

**LAKE BLUFF PARK DISTRICT
BOARD OF COMMISSIONERS
MINUTES OF REGULAR BOARD MEETING
DECEMBER 14, 2015**

The Regular Meeting of the Board of Commissioners of the Lake Bluff Park District, Lake County, Illinois, was held at the Lake Bluff Park District Recreation Center, 355 W. Washington Avenue, Lake Bluff, Illinois.

The meeting was called to order at 6:30 p.m. by President Douglass.

The following Commissioners were present when the roll was called: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, and President R. Douglass.

Commissioner K. McKendry notified Executive Director Salski that she would be late to the meeting.

Staff members present were Ron Salski, Executive Director; Sarah Bagley, HR Manager; Jim Lakeman, Superintendent of Recreation, Safety and Outreach Services; Ed Heiser, Superintendent of Facility Services; Rob Foster, Superintendent of Golf, Park and Facility Maintenance; Micah Kamin, Facility Maintenance Services Manager; Nathan Heffelman, Golf Greens Manager; Sandy Burke, Recreation Services Manager; Dana Hansen, Preschool & Early Childhood Director; and Marcia Jendreas, Recording Secretary.

Also present were Ann Vanvooren from Lauterbach & Amen LLC, and residents Jan Schnobrich, John Stonk, Cliff Chivatero, Sean Burke, Graham O'Connor-Brooks.

Approval of Agenda

Commissioner Gordon moved, seconded by Commissioner Gronau, to approve the December 14, 2015 Agenda.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: K. McKendry

Motion carried.

Statement of Visitors – None

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PUBLIC HEARING

A Public Hearing to Approve a Proposed Property Tax Levy Increase for Lake Bluff Park District for 2016

President Douglass asked that a motion be made to open the Public Hearing.

Commissioner Ehrhard moved, seconded by Commissioner Gronau, to open the Public Hearing, at 6:32 p.m., to approve a Proposed Property Tax Levy Increase for Lake Bluff Park District for 2016.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: K. McKendry

Motion carried.

President Douglass announced that the Public Hearing was open to receive public comments on the proposed Tax Levy and explained that all persons desiring to be heard will have the opportunity to present written or oral testimony at this time. No one came forward with any written or oral testimony. Resident Cliff Chivatero asked what the property tax increase would be, and Executive Director Salski explained that the Board has not yet determined whether they will raise the tax levy according to the Consumer Price Index (CPI).

President Douglass asked if there were any comments from Park Commissioners and there were none.

Commissioner Ehrhard moved, seconded by Commissioner Gronau, to adjourn the Public Hearing at 6:35 p.m.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: K. McKendry

Motion carried.

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MINUTES

Approval of Minutes of November 16, 2015 Regular Board Meeting

Commissioner Considine moved, seconded by Commissioner Gordon, to approve the Minutes of the November 16, 2015 Regular Board Meeting, as presented.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: K. McKendry

Motion carried.

Approval of Minutes of December 7, 2015 Committee of the Whole Meeting

Commissioner Gordon moved, seconded by Commissioner Wallace, to approve the Minutes of the December 7, 2015 Committee of the Whole Meeting, as presented.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: K. McKendry

Motion carried.

CONSENT AGENDA

Approve Invoice Schedule for the period ending December 1, 2015

Approve Invoice Schedule for the period ending December 14, 2015

Commissioner Considine moved, seconded by Commissioner Wallace, to accept the items on the Consent Agenda as presented.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: K. McKendry

Motion carried.

Commissioner Considine moved, seconded by Commissioner Gronau, to approve the Consent Agenda as presented.

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On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: K. McKendry

Motion carried.

FINANCE

November 2015 and Year to Date Financials

Executive Director Salski said November's beginning Pooled Cash was \$5,030,153. As of November 30, 2015, the total liabilities, equity and surplus (Pooled Cash) was \$4,428,221. Adjusting for Referendum Projects (\$2,380,590), net operating cash is \$2,047,631. As of November 30, 2014, the total liabilities, equity and surplus (Pooled Cash) was \$2,315,238. Month to date was unfavorable \$13,252 as compared to budget. The major contributor to this month's unfavorable results was the Recreation Fund showing as unfavorable \$30,027. This is offset somewhat by the General Fund being favorable \$24,512, due in the most part to the collection of the Lake Bluff Baseball Association revenue.

Commissioner Wallace moved, seconded by Commissioner Gordon to accept the November 2015 Financial report.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: K. McKendry

Motion carried.

Purchase Cards – Ratification

Director Salski reported that November 2015 purchases were \$25,642.68 versus November 2014 purchases which were \$28,653.21.

Commissioner Gronau moved, seconded by Commissioner Considine, to ratify the Purchase Card payment of \$25,642.68.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: K. McKendry

Motion carried.

