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**MINUTES  
ADMINISTRATION AND FINANCE COMMITTEE  
June 21, 2016**

**1. Roll Call:**

A regular meeting of the Hoffman Estates Park District Administration & Finance Committee was held on June 21, 2016 at 7:00 p.m. at the Triphahn Center in Hoffman Estates, IL.

Present: Commissioner Kinnane, Comm Rep Katis, Musial, Utas, Winner, Chairman Kaplan

Absent: Comm Rep Chhatwani

Also Present: Deputy Director/A&F Director Talsma, Rec/Facilities Director Kies

Audience: Superintendent Cotshott, President Bickham, Commissioner McGinn, R. Evans, Kilbridge, Mr. K. Evans, Mr. Brian LeFevre of Sikich

**2. Approval of Agenda:**

Comm Rep Katis made a motion, seconded by Comm Rep Utas to approve the agenda as presented. The motion carried by voice vote.

**3. Minutes:**

Comm Rep Musial made a motion, seconded by Comm Rep Katis to approve the minutes of the May 17, 2016 meeting as presented. The motion carried by voice vote.

**4. Comments From the Audience:**

None

**5. Old Business:**

None

**6. New Business:**

A. 2015 Comprehensive Annual Financial Report/M16-073:

Deputy Director Talsma noted that the current EAV information had not been available at the time of printing and the number had been left out. He explained that it would be included now and the report appropriately recorded. He introduced Mr. Brian LeFevre, CPA for Sikich, the district's accounting firm.

Mr. LeFevre presented the draft report of the audit year-end for 2015 and noted the CAFR award from 2014 at the beginning of the report. He explained that the Management Discussion Analysis was an executive summary of the report. He noted that the audit went smoothly and also explained that the Statement of Net Position was a global view of the finances and the Statement of Activity showed the change in the net of +\$84,195. He reviewed note #2 explaining that Sikich had confirmed that the district had collateral with a third party to cover the deposits and investments of the district as required by law.

He also reviewed the significant additional voluntary contribution of \$1,091,355 towards IMRF which from their perspective would put the district far ahead of most other districts in funding IMRF due to those additional funds we paid in.

Mr. K. Evans asked about the 7.5% interest IMRF charges and if that was a realistic number. Mr. LeFevre explained that it was a long term expected rate and that there were a lot of equity investments qualifying for that 7.5%. IMRF can invest in equities therefore they can get greater return.

Mr. K. Evans asked about the any new deficiencies and it was noted that there were no new ones for 2015. Mr. K. Evans complimented the district on a great job.

Comm Rep Musial asked why the district did not accrue the year end payroll for the few days earned in 2015. Deputy Director Talsma noted it was immaterial and that the current software has an issue going year to year for payroll; that would be addressed with the installation of the new software.

Commissioner Kinnane made a motion, seconded by Comm Rep Utas to recommend the board accept the final annual audit for the fiscal year ending December 31, 2015, as presented by Sikich LLP. The motion carried by voice vote.

B. PSSWC Aquatic Center Tile Flooring/M16-074:

Deputy Director Talsma explained that this was an unfunded item in this year's budget, but staff felt that it needed to be addressed this year while the pool was closed for the other repairs.

Director Kies reviewed the memo. Comm Rep Katis asked about bidding the project out and it was noted that bids were required at \$20,000 and this project was \$15,000. Comm Rep Katis asked about the time frame and Director Kies explained the outside contractor would require 1 week.

Comm Rep Winner asked about replacing all the tile and Director Kies noted that it would be hundreds of thousands of dollars and the vendor did not believe that all the tile needed to be addressed. Comm Rep Utas asked about additional work that the vendor might not be aware of and Director Kies explained that the area had been extensively reviewed and the contractor did not believe there was any hidden damage.

Commissioner R. Evans questioned if the broken tiles were due to impact, perhaps with equipment. Director Kies said staff would keep an eye on that but felt there were other reasons. Comm Rep Winner asked about coating the grout and Director Kies noted that staff did spot repairs and scrubbed the decks.

President Bickham asked if the wall tile being replaced was the original and it was noted that it was.

Chairman Kaplan asked what the process would be if there was more damage and what the difference would be with in-house labor. Director Kies noted that given past repairs, no hidden damage expected. He noted that the district had surplus tile from the original install. He also explained that in-house staff would require 3 weeks to address the issue and they were not as comfortable with addressing all the repairs needed.

Deputy Director Talsma said that staff would get additional quotes to verify cost and estimated amount of work to be done.

Commissioner Kinnane asked what would happen if additional damage required more than \$5,000 additional funds putting the project over the \$20,000 mark and Deputy Director Talsma said that the process would then need to be bid out if that was expected prior to them starting.

