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FINANCE COMMITTEE
Glenview Park District – Administration Building
1930 Prairie Street, Glenview, IL 60025
Regular Meeting Minutes
Tuesday, June 18, 2019 @ 8:30 a.m.

1. Roll Call

Committee Chair Dan Peterson called the meeting to order at 8:30 am and the roll was called.

Commissioners present: Committee Chair: Dan Peterson; Committee Members: Bill Casey, Joe Sullivan; Dave Tosh

Official Staff present: Executive Director Mike McCarty, Deputy Executive Director Katie Skibbe, Treasurer Bill Moore, Finance Director Erin Ryan, Recording Secretary Amy Wille

Late Arrivals, Early Departure: Eric Anderson left at 9:45 am

Commissioners/Official Staff absent: None

Guests: District Attorney Jim Rock of Ancel Glink and District Municipal Advisors Eric Anderson.

2. AGENDA TOPICS

a. Budget and Appropriations Ordinance Timeline

Executive Deputy Director Katie Skibbe gave an overview of the timeline for the Budget and Appropriation Ordinance (BAO). She explained that the BAO will be available to the public for 30 days starting on June 25, 2019. The annual public hearing will be held immediately preceding the July Park Board Meeting.

The committee recommended the acceptance of the Budget and Appropriations Ordinance timeline to be moved to the consent agenda for full Board approval.

b. Preliminary Budget and Appropriations Ordinance

Deputy Executive Director Katie Skibbe presented the preliminary Budget and Appropriations Ordinance that sets the legal maximum that could be spent in specific line items within each fund if sufficient funds were available. No expenditures can be made, even if funding becomes available, unless the expenditure has been anticipated and provided for in the appropriation ordinance.

The committee recommended the acceptance of the Preliminary Budget and Appropriations Ordinance to be moved to the consent agenda for full Board approval.

c. Discussion on Alternate Revenue Source Bonds and Market Update

Eric Anderson of Piper Jaffray updated the committee on the bond market and outlined points of consideration including when the Board would like to issue the Alternate Revenue Source (ARS) bonds, the structure of the ARS bonds, and the selection of an underwriter.

Anderson gave updated information on the bond market including tax-exempt index rates and spreads to treasuries. Next, he went over the timetable for issuing the ARS bonds and

discussed whether the end of the third quarter or beginning of the fourth quarter was still appropriate for issuance.

Anderson went on to explain how the District would receive the entire \$10 million for projects. He noted that the costs of issuance can be paid for by designating a portion of the bonds as taxable and the majority as tax exempt (bank qualified), enabling the District to receive the full amount required to fund the projects. Anderson presented the existing debt structure for outstanding operating debt and followed up with eight options for the proposed debt.

Anderson went over each option including their pros and cons. Commissioner Dan Peterson asked about a debt service trend among the options, which led to a discussion about the current debt including how the TIF and tax levy affect the debt structure. The committee and staff continued to discuss the advantages of certain options, the availability of funding, and potential market changes in the upcoming year. Anderson noted that the Federal Reserve has stated they are prepared to adjust monetary policy to ensure growth and there is currently an expectation of a cut in the Fed Funds rate in July. Commissioner Dan Peterson favored a 15-year descending debt service that would pay off the debt in a timely manner and would not tie the hands of future Park Boards.

Eric Anderson will be back for the July 16, 2019 Finance Committee Meeting in order to make preliminary decisions on the amortization schedule, sale approach, and timetable of events.

d. Discussion on NSSRA Facility Financing

Deputy Executive Director Katie Skibbe gave an overview of the Northern Suburban Special Recreation Association (NSSRA) plan to acquire property in Highland Park, Illinois for the new NSSRA facility. Skibbe stated that the acquisition of this facility will be partially funded with draws against NSSRA's fund balance, charitable contributions from the NSSRA Foundation, as well as capital contributions from the member agencies. Skibbe reported that \$1,023,000 is needed to close on the property and fund the renovation design. Based on the Glenview Park District's population and Equalized Assessed Value (EAV), the District's portion of the closing and design contribution will be \$206,644.

Deputy Executive Director Katie Skibbe outlined three payment options for the committee to consider: 1) utilize the existing Special Recreation fund balance, 2) utilize the Capital Development funds, or 3) set up an interfund loan from Capital Development.

Skibbe explained staff's recommendation of implementing Option 1 that would satisfy the closing and design contribution. She reported that the remaining balance would meet the requirements of the District's Fund Balance Policy (Policy 3.15). Skibbe continued with an explanation of the other two options.

Additionally, Skibbe presented an estimated breakdown of the renovation contributions among the member agencies based on the NSSRA renovation cost estimate of \$4.9 million. She noted that the contributions are subject to change based on the NSSRA Foundation's capital campaign as well as decisions that will be made by the NSSRA Board.

Executive Director Mike McCarty added that Glenview Park District will continue to pay its capital member agency contributions based on the original schedule from 2013, but will be

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prepared for potential changes as the NSSRA progresses in purchasing the new property and selling the old property.

The committee and staff discussed the three options, including an additional option of issuing debt certificates. Commissioner Dan Peterson noted that the request for closing and design contributions is in line with the original agreement from 2013. He explained that the request is accelerating the schedule of already approved contributions in order for NSSRA to close on the property in a timely manner. The committee and staff continued to discuss the financial amounts provided by NSSRA and the feasibility of their request. In conclusion, the committee agreed to move forward with the staff's recommendation of Option 1.

Deputy Executive Director Skibbe stated that there will be an action item in the form of a motion drafted by District Attorney Jim Rock and presented at the June 27, 2019 Board Meeting.

e. Update on District Investments

Finance Director Erin Ryan presented an update on the District's investments including a discussion on liquidity, diversification between GSB and IPDLAF, and the investment timeline.

Ryan stated that the District had \$59.67 million in cash and investments as of April 2019 with 15% in a demand deposit account and 85% in investments. The investments are held at Glenview State Bank and Illinois Park District Liquid Asset Fund (IPDLAF). She explained to the Committee that all unspent bond proceeds are invested in certificates of deposits with laddered maturities. This ensures the District can pay project invoices while still receiving as much interest as possible on unspent funds.

The Committee discussed the returns on the District's current investments as well as their maturities. They also discussed the requirements of the Illinois Public Funds Act and the District's investment policy (Policy 3.35). Deputy Executive Director Skibbe noted that staff would like to work on the District's policy to broaden its requirements. Commissioner Joe Sullivan asked if interest rate hedging is permitted by municipalities. Staff will look into it and report back to the Committee.

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 10:04 am. On Voice Vote: All present voted aye, motion carried.

ATTEST:

Jennifer G. Roberts
Board President

Approved this 25th day of July 2019.

Michael D. McCarty
Board Secretary