,745.29	\$ 153,490.68	1.820%

Property Tax Rate History				
Tax Year	Capped Rate	Non Capped Rate	Total	% Change
2015	0.43301	0.120473	0.553483	-0.85%
2016	0.41437	0.116637	0.531007	-4.06%
2017	0.40349	0.114324	0.517814	-2.48%
2018	0.388109	0.112173	0.500282	-3.39%
2019	0.381871	0.106754	0.488625	-2.33%
2020	0.377421	0.103845	0.481266	-1.51%
2021	0.366850	0.103478	0.470328	-2.27%
2022 est	0.37808	0.115260	0.493343	4.89%

Proposed Increase Breakdown	
CPI 0%	\$ 6,505,690.07
New Growth	65,472.75
Decrease in Levy	(6,505,689.89)
Debt Service	60,681.93
Special Rec	27,335.82
Total	153,490.68

Corporate/Special Revenue Levy \$ 7,300,118.40 Subject to truth in taxation \$ 7,222,143.89 \$ 92,808.75 1.285%



MEMORANDUM

DATE: September 28, 2023

TO: Park District Board of Commissioners

FROM: Rob Laue, Racket Club Manager
Claire Naughton, Manager of Recreation Facilities
Kurt Reckamp, Superintendent of Recreation Programs & Facility Services
Jason Herbster, Executive Director

SUBJECT: TRC Consultant Response/Follow Up

At the August Committee of the Whole meeting, Rich Jackim and Jim Bates from Sports Club Advisors provided their recommendations for The Racket Club. Since their presentation staff have been working on their suggestions, along with discussing concerns of their process/methodology.

Attached is the staff's response and plans for implementation.

RECOMMENDATION:

For discussion purposes.



At the August Committee of the Whole meeting, Rich Jackim and Jim Bates from Sports Club Advisors (SCA) provided their recommendations for The Racket Club (TRC). Since their presentation staff have been researching the feasibility of their suggestions, along with discussing concerns of SCA's methodology. While staff are in alignment with some recommendations, there are reservations with others.

The following report contains CLPD staff's analysis, response, and plan of action for those recommendations from SCA. The report will be broken down into:

1. Racket Club History of Operational Changes
2. Process and Timeline of Crystal Lake Park District Staff
3. General Response to SCA's Report
4. Areas That Are Being Implemented Right Away
 - a. Financial Recommendations
 - b. Developing a Clearly Defined Tennis Program
 - c. Implementing Cardio Tennis
 - d. Utilizing The Clay Courts
 - e. Implementing Pickleball
5. Recommendations Being Researched
 - a. Rethinking Staffing Structure
 - b. Analyzing The Viability of Switching to Standalone Tennis-Specific Software
6. Areas Staff Feel Are for Future Consideration, but Not Applicable at This Time
 - a. Convert Child Care into Fitness Space/Silver Sneakers

1. TRC History of Operational Changes

As background to the consultant report, Director Herbster felt it was important to give current board members a history of operational changes related to the TRC. Previous boards and staff recognized the financial challenges at TRC, and several actions have taken place to stabilize and improve TRC financial position since 2015.

1. In May 2015, tennis pros were moved from Full-Time Tier I (full benefits) status to part-time. Two pros were allowed Full Time Tier II (health insurance only) status as they consistently worked 30 or more hours a week. When one of the two pro retired, he was replaced by part-time staff. When a pro has met the Affordable Care Act hours criteria to receive health insurance, they have been moved to Tier II status as their hours can support the health insurance cost. This has occurred with three staff. This change has saved the club funds related to benefits.

2. In 2016-17 discussion took place to move TRC and Driving Range Funds from enterprise funds to special revenue funds. This change took place with the primary reason for the change being that it would make understanding the financial bottom lines easier for everyone involved. It would also allow large projects at TRC to be funded through the capital fund if necessary. Once this change was made, it was confirmed that TRC was not in compliance with the fund balance policy. The Board set a goal for TRC to be in compliance with the fund balance policy within five years. This goal was met in 2020 just as COVID hit, causing a brief setback. TRC is currently in compliance with the fund balance policy.
3. In fiscal year 2017-18, two full time positions were eliminated as it was determined the positions could be covered using part-time staff. The two full-time positions also exceeded the maximum of their pay grades due to mismanagement over the course of many years. When this was discovered, salaries were frozen until it was determined these positions were no longer needed at the full-time level. Around this time, the full-time custodial position was vacated, and staff decided to cover this position with part-time staff. In total, three full-time positions were replaced with part-time positions.
4. In December of 2017, staff proposed the addition of a full-time front desk position that would manage the front desk/pro shop operations along with assist with custodial and housekeeping items. The Board approved this position.
5. Throughout this time, the percentage allocation of other full-time positions (Marketing, HR, Park Services, etc.) to TRC budget has been adjusted to be in line with the actual time spent on TRC work. TRC is the only facility that accommodates full-time administrative wages.

2. Crystal Lake Park District Process/Timeline

Along with the background information, staff felt it was important for the board to have the information that was provided to SCA and the timeline it was provided.

March 14, 2023: Jason and Kurt had an initial phone call with Rich and Jim to discuss the consultant process.

May 4, 2023: Rich emailed Kurt and Jason a list of informational requests that would be used for the consultation process.

May 25, 2023: Staff provided all the information requested by consultants. Reports sent to SCA included:

- A. Financials
 - a. 2019/2020 Year End Revenues and Expenses
 - b. 2021/2022 Year End Revenues and Expenses
 - c. 2022/2023 Year End Revenues and Expenses
 - d. TRC Fund Balance Report April 2018

- e. TRC Fund Balance Report April 2019
 - f. TRC Fund Balance Report April 2020
 - g. TRC Fund Balance Report April 2021
 - h. TRC Fund Balance Report April 2022
 - i. TRC Fund Balance Report April 2023
 - j. Fund Balance Memo
 - k. TRC 10 Year Capital Plan
 - l. 2023/2024TRC Budget Worksheet
- B. Memberships
- a. Class Participation Data Spreadsheet (broke down by season, session, and activity)
 - b. TRC Code Listing For Revenue Items
 - c. Membership at TRC Flyer
 - d. Membership Count by Membership Type
 - e. Membership List
 - f. Revenue by Location Report
 - g. Revenue by Membership Type Report
 - h. TRC Special Rates Packages
 - i. TRC 2023/2024 Membership Brochure
- C. Operations
- a. General Operations
 - i. 2022/23 Indoor Session 1 Class Listing
 - ii. 2022/23 Indoor Session 2 Class Listing
 - iii. 2022/23 Indoor Session 3 Class Listing
 - iv. 2022 Summer CLPD Rec Class Listing
 - v. 2023 Summer Class Listing
 - vi. Court Hours 2021 Spreadsheet
 - vii. Court Hours 2022 Spreadsheet
 - viii. Court Hours 2023 Spreadsheet
 - ix. TRC Tennis Pro Hours 2021 Spreadsheet
 - x. TRC Tennis Pro Hours 2022 Spreadsheet
 - xi. TRC Tennis Pro Hours 2023 Spreadsheet
 - xii. TRC Session and Pricing Calendar
 - b. Programs and Schedules
 - i. Court Sheets Session 2 February 2023
 - ii. Court Sheets Summer Session 2023 (June)
 - c. Staff Manuals and Resources
 - i. Drills and Games Manual
 - ii. Grips, Preparation, Serve Brochure
 - iii. Pickleball Drills
 - iv. Pro Stroke Comparison
 - v. Racket Club Front Desk Manual
 - vi. Student Progress Report
- D. Technology
- a. Technology Report (answers to specific questions from SCA)
- E. Staffing
- a. Non TRC Staff Salaries in TRC Budget Spreadsheet
 - b. TRC Employee Hours Report Worked - 2022

c. TRC Employee Hours Report Worked – YTD 2023

Rich and Jim visited TRC for two hours with Jason Herbster, Rob Laue, Kurt Reckamp, Claire Naughton, and Leanne Schmidt (in their first draft of the report, they had the wrong people who attended, with incorrect organizational titles). During the tour they saw the courts, locker rooms, childcare room, lobby area, front desk, and outdoor courts. They were very complimentary of the facility and saw the construction of the new outdoor surface. When the meeting was set up, staff asked if they could get a better picture of club operations when the outdoor courts were finished, and they said that would not have an impact on their recommendations.

3. General Response to SCA's Report

While there are components of the consultant report that are applicable, overall, the staff feel that the report falls somewhat short of the expected standards of quality, particularly in relation to its operational component. The financial areas seem to have more thought and analysis, whereas the operational component lacks much insight. This has raised concerns regarding its overall construction and level of diligence. SCA spent approximately four hours touring the facility, engaging with staff, and learning about operations. In 2019 when the CLPD worked with concession consultants, they spent four full days doing the same.

It is evident that the report was written by two different individuals, with limited editing. The original draft included several factual errors (who was present for the meeting, incorrect staff titles), misrepresentations (part-time staff are not invested), and mathematical errors (wrong %'s that Director Herbster had to alert them to). Again, there is a noticeable lack of consistency in writing style and format, particularly within the operational findings section. For instance, there are variations in the spelling of Conni's name throughout the report. While such discrepancies may seem minor individually, they collectively raise questions about the consultants' attention to detail. While the report lays out areas we should address, it lacks much realistic substance in guidance for how we should go about solving their concerns.

Furthermore, the lack of in-depth research and analysis (again specifically with the operational recommendations) within the report is a significant shortcoming. The consultant appears to have not read much of the supplied data and failed to delve into critical aspects of TRC's operations. This is evident in the limited scope of comparative data sources utilized, the absence of benchmarking against any park districts or similar clubs, the omission of key performance indicators, and several areas appear to be cut and pasted from other reports. Additionally, there were no questions that arose from any of the documents that were provided. The follow up questions that did arise from SCA (as noted on their invoice) were:

- No. of acres for the Racket Club property.
- No. of SF of the clubhouse and SF of the court area.
- Do you know the fair market value of building and real estate?
- How many indoor courts do you have?
- What is Rob's contact information?

Another aspect that warrants concern is the presentation of findings. The report often makes sweeping statements without sufficient evidence to substantiate its claims. They make statements regarding part-time staff and customer feelings, while not talking to any part-time staff or TRC members. Additionally, the consultant's recommendations appear to be hastily constructed, lacking the depth and specificity needed to address the unique challenges and opportunities facing TRC. There was no mention of the impact of investing in outdoor courts, no financial recommendations on mix of business allocation of open court times versus private, maximizing hourly court time, premium pricing for Junior Development Program, ancillary revenue streams, pro shop, racket stringing, tournament fees, use of concession area, etc.

While we do agree with some of SCA's suggestions, it is evident that the operational report on TRC lacked much necessary depth and diligence. With that being said, staff has already initiated work on selected recommendations, and is researching solutions for others. This response will detail the areas being implemented right away, those that are being researched, and those areas we feel are not appropriate at this time.

4. Areas That Are Being Implemented Right Away

Financial Recommendations

The 2023-24 season saw a raise in membership dues between 2% (families) and 10% (seniors) for residents and another 30% on top of that for non-residents. Staff's recommendation for 2024-25 is to raise all dues an additional 3%. Furthermore, staff is recommending a 5% increase in class fees and a 5% increase in private lesson fees.

Implementation of these increases will put TRC at the higher end of the pricing spectrum among local park district-operated competitors such as Hanover Park Centre Court and Arlington Heights Forest View & Heritage, and even Schaumburg Tennis Plus (which includes fitness in its membership). These increases are projected to cover the annual \$60,000 depreciation contribution to the capital fund and add nearly \$50,000 to TRC's \$300,000 fund balance overage. The full five-year plan (which will be reviewed annually) is attached to the report.

Next steps: Staff will present the updated pricing schedule to the board as part of the annual November facility recommendations. Staff will continue to work with board expectations for the \$60,000 outdoor court replacement fee, and the \$200,000 2023-2024 budgeted transfer that is scheduled to be moved out of TRC fund.

Developing a Clearly Defined Tennis Program

The development of a clearly defined tennis program is an area where the staff has concerns regarding the consultants' level of preparedness and the realism of their proposed solutions. Presently, the structure for TRC's tennis program path is as follows:

TRC publishes its class offerings in both a handout and its website each session. As such, the progression is presented in the following manner:

- Age 5-7 Pee Wee
- 5-7 Advanced Pee Wee

- 7-9 Beginner
- 7-9 Intermediate
- 7-9 Advanced
- 9-11 Beginner
- 9-11 Intermediate
- 9-11 Advanced
- 11-13 Beginner
- 11-13 Intermediate
- 11-13 Advanced
- High School Beginner
- High School Frosh/Soph
- High School Junior Varsity
- High School Varsity
- Junior Development Program (Levels Developmental thru 1)
- Adult Beginner
- Adult Advanced Beginner
- Adult Intermediate
- Adult Intermediate II
- Adult Advanced

The pathway has been designed to offer multiple skill levels in multiple age groups, allowing students to progress within their peer groups whether their development occurs quickly or slowly. This is how the various programs are laid out on both the web and hard copy informational versions.

