

Honorable Commissioners
Park District of Oak Park
Oak Park, IL 60302

We are pleased to submit a copy of the 2008 Proposed Working Budget. This document provides a detailed outline for the allocation of financial resources. The Working Budget will be used as a tool to provide quality services at the highest possible level at the lowest cost.

The Board of Commissioners establishes budgetary appropriations for the operations of various District departments through the adoption of an annual combined budget and appropriation ordinance after public hearings. The appropriation is prepared on the same basis and using the same accounting practices that are used to account and prepare financial reports for the funds. All appropriated amounts lapse at the end of the fiscal year. Spending control is established by the amount of the total appropriation for the fund, but management control is exercised at appropriation line item levels.

Budgetary control is employed as a management control device during the year through an internal reporting process. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's governing body. Activities of the general fund, special revenue funds, debt service fund, and capital project fund are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The Budgetary Control process includes verification of appropriation amounts before expenditures and a monthly review of all account totals compared with the appropriations. Variances between expenditures and appropriations are identified rapidly for appropriate corrective measures. The District maintains a procurement policy for the authorization of all expenditures. Ultimately, all expenditures are reviewed and approved by the Board of Commissioners.

After several years of maintaining the status quo, the Park District began to evaluate the organization as a whole in 2001 with the inception of the citizen-based infrastructure committee. Many of the suggestions provided in the Committee's final report have been implemented in prior budgets and continue to be implemented in this budget.

Developing a comprehensive master plan (CMP) was one of the keystone recommendations. In 2003, the District started the process of completing a CMP in conjunction with the Village of Oak Park and with the help of many community volunteers. The report provided a roadmap for improving recreation service delivery and facilities in Oak Park and communicated the need for additional funding to the public. The result was the successful passage of a tax increase referendum for the first time in forty years.

The referendum was developed to accomplish two goals. The first goal was to provide a funding source for repair and restoration of the Park District's facilities and parks that had deteriorated from years of deferred maintenance due to insufficient resources. The second goal was to align the funding and operation of all publicly owned recreation property and facilities under one governmental agency. The funding alignment also provided the Park District with financial independence from the Village of Oak Park after the final annual fund transfer of \$1.7 Million was completed in 2007. Receipt of the referendum funds began in the fall of 2006. The full impact of the capital improvement funds began to be realized in 2007 with a substantial Master Plan implementation at Austin Gardens and Field Parks, Core Center improvements to Barrie, Fox, Longfellow, and Stevenson Park community centers (including restroom accessibility and enhancements to the lobbies, programming areas and office spaces), a major restoration of Cheney Mansion and the Stevenson Park athletic field (including ADA modifications) and installation of a playground on the grounds of Lincoln School which shares open space with Carroll Park. The Master Plan for Maple Park and the Ridgeland Common Existing Conditions Report were also completed.

In November of 2004, The Board of Commissioners adopted a Mission, Vision and Values policy statement. The mission statement "In partnership with the community, we provide quality parks and recreation experiences for the residents of Oak Park" condenses the reason for the existence of the District into a single sentence highlighting the cornerstones of partnership, community, quality and residents. The vision statement "Oak Park's parks system provides open space and recreation opportunities for all Oak Park residents and we will work persistently to ensure the availability of these quality parks, recreation programs and facilities for generations to come. We strive to provide an excellent parks and recreation system that is deeply integrated into the distinctive Oak Park living experience. We envision the recognition of our parks system by Oak Park residents as a major contributor to the enhanced quality of life that exists in the Village. We value and respect our history, our civic involvement and the Oak Park tradition of innovation and we will strongly consider these factors as we plan for the future. We believe that citizen participation and access to their parks and recreation programs is paramount. The parks system will conduct the public's business in an open, communicative and self-evaluative fashion. We will reach out to populations that are underserved and we will continually seek feedback and take corrective measures as we strive for excellence. We believe the key to achieving and maintaining an excellent parks and recreation system lies in creating partnerships with other community agencies to provide services in a seamless fashion. These critical partnerships are both within and external to Oak Park's boundaries. The organization providing the program or service is secondary to the quality and the diversity of the offerings. We promise, in collaboration with our partners to balance development and maintenance of quality parks and facilities with the preservation of open space. In addition, we pledge to offer innovative, high quality programs that provide significant benefits to participants, residents, the

environment, the local economy and our overall community,” represents the direction of organization intends to pursue for the foreseeable future. Finally the Values of Effective Communication, Inclusion, Funding, Partnerships, Customer Service & Professional Conduct, Planning, Evaluation and Safety clearly outline the way the District intends to carry out the work required to achieve the Vision. These values are used in the all aspects of the decision making process for the Board and Staff including being part of the employee performance evaluation process.

