

MINUTES OF A MEETING OF THE FINANCE COMMITTEE OF THE PLEASURE DRIVEWAY AND PARK DISTRICT OF PEORIA, ILLINOIS HELD AT 5:00 PM WEDNESDAY, MARCH 22, 2023 AT THE NOBLE CENTER FOR PARK DISTRICT ADMINISTRATION, 1125 WEST LAKE AVENUE, PEORIA, ILLINOIS.

MEMBERS PRESENT: Trustee and Chair Timothy Bertschy, Trustee and Vice Chair Alexander Sierra, and Executive Director Emily Cahill

MEMBERS ABSENT: None

TRUSTEES PRESENT: Trustees Timothy Bertschy, Joyce Harant, Jackie Petty, Alexander Sierra, Vice President Laurie Covington and President Robert Johnson (in at 5:29 pm)

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

OTHERS PRESENT: None

1. CALL TO ORDER

Trustee Bertschy presided and called the meeting to order at 5:03 pm.

2. ROLL CALL

3. MINUTES

3.A. Approval of February 22, 2023 and March 2, 2023 Finance Committee Meeting Minutes

Trustee Sierra MOVED TO APPROVE the minutes of the February 22, 2023 and March 2, 2023 Finance Committee meetings. Motion seconded by Executive Director Cahill and carried on a unanimous aye of those present.

4. NEW BUSINESS

4.A. Review of Accounts Payable

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.

4.B. Financial Policy Revision Next Step

Karrie Ross stated that as has been discussed in previous Committee meetings, a draft version of the financial policies has been provided for review. *Please see Attachment A.* The document reflects a combination of policies that are currently in effect, but that were previously held in two places. Section 8.00 "Fund Balance and Reserve Policy" is all new and is the most substantive change to the Finance Policy for discussion.

Much discussion took place in the review of the proposed changes and in particular, the proposed new Reserve Fund Balance and Reserve Policy. Karrie Ross explained the purpose and goals of the policy as it would apply to each individual fund.

Trustee Sierra moved to present to the Board Part II Section II of the Finance Policy as presented and discussed today, at the next Board meeting. Motion seconded by Executive Director Cahill and carried on a unanimous aye of those present.

Karrie Ross stated that now that this portion of the Finance Policy has been reviewed and recommended revisions to the Board, she recommends the Investment Policy be the next finance policy to be reviewed by the Committee. Trustee Bertschy agreed and stated that he'd like to have all financial policies be reviewed by the end of the year.

4.C. FY22 Audit Update

Karrie Ross stated that currently, some preliminary items are being worked through with the auditors. They will be starting their field work here next week. The Committee will be informed as things progress. The receive and file of the final audit will occur at the second Board meeting in June.

5. PENDING BUSINESS

None at this time.

6. OTHER BUSINESS

7. ACTION STEPS REVIEW

1. Present the Investment Policy for review at the next Finance Committee meeting.

8. ADJOURNMENT

At 5:38 p.m., Trustee Sierra 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

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Part II: Section II
FINANCIAL

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SECTION II. FINANCIAL

1.00 FISCAL YEAR

- .01 The fiscal year of this Park District shall begin on the first day of January of each year and end on the 31st day of December of that same year.

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2.00 SOURCES OF REVENUE

- .01 Property Taxes – Illinois Statutes limit the amount of total property tax that can be levied by the District. In complying with these requirements, the levy for each fund shall be based upon an evaluation of its fiscal health, non-property tax revenues and the opportunities for non-levy revenue growth, the level of planned expenditures, and cash flow requirements. Property tax revenues shall be projected using conservative estimates based on historical information, current levels of collection, and equalized assessed valuation estimates.
- .02 User Fees - The District establishes fees and charges for services which benefit specific users more than the general public. To the maximum extent feasible and appropriate, fees and charges shall be established to recover the total cost of delivering the service.
- .03 Alternative Funding Sources – For both the operating budget and the capital budget, the District shall work to establish partnerships with other public and private entities and to secure grants to recover some of our annual operating expenses and capital expenses for facility acquisition and improvement projects. When evaluating prospective partnerships or grant applications, the amount of matching funds required, the in-kind services to be provided, and the on-going operating and capital costs shall be considered.
- .04 Revenue Diversification and Stabilization - The District will work to develop additional revenue sources to limit the impact of lower revenues from any single revenue source.

