

Cary Park District  
Board of Commissioners  
**Special Meeting**  
April 12, 2018  
7:00 PM  
Community Center  
255 Briargate Rd.  
Cary, Illinois

## **MINUTES**

### **Call to Order**

President Renner called the meeting to order at 7:00 PM.

### **Roll Call**

Upon roll call the following Commissioners answered present: Mr. Howell, Mrs. Hauck, Mr. Frangiamore, and Mr. Renner. Commissioner Mr. Stanko joined the meeting at 7:03 PM.

### **Staff Present**

Dan Jones, Executive Director; Sara Kelly, Superintendent of Recreation/Deputy Director; Paul Rogus, Superintendent of Parks and Facility Maintenance; Katie Hughes, Director of Communications and Marketing; David Raica, Director of Planning and Development; Vicki Krueger, Director of Finance and Administration; and Megan Lee, Administrative Assistant.

### **Guests Present**

Michelle Kelly, Upland Design Inc.  
David Phillips, Speer Financial  
Mark Jeretina, Speer Financial

### **Matters from the Public**

None.

### **Action Items**

Jones stated that this is an exciting night for the Cary Park District. The Kaper and Lions Parks Revitalization Project originated as far back as 2016 when the Comprehensive Master Plan was developed. From that plan, the initiative to invest money into community parks was created. In late 2016 to early 2017 the RFQ process used to select Upland Design was executed to begin the design phase of the project.

Jones stated that throughout these steps several public feedback opportunities were provided for Kaper and Lions Parks as well as many meetings with the Board along the way to determine what would be included in the project. The project was bid at the end of February and the results were opened on March 16. This evening, the bid results will be presented to the Board. What the Board will need to complete this evening is a motion to accept the base bid, and decide if any alternates are to be included as well to establish a budget for the final construction phase.

Jones then introduced Michelle Kelly from Upland Design and had her walk the Board through the bid results. She explained the bidding went well with a total of seven bids received. The low bidder was Elanar Construction Co. Her firm has worked with them positively in the past. The base bid received was approximately \$60,000 under the estimate. The start date for construction at both park sites is July 9 and will go through the end of the year.

M. Kelly then explained the alternates in the bid. She explained the first alternate is the Kaper Park picnic shelter. It will cost \$76,798.30 for construction plus the purchase of the shelter by the Park District which would bring the total cost of the first alternate to \$108,196.70. The second alternate was curb work and American with Disabilities Act (ADA) parking lot improvements at Kaper Park totaling \$37,226.50. The third alternate is for light pole maintenance work at Lions Park totaling \$32,000.

Jones stated it is the recommendation of staff to accept the lowest and qualified responsible bidder which was Elanar Construction Co. Staff also recommends the Board, at a minimum, accept the third alternate. Staff did an extensive job researching the cost to perform maintenance work on the light poles at Lions Park, and the bid results came back favorable for the work that needs to be done. Jones asked the Board if they had any questions.

Howell asked if all the bid work would be from the same contractor, and M. Kelly stated yes.

Renner asked if part of the cost for the parking lot could come from the ADA improvement budget. Jones stated that at each park location, part of the project will be funded using the special recreation fund to fund ADA improvements.

***Stanko moved to accept the lowest responsible and qualified base bid from Elanar Construction in the amount of \$2,363,397.52 contingent upon the Park District securing funding for the project on terms acceptable to the Park District. Second by Frangiamore.***

Roll call vote: Yes – Hauck, Frangiamore, Howell, Stanko, and Renner. No – None. Motion carried.

Stanko stated that it needs to be clear before a motion is made which alternates the Board wants to approve.

Howell stated that since the bids came back lower than anticipated, he would support approving all three alternates.

Frangiamore stated that improving ADA accessibility in the parking lot and the picnic shelter at Kaper are both very important, so he would like to approve all 3 as well.

Hauck agreed that all 3 needed to be approved.

Renner asked what the light pole maintenance included. Raica stated that concrete work needs to be done to address cracks in the poles and does not include work on the light fixtures. It is strictly concrete pole work.

