

REGULAR BOARD MEETING

A Regular Meeting of the Mt. Prospect Park District, Cook County, Illinois, was held on Wednesday, May 28, 2014 at Central Community Center Facility of said Park District. President Doherty called the meeting to order at 7:00p.m. On roll call, the following officers and commissioner were present:

Tim Doherty
Steve Kurka
Bill Klicka
Bill Starr
Lisa Tenuta
Susan Walsh

Administrative Staff:

Greg Kuhs, Executive Director
Lee Howard, Financial Advisor
Cathy Miller, Director of External Affairs
Brett Barcel, Director of Golf Operations
Brian Taylor, Director of Recreation
Barry Kurcz, Director of Business Services & Human Resources
Jeff Langguth, Head Professional
Darin Douglas, Golf Course Superintendent

Professionals:

Thomas Hoffman, Attorney
Dave Esler, Esler Golf Design
Jeff Zurlinden, Nicholas & Associates
Dave Phillips, Speer Financial, Inc.
John Green, Groundwork, Inc.

Visitors:

Dale Krafft
John Korn
Dave Shaffer
Ken Orms
Brad Shaffer
Ed DeVaney
Fred Durler
John Pipitone

Nancy and Vince Barrett
Tom Vartipk
Ernie Lasse
Phyllis and Wayne White
John Tofano
William Walters
Tom Doherty
Richard Hofherr
Mike Murphy
Gail Silchuck
Nancy Foreman
Joe Maslanka
Diane Geraghty
Jeff Everett
Julie Maslanka
Robert Kawalek
Linda Brady
David Brady
Matt Skoog
Bob Winkates
Robert Jur
Charles Wetterling
Fred Behnke
Tom Braun
Emil McClure
Tom Bliht

CHANGES OR ADDITIONS TO AGENDA

Commissioner Walsh stated she had a question on funds and wanted to discuss beginning balances. President Doherty replied that would be covered during the Financial Advisors Report. Commissioner Walsh then stated she wanted to talk about the bid notices in the paper. President Doherty replied that would be covered under Golf Course Renovation.

APPROVAL OF THE AGENDA

Commissioner Starr motioned to approve the Agenda as so mentioned; seconded by Commissioner Tenuta and carried by unanimous voice vote.

APPROVAL OF THE MINUTES

Commissioner Kurka motioned to approve the minutes of the April 23rd meeting; seconded by Commissioner Klicka.

Discussion: Commissioner Walsh suggested a change to page 8 under Financial Advisor's Report. Following Commissioner Walsh asked: why pages 1-10 are missing from (all funds) in the Treasurer Reports. Lee Howard explained these pages are a total summary of all funds and

they are not part of this presentation, nor have they ever been distributed. Commissioner Walsh asked for pages 1-10 is provided in the future.

Motion carried by unanimous voice vote.

PUBLIC COMMENT

None

PARKS FOUNDATION

Commissioner Tenuta made the report:

The Mt. Prospect Foundation and District 214 invite everyone to the 2014 Golf Classic on Friday, June 13th at 8:30 am. Detailed information may be found on the park district website.

FINANCIAL ADVISORS REPORT

Lee Howard, Financial Consultant reviewed the year to date departmental analysis, revenue trends and profitability of the District's key revenue facilities.

Discussion: Commissioner Starr asked if monthly pool pass revenue (projections) through April has been done. Lee responded no and it was too early to tell.

Commissioner Walsh asked for clarification on golf course community center and what was included. Brett Barcel confirmed that maintenance (custodial services for building etc.) was included.

Commissioner Walsh asked about what was budgeted for loss of golf course revenue. Lee explained that it was approximately \$572,000 and discussion continued about what if losses are greater than expected. Lee explained corrective measures could be taken. Commissioner Tenuta cautioned we need to be careful about speculating a loss in Recreation revenue when the summer programs have not begun. Further clarification about the amount of tax revenue/anticipated program revenue loss continued. Lee confirmed that we received \$9.3m in property tax and \$173-174K in replacement tax and had previously explained this during the budget discussion. Commissioner Kurka asked for the starting year total of reserve balances and Lee answered about \$4.8m operating balance. Commissioner Kurka likened this to having \$4.8m in the bank and the District is not in dire straits. Executive Director Kuhs further explained you normally use capital and recreation funds first to cover a shortfall. President Doherty requested clarification if the Summary of Funds- Rec Fund is running a surplus. Lee responded there is approximately a \$486K surplus. Commissioner Walsh asked why our budget changed by \$3m since it was adopted. Lee explained again the particulars of how the budgetary estimate is determined and why you cannot compare it to actual.

