

MINUTES OF A MEETING OF THE FINANCE COMMITTEE OF THE PLEASURE DRIVEWAY AND PARK DISTRICT OF PEORIA, ILLINOIS HELD AT 5:00 PM ON WEDNESDAY, AUGUST 28, 2024 AT THE NOBLE CENTER FOR PARK DISTRICT ADMINISTRATION, 1125 WEST LAKE AVENUE, PEORIA, IL

MEMBERS PRESENT: Trustees Timothy Bertschy, Reagan Leslie Hill, Steve Montez, and Executive Director Emily Cahill

MEMBERS ABSENT: None

TRUSTEES PRESENT: Trustees Timothy Bertschy, Reagan Leslie Hill, and Steve Montez

STAFF PRESENT: Executive Director Emily Cahill, Brianna Cobb, Becky Fredrickson, Matt Freeman, Mike Friberg, Mary Harden, Scott Loftus, Karrie Ross, Attorney William Streeter, and Alicia Woodworth

1. CALL TO ORDER

Trustee Bertschy presided and called the meeting to order at 5:09 pm.

2. ROLL CALL

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

No request to attend the meeting remotely was received.

4. MINUTES

4.A. Approval of July 24, 2024 Finance Committee Meeting Minutes

Executive Director Cahill MOVED TO APPROVE the minutes of the July 24, 2024, Finance Committee meeting. Motion seconded by Trustee Montez and carried on the following roll call vote: Trustee Bertschy, Trustee Hill, Trustee Montez, and Executive Director Cahill. (Results: 4 Ayes; 0 Nays)

5. PENDING BUSINESS

5.A. Travel Policy

Karrie Ross stated that in the April 24, 2024, May 17, 2024, June 12, 2024, and July 24, 2024 Finance Committee meetings, discussion was had regarding potential revisions to Section 10.00 Travel Meal and Lodging Expenses Policy. From those conversations, and with input from legal counsel, the redrafted policy has been created, to be discussed in this meeting. No questions or concerns about the policy were presented.

Trustee Montez MOVED TO APPROVE the Travel Policy for submission to the full Board for first read and approval. Motion Seconded by Trustee Hill and carried on the following roll call vote: Trustee Bertschy, Trustee Hill, Trustee Montez, and Executive Director Cahill. (Results: 4 Ayes; 0 Nays)

6. NEW BUSINESS

6.A. Review of Accounts Payable

The Finance Committee members present confirmed they had reviewed the current listing of accounts payable and bills and had no questions or comments.

Trustee Hill MOVED TO RECOMMEND the accounts payable and bills be presented to the full Board for approval and payment. Motion seconded by Trustee Montez and carried on the following roll call vote: Trustee Bertschy, Trustee Hill, Trustee Montez, and Executive Director Cahill. (Results: 4 Ayes; 0 Nays)

6.B. Review of Monthly Financials

Karrie Ross stated that the District's total undesignated operating fund equity totaled \$22.2 million. Compared to prior year-to-date, property tax revenue is up \$506k, but PPRT revenue is down \$1.5 million. Both of these year-over-year variances are in line with the District's 2024 budget. Earned income (i.e. charges for services revenue), which is 33% (\$13.4 million) of the District's operating budget, performed well this summer. Additionally, District expenses are materially within budget. As the District moves into budget season, staff and management are preparing revised 2024 forecasts for discussion with board in future meetings.

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: Revenue is up \$700k from prior year. The most significant drivers of this increase are internal service revenues tied to support service reimbursements, administrative expense reimbursements, and health benefit premiums that are credited into Gen Admin to offset the total premium expenses paid from Gen Admin (\$748k). The June property tax revenue received for this fund is \$170k higher than last year, due to the increased tax levy for 2024. Additionally, there's a timing difference associated with when interest income was posted for first and second quarter, which created a \$689k increase. After adjusting for the internal reimbursement activity and interest revenue timing variance, the actual revenue collected in the fund is down approximately \$737k, which is due to decreased replacement tax revenues (down \$1 million from prior year).
- Golf Fund: Total revenue is up only \$58k compared to prior year; however, the budgeted property tax revenue allotment for Golf Fund is \$145k lower than prior year. After adjusting for the non-operating tax revenue variance, Golf Fund's operating revenue is up \$203k compared to prior year. Season passes are up \$77k compared to last year, and are \$68k over 2024 proposed budget (budget: \$644k vs. 7/31/24 YTD \$712k). Green fees are up \$31k, cart rentals are up \$58k, range fees are up \$26k, concessions are up \$8k, and retail sales are up \$3k.
- Recreation Fund: Revenue is up \$414k from prior year. The property tax levy allocated to the Recreation Fund at the end of June is \$395k higher than prior year, while PPRT revenue is down \$453k. After removing the variances associated with tax revenue, the fund revenue is up \$472k compared to prior year. The Zoo revenue is up \$282k, but \$244k of this due to a large zoo memorial gift that was received in April. After adjusting for the memorial gift, revenue is up approximately \$38k. \$43k of that increase is associated with the bugs exhibit revenue; admissions is up \$43k,

