

**Minutes of the Waukegan Park District
Meeting of the Board of Commissioners
August 11, 2015**

The Board of Commissioners of the Waukegan Park District met in a regular meeting on August 11, 2015 in the Rose Administrative Center, 2000 Belvidere Street, Waukegan, Illinois.

I. Call to Order

The meeting was called to order at 4:30 p.m. by President Foley who directed a call of the roll.

II. Roll Call

Present: Commissioners Kilkelly, Sarocka, Jones and President Foley.
Absent: Commissioner Bridges. Also present: Board Attorney Chuck Smith, Dave Phillips and Mark Oterino of Speer Financial, and Laurie DeFazio of Knutte & Associates.

III. Consent Items

- A. Minutes
 - July 14, 2015 (Board of Commissioners Meeting)
 - July 28, 2015 (Committee of the Whole Meeting)
- B. Bills
- C. Payroll
- D. Financial Statements
- E. Authorization to Receive Bids/Quotes
 - Administration
 - Hinkston Indoor Pool Construction.

Motion by Commissioner Sarocka, seconded by Commissioner Jones, to seat Commissioner Bridges at 4:32 p.m. Motion carried unanimously.

Motion by Commissioner Kilkelly, seconded by Commissioner Sarocka, to approve the Consent Items with a correction to the minutes from July 28, 2015, and pay bills as presented. Roll call to the motion: Ayes: Foley, Kilkelly, Sarocka, Bridges, Jones. Nays: None. Absent: None. Motion carried unanimously.

IV. Public Portion

No members of the public asked to address the board.

Motion by Commissioner Sarocka, seconded by Commissioner Bridges, to amend the agenda to advance items C, D, E, and F from Section VI, Review, Discuss, Decide. Motion carried unanimously.

C/D. Ordinance 15-08 - An ordinance providing for the issue of General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2015A, of the District. Dave Phillips and Mark Oterino of Speer Financial, reported that the Alternate Revenue Bonds were sold at public auction and that the winning bid came from BOSC, Inc. of Milwaukee WI with a true interest rate of 3.0243%, which they reported was an extremely good rate and would save the taxpayers \$1.115 million in interest over the life of the bonds. It was pointed out that the bonds would remain on the same schedule for repayment so there would be no extension of the length of the bonds and that this would be a significant savings to the District. Mr. Phillips further reported that Standard & Poors had reaffirmed the AA rating for the bonds. **Motion by Commissioner Sarocka, seconded by Commissioner Bridges, to approve the bid of BOSC, Inc. for the General Obligation Refunding Park Bonds (Alternate Revenue Source) Series 2015A. Roll call to the motion: Ayes: Foley, Kilkelly, Sarocka, Bridges, Jones. Nays: None. Absent: None. Motion carried unanimously.**

Mr. Phillips also noted that the savings realized on the bonds will provide additional revenue to the corporate fund to fund operations.

Motion by Commissioner Sarocka, seconded by Commissioner Jones, to approve Ordinance 15-08, an ordinance providing for the issue of General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2015A and to approve Ordinance 15-09, an ordinance authorizing and directing the execution of an Escrow Agreement in connection with the issue of General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2015A of the District. Roll call to the motion: Ayes: Foley, Kilkelly, Sarocka, Bridges, Jones. Nays: None. Absent: None. Motion carried unanimously.

E. FY 2014-15 Audit Draft. The draft audit report prepared by Knutte and Associates was presented. Laurie DeFazio thanked the staff for their work in preparing for the audit and it allowed her and her team of five auditors to spend three days at the District's office and expeditiously move through the records in order to conclude the audit. The records reviewed included employee payments and vendor payments. The size of the District resulted in a moderate risk assessment. Zero exceptions were found to all tests conducted. Knutte also tested property taxes and levies and found no exceptions to these areas. The accounts for capital assessments were all tested and all transactions verified. No exceptions were noted.

Following the three days of field work, Ms. DeFazio and her team continued work at their offices and checked various funds. Of the funds checked, only three exceeded the budgeted amounts and all those were by a very small amount. At the end of the year, the District had expended \$14 million and had \$25 million in the bank or invested, which is a good ratio. Fund balances were checked and found no deficit funds or any excessive accumulation.

Ms. DeFazio discussed the new GASB 68 accounting rule requiring outstanding pension deficits to be included in the audit disclosure, resulting in approximately eight pages of notes. This is all as a result of the pension funding crisis in Illinois. The District had made a substantial payment in fiscal year 2015, which strengthens the District's position relative to its pension obligations.

It was noted that advanced refunding on the bonds is a positive financial move but will require some recalculations in the figures for the final audit.

Commissioner Bridges had a question concerning the pension contributions.

Mr. Glogovsky advised that with the substantial payment made in the past fiscal year, the balances for pension obligations are good.

