

**NWSRA Finance Committee Meeting
Thursday, October 31, 2019, 10:30 a.m.**

Present: Ryan Risinger, South Barrington Park District; Jim Jarog, Mount Prospect Park District; Christina Ferraro, Prospect Heights Park District; Bret Fahnstrom, River Trails Park District; Diane Hilgers, Salt Creek Park District; Michelle Bins, PFM Investments (by phone); Tracey Crawford, NWSRA Executive Trustee; Miranda Woodard, Accounting Manager; Darleen Negrillo, Superintendent of Administrative Services; and Jessica Vasalos, Administrative Manager, as Recording Secretary.

Ben Curcio arrived at 10:40 a.m.

The meeting was called to order at 10:30 a.m.

NWSRA FY 2019 Summary of Reserves

Executive Director Crawford stated that the Capital Reserve and General Reserve accounts are held at Village Bank and Trust and are FDIC insured. The account had been compromised in July. Banks do not track compromises under \$500. NWSRA was reimbursed for fraudulent withdrawals. A new account was opened; all issues were resolved.

FY2019 year-end, NWSRA purchased items ahead with excess net balance funds; thus, some budget line items appear to be over budget.

NWSRA Proposed 2020 Budget Document

Executive Trustee Crawford explained the calculations/assumptions for each budget category and highlighted some that required more detail. She provided the rationale for NWSRA's conservative budgeting approach.

Camp transportation was over budget due to the addition of new camps. Member agency contributions are given to members in July, and they take it to their Boards. Transportation door-to-door expenses are estimated to be slightly lower due to some programs being terminated, e.g. adapted sports. Healthy Minds/Healthy Bodies will be kept. NWSRA is increasing pick-up points for transportation to day camp.

Program fees are slightly lower. A question was raised as to why the budget is lower if participation trends are up. Executive Trustee Crawford explained that some special events are not being continued, and some families or participants have limited income and are planning for a possible recession. PURSUIT is conservatively budgeted.

Executive Trustee Crawford explained the category of Non-Program Revenue. The budget for 2020 is higher than 2019 due to expected ADA compliance funds from the state. She explained the ADA compliance needs of NWSRA program sites.

SLSF grant contributions are lower; some events were cancelled due to weather. Executive Trustee Crawford reviewed the categories that SLSF money will support. Some funds will pay for furniture at Wheeling and Buffalo Grove.

Miranda Woodard explained her estimation of Interest for 2020. A question was raised as to if interest rates are declining, why is NWSRA posting more for 2020? Executive Trustee Crawford explained that it is an average of prior estimate and current conditions. In addition, some higher-yielding investments are locked in for two years. This reasoning was supported and verified by Michelle Bins PFM Investment Manager.

Revenue from SLSF goes to Booster Club at the end of the fiscal year. Trustee Curcio asked how many people donate on average. Executive Trustee Crawford explained the low number from various sources.

Executive Trustee Crawford explained the increase in expenses for Professional Fees in 2019, including legal expenses. Superintendent Negrillo shared the document retention plan that also required spending from this category.

Office supplies, program supplies and postage were purchased ahead with 2019 funds. Trustees Fahnstrom and Trustee Risinger asked for clarification on this strategy and where cost savings will be experienced. Executive Trustee Crawford explained the approach and reasoning. Additional savings are realized from SLSF's credit card reward points and some of Executive Trustee Crawford's expenses being covered by ATRA for the next two years.

The Finance Committee thoroughly discussed reasons for increased spending in 2019 and anticipated increased spending in 2020. It was noted that NWSRA staff will be added for the two new program sites. There are also new memberships and certifications. Certain category increases, such as Program Development and Printing, are due to the addition of Wheeling and Buffalo Grove program sites.

Health insurance through PDRMA is currently less expensive due to younger staff at NWSRA.

Vehicle maintenance was high in 2019 due to lack of routine maintenance, but the fleet is stabilized and regular inspections are planned. A capital replacement plan is in place, which includes the potential grant for ADA transition and needs for Wheeling and Buffalo Grove. Trustee Jarog recommended matching the 2020 budget number to the 2019 number for transportation maintenance.

An increase in spending for ads is due to staff turnover. Full-time salaries reflect a 3% increase to the pool, as well as staff for Wheeling and Buffalo Grove (benefits and IMRF). There is a need for more part-time staff.

Trustee Risinger recommended that Executive Trustee Crawford provide the Board of Directors with a separate memo of explanations/assumptions for budget categories that show a certain percentage increase for 2020.

PFM Investment Update

Michelle Bins gave an update on NWSRA's portfolio and confirmed that CDs are the best investments for NWSRA. Interest income has been increasing. In 2018, the fed raised interest rates four times, but rates decreased in 2019. NWSRA was able to lock in some favorable rates, which will help keep yields up. The fed just lowered interest rates for the third time this year; there are no predictions for any other movement this year. US Treasury rates have decreased; yields are flat.

Executive Trustee Crawford informed Michelle Bins that NWSRA will need \$250,000 in cash by May for the Buffalo Grove site. CDs coming due will be earmarked for that need. The money will be transferred to the Capital account, awaiting Board approval.

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.