

**LAKE BLUFF PARK DISTRICT  
BOARD OF COMMISSIONERS  
MINUTES OF SPECIAL BOARD MEETING  
DECEMBER 11, 2017**

The Special 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 6:35 p.m. by President Douglass.

The following Commissioners were present when the roll was called: S. Ehrhard, B. Gordon, K. McKendry, C. Mosbarger, F. Pitera, B. Wallace and R. Douglass.

Staff members present were Ron Salski, Executive Director; Jim Lakeman, Superintendent of Recreation, Safety and Outreach Services (present at 7:15 p.m.); Ed Heiser, Superintendent of Facility Services; Rob Foster, Superintendent of Golf, Park and Facility Maintenance; Sarah Bagley, Human Resources Manager; Tim Rochford, Fitness & Healthy Lifestyle Manager; Rich Rothmann, Finance Consultant; Cati Christensen and Mary Yoo from the Fitness Center; and Marcia Jendreas, Recording Secretary.

Also present were Committee Members George Russell; Charlie Roberts; Niki Walsh (present at 7:00 p.m.), Jamie Sabbach from 110% and Matt Hickey from ePrepSolutions, LLC.

**Approval of Agenda**

Commissioner Gordon moved, seconded by Commissioner McKendry, to approve the December 11, 2017 Agenda as submitted.

**On the roll call, the vote was as follows:**

**AYE:** S. Ehrhard, B. Gordon, K. McKendry, C. Mosbarger, F. Pitera, B. Wallace, R. Douglass

**NAY:** None

**ABSTAIN:** None

**ABSENT:** None

**Motion carried.**

**Statement of Visitors** - None

**DISCUSSION**

**Cost of Services – Final Report – Discussion**

Executive Director Salski explained that the Board met twice with Jamie Sabbach and drafted key philosophical approaches and models. Staff was responsible for entering target and competitive data resulting in a final report. Executive Director Salski stated that Jamie Sabbach will provide recommendations and opinions on key results. Executive Director Salski stated that the models and scorecard do not include debt and capital per discussions with the Board.

## Special Board Meeting of December 11, 2017

Ms. Sabbach said the agenda for tonight will include Service Delivery (SD) Scorecard Process along with summary and overview; recommendations; service delivery strategies; the District's top 10 performers and bottom 10 performers; and discussion.

Ms. Sabbach noted that the SD Scorecard process is built upon an action-based strategy which leads agencies to identify which services they should be in the business of providing, and how best to provide those services effectively and efficiently. It intends to help the Lake Bluff Park District focus its energies and resources on delivering services in a focused way, reducing wasteful, unnecessary duplication and investing in those services which meet community need and desire, or provide an opportunity for return on investment. Following a systematic approach, the process filters each District service through four criteria: alignment with District purpose/mission, financial viability, target market participation and impacts, and competitive position.

Recommendations and implementation strategies were reviewed by Ms. Sabbach as follows: review service capacity and determine where it is in the lifecycle; develop quarterly and bi-annual service development and delivery trainings; pursue investment opportunities for expected return on investment; pursue collaboration/partnership opportunities; consider divestment opportunities; reevaluate those services deemed as social good; implement recommended pricing methods; and continue commitment to responsible service development and delivery standards.

Ms. Sabbach reviewed some of the SD Scorecards which showed the actual and projected cost recovery for individual programs and services. She advised that the figures do not include debt or capital costs. She cautioned everyone to be careful when comparing services and said that collaboration is a strategy. Commissioner Gordon commented that "status quo is a no-go".

Ms. Sabbach then addressed the District's top 10 performers and bottom 10 performers based on revenue shortfall to cost recovery in three categories: courses/programs, facility rentals and memberships. She pointed out that golf stands out the most with a \$365,000 deficit which does not include the driving range and said the District should consider employing an exit strategy.

Commissioner Wallace commented that the golf deficit number dwarfs any other performer in the bottom 10. He added that the \$365,000 excludes current debt at an estimated \$200,000 per year and capital needs in excess of \$3.5 million. Plus, the driving range has a shortfall of \$19,000 so true golf shortfall is \$384,000. He stated that the golf shortfall was roughly 20 times that of the paddle shortfall.

Ms. Sabbach said that paddle should be considered to be placed on a "watch list," but that does not necessarily mean an exit.

Executive Director Salski noted that staff loaded everything into the golf line item and it is not broken down like fitness.

Ms. Sabbach and Mr. Hickey answered questions and addressed concerns from the Commissioners.

Executive Director Salski advised that the Cost of Services Final Report will be placed on the Agenda for the Regular Board Meeting on December 18, 2017, for official acceptance.