RATIFICATION OF ACCOUNT PAYABLE

Commissioner Klicka moved to ratify accounts payable for the month of April 2014 for check numbers 168869 through 169102 in the amount of \$931,176.68; seconded by Commissioner Starr.

Discussion: None

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh		X	

Motion carried.

RATIFICATION OF PAYROLL

Commissioner Klicka moved to ratify payment of the salaries and wages for 4/9/14 and 4/23/14, checks numbers 208471 through 209128 in the amount of \$291,767.99; seconded by Commissioner Tenuta.

Discussion: None

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh		X	

Motion carried.

EXECUTIVE REPORT

Executive Director Kuhs explained

- Auditors completed field work for 2013 audit and will present their findings at the June 25th meeting. Following board review and approval, the audit will be filed with the County Clerk along with the Treasurers Report. Both documents will then be placed on the website.
- Recommended postponing Annual Meeting (Election of Officers) to the June meeting.
- Attended the Memorial Day activities at Lions Park-thanks to Park staff and External Affairs for outstanding job. Commissioner Starr echoed the statement.

- Ground was broken on May 12th at the Dog Park with initial 250 memberships sold and a waiting list started.
- Bid notices for tennis court and Rec Plex parking lot resurfacing projects have gone out. Recommendations planned for next board meeting in June.

UNFINISHED BUSINESS

A. GOLF COURSE RENOVATION UPDATE

Executive Director Kuhs explained:

During the last special meeting, staff was asked to estimate cost of Option 3, which just replaces irrigation system, drainage, bunkers and greens. Estimated Cost is a little over \$5m.

Commissioner Doherty questioned if there was a projected revenue loss in 2016 with Option 3. Executive Director Kuhs replied the 2016 loss of revenue was not included but there could be a minimal amount. Commissioner Tenuta clarified with a loss of revenue being estimated at \$800K for 2014 and 15, there could be losses in 2016, potentially making the cost of Option 3 over \$6m.

The following individuals addressed the Board:

Vince Barrett asked if the course closes in 2014, work doesn't start until 2015, why are we showing loss of revenue in 2014. Commissioner Doherty and Executive Director Kuhs confirmed with not selling golf passes, we have already lost revenue in 2014.

Dale DiPrima asked who estimated the cost of Option 3. Executive Director Kuhs answered Golf Course Architect and Construction Manager. When would it go to bid, next year? Executive Director Kuhs-Yes because of permitting would need to be redone. Further questioned, we could experience this again next year with estimates being off. Answer was yes but it would an estimate.

Bob Kawalek advocated for Option 3. Commissioner Tenuta replied bids received now would not be good in the spring. He then asked if we have permits yet and Executive Director Kuhs replied that they are in review. Jeff Zurlinden confirmed that work would not begin until permits were in. Bob Kawalek then advocated doing Phase 1 to get the Maintenance Building done. It was noted that there are no code violations, rather the building – when renovated or replaced would need to be brought up to current code standards.

Tom Braun from Golf View Estates concerned where the golfers are coming from in the future. He mistakenly heard that the golf course lost \$100-\$200K each year for the last 5 years. Jeff Langguth corrected him that there has been record revenue. Discussion about cost estimate and bid posting took place.

Ed DeVaney preferred Option 3 and did not think a new driving range was a good investment.

An audience member (name unknown) wanted clarification that under the current proposal, we are grandfathered in with regulations but a new proposal would not be and potentially cost more. Executive Director Kuhs clarified that under MWRD, we are grandfather in prior to May 1st and a new proposal would need to qualify under new MWRD guidelines and could cost more.

Fred Durler advocated for Option 3 and sod vs. seed and suggested getting a list of current projects from contractor.

Commissioner Tenuta expressed we have a critical need for drainage and irrigation and we are in a fixing mode, not a building mode.

Commissioner Starr read a statement expressing his thoughts, comments and the challenges the park district faces in making a decision on the golf renovation project. He supports moving forward with getting this project done now.

Commissioner Walsh stated that people shouldn't get angry if they disagree about the golf course. Further stated that irrigation was first of ten items at Board retreat and mentioned in 2011 Master Plan. We have a great golf course and have concerns about price and scope of golf course project. She proposed fixing drainage, irrigation and bunkers.

