



**OFFICIAL MINUTES  
SPECIAL MEETING  
BOARD OF PARK COMMISSIONERS  
BOARD WORKSHOP MEETING  
OCTOBER 26, 2011**

The Oswegoland Park District Board of Park Commissioners met on the above date at the Little White School Museum, 72 Polk Street, Oswego, Illinois.

**Convening the Meeting**

President Bob Mattingly called the meeting to order at 8:00 a.m. Following the Pledge of Allegiance the Secretary called the roll. Commissioners Ebersole, Krase, Mattingly, Wass, and White were physically present.

Staff in attendance included: Bill McAdam, Rich Zielke, Nancy Woods, Cindy Benson, Margaret Gienger, Chad Feldotto, Brad Doyle, Tom Betsinger, Carolyn Murray, Ginny Bateman, and Cheryl Keilson.

Lyle Rolfe, reporter for the Ledger-Sentinel; Steven Jack, reporter for the Oswego Patch; Eric Anderson, Managing Director with BMO Capital Markets GKST, Inc.; and Derke Price, Attorney, were also in attendance.

Guests in attendance included: Mike Tait, Terry Tamblyn, Rick Ayers, Robert Eberhardt, Pam Parr, Gail Johnson, and Richard Krase

**Board Business**

**Bond Presentation**

Eric Anderson, Managing Director with BMO Capital Markets GKST, Inc. gave a presentation on bonds. Anderson noted that currently interest rates are at or near 60 year lows, but volatile, and the Oswegoland Park District's bonding availability is very healthy. Anderson added that traditionally, the District funds annual capital projects with periodic bond issuances with certain major projects funded over a longer period (Fox Bend acquisition and Boulder Point).

Anderson presented the Board with an analysis that seeks to understand future bonding and other funding resources in an uncertain future, and is preliminary in its findings. This analysis considered three separate projects: Annual capital projects (\$600,000 annual spend); Funds for Winrock rebuild (\$4,000,000 investment); and Funds for Fox Bend refurbishment (\$4,000,000 investment). The documents presented for preliminary review and discussion assume annual capital project bonds are issued/retired every three years, bonds to reconstruct Winrock are retired over 15 years, and bonds for Fox Bend clubhouse project are retired over 20 years.

Anderson shared additional dollars could potentially be dedicated towards funding of projects including allocations from Special Recreation levies and profits from new investments (Fox Bend).

In addition, Anderson identified the following potential risks: Interest rate movements (higher); CPI measures (lower); Bond market dislocations (tax exemption, market dynamics); and Legislative changes (unfavorable statutes and actions).

Anderson concluded his presentation noting that regardless of assumptions used, the District is working with a finite resource; allocations of capital spending may “crowd out” other projects; the District cannot assume linear relations; inflation will tend to reduce spending power of future dollars, so nominal dollars may appear larger than real future purchasing power; opportunities for future investments will present themselves; and other funding solutions/structures can be pursued.

Anderson stated the District must file bond and interest levy by end of February 2012 in order to capture 2011 non-referendum bonding levy (of \$50,000). A \$9,800,000 debt issue (\$4 million + \$4 million + \$1.8 million) would require two-step bond issuances. This process can begin in November, with issuance in January or February if desired.

### **Levy Presentation**

Nancy Woods presented the Board with information on scenarios, based on estimates, for the Board to review and discuss. Each scenario listed the same information with the exception of the proposed rate for Special Recreation. In addition, Woods noted the estimated 2011 EAV used is provided to us by the counties. Currently, only Kendall County has provided their estimated EAV (which reflects a 6% decrease in comparison to last year’s actual EAV) and estimated new construction (which reflects a 34% decrease compared to 2010). Woods used these percentages to gather estimates for Will County for the purpose of creating these scenarios.

The information provided by Woods are estimates and there is a potential risk for the estimated EAV being too low and not capturing additional new property until spring. The “unknown factor” added to the estimated extension is included for this reason. If the estimation comes in too low and the District levies only based on that estimation, the District risks losing funds they would receive, and can never go back in future years to recapture the funds.

Woods noted the allocation schedule prepared for this levy will be reviewed and approved by the District’s legal counsel before the Board recommends and adopts the 2011 levy.

Woods highlighted the Special Recreation Fund, one of only two funds listed under “Uncapped” Funds. Unlike the “capped” funds, the District has the ability to decrease the rate, but go back in future years and increase that rate. The Special Recreation Fund allows the District to levy up to 0.04 cents. Over the last two years, the District has decreased that rate due to a healthy fund balance and also as a conscious effort to reduce the overall rate of the District levy. Woods continued by informing Board members she has provided them with scenarios based on what the District now is levying (0.015) increasing up to the max of 0.04 and the impact on the levy dollars. Woods personal recommendation is to look closely at the dollar amount the District would receive if they continued to levy for the Special Recreation Fund at the 0.015. The District would receive an estimated \$201,214. For the 2012 budget, the District will pay almost \$200,000 in Special Recreation contributions, and another estimated \$80,000 in inclusion services/aides. This will leave a very modest reserve fund balance of approximately \$50,000, very little

funds for Special Recreation reimbursable projects, such as those required from the ADA compliance audit, or potentially for Winrock Pool or Fox Bend Golf Course.

