

River Forest Community Center

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October 30, 2008

To: All RFCC Board Members

From: RFCC Building and Grounds Subcommittee

Re: Recommendations regarding the “Combining of Organizations” Proposal submitted to the Community Center by the RF Park District

Overview

After discussions with RFCC staff, input from RFCC program participants, and, most importantly, thorough and thoughtful review of the “Combining of Organizations” proposal submitted to the Community Center by the River Forest Park District, the following information has been presented by the Building and Grounds Subcommittee to the Community Center’s Board of Governors.

First, since the Community Center has repeatedly stated its willingness to explore cooperative program opportunities with the Park District, the Subcommittee used this as a key reference point in trying to determine the merit of this proposal and any potential advantage to the Community Center organization, its staff and program participants.

Second, the Subcommittee felt that it needed to be clarified that the Community Center requested suggestions for implementing cooperative programs from the Park District, not a merger proposal as the Park District has publicized.

Before evaluating the “Combining of Organizations” proposal submitted by the Park District, the Building and Grounds Subcommittee reviewed the mission statement of the Community Center to assess whether the Center was meeting its organizational goal. After determining that the organizational goal was being met, the Subcommittee then considered a number of other factors, including the history of the Community Center since its inception in 1975, the potential impact on RFCC staff members and program participants and the potential impact on village residents in an effort to determine the merit of the Park District’s proposal. Lastly, the Subcommittee attempted to determine the potential advantages and/or disadvantages of the proposal from a Community Center organizational standpoint.

Since the Subcommittee felt that there were a number of general as well as specific questions that needed to be addressed after reviewing the proposal, for simplicity, the general findings and questions are listed first and then the Subcommittee has inserted specific questions and comments directly into each section of the “Combining of Organizations” proposal.

General Questions/Findings

- 1) The Park District’s proposal states that the Community Center would become a department within the Park District, yet in the organizational chart contained in their proposal there is no mention of the Community Center, its staff or its existing programs.
 - a) Please specify the short and long term plans for all Community Center programs.
 - b) Please specify the short and long term staffing needs for these programs.

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General Questions/Findings (continued)

- 2) Throughout the proposal, the Park District references its ability to tax residents and its desire, contingent upon taxpayer approval, to re-issue bonds which **could be** (Section 2, Bullet Point “e”) used to renovate the Community Center’s existing facility. Since there are no specifics included anywhere in the proposal regarding these renovations, the following questions need to be addressed:
- a) What is the total dollar amount of the bond issue that the Park District plans to present to the taxpayers?
 - b) What is the dollar amount of the bond issue that will be earmarked for renovations to the Community Center building?
 - c) What specific renovations/improvements does the Park District have planned for the Community Center building?
 - d) If the Park District does not re-issue bonds, what would the cost savings be to village taxpayers?
 - e) What is the date that the public hearings must be completed in order for the re-issuing of bonds question to appear on the Spring ballot?
 - f) Given the overall escalation of taxes in the Village and greater taxpayer awareness, how does the Park District plan to publicize and promote the re-issuing of bonds?
 - g) If the bond issue is approved and a merger is agreed to, what is the Park District’s timetable for starting and completing the building renovations?
 - h) Has the Park District considered issuing bonds to purchase and build/renovate its own facility? If not, why not?
 - i) What are the Park District’s plans if the taxpayers do not approve the re-issuing of bonds?

Specific Questions/Findings

It appears that the information contained in the “Combining of Organizations” proposal is presented only from the Park District’s perspective and is based on assumptions and inaccuracies about the Community Center, rather than fact. Since the Park District suggests in its proposal that the Community Center should dissolve its organization and turn over all of its assets and money to the Park District, the Subcommittee has developed a number of findings and specific questions about different aspects of the proposal which need to be addressed before it can make a recommendation to the Community Center’s Board of Governors. As previously mentioned, each section of the proposal is highlighted below and questions and comments that the Subcommittee felt needed to be addressed are inserted directly into each section.

River Forest Park District Combining of Organizations Proposal

The River Forest Park District (Park District) and the River Forest Community Center (Community Center) both have a long history and a similar mission in providing recreation services to the residents of River Forest. Both organizations share the identical constituency, with the Park District accountable to the taxpayers of River Forest and the Community Center’s “membership” made up of every permanent River Forest resident over the age of 18. The Park District Board of Commissioners believes the time and environment are right for these two organizations to combine into a single recreation provider committed to serving the residents of River Forest.

