

MINUTES OF THE BUDGET MEETING BOARD OF PARK COMMISSIONERS November 28, 2022

The Budget Meeting of the Board of Park Commissioners was called to order by Vice President Cohen at 6:30 p.m. in the Patty Turner Center. The Secretary called the roll, and the following were:

PRESENT: Brown, Cohen, Patinkin, Serota (4)
ABSENT: Caron (1)

Staff: Executive Director Jeff Nehila, Director of Finance Jeff Harvey, Director of Recreation Laura McCarty, Deputy Director of Recreation and SRC General Manager Tony Korzyniewski, Director of Golf Operations Jason Mannina, Director of Parks Jay Zahn, Marketing and Communications Manager Sherry Prause, Staff Accountant Sharon Sheehan and Executive Assistant Catherine Serbin

III. Matters from the Public

No members of the public were present at the meeting.

IV. Proposed Fiscal Year 2023 Budget

Executive Director Nehila initiated the discussion by advising the proposed FY 2023 budget contains funding for a number of the District's Strategic Plans goals and objectives, reflects continually rising labor costs and the need to invest in capital equipment and projects. Minimum wage has gone up to \$13 an hour and will continue to rise for the next several years. Staff has updated the salary and wage tables and is seeking approval within the budget to conduct a professional study on wage and job descriptions. This will help the District understand their percentile within the area as well as recruit and retain. Furthermore, pricing and availability of materials has affected projects. As a result, the District's 7-year Capital Improvement Plan (CIP) has been updated to reflect a longer lead time than what has been initially proposed. For example, the golf club cart path improvements were initially presented as a two-year project and has been revised to six years. Positively speaking, pricing projections within the CIP are relatively conservative which the District may ultimately benefit from in the future. One FT staff position, a parks laborer, has been added to the FY 2023 budget as staff continues to improve the standard of care within the District parks. The golf club chef position was not filled last year as staff was able to manage without but remains within the budget. One noteworthy item within the budget is the purchase of a battery powered mower for the Parks Department. This will be the District's first step towards a battery powered fleet. Safety and security measures within District facilities will also continue to be improved upon. With respect to bond dollars, the District will start spending on Jewett Park Community Center next fall. Similar to last year, variance reports were established at a \$20,000 and 20% threshold to help identify and explain significant differences. Prior to turning the conversation over to Finance Director Harvey, Director Nehila commended staff on their strong efforts in the budget development process.

Finance Director Harvey advised the budget book was designed to flow from high-level overview down to fine details. The FY 2023 budget book begins with a brief narrative of Districtwide financial summaries, schedules, and charts. It then expands upon the following:

- Revenue and Expense Totals by Fund with Fund Balances;
- Property Tax EAV, Extension and Rate History;
- Projected 2023 Fund Balances;
- The District's 7-Year Capital Improvement Plan;
- The District's 3-Year Bond Dollar Spending Plan;

- The District's Organizational Chart;
- The District's Wage Scales.

The majority of the budget book is devoted to the District's three major funds – the Corporate Fund, the Golf Fund and the Recreation Fund. Again, each fund contains a high-level overview and financial summary in addition to a variance narrative for detailed context. The last tab contains information pertaining to the District's Special Funds.

Finance Director Harvey explained that year to year capital can vary. The net surplus or deficit is not an apples-to-apples comparison because of this variation. Allocations can vary as well. As a result, the operating surplus before capital is the best place to look for any trends. With respect to Districtwide financials, expenses are up within every department and while revenue for 2023 is projected to be higher than pre-pandemic levels, expenses are outpacing revenue. The Park District's percentage of the household property tax bill will remain around 6.5%. This is relatively modest in comparison to other taxing bodies and represents less than \$1,000 in property taxes for a \$500,000 FMV home. EAV is projected to be up close to 5% in 2023 which will also benefit the District to some degree. The total ending fund balance of 2022 is projected to be around \$7 million dollars. It is important to note that to maintain the District's Aaa rating, there needs to be a certain amount in fund balances. Moody's will not disclose the exact amount as it is their proprietary information but in reviewing the District's historical balances, Finance Director Harvey estimates \$5.8 million is a conservative low point to maintain an Aaa rating. With that said, there is roughly a million dollars in excess to spend towards capital projects. Prior to the Mitchell Pool renovation, the District had upwards of \$10 million dollars in fund balances. He advised the Board that if they are seeking to do other large scale capital improvement projects, it would be wise to build the fund balances back up. This would also provide the District full financial control over the project.