The consultants' lack of awareness regarding this program path leads staff to the conclusion that they either did not exert sufficient effort to seek it out or, if they did, our institution has not adequately facilitated its accessibility and comprehensibility.

Because SCA mentioned LifeSport, staff reviewed their pathway program. LifeSport has incorporated a well-designed marketing piece into their brochure, offering a comprehensive portrayal of their tennis program's trajectory. This piece lays out the entire journey of tennis participation, ranging from individuals solely seeking tennis play to those with children interested in recreational tennis, all the way up to participation in travel teams.

Our program pathway mirrors that of LifeSport but our classes do entail pre-requisites and necessitate approval from professional instructors for progression. Our staff conducts individual meetings with parents to ascertain their child's objectives and to ensure they reach the next level at the appropriate time to ensure success.

Furthermore, the consultants have recommended the hiring of four additional full-time staff members. However, based on the historical information provided earlier in the report, the staff remains skeptical about the feasibility of accommodating such a substantial increase in full-time positions within the facility's budgetary constraints.

Next Steps: The staff will collaborate with the marketing department, drawing insights from successful practices employed by other clubs (like LifeSport), to enhance the

signage and promotional collateral aimed at effectively communicating the various pathway options available to our members.

Furthermore, staff will continue their one-on-one engagement with parents to ensure a comprehensive understanding of the requirements necessary for progressing along the pathway.

While the necessity for hiring four new full-time staff members is not deemed imperative, it is acknowledged that Conni's current role encompasses a significant scope of responsibilities. Given Conni's dedicated service spanning over 30 years, the organization recognizes the need for succession planning. Although the appointment of four full-time staff members may seem excessive, the substantial growth witnessed in recent years may necessitate the recruitment of two individuals to eventually succeed Conni. Staff will collaborate closely with Conni to identify areas where additional support can be provided and will commence the development of a succession plan to address the potential transition when she contemplates retirement.

Implementing Cardio Tennis

TRC (TRC) has a longstanding history of offering Cardio Tennis sessions, a program that has been mildly successfully depending on the season. Currently we have a class on Mondays (10-15 participants) and Thursdays (10-15 participants).

Staff had concerns about the appropriateness of this recommendation as Jim is heavily involved in the sales of Cardio Tennis. One of his preliminary suggestions was to encourage TRC staff members to pay to enroll in his upcoming Cardio Tennis seminar.

Next Steps: We will continue offering Cardio Tennis to all TRC members. We will also collaborate with the marketing department to enhance the visibility and promotion of Cardio Tennis offerings, with the aim of increasing awareness and participation.

Utilizing The Clay Courts

The staff agrees with the consultants' assessment that our clay courts possess distinctive qualities, are unique, and worthy of celebration. These courts represent an asset that we take pride in and derive satisfaction from providing to our membership. However, it is important to acknowledge that their appeal varies among our members, resulting in differing levels of interest. Throughout the years, we have undertaken various initiatives to stimulate increased utilization of the clay courts, including:

- Free access to members on Sundays
- USTA junior clay court tournaments
- Club clay court championships
- French Open-themed member mixers
- Weekend mixed doubles competitions
- Summer drop-in play several times weekly at reduced prices and featuring complementary coffee & doughnuts
- Clay court cardio classes
- Reduced hourly rental rates during the month of September
- Clay court-specific instructional clinics

Next Steps: This presents another opportunity for collaboration with our marketing department to bolster awareness among our membership and the broader community. We will work with our marketing department to promote the benefits of our clay courts, accentuating the impact on the joints.

To invigorate interest and increase court utilization, our staff will explore avenues for diversifying our programming. This may entail the introduction of clinics, workshops, and social events specifically designed to encourage greater engagement with our clay courts.

In the interest of ensuring the courts' continued excellence, we may find it necessary to work with our Parks Department to address maintenance and safety considerations. In pursuit of optimal playing conditions, TRC's staff will undertake regular assessments of the playing surface's quality.

Implementing Pickleball

During our initial meeting with SCA we asked for their recommendations on how to implement pickleball into a tennis facility. Their response was "if you can figure out how to effectively manage pickleball and tennis at the same time you accomplished something that nobody else in the industry has mastered and you have solved an industry wide problem." This was an example where staff felt that the consultants provided a recommendation, but limited guidance for implementation.

Currently these are the steps staff has taken to try and maximize pickleball exposure within TRC:

- Several annual tournaments spanning all four seasons at both Spoerl & TRC
- "Biathlon" events that incorporate both tennis & pickleball
- Open gym-style drop-in sessions offered four times weekly with very low rates to members & non-members alike
- Several weekly classes offered each of the four registration seasons
- Weekly indoor drop-in drill & play clinic
- Seasonal clinics
- Pickleball lines added to new TRC outdoor hard courts to accommodate 8 additional courts of play
- Weekly league during indoor season
- Currently 15 different weekly permanent court time groups
- Annual summer Crystal Lake Pickleball Festival co-sponsored with Dunkin'
- Constant ongoing maintenance of indoor courts 7 – 9 & practice lane to accommodate dual-use tennis/pickleball net adaptation system

Next Steps: Given the escalating popularity of pickleball, it is evident that addressing this recommendation will be an ongoing process spanning several years. Based on the findings from the community survey, the observed activity levels at TRC, and the extensive utilization of Spoerl Park, the demand for pickleball services is very high.

In the short term, our staff will persist in evaluating various aspects, including membership options, schedule management, educational initiatives, tournament organization, instructional programs, and a comprehensive cost-benefit analysis comparing pickleball to tennis. These measures are aimed at optimizing our pickleball offerings in response to the current demand. Long term, we may need to contemplate the potential expansion of TRC to incorporate dedicated pickleball courts. This would position us to accommodate the sustained growth of pickleball enthusiasts while enhancing the overall facilities and services offered by TRC.

5. Recommendations Being Researched

Rethinking Staffing Structure

The consensus among our staff aligns with the observations made by the consultants regarding the challenges associated with finding high-quality tennis talent. Furthermore, we acknowledge the significance of evaluating our employee compensation packages, a process that we uphold through the district's established merit-based evaluation system.

While the notion of transitioning toward an incentive-based compensation structure presents an intriguing prospect, we must respectfully disagree with the consultant's assertion that it carries zero risk for the Park District. Currently, our group and private lesson classes operate at or near full capacity across multiple areas. This situation prompts us to consider whether we would be overcompensating instructors for classes that have already reached their maximum capacity. Such a scenario could potentially result in increased salary expenses without a corresponding rise in revenue, raising legitimate financial concerns.

At a broader organizational level, there are overarching cultural considerations surrounding the implementation of a commission-based system solely for one group of instructors. We must consider that the park district encompasses various other areas such as group fitness, sailing, art, dance, and more, where employees may perceive disparities in the application of incentive-based compensation systems.

In light of these multifaceted considerations, it is imperative that we undertake a thorough and comprehensive analysis before implementing any changes to our compensation structure.

Next Steps: In our pursuit of best practices, we have reached out to fellow park districts across Northern Illinois to find a similar compensation system for tennis professionals, specifically an incentive-based pay structure. The goal is to find a procedure to use as a starting point to create a system. Regrettably, we have encountered limited examples to date, with the Park District of Highland Park being the sole entity with a relevant but ultimately unsuccessful initiative.

Our objective is to identify a framework that can serve as a foundation for the establishment of commission levels. This pivotal step will enable us to conduct a comprehensive cost-benefit analysis to ascertain the feasibility of sustaining profitability within our tennis lesson programs. For example, would the incentive fee be the same

for all pros or in line with current hourly rate, how would incentive fee be affected by cancelations, would payment include PCT, would it be distributed per session, what percentage points should be used, how do we incorporate when pros sub for other pros, etc.

Furthermore, we recognize the importance of refining our registration tracking methods to distinguish between instructor-driven registrations and those stemming from standard registration processes. This data refinement is essential in facilitating a more accurate evaluation of our incentive-based payment system's impact.

The Park District is switching over to a new time and attendance software system with training in the upcoming months. We will communicate with them our thoughts about an incentive-based payment system and how that can be applied to our current payroll system.

Analyzing The Viability of Switching to Standalone Tennis-Specific Software

SCA stated that "this recommendation has unique challenges that may not make it feasible. The foremost concern is the requirement for a strong and reliable internet connection to make the software operational. Given that the facility currently lacks reliable IT service, securing such connectivity could mean additional investments.

The second major hurdle is the Park District's willingness to allow the tennis facility to "disconnect" from the two Park District systems. We have worked very hard to make TRC feel like they aren't an isolated island and an integral part of the CLPD. Additionally, there are concerns and reservations from our Business Services department. We would not be able to fully break away from our financial system, and adding an entirely new system to integrate would present many challenges.

While we wouldn't want to completely break away from the current software systems, the idea of online reservations is worth researching.

Next Steps: Staff are working with two software companies to get pricing and learn more about their offerings. The first is Racquet Desk, which SCA recommended. Staff had to reach out multiple times but were finally able to setup a Zoom meeting for October. Staff also had a conversation with our current software provider, Vermont Systems, to see what platform was available through their system. Staff will continue to talk with other park districts to find one that uses an online booking system (Lifesport does not currently allow online tennis reservations).

Staff will also work with our IT consultants to review what would be needed for bandwidth and security for a potential new system.

6. Areas Staff Feel Are for Future Consideration, but Not Applicable at This Time

Convert Child Care into Fitness Space/Silver Sneakers

At many times over the past ten years, staff and board have considered converting space into a fitness specific room. Doing the cost-benefit analysis each time proved it would not be a successful venture.

The room in question is relatively small, which presents several challenges for creating an effective fitness center. The limited space would severely restrict the types and quantities of fitness equipment. Lifesport, the club referenced as a comparison, offers personal training, Pilates, group fitness, fencing, and is described as a state-of-the-art fitness center with 1,000's of members. Their fitness area is many times larger than the space we have to offer.

Converting the room into a fitness center would likely entail significant renovation costs. We would need to invest in specialized fitness equipment, flooring, ventilation, and potentially structural modifications to ensure safety and functionality. These expenses could outweigh the potential benefits, especially if the room's size limits its usefulness.

It's important to consider the demand for a fitness center within our club. If there is not sufficient interest or demand among our membership, the investment in creating a fitness center may not be justifiable. Within the last few years, membership surveys have been conducted and results indicated no interest from members. Without a fitness room, Silver Sneakers would not be applicable.

Next Steps: Staff will keep this option as a potential possibility in the future.

Conclusion

While the staff harbors reservations about certain recommendations put forth by SCA, we did ultimately end up at the same conclusion. We agree that the implementation of minor changes to our business model will continue to drive cost recovery for operational and capital needs.

This comprehensive review has been a valuable exercise in reexamining how we do business and given us areas to focus on. Park District Staff and Board have made many changes over the last few years that have resulted in increased TRC profitability. The fund is now compliant with the district's fund balance policy and there is a plan for sustained profitability over the next several years. Notably, TRC continues to be the largest revenue producer for the CLPD, one of our busiest locations, and an asset to the community. We look forward to many more years of recreation at the facility.

