

**LAKE BLUFF PARK DISTRICT
BOARD OF COMMISSIONERS
MINUTES OF SPECIAL ADMINISTRATION AND FINANCE COMMITTEE MEETING
MARCH 10, 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.

Visitors: Ron Salski (Executive Director), Dave Peterson (Director of Facilities & Recreation Services), Peggy Kolber (Business and Human Resources Manager), Kurt Gronau, Bob Troyer

1. CALL TO ORDER:

Chair Nickels called the meeting to order at 9:01 a.m.

2. ROLL CALL:

The following Commissioners were present when the roll was called:
Commissioners Considine and Nickels

3. APPROVAL OF AGENDA:

A motion was made by Commissioner Considine and seconded by Commissioner Nickels to approve the agenda of March 10, 2011 with the following change: Items for Discussion – add Item E. Third Party Payroll.

On the roll call:

Ayes: Considine, Nickels

Nays: None

Abstain: None

Absent: None

4. STATEMENT OF VISITORS: None

5. ITEMS FOR DISCUSSION

A. 2010 AUDIT - Update

Executive Director Salski indicated that Milburn Cain & Co. is expected to begin the 2010 Audit by April 1, 2011. Staff anticipates the financials for year end 2010 to show approximately \$990,000 cash surplus.

Terminology changes have been made according to the Auditors recommendations in order to use proper terminology for governmental accounting.

B. Rothman and Rothman Enterprises – Bookkeeping Services

Since January, the Park District hired Rothmann and Rothmann Enterprises to assist with bookkeeping services. The initial three months were a trial period so the Park District could determine if the company meets expectations. These expectations were exceeded.

Staff is recommending a two year contract with the pricing details outlined in the attached agreement. The Administration and Finance Committee supports the recommendation of staff.

C. Sikich, LLP – Financial and Accounting Services

Since reorganizing in 2009, the Executive Director has been executing the levy, budget, and appropriation ordinance and other financial reports. One objective of the Strategic Plan is to improve financial performance in the following areas:

- Research and review how to redefine accounting funds and the utilization of tax receipts
- Establish levels of accountability for operations
- Set targets of performance for all areas
- Develop a formalized pricing strategy
- Develop a five year financial plan and communicate to the public
- Implement new financial software in order to track financial performance more easily

Executive Director Salski indicated Sikich would provide professional financial and accounting services to the Park District.

The Administration and Finance Committee supports the staff recommendation to authorize a one year agreement with Sikich, LLP, not to exceed \$18,000.

D. Accounting / Financial Software - Update

As part of the Strategic Plan objective to improve financial performance by “implementing new financial software in order to track financial software more easily”; RFPs for new financial software are due Monday, March 14, 2011. Staff has hired Chuck Trongnetpanya as the Project Manager to assist in the interview process.

E. Third Party Payroll

Over the years, the Park District has administered payroll for the Lake Bluff Yacht Club and LBOLA. The Park District incurred staff costs associated with the process; however the Park District was willing to accept the costs due to potential shared costs. PDRMA has reviewed the situation and provided the following analysis:

- When a PDRMA member voluntarily agrees to administer payroll services for outside groups/organizations, the agency exposes itself to considerable and potentially uninsured liability exposure. For example, PDRMA’s liability coverage excludes breach of contract claims, claims requesting only injunctive relief, and liability/damages under state/federal wage and hour laws.
- Payroll administrators are subject to substantial fines, penalties, unpaid payroll taxes, etc. Such fines, penalties and/or damages are outside the scope of PDRMA’s coverage. For persons who willfully violate the Fair Labors Standards Act, there are potential criminal penalties – also excluded under PDRMA’s coverage documents. Therefore, any PDRMA member considering administering payroll services for a third party must carefully balance the pros and cons. This also includes non-legal issues such as public perception.

Commissioners indicated some knowledge of the potential new software and its ability to run multiple payrolls as in this situation. However, the concern is with the lack of a contract. A suggestion for the interim is to have each employee of these organizations sign a waiver releasing the Park District from liability before a payroll is processed.

Discussions will be reopened with PDRMA in regards to contractual services to provide payroll to these organizations.

6. VERBAL COMMUNICATIONS

A: Staff: None

B. Chairperson: None

7. WRITTEN COMMUNICATIONS: None

8. ADJOURNMENT

There being no further business, a motion was made by Commissioner Considine and seconded by Commissioner Nickels to adjourn the meeting at 10:04 a.m. The motion carried by unanimous vote.

Approved this 21st day of March 2011

Board of Commissioners

Lake Bluff Park District