

Truth in Taxation Hearing Minutes and Regular Meeting Minutes of the
Gurnee Park District Board of Commissioners
November 19, 2013

Board President Jim Goshorn called the Gurnee Park District truth in taxation hearing to order at 6:45 p.m. The roll was called. Commissioners present: Libby Baker, Vicki Paddock, Jim Goshorn, Gerry Crews and Michelle Klemz. Commissioners absent: none. Also present: Susie Kuruvilla, Executive Director; Jeff Reinhard, Supt. of Parks; Scott Crowe, Supt. of Recreation; Mike Szpylman, Supt. of Business; Chris Marzano, Youth Athletic Supervisor; Shawn Zimmerman, Fitness Manager; Jennifer Gilbert, Marketing/PR Manager; David Phillips, Speer Financial Inc. and Suzanne Gage, Administrative Assistant. There were no other visitors.

The President stated that the truth-in-taxation hearing notice was published in the *Daily Herald* on November 8, 2013. The proposed tax levy for 2013 is \$5,537,009, a 5.89% increase from the 2012 tax extension. The levy for the corporate and special purpose funds is estimated at \$4,597,498, which is 7.09% higher than the previous year. The total estimated debt service levy is \$939,511. Since the total increase in estimated tax levy including debt service is estimated to be higher than 5%, a truth-in-taxation hearing is being held at this time. The proposed 2013 tax levy is based on an estimate of \$1,166,877,373 of Equalized Assessed Valuation, which is a 6% increase from the 2012 EAV. The new construction amount is estimated to be \$47,335,591. The consumer price index for 2013 is 1.7%. He noted that the percentage increase in the tax extension amount is an estimate at this time and it is only due to the increase in EAV mainly as a result of new construction in our community. The estimated tax rate for 2013 is .475, which is the same as the 2012 tax rate.

President Goshorn opened the floor for public comments but there were none.

Motion was made by Libby Baker seconded by Vicki Paddock to adjourn the hearing. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried. The hearing was adjourned at 6:49 p.m.

President Jim Goshorn called the regular meeting to order at 6:49 p.m. and led the pledge of allegiance. He asked for roll call. Libby Baker, Vicki Paddock, Jim Goshorn, Gerry Crews and Michelle Klemz. Commissioners absent: none. Also present: Susie Kuruvilla, Executive Director; Jeff Reinhard, Supt. of Parks; Scott Crowe, Supt. of Recreation; Mike Szpylman, Supt. of Business; Chris Marzano, Youth Athletic Supervisor; Shawn Zimmerman, Fitness Manager; Jennifer Gilbert, Marketing/PR Manager; David Phillips, Speer Financial Inc. and Suzanne Gage, Administrative Assistant. There were no other visitors.

A motion was made by Michelle Klemz to approve the minutes of the regular meeting of October 15, 2013. The motion was seconded by Vicki Paddock. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Gerry Crews to approve the minutes of the special meeting of October 21, 2013. The motion was seconded by Libby Baker. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Vicki Paddock to approve the executive meeting minutes of October 15, 2013. The motion was seconded by Gerry Crews. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion to approve the total bills, payouts and payroll in the amount of \$1,656,460.66 presented on November 19, 2013 was made by Michelle Klemz and seconded by Vicki Paddock. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

The financial report and treasurer's report were reviewed.

The President opened the floor to visitor comments. There were no comments.

Jeff Reinhard reviewed the Parks Department report. He stated that most of the work accomplished this month was at FitNation as the written report shows. The board thanked the parks team for the work that was done. There were many long days and overtime. Our Parks staff is very talented and it shows in the work done in the building.

There was a meeting with Lake County Stormwater Management Commission today. They are designing the porous parking lot within budget constraints. It will be built in the spring. Crushed concrete material recycled from the site, will be used on the pathways. Jeff Reinhard said Stormwater Management is very thorough and he receives a report from their staff each day.