Date	TRC Fund Balance Total	Fiscal Year Budgeted Expenses	Required Funds Per Policy	TRC Fund Balance Percentage
April 30, 2018	\$ 11,183	\$ 1,290,500	\$ 258,100	1%
April 30, 2019	\$ 131,583	\$ 1,266,069	\$ 253,214	10%
February 29, 2020	\$ 276,937	\$ 1,119,836	\$ 223,967	25%
April 30, 2020	\$ 103,324	\$ 1,119,836	\$ 223,967	9%
April 30, 2021	\$ 104,656	\$ 1,178,867	\$ 235,773	9%
April 30, 2022	\$ 244,971	\$ 1,190,337	\$ 238,067	21%
April 30, 2023	\$ 478,096	\$ 1,192,916	\$ 238,583	40%
August 30, 2023	\$ 515,224	\$ 1,424,283	\$ 284,857	36%

(Fiscal year 23/24 budgeted expenses includes a \$200,000 transfer to CIP)

TRC	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total Revenue	\$ 1,406,367	\$ 1,400,488	\$ 1,378,749	\$ 1,379,921	\$ 1,263,005	\$ 1,180,162	\$ 963,128	\$ 915,532	\$ 1,166,643	\$ 1,325,949
Total Expense	\$ 1,550,950	\$ 1,517,274	\$ 1,497,395	\$ 1,341,299	\$ 1,179,876	\$ 1,059,761	\$ 991,388	\$ 914,200	\$ 1,026,328	\$ 1,093,867
Profit/Loss	\$ (144,583)	\$ (116,786)	\$ (118,646)	\$ 38,622	\$ 83,129	\$ 120,401	\$ (28,260)	\$ 1,332	\$ 140,315	\$ 232,082

TRC Price Increase Model																																																															
1.03 Monthly Membership Dues										1.05 Classes			* Private Lessons			* Court Time Rentals			1.03		1.03					0.2																																					
Year	Increase %	Type	Res	Res \$	NR	NR \$	Months	Total	Total	Increase %	Hours	\$	Total	Increase %	Hours	\$	Total	Increase %	Hours	\$	Total	Increase %	Other Revenue	TOTAL Revenue	Increase %	Operating Expense	Special Expense	Capital Depreciation	TOTAL Expense	TOTAL Profit	Fund Balance	Fund Balance Requirement	Fund Balance Surplus																														
2023-24		Senior	86	\$11.00	169	\$14.00	12	\$39,744	\$288,084		18885	\$20.50	\$387,143		2261	\$80.00	\$180,880		3060	\$26.00	\$79,560		\$353,028	\$1,288,695		\$1,192,916	\$0	\$60,000	\$1,252,916	\$35,779	\$551,003	\$250,583	\$300,419																														
		Junior	93	\$17.00	198	\$22.00	12	\$71,244																																																							
		Individual	64	\$30.00	123	\$39.00	12	\$80,604																																																							
		Partners	39	\$37.00	52	\$48.00	12	\$47,268																																																							
		Family	37	\$46.00	40	\$60.00	12	\$49,224																																																							
2024-25	1.03	Senior	86	\$11.25	169	\$14.75	12	\$41,523	\$297,726	1.05	18885	\$21.50	\$406,028	1.050	2261	\$84.00	\$189,924	1.000	3060	\$26.00	\$79,560	1.03	\$363,619	\$1,336,856	1.03	\$1,228,703		\$60,000	\$1,288,703	\$48,153	\$599,155	\$257,741	\$341,415																														
	1.03	Junior	93	\$17.50	198	\$22.75	12	\$73,584																																																							
	1.03	Individual	64	\$31.00	123	\$40.25	12	\$83,217																																																							
	1.03	Partners	39	\$38.00	52	\$49.50	12	\$48,672																																																							
	1.03	Family	37	\$47.50	40	\$61.75	12	\$50,730																																																							
2025-26	1.03	Senior	86	\$11.50	169	\$15.00	12	\$42,288	\$306,591	1.05	18885	\$22.50	\$424,913	1.000	2261	\$84.00	\$189,924	1.077	3060	\$28.00	\$85,680	1.03	\$374,527	\$1,381,635	1.03	\$1,265,565		\$60,000	\$1,325,565	\$56,070	\$655,226	\$265,113	\$390,113																														
	1.03	Junior	93	\$18.00	198	\$23.50	12	\$75,924																																																							
	1.03	Individual	64	\$32.00	123	\$41.50	12	\$85,830																																																							
	1.03	Partners	39	\$39.25	52	\$51.00	12	\$50,193																																																							
	1.03	Family	37	\$49.00	40	\$63.75	12	\$52,356																																																							
2026-27	1.03	Senior	86	\$11.75	169	\$15.25	12	\$43,053	\$315,387	1.05	18885	\$23.75	\$448,519	1.024	2261	\$86.00	\$194,446	1.000	3060	\$28.00	\$85,680	1.03	\$385,763	\$1,429,795	1.03	\$1,303,532		\$60,000	\$1,363,532	\$66,263	\$721,489	\$272,706	\$448,783																														
	1.03	Junior	93	\$18.50	198	\$24.00	12	\$77,670																																																							
	1.03	Individual	64	\$33.00	123	\$43.00	12	\$88,812																																																							
	1.03	Partners	39	\$40.50	52	\$52.75	12	\$51,870																																																							
	1.03	Family	37	\$50.50	40	\$65.75	12	\$53,982																																																							
2027-28	1.03	Senior	86	\$12.00	169	\$15.50	12	\$43,818	\$324,132	1.05	18885	\$25.00	\$472,125	1.023	2261	\$88.00	\$198,968	1.000	3060	\$28.00	\$85,680	1.03	\$397,336	\$1,478,241	1.03	\$1,342,637		\$60,000	\$1,402,637	\$75,604	\$797,093	\$280,527	\$516,565																														
	1.03	Junior	93	\$19.00	198	\$24.75	12	\$80,010																																																							
	1.03	Individual	64	\$34.00	123	\$44.25	12	\$91,425																																																							
	1.03	Partners	39	\$41.75	52	\$54.25	12	\$53,391																																																							
	1.03	Family	37	\$52.00	40	\$67.50	12	\$55,488																																																							
5-Year Total																																																															

* % based on static increases so as to make easily divisible by multiple patrons or half-hours.



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CONFIDENTIAL

July 22, 2023

Jason Herbster, Executive Director
Eric Anderson, President, Board of Park Commissioners
Crystal Lake Park District
1 E. Crystal Lake Avenue
Crystal Lake, IL 60014

Re: The Racket Club Financial and Operational Assessment

Dear Jason & Eric,

The Crystal Lake Park District engaged Sports Club Advisors, Inc. ("SCA") to provide consulting services to Crystal Lake Park District (the "Park District") in connection with the financial operations of its facility known as "The Racket Club" (the "Club").

Specifically, you asked us to:

- A. Review the Park District's financial statements relative to the Club, including the Club as a separate fund, and make recommendations to improve the Club's profitability.
- B. Review the Club's current programs and pricing strategy and make recommendations to ensure the Club's programs and services are competitively priced based on market data, including a differential pricing model for non-Park District residents.
- C. Review the Club's systems, operations, scheduling, and staffing practices and recommend ways to improve the efficiency of the Club.
- D. Build a financial model and projections to demonstrate that if our recommendations are implemented, the Club will be able to meet its financial obligations and consistently transfer surplus funds to the Park District's general fund each year.
- E. Prepare a Market Assessment of the Club. The Market Assessment will include a valuation of the Club, a discussion of the most likely buyers, how long it would take to sell the Club, and an estimate of the associated transaction costs.

1. PROCESS

We visited the Club on May 25, 2023. We received a tour of the facility and had a 2-hour meeting with Rob Laue, Manager of the Club, Jason Herbster, Executive Director of the Park District, and Kurt Reckamp, Superintendent of Recreation Programs and Facility Services. Leanne Schmidt, The Club's

Business Manager, provided us with all of the financial and operations-related information we requested. In addition, Jim Bates of Sports Club Advisors had two one-hour follow-up interviews with Rob Laue and Conni Stinek, Director of Tennis to discuss the Club's tennis programs and staffing. We collectively refer to these individuals as "Management."

We reviewed the information Management provided us and followed up with additional questions.

We then performed some limited market research by asking the general managers at several for-profit tennis centers about pricing strategies and operational key performance indicators (KPIs).

We then consolidated our findings in the following report.

2. MARKET-BASED PRICING STRATEGY

When the Park District initially retained us, the Club did not have a differential pricing strategy for resident and nonresident members. When we met with Management, we learned that the Club had recently implemented a new pricing strategy that includes the following:

- Monthly dues will increase by \$1 for residents for each membership type.
- There will be a 30% increase in monthly dues for each nonresident membership type.
- Hourly class rates will increase by \$1 a year starting in 2024 (from \$20.50 to \$22.00), a 7% increase.
- Private lesson & court rates will increase in 2026 from \$80 to \$85 (a 6% increase).
- Court time rates will increase by \$1 a year starting in 2023 from \$26/hour to \$27/hour. That's a 4% increase.

The above is summarized from the Memorandum from Mr. Laue to Park District board and management dated January 11, 2023, (attached as **Exhibit A**) and the TRC Price Increase Model (the "TRC Model") that Management prepared dated January 2023 (attached as **Exhibit B**).

These changes aim to create a significant difference between resident & nonresident monthly dues and to ensure that nonresident members pay a market-based rate since their taxes do not support the Park District or the Club.

A. Recommendations

We believe the Club's proposed differential pricing strategy accomplishes the primary goals it set out to achieve and that the price increases proposed are reasonable. In addition, the pricing differential between residents and nonresidents is similar to that of other park districts in the area.

I. Increased Dues and Fees are Still Below Market

That said, we believe the current pricing is still significantly below market. For example, the proposed individual member dues for a nonresident is \$39/month, and for a Junior Tennis member is \$22/month. At LifeSport (a privately owned, suburban tennis club), individual tennis membership dues are \$70/month, and Junior tennis dues are \$44/month. That suggests that the Club is underpricing its services for nonresidents by 79% in the case of individual members and by 100% in the case of junior tennis members.

We should note that most private tennis clubs, like LifeSport, include access to a small fitness center and fitness studio in their fees. Still, based on usage patterns, members who buy a tennis membership do not use the fitness facilities very often, so they do not see that as important in their

decision to join or not. However, the fitness facilities at tennis clubs typically draw a different type of customer and can expand the Club's offerings and membership base.

As a result, we recommend taking advantage of the pricing change that the Club is currently implementing to adopt a more aggressive and systematic approach to price increases over the long term.

Rather than a complicated pricing strategy with different dues and fees increasing at different rates in different years, we recommend that the Club consider a standardized price increase formula implemented across the board (dues, court time, lessons, etc.) every year.

For example, Midtown Athletic Clubs, one of the largest tennis center operators in the country, increases their rates a fixed amount across the board every year. The Club might consider this approach as well.

This approach has several benefits. First, the increases are relatively small, so most resident customers won't notice them and won't complain. For nonresidents, who will see the largest price increases, they will still be paying significantly less than they would at a for-profit tennis center. Second, customers get used to the regular increases and prefer them over getting a big increase every three to five years. Third, it allows Management to effectively budget for three years without the uncertainty of trying to get customers to accept large price increases every five years.

II. Increased Dues Are Not Even Across Membership Types

It appears that the increased dues are not applied evenly across membership types. For example, a \$1/month price increase applied across all membership types provides an inconsistent incremental benefit to the Club and an uneven burden on different member types. For example, a \$1 increase on a resident senior membership of \$10 is a 10% increase, while the same \$1 increase on a \$45 resident family membership is only a 2% increase. This puts the burden of the price increases on certain lower-priced membership types while benefiting higher-priced membership types.

The low-priced membership types are often the members that utilized the Club during the slow hours. If they are utilizing open play court time that otherwise would not be sold then a flat price increase across all membership types places a higher burden on these members and could cause the Club to lose these members.

To make matters fair, even, and consistent, we recommend a flat 10% increase across all membership types. This way, the burden of the price increase is shared evenly across all membership types, and the incremental value to the Club is significantly higher.

III. Nonresident Members are Still Not Paying Their Fair Share

The differential pricing strategy only applies to a nonresident's monthly dues. We did not see any mention of how the Club would apply differential pricing to other fees. Nonresident members are still paying much less than market rates for court time, private lessons, etc. As a result, once Management understands what impact the recent increase in nonresident dues had on overall membership levels, we recommend that Management evaluate a two-tiered pricing structure for nonresident members that includes all of the Club's other services. If a two-tiered pricing structure is not practical, then we recommend increasing nonresident dues again in two to three years.

3. FINANCIAL STATEMENT REVIEW

We reviewed the Club's financial performance for the last four years. The Club suffered during COVID, like many fitness centers, but seems to have benefited substantially from a renewed interest in tennis post-COVID like many tennis centers across the country.

As a result, in the last two years, the Club's 2023 revenue at \$1.3 million is 12% higher than it was in 2019, pre-COVID. In addition, the Club has made significant improvements in its net income, increasing it from \$120K in 2019 to \$240K in 2023.

In addition, the TRC Price Increase Model (attached as **Exhibit B**) that Management prepared demonstrates that the Club can fund its own anticipated capital expenditures¹ and contribute \$50,000 per year to the Park District's capital fund. This is good, and a significant improvement over years past, but it will still take the Club 20 years to repay the Park District the roughly \$1 million spent this year to replace several outdoor courts, not including the cost of capital, so we recommend that the Club consider ways to improve profitability.

