

BOARD MINUTES

August 14, 2017

The regular monthly Board Meeting of the Board of Commissioners was called at 7:01 p.m. on August 14, 2017 at the Cynthia Neal Center, 8047 W. 91ST Place, Hickory Hills, Illinois.

The following commissioners were present: Guisto, Jerantowski, Kosnick, Morgan, Peterson.

Also present were: Jennifer Fullerton, Executive Director, Dan Maier, Recreation Director, Jim Murphy, Maintenance Director.

APPROVAL OF MINUTES

Director Fullerton had a change in dates to the minutes: it is May 9, 2005 not May 6, 2005, February 9, 2009, not 2008. Commissioner Jerantowski moved, seconded by Commissioner Guisto, to approve minutes July 10, 2017 as corrected. Ayes: Guisto, Jerantowski, Kosnick, Morgan, Peterson.

SECRETARY'S REPORT

Commissioners received a PDRMA Health in Action July newsletter and Director Fullerton mentioned a invitation for Argo High Schools Performing Arts ribbon cutting ceremony on August 18 at 4:30pm. Mayor Howley sent an email that said, "I just wanted to acknowledge and thank Jim Murphy and his crew for the fine work that they continue to do around City Hall. Much appreciated and it looks wonderful".

PUBLIC COMMENT

Nothing to report.

MAINTENANCE REPORT

Maintenance will begin work on the turf where the carnival was during the month of August. The entire area will be aerated, top dressed, low areas will be filled with top soil, slit seeded and fertilized. The water wheel has been purchased and should be delivered by next week to get the hill ready prior to Fall Festival. The seed is 50% Rye and 40% Bluegrass and we should see green grass in a month.

There is a concrete basin by the skate park which drains the lines for two drinking fountains and the yard hydrant which services the skate park and tennis courts. The 3 ball valves have fallen apart and need to be replaced and are 10' up. It was installed 15 years ago. We have a high water table and it is sitting in water. We let the water out of the lines prior to winter. The valves have rotted away. Both plumbers are recommending brass curb stops which will last much longer. The concrete vault is a confined space. They will put a different type of valve where there is a key on the top and no one will have to go down there anymore to shut them off. In the past the fire department went into our confined space. The prices are as follows are Tri-County Plumbing - \$5,800.00 and C.J. Erickson Plumbing Co. - \$5,360.00. This would be done in the fall before all the water is shut off for the season. Commissioner Kosnick asked about the quote that said "All work will be done with time and material." Mr. Murphy said he can finish it in a day and all the contracts have that. This is just in case he has problems. Director Fullerton said he gave a base bid so this is extra work if they find a problem.

Cedar Valley topped off the fall surfaces at the following parks last month: Kasey Meadow, Kruger Park, Osborne Park and Petkiewicz Park. The cost to spread 100 yards was \$2,975.00

There was a problem with the activation sensor last month. Mr. Murphy contacted Vortex and waiting to get approval to drill a hole so it doesn't sit in water.

Director Fullerton said the new gym floor will be installed next week and is closed for two weeks. The walking track will be painted so it will also be closed off for a few days and members can use the fitness center.

RECREATION REPORT

All of the concerts had nice weather and have now ended. The Fidget Spinners were a hit at National Night Out and all the kids received them. There were some left so we will give 50 of them out at the Teen Mixer to the first 50 to enter the door. The Four Winds trip has 67 people and there will be two buses for a maximum of 70 people. The brochure will be mailed this week. Camp ended Friday and we had over 100 kids and sunrise and sunset camp had good numbers. The recreation assistant worked sunset camp most of the time, with adjusted work hours, so that camp made close to \$4,000.

On Sunday, July 30th, Dwayne Dow broadcasted one of our softball games at Martin Park. The telecast will be on Comcast (channel 113) at a later date. The recreation assistant was at the game on this day.

We had a request to prorate the last session of camp by a mom who had two daughters that were CIT's and told her we don't prorate camp. CIT's get experience so there is a benefit to them too. She was also upset because we lost a form for a few minutes that fell behind a desk. There were a few other requests like this for the last session of camp for a prorated rate. Some people go on vacation and don't ask for prorated rates. Director Fullerton said we do not want to have one week camps because the kids just start getting used to us after a week and staff doesn't want to work for one week and then they don't know when else they are working. It is difficult to plan for activities and trips and we give out shirts. We had over 100 kids in each session of camp.