The following individuals addressed the Board:

Diane Geraghty advocated for new Maintenance facility and not adding cart paths.

The following individual addressed the Board:

Julie Maslanka advocated for no cart paths.

NEW BUSINESS

A. AFFILIATE AGREEMENT

Executive Director Kuhs explained:

The draft Affiliate Agreement in the packet would define common items and details that would apply to all affiliate sports/athletic organizations. Currently there is only one written Affiliate Agreement that is specific to the Green & White Soccer organization. Intention is to develop written agreements which would be specific to other affiliates including Mt. Prospect Football and Cheerleading and Mavericks Travel Baseball and Softball.

MOTION

Commissioner Tenuta motioned to approve the Affiliate Agreements as presented, seconded by Commissioner Starr.

DISCUSSION

Commissioner Walsh noted that Walt (Cook) signed Green and White Agreement and inquired if the Board had approved it before. Executive Director Kuhs stated he would have to check.

Attorney Tom Hoffman recommending withdrawing the prior motion and suggested alternative wording.

MOTION WITHDRAWN

Commissioner Tenuta motioned to withdraw prior motion, seconded by Commissioner Starr.

MOTION

Commissioner Tenuta motioned to approve the Affiliated Organizations Policies and Guidelines, seconded by Commissioner Starr.

Motion carried by unanimous voice vote.

ADOPTION

A. ORDINANCE 694 - An Ordinance providing for the issue of not to exceed \$8,000,000 General Obligation Park Bonds (Alternate Revenue Source), Series 2014, of the Mt. Prospect Park District, Cook County, Illinois, for the purpose of building improvements to and maintaining, protecting and equipping the Mt. Prospect Golf Club golf course, improving the sites of and equipping playgrounds and providing for the payment of the expenses incident thereto, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

Executive Director Kuhs explained:

There was a change to page 4 which added tonight's date and typos with dates on pages 2 & 31 were corrected. The Commissioners have the new corrected copy.

He continued to provide an overview and stressed that the selling of these bonds would not raise property taxes.

Commissioner Walsh had several questions for clarification. Dave Phillips from Speer Financial provided an overall explanation of the parameters ordinance and how the process works.

Commissioner Walsh questioned audit numbers from last audit. Dave Phillips provided explanation and Lee Howard assisted with explanation.

Commissioner Walsh stated there was a change in the law regarding a backdoor referendum. She asked if we were aware of a change from 30 to 45 days. Tom Hoffman answered the change she is referring to is not applicable to what is up for consideration by the board at this time.

Commissioner Walsh asked if any of our funds are enterprise funds. Lee explained we have similar funds and can be pointed out during the audit presentation next month.

Attorney Tom Hoffman stated for accuracy that \$16m is not the sum total available borrowing limit to the Park District. Overall debt limit is closer to \$50-\$60m and there are other avenues of borrowing available, above and beyond the traditional sources of borrowing.

MOTION

Commissioner Kurka motioned to approve Ordinance 694 – an Ordinance providing for the issue of not to exceed \$8,000,000 General Obligation Park Bonds (Alternate Revenue Source), Series 2014, of the Mt. Prospect Park District, Cook County, Illinois, for the purpose of building improvements to and maintaining, protecting and equipping the Mt. Prospect Golf Club golf course, improving the sites of and equipping playgrounds and providing for the payment of the expenses incident thereto, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds, seconded by Commissioner Starr.

DISCUSSION

Commissioner Walsh was in favor of doing the playgrounds but without spending the \$8m.

Roll Call Vote

	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh		X	

Motion carried.

- A. ORDINANCE 695 - An Ordinance authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for the Mt. Prospect Park District, Cook County, Illinois, and for the issue of not to exceed \$1,000,000 Debt Certificates, Series 2014, of said Park District evidencing the rights to payment under said Agreement, and providing for the security for and means of payment under said Agreement of said Certificates.

Executive Director Kuhs explained:

A copy of the ordinance was in the board packet and described the purpose of the ordinance. He stressed that the selling of these bonds would not raise property taxes.

MOTION

Commissioner Kurka motioned to approve Ordinance 695-An Ordinance authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for the Mt. Prospect Park District, Cook County, Illinois, and for the issue of not to exceed \$1,000,000 Debt Certificates, Series 2014, of said Park District evidencing the rights to payment under said Agreement, and providing for the

security for and means of payment under said Agreement of said Certificates, seconded by Commissioner Klicka.