Treasurer Patinkin noted that previous budgets contained a separate line item each for reimbursements, grants, and donations. He requested they be separated again in the future for clarification.

Director Nehila briefly reviewed the District's 7-Year Capital Improvement Plan. Treasurer Patinkin questioned why Cumnor Court Park was moved up into 2023. Director Nehila advised that staff must consider the park's current condition and audit report. Commissioner Serota noted that the park seems to be underutilized within the District. She questioned whether the park should be budgeted at \$225,000 and suggested some of that money be reallocated to Jewett Park, which will be the District's premier destination park. Director Nehila advised that he is comfortable with the money budgeted for Jewett and he believes it will be sufficient. Treasurer Patinkin noted there is no dollar amount associated with Kipling school playground. Director Nehila explained that the Kipling playground renovation is included within the D109 Joint Projects and IGA Payments line item. Furthermore, the District is working on a revised IGA between the Village with respect to the Patty Turner Center necessary parking lot improvements. Commissioner Brown noted a line item with respect to video surveillance as a result of ongoing safety improvements. He asked if Homeland Security provides any grant funding for these improvements. Director Nehila advised this grant money is typically reserved for School Districts. He understands IAPD intends to lobby for this money to be expanded to include Park Districts in the near future. Commissioner Serota noted significant dollar amounts associated with ADA park improvement projects and asked if these items are detailed anywhere within the CIP. Director Nehila advised this money is not specifically allocated until the year of. The only exception being the Keller Park bike path because the District has been waiting for a bike path grant to open. Rather than continue to wait for a grant and watch costs increase more, staff has moved this item into the 2023 ADA Improvements

budget. There was a brief discussion regarding the Special Recreation Fund and what that money can be allocated towards. Director Nehila advised that besides ADA park improvements, this money can be used for NSSRA membership dues and inclusion aides. If the money is not used, it can also be rolled over.

Director Nehila then reviewed the District's bond dollar allocations, otherwise known as the 3-Year Bond Capital Plan, the Organizational Chart and wage ranges. Treasurer Patinkin requested that any professional study on wage and job descriptions also include health insurance. Director Nehila confirmed the study will include all employee compensation and benefit information. Treasurer Patinkin expressed concern over this year's health insurance variations. He suggested the District provide a financial incentive for staff who opt out of health insurance.

Corporate Fund

The Corporate Fund, commonly referred to as the General Fund, covers the majority of the district's administrative costs including administrative personnel, legal fees, office supplies, training, marketing and promotion and information technology. The fund also covers the District's Park Department operations. Other expenditures have historically included some capital projects for the entire District's parks and facilities, facility repairs and maintenance, capital project support for the golf club and the park's fleet replacement. Revenues received for this fund are primarily tax dollars, grants and local reimbursements for joint projects and services. This fund has very few restrictions in its use of tax dollars as it is viewed as the fund that covers operations. Within the proposed 2023 budget, there are the following expenses:

- The continuation of the Park District's Intergovernmental Agreement (IGA) with School District 109 for financial contribution towards the Caruso Theater renovation project. 2023 will be year 3 of the 5-year IGA. The auditorium is scheduled to be completed in January of 2023.
- A significant change for 2023 is the moving of the registration staff to the Recreation Fund. This better aligns with the District's organizational structure and is a more accurate reflection of the direct relationship between Registration and Recreation.
- The proposed budget reflects expenditures in relation to the printing of the seasonal brochures. It does not include necessary funding for another pursuit of the NPRA Gold Medal Award.
- Capital projects and purchases proposed for 2023 include sustaining the fleet replacement project, adding a battery powered 4 ft. mower for the Parks Department, drainage improvements and the replacement of the Cumnor Court Park's Sarah Channick Playground.
- The proposed budget includes a number of security and safety items for inside facilities along with outdoor fencing and gates that provide egress in case of emergencies.
- Consultant fees include a compensation study to develop updated salary tables to assist in the recruitment and retention of staff.
- A number of Strategic Plan related expenditures within the budget include staff incentives for receiving professional certifications above the position requirements and continuance of funding for professional training and education.
- The Corporate Fund is projected to cover the costs of an additional Parks Groundskeeper position to help reduce overtime and help to maintain a growing list of new or renovated amenities within the parks.

Director Nehila advised that typically, the Corporate Fund covers the cost of operations whereas the Recreation Fund generates a surplus. There is a bit of a shift in this year's budget as the Corporate Fund

is projected to generate more of a surplus. Finance Director Harvey reviewed the trend line with respect to the Corporate Fund and advised the proposed operating surplus before capital for 2023 is \$67,209. This is fairly in line with pre-pandemic levels and indicates the Corporate Fund is stable. Other noteworthy items include the Salaries and Wages line item which is projected to be up 4.7% due to merit increases at 4% scheduled for 2023 as well as the addition of a full-time Parks Department employee. The budget assumes that the Parks Department will be fully staffed in 2023, which was not the case in 2022 as there were several vacancies. Lastly, the Services line item increased by roughly \$100,000 from the previous year. This is due to new one-time District expenses such as the safety and security initiatives, the compensation study, customer service training and staff incentives. Commissioner Serota asked for further clarification regarding staff incentives. Finance Director Harvey advised that there will be a one-time stipend of \$750 for staff who achieve a certification that is above what is required within their job description. Commissioner Brown noted an increase in the Property Insurance line item. Finance Director Harvey advised that PDRMA bases future premiums off historical operating and payroll data. Due to the pandemic, both operating and payroll expenses were down. As the District's numbers increase, the premiums will increase as well to be in line with pre-pandemic numbers. With respect to the earned interest variation, Vice President Cohen asked what projection staff assumed in their calculations. Finance Director Harvey advised he utilized a blended return of 2% for his projections, which is relatively conservative and may increase. Vice President Cohen asked staff to explore whether the District can purchase government backed securities as a permitted investment.

Marketing and Communications Manager Sherry Prause reviewed her portion of the 2023 budget. Noteworthy items include increased printing costs due to inflated paper costs, the return of a printed guide due to resident demand as well as the return of special events.

Parks Director Zahn reviewed his portion of the 2023 budget. Noteworthy items include:

- \$65,000 for new LED light fixtures for the basketball and tennis court lighting at Floral Park. Per the District's existing IGA with the Village, the Village will fully pay for this upgrade, which is allocated under reimbursement.
- \$30,000 for a battery operated zero turn mower.
- \$58,000 for necessary improvements to the Park's maintenance building.
- \$11,000 for the purchase and installation of new shelter door frames and automatic locks at Woodland Park.
- \$45,000 for crack filling and color coating the basketball and tennis courts as well as an additional light fixture at Briarwood Park.
- \$190,000 for asphalt resurfacing of the parking lot at Maplewood Park.
- \$225,000 for the renovation of the Sarah Channick playground at Cumnor Court.
- \$15,000 for fencing and disc golf course improvements at Keller Park.
- Groundskeeping has increased due to a lack of seasonal workers.

Director Nehila reiterated that the additional light fixture at Briarwood Park is due to resident safety concerns. Treasurer Patinkin asked for clarification regarding the rental property maintenance line item. Parks Director Zahn advised that this is for front door replacement and necessary basement flooring.

