

**Glen Ellyn Park District
Citizens' Finance Committee
August 20, 2020**

I. Call to Order

The committee meeting of Glen Ellyn Park District Citizens' Finance Committee was held via Zoom on August 20, 2020. The meeting was convened at 7:00 am.

II. Committee Roll Call

Members in Attendance

Don St. Clair, John Vitalis, Charlie Prisco, Art Pech, Leo Lanzillo, Mike Graham, Mike Hoban

Members Not in Attendance

Tom Lettenberger

Also in Attendance

Nick Cinquegrani, Superintendent of Finance & Personnel, Dave Harris, Executive Director, Julia Nephew, Park District Commissioner

III. Changes to the Agenda

None

IV. Approve Meeting Meetings

Meeting Minutes of November 8, 2019

Motion: Charlie Prisco motioned to approve the minutes. 2nd by Don St. Clair. The motion carried unanimously.

V. Unfinished Business

A. Illinois Metropolitan Investment Fund (IMET) - Update

- Park District received a disbursement of \$120,597.35 in December 2019 bringing the total amount of funds recovered to \$160,745.51, or about 55.6% of the total loss. There maintains a possibility a smaller amount will still be recovered in the future. As of July 31, 2020, IMET estimates the net realizable value at approximately 58%.

VI. New Business

A. Committee Membership

- Park District Board needs to approve membership of the committee annually, which is scheduled for the Board meeting on September 1st. The membership of the committee is currently comprised of eight (8) members and a recommendation will be made to the Board of extending the terms of the current membership.

B. Monthly Finance Report

- Superintendent Cinquegrani presented the monthly finance report packet for July 2020. There are clear impacts from the COVID19 situation that have impacted many revenue sources as well as expenses. Recreation fund annual revenue was down approximately

\$3mm year-to-year and associated expenses down \$1.5mm year-to-year. Property tax receipts are essentially unchanged from the previous year.

C. 2019 Audit Discussion

- Superintendent Cinquegrani provided the highlights of the 2019 Financial Audit. There were no material findings from the park district auditors resulting in a clean, unmodified opinion.
- Question was asked if the auditors had any suggestions or advice considering the current environment regarding the pandemic. There was no input from the auditor regarding that issue.
- The Management Discussion & Analysis in the audit report provide a good financial overview of the audit.
- Actual operating surplus was estimated to be \$1.5mm vs. \$1.4mm projected.

D. Park District Operations - COVID19 Updates

- Executive Director Harris informed the committee that the Park District has transitioned according to the Restore Illinois plan. The Park District has remained operational throughout the pandemic as it is designated essential. It is currently operating at approximately 70% of historical norms. Executive Director Harris and Superintendent Cinquegrani presented some of the highlights provided to the Park District Board of Commissioners on July 14, 2020.
- In the spring of 2020, the Park District made the decision to furlough many park district employees and freeze vacant positions, including the hiring of many seasonal positions. Additionally, three (3) early retirement packages were negotiated.
- Decision was made in May to not open Sunset pool for the 2020 season. No decision on pool access for 2021 is being considered currently.
- Refunds were provided to participants in sports programs in the spring/early summer because of mandated cancellations in sports activities. Refund policies are being examined going forward.
- There has been a reduction of about 20-25% in enrollment for fall sports programs.
- Many adjustments have been made to facilities, programs and services to ensure compliance with "Restore Illinois". Restore Illinois has five phases, and tiers within those phases. The Park District is currently in phase four.
- Park District is monitoring and providing communication to the community to ensure residents/non-residents and staff are following all protocols.
- Many Park District sports are operating under more restrictive rules under phase four. i.e. travel soccer will not travel and will conduct intrasquad competitions with a limit on the number of participants.
- A 2020 budgeted OSLAD grant for Newton Park capital project was not awarded to the Park District. Different sources of financing and scheduling of the Newton Park capital project is under consideration.
- Rentals at Ackerman have been better than anticipated since the facility reopened in July. Teams/Leagues/etc have been looking for space based on current phase 4 reopening plan. Ackerman has been able to accommodate.

E. 2020 Budget Update

- Superintendent Cinquegrani and Executive Director Harris informed the committee that the Board requested that the Park District staff compile an adjusted 2020 budget in June. That adjusted budget was compiled, and highlights provided to the Board and this committee.
- Committee members discussed the various line items of the adjusted budget that Superintendent Cinquegrani highlighted in the documents. There was a discussion and question regarding the Net Operating Surplus and whether the Park District would/could/should run an operating loss. Also, a question arose about whether the Park District could utilize capital reserve funds to finance an operating loss. Don St. Clair indicated that there are unrestricted funds in the capital reserve that could be used to finance a loss.
- Mike Graham recommended producing multiple budgets (for 2021) that consider various scenarios that incorporate the various phases under "Restore Illinois". In particular, the budgets should be developed considering a phase 3 and phase 4 scenarios. Many members agreed that would be a valuable exercise based on the current environment.
- Art Pech suggested producing budgets that are more dynamic and responsive to changing scenarios by shortening up the timeframe. For example, produce a rolling 3-month budget. Consideration would have to be given on whether that is feasible but may be useful for internal use only.
- Many members expressed that all Capital projects need to be reviewed based on timing, funding sources/availability and if there is a strategic opportunity to execute one over others. Park District will need to make a risk assessment.
- Committee tentatively earmarked a mid-September meeting to provide feedback on any new budget/financial documents created to provide more insight or impacts based on different "Restore Illinois" phases.

F. Updating Long-Range Financial Plan

- Agenda item was tabled for future meeting

G. Discussion of future topics to be pursued by Citizens' Finance Committee

- Agenda item was tabled for future meeting

VI. Adjourn

Don St. Clair moved to adjourn the meeting. 2nd by Charlie Prisco. The meeting was adjourned at 8:40am.

Glen Ellyn Park District Citizens' Finance Committee

Date of approval