Comm Rep Utas asked about hiring additional in-house staff and Deputy Director Talsma noted that they would not be able to hire additional staff for the \$15,000.

Comm Rep Musial asked what would happen if the additional quotes were more costly and Deputy Director Talsma explained that if the additional quotes showed additional required repairs requiring additional funds, the item could be brought directly to the board for approval.

Comm Rep Utas made a motion, seconded by Comm Rep Winner to recommend the board approve staff to hire a tile professional to repair and clean the tile at SSWC aquatic areas as outline in M16-074 and not to exceed \$15,000. The motion carried by voice vote.

C. Prevailing Wage/M16-072 and O16-003:

Deputy Director Talsma explained that this was done every year. He did note, however, that this year because the State of Illinois still did not have a budget, when they approved one, the rates might be different than those presently listed. In that event, the district would be able to amend those amounts on the ordinance.

Comm Rep Winner made a motion, seconded by Comm Rep Utas to recommend the board approval of Ordinance No. O16-003, "An Ordinance Adopting Prevailing Wage Rates to be Paid to Laborers, Mechanics and Other Workers Performing Construction of Public Works in the Hoffman Estates Park District Cook County, Illinois", and that any wage rate changes adopted by the IDOL after this Ordinance is adopted will be appended hereto and incorporated herein by reference when made available by the IDOL without further action by the Hoffman Estates Park District board of commissioners. The motion carried by voice vote.

D. Surplus Equipment Ordinance/M16-076 and O16-004:

Deputy Director Talsma reviewed the item.

Commissioner Kinnane made a motion, seconded by Comm Rep Katis to recommend the board approve the attached Ordinance O16-004 an "Ordinance Authorizing the Disposal, Sale or Trade-In of Surplus Property Owned by the Hoffman Estates Park District". The motion carried by voice vote.

E. A&F Report/M16-075:

Deputy Director Talsma reviewed the report thanking Superintendent Cotshott and her staff on their hard work for the CAFR and working with the new accounting software.

Comm Rep Winner made a motion, seconded by Comm Rep Utas to send the A&F Report M16-075 to the board. The motion carried by voice vote.

F. Detail Reports:

Deputy Director Talsma reviewed the report. Comm Rep Katis asked about the lunches from Garibaldi's and Deputy Director Talsma explained that they were for ELC and that staff had made was very pleased to have Garibaldi's provide hot lunches.

Comm Rep Katis asked about the payment for the Foundation and it was noted that the sponsors paid the district who paid the Foundation. Comm Rep Katis asked about the payments to the Village for the NW 4<sup>th</sup> of July Fest and it was noted that it was last year and this year's payments.

Commissioner Kinnane asked about the rink sealant and it was noted that rink 1 had a leal under it and this was a \$10,000 repair versus millions of dollars to rip up the rink.

Mr. K. Evans asked if this type of repair could be used on the whirlpools and it was noted that if they were newer and this fix might not be an option. It was noted that the rinks would be completed August 15<sup>th</sup>.

Comm Rep Musial asked about the equipment cost and it was noted to be a budgeted item.

Comm Rep Katis made a motion, seconded by Comm Rep Utas to recommend the board approve the Detail Reports

- Manual Checks: \$418,281.72
- Monthly Invoices: \$496,627.05

The motion carried by voice vote.

G. Financial Statements:

Deputy Director Talsma reviewed the statements noting that the district was tracking well.

President Bickham asked about the General Fund maintenance line item and Deputy Director Talsma explained that they had 2 full-time position not yet filled and 1 full-time staff that had retired and been replaced at a lower salary all adding up to a significant savings for the first half of the year.

Comm Rep Winner made a motion, seconded by Comm Rep Kinnane to recommend the board approve the Financial Statements as presented. The motion carried by voice vote.

**7. Committee Member Comments:**

Commissioner Kinnane noted that Katie and Audrey at PSSWC were doing a great job as were the staff at Seascope.

Comm Rep Musial said complimented staff on the great job they did on the audit.

Comm Rep Katis noted that he had a great time at the Foundation Golf Outing and had attended the Village concert series and it was terrific.

Comm Rep Winner said Victoria Park looks great and he like the new logo.

Comm Rep Utas said he saw where the Bergman Property playground was already in even though all the homes were not sold.

Chairman Kaplan thanked everyone for attending and staying on task for the meeting. He also said he had a great time at the Golf Outing and enjoyed the Weber Grill display.

**8. Adjournment:**

Comm Rep Katis made a motion, seconded by Comm Rep Utas to adjourn the meeting at 8:00 p.m. The motion carried by voice vote.

Respectfully submitted,

Craig Talsma  
Deputy Director

Peg Kusmierski  
Recording Secretary