

Niles Park District
Minutes of Budget Workshop Meeting
Howard Leisure Center
October 11, 2022
10:00 a.m.

Board Members present: Scott O'Brien, President
Julie Genualdi, Vice President
George Van Geem, Treasurer
Jim Hynes, Commissioner
Dennis O'Donovan, 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
Ethan Bontly, Tam Tennis Manager
Paul Nielsen, Athletics
Peter Dubs, Golf Course Manger
Chris Urgo, Golf Pro/Instructor
Jim Stoneberg, Golf Course Maintenance
Marty Stankowicz, Iceland Manager

1. Call to Order

Vice President O'Brien called the meeting to order at 10:04 a.m.

2. Pledge of Allegiance

Vice President O'Brien led 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 2022 reflects the district's continued financial plan to provide parks, facilities and programs to residents and participants during the upcoming fiscal year. In February of this year, the State eliminated the mask mandate and the park district resumed normal operations. Staff is happy to report that the park district revenues have returned to pre-pandemic levels and in some cases are exceeding those levels. Executive Director Elenz continued to thank all the staff in keeping the park district programming successful and making it safe for our customers and maintaining our parks for our community.

The park district is having a much better year in terms of revenue. In 2023 we are requesting a 5% increase in the majority of our program fees and a 4.9% increase in the operational tax levy. Due to the mandatory increase in the State's minimum wage and a dramatic increase in prices of supplies due to the high inflation rate.

Some of the major capitals completed in 2022 were the Kirklane pickleball and basketball court renovations, Grennan Heights tennis court resurfacing, IceLand parking lot repaving, the pool filter replacement, the new Tam Golf entryway, and painting the Howard Street Clubhouse.

Some of the major concerns we face for 2023 are how to keep increasing our current revenue sources to keep up with the increasing cost of utilities, maintenance, and salaries. The total 2023 budget revenue for all funds is \$12,633,410 which is an increase of 3% to the 2022 projected revenues.

The total budget expenditures are \$15,129,802 which is an increase of 2.2 million or 17% compared to the 2022 projected expenses. This increase is primarily attributed to the Pioneer Park project and the Clubhouse improvements.

Being fiscally responsible in prior 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 build healthy reserves. The 2023 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 a first-class manner the residents of Niles deserve and respect.

Finance Director Budget Overview

Finance Director Neukirch began with an outline of how the park district plans on approaching the 2023 fiscal year.

Staff was asked to make their budget requests by late August. In mid-September, staff met with Tom and Scot to go over their preliminary requests. A series of meetings were held with department heads to review their budget requests. Today the draft requests are being reviewed with the Board. In about a week the proposed budget will be made available for the public to review, and a proposed budget will be brought before the Board again on November 15th for a formal approval of the appropriation and the related tax levy ordinance during that meeting.

Some non-routine items are influencing our 2023 requests. One is the Pioneer Park rehab project. The State minimum wage increase has been affecting our operations since 2019 when each year the minimum wage goes up approximately \$1.00. Our market wage adjustment is our normal increase for other employees who are not impacted by the State's minimum wage increase. We also have a property tax increase request this year.

The Pioneer Park renovation project is partially funded by an OSLAD grant of \$400,000. We also have some residual funds in the capital project fund that will help support this project. The remaining amount will be transferred from our recreation fund. This is the biggest project the park district will be working on in 2023.

In 2019 the State minimum wage was at \$8.25/hr. By 2025 it will be up to \$15.00/hr. The park district has approximately 2 million each year in annual wages for part time employees. As of 2022 ¾ of these part time employees are below \$13/hr. So if someone was at the minimum of \$12/hr. in 2022 that's approximately a 7.5 % increase. Many of the ¼ that are over \$13/hr. as of 2022 are staff supervisors. So as the minimum wage increases for those making under \$13/hr, it also needs to increase for their supervisors.

