

GLENVIEW PARK DISTRICT
FINANCE COMMITTEE

Administration Building
1930 Prairie Street
Glenview, IL 60025
Regular Meeting Minutes
Monday, June 24, 2013

1. Roll Call

Commissioner Dan Peterson called the meeting to order at 8:02 a.m. and the roll was called.

Commissioners/Official Staff present: Commissioners Charlie Kuhn, Dan Peterson, Ted Przybylo, Treasurer Bill Moore, Executive Director Chuck Balling, Supt. of Administrative Operations Barb Cremin, Manager of Business Services Nicole Hopkins, and John Miller from Ehlers and Associates.

Commissioners/Official Staff absent: None

2. Agenda Topics

a. Budget and Appropriation Ordinance: Barb Cremin provided information in the Committee packet to show that all legal requirements were met and that a public hearing would be held on Thursday, June 27, 2013 prior to the Board's consideration of the Budget and Appropriation Ordinance. It was further explained that the Budget and Appropriation Ordinance is a required filing that sets the legal maximum that could be spent in each fund if sufficient funding was available. Any possible expense needs to be anticipated and included as part of the Budget and Appropriations Ordinance. Based on this reality, it is the common practice of government entities to set the appropriation higher than budgeted expenditures to assure that there is adequate leeway in each of the line items.

b. Non-Referendum Debt Authority: John Miller from Ehlers and Associates provided clarification of the debt extension base and the District's ability to issue non-referendum debt when the bonds issued for the construction of Park Center are paid off. The final payment on these bonds is scheduled for December 2014.

John explained the statutory total debt limits (2.875% of EAV for overall debt and .575% of EAV for non-referendum debt). Another limitation for issuing non-referendum debt is the Debt Service Extension Base (DSEB) that was established using 1994 debt levels. The District's annual rollover bond exhausts the District's ability to issue any additional non-referendum debt based on the DSEB limitations. As part of the District's overall financial plan, the Board previously approved a resolution which earmarks the use of future rollover bonds for other capital needs. Therefore these bonds are not currently available as a funding source for additional non-referendum debt after the debt service for the construction of Park Center is paid off.

John also noted that the current annual rollover bond exceeds the limit set by the DSEB due to a grandfather provision. Beginning in 2015 after the existing debt service for the construction of Park Center is paid off; the proceeds of the annual rollover bonds will

decrease back to the level set by the DSEB. As a result, the bond and interest tax levy will reduce and the District will have somewhat lower proceeds available for other capital needs.

John further explained the various funding options often used by public entities for capital needs including non- referendum general obligation bonds, alternate revenue source bonds, debt certificates and referendums. Referendums may request either a tax rate increase or authority to issue bonds for a specific purpose.

In discussing the Park District's overall financing, John Miller pointed out that the District has a very strong financial position and that Moody's Bond Rating service looks very favorably at the reserve levels maintained by the District, particularly in the Capital Replacement and Capital Development funds. As part of the discussion of Park District finances, the Committee has targeted specific areas for further review and analysis including the philosophy and long term funding needs for the Special Revenue facilities, Museums and Park Services and the future use of the TIF Make whole payments and revenue generated by the 1998 referendum. Staff will be updating the financial projections to provide information to assist in this analysis.

- c. **Financial Statements:** Barb Cremin reported that the May financial statements were in the Board packet but no analysis is being reported at this time. Since the financial statements reflect the first month of the fiscal year, there is insufficient information available to report on any trends or significant variances. A written report of the April 30th fiscal year end results will be provided to the Committee by staff prior to the next Finance Committee meeting.

3. **Matters from the Public**

None

4. **Committee Recommendation(s)/Direction**

- The Committee is recommending that the Board approve the Budget and Appropriation Ordinance as presented at the June 27 Board meeting.

5. **Adjourn**

The meeting was adjourned at 9:00 a.m.

ATTEST:

William M. Casey
Board President

Charles T. Balling
Board Secretary

Approved this 25th day of July 2013