

Niles Park District  
Minutes of Budget Workshop Meeting  
Howard Leisure Center  
October 7, 2020  
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  
Paul Nielsen, 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 10:05 a.m.

2. Pledge of Allegiance

President Genualdi let the pledge of allegiance.

3. Roll Call

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

4. Opening Comments

Executive Director Elenz opened the workshop by noting that the budget for fiscal year 2021 reflects the district's comprehensive financial plan to provide parks, facilities and programs to residents and participants during the upcoming fiscal year. 2020 has been a very challenging year due to Covid. For the first time in its history, the park district shut down completely on March 13<sup>th</sup> and did not fully reopen until June 26<sup>th</sup>. Even with all the facilities open, we were limited on the types of programs we could offer. There were attendance restrictions as well as additional guidelines that needed to be met to run the programs. The staff has been monitoring and adjusting the budget based on program participation, by reducing operating expenses, reducing part time hours, and keeping program fees affordable.

Per our financial statement the park district is having a difficult year in terms of revenue and many equipment expenses were put on hold. We have seen a dramatic decrease in revenues which are projected to be 3.3 million less than the 2019 actual. We are requesting a 4.9% increase in the operational tax levy due to the mandatory increase in the State's minimum wage by January 1<sup>st</sup> and the lack of program revenue due to Covid.

Some of the major capitals completed in 2020 included the Howard Leisure Center renovation, the Pioneer Park sod replacement, Howard's rooftop replacement, Golf Mill Park and Nico Park tennis courts were resurfaced, Grennan and Golf View gym floors were refinished, and Oasis sandblasting and painting of the pool was completed.

The major concern we face for the 2021 was how to predict the impact of Covid. The 2021 budgeted revenue for all funds is \$10,282,962 which is an increase of 28.8% compared to the 2020 projected revenues. Staff has assumed in their revenue budgets that Covid will have a major impact on the first quarter of 2021 and may go into the summer months. This increase is attributed to programs being able to run as normal in the second quarter of 2021.

On the expense side district decreased budget expenses \$543,269 which is a decrease of 4.3% compared to the 2020 projected expenses. The decrease was primarily due to the elimination of the Howard Leisure Center renovation. Being fiscally responsible in prior fiscal years, the district has 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 use healthy reserves in order to get through the Covid pandemic.

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, but that was prior to the Covid pandemic. As a result of a strong financial performance the district's operating reserve levels have tripled between 2006 and 2013 and in 2019 had a robust 123.5% of fiscal 2019 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 existing 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 July, 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 2021 budget are Covid 19, the State minimum wage increase which will affect future budget requests until 2025, and a property tax increase request from staff.

Covid 19 has had a significant effect on the 2020 budget. We suspended normal operations as of mid-March as required by the State of Illinois in response to the pandemic. To mitigate the negative financial impact some large capital projects and purchases were postponed. Associated wages and part time employees were laid off for non-core operations. Current partial operations resumed the last week of May with the Golf Course and some other programs and incorporated State safety requirements.

The financial impact of various funds, particularly the recreation fund has a projected revenue which is down \$2,000,000 from what was originally budgeted for the year. The net operational decrease from the budget amounted to \$780,000. The reason this is less is because expenses were also less this year, primarily salaries.

The Ice Rink projected revenue is \$540,000 below the budget. The net operational decrease amounts to a decrease of \$268,000.

The swimming pool remained closed for the entire season.

The golf fund projected revenue is \$128,000 below budget, the net operational decrease was \$22,000. These projects are expected to improve.

We expect Covid restrictions to be in effect for at least the first quarter of 2021. The 3% payroll increase typically given to full time employees has been delayed until July 1<sup>st</sup>. This would be equivalent to an annual 1.5% increase. Capital equipment replacement and projects has been reduced to essential items.

The State minimum wage increase impacts department requests significantly. Approximately \$2,000,000 in part time wages each year is paid to part time employees to run our various programs. As of 2020 68% of the part time positions are below the \$11.00 per hour amount that will increase on January 1<sup>st</sup> and will increase as much as 10% in 2021 depending on what they're making in the current year. This will go to January 2025 when the adult minimum wage goes to \$15.00 per hour. Ultimately the park district will be paying \$1,500,000 more than it would without this mandate, making this a significant obligation the park district is going to have to meet. It will not only affect this budget but subsequent budgets.