One of our facility manager's is no longer working here because of a full time job and we are looking for a few more people.

We went to Hawthorn Racetrack and had a low amount of people at 14 and lost \$60 on that trip. Bunco had a net of \$100. We sold 14 tickets to the Cubs game and Burbank had 50 tickets. Commissioner Peterson said 90% was from Hickory Hills that went on the State Fair trip and Burbank had 7 people. The full size bus was half full. Both trips left from Burbank Park District.

There is a revised contract for the Carnival for the next three years. The next two years (2018 & 2019) will be Mother's Day weekend and then in 2020 it will be one week later because they have a contract with someone else because of Cinco de Mayo. Director Fullerton said in 2020 we will move the last week of dance classes and picture day to KP and will need most of the building. Commissioner Guisto asked if we can delay the dance recital a week in 2020. Director Fullerton said we can't because then we wouldn't be able to have the recital at Sandburg High School. We have the last weekend available for rentals at the school and one week later prior is usually graduation. Mr. Maier said All Around Amusements will give us a sign on bonus of \$5,000 each year and another \$5,000 for a bonus for signing a three year contract. Also, we receive the same, 40% that we get now for the ride ticket sales, up to \$3,000 for security because we will hire one regular officer from now on and \$5,000 for grass restoration. We can sell concessions on our own even though they are selling concessions as long as it is not the same items. Last year, AAA paid \$4,950 for the grass to a landscaper. Director Fullerton said the seed never took so we might hire a company just to get the mulch off the grass and we'll do the rest of the renovation. We will put a fabric down prior to the mulch. Once we receive these revisions in the contract, then Director Fullerton will sign it. There was an accident on the Fireball in Ohio but we get our rides inspected so our rides should be fine. Director Fullerton said we had the Freakout ride by Roberts Road and because of this accident there are additional inspections for that ride.

TREASURER'S REPORT

Commissioner Jerantowski moved, second by Commissioner Morgan to approve Claim Ordinance 745. Ayes: Guisto, Jerantowski, Kosnick, Morgan, Peterson. Motion approved. The Invoice/Memo report was included in the board packet for a further explanation of the check register. Commissioner Kosnick made note of the Investment Report July 31, 2017. Director Fullerton said she cashed in four CD's and transferred it to the wealth management account. We received the July statement today so you will start to receive these statements next month however they will always be a month behind. Also, they were going to keep the interest in that account but it is best for me to transfer it to checking since we typically have \$4,000 to \$5,000 in the operating statement per year for interest. Commissioner Jerantowski moved, seconded by Commissioner Morgan to approve the Operating Statement for April 30, 2017 Final, May 31, 2017, June 30, 2017 and July 31, 2017. Ayes: Guisto, Jerantowski, Kosnick, Morgan, Peterson.

DIRECTOR'S REPORT

Kasey Meadow Park Construction Project:

There is only one item on the punch list left and that is to replace a few caps missing from the top of the ball field benches. They are having a difficult time finding them. The caps are under \$100 and it is not worth holding money back. They did install them however they weren't glued in so people took them. Also, they gave us a letter about seeding in the fall and were part of their warranty letter.

Commissioner Jerantowski moved, second by Commissioner Guisto to approve Payout #10 for \$28,531.66 to Hacienda Landscaping. Ayes: Guisto, Jerantowski, Kosnick, Morgan, Peterson. Motion approved. Once the check is cut, then Knutte & Associates can audit the construction project. The cost for the audit is \$1,600 and is a requirement by OSLAD prior to getting the grant dollars.

Water Shut Off Vault:

Commissioner Morgan moved, second by Commissioner Jerantowski to approve the water shut off vault from CJ Erickson for \$5,360. Ayes: Guisto, Jerantowski, Kosnick, Morgan, Peterson. Motion approved.

Carnival Booth Games:

Commissioner Kosnick had some concerns about the carnival games at the booths. When you walk up to the booth they hand you three darts and don't say anything about how much it costs (\$5) and if you play again it is \$5 more. All Around Amusements sent an email showing the sign and it was included in the Board packet. Director Fullerton said she will check on the first day and make sure all the games have a sign with prices and how to play the game.