Based on Management's financial model, we have several recommendations.

A. Recommendations to Improve Profitability

- I. Management should not be shy about price increases. Consider implementing a small annual increase of 5% per year to dues and all fees so customers become accustomed to regular, annual price increases.
- II. There is a lot of empty or underutilized space in the clubhouse. Convert non-revenue generating space (storage space) into a small fitness center with a weight machine, a stair machine, a treadmill, and a bike. Convert the childcare room into a fitness studio for yoga, tai chi, and other small group classes. Create a separate membership type for people who just want to use the fitness center. Charge current members more if they want to add the fitness center to their existing membership. The cost to outfit a small fitness center and convert the childcare space to a fitness studio with hardwood floors and mirrors will depend on the level of finish, the types of equipment, etc. so it is beyond the scope of this report. That said, we estimate that you could probably do both for between \$100, 000 and \$150,000.
- III. Consider renting the fitness studio space to fitness instructors to host their classes if the Club doesn't want to manage fitness classes and recruit, supervise, and compensate fitness instructors. This can be a source of consistent revenue for the Club. Many for-profit tennis centers and sports facilities use this model, including Life Sports and Libertyville, which sold the Libertyville Sports Complex to Canlan Sports in February 2023.
- IV. Adding a small fitness center will allow you to participate in the [Silver Sneakers](#)/One Pass programs, generating regular, recurring, incremental revenue for the Club. Silver Sneakers/One Pass is a health and fitness program included with many Medicare Plans and

¹ These include resurfacing the indoor courts, replacing the clubhouse flooring, and replacing the indoor court nets, curtains, and pads.

caters to adults age 65+ that provides seniors with access to fitness centers.

- V. Continue to fund the Club's capital reserves but defer capital expenditures until they are needed. For example, the 10-Year Capital Plan that Management provided projects spending \$45,000 to replace flooring next year and \$346,000 to replace the building siding, redo sidewalks, paths, and patio, and rebuild the pavilion the following year. During our tour, these items looked well-maintained and did not appear to need immediate repair or replacement. As a result, we recommend deferring unnecessary capital improvements and focusing capital investments on things that can generate additional revenue, like converting the childcare room into a fitness studio and the storage area into a workout space.

4. FINANCIAL MODEL AND PROJECTIONS

As stated above, we reviewed the Excel spreadsheet entitled TRC Price Increase Model created by Management (attached as **Exhibit B**) (the "TRC Model") that includes financial model and projections. We determined that both Management's assumptions, and model itself, were sound. The model demonstrates that the Club can fund its own projected capital expenses and contribute \$50,000 a year to the Park District's general fund.

However, we modified that model to create the Sports Club Advisors - TRC Price Increase Model (the "SCA Model") that illustrates what impact the recommended pricing changes would have on the Club's overall operations, including its ability to self-fund capital improvements, and contribute to the Park District's general fund. A copy of our model is attached as **Exhibit C**.

This model assumes Management's proposed \$1 monthly resident dues increase and a 30% increase in nonresident dues in 2023-2024. However, it also includes a 5% annual increase in dues (resident and nonresident), classes, private lessons, and court rental times starting in 2024-25.

The model does assume any incremental revenue that might come from programming changes or changes in service offerings like a new fitness center or fitness studio.

A. Comparison of the Two Models

As the following comparison shows, a more aggressive and across-the-board approach to increasing fees produces much more attractive financial results for the Club.

	TRC Model	SCA Model
2024 Net Profit	-\$22,102	\$31,603
2025 Net Profit	\$28,063	\$137,971
2026 Net Profit	\$49,686	\$205,551
2027 Net Profit	\$93,560	\$313,044

It is important to note that even with the proposed price increases, the Club's membership dues and associated fees would still be roughly 50% lower than at a similar for-profit tennis center.

The example below shows the projected 2024 dues for a Club member compared to current dues at a similar for-profit tennis club.

Monthly Dues Type	TRC-Resident	TRC-Nonresident	LifeSport
Individual Tennis Dues	\$32	\$42	\$70
Junior Tennis Dues	\$18	\$23	\$44
Fitness Dues (no tennis)	\$0	\$0	\$34

The significantly lower prices, combined with the high court usage rates today, suggests that Management should not be overly concerned that the proposed price increases will have a significant or long-term impact on overall membership levels or court usage rates.

The recommended price increases would enable the Club to self-fund capital improvements, invest in full-time tennis staff, and contribute substantially more to the Park District's general fund, while still providing residents and non-residents a highly a first-rate tennis facility, at highly discounted prices.

4. OPERATIONS REVIEW

As noted above, the facility experienced a "COVID bump". Ten years ago, the objective was just to fill up the courts. Now the facility is at ~80% capacity.

Eighty percent capacity is impressive. So, one perspective is "if it's not broken, don't fix it". However, on further examination, a more accurate assessment is the facility is at 80% capacity due to a COVID bump that has happened organically through no efforts of the facility or the park district. And it is very fragile. Today the challenge is maintaining that capacity while trying to keep your head above water.

Why is ~80% capacity so fragile? Because if a handful of key employees leave, the 80% capacity could experience a significant drop in a relatively short period.

Challenge: The facility does not have the staffing depth to accommodate the current demand for lessons. This is a very precarious position. Currently, there are 19 tennis pros on staff. However, only three of the nineteen are full-time teaching pros. This creates several problems:

- Most of the part-time teaching pros are doing the bare minimum.
- The quality of customer service and on-court delivery is weak.
- Many times, things fall through the cracks without follow-through.
- In general, there is no formal staff structure, no communication as a real team, or regular staff meetings.

This should not come as a surprise. Part-time employees do not have the same passion, incentives, and commitment as full-time employees. The result is that the burden of follow-through and execution falls upon a few dedicated full-time employees who are overwhelmed. Most notably, Conni Stinek (the Director of Tennis) and one of the full-time pros who is personally invested in the success of the program and is very organized. The other two full-time pros are relatively strong on court but do not appear interested in program development and/or off-court administration. The rest of the staff has no interest in the program other than teaching their handful of part-time hours.

Given this lack of human capital, there is no real structure to the overall program. There is no clearly defined Junior Tennis pathway. There is no dedicated employee for Adult Tennis. There is no

dedicated employee for Special Events. There is no dedicated employee for Junior Performance. Without these, the Club's overall tennis program will never excel.

Other minor challenges where the facility and/or the program can be enhanced:

- A. There is no Cardio Tennis offered. This has been tried in the past but remains elusive. Cardio Tennis provides several great benefits:
 - I. It can be highly profitable because it allows for a larger student-to-instructor ratio.
 - II. It allows all fitness and skill levels to be on one court. This promotes a greater sense of community within the membership, providing an opportunity to meet other members outside of their immediate skill level.
 - III. Cardio Tennis is an additional class offering for anyone and everyone.
 - IV. Cardio Tennis is a great bridge to introduce the game of tennis and the facility to non-members.
 - V. Cardio Tennis is a way to attract the "GroupX" demographic.
- B. The outdoor clay courts are not being utilized to their potential.
 - I. Great clay courts are rare and should be celebrated.
 - II. There needs to be a better exploration of how to introduce the membership to the fun, enjoyment, and benefits of playing on clay courts.
- C. The facility does not use tennis program-specific software.
 - I. Currently, the facility utilizes Excel-based court sheets that are updated by hand. This does not allow members to sign up for open courts, classes, lessons, or special events online.
 - II. The facility also utilizes two different software systems, neither of which is tennis specific.
 - III. In essence, the facility has three separate systems: a) a manual system for daily court sheets, b) a park district software for member management, sign-ups and billing, and c) financial software for financial reporting.
 - IV. Three different systems are inefficient compared to one overall facility management system that could meet and provide all tennis-specific needs.
- D. Many current tennis-specific SaaS products offer a one-stop shop that includes:
 - I. Smartphone app
 - II. Online tennis reservations
 - III. Point of sale systems
 - IV. Group, lesson, and open court management
 - V. Electronic billing

- VI. Member and employee management
- VII. Payroll
- VIII. Member communication
- IX. Employee communication
- X. Robust reporting features
- E. The challenge of Pickleball integration.
 - I. This is an evolving topic within the industry.
 - II. There are a number of challenges to integrating pickleball into a facility, but it represents a major opportunity for growth if done intelligently.

F. Recommendations

Recommendation #1: Rethinking Staffing Structure.

The Club should take steps to attract talented teaching pros that are passionate and dedicated, preferably full-time teaching pros. Without a shift toward more full-time employees/pros, many of the challenges the facility faces will not be addressed and retaining the current ~80% capacity the facility has received from the "COVID bump" will not last.

This is easier said than done. Currently, there is a limited talent pool. The tennis industry is just one of many industries across the country that is experiencing a lack of available talent. Therefore, to attract and retain talented employees, the park district must consider creative compensation structures in order to be competitive. Yes, it could be as simple as raising the hourly wage. However, a more incentive-based compensation structure is recommended. It could help by motivating the part-time teaching pros to perform better without finding and hiring more full-time staff. There are several ways to provide a more incentive-based compensation structure to incentivize the existing staff and/or acquire new staff that involves zero risk to the park district. Examples include:

- Hourly plus commission-based pay based on class sizes. This structure motivates teaching pros to provide high-quality lessons and customer service, resulting in high and repeat class enrollment. Once the facility's minimum gross margin per class/lesson is calculated, then the pro receives a commission or a certain number of dollars per hour increase to their pay based on the gross revenue or enrollment of that class.
- Residual income from attracting and retaining new members. This compensates an employee for attracting, acquiring, and retaining new members. The employee who follows up on new inquiries, reaches out to the community, or offers high-quality customer service plus on-court delivery will attract new members to join the club. Pay the employees a monthly residual on a portion of that new member's monthly dues for the lifetime of that membership.

Recommendation #2: Develop a Clearly Defined Tennis Program.

Once there is a shift in the culture and quality of the teaching pro staff, the Club should develop a clearly defined and structured tennis program. There should be a mission statement, an organizational chart, and defined pathways for each type of player. In essence, a team needs to be built around Conni Stinek so she can delegate and manage vs. the status quo of Connie trying to be

all things to all people. Specifically, there should be a tennis pro staff member taking on the duties of:

- Director of Adult Tennis: Responsible for managing, development, and customer service of all adult lessons and programming (Adult leagues, travel teams, etc.)
- Director of Junior Tennis: Responsible for managing, development, and customer service of all junior lessons and programming. In addition, a "Junior Pathway" should be defined to communicate to the staff, parents, and students on how a U12 (or lower) beginner moves from level to level, the skills to be developed to advance to each level, and an end goal of either feeding into "11 – 17 level" (i.e. high school team/social) or "High Performance" (i.e. those aspiring to obtain a ranking or to play collegiate tennis).
- Director of Special Events: Responsible for developing social events (i.e. doubles night on the clay, or Friday night couples mixers, etc.), Cardio Tennis, and other club events (Example: Club Championships).
- Director of Pickleball: If pickleball is going to be intelligently integrated into the facility, then there should be a specific employee overseeing the pickleball integration and programming.

Adding this structure to the organization/staff will increase the quality of the customer service and help everyone from the pro staff to the front desk direct the appropriate inquiries, questions, and complaints to the appropriate "specialist" on the staff. In general, a more organized and efficient structure will lead to great employee and member satisfaction.

Another idea to consider, given the limited talent pool of teaching pros available, is that some or all of the administrative duties of these various departments could be performed by non-teaching pro employees. Example: Does there need to be a Director of Junior Tennis? Yes. Does that person need to be a teaching pro? Yes. But could there be an additional part-time administrative position to assist Connie; and the part-time staff who could be shared between the various Directors? This should be considered as well because part of the challenge of building this structure is time. Where do teaching pros find the off-court time if they have a full-time on-court schedule? And how do you compensate them for being a Director? Again, this is where incentive pay, or a small salary becomes necessary. Without the pro receiving a commission on their department's revenues or a small salary for their off-court responsibilities, how will you attract and incent them to take on these responsibilities?

It goes without saying that hiring four additional full-time staff members represents a significant increase in the Club's operating expenses. A full analysis of the compensation structure and pricing adjustments required to enable the Club to afford these positions is beyond the scope of this engagement, but it emphasizes the importance of the Club adjusting its overall dues and fees structure as proposed in Section 2 above, so the Club has sufficient operating cash flow to be able to invest in the people who make the Club and its programs a success.

Recommendation #3: Implementing Cardio Tennis.

