

**1. Call the Meeting to Order**

President Stout called the meeting to order at 7:07 pm.

**2. Roll Call**

At 7:07 pm roll call was taken:

Present: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout

Absent: None

Also Present: Greg Kuhs, Executive Director; Raymond Chaussey, Superintendent of Parks; Tony Perry, General Manager; Rhonda Brewer, Business Manager; Carolyn Mondlock, Recording Secretary.

Members of the Public: Joseph Julius, Auditor.

**3. Additions to Agenda**

None.

**4. Approval of Minutes**

A. Approval of Minutes of the Special Meeting of October 25, 2011

It was moved by Commissioner Pulice, seconded by Commissioner Schroeder to approve the Special Meeting Minutes of October 25, 2011. Copy attached to Official Minutes.

B. Approval of Minutes of the Regular Meeting of October 25, 2011

Referring to the Salt Creek Golf Club Report, Tony Perry requested that in the last paragraph on page 3, "one third of the sign" should be amended to say, "one half of the sign."

It was moved by Commissioner Lange, seconded by Commissioner Sbertoli to approve the Regular Meeting Minutes of October 25, 2011, as amended. Copy attached to Official Minutes.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout

Nays: None

**MOTION CARRIED**

**5. Approval of the monthly expenditures:** Totaling \$827,924.21 covered by check nos. 71379 thru 71551 (\$606,650.65); and payrolls for 10/28/11 (\$75,411.29), 11/11/11 (\$75,434.46), and 11/25/11 (\$70,427.81).

President Stout had a question about two payments for electrical. Rhonda responded that there are two payments listed because there has been a longer period of time between Board meetings. The payments were for October and November.

It was moved by Commissioner Lange, seconded by Commissioner Schroeder to approve the monthly expenditures totaling \$827,924.21.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout

Nays: None

**MOTION CARRIED**

**6. Written and Public Communication**

A. Written Communication - PDRMA Letter – 2011 Loss Control Notice

President Stout noted the letter from PDRMA stating that Wood Dale Park District has achieved a Loss Control Award and a \$1,500 cash award. He congratulated the park district on doing a good job. Director Kuhs said that Safety Coordinator Mark Goode helps the park district keep on task.

Thank You from Clare Fagan

Thank you and farewell correspondence from Clare Fagan, Recreation Supervisor, was included in the Board packet.

B. Public Communication – FY 2010-11 Audit Report and Review – Joseph Julius

*(Moved from 13.A. New Business)*

Joe Julius introduced himself as the external auditor for the park district and was present at this meeting to give a report about the financial affairs of the district. Joe distributed a supplemental analysis in addition to the audit materials included in the Board packet.

Joe gave a general overview of the economic situation of the country, park districts and local governmental bodies. He stated that in the last four to five years, there have been various recessionary forces in the economy affecting every aspect of our life including the aspects of running a park district. Joe said that park districts have experienced some of the negative affects of the recession because of their tax base. If you look at a park district, and Wood Dale is very typical, there are three major sources of revenue – real estate taxes, participation fees, and the enterprise fund, which is the golf course.

Referring to real estate taxes, the first source of revenue, Joe said that under tax cap legislation the park district has the ability to increase its taxes every year by the rate of inflation, not to exceed five percent. Currently, that rate is 1.7 percent. So what the park districts do throughout the state is they take their line of tax bills, what they ask from people to specifically pay, and they add that percent. Even though homes and warehouses are going down in value, the park district is still able to increase their total taxes by that inflationary factor. The taxes levied by the district have been consistent during the years, but they have not come down. So people have a misunderstanding that because their houses go down ten percent in value that they are going to pay the park district ten percent less than they did last year. In fact, they may end up paying more depending on what the park district does. So under the tax cap, the park district is going to get the real estate tax increased the same amount every year.

The second source of revenue is participation fees – the number of people using the fitness center, the gym, the parks, etc. We've seen throughout the metropolitan area some of those participation fees dropping as many families can no longer afford to get involved and to spend money at the park district for their fitness classes or daycare or other things.

The third source of revenue is the enterprise fund – the golf course, banquet hall and restaurant operation. It is called an enterprise fund because it is operated as a business. Fees are charged, money is made, bills are paid. That operation has been affected by the recession. Although revenue has been constant, the expenses have also been constant, so the park district has the ability to maintain the facilities, and maintain payments on the programs and to staff.

