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**MINUTES
ADMINISTRATION & FINANCE COMMITTEE MEETING
June 27, 2017**

1. Roll Call:

A regular meeting of the Hoffman Estates Park District Administration & Finance Committee was held on June 27, 2017 at 7:10 p.m. at the Triphahn Center in Hoffman Estates, IL.

Present: Commissioner Bickham, Comm Reps Chhatwani, Katis, Utas, Winner (7:15 p.m.), Chairman Kilbridge

Absent: Comm Rep Musial

Also Present: Executive Director Bostrom, Deputy Director/A&F Director Talsma, Rec/Facilities Director Kies

Audience: Commissioners K. Evans, Kinnane, McGinn, President Kaplan, Superintendent of Finance & Admin Cotshott, Brian LeFever of Sikich

2. Approval of Agenda:

Comm Rep Utas made a motion, seconded by Comm Rep Chhatwani to approve the agenda as presented. The motion carried by voice vote.

3. Minutes:

Comm Rep Utas made a motion, seconded by Comm Rep Chhatwani to approve the minutes of the May 16, 2017 meeting as presented. The motion carried by voice vote with Comm Rep Katis abstaining.

4. Comments From the Audience:

None

5. Old Business:

None

6. New Business:

A. 2016 CAFR Audit by Sikich/M17-073:

Deputy Director Talsma noted that this was the fifth year that Sikich was doing the audit and introduced Brian LeFever. Mr. LeFever reviewed the audit pointing out that it was a Comprehensive Annual Financial Review report and noted the Certificate of Achievement for Excellence in Financial Reporting presented to the Hoffman Estates Park District again. He also went on to note that the district had received an Unmodified Opinion which was the highest level of opinion available.

Mr. LeFever recommended that the board and committee review the Executive Summary for a better understanding of the audit.

Comm Rep Winner arrived at 7:15 p.m.

Mr. LeFever reviewed the statement of net position and the balance sheets showing the positive fund balances. He also discussed the net changes in the fund balances and the continued positive balances. He referred to Note 2a under Notes to Financial Statements showing that the district's deposits were fully collateralized and the public funds were well protected.

Mr. LeFever reviewed the IMRF fund noting that it was well funded at 95.7% through 2015 and recommended the board and committees review the historical information on the fund balances. He noted that the audit had gone smoothly and that the staff was very professional.

Comm Rep Katis asked about the debt to equity/debt to income. Mr. LeFever noted that with the tax cap districts did not get to have tax extensions for debt. He explained that regularly district projects would have to be financed and that this would be the reality.

Comm Rep Katis asked if the State's approval rating would impact the district's rating and Deputy Director Talsma noted that it would not. He explained that the district still held the Double A+ rating and was rated in the top 5% of the park districts in Illinois. He also explained that the district had a 2.7% CPI for the next year and they were looking at a property tax freeze as well as a minimum wage increase; both items unfunded mandates that would impact the district's available monies.

Commissioner Bickham asked about the GATSBY 68 and Mr. LeFever noted that the district was in a good position; that the transition had been seamless for the district.

Commissioner McGinn asked where the new requirements would be focused and Mr. LeFever noted that would be retiree's health but that would not impact the park district.

Commissioner K. Evans asked if an employee retired and took pension would their numbers be gone from the books. Mr. LeFever said that future reports would include both active and retirees.

Deputy Director Talsma noted that it was good to work with Sikich; that their team was professional and well versed in park district finances.

Comm Rep Katis made a motion, seconded by Comm Rep Chhatwani to recommend the board accept the final annual audit for the fiscal year ending December 31, 2016 as presented by Sikich LLP. The motion carried by voice vote.

B. Prevailing Wage/O17-004/M17-069:

Executive Director Bostrom reviewed the Ordinance noting that it was prepared every June by the district's attorneys.

Comm Rep Katis asked about the pay rates and Deputy Director Talsma noted that it usually was in keeping with the CPI.

Chairman Kilbridge noted that this related to the district's bid with regard to the outside contractors paying these wages.