Special Recreation Association:

SWSRA will be presenting their services they provide for special needs at the September 11 board meeting. The board packet included the Articles of Agreement and By Laws from SWSRA. The legal requirement for the special rec. levy is for a special recreation association to receive 50% of the park districts tax levy of .02 cents. We received .04 cents which is the maximum levy amount for special rec at \$133,900 so 50% of that is \$66,950 however SWSRA would receive \$66,139 because that is 50% of .02 cents. SWSRA will replace Oak Lawn Special Rec. Oak Lawn Special Recreation does not qualify to receive our tax dollars because they are not an association just a special recreation programming agency. So, 50% will go to SWSRA and the rest of the money will be for HHPD ADA improvements to facilities and parks. SWSRA is two years behind on the tax levy so the 2016 levy is for their fiscal year beginning May 1, 2018. We will begin the agreement on January 1, 2018. SWSRA will prorate the amount so the fee will be \$22,048 which is \$5,512 per month times four months.

SWSRA will be able to use our facilities at no charge and they will offer six to eight week programs in our brochure several times a year. They will provide inclusion training for our staff at no charge. They will offer bus service to our residents for a fee just like with Oak Lawn. A letter will be sent to participants who utilize Oak Lawn Special Recreation programs, letting them know about the switch to SWSRA and that they can participate at Oak Lawn for one year then they need to register at SWSRA. Director Fullerton will put a note on the letter that if they want to continue with Oak Lawn for more than a year to call me. Commissioner Jerantowski asked if we have to handle the programs at our building. Director Fullerton said no they will staff it however we may have one or two participants in our camp because we don't know they are special needs at the time of registration. Commissioner Morgan asked where their camp is at and is there transportation. Director Fullerton said it will be held other park district locations. SWSRA offers transportation for various programs and trips but the participants have to pay for it just like at Oak Lawn. Commissioner Morgan asked about insurance and holding programs at our location. Director Fullerton said it would be their insurance and it is PDRMA. They sign the same waiver our participants sign. Commissioner Jerantowski asked if we can get out of the contract. Director Fullerton said yes but you have to first take it out of the levy and then provide notice so all of this takes about a year. Summit Park District is on the list of agencies that belong to SWSRA but will be leaving as of December 31.

Preschool Survey:

The preschool evaluation from school year 2016-2017 was in the Board packet. The survey responses were very favorable. The only improvement is for the teachers to have an email address however staff would have to check it.

Dance Survey:

The dance evaluation from school year 2016-2017 is in the Board packet. The survey responses were favorable. There are some excellent comments given in which we can approve on. Tammy Muth and the dance instructors are going to create a dance handbook similar to the ones we have for preschool and the after school program. In the handbook it will indicate that the helpers will be in a group picture together and the district will pay for it but not in the class picture with the teachers. There was some confusion on this last year. For one of the improvements, we are seriously considering a maximum on all classes 12-16 and not hiring a second teacher and not increasing the maximum to 24 even with a second teacher. This will decrease the dance revenue by at least \$5,000-\$7,000 for the year and we won't be able to accommodate the long wait lists. Every time we reach the maximum and move the class to the preschool room (has to be broken down) or at KP there are even more complaints about the floor and no mirrors. Both recreation centers are filled to capacity. There are complaints about having a person at night that knows everything about dance. In the future, we can look at hiring another full time employee for dance and preschool. Commissioner Peterson asked how much it will cost to print the handbook. Director Fullerton said it will be copied in house so there will be the cost for regular copies. Parents have to sign the last page so they confirm that they received it. Commissioners asked if we could put it on our website just in case they lose it so the staff will post it. Commissioner Kosnick asked about a class at 8:45pm for three year olds. Director Fullerton said it was for the dance rehearsal which is one time of year but they are not there that late however it might be because they have other children that have not rehearsed yet. There was a complaint about the dance rehearsal that is chaotic and it will probably never be less stressful when you have all the dancers there all at once.

After School 2016-2017 Bottom Line Report:

The After School Bottom Line Report Summary is included in the board packet. The After School net revenue was \$56,240 in 2016/2017 and \$32,495 in 2014/2015. There were 8,824 enrollees in 2016/2017 and 6,476 in 2015/2016. Salaries increased from \$12,222 for 2015/2016 to \$20,389 in 2016/2017. Expenses for 2016/2017 were \$2,191 and 2015/2016 it was \$1,554. Last year we provided After School for five schools (Glen Oaks, Dorn, Oak Ridge, Sorrick) and in 2016/2017 we added Conrady.