The 2020 levy proposes a 4.9% budgeted property tax increase. Total revenue that would be generated from this proposed increase is approximately \$165,000. The reason for this request goes to back to our 2019 levy which the board approved last year of 4.6%. Since the park district is subject to tax caps and ptel, it only collected the equivalent of a 2.4% increase. Ptel is limited by the consumer price index which came in less than 5%, therefore the park district had its levy reduced by approximately \$65,000 from the original request. The impact of Covid 19 has also been significant to the budget this year. The 2021 budget is at an approximate \$1,000,000 deficit. The State minimum wage increase is another significant burden that the park district is going to have to meet annually moving forward.

At this point the board asked how the park district will try to make up the \$1,500,000 short fall if the property tax increase will only yield \$165,000. Staff suggested raising program fees and adding more programming to make up the deficit. The board also encouraged staff to rely on the property tax increase as a last resort, after exhausting ideas for new programming. The board also recommended looking at reducing costs.

Staff stated that they also plan to cut back on capital expenditures and new programs have been initiated since the summer, but registration is not guaranteed. Attendance has been lower recently due to fear of Covid.

Finance Director Neukirch went on to discuss the property value calculation and how that appears on a resident's tax bill. The property value on the tax bill is usually a little bit low, so in this example, Scot looked at the market value of a home in this taxing district which had a value of \$293,000. In this example, the annual tax increase would be \$6.50. This would be the park district portion of the tax bill, not the entire bill, and makes up less than 5% of the total bill.

Finance Director Neukirch went on to discuss the Fund Balance analysis, the summary of revenues, and capital projects and purchases.

Department /Fund Budget Request Review

Administration/Finance/IT

Budgeted expenses revolve around wages in this department. Expenses have dropped by 3.7% overall. The health insurance budget has been reduced due to the money saved by the park district switching health insurance providers. The requested budget for the IT Department is up 5.6% from the 2020 budget requests. In 2019 the park district transitioned to a new IT provider. The park district now has an IT team supporting it rather than one person. The park servers and infrastructure have also been updated.

The primary reason for the 1.3% decrease in the finance department was the change in health insurance provider.

#### Park Services

Jim Majewski and Chris Zalinski

Park Services is down one full time employee. This position has been filled with part time employees and has not been replaced with a full-time employee.

The board asked if outsourcing the grass cutting in the parks would help cut costs. Prior years' costs were approximately \$3000 per month.

Park Services reported that when the parks shut down, all garbage pick up was stopped, as well as cleaning services. Unoccupied buildings have had their heating and cooling units put on a modified schedule. Park Services used the down time during shut down to paint and take care of certain tasks that are difficult to complete when the parks are open.

The Grounds staff maintained the landscaping of the parks during shut down. They also worked on renovating the mini golf course at Pioneer. They are working on drainage issues to help improve the baseball fields.

Overtime was cut back and there was more temporary and seasonal pay this year. They tried to cut expenses when possible while maintaining the parks.

#### Recreation Programs

Robin Brey

The first program to start back up after shut down was the dance program. They started a virtual dance program in April and continues. They began dance classes in person in the summer and continue to offer that twice a week and there are 45 students enrolled. They also did virtual piano lessons in the summer and will continue for the rest of the year. Drum lessons stopped entirely but have recently resumed. They also ran summer camps with 25 campers at Oasis for 6 weeks and 10 campers for early childhood at Oakton Manor. Preschool has just started, and 84 students are enrolled. They plan on opening the enrollment for the winter session of preschool.

A Halloween event is being planned with some consideration being given to virtual Christmas events.

#### Pioneer Park

Lindsay Brubaker

Pioneer Park opened back up in mid-June and had a very successful season despite losing 2 months of revenue during the shutdown. They held Family Fun Night every Friday from 5:00pm – 9:00pm. The park was not able to host any day camps or tournaments, however. Staff also suggested using the park for flag football or kickball on the weekends when they aren't being used. July and August were the highest revenue producing months in the history of Pioneer.