In 2006, the Park District took a major step in modernizing the structure of the organization and establishing an organization that responds to the needs and desires of the residents. This was accomplished by reorganizing the Recreation and Revenue Facilities Departments and creating positions that focused on program areas rather than facility location. The reorganization centralized the supervision of programs to provide one leader for each major program area. Prior to the reorganization, the District had as many as seven employees supervising the same program based on where the program was taking place. The new structure was developed to reduce duplication and improve customer service.

Finally, in November of 2007 the Board approved five strategic themes that were developed at an inaugural Board goal setting workshop. The Board agreed to strive to improve financial strength of the Park District, to be customer focused, to be committed to renewing infrastructure, to be an employer of choice, and to be proactive rather than reactive. The themes build on the Mission, Vision and Values of the District and focus on a five year or less timeframe. These themes were developed after the budget process for 2008 was well under way and were not directly used in the development of the budget. However, the themes will be incorporated into the development of staff goals and communication with the Board in 2008. Likewise the Board plans to consider the themes as they take action in the performance of their duties in 2008. The Board is planning on reviewing these themes in July 2008, so that the themes can be used to provide more guidance in the development of the 2009 budget.

2008 PROPOSED BUDGET HIGHLIGHTS

Overview

The financial situation of the Park District of Oak Park continues to improve. Preliminary 2007 year-end estimates indicate increased fund balances, showing five consecutive years of increases and providing increased financial stability.

Significant items included in the budget are:

Taxes

The Property Tax Extension Limitation Law (PTELL) governs the amount that levies for property taxes may be increased. The 2007 levy increase for all funds excluding the Bonds & Interest fund and Special Recreation Fund from the prior year was limited to 2.5% which is the Consumer Price Index (CPI) from 2006. The 2006 tax rate for capped funds was \$0.397 per \$100 of Equalized Assessed Value (EAV) and the 2007 tax rate for capped funds is projected to increase 8.10% to \$0.4171. The projected tax rate exceeds the limit due to the release of \$20,447,436 of new property from the Downtown Oak Park TIF and other new property which

is taxed at the total tax rate rather than just the incremental increase. The tax rate also exceeds inflation because the District has not reached the full limit approved by voters in the 2005 referendum.

The total 2006 tax rate was \$0.434 and the 2007 levied rate is projected to be \$0.443 per \$100 of EAV. The target tax rate at the time of the 2005 referendum was \$0.447.

The amount budgeted for Personal Property Replacement Tax has been increased by \$30,000 because of the economy in Illinois continues to improve from declines sustained in the early part of the decade. The replacement tax is a corporate income tax collected statewide and then distributed to various taxing districts. It is based on a formula using of the amount of corporate property tax that was lost when the replacement tax was created.

Village Transfer

From 1990 through 2007 the District received a fund transfer from the Village of Oak Park (VOP) on a quarterly basis to help offset the costs associated with operating and maintaining the community centers and park property owned by the VOP, senior programming and some special events such as the summer concert series. In 2007, The District received the final transfer of \$1,750,000, all of which was allocated to the Capital Fund.

Fund Balance and Interest Income

Interest income has been increased from \$120,000 to \$154,000 because of higher interest rates and more funds available for investment. The additional funds for investment come from having larger fund balances.

The targeted Fund Balance level is 25% of operating expenses. In 2002, the operating fund balance had fallen below 7% because of not fully realizing the impact the tax cap would have on the District's finances and selling an alternant revenue bonds with a primary funding source of pool revenue based on building an family aquatic center. The aquatic center was not built so pool revenue was never able to fully fund the repayment schedule. As of the end of 2006, the District had a fund balance percentage of 20.9%.

