

DRAFT

FINANCE COMMITTEE

Glenview Park District – Administration Building
1930 Prairie Street, Glenview, IL 60025
Regular Meeting Minutes
Tuesday, July 10, 2018 @ 6:00 p.m.

1. Roll Call

Chairperson Jen Roberts called the meeting to order at 6:00 pm and the roll was called.

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

Official Staff present: Executive Director Mike McCarty, Deputy Executive Director Katie Skibbe, Treasurer Bill Moore

Late Arrivals, Early Departure: Bill Casey arrived at 6:10 pm

Commissioners/Official Staff absent: None

2. AGENDA TOPICS

a. Discussion on the Capital Replacement Fund

Deputy Executive Director Katie Skibbe reminded the committee of last year's process of reviewing the Capital Replacement and Capital Development Funds including the intention of stabilizing contribution rates and increasing the number of items included in Capital Replacement. The result from those discussions led to increasing the capitalization threshold from \$4,000 to \$10,000, which removed smaller purchases from the Capital Replacement Fund and shifted the expense for these items back to the Operating Funds.

Skibbe presented a memo to the Committee that covered the next steps for Capital Replacement, including an overview of the issues and solutions to using the District's fixed asset system to fund capital items. She noted that several different iterations were analyzed based on the asset value, asset type, depreciation value, and inflation factor. Some of the issues included inflexibility of the fixed asset system where only capital assets can be added to the District's fixed asset schedules and funding methods for one-time purchases. She explained that all of the iterations increased contributions to Capital Replacement and resulted in a large shortfall related to items that did not previously have funding saved in Capital Replacement or not saved at the same level in Capital Replacement. Skibbe concluded with proposed solutions, which included the elimination of the 10-year savings window and to begin saving for items based on the useful life of the item. Another solution mentioned was to set the replacement cost in Capital Replacement to the purchase price with depreciation and inflation factored in, which could rely more on operating budgets.

The committee discussed the chart that provided the necessary balance of capital replacement costs for each operating facility fund in comparison to the amount accumulated in the Capital Replacement Fund as of April 30, 2017. This included going over the types of assets that were included in the analysis as well as what should be included in Capital Replacement Fund in the future. Executive Director Mike McCarty

reiterated that the goal for the Capital Replacement Fund would be to stabilize contribution levels with staff saving funds for items based on their useful life rather than a 10-year period. The committee and staff discussed in length about formalizing the process in which items are added to Capital Replacement. Commissioner Dan Peterson noted that there needs to be criteria created for items that will need replacing and buildings that will need updates or replacement. The committee further debated on how the process of changing Capital Replacement funding will impact the District's bond rating as well as property taxes.

Overall, the committee and staff made progress towards proposing changes to the Capital Replacement and Capital Development funds that will be important for the District's overall financial health. The commissioners agreed with the staff's direction that was outlined in the memo. They requested a plan to be implemented for items that will be added to Capital Replacement as well as a plan for replacing items already included in the fund.

b. Annexation of Unincorporated Areas

Based on the Board's direction provided at the April 23, 2018 Administrative Operations Committee of the Whole Meeting, Deputy Executive Director Katie Skibbe gave an update on staff's progress of annexing two unincorporated areas. She presented the plats of annexation for the unincorporated area located on the west side of Landwehr Road adjacent to the Glenview Ice Center and just north of The Grove as well as the plats of annexation for the unincorporated area located on the east side of Milwaukee Avenue and Sanders Road. She also presented a letter drafted by District Attorney Jim Rock that will be mailed to property owners informing them of the potential annexation. Skibbe concluded with the timeline provided by the Cook County Clerk. If the Board agrees to annex the unincorporated areas in 2018, the property owners will see the change in their 2019 tax bill received in 2020 and the District would receive the tax dollars in 2020.

Commissioner Jen Roberts expressed concern over changing the tax bill for property owners that have been living in the unincorporated areas willingly outside of the Glenview Park District. The committee and staff discussed the options of annexation and how the annexation will affect the District, the property owners and their neighbors within the current District boundaries. Executive Director Mike McCarty noted that the property owners within the unincorporated areas would have access to leisuerships if the annexation occurs. Commissioner Jen Roberts requested that the letter includes the benefits to property owners within the proposed locations for annexation. Executive Director McCarty explained that staff would have a presentation at the September Board meeting that would explain the benefits of annexation to the property owners and the District. The committee agreed to move forward with the letter once the appropriate edits were made and then discussed talking points for the public.

c. May Financial Statement Review

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

3. Other

None

4. Matters from the Public

None

5. Adjourn

Commissioner Jen Roberts moved seconded by Commissioner Dan Peterson to adjourn the Open Session at 7:15 pm. On Voice Vote: All present voted aye, motion carried.

ATTEST:

David M. Dillon
Board President

Michael D. McCarty
Board Secretary

Approved this 23rd day of August 2018.