

Niles Park District
Minutes of Budget Workshop Meeting
Howard Leisure Center
October 12, 2021
10:00 a.m.

Board Members present: Scott O'Brien, Vice President
Jim Hynes, Treasurer
Julie Genualdi, Commissioner
George Van Geem, 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

Vice President O'Brien called the meeting to order at 10:00 a.m.

2. Pledge of Allegiance

Vice President O'Brien led the pledge of allegiance.

3. Roll Call

Recording Secretary Petrie called the roll. President O'Donovan was absent.

4. Opening Comments

Executive Director Elenz opened the workshop by noting that the budget for fiscal year 2022 reflects the district's comprehensive financial plan to provide parks, facilities and programs to residents and participants during the upcoming fiscal year. In 2021 the park district resumed somewhat normal operations on June 12th which eliminated the capacity limits due to Covid. The Covid restrictions for the first 6 months of the year did have an impact on revenues, and the park district has still not recovered to its pre- Covid numbers. The staff has been monitoring and adjusting the budget based on program participation, based on reducing operating expenses, reducing part time hours, implementing new programming, and keeping all program fees affordable.

Executive Director Elenz publicly thanked the staff on all their hard work during the pandemic to keep the park district programming going, make things safe for our customers and maintaining our parks for our community.

Per our financial statement, the park district is having a much better year in terms of revenue.

We have seen a dramatic increase in revenues which are projected to be 2.5 million more from 2020. In 2022 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 by January 1st and the lack of program revenue due to Covid.

The major capital completed in 2021 was the Kirklane playground installation. Many equipment and capital projects were put on hold due to the anticipated decline of revenue in 2021.

The major concern we face for the 2022 budget was to continue to predict the impact Covid will have on program revenue. The total 2022 budget revenue for all funds is \$12, 358,256, an increase of 9% compared to the 2021 budget revenue. Staff has assumed in their revenue budgets that Covid will have a minor impact on the operation of 2022, and they will continue to follow any guidelines issued by the State.

On the expense side the district increased budget expenses \$1.3 million dollars, an increase of 11% compared to the 2021 budget expenses. This increase was primarily due to the additions of equipment, and capital projects that were put on hold due to the Covid pandemic.

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 able to use healthy reserves to get through the Covid pandemic.

In August of this year, the park district continued its strong AA 2 bond rating issued by Moody's Investor Services. Their rating summary reported that the park district benefited from a strong financial position that enabled capital investment and cushioned the impact of revenue declines related to the Corona virus pandemic. The recent draws on reserves have not diminished its financial position.

In 2022 the budget represents the park district's commitment to be fiscally responsible to the Niles Park District residents.

Finance Director Budget Overview

Finance Director Neukirch began with an outline of how the park district plans on approaching the 2022 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. By October 18th 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 16th for a formal approval of the appropriation and the related tax levy ordinance during that meeting.

Covid 19 has impacted our operations significantly and continues to with our requests for 2022. We have the State minimum wage increase, previously discussed, which is going up by \$1.00 every January moving forward until it reaches \$15.00/hr. We have a market wage adjustment proposed for the rest of our staff. We also have a property tax increase proposed to review with the Board.

The impact of Covid 19 in 2021 on some of our departments returned or surpassed pre-pandemic levels, particularly with Golf and Oasis. Unfortunately, some of our recreation programs have not come back quite as quickly.

Staff has done a great job keeping up with the changing mandates issued by the State.

In the event that things do become worse for the park district as a result of the pandemic, the park district can implement another restructuring of debt.

The State minimum wage requirement is another stressor on the 2022 budget. By 2025 it will be up to \$15.00 per hour. We have approximately \$2,000,000 in part time annual wages. As of 2021 approximately 48% of the part time positions are below \$12/hr. and will increase as much as 8%. 20% of employees are currently at \$12/hr. and in some cases these are supervisors. By 2025 our part time wages are projected to be about \$1.5 million dollars more than they would have been without the State mandate. This will be dealt with through a combination of program fees, property tax increases and controlling costs and expenses.