OPERATING FUND RETENTION 2006 YEAR END

FUND	2006 BUDGET	RECOMMENDED RETENTION FUND BALANCE		ACTUAL FUND BAL 12/31/2006		VARIANCE
		%	AMT	%	AMT	
CORPORATE FUND	2,739,642	25%	684,911	38%	1,036,813	351,903
MUSEUM FUND	73,000	25%	18,250	35%	25,369	7,119
RECREATION FUND	1,424,796	25%	356,199	55%	781,627	425,428
IMRF FUND	935,000	15%	140,250	12%	110,514	(29,736)
DEBT SERVICE FUND	483,500	25%	120,875	-5%	(23,218)	(144,093)
LIABILITY FUND	163,500	75%	122,625	91%	148,002	25,377
SPECIAL RECREATION FUND	260,000	25%	65,000	54%	141,320	76,320
AUDIT FUND	12,000	25%	3,000	45%	5,366	2,366
REVENUE FACILITIES FUND	2,374,774	25%	593,694	-16%	(380,403)	(974,096)
CHENEY FUND	182,424	25%	45,606	-22%	(40,583)	(86,189)
TOTAL	8,648,636	25%	2,150,409	20.9%	1,804,808	(345,601)

If an individual fund has met the targeted goal for fund balance retention, any revenue generated in excess of annual expenses will be transferred to the Capital Project Fund as a means to accelerate park improvements and accommodate unforeseen conditions when the CIP was developed.

Year-end estimates indicate that the District has increased fund balances by a greater than budgeted amount, showing five consecutive years of increases and providing increased financial stability.

Grants / Sponsorship

The Park District has submitted an application for an Illinois Department of Natural Resources OSLAD grant in the amount of \$400,000 for the redevelopment of Longfellow Park. If the grant is obtained, improvements will include new creative play areas for ages 2-5 and 5-12 with a synthetic, resilient, slip-resistant surface and many play elements to stimulate the senses; a new and expanded water splash pad play area; a ground-level full court basketball area; renovated multi-purpose sports fields; handicapped accessible restrooms, new park landscaping and other amenities. The Longfellow project will also be receiving an Access to Recreation grant for \$109,000 from the Kellogg Foundation, \$35,000 from the Good Heart Work Smart Foundation, and \$1,000 from the CVS foundation to provide enhanced access for individuals with disabilities. In 2008 an OSLAD grant application will be filed for Maple Park as it is currently the only Park scheduled to have master plan improvements in 2009.

In 2008 the Park District will receive the final installment of \$10,000 from a corporate sponsorship agreement with Coca-Cola.

The Frank Lloyd Wright Races continue to receive sponsorship support. In 2008, the revenue generated from race sponsorship has been broken out of the program budget and is now being tracked in the grant and sponsorship category.

More sponsorship opportunities are being explored in 2008 but no new agreements were secured in time to be included in the budget.

Bonds & Interest

The final payment for the 1998 General Obligation (GO) bond issue will be made in 2008 and a two year GO Limited Tax Bond is budgeted to be issued in December 2008 for the Vehicle, Technology and Tree Replacement Programs. The amount of the bond issue will be around \$400,000 and debt service for the bond issue is expected to remain close to the maximum debt service extension base of \$219,549 based on an estimated 4% interest rate.

**Park District of Oak Park
Debt Service Schedule**

	Principal	Length	Type	Repayment source	2008
Series 1998 B	1,705,000	10	General Obligation	Debt Service Fund Taxes	218,820
Interest Rate					4.2%
Series 2007	515,000	10	Debt Certificate	Capital Improvement Fund	65,807
Interest Rate					3.7%
Total Yearly Debt Service					284,627

Series 1998 B Bonds - Proceeds used for renovations of the exterior of Pleasant Home, the interior space at Ridgeland Common, the addition at the Oak Park Conservatory, and renovations at 218 Madison Street.

Series 2007 - Proceeds used for renovation and restoration of Cheney Mansion.

Capital Maintenance

The proposed budget includes over \$4.3 million for funding the projects identified in the Capital Improvement Plan (CIP). Some of the major projects for 2008 include:

- Phase one Master Plan implementation at Longfellow and Fox Parks
- Master Plans for Ridgeland Common, Mills, Rehm/Conservatory and Taylor Parks
- Infrastructure improvements to the John Hedges Administration Center
- Restoration of the Scoville Park War Memorial
- Continuation of the Vehicle Replacement program

Please refer to the CIP for a complete list of 2008 projects.

Per capita spending for capital improvements can be a useful tool to compare the investment being made in the capital infrastructure of the District to other park districts. After an initial surge in 2007 and 2008 to address many years of inadequate funding, per capita spending is expected to level off at around \$40 per year in 2009 and beyond. The chart on the next page shows the District's per capita spending from the Capital Projects Fund for 2005-2008.