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OLD BUSINESS

Lake Bluff Golf Club – Contract Services - Approval

Commissioner Wallace exited the meeting at 6:44 p.m.

Executive Director Salski said that during the Strategic Plan meetings, the Board outlined a clear direction for the strategic objective of reducing the annual golf course loss. This decision was based on concerns from the Bond Rating Agency and working toward a Financial Sustainability Plan. He explained that the Leadership Team, comprised of himself, and Superintendents Heiser and Foster, collaborated with two Board Members by developing tactics to meet the objective and recommendations by year-end.

Executive Director Salski stated the Leadership Team was responsible for finding an option with the highest probability to achieve revenue growth, provide a level of reinvestment and minimize risk. All information was reviewed and a Request for Proposals was issued in order to gain specific information about management services.

Superintendent Foster gave an overview of the scaled back option and said the goal was to save at least \$100,000. He noted that the greens, tees and fairways would be kept high quality. After spending \$25,000 for replacement equipment, the net benefit of the scaled back option would be \$75,000.

Superintendent Heiser explained the scaled back option would mean a smaller tent, one service counter, and no on-course staff assistance. He said the hybrid option calls for hiring an outside management service, which would provide additional marketing resources to attain a goal of 3,000 or 4,000 more rounds of golf to increase revenue.

Executive Director Salski said the Leadership Team feels that the hybrid option provides a balanced approach that sets a new direction for the Lake Bluff Golf Club, lowest risk and highest probability to achieve revenue growth. This option retains a qualified management company for golf, driving range and food and beverage options with a scaled back maintenance approach. The Team has interviewed multiple qualified management companies and believes that Billy Casper Golf is the best fit for the community and Park District. He stated Billy Casper Golf is the company with the highest probability to achieve revenue growth. He noted this is a short-term, three year approach.

President Douglass opened the meeting for audience comments.

Sean Burke, resident, was concerned about kids' access to the golf course. Executive Director Salski said staff will give some direction to the management company, but they will be the ones to capture the youth population.

Graham O'Connor-Brooks, resident, commented that the "Lake Bluff feel" of the Golf Course would be lost with a management company and he thought staff could try more ways themselves to bring in more revenue.

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Jan Schnobrich, resident, said the Park District should definitely go with a management company now or there might not be a Golf Course in the future.

Cliff Chivatero, resident, thought the Golf Course fees should be reduced in order to bring in more golfers.

Commissioner K. McKendry now present at 7:33 p.m.

A discussion ensued among Commissioners on the recommendation. A concern was raised about a guarantee from the management company for positive performance the first year or the contract would be canceled. President Douglass said that a performance threshold would be factored into the original contract.

Commissioner Considine moved, seconded by Commissioner Gordon, to authorize the Executive Director to negotiate and execute an agreement with Billy Casper Golf for the management of the Lake Bluff Golf Club golf course and driving range and an agreement for the management of food and beverage operations. The agreements are to be reviewed and approved by the park District President, Vice President and Attorney prior to execution. The terms of the Agreements shall be no less favorable to the Park District than the following:

- An initial term of three (3) years, with a Park District option to extend the agreement for two additional one year terms;
- Annual base payments to Billy Casper Golf for managing the golf course and driving range operations in an amount not to exceed \$60,000 per year; incentive payments for management based on gross revenues; Park District to perform golf course and driving range maintenance functions;
- A provision granting the Park District the right to terminate the Agreement upon Billy Casper Golf's failure to cure a material breach of its performance or financial responsibilities as described in the agreement and proposal, within a stated time period;
- A requirement that Billy Casper Golf manager meet no less than weekly with Park District management to discuss operational matters;
- A requirement that Billy Casper Golf provide certain reports to the Park District on an agreed upon schedule;
- A requirement that Billy Casper Golf not make any expenditure in excess of the established budget without express written authorization from the Park District;
- An agreement granting Billy Casper Golf the right to operate the food and beverage concession in exchange for payments to the Park District in an agreed upon monthly amount, with potential increases based on gross revenues;
- A requirement that the agreement for management of the golf course and driving range operations and the agreement granting Billy Casper Golf the right to operate the food and beverage concession meet the guidelines and safe harbor requirements of Internal Revenue Service Procedure 97-13 as amplified by IRS Notice 2014-67.

Additionally, Park District staff will simultaneously research future options going forward for the Lake Bluff Golf Course and property.

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On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: B. Wallace

Motion carried.

President Douglass called for a break at 7:46 p.m. He called the meeting back to order at 7:54 p.m.

Commissioner Wallace returned to the meeting at 7:54 p.m.

NEW BUSINESS

Resolution 2015-E – 2016 Regular Board and Committee of the Whole Meeting Dates - Approval

Executive Director Salski stated that a Resolution needs to be approved stating the Regular Board and Committee of the Whole Meeting dates for 2016.