Scott Crowe discussed the Recreation Department report. He also had a busy month because of FitNation. October special events including the Trick or Treat Path went very well. Scott discussed staff changes. Matthew Vanderkamp has transferred to Membership Services Supervisor at FitNation. Chris Marzano was promoted from Youth Athletic Coordinator to Youth Athletic Supervisor. He is a 7-year employee.

Shawn Zimmerman was introduced as the new Fitness Manager supervising Matthew and Pat Bodame. Shawn comes to the District from Lifetime Fitness where he worked for 10 years and was operations manager. He has been in the industry for 18 years and worked at many different clubs. He discussed his current focus – front desk staff training on our systems and custodian training. He is also working on corporate memberships and lead generation specifically for one-week pass holders. A personal training program is to be built. There have been 1878 new members since 10/1.

Commissioner Goshorn complimented the sponsorship report prepared by Kristi Murray and Jennifer Gilbert. We have had a huge amount of support from our sponsors.

Mike Szpylman presented the Business Department report. He noted that he was impressed with JoEllen Roebuck, Sean Aldrich and Kim McCormack, who really stepped out of their comfort zones and trained the new staff at FitNation on RecTrac. He complimented Sean particularly because he's only been employed since June. The Board thanked Mike for his many hours of work at FitNation.

Jennifer Gilbert reviewed the Marketing/Public Relations report. Jennifer noted working on promotions with radio and print, direct mail pieces and inserts to the EZ target. With the addition of FitNation, a larger market area must be included. Current projects for Jennifer and Brenda Sorensen also include the winter brochure coming out 12/1; the pool and camp guide and aquatic center pass sales campaign. Commissioner Klemz said that the marketing department has been spread so thin but has accomplished so much that its really impressive. Jennifer said that in a small department, staff relies heavily on outside vendors. Our vendors were very responsive to our needs, thanks to our phenomenal reputation in the community.

Susie Kuruvilla reviewed the Director's Report. She discussed how hard the four department heads have worked since the acquisition on 10/15. She thanked them for the wonderful job they have done in just three weeks. All of the staff took ownership of the work that needed to be done. She also thanked the Board for their trust and giving staff the ability to do a good job. She discussed the goals for the fitness center. By January 31, the first phase of remodeling will be completed. The ribbon cutting will be held on December 3 at 5 pm. She discussed the plans for the event.

Phase II remodeling of the FitNation building will be the repairs to the pool. Some money will be taken from fund balance and developer donations since this will be the District's only indoor pool. Money will be reimbursed to the fund balance in the future.

The six-month update to the fiscal year's goals and objectives was reviewed. Understandably, some tasks have been postponed because of the acquisition of FitNation.

The Director noted that the Distinguished Budget Presentation Award has been received from the Government Finance Officers Association for the current budget year. Achieving this award is a great honor and she stated she

is extremely proud that it was received again this year. Even though Mike Szpylman developed the final document, there are many staff members who played a role in developing the budget including all Department Heads and Recreation Supervisors.

It was noted that aquatic center fees will be increased 3% for season passes (\$2) but daily admission rates will remain the same.