Ms. Sabbach and Mr. Hickey exited the meeting at 7:20 p.m.

## Special Board Meeting of December 11, 2017

### 2018 Budget – Discussion

Executive Director Salski reviewed the Mission and Vision of the Lake Bluff Park District. He noted that the Finance, Administration and Future Planning Committee has reviewed the 2018 Budget with staff and has given its approval, except for the Proposed Fitness Strategy. The Facilities and Programs Committee has been reviewing the Strategy and will make recommendations.

Executive Director Salski said that the Budget review will include highlights, potential budgeting risks, implications of a possible tax freeze, unbudgeted revenue sources and future challenges. He said the current 2017 budget projection is a Districtwide loss of \$17,671.

Manager Bagley reported that a 3% merit increase is being proposed for all staff. She said the payroll software installation should be completed soon, along with the employee market analysis.

Superintendent Foster noted that the Small Cap Fund totals about \$56,000. The latest project is installing key fobs on many of the doors in the various Park District buildings.

Proposed Fitness Center Strategy Overview – Executive Director Salski reported that results from the Communitywide Survey regarding the Fitness Center were that health and wellness are extremely important to residents. The Vision Statement for the Fitness Center is to be a *Leader at engaging our community in healthy lifestyles by delivering high quality community-based fitness experiences, programs, services, parks, and facilities*. In order to achieve this vision, the Fitness Center must become the hub of healthy lifestyle engagement throughout our community.

Superintendent Heiser said that a high-value Fitness Center membership program is the core focus and key driver to long-term financial sustainability and it is a facilitator for programs and services that promote community-based healthy lifestyles. He said members will receive privileges to the following healthy lifestyle services to enhance the value of being a Fitness Center member: community events, socialization opportunities, outdoor activities, Park District programs, personalized services, group fitness programs and athletics.

Superintendent Heiser noted that the Strategy Team developed five forward-looking strategic goals: increase member engagement and community focus; provide high quality and innovative programs and services; invest in the future, facility, equipment and technology; achieve operational excellence, value and financial success; and deliver compelling and customized marketing to join and participate.

Superintendent Heiser said that staff will provide the Board with quarterly updates on three primary measurements for success: increase the number of annual members to 950 in 2020 (currently 700); increase overall financial performance to achieve a 110% cost recovery goal in 2020; and increase the number of annual visits per member to 60 in 2020 (currently 47.3).

Superintendent Heiser reviewed the 2018 Proposed Membership Fee Structure as follows: resident rate \$37.00 per month and non-resident rate \$44.40; senior rate would be \$30.00 per month for residents and \$36.00 for non-residents. This would include use of Fitness Center, Group X classes, track, program discounts and special offers. There would also be an annual rate of \$444; quarterly at \$150; and monthly at \$55. The annual track rate would be \$180.

## **Special Board Meeting of December 11, 2017**

Key first steps, according to Superintendent Heiser, will include new membership structure, equipment replacement plan, marketing plan, launching of “Go Lake Bluff” campaign, developing quarterly member survey, providing updates to the Board and launching a fee based yoga program.

Executive Director Salski stated that facility improvements are not included in this strategy and he asked Commissioners to think about what type of reinvestment should be done. He said that staff would like to get started with pricing and strategies and Commissioners were in favor of moving forward and putting a line item in the budget for facility improvements.

Superintendent Lakeman reported on recreation programming and said they are planning a 7% increase in specialty camps, a 10% tuition fee increase on 2 year old preschool classes and a 3% fee increase on all general enrichment classes, fall dance classes and athletic programs.

Superintendent Lakeman said that a volunteer recognition event is planned for the summer of 2018 at Sunrise Beach. He mentioned the new dog tag fee of \$10 and also noted that additional buoys would be installed at the beach to help create no wake zones.

Superintendent Foster reported on Park Maintenance and said there will be an increase of \$15,000 for Ash tree removal. He noted they will also include budgeting for vacancies in the Park Maintenance staff.

## **VERBAL COMMUNICATIONS**

**Staff:** Executive Director Salski commented that the 2018 Budget is a “no frills” budget. He thanked staff, Committees and Board for all the hard work that went into creating the budget. He noted they are waiting for a Capital Plan Report from Sikich LLP.

Executive Director Salski stated that a Workshop Meeting will be needed for January 8, 2018, to discuss further budget direction.

## **ADJOURNMENT**

There being no further business, motion was made by Commissioner Mosbarger, seconded by Commissioner Wallace, to adjourn the meeting at 8:45 p.m. The motion carried by unanimous voice vote.

Approved this 18th day of December 2017  
Board of Commissioners  
Lake Bluff Park District