

**LAKE BLUFF PARK DISTRICT
BOARD OF COMMISSIONERS
MINUTES OF REGULAR BOARD MEETING
MARCH 19, 2018**

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: 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; Ed Heiser, Superintendent of Facility Services, Rob Foster, Superintendent of Golf, Park and Facility Maintenance, Dana Hansen, Preschool and Early Childhood Director; Cheryl Mosqueda, Superintendent of Finance and Human Resources; Dawn Dahl, Administrative Assistant; and Marcia Jendreas, Recording Secretary.

Approval of Agenda

Commissioner Gordon moved, seconded by Commissioner McKendry, to approve the March 19, 2018 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

PUBLIC HEARING

A Public Hearing for the Proposed 2018 Budget and Appropriation Ordinance – 2018-C

President Douglass announced that the Public Hearing was open to receive public comments on the proposed Budget and Appropriation Ordinance and explained that all persons desiring to be heard will have the opportunity to present written or oral testimony at this time.

President Douglass asked for additional comments from Park Commissioners.

President Douglass said that all those desiring to be heard have been given the opportunity. Commissioner Mosbarger moved, seconded by Commissioner McKendry, to adjourn the Public Hearing.

Regular Board Meeting of March 19, 2018

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.

FINANCE

February 2018 and Year to Date Financials

Information was on file. Director Salski reported we are on track right now to budget. It is only 2 months in. With having a few months to go, especially the summer months for all camp programs and other recreation programs. For right now, we are in line with budget. Director Salski reported that February's beginning Pooled Cash was \$1,138,190. As of February 28, 2018, the total liabilities, equity and surplus (Pooled Cash) was \$947,687. Adjusting for Referendum Projects (\$40,594), net operating cash is \$907,093. The golf accounts are not reported in the Park District software and don't anticipate to be reported under December 2018. However, the total balance is \$114,484, which would increase net operating cash to \$1,021,577. As of February 28, 2017, the total liabilities, equity and surplus (Pooled Cash), adjusting for Referendum and Golf, the balance was \$1,802,243.

Commissioner Gordon moved, seconded by Commissioner Wallace, to accept the February 2018 Financial report.

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.

Purchase Cards – Ratification

Information was on file. Director Salski reported we are slightly higher than 2017, but again in line with the budget. Compared to 2017, we had 2 small capital projects, mats for the Fitness Center as well as fireplace improvements at the Paddle Hut. These were budgeted items. Comparing to last year, it is just a timing issue. Other than that, we are right in line with budget. Director Salski reported that February 2018 purchases were \$50,309.10 versus February 2017 purchases which were \$39,842.49.

Commissioner Gordon moved, seconded by Commissioner McKendry, to ratify the Purchase Card payment of \$50,309.10.

Regular Board Meeting of March 19, 2018

On the roll call, the vote was as follows:

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

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

Standard and Poors – Ratings – Update

Executive Director Salski reported that Standard and Poors requested a copy of the 2017 audit and became concerned with the fund balances. The rater was extremely impressed with the Park District's 12 Year Financial Sustainability Plan and Cost of Services Model; however, the rating company was concerned with the Recreation Fund balance and golf course performance.

Commissioner Wallace read directly from the S&P report. The negative outlook reflects S&P Global ratings expectations that there are at least a 1 in 3 chance the Park District will likely not be able to return to balance Recreation fund operations in the near future. Leading to additional short falls and a negative combined fund balance for the general and recreation fund. We believe chronic golf course short falls, which negatively affect the recreation funds support this view. If this were to occur, we would likely lower the rating again within a 2 year outlook period. If, however, the Park District returns to balance recreation fund operations and is able to maintain at least adequate reserves, we would likely revise the outlook to stable.

UNFINISHED BUSINESS

Public Comment and Board Discussion: Should the Lake Bluff Park District Continue to Offer and/or Operate the Lake Bluff Golf Club?

President Douglass stated that two public meetings have been held to gather feedback on a future decision regarding the Lake Bluff Golf Club. He said the Board will discuss the issue tonight, but there will not be any vote taken. He asked that if anyone wanted to make any further comments, they should sign in and keep any comments focused on the Golf Club. Each speaker will have a three-minute time allotment.