Joe completed his overview to the Board but continued with specifics relating to the approximately 65-page long audit report. He condensed it down to a 3-4 page handout, called the Financial Analysis. He described to the Board what “unaudited” meant. When information is pulled from the full audit report, it is considered “unaudited” because it is not a full presentation.

Joe described other reports – the Combined Statement of Revenue Expenditures and Changes in Fund Balances, or a Profit and Loss Statement – which includes all funds of the park district, except the golf course, for the last three years. This is a fiscal year presentation wherein the park district’s fiscal year is April 30, and Joe is illustrating fiscal years 2009, 2010 and 2011. In order to see trends, Joe says one needs to first look at the historical numbers. Joe went on to describe specific line items throughout the audit report, comparing revenues and expenses over the past few years.

Joe did talk about a personal property replacement tax that is money received from the State of Illinois. Businesses, corporations and partnerships pay taxes which go into a pool in Springfield, and every town and park district receives a proportionate share. The Wood Dale Park District’s share has been about \$50,000 for the last three years. As the economy picks up, the replacement tax revenue increases.

Joe described variances in each fund listed in the report. He noted the most important figures are excess of revenue over expenditures which is how the district is compared to budget - the net for the year. Joe stated the park district is well balanced. There may be operating transfers in and out that will affect things, but the very bottom figure at the end of April 30, 2011 is that the park district has \$2.7 million of money left to spend in future fiscal years.

Further discussion included the recreation fund and the golf course. Because the golf course is seasonal, and the season is about six months – April/May through October – the revenue and expenses in the audit report are from the 2010 season. As of this report, revenues from green fees and carts are down \$24,000, but revenues from banquets and the restaurant are up \$51,000, for a net increase between the two of \$27,000.

Joe continued to describe specific line items in detail in the audit report. Page one is Joe’s Independent Auditors Report, which is his professional opinion that he has reviewed the financial activities of the district and have found these figures to be reasonable. Discussion ensued about real estate taxes, assessed valuations and the tax levy. In answer to a question from Rhonda Brewer, Business Manager, about the percentage of taxes collected from residents, Joe estimated three to five percent. Joe discussed the Balance Sheet, showing assets and liabilities by fund. He talked about IMRF pensions, in which a general discussion followed, and he talked about bonds.

Joe took questions from the Board throughout his presentation. In conclusion, he hoped his presentation was helpful to the Board in understanding the annual audit for fiscal year 2010-11.

## **7. Directors Report**

Director Kuhs submitted a Director’s Report for the month of December 2011. Copy attached to Official Minutes. He reported and reviewed the following:

Budget Preparation Orientation Meeting – Director Kuhs suggested having a special meeting at 5:30 pm prior to the January 24, 2012 Board Meeting to discuss the annual budget for the park district and review the budget preparation process with the Board. The Board agreed to the special meeting.

Legislative Member Initiative Grant Update – Director Kuhs said the park district received notice about the \$25,000 grant and was approved to apply it toward the addition of the maintenance shop. The application is being sent this week, and Director Kuhs will let the Board know when the park district will receive the funds. The funds will go back into the fund from which the costs associated with the construction of the addition to the maintenance shop were taken.

**8. NEDSRA Report**

Director Kuhs reminded the Board that the monthly NEDSRA Newsflash for the month of November is included in the Board packet. The Board appointed Heidi Katz from the firm of Robbins Schwartz as their new attorney. Discussions are still continuing with the Board of Trustees regarding the funding formula for NEDSRA, which is how they determine how much money each district contributes toward their organization. Any changes in the funding formula do have to come back to each member Board to vote on. Director Kuhs anticipates this coming back to the park district board sometime in January or February.

**9. Recreation Report**

Michele Silver, Supt. of Recreation, submitted a Recreation Report for the month of December 2011. Copy attached to Official Minutes. In Michele's absence, Director Kuhs reported and reviewed the following:

The Senior Holiday Party is on December 7. He suggested that Board volunteers to arrive between 3:30 and 3:45 pm.

The Board packet includes survey information and comments about the Scare Walk.

Applications continue to come in for the Recreation Supervisor position. Currently there are 60 applicants and 70 are anticipated before the close of the application process.

