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FINANCE COMMITTEE

Administration Building

1930 Prairie Street

Glenview, IL 60025

Regular Meeting Minutes

Tuesday, September 13, 2016

1. Roll Call

Commissioner Kuhn called the meeting to order at 8:12 a.m. and the roll was called.

Commissioners/Official Staff present: Commissioners Charlie Kuhn, Bob Patton (via phone) Dave Dillon, Dan Peterson, Bill Casey (arrived at 8:30 am)Treasurer Bill Moore Executive Director Michael McCarty, Deputy Executive Director Barb Cremin, Manager of Business Services Nicole Hopkins, Jaime Wilke from Lauterbach and Amen

Commissioners/Official Staff absent: None

2. Agenda Topics

a. **Audited Financial Statements for the Year Ending April 30, 2016:** Jaime Wilke, a partner with the audit firm of Lauterbach and Amen reviewed the results of the audit, highlights of the financial statements and the management letter. The District was given an unmodified opinion by the auditor which is the highest level of opinion available. No significant deficiencies were noted in the management letter. It was stated that the basic financial statements are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the Glenview Park District. Highlights of the audit that were discussed were the implementation of GASB 68 pertaining to the reporting of unfunded pension liability, the reduction in fund balance in the governmental funds that was due to the investment in capital and the increase in fund balance in the Enterprise funds that was partially the result of a re-allocation of the General and Administrative expenses. It was explained that the District's pension plan is 84% funded and that the District continues to make the required pension contribution. The District's pension funding level exceeds that of many other park districts which average a 75% funding level. By 2040, it will be required that pensions are funded at a 90% level.

b. **Preliminary Tax levy Discussion:**

Over the past three years, the District has kept taxes essentially flat by using existing fund balances to offset operating costs rather than increasing taxes. This is a temporary solution to provide relief to the taxpayer. Staff presented four scenarios for consideration in preparing the tax levy for tax year 2016 that will fund operations in fiscal year 2017-2018. In each of the scenarios, the District is capturing the CPI increase of .7% in the tax capped funds so as not to erode the base that is used to calculate the tax cap limits. A .7% increase in the CPI generates \$96,918 of additional tax revenue. In each of the scenarios, the District is preparing the levy to capture up to \$96,200,000 of new property added to the tax rolls. This number is overstated to assure that all new growth in the tax rolls is captured. While the \$96,200,000 of new growth would generate \$567,960 of tax revenue, the District can only realistically expect to receive between \$125,000 and \$250,000 based on historical records. The new property added to the tax rolls fluctuates from year to year which makes

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estimating the new growth somewhat difficult. In each of the scenarios, the Corporate, Recreation and Museum funds would receive less tax revenue than in the current year.

The difference in the scenarios is the extent to which the board wants to use cash reserves or reallocate other sources of revenue to reduce the tax while balancing the impact on operations and planned capital projects. The committee agreed to read an estimated levy, as required by law, of \$16,794,035 at the September board meeting. The committee requested that staff prepare another tax levy scenario and provide additional information on projected expenses for fiscal year 2017-2018 so that additional consideration is given before finalizing the levy.

3. Matters from the Public

None

4. Committee Recommendation(s)/Direction

- Agreed to read an estimated levy of \$16,794,035
- Requested staff to prepare an additional tax levy scenario that defers the issue of up to \$10 million dollars in bonds and also reduces the Special Recreation levy to a level that results in a 0% increase to existing taxpayers.
- Requested staff to provide additional information on potential capital projects and operating expenses anticipated for 2017-2017 for use in analyzing the tax levy options.

5. Adjourn

The meeting was adjourned at 9:22 a.m.

ATTEST:

Daniel B. Peterson
Board President

Michael D. McCarty
Board Secretary

Approved this 22th day of September 2016