Dave Partington, Lake Bluff, stated that a new group has been formed called the Lake Bluff Community Golf Association (LBCGA), consisting of about 30 residents who would like the opportunity to raise funds and they would also like a decision on the golf course delayed by 12 months.

Paul Blahunka, Lake Bluff, suggested looking at what other surrounding golf courses are doing to remain open.

Mike Galeski, Lake Bluff, said he is a member of the LBCGA and they can help create a business plan for the golf course. He said he supports a 12 month decision delay.

John Krzynowek, Lake Bluff, said he supports a 12 month decision delay and felt that there is a misconception about the amount of loss over 12 years.

Regular Board Meeting of March 19, 2018

Colette Asmussen, Lake Bluff, said she is a member of the LBCGA and supports a 12 month decision delay. She wants a chance for residents to fundraise.

Clifford Chiovatero, Lake Bluff, commented that more advertising needs to be done about the golf course and the area along Rockland Road needs to be cleared so people can see the course. He said he would be willing to pay a higher fee.

Bob Taubenheim, Lake Bluff, said he is a member of the LBCGA and questioned the use of consultants. He endorsed private fundraising.

Kevin Considine, Lake Bluff, said Commissioners are the fiscal stewards of the Park District, and the golf course losses have been discussed at length for the past six years. He commented that if the Park District does not offer golf, can the residents still go elsewhere.

Neil Dahlmann, Lake Bluff, suggested creating a “golf mecca” with a six-hole course.

Christine Greenfield, Lake Bluff, stated she is a member of the LBCGA and supported the 12 month decision delay. She commented that the community can help keep the course open and they would not accept a decision to close the course without knowing what will happen to the land.

Gerald Moody, Knollwood, advised that he is a golf professional and suggested that season passes be eliminated and everyone should pay green fees. He said there is a golf bust, the demand is gone and many courses are closing.

Jon Grand, Lake Bluff, said he supported delaying the closing for 1 to 2 years and felt that the Park District would have to come up with another land use that would benefit the residents.

Graham O’Connor-Brooks, Lake Bluff, said he is an assistant to Coach Matheson at the high school and having the Lake Bluff Golf Club is a great opportunity for the students.

Adam Smith, Lake Bluff, stated that the vision of the Park District is strengthening the spirit of the community and the community should be allowed to be involved and give their support.

Ed Kositzki, Lake Bluff, commented that there is more than money involved if the golf course closes; there is a community feeling of camaraderie.

Todd Nugent, Lake Bluff, supports a 12 month decision delay and said it would not be a responsible thing to close the course without knowing what will happen to the land.

Matt Allison, Lake Bluff, supports a 12 month decision delay and wanted to know potential plans for the land.

Rush Holson, Lake Bluff, said it was unreasonable to make a decision without knowing what will be done with the land. He favored a 12 month decision delay.

Scott Weber, Lake Bluff, commented that golf has been declining 10% per year for the past ten years, but it is increasing for the younger golfers. He suggested keeping the facility open and target the groups who want to learn.

Regular Board Meeting of March 19, 2018

Jim Matheson, Lake Forest, said he is the head Golf Coach at the high school and said the golf course is important. He commented that he understands the financials and supports the 12 month decision delay.

Deb Fischer, Lake Forest, stated that she supports the 12 month decision delay and felt a new creative approach should be taken.

Curtis Skinner, Lake Bluff, commented that there should be a loyalty program.

President Douglass stated that the Board will now openly discuss the ideas brought forward. He commented that he has learned that Lake Bluff golfers are passionate, open space is valued, a full service clubhouse is not a priority and more marketing is needed.

President Douglass led the Board discussion. Following is a summary of comments and ideas discussed by the Board:

Raising Fees – Commissioner Gordon stated he had never been involved in running a golf course, but he always thought that raising the greens fees will not do anything for the current situation. When this comes up periodically, it is \$2 on average or \$5, there might be more to it than realized, but the opportunities are larger than that. And it might not have the ongoing positive effect that the Park District might need.

