

**Minutes of the Waukegan Park District
Special Meeting of the Board of Commissioners
January 26, 2016**

The Board of Commissioners of the Waukegan Park District met in a special meeting on January 26, 2016 in the Rose Administrative Center, 2000 Belvidere Street, Waukegan, Illinois.

I. Call to Order

The meeting was called to order at 5:00 p.m. by President Foley who directed a call of the roll.

II. Roll Call

Present: Commissioners Kilkelly, Jones, Sarocka, and President Foley.
Absent: Bridges. Also present was Executive Director Greg Petry, Chuck Smith, Jim Johnson of AT Group, Inc., Paul and Ed Stuckey of Stuckey Construction.

III. Review, Discuss, Decide

A. Approval of Hinkston Indoor Pool Bid Results

- Masonry
- General Trade
- Roofing
- Glass and Glazing
- Painting
- Swimming Pool
- Fire Protection
- Plumbing
- HVAC
- Electrical

Jim Johnson and Ed Stuckey reviewed with the Board the second round of the pool bid results for masonry, general trade, roofing, glass and glazing, painting, swimming pool, fire protection, plumbing, HVAC, and electric.

Mr. Petry noted that Commissioner Bridges had asked for a report concerning the use of local companies on this project. It was further noted that while staff and Stuckey Construction have made significant efforts to attract local bidders, that the Park District is required under state law to accept the lowest responsible bidder.

The bid total to date is \$5,314,366, which is below the design development budget for the pool project.

Commissioner Sarocka raised a question as to why the bid of Mech, Inc. was withdrawn and staff explained that Mech, Inc. had neglected to include its labor costs in the bid and that they would not have been able to fulfill the contract. Similarly, there was a masonry bid from MPZ who failed to include all the specifications and that bid was also withdrawn with the consent of the Park District.

President Foley raised questions concerning the use of PVC pipe as opposed to cast iron.

Mr. Stuckey responded that PVC is easier to work with than cast iron. That was particularly important with the pool. He further advised that there are problems with the buildup of sediment in cast iron that does not occur with PVC.

Mr. Petry requested information on the lights and why underwater lights were not included.

Staff advised that there are significant maintenance issues with underwater lighting and a high level of failure with this type of lighting.

Commissioner Sarocka asked about whether staff had vetted the electrical bids.

Mr. Stuckey advised that the bids had been fully vetted and that he was recommending approval of Ridgeview, the low responsible bidder.

Motion by Commissioner Sarocka, seconded by Commissioner Jones, to award the low responsible bidders as presented for Phase II of the Hinkston Pool Project as follows:

Masonry	:	JAC Masonry in the amount of \$417,160
Gen'l Trades	:	Stuckey Construction in the amount of \$958,000
Roofing	:	MetalMaster in the amount of \$358,387
Glass/Glazing	:	CAD Contract Glazing in the amount of \$381,000
Painting	:	Des Painting in the amount of \$93,275
Swimming Pool:		Stuckey Construction in the amount of \$1,669,000
Fire Protection	:	Absolute Fire Protection in the amount of \$62,000
Plumbing	:	Hartwig Plumbing & Heating in the amount of \$489,704
HVAC	:	MG Mechanical in the amount of \$362,000
Electrical	:	Ridgeview Electric in the amount of \$655,000

Roll call to the motion: Ayes: KilKelly, Jones, Sarocka, and Foley. Nays: None. Absent: Bridges. Motion carried unanimously 4-0.

Mr. Stuckey and Mr. Johnson will report on the hiring of local subcontractors and will provide a list of what city the project workers reside in.

Mr. Stuckey stressed his personal commitment to reinvest in Waukegan and that his Waukegan based company will hire many Waukegan residents.

- B. Alternates 6,7,8 - Exterior Improvements/Hinkston Park
- Parking Lot Lights
 - Front Entry Lights
 - Refinishing of North Side Steel Columns

Mr. Stuckey and Mr. Johnson recommended the acceptance of alternate bids of 6, 7, and 8 for exterior improvements, including parking lot lights, front entry lights, and refinishing of the north side steel columns.

Motion by Commissioner Sarocka, seconded by Commissioner Jones, to approve the alternate bids of 6,7,8 as presented for Phase II of the Hinkston Pool Project as follows:

Alternate #6: Replace existing parking lot fixtures with LED with Ridgeview Electric \$35,000.00

Alternate #7: Replace light fixtures at piers at main entrance with Ridgeview Electric \$9,500.00

Alternate #8: Refinish exterior steel columns at north side of building with DES painting \$7,500.00

Roll call to the motion: Ayes: Kilkelly, Jones, Sarocka, and Foley. Nays: None. Absent: Bridges. Motion carried unanimously 4-0.

- C. Accept Security Camera Quotes

Motion by Commissioner Kilkelly, seconded by Commissioner Sarocka, to approve the bid of Griffon Systems in the amount of \$38,105 for the security camera system for the Field House.

Discussion on the motion:

Commissioner Sarocka questioned why the low bid of Computer Power Systems was not being recommended.

