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**MINUTES  
ADMINISTRATION & FINANCE COMMITTEE  
June 28, 2022**

**1. Roll Call:**

A regular meeting of the Hoffman Estates Park District Administration and Finance Committee was held on June 28, 2022 at 7:12 p.m. at the Triphahn Center in Hoffman Estates, IL.

Present: Chairman Evans, Commissioners McGinn, Comm Reps Aguilar, Kulkarni, Musial, Wilson and Winner

Absent:

Also Present: Executive Director Talsma, Director of Administration and Finance Hopkins, Director of Administrative Services Cahill, Director of Parks, Planning and Maintenance Hugen, Director of Recreation Kapusinski, Director of Golf & Facilities Bechtold, Executive Assistant Flynn

Audience: President Kinnane, Commissioners Friedman, Chhatwani, Dressler and Kaplan, and Comm Rep Evans

**2. Approval of Agenda:**

Comm Rep Wilson made a motion, seconded by Community Rep Winner to approve the agenda as presented. The motion carried by voice vote.

**3. Longevity Recognition**

President Kinnane recognized the following Community Representatives for their years of service: Patricio Aguilar – 4 years; Kathy Musial – 10 years; Denise Wilson – 4 years.

**4. Presentation of Gold Medal Finalist Video**

Executive Director Talsma introduced the Gold Medal Finalist Video that the District submitted as the final step in the National Gold Medal competition. Everyone present viewed the video.

**5. Approval of the Minutes:**

Comm Rep Wilson made a motion, seconded by Comm Rep Kulkarni to approve the minutes of the May 24, 2022 meeting as amended. The motion carried by voice vote.

**6. Comments from the Audience:**

None

**7. Old Business:**

None

**8. New Business:**

A. Inflation and Compensation / M22-061

Director Hopkins highlighted the following from the memo:

- There are currently 11.4 million job openings in the U.S., an increase of 73% since 2018. Governments jobs were previously filling at a rate of 54%, and currently only 37% of the jobs are being filled.
- The Pew Research Center did a study regarding the reason for the mass resignation (affecting all industries). Most said the pay was too low. Next was no opportunity for advancement, and third was they felt disrespected at work. Other reasons are noted on the chart.
- The next chart shows the change in compensation vs CPI (inflation). CPI was 8.5% for May 2022, and 4.9% for May 2021. The cost of goods and services have increased 13.9% since 2020.
- Pay increases historically have been between 4% and 6% annually. Since April 2021, compensation has increased between 10% and 15%.
- The implication is that our employees have essentially lost 7.9% of their purchasing power (inflation less wage increase since May 2020), or the decrease to the amount of goods and services they are able to pay for.
- The Executive Director is not included in the chart on page 3 of the memo, since he is not part of the Grade System, but his loss is comparable to Grade 7.
- So far in 2022, we have lost five full-time staff members, and have had difficulty retaining staff for new or vacant positions. In May, we were able to retain one of our full-time staff by increasing their rate of pay. In turn, however, we had to increase the pay for an employee in a similar position who had greater longevity.
- Applicants we have offered positions to have been offered more money for similar positions elsewhere, forcing us to start our search again, and just this month, one full-time employee quit after only two weeks.
- A report by HR Source, which is an annual report completed for IPRA. Comparing our pay rate with all Illinois park districts, we are currently paying our

employees at the 50% level. Our EAV and population is consistent with the 75<sup>th</sup> percentile. In order to bring us up to the 75<sup>th</sup> percentile, the adjustment would be \$324,933.

- We are not looking to make this adjustment at one time, but would like to start making adjustments to show our employees that we care and keep them from seeking other positions. What we are asking would have an impact of approximately \$90,000 for 2022.
- We are proposing a Cost of Living Adjustment (COLA) of 6% for those employees earning under \$75,000; 3% for those earning over \$75,000 and a 1.5% adjustment for anyone hired in 2022. This proposed adjustment would take effect with the first paycheck in July. We will then need to review our pay grades and scales for the 2023 budget.

Comm Rep Musial asked why the 6% and 3%; why not 6% for everyone and 3% for everyone? Executive Director Talsma responded that we looked at the impact on the budget for this year, and while 6% would fit into the range for the higher wage earners, but we were being conservative. Comm Rep Musial stated that this could potentially anger an employee in that range. Commissioner Evans added that people earning less have less disposable income to absorb the inflation.

