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FINANCE COMMITTEE

Glenview Park District – Administration Building
1930 Prairie Street, Glenview, IL 60025
Regular Meeting Minutes
Thursday, September 5, 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 Member: Bill Casey; Jen Roberts, Dave Tosh, Dave Dillon, Angie Katsamakidis

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

Guests: District Municipal Advisors Eric Anderson and John Balzano of Piper Jaffray & Co.

Late Arrivals, Early Departure: Eric Anderson and John Balzano left at 9:20 am, Angie Katsamakidis arrived at 9:28 am

Commissioners/Official Staff absent: None

2. AGENDA TOPICS

a. Selection of Underwriter for Alternate Revenue Source Bonds

Deputy Executive Director Katie Skibbe gave an overview of the selection of an underwriter for the Alternate Revenue Source (ARS) Bonds. The District received nine responses from the RFP for Underwriting Services and staff evaluated the firms based on their experience, marketing and pricing capabilities, distribution platform, and underwriting fee.

John Balzano of Piper Jaffray informed the committee that the RFP for Underwriting Services was sent to twelve firms on July 30, 2019 and nine responses were received. The firms selected to interview were Raymond James and Robert W. Baird & Co., Inc. (Baird). John presented a breakdown of all the firms based on their number of issuances, distribution capabilities, underwriting fees, and financing terms. He also presented the history of underwriters for the Glenview Park District's publicly offered bond issues since 2010, noting that Baird bid on 8 of the 9 competitive bond sales held by the District since 2005.

Based on the evaluation of the RFP responses, pricing, and interviews, staff and Piper Jaffray recommended the selection of Robert W. Baird & Co. Inc. John Balzano informed the committee of Baird's comprehensive marketing plan to the retail market as well as institutional investors. He explained that Baird has significant experience working with local governments and they are one of the largest underwriters of Illinois bonds. Additionally, their underwriting fees and financing terms are very competitive.

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The committee recommended the acceptance of Robert W. Baird & Co., Inc. for Underwriting Services to be moved to the consent agenda for full Board approval.

b. Discussion on Limited Tax Bonds

Eric Anderson gave an update on interest rates and the potential change to interest rates after the Federal Reserve Board meets in mid-September. He provided an overview of the options to purchasing limited park bonds, including the District's debt limitations.

Eric provided three different options for sale: self-purchase, public offering and a direct placement. Each option was presented with a 1, 2 and 3-year maturity. He highlighted four options that were recommended by Piper Jaffray and District staff.

Staff and commissioners discussed the self-purchase option, including the fund balances available for self-purchase, the potential risk, and the overall optics of self-purchase. Deputy Executive Director Skibbe noted that the District would be paying interest to itself. President Jen Roberts asked why the District has never considered self-purchasing bonds. Staff responded that it has not been included as an option in the past. Eric Anderson provided examples of other Park Districts that considered self-purchasing bonds.

Executive Director Mike McCarty requested that the Board consider creating a policy regarding the self-purchase method if they choose to move forward. The commissioners discussed the tax levy and cost savings in relation to the self-purchase method. The commissioners also discussed removing the public offering sale method and all options with a three-year maturity rate.

The committee agreed to keep the self-purchase sale method as an option. Eric Anderson followed with an updated schedule for the ARS bonds and limited tax bonds.

c. 2019 Estimated Tax Levy

Deputy Executive Director Katie Skibbe presented an estimated tax levy recommendation of a 3.66% increase to existing taxpayers or a \$32.29 increase for a \$500,000 homeowner, along with a target for the final levy to be a 0% increase to existing taxpayers. This recommendation is based on several different pieces including: the increase to the Consumer Price Index (CPI), the retirement of the remaining Farm and Fields debt, costs related to the renovation of the new NSSRA building, and IMRF changes.

Skibbe reported that this year's Consumer Price Index (CPI) is 1.9%, which represents \$285,998.97 of additional revenue to the District. She stated last year's CPI was 2.1% and the average increase over the last five years was 1.5%.

Skibbe then reported that the Special Recreation Levy was increased to cover future renovations at the new NSSRA facility. In July, the District made a one-time payment to NSSRA of \$206,644 to cover closing and design costs for the new building which reduced the fund balance in the Special Recreation Fund. The Special Recreation Levy has therefore also been increased to increase fund balance.

Staff and commissioners discussed the state capital bill along with other state legislative bills.

Skibbe then reported the IMRF and Social Security Levies, which are accounted for in the Retirement Fund. Skibbe reported that the fund balance in the Retirement Fund is \$1.8 million. The fund balance was intentionally increased to pay off the cost of choosing a

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contribution rate in 2010 that was not the Annual Required Contribution (ARC) rate. The ARC rate was very high after the 2008 recession and several districts chose to take a lower rate to help manage cash flow. The Glenview Park District chose to take a lower rate in 2010 and 2011. Staff worked with IMRF to calculate the Net Pension Obligation (NPO) balance created by taking the lower rate. If the District chooses to payoff this balance in 2019, the District would owe IMRF \$91,759. Skibbe stated staff's intention to bring forth a recommendation to pay off the NPO balance and an additional one-time payment to reduce the District's unfunded liability. Staff and commissioners discussed the IMRF levy options.

In regard to the Corporate Levy, Skibbe reported that the District will retire all debt related to the Farm & Fields Referendum in December of 2019. The average debt service for these issuances was \$1 million a year. She stated staff's recommendation to use some of the available funds for Phase II of the Wagner Farm Master Plan and architecture and engineering plans for the Heritage Center. The remaining \$700,000 would then be used to abate the pool bonds and reach the staff target of a 0% increase for the final tax levy.

The committee recommended the approval of the estimated tax levy at \$20,030,185, a 3.66% increase, to be moved to the agenda for full Board approval.

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 9:38 am. On Voice Vote: All present voted aye, motion carried.

ATTEST:

Jennifer G. Roberts
Board President

Michael D. McCarty
Board Secretary

Approved this 24th day of October 2019.