

**Burr Ridge Park District
Board Meeting Minutes
October 26, 2020**

PUBLIC HEARING

The Public Hearing was called to order at Burr Ridge Community Center at 6:30 pm by President Quigley.

Present:	Caplis, Fara, Malloy, Quigley
Also Present	Lawrence - Virtual
Also Present:	Director Jim Pacanowski, Supt. Of Finance Janusz Andrew Arndt, RW Baird

Quigley read the following for the purpose of recording into the minutes:

Public notice is hereby given that the Board of Park Commissioners of the Burr Ridge Park District, DuPage and Cook Counties, Illinois (the "*Park Board*"), will hold a special meeting of the Park Board on the 26th day of October, 2020 , at 6:30 o'clock, p.m., at the Burr Ridge Park District Community Center, 15W400 Harvester Drive, Burr Ridge, Illinois.

Conduct of Public Hearing for the issuance of \$1,700,000 General Obligation Limited Tax Park Bonds 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.

There was some discussion of the difference in potential cost between private and public issuance of the bond.

Caplis asked if the 2.77% is the percentage on the current bond.
Arndt replied it is.

Caplis stated that a point will be saved but the refinancing is \$61,000. Is enough cash being saved from the refinancing.

Arndt responded that it is \$72,000/\$44,000 savings estimated which does not include the cost of issuance.

Quigley stated that the savings could be up to \$115,000.

Arndt stated that they could be depending on fluctuations between now and the selling of the bonds.

Lawrence asked for verification that the cost savings of \$115,000 and that there are 4 additional years added to the bond.

Arndt replied, yes you are only adding 4 years to the debt service.

Malloy asked if the debt goes to the year 2037.

Arndt responded that this extends to Fiscal year of 2036.

Lawrence asked what restrictions on spending there are in 3 years.

Pacanowski responded that \$850,000 to \$1,000,000 would need to be spent in the first 3 years. The remainder would have no time restriction.

Caplis asked if there is \$2.5 million in debt.

Arndt responded that there is \$2.3 million.

Caplis asked if \$1,655,000 is the most that can be borrowed.

Arndt responded that the recommendation is for \$1.7million and the amount can't go over that.

Caplis asked how long the 1.77 percentage rate has been steady.

Arndt stated that rates have trended upward the last month. This 1.77 rate has held from last week. December and January are the most common months for redemption for bond reissuance. If this percentage or close to it can't be achieved, it would be brought back to the Board. You may see a market change after the election, which would occur by approximately November 9th.

Lawrence asked if the Board is willing to double the debt under the premise of refinance.

Caplis responded that refinance will increase debt by about 40%.

Caplis asked when the offseason for investors is.

Arndt stated that two weeks into December is the offseason, the investors reappear in January.

Caplis asked if needed, can refinance be put on hold until January.

Arndt responded yes.

Caplis asked what the assessed valuation is for the park district.

Janusz responded that it is over \$800 million.

Caplis stated that the bottom line is after the fees are paid, there will still be a savings of \$115,000.

Arndt replied that it helps make the new money more efficient because of the opportunity to finance.

Fara stated that the only other alternative would be to go to referendum to increase the tax rate which would only net approximately \$400,000 more in funds. At the current .2018, the tax rate is still one of the lowest in Illinois.

Fara stated that a referendum would most likely not pass if based on past history.

Quigley stated that COVID has made things even worse.

Caplis responded that at some point you have to stop refinancing.

Quigley stated that the question is does the park district need the money. Quigley stated that his opinion is yes in order to keep the parks the way the currently are. If an opportunity for the current 1.77 percentage rate is missed, there is a good chance the rate will go much higher and it may be a missed opportunity.

Caplis stated that the 1.77% is the predicted rate, however there should be a maximum percentage rate set.

Arndt stated that there would need to be a cap on rates of 3% and a ceiling rate placed on the true interest cost.

No public were in attendance at the public hearing.

It was unanimously decided to move forward with proceeding of paperwork for the ordinance for the refinance of the issuance of \$1,700,000 bonds and to go through public sale for the reissuance of bonds. Parameters will be set for percentage rates.

ADJOURNMENT

Malloy moved, seconded by Fara, and unanimously approved, to adjourn the meeting at 7:17 p.m.

Respectfully submitted,

Sherry Stednitz
Recording Secretary