

Regular Meeting Minutes of the
Gurnee Park District Board of Commissioners
March 20, 2018

President Goshorn called the regular meeting to order at 5:50 pm. He asked for a roll call. Commissioners present: Libby Baker, Gerry Crews, Vicki Paddock, Michelle Klemz and Jim Goshorn. Commissioners absent: none. Staff members also present: Susie Kuruvilla, Executive Director and Melissa Greenthal, Operations Analyst.

A motion was made by Gerry Crews to enter executive session at 5:50 pm to discuss:

- the appointment, employment, compensation, discipline, performance, or dismissal of specific employees, including hearing testimony on a complaint lodged against an employee to determine its validity. (5ILCS 120/2 (c)(5))

Motion was seconded by Michelle Klemz. Roll call vote taken. Ayes: Klemz, Baker, Crews, Paddock and Goshorn. Nays: none. Absent: none. Motion carried.

Only the Board Members were authorized to attend the closed session.

A motion was made by Libby Baker to leave executive session at 6:58 pm. Motion seconded by Michelle Klemz. On voice vote, all voted aye.

President Goshorn called the regular meeting to order at 7:02 pm. The President led the Pledge of Allegiance and asked for another roll call. Commissioners present: Jim Goshorn, Michelle Klemz, Gerry Crews, Vicki Paddock, and Libby Baker. Commissioners absent: none. Staff members present: Susie Kuruvilla, Executive Director; Mike Szpylman, Director of Business Services; Jeff Reinhard, Director of Parks & Planning; Scott Crowe, Director of Recreation; Jennifer Gilbert, Director of Marketing and Community Relations; Sue McDougle, Manager of Recreation and Facility Services HCPCC; Tara Larson, Marketing Assistant, and Melissa Greenthal, Operations Analyst.

A motion was made by Michelle Klemz to approve the minutes of the regular meeting of February 20, 2018. The motion was seconded by Vicki Paddock. Roll call vote taken. Ayes: Baker, Crews, Klemz, Paddock and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Vicki Paddock to approve Executive session minutes for February 20, 2018. The motion was seconded by Gerry Crews. Roll call vote taken. Ayes: Crews, Klemz, Baker, Paddock and Goshorn. Nays: none. Absent: none. Motion carried.

A motion to approve the total bills and payroll in the amount of \$755,404.86 presented on March 20, 2018 was made by Gerry Crews and seconded by Libby Baker. Roll call vote taken. Ayes: Paddock, Crews, Klemz, Baker, and Goshorn. Nays: none. Absent: none. Motion carried.

The financial report and treasurer's report were reviewed. Commissioner Crews mentioned that he had a general discussion with Mike Szpylman earlier on local institutions CD rates going up. President Goshorn asked if CDs expire monthly and how long our current CDs rates are locked in. Director Szpylman indicated that the maturity for CDs vary anywhere from 3 months to 12 months.

The President opened the floor to visitors; there were no comments.

Sue McDougle presented an IAPD/IPRA Community Service Award to Mike Newborn for his support and coaching for the past nine years in the youth soccer program. He has a following among players and families with children in 6th to 8th grade registering each year.

Department Directors reviewed their written reports with the Board.

Director of Parks and Planning Jeff Reinhard informed the board that the generator at Hunt Club was successfully tested on March 19, 2018. Next steps are to have Excalibur make the connection so there is no outage if the power goes out. Commissioner Crews asked if the inspection on the climbing wall was thorough. Director Reinhard indicated that a company comes out once a year and does a thorough inspection in addition to the inspections done by the parks team frequently. The only recommendation is to replace the climbing wall rope which is done every two years.

Director of Recreation Scott Crowe reviewed his report. Enchanted Evening brought in 270 people over two seating's. Easter Egg Hunt is scheduled for Saturday, March 24, 2018. Sunday, April 29th is the GO Gurnee kick-off event. Scott attended the Lake County Superintendent's Meeting earlier this week and 11 of the park districts are planning to start the GO program in their communities. School Districts are also interested in getting involved in the GO program. Director Crowe discussed the new Swim School format using the perpetual swim model. A flat \$70 per month which includes 4 classes offers built in flexibility to reschedule classes as needed. In this model each child will advance at their own pace. Commissioner Baker asked about the number of weeks and breaks with this new model. Director Crowe indicated we are moving from 38 weeks of swim classes to 46 weeks. Breaks will be one week during spring break, two weeks in May to get the Aquatic Center ready, two weeks in August, and two weeks during winter break. Executive Director Kuruvilla indicated there will be times when the fitness members will not have access to the pool to accommodate the new swim school structure but based on visitation data minimal number of people will be impacted by this. Commissioner Klemz asked about the increase in camp registration this year compared to last year and if this is due to the flexibility in offerings. Director Crowe indicated there is an increase but registration is fairly comparable to last year. Aquatic Center Season pass sales are slightly up compared to sales at this time last year.

Director of Business Services Mike Szpylman presented the new asset tags that go on items over \$250 with a useful life of over 2 years. Kelly Peterson and Sarah Sinclair were very instrumental in working on the asset tag implementation. Commissioner Baker asked if the asset tags were a recommendation from PDRMA. Director Szpylman indicated this was brought up due to seminars on fraud that he attended. President Goshorn asked if Mike has heard anything about the depreciation schedules with the new tax laws. Director Szpylman has not heard anything but will see if any of the upcoming seminars from Lauterbach & Amen discuss the topic.

Director of Marketing and Community Relations Jennifer Gilbert indicated sales are up for Aquatic Season Passes compared to last year. The marketing focus will shift to online daily passes once the pool opens. Director Gilbert introduced Tara Larson, the new Marketing Assistant. Commissioner Klemz commented the new brochure looks great; it is much cleaner and easier to follow. Commissioner Baker asked about the aquatic center online daily pass sales. Director Gilbert indicated these passes started in July 2017 but more marketing efforts will be implemented this year for the online daily sales.

