

**APPROVED**

MINUTES OF SEPTEMBER 16, 2014 FINANCE COMMITTEE OF THE WHOLE  
MEETING GLENCOE PARK DISTRICT

999 GREEN BAY ROAD, GLENCOE, ILLINOIS 60022

The meeting was called to order at 6:16 p.m. and roll was called. Commissioners present: President Hilary Lee, Vice President Seth Palatnik, Treasurer Steve Gaines, Bob Kimble, and Andre Lerman. Staff present: Executive Director/Secretary Lisa Sheppard, and Director of Finance/Human Resources Carol Mensinger

No members from the public were present.

Matters from the Public: There was no one present wishing to address the Committee.

Discussion of Potential Debt Refunding: Director Mensinger provided an overview of all information included in the meeting packet. There are different options the Board can consider, either utilize services of an underwriter or do a competitive RFP process for a municipal advisor who would do a competitive sale. Director Mensinger stated that the District prefers to work with those who are familiar with working with Park Districts and Chapman and Cutler, our legal counsel. Three such underwriters could be asked to present at another Finance Committee of the Whole meeting in October. In response to a question from Treasurer Gaines, Director Mensinger responded that no matter the route chosen, the process would take 45-60 days and would meet a January Board Meeting deadline. Gaines continued that due to low volatility in interest rates, there is no advantage to a RFP process at this time. Director Mensinger added that she confirmed this with Chapman and Cutler, our legal bond council. Municipal clients, especially Park Districts, are choosing based on a built relationship with a comfort level of knowing the business.

Commissioner Kimble asked Director Mensinger to review refunding of the Watts Ice Center debt in May 2010. The bonds were callable after 10 years, but the rates were to our benefit for advanced refunding. The Watts refunded par value was just over \$1 million; however, the current bonds par value would be \$7-8 million. The Watts bond was refunded using Pete Koukos from Mesirow Financial, a seamless process that saved us \$150,000 over the 10-year period. In its proposal, Mesirow estimated that we could save over \$500,000 over the next 10 years.

After choosing an underwriter, the next step would be a parameters ordinance, passed by the Board, allowing the Executive Director and Director of Finance to work with an underwriter, so when the timing is correct within six months the refunding could be processed.

Commissioner Lerman asked Director Mensinger to review fees, for which, Mesirow Financial quoted \$52,500, BMO Capital quoted \$41,000, and Spear Financial, who would still need to sell to an underwriter, was \$44,000. Each quote was based on a different timeline and model which does not allow for an apples to apples comparison.

Commissioner Palatnik led a discussion regarding the benefit to the Park District and community of refunding at current low rates and the timing of risk compared to savings potential and negotiating the best underwriting cost as part of the decision making process. The firms, who wish to do business with us, look consistent and savings are approximately \$500,000.00 in the next ten years.

Treasurer Gaines added that rates have not been this low. We should try to maximize this within the next six months. Projects requiring financing coming from the Master Plan are still a few years out. That is an opportunity cost that we can diminish.

In response to a question, Executive Director stated the Park District does not currently have a debt policy, but could be created. Director Mensinger explained that a Debt Management Policy takes into account what the money is for, how quickly the money is needed, how often to go to the market. Underwriting option is just part one of a debt policy.

The Board came to consensus that three underwriters will give a presentation in October on a date to be announced.

Discussion of Proposed 2014 Tax Levy Amount: Director Mensinger explained that we are determining the amount to be taxed in fiscal year 2015/16. The EAV has gone down the last four years and we are waiting from the Village of Glencoe on how many building permits have been issued.

The Truth in Taxation Resolution would be passed at the October Regular Board Meeting, from which, the actual Levy Ordinance would be created and passed at the November Regular Board Meeting and then filed by the last Tuesday in December.

Historically, our total EAV was at \$1.2 billion which has gone down to \$766 million. The last significant new growth period was back in 2009 which is also when we had the highest EAV. Director Mensinger is recommending a 3.35% operating levy increase which would allow 1.85% for potential new growth. The net levy including debt service would go up 1.19%.

Director Mensinger clarified for Treasurer Gaines that the new Writers Theatre would not be a source of new revenue as they are a not-for-profit organization.

Other Business: There was no other business.

Adjourn: At 6:51 p.m., a motion was made by Commissioner Gaines to adjourn the meeting. President Lee seconded the motion which passed by unanimous voice vote.

Respectfully submitted,

Lisa M. Sheppard  
Secretary