Per Capita Spending on Capital Project Expenses

	2005	2006	2007	2008
Capital Project Expenses	\$ 76,365	\$ 1,295,725	\$ 5,151,498	\$ 4,308,406
Per Capita Amount	\$ 1.52	\$ 25.77	\$ 102.47	\$ 85.70

Estimated Population in 2006 50,272

Revenue and expenses related to partner organization facility use fees are included in the Corporate Buildings and Grounds budget. This is based on a \$5 per participant fee charged to all affiliate sport origination user groups. The District consults with these groups prior to using the funds in order to address the most pressing field condition concerns and provide the highest

quality fields. The amount budgeted for field improvements in 2008 is \$22,340. If more money is collected from field use fees it will be used for additional improvements.

The District has a partnership agreement with Fenwick High School and Dominican University that provides for each partner including the District to provide \$5,667 of annual funding the tennis court repairs. In 2008, \$45,300 is budgeted for tennis court repairs. Because no repairs were made in 2007, \$22,667 of the total is being carried over into 2008.

Employee – Related Expenses

Included in this budget is the annual merit increase system that allows full-time and part-time staff in IMRF qualified positions to earn a salary increase of the CPI-U plus 1% (3.5% in 2007) if they are above the midpoint of their salary range. Employees below the midpoint are eligible for adjustments based on years of service and the difference between current salary and the midpoint. The goal of the Salary and Wage Program is to have all employees at the midpoint of their salary range in the fifth year of service.

The creation of an incentive program was the final part of the Salary and Wage program and was implemented in 2006. The incentive program rewards employees for strong performance by paying employees that receive the highest rating of Superior with an extra two week paycheck and those with Proficient rating with an extra one week paycheck. In 2007, four employees were rated as Superior, and 23 employees were rated as Proficient for a total of 27 employees receiving the incentive. There were 23 employees that received the incentive in 2006.

The salary ranges for full time staff will be evaluated in 2008. The ranges need to be reviewed because the current ranges were established in 2003 and many job descriptions have changed since this time. The Corporate Fund has \$10,000 budgeted for a consultant to help the district in the review process and \$20,000 budgeted for implantation of any required revisions.

Increases for part time staff are budgeted to increase by up to 19% from the 2007 budget because of the change in State minimum wage. The minimum wage increased from \$6.50 per hour to \$7.50 per hour on July 1, 2007. This was not incorporated into the budget for 2007 because the scope of the increase had not been set when the budget was formulated. The minimum wage will increase by \$0.25 each year on July 1 through 2010 when it will reach \$8.25 per hour. As a point of reference the Federal minimum wage is currently \$5.85 per hour. Even though the minimum wage law only requires the District to increase the hourly wage for those employees that were below the new minimum wage, all seasonal part time positions needed to be reviewed and required increases in excess of the typical inflation factor adjustment to limit wage compaction. Wage compaction occurs when newly hired employees in lower responsibility positions are paid the same as employees with seniority in higher responsibility positions. Wage compaction is illustrated by looking at the bike security and life guards positions. Before the minimum wage increase, the District paid newly hired bike security employees \$6.50 per hour and a fourth year life guard \$7.30 per hour an \$0.80 difference. After the change in minimum wage, both positions would be paid the same rate of \$7.50 if the life guards did not receive more than the minimum wage.

Several personnel changes are included in the budget:

The part time accounts payable clerk position has been upgraded to a full time position in the 2008 budget. Having this position previously classified as part time has been beneficial to both the District and the employee due to cost savings on the District's part and the desire of the employee to be able to spend more time with her family. As the requirements of the position have increased the family needs of the employee have changed to allow the position to transition to full time and still benefit both parties.

A full time Project Manager position is included in the budget at 75% of the annual cost because the position is not expected to be filled before the first quarter of 2008 is complete. The purpose of the project manager as outlined in the job description is: "The Project Manager utilizes professional construction knowledge and expertise to evaluate and implement assigned projects for the District. Develops Bid and Request of Proposal specifications and documents. Monitors bidding process, projects, contractors and consultants to ensure compliance with budgets, schedules, contracts and specifications. Reports to the Superintendent of Buildings and Grounds with close coordination with the Executive Director and may supervise the contractors and consultants during projects."

These positions would bring the total number of Full time employees to 50 for 2008.