Winter 2017 Bottom Line Report:

There was an increase in the bottom line net revenue for the Winter 2017 of 2%. The net revenue for 2017 was \$9,194 and in 2016 was \$9,024. The number of winter classes decreased from 92 in 2016 to 78 in 2017. The number of participants also decreased which was 1,506 in 2017 and 1,541 in 2016. Programs that increased were from special events, seniors and trips. Special events had an 18%. Senior programs had a net of \$858 versus last year at \$290. Senior luncheons had a net of \$26 versus last year with a loss of -\$546. Trips had a 16% increase. The following programs decreased: adult, contractual, tot, teens and youth. Adult had a 16% decrease and contractual had a 5% decrease. Tot programs only had 20 participants versus 43 in 2016 and all classes saw a decline in enrollment. The Teen Mixer lost \$12 and there wasn't one the previous year. Youth programs decreased by 8%.

Spring 2017 Bottom Line Report:

There was a 290% increase in the bottom line net spring revenue. The carnival was included in this report which had a net of \$37,001. Without the carnival the net revenue was \$19,319 which is a 33% increase from the previous year. The net revenue for 2016 was \$14,479 and 2015 was \$17,244. Number of classes stayed the same in 2017 and 2016 which was 100 and participants increased from 1,683 in 2016 to 1,749. The increases were from special events, contractual, senior, teen, trips and youth programs. Increases were as follows; contractual 6%, senior 85%, teen 74%, trips 91% and youth 41%. The carnival had a net of \$37,091 which also included the new water wheel which we will be purchasing in the fall. In the Misc. Income/Expense Posting Report it will show the carnival expenses on P. 2 which included garbage, portable toilets, auxiliary police, building supervisors, water, mulch and paint for signs. Decreased were from adults 79% and tot programs 48%.

Employee Recognition Program:

The employee of the summer was Bailey Mast, Splash Pad Camp coordinator, received a \$100 check and Kris Swanson, maintenance employee was the runner up and received a \$50 check.

Vandalism/ Incidents/Miscellaneous:

On Wednesday, July 19, at 8:09pm three young teens brought a toilet through the turn style to the skate park and then put it on a roller cart and brought it in near the far west ramp and smashed it. They were caught on camera.

On Thursday, July 20, (day after the toilet incident), the pop machine was severely damaged. The video has been turned over to the police and it was several people that did it throughout the day. The skate park was closed from Monday, July 24 to Wednesday, July 26 due to the vandalism. On Tuesday, July 25, some teenagers climbed over the fence and received tickets and have to go to court.

Commissioner Kosnick said the kids are wearing street clothes and diapers in the splash pad. Director Fullerton will address it with the staff.

Annual Financial Report and Receipts and Disbursements:

The final and bound audit with the auditor letters was included in the board packet. Director Fullerton gave the commissioners an overview of the financial audit. There were no comments or improvements in the "Other Audit Finding or Issues" section of the audit. Commissioner Jerantowski moved, seconded by Commissioner Morgan, to approve RECEIPTS AND DISBURSEMENTS FOR FISCAL YEAR MAY 1, 2016 THRU APRIL 30, 2017. Ayes: Guisto, Jerantowski, Kosnick, Morgan, Peterson.

