DRAFT

FINANCE COMMITTEE
Glenview Park District Administration Building
1930 Prairie Street, Glenview, IL 60025
Regular Meeting Minutes
Tuesday, December 6, 2016 @ 8:00 a.m.

1. **Roll Call**
Chairperson Charlie Kuhn called the meeting to order at 8:02 a.m. and the roll was called.

Commissioners/Official Staff present: Commissioners Dave Tosh, Charlie Kuhn, Dave Dillon, Dan Peterson, Bob Patton (via phone), Executive Director Michael McCarty, Deputy Executive Director Barb Cremin, Recording Secretary Amy Wille

Guests: John Miller and John Piemonte from Ehlers and Associates

Public Visitors: Jen Roberts

Late Arrivals, Early Departure: Commissioner Dave Tosh left at 8:45 am, John Miller and John Piemonte left at 8:48 am

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

2. **AGENDA TOPICS**

   a. **Bond Refinancing**
Deputy Executive Director Barb Cremin reported that at the October 20, 2016 Finance Committee meeting, Ehlers and Associates explained an opportunity to refinance the 2011A bond as an advance refunding transaction and projected a present value savings of $506,944 (approximately 15.5%) over the next 20 years. At the October meeting, the Committee recommended that we move forward with the refinancing. Since that time, market conditions have changed that could alter the decision to refinance the 2011A bond at this time. There is volatility in the current marketplace, bidders are reluctant to commit to bond purchases and the increase in interest rates has reduced the savings to $326,022 (approximately 10%). John Piemonte of Ehlers and Associates added that the District had several options: proceed with the sale under the less favorable conditions than originally projected, issue a parameters ordinance to provide flexibility to move forward with the sale at any time within the next 6 months while watching market conditions, or do nothing at this time. John Miller of Ehlers and Associates reported that the federal tax law only allows one advance refunding transaction of an original issue bond, whereas current refunding can be an option every 8 or 9 years. The 2011A bond is a 20-year bond, which gives more time for the bond to be affected by a change in interest rates and is more subject to investors' reluctance to purchase bonds in these volatile market conditions.

John Miller further explained that the District has the option to enter into one of three methods for conducting the bond sale: competitive, negotiated, and direct placement. The parameters ordinance would be written to allow the District to proceed with any of the methods of sale to provide flexibility.

The committee discussed the options of refinancing or of staying in the market. It was suggested that the District move forward with a parameters ordinance setting a savings rate of no less than

6% for consideration at the December 15, 2016 board meeting. Executive Director Mike McCarty recommended that the negotiated sale would be a better option that would eliminate some of the risk due to the volatility of the current market. John Miller further stated that the negotiated sale would save on some costs as well as providing the Board with more time to make a decision. He also added that preparing a parameters ordinance would be the most cost effective option.

The committee endorsed the direction to prepare a parameters ordinance with a minimum savings rate greater than 5% (committee target is 6%) for consideration at the December 15, 2016 Board meeting, revisit the marketing conditions and refinancing options of the 2011A bond at the January 17 Finance committee meeting, and to begin the RFP process for underwriting services.

b. Replacement Tax Resolution

Barb Cremin presented this year's Replacement Tax Resolution that defines the District's allocation of replacement taxes to its various funds. Commissioner Peterson explained that the replacement tax is revenue collected by the state of Illinois and paid back to local governments as a way to replace the tax revenue lost by local governments after the corporate personal property tax was eliminated. Since a portion of the former personal property tax money was used toward the retirement fund, a comparable proportion of the replacement tax money received must go toward this purpose. Historically, the District directed the balance of the replacement tax to the Capital Replacement fund to help offset the increasing costs of maintaining current assets to a high quality and reducing the capital replacement contribution required from facility operating budgets. The proposed resolution continues this same allocation. Commission Kuhn suggested some wording changes to the resolution to clarify that any balance after satisfying the need to apply taxes to the Retirement fund will be allocated to the Capital Replacement fund.

The committee endorsed the staff recommendation to move forward with the Replacement Tax Resolution with the revised wording to the full board for approval.

c. Other

None

3. Matters from the Public

None

4. Adjourn

Commissioner Kuhn moved seconded by Commissioner Peterson to adjourn the Open Session at 8:54 a.m. On Voice Vote: All present voted aye, motion carried.

ATTEST:

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Daniel B. Peterson
Board President

Michael D. McCarty
Board Secretary

Approved this 15th day of December 2016