

MINUTES OF THE REGULAR MEETING OF THE BOARD OF PARK COMMISSIONERS OF
THE CARY PARK DISTRICT, CARY, ILLINOIS, HELD IN THE COMMUNITY CENTER,
255 BRIARGATE ROAD ON
JULY 25, 2019

I. CALL TO ORDER

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

II. ROLL CALL

Upon roll call the following Commissioners answered present: Mrs. Victor, Mr. Stanko, Mrs. Hauck, Mr. Renner, and Mr. Frangiamore.

Staff

Staff present: Dan Jones, Executive Director; Vicki Krueger, Director of Finance and Administration; Paul Rogus, Superintendent of Parks and Facility Maintenance; Sara Kelly, Deputy Director; Katie Hughes, Director of Communications and Marketing; David Raica, Director of Planning & Development, Erica Hall, Superintendent of Recreation; and Megan Lee, Recording Secretary.

Guests

Brian Dawson, Resident.
Michael Murphy, Resident.
Mark Jeretina, Speer Financial
Aaron Gold, Speer Financial

III. PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance to the Flag was recited.

IV. MATTERS FROM THE PUBLIC

None.

V. ITEMS FROM COMMISSIONERS

Victor stated she is excited for the ribbon cutting ceremonies for Kaper and Lions Parks and asked for an update. Jones explained that he would provide an update on these events during the Executive Director Report.

V. CONSENT AGENDA

Frangiamore asked if any items were to be removed from the Consent Agenda. No items were requested for removal.

Renner moved to approve the Consent Agenda as follows: VI.A.1. Approval – Minutes Regular Board Meeting dated June 27, 2019; VI.A.2. – Approval – July 19, 2019, Disbursements in the Amount of \$204,564.02; VI.A.3. – Acceptance – Treasurer’s Report (preliminary) dated June 30, 2019; VI.A.4. – Approval – Revisions to Policy 2-508 Prevailing Wage Act Compliance. Second by Stanko.

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

VI. BUSINESS ITEMS

VI.A. Any Items Removed From Consent Agenda

None.

VII.B. Action Items

VII.B.1 Consider – Ordinance O-2019-20-04, An Ordinance authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for the Cary Park District, McHenry County, Illinois, and for the issue of \$933,500 Debt Certificates, Series 2019A, of said Park District evidencing the rights to payment under said Agreement, providing for the security for and means of payment under said Agreement of said Certificates, and authorizing the sale of said Certificates to the purchaser thereof.

Jones explained that at the June 27th Board Meeting, the Board approved conducting a competitive sale for issuance of the Debt Certificates, Series 2019A in an amount yet to be determined, the proceeds of which are to be used to pay for the purchase and certain improvements of the property at 100 Cary Algonquin Road; the New Early Childhood Facility. This evening Aaron Gold and Mark Jeretina from Speer Financial is present to provide the results of the sale and provide a recommendation for a responsible bidder. The term of the loan is five years with the first principal payment due in December 2020. On August 8 the funds will be available in time for the closing of the purchase.

Mark Jeretina from Speer Financial provided the results of the sale of the Series 2019A Debt Certificate. The bid results were:

Park Ridge Community Bank, Park Ridge, Illinois – 1.86%

BMO Harris Bank, Chicago, Illinois – 1.88%

Cary Bank & Trust (a branch of Crystal Lake Bank & Trust Company, N.A.), Cary, Illinois – 3.18%

Jeretina explained the low bid was 1.86% from Park Ridge Community Bank, Park Ridge, Illinois. After the sale, the amount was adjusted from \$933,000 to \$920,000 at the request of the Park District. It is his recommendation to go with the low bid from Park Ridge Community Bank.

Questions were asked about the interest rates and market Speer is seeing from their bids. Jones explained the resizing of the amount and the purpose of it.

Stanko moved to accept bid from Park Ridge Community Bank, Park Ridge, Illinois for the Cary Park District's Debt Certificate, Series 2019A as presented. Second by Renner.

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

Stanko moved to approve Ordinance O-2019-20-04, an Ordinance authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for the Cary Park District, McHenry County, Illinois, and for the issue of Debt Certificates, not to exceed \$920,000, Series 2019A of said Park District evidencing the rights to payment under said Agreement, providing for the security for and means of payment under said Agreement of said Certificates, and authorizing the sale of said Certificates the purchaser thereof. Second by Hauck.

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

VII.C.1. Presentation – Speer Financial

Jones explained that in March 2019, a feasibility study commissioned by the Board was accepted. In June staff asked the Board what the next steps would be to move forward on a legacy facility project. The outcome of that discussion was to have Speer Financial come on speak with the Board on the financial capabilities of the Park District to build a facility.

Aaron Gold of Speer Financial reviewed different types of bonds that the Park District could utilize.

Stanko asked about roll-over bonds and if they are bonds that are non-referendum. Gold stated that was correct.

Gold stated an alternate revenue bond could be maxed out at \$15,215,000. This could be initiated without a referendum requirement, and the issuance would not count towards current statutory debt restraints.

Stanko asked about alternate revenue bonds and if there could be a back door referendum by the voters of the Park District. Jeretina said that yes, it is subject to a backdoor referendum. For this to occur, 7.5% of the Park District residents would need to petition for a referendum to appear on the ballot.

Jones stated that each year the Board receives different budget documents that show the CERF and capital project funds. He pointed out that the model provided by Speer accounts for these funds to continue to be funded annually at the current levels in coordination with past practice.

Frangiamore asked about operating budgets of a legacy facility. Jones explained within the feasibility study pro forma operational budgets were included. At present this is the best information that is available, once the Board chooses a path these pro forma can be tweaked and improved.

