



**WINNETKA PARK DISTRICT
FINANCE COMMITTEE MEETING
THURSDAY, JULY 14, 2016
Community Room
540 Hibbard Road
5:45 P.M.**

AGENDA

1. Call to Order/Roll Call
2. Unfinished Business
3. New Business
 - a. Budget Assumptions
4. Remarks from Visitors
5. Adjournment

Committee Members

Gerri Kahnweiler, Chair
Ian Larkin
John Thomas
Bob Farmer, Staff

Persons with disabilities requiring reasonable accommodations to participate in meetings should contact John Shea, the Park District's ADA Compliance Coordinator, at the Park District's Administrative Office by mail at 540 Hibbard Rd, Winnetka, IL, by phone at 847-501-2040, Monday - Friday from 8:30 am to 5:00 pm, or by email to jshea@winpark.org at least 48 hours prior to the meeting. Requests for a qualified interpreter require five (5) working days advance notice.

**Winnetka Park District
Board Summary**

To: Finance Committee

From: Bob Farmer

Through: Robert Smith

Re: 2017 Budget Assumptions and Previously Approved Capital Items

Date: July 14, 2016

Summary

Each year, as part of the budget process, staff prepares a list of budget assumptions and the rationale behind the assumptions which are used for the preliminary budget. If staff has more accurate estimates for any specific revenue or expense areas, those estimates will be used in place of the basic assumptions.

To prepare the budget, staff will use the strategic plan, prior year budget detail, the prior year capital plan, prior year usage statistics, current year estimated increases/decreases from vendors, projected fee adjustments, completed business plans and the "Budget Assumptions" list after approval by the Board.

After approval of the 2017 Budget Assumptions, staff will begin the 2017 budget process in accordance with the "Budget Process Timeline" which is attached (attachment "A").

The "2017 Budget Assumptions and Major Capital Items" report is attached to this summary (attachment "B").

Staff Recommendation

Staff recommends that the Board approve the "2017 Budget Assumptions" for use in completing recommendations for the 2017 Budget.

END

**Attachment “A”
Winnetka Park District
Budget Process Timeline**

July 14, 2016	Distribution of “Basic Assumptions for 2017 Budget Year”
July 15, 2016	In Tyler (Accounting System Program) <ul style="list-style-type: none">• Open 2017 budget year• Import current year data (through June) into budget
July 28, 2016	Board Approval of “Basic Budget Assumptions for 2016 Budget Year”
September 1-2, 2016	Executive Director meets with Department Heads to review proposed Fee Adjustments (tentative fee adjustments will be presented to Committee of the Whole with final approval by Board scheduled on November 17, 2016).
September 8, 2016	Proposed Fee Adjustments presented to Board for review and approval
September 9, 2016	Staff Begins Budget Entry into Tyler using <ul style="list-style-type: none">• Strategic Plan• Business Plan• Prior Year budget Detail• Prior Year Long-Range Capital Plan• Prior Year Usage Statistics• Current Year Estimated Increases from Vendors• Basic Budget Assumptions
Week of October 3, 2016 input	Staff meets with Department Heads to review initial budget <ul style="list-style-type: none">• Annual Budget• Monthly Period Budgets

- Week of October 17, 2016 Review Budget with Director after changes with Department Heads
- Each meeting covers budget by Org. (100, 200, 300, 400, 1000 through 1600, 2000, 2100, 2300, 2400, 2500, 2700 and 3100 through 3700 and includes all staff. All line items in the Org. being reviewed are reviewed in detail.
- Week of November 3, 2016 Board Committee meetings scheduled for Budget Review
- Included will be Board Committee members, Director, Business Manager, respective Department Heads and all respective staff
- November 14, 2016 Preliminary Budgets must be available for public review at WPD Offices
- November 17, 2016 Final Fee Adjustments presented to Board for review and approval
- December 15, 2016 Tax Levy must be approved at Regular Board Meeting
Board Approval of final compensation package
- February, 2017 Final Budget Approval at Regular Board Meeting

END

Attachment “B”

2017 Budget Assumptions and Major Capital Items

REVENUES:

1. **Fees and Charges:** Individual Departments determine the amount of User Fees based on total expenditures of the program or activity, and the amount the public is willing to pay for participation in the activity. The Revenue Policy will help inform staff of the category the programs will be placed based on fee tolerances

The fees for the activities/programs for each year are presented to the Board for approval prior to proposed final budget submittal.

