

Cary Park District
Board of Commissioners
Administration, Finance & Personnel Committee Meeting
September 13, 2018
6:30 PM
Community Center
255 Briargate Road
Cary, IL 60013

Minutes

Committee Members Present: Frangiamore, Hauck, and Stanko
Commissioners Present: Renner and Howell

Guest Present: Sean Hickey, Lauterbach and Amen.

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

Chair Stanko called the meeting to order at 6:30 PM.

The Pledge of Allegiance to the Flag was recited.

The minutes from the August 9, 2018 Administration, Finance, and Personnel Committee meeting were presented for approval.

Frangiamore moved to approve the minutes; second by Hauck.

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

Under Matters from the Public, Commissioners, and Staff, Hauck reminded everyone that Cary Main Street Fest is this upcoming weekend.

Under direction items, the Comprehensive Annual Financial Report (CAFR), FY ended April 30, 2018 was reviewed. Krueger first provided an overview of the audit process. The CAFR will again be sent to the Government Finance Officers Association (GFOA) for consideration in being awarded the Certificate of Achievement for Excellence in Financial Reporting for fiscal year ended April 30, 2018. The Park District has received this award for the last 12 years. Krueger explained that a good starting point is the Management's Discussion and Analysis section, found on pages MD&A 1-9, to get a financial overview of the CAFR.

Krueger introduced Sean Hickey from Lauterbach and Amen (L&A) to go over the CAFR with the Commissioners. First, he referred to the Independent Auditor's Report. He stated the purpose of the Independent Auditor's Report is for L&A to express an opinion on the Park District's Audit for FYE April 30, 2018. Once again, the auditors gave the Park District a clean opinion.

Hickey reviewed the Illinois Municipal Retirement Fund (IMRF), and explained that as of March 30, 2018, the Park District is 98.81% funded. Even though this is a high percentage, he reminded the Park District to review this annually for any additional changes that may occur.

Hickey then reviewed the summary data section at the end of the report, and then he asked if there were any questions from the Commissioners about the report.

Stanko asked for clarification on what a 2a7-like investment pool is. Hickey explained it is something from the regulators of the ICC where it is identified as a type of Illinois funded retirement pool. Stanko then asked about the significance of the \$2,000 in excess of debt service, and Krueger explained that the Park District spent an excess of \$2,000 in debt than was budgeted.

Frangiamore asked if the debt to be paid off in 2020 can be paid off early, and Krueger explained the debt is not callable.

Hickey next reviewed the management letter and the two items that Lauterbach and Amen suggested staff review. The first item deals with Post-Employment Benefits of the District GASB in regards to Statement No. 75, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions. Krueger explained currently staff is working with PDRMA, the provider of the Park District's health insurance, to ensure compliance with Statement No. 75, if applicable.

Hickey stated the second item discussed in the management letter is Funds with Deficit Net Position. Foxford Hills Golf Course (FHGC) has a deficit net position for the period ended April 30, 2018. Krueger stated the Park District has taken steps to control the deficit. The deficit has improved since FYE April 30, 2017 by \$162,901 or 62.89%. While FHGC has shown a positive operating income annually since the District has owned the course, it is unlikely that FHGC will be able to fund the upcoming debt payments related to the purchase of the golf course. To address this, funds will be transferred to FHGC to cover the debt payments. Accounting for the debt in this manner will eliminate the deficit. Krueger explained when the debt is paid off in FY20/21, the Board should discuss the payback of the intercompany loan and the payback of the acquisition debt. Stanko asked if the current method of accounting for Foxford Hills would have a negative impact on Park District finances. Hickey stated there should be no issues.

The Committee thanked Hickey for his presentation and stated it was good to hear such a positive report on the finances of the Park District.

Frangiamore move to recommend to the Board of Commissioners the Comprehensive Annual Financial Report for the Fiscal Year ended April 30, 2018 for acceptance. Second by Hauck.

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

The next direction item discussed Consideration of Office Space Lease Agreement. Jones stated that at the last meeting of the Board, the Board requested additional financial information on the costs of the leasing option at Feinberg Court. Attorneys representing the Park District and the

property owner are in agreement with the lease provided. As far as the cost, he provided a chart to account for the various start-up costs as well as the reoccurring costs. The last two fiscal years \$70,000 has been included in the budget for leasing additional office space. The costs provided are well below that budget number.

Jones asked the Board if there were any questions. Frangiamore asked if there were any costs associated with reorganizing space at the Community Center. Jones explained that costs could come in with providing new office furniture if someone who moves chooses to take their furniture with them, so new furniture needs to be provided.

Frangiamore then asked if there should be options looked at for the fourth and fifth years due to the lease only being three years. He suggested adding two additional one-year agreements on the current scale. Stanko and Renner agreed there should be language in the contract providing the option to extend or renew when three years are up.

The Committee asked that the lease agreement not be placed on the Consent Agenda in order to review the updating lease terms before approval. Jones was directed to pursue option years at the end of the current lease terms.

Frangiamore moved to recommend Board of Commissioners approval of a lease agreement with Alexander Office, LLC for a lease of property at Cary Square Professional Center. Second by Hauck.

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

Hauck moved to adjourn the meeting. Second by Frangiamore.

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

Meeting adjourned at 7:03 PM.