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3.00 ANNUAL BUDGET PROCEDURE

- .01 In order to ensure the sound financial management of the Peoria Park District, the Board and staff shall review and update the financial policies of the District annually as part of the budget process. These financial policies have been adopted in order to ensure that the District's mission, vision, and strategic goals are incorporated into the budget and day to day financial management of the District.
- .02 The District shall adopt a balanced budget for all funds, with annual revenues sufficient to pay all expected annual expenditures, and/or revenues required to comply with the District's Fund Balance and Reserve Policy.
- .03 The District shall maintain an interfund services system to ensure that to the maximum extent feasible, the costs of a service are matched to the fees received for this service.

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Matching the fees paid for a service to the cost to deliver that service assists the District in identifying areas where increased operational efficiencies would be most beneficial, enhanced revenues may be possible, or a change in the allocation of District resources should be considered.

- .04 The annual operating budget shall provide for compliance with all applicable local, state, and federal statutory requirements. Examples include Illinois Park District Code, minimum wage increases, Patient Protection and Affordable Care Act (Health Care Reform), United States Department of Agriculture, Illinois Department of Public Health, Illinois Accessibility Code, and Clean Water Act.
- .05 The annual operating budget shall comply with all Park District policies. Examples include the District's policies for historical preservation, scholarships, and purchasing.
- .06 The annual operating budget shall provide for meeting the requirements of certifying or sanctioning agencies. Examples include, but are not limited to, Association of Zoos and Aquariums, Payment Card Industry Data Security Standards, Government Accounting Standards Board, Consumer Product Safety Commission, National Fire Protection Association, Ellis and Associates, and Park District Risk Management Agency.
- .07 District staff shall continually monitor economic conditions, revenue sources, and expenses in order to make adjustments as necessary to end the year as close to breakeven as possible. If District staff anticipates a significant variation from budget, the Park Board will be advised of the cause and possible adjustments that could be made to limit any negative financial impact on the District.
- .08 District staff is responsible for maintaining a budgetary control system to monitor adherence to the approved budget. This system shall include monthly reports comparing actual revenues and expenditures to the approved budget.
- .09 Work on compilation of the budget for each ensuing year will be started on or about August 15th. Supervisors will be instructed to present their budgets to the administrative staff in or before early September.
- .10 Summaries of anticipated revenues and expenditures, together with detailed figures by funds and divisions and projects will then be presented to the Board for study and consideration at public meetings in October and/or November and officially passed, with any alterations or corrections no later than the first Board Meeting in December. Bonded projects will be presented to the Board for study and consideration at public meetings in October and/or November and officially passed no later than the first Board Meeting in December.

4.0 ANNUAL COMBINED BUDGET AND APPROPRIATION ORDINANCE

- .01 The annual Appropriation Ordinance will be presented to the Park Board for adoption within the first quarter of each fiscal year. In preparing the Appropriation Ordinance,

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every conceivable item of expense and revenue is included with due allowance for contingencies.

- .02 There are fourteen (14) funds listed within the Appropriation Ordinance:
- (A) CORPORATE PURPOSES (for general operating expenditures)
 - (B) SPECIAL REFERENDA FUNDS (projects for capital outlay, major maintenance and repairs, new construction and improvements)
 - (C) ILLINOIS MUNICIPAL RETIREMENT FUND (provides for employees' retirement)
 - (D) FEDERAL SOCIAL SECURITY INSURANCE PROGRAMS (provides for employees' FICA costs)
 - (E) LIABILITY INSURANCE (for insurance premiums, risk management and attorney's fees)
 - (F) AUDIT (for annual audit and related expenditures)
 - (G) BOND AND INTEREST (for payment of general obligation bonds and interest)
 - (H) RECREATION (recreational programs and projects)
 - (I) RECREATION CENTERS AND PROGRAMS (for maintenance, repair and operation of recreation centers)
 - (J) MUSEUM (maintenance, repair and operation of museum)
 - (K) POLICE (for maintaining park police system)
 - (L) PAVING AND LIGHTING (for construction, maintaining, paving and lighting streets and roadways)
 - (M) WORKERS' COMPENSATION AND UNEMPLOYMENT INSURANCE
 - (N) MAINTENANCE AND MANAGEMENT OF JOINT RECREATIONAL PROGRAMS FOR THE HANDICAPPED (for establishment, maintenance and management of joint recreational programs for the handicapped)
- .03 The Appropriation Ordinance shall be prepared and made conveniently available to public inspection at least 30 days prior to final action thereon. At least one public hearing shall be held on such Appropriation Ordinance, notice of which shall be given by publication in a newspaper published in such Park District at least one week prior to the time of such hearing.
- .04 After adoption of the Appropriation Ordinance by the Park District Board, documents are then signed by the President or Vice President and Secretary or Assistant Secretary and certified by the Secretary.
- .05 The Appropriation Ordinance, in its entirety, must be on file in the Park District Office.
- .06 Five (5) copies must be made for filing as follows:

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- (A) 1 copy - Board Attorney
- (B) 1 copy - Bond Counsel
- (C) 1 Copy - Park District Office File
- (D) 1 Copy - County Clerk
- (E) 1 Copy - Work Guide

5.00 ANNUAL TAX LEVY ORDINANCES AND BORROWING RESOLUTIONS

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- .01 Tax Levy Ordinances will be adopted by the Board of Trustees for filing with the appropriate County Clerk not later than the last Tuesday in December in each year.
- .02 There are fourteen (14) separate Tax Levy Ordinances levying and assessing taxes on properties within the Peoria Park District for that amount of tax needed to carry out the function of the Park District:
 - (A) CORPORATE PURPOSES (for general operating expenditures)
 - (B) SPECIAL REFERENDA FUNDS (projects for capital outlay, major maintenance and repairs, new construction and improvements)
 - (C) ILLINOIS MUNICIPAL RETIREMENT FUND (provides for employees' retirement)
 - (D) FEDERAL SOCIAL SECURITY INSURANCE PROGRAMS (provides for employees' FICA costs)
 - (E) LIABILITY INSURANCE (for insurance premiums, risk management and attorney's fees)
 - (F) AUDIT (for annual audit and related expenditures)
 - (G) BOND AND INTEREST (for payment of general obligation bonds and interest)
 - (H) RECREATION (recreational programs and projects)
 - (I) RECREATION CENTERS AND PROGRAMS (for maintenance, repair and operation of recreation centers)
 - (J) MUSEUM (maintenance, repair and operation of museum)
 - (K) POLICE (for maintaining park police system)
 - (L) PAVING AND LIGHTING (for construction, maintaining, paving and lighting streets and roadways)
 - (M) WORKERS' COMPENSATION AND UNEMPLOYMENT INSURANCE
 - (N) MAINTENANCE AND MANAGEMENT OF JOINT RECREATIONAL PROGRAMS FOR THE HANDICAPPED (for establishment, maintenance and management of joint recreational programs for the handicapped)

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- .03 The Park Board may pass the Borrowing Resolution, if needed, any time during the fiscal year.
- .04 The President or Vice President and the Secretary or Assistant Secretary must sign all ordinances. The Secretary certifies the passing of ordinances and resolutions and files with the County Clerk.
- .05 Five (5) copies of the Ordinances and Resolutions are assembled for filing as follows:
 - (A) 1 copy - Board Attorney
 - (B) 1 copy - Bond Counsel
 - (C) 1 Copy - Park District Office File
 - (D) 1 copy - County Clerk
 - (E) 1 copy - Work Guide

6.00 GENERAL OBLIGATION TAX ANTICIPATION NOTES

- .01 Park districts are allowed to sell General Obligation Tax Anticipation Notes to secure monies for operating purposes, in an amount not to exceed 85 percent of the district's extended levy for the year of the Note sale.
- .02 General Obligation Tax Anticipation Notes may be sold either by a competitive proposal process or may be negotiated with a reliable financial investor by the Board Secretary upon Board action authorizing said procedure.