RFCC Comments/Questions

- 1) *Although the Community Center and Park District strive to serve the residents of River Forest, both organizations do not share an identical constituency due to the separate State statutes which govern each organization. The Community Center is incorporated as an Illinois 501c3 not-for-profit organization and is governed by the not-for-profit statutes of the State of Illinois and, under these statutes, the Community Center cannot differentiate between resident and non-resident fees, nor can it deny non resident participation in its programs. As outlined in its mission statement, the Community Center provides quality educational, social **and** recreational programs and activities to the greater River Forest community.*

However, in an effort to promote resident participation in its programs, the Community Center offers priority registration periods to village residents and, provided registration deadlines are met, does not deny resident participation in programs due to non resident participation. Additionally, several factors that have impacted the evolution of Community Center programs over the years include residents recommending our programs to non residents, residents relocating outside of the village and continuing their participation in Community Center programs, and positive comments about Community Center programs which have carried over into other communities.

- 2) *Why does the Park District believe that the timing and environment are right to combine into a single recreation provider?*

1. Benefits of a combined organization to the residents of River Forest:

- a. **A single recreation provider with a primary mission to serve the recreation needs of the residents of River Forest.**

RFCC Comments/Questions

Why does the Park District feel that a single recreation provider would be beneficial for Village residents?

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- b. As the Park District is a municipal organization, there is direct accountability to the residents of River Forest.
- c. A greater efficiency in a combined organization, maximizing use of tax dollars that River Forest residents pay to the Park District, and to the Community Center through Township contributions, and support of the taxpayer owned River Forest Civic Center Authority (Civic Center Authority).

RFCC Comments/Questions

*Since the Community Center is a separate **non-taxing organization**, how does the Park District substantiate the claim that the use of tax dollars would be maximized?*

Furthermore, the Township does not subsidize the Community Center. Under State statutes, townships are responsible for providing a number of social services to its residents including mental health, senior citizen and youth programs. Historically and as a cost savings to village taxpayers, the Township contracted with the Community Center who already had qualified staff in place to provide selected programs for the youth and senior citizen populations. In return for providing these contractual services, the Community Center was reimbursed ~\$65,000 annually. However, as the scope of operations of the Civic Center increased, the Township opted to hire an Executive Director to manage the Civic Center facility and discontinued the contractual program reimbursement to the Community Center, although the Community Center would still continue to provide the selected youth and senior services. In addition to the aforementioned services, the Community Center also provides a number of other services for the Township, including administrative, clerical, bookkeeping and other office support services for which it receives no reimbursement.

As additional information, the Civic Center Authority owns the building and, as stipulated in the grant application that was approved for funding by the State of Illinois, entered into a long term Lease Management Agreement with the Community Center to manage and operate the building. The Park District neglects to mention two key points that are included as part of this Management Agreement: 1) the Civic Center Authority is a non-taxing governmental body and does not tax village residents, and 2) approximately 95% of the cost of the Civic Center building purchase and renovation was secured through a grant from the State of Illinois and in-kind donations, not through local tax dollars.

- d. A combined organization will be able to offer a greater number and variety of recreation programs and services. A larger organization will have the size and financial flexibility to offer programs with a special interest that a smaller organization would not have the means to accomplish.

RFCC Comments/Questions

The Community Center has stated its willingness to discuss cooperative program opportunities with the Park District and has expressed a desire to offer additional joint recreation programs if feasible.

Why does the Park District believe that additional recreation programs would not occur through a cooperative program arrangement between the Community Center and Park District?

Why does the Park District feel that a merger is a better avenue for offering more recreation programs?

What are examples of additional recreation programs that could be offered?

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- e. A single recreation organization will provide residents a standardized quality level of service that does not happen right now with two independent organizations.
- f. Residents will receive a single and comprehensive source of communication and marketing information on their recreation opportunities through print, website and media.

RFCC Comments/Questions

What is Park District’s rationale for this statement in point 1e?

The Community Center competes in a free market system and firmly believes that it offers quality recreation programs. This assertion is further substantiated in part by program participant feedback and the programs that are offered on an ongoing basis. Although the Community Center fully recognizes that the Park District can subsidize its recreation programs through its tax levy and generally offer programs cheaper than the Community Center, it is the opinion of the Community Center that competition increases the quality of the recreation and offers participants a choice.