The Board agreed to have a levy discussion, under New Business, at the October 27, 2011, Board Meeting, and look at taking Board action on the 2011 levy at the November 17, 2011, Board Meeting.

### **Commissioner Financial Presentation**

Commissioner Wass shared the PowerPoint presentation he used during his campaign that, according to his calculations, showed the District is one of the highest in per resident expenses; number of facilities; salaries; number of employees; and fees per resident. Wass used information provided in the District's 2009 Annual Report to compare to information he found on other park district's websites. Wass compared the District to other local park districts that included Geneva, Batavia, St. Charles, and Fox Valley.

In reviewing Wass's information, Commissioner Mattingly confirmed that while Wass used the other district's true expenditures, the numbers he pulled from our District were budgeted numbers, and therefore, his comparisons were not accurate. Wass used \$18,238,000 as the dollar amount for the District's expenditures (the amount budgeted) when the actual expenditures were about half of that number.

Mattingly also presented the Board with handouts stating that while no two agencies are the same, or the services desired by the resident base the same, trends and patterns can be established by comparing agencies in a similar peer group. Mattingly also noted it is important to understand that Illinois is unique in that Park and Recreation services are delivered via the local level Park District system. While a few other states have park districts, most states deliver these services through counties, cities, or school systems. Furthermore, a distinction between urban, suburban, and rural systems needs to be established when determining an appropriate peer group for comparison. Understanding the differences and the impacts of scale that high density urban areas versus lower density suburban areas have on service delivery, economies of scale need to be taken into account when a final determination is made to include other park districts for comparison based solely on proximity.

Mattingly added that reporting methods such as fiscal years and budgeting practices can create variances within the data sets. In an effort to mitigate these differences, Mattingly provided the Board with data comparisons within the District's peer group that was compiled using the Audited Statement of Revenues, Expenditures and Changes in Fund Balances as presented in the District's Combined Annual Financial Report (CAFR). The entire peer group uses the CAFR method of audit. Each district adheres to GAP accounting standards. Unlike the GAP standards in the CAFR, reporting budgets can vary greatly from one district to another due to individualized compiling methods, presentations, and budgeting practices. While the CAFR follows a set standard, budgets are individualized to each district.

Mattingly noted the District's peer group includes the Batavia Park District, Geneva Park District, Highland Park District, and Rolling Meadows Park District having resident bases in the 25,000 range. It also includes the St. Charles Park District and Wheaton Park District, which is similar to the Oswegoland Park District, in the 48,000 – 55,000 range. Bolingbrook Park District has a slightly larger resident base

at 73,366. The Fox Valley Park District is significantly larger than the rest of the peer group as its population is at 230,000.

Mattingly summarized that in terms of population, three districts have a population greater than the Oswegoland Park District and three have smaller populations. The Oswegoland Park District and St. Charles Park District have nearly identical population bases, placing them in the midpoint of the peer group.

Mattingly added that when total tax revenue is examined, the Batavia and Rolling Meadows Park Districts collected fewer taxes than the Oswegoland Park District on a cash basis. The Fox Valley Park District collected \$91 per resident, and the Oswegoland Park District collected \$111 per resident. All the other districts collected between \$200 and \$442 in taxes per resident. As a percentage of budget, the Oswegoland Park District is at 30%, significantly less reliant on property tax than the peer group with the next closest agency at 40% and the highest at 70%. When fund balances, transfers, and allocations are removed, the Oswegoland Park District's reliance on property taxes is slightly higher at 33.39%, but still the lowest of the peer group.

Mattingly shared that operating expenses were examined in three ways utilizing the CAFR data, total operating expenses, and operating expenses less capital & operating and capital expenses less debit service, reserves, fund balances, and allocations. In all three methods of his examination, the Fox Valley Park District had the lowest expenditures to resident of the peer group. However, the Oswegoland Park District and Bolingbrook Park Districts were the next two agencies that had the lowest expenditures to residents in all three scenarios.

While efforts were taken to compare like numbers from each budget, Mattingly noted that it is recognized that each district utilizes a variety of budgeting techniques and methods resulting in a greater possibility in variance between numbers as opposed to the audit analysis. Total budgeted expenses were examined in two ways: with fund balances and without. When fund balances were included, the Rolling Meadows, Fox Valley, and Oswegoland Park District budgeted the least per resident at \$326, \$365, and \$368. The highest is the Highland Park District at \$1,862. Removing fund balances from the analysis, Fox Valley Park District is again the lowest at \$229 and Oswegoland Park District is \$289. Batavia Park District is at \$293, and Highland Park District is still the highest at \$802.