Commissioner Wallace stated there is about \$800,000 of revenue from golf fees, memberships and carts. He used an example if it was raised by 5%, \$40,000 can be gained, but will that price increase lead to more than a 5% decrease in the rounds played and memberships bought. And that is constantly what the Board has done each year in trying to look at that. He stated the Park District has done a competitive analysis, priced ourselves in the market and it is a very price sensitive market the Golf Club is in. Fees could be raised, but there is risk of losing golfers. He was more encouraged hearing all of the passion out there of all the people who have said they will play more golf this year. He will be curious to see if that may actually happen. He stated it is a constant battle the Board deals with and with our golf management company and with staff competitive analysis on what is that trade off between fee increase and rounds lost.

Commissioner Douglass said one of the ideas that came out of the previous meetings is that when it came to the annual fees for memberships, that number was relatively low compared to Deerpath and should it be a possible change. He stated the daily fee with dynamic pricing is not easy. The question is, could the Park District get the people that are managing the course to squeeze another dollar or two out of that. Because every penny counts. But the other question would be membership fees, should that be adjusted?

Commissioner Wallace said he would be open to looking at that and hoping that the Park District would still get support. That is the lowest average dollars per round. The people who buy passes typically are looking to get an average rate that is lower than they have to pay if they come out every day. That is just a fact of the golf industry. The people who have the passes are the ones that are going to get the lowest average green fees. He stated that he would be open to that, depending on what the rest of the Board thinks about it.

Commissioner Gordon said yes, he would be in favor of that. He stated that it can't hurt to look at that and try to understand the implications and the actual support from the community to forego that in some way, shape or form, or at a different rate to help benefit.

Regular Board Meeting of March 19, 2018

Commissioner Ehrhard said the Park District couldn't raise fees without the community at large doing more. The Park District cannot just raise the fees by themselves. The Park District would need the community, as you all stood up and said you would give us ideas for how to raise money for this golf club. Raising fees wouldn't just be the answer.

Commissioner Douglass asked if there was any more input on this idea of one of many pieces to the puzzle, that is the raising of fees. He stated that he would like to get a consensus to a degree of how people are feeling. If this is something the Park District wants to pursue, the Board can make a directive and have staff look into talking with Billy Casper Golf about what they might be able to adapt into the system.

Commissioner Wallace said on that point there is extensive work done by Billy Casper Golf on fees, looking at the competition and they made recommendations to the Board on what those annual fees and what the green fees should be. He stated that the Board typically will go with Billy Casper Golf based on the fact that they are running 60, 80, 100 golf courses. That is how these fees came about this year. He stated that this is not the Board sitting down and deciding fees and staff and the Board receiving professional council from somebody who actually does this. He would be open to going back to them and saying could the Park District increase the passholder and the daily fee and what do you think that impact would be on revenues and based on that evaluation, decide whether to do that or not.

Commissioner Gordon agreed.

Commissioner Wallace asked Executive Director Salski to engage Billy Casper Golf in a discussion on fees and quickly.

Commissioner Douglass said the Board has a consensus on that.

Additional Marketing – Commissioner Douglass stated more marketing should be focused on Lake Bluff residents. That is something that came up repeatedly in the previous meetings. He asked for comments.

Commissioner Mosbarger added that he agrees with Susan and that this is a real opportunity. He stated that he thinks Billy Casper has done a nice job of reaching out to communities outside of Lake Bluff and driving golf for non-residents. He doesn't think they have done a great job marketing to Lake Bluff residents. He stated that he had played the golf course a number of times each year and personally have never received an email from them about any event going on the golf course, discount opportunities, bring your kid and play, margarita Fridays, or something fun, but never anything. He believes there is a real opportunity there.

Commissioner Wallace agreed that it is an opportunity, but this is not the first time the Board has heard this about golf. The Board has heard this about the fitness center and some of our programs. While it is a golf issue, the bigger issue for the Board is as a Park District and Park Board to figure out how to more effectively communicate and market to the residents. He would like to figure out how to do that better.