Park District of Oak Park
Number of Full Time Employees by Service Area / Location

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Corporate Administration	5	5	6	7	7	6	6	7	7	8	9
Cheney	1	1	1	1	1	1	1	1	1	1	1
Conservatory	3	3	3	3	3	3	3	3	3	3	3
Buildings and Grounds	9	9	10	10	11	11	10.5	10.5	11	11	12
Recreation	11	11	12	12	11	10	10	8	10	10	10
Revenue Facilities	9	11	10	10	9	9	9.5	9.5	11	11	11
Customer Service	2	2	2	2	2	3	3	3	4	4	4
Total	40	42	44	45	44	43	43	42	47	48	50

A part time Facility Rental Coordinator position which was established in 2007 to improve customer service and improve efficiency by consolidating the community center rentals process to one point of contact is included in the Facility Operations budget. The increased volume of rental activity and revenue because of improved facilities and centralized administration as well as the elimination of a regular part time office position is expected to cover this expense.

Health insurance costs are budgeted to increase by 5%. The percentage paid by the employee has remained the same for 2008. A reimbursement of \$1,200 has been included for those employees that decline to use the Park District's health insurance plan. The expansion of the District's IRS Section 125 tax exempt salary reduction plan and implementation of contractual

management agreement has been included in the Budget. The District will now offer a medical flexible spending account and child care account in addition to the already offered insurance premium plan. This will reduce payroll taxes paid by both the district and the employees

The Illinois Municipal Retirement Fund employer contribution rate has decreased to 8.03% of payroll. The rate was 6.88% in 2000, 8.10% in 2001, 11.52% in 2002 and 2003, 12.30% in 2004, 13.01% in 2005, 14.01% in 2006 and 9.60% in 2007. The reason for the large rate reduction in 2007 is that the District has finished paying for the Early Retirement Incentive (ERI) offered in 1999.

Recreation Program Initiatives

The Recreation Department is in the midst of a reorganization repositioning from a facility to a program (market) driven model. This shift in our operational recreation delivery system was engaged to maximize our resources, eliminate duplication, improve customer service and create new recreation opportunities. The 2008 budget reflects another step in the process of reorganization and is focused on achieving pricing balance and consistency, while delivering quality oriented programs, activities and services. Staff expanded their use of resources and engaged in new methods to determine program pricing and expense detail. The result is aimed at providing an improved and expanded program portfolio for their residents of Oak Park.

Fitness

The Fitness Exercise line item is budgeted for large increases in revenue and expense from last year due to the addition of the Chicago Boot Camp program. This is a very popular new program that is resulting in a bottom line increase of \$20,160 from the prior year budget.

Adult Athletics

An adult dodge ball league has been added to the program portfolio and budgeted under the New Adult Sports Programs line item.

Teens

The opening of a teen center at Stevenson Park is new to the budget this year. Start-up and operating costs have been separated to allow year to year comparisons in the future. The anticipated direct operating subsidy for this program is \$13,383. While \$25,000 has been included in the capital budget for the materials and equipment need for the startup of the program.

Skateboard programming and Active Sport Area hours of operation and the length of the season are budgeted to be expanded in 2008, due to the popularity of the programs offered in 2007 and the participant demand to have the ASA remain open later in the fall and earlier in the spring.

Programs & Events

The Recreation in the Streets program is being modified to expand the number of days it is available for free community recreation. The location of the program will also be changing to a rotating rather than static location to bring programmed recreation opportunities to more parks in the system. The free program will increase from one to three days per week (M, W, F) from 10-12 noon. The private Recreation in the Streets service will only be on Thursdays and Fridays ONLY with block parties remaining on Saturdays and Sundays. The total direct

subsidy for the modified program is \$1,795. Because the movies in the park program has been a hit with the community it has been broken out to an individual line item and is receiving a direct subsidy of \$1,428.

Special Events/Arts

New Special Events will be expanded to include an October Halloween Fest and continue the successful Polar Express.

Active Adult

Programming emphasis in 2008 is to shift focus from trips to class programming over the course of the year. This shift is based on feedback provided by the Active Adult Members and the semi-dedicated space at Longfellow to allow us to expand upon our current programming.

Active Adult program budget reflects actual costs and the need for a temporary increase in subsidization so that the new coordinator has time to renew the program portfolio.

Gymnastics

\$25,000 has been included in the Budget to replace the spring floor in 2008. This significant expense is called for due to the age and deteriorating condition of the current floor.

Gymnastics coaches require specialized skills and need to maintain these skills in order for the District to provide a quality and safe recreation environment. In addition, demand for the gymnastics program remains higher than can be accommodated in the present space requiring maximum use of available time to serve as many participants as possible. Because of these requirements wage expense for part time staff has been increased to support to maintain the existing staff and attract additional highly skilled staff.