but concessions and rental income is down \$36k from prior year. Other Recreation Fund positive year-over-year notable departments are: Lakeview Recreation up \$32k, Moonlight at PIA Giftshop up \$21k, and Soccer up \$22k.

- RiverFront Fund: Revenue is up \$242k. \$42k of this increase is associated with an increased property tax allocation budgeted for this fund in 2024. After adjusting for taxes, the fund's revenue is up \$200k. The increase is associated with Park-a-Palooza (charges for service revenue up \$51k), Fiesta en el Rio (up \$51k), Landings concessions (up \$44k), SoulFest (event sponsorship up \$26k and admissions up \$16k).
- RiverPlex Fund: Fund revenue in total is down \$48k. However, \$119k of the decrease in revenue is due to the decreased 2024 property tax levy allocation budgeted to RiverPlex. After adjusting for the tax variance, operating revenue is up \$71k. Membership revenue is the primary driver of this increase, up \$58k from prior year. Day passes are up \$14k, camps are up \$8k, and locker fees are up \$6k.
- Bond & Interest Fund: The fund's revenue is up \$76k compared to prior year, because the District had to levy more property taxes to pay the interest payments associated with the outstanding bonds, which were issued when the interest rate market was elevated, compared to prior years. • FICA Fund: The FICA fund's revenue is down \$136k compared to prior year, because the property tax levy to fund FICA expenses was lower this year.

Expenditures

- General Fund: Expenditures are up \$842k from prior year. Primary drivers of this increase are: various grant and special capital projects (\$23k); cost of payroll and benefits (\$295k); contractual services (\$175k); internal service charges for support service & admin expense (\$172k).
- Golf Fund: Expenses are up \$293k; however, there is a timing difference in the payment of water bills that's skewing 2024 expenses lower. After adjusting for that variance, expenses are up approximately \$326k. This increase is driven by a \$53k increase in personnel expenses (\$27k in payroll and \$26k in health benefits), \$61k in internal charges for support service and admin expense, \$27k in increased supply and fuel expenses, \$7k maintenance repairs, and onetime cost of \$47k for rebranding signage.
- Museum Fund: Expenses are up \$163k for two primary reasons. First, is the addition of the land steward, which was added in fall 2023, causing \$58k of the year-over-year increase, and payroll expense increases at the Zoo of \$81k.
- Recreation Fund: Expenses are up \$448k compared to prior year. Total Rec Fund personnel expenses are up \$66k (\$12k in payroll and \$54k in health benefits). Zoo expenses are \$78k higher than prior year mostly due to increased repair/maintenance upgrades associated with AZA accreditation preparation; and special event expenses are \$37k higher than prior year, due to the big bugs exhibit. Additionally, program scholarship redemptions are \$36k higher, Proctor equipment repair is up \$24k due to classroom ceiling and floor repair/upgrades, the STEAM Roller program is up \$22k, and Central Park Pool equipment repair is up \$13k due to HVAC repairs.

- RiverPlex Fund: Expenditures are up \$113k from prior year. Primary drivers for these increases were: payroll (\$46k), equipment repair (\$20k), and marketing expenses (\$16k).
- HISRA Fund: Expenses are up \$222k compared to prior year-to-date, primarily due to the building roof upgrades and increased payroll associated with the addition of staff associated with grant funded programming.
- Police Fund: Police fund expenses are \$88k higher than prior year, due largely to one-time special project expenses and/or equipment purchases (\$44k), equipment and equipment repair (\$14k), and contract services (\$11k).

