

Niles Park District
Minutes of Budget Workshop Meeting
Howard Leisure Center
October 18, 2018
6:00 p.m.

Board Members present: Christopher Zalinski, President
Ray Czarnik, Vice President
Dennis O'Donovan, Treasurer
Pat Byrne, Commissioner
Julie Genualdi, Commissioner

Staff Members present: Tom Elenz, Executive Director / Board Secretary
Scot Neukirch, Finance Director
Heather Petrie, Executive Administrative Coordinator
Jim Majewski, Superintendent of Facilities
Matt Schiller, Park Grounds Supervisor
Robin Brey, Office Manager/Recreation Program Supervisor
Lindsay Brubaker, Pioneer Park Program Administrator
Laura Newton, Tam Tennis Manager
Jeff Halsema, Athletics
Paul Nielsen, Athletics
Joe Cermak, Athletics
Peter Dubs, Golf Course Manger
Chris Urgo, Golf Pro/Instructor
Jim Stoneberg, Golf Course Maintenance
Marty Stankowicz, Iceland Manager
Tony Senkevicius, Oasis Pool Manager

1. Call to Order

President Zalinski called the meeting to order at 6:00 p.m.

2. Roll Call

Recording Secretary Petrie called the roll. All Commissioners were present.

3. Opening Comments

Executive Director Elenz opened the workshop by noting that the budget for fiscal year 2019 is balanced and reflects the District's comprehensive financial plan to provide parks, facilities and programs to residents and participants in the upcoming fiscal year. Staff has been monitoring and adjusting the budget based on program participation, by reducing operating expenses, limiting part time positions and keeping all program fees affordable. The Park District is having an exceptional year in terms of revenue and controlling our expenses, per our financial statement. We have seen a dramatic increase in revenue in some programs while concentrating on areas to reduce our expense.

In 2019 we are requesting a 3% increase in program fees and no increase in the operational tax levy for fiscal year 2019.

Some of the major capitals completed in 2018 included the Culver junior ball field, Culver sprinkler system, Courtland Park tennis court renovation, Courtland Park basketball court renovation, outdoor basketball court resurfacing, and the completion of the golf course project.

Some of the major concerns we faced in the 2019 budget are how to increase our revenue sources to keep up with the increased costs of utilities, maintenance, and debt service payments. The total 2019 budget revenue for all funds is \$11, 847, 405 which is an increase of 3% compared to the 2018 projected revenues. This increase is attributed to increased trends and participation in programs and the expansion of existing programs.

The District increased budget expenses \$624, 972, an increase of 4.9% compared to 2018 projections. The increase was due primarily to an increase in capital expenditures. The major capital budget for next year includes the Oak Park playground, Jonquil playground replacement, roof replacement at Iceland, a new Zamboni, recoating of all outside tennis courts, painting the indoor Tam Tennis courts, and the Howard Leisure Center remodel.

Being fiscally responsible in prior fiscal years, the District has created ways to operate more efficiently, which when combined with revenue enhancements and expenditure reductions, the Park District has positioned itself to be financially strong and be able to maintain healthy reserves in order to be successful in any economy.

This budget represents the district's commitment to be fiscally responsible to the Niles Park District residents. We will continue the District's velocity of planning for capital replacements while maintaining and operating the District's existing facilities and programs in the first class manner the residents of Niles deserve and expect.

4. Finance Director Budget Overview

At the end of August, the departments began working on their budget requests. They ultimately had a series of meetings with the Finance Department about their specific requests. During that time they reviewed the operational needs of each department and each department was given an opportunity to justify their major capital expenses.

Fund Balance Analysis

- “Big Picture” view point
 - 3% increase to wages of full timers 2% to part timers
 - No property tax increase to the corporate levy has been factored in
- Changes in Fund Balance
 - From opening 1/1/2018 “actual” fund balance, what is projected for 2018 in total for each fund, to the projected ending balance through the 2019 budgeted amounts to 12/31/2019 budgeted ending fund balance
 - One stop shop for comparing 2018 projected Changes in Fund Balance to 2019 budgeted Changes in Fund Balance.
 - When reviewing this schedule you should look for significant fluctuations in changes in fund balance from year to year or reserves as a whole declining:
 - The Ice Rink is drawing down reserves in 2019 vs a surplus in 2018. Large equipment purchase and a large capital project account for this change.
 - Conversely the Golf Fund is projecting a deficit for 2018 and a surplus in 2019 resulting from the renovations and weather difficulties shortening the season in 2018 and returning to normal in 2019.
 - Paving and Lighting reserves are declining because of increased paving/seal coating projects.
- Fund Transfers should always net out to zero on this schedule.