Staff is also proposing a 4.9% property tax increase in the 2022 budget. For every \$100,000 of property value, the increase is expected to be \$4.00 - \$5.00.

Staff is also requesting a wage adjustment of 4% for full time staff and part time staff who will not be getting the minimum wage increase. Employees did not receive a wage increase in 2020 due to Covid. Minimum wage is increasing so fast that now part timers are making the same as staff they are supervising. The park district is having difficulty filling positions and need to increase wages to be competitive with other employers. Each 1% increase for full timers costs about \$24,000, so a 4% increase would be about a \$96,000 impact on the budget for 2022. Each 1% increase for part timers costs approximately \$18,000, which would be a \$72,000 impact on the 2022 budget.

2022 Requests:

OSLAD grant, pool filters, the Courtland Park playground, vehicles, the digital marquee in front of the golf course and redoing the entry to the golf course off Howard Street.

The land for Courtland Park playground is leased from Com Ed. The lease is due to expire in December of 2022. Staff usually starts negotiating with Com Ed a year in advance of when the lease expires. That playground is directly under power lines. Staff suggests removing it altogether as Washington Park is nearby. Another option is to wait another year until the lease can be finalized before replacing it. The Board agreed to fix the playground equipment currently there and negotiate the lease with Com Ed.

The park district also needs to address some of its vehicle needs in 2022, one of which is a new mini dump truck. It was recommended by staff that the park district replace as many vehicles as possible as the fleet is only getting older.

The park district is going to hire a landscape architect to redesign the entrance to the golf course off Howard Street. The remodel will look more like an entrance in addition to having a new digital sign/marquee.

Department /Fund Budget Request Review

Golf Course Maintenance

Jim Stoneberg

The golf course experienced a major drought this year. There were some staff losses this year. Maintaining the course has been a challenge due to the increase in use.

The redesign of the main entrance will hopefully address the constant flooding that area experiences.

Administration/Finance/IT

Administration: Budgeted expenses revolve around wages in this department. There has been a reduction in this area because staff does not have the pool director's salary in the budget for 2022. There was also a reduction in health insurance because one of the retirees has dropped off the health insurance.

IT: Prescient is the contracted IT service company the park district has been using for the last couple of years. The main change for the 2022 budget pertains to the human resources software expense. Staff is looking to improve the human resources operations for the park district.

Finance: Staff is requesting a new accountant position in the finance department.

Park Services

Jim Majewski and Chris Zalinski

Park Services is requesting two zero turn mowers. The current mowers are showing signs of wear and tear and requiring more repairs. They are also looking at a tail gate vac which will help with flower bed and shrub bed clean up and maintenance.

The are requesting a new vehicle for Park Patrol as well as a mini dump truck, tail gate spreader and a plow kit.

The Kirklane basketball court is listed for total removal and reinstallation. The tree roots are starting to push up from under the court. The plan is to raise the court up a little as it does sit lower in the park. There will be a total removal and replacement of 4 pickleball courts also at Kirklane.

Player benches will be replaced at all ball fields with aluminum benches. The tennis courts at Grennan Heights will be taken out and rebuilt. There is also a plan for dog fountains and bottle fillers, and either replace or retrofit some of the fountains in the parks.

Funds have been requested for two new pool filters. The two sand filters currently in the pool are original, which means they are 26 -27 years old. Staff recommends replacing with sand filters.

The existing marquee at the golf course blew over as a result of a windstorm in the spring. Staff has discussed replacing it with a digital marquee.

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

Tam Tennis – Laura Newton

Courts are used for programming, for adult and junior classes, private and group lessons, court rentals and matches. This year has been relatively good for participation. Court rental revenue is up this year. There is not much rental income in the months of June, July, August and September. Rentals and matches make up the bulk of the revenue for court rentals. Programming is class registrations for juniors and adults. Registration was limited at the beginning of the year but increased this summer and fall. They will start taking registrations for winter in December with the program starting in January. Classes run between 9-10 weeks. All fees were increased. The majority of the revenue is received between September and May. They hope to see an increase in membership this year.