Comm Rep Kulkarni stated that he feels we should stick with the federal wage increases, which he believes is 1.5%. Executive Director Talsma responded that we absorb the 1.5% each year through merit increases, and we don't usually do a COLA. We will need the higher wages to attract and retain staff. Comm Rep Kulkarni then added that it should not be different, and to make it the same percentage across the board.

Comm Rep Wilson noted that if we make the increase 4 or 5 percent across the board, it would be about the same impact.

Comm Rep Musial suggested a one-time "bonus", and then merit increases at the end of the year. Executive Director Talsma said that we don't want to do the bonus option and then have staff still leave for a higher salary.

Commissioner Evans noted that we all have different ideas of how this should be handled. Staff is recommending this solution. He added he would like to see all staff receive the higher COLA, but understands that everything else needs to be managed.

Comm Rep Wilson asked if this is for Part-Time or Full-Time. Executive Director Talsma said this is for Full-Time, but we continually change Part-Time wages throughout the year.

Comm Rep Wilson asked what percentage of the 70 full-time employees fall below the \$75,000 mark. Executive Director Talsma said it is probably about 75% of the staff.

Comm Rep Winner asked what the plan is to get to the 75<sup>th</sup> percentile when compared with other park districts. Executive Director Talsma reminded everyone that we did not give raises in 2021 due to COVID, which put our staff another 3-4% behind. He added that we can get to the 75% slowly, and that our higher wage earners might be closer to the 75<sup>th</sup> percentile than the lower group.

Commissioner Kaplan agrees with Commissioner Evans in that everyone's ideas are great; that CT knows his staff and this is an operational decision.

Commissioner Chhatwani said that the cost of living has gone up for everyone.

President Kinnane noted that everyone in the room is hurting from inflation. He added that staff didn't get raises in 2021; the park district is doing well, and the COLA should be across the board.

Community Rep Musial made a motion, seconded by Community Rep Wilson to recommend to the full Board to accept a COLA of the same percentage across the board (dollar amount to be determined by staff), with a 1.5% cap for newly hired. The motion carried by voice vote.

B. June Administrative Services Report / M22-063

Director Cahill highlighted the following:

Staff continues to refine the full-time onboarding process, and recently recorded a training session via zoom.

Staff created a safety acknowledgement form.

Provided staff training to Seascope staff before the pool opening

Processed 65 new hires in May

Collaborated with C&M, Rec and Golf departments to fully staff Seascope, camps and the golf course for the summer season.

Comm Rep Kulkarni made a motion, seconded by Comm Rep Wilson to recommend to forward the Administrative Services Board Report to the full board. The motion carried by voice vote.

C. Administration and Finance Report / M22-059

As part of the Administration and Finance Report, Executive Director Talsma explained the attendance and remote participation rules as we move forward from COVID. There are three reasons you are allowed to call in to a meeting and be counted as part of a quorum: Business travel, illness or family emergency. If you are

out of town for vacation, you technically cannot participate in a meeting, as we would otherwise need to open the remote access to the public. You may participate prior to the meeting with questions via email

Comm Rep Musial stated that she may miss 5 or 6 meetings per year. Some questions don't work well via email. If there is someone else who would like to be on the A&F committee who could make all 12 meetings, she would be happy to step down. Executive Director Talsma replied that unless the board passes a 5/7 vote, she is welcome to remain on the committee.

Comm Rep Musial asked if we could use Zoom. Commissioner Evans noted that this would still need to be open to the public, and it makes it more difficult to control if not in person.

Executive Director Talsma added that when we have Q&A via email prior to the meetings, we will include in the minutes, but will not have more discussion at the meetings

Director Hopkins highlighted the following from the June Admin & Finance report:

- Filings are complete for the annual financial report. The last one was filed with the comptroller today.
- Staff went to Seascaple to audit the process for season pass sales and to streamline the entry process. Some RecTrac changes were made.

Comm Rep Kulkarni asked if there was an annual event at Seascaple. Director Hopkins explained that opening weekend was very hot, resulting in long lines to get into Seascaple. With new staff, it was taking a long time to get patrons through the entrance.

Comm Rep Wilson made a motion, seconded by Comm Rep Aguilar, to forward the June Administration and Finance report to the full board to be included in the Executive Director's Report. The motion carried by voice vote.

D. Open and Paid Invoice Register: \$703,904.89:

Community Rep Wilson made a motion, seconded by Comm Rep Winner to recommend to send the Open and Paid Invoice Register in the amount of \$703,904.89 to the full board for approval. The motion carried by voice vote.