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7.00 DEBT FINANCING

- .01 Debt financing shall generally be utilized only for capital projects that have a useful life that will exceed the term of the financing.
- .02 The District annually issues general obligation park bonds for capital projects. The projects to be funded by the annual bond issue shall be submitted to the Park Board for approval during the budget process along with the five-year capital improvement plan.
- .03 Illinois Statutes limit the amount of outstanding general obligation park bonds to .575 percent of the District's equalized assessed valuation.
- .04 Illinois statutes limit the District's total debt outstanding to 2.875 percent of the District's equalized assessed valuation. Alternate Revenue Source bonds do not count towards the District's total debt limitation.
- .05 Prior to the sale of debt, a funding or revenue source(s) must be designated to make the principal and interest payments throughout the term of the financing.

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8.00 FUND BALANCE AND RESERVE POLICY

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01. Statement of Purpose

- A. It is the District's philosophy to support long-term financial strategies, where fiscal sustainability is its first priority, while also building funds to support maintenance of capital infrastructure and future growth. It is essential to maintain adequate levels of fund balance to mitigate current and future risks (e.g. revenue shortfalls and unanticipated expenditures), to ensure stable tax rates, protect the District's creditworthiness, and maintain or improve its bond rating. Fund balance levels are also a crucial consideration in long-term financial planning.
- B. The District's fund balance and reserve policy is the District's official guideline for use by District staff in conjunction with the District's budgeting and financial planning efforts. The policy shall be reviewed annually, in conjunction with the budget process, as outlined in Section 2.00.

02. Definitions

- A. Governmental Funds: Are used to account for all the District's general activities, including the collection and disbursement of earmarked and/or restricted funds (special revenue funds), and the acquisition or construction of general capital assets (capital/bond fund).

The District operates 16 funds that are typically referred to as an operating fund, non-operating fund, or capital projects fund.

Operating Funds

- General Corporate & Building Repair/Improvement Fund
- Recreation Fund
- Golf Fund
- RiverFront Events Fund
- RiverPlex Fund
- Museum Fund
- Police Fund

Non-Operating Funds

- Audit Fund
- Bond & Interest (Debt Service) Fund
- FICA Fund
- IMRF Retirement Fund
- Liability Fund
- Workers' Compensation & Unemployment Fund
- Working Cash
- Heart of Illinois Special Recreation Association (HISRA) Fund

Capital Related Funds

- Bond/Capital Project Fund

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- B. Fund Balance: The net position of a governmental fund which means the difference between assets and liabilities. Fund balance is comprised of:
- i. Non-spendable fund balance: Amounts that cannot be spent because they are not in spendable form (i.e. inventories, receivables, prepaid, advances, etc.) or are legally and/or contractually required to be maintained intact (i.e. land held, endowments, etc.).
 - ii. Restricted fund balance: Amounts that are bound by externally imposed restrictions by creditors, grantors, contributors, laws or regulations of other governments or through constitutional provisions or enabling legislation will be classified as "Restricted" fund balance. For example, the IMRF Retirement Fund is a fund where property taxes have been levied for a restricted purpose, and has a restricted fund balance, to ensure compliance with the specific purpose for which property taxes were levied.
 - iii. Committed fund balance: Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the Park Board. Examples of committed fund balance accounts are the Peoria Zoo memorial reserve, Luthy Botanical Garden memorial reserve, and Forest Park Nature Center memorial reserve.
 - iv. Assigned fund balance: Amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Examples of assigned fund balance accounts are land acquisition reserve, roadway improvement reserve, and other post-employment benefits (OPEB) reserve.
 - v. Interfund Loans: Borrowings or advances from one fund to another fund with the expectation of repayment through collection of principal and potentially interest.
 - vi. Interfund Transfers: Transfers: A flow of assets from one fund to another without the contemporaneous return of equivalent assets, goods or services, or requirement for repayment.
 - vii. Unassigned operating fund balance; Represents the remaining amount of fund balance which has not be classified as non-spendable, restricted, committed, or assigned.
 - viii. Reserve Fund Balance: Is the unassigned operating fund balance, less the non-spendable fund balance.

