



WILMETTE PARK DISTRICT
Financial Planning & Policy Committee
Meeting Minutes
Monday, June 28, 2021
Village Hall Council Chambers

Present

Commissioners/Committee: Chair Cecilia Clarke, Mike Murdock and Kara Kosloskus

Staff: Superintendent of Finance Sheila Foy and Executive Director Steve Wilson

Visitors: Andrew Paine, Park Board Attorney

Absent

None

I. Meeting Called to Order

Meeting was called to order at 7:02 p.m.

II. Approval of Minutes

A. April 12, 2021

Commissioner Kosloskus moved and Commissioner Murdock seconded a motion to approve the minutes of the April 12, 2021 Financial Planning & Policy Committee meeting.

By a voice vote, **motion carried.**

III. Communication and Correspondence

None

IV. Potential Committee Goals and Objectives

- A. Update Organization & Operation of the Board of Park Commissioners Manual
- B. Continue Review of Park District Operations to Identify Areas in Which DEI Principles Can Be Implemented
- C. Update Communications Policy
- D. Review and Analyze Opportunities to Refinance and Pay Off Debt Early
- E. Investigate Grant Opportunities Including Developing Strategy and Process to Pursue and Obtain Grant Funding
- F. Develop a Process for Potentially Implementing Resident Ideas

Commissioner Clarke opened the floor up to the Committee for comments regarding the proposed goals. Commissioner Kosloskus asked if the expectation of Committee goals was to present to the Board as a whole for validation. Commissioner Clarke responded this is a new process and that she is assuming the Committee will tell the Board of their goals as part of their Committee update. She added that the goals would act as guidelines

for the Committee and that the Committee would focus their attention on these goals. Commissioner Kosloskus asked if the agenda goals represent all three of the Committee members' collective input to which Commissioner Clarke replied yes and asked if Commissioner Murdock had anything he would like to add. Commissioner Murdock stated that he understands the Committee will be reviewing the Board's Organization Document tonight, otherwise referred to as bylaws, and asked that the Park Board Attorney, Andrew Paine, speak to whether this is a valuable process. He added that Committee goals is something the Board has not done historically but that it is in the Organization Documents and that he has been fairly vocal that the Board follow the Organization Documents or change them. Mr. Paine stated he believes it makes sense for a Committee to have goals to shape the direction of the coming year. He advised that in terms of how formal or informal the goals are would be up to each individual Committee as the Organization Document does not speak to the degree of formality. The Board does not need to give an approval as to the Committee goals. Commissioner Murdock noted that the Organization Document requires the Committee to adopt goals within sixty days of the annual meeting. He then asked Commissioner Clarke if these will be the Committee goals or if the Committee goals will be revisited at a different meeting. Commissioner Clarke replied that her understanding of the process is that these are currently potential goals and that if he does not want one of them to be a goal, that the Committee discuss it now. Otherwise, she would like to approve all of these goals as a Committee. Commissioner Murdock stated his preference would be to not approve these goals this month because it was not the practice with the other Committees and that his list of goals was not readily available. He listed other potential goals such as revisiting the Memorial Tree policy, reviewing resident versus nonresident fee structures, reviewing the audit, financial oversight, bond processes, among others. He also stated that he believed the review and analyze opportunities to refinance and pay off debt early goal to be needlessly narrow. Commissioner Clarke advised that if the Committee were to wait until next month, they would be outside of the sixty days allotted in the Organization Document. There was subsequent discussion regarding whether the sixty day mandate was to be strictly adhered to. Commissioner Clarke suggested approving the goals and later modifying the goals, if need be. Commissioner Kosloskus stated that when she thinks of a goal, it is something high level and a guiding direction. She complemented Commissioner Murdock's goals as great ideas but stated they may be more operational. With respect to the Memorial Tree policy or revisiting the resident versus nonresident fee structure, she stated those could be added to new business at any point within the year and that she would fully support bringing them up as new business. She does agree with Commissioner Murdock in that Goal D is too specific and that she would feel comfortable elevating it more broadly to state "Review and Analyze the Debt Load" or something to that effect.

Commissioner Kosloskus moved and Commissioner Clarke seconded a motion to approve the goals as presented with the modification of goal D and the option to update these goals at a future time.

Commissioner Murdock stated that the most important goal, Financial Oversight, is not included in these goals. Commissioner Clarke stated that is the purpose of the Committee and not necessarily a goal.

By a voice vote, voting *Aye* – Commissioners Clarke and Kosloskus; voting *No* – Commissioner Murdock. *Absent* – None; **Motion carried.**

V. Public Comment/Recognition of Visitors

Attendance Sheet will become part of the permanent record.

