

DRAFT

FINANCE COMMITTEE

Glenview Park District – Administration Building
1930 Prairie Street, Glenview, IL 60025
Regular Meeting Minutes
Tuesday, November 12, 2019 @ 8:30 a.m.

1. Roll Call

Committee Member Joe Sullivan called the meeting to order at 8:35 am and the roll was called.

Commissioners present: Committee Chair: Dan Peterson (via phone); Committee Member: Joe Sullivan; Commissioners Jen Roberts, Dave Tosh, Dave Dillon

A quorum was not met due to one absent committee member and one committee member that called in due to work purposes, therefore all recommendations will be staff recommendations.

Official Staff present: Executive Director Mike McCarty, Deputy Executive Director Katie Skibbe, Human Resources Manager Sarah Bagley, IT Director Sean King, Finance Director Erin Ryan, Recording Secretary Amy Wille

Guests: Eric Anderson and John Balzano with Piper Jaffray; Stephan Roberts and Dalena Welkomer with Robert W. Baird

Late Arrivals, Early Departure: Eric Anderson, John Balzano, Stephan Roberts and Dalena Welkomer left at 9:18 am

Commissioners/Official Staff absent: Committee Member: Bill Casey

2. AGENDA TOPICS

a. Update on Proposed Bond Issuance

Eric Anderson of Piper Jaffray updated the Committee on the bond market and interest rate changes since the September 5, 2019 Finance Committee Meeting. Commissioner Joe Sullivan asked about the odds of the Federal Reserve cutting interest rates in December 2019, to which Anderson replied that no change is expected.

Anderson introduced the Robert W. Baird team to the Committee as the underwriter for the Alternate Revenue Source (ARS) Bonds. Stephan Roberts of Baird gave an overview of their underwriting process and the expected results. He went into detail about the implementation of a comprehensive and multi-pronged marketing campaign and the timeline up to the pricing date. He explained how the team plans to generate interest from investors through retail sales first, local banks second, and then institutional sales third. He emphasized their plan to obtain several investors for the \$10 million ARS bonds in order for competition to bring the costs down.

Dalena Welkomer of Baird presented various marketing pieces as part of Baird's in-house Marketing Resource Group that will help develop, coordinate and distribute materials. Welkomer explained the potential volatility of the upcoming interest rates

DRAFT

over the next few months as well as the change in investment opportunities within the bond market before and after the year-end. Based on market conditions as of October 31, 2019, the most optimal solution to generate \$10 million in proceeds is a bank qualified transaction with a short small taxable tail. She noted that the market conditions will be evaluated closer to the pricing date in order to maintain the most optimal solution, but currently there is a \$66,361 savings in aggregate debt service with bank qualified instead of non-bank qualified. Eric Anderson added that flexibility to change the type of bond issuance based on the market will be available through the parameters ordinance to be approved at the November 21, 2019 Park Board Meeting.

Commissioners and staff discussed when a non-bank qualified transaction may be economically favorable. Stephan Roberts explained the different markets between tax-exempt bond buyers and taxable bond buyers and the timing of when the Board can feasibly make a change before the pricing date.

Anderson presented the amortization schedule of the 2019 series that allows for less demand upon each succeeding operating budget. Anderson presented the timetable of major events, including the Moody's rating review on November 19, 2019 and the approximate date of February 2020 for the ARS bonds pricing date. Commissioners and staff discussed timing and options if the Board decides to move quicker than February.

For the Limited Park Bonds, Anderson presented the existing debt structure along with proposed total debt structure based on a direct sale with a two-year maturity rate. He estimated that the District should be able to issue an approximate \$2,385,000 in Limited Park Bonds if issued at a rate of 1.81%. A timetable of major events was presented with the Bond Issue Notification Act Hearing at the November Board Meeting and the distribution of a term sheet to potential purchasers on November 22, 2019.

b. Final Tax Levy

Deputy Executive Director Katie Skibbe gave an update of the estimated tax levy approved at the September 19, 2019 Board Meeting. The estimated tax levy represented a 3.66% increase to existing taxpayers. At the time of approval, it was noted that staff was targeting a final levy of 0%.