***Stanko moved to accept the bid from Elanar Construction for Alternates 1, 2, and 3 in the amounts of \$76,798.30, \$37,226.50, and \$32,000.00 contingent upon the Park District securing funding for the project on terms acceptable to the Park District. Second by Hauck.***

Roll call vote: Yes – Hauck, Frangiamore, Howell, Stanko, and Renner. No – None. Motion carried.

***Hauck moved to authorize the Executive Director to execute a contract with Elanar Construction to complete the Lions and Kaper Park project contingent upon the Park District securing funding for the project on terms acceptable to the Park District. Second by Frangiamore.***

Roll call vote: Yes – Frangiamore, Howell, Stanko, Hauck, and Renner. No – None. Motion carried.

Jones explained that it is important to establish boundaries for staff to work in with the execution of the final phase of the project. Contracts have already been approved with Upland as well as Lamp, Inc. in order to properly execute the final phase of this project. The numbers provided tonight include the final phase of this project. They include construction costs, purchases to be made direct by the park district that are directly associated with the project such as equipment that is to be purchased or furniture, fixtures, and equipment (FFE), as well as direct purchases of major components such as the picnic shelter at Kaper Park. There are many items that can be purchased through joint purchase programs to save the Park District money instead of purchasing from the contractor and paying a mark-up. The last item presented was fees for permits and water/sewer tap on fees. Staff recommends a 10% contingency on the base bid, direct purchases, and FFE. There is no contingency on the fees.

Stanko stated he would be more comfortable if the Board made the staff recommendation into a motion to state that a 10% contingency would be included in the overall budget as well as an additional \$60,000 for miscellaneous fees for the project.

***Stanko moved to include in the project budget a 10% contingency for project construction costs, FFE, and direct purchase of major components and \$60,000 for miscellaneous construction costs and fees necessary to implement the project.***

Motion failed for lack of a second.

***Hauck moved to approve a project budget of \$3,248,921 for the final phase of the Lions and Kaper Park project and authorize the Executive Director to execute the purchases and contracts necessary to implement the project. Second by Frangiamore.***

Roll call vote: Yes – Frangiamore, Howell, Stanko, Hauck, and Renner. No – None. Motion carried.

Jones next explained that Dave Phillips from Speer Financial was present to go over the options to fund the Kaper and Lions Park Project.

Phillips stated it is important for the Board and staff to fully understand the different borrowing vehicles available to fund the project.

Phillips explained that the two best options for the Park District to secure funding is to either issue an Alternate Revenue Bond or Debt Certificate. The Park District has utilized each option in the past. Currently the Park District has an Alternate Revenue Bond (2013A) outstanding as well as a Debt Certificate (issued in 2016).

Phillips explained that an Alternate Revenue Bond is the best option for the project compared to a Debt Certificate. With this option a series of notices would be published in the local paper and the issuance is subject to a petition period. A petition would move the approval of the Alternate Revenue Bond to a referendum in November 2018. An occurrence of this sort is not likely, but it is a possibility. Once the public notices are published, there is a 30 day period during which a petition may be filed. A Bond Issue Notification Act (BINA) hearing must also be held. An Alternate Revenue Bond does not count against the legal debt limit for the Park District which is 2.875% of its EAV or approximately \$15 million dollars. Presently the Park District has under \$1 million dollars of debt that counts against this maximum. An Alternate Revenue Bond should provide a lower interest rate (compared to a Debt Certificate) by .75-1%. In dollars, this is a projected savings of \$300,000 to the Park District.

Phillips explained that because of the current economy, Debt Certificates are not utilized as much these days. He stated as a taxing body, the less money spent on interest payments, the better it is for the Park District as well as for tax payers. He recommends the Park District utilize the Alternate Revenue Bond option.