Walter Keats – Stated that due to the importance of these meetings, they should be via Zoom or a hybrid of Zoom and in-person for resident involvement purposes. He emphasized that there should be resident involvement while updating the Organization Document.

VI. Unfinished Business

A. Financing for Solar Panels on Community Recreation Center

Director Wilson advised that these two documents were initially presented to the Parks and Recreation Committee in April of 2021. The difference between them being that one document reflects the upfront cost of installation as assumed by a third party and the profit or savings generated from the installation of solar panels is largely consumed by that third party but they share it with us. The other option is that the Park District pays the upfront cost but reaps all of the benefits entirely. He stated the bottom line is managing the Park District's cash flow and whether we want to pay the upfront money or not.

Commissioner Clarke asked if we could utilize grants for this project. Director Wilson stated that his understanding of the grant program that exists today is that funding is already largely consumed and that it is quite a timely process. He advised that with the new administration in D.C., more federal grant money may become available in the future but there are still many unknowns.

There was subsequent discussion regarding the federal proposal for infrastructure, roof work that had been completed at the Community Recreation Center, the roof warranty, the payback period and the Power Purchase Agreement (PPA).

Commissioner Kosloskus noted that the solar installation is a benefit to the Park District but it is not time sensitive. It was agreed that this project be deferred and that staff would continue to monitor grant opportunities as they become available.

VII. New Business

A. Financial Statements for the Month Ending May 31, 2021

Superintendent Foy reported that the Park District has collected the majority of the revenue that is currently being earned during the summer. Therefore, the expenses associated with that revenue will be lagging. She advised that the County gave residents until May to pay their property taxes and that we are ahead of budget because it appears residents are paying sooner than they have been billed. In regards to fee revenue, we are at capacity with respect to camps. Last year when staff created the budget, staff was unaware of what capacity would be due to Covid-19 related restrictions. Therefore, fee revenue is much greater than what was anticipated. Superintendent Foy also reported that rental revenue is above budget by \$250,000 and that is all sailing beach. A 3% increase for all spaces and 100 new SUP spaces is responsible for that variance. The expense piece of the Financial Statement, shows the Park District behind budget between 20-25% in all categories. Staff anticipates those expenses will catch up and be more in line with budget by the end of this year.

Commissioner Kosloskus asked what is in the miscellaneous revenue. Superintendent Foy responded that would include items like the Park District's interest income, the JP Morgan rebate check, and other one-off items that do not fit into any other categories. Commissioner Kosloskus then asked why there is such a huge variance from prior years and this year. Superintendent Foy responded the variance has to do with a large reduction in interest rates from about 200 basis points in 2020 to about 2 basis points currently.

Commissioner Murdock noted that he had prior conversations with Superintendent Foy regarding CD investments but that the interest rates at this point in time do not justify investing in them. However, he asked that the Committee look at CD investments in the future as a way to manage cash flow and maximize interest payments. Conversation ensued about investment vehicles, collateral, fund balance and cash flow.

Commissioner Clarke asked for clarification regarding the budgeted expenses. Superintendent Foy explained that the numbers reflected in the Financial Statement as under budget will level out over the next three months based on earning projections.

Commissioner Murdock went on to compare the net surplus from 2019 to 2020 and predicted that if the year continues as it is now, the yearend surplus will be substantially higher than the current \$552,992. He stated the Board approved a Capital Plan for the year based on that surplus and if the Board expects that number to be higher, the Board may benefit from a midyear review as Commissioner Goebel had suggested in the last Golf Operations Committee meeting. He noted that the Board deferred roughly 2.5 million in capital spending last year and that it would make sense for the Board to catch up to some extent this year so that it is consistent with the Park District's appropriations ordinance. He asked that staff provide a forecast indicating what the Park District could expect the surplus to be based on the results from the

first half of the year so the Board can make informed decisions about additional capital spending.

Commissioner Kosloskus noted a variance in the repair line item and asked what the nature of the repairs were from a high-level and what was deferred or came in under budget to cause a \$30,000 variance. Superintendent Foy responded that she does not have a detailed list of the repairs but that park repairs and golf repairs appear under that line item. She stated she did not know why they came under budget but that she could inquire. Director Wilson advised that staff budgets ample funds to maintain the parks and facilities, if the situation were to arise in which something needed repairs.

It was agreed that Superintendent Foy would provide a forecast at next month's Committee meeting based on the past six months' worth of activities so that the Committee may make projections as to what the Park District's surplus might be at the end of the year, such that the Board can make informed decisions about what additional capital spending might be appropriate.