Staff replaced two treadmills this year. The treadmills at Golf View currently are 16 years old and would like to replace 3 of them in 2022. Staff would also like to change the boundary nets.

Programming

Robin Brey

Summer camp had an excellent year. There are camps at Oasis and Howard Leisure Center. Staff also utilized the preschool classrooms for camp. Registration was changed to weekly, rather than daily registration which provided more consistency for the campers, parents and staff. There was some difficulty hiring staff.

Preschool is back to its pre Covid numbers. Kids and teachers are doing well. Staff brought back the enrichment program so kids can stay a little longer after school.

Special events are back with 3 coming up in October. The numbers for the Halloween events are at a good place and expected to go up.

Piano lessons continue to be successful, with some students still doing virtual lessons.

Pioneer Park/Oasis Concessions

Lindsay Kmetty

Everything went well at Pioneer this summer, however, there were some problems with staffing. There were more smaller birthday parties held outside. Pioneer did not get the bigger day camp groups they've seen in previous years of 100 or more kids. Tournaments well very well over the summer.

Athletics

Kenny Krueger

Athletics started off a little slow this year due to capacity limits for camps and clinics. But those programs gradually grew throughout the year to where they stand now, which is offering competitive league play. Staff saw a significant increase in the enrollment for spring soccer, spring t-ball, fall baseball and fall softball. Indoor sports dropped a bit because of mask mandates, specifically for adult basketball, adult soccer and adult volleyball.

Things staff would like to focus on next year are flag football, specifically adding more flag football offerings. Staff is also looking at starting pickleball leagues.

Golf Course and Golf Maintenance

Peter Dubs and Chris Uργο

The golf course has been out performing previous years due to the weather. The golf course has passed \$1,000,000 in revenue and have passed 36,000 for the year. An average year is 30,000 rounds. This year the golf course closed for 36 hours due to flooding, in years past, the average has been 20 days. Budget projections have been made keeping in mind that the demand for play will still be there, but variables such as the weather cannot be guaranteed. Fees have been raised the past two years, so there was no proposal to raise fees for 2022. Programming has been filling and classes have sold out, with waiting lists.

Ice Rink

Marty Stankowicz

Skating is recovering much faster than hockey from the shutdown. Hockey is struggling because people are not happy with the mask mandate. Staff is also having problems hiring. Staff has cut down on expenses and purchases. The last big purchase was the Zamboni two years ago. Skating is coming back. The 10

week session just started and is doing well. Many classes are full but that's because there are only so many instructors. The 10 week hockey program just started.

Swimming Pool

In 2020 the pool was shut down completely, so there was no revenue. However, in 2021, the pool returned to pre-pandemic numbers. As mentioned, the big expense for the pool in 2022 will be new filters. It was a very good summer, but 2022 projections are conservative as no one knows what the weather will bring. Water aerobics was added and sold out for every session. Staff was constantly hiring and training lifeguards this summer.

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 2022 IMRF employer contribution rate dropped to 9.85%. The 2021 rate was 11.25%. The amounts to about \$35,000 in savings for the park district.

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. For 2022 Golf View, Tam Tennis and Pioneer Park parking lots are scheduled to be seal coated.

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 for 2022 are all associated with the OSLAD grant used to fund Pioneer improvements. Staff also wants to include \$11,000 for carpeting the administrative wing of the Howard Leisure Center.

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 Commissioner Genualdi and seconded by Commissioner Van Geem to adjourn the Budget Workshop Meeting of October 12, 2021. Recording Secretary Petrie called the roll:

Vice President O'Brien	Yes
Commissioner Genualdi	Yes
Commissioner Van Geem	Yes

The motion passed 3-0

APPROVED:

President
Board of Commissioners
Date: October 12, 2021

Board Secretary