Pools/Aquatics

Programs and Services

Over the past few years the quality of service in the concession operation at Rehm pool has not met the level called for by pool patrons who visit the facility. Overall service and hours of operation have not been in par with what the consumer expects. As a result, staff carefully analyzed the cost/benefit of providing in-house concession operations at Rehm as opposed to contracted services. Staff has therefore set pool concession goals to provide improved service, expand operational hours and provide a more affordable menu selection to our patrons. This change will result in higher revenues and expenses in all concession related line items.

Opening and closing dates for the pools will remain the same as 2007. The end of season schedule is still being finalized and staff is exploring closing Ridgeland a week earlier and having Rehm open during the final week instead. This will give staff an additional week to prepare the ice rink for opening lengthening what is already a very tight turn around schedule but Rehm requires more staff to operate than Ridgeland. The impact on service to our customers would be minimal as the hours are not changing.

Expenses-

Part time Salary Expense for the aquatic operations are budgeted to increase 22.8% or \$60,579. About \$38,000 or two thirds of the salary increases are related to the minimum wage increase and annual wage increases. The remaining increase is due to budgeting for less weather related closings and for bringing the Rehm concessions back in house.

Property Repair has \$24,500 of identified repairs and an additional \$28,000 in unidentified repairs. A typical past budget might include \$7,000 to \$10,000 in unforeseen repairs. Due to the aging of the facilities we have seen in recent years that the cost of upkeep to the facilities at a minimum level is rising.

Capital is up slightly \$4,000 over last year. Much of the equipment needed to run the concession in 2008 will be purchased out of this account. Additionally, the front entrance will have 2 cashier booths built at either side of the front doors with the purpose of improving the ingress and egress of patrons and create needed office space that will allow for an increase in full-time staff presence at Rehm.

In summary expenses are increasing in 2008 due to the minimum wage law which has mandated wage increases in 2007 through 2009. The wage increases along with increases in maintenance costs associated with our aging facilities and new capital ventures aimed at improving customer service all contribute to the higher operational expenses in the pools. All of these factors collectively contributed to the need to raise revenues (fees and admissions) above routine levels as indicated below. However, in all cases these increases have been structured to be consistent with our Comprehensive Revenue Policy.

Revenues-Fee Increases

- 10% increase in general Pool Pass fees increasing revenue \$47,600.
- 4% increase in Lap Swim Pass fees increasing revenue \$422.
- Increase in the daily gate admission from \$8 to \$9 increasing revenue \$13,750.
- Increase in the daily Lap Swim admission from \$3 to \$4 increasing revenue \$2,066.
- 4% increase in Swim Lesson fees increasing revenue \$5,000
- Increase in practice time rental rates for the swim teams from \$65 to \$75 per hour increasing revenue \$1,300.
- Increase in Swim Meet rental rate from \$100 to \$125 per hour increasing revenue \$675.
- District 97 spring pool parties increase from \$1 to \$3 per student. This increase is strictly to cover the costs of providing staff for these parties.
- Total fee increase projections equal \$72,400

Ice Rink

Ice Arena Programs

The Northwest Travel Hockey Program currently run by the Park District will become an independent non-profit club program beginning in the Fall of 2008. The program has many elements of an independent program and is costly to operate and could be more cost effective for participants as a club program. The participants would now pay instead of the District and the club would rent ice at Ridgeland Common. The current program has revenue around \$78,000, \$23,500 in direct costs and \$53,000 in market rate ice time.

As an independent program the rental revenues generated would be around \$60,000 over a full year. Eliminating the direct costs and the full time staff costs we are currently incurring will result in a net revenue gain.

The minimum wage increase does not impact the rink operations as much as aquatics because the amount of staff required is much lower.

Expenses

- Facilities Operations Coordinator salaries have been increased by \$3,600 or 19%. This increase is due to creating a new senior part-time staff position and raising the hourly rate recognizing the increased role and responsibility. This position helps train staff, supervise a number of part-time staff positions and responsibility for facility custodial services.
- Property Repair is increased by 59%, \$74,200 from \$43,500. There are \$34,200 in identified repairs and \$40,000 in unforeseen repairs. The age of the facility is forcing us to recognize the probability of excessively expensive repairs on an annual basis.

In summary the rink is not as heavily impacted due to the minimum wage law as the aquatic operations are because fewer staff are required to run the rink operations. However, the with increases in maintenance costs associated with the aging facilities has more of an impact on the higher operational expenses associated with the rink. All of these factors collectively contributed to the need to raise revenues (rental rates, fees and admissions) above routine levels as indicated below. These increases are not consistent with the Comprehensive Revenue Policy because the operating costs are increasing faster than the market would be able to accept if fees were increased to match expenses.