Staff is also proposing a 4.9% property tax increase for the 2022 levy. The levy was passed in 2022 but is collected in 2023. Total revenue generated will be \$174, 000. The reason for this is the State's minimum wage increase and to assist the recreation fund which will be supporting the Pioneer Park project. It is estimated that the park district will need to contribute approximately \$700,000 for that project. The park

district is subject to tax caps and PTEL which are rate ceiling and tax increase respectively. There is another portion of the levy which is for the annual rollover bonds which is separate from the corporate levy.

Staff is also requesting a wage adjustment of 3% for full time staff and part time staff who will not be getting the minimum wage increase. This is due to the State's minimum wage increase requirement. Additionally, the park district is having difficulty filling positions and need to increase wages to be competitive with other employers. Each 1% increase for full time employees' costs about \$24,000, so a 3% increase would be about a \$72,000 impact on the budget for 2023. Each 1% increase for part time employees' costs approximately \$20,000, which would be a \$60,000 impact on the 2023 budget.

2023 Capital Requests:

The Pioneer Park renovation project (\$1.4 million), Clubhouse bathroom (\$140,000), Courtland Park playground (\$100,000), maintenance vehicles, and surveillance cameras

Department /Fund Budget Request Review

Administration/Finance/IT

Administration: There are no major changes noted in this area.

IT: The reason for the budget increase this year is due to the new surveillance cameras.

Finance: A new position in Finance was created this year, otherwise, no significant changes requested.

Golf Course

Peter Dubs, and Chris Urgo

The golf course budget depends on the type of weather throughout the year. As of the morning of this meeting, the golf course had sold 3000 rounds. Staff is proposing a \$1.00 increase in fees across the board. The golf course is in line with other courses rates and fees. The number of outings is beginning to increase again since covid. Staff would like to get a refrigerated bottle filler out on the 5th hole. They have started selling beverages in the clubhouse as well.

Golf instruction classes are 92% sold out. By mid-March they were sold out all the way through summer. Next year they are proposing raising prices \$5.00/class. Next year they also plan on doing adult private lessons on the golf course.

Golf Course Maintenance

Jim Stoneberg

It has been difficult to find staff this year and currently golf maintenance is down to 2 staff. The irrigation system will need to be redone soon. Part time employees have received an increase in pay to due to the minimum wage requirement and starting pay has also been increased to attract applicants.

The Board asked Staff to consider moving the restaurant lease income from the golf operations fund to the general fund. Staff explained that the cost of upkeep for the clubhouse comes out of the golf course operations fund, such as painting, remodeling, etc.

Park Services

Jim Majewski

Park Services has also found hiring part time staff to be challenging. Staff has been trying to anticipate its needs for the future to avoid shipping/ordering delays for supplies like chlorine and grass seed. Staff continues to keep up its day-to-day maintenance of the buildings, the parks and fields. Park Services does have a couple of equipment requests: a mini dump for \$70,000 and a tool cat (small utility vehicle) for \$75,000.

Recreation Programs – Tam Tennis, Programs, Pioneer Park, Athletics

Tam Tennis

Ethan Bontly

Tam Tennis is experiencing a very busy season. They open at 6:00 a.m. and close at 10:00 p.m. Two adult programs were added this year. Two additional junior classes were also added. There are several matches on the weekends. The online booking system that was implemented has been successful. There is a very high demand for private lessons. In the coming year Staff is going to add 3 additional junior programs and redo their summer programming.

Programming

Robin Brey

Summer camps, recreation camps and childcare camps have done well. These camps are all at capacity. Staff suggested offering a full day camp for early childhood kids. Staff has been seeing a decline in preschool enrollment due to many free options that parents have. As a result, Staff is considering offering a full day preschool. An after-school program has been offered that parents are using. Due to difficulties in staffing, a third-party staffing company is being considered for finding preschool instructors. Staff is also working on expanding the dance class offerings.

The Board suggested the possibility of offering signing bonuses in lieu of higher hourly pay rates.

All the piano classes are full and having wait lists. Staff is going to try to bring back guitar lessons. Birthday parties have also come back since covid.

Staff is looking into art classes for youth programming as well as some technology classes.