Attorney Smith advised that while the bid from Computer Power Systems in the amount of \$37,930 was slightly lower than Griffon Systems' bid of \$38,105, the Griffon bid included training on the use of the security system, which has a greater value than the difference between the two bids, and further, that the Griffon Systems is identical to a security system already in place at another facility of the Park District.

Commissioner Kilkelly asked if the construction area would be covered by the security cameras and she was advised that it would.

President Foley asked about lighting the parking lot.

Mr. Glogovsky advised that the cameras that are on the outside of the Field House building cover some of the parking lot, but do not cover the east side and thus will not cover the new parking lot. Coverage on the east side and the new parking lot can be done, but only by installing cameras on poles. Cameras do not cover that distance with any reasonable clarity.

Commissioner Jones asked if the security cameras will cover the entire gym floor.

Mr. Lerner explained that much of the area will be covered by the security cameras but not the entire area.

Following discussion:

Roll call to the motion: Ayes: Kilkelly, Jones, Sarocka, and Foley. Nays: None. Absent: Bridges. Motion carried unanimously 4-0.

D. Resolution 2016-01 - Semi-Annual Review of Closed Session Minutes.
Motion by Commissioner Sarocka, seconded by Commissioner Jones, to approve Resolution 2016-01 as presented.

Attorney Smith explained that not all of the executive session minutes were being released at this time due to the ongoing nature of real estate purchases or labor negotiations.

Roll call to the motion: Ayes: Kilkelly, Jones, Sarocka, and Foley. Nays: None. Absent: Bridges. Motion carried unanimously 4-0.

- E. Budget Workshop #1
- Review Mission, Vision and Values Statements
 - Review District Strategic Plan and Fiscal Year Goals Status
 - Current Financial Position, Budget Assumptions and Short Term Issues
 - Budget Planning Process, Calendar and Policies
 - Significant Service Level Changes
 - Review FY2015-16 Capital Improvement Program (CIP)

Mr. Petry stated that the Park District is in excellent financial condition due to the Board's approval of policies, holding the line on spending and hiring. He further noted that there is improvement in the EAV for the Park District area and that the bond payments are lower due to refinancing.

Mr. Petry further noted that corporate replacement taxes have been increasing and this shows that the economy in the Waukegan area is improving. This means that the Park District should be in a good financial position to execute the Master Plan and Strategic Plan and be able to offer quality projects for the community.

The Mission, Vision and Values Statements were reviewed as part of the budget and Mr. Petry stated that he is working with his executive assistant Sally to make dashboard computer information available to the commissioners on a regular basis.

Mr. Petry stated that the Park District has been awarded the Distinguished Agency award for five consecutive years. He also reviewed the Emerald Ash Borer plan and the Strategic Plan. Approximately 95% of the Strategic Plan has been completed.

Mr. Petry advised that there has been a delay in the collective bargaining negotiations due to the illness of attorney Bob McCabe's child.

President Foley asked questions about part time employees and independent contractors.

Mr. Glogovsky explained that he is looking at the new standards that the government is implementing regarding independent contractors and anticipating that this may cause the Park District to have to convert some independent contractors to employee status.

Budget Planning Process

There are nine stages in the budget planning process and the staff and commissioners are currently in stages 1-3. The meeting to be held on January 26 is the first of three budget workshops and explained what will happen in each phase. In April the budget will be presented for Board approval. The budget will then be made available for public comment and ultimately approved.

Mr. Glogovsky reviewed the current financial position and budget assumptions and short term issues. He reviewed refinancing the bonds and suggested that the Park District continue to explore refinancing bonds while interest rates are low. He further noted that personal replacement tax continues to rise and that the current budget is based upon an assumption of a 4% increase in EAV which he stated was a conservative projection.

The GolfVisions budget is being formulated and will be presented at the Board's February meeting.

Mr. Petry noted that he continues to push state officials and legislators for the restoration of the off track betting tax that was swept from the Park District under the Blagojevich administration. It was noted that user fees equal approximately 12% of the budget.

The grant for Clearview Park has been deferred. Staff remains hopeful that the grant for the Hinkston Park swimming pool will eventually be included in the state budget and the funds will be available for the pool construction.

Budget and Policy

Mr. Glogovsky noted that the increases in consumer price index have been relatively small and further reviewed the general policies concerning the preparation of the budget, which includes a balanced budget, maintain a 25% fund balance reserve, and that the Board will be asked to approve substantial transfers from the Corporate Fund to Capital Fund to pay for capital projects. Further detail concerning the policies and goals were contained in the handout given to the Board and the Board indicated its approval of this process.

Mr. Glogovsky reviewed the handling of unanticipated expenditures that occur, noting that in recent years the Park District has had to rebuild an entire wall at the maintenance facility when it collapsed and that a few years ago the entire area was hit by a significant wind storm that caused the loss of thousands of trees and the resulting expense in cleaning up after the storm.

