

MINUTES OF A MEETING OF THE FINANCE COMMITTEE OF THE PLEASURE DRIVEWAY AND PARK DISTRICT OF PEORIA, ILLINOIS HELD AT 5:00 PM WEDNESDAY, MAY 24, 2023 AT THE NOBLE CENTER FOR PARK DISTRICT ADMINISTRATION, 1125 WEST LAKE AVENUE, PEORIA, ILLINOIS.

MEMBERS PRESENT: Trustee and Chair Timothy Bertschy, Trustee Reagan Leslie Hill, Trustee Steve Montez (in at 5:02 pm), and Executive Director Emily Cahill

MEMBERS ABSENT: None

TRUSTEES PRESENT: Trustees Timothy Bertschy, Joyce Harant, Reagan Leslie Hill, Steve Montez, Alexander Sierra (in at 5:06 pm), Vice President Laurie Covington and President Robert Johnson

STAFF PRESENT: Executive Director Emily Cahill, Matt Freeman, Becky Fredrickson, Scott Loftus, Shalesse Pie, Karrie Ross, Brent Wheeler, Attorney Bill Streeter and Alicia Woodworth

OTHERS PRESENT: None

1. CALL TO ORDER

Trustee Bertschy presided and called the meeting to order at 5:00 pm.

2. ROLL CALL

3. CALL FOR A MOTION TO PERMIT MEMBER TO ATTEND MEETING ELECTRONICALLY

No request to attend meeting electronically was received.

4. MINUTES

4.A. Approval of April 26, 2023 Finance Committee Meeting Minutes

Executive Director Emily Cahill MOVED TO APPROVE the minutes of the April 26, 2023 Finance Committee meeting. Motion seconded by Trustee Bertschy and carried by unanimous aye of members.

5. NEW BUSINESS

5.A. Overview of 2023 Committee Focus

Karrie Ross stated that per Trustee Bertschy's request, she put together a summary/recap of activities and accomplishments of the Finance Committee in 2022, and a proposed schedule and draft agenda topics for 2023 as follows:

2023 Finance Committee Schedule & Agenda Topics

5/24/2023	Finance 5:00-6:00
	Review of Accounts Payable
	Monthly Financials
	Discuss Committee's Focus for 2023
	Purchasing Policy Update Suggestions

6/14/2023	Finance 5:00-6:00 (Suggest to use both board Wednesdays in June for Finance Committee) Audit Draft Review with CLA
6/28/2023	Finance 5:00-6:00 (Suggest to use both board Wednesdays in June for Finance Committee) Review Accounts Payable Monthly Financials Discuss 2022 Audited Financials Relative to Fund Balance & Reserve Policy Begin Application of Reserve Policy to 2022 Final Financial Position
7/12/2023	Regular Board Meeting
7/26/2023	Finance 5:00-6:00 Review Accounts Payable Monthly Financials Investment Policy Revisions Discussion
8/9/2023	Regular Board Meeting
8/23/2023	Finance 5:00-6:00 Review of Accounts Payable Monthly Financials Discuss Budget Process for Revised Budget, Proposed Budget, & Bond Budget
9/13/2023	Regular Board Meeting
9/27/2023	Finance 5:00-6:00 Review of Accounts Payable Monthly Financials Review 2023 Revised Budget Relative to Fund Balance & Reserve Policy
10/4/2023	Finance 5:00-6:00 (Suggest swapping Finance meeting to first meeting of month to discuss prelim budget) Mid-Budget Process Update for 2024 Operating Projections and Bond Budget
10/25/2023	Regular Board Meeting (Suggest swapping Finance meeting to first meeting of month to discuss prelim budget)
11/1/2023	
11/8/2023	Usually No Finance, Due to Full Board Budget Schedule
11/15/2023	
12/6/2023	Board Meeting
12/13/2023	Finance 5:00-6:00 - This meeting usually cancels

In the last meeting of the previous Board on April 26, financial policies updates were approved. One of the more substantial sections of the policy that were reviewed and updated was fund balance and reserves.

Trustee Bertschy stated that in the beginning, new Committee members are not expected to know the difference between a debit or credit nor are they expected to know how to read a full general ledger. He would expect however, that new members will learn the financial policies in place, what a general ledger is and how the Committee conducts business. He expects they will understand the laws relating to the audit and tax levies and

the necessity of their timing. This year, he hopes the Committee will be able to evaluate how to allocate fund monies to different programs.

Karrie Ross stated that both she and Emily Cahill are happy to help with members building their understanding of these issues and please feel free to reach out.

An added element to this year's audit is the single audit. This is essentially a higher level of audit work that is done on the District's grant programs when \$750,000 or more is received from federal grant dollars. Last year the District triggered that level of audit and will again for this year.