**10. Parks Report**

Raymond Chaussey, Supt. of Parks, submitted a Parks Report for the month of December 2011. Copy attached to Official Minutes. Ray stated he had no additional information to add to his monthly report.

President Stout asked if applications were being taken for the bricks at the dog park. Ray responded that applications are at the front desk. The parks staff placed the new bricks out recently. Director Kuhs said the next install will be in the Spring. Commissioner Lange inquired about the current amount sold. Sixty bricks have been sold and the park district made \$2,400 as of October 31, 2011.

**11. Salt Creek Golf Club Report**

Tony Perry, General Manager, submitted a report for the month of December 2011. Copy attached to Official Minutes. Tony reported and reviewed the following:

Tony was pleased to highlight that most special events have been selling out. Oktoberfest was sold out with 170 guests. The Turkey Trot was sold out. The Veterans' Breakfast attendance was lower than last year with 175 guests. The Brunch with Santa was the largest crowd yet for that event at 174. On December 7, for the Senior dinner, 200 guests are expected.

Tony has contacted a number of funeral homes in the area and submitted brochures about the Salt Creek facility and menus to them. The facility booked funeral luncheons last week for 125 people and this week for 45 people. Since the number of guests cannot always be planned for, a select menu is served to keep operations efficient.

Commissioner Pulice asked if the facility has considered renting space for seminars. Tony said that they have done a few. The facility is part of the Greater Woodfield, which markets the course in the category of weddings, private parties, etc. The facility rental fee is \$125 an hour that includes setup/breakdown and staff to monitor the party. Seminar organizers are not going to pay to rent a room for three or four hours at that cost, in addition to costs for juices, donuts, etc. Further, the facility gets hurt at lunch if there is a seminar in the room. Further discussion ensued about holding potential seminars at the facility.

Tony informed the Board that the first phase of the HVAC installation is complete, and new furnaces have been installed on one side of the building and half of the other side of the building. Everything is working really well right now.

Tony informed the Board he met with ComEd today (December 6) to go over the location of Fairway Suites. ComEd was contacted by the architect from Fairway Suites, and ComEd informed Tony that another park district is much further ahead than Wood Dale is right now. ComEd is looking at the other park district's site and how to bring power to the site for the least amount of money. That's what they tried to do today when they visited.

*(Fairway Suites discussion)*

Director Kuhs said he was going to talk about the status of Fairway Suites under Agenda Item 12. Unfinished Business. He stated that he recently received a revised draft of an agreement. He reminded the Board of the issue previous which was the length of the term Fairway Suites wanted to do. They have since revised it down from 100 to 50 years, which legally can be done. They are proposing to change the upfront dollar amount that used to be \$250,000 to \$200,000, but the percentage of the gross hotel receipts stays the same. The park district attorney needs to review the agreement. Director Kuhs and Tony have reviewed the agreement and have many questions. They will meet with the attorney and bring comments back to the Board in January.

Discussion ensued about the interest in the project. Tony said it would enhance the property, bring more revenue, and there are many more things the park district could do with the hotel other than booking events. Fairway Suites likes the Elgin/O'Hare coming through and the proximity from their proposed building to Salt Creek's clubhouse. TopGolf is another amenity.

Director Kuhs said that in the agreement there will be costs involved on our end. Attorney fees are one in question. Construction plans and development of site plans raise other questions. There is still some vagueness in the agreement where we need answers. However, Director Kuhs feels that if it can all get worked out and if it's in the best interests of the park district, it's something worth looking at.

Commissioner Schroeder asked Tony that if the park district does decided to pursue the hotel, how are we going to approach our patrons positively about downsizing the golf course? Tony said the course will be downsized about 40 yards, but the second hole will increase by 30 yards. So the course will lose a total of ten yards. The course will have drawings in the proshop for customers to view and questionnaires – questions people have asked us and the answers to those questions.

**12. Unfinished Business**

- A. Board Manual – The Board discussed the manual during the Special Meeting prior to this regular meeting. No action will be taken on this item at this time.
  
