

Committee Meeting Minutes

FINANCE COMMITTEE

Administration Building

1930 Prairie

Glenview, IL 60025

Regular Meeting Minutes

Monday, October 18, 2010

1. Roll Call

Commissioner Przybylo called the meeting to order at 8:34 a.m. and the roll was called.

Commissioners/Official Staff present: Commissioners Ted Przybylo and Michael Scholl, Treasurer Bill Moore, Executive Director Chuck Balling, Supt. of Administrative Operations Barb Cremin.

Commissioners/Official Staff absent: Manager of Business Services, Nicole Hopkins

Others in Attendance: Ron Amen from Lauterbach & Amen; Steve Larsen and John Miller from Ehlers and Associates

2. Agenda Topics

a. **Audit:** Ron Amen from Lauterbach and Amen attended the meeting to give a brief overview of the audit and answer any questions from the committee. Ron explained that the District received an unqualified opinion which means that the financial statements are materially correct based on the established audit procedures. The only management comment was to alert the District to a new GASB 54 requirement that will need to be implemented in 2012. The new regulation affects reporting fund balances for the Special Revenue facilities and rules to make reporting modified and full accruals more consistent between the governmental funds and the enterprise funds.

Bill Moore asked about the review of internal controls done as part of the audit. Ron Amen responded that limited testing is done as part of the audit; however the firm could do a more detailed review of cash controls and internal controls as part of a separate assignment outside of the scope of the audit. Staff will pursue this issue with Ron Amen.

b. **Bond Issues:** Steve Larsen reported on the upcoming bond issues:
Annual Rollover Bonds: The rollover bonds are issued annually to pay a portion of the debt service on the construction of park center. The bonds will be issued in two pieces. The first piece will be issued in October 2010 at a par amount of \$1,295,000 and the smaller second piece in February 2011. Even though the bonds will be issued in two pieces, there are no additional fees for issuing the second piece. Glenview State Bank has agreed to purchase the bonds through a negotiated sale at a .75% annual interest. The committee agreed to move forward with having the sale to Glenview State Bank approved by the Board at the October 21, 2010 Board meeting.

Alternate Revenue Source Bonds: The District is planning to issue alternate revenue source bonds in order to finance the renovation of the Administration Building and the potential construction of a Glenview National 9 Clubhouse as

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- approved in the 2010-2013 strategic plan. The financial plan has allocated an annual revenue stream of approximately \$270,000 from the TIF Make-whole payment to pay the debt service on this bond issue. At the end of the TIF, the debt service payments will come from the increase in the tax revenue. Ehlers and Associates noted that interest rates continue to be very favorable and provided schedules showing that the available revenue stream of \$270,000 could issue a bond with a par value of about \$3,950,000 for 20 years or \$4,440,000 with a term of 25 years. The cost of the combined Administration Building and GN9 projects is tentatively budgeted at \$4,423,396 based on very preliminary cost estimates as discussed at the June 21, 2010 Finance Committee meeting. The balance of the project would be funded using unspent TIF make whole payments from previous years. The Committee agreed that it would recommend that the Board sell an alternate revenue source bond at the November board meeting having a 25 year term, an annual debt service payment of \$270,000 and a par amount not to exceed \$4.7 million.
- c. **Tax Levy-** Barb Cremin provided an update on the status of the tax levy and the approach being taken to prepare the levy. The District is still waiting for the final agency tax rate report from the County to firm up the levy. The levy will be on the board agenda for approval in November. For the past few years the District has been reducing the levy in the Liability and Retirement funds and using the fund reserve to cover a portion of the operating revenues. This was done to bring the reserve levels down in those areas to better match the expenses. This also provided the District with the flexibility to increase the levy in the Corporate, Recreation and Museum funds to build up the fund reserves in those areas to target levels and to build reserves for capital projects, like the fitness center expansion and for anticipated future shortfalls for Park Services operations. This year the levy is planned to return to more normal levels as the District needs to begin levying again for the operating expenses in the Retirement and Liability funds. This will reduce the amount of tax revenue allocated to the Corporate, Recreation and Museum funds. The new growth will be captured in the Corporate levy since that is the fund that has the most flexibility for its use. If the new growth does not materialize, the county will reduce the Corporate levy. No action is needed on this item at this time.
- d. **Monthly Financial Reports-**Barb Cremin provided clarification of specific line items. Of particular note is the fact that the District's financial statements do not yet reflect the revenue from the Village or the expenses associated with the maintenance contracts for Gallery Park. Commission Scholl mentioned that utility costs, particularly for the Glenview Ice Center and Park Center should be analyzed. Barb Cremin responded the accounting department prepares a monthly summary of utility usage and costs and that she and Kris Mikkelsen have been meeting with utility vendors. Commissioner Przybylo asked for a modification in the presentation of the monthly financial statements to include a year to date variance both to budget and to last fiscal year and to eliminate the monthly budget variance.

3. Matters from the Public

None

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4. Committee Recommendation(s)

- 1) That the Board approve the sale of the annual rollover bond at a par value of \$1,295,000 to Glenview State Bank at a .75% interest rate at the October 21, 2010 Board meeting.
- 2) That the Board sell an alternate revenue source bond at the November board meeting having a 25 year term, an annual debt service payment of \$270,000 and a par amount not to exceed \$4.7 million.

5. Adjourn

The meeting was adjourned at 9:30 a.m.

ATTEST:

Michael Scholl
Board President

Charles T. Balling
Board Secretary

Approved this 18th day of November, 2010

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