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03. Goals for Reserve Balance by Type of Fund:

- A. General Corporate & Building Repair/Improvement Fund: At minimum, the reserve balance will be equal to at least:

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- ~~50%~~ of current year annual budgeted expenditures not including ~~budgeted~~ capital project ~~expenses~~, ~~budgeted~~ debt service ~~expenses~~, ~~budgeted expenses for restricted, committed, or assigned fund purposes~~, or interfund transfer(s) out budgeted within the fund, if the District is levying property tax for the levies associated with the aforementioned fund at the maximum limited rate, as defined in Illinois Park Code and Illinois Property Tax Code.
- With Board authorization, this threshold may be reduced by up to 10% ~~(no lower than 40%)~~ using the same calculations as above, if the District's property tax levy ~~is lower~~ than the maximum limiting rate as defined in Illinois Park Code and Illinois Property Tax Code in that year.

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- B. Recreation Fund, Golf Fund, RiverFront Fund, and RiverPlex Fund: After reconciliation in accordance with any requirements for interfund transfers as required by District policy with Board approval, at minimum, the net reserve balance of these funds ~~together~~ will be equal to:
- 35% of current year annual budgeted expenditures not including ~~budgeted~~ capital projects, ~~budgeted~~ debt service ~~expenses~~, ~~budgeted expenses for restricted, committed, or assigned fund purposes~~, or interfund transfer(s) out budgeted within the fund, if the District is levying property tax for the levies associated with the aforementioned funds at the maximum limited rate, as defined in Illinois Park Code and Illinois Property Tax Code.
 - With Board authorization, this threshold may be reduced by up to 10% ~~(no lower than 25%)~~ using the same calculations as above if the District's property tax levy is lower than the maximum limiting rate as defined in Illinois Park Code and Illinois Property Tax Code in that year.
- C. Museum Fund and Police Fund: Due to the underlying property tax levy restrictions set forth by Illinois Park Code, reserve balances for the Museum and Police Funds may only be used for the specific purposes outlined in Park District Code. After reconciliation in accordance with any requirements for interfund transfers as required by District policy with Board approval, at minimum, the net reserve balance of each of these funds will be equal to:
- 35% of current year annual budgeted expenditures not including ~~budgeted~~ capital projects, ~~budgeted~~ debt service ~~expenses~~, ~~budgeted expenses for restricted, committed, or assigned fund purposes~~, or interfund transfer(s) out budgeted within the fund, if the District is levying property tax for the levies associated with the aforementioned funds at the maximum limited rate, as defined in Illinois Park Code and Illinois Property Tax Code.

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- With Board authorization, this threshold may be reduced by up to 10% (no lower than 25%) using the same calculations as above if the District's property tax levy is lower than the maximum limiting rate as defined in Illinois Park Code and Illinois Property Tax Code in that year.
- D. Non-Operating Funds: This policy does not establish a target balance for the HISRA Fund, which is overseen by the HISRA Board of Directors. All other non-operating funds shall target for a minimum reserve balance of 25% of current year annual budgeted expenditures not including budgeted capital projects, budgeted debt service expenses, budgeted expenses for restricted, committed, or assigned fund purposes, or interfund transfer out budgeted within these funds.
- E. Capital Related Funds: No target reserve is established for the Bond/Capital Project Fund.
04. Process for Review
- A. Fund balances and parameters established within this policy will be assessed and addressed as part of the annual budget process. Procedurally, during the budget process, the finance committee will review, and make recommendations to the full board regarding each fund's revised budget, interfund loan balance(s), and projected reserve balance for the current fiscal year. The finance committee will assess:
- a) Whether interfund loan(s) are complying with timely repayment, and if not, whether the terms of the interfund loan(s) require restructure and/or forgiveness.

Should interfund loans/transfers be required in more than two consecutive fiscal years, the Executive Director and Superintendent of Finance, with input from relevant staff, will provide a recommendation for board consideration regarding any material changes in operations that may need to be considered to ensure responsible financial stewardship of public dollars utilized by the fund in question.
 - b) Whether each fund's reserve balance projection for the current fiscal year is at, above, or under the minimum reserve target.
- B. In the event a fund's reserve is projected to fall below the minimum at the end of the current fiscal year, then the Executive Director and Superintendent of Finance will propose to the finance committee and board, a plan for the replacement of the reserves. Such plan may include, but not limited to, actions that to be taken within the current fiscal year (i.e. adjustments to the revised budget), and/or a plan to restore that fund's minimum reserve within the next year's budget, or the most practical timeline for replacement.