Executive Director Kuruvilla and Director Mike Szpylman presented the preliminary FY2018/19 annual balanced budget at \$15.6 million, a 4.9% increase from last year. The operating budget has increased by .34% from last year. Total revenue is \$15.2 million. 56% of revenue is from fees and charges with 40% from taxes. President Goshorn requested a 5 year trend on the past revenue breakdown. Mike will provide the 5 year revenue trend and 3 year forecast for both overall and recreation fund during April Board meeting. The goal is to meet at least 95% of the budget for fees and charges; in 2016 it was 90% and in 2017 it is 93%. President Goshorn asked if it is realistic to expect a 5% increase in revenue over this past year if revenue is declining each year. Mike indicated the increase is over the year end projections of 2017/18 and not the budget. In addition, the budget is based on the slight increase in program fees as well as a conservative revenue for new programs like the swim school. Director Crowe indicated that programs typically have a 3% fee increase each year as the market allows. Our biggest potential revenue is from FitNation, camps, and the new swim school. Commissioner Crews mentioned the 2% increase in taxes and a 3% increase in fees explains this 5% increase. The Recreation fund revenue of \$9,149,158 now includes Hunt Club Park Aquatic Center. Fitness Operations Revenue is projected at \$3.6 million. On the expense side, the 2017 HRA/PPO health insurance plan projected year end 7% decrease compared to

16/17. Total Gurnee Park District expenditures is \$15,607,535 which includes the operating budget, debt service and capital projects.

Executive Director Kuruvilla focused on the future of the District in addition to the FY2018/19 FitNation budget. She presented a chart that shows how the FitNation acquisition debt will be paid for each year until it is paid off in 2036. The plan is to use revenue from FitNation operations to pay for all its operational expenditures, capital and debt service. The line item for debt payment will remain the same each year in the FitNation operating budget as we are making interest payments on the bonds now and setting aside money towards future payments. The bonds are structured in such a way that the initial years have smaller payments and later years have larger payments. But we have averaged the payment each year and setting money aside so the operating budget will not be negatively impacted in the future. Kuruvilla stressed that the current year's budget for FitNation is a baseline budget and if the budgeted revenue is not met, the only areas we will change on the expenditure side is the operating expenditures.

Kuruvilla explained that we have also determined future capital needs of the FitNation facility and are setting aside \$250,000 to meet these needs. The future capital needs include HVAC, roofing, parking lot, pool air quality repairs and pool surfacing replacement.

Kuruvilla also demonstrated using a chart the District's outstanding debt structure and our plans to pay off these bonds.

Gurnee Park District has received the GFOA Certificate for its 20th year. The certificate can be seen at FitNation. September 8, 2018 is the 50th birthday celebration for Gurnee Park District. Executive Director Kuruvilla looked into the Friends of the Gurnee Park District's Articles of Incorporation. A meeting must be called of the Friends of the Gurnee Park District to decide on dissolving the organization and transfer any remaining funds to Gurnee Park District.

ACTION ITEMS

A motion was made by Gerry Crews to approve carnival rides in Viking Park north parking lot for Gurnee Days 2018 pending the details being worked out to the satisfaction of the Gurnee Days Corporation, Gurnee Park District and the Village of Gurnee. Motion seconded by Michelle Klemz. Roll call vote taken. Ayes: Paddock, Baker, Crews, Klemz, and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Michelle Klemz to approve the lowest responsible bid from Allstar Asphalt, Inc., Wheeling, IL for construction of the pickle ball courts and parking lot at O'Plaine Park at a cost of \$269,500. Motion seconded by Vicki Paddock. Roll call vote taken. Ayes: Klemz, Baker, Crews, Paddock and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Vicki Paddock to approve the salary tables for FY 18/19 as presented. Motion seconded by Gerry Crews. Roll call vote taken. Ayes: Klemz, Crews, Baker, Paddock and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Gerry Crews to approve the purchase of three 2018 F-350 4x4 pickup trucks at a net cost of \$70,585.00 from Morrow Brothers Ford, INC Route 267 South, RR 2 Box 120, Greenfield, IL 62044. Motion seconded by Vicki Paddock. Roll call vote taken. Ayes: Baker, Klemz, Paddock, Crews, and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Libby Baker to approve resolution #17/18-1 authorizing conveyance of certain surplus personal property; the free plus weights from FitNation. Motion seconded by Michelle Klemz. Roll call vote taken. Ayes: Crews, Baker, Klemz, Paddock, and Goshorn. Nays: none. Absent: none. Motion carried.

OTHER BUSINESS

Commissioner Baker informed the board that she may moving out of the Gurnee Park District boundaries in the next 4 to 6 months as she purchased a house in Antioch.

A motion was made by Libby Baker to enter executive session at 8:50 pm to discuss:

- to consider information regarding appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel to determine its validity. (5ILCS 120/2 (c)(5))
- the purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired. Sect. 2(c) (2)

Roll call vote taken. Ayes: Paddock, Klemz, Baker, Crews and Goshorn. Nays: none. Absent: none. Motion carried. Susie Kuruvilla was authorized to attend the closed session.

A motion was made by Vicki Paddock to return to open session at 9:25 pm. Motion seconded by Gerry Crews. On voice vote, all voted aye and the Board returned to open session.

A motion to adjourn was made by Gerry Crews and seconded by Michelle Klemz. On voice vote, all voted aye. The meeting adjourned at 9:25pm.

James G. Goshorn, President

Michelle Klemz, Secretary