Commissioner Bridges also asked for validation of the procurement card (p-card) purchase procedures.

Mr. Glogovsky advised that charges are reconciled monthly.

Ms. DeFazio advised that her team tested three months of p-card purchases and found no exceptions.

Mr. Glogovsky advised that Knutte audits not only the Park District records, but also GolfVisions in relation to the golf program.

Mr. Glogovsky reviewed the Comprehensive Annual Financial Report and went over the management discussion and analysis. The audit will be ready for final approval at the September board meeting.

V. Progress Reports

A. Executive Director. Greg Petry was not present and his written report was received. Mr. Trigg included a memo concerning the Hinkston Pool fund update. Mr. Trigg was available to answer any questions.

Commissioner Sarocka, in reviewing the Hinkston Pool fund update, questioned the e-mails of March 2015 from Dr. Batiste, Superintendent of Waukegan School District.

President Foley pointed out that some of the swim teams that may potentially use the pool, if built, are not associated with the school district and are private teams.

Commissioner Sarocka stated that the improvements to the pool, including widening the pool for eight lanes, were done to benefit the school district in order for swim meets to be held at the facility and therefore thought that the school district should make a contribution towards the pool's costs.

President Foley noted that the school athletic director Sam Taylor does not want to see school district funds going to the Park District for this project and would rather see the proposed \$400,000 expended for capital improvements in the existing Waukegan school district's sports facilities.

Commissioner Bridges presented potential partnerships and sponsorships from Vista Health System, Uline, and the school district.

The pool funding will be discussed at the September meeting.

B. Attorney. Mr. Smith reported that he had met and discussed with the attorneys for the tax objectors and is getting close to being in a position to bring a settlement proposal to the board.

C. IAPD/Legislation Update. There has been no legislative action in Springfield.

D. Division Reports.

D1. Finance & Administration. Jim Glogovsky presented his written report. There were no questions for Mr. Glogovsky.

D2. Cultural Arts. Claudia Freeman presented her written report. Commissioner Sarocka asked about the Bowen Blues concert that is scheduled for August 12 at 7:00 p.m.

Ms. Freeman noted that there has been a considerable amount of interest and that there had been a number of phone calls requesting start time and tickets.

Ms. Freeman advised that the annual Waukegan Historical Society report is contained in her written report.

President Foley asked about fundraising efforts by the Historical Society.

Ms. Freeman advised that they have made requests of citizens to consider the Waukegan Historical Society in their planned giving and estate plans, but that the Historical Society is not ready to start a major fundraising campaign until it has a grant to cover a significant portion of the improvements.

D3. Parks. Michael Trigg presented his written report. He advised that the updated Master Plan will be distributed at the end of the meeting. There were no questions for Mr. Trigg.

D4. Superintendent of Recreation. Jay Lerner submitted his written report. There were no questions for Mr. Lerner.

VI. Review, Discuss, Decide

A. Interfund Transfers. There were no interfund transfers presented this month.

B. Request from Trinity United Lutheran Church for a religious service to be held at the Morrison Picnic Center on August 30, 2015. **Motion by Commissioner Sarocka, seconded by Commissioner Bridges, to approve the request from Trinity United Lutheran Church for use of the Morrison Picnic Center at Bowen Park for a worship service and picnic on August 30, 2015. Motion carried unanimously.**

F. Ordinance 15-10 - An Ordinance Fixing the Length of Time a Park Commissioner May Fail to Attend Meetings of the Park Board in Order for Such Commissioner's Office to be Declared Vacant and Providing a Procedure for Declaring Such a Vacancy. **Motion by Commissioner Sarocka, seconded by President Foley, to approve Ordinance 15-10 Fixing the Length of Time a Park Commissioner May Fail to Attend Meetings of the Park Board in Order for Such Commissioner's Office to be Declared Vacant and Providing a Procedure for Declaring Such a Vacancy.**

Commissioner Bridges asked for clarification concerning the amendments.

Attorney Smith advised that pursuant to the request of the board, the amended procedures include definitions as to what are excused absences, a requirement for affirmative votes of four commissioners before a hearing can be called to declare a seat vacant, provides due process for any commissioner to be reviewed to have a full hearing, sets the number of consecutive regular meetings to be missed before being in a position where that the seat could be declared vacant at three, and requires an affirmative vote of four members of the board in order to declare a seat vacant.

Following discussion, **Roll call to the motion: Ayes: Foley, Sarocka, Bridges, Jones. Nays: None. Abstain: Kilkelly. Motion carried 4-1.**

Commissioner Kilkelly stated her opinion that the amendments were an unnecessary expenditure of the Park District's staff's time and resources.

- G. Authorization to Accept Bids/Quotes
 - Bevier Park Tennis Court Renovation

Motion by Commissioner Bridges, seconded by Janet Kilkelly, to reject the single bid received for the Bevier Park Tennis Court renovation and to rebid the project in 2016 due to the lack of responsive bids in anticipation of more competitive bids in the Spring of 2016.