Athletics

Kenny Krueger

Coming out of covid, Athletics has seen huge enrollments in summer programming, spring volleyball and spring soccer as well as fall and summer basketball. They had an extra 50 teams in summer and another 35 in fall. Football sold out last year. Last year Staff started adult volleyball and Vince Thomas basketball clinics. Staff plans to talk to Vince Thomas about clinics for younger kids as well.

Hiring Staff has been challenging and competing with higher minimum wages.

From November through March the indoor facilities are at capacity. But in the summer there is a lot of availability at the LoVerde Center. Staff is looking into a type of soccer that is played on gym floors to utilize the space at LoVerde in the summer.

As pickleball continues to become popular, permanent court lines will be put down at Golf View. They are going to look at offering late fall/early winter tournaments. Staff is working with Tam Fitness to potentially use some of their space to offer more volleyball. Staff is also looking to start high school/adult three on three outdoor basketball leagues.

Rental revenue has decreased to be able to offer more practice time and space for current programs.

Ice Rink

Marty Stankowicz

Staff has booked some lacrosse rentals and is looking at trying to find an instructor for spring and summer. Staff is also looking at open roller hockey and open roller skating as new offerings.

Staff will also get back into marketing with the schools. They also propose offering public skating to schools at a special rate on a particular night. As far as doing some sort of collaboration with the Blackhawks or Bulls, that has become very difficult to do. Staff has found that the teams are less willing to participate and there are costs involved. They have found they have had better luck with some of the city's junior teams.

This fall IceLand had 10 teams, which is 2 more than last year. The public interest and participation in IceLand often seem directly related to how the Blackhawks are performing. When the Blackhawks have a great season, enrollment and participation in IceLand see an obvious increase. Across the board, numbers are down right now. However, IceLand has two teams at all levels currently, which is a good place to be for house hockey. Recruiting is also a challenge. Park Ridge is IceLand's biggest competitor. In response, IceLand has been able to bring kids in through their beginner programming. Staff also wants to get back to their house plus/travel teams. For kids who are currently on any IceLand teams, they are eligible to be on this extra team which allows them to get more practice games in. Staff also plans on focusing on retention. They plan on having a pizza party/information session after the end of their beginner classes to guide families into the next steps after the beginner classes. Staff will also begin advertising youth hockey on Facebook as it allows you to narrow down the demographic you want to advertise to.

Swimming Pool

There are no big expenses expected for the pool in 2023, however this is another area where Staff is planning on paying above minimum wage to attract new hires. Staff has seen an increase in revenue by focusing on pool pass holder days where pool pass holders get early admission to the pool. Special events are difficult to do at the pool because Staff has to be pulled away from the jobs they're already doing when the pool has a minimum number of Staff as it is.

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. For the most part, these funds are supported by property tax collections.

IMRF fund: the 2023 IMRF employer contribution rate dropped to 7.28%.

FICA fund: this fund pays for social security which is 6.2% of salaries and Medicare which is 1.45%

General Liability fund: this fund pays for workers' compensation and liability insurance for the park district.

Audit fund: pays for the park district's annual audit.

Debt Service fund: pays the associated debt service payments each year for the park's outstanding debt.

Paving and Lighting fund: pays for the seal coating and paving for our facilities.

Police Protection fund: this fund is for Park Patrol and payment of Park Patrol staff.

Handicapped fund: this fund is for MNASR and costs associated with provided our services to residents with special needs.

Capital Projects fund: expenses and revenues associated with the Pioneer improvements.

Next Steps in the Budget Process

Staff will prepare the proposed budget document which will be presented to the Board at the November meeting.

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)

The Board decided to have executive session after the next board meeting when all commissioners are present.

7. Adjournment

A motion was made by Vice President Genualdi and seconded by Commissioner Hynes to adjourn the Budget Workshop Meeting of October 11, 2022. Recording Secretary Petrie called the roll:

President O'Brien	Yes
Vice President Genualdi	Yes
Treasurer Van Geem	Yes
Commissioner Hynes	Yes
Commissioner O'Donovan	Yes

The motion passed 5-0

APPROVED:

President
Board of Commissioners
Date: October 11, 2022

Board Secretary