- This illustrates how certain funds are utilized to support the operations of other Funds in the Park District

Summary of Revenues

- Shows the aggregate activity including dollar and percent variances
- Includes a little more analysis than the Fund balance analysis by providing each Funds Actual, Projected and Budgeted revenues over a 3 year period.

Summary of Expenses

- Shows the aggregate activity including dollar and percent variances
- Includes a little more analysis than the Fund balance analysis

FY 18 Major Capital Projects

- Summary of major capital purchases/projects to refer to during the various departmental discussions.

FY 19 Major Capital Projects

- Various departments will elaborate on these during their individual budget reviews to follow.

Fund Summaries with account detail

- As the document brings you down from a high level summary view point in the early schedules, these pages give you the line by line detail along with a Fund summary page.
- We have already done an overview of the significant activity in the various funds, but we have also provided the account by account activity as well for you to review the detail behind the summaries.

Department Budget Request Review - Administration/Finance/IT

General Admin

- Legal budget account was increased
 - 2018 required more legal expenses than historically required.
 - For 2019 the budget was decreased from the 2018 projected level for legal services anticipating the need for some these services will decline from the activity level in 2018.
- Health insurance budget amount in acct 500097.00 increased because additional family coverages were added for eligible full time employees.
- Salaries acct 500001.00 budget increased with the addition of 1 more employee from the 2018 budget amount

IT

- The largest increase in this department is for software expense.
- During 2019 we are scheduled to upgrade our Rec Trac software, Windows and Kronos time keeping software, resulting in an increase of just under \$70,000 from 2018 budget.

Finance Department

- Main reason for the overall 5.8% increase to expenses is the estimated 10% increase to health insurance costs reflected in account 500097.00 and the 3% increase to salaries in account 500001.00.

Park Services

Jim Majewski and Matt Schiller

- Iceland roof is 25 years old and needs to be replaced.
- Color coating is planned for all outdoor tennis courts.
- Seal parking lots and some of the paths in the parks.
- Playground equipment for Oak Park and Jonquil
- Regrade and resurface ball fields
- Replacing equipment trailers
- New, lighter equipment
- Irrigation for flower beds

Recreation Programs

Robin Brey

Robin stated that preschool has been successful, enrollment has stayed consistent. Robin suggested not increasing preschool tuition as there are many other competing preschool programs. They have increased programming for the early childhood program, for both morning and afternoon. Summer camps were successful this year, and Robin recommended raising those fees by 3%. Revenue and expenses were in line with the budget. The dance program saw an increase in revenue and they are looking to increase the frequency of the summer dance camp to 5 days a week. The music program remains successful, runs 6 days a week and is full. A guitar teacher has been hired who can also teach violin and mandolin, providing more options to students. Birthday parties continue to book and are expected to increase in 2019. Recreation plans on implementing some adult dance classes in 2019, senior exercise classes and dance classes for babies. They plan to continue with their STEM program which has been popular. They would also like to provide more art classes and teen workshops.

Pioneer Park

Lindsay Brubaker

Rain, cold, and extremely warm weather caused some slow days and early closures. Lindsay mentioned that they would be working on increasing the number of tournaments for 2019.

The board also suggested focusing on concessions as a means to increase revenue.

Tam Tennis

Laura Newton

The Junior Tennis program has been growing and has exceeded budget expectations for this year. They've extended the number of weeks they run programs. The adult program is doing well and they plan on meeting their budget for this year. They hope to meet their budget for private lessons early next year. Court reservations have also done well and they expect to exceed their projections for 2018.

They've extended their hours of operation on Fridays and the weekends. Fitness memberships are expected to increase with summer ending. Tennis memberships are also doing well. For next year they are trying to raise their numbers for junior and adult programs.

They'd like to improve the tennis courts, and replace the exercise bikes for 2019.

Athletics

Jeff Halsema, Paul Nielsen, Joe Cermak

Athletics saw 3.7% growth in participation in 2018 with nearly 15,000 participants in 2018. Their indoor soccer classes have been successful as well as outdoor soccer. Basketball and dodgeball continue to grow. Flag

football will be starting soon as well as fall baseball. Athletics will be focusing on ways to fill the down time in the building for 2019, particularly at the LoVerde Center. Many of the classes, clinics, leagues, etc., are competing for the same time slots.

They were slightly down in some of the half day sports camps but made up for that with the full day camps.

