

**Burr Ridge Park District
Regular Meeting
November 13, 2017**

REGULAR MEETING

The regular meeting of the Burr Ridge Park District was called to order at the Burr Ridge Community Center at 6:30 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
Residents in attendance

APPROVE

November 13, 2017 Agenda

No changes were made to the Agenda.

October 9, 2017 Regular Meeting Minutes

Caplis moved, seconded by Malloy and approved by roll call vote to approve the October 9, 2017 Regular Meeting Minutes.

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

OPEN FORUM

Several residents were in attendance, however, did not have any remarks for the Board at this time.

CORRESPONDENCE

Nothing further added to the written correspondence.

REPORTS

Director of Parks and Recreation

Nothing further added to the written report.

Caplis asked if the roof at Woods Pool is leaking that badly, perhaps it should be replaced in the spring.

Pacanowski will speak to the architect on the possibility of moving the replacement of the roof up in the schedule.

Superintendent of Finance

Nothing further was added to the written report.

Recreation Division

Nothing further was added to the written report.

UNFINISHED BUSINESS

No Unfinished Business

NEW BUSINESS

Discuss Operating Fund Balance Policy

Pacanowski presented a written report detailing operational fund balance options and recommendations.

Quigley asked Pacanowski to summarize recommendations.

Pacanowski responded that it is requested that the Board identify a floor percentage in the operational fund balance that the Board is comfortable with. It has been noted by the Board in the past that a 25% floor is too low and therefore it is being recommended to increase that percentage to a 50% floor.

Caplis asked what the balance of the Operational Fund was at the end of last year. Pacanowski responded that it was \$1.8 million.

Caplis asked what the projection is for 2018-19.

Pacanowski responded that the projection is \$1.837 million.

Caplis asked if it is currently close to \$1.8 million.

Janusz responded that it is close to that currently.

Caplis asked if there is anything we have to change in order to get it done.

Pacanowski responded that nothing needs to be changed.

Caplis responded that he does not want to be linked to a 25% policy.

Lawrence stated that he needed clarification on how increasing the minimum from 25% to 50% would free things up.

Pacanowski responded that the fund balance money is higher than 50%.

Lawrence verified that if you increase the floor to 50% you don't have to spend it.

Pacanowski responded that this is correct.

Fara asked if Pacanowski needed anything from the Board to proceed with the budget other than needing a 50% floor.

Pacanowski replied only a consensus is appropriate as we are establishing an internal goal/policy.

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

In addition to the written report, Pacanowski stated that there are two major components for Special Funds, special funds for repair or renovation of existing assets, and maintenance of these assets for a projected schedule.

Fara asked for clarification of buildings, if it included Woods Pool.

Pacanowski responded that buildings included the Community Center and Concession Stand, not Woods Pool.

Caplis asked for verification of page 6, BRCC tile. Is the \$7,500 replace for tile annually and is it at the Community Center?

Pacanowski responded that this is an annual allocation for the Burr Ridge Community Center.

Caplis asked for verification of page 8, \$380,000.

Pacanowski responded that this is for the privatized maintenance amount. Since the park district does not have fleet vehicles or a maintenance department, we can justify a financial representation for the assets and are allowed to utilize capital development dollars for this purpose.

Malloy asked for verification of the location of the tennis courts and pickle ball.

Pacanowski said the tennis court resurfacing and pickle ball court will be at Harvester Park.

The pickle ball will be located at the northeast corner of the court, in the area of the grass area berm and volleyball court.

Caplis asked if Pacanowski is looking for the Board to prioritize the projects.

Pacanowski responded that the list was presented in prioritized fashion.

Caplis stated that the Oak Grove Park playground does not seem to get a lot of use.

Pacanowski stated that the playground is small scale and low impact. It does get usage from rentals and people walking the trails. It is not heavily used by any means.

Fara asked for verification of the location of the small ice skating pond.

Pacanowski responded that it will be located directly on top of the sand volleyball court.

Fara asked if the drainage will be improved.

Pacanowski stated that it will be improved in order to hold water.

Fara asked if having the ice skating rink at Harvester Park would be different than the suggested rink at Woods Pool.

Pacanowski stated that a member of the Foundation suggested an ice skating rink at Woods Pool. However, the topography at Woods Pool is not conducive to an ice skating rink. In addition, a park district of this size does not really need 2 large ice rinks, and the park district does not have the labor necessary to maintain 2 ice skating rinks of that size. The rink at Harvester Park would be a small rink.

Malloy asked if the dollar amount included the drainage involved.

Pacanowski responded that it does.

Lawrence asked if the covered bleachers would be completed before the start of the next baseball season.

Pacanowski stated that it is intended to be completed before the start of the season.

Fara asked if the roof would be hard material or netting.

Pacanowski responded that the roof would be hard material, possibly metal.

Fara asked if the Homestead project would recycle the playground equipment that is being taken out and be utilized elsewhere or is the useful life of that equipment over.

Pacanowski responded that the useful life of that equipment is over and can't be used anywhere else.

Caplis asked if some of the funding for the Homestead project will be provided by the Special Recreation Fund.

Pacanowski responded that the tax for Special Recreation is included for ingress and egress improvements within the project.

Caplis verified that approximately 23% would be used for the project from the Special Recreation Fund.

Pacanowski replied that approximately 23% is correct. All new projects are made to be accessible as possible.

Janusz added that it is an uncapped Fund with a ceiling of .04 percent.

Fara asked Pacanowski to investigate drainage at Palisades Park. On Royal Drive when there is a lot of rain/snow melting people are parking farther into the street in order to access the car, and in addition children are accessing the car from the street side in order to avoid water and/or muddy conditions. Is it possible to add a strip of sidewalk in order to safely access cars and avoid wet conditions.

