

MINUTES
DeKalb Park District
Special Meeting of the Board of Commissioners
December 7, 2017
Hopkins Park Community Center
1403 Sycamore Road, DeKalb, IL

Public Meeting
6:00 p.m.

I. Meeting Called To Order, Roll Call, Pledge of Allegiance

President Phil Young called the meeting to order at 6:01 p.m.

Board members present: President Phil Young, Commissioner Keith Nyquist, and Commissioner Patricia Perkins. Commissioner Grada arrived at 6:03 p.m. Absent: Commissioner Dean Holliday.

Staff Members Present: Executive Director Amy Doll, Superintendent of Parks & Development Mat Emken, Superintendent of Finance & Administration Heather Collins, Superintendent of Marketing & Golf Operations Scott deOliveira, Superintendent of Recreation Bill Ryder, and Accounting & Administrative Assistant Emily Bidstrup.

II. Action on the Agenda

Commissioner Nyquist made a motion to approve the agenda, seconded by Commissioner Perkins. Motion carried by voice vote.

III. Public Comments

None

IV. Park District Finance Overview

Heather Collins, Superintendent of Finance & Administration, presented a PowerPoint which highlighted general information on Park District finances. She advised that Governmental bodies must use fund accounting and the general fund includes the administration, parks and community center departments. Everything else would be in the special revenue funds. Ms. Collins advised that money is received from property taxes, service fees & charges, grants and TIF funds. Commissioner Nyquist asked if the TIF rebate is received every year. Ms. Collins stated yes, and she reached out to the City to see when the District should be expecting it. The amount is about \$150,000 a year and should be fairly consistent for the next couple of years. President Young asked what type of money the Ellwood House is generating and asked if all of it is being put into the Districts museum fund. Ms. Collins advised that the Ellwood House has separate books and the primary revenue coming into the museum account is from tax levy dollars. Amy Doll, Executive Director, stated that museum grant funds must be given to a government entity.

Ms. Collins advised on the tax levy process and stated that the District does not have any control over the factors that affect the levy. The estimated levy amount that was approved at the last Board meeting is being used in determining the FY19 budget. She stated that about 6% of a tax payer's bill goes to the Park District.

Ms. Collins advised on the budget and stated that a spending plan is created based on actual data from previous years and is monitored constantly. Next, she advised on the fund balance and stated a fund balance is essentially a savings account. The goal of the District is to be able to spend 25-50% out of their reserves, if needed. President Young asked why that specific range was chosen and asked if it could be 30-60%. Ms. Collins stated the range is something the Board can set, but you want to have enough for emergencies. Commissioner Nyquist commented that essentially the District would want to tell the public that the fund balance is closer to 25%. Ms. Collins stated that while having too much in the fund balance could not be good, having too little is also not ideal so she would be more comfortable being on the higher side of the range. Commissioner Nyquist asked if there is guidance and recommendations on what the range should be from an external governmental accounting body.

Ms. Collins advised on bonds and stated that since the District cannot receive a loan, bonds are a way to borrow money. The money received from bonds is put in the capital project fund, put towards community projects, and then the money received from property taxes is put in the bond & interest fund. President Young asked what the maximum amount is that can be borrowed.

V. Capital Fund Balance Discussion

Ms. Collins advised on creating more than one capital account. She stated that having more than one account is transparent and easier to manage. She also proposed holding the bond issuance, that's issued in December, until the start of the next fiscal year so it's easier to see how much was received and where it is being spent. If done that way, the money would not be spent on capital projects until the capital budget is approved. Commissioner Nyquist asked if what Ms. Collins is proposing is basically putting the money into an escrow account. Ms. Doll advised that this would not only help staff with budgeting and forecasting of projects, but would also make it clean for the Board and public to see what projects the money is being used for. Commissioner Perkins asked if the money would roll over into the next fiscal year if projects aren't completed. Ms. Doll stated yes, the money would stay in the account to use for the next fiscal year.

Ms. Collins outlined two options on how capital funds can be spent, all in one year or over the course of two years. President Young asked if starting the fiscal year on January 1st would take care of the problem. He also asked if the fiscal year has to start on March 1st because it's a Park District. Ms. Collins stated that changing the fiscal year has been on her radar but it entails a lot of work. Ms. Doll stated having a March 1st fiscal year is rare. Ms. Collins stated Ms. Doll & herself would prefer phasing the funds over the course of two years. President Young asked if staff is officially suggesting that option and when it would be presented to the Board.

VI. Special Revenue Fund Balance Discussion

Ms. Collins advised on the golf and aquatic funds. She stated their fund balances are negative, but that is not rare for a district in the Midwest. She suggested a transfer of funds from the general fund to the golf fund and from the recreation fund to the aquatics fund to get their fund balances to zero and would like to make it more transparent that other funds are being transferred. Ms. Doll stated a deficit in the golf and pool funds have been budgeted and staff would like to have line items that spell out the transfers of the funds. It would make it clearer for staff, the Board and the public to see what amount of tax dollars are going towards the two funds. President Young asked how long the negative amounts have been accruing. Ms. Collins advised a transfer was done at the end of 2014 to clear the fund balances. President Young stated that there will probably continue to be deficits and asked what is going to be done to generate money and create cost savings.

President Young stated he wants to make sure the public is able to understand the process. Ms. Doll advised that the budget would show a transfer and the fund balances would be set to zero. Board action is needed when money gets transferred from funds so that would take place in a public meeting. Commissioner Perkins commented that when she looks at the financials, it is apparent where the District is doing okay and where they aren't doing okay. Ms. Collins stated she wants to make it as clear as possible to the public where transfers are being made. Commissioner Grada asked what the revenues were. Ms. Doll stated that revenues are only what are taken at the pool and golf courses and that no tax dollars can be dedicated to those facilities. Commissioner Grada asked why. Ms. Collins advised that the District cannot levy funds directly into the golf and aquatics funds. President Young asked for Ms. Collins' final comments. Ms. Collins recommended the District do a transfer. President Young thanked staff for the discussion and stated the most important thing the Board can do is keep tax payers money where it's supposed to be.

VII. Adjourn Public Meeting

Commissioner Perkins moved to adjourn the public meeting, seconded by Commissioner Nyquist. Motion carried by voice vote.

Meeting adjourned at 7:09 p.m.