Athletics would like to introduce classes for younger kids (3-4 year olds). Floor hockey was introduced this summer and they would like to grow it into a league. Adult volleyball will be introduced once a week and will hopefully grow into a league as well. Athletics proposed doing a Sport Night. It would take place from 6:00 p.m. – 10:00 p.m. for 4 Fridays, between Thanksgiving and Christmas. Kids could pay a flat fee for the night and be able to do different activities throughout the entire building.

The board asked how Athletics plans to attract people for their proposed programs. Athletics has created a database of all schools within 10 miles to send fliers to and also plan on making school visits.

Golf Course and Golf Maintenance

Peter Dubs, Chris Urgo, and Jim Stoneberg

Feedback on the course was positive and people were happy with the changes. Nice days have been booked solid. They aren't proposing raising rates for 2019. They are already charging more than our biggest competing course. They will raise some rates for a couple of junior classes. They're restructuring some of their programs. They'd like to run a 30 week program where people can pick and choose when they'd like to participate. Will be planning junior special events for next season as well. Program participation is on track. The 4-6 year old classes routinely fill. They will be increasing the cost of private instruction for 2019.

Peter mentioned a marketing expense for the program to be featured on a golf show on NBC Sports. It's a 3-5 minute piece that runs 10 times over the course of a month. They'd like to highlight the classes and the history. The clip can also be featured on the website.

The plan for the golf course this year will be to beautify it more. They also plan on moving some big trees around the course. Irrigation repair will be needed in 2019.

Ice Rink

Marty Stankowicz

IceLand has a 2000 Zamboni which is being traded in for a new one. They will still keep the 2007 Zamboni they have and will continue to use it as a backup. The trade in is part of a package deal which also includes a new electric edger. The cost of the new Zamboni is \$106,580 minus a \$3197 discount, minus the value of the trade, \$17,500, plus the cost of transporting it from California; \$3500 brings the final cost to \$89,382. The other option was to spend \$25,000 to have it refurbished, but you would still have an 18 year old machine.

For the last 12 years, fees have increased every year. This year, has been a flat year, however, but nothing has changed at IceLand. They're looking at doing some marketing but it is very expensive and they have not budgeted for it. We have an agreement with Morton Grove to be included in their programming materials, and are offering our classes for their residents at our resident rate. We are hoping to see an increase from that. They're also looking to do more rentals in the summer. Currently there are 3 different lacrosse organizations using the outdoor space. The time on the ice is full. The only thing they can see doing is trying to increase class enrollment.

Looking forward, past 2019, the boards of the indoor rink will need to be replaced as they are beginning to show signs of wear.

Swimming Pool

Tony Senkevicius

It was another safe pool season. There were 163 saves this year and the pool was awarded with three 5 star audits. Daily admissions have gone up \$56,000 from last year, even with 15 rain days and 6 cold days. Season passes have gone down a bit from last year with one theory being that families don't want to commit to the cost of a season pass upfront. The increase in daily rates has compensated for this drop. The cost of passes has increased by \$2.00 for non-residents. The pool was open for an extra week at the end of the summer when all other area pools had already closed for the season. There was enough staff to cover having the pool open during the day, and this added a little bump to the end of the season.

The board asked what new ideas staff might have for the next season. Tony suggested various events at the pool such as a Christmas in July, offering fitness classes to seniors and possibly incorporating a lap lane.

Executive Director Elenz discussed the Howard Leisure Center remodel. He's discussing financing options with Ken Hoffman (Howard Street Inn/Fairway Banquets). The preliminary budget for the remodel is \$1,500,000, which may be a little high. The Finance Department will put together a contract for the board to approve.

The projected timeline would have the remodel starting in December, 2019 with the preschools. Then in January, February, and March, the rest of the remodel would take place.

5. CITIZENS WISHING TO ADDRESS THE BOARD

There were no citizens who wanted to address the board.

6. CONVENE INTO EXECUTIVE SESSION

A motion was made by Commissioner Byrne and seconded by Commissioner Genualdi to convene into executive session. Recording Secretary Petrie called the roll:

President Zalinski	Yes
Vice President Czarnik	Yes
Treasurer O'Donovan	Yes
Commissioner Genualdi	Yes
Commissioner Byrne	Yes

The motion passed 5-0

7. ADJOURNMENT

A motion was made by Vice President Czarnik and seconded by Commissioner O'Donovan to adjourn the Regular Board Meeting of October 18, 2018. Recording Secretary Petrie called the roll:

President Zalinski	Yes
Vice President Czarnik	Yes
Treasurer O'Donovan	Yes
Commissioner Genualdi	Yes
Commissioner Byrne	Yes

The motion passed 5-0

APPROVED:

President
Board of Commissioners
Date: October 18, 2018

Board Secretary