Fiscal year comparison 2015-2016 to 2016-2017

Corporate Fund

The Corporate fund had a net fund balance of \$36,707 compared to \$26,812 from last year. Total income was \$497,876 in 2016/2017 and \$466,808 for 2015/2016. There was an increase in property and replacement taxes. We received \$4,180 for the Wal-Mart TIF and this was because the Village held back \$300,000 in real estate taxes and has paid off all taxes so this completes the TIF distribution. There was an increase from interest on investments of \$946. There was an increase in miscellaneous income and the majority of this line item is used for PDRMA claims. Total expenses increased by \$21,174 including the transfer of funds for a total of \$461,169. The corporate fund operating expenses minus the transfer of funds was \$403,169 compared to \$381,995. The transfer of funds was to the special funds which included FICA (\$52,000) and the Audit (\$1,000) plus \$5,000 coded to the new Audit Expense account (\$5,000) for \$58,000 which was the same transfer as last year. This year we transferred \$2,000 more from the Recreation Fund in the amount of \$117,000 to the IMRF, Workman's Compensation, Insurance funds, FICA and Audit. Last year the transfer amount was \$115,000 to the same funds. Salaries increased by an average of 3% which includes all employees. A few employees had increases that were higher because the minimum wage increased in Chicago and Cook County to \$10 per hour. Maintenance salaries were \$129,673 2016/2017 and \$138,457 in 2015/2016. Two full time employees left the park district (one retirement) and a new person was hired at a lower rate of pay. Maintenance overtime decreased by \$745. Insurance premiums charged by PDRMA did not increase from 2016 to 2017. The actual amount spent in the corporate and recreation funds was \$94,769 which was a decrease of 13% (\$12,717). The decrease was from the turnover in staff (90 probationary period) to be enrolled in health insurance and one employee retired and was replaced by an outside vendor cleaning company. Also, two part time secretary positions were combined to one position and that person was added to health insurance mid-year. The district enrolled in a Health Reimbursement Account (HRA) so prior to the HRA the district was paying \$107,486 and with the HRA, the district will be charged a minimum of \$100,433 to a maximum of \$111,433. Currently, there is one child and one spouse on the districts health insurance. The district pays 50% of one dependent. Legal advertising increased because of several bid ads that were placed in the newspaper. Legal expense increased due to the issuance of a new bond, the district levied for special recreation and several other bids. Contractual expenses increased by 45% due to a vandalism claim of \$8,400 for the KP roof. The cleaning service increased by 55% and maintenance labor decreased 27% due to the retirement of a cleaning employee to hiring an outside vendor for these services. Computer maintenance increased by 16% due to adding several WiFi boxes to both recreation centers and replacing an older computer. Janitorial supplies, maintenance supplies, Seed/Sod/Fertilizer, Flowers/Mulch decreased due to not needing supplies at that time. Vehicle repairs decreased by 23% due to less vehicle repairs during the fiscal year. Misc Park Improvements decreased because the prior year we purchased several picnic tables and replaced playground equipment and not as much was

needed in the 16/17 fiscal year. The net revenue for the corporate fund was \$36,707 in 2017, \$26,812 in 2016 and \$42,738 in 2015.

Recreation Fund

There was a 10% increase in the Recreation Fund gross revenue. It increased from \$1,114,666 in 2015/2016 to \$1,225,839 in 2016/2017. Program revenues for the year ended April 30, 2017 increased from the previous fiscal year from \$730,325 to \$820,821. The number of participants was 15,258 in 2016 and 17,590 in 2017. The number of classes offered was 1,185 in 2016 and 1,364 in 2017. The increase in classes and participants was mainly from the After School and Preschool programs. After School first began in 2012/2013 school year with 6-8 children on average and in 2016/2017 increased to 59 children per day. After School increased from 6,476 in 2015/2016 to 8,329 in 2016/2017 based on registrations for 2, 3 or 5 days. Preschool participants increased from 130 to 234 students because there was additional registration for the new half year preschool option and a new program was created called After Care. There were 8 students in the half year program in 2016/2017 and 7 in 2015/2016. Mini school had 27 in 2016/2017, 44 in 2015/2016 and 17 in 2014/2015. Net revenue 2016/2017 for preschool was \$37,616 and 2015/2016 was \$21,814. Fitness Center revenue decreased from \$70,476 to \$62,831. The splash pad was closed in 2015 due to the grant. In 2016, gross revenue was \$11,206 and expenses \$6,665 and a net of -\$27,614 due to depreciation of assets. In 2014, splash pad gross revenue was \$8,887 and expenses were \$8,574 and a net of -\$3,467. Special events decreased by 6% due to the Street Fair which had a greater loss. Trip revenue increased by 70% due to the weeklong trip increase in participants so therefore expenses increased. Senior revenue increased by 28%. Dance revenue increased by 3%. In 2017, the costume revenue was \$26,675 and expenses were \$21,139. Net profit from costumes will be used for equipment and supplies. The fall, spring and winter increased and summer programs decreased. The fall programs had a 55% increase in net revenue. Spring programs had a decrease of 32% if you exclude the carnival otherwise there was a very large increase of 290%. Winter programs had a 2% increase in net revenue. The summer programs decreased by 8% with the largest decrease from the Street Fair which only had \$1,638 in gross revenue versus \$2,243 from the year prior. Pepsi revenue increased by 8%. The District accepted \$8,200 in donations. Standard Bank donated \$3,000, the fire and police departments donated \$2,200 to National Night Out and the City of Hickory Hills donated \$950 for the Children's Christmas Party. Various vendors donated \$100 to \$500 which offset the deficits of special events and senior programs. Recreation expenses increased by \$59,910 in the year ended April 30, 2017 compared to the prior fiscal year. Salaries increased by an average of 3%. Some employees were still increased to reach closer to the \$10 an hour minimum wage for Chicago and Cook County. Additionally, After School and camp instructors were added which also increased salaries. Conference expense decreased by 37% because of the decrease in attendance and the location of the national conference. Contractual revenue and expenses decreased in the recreation fund due to a decrease in karate, gymnastics and softball leagues. Utilities increased by 17% mainly from the opening of the splash pad. Phone expenses increased by 43% and DSL increased by 17% due to adding WiFi to the recreation centers. The scholarship/special rec fund increased by 46% due to the enrollment at Oak Lawn Special Recreation. Program refunds increased 59% of which the majority was from the amount of participants that dropped prior to the weeklong trip and various other trips and programs that were canceled. Fitness expenses increased by 21% due to the purchase of the Hydromassage chair. Skate Park expenses increased because \$3,750 was spent on skate lite ramps which is double the amount usually spent. Dance supplies increased by 33% due to the amount of fundraisers and wearable items that were sold. Tables and chairs increased by 40% because we purchased new lobby chairs at CN. Recreation expenses increased 6% from \$1,064,161 to \$1,124,071 including the transfer of funds. If you

