

**Burr Ridge Park District
Regular Meeting
December 11, 2017**

REGULAR MEETING

The regular meeting of the Burr Ridge Park District was called to order at the Burr Ridge Community Center at 6:04 pm by President Quigley.

Present: Caplis, Fara, Lawrence, Malloy, Quigley
Absent: None
Also present: Jim Pacanowski, Director
Superintendent of Finance, Jamie Janusz
Superintendent of Recreation, Lavonne Campbell
Andrew Arndt, RW Baird

APPROVE

December 11, 2017 Agenda

Item VIA Discuss Special Funds & New Development Initiatives for the 23018 Capital Development Spending Plan, and Item VIB Discuss Potential Bond Refinance Issue for Capital Development Projects was moved to after Item IV Correspondence.

November 13, 2017 Regular Meeting Minutes

Caplis moved, seconded by Fara and approved by roll call vote to approve the November 13, 2017 Regular Meeting Minutes.

Ayes: Caplis, Fara, Lawrence, Malloy, Quigley Nays: None Abstain: None

OPEN FORUM

No Open Forum

CORRESPONDENCE

Nothing further added to the written correspondence.

UNFINISHED BUSINESS

Discuss Special Funds & New Development Initiative for the 2018 Capital Development Spending Plan

Discuss Potential Bond Refinance Issue for Capital Development Projects

Pacanowski introduced Andrew Arndt of RW Baird. Arndt distributed a packet of information detailing the following key points:

The Burr Ridge Park District is rated AA2 which is 2 notches down from AAA. There is \$3.2 million of debt outstanding which will wholly retire in 2031. Based on the EAV, \$860,000 can be borrowed right now. That number goes up a couple years from now. The debt service extension base is \$325,000 which is the annual limit to repay any debt in limited bonds that are not approved by voters. That amount goes up each year with CPI.

The limit at which money can be borrowed has gone up slightly.

The first option would be the year 2018, \$860,000 of new money. The new debt would be taken out for almost 20 years, up to the limitation with new principle and interest which would give the total of \$860,000.

If just new money was issued, payments would exceed the debt service extension base. To stay within \$125,000 a year, you would have to refinance a portion of what is outstanding to allow a payment under the limit.

Caplis asked if you use this money for capital projects instead of operating fund transfers.

Arndt replied yes it will be a dual purpose: one purpose for projects, the other for minor construction in order to comply with the tax cap.

The difference between \$860,000 and \$1.2 million in 2020, is when you go 2-3 years in the future, you are able to fit a little more principle in.

Pacanowski added that both options add on 5 years to the current retirement date.

Arndt stated that you can either use the money now or use it in a few years which may increase the interest rate which will increase the debt.

Caplis asked what the statutory debt limit is.

Arndt replied that the debt service extension base is the annual limit on the payment which is the cap.

The statutory debt limit is the amount of principle you have outstanding at any given time. Currently it is \$4 million.

Savings: Refunding for savings 3.5 to 3.6 percent. It is recommended because it is more cost effective to pursue financing now as opposed to 2020 due to higher interest rates, up-front costs, etc.

At this time there were several questions to verify the amount of interest rate costs, the total amount of principle, and the amount of savings realized.

Janusz verified that it is recommended by R.W. Baird to close in January to pursue the bond.

Arndt added that to file the documents and then watch the market and possibly finalize February.

Caplis asked what the rate would be if it were to be refinanced and closed today.

Arndt replied that he would need to send that rate over the following day.

Malloy asked if rates can be shopped around since the Burr Ridge Park District is rated AA2.

Arndt replied that it will be shopped around. Rates quoted are the conservative rates. There will be approximately 5 banks giving rates.

Caplis asked what would be the difference if it was considered pursuing new money next year.

Arndt replied that it would not be advisable to separate the money. If you pursued the \$860,000 next year, there will be more hoops to jump through, the park district would have to pay attorney fees twice, the banks twice.

Arndt stated that this type of bond is available in order for park districts to borrow what is needed, tackle projects as required, and keep facilities up to date and running. Large borrowing needs to go to referendum.

Quigley stated that the question is do we refinance the \$860,000 now, separately, or in 2020.

Caplis wanted to make clear that the park district would not be losing the 2012 debt, but instead taking on additional debt and adding on another 5 years to the current debt.

Caplis asked to verify the difference of \$1.295 million and \$1.325 million in debt.

Arndt replied that the difference is due to fees, and the sliver of interest due at the time it is paid off.

The Board thanked Andrew Arndt for attending.

Pacanowski distributed a report outlining park districts comparing tax rates, quality of facilities, etc. In addition, a report was distributed outlining the options of refinancing now, delaying until 2020, and not refinancing and the decisions and outcome of each of those options.

Pacanowski asked the Board if the consensus is to delay refinancing utilizing operating fund transfers and capital development fund balances in the interim to execute the spending plan, or to refinance in 2018.

After some discussion, it was unanimously decided to refinance with Statutory Borrowing Margin in 2020.

REPORTS

Director of Parks and Recreation

In addition to the written report, there was some discussion regarding identifying potential corporate annexation properties. There may also be a possibility that the park district may be able to stay with Waste Management at a cost savings.

Superintendent of Finance

Nothing further was added to the written report.

Recreation Division

Nothing further was added to the written report.

NEW BUSINESS

Authorize Public Bid for Grounds/Maintenance and Facility Services Contract

Pacanowski stated that if the Board moves forward with going to public bid for the grounds/maintenance and facility services contract, it is anticipated that results of the bid and a recommended contract award will be on the January Agenda.

Caplis asked if the bid will be 3 one year terms?

Pacanowski responded that the first 2 years are at a guaranteed price. Year 3 would be a possible extension if they hold the price. In addition, there is a possibility of coming back in year 4 with a price hold.

Caplis verified that year 3 and 4 are options on the park district's end.

Caplis moved to authorize going to public bid for the Grounds/Maintenance and Facility Services Contract which expires April 30, 2018, going into effect May 20 2018, seconded by Malloy and approved by roll call vote.

Ayes: Caplis, Fara, Lawrence, Malloy, Quigley Nays: None Abstain: None

Adopt 2017 Tax Levy Ordinance 17-06

Fara moved to Adopt 2017 Tax Levy Ordinance 17-06, seconded by Malloy and approved by roll call vote.

Ayes: Caplis, Fara, Lawrence, Malloy, Quigley Nays: None Abstain: None

APPROVAL OF BILLS

Malloy moved, seconded by Caplis to Approve the December bills.

Ayes: Caplis, Fara, Lawrence, Malloy, Quigley Nays: None Abstain: None

REGULAR MEETING

Caplis moved, seconded by Fara to Adjourn the Regular Meeting at 7:19 pm.

Respectfully submitted,

Sherry Stednitz
Recording Secretary