5.B. Review of Accounts Payable

For the benefit of new members/Trustees, Karrie Ross gave a general overview of the full review and payment process. Before a credit card is issued to an employee, their supervisor approves a request for the credit card and sends the approval form to the Purchasing Supervisor. The Purchasing Supervisor then orders the credit card. In order for the credit card to be issued to the employee, the employee signs an agreement that outlines the ethics regarding their use of the card as an employee. The Purchasing Supervisor then provides the employee with training on how to reconcile their expenses. The reconciliation is done through an online portal where a description of what the purchase was and the budget line the purchase should be charged to. An itemized receipt is to be provided to the Purchasing Department for the purchase. Two individuals in the Purchasing Department review the receipts and description to make sure they match. The Purchasing Supervisor performs a next level review to make sure everything is correct and the amount that has been reconciled from the employee matches the amount of the monthly bill shown on the credit card statement. The Purchasing Supervisor then downloads that information and provides it to the Finance Manager. The Finance Manager then reviews the information, checking for accuracy and makes sure the amount paid to the credit card company matches the statement amount billed. The Purchasing Supervisor does not have access to the online bank/credit card information. The Finance Manager also reviews things like grant-funded budget lines, making sure the descriptions for items charged to the grant budget line makes sense for the grant because if not, the District audits the grant budget in order to find out where to place those grant-related expenses, ensuring the District complies with the grant on all expenses. The Finance Manager then completes the credit card report in the format that is presented to the Finance Committee. Prior to being presented to the Finance Committee, the report is reviewed by the Superintendent of Finance and Admin Services and posted on the District's intranet for all staff to review, particularly other managers. It then is presented to the Finance Committee and Board for review.

The Committee members confirmed they had reviewed the current listing of accounts payable and bills and had no questions or comments. The Committee recommends they be presented to the full Board for approval.

5.C. Review of April 2023 Financials

Karrie Ross stated that at the close of April, the District's revenue generating season is just starting to kick off. Due to early warm weather, the golf division has started the year

very strong, with revenues 25% higher than prior year. The District's program registrations have also been strong, with nearly all camps filled to maximums.

The District's tax revenue sources include property taxes and replacement taxes. Property tax revenue is received primarily in June and September. So, at the end of April, the District has not yet received 2023 property tax revenue, which is the primary reason for the decrease in cash balances from prior month. The District received two replacement tax payments by the end of April; those payments were lower than prior year by approximately 17%. But, 2022's replacement tax revenue was a record high, and the District budgeted for lower replacement tax revenue in 2023.

Overall, the District is in a strong position headed into the summer season, both from a financial perspective, and a management perspective. Labor market struggles are significantly better than prior year, inflationary pressures have improved, generally supply chain is more predictable, tax revenue projections are aligning with budget, and an early spring is helping generate charges for service revenue.

To assist in the review of the financial statements, the major variances in year to date fund totals are explained, and management provides brief comment on overall financial condition and issues. To be identified as a major variance, the difference between the current year to date fund total and the prior year to date fund total must be greater than \$75,000 and more than a 5% change.

Revenues

- General Fund – The General Fund's revenues are down \$627k from prior year. This decrease is primarily associated with lower replacement tax revenues compared to the record high level of replacement taxes received in 2022. Note, this decrease of replacement tax revenue was expected, and the property tax revenues received in 2023, as of April's close, do not indicate any issues with meeting the District's replacement tax budget estimate.
- Golf Fund – Revenue is up \$182k compared to last year. The mild winter and early spring weather have created positive traction for the golf revenue at all the courses. Kellogg revenue is up \$68k, GLC is up \$39k, Madison is up \$25k, and Newman is up \$13k from prior year. As reflected in the table below, every revenue service category is tracking higher than prior year, with Membership revenue already surpassing budget.

Expenditures

- Museum Fund – Fund Expenses are up 75K (18%) compared to 2022. There are two primary reasons for this increase. First, the payroll expenses in the fund are \$44k higher than prior year, due to higher part time payroll activity at the zoo, and secondly, due to fulltime staff increases. Additionally, there's an increase in the Zoo's museum fund administrative expense charge, which is simply associated with a budgetary change to how the Zoo's administrative expenses are split in 2023.
- Recreation Fund – Fund expenses appear lower than last year by \$197K (8%). \$97k of this variance is associated with the separation of the ELITE program from the Park District in July 2022. The remaining variance is primarily associated with decreased

expenses within the ICJIA grant, because of the decreased grant award for the current grant term (\$900,000 for term 7/1/22-6/30/23 vs. \$1,350,000 for term 7/1/21-6/30/22).

- River Front Fund – Fund expenses are up \$89k (65%) compared to 2022, due to the DCEO program grant expenses paid for Park-a-Palooza. Note, the DCEO program grant is a reimbursable grant.
- IMRF – IMRF expenses are down \$83k from prior year, which is due to the decrease in the 2023 employer contribution rate (7.41% in 2022 vs. 4.39% in 2023).

5.D. Proposed Purchasing Policy Revisions

Due to time constraints, this item will be discussed at a later time.

6. PENDING BUSINESS

None at this time.

7. OTHER BUSINESS

None at this time.

8. ACTION STEPS REVIEW

None given at this time.

9. ADJOURNMENT

At 6:00 p.m., Trustee Montez MOVED TO ADJOURN. Motion seconded by Executive Director Cahill and carried on a unanimous aye of those present.

Respectfully Submitted by Alicia Woodworth
Executive Assistant and Secretary to the Board