Revenues-Fee Increases

- 4% increase for rink pass fees, increasing revenue \$1,600.
- \$20 per hour increase in the rink rental rates. The prime time rate will go from \$240 to \$260 per hour and the non prime-time will go from \$200 to \$220 per hour, increasing revenue \$10,200.
- 4% increase in Skating Class and Hockey fees, increasing revenue \$16,200.
- Increase for Indoor Soccer Rental from \$50 to \$75 per hour due to the better quality surface from the new turf. This increase along with increasing rental hours will result in \$7,560 in new revenue.

Museum Fund (Pleasant Home Foundation)

The amount budgeted for support of the Pleasant Home Foundation (PHF) has remained at \$15,000 for 2008. The amount of money budgeted for property repair has increased by \$50,000 to \$72,260 to continue to address the needs of this historic property. If the funds are not needed for emergency repairs, they will be accumulated to match future grant applications for the restoration items identified in the Historic Structure Report, historic related items identified during the Mills Park Master Plan process or improvements required if the Oak Park River Forest Historical Society decides to vacate the second and third floor of Pleasant Home.

BUDGET SUMMARY

The proposed budget for 2008 in the operating funds is increasing by 7.9% to \$8,795,801. The Capital Project Fund is decreasing by 7.4% to \$4,308,406. The total budget for 2008 is increasing 2.7% to \$13,329,592.

The totals for each fund are as follows:

<u>FUND</u>	<u>BUDGET 2007</u>	<u>PROPOSED BUDGET 2008</u>	<u>PERCENT CHANGE</u>
Corporate	\$5,043,926	\$5,632,063	11.7%
Recreation	3,143,459	3,354,577	6.7
Revenue Facilities	1,745,607	1,857,522	6.4
Cheney Mansion	175,555	197,047	12.2
Fund Balance Contribution	(78,698)	(103,365)	31.3
Capital Project Contribution	(243,038)	(242,043)	(0.4)
Interfund Transfers	<u>(1,683,000)</u>	<u>(1,900,000)</u>	12.9
Total Operating Funds	8,103,811	8,795,801	7.9
Capital Projects	4,650,937	4,308,406	(7.4)
Bond & Interest	<u>223,737</u>	<u>225,385</u>	0.7
Total Bond & Capital	4,874,674	4,533,791	(7.0)
Grand Total	<u>\$12,978,485</u>	<u>13,329,592</u>	<u>2.7%</u>

MAJOR FUND CATEGORIES

GENERAL FUND

The general fund is the main operating fund for governmental units. The Park District of Oak Park uses the title of Corporate Fund interchangeably with General Fund. This is a taxing fund, which includes Administration, Public Communications, IMRF, Conservatory, Liability Insurance, Buildings and Grounds, Audit expenses and other financial transactions, which are not directly attributable to any other fund.

Taxes represent the majority of Corporate Fund revenues. The remainder of revenue for the Corporate Fund comes from, investment income, Conservatory program and building rental fees and other miscellaneous income. Interest and Personal Property Replacement Taxes are increasing because of higher interest rates and fund balances available for investment and an improving corporate income in the state.

Budgeted expenditures for Administration in the Corporate Fund in 2008 are \$2.9 million. This is an increase of \$350 thousand from the prior years' budget, due mainly to an increase of \$262 thousand of transfers to other funds.

The IMRF budget center accounts for expenditures paid for Social Security, Medicare, and IMRF benefits. Budgeted expenditures for retirement benefits in 2006 are \$547 thousand this is an increase of \$27 thousand. The increase is because of higher wages.

Budgeted expenditures for the Conservatory have increased by 1.32%. The increase was kept below inflation because a new natural gas contract will be reducing the price of this utility.

The Liability Insurance budget center accounts for expenditures made to the Park District Risk Management Agency (PDRMA). Included in this are premiums for liability, property, employment practices, and worker's compensation insurance. Also included are certain other risk management costs. Budgeted expenditures for this fund are \$197 thousand. This is an increase of \$18 thousand, or 9.8 % from the prior year. The main cause is that premiums are determined using a formula that multiplies a rate by expenditures. For example the workers compensation premium is determined by multiplying all wages by either by 4.37% or 0.65% depending if the employee is in a maintenance position or not.

Budgeted expenditures for the Buildings & Grounds portion of the Corporate Fund increased 14.5% from the prior year to \$1.4 million. The main increase is due to the addition of a full time Project Manager position and triennial improvements to tennis courts funded in part by a partnership agreement with Dominican University and Fenwick High School. Higher than inflation cost associated with landscaping and building materials are also contributing to the increase.

