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MINUTES
ADMINISTRATION & FINANCE COMMITTEE MEETING
May 16, 2017

1. Roll Call:

A regular meeting of the Hoffman Estates Park District Administration & Finance Committee was held on May 16, 2017 at 7:00 p.m. at the Triphahn Center in Hoffman Estates, IL.

Present: Commissioner Kinnane, Comm Rep Chhatwani, Musial (7:15), Utas, Winner (7:02), Chairman Kaplan

Absent: Comm Rep Katis

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

Audience: President Bickham, Commissioners McGinn, R. Evans, Kilbridge, Mohan (7:20), Mr. C. Bernacki (7:15), Mr. K. Evans

2. Approval of Agenda:

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

3. Minutes:

Commissioner Kinnane made a motion, seconded by Comm Rep Chhatwani to approve the minutes of the April 18, 2017 meeting as presented. The motion carried by voice vote.

4. Comments From the Audience:

None

5. Old Business:

None

6. New Business:

A. Surplus Ordinance O17-003/M17-058:

Executive Director Bostrom reviewed the item noting that it was the PSSWC replaced fitness equipment and outdated computer items from the storeroom.

Comm Rep Utas made a motion, seconded by Comm Rep Chhatwani to recommend the board approve of O17-003 an "Ordinance Authorizing the Disposal, Sale or Trade-In of Surplus Property Owned by the Hoffman Estates Park District" and as outlined in M17-058. Motion carried by voice vote.

B. Fitness Equipment bid revision/M17-062:

Director Kies reviewed the item explaining that Integrity Fitness was not an authorized dealer of the Octane Fitness Equipment and, therefore, the warranties would be null and void. Staff was recommending the next lowest qualified bidder.

Chairman Kaplan asked if the process was such that this error would have been caught prior to purchase and Director Kies noted that it was.

Comm Rep Winner asked if this new choice still fit into the overall picture of fitness equipment and Director Kies noted that it did. The equipment was identical.

Mr. K. Evans asked if there was any misrepresentation and Director Kies said he did not believe so as he had worked with this company on other types of equipment.

Comm Rep Utas made a motion, seconded by Comm Rep Winner to recommend the board approve the disqualification of Integrity Fitness for the purchase of the 2 Octane Zero Runners ZR8000, 2 Octane Lateral X and the 2 Octane XR6000 Recumbent Elliptical and to award the contract in the new amount of \$36,620 to Midwest Commercial Fitness as outlined in M17-062. The motion carried by voice vote.

C. Balance Scorecard 1Q/M17-055:

Executive Director Bostrom reviewed the item noting that it was the first quarter of 2017 and through the month of March.

He noted that participation was up while numbers of sessions were down because they were filling classes with more participants rather than running at minimums. He also explained that the number of memberships were down at PSSWC primarily due to the 325 GE members that left when GE moved. He also noted that the number of special events was down from 4 because of timing; the 3 Easter Egg Hunts would now fall into the second quarter scorecard. Finally, he noted that fewer people were visiting the mobile app since the district's website was mobile friendly.

Commissioner Kinnane made a motion, seconded by Comm Rep Chhatwani to recommend the board approve the 1Q2017 Balance Scorecard as presented. The motion carried by voice vote.

D. Admin & Finance Report/M17-063:

Deputy Director Talsma reviewed the report noting that the Audit would be presented in June. He also explained that the bond items would be finalized in the next few months.

Executive Director Bostrom addressed the board regarding the major leaks identified at Seascapes Family Aquatic Center. He explained that 7 major breaks (approximately 50-feet of pipe) had been identified under the pool surface and staff was looking at cutting the concrete this week to address the issue. He also explained that it was believed that the breaks may have started 2 years earlier during severe freezing and thawing but were not detected until this year. He explained that the immediate concern was to deal with the major breaks but that staff would have to look at a long-term answer. He noted that presently, they were looking at \$25,000 - \$50,000 in repairs and a possible June 3 opening date but would have more information Wednesday afternoon.

Commissioner Kinnane asked about using a different type of pipe than PVC and Executive Director Bostrom explained that replacing all the pipes would entail tearing up the entire pool.

Commissioner McGinn asked if all the pipes had been reviewed and it was noted that they had.

Mr. K. Evans asked how much of the pipes would be replaced and would it make more sense to replace all if there was enough damage already. Executive Director Bostrom explained that they would be receiving a more comprehensive report to address just those items to help determine how to address this item versus future breaks.

Chairman Kinnane asked if the district had to bid this out and Executive Director Bostrom explained that state law allows for emergencies as the

bidding process would take 2+ weeks and the pool would not be ready in a timely manner. He did explain that staff would receive several quotes for comparison.

Comm Rep Utas asked about using anti-freeze in the future to prevent this and Executive Director Bostrom said he could have staff check on that. Comm Rep Utas asked about using a flexible line inside the PVC pipe and staff will check on that.

President Bickham asked about extending the season if they could not open on time and Executive Director Bostrom noted that staff was looking into that. Director Kies explained that they were also looking at offering PSSWC pool at the beginning of the season or as an extension of the season.

Comm Rep Winner made a motion, seconded by Comm Rep Chhatwani to send the A&F Report M17-063 to the board as presented. The motion carried by voice vote.

E. Open and Paid Invoice Register:

Comm Rep Winner asked about the rekeying of the Triphahn Center and Deputy Director Talsma explained that they had started looking at this project 5 years earlier and that it had been budgeted.

Chairman Kaplan asked if the district had a listing of who had what keys and it was noted that they did.

Commissioner Kinnane asked about using the pass card system versus keys and Deputy Director Talsma explained that they have looked into it and, in fact, used that system in various areas of the district.

Commissioner Kinnane made a motion, seconded by Comm Rep Winner to recommend the board approve the Open and Paid invoice Register in the amount of \$873,735.49 as presented. The motion carried by voice vote.

F. Revenue & Expense Report:

Deputy Director Talsma reviewed the report noting that the district had a stable start to the year. He noted that BPC, while having a great February, had a tough March and April and that pass memberships were down at the fitness facilities. He explained that was about \$30,000 behind budget.

Commissioner McGinn asked about the Corporate market and Director Kies explained that the market was saturated with fitness facilities and that additionally, the business demographics in the PSSWC area had gone down.

Comm Rep Utas asked about the impact Sears leaving might have on PSSWC and Director Kies noted that there were about 100 members. Comm Rep Musial explained that with regard to Sears, there was a new regulation requiring disclosure and Sears would have to comply. That did not, however, mean that they were closing down.

Comm Rep Utas made a motion, seconded by Comm Rep Chhatwani to recommend the board approve the Revenue and Expense Report as presented. The motion carried by voice vote.

7. Committee Member Comments:

Commissioner Kinnane noted that he had just booked birthday parties at Seascape for June and hoped they would open on time.

Comm Rep Chhatwani noted her party was booked for August.

Comm Rep Winner noted that he continued to be impressed with the job the Advertising and Sponsorship Manager was doing.

Chairman Kaplan noted that this would be his last meeting as Chair of the A&F Committee and thanked the committee for their support.

Chairman Kaplan also noted that the district had received a Proclamation for May 20th from the Mayor's office designating the day as "Kids to Parks Day".

8. Adjournment:

Comm Rep Utas made a motion, seconded by Comm Rep Winner to adjourn the meeting at 7:45 p.m. The motion carried by voice vote.

Respectfully submitted,

Dean R. Bostrom
Secretary

Peg Kusmierski
Recording Secretary