

**NWSRA Finance Committee Meeting
Friday, November 6, 2020, 10:00 a.m.**

Present: Christina Ferraro, Prospect Heights Park District; Bret Fahnstrom, River Trails Park District; Bob O'Brien, Hanover Park Park District; Jay Morgan, South Barrington Park District; Michelle Bins, PFM Investments; Tracey Crawford, NWSRA Executive Trustee; Miranda Woodard, Accounting Manager; Darleen Negrillo, Superintendent of Administrative Services; and Jessica Vasalos, Administrative Manager, as Recording Secretary.

The meeting was called to order at 10:10 a.m.

Investment Update

Michelle Bins, PFM Investments reviewed the NWSRA portfolio with the Committee and gave the projections for the upcoming year. Mrs. Bins, indicated that for the foreseeable future it is in NWSRA's best interest to look into longer term CD's.

Amended COVID 2020 Budget Memo

Executive Crawford gave an overview of the amended 2020 budget versus the actual 2020 budget. Director Crawford further explained some of the disparities reviewing all the steps that NWSRA took to keep expenses down since March of 2020

Trustee Talsma raised a question via email as follows:

My biggest question or concern is that the 2021 budget only reflects an increase in program revenue of \$50k. However, it appears we are budgeting an increase in payroll and taxes of \$800k? I would think there would be a better correlation of increased revenue to increased staff. I agree on the time line in return to normalcy for programming, but I would think wages would then follow that percentage as well?

Director Crawford provided the rationale for NWSRA's conservative budgeting approach and reminded the Board, along with Superintendent Negrillo the following:

There are several factors that weigh into the assumption for this budgeting approach:

Part-Time Staff

1. NWSRA programs run at a loss of revenue and in some cases a break even scenario occurs. This budgeting model is based on the parameters set forth by ADA, allowing the accommodation of the unique needs of NWSRA participants (see page 1 of the Amended COVID 2020 Budget memo) without charging additional costs which would exceed the costs of programs similar to what is offered at their community Park District.
2. Program revenues are based on a minimum number of participants, while PT staff expenses are based on a maximum needed to successfully run programs and support the needs of the individual participating.

- a. For example, one program may host a minimum of six participants. That program may require:
 - i. Three 1:1 staff members
 - ii. A program leader
 - iii. A driver
 - b. As this program would run at a loss due to the amount of staff needed, NWSRA budgets based on the maximum number of staff to support the minimum number of participants. Prior program participation history and staffing ratios are taken into account when budgeting for anticipated staffing needs.
3. In order to accommodate an anticipated increase in programming in the final six months of 2020, Part Time Staff must be brought in earlier than June for training and preparation of programs.

Director Crawford also reminded the Board that in April, 2020 NWSRA froze all staff salaries due to the unknown outcome of the COVID-19 pandemic. Staff salaries are presented to remain frozen for FY2021, resulting in no increases for staff for two years. The difference in the salary line item is due to one staff promotion that occurred in February of 2020 and Recreation Therapist salaries adjusted to meet the FLSA exempt wage minimum requirements of \$35,568 resulting in an amount of \$23,782.81. Trustee O'Brien asked why they would remain frozen. After some discussion, Trustee O'Brien indicated he would like to bring this before the Board at the November 18, 2020 meeting. The committee agreed to bring this issue to the Board.

Proposed Unaudited 2020 Summary of Reserves and Investment Fund

NWSRA will have less than 25% to put into the operating budget for 2020. According to NWSRA's fund balance policy, 25% of expenses go into the operating budget. Budget numbers will be adjusted, and the starting amount for the operating budget will be determined. The General Reserve account will begin with 25% of expenses. Money will be transferred to the Capital Reserve fund per the request for \$250,000 for Buffalo Grove. In May, the actual numbers will be presented.

The committee was adjourned at 12:00 p.m.