eliminate the transfer of funds, the expenses increased by 6% from \$949,161 in 2015/2016 to \$1,007,071 in 2016/2017. The Recreation Fund net revenue was \$101,767 (2016/2017) and \$50,505 (2015/2016).

There was a net of \$138,474 for the corporate and recreation fund and the prior year was \$77,318. There was a 10% increase in program revenue. The ending fund balance is \$2,577,822.

Special Funds

The Bond fund shows \$23,010 for bond proceeds from the Build America Bond and the previous year was \$24,302. Bond proceeds was reduced by 6.9% (January 2017) and 6.8% (January 2016) due to the sequestration reduction rate. Bond fund revenue and expenses were lower due to paying off the Standard Bank bond. The security fund increased by 2% because the auxiliary police increased from \$21 to \$22 per hour. IMRF increased by .5% and FICA by 3% due to employee wage increases. Audit expenses increased per the three year contract with Knutte and Associates. In the operating statement, it shows \$2,500 spent however \$5,000 was coded to the corporate budget. Liability insurance and workman’s compensation had a slight increase from what we are charged from PDRMA. Unemployment didn’t have any expenses since there were no claims. The capital fund shows the bond proceeds from the new Byline Bank Bond of \$550,000 and majority of the expenses were for the Kasey Meadow Park project. Fund 12 for Special Recreation was created for tax deferral purposes and it shows a zero amount for 2016/2017.

Commissioner Morgan moved, second by Commissioner Guisto moved to approve the Audit for May 1, 2016 to April 30, 2017. Ayes: Guisto, Jerantowski, Kosnick, Morgan, Peterson.

Commissioner Jerantowski said the City eliminated the Walk Around the Pond which was in September.

OLD BUSINESS: Commissioner Morgan asked about how DuPage County lost money for investments but we are paying the bank to manage our funds. Commissioner Peterson said it was bonds not treasuries like we are investing in. If the government doesn’t pay, it doesn’t pay anyone. Director Fullerton said First Midwest Bank is managing our money however it is our money so if the bank closes the money remains with us. Also, DuPage was in high risk funds and we are not. Commissioner Kosnick said there was a bill last year and now you can sue them.

Commissioner Jerantowski moved, second by Commissioner Morgan moved to adjourn to the next regular board meeting. Ayes: Guisto, Jerantowski, Kosnick, Morgan, Peterson.

The meeting was adjourned at 9:10p.m.

Secretary

ATTEST:

President

