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PARK DISTRICT

FINANCE COMMITTEE MEETING
MINUTES

July 14, 2016

Commissioner Daniels called the meeting to order at 7:00 p.m. Present at this evening's meeting were: Commissioners Johnson, Daniels, DiMaria, Longmeyer and Schmidt and Committee Members Hager and Osten.

Also present were: Mr. LaFrenere, Executive Director; Mr. Burgess, Deputy Director/Director of Finance & Administration; Mr. Parsons, General Manager of Golf Operations; and Ms. Schwebel, Executive Assistant.

NOTE: All requests for information/clarification called in by Committee members were answered prior to the meeting and any needed corrections were made to the bill list.

APPROVAL OF MINUTES OF JUNE 9, 2016

Commissioner Schmidt moved to approve the minutes of the June 9, 2016 regular meeting as presented. Commissioner Johnson seconded the motion, which passed unanimously.

BILL LIST REVIEW

Mr. Hager moved to approve the bill list in the amount of \$1,359,477.85 as presented. Commissioner Longmeyer seconded the motion, which passed unanimously.

FINANCIAL STATEMENT REVIEW

Statements are for the month ending May 31. General Fund revenue is \$195,000, which is almost exactly the same as last year; however, the makeup is different with \$22,000 more in field rentals and less in real estate taxes than last year. Expenses for the month were \$426,000. Mr. Burgess is projecting a net surplus of \$262,000 in the General Fund.

Recreation Fund revenue is behind due to the timing of registrations. This should correct itself in June. Revenue is at \$585,000 versus \$636,000 last year. Mr. Burgess is projecting a \$241,000 net surplus in the Recreation Fund.

SGC for the month was a little behind last year with user fees of \$226,000 versus \$230,000 last year. Year-to-date revenue will be even in June. Expenses are ahead of last year because staff made commodities purchases for the entire year in order to get better pricing. Mr. Burgess is projecting a \$20,000 net surplus for SGC.

Cash position is \$25,649,000, which is \$1.2 million more than last year.

The Museum Fund has a year-to-date net loss of \$(1,800).

Walnut Greens revenue is \$3,500 higher than last year, due in part to footgolf.

All classes in the selected program analysis are off to a strong start.

Commissioner Johnson noted that the Chandler's payment was late.

OTHER

FAQ for Golf Project

Mr. LaFrenere stated staff wanted the Committee to look at the FAQ sheet we prepared before it is distributed to the public. It encapsulates common questions staff will get regarding the SGC course renovation. Mr. LaFrenere stated it is important to make sure people get the right facts. At the upcoming Joint Advisory Committee meeting, we will talk about the greens, samples of which were analyzed by labs and found not to be draining appropriately. The greens are in good shape now because of extra maintenance, fungicides and syringing. Mr. LaFrenere noted the integrity of the greens will be kept in place and the sublevel will be converted to USGA recommendations. The renovation will cost about \$2 million a year over a 3-year period. Mr. LaFrenere stated we want to make sure the infrastructure is kept up to date. The project will go out to bid and go through the budget process.

Commissioner Schmidt suggested someone might think we are letting other projects go in order to give priority to the golf course, and Mr. LaFrenere stated this is about infrastructure. We do not want to take a chance with any facility with failing infrastructure. We had 3 independent labs do the analysis since we knew that would be a critical decision. SGC is a big asset, and we want to make sure we take care of it and keep it in premium condition. Mr. LaFrenere noted SGC is able to charge more because it is in better condition than other courses in the area, and we want to maintain that. Commissioner Johnson asked if the renovation will reduce maintenance time; and Mr. LaFrenere stated yes, especially with flooding bunkers. Commissioner Johnson asked how we will adjust for 9-hole play, and Mr. LaFrenere stated we will have specifics for different groups. Mr. Parsons stated we will talk to leagues and can do a double tee start. A few evening leagues will have to adjust their days; however, we will try to accommodate everyone.

Commissioner Longmeyer stated it will be a short-term inconvenience, and Mr. LaFrenere added it will be different for 3 years.

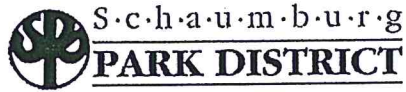
Mr. LaFrenere stated we are fortunate to be a 27-hole facility going to 18 holes. Mr. LaFrenere stated golf staff is working hard to make sure we take care of permanent tee timers, leagues and outings, which are our repeat customers. The renovation will start June 1, 2017.

Mr. Hager asked in regard to the infrastructure deterioration, was it changed during the renovation in the 90s? Mr. LaFrenere stated bunker drainage lasts 20-30 years, and that infrastructure has failed. The newer technology will correct this. The greens bottom layer has been clogged, so you have the choker layer that does drain the bottom level. We will replace it to USGA recommendations. Mr. LaFrenere noted the labs took sections of greens on each 9 to make sure that is the common problem.

Mr. Hager asked how you can justify a \$6 million investment in a declining enrollment with golf rounds going down? Noting that Mr. Hager was referring to a newspaper article, Mr. LaFrenere stated the data that was used in the article was from 3 years ago, so we actually did not lose money. The sport of golf is stagnant at the moment; however, we do not want to close the facility or put forward a deteriorating product. Mr. Burgess added we always maintain all of our facilities. Mr. LaFrenere stated the alternative would be to roll the dice and hope the greens issue doesn't happen again. Mr. LaFrenere added it would not be prudent for us to do the bunkers and not the greens, which could fail in the next 3 to 4 years. Mr. Osten asked if you have quantified the savings you will have, and Mr. LaFrenere stated a new pipe will be put in to alleviate flooding, as well as other measures, so instead of having to close the course 2 – 3 days a year, it can stay open for play. Staff is working on other savings calculations. Mr. Osten asked if all three 9s are in the same condition, and Mr. LaFrenere stated yes. Mr. LaFrenere noted the project includes fixing the holes that flood on the Tournament nine.

ADJOURNMENT

There being no further discussion, Commissioner Schmidt moved to adjourn the Finance Committee meeting at 7:29 p.m. Mr. Hager seconded the motion, which passed unanimously.



Thursday, July 14, 2016
Finance Committee Meeting

7:00 p.m.
Jerry Handlon Administration Building

1. Opening Item

A. Call to Order

2. Approval of Minutes

A. Approval of Minutes of June 9, 2016 Regular Meeting

3. Bill List Review

A. Bill List Review

4. Financial Statement Reivew

A. Financial Statement Review

5. Other

A. FAQ for Golf Project

6. Adjournment

Mission: The Schaumburg Park District is dedicated to serving the community by providing versatile leisure opportunities through enriching programs, quality facilities and environmental stewardship.