This recommendation is very low-hanging fruit. First, there is a pro on staff that has Cardio Tennis experience and has the motivation to offer Cardio Tennis. That employee's skill and ability can easily be enhanced at a low cost via attending a Cardio Tennis Training Course. Those workshops are offered regularly around the country and only cost \$75 per registrant.

Again, the features of Cardio Tennis are:

- **Inclusivity.** All members can participate in any Cardio Tennis class regardless of age, fitness level, or ability level. i.e. you can have a former collegiate player and a beginner in the same class. This is an enormous fitness and social opportunity that reaches the entire membership.
- **Promotion of the facility.** Because you can accommodate any fitness and ability level on the same court any time, Cardio Tennis is a great vehicle to advertise/introduce your facility to the entire community and/or other park district facilities. This raises the profile of the facility and gets more people to try tennis. Once they are in the door, then they become curious about all the other offerings at the facility.

Recommendation #4: Utilizing the clay courts.

As mentioned earlier, great clay courts are rare and should be celebrated. However, clay is unique and can be a challenging surface to play on. The surface is softer and has a different bounce (with the potential for bad bounces), as well as a different speed, which can make movement difficult. In addition, there are different tactics for playing on clay. Because the surface is slower, rallies last longer, making patience another key to being successful on clay. But, all of the things that make playing on clay challenging are also opportunities for fun and game development.

- The softer surface has a significantly lower impact on the body than hard courts. This should be especially attractive to adult members and senior members.
- The different bounce and speed are an opportunity to fine-tune timing, footwork, and concentration (or mental focus), all things that translate to improvements on any surface.
- Learning clay court tactics such as the use of the drop shot or hitting behind your opponent, require learning new techniques and/or practicing control and precision. Again, something that benefits your overall game regardless of the surface.

The club/programming needs to better communicate and educate the membership on the benefits of playing on the clay and offer programming and special events that create excitement and enthusiasm motivating the members to utilize the clay more often. Ideas include:

- How to play on clay clinics emphasizing how learning to play on clay makes your overall game better
- Clay Court Club Championships
- Mixers and socials (Example: scheduled around the French Open TV schedule in late May would be a great kick-off to the outdoor season)

The challenge with implementing this recommendation is it falls to the responsibility of the Director of Adult Tennis and/or the Director of Special Events. These are two positions at the club that don't exist. Therefore, this recommendation will likely not succeed until the tennis pro staff culture and structure is changed.

Lastly, the fact that outdoor clay courts exist at this facility should be used in marketing efforts, especially to the senior demographic. The low impact of clay courts on the body is crucial to older players. In fact, many seniors that have had joint replacements or other physical limitations can or

will only play tennis on clay courts. This is an opportunity to market this feature of the club and use it as a differentiator from your competition.

Recommendation #5: Analyzing the viability of switching to standalone tennis-specific software.

This recommendation has unique challenges that may not make it feasible. First, a strong and reliable internet connection must exist for this to work. Currently, the facility does not possess reliable internet service. Therefore, a commitment and investment in securing reliable connectivity is necessary to implement this recommendation. Second, the park district must be willing to allow the tennis facility to "disconnect" from the two park district systems.

I believe a standalone tennis-specific software management system provides the return on investment that makes this recommendation attractive. In fact, the time and productivity gains along with potential transaction cost savings, would likely allow the software to pay for itself. Also, I believe that if Recommendation #1 and Recommendation #2 are implemented, having a powerful tool to track and calculate commissions automatically for payroll purposes is necessary, among the other administrative and reporting features the software would provide.

An investment in software where all aspects of operating the facility are in one software program will enhance productivity and efficiency across all aspects, from member management to class sign-ups, to running special events, to payroll, to the ability of members to sign up online, etc. This would help balance out the deficiencies in human capital by giving the existing employees a tool that makes their administrative tasks less burdensome and the ability to communicate internally to the staff and externally to the members more powerful.

As a first step, I would recommend a consultation with a company called Racquet Desk. Racquet offers a software package that is currently being used by over 75 facilities around the country. The features of Racquet Desk can be viewed at <https://racquetdesk.com/>. In addition, Racquet Desk is also used in Pickleball facilities. Therefore, as pickleball grows and evolves at your facility, Racquet Desk is a great option/partner to support that evolution.

Recommendation #6: Implementing pickleball.

The popularity and growth of pickleball is a tremendous opportunity, but it certainly has its challenges.

One of the first challenges a traditional tennis facility must face is that pickleball is an entirely different culture and demographic. Yes, there is some crossover to traditional tennis players, especially the older players. But this altogether different (and large) demographic pursuing pickleball must be approached and communicated with differently than the traditional tennis demographic. In addition, pickleball programming is very different from tennis programming. Pickleball is highly social and unstructured (i.e. mostly open play). This represents an opportunity to fill dead court times in the middle of the day and later in the evening (especially on weekends). Certainly, incorporating a fitness component to the facility to attract the Silver Sneakers program and demographic could be a fantastic way to add pickleball to the Silver Sneakers offering. This would increase membership and utilize dead court times in the middle of the day.

Lastly, a dedicated employee or Director of Pickleball is necessary to implement pickleball properly. The good news is that pickleball is not a long-term development sport like tennis. Therefore, it doesn't have to be a tennis pro to take on this endeavor. It is probably better if the Director of

Pickleball is not a tennis pro. All it takes is someone passionate about pickleball and willing to communicate, market, and organize fun events and clinics.

Furthermore, the Professional Pickleball Registry (<https://pprpickleball.org/>) can provide that dedicated person with education, resources, networking, and advice on teaching, organizing, and implementing a pickleball program. One of the main themes this person should embrace is the idea that tennis and pickleball are not at odds with each other. The two sports are not enemies. If it's implemented correctly, pickleball will help feed the tennis program, and tennis will help feed the pickleball program. The goal is not to convert anyone to another sport. The goal is for pickleball players to enjoy a robust pickleball offering and participate in tennis events from time to time (like Cardio Tennis or a Friday night mixer). Conversely, tennis players should play mostly tennis; but, they should also play pickleball from time to time and participate in the pickleball events. This can be accomplished if the Director of Pickleball, along with the tennis staff, are enthusiastic ambassadors for both sports.

Overall Conclusion: An opportunity exists for the facility to maintain its current capacity, to grow, and/or become more efficient and profitable. But it will not happen unless significant changes are made to the tennis staff. The reliance on part-time, non-professional tennis instructors must change in order for the facility to maintain the current membership levels for the long term.

5. MARKET ASSESSMENT

We were asked to prepare a market assessment or estimate of the Club's fair market value and discuss who the most likely buyers would be, how long it would take to sell the Club, and what transaction costs might be.

A. Fair Market Value

To estimate the fair market value of the Club, we used a capitalization of earnings approach (see **Exhibit D**, page 2.) As our analysis shows, the Club has revenues of \$ 1,325,949 and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of \$(46,474). The Club's adjusted EBITDA is negative because we needed to subtract an amount for fair market rent since the Club does not pay rent to the Park District for its facilities. If someone were to buy the Club, they would need to pay a market-based rent, which would lower the Club's EBITDA.

Using the capitalization of earnings approach, the Club has a negative value because it is not profitable. This valuation represents only the value of the Club as an operating business. It does not include the value of the Club's building or land, which are valued separately.

B. Asset Value

Because the Club is not profitable as a standalone business, the best way to estimate its value is to use the asset approach.

Using the replacement cost method, we estimate that the fair market value of the building, with 5,687 SF of clubhouse space and 64,800 SF of indoor court space, has a fair market value of approximately \$11 million (see **Exhibit D**, page 6.)

In addition, the land on which the Club is situated is approximately 10.8 acres. Local real estate brokers tell us that land is selling for approximately \$350,000 per acre in that area. As a result, the

land has an estimated fair market value of \$3.8 million. As a result, the total real estate value of the Club is approximately \$15.0 million (see **Exhibit D**, page 6.)

It is unlikely that a buyer would be able to operate the Club and generate sufficient cash flow to cover the estimated \$1.6 million in annual debt service on a \$15 million purchase price (See **Exhibit D**, page 6.)

As a result, applying the principle of "highest and best use" suggests that most buyers would be interested in developing the land into homes, apartments, or mixed-use properties.

Several types of buyers would potentially be interested in the Club. These include operators of other tennis centers like Midtown or LifeSport. Operators of sports and centers like Canlan Sports are another likely buyer. They would likely convert a portion of the indoor tennis courts into other types of sports facilities, including indoor soccer, basketball, batting cages, etc., and use some of the excess land for turf fields for soccer. However, the most likely buyers would be real estate developers who would raise the Club to develop the land for other purposes.

Selling a tennis club takes longer than selling a traditional business because there are fewer buyers, and the economics are not generally as attractive as other businesses. We estimate the sales process could take up to 12-18 months. If the Club is sold to a developer, the deal may take longer if zoning changes are required.

If the Park District were to hire a business broker or real estate broker to sell the Club, transaction fees, not including legal and accounting fees, would be approximately 4% of the selling price or roughly \$600,000.

C. Non-Sale Options

Another option that the Park District may want to consider, as an alternative to a sale of the Club, is leasing the facility to a for-profit sports facility operator like Canlan Sports. In this situation, the Park District would essentially enter into a public-private partnership and lease the Club to a for-profit club operator under a triple net lease. The lease would include an agreed-upon monthly rental fee plus a percentage of the Club's profit. This alternative has pros and cons. The pros include that the tenant operator would manage the Club, freeing up Park District management to focus on other facilities. Another pro is that the Park District would receive a monthly guaranteed rent payment, which it could use to support other activities, and the tenant would be responsible for any losses. The downside is that the Park District would lose control over operations at the Club, which could potentially reflect negatively on the Park District if the tenant operator cuts corners and does a poor job serving resident and nonresident members.

D. Recommendations

Since the Park District originally purchased the Club to provide a public service and benefit to residents of Crystal Lake, and because the Club is operating close to capacity now, it is clear that the Club is providing a valued benefit to park district residents and members of surrounding communities. As a result, the Club is fulfilling its mandate. In addition, with the recently added differential pricing strategy that the Club is implementing, it should be able to cover its operating expenses, fund its own capital fund, and contribute more to the Park District's general fund or capital fund.

CONCLUSION

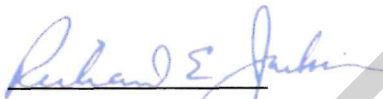
As a result, we recommend that the Park District continue to operate the Club and make minor changes to the Club's business model to ensure it is maximizing its revenue potential and covering both its operating and capital costs as described above.

As a part of an overall, long-term improvement strategy, we suggest implementing the recommendations in Section 4, The Operations Review. Bolstering the Club's staffing levels, adjusting staff compensation, and developing clearly defined tennis programs and pathways will significantly improve the Club's value proposition for the Crystal Lake community and Park District.

We look forward to answering any questions.

Sincerely,

SPORTS CLUB ADVISORS, INC.



Richard Jackim
Managing Partner

DRAFT

TO: Jason Herbster, Kurt Reckamp, Claire Naughton
FROM: Rob Laue
RE: 5-Year TRC Price Increase Model
DATE: January 11, 2023

With scheduled capital needs upcoming, a Racket Club five-year price increase model is in development. Here is the rationale behind bringing fees up to a level that may allow for steady contribution toward these expenses:

- Revenue for monthly dues, classes, private lessons, and court rentals are based on what's being projected for the upcoming 2023-24 budget. All other revenue & expenses are based on this current 2022-23 budget.
- Key fee incremental increase timing is geared towards maintaining steady revenue progress without driving away patrons with sticker shock. Emphasis is on creating significant separation between resident & non-resident monthly membership dues.
 - Dues reflect a \$1 monthly raise for residents & corresponding 30% upcharge for non-residents every other year, so three times during the five years.
 - Hourly class rates increase on years when dues rates are static.
 - Private lesson & court rate increases are staggered once each on successive years.
- Other operating revenue & expenses increase by 1% each year.
 - Other revenue includes miscellaneous smaller items such as travel team matches, leagues, tournaments, and pro shop.
 - Operational expenses have actually been trending down yearly, going from \$1,512,494 in 2014-15 to \$991,513 in 2021-22. This is a result of factors ranging from staffing cuts to operational efficiency implementations to COVID cancellations.
 - Annual operating expenses are budgeted conservatively with the realistic goal of beating them at year's end. The 1% overall annual expense increases in this cost model include a 3% annual staff salary increase and more broadly, general inflation, new areas of programming, and unforeseen emergencies.
- Capital expenses have been narrowed down to the most pressing items, spread out annually based upon urgency.
 - Outdoor court renovations are vitally important to allow the summer season to continue running. That part of the facility is in immediate danger of becoming unsafe and unfit for use, jeopardizing at least a quarter of annual revenue (and perhaps more should the result be a significant exodus of users beyond just summer).
 - Indoor court resurfacing is done, as an industry rule of thumb, every seven or eight years. In TRC's case, it has been over ten years since it was last done and spots of underlayment are showing through as it wears.
 - The clubhouse carpet will be past its fifteenth year by 2025-26. A more durable, easily maintained commercial alternative will be needed.
 - Indoor court nets, curtains, padding, and other accoutrement take a daily beating and the wear leads to rips, tears, and materials disintegration. They will be nearing 20 years by 2026-27 and ready for replacement.