DISCUSSION

Commissioner Walsh asked why it states “purchasing real or personal property”. Tom Hoffman explained the language comes from specific articles contained in the Illinois Park District Code and the Illinois Governmental Debt Reform Act. He further explained it is widely recognized language used when issuing debt certificates.

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh		X	

Motion carried.

C. RESOLUTION 696 - A Resolution certifying and acknowledging that Mt. Prospect Park District has sufficient funds necessary to complete the pending OSLAD/LWCF project (Einstein Park Renovation) within the timeframes specified in said State of Illinois/IDNR OSLAD/LWCF Project Application.

Executive Director Kuhs explained:

The park district is planning to apply for an OSLAD grant which would be used for the re-development of Einstein Park, and the application deadline is July 1st. If approved, this matching grant could reimbursement of up to 50% of the cost of the project. As part of the grant application process, it is required the district adopt this Resolution.

DISCUSSION

Commissioner Starr is in favor of staff applying for grants at any time and inquired why staff is asking for permission for this particular one. Executive Director Kuhs explained this is a requirement to apply for this particular grant.

MOTION

Commissioner Starr motioned to approve Resolution 696 - A Resolution certifying and acknowledging that Mt. Prospect Park District has sufficient funds necessary to complete the pending OSLAD/LWCF project (Einstein Park Renovation) within the timeframes specified in said State of Illinois/IDNR OSLAD/LWCF Project Application, seconded by Commissioner Tenuta.

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh	X		

Motion carried unanimously.

APPROVAL ITEMS

A. ACCEPTANCE/REJECTION OF BIDS – GOLF COURSE RENOVATION PHASE I

Executive Director Kuhs explained:

Due to the overall cost of the renovation project, staff recommends the Board reject all bids received for Phase I of the Golf Course Renovation Project.

MOTION

Commissioner Kurka motioned to reject all bids received for Phase I of the Golf Course Renovation Project, seconded by Commissioner Starr.

DISCUSSION

Commissioner Walsh inquired as to when Phase I would be done. Executive Director Kuhs answered that eventually it has to be done but it is up to the Board.

The following individuals addressed the Board:

Ken Orms asked if there was any guesstimate bringing the Maintenance Facility up to current code. Executive Director Kuhs answered no, that we need to keep the current facility maintained as best we can.

Ernie Lasse asked how much over the bids for maintenance building vs. the estimate were. John Green answered they were within 1% of the estimate. Follow up question was some items were moved from Phase II to Phase I but if Phase I was rejected, what happens with those items.

President Doherty answered that they were included as part of Phase II.

Bob Kawalek asked if there was a report from Groundwork documenting their analysis and reasoning for relocating the maintenance building and if so, could he obtain a copy of the report. Executive Director Kuhs and Commissioner Tenuta answered a written report was not done.

Commissioner Walsh asked John Green if he did a master plan which included the golf course in 2010. He answered that it was not a master plan. It was an ADA accessibility study that was completed for the entire park district. The question was also asked if a soil analysis was completed and Executive Director Kuhs answered no.

Commissioner Kurka restated his motion for clarification before the roll call vote.

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh	X		

Motion carried.

B. ACCEPTANCE/REJECTION OF BIDS – GOLF COURSE RENOVATION PHASE II

Executive Director Kuhs explained:

There were five bid packages for Phase II of the project and staff recommendations are summarized in the Board Packet.

Pointed out that before any action might be taken, Alternate 6, which is the reduction of 60,000 sf of cart path, crosses over into two different bid packages (Package 1 and Package 4). He stated it would make sense to make a decision on the status of the cart paths first because it will have an impact on the cost of those two bid packages.

Further explained considering Alternate 6 first. Staff recommendation is not removing the 60,000sf of cart path. Commissioner Walsh advocated for taking out 60,000sf of cart paths.

Commissioner Starr advocated taking out cart paths.

Commissioner Kurka advocated for cart paths.

Commissioner Starr questioned along Longquist on Hole 14, how close to the homes is the cart path? Dave Essler stated it meandered between the trees and is not straight along the backyards of homes on Hole 14. Further stated there are mounds which could help prevent golf balls from going into backyards.