Commissioner Gronau moved, seconded by Commissioner Gordon, to approve Resolution 2015-E – 2016 Regular and Committee of the Whole Meeting dates.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

Resolution 2015-F – Approving and Granting a Permanent Easement and Temporary Easements for a Multi-Use Path Along the Northwest Corner of Artesian Park – Approval

Executive Director Salski explained the history of the multi-use path at Artesian Park/Sheridan Road, which dated back to 2010. He said the Village has now received funding and has a formal agreement with the Illinois Department of Transportation (IDOT). The Village is required to obtain formal easements for any portion of the path not located on either Village property or IDOT right-of-way.

Commissioner Gordon moved, seconded by Commissioner Wallace, to approve Resolution 2015-F, Approving and Granting a Permanent Easement and Temporary Easements for a Multi-Use Path Along the Northwest Corner of Artesian Park, with Attorney approval.

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On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

Recreation Center – Jazzercise Rental Fees - Approval

Superintendent Heiser explained that Jazzercise has been held at the Park District since 2005. In November, staff met with the Franchise Owner of Jazzercise and she requested reclassification as an independent contractor to assist her business by reducing room expenses. Jazzercise provides the Park District with revenues during off-peak times, but some rentals have had adverse impact on programming schedules. He said staff recommends continuing to evaluate the community and financial impact this commercial group has on Park District operations. Superintendent Heiser explained the proposed adjustments to the Jazzercise agreement.

Commissioner Gronau moved, seconded by Commissioner McKendry, to approve Jazzercise as a rental with the following fee structure:

- Rental rate of \$23 per hour (\$22 – 2015 and \$20 – 2014) with a schedule of ten rentals per week. If fewer rentals are requested per week, the fee would increase as follows:
 - 5 to 9 rentals per week - \$27.60 per hour (\$26.40 – 2015 and \$24.00 – 2014)
 - 2 to 4 rentals per week - \$32.20 per hour (\$30.80 – 2015 and \$28.00 – 2014)
- \$250 annual equipment rental fee during the terms of the Agreement (Same as 2015)
- Agreement will expire December 31, 2016

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

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Lake Bluff Pool – Swim Club Rental Fees - Approval

Superintendent Lakeman explained that two local swim clubs have rented the Lake Bluff Pool: Lake Forest Swim Club and Scout Aquatics Swim Club. He reviewed current rates and gave comparisons of surrounding Park District pools. He explained the recommended changes and said that pending the timeframe for Lake Bluff Pool renovations, staff will recommend new guidelines and procedures for all Lake Bluff swim club(s) rentals.

Commissioner Considine moved, seconded by Commissioner Wallace, to approve Lake Bluff Pool Swim Club as a rental with the following fee structure:

Option 1: \$120/hour Lake Bluff Rental

Option 2: \$24/hour per Lane Rental

Guidelines for Rentals include:

1. Clubs requesting all lanes will always take precedence over partial pool rental requests.
2. Clubs requesting longer hours will take precedence over those requesting single hours.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

Lake Bluff Preschool – Tuition Fees - Approval

Superintendent Lakeman gave a breakdown of the preschool classes and fees. He explained the increases and said the 2-3 year old preschool classes would be increasing by 20%, which amounted to \$30 to \$55 per month, depending on how many days the child attended. Commissioners were concerned with such a large increase and after some discussion, all were in favor of reducing it to a 15% increase.

Superintendent Lakeman advised that staff will analyze space needs for more classes in the future.

Commissioner Gronau moved, seconded by Commissioner Ehrhard, to approve the Lake Bluff Preschool tuition fees listed in Board Memorandum dated December 10, 2015, from Ron Salski, with a revision for the 2-3 year old preschool classes to be a 15% increase rather than 20%.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

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Lake Bluff Health & Fitness Center – Membership and Daily Fees - Approval

Superintendent Heiser said that staff is proposing a significant restructuring of the rates for 2016. He prepared a “fee matrix” which showed membership options with expanded terms, household incentives and flexibility. This matrix will improve staff’s capabilities to analyze and react to trends.

After some discussion, Commissioners felt the Individual Fitness Center membership should be increased by 3% rather than 1%.

Commissioner Gordon moved, seconded by Commissioner Wallace, to approve the Lake Bluff Health & Fitness Center Memberships and Daily Fees as outlined in Board Memorandum dated December 10, 2015, from Ron Salski, as amended to show a 3% increase, rather than a 1% increase, in Individual Fitness Center Memberships.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

Manager Burke and Director Hansen exited the meeting at 8:49 p.m.