Phillips stated that the model presented this evening is a 15 year term. This term provides a window for the Park District to do other projects in a couple of years. The intent was to make sure flexibility for the Park District remained in the future. A pay back term of 15 years leaves room for other construction projects in the future. Based off the current Action Plan for the Park District facility development is being considered for 2020. He explained that if the Park District looks at its capital needs in 2020 and beyond, a larger project may be completed if desired, based upon available funding resources of the Park District.

Frangiamore asked if the Park District could pay down the debt quicker than 15 years. Phillips said after 7 or 8 years it can be refunded or restructured for savings. There are several options to lower the payments towards the end. You cannot advance refund until the 7 or 8 year period is done.

Stanko asked what impacts the tax limit base, and Phillips said the tax cap that occurred in 1995. The Park District could ask voters to increase the tax rate as well, which is an option, but it is voter directed. Stanko asked if things change over time would there be alternate ways to borrow, and Phillips said yes.

Frangiamore asked if more homes were built in the Park District boundary, would the tax money collected increase? Phillips said the Park District would get operating cash as a result, but the debt service extension base would not change. If the EAV is increased by 25% or whatever it may be, operating cash will increase but the debt service extension base will stay the same regardless.

Phillips next reviewed a preliminary financial plan for borrowing. The current EAV of the Park District is \$580,427,352 with a 25 cent of corporate tax revenue being \$1,451,068. This year the annual limited GO Issuance Year Bond is \$713,000. The projected annual revenue is \$2,164,068. For the next two years, \$1.4 million will be paid towards retiring the golf course debt with the third and final payment being \$1,060,800.

Stanko asked what the funding vehicle would be if \$8,000,000 were borrowed in the future as has been discussed in the Action Plan for facility development in 2020 or later, and Phillips said it would be an Alternate Revenue Bond as well.

Phillips stated that Mark Jeretina, also from Speer Financial, would be back on May 24 to present the bond sale bid results to the Board.

Jones said on May 24 the Board would need to approve an ordinance for the bond sale. Between tonight and May 24, many items need to be completed such as a public notice going into the paper on April 14. On April 26, a BINA hearing will be held. The petition period will end on May 14. Between now and then if someone comes in with a petition with 1,214 or more signatures, the item will then move to a referendum in the November 2018 election. If that were to occur, other avenues may need to be approached for financing the project. Jones stated that the Park District has been transparent since the inception of this project. Many public input meetings as well as project details have been posted to the website and in the Community Center to encourage public review. Public support for this project has been very supportive.

***Frangiamore moved to approve Ordinance O-2017-18-10, an ordinance authorizing the issuance of General Obligation Park Bonds (Alternate Revenue Source) of the Cary Park McHenry County, Illinois, in an aggregate principal amount not to exceed \$3,500,000, for the payment of land condemned or purchased for parks, for the building, maintaining, improving and protecting of the same and the existing land and facilities of the District, including, but not limited to, renovations at Lions Park and Kaper Park, and for the payment of the expenses incident thereto. Second by Stanko.***

Roll call vote: Yes – Howell, Stanko, Hauck, Frangiamore, and Renner. No – None. Motion carried.

Jones explained that the last item to be discussed this evening is the update to the 2016 Comprehensive Master Plan's Action Plan. Working with Steve Konters of Hitchcock Design Group, staff has updated items discussed at the previous two meetings of the Board. Renner asked if the items needed to be discussed further this evening since they have been discussed at length during previous meetings. The Board agreed that the items were good as presented in the packet.

***Frangiamore moved to approve the 2018 update to the Action Plan within the CMP Update 2016. Second by Hauck.***

Stanko asked if a similar process could occur in the next year or two to update the Action Plan, and Jones stated that is correct. The purpose is to revisit and adjust the Action Plan as necessary.

Roll call vote: Yes – Howell, Stanko, Hauck, Frangiamore, and Renner. No – None. Motion carried.

***Motion by Howell to adjourn. Second by Stanko.***

Voice vote: Yes – 5. No – None. Motion carried.

Meeting adjourned at 8:00 PM.

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Daniel C. Jones, Secretary  
Park District Board of Commissioners