Commissioner McKendry said she is not a golf expert and never realized the small town like Lake Bluff has so many golf experts. She really appreciated listening to everyone's comments and thoughts and hearing the passion in the room excites her. She hopes that they can pull together and make a difference and contribute. Whether it be financially or all your ideas. She agrees with the Board and many who have commented on the marketing. She thinks it is horrible and never received anything for the time

Regular Board Meeting of March 19, 2018

she has lived in Lake Bluff. She heard that Billy Casper did focus on outside of Lake Bluff and she has to trust that is where they were putting their energy. She believes it can be really cool to put it into Lake Bluff and see if the Park District can make a difference. She stated that listening to many of you for the last few weeks, has honestly really excited her. She hopes that all of your expert opinions and your effort really can make a difference. She stated thank you for your emails and your personal text messages. She hasn't responded to all of them, but really appreciates their passion and ideas. Some of the ideas that weren't even pro golf, all the open space ideas are awesome. And she has been really excited to hear from everyone. Thank you.

Commissioner Douglass said clearly marketing is a broad subject, not just golf. I think that was well stated by Commissioner Wallace. The Board has to take a look at that and see what they can do to be better. Not sure this Board has the answer at this point, but will roll our sleeves up on that one and figure that out. It is Districtwide, it isn't just golf.

Simplify Financial Overview of the Golf Course – Commissioner Douglass stated this is a tough one. How to simplify the financial overview, not just the golf course, the entire Park District. Because governmental accounting is very different from the private sector, so I am going to defer to our Treasurer, who can read into this better than I can. The Board feels it would be good if they can find some way to help bring simplification to a better complex system.

Commissioner Wallace said thanks for all the input. It has been great to hear all the passion and the input. Lake Bluff clearly has a lot of talented and well learned people in this group, which is great. This group up here is passionate as well and pretty talented. The Board has members from finance, banking, sales and marketing, operations, design and construction and the Board even has golf expertise. I myself for 20 years was with Kemper Sports as the Chief Financial Officer. I was also the first CEO for Top Golf USA, which is a new concept in golf that is introducing a lot of people to golf. I have done this, and I understand some of this stuff. With that said, I am going to take a lot of personal responsibility for the complexity of the numbers that have been presented. The Board tried to frankly do too many things. The Board tried to look at pretty much any scenario that could happen and present them all in rapid fire and it was the wrong approach. The Board tried to look at an 18 hole course and a 9 hole course, a modular clubhouse, a full clubhouse, all kinds of different things all at once. And in retrospect, that was a mistake. And I apologize for that. The Board is going to try to get it a little more simplified. While I have the microphone, I just want to remind the Board about the numbers we are looking at here. The Park District does a long range plan and over the next 12 years, staff, along with the consultants that everybody doesn't like, but who actually helped us a lot, because the Board doesn't have all the expertise up here, staff has identified over the next 12 years, \$6.5 million in capital needs within the Park District as a whole. And that word is important. It is needs. It is not wants, it is not wishes, it is needs. And that \$6.5 million assumed the modular clubhouse, which I assume the Board is settling in on is a good way to save \$1 million in capital. There is a \$6.5 million need and the Park District has three ways to pay for that. The first one is annual operations. This year, Districtwide, the budget is \$22,000 positive. Last year the loss was \$91,000 as a District. That is not going to go very far towards \$6.5 million. The Park District's balance sheet right now has \$1 million in capital reserves. Take that whole million dollars and spend it towards the \$6.5 million. Which leaves exactly \$0 in the capital reserves fund for the next emergency. There would be no money left in that fund. The Park District has 1.4 million of borrowing capacity without going out for referendum. Take all those together, the Park District has a hole of \$4.1 million dollars left that this Board, right now, over the next 12 years does not have a source to recover. That is the number the Board is looking at. You wonder why the Board is looking at the golf course, the golf course over the last 12 years, audited financial numbers from a real life auditor, has lost over \$3

Regular Board Meeting of March 19, 2018

million. There are a lot of people who have opinions on the debt out there, but the accounting school I went to and the auditors for the Park District require debt be included in the golf operations. There is a really simple reason for that. The reason there is debt on the golf course is because of past capital. The Board had to go out and borrow money to pay for the driving range, the irrigation system and everything else. The Park District didn't have the money, so the Park District borrowed it. The Park District is now paying it back. It is a legitimate cost for golf operations. It is just like the next round of capital the Board has to go do, the Park District is going to have to go borrow again. The Board is going to have it against operating funds in the future. The cycle will continue forever. Golf is a highly intensive capital business. It is a fact that you are going to have debt and that debt needs to be taken into consideration. You just can't ignore it. By the way, right now, the Park District has \$7.7 million of debt right now as a District.

