

Kankakee Valley Park District
Public Hearing
December 12, 2016

The Public Hearing was called to order at 5:00 pm by President Hollis. Those present for roll call were Commissioner D. Tucker, M. Mullady, L. Cooper and D. Skelly. Others present: Director Heitz, Superintendent Collins, Superintendent Woodard, Attorney Coghlan.

Open Communications – Public Comments

Notice is hereby given of the concern the intent of the Board of Commissioner of the Kankakee Valley Park District, Kankakee Illinois intent to sell 2 million dollars in general obligation limited park bonds.

The length of bond repayment and amount was explained. Dave Phillis at Speer Financial Discussed legal aspects, debt service payments, financial of the district and the main reasons for a bond.

Commissioner Skelly asked for clarification on the notice of 2 million dollars over 3 years. Director Heitz explained that this allows the district to sell up to 2 million dollars over a 3 year period without holding a public hearing each year. 2 million is not the capacity we are seeking this current year. Dave Phillips explained this is a process that has been instituted for transparency purposes for the opportunity to communicate a 36 month authority. The district can sell bond in 2016, 2017 and 2018 not to exceed an amount of 2 million collectively. Maximum amount the district can issue in 2016 is \$908,000. The bond consideration to issue is for capital projects, emergency capital that the district has already experienced and the operating capital. There is a significant shortfall between the revenues and the expenses to be expended. Dave Phillips complimented the Executive Director and her staff. The staff has been able to submit the 15 audit, working on the 16, 17 projections and a preliminary budget for 18. The have been able to put together financial history. A tremendous amount of work has been done. The district expenses are running much in excess of the revenues. Many difficult decisions will need to be made because the district can't continue with expense in excess of revenues. The local banks have said no, they don't want anything to do with the Kankakee Valley Park District due to no financial information. Hopefully that will turn the corner because of the information Dayna and her staff has put together. Speer is having to look further. Dave is optimistic the possibility exists that he will find a purchaser. Prior staff has not done their due diligence. An operation of the district has to be reviewed to determine what is generating and what is not. What facilities are not and what can be done to change that are all very hard

decisions. The question is can you continue to operate non performing facilities even if though they are nice facilities. There are different directions the district will have to go to balance the budget. Commissioner Hollis asked with the current issue with the loss of taxes in our area, is this bond for \$908,000 something other municipalities have had to do with the demographic changes they have had? Dave explained this is not a tax increase because there is a tax debt extension base. In a tax cap environment it's difficult to operate facilities and properties when you're constrained to the consumer price index. Are there abilities to raise revenues, think about program fees, facility fees, are they paying their fair share of their facilities in order to have the facilities available to the tax payers. Commissioner Skelly asked if it is a park district issue or is it going on unilaterally? Dave replied yes. The board hasn't had the information to make the decisions. Commissioner Skelly asked if there is a plus side to have a three year deal that we don't have to can it be construed as keeping out of the public the public hands for three years? Do we gain anything financially by having a three year deal? No it is not construed as such, it saves on the publication costs. It's what the district did in 2013 to cover the bond issues in 13 and 14. It is a common practice. There are different ways to look at it. Some don't want to go through the extra step. Commissioner Skelly is concerned that the district will limit the ability our bonding ability. Can the district get a better rate in 2017 if things are turned around? Dave answered that yes, it could be at a lower rate. The district will have the ability to issues a small bond. The decision will need to be made will it be used for capital or operating. Commissioner Tucker asked about the three year can the rate be changed within the three years. The bonds are too short to be callable. Larger bonds are callable at 8 years. The district is better to find someone to buy in 2016 continue to finalize the audits, balance the budget, then the 2017 bond will be more attractive for a lower interest rate. The district needs to generate revenues. Commissioner Skelly asked Dave's opinion if the district stopped everything and only maintained the parks for two years, would our tax levy go down because we weren't doing somethings in the taxes that we are currently taxing for? Dave said it is very difficult to shut off lights in a public entity particularly if you are looking for the community to support you during a revitalization of the district. It is inherently counter intuitive to try to do a radical shut down and expect that you're going to have the community support at the end of it. Tough decisions have to be made. The staff have to be a part of the solution that's built and not try to shut off the lights and come back in a couple years. From a tax levy stand point you can continue to levy up to the aggregate extension base. Take your debt service to your deficit. Look at a five or ten year plan and work on a long term basis. Build your community through your programs and facilities but at the same time be fiscally responsible.

There are no current buyers. At the meeting next week there will be a parameters ordinance. The parameters ordinance is a not to exceed. Once there is a buyer the Director and Board President would be authorized within the parameters to approve if there is a buyer.

ADJOURN MEETING

A motion to adjourn the meeting was made at 5:06 pm by Commissioner Tucker, seconded by Commissioner Mullady. Upon voice vote, all ayes, motion carried.

Respectfully submitted: Melissa Woodard