ACTION ITEMS

A motion was made by Gerry Crews to approve the amended budget for fund 16, fund 17, and the fitness portion of fund 20 (20 65) for Fiscal year 2013/2014 to include FitNation acquisition and operations. Motion seconded by Michelle Klemz . Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Vicki Paddock to approve the supplemental budget and appropriation ordinance #13/14-5 for fiscal year 2013/2014 to include FitNation acquisition and operations. Motion was seconded by Michelle Klemz. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Libby Baker to award the bid for new resilient athletic flooring at FitNation in group exercise room #1 to the lowest responsible bidder, Kiefer Specialty Floors, Lindenhurst IL, at a cost of \$22,600.00. Motion seconded by Gerry Crews. Jeff Reinhard noted that room #1 is the spin studio and this is the same flooring that was installed at Hunt Club in the weight area. Other suppliers were contacted but this was the only bid submitted. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Michelle Klemz to award the bid for wood sports flooring at FitNation in group exercise rooms #2 and #3 to the lowest responsible bidder, Haldeman-Homme, Inc., Lombard, IL at a cost of \$67,750. Motion was seconded by Libby Baker. Jeff noted that the District has not used this vendor before but staff is comfortable with the company. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Vicki Paddock to award the bid from the lowest responsible bidder, LifeFitness, Rosemont, IL in the total amount of \$86,664.04 for the purchase and installation of 11 treadmills, seven upright bikes, and five recumbent bikes. Motion was seconded by Gerry Crews. These items are for the older cardio deck and the women's workout area. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Michelle Klemz to award the bid from the lowest responsible bidder, NuStep, Ann Arbor, MI in the amount of \$11,697 for the purchase of two NuStep T5 machines. Motion seconded by Libby Baker. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Gerry Crews to award the bid from the lowest responsible bidder, Direct Fitness Solutions, Mundelein, IL in the total amount of \$48,224 for the purchase of six Precor Ellipticals with TV, one Precor Elliptical without TV and four Concept 2 Rowing Machines. Motion seconded by Michelle Klemz. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Michelle Klemz to approve Resolution #13/14-5 authorizing the sale of surplus personal property. Motion seconded by Gerry Crews. Scott Crowe noted that the previous sale of equipment went well. Motion Fitness was used to auction it to the highest bidder. The winning bidder paid \$24,000 up front for the equipment. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Vicki Paddock to appoint Libby Baker as delegate for the IAPD annual business meeting on January 25, 2014 and Vicki Paddock as the alternate delegate. Motion seconded by Gerry Crews. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Gerry Crews to approve the Categories of Services as presented. Motion seconded by Michelle Klemz. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Libby Baker to approve the annual levy ordinance #13/14-6. Motion seconded by Michelle Klemz. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

David Phillips, financial consultant from Speer Financial spoke to the Board regarding the limited park bond issuance. He noted that there are statutory provisions that allow a Park District to purchase its own unrated bonds and GPD will do so this year for the first time. There are advantages to the District from the standpoint of cost savings because you are paying yourself interest and at the same time getting a “decent return at a fair rate”. He had reviewed current sale results with one year non referendum bonds with the Director and business manager and arrived at a rate of 1.07%. \$930,440 is the amount to be issued. The Director noted that purchasing the bonds makes sense for the District because it has the cash flow and the investment rates are lower than the bond rates. Proceeds are used to pay off a portion of the debt on the aquatic center and the Hunt Club Park Community Center construction.

A motion was made by Gerry Crews to approve Gurnee Park District to issue bonds at an interest rate of 1.07%. Motion seconded by Libby Baker. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Michelle Klemz to approve Ordinance #13/14-7 for the issuance of \$930,440 in general obligation limited park bonds series 2013-B of the Gurnee Park District and for the levy of a direct annual tax to pay the principal and interest of said bonds. Motion seconded by Vicki Paddock. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

There was no other business.

A motion was made by Michelle Klemz to enter executive session at 8:22 p.m. to discuss:

- The purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired 5ILCS 120/2(c)(5)
- To consider information regarding appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel to determine its validity. 5ILCS 120/2(c)(1)

Motion was seconded by Libby Baker. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried. Susie Kuruvilla and Suzanne Gage were authorized to attend the closed session.

A motion was made by Vicki Paddock to return to open session at 9:07 p.m. Motion seconded by Libby Baker. On voice vote, all voted aye.

A motion was made by Gerry Crews to approve Resolution #13/14-6 approving amendment to lease agreement with Gobalt, L.L.C. as presented. Motion seconded by Vicki Paddock. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion was made by Michelle Klemz to approve Resolution #13/14-7 approving amendment to lease agreement with Michael Logue & Associates as presented. Motion seconded by Gerry Crews. Roll call vote taken. Ayes: Klemz, Baker, Paddock, Crews and Goshorn. Nays: none. Absent: none. Motion carried.

A motion to adjourn was made by Gerry Crews and seconded by Vicki Paddock. On voice vote, all voted aye. The meeting adjourned at 9:10 pm.

James G. Goshorn, President

Michelle Klemz, Secretary