Pacanowski will investigate and report back to the Board.

Discuss Potential 2018 Bond Refinance Issue for Capital Development Projects

Quigley asked for verification that currently with the plan proposed, there is no need to refinance.

Pacanowski stated that no, with the plan proposed we would need to refinance now.

We are looking for \$1,092,400 to fuel the capital spending plan. Refinancing now is an integral component if we desire to meet the schedule and project list.

Caplis asked what the interest rate is.

Janusz stated the interest rate is 3.75/4.00%

Caplis stated that \$185,000 is going to principal with \$82,728 to interest, which he is not inclined to keep extending. There will be \$110,000 in interest next year.

Janusz stated that refinancing will not pose a burden to the taxpayer.

Pacanowski added that if we don't refinance we will be short \$864,000 for the proposed plan.

Caplis asked that the park district live with the current budget without refinancing as eventually the park district will have to pay the refinancing loan off in 2031.

Pacanowski stated that if we intend to implement the projects as proposed, they can't be done without refinancing.

Fara asked if you can refinance next year and skip this year.

Caplis stated that he would not borrow money for a wish list.

Pacanowski replied that it is possible to delay the refinance and rely on operating fund transfers for a year or two and still meet the Plan, but since that reduces operating flexibility and the non-guaranteed status of this financial tool with the condition of the State, this initial recommendation involves the earlier refinancing.

Caplis asked for verification of \$49,000 needed for office projects, and \$239,000 for parks projects.

Janusz responded that it is for computers, copy machines, and technology.

Caplis stated that you have to live within your means, sooner or later you have to stop borrowing or you will have to raise taxes.

Pacanowski stated that if we have established that we are able to retire debts and add to operating fund balances then we are living within our means, and refinancing does not raise taxes, it extends them at the current rate.

Caplis stated that he is not comfortable with our debt ratio.

Caplis stated that the bank balances are hefty, we are in excellent financial health except for the debt. It is still a lot. He prefers to run lean and mean.

Malloy asked what other park districts usually do.

Pacanowski responded that they run heavy debt. In addition, they do not have the quality assets and resources that the Burr Ridge Park District does, and they have much higher tax rates.

Fara asked the last time we refinanced.

Janusz stated it was in 2012, and the time before that 2006.

Caplis asked what the best rate is.

Janusz stated that the rate is dictated by the bond market and the actual rate is not known until closing.

Pacanowski added that the tax cap legislation changed in 1991, and the door closed to do anything regarding refinancing. Legislation then amended with refinance language in 1995.

You don't know what changes may incur in the near future.

Fara asked what the current rate is.

Janusz responded one year that it fluctuates between 2 and 3.5%. \$864,000 is the maximum we can borrow without paying it out of the General Fund. The formula is based on the debt service extension base.

Caplis asked what the rate is and how much will it cost.

Fara asked if \$864,000 is borrowed, would the interest be on top of that.

Janusz stated the interest would be on top of the \$864,000.

Fara asked for verification that the loan would then be another \$200,000 carried out until 2036 instead of 2031 in order to get the projects done that we need to get accomplished. The Village of Burr Ridge is having a turnover of younger families moving in and we need to maintain the quality of the park and to add some projects. However, we need to be careful of how much debt we carry. We also want to be careful of what debt we hold in case the 20 acres goes up for sale next to Harvester Park. In addition we need to know how much the interest will be.

Pacanowski responded that the 20 acres would only be able to be purchased by referendum.

Fara responded that if we watch how we spend our money today, it lends credibility.

Quigley asked what is needed from the Board at this time.

Caplis asked for the interest rate, refinance payments and total debt amounts.

Pacanowski asked if there is agreement for a 50% floor.

It was unanimously agreed to budget for a 50% floor.

These two issues will return to the December Board Agenda.

Determine 2017 Tax Levy Extension

Janusz reported that the District would not go to Truth in Taxation and not levy more than 5% over the aggregate received the prior year. The District will levy approximately 4.78% in order to capture new growth.

APPROVAL OF BILLS

Fara asked for verification of the Waste Management bill.

Pacanowski responded that this was for landscape materials, not refuse.

Fara asked if the park district compared prices from Waste Management to Groot service.

Pacanowski stated that prices were compared and will get back to the Board with price comparisons.

Malloy asked for verification of office equipment. One check is for \$627, the other check is for \$1,025?

Janusz stated that we bought a new copy machine, this is a layover from the old copy machine to the new copy machine.

Caplis asked for verification of Andy's Landscaping for Community Center, liability insurance deductible.

Pacanowski stated that this was for work at Citizens Park.

Quigley asked for verification of Survey Monkey.

Pacanowski responded that this is for program evaluations.

Caplis asked for verification of landscape for \$11,000, pull trees, Woods Pool manhole, etc., 7 items.

Pacanowski responded that this is for trade services landscape line items.

Caplis stated that there is a separate invoice, on the last page Invoice 995, is that included in the \$11,000 or other items in the list?

Pacanowski responded that Invoice 994 is mowing, Invoice 995 is everything not mowing, Invoice 996 is prevailing wage. All are included in one bill Trade service landscaping has over 100 entries.

Caplis asked if the dinosaur item was a purchase or a rental.

Campbell responded that this was a purchased item.

Fara moved, seconded by Malloy to Approve the November bills.

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

REGULAR MEETING

Caplis moved, seconded by Fara to Adjourn the Regular Meeting at 8:06 pm.

Respectfully submitted,

Sherry Stednitz
Recording Secretary