Stanko asked about \$15,000,000 in an alternate revenue bond model, and if the Park District was to commit to that debt, how long before debt like this could be consider for refinancing? Gold stated that the Park District would be locked in to the rate for 8-9 years before refunding would be an option.

Stanko asked about the general capital fund and expressed concern that if there was another pool repair needed, if there be dollars would be available to make the repair. He then asked if they were to do the plan with \$15,000,000 what kind of future bonding power would be available and when. Gold said it would depend on what the Park District was looking to take the bonds out for and what types of bonds would be used.

Jones explained that the model provided was just that, a model. It answers the question regarding how many dollars the Park District could access to build a legacy facility. Depending on what the Board would like to do, the model would change. For instance, if the Board chose a project that cost \$12-13 million, then it would retain the ability to issue future bonds for approximately \$2-3 million.

Renner asked if alternate revenue bonds were issued for a legacy facility project, and three years later the Park District wanted to do another project for \$10,000,000, would that go against the debt capacity the Park District has, and if so what options would be available. Gold stated he would look at what an additional revenue bond could support with resources on hand or another GO Bond could be done with a referendum to issue that debt. Renner then asked if a referendum were to take place, would the levy still be there if the debt were to be paid off in full. Gold explained if it were paid off, the additional money will no longer be collected from the public to pay for that debt.

Victor said she was familiar with bonds and did not have any questions.

Frangiamore stated that one of his biggest concerns is what happens when the bonds are being paid and we have to operate those facilities, and if the cost of operating them is a net loss, then the Park District may not be able to pay for them long term. He is concerned that money would need to be borrowed from other accounts, and facilities couldn't be maintained as needed.

Stanko stated that the Park District is paying off the debt in 2020 and that gives it the ability to use money for new debt, so the Park District could accurately present this to the public as we are taking the tax capacity that already exists and put it towards new debt. Gold stated that the Park District could state it would not be raising taxes to support a legacy facility project based upon the model provided.

Jones stated that the Park District has parks and facilities such as the newly renovated Kaper and Lions Parks, multi-use trails, and other amenities that don't produce any revenue to offset the cost of operating and maintaining the amenity. While concern over operating costs is important, it needs to be balanced or considered the social good of what a Park District is, and what a community pool and or indoor facility would bring. It provides a place for the community to come together, to meet and interact. The legacy facility is also what the community expressed a desire for in the feedback during the Comprehensive Master Plan process.

Stanko stated that he thinks of the splash pad at Kaper Park and the water bill, and thinks it's a great expenditure even though its costs money to have the this amenity. The Park District is providing the recreational opportunity for the entire community.

Stanko stated the Board hasn't made a decision on what to build, and he shares the concerns about the ability to pay for operations of a facility. Stanko asked about the possibility of building the legacy project, such as the family aquatic center, at Hoffman Park on Route 31 instead of Cary-Grove Park, so it could be utilized by more communities. Stanko explained that location could create more revenue and provide the ability to expand the aquatic center than what could be done at Cary-Grove Park in terms of parking, addition of a lazy river, and other items that could be included in the facility.

Stanko asked what if the Park District wants to do two projects together, and spends more than \$15,000,000. Is a combination of alternative revenue bond plus referendum question an option? Renner asked which option would be cheaper, and Gold stated that it wouldn't matter financially. Renner asked how something like that would affect the total debt capacity, and Gold explained there would be a two part referendum to raise debt ceiling and the other to issue the bond.

Stanko asked what the impact of a referendum would be for the following amounts on a \$250,000 home in Cary.

\$15,000,000 – additional \$130 yearly in taxes

\$20,000,000 – additional \$170 yearly in taxes

\$25,000,000 – additional \$213 yearly in taxes

Frangiamore asked if a referendum for \$10,000,000, and an alternate revenue bond for \$10,000,000 is an option, and Gold stated that could be done.

Frangiamore asked if there were any other questions about this particular issue. No other questions were asked.

Hauck stated she is concerned about the ability to fund the operational cost of the facility.

The Board thanked Gold and Jeretina for their presentation.

Frangiamore stated he saw the e-blast go out about the fall brochure, and stated it looked really nice. He then asked how many people receive the e-blast. Hughes stated it goes to all subscribers and anyone who provides the Park District with their email, which is approximately 6,000 people. Hughes then stated that about 9,100 households in Cary receive the seasonal brochures in the mail.

VIII. Executive Director Report

Jones explained that there will be a ribbon cutting event at Lions Park on August 15 at 6:15PM. There will be a ribbon cutting event at Kaper Park on August 10 at 11AM. The rotary donated \$9,000 for new trees that were planted at the two project sites. They will be invited to the event as well and a photo opportunity will be done with one of the planted trees.

Jones stated that there were three outstanding issues at Lions Park including a leak in the concessions building, but this has been corrected by the contractor. The plaza area concrete was re-poured today. The issue regarding grading for the ball fields is a work in progress, and there is not a timeframe for that to be completed by the contractor. The sanitary line issue is moving forward and the permit documents have been completed. The contractor needs to report back to the Park District and the Village as to when it will fixed. He will keep the Board updated when more is known.

Victor asked about what activities will be done at Kaper Park, and Jones stated there will be activities provided by staff as well as Kona Ice on site. He explained more activities are planned for Kaper than Lions.

Motion to adjourn the meeting by Hauck. Second by Stanko.

Approved

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

Meeting adjourned at 8:02PM.

Daniel C. Jones, Secretary
Park District Board of Commissioners