

**MINUTES OF A THE FINANCE COMMITTEE MEETING
OF THE PARK DISTRICT OF HIGHLAND PARK
HELD ON NOVEMBER 30, 2022 8:01 A.M.**

Present: Commissioner Bernstein, Commissioner Ruttenberg, Vice President Freeman

Absent: None

Also, Present: Executive Director Romes; Director Peters, Director Gogola; Director Smith; Director Voss; Director Carr; Assistant Director Maliszewski; Assistant Director Murrin; Manager Ochs; Manager Baczek; Coordinator Hejnowski

Guest Speaker: None

Additions to the Agenda

None.

Approval of the Finance Committee Meeting Minutes from October 11, 2022, and October 18, 2022

The Minutes from October 11, 2022, and the October 18, 2022, Finance Committee Meetings were approved.

Cost Center Projections Presentation

West Ridge Center

Staff are projecting a \$119,819 surplus come the end of the year. Conversely, expenses are projected to be \$3,470 less than budgeted.

Commissioner Bernstein is pleased to hear that projected expenses are spot on whereas the actual revenues have already surpassed the projected figures before the end of the year.

Athletics

Staff are projecting a \$30,000 surplus come the end of the year.

Camps

Budgeted a \$270,000 surplus, however, the actual revenue was \$27,000 less.

Executive Director Romes reported that expenses for wages have significantly increased, contributing to the shortcoming.

Special Events

Actual revenue and expenses align with the projected figures.

Hidden Creek AquaPark

Budgeted a \$144,000 deficit, however, the actual deficit will be \$55,000 more due to emergency repairs so that the pool could open this summer.

Rosewood Interpretive Center

Budgeted a \$40,000 surplus, however, staff are projecting a \$53,000 surplus come the end of the year due to rentals.

Rosewood Beach

Projecting a \$51,000 deficit due to staffing expenses.

Park Avenue Beach and Boating Facility

Budgeted an \$8,000 surplus, however, staff are projecting a \$27,000 deficit due to emergency repairs needed for the temporary ramp which permitted boating this summer.

Centennial Ice Arena

Budgeted an \$85,000 surplus, however staff are projecting a \$46,000 surplus come the end of the year. The reduction is due to the emergency repairs needed for the ice rink floor.

Commissioner Bernstein would like an update at a future Facility and Recreation Committee Meeting regarding user groups.

Executive Director Romes reported that staff have been meeting regularly with user groups. Ice will be available come February; however, the parking lot will be under construction so access to the ice arena will be a significant challenge. Staff are meeting with the user groups tomorrow to discuss access options.

Heller Nature Center

Projected a \$257,000 deficit. The actual deficit is \$53,000 more than anticipated due to emergency repairs for the parking lot, lobby, and exhibit.

Commissioner Bernstein feels Heller Nature Center is a hidden gem, he would like staff to find creative ways to expose and market the facility and programs.

Assistant Director Maliszewski is pleased to report that Heller Nature Center will have their own exhibit at the 2023 IAPD/IPRA conference for added exposure.

Golf Learning Center

Projecting a \$39,000 surplus come the end of the year.

Commissioner Bernstein would like updated regarding potential opportunities at the site.

Sunset Valley Golf Club

Projecting a \$478,000 surplus come the end of the year.

Recreation Center of Highland Park

Projecting a \$376,000 deficit come the end of the year.

Executive Director Romes reported a presentation will be given in January to the Park Board of Commissioners.

Commissioner Bernstein would like staff to provide updates more often to better understand how what staff are doing to support and rejuvenate this facility.

Deer Creek Racquet Club

Actual revenue is \$233,000 better than the budgeted.

Assistant Director Murrin reported that revenue participation from pickleball is starting to catch up with tennis.

Commissioner Ruttenberg would like staff to share financial figures comparing pickleball and tennis.

Commissioner Bernstein and Commissioner Ruttenberg would like the District to focus on this facility since it's a significant revenue generator for the District. Suggesting this facility may need to expand and a business plan to provide more recreational opportunities and generate more revenue. Much like Sunset Valley Golf Club, the District needs to reinvest into this facility for added potential.

Commissioner Bernstein would like to know how often these figures should be reviewed.

Director Peters reported that this report could be conducted twice a year or quarterly.