- B. Fairway Suites – Update – Director Kuhs recently received a revised draft “Memo of Understanding” proposal from Fairway Suites. The draft needs review by the park district attorney and will be discussed in more detail at the January Board Meeting. *See Salt Creek Golf Club Report above for additional discussion.*

**13. New Business**

- A. FY 2010-11 Audit Report and Review – Joseph Julius  
*Refer to presentation by Joseph Julius under Agenda Item 6.B. Public Communication.*

It was moved by Commissioner Lange, seconded by Commissioner Pulice to approve the Audit Report for Fiscal Year 2010-11 as presented.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout  
Nays: None MOTION CARRIED

- B. Ordinance O-12-03 – Tax Levy  
A copy of the Tax Levy is included in the Board Packet. The park district is requesting approximately 4% more in taxes this year compared to last year. The total levy amount (\$2,452,687) is the same amount listed in the estimated tax levy resolution that was adopted at the October 25, 2011 Board Meeting.

It was moved by Commissioner Lange, seconded by Commissioner Sbertoli to approve Ordinance O-12-03 as presented.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout  
Nays: None MOTION CARRIED

- C. Ordinance O-12-04 – Authorizing Conveyance of Personal Property  
Director Kuhs explained that whenever the park district needs to discard a vehicle or a major piece of equipment, the Board needs to approve an Ordinance authorizing the disposal or selling of the equipment. The vehicle the park district would like to dispose of is a 1992 Chevrolet one-ton dump truck that is no longer usable or worth repairing.

It was moved by Commissioner Schroeder, seconded by Commissioner Pulice to approve Ordinance O-12-04 as presented.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout  
Nays: None MOTION CARRIED

- D. Part-time Employee Benefits – PDRMA Health Program Coverage

Rhonda explained that the park district thought PDRMA offered part-time employees over 30 hours a week insurance coverage. However, she thinks the park district misunderstood what they were saying. Staff at the park district thought that if an employee worked over 30 hours a week, that employee would get coverage. However, the employee would have to pay 100% of the premium.

The language actually states that PDRMA will cover employees over 30 hours a week that are considered full-time. The park district does not have any employees meeting that requirement, so she is asking for the Board to approve revised language stating that part-time employees are not eligible for health insurance.

It was moved by Commissioner Sbertoli, seconded by Commissioner Lange to approve the revised language regarding PDRMA Health Program coverage.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout  
Nays: None MOTION CARRIED

E. Semi-Annual Review of Executive Session Minutes

Director Kuhs explained that every six months the Board is required to complete a review of Executive Session minutes that have not been released to the public. He recommends that the Board conduct this review in Executive Session. Once the regular meeting is reconvened, the Board can take action on this item.

**14. Executive Session (if needed)**

- A. For the purpose of discussing issues related to the hiring, firing, disciplining or compensation of personnel or status of an employee. 5 ILCS 120/2(c)(1).
- B. For the purpose of discussing the setting of a price for the sale of or lease of property owned by the park district. 5 ILCS 120/2(c)(6).
- C. For the purpose of discussing imminent or potential pending litigation against the park district. 5 ILCS 120/2(c)(11).
- D. Semi-Annual Review of Executive Session Minutes. 5ILCS 120/2(c)(21).

It was moved by Commissioner Schroeder, seconded by Commissioner Lange at 8:18 pm to enter Executive Session for the purpose of the semi-annual review of Executive Session minutes.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout  
Nays: None MOTION CARRIED

The Board reconvened the Regular Board Meeting at 8:20 pm.

**15. Take Action, if any, on Items Discussed in Closed Session**

It was moved by Commissioner Schroeder, seconded by Commissioner Lange to release the Closed Session Minutes of January 26, 2010.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout  
Nays: None MOTION CARRIED

It was moved by Commissioner Lange, seconded by Commissioner Pulice to release the Closed Session Minutes of December 7, 2010.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout  
Nays: None MOTION CARRIED

It was moved by Commissioner Lange, seconded by Commissioner Pulice to release the Executive Session Minutes of June 7, 2011.

Ayes: Commissioners Sbertoli, Pulice, Lange, Schroeder, Stout  
Nays: None MOTION CARRIED

**16. Adjournment**

It was moved by Commissioner Pulice, seconded by Commissioner Sbertoli to adjourn this General Meeting at 8:22 p.m.

After a voice vote, President Stout declared the MOTION CARRIED.

The next General Meeting of the Wood Dale Park District Board of Commissioners shall be held on Tuesday, January 24, 2012, at 7:00 p.m.

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