

**CHAMPAIGN PARK DISTRICT
MINUTES OF THE STUDY SESSION MEETING
BOARD OF PARK COMMISSIONERS**

August 27, 2014

The Champaign Park District Board of Commissioners held a Study Session Meeting on Wednesday, August 27, 2014 at 5:30 p.m. at the Bresnan Meeting Center, 706 Kenwood Road, Champaign, Illinois, pursuant to notice duly given. Vice President Griggs presided over the meeting.

Present: Vice President Alvin S. Griggs, Commissioners Barbara J. Kuhl, Timothy McMahon, and Jane L. Solon, and Treasurer Gary Wackerlin.

Absent: President Joseph Petry and Attorney Guy Hall.

Staff present: Joseph DeLuce, Executive Director, Cindy Harvey, Assistant to the Executive Director/Board Secretary, Andrea Wallace, Director of Finance, Kevin Crump, Director of Operations and Planning, Megan Kuhlenschmidt, Director of Recreation, Jameel Jones, Director of Cultural Arts, Tammy Hoggatt, Director of Human Resources, Randy Hauser, Horticulture Supervisor, Mike Davis, Natural Areas Coordinator, and Stacey Cornell, Administrative Specialist.

Rick Manner, Urbana & Champaign Sanitary District (UCSD) Executive Director and Tim Mitchell, a reporter with the News-Gazette, were also in attendance.

Call to Order

Vice President Griggs called the meeting to order at 5:32 p.m.

CPD Highlights

Commissioner Solon commented that the Taste of Champaign-Urbana was wonderful. Commissioner McMahon reported that the event was awesome. He participated in the Pie Run with his children.

Comments from the Public

None.

Presentations

Future Plans and Updates for the Urbana & Champaign Sanitary District

Mr. Manner updated the Board and presented UCSD's future plans. First, he requested permission to discuss with District staff beautifying the area around the Southwest Plant at Rising and Windsor Roads. Second, Mr. Manner explained UCSD's urgent need to build a pumping station west of Scott Park on City of Champaign property. It would be housed in a small shed that would be aesthetically consistent with Scott Park. The pumping station and consequential new forcemain are due to growth in campustown. Mr. Manner stated that UCSD would like to run a forcemain through the grassy area in Washington Park. The pipe would run from the north to the south at a depth of six feet. Once completed there would be ground level manholes. He stated the aim is to be as innocuous as possible and UCSD would restore the area. Currently UCSD has sewers running through Hessel Park and Garden Hills Park. Mr. Manner stated he has spoken with the City of Champaign regarding the project and the first 1,000 feet has been put in at Scott Park. Third, Mr. Manner presented a plan for a storage lagoon in the area of their Southwest Plant. He outlined four options with regard to its location and shape.

Commissioner McMahon inquired if the forcemain did not go through Washington Park, where would it go? Mr. Manner explained that it would go under the streets and would result in those being removed and reinstalled. He also stated that running the forcemain through the park itself may limit what the Park District could do there in the future.

Mr. Manner extended an invitation to the UCSD Open House on September 13 from 9:00 a.m. to 3:00 p.m. at the Northeast Plant in Urbana.

Mr. DeLuce stated he would get direction from the Board and then communicate with Mr. Manner.

Vice President Griggs thanked Mr. Manner for his presentation.

Natural Areas Update

Mr. Hauser and Mr. Davis presented an update on the District's natural areas. They also responded to questions from the Board. Mr. Hauser stated that the four major natural area sites are Heritage, Scott, Robert C. Porter Family and Sunset Ridge parks. He reported that Mr. Davis patrols the sites on a weekly basis to evaluate good and bad plants. The goal is to develop the natural areas to a condition where they may be used for teaching and programming purposes. Mr. Hauser stated that volunteers are needed to make the program successful. He reported Porter Park is in the final year of a maintenance contract with Cardno-J.F. New. Mr. Hauser also spoke of the rain gardens around Leonhard Recreation Center that capture rainwater. He stated that prescribed burning is a natural areas management tool. Mr. Davis reported that prescribed fires help control invasive species and promote the growth of good plants. He stated native plants need fire for germination. Mr. Hauser reported that any prescribed burning would be safe, planned, and controlled. The normal cycle for burnings is every three years. He stated that having a diversity of plants is a key to successful natural areas.