E. Revenue and Expenditure Report and District-Wide Operations Statement:

Director Hopkins reviewed the highlights of the Revenue and Expenditure Report:

- We are 41.7% through the year, and at 123% above the budgeted net for the year. We have received the complete first installment of tax revenue, with the second installment due September 2. The second installment is normally lower as adjustments go through, but a new law allows for the full amount to be sent to the government entities. Any adjustments are then spread across all residents. Therefore we will be above budget for annual taxes by the end of the year.
- The pool and golf make up the admissions and equipment rental. These numbers are through May 31; pool had just opened and it was still early in golf season.
- Facility rental and leagues: this is mostly hockey which is mostly a fall program, but we are doing well at 42.1% and 50% of budget, respectively.
- Programs and instructions: camps are completely full for the summer; we should be on target or exceed our annual budget.
- Sales: This is the golf course, and will pick up as summer continues.
- Service fees: mostly the driving range, and will also increase over the summer.
- Full-Time salary numbers are below expectation, as we have had difficulty filling positions, but this will help us in terms of the budget over the full year.
- Part-time wages are below budget but the majority of part-time staff comes on during the summer. We should be at budget by the end of the year.
- Commodities are seeing the effects of inflation.
- Professional Training: Directors Cahill and Hopkins attended training last month; NRPA will be in September for other staff.
- Utilities are doing well despite increases in rates; next month staff will review entering into a longer term natural gas contract as those prices have been coming down.

Commissioner Evans asked why our taxes and interest income are higher than the last three years. Director Hopkins explained that our tax rolls are slightly higher this year. The Sears property is coming off this year, which is much of the increase, instead of through the EDA. Also, the State of Illinois passed a law that local governments can recapture taxes through reassessments. If someone gets a refund, the state will then apply that to the full community tax amount the next year, spreading it across everyone.

Comm Rep Wilson made a motion, seconded by Comm Rep Winner to recommend the Board approve the Revenue and Expenditure Report and the District-Wide Operations Statement as presented. The motion carried by voice vote.

**9. Committee Member Comments:**

Comm Rep Wilson said that residents are slamming Evergreen Park and other parks not as well kept, specifically regarding courts and asphalt conditions. Executive Director Talsma said that staff has responded. The resident knows that we have responded to the public that the courts will be refinished in July. The nets were new June 1, but by June 28 needed to be replaced. The damage may have been caused by dogs. The court had more significant wear than most in that timeframe. He added that if anyone sees a social media post, please do not get involved, but please copy and forward to staff. We recently hired Alexis, who will be registered in all of the neighborhood online groups and will be designated to watch those.

Commissioner McGinn said that it was good to see that the range balls finally came in.

Comm Rep Musial congratulated Executive Director Talsma for his 25 years and being recognized by the Village.

Comm Rep Winner said it is Paul Bunyan Day and Craig Talsma Day!

Comm Rep Aguilar thanked the committee for welcoming him. It has been very informational so far. Well done, staff.

Commissioner Evans congratulated Executive Director Talsma. He also said that thanks to the Updates email each week, he knew of the Gentle Yoga taking place at Fabbrini, which was awesome. He added that tonight's meeting was unusual with so much input on one subject, but hopes that everyone felt they were heard and appreciated. Please let him know if you did not feel that way.

**10. Adjournment:**

Commissioner McGinn made a motion, seconded by Comm Rep Wilson to adjourn the meeting at 8:31 p.m. The motion carried by voice vote.

Respectfully submitted,

Craig Talsma  
Secretary

Cindy Flynn  
Executive Assistant

The following question regarding information in the May A&F packet was submitted and answered via email prior to the meeting:

1. Revenues and expenses are more seasonal for the park district than incurred equally throughout the year. If they were incurred equally we should be showing 41% completion. Revenues are showing 46% completion and expenses 37% completion. Are those completion percentages reflected of seasonality or better than expected performance?

The answer is both. The largest source for league and facility rental revenue are related to Hockey. The largest portion of this revenue comes in the fall so we are doing better than budget. Programs & Instruction get a large boost in the summer with camps. They are running above expectations. Admissions is seasonal so we should be seeing that number increasing as the summer progresses.

The largest influx of wages is during the summer. We are below budget in full time due to vacancies. Part time will come closer to budget as the summer progresses.