The Audit budget center accounts for expenditures related to the annual audit.

RECREATION FUND

The Recreation fund accounts for recreation program operations by program areas instead. Currently the facility costs are not allocated to individual programs; however, the district plans to investigate allocating these costs in future budgets. The Pleasant Home Museum and Special Recreation Funds receive dedicated property tax revenue but are organized as part of the Recreation Fund.

Program fees are the leading revenue source for the Recreation Fund and are budgeted to generate \$1.9 million of the Fund's total revenue. Taxes for the Recreation Fund account for \$895 thousand of the revenue. The Recreation Fund expenses are increase by 4.0% mainly because of payroll expenses.

Budgeted expenditures for Administration in the Recreation Fund reflect expenses that apply to the entire recreation department including recreation programs and revenue facilities.

The Museum Fund is used to account for expenditures related to maintaining and operating the Pleasant Home facility. Budgeted expenditures for 2008 are increasing to \$115 thousand to increase the amount allocated for property repairs.

The Special Recreation Fund accounts for expenditures made to the West Suburban Special Recreation Association (WSSRA). WSSRA provides opportunities for people with physical and mental disabilities of all ages to participate in year round programming specifically designed to meet their individual needs. WSSRA also provides inclusion services for individuals with disabilities that wish to participate in Park District programs. Budgeted expenditures for this fund increased \$46 thousand due to the annual increase in the tax share contribution and additional cost associated with inclusion expenses.

The budget center includes a line item for Inclusion Programming with a budgeted amount of \$24,000. The inclusion budget is the expense related to the WSSRA staff required to assist disabled individuals that choose to participate in Park District of Oak Park programs.

REVENUE FACILITIES FUND

The Revenue Facilities Fund accounts for the operation of recreation services that require specialized facilities. These facilities include the swimming pools, ice arena, dog park and gymnastics center. Program fees and admission charges are the main revenue sources for this fund with no direct tax support allocated for funding any of the expenses included in the fund. The operations of the revenue facilities do receive tax support for capital improvements and indirect expenses such as liability insurance and pension obligations. The proposed budget for 2008 increased by \$111 thousand to \$1.9 million. The main cause for the increase is higher wages and property repair costs.

CHENEY MANSION

The Cheney Mansion Fund accounts for expenditures associated with the historical Cheney Mansion.

2008 will be a challenging year at the Cheney Mansion as ideas are developed to improve the financial viability of the mansion operations. In 2007 the Park District partnered with the Infant Welfare Society of Oak Park and River Forest (IWS) to allow the IWS to host their designer showcase house event. Almost the entire interior of the mansion was redecorated by professional designers secured by the IWS and the Park District took the opportunity to make some major repairs to the facility including in complete renovation of the kitchen and comprehensive restoration of the roof and perimeter fence.

The expenditures for the Cheney Mansion are budgeted to increase by 15.1 % because operating expenses were decreased in 2007 to account for when the Mansion was being used by the IWS.

BOND & INTEREST FUND

The Bond & Interest Fund (also know as the Debt Service Fund) accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. 2008 principal and interest is budgeted at \$219 thousand. This fund currently has a negative fund balance and the remaining \$6 thousand of budgeted expense is a fund balance contribution.

In November of 2008, the Park District will make final payment on a \$1.7 million General Obligation bond sold in 1998. A \$400 thousand 2 year General Obligation bond is anticipated to be issued in December of 2008.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for purchases or construction expenditures related to the acquisition and improvement of major capital facilities and equipment.

Capital project expenditures are decreasing to \$4.3 million as projects begin to be completed. An OLSAD grant has been submitted for the implementation of the first phase of master plan improvements at Longfellow Park. \$400 thousand is included in the budget but as of December 1, 2007 it was not known if the District had received the grant. If the grant is not approved the project will be scaled back or other project will be delayed to complete phase one of the Longfellow Project.

CONCLUSION

The pursuit of the Park District of Oak Park's Mission continues as this budget forecasts the District's ability to provide quality and safe recreation programs, parks and facilities to our residents during the 2008 Fiscal Year beginning January 1, 2008 and ending December 31, 2008.

This budget provides the flexibility to continue the review and renewal process initiated in 2001 while continuing to provide quality parks and recreation experiences for the residents of Oak Park, in partnership with the community

Respectfully submitted,

Park District of Oak Park Staff