Commissioner Solon commented that she has noticed the improvement in Porter Park. Commissioner Kuhl inquired if there were plans to continue or add contractual agreements for natural areas care. Mr. Hauser indicated that there would not be a need to pursue further contracts when the current one ends. Vice President Griggs inquired if the City of Champaign has been approached regarding the condition of the area north of Scott Park. Mr. Hauser reported that he had spoken with T.J. Blakeman from the City of Champaign regarding it. Commissioner Kuhl thanked staff for the presentation. Mr. DeLuce stated that staff members are available to give tours of Porter Park or any other park if there is interest.

Discussion Items

Champaign Park District Quarterly Financial Report

Ms. Wallace presented the quarterly financial report and responded to questions from the Board. She reported that revenues are on track budget-wise with 55% of property taxes received. Concession revenues at the Virginia Theatre are up \$17,500 compared to last year at the same time. Ms. Wallace stated this is due to more rentals and films being shown, and in particular the very successful *Frozen Sing-a-Long*. Charges for services are slightly lagging because not all flower island program revenues have been received.

Ms. Wallace reported that expenditures are under budget but on track historically. She stated being under budget is not surprising since the budget is based on 100% staffing. The Sholem Aquatic Center had \$304,000 in revenues or 67% of budget and \$303,292 in expenses or 47% of budget with one month left in the season. Ms. Wallace reported periodic maintenance has not been expended to date. A more detailed report regarding the aquatic center will be provided by the Recreation Division at a future Board meeting.

Ms. Wallace reported that membership revenues for the Leonhard Recreation Center were \$36,058 or 36% of budget. The facility has had over \$9,000 in revenue or 53% of budget generated from birthday party and meeting space rentals. This has been a positive result. Expenditures for Leonhard, excluding programs, are at 26% of budget, which is consistent with expectations. The overall deficit of \$14,575 is better than the year-to-date budget projection of \$29,552.

Ms. Wallace reported that a detailed analysis of each fund was provided in the staff report. Commissioner Kuhl inquired as to why the general fund's credit card fees and sales tax expenditures were significantly lower than the prior fiscal year. Ms. Wallace stated these fees were split among the other budgets to more accurately reflect the applicable program's budget.

Ms. Wallace reported that the grand total of all funds shows a balance of \$17.8 million. She reported that the Virginia Theatre was ahead of where it was financially last year when there was construction at the facility. The director's salary was also added into the theatre's budget this fiscal year.

Commissioner Solon inquired as to why the marquee lights are not on at the Virginia Theatre. Mr. DeLuce reported that currently they are only operated when there is a show. He stated this would be changed so the lights were on more frequently.

Champaign Parks Foundation Quarterly Financial Report

Ms. Wallace presented the Parks Foundation quarterly financial report and responded to questions from the Board. She reported the Foundation had a balance of \$542,793 at the beginning of the fiscal year which is consistent with past performance. The total net assets for the three months ended 7/31/14 was \$560,104. The biggest difference from the year prior is due to approximately \$73,000 being utilized for the new Sholem Aquatic Center water play feature and the new Leonhard Recreation Center building. Ms. Wallace presented details of the \$560,104. Of that balance, \$79,000 is in unrestricted funds with the remaining designated for specific purposes. She stated that having a joint Foundation Board and Park Board meeting would help address areas of emphasis and how to spend the funds to meet donor's requests. The car raffle proceeds will benefit the scholarship fund. The figures for it are not final and do not include the payout on the car.

Commissioner Kuhl inquired as to what the \$1,005 for Virginia Theatre seats was for since all the seats were complete. Ms. Wallace stated that at the end of the last fiscal year a seat was named in memory of someone with a pool of funds that exceeded the seat cost and there was not clear direction regarding what would happen with the remaining funds. Commissioner Kuhl requested that this be examined. Ms. Wallace stated the majority of money for the first three months of the fiscal year in the Virginia Theatre Restoration fund was from the \$1 charge derived from each ticket sale.

Commissioner Kuhl inquired where the Leonard Doyle family donation was since the work for the dressing room had been done. Ms. Wallace stated she believed that that money went into the Virginia Theatre restoration.