2. Internal benefits of a combined organization:

RFCC Comments/Questions

Overview: *Although some of the items listed in this section could potentially be viewed as benefits of a combined organization, it is the Subcommittee’s opinion that the majority of information in this section is 1) presented from a Park District perspective, 2) very generic and based on hypothetical information, and 3) offers minimal, if any, advantage to the Community Center. Additionally, there are a number of inaccurate suppositions that have been made in this section.*

- a. A combined organization will receive operational savings and greater efficiency in combining many of the joint responsibilities of both organizations. The most immediate areas in savings will be in eliminating duplication in areas of general liability and workman’s compensation insurance, website, legal council, marketing, landscape maintenance & snow removal.

RFCC Comments/Questions

The Community Center agrees that there could be some incremental cost savings through a combined organization, most likely in the area of liability insurance. However, unless a substantial downsizing is planned under a combined agency, the Community Center believes that many of the other specifically referenced items would simply result in a taxpayer subsidization of these costs since these items would be shifted to the Park District. For example, since workman’s compensation insurance is based on total payroll, a decrease in this area could only be realized through either salary or staff reductions. As information, the Community Center currently receives many of the referenced professional services pro bono or at minimal cost through cooperative agreements that have been worked out with various individuals or companies.

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- b. A larger organization with a greater number of departments will see operational savings and efficiency from support between the departments.

RFCC Comments/Questions

Hypothetically, there could be some incremental cost savings. However, in the absence of an organizational plan, it is impossible to actually determine if and where the cost savings and efficiencies would be realized, unless staffing cuts are planned.

- c. A larger organization will allow more competitive employee wages and benefits. As small organizations, the Park District and Community Center staff positions are considered job experience for moving up to a larger organization. A combined organization will be in the position to recruit experienced staff.

RFCC Comments/Questions

*While this statement may be true for the Park District, it is quite apparent that this item has not been researched from the Community Center’s perspective whatsoever. First and foremost, the Community Center prides itself on offering a quality work environment and paying its employees a competitive wage, and, based on the overall longevity of staff, especially at the senior management staff level, the Community Center has succeeded. As information, the longevity of senior management staff at the Community Center ranges from a high of ~23 years to a low of ~4 years with several senior management staff having between 12 to 19 years of seniority at the Community Center. As evidenced by this longevity, it seems that **the Community Center has been successful in recruiting and retaining a number of employees.***

- d. A combined organization has many opportunities to cross program between the Community Center facility and the parks.

RFCC Comments/Questions

Why couldn’t cross programming occur through a cooperative arrangement between the two agencies instead of a merger of organizations?

- e. The Park District has the ability to levy a Bond and Interest or Corporate Tax for the purpose of capital improvements for the organization. Some of the Park District’s current bonds are set to retire at the end of this budget year, however could be re-issued with voter approval. These funds could be available to renovate the Civic Center building into a first class facility synonymous with River Forest.

RFCC Comments/Questions

This is a vaguely worded statement and simply states the fact that the Park District has the ability to issue bonds contingent upon taxpayer approval. Although this statement implies that the current Community Center facilities are inadequate, at no time has the Park District toured the facility or discussed their ideas for renovating the existing building into “a first class facility synonymous with River Forest”. A significant amount of additional information is needed in order to make an informed decision regarding this. Questions regarding this item have previously been addressed under the “General Questions” category.

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- f. A combined organization will give the Community Center the necessary financial and recreation programming resources to accomplish overall market efficiency when compared with other outside recreation organizations, such as new YMCA, scheduled to open across the street within the next 18 to 24 months.

RFCC Comments/Questions

This is a generalized statement that would be difficult to substantiate. Although the statement seemingly implies that taxpayer dollars would now be used to market and promote programs whereas they are currently not used for this purpose. Additionally, this statement also erroneously assumes that the Community Center has not discussed cooperative programming opportunities with the YMCA or other local governmental entities or organizations.

- g. A larger organization will have more leverage in obtaining state and foundation grants for facility improvements and program needs, as the number and range of programs is expected to increase with a larger combined organization.

RFCC Comments/Questions

This is a generalized statement that would be difficult to substantiate. What are the specific grants that the Park District intends to pursue? What is the timetable for pursuing these grants?

- h. A larger organization will have a better opportunity for soliciting partner sponsorships due to a single organization making the soliciting request, and the larger program sizes will generate more sponsorship interest.

RFCC Comments/Questions

This is a generalized statement that would be difficult to substantiate although it theoretically could be true.

3. **Benefits to the Community Center staff:** The Park District is a pro-active employer, supporting the professional development and growth of its staff. The combining of the organizations will integrate the Park District's and Community Center's staff together as a single team.