Golf Course Fund

The Deerfield Golf Club offers many amenities which include an 18-hole course, a Learning Center/Driving Range, a Pro Shop and a Restaurant. The course is dependent on revenues generated to cover its operational expenses and the majority of its capital projects and equipment. The District's

Corporate Fund has also contributed towards significant capital projects which have centered around renovating 1-2 holes per year for improved drainage and playability. In 2020, the irrigation pump system was replaced with funding assistance from the Corporate Fund in lieu of hole renovations. In 2021, no renovations were budgeted from the Corporate Fund due to Districtwide capital project deferral. In 2022, funds were provided from the Corporate Fund to complete the bunker renovation project.

New and noteworthy items within the 2023 budget include:

- The hopeful receipt of new golf carts in early 2023 along with the purchase of necessary gas mowers, if available.
- A full-time Chef position as was also budgeted in 2022. The position was not filled and was handled by a number of line cooks instead. This practice could continue if the FT position is not filled.
- Continued support from the Corporate Fund will shift from the completed bunker renovation project to a cart path replacement program. Originally forecasted as a 2-year program, it has been extended to 6 years within the 7-year Capital Improvement Plan (CIP).
- New permanent tee-time guidelines which require patrons to purchase either a resident 7-day limited golf pass or a resident 20-round weekend prepaid golf pass.
- New permanent tee-time guidelines which require patrons to purchase either a nonresident 7-day limited golf pass or a non-resident 20-round weekend prepaid golf pass.

Golf Director Mannina advised the Golf Club has realized an increase in play and revenue since 2021 and has been able to cover all of its expenses including capital equipment and fleet purchases. This is projected to be the case in 2023 as well.

Vice President Cohen asked what is to prevent patrons from sharing a pass. Golf Director Mannina advised that the 20-round pass can be shared but not a 7-day limited pass. Last year, the District lost over \$10,000 in revenue from patrons who did not show up for their permanent tee times and sharing a pass could potentially offset this loss. Additionally, one round will be deducted from a patron's pass after two no-show events.

There was a brief discussion regarding the Golf Club user demographic and core customer base.

Recreation Fund

The Recreation Fund covers the majority of the Recreation Department's administrative costs including administrative personnel, program supplies and equipment, training, education and contractual agreements. The fund also covers the operational costs of both outdoor pools including some capital projects, the Sachs Recreation Center operations, the District Preschool program and the Patty Turner Center operations. In addition, the fund covers all general recreation, athletics, summer camps, arts and enrichment and sponsored organizations such as the community band and Coho Swim Club. Revenues received for this fund are generated from tax dollars, program, facility and user fees and contractual programs.

The budget also includes the combination of some previously gender specific programs, continued education and training as per the District's Strategic Plan and a continued increase in seasonal and part-time staff wages for recruitment and retention purposes. It is important to note that these wage increases will have a significant effect on camp and pool operations.

Highlights of the 2023 budget include:

- No limitations/caps on camp enrollments as they existed during the pandemic.
- A number of physical improvements will need to be made, and continue to be made, at Deerspring Pool.
- Sachs Recreation Center, although receiving a significant amount of bond funding, will still have capital needs on a continuing basis, of which some expenses are significant.
- The Patty Turner Center expenses are also projected to increase, and strong consideration is being generated for membership and program related fee increases, although not all are included in the budget.
- The North Shore Rhythmic Gymnastics, Chicago Sky and Rush Physical Therapy partnership/license agreements will continue through 2023.

Recreation Director McCarty provided an in-depth overview of the recreation variance report. As previously mentioned, the Recreation Fund will now cover registration staff expenses as it better aligns with the District's organizational chart and direct relationship to services. A significant amount of money has also been allocated to necessary pool maintenance.

Deputy Director of Recreation and SRC General Manager Korzyniewski provided an in-depth overview of the recreation variance report as it relates to Sachs Recreation Center. Notable highlights include:

- A membership price increase projected in April of 2023 from 5-7%.
- Ongoing capital improvement projects to include the purchase of a new boiler for the west end hot water service for \$80,000
- Cosmetic upgrades for beautification such as a new outside awning.
- Revenue increases attributed to growing racquet sport popularity.