Commissioner Gordon said to tag along to that, but not necessarily from a number stand point. It is something that goes right to his core. If the Board gets this done, it is always going to be about this Board. And he came away from all the meetings and most emails that this is about this Board. And he hoped that this Board never says we or they. Because we all have the same goal. Every time somebody stood up and said we want to help, he said yes! He is so glad nobody is going you guys don't know what you are doing. Because the Park District has wonderful talent, added with that some consulting people to add to that. Let's make sure this Board does it that way, and this Board will be successful. He stated that he believes that. He hoped everybody else thinks that too.

Commissioner Wallace, stated that the residents don't know that much about this Board. He stated that this Board has been listening to you. He is a golfer and has been a golfer since he was 7. He has been in the golf business for 30 years and loves golf. He plays at this golf course. He stated that he is not just lightly saying lets just close the golf course. The Board has been working on this for 10 years and they have had the same issues for 10 years. And he thanked the Board for finally being the Board that won't kick the can down the road anymore. He stated that the Board is putting it on the table, going to talk about it and going to try to figure it out. He stated thank you for stepping up.

Commissioner Douglass said well as you can hear, really the big nemesis is that \$7.7 million in debt. And after 2008, that was something that every household felt, we all rationed down. And the Park District tried to get our debt down. And that is the thing the Board is wrestling with here. It is not about golf, it is really the debt that the Park District carries. And the Board doesn't want to have this Park District put into jeopardy. It is the community as a whole that the Board is really trying to represent here. And it includes golf, but it is also a Districtwide challenge.

Other Concerns – Commissioner McKendry said she got involved with the Board just to make Lake Bluff a little better. She is not a golf expert and has been on the Board for about 10 years and she wants to strengthen the spirit of the community. She also feels that the Board has to mention one more thing so that you are not surprised when you hear this. A lot of you have talked about could the Park District ever have a referendum. In the back of my head, I am saying, boy I don't think they know about something else brewing in Lake Bluff. It is our lake. Our water levels have continued to rise, Lake Bluff has erosion issues and the Park District is responsible for the lake and our beach. The Board is going to have to put money into the beach. She has heard a lot of people saying the gem of our community is the golf course. It is one of the gems. Our true gem is our beach. And if you ask 10 people on the street, did you move here for the golf course or the beach? Her guess is the majority of the people would say the beach. She never looked at the golf course. She would like to be a golfer, but also wants you to know the Park District has to put some money into our beach. The Park District needs to put up some

Regular Board Meeting of March 19, 2018

groins. It is going to be well over \$1 million. In the back of your head, let's keep the Park District's priorities straight, there are a lot of needs in our community. And she wants you to know the beach is going to come up and it is going to be a really important one.

Fundraising – Commissioner Douglass said this is about fundraising and the Lake Bluff Community Golf Association and a potential role the golfers could play in this matter running in parallel with our Foundation. He believed there have been some conversations with the officers of the Foundation, where they will allow them to use their non-profit status. He hoped that in the not too distant future, the Board can talk more about that as far as capabilities of fundraising. He doesn't know that anyone has much to add to that other than the need to establish dialog with the Foundation and see what can be done to run parallel on that too.

Leasing Option – Commissioner Douglass stated that one item that came up in the first and second meetings was the idea of leasing. The golf course remains that just an outside party is going to be considered running it and it may take different forms, maybe it is an 18 hole course, maybe it is a 9 hole with a practice facility, maybe it is par three's.

Commission Mosbarger stated that the Park District has tried to be very careful to say the issue that the Board is dealing with here is whether we as a Park District should operate the golf course. He stated that the Board is not up here saying the Board is going to close the golf course. It is should the Park District operate the golf course. He believed if the Park District can find another entity that would take that financial burden off of the Park District, yet continue to operate it as a golf course, it would be a win-win for everybody. If golfers have firms that you work with or work for or are in association with that you think would be interested in receiving an RFP to operate that course, fantastic. Please give us some of those names.