2. **Taxes:** For the 2016 Tax Levy, which will be used to finance operations for the fiscal year 2017, the tax cap has been placed at 0.70% plus 1.30% for new growth for a total of 2.00%. The 0.70% is based on the CPI at December 31, 2015. The District finances approximately 47% of total costs with property taxes. The remaining operating costs are funded through fees and charges, interest income and other miscellaneous revenues.
3. **Interest Income:** Based on the past year, and discussions with our banker, it is anticipated that interest rates will remain around 1.00% in the upcoming year.

EXPENSES:

1. **Salaries and Wages:** In December 2013, the Board of Commissioners approved the comprehensive review of the existing compensation package including salaries and benefits. At that time it was determined the comprehensive review should occur every two to three years. **Due to the change in exempt/non-exempt minimum wage levels (which will be effective December 1, 2016), the new comprehensive review scheduled for 2016 will be deferred until November 2017.** For preliminary budget purposes, a 4.0% increase for full-time and a 3.0% percent increase for part-time employees will be used. However, as an option for the Board and consistent with surrounding park districts, increases could be reduced to 3.0% for full-time and 2.0% for part-time staff. In December, staff will adjust salaries to Board approved compensation increases.
2. **Supplies:** In an effort to control costs, in general, supplies should increase no more than 3.0%. In certain areas, if the attendance of a particular program or activity is greater than anticipated, the actual amount spent on supplies will be greater.
3. **Services:** It is anticipated that services, as a whole will likely increase no more than 4.0%. Medical Insurance costs continue to be major concern. They are expected to increase approximately 15%. The 2017 budget will be adjusted accordingly. The District hasn't received the new rate from IMRF. The current rate is 10.66%.

Property Insurance costs-member contributions and Worker’s Compensation should increase no more than 5%.

4. **Repairs and Maintenance:** This is a difficult line item to estimate, because there are so many things that can happen, but the increase for this amount is projected to be no more than 3% of the previous year’s actual.

5. **Utilities:** The Village is expected to increase its’ electrical and water rate 4.0% each (due to new splash pad at Hubbard Woods Park water consumption is also expected to increase). Telephone/Communication is expected to increase 2.0%. Natural Gas is expected to increase 4.0 %.

6. **Pro-shop Merchandise:** Maintained at previous year’s level.

7. **Capital Improvements:** Current Year Capital improvements come from prior year budget capitals that have not been completed, Capital improvements identified in the prior year’s capital plan and any new Capital improvements added by the Board or staff. All capital improvements must have at least one actual quote or estimate and will need to be justified during the budget process. **This preliminary list is expected to have several changes as the budget process is completed.**

<u>2016 Major Capitals to be Completed</u>	<u>Budgeted</u>	<u>Estimate to Complete In 2015</u>
Hubbard Woods	624,000	624,000
Outdoor Tennis Court Renovations	310,000	310,000
Dwyer Park Renovation	250,000	250,000
Golf Maintenance Service Center	1,550,000	500,000
Lakefront Renovations	<u>250,000</u>	<u>250,000</u>
Subtotal	\$2,984,000	\$1,934,000

<u>2017 Budget Capitals</u>	<u>Est. Cost</u>
Dwyer Park Renovation	515,696
Nick Corwin Playground Renovation	245,000
Golf Maintenance Service Center	1,050,000
Lakefront Renovation	<u>250,000</u>
	\$ 2,060,696

Note: 2017 Budget Capitals are only a partial list other items will be added to the list during the budget process.

8. **Allocations:** Based on a 50/50 blend of the ratio of that individual department’s budget as a portion of the entire District’s budget and an allocation of the time spent by General and Administrative personnel on behalf of each of the District’s departments—same as in previous year.

END