The following individual addressed the Board:

Joe Maslanka questioned the revenue differences of days when raining vs. not. Follow up concern of bouncing balls off the asphalt cart paths. Commissioner Kurka stated he looked at 7 years of data when making his prior point about the value of cart paths.

Commissioner Walsh stated she recalled hearing a golf expert at an IAPD seminar saying that cart paths don't make money. She furthered expressed concerns about the impact cart paths may have to the tree roots.

One of the audience members asked Commissioner Kurka of all twelve days carts he mentioned, does that mean carts are not allowed at all. He stated that staff told him there were 12 ½ days over the last 15 years that carts were not allowed at all.

Another audience member (name unknown) stated you would not lose outings if you have the option of cart path only during wet conditions.

MOTION

Commissioner Walsh motioned to accept Alternate 6 to remove 60,000sf of cart paths, seconded by Commissioner Klicka.

DISCUSSION – none

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty		X	
Commissioner Kurka		X	
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta		X	
Commissioner Walsh	X		

Motion failed.

MOTION

Commissioner Kurka motioned to award Bid package #1 to Wadsworth Golf Construction in the amount of \$5,879,052 which includes acceptance of Alternates 7, 8,9,24 & 26 as specified in the submitted bid, seconded by Commissioner Klicka.

DISCUSSION

Commissioner Walsh asked what has changed with Alternates since the May 14th meeting. Executive Director Kuhs explained that staff is recommending keeping USGA greens because they required less maintenance and chemicals than California greens.

The following individual addressed the Board:
Dave Shaffer advocated for Option 3.

Commissioner Walsh asked about what else has changed such as California greens. Options were then clarified.

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh		X	

Motion carried.

Executive Director Kuhs explained Bid Package #2: Landscaping. Staff recommends rejecting all bids as staff would work on completing this part of the project.

MOTION

Commissioner Tenuta motioned to reject all bids for Bid Package #2, seconded by Commissioner Kurka.

DISCUSSION

Commissioner Walsh asked if trees would be planted against the netting. Executive Director Kuhs explained that the tree planting would be spread out over several years. Further question of whether trees by netting would be planted first and Brett Barcel said yes.

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh		Abstained	

Motion carried.

Executive Director Kuhs explained Bid Package #3: Site Utilities. Staff recommendation: to award to low bidder - Advance Gianinni.

Commissioner Starr asked for a brief explanation of what this is. Jeff Zurlinden from Nicholas and Associates explained it was primarily the underground storm concrete piping and basins.

MOTION

Commissioner Tenuta motioned to award Bid Package #3 to Advance J. Giannini, Inc. in the amount of \$770,000, seconded by Commissioner Klicka.

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh		X	

Motion carried.

MOTION

Commissioner Kurka motioned to award Option A under Bid Package #4 Accu-Pave in the amount of \$454,454, seconded by Commissioner Tenuta.

DISCUSSION

Commissioner Walsh asked why we are not taking the lowest bidder. Executive Director Kuhs explained that if you look at the base bids, this is the lowest bid. President Doherty pointed out that Superior appeared lower. Jeff Zurlinden from Nicolas & Associates explained that Superior submitted a non-conforming bid so we needed to go to the next lowest bidder.

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh		X	

Motion carried.

Executive Director Kuhs explained Bid Package #5 – General Trades which has to do with the netting, poles, modifications to the fertilizer building and the concrete pad for the driving range. Staff recommends rejecting all bids and rebidding netting/poles to get better pricing. Also rebid work to relocate fertilizer building and obtain new quotes on concrete range pad.

MOTION

Commissioner Kurka motioned to reject Bid Package #5, seconded by Commissioner Klicka.

DISCUSSION

Commissioner Walsh asked how you will rebid and Executive Director Kuhs explained sequence of events.

<u>Roll Call Vote</u>	Ayes	Nays	Absent
Commissioner Doherty	X		
Commissioner Kurka	X		
Commissioner Starr	X		
Commissioner Klicka	X		
Commissioner Massie			X
Commissioner Tenuta	X		
Commissioner Walsh		Abstained	

Motion carried.

COMMENTS/MATTERS FROM COMMISSIONERS

Commissioner Walsh wants to do the IAPD Board Self Evaluation.

Commissioner Klicka explained that the decision on the Golf Course was a difficult one.

ADJOURNMENT

Commissioner Klicka motioned to adjourn, seconded by Commissioner Tenuta.

Motion carried by unanimous voice vote.

Respectfully submitted,

Bill Starr, Secretary