6.C. 2025 Budget Discussion

Executive Director Cahill stated that in today’s Finance Committee meeting, she and Karrie Ross will continue conversations with the Finance Committee regarding Discussion regarding highlights of the revised forecasts for 2024, discussion regarding material factors to consider, as staff approach preparation of the 2025 budget, and follow up on trustee input regarding revisions to the format of the District’s budget document.

Budget Book Layout:

- Restructure beginning of book to highlight GFOA elements
- Add a financial overview for the District and discussion of subsidies by service type
- Include detailed budget for all
- Revised Fund layouts

The fund sections will include:

- a. Definition of Fund
 - a. Program Summaries
 - b. Taxing at Maximum Rates? Yes
 - c. Personnel Requirements
 - d. Achievements in 2024
 - e. Key Proposed Changes for 2025
 - f. Financial Summary
 - i. Revenue
 - ii. Expenses
 - iii. Net
 - iv. Number Served
 - v. Tax Subsidy per participant
- g. Fees and Charges

Calendar Notes:

- Today: Revenue Projections for 2025
- September 11: Review fees and charges in Programming Committee
Discussion July 3rd plan for 2025
Present target strategies and high-level philosophies applied to budgeting in regular board meeting
- September 25: Present any material changes to fees and charges levels planned for in 2025

Karrie Ross stated that in regards to the 2024 revised budget, staff has submitted their 2024 revised budgets. Finance and management are still compiling & reviewing numbers. First pass through comments include:

- Generally, the District on pace to meet budget.
- Ancillary revenue is generally lagging compared to budget.
- Golf and RiverPlex Fund are projecting to materially beat budget.
- RiverFront Events YTD have done well. Fiesta en el Rio outperformed budget significantly, and - SoulFest has notably higher sponsorship and ticket revenue, which helped offset some increased talent expenses for the event.
- PlayHouse and Zoo are expecting materially underperform compared to budget.
- Park budgets are performing better than budget. HOWEVER, this is largely due to budgeted, but unfilled PT positions.

2025 budget considerations include the following known material expense increases: Wages & Benefits are roughly 50% of the total operating budget. In FY 2025, PPD has to budget for:

- FT Wages (155 people, approx. \$9.7 million FY24) expect approximately 3.25% increase = \$315k
- 1/1/2025 FLSA Salary exempt threshold increase from \$43,888 to \$58,656: 15 staff under new threshold, increases for those staff to new threshold = \$115k.
- Health Coverage: Approximately \$2.9 million FY2024, PPO increase 6.9% & HMO increase 3.7%. Approximate impact \$165k
- PT Minimum Wage Increase: Hourly minimum increase from \$14.00/hour to \$15.00/hour (approx. 7% increase) = \$390k

Operating Fund Personnel Impact Item	Estimated Impact
FT Wage COLA	\$315,000
1/1/2025 FLSA Salary Threshold	\$115,000
Health Benefits	<u>\$165,000</u>
FT Sub Total	\$595,000
PT Minimum Wage	\$390,000
Total Estimated Operating Fund Personnel Impact	\$985,000

2025 budget considerations include:

- Tax Revenue Projection:
- Replacement Tax (PPRT): IDOR projection for State FY25 is a continued decrease in PPRT, compared to State FY24. IL FY splits PPD’s 12/31 FY and the breakdown by muni isn’t the same across the board. But, at this time, the estimation for PPD FY25, is roughly a 10% decrease from PPD FY24 (approx. \$200k). Note, this may change as we receive additional information.
- Property Tax EAV: Assessor projecting a 6% increase for PPD. This equates to approximately \$580k more in operating fund tax revenue.

Essentially, PPD's property tax increase will need to pay for FT personnel expense increases. That means we need to thoroughly explore:

-Charges for Service Revenue

-Inflation rate has slowed: Positive for expenses, but potential negative for program revenue increases.

-Ancillary income strategies

-Operating Grant Opportunities

-District is finalizing the contract for ICJIA term 7/1/24-6/30/25, \$900k.

-PT Staffing Strategies

-Unemployment rate: June 2024 unemployment rate ticked up to 6%, it was 5% a year earlier. Positive, may improve hiring challenges. Negative, may hinder population growth and EAV growth.

7. OTHER BUSINESS

None at this time.

8. ACTION STEPS REVIEW

None noted at this time.

9. ADJOURNMENT

At 6:29 pm, Trustee Hill 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 Board Secretary