TRC Price Increase Model

Year	Monthly Membership Dues									Classes			Private Lessons			Court Time Rentals			Other Revenue	TOTAL Revenue	Operating Expense	Capital Expense	Capital Repayment	TOTAL Expense	TOTAL Profit																					
	Res	Res \$	NR	NR %↑	NR \$	Months	Total	Grand Total	Hours	\$	Total	Hours	\$	Total	Hours	\$	Total																													
2023-24	Senior	75	\$11	150	130%	\$14	12	\$35,640	\$299,160	18885	\$20.50	\$387,143	2261	\$80	\$180,880	3060	\$26	\$79,560	\$353,028	\$1,299,771	\$1,192,916	\$850,000	\$50,000	\$2,092,916	- \$793,146																					
	Junior	80	\$17	160	130%	\$22	12	\$58,752													<i>Outdoor Court Renovations</i>																									
	Individual	75	\$30	150	130%	\$39	12	\$97,200																																						
	Partners	30	\$37	60	130%	\$48	12	\$47,952																																						
	Family	30	\$46	60	130%	\$60	12	\$59,616																																						
2024-25	Senior	75	\$11	150	130%	\$14	12	\$35,640	\$299,160	18885	\$21	\$396,585	2261	\$80	\$180,880	3060	\$26	\$79,560	\$356,558	\$1,312,743	\$1,204,845	\$80,000	\$50,000	\$1,334,845	- \$22,102																					
	Junior	80	\$17	160	130%	\$22	12	\$58,752													<i>Indoor Court Resurfacing</i>																									
	Individual	75	\$30	150	130%	\$39	12	\$97,200																																						
	Partners	30	\$37	60	130%	\$48	12	\$47,952																																						
	Family	30	\$46	60	130%	\$60	12	\$59,616																																						
2025-26	Senior	75	\$12	150	130%	\$16	12	\$38,880	\$311,688	18885	\$21	\$396,585	2261	\$80	\$180,880	3060	\$28	\$85,680	\$360,124	\$1,334,957	\$1,216,894	\$40,000	\$50,000	\$1,306,894	\$28,063																					
	Junior	80	\$18	160	130%	\$23	12	\$62,208													<i>Clubhouse Flooring</i>																									
	Individual	75	\$31	150	130%	\$40	12	\$100,440																																						
	Partners	30	\$38	60	130%	\$49	12	\$49,248																																						
	Family	30	\$47	60	130%	\$61	12	\$60,912																																						
2026-27	Senior	75	\$12	150	130%	\$16	12	\$38,880	\$311,688	18885	\$22	\$415,470	2261	\$85	\$192,185	3060	\$28	\$85,680	\$363,725	\$1,368,748	\$1,229,063	\$40,000	\$50,000	\$1,319,063	\$49,686																					
	Junior	80	\$18	160	130%	\$23	12	\$62,208													<i>Indoor Court Nets, Curtains, Pads, Etc.</i>																									
	Individual	75	\$31	150	130%	\$40	12	\$100,440																																						
	Partners	30	\$38	60	130%	\$49	12	\$49,248																																						
	Family	30	\$47	60	130%	\$61	12	\$60,912																																						
2027-28	Senior	75	\$13	150	130%	\$17	12	\$42,120	\$324,216	18885	\$22	\$415,470	2261	\$85	\$192,185	3060	\$28	\$85,680	\$367,362	\$1,384,913	\$1,241,353	\$0	\$50,000	\$1,291,353	\$93,560																					
	Junior	80	\$19	160	130%	\$25	12	\$65,664																																						
	Individual	75	\$32	150	130%	\$42	12	\$103,680																																						
	Partners	30	\$39	60	130%	\$51	12	\$50,544																																						
	Family	30	\$48	60	130%	\$62	12	\$62,208																																						
5-Year Total																																														-\$643,938

Sports Club Advisors - TRC Price Increase Model

Assumptions

Monthly Resident Dues Increase \$1.00 in 2023
 Annual across the board fees increase 5% starting in 2024

Year		Monthly Membership Dues									Classes			Private Lessons			Court Time Rentals			Other Revenue	TOTAL Revenue	Operating Expense	Capital Expense	Capital Repayment	TOTAL Expense	TOTAL Profit	
		Res	Res \$	NR	Total Members	NR %↑	NR \$	Months	Total	Grand Total	Hours	\$	Total	Hours	\$	Total	Hours	\$	Total								
2023-24	Senior	75	\$11	150	225	130%	\$14	12	\$35,640	\$299,160	18,885	\$20.50	\$387,143	2,261	\$80	\$180,880	3,060	\$26	\$79,560	\$353,028	\$1,299,771	\$1,192,916	\$850,000	\$50,000	\$2,092,916	- \$793,146	
	Junior	80	\$17	160	240	130%	\$22	12	\$58,752																		
	Individual	75	\$30	150	225	130%	\$39	12	\$97,200																		
	Partners	30	\$37	60	90	130%	\$48	12	\$47,952																		
	Family	30	\$46	60	90	130%	\$60	12	\$59,616																		
2024-25	Senior	78.75	\$12	150	229	130%	\$16	12	\$40,140	\$323,748	18,885	\$22.0	\$415,470	2,261	\$84	\$189,924	3,060	\$28	\$85,680	\$356,558	\$1,371,380	\$1,204,845	\$80,000	\$50,000	\$1,334,845	\$36,535	
	Junior	84	\$18	160	244	130%	\$24	12	\$64,224																		
	Individual	78.75	\$32	150	229	130%	\$41	12	\$104,040																		
	Partners	31.5	\$39	60	92	130%	\$51	12	\$51,462																		
	Family	31.5	\$49	60	92	130%	\$63	12	\$63,882																		
2025-26	Senior	75	\$13	150	225	130%	\$17	12	\$42,300	\$340,860	18,885	\$24.0	\$453,240	2,261	\$89	\$201,229	3,060	\$30	\$91,800	\$360,124	\$1,447,253	\$1,216,894	\$40,000	\$50,000	\$1,306,894	\$140,359	
	Junior	80	\$19	160	240	130%	\$26	12	\$68,160																		
	Individual	75	\$34	150	225	130%	\$44	12	\$109,800																		
	Partners	30	\$41	60	90	130%	\$54	12	\$53,640																		
	Family	30	\$52	60	90	130%	\$67	12	\$66,960																		
2026-27	Senior	75	\$14	150	225	130%	\$18	12	\$45,000	\$362,760	18,885	\$26.0	\$491,010	2,261	\$94	\$212,534	3,060	\$32	\$97,920	\$363,725	\$1,527,949	\$1,229,063	\$40,000	\$50,000	\$1,319,063	\$208,887	
	Junior	80	\$20	160	240	130%	\$28	12	\$72,960																		
	Individual	75	\$36	150	225	130%	\$47	12	\$117,000																		
	Partners	30	\$44	60	90	130%	\$57	12	\$56,880																		
	Family	30	\$55	60	90	130%	\$71	12	\$70,920																		
2027-28	Senior	75	\$15	150	225	130%	\$19	12	\$47,700	\$384,660	18,885	\$28.0	\$528,780	2,261	\$99	\$223,839	3,060	\$34	\$104,040	\$367,362	\$1,608,681	\$1,241,353	\$0	\$50,000	\$1,291,353	\$317,328	
	Junior	80	\$21	160	240	130%	\$30	12	\$77,760																		
	Individual	75	\$38	150	225	130%	\$50	12	\$124,200																		
	Partners	30	\$47	60	90	130%	\$60	12	\$60,120																		
	Family	30	\$58	60	90	130%	\$75	12	\$74,880																		
5-Year Total																								-\$90,036			

The Racket Club
Valuation Summary

Description

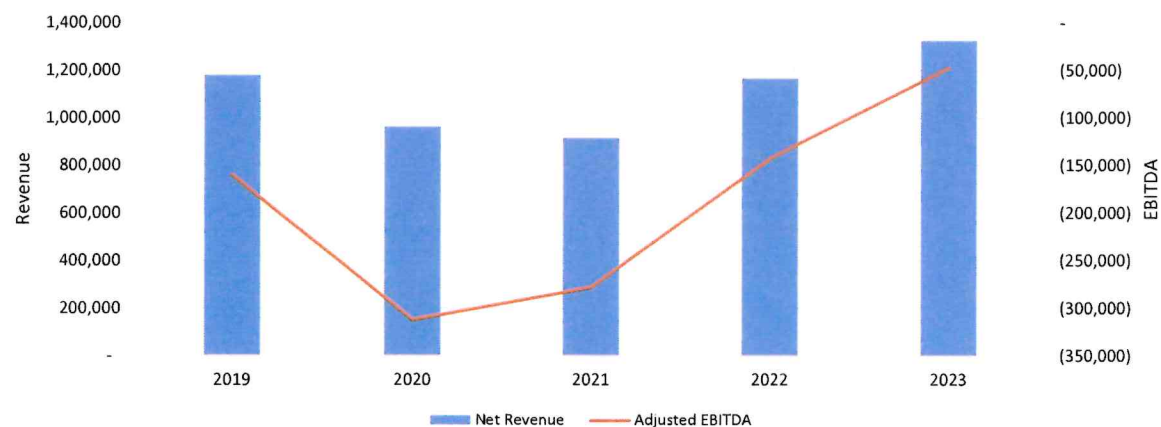
This valuation is prepared for an park district owned and operated tennis facility with 9 indoor court and 7 out door courts. The club house has a pro shop, an attractive lounge and up-to-date well maintained locker and changing rooms.

Valuation Methodologies	Value	Weight	Notes
Capitalized Earnings Approach	-\$162,659	0%	This approach is not applicable because the business is not profitable.
Comparable Transactions Approach	-\$173,937	0%	This approach is not applicable because of a lack of comparable data.
Asset Approach	\$15,267,106	100%	This is the best approach for a business that is not profitable.
Fair Market Value		\$15,267,106	

DRAFT

The Racket Club

Market Assessment & Valuation



	2019	2020	2021	2022	2023	CAGR
Revenues	1,180,162	963,128	915,532	1,167,687	1,325,950	2%
<u>PPP Grants</u>	-	-	-	-	-	
Net Revenue	1,180,162	963,128	915,532	1,167,687	1,325,950	2%
<u>SG&A</u>	1,059,761	991,388	914,200	1,026,329	1,085,694	0%
Net Operating Income	120,401	(28,260)	1,332	141,358	240,256	15%
<i>Net Operating Margin</i>	10%	-3%	0%	12%	18%	
<u>Other Income</u>	-	-	-	-	-	0%
Net Income	120,401	(28,260)	1,332	141,358	240,256	
Depreciation	-	-	-	-	-	
Interest	-	-	-	-	-	
EBITDA	120,401	(28,260)	1,332	141,358	240,256	15%
Adjustments						
Non-recurring expenses	0	0	0	0	0	
Park District Overhead	56,748	53,184	57,699	53,527	50,366	
<u>Fair Market Rent Adjustment</u>	(337,096)	(337,096)	(337,096)	(337,096)	(337,096)	
Total Adjustments	(280,348)	(283,912)	(279,397)	(283,569)	(286,730)	
Adjusted EBITDA	(159,948)	(312,172)	(278,066)	(142,211)	(46,474)	-22%
<i>Adjusted EBITDA Margin</i>	-14%	-32%	-30%	-12%	-4%	

VALUE based on a Capitalization of EBITDA

	2022	2023
3.00	(426,632)	(139,422)
3.50	(497,737)	(162,659)
4.00	(568,842)	(185,896)