Mattingly referenced the final data sets examined concerning land holdings and park amenities. When acres to residents are analyzed, the Oswegoland Park District owns 20.63 acres per 1,000 residents. This is less than St. Charles (31.25), Highland Park (26.42), and Geneva (25) Park Districts. Rolling Meadows Park District was the lowest at 6.13, and then Fox Valley Park District at 10 acres per 1,000 residents.

Mattingly concluded by comparing the number of playgrounds, ball diamonds, and basketball courts per 10,000 residents for each agency. In all three of these categories, Geneva Park District ranked at or near the top. The Fox Valley Park District ranked near the least, with the Oswegoland Park District ranking in the mid range for playgrounds and basketball courts, but near the bottom for ball fields.

Commissioner Krase added that in looking at Oswegoland Park District's revenue sources, she believes the results speak highly of the Oswegoland Park District, as a higher percentage of fees to taxes means the

District had more people using our programs, and that the District is supported by participants, not taxpayers, compared to Batavia and St. Charles Park Districts. Krase noted her source for compiling this information was from the most recently filed audited reports for each agency.

### **Dog Parks**

Commissioner Krase asked staff to seek out workshops regarding Dog Parks at the 2012 IAPD/IPRA Conference, as well as continue to look back into this topic.

Guest, Robert Eberhardt, shared he had assisted the District in a plan for a Dog Park in the past and would be happy to meet with staff and/or Commissioners to review the original plans and discuss this topic further.

### **Community Survey**

Bill McAdam made available multiple samples of various Park Districts' Community Surveys. McAdam confirmed that last survey the Oswegoland Park District did was in 2008. McAdam suggested the Board meet with Leisure Vision, a company that has compiled numerous Community Surveys for Park Districts. Board members agreed this would be a great step in starting this process and coming to an agreement on the scope of items to be included in the District's survey. McAdam will look at scheduling a representative from Leisure Vision to attend a future board meeting.

### **Fox Bend Operations**

Bill McAdam distributed 2011 Projected Profit & Loss versus Budget Spreadsheets for August, September, and October. Initially, on August 15, 2011, projections showed Fox Bend at a loss for 2011 of \$148,550. As staff continued to look for ways to lesson this loss, projections on September 26, 2011 lessened to a \$140,150 loss, and lessened even more to a projected loss of \$124,532 as of October 20, 2011.

Staff explained that rounds at Fox Bend were down this year primarily because of poor weather conditions in the spring, and then the heat and flooding in the summer. In addition, figured into the projected loss for 2011 includes approximately \$90,000 in expenses for a cooler and the kitchen floor that needed to be replaced, and a grease trap.

Fox Bend's action plan to reduce the loss for 2011 has included minimizing staffing, not replacing a cook, cutting money from the marketing budget, eliminating staff going to the PGA show, eliminating money for staff development, and watching other line items to maximize savings. In addition, Fox Bend has saved money by postponing the purchase of new dishes, delaying grease trap cleaning, postponing golf shop material and range equipment purchases, eliminating tulip bulb purchases, postponing equipment purchases, delaying bridge repairs, reducing supplies, and delaying tree, paint, and tool purchases.

Commissioner White expressed the need for staff to continue to offer discounts and specials to golfers, other than just seniors, as that has seemed to draw in additional revenue. Board members agreed that staff needs to continue regularly monitoring the profit and loss at the golf course as assertively as they have been in the last few months.

Guest Mike Tait commented that he believes the Board needs to focus on continuing discussions on how to increase play and whether or not a new building is needed. In addition, Tait shared he has seen positive results from using an outside management service to run a golf course.

White complimented staff on the great job done painting the outdoor storage shed, and inquired about the replacement roof. McAdam presented Board members with two quotes to replace the roof with a metal roof. The first proposal was from Menard's for \$9,607.89 for materials and labor. The second proposal was from Leo Froelich Construction Co. in the amount of \$13,454.00 for materials and labor. The Board directed McAdam to move forward on the proposal submitted by Menard's on the materials and labor for the replacement roof.

### **Board Meeting Time**

After discussion on whether or not to change the start time of Board Meetings from 5:30 p.m. to 7:00 p.m. or later, Commissioners agreed to include this as a question on the Community Survey to see the community's preference.

Commissioners also discussed combining the January and February board meetings to be held toward the end of January.

### **Adjournment**

The meeting was adjourned at 11:50 a.m. following a motion made by Commissioner White and seconded by Commissioner Krase.

Roll Call:	Ayes	Commissioners Ebersole, Krase, Mattingly, Wass, and White
	Nays	0
	Abstain	0
	Absent	0

Approved:



Cindy Benson  
Board Secretary  
November 17, 2011