



Finance Committee Meeting Minutes
Fountain View Recreation Center, Room 120
December 3, 2018
6:00 pm – 7:30 pm

Meeting was called to order at 6:00 pm

Present: Commissioner Powers, Gramann, Bird, Sokolowski, Jeffery and Del Preto. Commissioner Jaszka arrived at 6:11. Staff: Executive Director Reuter, Directors Bachewicz, Hamilton and Rini, Superintendent of Finance & Accounting Scumaci, Superintendent of Recreation Adamson, Facilities Manager Murray, Parks Foreman Anderson and Accounting Specialist Nge.

Executive Director Reuter thanked everyone for coming. Directors and staff share in the responsibility for creating the budget; the Finance team pulls together the formal presentation being reviewed this evening. Commissioner Gramann asked for the date on which the budget will be approved. Director Rini clarified it will be at the January 14, 2019 Regular Board Meeting.

Director Rini explained that the presentation will comprise of an overview of the 2019 proposed budget; key factors will be highlighted. In addition, several procedures for review of the budget that were identified during the District's Distinguished Accredited Agency review will be incorporated into this evening's meeting.

Staff is proud to propose once again a balanced budget for 2019. The budget presentation includes the proposed organizational chart, wage scale and organizational/budget goals for 2019. The Board will be asked to formally approve these items when they approve the 2019 Proposed Budget at the January meeting. The District's two major operating funds are Recreation and Corporate. The proposed budget reflects a net performance in the Recreation Fund of \$121,659, and a net performance in the Corporate Fund of \$35,842. In addition, the Operational Repair and Replacement Funds are budgeted to net \$148,452 next year. This reflects the District's focus to build fund balances, disciplined growth of the repair and replacement funds to take care of future needs, continued alignment of staff salaries with the results of the Compensation Study and to address repairs to recreational facilities to improve service.

We successfully accomplished 2018 goals including three that were added as needs arose. 2019 goals include construction and opening of Carolshire Park, acquisition of Community Park parcel, improvement of Corporate and Recreation fund balances, review of District's fees, services and charges, and pursuing CAPRA Certification – Commission for Accreditation of Park and Recreation Agencies. Departmental Goals are aligned with the Organizational Goals and the District Strategic and Master Plans. Commissioner Sokolowski asked why we are pursuing CAPRA Certification. Executive Director Reuter explained that the Distinguished Accredited Agency Award along with the CAPRA Certification will help the District to obtain the National Gold Medal Award.

Staff is recommending the addition of a second Facility Specialist position to the Parks & Facilities Department to improve our ability to operate two large Recreation Facilities. Overall salary budget remains similar to last year; possible due to staffing changes that occurred in 2018. Commissioner Del Preto asked if we would seek to promote from within the District. Executive Director Reuter said we always offer positions internally first to give staff an opportunity to grow in their careers.

The Board will be asked to approve a 3% merit increase, as well as the 2019 Wage Scale. The District conducted a Market Benchmarking and Compensation Study in 2018. The study included a review of all job descriptions, confirmed FLSA status and assigned a grade level to all full-time, full-time equivalent and regular part-time positions. These positions are considered the core operating team of year-round District staff. The goal of the study was to align District wages within the parks and recreation industry. In order to maintain a current scale, the Management Association suggests an annual adjustment to the scale which is 1% less than the proposed merit pool value. This adjustment will help the District to remain competitive in the industry and allow us to attract and retain a high quality of staff.

Some key Budget points:

- Paving & Lighting Fund levy will be increased to accommodate parking lot maintenance partnerships with Wayne Township, Village of Carol Stream and Benjamin School District at Evergreen Gym.
- Staff proposes a 3% salary merit pool to remain competitive within our market and align wages with the results of the formal Compensation Study. Commissioner Gramann asked how we come to a 3% merit increase pool. Director Rini explained that the recommendation was based on the % being recommended by our partner districts in WDSRA, statistics from the Management Associations Compensation Study for Park District in Illinois, and statistics gathered through the ILPRA Human Resources Roundtable which captured proposed increases for 16 other park districts with similar populations served.
- Recreation programming, rentals and concessions revenue is budgeted to increase. We will offer a new Parent/Tot morning swim at Coral Cove next summer.
- The cleaning contract at FVRC was not renewed; all cleaning is being done in house with increased part-time staff.
- Installation of flow meters at both pools will allow us to measure water flow and improve regulation of chemical usage as well as ensure proper cycling of water through filtration systems.
- Additional mulch will be added to all playgrounds to comply with ADA requirements for accessible surfaces.
- New trees and perennials will be installed to replace diseased trees that had to be removed. Commissioner Jeffery asked if we can get help with trees and landscaping. Director Hamilton explained the Arbor Foundation can give us six inch trees but often they don't make it because they are so small. The Morton Arboretum would probably give us one tree.

EAV continues to make small, steady improvements. The estimate is now similar to that in 2010. As EAV grows the tax rate declines. This year operational taxes will represent 41.34% of overall operating revenue; 58.66% of revenue is earned. Commissioner Jeffery asked what the right balance is. Director Rini explained that most district look for a 50/50 split. Because of the impact of the 2010 referendum bonds, and their issuance in line with the economic downturn, we look for a 45/55 target – which is where we have been holding for the last few years. The District has lowered our reliance on tax revenue over the last several years and is now maintaining a level under 45%. The less we rely on taxes, the less we would be impacted by a tax freeze. Conversely, the more reliant we are on earned revenues, the more we are impacted by economic conditions and competition. It is a sensitive balance.

The fund balance target for 2019 is \$682,618 for the Corporate Fund. Once operational target balance are met, we will be able to make transfers into the capital repair and replacement budget as well as the operational repair and replacement funds. Commissioner Jeffery commented that she is impressed with the progress we have made with these funds since she became a commissioner. This gives us the ability to pay for repairs and budget for replacement of equipment.

Commissioner Gramann commented that she has a lot of confidence in the process and faith in the staff to put together a good budget and follow through with it. Commissioner Sokolowski asked when the Community Development Block Grant will be received. Executive Director Reuter explained we will go out to bid in January; the District pays up front and receives reimbursement from CDBG. We are also working on obtaining a Recreation Trails Grant for the Mitchell Lake trail.

All the Commissioners offered words of thanks for the work that went into preparing the proposed budget. Meeting adjourned at 7:30.

Respectfully submitted by:
Sue Rini, Director of Finance & Administration