

Niles Park District  
Minutes of Budget Workshop Meeting  
Howard Leisure Center  
October 9, 2019  
10:00 a.m.

Board Members present: Julie Genualdi, President  
Dennis O'Donovan, Vice President  
Joe LoVerde, Treasurer  
Jim Hynes, Commissioner  
Scott O'Brien, Commissioner

Staff Members present: Tom Elenz, Executive Director / Board Secretary  
Scot Neukirch, Finance Director  
Heather Petrie, Executive Administrative Coordinator  
Jim Majewski, Superintendent of Facilities  
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  
Chris Zalinski, Grounds Superintendent  
Marty Stankowicz, Iceland Manager  
Tony Senkevicius, Oasis Pool Manager

1. Call to Order

President Genualdi called the meeting to order at 10:02 a.m. and led the pledge of allegiance.

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 2020 reflects the district's comprehensive financial plan to provide parks, facilities and programs to residents and participants during the upcoming fiscal year. The staff has been monitoring and adjusting the budget based on program participation, by reducing operating expenses, limiting part time positions and keeping program fees affordable. Per our financial statement the park district is having an exceptional year in terms of revenue and controlling our expenses. We have seen a dramatic increase in revenue in some of our programs while concentrating on areas to reduce our expenses. In this year's budget we are requesting a 2% increase in program fees and a 4.6% increase in the operational tax levy due to the mandatory 21% increase in the State's minimum wage by July 1<sup>st</sup>.

Some of the major capitals we completed in 2019 included the Jonquil Park and Oak Park playgrounds, re-sodding of the Oak Park band area, Tam Tennis court painting, new tennis court boundary curtains, roof replacement at IceLand, new Zamboni, exterior painting at IceLand, tuckpointing, irrigation pump replacement at the golf course, resealed the outdoor tennis courts and resealed many of the parking lots.

Some of the major concerns we face for the 2020 budget are how to increase our current revenue sources to keep up with the increasing cost of utilities, maintenance and debt service payments. The 2020 budget revenue for all funds is \$11,114,358. This is an increase of 2% compared to the 2019 projected revenue. This increase is attributed to increased trends in participation in programs and expansion of existing programs.

On the expense side district increased budget expenses \$2,171,239, which is an increase of 15.5% compared to the 2019 projected expenses. The increase was primarily due to the addition of the Howard Leisure Center renovation and Pioneer Park sod and drainage project. Being fiscally responsible in prior fiscal years created ways to operate more efficiently which when combined with revenue enhancements, 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.

In 2019, the park district was again rated AA 2 by Moody's Investor Services. Their rating summary reported that they expect the district's financial position to remain strong giving stable revenues and conservative budgeting. As a result of a strong financial performance the district's operating reserve levels have tripled between 2006 and 2013 and have a robust 123.5% of fiscal 2018 operating revenue in reserve. This budget represents the district's commitment to fiscal responsibility to the Niles Park District residents. We will continue the district's philosophy of planning for capital replacements while maintaining and operating the district's facilities and programs in the first class manner the Niles residents deserve and expect.

#### Finance Director Budget Overview

Finance Director Neukirch began with an outline of how the park district plans on approaching the 2020 fiscal year.

In August, staff was asked to make their budget requests. In mid-September, staff met with Tom and Scot to go over their preliminary requests. Some changes were made at that time. After the budget workshop, a budget hearing will be held (before the next board meeting), which will give residents a formal opportunity to ask questions. There will be a copy of the budget document at the front counter of the Howard Leisure Center available for review.

The three major items impacting the 2020 budget are the State minimum wage increase, taking effect in January of 2020, the renovation of the Howard Street banquet facility, and a property tax increase request from staff.

Beginning in January of 2020, the minimum wage for park employees will go up \$1.00 to \$9.25 per hour for adults, \$8.00 for employees under 18 years of age. An additional increase is planned for July, going up to \$10.00 per hour for adults. Each year to follow there will be a \$1.00 increase. Staff is estimating an approximate 8% increase to part time wages, or a \$140,000 impact on the 2020 budget. This \$140,000 estimate includes FICA and Medicare. This will have a significant effect on the park district.

The budgeted expenses for the Howard Street renovation project for 2020 are \$1,700,000. These are now split between the general fund and the capital projects fund. This is because the banquet part is located in the general fund and that portion of the debt service levy is intended for a for profit business which cannot be covered by the debt service. We are paying for that by the general revenues of the park district. \$450,000 of the is project will be paid for by the bond issue that was previously passed, and there are other capital projects that would normally be paid out of the recreation fund that are now being paid by that bond issue.

A property tax increase of 4.6% is being requested to help cover the cost of the State minimum wage increase, and increases in FICA, and Medicare. The total revenue generated from that is \$148,000. Also, IMRF has been drawing on their reserves in recent years. The park district contribution to IMRF has increased from 10.19% to 11.33%. This fund is funded directly by property taxes and is in need of additional funding.

The Finance Director went on to review the summary of Capital Projects/Purchases for fiscal year 2020, which include:

- Howard Street rehab
- Fence repairs
- Facilities and grounds equipment
- Gym floors
- Door replacement
- Pool painting/sandblasting
- Tam Golf – driving range roof
- Seal coating parking lots
- Howard roof replacement
- Pioneer field
- Phone system
- 2 vehicles
- Tam Tennis HVAC

#### Department /Fund Budget Request Review

##### Administration/Finance/IT

The park district recently changed IT providers and had a REC Track software update. There is an update planned for servers and individual pcs.