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C. If a fund's reserve is projected to be above the minimum target, acceptable use of the surplus may include the following, all of which require board review and authorization:

- i) the surplus over minimum may remain within the fund (without mission-driven impact for proposed expenditures, this should be considered the preferred path); or
- ii) for non-operating funds, a portion of the fund reserve balance may be designated for use in the next year's operating budget in order to stabilize the aggregate property tax levy; or
- iii) for operating funds, a portion may be committed for other use.

In order to commit excess reserves for other use (option iii listed above), the board must take formal action making such commitment at the close of the fiscal year, once unaudited end of year fund balances are prepared by finance staff. Acceptable board commitments to use excess reserves for other use is limited to the below listed items. **Operating fund excess reserves should NOT be used for recurring annual operating costs.**

- i) a one-time capital expenditure; or
- ii) debt reduction; or
- iii) a one-time expenditure focused on improving the impact and/or sustainability of the District.

9.00 INVESTMENT POLICY

- .01 Authority: The responsibility for the management of the Peoria Park District's funds shall be delegated by the Board of Trustees. The Finance Committee, with full and complete backing by the Board, hereby establishes written procedures for the operation of the cash management and investment programs. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person shall engage in an investment transaction except as provided under the terms of this procedure. The Finance Committee shall establish a system of controls to regulate the activities of the Peoria Park District Treasurer (or the Treasurer's designee). The Treasurer (or the Treasurer's designee) shall be responsible for all transactions undertaken in accordance with the established written procedures.
- .02 Objectives: The investments of the Peoria Park District hereafter known as "the District," shall seek to preserve capital, provide liquidity, and maximize revenues. To attain these objectives, diversification of maturities and securities must be maintained. The annual interest earnings goal is to maximize the rate of return for the given date of the investment, taking into account the needs of the District to meet all operating expenditures.

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- .03 Prudence: The standard of prudence to be used by the District's Treasurer or Treasurer's designee is the "Prudent Person Rule." This rule states:

Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived and shall be applied in context of managing the entire portfolio.

Investment personnel, acting in accordance with written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

- .04 Legal Authority and Limitations on Investment Securities: All securities purchased under this policy shall be governed by the Public Funds Investment Act 30 ILCS 235/1et. seq (The Investment Act), and all revisions made by the Illinois Legislature. Below is a summary of acceptable investments as determined by the Finance Committee in compliance with the applicable statute:

- (A) Treasury bills, notes, and bonds including STRIPs (zero coupon treasury obligations) or other securities guaranteed by the United States as to principal and interest;
- (B) Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing time deposits or any other investments that are direct obligations of banks (as defined by the Illinois Banking Act or by savings banks or savings and loan associations) that are fully insured by the Federal Deposit Insurance Corporation.
- (C) At all times in order to meet the objectives of the preservation of capital, the Treasurer (or the Treasurer's designee) shall require all accounts and deposits with banks, savings and loan associations which are in excess of the Federally insured amount to be collateralized to the extent of at least 100% of the uninsured portion of the account or deposit. Such collateralization must be evidenced by a written agreement approved by the District. The collateral is to be held by a neutral third party, registered in the District's name, and priced to the market on a monthly basis, so that the uninsured portion of the account will be fully collateralized (on a market value basis). The Treasurer or Treasurer's designee will monitor the adequacy of collateralization monthly.
- (D) The short-term discount notes of the Federal National Mortgage Association, and other U.S. agency securities specifically authorized in The Investment Act.
- (E) Dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of the State of Illinois or laws of the United States, provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be

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made only in those credit unions the accounts of which are insured by applicable law. All collateralization policies that apply to banks, savings banks, or savings and loan associations are also applicable to investments in credit unions.

- (F) Money market mutual funds registered under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et. seq.) provided that the portfolio of any such money market mutual fund is limited to securities guaranteed by the U.S. government or issued by U.S. government agencies.
- (G) Additional investments may be added to this list as statutes change or upon action of the Finance Committee.

