

**Glen Ellyn Park District
Citizens' Finance Committee
April 22, 2021**

I. Call to Order

The committee meeting of Glen Ellyn Park District Citizens' Finance Committee was held via Zoom on April 22, 2021. The meeting was convened at 7:02 am.

II. Committee Roll Call

Members in Attendance

Leo Lanzillo, Mike Graham, Mike Hoban, Tom Lettenberger, Charlie Prisco, Don St. Clair, and John Vitalis

Members Not in Attendance

Art Pech

Also in Attendance

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

III. Changes to the Agenda

None

IV. Approve Meeting Meetings

Meeting Minutes of November 10, 2020

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

V. Unfinished Business

A. Illinois Metropolitan Investment Fund (IMET) - Update

- Superintendent Cinquegrani provided an update regarding the First Farmers Financial Fraud case dating back to September 2014. A mediation was conducted on April 13th between the Investors, IMET, and Chapman & Cutler (Bond Counsel for IMET) to obtain an objective evaluation of each parties claims and defenses in regards to the investments in dispute. Unfortunately, the Judge presiding over the mediation determined the investments were permitted under Illinois law. Based on the Judge's objective evaluation, Ancel Glink, park district legal counsel, concluded "*it will take a substantial investment to continue to pursue an additional recovery from Chapman, and that investment comes with not more than a moderate likelihood of success. This evaluation has to be weighed against the fact that you [Glen Ellyn Park District] have recovered between 55%-60% of the funds lost in the First Farmers investment.*"

Given the results of the mediation, and recommendation from park district legal counsel, the recommendation is to let the current tolling agreement ending May 31, 2021 lapse.

Additional discussion from the committee revolved around the impact on the park district financial statements. Superintendent Cinquegrani stated there would be no additional impact unless there

are further financial recoveries which would then be classified as investment income. The remainder of the loss has already been realized dating back to 2014 and subsequent fiscal years.

VI. New Business

A. Monthly Finance Report

- Superintendent Cinquegrani presented the monthly finance report packet for March 2021. In a year-to-year comparison as of March 31st, total park district revenue has remained relatively similar as the financial impact from the COVID-19 pandemic had not been realized at this point in FY2020. Further, the district has seen some expense savings in the same year-to-year comparison primarily due to savings on salaries & wages and program expenses. The park district continues to forecast program registrations for the current FY to be higher than anticipated and is further exemplified in the '2021 Budget – 1st Quarter Update' agenda item.

B. 2020 Financial Audit - Draft

- Superintendent Cinquegrani provided the highlights of the first draft of the fiscal year 2020 Financial Audit. There were no material findings from the park district auditors resulting in a clean, unmodified opinion.
- The Management Discussion & Analysis in the audit report provide a good financial overview of the audit.
- Actual operating surplus for FY 2020 was estimated to be higher than originally forecasted during the FY 2021 budget process. The original operating surplus forecast was approximately \$476,000, while the surplus is expected to be in excess of \$855,000 for FY 2020. Superintendent Cinquegrani further noted that even given the challenges from the ongoing COVID-19 pandemic, the park district was still able to meet their operating surplus target of \$800,000.

C. Audit - RFP

- Superintendent Cinquegrani stated the contract with the park district's current auditors, Lauterbach & Amen, will conclude after the finalization of the FY 2020 financial audit. The Park District will be sending out a 'Request for Proposal' (RFP) to governmental auditors in the upcoming months. Once received, staff will seek input from the committee on the potential auditors for the current, and future, fiscal years.

D. 2021 Budget – 1st Quarter Update

- As requested by the Park District Board of Commissioners and the Citizens' Finance Committee, staff compiled a 1st quarter budget update. The update would be how the 1st quarter's actual revenues and expenses compared to the FY 2021 adopted budget.
- Discussion centered around the 'Key Performance Indicators', which are comprised of the areas of the budget that have the most financial impact during the fiscal year. Since approximately half of budgeted revenue comes from property tax receipts, the overwhelming fluctuation in operating surplus comes from the following budgeted areas: Ackerman Sports & Fitness Center operations, Sunset Pool operations, and the ability for the district to continue to offer athletic programs and general recreation programming.
- Superintendent Cinquegrani presented updates to the key areas identified and indicated staff forecasts higher operating surplus compared to the original budget within the

Ackerman Sports & Facility budget as well as the athletics and general recreation budgets. However, staff noted the importance of closely monitoring, among others, the impacts of unknown COVID-19 restrictions for Sunset Pool operations this summer as well as any impacts on the ability to operate general recreation programming, such as Adventure Time, in the fall once schools re-open.

E. Updating Long-Range Financial Plan

- Committee discussion centered around the need to update the long-term ability for the park district to maintain and/or improve significant park district assets such as Sunset Pool, the Frank Johnson Center, and the Ackerman Sports & Facility center from existing fund balances, forecasted operating surplus, and non-referendum bond issues. These large-scale capital investments would be in addition to the park district’s current capital replacement plan for playgrounds, paving and lighting, vehicles and equipment, and general neighborhood park improvements.

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

- Agenda item was tabled for future meeting

VII. Adjourn

John Vitalis moved to adjourn the meeting. 2nd by Tom Lettenberger. The meeting was adjourned at 8:37am.

Glen Ellyn Park District Citizens’ Finance Committee

Date of approval