##### Park Services

Jim Majewski and Chris Zalinski

Park Services requests the following:

- Replace two trucks
- Tow behind aerator
- JCB backhoe/front loader
- Jonquil fence repair
- Irrigation for flower beds
- Replace fire exit doors at Grennan Heights
- Pioneer field renovation/regrade other park fields
- IceLand fire exit door replacement
- Pool painting and sandblasting
- New chlorinators for pool
- Seal coating parking lots

## Recreation Programs

Robin Brey

In 2019 most of the Programs accounts exceeded their projected revenues. Preschool did see a drop in enrollment this year. Free preschool is offered through many nearby schools. Programs is considering dropping their fees for 4 year olds to remain competitive. They are also considering extending the day and the year. They also plan on offering more dance classes and dance camp.

## Pioneer Park

Lindsay Brubaker

In 2019, Pioneer Park had their second highest revenue to date. To continue increasing revenues, the more kid friendly events and programs, the better. Pioneer hosted a number of tournaments in 2019, double the amount from 2018. The park is booked every weekend in the summer. This year all the netting at the park was replaced, basic machine parts were replaced, purchased new balls and tokens.

Pool concessions were lower this year due to weather.

## Tam Tennis

Laura Newton

Improvements to Tam Tennis this year were re-painting the courts and getting new nets. Tam Tennis is not asking for any additional budget items for 2020. Their 2% program increase will begin in September of 2020. Junior Program enrollment is doing very well and they have extended their weeks. Beginning in 2020, Tam Tennis and Fitness will be acquiring two new treadmills every year.

## Athletics

Jeff Halsema, Paul Nielsen, Joe Cermak

Revenues for 2019 to date have increased by approximately 5%, expenses are down about 2%. New programs that had a successful start this year were flag football, advanced basketball clinics and camps, a college basketball league, a year round soccer academy. They also implemented new software for league management, roster building and scheduling.

In 2020, they will focus on expanding volleyball through updating the leagues, more league offerings, and instruction. They will continue to update and improve current leagues and programs by continually evaluating referees and assignors. They will also continue to improve communications with coaches on updates, schedules and rain outs. They will also work on improving on developing rules to maintain competitive balance between age groups.

This year they saw growth in youth basketball, tee ball, soccer, fall softball, instruction programs, and rental numbers all increased as a result.

## Golf Course and Golf Maintenance

Peter Dubs, Chris Urgo, and Jim Stoneberg

The golf course is proposing a \$1.00 green fee increase across the board. The last time fees were raised was in 2017. There is a decrease in revenue projections due to 9-10 flooding events this year and trying to anticipate what could happen in the coming year. They do anticipate an increase in outings for 2020. They are working on ways to increase daily play on days when the tee sheet is low. The plan is to work with marketing to send out emails offering a discount on days when play is expected to be low.

The golf school is doing very well. The number of students has increased. Most classes have sold out. They changed the time of their junior golf league which has been a positive change. A 13 -16 year old class was added as well. The junior golf league is full and the adult classes are full. They are looking for extra instructors to help through May to accommodate all the classes. Marketing is going well, they got a very positive response from the golf spot they did on Golf 360.

A new green mower was purchased in 2018 which has been very helpful. In the 2020 budget is a request for a utility gator. The oldest one is from 2000.

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#### Ice Rink

Marty Stankowicz

IceLand has stayed fairly balanced, seeing no significant increases and no significant decreases. In 2019 they acquired a new ice resurfacer and a new roof. The hockey program is doing well. They are adding more teams and have sold out. There has been a small decrease in rental revenue, but they plan on making that up in program fees.

#### Swimming Pool

Tony Senkevicius

Oasis reported 18/30 closures in June due to inclement weather. Two pool attendant positions were added. The Christmas in July event was well attended. Schools are starting back in mid-August which cuts down on both staff who can work and people attending.

#### Highlights of Remaining Funds

Scot Neukirch

Finance Director Neukirch summarized the highlights of the remaining funds: IMRF, FICA, General Liability, Audit, Paving and Lighting, Police Protection, Handicapped and Capital Projects

#### Next Steps in the Budget Process

There will be a budget hearing at the next board meeting in November. This will give residents an opportunity to make comments. The proposed budget will be made available on the website and at the front counter of the Howard Leisure Center. At the November meeting the board will be asked to consider the appropriation ordinance and tax levy to vote on.

#### **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 Hynes and seconded by Treasurer LoVerde to convene into executive session. Recording Secretary Petrie called the roll:

President Genualdi	Yes
Vice President O'Donovan	Yes
Treasurer LoVerde	Yes
Commissioner Hynes	Yes

Commissioner O'Brien Yes

The motion passed 5-0

A motion was made by Commissioner Hynes and seconded by Commissioner O'Brien to reconvene into the budget workshop. Recording Secretary Petrie called the roll:

President Genualdi	Yes
Vice President O'Donovan	Yes
Treasurer LoVerde	Yes
Commissioner Hynes	Yes
Commissioner O'Brien	Yes

The motion passed 5-0

7. **ADJOURNMENT**

A motion was made by Commissioner Hynes and seconded by Treasurer LoVerde to adjourn the Regular Board Meeting of October 9, 2019. Recording Secretary Petrie called the roll:

President Genualdi	Yes
Vice President O'Donovan	Yes
Treasurer LoVerde	Yes
Commissioner Hynes	Yes
Commissioner O'Brien	Yes

The motion passed 5-0

**APPROVED:**



President  
Board of Commissioners  
Date: October 9, 2019



Board Secretary