#### Tam Tennis

Laura Newton

Tam Tennis has all their junior classes and adult classes running. During the summer they had the opportunity to offer 5 weeks of junior classes. They are starting to get calls from people wanting to renew their memberships and are getting ready for people to come in to use the facilities when the weather gets bad. All USTA matches are back on the weekends. They are taking reservations to use the fitness facility. Reservations run an hour. They are limiting the number of people who can use the weight room and they are required to wear their masks. They opened the track on Monday and are taking reservations, limiting the number of people and requiring they wear masks. Program fees did increase this year.

### Athletics

Paul Nielsen

Athletics submitted a Covid plan to the board which outlined their plan from now to Spring.

Staff reported that dodgeball and men's basketball were completed before the shut down and performed well. The shut down occurred during the second session of indoor soccer. Since that time, athletics staff assisted at the golf course. During the summer, athletics held 230 clinic sessions, consisting of 15 people each. For the next session they anticipate bringing those session numbers up to 25 people per session. After that they did a smaller version of their sports camp during the summer. They ran girls' softball, adult softball, and fall baseball. Athletics staff also proposed various court rental fee increases. Going forward athletics is planning on running basketball, soccer and flag football pod leagues. They are also looking at forming a senior pickleball league.

### Golf Course and Golf Maintenance

Peter Dubs and Chris Uργο

The golf course was the first facility that was able to fully open after shut down. Rounds to date are ahead of where they were last season despite the late start, expanded tee time intervals and only two players per group in May. They were able to get a league season started, with short notice, but it was still very successful. Chris Uργο's programs have filled to capacity and require overflow sessions and classes. They continue to book a day or two in advance when the weather is nice. They have also been able to accommodate some last-minute outings. They have not proposed any green fee increases for next year because they raised them in 2019. Staff is also planning on doing their Halloween event.

### Ice Rink

Marty Stankowicz

IceLand is booking rentals and a lacrosse team is utilizing the outdoor rink. Despite that, rental income will down, as well as expenses. The outdoor rink will depend on weather. Staff plans on raising rental fees when they open up again.

### Swimming Pool

Tony Senkevicius

Staff provided the board with a spreadsheet comparing pool fees of multiple park districts. Staff also plans on raising rates for next season and likely future seasons. The board suggested creating a season pass for residents. Staff stated that they have seen a decrease in people buying pool passes because the season is being shortened by schools opening back up sooner. They are seeing an increase in the purchase of daily passes. This is trend that they are seeing over multiple park districts and pool facilities, not just in Niles. There was also discussion about multi-year pool passes and passes that would combine pool admission with another park district facility.

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

Executive Director Elenz had some clarifying questions for the board. He asked if it was the consensus of the board to freeze the tax levy for 2021, and the board's reply was yes. The board would also like to eliminate the proposed 1.5% raise for staff, with the understanding that in July, the matter can be revisited and the 1.5% can be added back in if it is the consensus of the board. Director Elenz also recommended to the board a 5% across the board increase in programming fees. The board asked to see what the projected increase would yield for a 3%, 4% and 5% increase respectively.

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.

5. Citizens Wishing to Address the Board

There were no citizens who wanted to address the board.

6. Convene into Executive Session under section 2 ( C)(1) to discuss personnel issues, section 2 ( C)(5) to discuss real estate and section ( C)(11) to discuss litigation of the open meetings act (if necessary)

There was no need to convene into executive session.

7. Adjournment

A motion was made by Commissioner O'Brien and seconded by Vice President O'Donovan to adjourn the Budget Workshop Meeting of October 7, 2020. Recording Secretary Petrie called the roll:

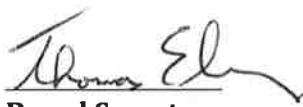
President Genualdi	Yes
Vice President O'Donovan	Yes
Treasurer LoVerde	Yes
Commissioner Hynes	Yes
Commissioner O'Brien	Yes

The motion passed 5-0

**APPROVED:**



**President  
Board of Commissioners**



**Board Secretary**

**Date: October 7, 2020**