The Finance Committee requested that these figures be reviewed twice a year with the Finance Committee Meeting.

2023 Budget Presentation

Budget Calendar

Director Peters reviewed the budget calendar reporting that today's Finance Committee Meeting is a high-level review of the 2023 Budget, the December 6 Finance Committee Meeting is a more detailed review of the 2023 Budget Book, the final propose Budget Book for 2023 will be presented at the December 14 Regular Board Meeting, after 30 days a Public Hearing will be held on January 25, 2023, regarding the 2023 Combined Budget and Appropriation and staff will ask that the Park Board of Commissioners approve the 2023 Budget Ordinance.

Budget Highlights & Assumptions

Director Peters reported that staff used 2022 budget for comparisons. When examining revenues for the 2023 Budget it includes considered inflation including potential increase in wages as a result of the compensation study, property taxes which are based on the CPI plus new growth, assumes increased interest income rates, excludes impact fees, assumes recreation program revenue approximately 14% more than 2022 budget, and memberships and rental revenue is reduced from 2022 budget. When examining expenses for the 2023 Budget it includes the 5% full-time salary pool which includes merit and the compensation study, two new full-time positions, increases to minimum wages, increased grant and aid, free, and reduced fees for programming, increased for inflation, and contractual expenses to maintain parks.

In 2022 staff budgeted a \$1.8 million surplus. In 2023 staff are budgeted a \$1.4 million surplus, which is \$444,981 less than the 2022 budget.

District Wide Budget Comparison (No Capital, No Transfers)

Director Peters reported that the 2023 Budget had \$24 million in revenue whereas the 2022 Budget has \$22.7 million in revenue. This is a \$1.3 million increase (or a 6.13% increase).

Functions

Director Peters reported that the District has three functions, Administrative, Recreation, and Parks. The administrative function is responsible for the District short and long-term planning, executive and administrative district-wide operations financial management, human resources administration and risk management, information technology systems, and marketing/communications activity.

A. Administrative Function

Staff are budgeting \$43,000 from interest income and \$1.8 million from miscellaneous income for the 2023 budget. As for expenses, staff are budgeting \$3.4 million, this includes salary and wages, contractual services, pension contributions, materials and supplies, and capital outlays.

B. Parks Function

Staff are budgeting \$15,750 from miscellaneous income for the 2023 budget. As for expenses, staff are budgeting \$20.5 million, this includes contractual services, maintenance contracts, materials and supplies, and utilities.

C. Recreation Function

Staff are budgeting \$16.3 million from programs, memberships, rentals for the 2023 budget. As for expenses, staff are budgeting \$13.4 million, this includes programs, salaries and wages, contractual services, materials and supplies, insurance, maintenance contracts, and utilities.

District Wide Budget Transfers

Director Peters showed a graph comparing 2022 with 2023. For the 2023 budget, staff recommend transferring \$623,020 from general fund to debt service fund, \$1.5 million from the general fund to the capital fund, \$1 million from the recreation fund to the debt service fund, \$2 million from the recreation fund to the capital fund, and \$550,000 from the special recreation fund to the capital fund.

A. District Wide Budget Comparison (No Capital)

When comparing the 2022 and 2023 budgets, staff are projecting a \$1.6 million deficit as of December 31. As for 2023, staff are budgeting a \$2.6 million deficit after transfers.

B. Proposed 2023 Budget by Fund

The general fund is budgeted to have a \$2.4 million deficit, the recreation fund will have a \$2.8 million surplus before transfers (\$189,779 deficit after transfers), and the special recreation fund will have a \$502,045 surplus before transfers (\$47,995 deficit after transfers). Lastly, a combined \$4 million will be transferred from all three funds to the capital fund.

Projected Cash on Hand as of December 31, 2022

At the beginning of the fiscal year the cash on hand and short-term investments was \$34.7 million. As of December 31, 2022, the estimated cash and short-term investments is expected to be \$24.8 million.

Commissioner Ruttenberg would like staff to contact neighboring districts to see if the Fourth of July Tragedy has impacted programming and membership revenue.

Other Business

Finance Committee Meeting Minutes
November 30, 2022

None.

Open to the Public to Address the Board

None.

Adjournment

The meeting adjourned at 9:38 a.m.

Respectfully submitted,

Roxanne Hejnowski

Roxanne Hejnowski, Assistant Secretary