

The Budget Meeting of the Board of Park Commissioners was called to order by Commissioner Cohen at 6:33 p.m. in the Patty Turner Center. Finance Director Harvey called the roll, and the following were:

PRESENT: Brown, Caron, Cohen, Patinkin, Serota (5)

ABSENT: None (0)

Staff: Executive Director Annemarie Flaherty, Deputy Executive Director and Director of Recreation Laura McCarty, Finance Director Jeff Harvey, Finance Manager Sharon Sheehan, Director of Parks Jay Zahn, Director of Golf Operations Jason Mannina, Superintendent of Recreation Tony Korzyniewski and Superintendent of Marketing Deanna Musurlian

II. MATTERS OF THE PUBLIC, VISITORS AND GUESTS

A. Comments from the Public, Visitors and Guests

There were no members of the public, visitors or guests present.

B. Communications and Correspondence

There was no correspondence received.

III. EMPLOYEE RECOGNITION

Commissioner Cohen made a resolution by the Board of Park Commissioners, on behalf of the Deerfield Park District and its residents, acknowledging the dedication and commitment of Director of Parks, Jay Zahn for his 13 years of service. Resolution 2024-05 includes the donation of a park bench to honor Mr. Zahn's service in the place and location of his choosing.

IV. PROPOSED FISCAL YEAR 2025 BUDGET

Executive Director Flaherty initiated the discussion by explaining the proposed FY 2025 budget is a comprehensive financial plan that supports the park district's mission and allows us to provide quality programs, services, facilities and parks to our residents and participants through strong fiscal management while meeting the limitations the district faces, such as mandated tax cap and federal and state unfunded mandates. Ms. Flaherty commended staff on their continuous efforts to increase revenues through programs, sponsorships and grants, as well as, utilizing the current resources to meet the needs and demands of our residents. Ms. Flaherty also commended Finance Director Harvey on his strong fiscal management and responsibility to the district. Our fund balances support a AAA credit rating. FY 2024 is projected to exceed budget surplus with approximately \$2.4 million in the Operating Fund and the proposed 2025 budget reflects just over \$2 million in our operating surpluses allowing the district to maintain current programs and amenities as well as plan for capital maintenance of existing facilities and future new capital projects.

Mr. Harvey reviewed the various materials included in the FY 2025 budget book, beginning with a brief narrative of Districtwide financial summaries, schedules, and charts. Mr. Harvey and Director Flaherty then presented the following to the Board:

- District-Wide Consolidated Budgets from 2022-2025
- Fund Balance Rollforward
- Property Tax EAV, Extension and Rate History
- Operating Indicators
- G&A Allocation
- The District's 5-Year Capital Improvement Plan
- The District's Organizational Chart
- The District's Wage Scales

Mr. Harvey explained the majority of the budget book is devoted to the District's three major funds – Corporate Fund, Golf Fund and Recreation Fund. 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.

The Commissioners discussed the materials presented throughout the sections and staff provided additional detail and information on the Commissioner's various questions.

General Fund

Mr. Harvey explained the Corporate Fund, commonly referred to as the General Fund, covers the majority of the District's administrative costs including administrative personnel, audit fees, legal fees, office supplies, marketing and promotion and information technology. The fund also covers the District's Parks Department operations and capital expenditures for the entire District's parks repairs and maintenance. Revenues received for this fund are primarily tax dollars, grants and local reimbursements for joint projects and services. This fund has very few restrictions on its use of tax dollars as it is viewed as the fund that covers operations. Some of the highlights of the proposed 2025 budget include:

- The final year of the Park District's Intergovernmental Agreement (IGA) with School District 109 for financial contribution towards the Caruso Theater renovation project and two playground replacements
- The continuation of scheduled playground replacements to include the Jewett Park South 5-12 year old playground
- The continuation of scheduled vehicle replacements to include two pickup trucks
- Two project cost reimbursement arrangements: 1) ballfield upgrades reimbursed by DYBA, and 2) Floral Park basketball and tennis court resurfacing reimbursed by the Village of Deerfield
- Information technology consulting service to rebuild the district's IT infrastructure
- Single audit to close-out the OSLAD grant for Jewett Park
- Additional part-time marketing staff
- New marketing signage to comply with Village requirements

The Commissioners encouraged staff to continue to look at possible grant opportunities and Director Flaherty assured that she will be working with staff on this. Mr. Harvey noted the salaries and wages are kept at 2023 levels. Ms. Musurlian reviewed the new Village requirements and costs of new signage with the Board. Commissioner Serota asked about the part-time website specialist position and Ms. Musurlian reviewed the positions within the Marketing Department with the Board and confirmed no new positions have been added this year.

Golf Course Fund

Mr. Mannina provided an overview of the Golf Course Fund in addition to highlights. The Deerfield Golf Club offers many amenities which include an 18-hole course, a learning center/driving range, a pro shop and an outsourced 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 contributes towards certain significant capital projects each year which have included: an entire course bunker renovations project over 10 years and a cart path replacement project for the past 2 years.

