

**MINUTES OF A THE FINANCE COMMITTEE MEETING
OF THE PARK DISTRICT OF HIGHLAND PARK
HELD ON JUNE 18, 2024, 8:00 AM.**

A motion was made by Commissioner Ruttenberg and seconded by Commissioner Grossberg to allow Vice President Freeman to participate by electronic means.

Present: Commissioner Ruttenberg, Commissioner Grossberg, Vice President Freeman, President Bernstein

Absent: None

Also, Present: Executive Director Romes; Deputy Director Carr, Director Peters, Director Smith, Director Voss, Director Gogola, Director Baird, Manager Ochs, Assistant Director Reyes, Assistant Director Acevedo, Manager DiTomasso, Manager Kutscheid, Manager Baczek, Supervisor Kelly, Account Moraru, Coordinator Hejnowski

Guest Speaker: Audra Braski, PMA Network, Gregory Ichel, The Arbitrage Group

Additions to the Agenda

None.

Arbitrage Rebate Payment Due For the 2021 Debt Certificates

On December 1, 2021, the Park District issued \$19,815,000 General Obligation (Limited Tax) Debt Certificates, Series 2021 at a TIC rate of 1.984118%. The debt certificates were used to fund all capital projects of the District. As the certificates were spent more slowly than originally anticipated and as interest rates more than doubled, an arbitrage situation occurred.

For the year ended 12/31/23, \$84,834.82 was placed into accrued expenses due to the IRS with the offset against general fund investment earnings. Per IRS form 8038-T, prepared by The Arbitrage Group, the District owes \$85,074.18 by July 31, 2024. The \$239.36 difference will be charged to investment income in the general fund in 2024.

It was the consensus of the Finance Committee Meeting to place the Arbitrage Rebate Payment Due For the 2021 Debt Certificates on the consent agenda at the June 26, 2024 Regular Meeting of the Park Board of Commissioners.

Recreation Center of Highland Park Quarterly Report

Supervisor Kelly reviewed the year-to-date annual membership enrollment figures and actual vs. budgeted membership revenues (a combination of all membership options).

Manager DiTomasso reviewed the budgeted vs. actual revenues and expenses for Group Exercise Memberships (Basic and All-Inclusive Memberships).

Manager DiTomasso reviewed budgeted vs. actual revenues and expenses for ancillary services, this includes personal training, pre-registered programs and events, and babysitting (Kids Club).

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Manager DiTomasso reviewed utilization figures for the fitness floor, group exercise, personal training, and the indoor track. This data also included unique users.

Overall, the District's Customer Relationship Management (CRM) has a 61% conversion to annual membership, free trials have a 30% conversion to annual membership, and facility tours have a 20% conversion to annual membership.

Manager DiTomasso reviewed 2024 membership, program, and event growth strategies.

Lastly, Manager DiTomasso reported that the Park District explored offering medical advantage programs through Silver Sneakers or Renew Active memberships for seniors, members who are 65years+. Currently, 31% of all annual memberships are seniors. She reviewed actual senior membership revenue vs. the revenue loss from one of the possible medical advantage programs. Overall, Manager DiTomasso is not in favor of offering a medial advantage program, however, staff would like to share Silver Sneakers classes offered at the Highland Park Senior Center for synergy.

Pickleball and Padel Facility Donor Agreement

President Bernstein recused himself from the meeting 8:58 a.m. so the rest of the Finance Committee could discuss the donor agreement for the new Indoor Pickleball and Padel facility.

Executive Director Romes reported that the Bondy Family would like to donate \$250,000 to the Lot 3 Pickleball and Padel Facility. He reviewed the terms and conditions of the Bondy Family Foundation Donor Agreement.

It was the consensus of the Finance Committee Meeting to place the Bondy Family Foundation Donation Agreement on the consent agenda at the June 26, 2024 Regular Meeting of the Park Board of Commissioners.

Recreation Center of Highland Park Construction Updates

President Bernstein returned to the meeting at 9:09 a.m.

Executive Director Romes reviewed the City of Highland Park's design plan for the parking lot improvements at the Recreation Center of Highland Park and the City of Highland Park's Senior Center. Executive Director Romes reported that staff are awaiting a breakdown of costs from the City of Highland Park, however, based on some of the proposed changes, staff are not in favor of a 50/50 split in project costs since some of the proposed changes only benefit the Senior Center and not the Recreation Center of Highland Park. The current Intergovernmental Agreement for the shared parking lot terms indicates the Park District of Highland Park is responsible for covering 50% of repaving costs.

Vice President Freeman and Commissioner Ruttenberg will be the liaisons on this project and will provide negotiation updates with the rest of the Park Board of Commissioners.

2024 Park Avenue Beach Access Improvements Project

On Tuesday, May 28, 2024, the Park District of Highland Park received two (2) sealed bids for materials and labor to complete the 2024 Park Avenue Beach Access Improvements. These improvements focus on the north beach area and include improved pedestrian access, an ADA-compliant boardwalk along the beach, reconfiguring and rehabilitation of the vehicular parking lot, and landscaping.