Investment Update and Future Plans

Ms. Wallace presented an investment update and outlined future plans. She reported the financial advisory task force has met three times since April. One of the main topics is the District's excess funds and how they are currently invested. Current investments in certificates of deposits (CD's), money market, checking, savings and State agencies are earning from .01-.70% annually. In reviewing the District's cash balance over the previous five years, it was determined that it did not fall below \$9 million in any given month. The task force's ultimate goal would be to invest potentially longer term to maximize earnings potential and ladder the investments. In a worst case scenario the investments could be cashed in if needed and a penalty paid. Ms. Wallace reported that currently CD investments are maturing at various times throughout the year. Having them mature once per year would reduce staff time. Staff would like to issue a request for proposal (RFP) for investment services to explore options. Ms. Wallace stated this could reduce staff time and maximize earnings. The downfall would be paying investment services fees.

Commissioner Kuhl commented that risk-averse investments would be treasuries or CD's. With regard to the RFP, she would not like to pay fees when she can look up CD rates on her phone. Laddering investments would take up less staff time. She is in favor of doing the RFP, but since the District is risk-averse, it may not be able to use investment expertise effectively.

Ms. Wallace reported that the District does have a small amount of money in higher risk investments. She stated that the District could have all of its funds in one bank and have it collateralized. However, by doing that the return would be lower.

Commissioner Kuhl addressed supporting local banks. Treasurer Wackerlin asked if the Board could give direction on what banks to support. Commissioner Kuhl stated that the banks who bid on the District's bonds should be considered. Commissioner Solon commented that she was not in favor of paying

someone else to manage the District's funds. Commissioner McMahon stated he agreed with Commissioner Kuhl's comments. Ms. Wallace indicated that an RFP could be issued to solicit options without any commitments. Commissioner Kuhl commented that she was in favor of issuing RFPs.

Enterprise Resource Planning (ERP) Software Background Information

Ms. Wallace presented background information on ERP software and responded to questions from the Board. A new accounting system was included in the budget because the current software is outdated and inefficient. She stated an ERP would be more than an accounting system and would remove the duplication of time and effort with real-time data. The current system, Municipal Software, Inc., was purchased in April 2005 for \$35,000. Ms. Wallace stated the goal of a new system is to increase efficiencies and the analysis of data. She reported a new system of either on premise or cloud-based would require a new server. This equipment update and applicable licensing would cost approximately \$20,000. Ms. Wallace reported that from investigating what other park districts use, obtaining a system that would include human resources and payroll features would cost in the range of \$135,000-\$250,000. Staff will issue an RFP the first week of September with a plan of making a recommendation to the Board for approval. Ms. Wallace stated the funding would cross fiscal years with a plan to go live in fall 2015. She stated there is a need for a core financial system, one that will do general ledger, budgeting, payroll, human resources and reporting.

It was the consensus of the Board for Ms. Wallace and her staff to select a system and return it to the Board for discussion.

Human Kinetics Master Plan Update

Mr. Crump presented the staff report and responded to questions from the Board. He reported the amended agreement with Human Kinetics authorized by the Board included installation of a half-court basketball court. Since that time, the City of Champaign has committed at least \$10,000 for the funding of a full-length basketball court. Mr. Crump stated that when basketball court bids were let an alternate for a full-court was added. He reported that with the four soccer goals being purchased by Human Kinetics and \$10,000 coming from the City, the revised net cash outflow to the District would be approximately \$25,000.

Mr. DeLuce stated that the City sees the basketball court as a chance to enhance its plans for Bristol Park.

Commissioner Kuhl inquired if there are lights at Human Kinetics Park. Mr. Crump replied that there are not.

Comments from Commissioners

Commissioner Solon commented that she appreciated the reports.

It was the consensus of the Board not to enter into executive session due to President Petry's absence.

Closed Session

None.

Adjourn

There being no further business to come before the Board, Commissioner Kuhl made a motion to adjourn the meeting. The motion was seconded by Commissioner McMahon. The motion passed 4-0 and the meeting was adjourned at 7:27 p.m.

Approved

Joseph A. Petry, President

Cindy Harvey, Secretary