

Cary Park District  
Board of Commissioners  
**Administration, Finance & Personnel Committee Meeting**  
August 10, 2017  
6:30 PM  
Community Center  
255 Briargate Road  
Cary, IL 60013

**Minutes**

Committee Members Present: Hauck, Frangiamore, and Stanko

Guest Present: None

Staff Present: Jones, Raica, Kelly, Rogus, Krueger, Hughes, and Lee.

Chair Stanko called the meeting to order at 6:32 PM.

The Pledge of Allegiance to the Flag was recited.

There were no matters from the public.

The minutes from the June 8, 2017 Administration, Finance, and Personnel Committee meeting were presented for approval.

***Frangiamore moved to approve the minutes; second by Stanko.***

Voice vote: 3-0. All voting yes. Motion carried.

No matters from Public, Commissioners, or Staff.

Under Direction Items, Policy Development – 7-004, Acceptable Use of Technology: Internal/External Use was discussed. Krueger explained this policy was developed due to a staff goal to develop Policies and Procedures in the area of information technology. The Policy presented tonight has been reviewed by an attorney at Ancel Glink. This will provide guidelines for acceptable use of computers, internet systems, and other electronic devices by staff to maintain the integrity of the Park District.

Hauck stated while she understands the policy, she asked how the Park District would enforce the use of the Policy. She asked how employees who post items on their own personal account be held accountable for possibly offensive material. V. Krueger stated that once the Policy is approved, a Procedure will be drafted to answer those questions and be more specific on staff use of social media.

Jones explained that while this is a difficult area, this is a start and can be broadened in the future to meet future needs.

Stanko asked about the use of pictures that Park District staff take at events or during certain programs and where approval was from parents for pictures to be posted. Hughes explained that when a patron signs the waiver, they are consenting to the use of their photo or family member's photo to be used in Park District printed materials or on the website.

***Hauck moved to recommend Board approval of Policy 7004, Acceptable Use of Technology as presented. Second by Frangiamore.***

Voice vote: 3-0. All voting yes. Motion carried.

The next item discussed was the 2016 Levy Discussion. Krueger explained that the Board approves an annual Levy Ordinance in November to request property taxes to be collected for park and recreation purposes. Tonight's discussion is to help prepare the Board for the levy discussion that will take place in October.

Krueger stated the EAV is not known for the upcoming year, but it did increase by 3.74% in 2015 and 6.69% in 2016. There have been several projects developed in Cary over the course of the year, so that will ultimately effect next year's EAV.

Krueger discussed several cost categories such as group insurance, major services (phones, printing services, and postage), utilities, and staff wages to show the estimated increase in these areas in the upcoming budget. That potential increase across these categories is approximately \$80,000 which is an excess of what could be taken in by a CPI increase.

Krueger outlined two options for the Board with respect to the upcoming levy discussions in October. One option is to structure the levy to capture the CPI increase plus any new growth that may have occurred within the Park District for the upcoming fiscal budget year, and the other option is to abate a portion of the Park District's annual rollover bond equal to the CIP increase in taxes for the next fiscal budget year.

Jones explained that staff would like the Board to think about what they would like to see done for the October tax levy discussion.

Frangiamore stated he would be interested in capturing the CPI increase plus any new growth.

Stanko stated that he is data driven, and with all of the unknowns, he would like to know about abating the taxes and if it is the same as a tax freeze that might still happen with the state. Krueger stated that a tax freeze by the State or an abatement of taxes by the Park District, as discussed, would have the same tax impact in the upcoming year to residents of the Park District, assuming everything else remaining equal. Stanko stated he would favor abating a portion of the Park District's annual rollover, because the tax payer would notice a decrease on their tax bill for the Park District. He's open to both options, but is leaning towards the abatement to save the tax payers a little bit of money.

Hauck stated she is in favor of capturing the CPI increase plus any new growth. While she fully understands and wants to save the tax payer money, she is in favor of capturing the new growth since that will not be able to be captured again.