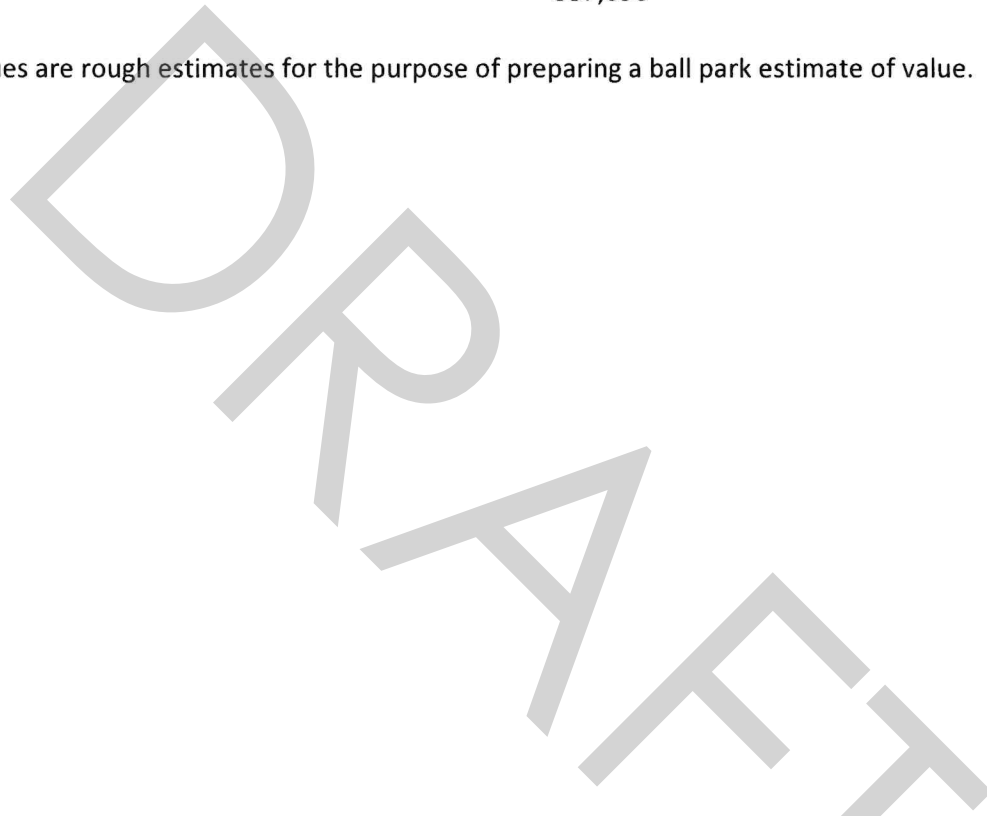
The Racket Club

Addbacks

<u>Park District Overhead</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Park Police Chief	3,347	3,457	3,665	3,348	3,103
PT Police	14,608	14,444	16,855	12,052	11,355
FT Police	0	0	0	0	2,139
Director of Park Development	5,230	5,349	5,817	5,864	0
Superintendant of Park Services	7,333	5,447	5,186	5,983	6,054
<u>Manager of Recreational Facilities</u>	<u>26,230</u>	<u>24,488</u>	<u>26,177</u>	<u>26,280</u>	<u>27,715</u>
	56,748	53,184	57,699	53,527	50,366

<u>Fair Market Rent</u>	<u>SF</u>	<u>FM Rent/SF</u>	<u>Rent/Year</u>
Club House	5,687	\$8.00	45,496
<u>Indoor Courts</u>	<u>64,800</u>	<u>\$4.50</u>	<u>291,600</u>
			337,096

Disclaimer: These values are rough estimates for the purpose of preparing a ball park estimate of value.



The Racket Club

Comparable Transaction Valuation

Source: BrokerWorks & Sports Club Advisors

Description	Location	Date	Status	Price	Revenue	EBITDA	Price/Revenue	Price/EBITDA
13,000 SF Tennis Center w Personal training	Denver, CO	9/2/2022	Sold	\$1,225,000	\$1,030,000	\$474,000	1.2	2.6
6 Court Tennis Club & Fitness Center	Los Altos, CA	3/9/2022	Sold	\$1,500,000	\$2,400,000	\$425,000	0.6	3.5
12,000 SF Athlete Training Center	Confidential, TX	12/27/2021	Sold	\$2,300,000	\$1,671,360	\$375,000	1.4	6.1
Very Profitable Tennis & Fitness Center	Confidential, NY	10/24/2021	Sold	\$1,400,000	\$1,600,000	\$525,000	0.9	2.7
Triangle Paddleball Center	Confidential, NC	5/27/2021	Sold	\$748,000	\$1,616,614	\$244,830	0.5	3.1
Absentee Owned Fitness Center-18K SF	Phoenix, AZ	2/9/2021	Sold	\$3,500,000	\$2,880,000	\$780,000	1.2	4.5
AVERAGE				\$1,778,833	\$1,866,329	\$470,638	1.0	3.7
The Racket Club				Estimated Value:	-\$173,937	\$1,325,950	-\$46,474	

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The Racket Club

Asset Valuation

Asset	Value	Notes
Real Estate Land Value	3,866,261	10.8 acres at \$250,000/acre
Building Replacement Cost	11,141,750	
Membership List (see below)	254,095	
Misc Fitness Equipment	-	
Non-fitness Equipment	5,000	ball machines, court cleaners, etc.
TOTAL	15,267,106	

Membership List Value

Current Members	1,525	
Conversion %	70%	
Members Converted	1,068	
Annual Dues/Member	\$159	\$241,995 annual dues/# of members
Projected Annual Dues Revenue	\$169,397	
Value Multiplier	1.50	
Value of Membership List	\$254,095	
Avg. Cost/Member	\$238.03	

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The Racket Club

Real Estate Valuation

<u>Land Costs</u>	<u>Acres</u>	<u>Price</u>	<u>\$/Acre</u>	<u>Zoning</u>
SWC Randall Rd & Alexandria Blvd	5.81	2,600,000	447,504	Commercial
McHenry Ave	7.5	975,000	130,000	Commercial
State Route 31	24	4,129,488	172,062	Industrial
<u>Northwest Hwy @ Sands Rd</u>	<u>4.03</u>	<u>2,750,000</u>	<u>682,382</u>	<u>Commercial</u>
AVERAGE			357,987	

Land Value 10.8 3,866,261

<u>Replacement Costs</u>	<u>SF</u>	<u>Cost/SF</u>	<u>Total Cost</u>
Club House	5,687	\$250.00	1,421,750
<u>Indoor Courts</u>	<u>64,800</u>	<u>\$150.00</u>	<u>9,720,000</u>
			11,141,750

Total Real Estate Value 15,008,011

Buyer's Debt Service	
Equity	2,500,000
Debt	12,508,011
Term	10
Interest	6.80%
Annual Debt Service	(\$1,652,089)

Disclaimer: These values are rough estimates for the purpose of preparing a ball park estimate of value.



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INVOICE

August 7, 2023

Jason Herbster, CPRP

Executive Director

Crystal Lake Park District

1 E. Crystal Lake Avenue

Crystal Lake, IL 60014

Invoice No. 1629

FOR CONSULTING SERVICES in connection with a financial and operational assessment of The Racket Club pursuant to that certain Proposal for Consulting Services dated April 10, 2023. Consulting services are billed at \$295/hour including travel time.

Date	Description	Hours	Balance
25-May	Meeting with Racket Club management and tour of facility (Rich & Jim, includes travel time)	7	\$2,065
30-May	Review information provided by client and make notes (Rich)	2.5	\$738
15-Jun	Compare notes with Jim. Do financial analysis and write financial section of report (Rich)	2	\$590
16-Jun	Emails to Kurt with follow up questions, analyze membership data, review TRC pricing model, talk with GMs at other tennis facilities (Rich)	2	\$590
20-Jun	Prepare market assessment and write market assessment and how to improve profitability sections of the report (Rich)	3	\$885
25-Jun	Coordinate meetings with Jim and Bob (Rich)	0.15	\$44
27-Jun	Follow up interviews with Bob regarding the tennis program and staffing (Jim)	1	\$295
28-Jun	Edit report to include replacement cost method to value real estate, add operating lease option, and financial model section (Rich)	2	\$590
29-Jun	Interview with Connie, tennis director (Jim)	1	\$295
29-Jun	Create financial model showing proposed pricing strategy and projections (Rich)	2.5	\$738
6-Jul	Draft the operation section and recommendations regarding tennis staffing (Jim)	4	\$1,180
11-Jul	Incorporate operations section into final report, revise sections per Jim's input (Rich)	1.5	\$443
12-Jul	Incorporate exhibits in report and do final proofread (Rich)	2	\$590

Crystal Lake Park District - Racket Club Financial & Operations Assessment

14-Jul	Send draft report to Jason for his review (Rich)	0.15	\$44
18-Jul	Call with Eric Anderson to discuss status of report (Rich)	0.1	\$30
3-Aug	Present report to Park District Board of Commissioners and answer questions. (Jim & Rich, includes travel time)	6	\$1,770

Total		36.9	\$10,886
Payments Received 5/19/2023			(\$4,000)

Amount Due	\$6,886
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Thank you.

Your prompt payment is always appreciated.

DRAFT



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		Total	36.9
			\$10,886
Payments Received 5/19/2023			(\$4,000)
Amount Due			\$6,886

Thank you.

Your prompt payment is always appreciated.





MEMORANDUM

DATE: September 25, 2023

TO: Park Board of Commissioners

FROM: Jason Herbster – Executive Director

SUBJECT: Park Police Review Continued

At the September 21, 2023, Board meeting, staff were asked to present concerns to the Board about the potential dissolution of the Park Police Department and quantify the list of bullet points that was provided at the Board meeting. While common beliefs are Park Police is a duplication of service and an opportunity to save money, those statements are not necessarily accurate.

Concerns

The largest concern would be safety in our parks and facilities. The overall park system in Crystal Lake is currently considered safe and having a Park District Police Department contributes to that feeling of safety. People see officers in parks and at facilities and it provides the comfort of safety. Gang activity, ongoing criminal activity and unwanted visitors know and learn quickly that Crystal Lake parks are not welcoming of their activity. Once the undesirable element has found a park that is unpatrolled, the intended users of the park may no longer use the park due to feeling unsafe. If that element can be removed, building up the safety confidence of the intended users to use the park again is a lengthy process. An example is if smash and grabs occur at a park, an increase in officer presence during those time periods of when the crimes occurred moves that bad element away from that location. Without Park Police, parks could potentially become less safe.

Proactive vs. reactive policing – the Park District police have worked hard to develop a proactive approach to policing in the parks and it has become successful. Reactive policing will become the practice if the Park Police are disbanded. There is a cost that comes with reactive policing.

Delayed responses from municipalities due to stacking calls could become an issue. Unless it is a life safety situation, the call would be placed in the cue and responded to upon officer availability. Currently, Park Police are dispatched to Park District facilities upon a call for help being received at dispatch.

Multiple jurisdictions cover the Crystal Lake Park District. This has potential for confusion.

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Lost children/people in parks and on trails. Park Police are efficient in this response and this efficiency would be lost.

Internal undercover work/surveillance would no longer be conducted. This work has proved to be effective in catching vandals. By being able to set up cameras to catch vandals, the Park District has been able to collect restitution for items that were damaged.

Standbys – Park Police are used for standbys for items such as orders of protection, child custody situations and on occasion, employee terminations. Having park police in place provides a proactive approach to handling these situations. Without Park Police, a call for help would be made if a situation turns threatening.

Quantifying/Explanation of Bullet Points from September 12, 2023 Memo

This section is an initial attempt to show how the listed tasks would be completed and that there would be a potential cost associated with the task. Additional time will be needed to develop an operational model and costs without the police department.