B. Wilmette Park District 2021 Capital Expenditure Summary

Superintendent Foy walked the Committee through the 2021 Capital Expenditure Summary worksheet. She explained that some projects may finish in Q1 but that the Park District may not pay for them until Q2 because of the way billing occurs. She advised that the range netting for the golf course is complete and the front door repair for Mallinckrodt is complete. There are other Q1 projects such as the Center Fitness Club studio equipment that have been approved and are in the process of being purchased right now. She also advised that contracts have been signed in regards to the fire alarms for Gillson and the golf club and that staff is waiting on the Fire Marshall to give approval to move forward – These projects will potentially come in under budget at \$32,000. The new project that was not budgeted for at the end of last year was the phone systems. There is still one bill yet to be paid in regards to the phone systems but it is implemented and working. The tennis ball machine was moved to Q3. The electric car charging station was ordered but it won't be delivered until fall – expected costs are \$13,000. Director Wilson advised that there will be four installations, three of which are Park District installations on Park District Property. One of which is going to be on Central and the Village will be paying for it. Commissioner Murdock noted that the Park District will be one of the first electric car charging stations in Wilmette. Director Wilson advised they will be at the CRC, West Park and the golf course. Superintendent Foy continued her summary by explaining the roof at the CRC is complete and will come in under budget. In regards to the aquatic camp equipment, Superintendent Foy explained she could not get an answer this month but that she will have one for the Committee by their next meeting. With respect to the dog beach at Gillson, staff has been trying to get a better price on the fencing so this has been moved to the fall. The replacement of the cargo van was ordered in January and is still in production, staff is expecting delivery at the

end of the summer or fall. The standardization of the trash and recycling containers is also moving to fall. The West Park dog fence is on hold due to negotiations with ComEd. The cart path will resume again in October and the drainage improvements at the golf club is an ongoing project and will be moved to the ongoing project section of the Capital Project. The Park District has spent a total of \$406,864 through May with a budget of 3.2 million with the special recreation improvements as well.

C. 2022 Budget Calendar

Superintendent Foy explained that she has put together a preliminary timeline based on when she believes meetings are going to happen. This is subject to change as meetings are scheduled through the rest of the year, however, she is anticipating some sort of a process in which staff would review the Capital Budget with the Board. There are two Committee-of-the-Whole meetings set up to discuss capital which gives the Board time to discuss capital projects that require public input. She also talked about a replacement schedule so that the Board will know what absolutely has to be done in terms of facility upkeep. She advised that she has met with Superintendent Solberg and Superintendent Guynn to put this process together. They intend to start with the capital plan as it is for 2022 and 2023 as a starting point and that there may be items that come off or items that are added. She would like to talk about that as an item in the July Financial Planning and Policy meeting. Between now and the August Committee meeting, Superintendent Foy would like to talk about percent's and the uniform fee in salary increases. She advised that she would like to issue instruction to the staff before Labor Day that September is the month they will be creating the operating budget so that staff will be ready for meetings in October and November for all the Committees to discuss their operating budgets.

Commissioner Murdock suggested a Committee-of-the-Whole meeting following this meeting next month or in August to discuss a midyear review of capital spending. Director Wilson stated that staff also finds this conversation beneficial. He advised he will discuss with staff as to how quickly they can create the requested projections and work with the Board to schedule this meeting.

D. Review and Identification of Provisions in the Organization & Operation of the Board of Park Commissioners Manual to be updated

Commissioner Clarke stated that the Organization Document or Manual needs to be updated to be consistent with changes in statute. She advised that some of the updates are pretty straight forward. However, there are several items that require a Board decision as to ideas or procedures that need to be discussed. She proposed a Committee-of-the-Whole meeting to discuss as this would be the most efficient option.

Commissioner Murdock referenced the Memorandum prepared by the Park Board legal counsel, Andrew Paine. Mr. Paine advised that the Memorandum was not included in the public packet as it contained privileged information.

There was subsequent debate as to whether or not this should be a Committee-of-the-Whole meeting or handled at the Committee level. Other topics discussed include the monthly meeting schedule, Section 2.32 and statutory changes.

Commissioner Clarke moved and Commissioner Kosloskus seconded a motion to defer discussion of the Board Policy Manual to a Committee-of-the-Whole at a date and time to be determined.

By a voice vote, **motion carries.**

VIII. Next Meeting

The next meeting of the Financial Planning & Policy Committee is scheduled for July 26, 2021.

IX. Adjournment

There being no further business to conduct, Commissioner Murdock moved and Commissioner Kosloskus seconded a motion to adjourn the Financial Planning & Policy Committee meeting at 8:05 pm.

By a voice vote, voting Yes, Commissioners: Clarke, Murdock, and Kosloskus. Voting No, none. Absent, none; **motion carried.**

Minutes Approved by Committee on July 28, 2021

Respectfully Submitted,

Catherine Serbin

Catherine Serbin
Executive Administrative Assistant