RFCC Comments/Questions

Overview: *The Community Center is also a pro-active employer and supports the professional development and growth of its staff. Once again, the Subcommittee feels that this statement seemingly implies that taxpayer dollars would be used for staff development and growth whereas, due to the Community Center's status as a not-for-profit organization, tax dollars are not currently used for this purpose. As previously mentioned and as evidenced by the longevity of its staff, the Community Center has been successful in recruiting and retaining a number of employees.*

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- a. Community Center fulltime employees will be credited for their year’s service for qualifications of Park District benefits, including comprehensive health coverage.
- b. A combined organization will allow current Community Center staff, who works more than 1,000 hours per year, the benefit of being enrolled in the Illinois Municipal Retirement Fund (IMRF).

RFCC Comments/Questions

In the absence of an organizational plan, the Subcommittee cannot determine if these are actual benefits since it is unknown which, if any, current Community Center staff positions would be retained. While these are stated to be potential benefits, if staff positions are eliminated, what is the value of the benefit? Additionally, since the Community Center also offers comprehensive health and dental insurance coverage to its employees, in the absence of additional information, it is impractical to try and assess whether one agency’s plan is better than the other’s plan. It is sufficient to say that the Community Center’s staff members have expressed satisfaction with the Center’s current insurance plans. Since the Community Center currently does not offer a retirement plan benefit to its employees, enrollment into the Park District’s IMRF plan would be a benefit for RFCC employees. However, given the number of full time employees and their longevity at the Community Center, enrollment in IMRF could become a significant taxpayer funded expense, especially if the Park District gives full credit for the Community Center’s employees years of service as it implies in Point “a” listed above.

- a) *What type of benefits does the Park District offer to its employees?*
- b) *What type of longevity benefits does the Park District offer to its employees?*
- c) *Would Community Center employees receive full credit for their service as a Community Center employee?*

Once again, a significant amount of additional information is needed in order to make an informed decision regarding this.

- c. A combined organization will provide staff with more opportunities for advancement within the organization.

RFCC Comments/Questions

This is a generalized statement that would be difficult to substantiate. As previously mentioned in Section 2, the Community Center offers a quality work environment and prides itself on its ability to retain its key employees. Based on employee feedback, the Community Center’s ability and willingness to promote from within the organization has been one of the primary reasons why it has been able to retain its key employees. In reviewing the nine staff positions that are listed on the Park District’s web site, the Subcommittee does not anticipate many opportunities for advancement for RFCC employees within the Park District. However, since the Community Center has over 30 full and part time employees, it is possible that opportunities for advancement might be available to current Park District employees in a combined organization. This statement (3c) also seems to contradict Point #2c of the proposal which states that the Park District as a larger, combined organization, will be in a position to recruit experienced staff.

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- d. A combined organization will provide staff with more professional development opportunities. A larger organization will provide a greater number of recreation programs and special event offerings, giving staff more experience and exposure to the trends and needs in parks and recreation.
- e. The combined organization will enroll all fulltime staff as members of the Illinois Park and Recreation Association and/or affiliate organizations, encourage their involvement and networking opportunities in these organizations, and support their professional development and career growth.

RFCC Comments/Questions

Although the Community Center provides its staff with relevant professional development opportunities throughout the year, it is possible that the number of opportunities could increase as the result of a combined organization.

Conclusion

As previously stated, the Community Center supports the concept of exploring cooperative program opportunities with the Park District for the benefit of village residents and program participants. Since the Community Center was initially approached by the Park District several months ago about exploring cooperative program opportunities, the Subcommittee made a concentrated effort to determine if a merger of the organizations was the best avenue for developing cooperative programs.

Given the Park District’s suggestion that the Community Center dissolve its organization, and the overall magnitude of the Park District’s proposal, the Building and Grounds Subcommittee felt it was imperative to exercise due diligence and thoroughly evaluate the information in the proposal prior to making a recommendation to the full Board of Governors.

However, after reviewing the “Combining of Organizations” proposal, it is the collective opinion of the Subcommittee that the proposal is extremely vague and much more specific information is needed from the Park District before the Community Center can make an informed decision about their proposal. Although many advantages to the Park District were referenced throughout the proposal, the benefits to the Community Center are unclear and the Subcommittee is unable to make a recommendation regarding their proposal until the additional information is received. The Subcommittee suggests submitting the comments and questions contained in this document to the Park District for further clarification.