Investments in "derivative securities" are not permitted. A derivative security is any security whose value is based on the performance of any underlying financial asset, index, or other investment. Some commonly traded derivatives are: Structured Notes, Amortized Notes, and certain branches of Collateralized Mortgage Obligations (CMOs).

- .05 Due Diligence: All approved depositories must provide the District or the Illinois Park District Liquid Asset Fund Plus with their annual audited financial statements in a timely manner as well as their quarterly statement.
- .06 Financial Reporting: The District Treasurer or Treasurer's designee shall provide a monthly copy of the investment report to the Board. The report shall include:
 - The full description of each security holding
 - The purchase date of each security
 - The maturity date of each security
 - The yield on each security
 - The providers of each investment
 - The total amount of funds invested including the checking account balances.

A list of Authorized Financial institutions that provide investment services to the District shall be reviewed, updated, and provided to the Finance Committee on a quarterly basis. An annual review of the investment policy and compliance at year-end will be completed in conjunction with the District's annual audit.

- .07 Separate Provisions of Policy and Conflicts with Illinois Laws and Conflicts of Interest: The above procedures shall remain in full force and effect until revoked by the Finance Committee or the Board of Trustees. If, after adoption of this procedure, there is any conflict with the Illinois investment statutes, current law shall control. No person acting in an administrative or supervisory capacity or member of the Board having direct or indirect influence upon the investment decisions shall:

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- (A) Have any interest, directly or indirectly, in any institution or management of any institution in which the District is permitted to invest.
- (B) Receive any compensation of any type, including preferential treatment from any institution or person in which the District has a relationship.

10.00 FINANCIAL MANAGEMENT AND REPORTING

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- .01 District staff shall maintain a comprehensive system of internal controls designed to protect the District's assets from loss, theft, or misuse and to compile reliable information for the preparation of the District's financial statements in conformity with Generally Accepted Accounting Principles.
- .02 The District shall prepare its comprehensive annual financial report in compliance with the standards established by the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Award program.

11.00 PAYMENT OF BILLS

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- .01 - The Park Board shall authorize the payment of any bill from Park District funds that is a legal Peoria Park District expenditure.

12.00 SIGNING OF CHECKS

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- .01 - It shall be the policy of the Park Board that a dual control shall be maintained over signing of checks for accounts payable, either manually or mechanically.

13.00 EMPLOYEE BENEFITS

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.01 GROUP HEALTH AND DENTAL INSURANCE PLANS:

Group Health and Dental Insurance Plans: Full-Time Employees

- (A) The general principle shall be recognized that only one group health and dental coverage plan will exist for full-time employees and as to qualified health maintenance organizations, the District will comply, as long as applicable, with the applicable Federal statutes (42 U.S.C. 300e- 9(a) (1) and regulations duly promulgated thereunder.
- (B) Contributions from tax monies to fund, in whole or in part, group health and dental plans or payments to qualified health maintenance organizations shall be determined by Board action. Payroll deductions may be authorized where employees are required to contribute to funding group health and dental plans or payments to qualified health maintenance organizations.
- (C) The decision to self-insure, re-insure, fully insure, or partially insure any group health and dental coverage plans shall be made by the Board.

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.02 Health and Dental Insurance Plans: Retirees

- (A) Full-time employees of the Park District hired before January 1, 2018, who retire with at least 20 years of full time service to the Park District and their spouses will be eligible to participate in the Park District's group health and dental insurance plan(s) in accordance with the eligibility criteria and other terms and conditions for coverage under the plan. The premium cost for the pre-Medicare group insurance plan coverage, the Medicare supplement/prescription drug coverage, and retiree dental coverage for a retiree and his/her spouse shall be paid one-third (1/3) by the Park District and two-thirds (2/3) by the retiree and his/her spouse.
- (B) All full-time employees that are hired after December 31, 2017 and retire with 20 or more years of service with the District are eligible to participate in the Peoria Park District health and dental insurance plans for retirees. The Premium for each retiree who elects to participate in the plan shall be paid one-third (1/3) by the Peoria Park District and two-thirds (2/3) by retiree. A participating retiree must pay his/her portion of the cost for his/her participation under the plan as required by the health plan administrator. A retiree's spouse will only be eligible for health plan continuation coverage as provided by the plan document, but not less than what is required by state and federal law. The retiree or retiree's surviving spouse shall be solely responsible for the payment of the premium for the retiree's spouse.
- (C) Executive Directors who retire after May 1, 2016 and their spouses will be eligible to participate in the Park District's group health and dental insurance plan(s) in accordance with the eligibility criteria and other terms and conditions of such plan on the same basis as retired full-time employees of the Park District, unless otherwise specified in the Executive Director's employment contract.
- (D) All full-time employees that are hired after May 1, 2020 and retire from the District are eligible to participate in the Peoria Park District health and dental insurance plans for retirees, as provided by the plan documents. The retiree shall be solely responsible for payment of the premium for all plans they elect, and must pay his/her portion of the cost for his/her participation under the plan as required by the health plan administrator.

