

**LAKE BLUFF PARK DISTRICT  
BOARD OF COMMISSIONERS  
MINUTES OF SPECIAL ADMINISTRATION AND FINANCE COMMITTEE MEETING  
JULY 12, 2011**

The Special Administration and Finance Committee Meeting of the Board of Commissioners of the Lake Bluff Park District, Lake County, Illinois, was held at the Recreation Center, 355 W. Washington Avenue, Lake Bluff, Illinois.

Present: Commissioners: Considine, Hart

Absent: None

Visitors: Ron Salski (Executive Director), David Cain, Larry Kreuscher, David McElvain

**1. CALL TO ORDER:**

Chair Considine called the meeting to order at 1:00 p.m.

**2. ROLL CALL:**

The following Commissioners were present when the roll was called:

Commissioners Hart, Considine

**3. APPROVAL OF AGENDA:**

A motion was made by Commissioner Nickels and seconded by Commissioner Considine to approve the agenda of July 12, 2011 as presented.

**Ayes:** Commissioners Hart, Considine

**Nays:** None

**Abstain:** None

**Absent:** None

**4. STATEMENT OF VISITORS:** None

**5. AUDIT REPORT FOR FISCAL YEAR ENDING DECEMBER 31, 2010**

David Cain and Larry Kreuscher, Auditors, reviewed the 2010 Audit with the Committee. David Cain outlined the requirements of the firm and internal weaknesses of the Park District for year ending December 31, 2010. David Cain broke down the governmental activities and business activities and mentioned the Capital Assets of \$6.6 million and \$719,000 liabilities and long term liabilities of \$3,460,000.

Commissioner Considine asked about page 4 and negative assets. David Cain mentioned there are interfund loans or transfers accumulated over time.

David Cain outlined the requirements of the firm in the SAS115 report about the internal controls of the Park District. David Cain mentioned the two conditions: cash reconciliation and journal entries but believe the “new” firms will monitor more closely.

The Golf and Paddle Fund was addressed based on 2010 to 2009. The Auditors addressed concerns related to specific funds borrowing from the other funds and the golf course breaking even over time. The Auditors recommend reviewing fund borrowing with general counsel. The Auditor recommend reviewing the pro shop merchandise expenses as there seemed to be a change. David Cain mentioned the golf course and other funds will need to be subsidized.

Executive Director Salski asked about the cash balance year end and mentioned a portion of the increase was due to the debt restructuring and deferment. David McElvain, resident, asked a question about the proper way to account for the surge tank bond proceeds. David Cain mentioned there are two sets of books, governmental/district-wide and fund report. The two books are presented differently. The individual funds report reflects income and expense when occurred according to the Governmental Accounting Standards. The governmental/district-wide report does reflect the bond proceed properly.

A motion was made by Commissioner Hart to accept the audit report submitted by the District's auditor, Milburn Cain and Company, for the fiscal year ending December 31, 2010 and gain acceptance at the July 18, 2011 Regular Board Meeting. The motion was seconded by Commissioner Considine. The motion carried by unanimous vote.

**7. ADMINISTRATION POLICY MANUAL - IDENTIFICATION PROTECTION POLICY**

Executive Director Salski outlined the Identification Protection Policy developed by counsel.

A motion was made by Commissioner Hart to accept the Identity Protection Policy, 6.23 and gain approval at the July 18, 2011 Regular Board Meeting. The motion was seconded by Commissioner Considine. The motion carried by unanimous vote.

**8. MERCHANT PROCESSING**

Executive Director Salski discussed the current merchant processing pricing versus the four proposals received.

A motion was made by Commissioner Hart to accept a two-year agreement with FIS Merchant Services and gain approval at the July 18, 2011 Regular Board Meeting. The motion was seconded by Commissioner Considine. The motion carried by unanimous vote.

**9. SKATE PARK SAFETY EXPENSES – UPDATE**

Executive Director Salski outlined expenses related to the Skate Park. Executive Director Salski mentioned funding was received for the skate park project from Senator Garrett and it is recommended to continue repairing the skate park in order to potentially receive grants in the future.

**10. ACCOUNTING/FINANCIAL SOFTWARE – UPDATE**

Executive Director Salski mentioned the agreement is near completion and needs signatures. The software is still expected to “go live” by October. Executive Director mentioned the August Committee of the Whole meeting will focus on fund structure and chart of accounts.

Commissioner Considine asked if discussions will occur with how to account for indirect expenses in business operations. Executive Director mentioned Sikich will provide an opinion and recommendations. Executive Director Salski mentioned a memorandum with recommendations will be provided for the fund structures and chart of accounts.

**11. JUNE FINANCIALS**

Executive Director Salski mentioned the beginning cash balance is different than May's Cash Balance due to an adjustment in the Master Plan Fund. Executive Director Salski mentioned the ending cash balance for June was \$1,270,086.35. Executive Director Salski mentioned Salaries and Wages were higher due to a third payroll; however if you take out the third payroll and debt, expenses are consistent with 2010 year to date.

Executive Director Salski mentioned staff is working extremely hard reducing expenses and attempting to generate revenue. He mentioned "new" trends with weather and registration therefore; budgets should be reflected realistically and with trends. He mentioned performance goals would be included in reviews striving for better revenue than budgeted.

**12. ADJOURNMENT**

There being no further business, a motion was made by Commissioner Nickels and seconded by Commissioner Considine to adjourn the meeting at 2:13 p.m. The motion carried by unanimous vote.

Approved this 18th day of July 2011  
Board of Commissioners  
Lake Bluff Park District