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FINANCE COMMITTEE

Glenview Park District Administration Building
1930 Prairie Street, Glenview, IL 60025
Regular Meeting Minutes
Tuesday, August 15, 2017 @ 8:00 a.m.

1. Roll Call

Commissioner Dan Peterson called the meeting to order at 8:06 am and the roll was called.

Commissioners present: Jen Roberts, Dave Tosh, Dan Peterson, Dave Dillon, Bill Casey

Official Staff present: Executive Director Mike McCarty, Deputy Executive Director Katie Skibbe, Treasurer Bill Moore, Manager of Business Services Nicole Hopkins, Superintendent of Park and Facility Services Jim Warnstedt, Superintendent of Leisure Services Elsa Fischer, Recording Secretary Amy Wille

Guests: None

Late Arrivals, Early Departure: Commissioner Dillon arrived at 8:14 am, Commissioner Casey arrived at 8:28 am, and Commissioner Peterson left at 9:33 am

Commissioners/Official Staff absent: None

2. AGENDA TOPICS

a. Consideration to Increase Bid Limit

Deputy Director Katie Skibbe informed the committee that in 2016 Governor Rauner signed HB4536/Public Act 99-0771 into law, raising the competitive bid limit threshold for park districts, forest preserves and conservation districts from \$20,000 to \$25,000. This change was designed to help save administrative costs on small purchases by allowing park districts to utilize their own procedures in lieu of state-mandated competitive bidding requirements when making purchases that are less than \$25,000. Deputy Director Skibbe further stated that this change will raise the approval authority of the District's Executive Director.

The committee recommended the acceptance of Ordinance No. 2017-22 to raise the bid limit threshold to \$25,000 for full board approval on the consent agenda.

b. June Financial Statement Review

Deputy Director Skibbe provided the board with the June financial statement including a review of variances over \$10,000.

c. Capital Replacement & Capital Development Discussion

Deputy Director Skibbe explained that the Capital Development Fund and the Capital Replacement Fund are important pieces of the District's overall financial health. These funds have been instrumental in the District obtaining a Aaa bond rating from Moody's Investor Services. Staff has been evaluating these funds to ensure a stable and effective approach for the District to fund projects in these funds.

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Skibbe explained that as new staff have reviewed lists of capital replacement projects and made in-depth inspections of their facilities it has become apparent that not all projects are currently included in the Capital Replacement Fund. Previously only routine items such as vehicles, equipment, carpet, and paving were included in capital replacement while large items such as major remodeling and mechanical systems were not part of the Capital Replacement Fund or accounted for in the Capital Development Fund. Additionally, replacement costs and replacement years are frequently changed from year to year making contribution levels inconsistent.

Skibbe presented a new capital planning process to address some of these issues including a draft version of a Capital Request Form. The commissioners provided feedback on the proposed procedure and the Capital Request Form. Staff will be incorporating this feedback into further iterations of the process.

The committee further discussed the utilization of capital development funds and current method of funding. Manager of Business Services Nicole Hopkins explained the schedule of funding and cost projections. The committee considered these projections along with the differences between Capital Replacement and Capital Development items.

Deputy Director Skibbe added that there is consideration for increasing the threshold for fixed assets in capital replacement to \$10,000. She explained that assets under \$10,000 would need to be covered by operating budgets rather than Capital Replacement Funds. Furthermore, she presented several charts representing potential contribution levels should the District decide to utilize depreciation to fund capital projects in the future.

Commissioners had several questions as well as suggestions on the capital plan, philosophy, and process. As this was a preliminary discussion on the Capital Replacement Fund and the Capital Development Fund, Staff will be taking the feedback from the Finance Committee, conducting additional research and gathering additional information prior to making a final recommendation to the Finance Committee this fall.

d. Preliminary Tax Levy Discussion

Deputy Director Skibbe shared a five-year projection for the District as a whole. She reviewed the assumptions used to generate the projection and Commissioners provided feedback.

Skibbe explained that the District has kept taxes essentially flat over the last four years by using existing fund balances to offset operating costs rather than increasing taxes. It was explained that this approach could not be sustained for the long term due to the nature of the one-time funding mechanisms used to abate taxes as well as the increasing cost of doing business. Staff provided three potential versions of the 2017 tax levy which will fund operations in the 2018/19 fiscal year. Impacts to the District as well as impacts to the taxpayer were considered. Each scenario included the ability to capture up to \$62,500,000 of new growth and each scenario also captured the CPI increase for the non-tax capped funds. Additionally, the tax levy schedule was reviewed.

The committee deliberated over the pros and cons of the scenarios in correlation with the District's future planning. Staff will conduct more research and gather additional information prior to making a recommendation at the September Finance Committee. Further discussion and action will be taken at the October Board Meeting.

3. Other

Executive Director Mike McCarty shared that staff and District Attorney Jim Rock have been looking into the various unincorporated areas that are not part of the Park District but within the Park District boundaries and how best to have these areas included in the District.

4. Matters from the Public

None

5. Adjourn

Commissioner Dave Dillon moved seconded by Commissioner Bill Casey to adjourn the Open Session at 9:48 am. On Voice Vote: All present voted aye, motion carried.

ATTEST:

Robert J. Patton
Board President

Michael D. McCarty
Board Secretary

Approved this 24th day of August 2017