Comm Rep Winner made a motion, seconded by Comm Rep Katis to recommend the board approve Ordinance O17-004 "An Ordinance Adopting Prevailing Wage Rates" as presented and outlined in M7-069. The motion carried by voice vote.

C. Beverage Sales Tax Increase/M17-075:

Executive Director Bostrom reviewed the item noting it was for 1 cent per ounce.

Comm Rep Katis asked how they would price Bag in the Box and Deputy Director Talsma explained that it would be an estimate based upon spillage versus use.

Comm Rep Winner noted that the fifty cents per glass and twenty-five cents per refill seemed high and did staff consider just charging the fifty cents per glass. Deputy Director Talsma noted that many did not offer free pop to staff and that it was still less costly than offering staff 15% off the full price of pop.

Comm Rep Winner made a motion, seconded by Comm Rep Chhatwani to recommend the board approve updating the personnel policy manual Section XI, Use of District Services, Paragraph 8 to state "Employees shall pay 50 cents for all fountain service drinks and 25 cents for refills at Bridges of Poplar Creek". The motion carried by voice vote.

D. Admin & Finance report/M17-072:

Deputy Director Talsma reviewed the report noting that staff was working on the VSI upgrade. He also noted that staff would be going through the PDRMA accreditation and that HR Manager Leninger was doing an excellent job coordinating the department's involvement in this.

Comm Rep Utas made a motion, seconded by Comm Rep Chhatwani to send the A&F Report M17-072 to the board. The motion carried by voice vote.

E. Open and Paid Invoice Register:

Chairman Kilbridge asked about the \$7,000 for GIS and Deputy Director Talsma explained it was an annual licensing fee. She also asked about setting up the Foundation in Amazon (Smile.Amazon.Com) for additional donations. Staff will follow through.

Comm Rep Katis asked about the \$5,000 for the festival and what the district received in return for their funding. Director Kies noted that the park district had a presence at the festival and Superintendent of Recreation Palmer was on the 4th of July Commission. Comm Rep Katis suggested taking greater advantage of the exposure to promote PSSWC and other departments of the district.

Comm Rep Winner made a motion, seconded by Comm Rep Katis to recommend the board approve the Open and Paid Invoice Register in the amount of \$642,985.31 as presented. The motion carried by voice vote.

F. Revenue and Expenditure Report:

Deputy Director Talsma reviewed the status of the district noting that the fund balances continue to increase in accordance with the policy and suggested that the board and committees keep an eye on the Capital Projects.

Comm Rep Winner asked about the Seascape repairs as Capitals and Deputy Director Talsma noted that it was an unbudgeted capital project.

Comm Rep Katis made a motion, seconded by Comm Rep Winner to recommend the board approve the Revenue and Expenditure Report as presented. The motion carried by voice vote.

7. Committee Member Comments:

Comm Rep Katis noted that Director Giacalone' s retirement party had gone very well. He also noted that the grant Mrs. Kupinski had secured for the hockey program was terrific and felt that the district should create a special day to thank her as well as advertising the information throughout the district and the community. Executive Director Bostrom noted that photos were already up throughout the district but staff will continue to get that message out.

Comm Rep Utas said the renovation on the north side and the Grand Re-Opening had gone very well. He also felt the park tour was awesome.

Comm Rep Winner congratulated Deputy Director Talsma and his team on the audit.

Comm Rep Chhatwani noted that the Double A+ was a great rating and congratulated the A&F department on their hard work.

Comm Rep Bickham noted that staff had done a great job with the audit and he was excited to see the VSI Rectrac upgrade. He also wished everyone a good holiday and encouraged them to attend the festival and the parade.

Chairman Kilbridge echoed the congratulations to staff.

8. Adjournment:

Comm Rep Katis made a motion, seconded by Comm Rep Chhatwani to adjourn the meeting at 8:15 p.m. The motion carried by voice vote.

Respectfully submitted,

Dean R. Bostrom
Secretary

Peg Kusmierski
Recording Secretary