

**LAKE BLUFF PARK DISTRICT  
BOARD OF COMMISSIONERS  
MINUTES OF SPECIAL COMMITTEE MEETING OF THE  
FINANCE, ADMINISTRATION & FUTURE PLANNING COMMITTEE  
MAY 31, 2013**

The Special Committee Meeting of the Finance, Administration & Future Planning Committee of the Lake Bluff Park District, Lake County, Illinois, was held at the Lake Bluff Park District Recreation Center, 355 W. Washington Avenue, Lake Bluff, Illinois.

The meeting was called to order at 9:00 a.m. by Commissioner Douglass.

The following Commissioners were present when the roll was called: R. Douglass, and B. Wallace.

Staff members present were Ed Heiser, Superintendent of Facility Services, Rob Foster, Superintendent of Golf & Parks Maintenance and Rich Rothman, Bookkeeper.

Also present were President Considine, Commissioner Gronau, Ron Amen from Lauterbach & Amen, LLP and Eric Anderson from BMO Capital Markets.

**Approval of Agenda**

Commissioner Wallace moved, seconded by Commissioner Douglass to approve the May 20, 2013 Agenda. The motion carried by unanimous voice vote.

**Statement of Visitors** – None

**ITEMS FOR DISCUSSION/ACTION**

**Audit report for the fiscal year ending December 31, 2012**

Ron Amen from Lauterbach & Amen, LLP, provided the required communications regarding the annual audit. These communications included a SAS 114 Letter, communication to those charged with governance of the audit process, and a Management Letter, communication of internal controls that are considered to be control deficiencies as well as other recommendations related to the audit process including new GASB pronouncements. He presented both pieces of written communication and provided verbal highlights of both documents.

The SAS 114 Letter highlighted the Lake Bluff Park District held \$4.3 million in equity at the end of the fiscal year. In addition, the total fund balances of the District totaled \$1.188 million, an increase of \$209,941 from the previous year.

The Management Letter mentioned that GASB Statement #61 will require the District to closely evaluate any potential related entities, joint ventures and component units to ensure proper

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reporting. Amen also commented that staff provided proper explanations for funds over budget, however staff should continue to investigate causes and adapt appropriate future funding measures for these funds. The Management Letter also highlighted the Recreation Fund's fund balance was not in compliance with the Board approved fund balance policy. Amen recommended adapting future budgets to address this fund not in compliance. Amen also mentioned that it was not alarming this fund was not in compliance due to the recent implementation of the Board's fund balance policy.

Commissioner Wallace inquired how the District's audit compared to similar districts. Amen commented that providing a comparison was difficult, but staff was very cooperative during the audit process and appeared to be very invested in the current state and future planning of the District. Commissioner Wallace provided an opinion that the Management Letter appeared to be very clean; Amen agreed.

Commissioner Wallace moved, seconded by Commissioner Douglass to accept the audit report submitted by Lauterbach & Amen, LLP for the fiscal year ending December 31, 2012 and gain acceptance at the June 17 Regular Board Meeting. The motion carried by unanimous voice vote.

### **Presentation from Eric Anderson – Bond Options**

Eric Anderson, BMO Capital Markets, provided a debt review and refunding discussion presentation. Anderson provided background information regarding current options. The originally placed bonds with Northern Trust and Lake Forest Bank & Trust were non-callable. Currently, Lake Forest Bank & Trust will allow the Park District to break the current bond with a \$100,000 breakage fee. Lake Forest Bank & Trust will allow a break without penalty if the bond is held by the bank at a higher rate than current public rates. The District has been given a AA band rating which is very strong.

Anderson highlighted that refunding the debt would provide approximately \$270,000 of headroom in 2017. Currently private rates are 3.46% and public rates are 3.08%. Over the life of the refunded bond, there is a slight financial favorability to selecting a public offering. The current financial advantage to a public offering is \$16,000. These rates and this current advantage of a public offering could change daily.

Commissioner Wallace inquired if the District could earn any revenue from the escrow from the refunding. Anderson stated that as a worst case scenario, no additional revenue would be generated. Commissioner Wallace also asked if there were any major impacts that might differ due to a public offering versus a private offering. Anderson stated that due to a positive rating from S&P last fall, that no difference existed between the two.

Commissioner Douglass moved, seconded by Commissioner Wallace to request the Board approve a Parameters Resolution at the June 17 Regular Board Meeting allowing President Considine, Treasurer Wallace and/or Executive Director Salski to authorize the sale of Bonds. The motion carried by unanimous voice vote.

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Commissioner Wallace moved, seconded by Commissioner Douglass to receive a final offer valid for forty-five days from Lake Forest Bank and Trust of the sale of Bonds. The motioned carried by unanimous voice vote.

### **Affordable Care Act (A.C.A.)**

Rich Rothman, Bookkeeper presented that five employees of the Park District whom are not currently offered health insurance would be eligible under the requirements of the A.C.A. Rothman presented that maximum exposure to offering insurance to these employees would total \$65,917.70 versus a potential penalty of \$98,000.

No action was request by staff or Committee members.

### **Capital Plan Update**

The 20 year Capital Report has been completed and the District's Management Team (Executive Director and Superintendents) have been evaluating the next steps. Staff has identified three main objective to create a Capital Plan. These objectives include: utilize the Finance, Administration and Future Planning Committee for guidance with developing a report, develop a 10 Year Capital Plan as the Capital Report identified most needs in 10 years and finally communicate a Capital Plan to Lake Bluff residents no later than October 31, 2013. Due to recent debt restructuring discussions, staff will begin discussion with the Committee after determining the future structure of the bonds.

Commission Douglass and Commissioner Wallace both supported the methodology for completing a Capital Plan and communicating to the Board of Commissioners.

### **Skate Park Repairs**

Park District Staff and PDRMA, Risk Management Company, evaluated the State Park's condition in late 2012. It was determined the Park was not ready to open the season without repairs being completed. Complete repairs were estimated at \$30,000. The City of Lake Forest, CROYA and the Village of Lake Bluff agreed not to fund any repairs unless sufficient usage data determined a need.

Staff then completed an additional evaluation and determined for \$11,000, some areas of the Park can be repaired. Those areas that would not be addressed by these limited repairs would be demolished. These repairs would maintain a five to seven year life span without any additional major repairs being required. These repairs were presented to Kathy and Jack Sheppard on May 29. In the meeting, the Sheppard Family agreed to expend the fundraised monies totaling \$4,699. In March, Friends of Lake Bluff Parks received \$1,000. Staff recommended the Committee agree with the Beach and Parks Committee and designate funds not to exceed \$5,699 to complete these limited repairs of the Park.

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Commissioner Wallace asked if the smaller park would still be utilized. Rob Foster, Superintendent, believed the apparatuses that would remain after repairs were popular and would maintain a quality Park for the users of the facility.

Commissioner Douglass moved, seconded by Commissioner Wallace to agree with the Beach and Parks Committee to fix a portion of the Sake Park not to exceed \$5,699 and demolish other areas not be repairs. The motion carried by unanimous voice vote.

**VERBAL COMMUNIATIONS**

**Staff**

Staff did not present any communications.

**Chairperson**

The Chairperson did not present any communications.

**ADJOURNMENT**

There being no further business, motion was made by Commissioner Wallace, seconded by Commissioner Douglass, to adjourn the meeting at 10:30 a.m. The motion carried by unanimous voice vote.

Respectfully submitted,

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Rob Douglass, Chair

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Ron Salski, Secretary

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Ed Heiser, Recording Secretary

Approved this 17<sup>th</sup> day of June 2013  
Lake Bluff Park District