Krueger then discussed the various attachments including the 2016 Tax Extension, the historical equalized assessed valuation, and the cost categories.

Krueger asked if there were any questions about the CPI and new growth. Hearing none, she moved onto the next Discussion Item.

Krueger gave an update on the Financial Model Tool, FY18-19 – FY22-23. She explained that tonight she will provide the Board with financial information that can be used to provide a high level overview of the Park District's long term financial picture.

Krueger explained that the FMT is based on numerous assumptions and is a snapshot of the District's financial future at a point in time. She then explained the two projects in the 2016 Action Plan that have the biggest impact on the FMT, and those are the park improvements at Lions and Kaper Parks and a new recreation facility at Cary Grove Park. To address the financing related to these items, staff reached out to Speer Financial to discuss the best approach to finance these projects.

The debt was structured to spend approximately \$3.2 million for park improvements in FY18/19 and \$8.4 million in FY20/21 for a new recreation facility. The Financial Modeling Tool (FMT) assumes a 1% increase in tax revenue annually, and program revenues are estimated to increase at the rate of 2% annually.

Krueger explained that the FMT does not include ongoing expenses or operational expenses for the proposed recreation facility. She explained further that the addition of these expenses would increase the Minimum Fund Balance Requirement significantly once the facility is built as outlined by District Policy and should be kept in mind going forward.

Frangiamore asked if operational expenses could be included in the FMT, and Krueger explained once the final plan has been approved for the new recreational facility, then it can be better estimated.

Frangiamore asked where the 1% increase in tax revenue came from, and Krueger explained that it came from historical data. Frangiamore then asked where the 2% increase in program revenue come from, and Krueger explained that it is going off data from the last 2 years.

Stanko asked if the revenue generated from the new facility would pay for the new facility. Jones stated that the facility planning process would entail looking at the schematic design, programming, and the Park District's Revenue Policy in the context of the Park District as a whole to assess the financial feasibility of building the new recreation facility. He further elaborated that what Krueger is emphasizing is the minimum fund balance that needs to be kept when the new facility is completed and open for use.

Krueger next reviewed the negative net change in fund balance and the negative excess fund balance with the Committee. She explained that as a result of the use of Fund Balance in the Corp Fund for FY 17/18 thru FY 19/20, the FMT is projecting a negative excess fund balance of \$144,111 in the Corp. Fund in FY 20/21. Per current practice, the use of fund balance would be addressed annually as part of the budget process which should resolve the negative fund balance as shown in the FMT.

Krueger then explained the Deficit Ending Fund Balance. In the Capital Projects Fund, a deficit ending fund balance of \$249,220 is project in FY 19/20. The FMT reflects anticipated design costs for the recreation facility prior to new debt being issued. As the plans for the new recreation facility are defined Staff will explore all viable options to match the timing of the debt proceeds with the expenditures associated with the new recreation facility.

Krueger continued that until a schematic design is finalized, and a feasibility study is completed, staff cannot determine the financial operating impact of the new recreation facility. However, the incremental annual operating costs for Lions and Kaper Park Improvements should be minimal. The FMT includes an additional \$10,000 for the estimated cost of additional water usage should a splash pad be built at Kaper Park.

Lastly, Krueger explained that the FMT includes \$25,000 annually in donations in the Developer Donations Fund, and with potential growth in the West Lake subdivision as well as the former Maplewood property, this number is conservative.

Stanko asked if there were any other questions from the Commissioners present about the FMT. Hearing none from the other Commissioners present, he asked if a new recreation facility wasn't built when indicated in the CMP and held off for a year or two, how it would affect the overall capital projects line.

V. Krueger stated that she is unable to answer that question at this time and will would have to recalculate data to come up with the numbers for him.

The commissioners thanked Krueger and her staff for the hard work they put into the FMT.

***Frangiamore moved to adjourn the meeting. Second by Hauck.***

Voice vote: 3-0. All voting yes. Motion carried.

Meeting adjourned at 7:23 PM.