Mr. Glogovsky reviewed the transfer from the Corporate Fund to the Capital Fund and the policies on using a portion of the corporate tax increases or capital expenditures that were contained on page 35 of the budget planning process, specifically noting that a portion of the corporate tax increase from the referendum is dedicated to ongoing capital improvements and that the balance of the corporate tax increase is used or transferred for debt service for a series of general obligation alternative revenue bonds. The amount of the transfer for capital projects will be determined so it does not adversely affect the operation budget.

Mr. Glogovsky also noted that the Property Tax Extension Limitation Law (PTELL) payments limit the amount of revenue.

Revenues

Mr. Glogovsky emphasized that the tax levy budget is based upon a 99% collection rate of taxes, which has been the Park District's experience. The levy thus ends up being split for revenue purposes between two fiscal years.

Lease agreements were reviewed and the new concession agreements for the SportsPark were highlighted.

Interest rates and investments were reviewed.

Commissioner Sarocka requested the budget comparison for the years previous to Golf Visions operating the golf courses and the two years that Golf Visions has been operating the golf courses.

Mr. Glogovsky said that he would provide that information.

Expenditures

Discussion was had concerning expenditures of certain expenses across all funds.

Monetary Grants Requested From Park District

Mr. Petry explained that Mayor Motley has requested that the Park District be part of the lakefront initiative. This and other funds will be used to seek grants.

Special Events

The staff reviewed special events, including the newly instituted Touch-a-Truck and advised of other events included in the budget.

In-kind service expenditures were reviewed and how those charges are accounted for.

The staff will continue to budget for hourly services at the rate of \$10 per hour due to the likely increase in the minimum wage.

Commissioner Kilkelly requested an explanation of the 2% adjustment in salary ranges, which staff will provide to her.

The Board also reviewed the prospects for increased costs for health insurance.

The budgeting for employees' salaries to be covered under the new collective bargaining agreement is difficult because the Park District does not have an agreement with SEIU.

Mr. Glogovsky stated that the IMRF contributions will decrease this year due to the past catch-up payment made by the Park District.

Transfers

Mr. Glogovsky reviewed the transfers between funds and why these transfers are necessary. He also discussed the startup of the Foundation.

Commissioner Jones asked about the Foundation.

Ms. Teddy Anderson provided an update on Foundation activities.

Commissioner Kilkelly, liaison to the Foundation Board, provided an update and the purpose of supporting and the collaboration with the Foundation.

Service Level Changes

The Board reviewed with each department head the proposed service level changes.

Cultural Arts - Claudia Freeman suggested the elimination of the Bowen Park Theater Company due to the increased theater opportunities in downtown Waukegan between Three Brothers and Clockwise.

President Foley expressed her reservations about eliminating the Bowen Park Theater Company.

Commissioner Jones suggested seasonal theater productions.

Ms. Freeman explained that the Park District is following with what the other theater companies in Waukegan are offering.

Commissioner Sarocka expressed his support for the elimination of the Theater Company.

Commissioner Kilkelly acknowledged that staff time and effort could probably be better utilized and commented how sad she was that there is not enough community support for the Bowen Park Theater Company.

Commissioner Kilkelly then asked Ms. Freeman to explain the efforts at the Children's Theater, and Ms. Freeman responded.

Administration - Teddy Anderson reviewed her budget proposals and requested an increase for marketing of the centennial celebration. She also reviewed marketing the idea of a new van wrap and the expenses that are anticipated with the grand opening of the Hinkston pool. The amount of \$50,000 has been allocated for increased legal expenses with Ancel Glink relative to the collective bargaining.

Mr. Glogovsky discussed the collective bargaining legal fees along with changes in the minimum wage and changes in the Fair Labor Standards Act (FLSA) found at page 57 of the budget year report. The transition of certain employees from independent contractors to part time or full time employees was also discussed.

IV. Closed Session

Motion by Commissioner Jones, seconded by Commissioner Sarocka, to recess the budget workshop to the next meeting and to enter into closed session to discuss collective bargaining pursuant to 5 ILCS 120/2(C)(2) and personnel pursuant to 5 ILCS 120/2(C)(1). Roll call to the motion: Ayes: Kilkelly, Jones, Sarocka, and Foley. Nays: None. Absent: Bridges. Motion carried unanimously 4-0. Regular session was adjourned at 7:02 p.m.

Following closed session, **motion by Commissioner Sarocka, seconded by Commissioner Jones, to reopen regular session. Roll call to the motion: Ayes: Kilkelly, Jones, Sarocka, and Foley. Nays: None. Absent: Bridges. Motion carried unanimously 4-0.** Closed session adjourned at 7:20 p.m.

V. Commissioner Comments

The commissioners stated that they would like to have Board attorney/secretary Charles Smith be the Grand Marshal of the American Independence Parade in June 2016 in recognition of his years of service to the Park District and his appointment as a circuit court judge.

Mr. Smith thanked the Board for their friendship, kindness and the designation of Grand Marshal.

VI. Adjournment. Motion by Commissioner Jones, seconded by Commissioner Sarocka, to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 7:30 p.m.

Attendance recorded per policy. Commissioners Kilkelly, Sarocka, Jones and President Foley were present. Absent was Commissioner Bridges.

Respectfully submitted,

Charles W. Smith
Board Secretary