Commissioner Wallace stated an RFP would be a good thing to do. He stated that the Board doesn't want to run the golf course and continue to take the financial risk on the golf course. The Park District can't afford it as there are too many other Districtwide needs. But if the golf club can attract someone who can come in on a long term lease and create and come up with a way that they can do that and maybe with some help from the golf group of raising some funds toward capital, maybe the Board can figure it out.

Under a lease agreement, someone will come in and take complete financial control of the facility. They would decide rates, how to market it, how to maintain it, they would decide all of that. They would take on all the risk for the capital, they would take on all the risk of the property. If the Park District can find a way to have someone do that or take a fair amount of the burden away from us, he would support it. And there are golf companies, where he worked before, that did a bunch of leases, including a lot of municipal leases.

There are a number of national golf companies who can come in and take the operation as is, do whatever they want to do with the clubhouse, it would be their decision and operate it. Hearing the creativity of the group here, he was very encouraged by some of the thoughts of a practice facility, a 3 hole facility or places where people learn golf. There are other groups that could come in and put together a private investment group and say we need a really great practice facility with 3 holes, wouldn't that be awesome. They will fund it, they will build it, and they will run it and they will take the financial risk. That would be fabulous too.

Regular Board Meeting of March 19, 2018

He stated that what the Park District can't do is, the Park District is already facing a \$4.1 million capital hole, the Park District doesn't have any money to invest and hope something works. The Park District just doesn't. The Park District doesn't have the ability to come up with this creative great vision and say let's spend \$2.5 million and execute the vision and then pray that the Park District gets a financial return on it. First of all, the Park District doesn't even have the \$2.5 million. Even if the Park District did, the Park District would still be open on the operating side. He believes there might be private groups in the community or in surrounding communities who might come in and say they have a really cool concept, here is my pitch, here is how many dollars to put in and here is what we want to do with it.

Commissioner Douglass, stated the next question on the subject is there consensus to have Executive Director request RFP's to be issued out nationwide. He will develop an outline of what that RFP would be. He believes if the Park District can find the right situation where the Park District has the golf course and the Park District will not have to be carrying the debt. Commissioner Douglass believes that would be a win-win for everybody. He would strongly encourage the board to really explore that. He asked to have a directive to Executive Director Salski to start putting together the outline of an RFP and get this issued as quickly as possible with Commissioner Wallace's assistance. He assumes there are companies out there or private equity groups that would want to do something. He stated that the Park District will issue RFP's for long term leases.

Change Underlying Zoning on Park District Land – Commissioner Douglass said all Park District land has residential zoning attached to it. The Village of Lake Bluff has established a Recreational Institutional Open Space Zoning and after some discussion, there was consensus among Commissioners to request this zoning for all Park District open land. Executive Director Salski will send a letter to the Village requesting further information on a zoning change.

Lake County Forest Preserve (LCFP) – Executive Director Salski sent a letter to the LCFP to determine if they had any interest in leasing or managing the golf course. Their Finance Committee sent a reply letter stating that they had no interest.

Referendum, etc. – Commissioner Pitera said the Board was pleased to hear residents thinking outside the box and forming a group to work with the Board at solving this problem.

Commissioner Wallace said fundraising is a priority, RFPs will be issued to determine if investors want to manage or create a different type of facility relating to golf and marketing improvements are extremely important.

Commissioner Mosbarger said it was felt that if the community decides to raise taxes, this should not be the first option explored. Douglass, the subject of a referendum should be the last resort.

Commissioners agreed that a decision has to be made for the Park District as a whole and it needs to be made this year if a plan cannot be created to reduce or eliminate the shortfall. This subject will be discussed at a future Facilities and Programs Committee meeting and the Committee will make a recommendation to the Board.

President Douglass called for a break at 8:40 p.m. He called the meeting back to order at 8:50 p.m.