Skibbe then requested consideration to approve the final tax levy at \$19,337,311, a 0% increase to existing taxpayers which represents a \$0 increase for a \$500,000 homeowner. The final tax levy includes the CPI increase of 1.9% (\$285,999) to the tax capped funds as well as an increase of the Special Recreation Levy by the full renovation contribution amount to NSSRA (\$447,459) and inclusion costs (50,000). To achieve the 0% increase, the 2012C Pool Bonds will be abated by \$692,874 decreasing the Bond and Interest Tax Levy. The recommended final tax levy includes the ability to capture up to \$80,000,000 of new growth and each scenario also captures the CPI increase for the non-tax capped funds.

Skibbe gave an update on the contributions from member agencies for the NSSRA building. She explained the potential need for a supplemental renovation contribution if the renovations begin before the old NSSRA building is sold. The options to fund this contribution will include: raising the tax levy to accumulate funds to pay, utilize Capital Development funds, or set up an interfund loan from Capital Development. Skibbe noted that this contribution will not affect the 2019 tax levy, but the Committee should be aware that it could affect the 2020 tax levy. Commissioner Dave Dillon asked if the sale of the old NSSRA building will offset the renovation costs of the new building. Executive Director

Mike McCarty provided details on the NSSRA drawdown schedule that estimates the timing of selling the old building and completing the renovation of the new building. McCarty noted that NSSRA will be applying for PARC Grant which could provide a maximum benefit of \$2.5 million and help offset the costs. He added that these moving pieces are reasons why staff decided to wait until the 2020 tax levy.

Skibbe noted that the Ordinance for the Property Tax Extension Limitation Law (PTELL) will be presented at the November 21, 2019 Board meeting. This ordinance directs Cook County to reduce the corporate levy if needed to comply with PTELL.

The staff recommendation to approve the final tax levy at \$19,337,311, a 0% increase to existing taxpayers, will be considered at the November 21, 2019 Board Meeting.

c. Financial Software Recommendation

Deputy Executive Director Katie Skibbe gave an update on the 2018-2021 Strategic Plan initiative to “*Transform and Reengineer our financial system to provide robust analysis of financial results as well as financial forecasting.*”, which was created in response to staff feedback regarding time intensive, paper heavy processes and financial reporting needs. A team was formed to explore options for improving the functionality of the District’s financial software and financial reporting, which concluded with a recommendation to purchase Tyler Technologies’ Incode financial software.

Skibbe provided the committee with a history of the District’s financial software, including the District’s current software: GP Dynamics (GP). She explained both the benefits and complications of using GP, which provides standard processes with the ability to add-on functionality developed by third parties.

Skibbe presented several areas that were identified as needing improvement, including accounts payable, budget, payroll, document management, and reporting. After meeting with a certified GP reseller to discuss products that would fulfill the District’s priority needs, Skibbe explained that the team discovered making GP fully functional would be costly and would involve working with several different companies creating integration complications. Therefore, the team met with several different vendors with park district experience and identified two software companies that best met the District’s needs: BS&A and Tyler Technologies’ Incode (Incode).

Skibbe presented the benefits of both software options and how they improved the District’s financial reporting. While both of these companies provide similar standard functionality, Skibbe explained that Incode is a web-based software that has a better user interface along with a stronger employee self-service module, human resources module, and stronger overall reporting. Web-based software was preferred over BS&A’s desktop software due to time saved on setup, installation, and maintenance. Skibbe added that Incode also has a superior report writer. Finance Director Erin Ryan explained how this benefits current District accounting practices.

Skibbe stated that Incode has a more robust Human Resources module and is able to calculate blended overtime. Commissioners and staff discussed the definition of blended overtime and examples of employees with different wages.

President Jen Roberts asked about privacy and security concerns with Incode. IT Director Sean King responded that employees will have different levels of user accessibility and that

DRAFT

external access is currently not being considered. Commissioner Dave Dillon asked about cyber security efforts. Skibbe and King explained that the software is behind the District's firewall.

Staff and commissioners discussed the initial financial software costs that will be expected in the next couple budget cycles as well as the implementation process.

The staff recommendation to approve Tyler Technologies' Incode as the new District financial software will be considered at the November 21, 2019 Board Meeting.

3. Other

Executive Director Mike McCarty gave an update from the last NSSRA Board Meeting.

4. Matters from the Public

None

5. Adjourn

Committee Member Joe Sullivan moved seconded by Commissioner Jen Roberts to adjourn the Open Session at 9:50 am. On Voice Vote: All present voted aye, motion carried.

ATTEST:

Jennifer G. Roberts
Board President

Michael D. McCarty
Board Secretary

Approved this 12th day of December 2019.