Director Smith reported that there is \$612,000 in capital funds for this project, plus \$400,000 in Open Space Lands Acquisition and Development (OSLAD) grant funds. The total base bid from Copenhagen Construction is \$1,307,749. By reducing the concrete paving and parking lot base, replacing the boardwalk with wood instead of a composite material, purchasing/installing landscape, site furnishings, and signage in-house, and removing the conduit for future lighting and culvert fencing from the bid, staff were able to significantly reduce the total project costs.

The Finance Committee supports staff's recommendations excluding the boardwalk. While they appreciate the upfront cost reduction to replace the composite material with wood, due to the in-house maintenance costs, they would like the composite material for the boardwalk.

June Bid Results

A. 2024 Deer Creek Racquet Club Locker Room Improvements Project Bid

Director Smith reported that The Park District of Highland Park received five (5) sealed bids on Thursday, June 14, 2024, for materials and labor to complete the 2024 Deer Creek Racquet Club Locker Room Improvements Project. Work is scheduled to occur July through August 2024. The low bidder is Bee Liner Lean Services This contractor has favorable references.

There is \$200,000 available in the capital budget for this project. The base bid from Bee Liner Lean Services is \$151,000. Staff are proposing purchasing a little over \$37,000 of materials in-house to keep the project under budget.

It was the consensus of the Finance Committee to place base bid items for the 2024 Deer Creek Racquet Club Locker Room Improvements Project on the Consent Agenda for approval at the June 26, 2024 Regular Meeting.

Capital Purchases

A. 2024 Ford Electric Transit Vehicle

Director Voss reported that staff evaluated the 2024 capital plan vehicle replacement list and determined a cargo van is a necessary replacement for the current needs of the District. A Ford Electric Transit Van was selected and is available through the Suburban Purchasing Cooperative (SPC) through the Northwest Municipal Conference.

The Suburban Purchasing Cooperative is a joint purchasing program representing 142 municipalities and townships in northeastern Illinois. The SPC exemplifies the benefits of intergovernmental cooperation on a regional basis. The goal of the SPC is to combine the resources and purchasing power of governments and not-for-profit entities to jointly negotiate advantageous contract terms of products at the lowest possible price. Illinois statues, 525/2 from Ch. 85, par. 1602. (Governmental Joint Purchasing Act), authorizes that any governmental unit may purchase personal property, supplies, and services jointly with one or more other governmental units.

The scheduled vehicle to be replaced is a 2013 small-sized cargo van, which current operations have outgrown. A small-sized van is not currently available through the cooperative purchasing program. Larger, equal-sized gas and electric engine vans are both available. A gasoline engine van would have an initial savings of approximately \$4000 compared to the electric engine model. However, the District would expect a \$1200 per year savings, a minimum of \$14,000 savings over the lifespan of the van, in fuel costs by choosing the electric engine model.

A 2008 Ford Ranger and a 2008 Ford F150 would be traded in with the purchase. Once the new vehicle is received, Staff would also place a 2013 Ford Transit Connect Van on surplus, followed by an auction through the District's GovDeals website account.

It was the consensus of the Finance Committee to place the purchase of a 2024 Ford Electric Transit Vehicle on the Consent Agenda for approval at the June 26, 2024 Regular Meeting.

Other Business

A. Moving November 2024 Finance Committee Meeting

Currently, the Finance Committee is scheduled to meet on Tuesday, November 19, 2024 at 8:00 a.m. The Committee Meeting is being moved to Thursday, November 14, 2024 at 8:00 a.m.

B. Plan 2 Play Registration System for the Lot 3 Pickleball and Padel Facility

Director Gogola reviewed a Reservation, Membership, and Registration System Proposal for the new Pickleball and Padel Facility. Plan 2 Play specializes in fitness, tennis, and pickleball space. The system is focused on providing a positive customer experience with state-of-the-art features than competitors.

The District currently utilizes Plan 2 Play customer relationship management system (CRM) for the Recreation Center of Highland Park. She reviewed the proposed scope, highlighting system benefits tailored to our facility.

Director Gogola reported that staff would like to enter into a 3-year agreement with Plan 2 Play. She reviewed the yearly and total costs over the term. Overall, she is pleased to report that Deer Creek Racquet Club and the Recreation Center of Highland Park have the ability to utilize the system at no additional cost.

It was the consensus of the Finance Committee to place the Proposal for the Plan 2 Play Registration System on the Consent Agenda for approval at the June 26, 2024 Regular Meeting.

Open to the Public to Address the Board

None.

Adjournment

A motion was made by Commissioner Ruttenberg and seconded by Commissioner Grossberg and approved by a unanimous vote. The Board Meeting adjourned at 9:53 a.m.

Respectfully submitted,



Roxanne Hejnowski, Assistant Secretary