Regular Board Meeting of March 19, 2018

MINUTES

**Approval of Minutes of February 26, 2018 Regular Board Meeting
Approval of Minutes of February 26, 2018 Special Board Meeting
Approval of Minutes of March 5, 2018 Special Board Meeting**

Commissioner Wallace requested the following change in two sets of minutes:

Page 2, paragraph 3, line 5, of February 26, 2018 Special Board Meeting Minutes, should read: *projected shortfall going forward totals \$5.4 million, which is comprised of \$2.7 million of operating costs and \$2.7 million of capital.*

Page 2, paragraph 2, line 5, of March 5, 2018 Special Board Meeting Minutes, should read: *projected shortfall going forward totals \$5.4 million, which is comprised of \$2.7 million of operating costs and \$2.7 million of capital.*

Commissioner Mosbarger moved, seconded by Commissioner Wallace, to approve the Minutes of the February 26, 2018 Regular Board Meeting, as submitted; and February 26, 2018 Special Board Meeting, and March 5, 2018 Special Board Meeting, as amended.

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.

CONSENT AGENDA

**Approve Invoice Schedule for the period ending March 1, 2018
Approve Invoice Schedule for the period ending March 19, 2018**

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

NAY: None

ABSTAIN: None

ABSENT: None

Motion carried.

Commissioner Ehrhard moved, seconded by Commissioner McKendry, to approve the Consent Agenda as presented.

Regular Board Meeting of March 19, 2018

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.

NEW BUSINESS/ACTION ITEMS

Ordinance 2018-C – Combined Budget and Appropriation – Approval

Executive Director Salski explained that the Park District is showing an appropriation total of \$8,416,468 for the calendar year 2018. The appropriation is lower than 2017 due to less capital projects planned for 2018. This appropriation reflects 20% increase line item by line item. This common practice allows for any unforeseen expense that might occur as a result of repairs, added programs, capital improvements, etc.

Commissioner Gordon moved, seconded by Commissioner Wallace, to accept Ordinance 2018-C, the 2018 Combined Budget and Appropriation Ordinance, disclosing all necessary expenditures and liabilities in all of the Park District's funds for the calendar year beginning January 1, 2018 and ending December 31, 2018.

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.

Energy Agreement – Natural Gas – Approval

Executive Director Salski said that the Park District's Energy Consultant Lower Electric, LLC, recommends entering into a 24-month contract with CenterPoint Energy to provide natural gas at a lower rate than what the Park District is currently paying.

Commissioner Mosbarger suggested a 36-month contract because the rate has been historically good. After some discussion, all Commissioners were in favor of 36 months.

Commissioner Mosbarger moved, seconded by Commissioner Wallace, to authorize the Executive Director, with Attorney review, to sign a contract with CenterPoint Energy for a period of 36-months, beginning September 2018, for natural gas.

Regular Board Meeting of March 19, 2018

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.

Health and Fitness Center – Fitness Equipment – Financing – Approval

Superintendent Heiser explained that at the February 5, 2018 Special Board Meeting, the Board accepted bids from Midwest Commercial Fitness, Direct Fitness Solutions and Integrity Fitness, for the purchase of 21 pieces of new equipment with total amount, including trade-in, of \$47,045. He said new lease payments were budgeted to total \$1,135.75 per month beginning in January.

Commissioner Wallace commented that it has been standard District practice to lease in order to protect the Capital Fund.

Superintendent Heiser reviewed the financing proposals from PNC Equipment, LLC and Lake Forest Bank and Trust.

Commissioner Wallace moved, seconded by Commissioner Mosbarger, to authorize the Executive Director and/or Board President to enter into a four-year bank loan with Lake Forest Bank and Trust for a principal amount, \$47,045, at 5.50% interest, to finance the purchase of health and fitness equipment.

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.

WRITTEN COMMUNICATIONS

Community Comments/Correspondence – None

VERBAL COMMUNICATIONS – None

Regular Board Meeting of March 19, 2018

ADJOURNMENT

There being no further business, motion was made by Commissioner Ehrhard, seconded by Commissioner Gordon, to adjourn the meeting at 9:02 p.m. The motion carried by unanimous voice vote.

Approved this 16th day of April 2018
Board of Commissioners
Lake Bluff Park District