Lake Bluff Pool – Membership and Daily Fees - Approval

Superintendent Lakeman reviewed the new resident and non-resident pool membership and daily fees. After reviewing multiple community meeting notes, it is believed that the residents’ biggest concern centered on non-resident fees rather than non-resident attendance. Staff believes non-resident attendance is important for revenue growth and concurs with community feedback about non-resident fees.

Commissioner Considine moved, seconded by Commissioner Gronau, to approve the new Lake Bluff Pool Membership and Daily Fees, as outlined in Board Memorandum dated December 10, 2015, from Ron Salski.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

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2016 Budget - Approval

Executive Director Salski stated that staff presented the 2016 Budget at a Committee of the Whole Meeting on December 7, 2015. He presented some information on the Beach Sub-Fund, Golf Sub-Fund, Smaller Funds, Capital/Master Plan Fund and 2015 Tax Levy.

Discussion ensued on how much should be spent in the future on beach sand and Commissioners agreed to keep the \$10,000 amount in the budget. President Douglass suggested having the Beach Committee look into strategic planning of the beach for the future.

Executive Director Salski said there are three unfunded capital plan expenses, i.e., parking lot lights, emergency lighting and paddle lights that staff and Commissioners have expressed a desire to have further conversations about. He recommended approval of the 2016 Budget with an anticipated budget amendment for the January Board Meeting. Staff is anticipating an amendment due to the pool ADA bathroom, beach stairs and golf clubhouse.

Commissioner Considine moved, seconded by Commissioner Gordon, to approve the 2016 Budget with revisions based on the review at the December 7, 2015 Committee of the Whole Meeting and December 14, 2015 Regular Board Meeting.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

Ordinance 2015-G – Tax Levy Ordinance - Approval

Ann Vanvooren, from Lauterbach & Amen LLC, gave an overview of the Tax Levy Ordinance. She said there are two options: not including an increase in the CPI for a total tax levy amount of \$2,981,931.00; or including an .80% increase in the CPI, for a total tax levy amount of \$2,998,905.00.

There was discussion among Commissioners and it was felt that if the CPI is increased, the extra money should go into the Capital Fund.

Commissioner Gronau moved, seconded by Commissioner Gordon, to approve Ordinance 2015-G, an Ordinance for the Levy and Assessment of Taxes for the 2015 Tax Levy of the Lake Bluff Park District of Lake County, Illinois, in the amount of \$2,998,905.00 which includes the CPI of .80%.

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On the roll call, the vote was as follows:

AYE: B. Gordon, K. Gronau, B. Wallace

NAY: K. Considine, S. Ehrhard, K. McKendry, R. Douglass

ABSTAIN: None

ABSENT: None

Motion to approve Ordinance 2015-G with an increase of .80% CPI failed.

Commissioner Considine moved, seconded by Commissioner McKendry, to approve Ordinance 2015-G, an Ordinance for the Levy and Assessment of Taxes for the 2015 Tax Levy of the Lake Bluff Park District of Lake County, Illinois, in the amount of 2,981,931.00, which does not include the CPI of .80%.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, K. McKendry, R. Douglass

NAY: B. Gordon, K. Gronau, B. Wallace

ABSTAIN: None

ABSENT: None

Motion to approve Ordinance 2015-G without an increase of .80% CPI passed.

WRITTEN COMMUNICATIONS

Community Comments/Correspondence – Written information was provided to the Board and placed on file by Director Salski.

VERBAL COMMUNICATIONS - None

EXECUTIVE SESSION

Commissioner Ehrhard moved, seconded by Commissioner Gordon, to adjourn into Executive Session, at 9:49 p.m., for the purpose of discussion of the meetings lawfully closed under the Open Meetings Act, whether for purposes of approval by the District of the minutes or semi-annual review of the minutes as mandated by Section 2.06 per 5 ILCS 120/2(c)(21); and discussion of appointment, compensation, discipline, performance or dismissal of an employee, pursuant to Section 2(c)(1) of the Open Meetings Act.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

The regular meeting reconvened at 9:58 p.m. with the following persons present: K. Considine, R. Douglass, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Salski, and M. Jendreas.

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ACTION, IF ANY, ON MATTERS DISCUSSED IN EXECUTIVE SESSION

Commissioner Gronau moved, seconded by Commissioner Considine, to approve Resolution 2015-D – Release of Closed Session Minutes.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

Commissioner Gronau moved, seconded by Commissioner Considine, to approve the Executive Director's Contract.

On the roll call, the vote was as follows:

AYE: K. Considine, S. Ehrhard, B. Gordon, K. Gronau, K. McKendry, B. Wallace, R. Douglass

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

ADJOURNMENT

There being no further business, motion was made by Commissioner McKendry, seconded by Commissioner Gronau, to adjourn the meeting at 10:02 p.m. The motion carried by unanimous voice vote.

Approved this 25th day of January, 2016
Board of Commissioners
Lake Bluff Park District