

FINANCE COMMITTEE

Administration Building
1930 Prairie Street
Glenview, IL 60025
Regular Meeting Minutes
Thursday, July 16, 2015

1. Roll Call

Commissioner Peterson called the meeting to order at 8:03 a.m. and the roll was called.

Commissioners/Official Staff present: Commissioners Dan Peterson, Charlie Kuhn, Dave Dillon, Dave Tosh, Bill Casey (arrived at 8:25a.m), Treasurer Bill Moore, Executive Director Michael McCarty, Supt. of Administrative Operations Barb Cremin, Manager of Business Services Nicole Hopkins

Commissioners/Official Staff absent: None

2. Agenda Topics

a. Tax Freeze Implications – Staff presented a chart showing the potential lost tax revenue that could impact the Glenview Park District if a tax freeze is passed by state legislators. At this time, there are several bills being considered with the most likely version to be a 2 year freeze with the Bond and Interest levy, the Special Recreation levy and the new property added to the tax rolls not being affected by the tax freeze. The first two years of a tax freeze could be absorbed by the park district with a combination of re-aligning reserve levels, seeking other sources of revenue, controlling expenses and potentially deferring new capital projects.

In addition, to the inflationary increases in operating expenses, other legislation is currently being considered that has the potential to increase the District's expenses which would add additional burden if a tax freeze were enacted. The legislative proposal to raise the salary basis test will potentially require the District to pay overtime to 10 employees who are now exempt. Staff will have to review and adjust staffing models to control the costs of overtime.

The legislative proposal to increase the minimum wage to \$10 per hour for adults would impact the district but at a lesser extent than if the new minimum extended to 16 and 17 year old employees, who primarily staff our camps and pools during the summer.

An additional piece of legislation potentially impacting the District will be the need to "Pay or Play" as it relates to offering health insurance to some seasonal workers. Strategies for addressing this are under review.

b. Tax Levy Direction – The Committee suggested that staff prepare two versions for the 2015 tax levy, which is used to fund the 2016-2017 fiscal year budget. One version will reflect the allowable taxes under the tax cap using the .8% change in the Consumer Price Index. This equates to additional tax revenue of approximately \$108,362. The other version will present a scenario of keeping the taxes flat. The new property added to the tax rolls will be captured in both scenarios.

c. Year-end Financial Reports – Staff reported that the District overall continues to be in a strong financial position and has contingency plans in the event a temporary property tax freeze is passed by the state legislature.

- *Cash Reserves* - As of April 15, 2015, the District has \$25,008,135 cash reserves on hand. Of that amount, over half of the reserves are in Capital Replacement (\$8,811,207)

and Capital Development (\$4,762,947). While most of the operating funds have cash reserves that meet or exceed target levels, the figures do not reflect that a portion of these reserves are intended to fund previously deferred capital projects in order to maintain current assets. Special Facilities as a total, however continues to show negative overall cash reserves with expectations that that the deficit will increase by the end of 2015-2016 primarily due to the shortened golf season at Glenview Park Golf Club.

- *Developer Donations* - The District currently has \$5.1M in developer donations of which approximately \$1.6 M is earmarked for the Park Services East facility and other funds are being planned for neighborhood parks and playgrounds.
- *Funds Available for Capital Projects Report* - Two versions of the report were presented. One showed the District's current position with a beginning balance of \$616,911 being available for additional capital items and the impact on the capital development fund over time as existing debt is retired. The other version showed the impact if the District had to reduce funding to capital development due to the tax freeze. Both versions reflected the potential debt service payments if the District were to authorize issuing a \$10M bond for strategic plan capital projects.
- *Comparison to Budget Report* - The operating revenue and expenses for the District as a whole were essentially on budget. Non-operating revenue less expenses had a positive variance from budget due to capital projects being deferred or the timing of expenditures. Overall net revenue less expenses had a favorable variance to the budget primarily due to capital projects that were not completed as planned. The District budgeted that expenses would exceed revenue by \$4,830,196 but actual year end results showed that expenses exceeded revenue by only \$2,540,544. The difference is reflected in the fund balance. When the capital projects are completed in the future, the funding for the projects will come from the fund balance.

d. Matters from the Public

None

3. Committee Recommendation(s)/Direction

- Requested that staff prepare reports to reflect additional scenarios showing the impact of a potential property tax freeze using a change in the CPI of 5% and .08%
- Requested that staff gather further information on insurance coverage eligibility for PT4 employees
- Requested that staff verify the amount of real estate taxes received in fiscal year 2014-2015 from new property on the tax rolls.

4. Adjourn

The meeting was adjourned at 9:10 a.m.

ATTEST:

William M. Casey
Board President

Michael D. McCarty
Board Secretary

Approved this 23rd day of July 2015