.03 EMPLOYEE BONDS

All employees of the Park District shall be included in a blanket bond in the amounts designated by the Park Board.

Commented [KR14]: Current "Fat Book" language

.04 EMPLOYEE SAVINGS

An employee may have savings of the amount authorized in writing and deducted from accrued pay and deposited in a bank or credit union of the Park District.

Commented [KR15]: Current "Fat Book" language

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.05 DEFERRED COMPENSATION

A Deferred Compensation Plan is available to all full-time employees. An employee may authorize in writing the amount to be deducted from accrued regular salary and held in the deferred compensation plan.

Commented [KR16]: Current "Fat Book" language

14.00 ADMISSION FEES AND CHARGES

.01 The Board shall determine when to charge fees for programs or services. In doing so, the Board shall consider such factors as it deems appropriate, including but not limited to the following:

1. Whether the location requires specific maintenance or expertise to support the activity;
2. Whether staff or supply resources are necessary to facilitate the activity;
3. Whether an activity temporarily renders the location inaccessible to the general public;
4. Whether costs are incurred by the District as a direct result of the activity; and
5. Whether extraordinary costs are incurred by the District to support the activity.

Commented [KR17]: Current "Fat Book" language

.02 Fees shall be set at a rate approved by the Board during its annual budgeting process or at such other times as the Board deems appropriate. In setting the rate, the Board may consider any factor it deems relevant, including the following:

1. Cost of the service/activity;
2. Competitive factors in the local market; and
3. The District's mission-driven commitment as expressed in the District's Commitment to Diversity, Equity, Inclusion and Accessibility statement, as well as its Welcoming Resolution and overall organizational mission, to access to programming and places for all District residents.

.03 The Board may authorize specific registration or other benefits to District residents. However, as a general policy, no differential fee rate shall be charged for participation based on residency/non-residency.

15.00 SCHOLARSHIPS

.01 The Scholarship Program will be administered in accordance with the appropriate Administrative Procedure.

.02 It shall be the policy of the Park Board not to deny participation in recreation programs to residents or taxpayers of the Park District due to financial hardship, as stipulated in the Administrative Procedure.

Commented [KR18]: Current "Fat Book" language

FUND BALANCE AND RESERVE POLICY, SECTION 8.00, EXAMPLE CALCULATIONS

Procedure 1: Calculate Reserve Balance Goal (Defined in Section 8.03)

Reserve Target Calculation:	General Fund
Current Year Operating BUDGET Expense Total	10,000,000
Less: Capital Projects Budgeted	(100,000)
Less: Debt Service Budgeted	-
Less: Interfund Transfers Out Budgeted	-
Less: Restricted, Committed and/or Assigned Budgeted Expenses	(15,000)
	<u>9,885,000</u>
 Reserve Target %	 50%
Target Reserve Balance	4,942,500

Procedure 2: Determine Fund's Unassigned Operating Fund Balance (Defined in Section 8.02 B)

Calculation:	
Fund Balance Total (i.e. fund assets, minus fund liabilities)	5,000,000
Less Restricted, Committed, or Assigned Fund Balance	(200,000)
Unassigned Operating Fund Balance	<u>4,800,000</u>
 Less Non-Spendable Receivables	 (100,000)
Less Non-Spendable Inventories	(10,000)
Less Non-Spendable Pre-Paid or Advances	(2,500)
Reserve Fund Balance	4,912,500

Over/Under Reserve Funded	(30,000)
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