Commissioner Kilkelly asked if the proposed renovations would include lining for pickleball.

Mr. Trigg advise that pickleball courts would be included.

Commissioner Sarocka stated his opinion that he agreed with the decision to wait until the Spring of 2016 in the hopes of receiving additional bids since only one bid was received and it exceeded the budget for this project.

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

- Kirk Park Playground Replacement.

Mr. Trigg reviewed the bids received for the Kirk Park playground and recommended to the board that the bid of Little Tikes/Parkreation be rejected as it did include the cost for installation of the equipment and pour-in-place surfacing. After reviewing drawings and the proposal for the project, **Motion by Commissioner Bridges, seconded by Commissioner Jones, to accept the low responsible bid of Play Illinois, LLC/Burke of Downers Grove IL, in the amount of \$49,965, and to reject the bid of Little Tikes/Parkreation of Prospect Heights IL in the amount of \$35,748 as not being responsive. Roll call to the motion: Ayes: Foley, Kilkelly, Sarocka, Bridges, Jones. Nays: None. Absent: None. Motion carried unanimously.**

H. Croatian Soccer Tournament 9/5 & 9/6/15 - Permission to Allow Smoking in Beer Tent. Mr. Lerner reviewed the request received from the sponsors of the Croatian Soccer Tournament who have rented the SportsPark for September 5 and 6, 2015, to allow a variance from the Park District's No Smoking Ordinance for the two days of the tournament. Mr. Lerner advised that the sponsors of the tournament are concerned that a smoking ban will hurt attendance as many of their group smoke cigarettes. Smoking would be restricted solely to the beer tent.

Attorney Smith reviewed the provisions of the ordinance and the Illinois Smoke Free Act. It was noted that since this is an outdoor facility there are exceptions to the Illinois Smoke Free Act, but the Park District ordinance clearly prohibits smoking if a variance is not granted.

Commissioner Bridges stated that while he appreciates the board's recommendation, he opposes this request for health reasons.

Commissioner Jones stated his concerns about similar requests for other events.

Mr. Lerner advised that this is a one time event and the tournament utilizes the entire facility and it is not open to the public.

Commissioner Kilkelly noted that the group had already signed an agreement and had made inquiry about the beer garden. She wanted to ensure that there was an adequate security deposit for the cleanup of the SportsPark after the event.

Motion by Commissioner Sarocka, seconded by President Foley, to grant the request from the sponsors of the Croatian Soccer Tournament to grant a variance from the no smoking ordinance for the event on September 5-6, 2015. Roll call to the motion: Ayes: Foley, Kilkelly, Sarocka, Jones. Nays: Bridges. Absent: None. Motion carried 4-1.

Motion by Commissioner Sarocka, seconded by Commissioner Bridges, to amend the agenda to allow Commissioner Questions and Comments prior to Executive Session so staff could leave the meeting. Motion carried unanimously.

X. Commissioner Questions/Comments.

Commissioner Kilkelly complimented the staff on the recent Touch a Truck event. She thought the event was very well done.

Commissioner Bridges expressed his appreciation to the staff and their input in answering questions concerning the pool project and he looks forward to the meeting in September when the pool project will be discussed further. He also complimented the staff's efforts on the Touch a Truck event.

Commissioner Bridges praised the efforts of Ms. Freeman and staff for their efforts at their Volunteer picnic.

Commissioner Jones echoed the sentiments of Commissioner Bridges and said that the Touch a Truck and Volunteer picnic were excellent events.

Commissioner Sarocka stated that the Partners in the Park golf outing was extremely well organized and it was a worthwhile event.

President Foley commented that she had heard very positive comments on the Touch a Truck event and the Partners in the Park golf outing, but she regretted that due to health concerns she was not able to attend those events.

VII. Closed Session.

Motion by Commissioner Bridges, seconded by Commissioner Sarocka, to adjourn into closed session to discuss collective bargaining negotiations pursuant to 5 ILCS 120/2(C)(2). Roll call to the motion: Ayes: Kilkelly, Sarocka, Bridges, Jones, Foley. Nays: None. Absent: None. Motion carried unanimously. Regular session adjourned at 6:15 p.m.

VIII. Next Meeting

A. COW meeting - August 25, 2015. Topics: Hinkston Indoor Pool Update; Policy on Commissioner Privileges for Activities/Programs and Facilities; Board Team Building.

X. Adjournment.

Following closed session, **Motion by Commissioner Jones, seconded by Commissioner Sarocka, to reopen regular session and to adjourn the meeting. Motion carried unanimously.** Meeting adjourned at 7:28 p.m.

Attendance recorded per policy. All commissioners were present.

Respectfully submitted,

Charles W. Smith
Board Secretary