- The golf club continues to see increased play and revenue as golf experiences significant annual growth in players and programming. This is projected to be the case in 2025 as well.
- The projected budget is a conservative approach to revenue projection, which is bolstered by fee increases for golf passes, green fees, cart rentals, programming and range balls.
- The golf course capital budget reflects the receipt of (2) new mowers, the replacement of 4 additional cart paths, new driving range mats, preparation for a driving range net, and a driving range picker.
- The budget continues to reflect the partnership with Tap House overseeing the food and beverage operation with small updates to revenue and expense line items in 2025.
- Highlights of the updated 5-year capital plan reflects the completion of the cart path replacement project, as well as the parking lot replacement and the start of the electrical line replacement for the irrigation system.

Commissioner Cohen inquired about the food and beverage income and Mr. Mannina explained that the golf course still hosts their own in-house events. The Commissioners inquired about other revenue opportunities and Mr. Mannina reviewed the various possibilities, including simulators, with the Board.

Recreation Fund

Ms. McCarty presented an overview of the general recreation programs including accomplishments of 2024 and highlights for 2025. The Recreation Fund covers the majority of the Recreation Department's administrative costs including administrative personnel, program supplies and equipment, training and education, and contractual agreements. The fund also covers the operational costs of both outdoor pools including 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. Some highlights of the proposed 2025 budget include:

- To generate revenue, the Patty Turner Center will continue to offer and grow programs for adults 50 and older in the evenings and on the weekends.
- The District website redesign process will be complete by early summer resulting in an enhanced user experience with a primary focus on streamlining the registration process.
- The Sachs Recreation Center will continue upgrading the interior with replacing the main gym perimeter and divider curtains to match the new facility color scheme, swimming pool PVC liner replacement and fitness strength equipment. Two new 25-ton roof top heating and cooling units will also be replaced.
- After school club program revenue will increase as the program continues to grow.

Commissioner Patinkin inquired about the success of the After School Program and Ms. McCarty explained that it continues to grow, and we are accommodating new participants. Commissioner Serota asked about the preschool program and Ms. McCarty explained that enrollment is up slightly from last year. Mr. Korzyniewski reviewed the budgets for the pools and the Sachs Center with the Board.

Special Funds

Mr. Harvey reviewed the non-major restricted funds with the Board. The Special Recreation Fund covers a multitude of expenses to accommodate people with disabilities. These costs include a member agency contribution to the North Suburban Special Recreation Association for operations, costs relating to inclusion staff, accommodation and ADA accessibility projects for physical improvements to parks and facilities. The fund is supported in whole with tax dollars that are outside of the aggregate that the District levies. The proposed tax levy includes the continuance of levying for the maximum allowance of taxing authority permitted by the District. The 2025 budget includes the typical annual member contributions to NSSRA, inclusion costs and funding that will be used towards capital projects and for park and facility improvements according to the District's ADA Transition Plan for improved physical accessibility. Anticipated projects to be funded in part or in whole in 2025 include the Jewett Park South playground replacement, Clavey Park pathway renovation, and Jaycee Park parking lot improvement.

The Social Security Fund is solely tax supported and covers the employer's share of contributions to Social Security and Medicare for all employees and cannot be utilized for any other purpose. The employer contribution is 7.65% of applicable wages. 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 2024, only bond projects. 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 Illinois Municipal Retirement Fund, often referred to as the pension fund, is solely tax supported and covers the employer's share of contributions to the Illinois Municipal Retirement Fund for all eligible employees. The fund cannot be utilized for any other purpose. Each year, IMRF determines each member's contribution rate based on actuarial calculations and investment returns.

The Liability Insurance Fund is solely tax supported. Expenses related to this fund include unemployment insurance, liability, workman's compensation, and employment practices. The fund cannot be utilized for any other purpose. Our insurance and risk management firm, Park District Risk Management Agency, uses a rate stabilization reserve fund to help offset dramatic increases. Despite that offset, our member contribution increased in 2025 by 12.09% for property, casualty and liability coverage, and 10.48% for workers compensation and employment practice. The rates are determined annually by PDRMA based on prior years' operating expenses, payroll and exposure risks.

The Debt Service fund is solely tax supported and covers the debt service on outstanding bonds. Whenever bonds are issued, a special tax levy (including specific amounts for each year) is established to fund the required principal and interest payments until maturity. Individual bond holders receive their payments from a paying agent, usually a bank. Semi-annual interest payments are made on June 1 and December 1. An annual principal payment is made on December 1. The park district issued \$4,995,000 of general obligation limited tax park bonds in June 2022 that will be paid out until December 2041 at annual debt service between \$380-390k. The "all-in" rate inclusive of fees and issuance expenses is 3.78%.

The Capital Projects fund is used to account for large scale capital projects. The sources of funds in this account come from interfund transfers and bond issuance. In 2022, the Park District received approximately \$5 million in bond dollar support to complete a number of projects from 2022-2025. The bond projects are expected to be completed by the end of calendar year 2024. No new large-scale projects are planned for 2025.

Director Flaherty thanked the Board for carefully reviewing the proposed budget, asking thoughtful questions and for being fiscally responsible stewards of the park district.

The Park Board was in support of the presented budget and gave direction for staff to move forward and prepare the documents to be presented at a Public Hearing on January 16, 2025, and presented for approval at the Regular Meeting on January 16, 2025, following the Public Hearing.

V. ADJOURNMENT

There being no further business or discussion, Commissioner Serota moved, seconded by Commissioner Patinkin, to adjourn the meeting. The motion passed unanimously on a voice vote. The meeting was adjourned at 8:29 p.m.

Respectfully submitted,

Annemarie Flaherty
Secretary