Task	Status	Comments	Cost
Self-initiated responses	<i>Discontinued</i>	<i>Municipal police would only be reactive</i>	NA
Initiate patron contact/public relations	<i>Discontinued</i>	<i>Municipal Police would not engage in this activity</i>	NA
Respond to calls for assistance through SEECOM dispatch	<i>Continue</i>	<i>City Police are dispatched through SEECOM. Village and County use a different service</i>	TBD
Respond to calls made directly to officers from staff	<i>Discontinued</i>	<i>All calls would go through 911. Direct calls would also be less necessary as the duties of Park Police would not be transferred to municipal police</i>	NA
Visit all parks throughout the system	<i>Discontinued</i>	<i>Municipal Police would not engage in this activity</i>	NA
Visit all facilities throughout the system	<i>Discontinued</i>	<i>Municipal Police would not engage in this activity</i>	NA
Walk trails	<i>Discontinued</i>	<i>Municipal Police would not engage in this activity</i>	NA
Move banks and deposits to and from all facilities	<i>Reassigned</i>	<i>A new model on how this is to occur would need to be developed</i>	TBD
Check in on facility rentals	<i>Reassigned</i>	<i>A new model on how this is to occur would need to be developed</i>	TBD
Check in on shelter rentals/permit	<i>Reassigned</i>	<i>A new model on how this is to occur would need to be developed</i>	TBD

enforcement (over 200 yearly)			
Lock and unlock facilities/provide safety checks/respond to alarms	<i>Reassigned</i>	<i>A new model on how this is to occur would need to be developed</i>	<i>TBD</i>
Ordinance enforcement	<i>TBD</i>	<i>The City/Village/County police would have to adopt and agree to enforce park ordinances that are specific to parks</i>	<i>TBD</i>
Law enforcement	<i>Local, State and Federal laws would be enforced. Park Ordinances TBD</i>	<i>Local, State and Federal laws would be enforced. Park Ordinances would only be enforced if agreed upon by the City/Village/County police</i>	<i>TBD</i>
Park policy and police law review	<i>Discontinued</i>	<i>There would be no need for this if there is no police force</i>	<i>NA</i>
Lost property recovery	<i>Discontinued</i>	<i>Municipal Police would not engage in this activity</i>	<i>NA</i>
Beach issues	<i>Call 911</i>		<i>TBD</i>
Dogs off leash	<i>Call 911</i>		<i>TBD</i>
Responsible for all facility safe functions	<i>Reassigned</i>	<i>This includes maintenance and scheduled changing of combinations</i>	<i>TBD</i>
Boat launch trouble shooting	<i>Reassigned</i>	<i>This includes parking enforcement, opening gates when equipment/power is down. Without police, it could take considerable time for a response in the evening or on a weekend</i>	<i>TBD</i>
Provide back up to City, Village and County when asked	<i>Discontinued</i>		<i>NA</i>
Provide staff training on active shooters and lockdown procedures relevant to our parks and facilities	<i>Reassigned</i>	<i>Determine a new way to provide this training</i>	<i>TBD</i>
Special details – fireworks, concerts, large rentals, tournaments, Cardboard Regatta,	<i>Reassigned or Discontinued</i>	<i>Determine if City police can provide special detail. If City is not available, see if there is private security that can</i>	<i>TBD</i>

D155 Cross Country Meets, orders of protection, etc. (not a daily task)		<i>provide the quality necessary. Cancel events if appropriate coverage is not available</i>	
Assisting summer camp parking and behavior issues	<i>Discontinued</i>		
Staff and vendor protections	<i>Discontinued</i>	<i>Call 911 / Special detail from City police</i>	<i>TBD</i>
Park property encroachment by private resident enforcement	<i>Reassigned</i>	<i>Administration or Park Services staff would be tasked with this assignment</i>	<i>NA</i>
Fishing license/limit enforcement	<i>Discontinued</i>	<i>All bodies of water in the CLPD. On Crystal Lake in the winter</i>	<i>NA</i>
Natural resource enforcement-waste dumping, animal control (putting down injured or ill animals)	<i>Reassigned</i>		<i>TBD</i>
Criminal background checks/Driver's license checks	<i>Reassigned</i>	<i>Contracted out - will no longer be able to be completed in house, increasing turnaround time and longer lead time in allowing new hires to work</i>	<i>TBD</i>
Suspicious and unwelcome visitors to facilities	<i>Reassigned</i>	<i>Call 911</i>	<i>TBD</i>
Flag management	<i>Reassigned</i>		<i>NA</i>

Other Thoughts to Consider

There are other thoughts to consider when weighing the option to keep Park Police or terminate the department.

- The department has been in place since 1924
- The Crystal Lake Park District, while a Park District, also has a forest preserve/conservation district feel to it due to the large amount of acreage managed. These types of agencies have in house police services
- Park District's with a current relationship with legal counsel were surveyed, with only three having Park Police, two having disbanded years ago. This survey does not seem to be as inclusive as it should be. Perhaps a survey of Park Districts with Park Police should also be conducted to determine what their function is, and the value or lack of value is to their agency. Park Districts that never had a police department do not understand their function and value
- A decision this important should include Board members completing a ride along with Park Police to gain an understanding of what it is they do on a typical shift
- Park District policing is different than municipal policing

- Park Districts without police are not always informed about what is going on in their parks by the municipality. This is a concern
- Entitlement situations are easier to handle with police than they are with a park supervisor
- Having multiple facilities and not one large central recreation center lends itself to the need for Park Police. Without Park Police, a building supervisor for each of building could be necessary all nights of the week
- Even if the Park District Ordinances are adopted by the City and Village, ordinances such as parking will likely not be enforced unless a special request is made and approved. Property damage in areas like Lippold Park on a busy soccer Saturday can expect increased turf damage. It is also unlikely ordinances such as bikes off trail, fishing sizes/limits, homeless living in our parks, bikes in the skate park, remote control airplanes, etc. will go unenforced
- Enhanced and additional video surveillance may be necessary
- Consideration to the current use of alcohol on certain park properties will need to be evaluated. As a district we have rentals, adult athletics, special events, etc. that all have alcohol. Having that amenity available for our patrons has helped the growth in revenue and community enjoyment of those areas. Police help ensure those programs/events do not get out of control.
- While Park Police may be viewed as a luxury, if the operating budget can accommodate it and users of the Park District services appreciate it, why is that an issue?
- Those that feel this is a duplication of services and all the funding can go towards other services do not have an accurate understanding of what Park Police provide
- Should we be in the police business or just be focusing on our core responsibilities? The police are a specialty area of the district just like the marketing department or the planning and development area of the operation
- Relevant Comments from the recent Community Survey:
 - "Too many illegals camping out. Crime"
 - "Only improvement would be security cameras by some of parking areas. Sometimes people in trucks are up to no good and seem to be scoping areas out. When Crystal Lake marked police park vehicles investigate, the suspicious vehicles do leave immediately though"
 - "On the whole, you do a great job with the parks and with hiring great people to maintain and patrol them"
 - "Better maintenance of existing parks and where are the Park Police? We never see them anymore"

Staff appreciates and certainly understands the Boards review of police operations. As thought is put into the future of the police department, it is important to consider all Park Districts are not the same and some benefit from in house police services and some do not.

RECOMMENDATION:

For discussion purposes



MEMORANDUM

DATE: September 11, 2023

TO: Park Board of Commissioners

FROM: Rocio Arreola-Escutia, Human Resources Manager

SUBJECT: Full Time Employee Compensation Update

The Park District hired HR Source to conduct a benchmark compensation analysis in 2020. Since then, our compensation structure has not been updated to consider economic factors that have taken place over the past 3 years to include inflation and cost of living. In order to maintain a competitive compensation plan, we need to increase our salary structure by 6.3%, which is the suggested amount by HR Source.

RECOMMENDATION:

For the Park Board to review the proposed revised Competitive Pay Structure at the Committee of the Whole meeting and recommend placement on the consent agenda for the October 19, 2023, Park Board meeting for approval.

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Crystal Lake Park District
Pay Grade Assignments
Based on 40 Hour Workweek
Effective: October 1, 2023
Updated positions: May 11, 2023

Pay Grade	FLSA	Position Title	Range Minimum	Range Midpoint	Range Maximum
16	E	Executive Director of Parks & Recreation	\$130,004	\$162,505	\$195,006
			\$62.50	\$78.13	\$93.75
15		Hold for future use	\$116,847	\$146,059	\$175,271
			\$56.18	\$70.22	\$84.26
14		Hold for future use	\$98,677	\$131,277	\$157,532
			\$47.44	\$63.11	\$75.74
13	E	Superintendent of Business Services	\$94,393	\$117,991	\$141,589
			\$45.38	\$56.73	\$68.07
12	E	Superintendent of Park Services	\$84,840	\$106,050	\$127,260
	E	Superintendent of Recreation Program and Facility	\$40.79	\$50.99	\$61.18
11	E	Manager of Recreation Facility Services	\$76,254	\$95,317	\$114,381
	E	Human Resources Manager	\$36.66	\$45.83	\$54.99
	E	Manager Park Planning & Development			
10		Hold for future use	\$68,537	\$85,671	\$102,805
			\$32.95	\$41.19	\$49.43
9	E	Facility Manager Interpretive Services	\$61,600	\$77,000	\$92,401
	E	Park District Police Chief	\$29.62	\$37.02	\$44.42
	E	Racket Club Manager			
	E	Tennis Director			
	NE	Risk Management Supervisor			
8	E	Marketing Manager	\$55,366	\$69,208	\$83,049
	E	Manager of Recreation and Program	\$26.62	\$33.27	\$39.93
	E	Park Maintenance Manager			
	E	Grounds Manager			
	E	Manager of Natural Resources			
7	E	Recreation/Early Childhood Supervisor	\$49,763	\$62,204	\$74,644
	E	Recreation/Fitness and Active Adult	\$23.92	\$29.91	\$35.89
	E	Recreation Aquatics Supervisor			
	E	Recreation/Lippold Park Programming/Athletic			
	NE	Executive Assistant/Office Manager			
	NE	Park Project Crew Leader			
	NE	Crew Leader- Mechanic			
6	NE	Building Maintenance Crew Leader			
	NE	Landscape Crew Leader	\$44,727	\$55,908	\$67,090
	NE	Maintenance Specialist- Facilities	\$21.50	\$26.88	\$32.25
	NE	Payroll Accountant			
	NE	Tennis Professional			
	NE	Marketing Coordinator			
	NE	Police Officer			
	NE	Facility Rental Food & Beverage Supervisor			
NE	Custodial Supervisor				

Crystal Lake Park District
Pay Grade Assignments
Based on 40 Hour Workweek
Effective: October 1, 2023
Updated positions: May 11, 2023

Pay Grade	FLSA	Position Title	Range Minimum	Range Midpoint	Range Maximum
5	E	Nature Center Recreation Supervisor	\$40,200	\$50,250	\$60,300
	E	Recreation/Cultural Arts & Special Events	\$19.33	\$24.16	\$28.99
	NE	Grounds Crew Leader			
	NE	Irrigationfurf Crew Leader			
	NE	Mowing Crew Leader			
	NE	Racket Club Front Desk, Pro Shop & Playroom			
	NE	Billing Accountant			
	NE	Accounts Payable Accountant			
	NE	Athletic Field Maintenance Supervisor			
	NE	Extended Time Site Supervisor			
4	NE	Assistant Marketing Coordinator	\$36,132	\$45,165	\$54,198
	NE	Lippold Mowing Specialist	\$17.37	\$21.71	\$26.06
	NE	Mowing Specialist - Maintenance Specialist			
	NE	Park Services Administrative Assistant			
	NE	Customer Service Coordinator			
	NE	Part Time Police Officer			
	NE	Safety Technician Specialist			
3	NE	Park Laborer - Maintenance	\$32,475	\$40,594	\$48,712
	NE	Full Time Park Laborer	\$15.61	\$19.52	\$23.42
2	NE	Custodian	\$29,188	\$36,485	\$43,783
	NE	Nature Center Facility Supervisor	\$14.03	\$17.54	\$21.05
1		Hold for future use	\$26,234	\$32,793	\$39,352
			12.61	15.77	18.92



MEMORANDUM

DATE: September 27, 2023
TO: Park Board of Commissioners
FROM: Amy Olson, Manager of Park Planning and Development
SUBJECT: Hill Farm – Community Input Meeting

Background

Hill Farm is a passive open space park that hosts Barlina House. Barlina House preschool facility provides half day preschool and a fence-enclosed playground for 2–5-year-olds. Hill Farm Park offers community garden plots for rent with well water service for plant watering. The barn is currently used by Park Services for storage. The park is accessed through a looped asphalt drive with a small parking lot located south of Barlina House. Rough gravel paths provide access to the garden plots.

To recap, the Board has discussed various renovation and demolition scenarios along with full site demolition (excluding Barlina House). The discussion led to the need for developing a masterplan for passive outdoor recreation.

Possible Outdoor Features:

- Arts and crafts building
- Amphitheater/outdoor stage
- Benches
- Disc golf course
- Dog park
- Farmers market structure
- Fitness courts, equipment, and exercise facilities
- Interpretive gardens
- Interpretive center
- Outdoor Movie Screen
- Park shelter (drinking fountain, bathrooms)
- Pergola(s)

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- Picnic areas (grills)
- Playground(s), nature play area, sand box
- Safety town
- Sand volleyball
- Sport courts (basketball, pickleball, Baggo, Bocce, other)
- Swings, swing benches, and/or hammocks
- Table games (backgammon, chess, checkers, etc)
- Walking trails

Staff shall host a community input meeting to garner public input for the Hill Farm Park master planning process.

Proposed date for the Community Input Meeting:
Tuesday, October 24, 6-7pm at Main Beach Pavilion.

Recommendation:

For informational purposes only.

DRAFT

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