Commissioner Serota noted staff had budgeted \$16,000 in 2022 for Mitchell Pool rentals but ended the season with roughly \$6,000. She asked for clarification regarding this discrepancy. Recreation Director McCarty advised that offerings were limited due to the sprayground being under construction.

New in 2023, the recreation budget will contain After School Enrichment program revenue and expenses for programs held at JPCC. In the past, this revenue was reflected in the Districtwide Center. There is also a budgeted expense of \$32,000 for a new HVAC air compressor and HVAC control system upgrades at JPCC.

Notable highlights within the 2023 Patty Turner Center Budget include:

- To offset the existing deficiency, there will be a \$3 fee to participate in the Men's Club. Additionally, the Men's Club will be renamed to the Weekly Lecture Series and open to all genders to allow for a more inclusive environment. The Women's Club will be renamed as well.
- Significant investment in promoting the PTC for recruitment purposes such as an annual post card mailer and an a professionally developed PTC bulletin.

Finance Director Harvey advised that the projected reimbursement fee from the Village in 2023 for the PTC is \$169,500.00. The District also intends to charge \$140,000 in G&A parks allocations of which the Village will reimburse the District roughly half. Exclusive of largescale capital projects, the District is estimated to receive a \$250,000 reimbursement from the Village. For largescale projects, the District will continue to provide the Village its 7-Year Capital Improvement Plan. The District looks forward to

partnering with the Village on these expenses in the near future. Treasurer Patinkin requested a detailed schedule of G&A and parks allocation be included in future years.

Notable highlights within the 2023 Districtwide Center Budget include:

- The combination of some previously gender specific programs such as Boys and Girls Sports Camp to All Star Sports Camp.
- FY of School's Out program offerings, similar to pre-pandemic levels.
- Increased revenue due to the addition of Walden After School Enrichment.

Commissioner Serota asked if staff has considered making the basketball leagues co-ed. Recreation Director McCarty advised that staff is not considering that change at this time due to the nature of the sport. A brief conversation ensued regarding expected league participation levels, a later start date for the leagues and projected revenue.

Special Funds

Finance Director Harvey advised that the Social Security Fund, the IMRF Fund and the Liability Fund are the District's legal obligation funds. The Debt Service Fund is tax supported and covers the debt service on outstanding bonds. The Capital Projects Fund is an accounting fund for the District's largescale capital projects. There are no discretionary capital projects planned for 2023, only bond projects. Executive Director Nehila added that the District makes two semi-annual estimated installment payments to NSSRA for inclusion expenses. Actual inclusion expenses are then charged against the payments which results in a running balance. The District is projecting a credit balance as of year-end 2022. This credit balance will result in a reduction of actual booked expenses for 2022 and a prepaid expense applied against 2023 expenses. He cautioned against continuously rolling Special Recreation Fund balances over as that can be grounds for a tax objection. Vice President Cohen initiated a conversation regarding IMRF qualifications. Finance Director Harvey advised that employees working 1,000 hours is IMRF eligible and their enrollment within IMRF is mandatory. Employees are required to contribute 4.5% and the District's contribution varies between 10-15%.

Commissioner Brown asked why certain theater related costs have increased. Recreation Director McCarty advised that the District will be adding a third production.

Executive Director Nehila concluded the Workshop portion of the meeting by reading comments from President Caron in lieu of her absence.

V. Other Matters...

Police Signage Within Parks


Treasurer Patinkin expressed concern over recent signage the Deerfield Police Department has installed within District Parks reminding residents to lock their cars. He believes this does not align with the Park District's intrinsic value of being an area of "fun, health and happiness" and makes patrons feel that they are in danger. He suggested other signage be pursued that will serve as a friendly reminder rather than the harsh existing signage.

VI. Motion made by Treasurer Patinkin, seconded by Commissioner Serota, to adjourn the Budget Meeting at 8:38 p.m. Voice vote carried as follows:

PRESENT: Brown, Cohen, Patinkin, Serota (4)

ABSENT: Caron (1)

Respectfully Submitted,



Jeff Nehila, Secretary