

**STATE OF ILLINOIS
COUNTY OF DUPAGE
DARIEN PARK DISTRICT
SPECIAL COMMITTEE MEETING OF THE WHOLE**

August 13, 2007

CALL TO ORDER

President Campagnolo called the meeting to order at 5:30 p.m. in the City Council Chambers of the Darien City Hall, 1702 Plainfield Road, Darien, Illinois.

ROLL CALL OF THE BOARD OF COMMISSIONERS

Upon roll call the following Commissioners and staff were present:

PRESENT: Nancy Campagnolo, Frank Noverini, Neil Christensen, Ray Jablonski, James Tikalsky

ABSENT: None.

STAFF: Stephanie Gurgone; Executive Director, Chris Katsougris; Assistant Director, Robert Strickler, Superintendent of Parks, Matt Henderson; Sportsplex General Manager, John Murphey; Attorney

GUESTS: Dave Phillips
Sylvia McIvor
Mario Jote
Frank Valentino

PUBLIC COMMENT AND GUESTS

A. Energy Systems Group (ESG)

B. Speer Financial

President Campagnolo welcomed the guests to the meeting and announced that Speer Financial and Energy Systems Group were in the audience.

COMMUNICATIONS

Executive Director Gurgone reported that she received correspondence from The LaGrange Area Department of Special Education (LADSE) requesting to use 10-15 parking spaces at the Sportsplex during the school year. Executive Director Gurgone stated that she did not want to commit for too long and that she informed LADSE that the District could work with them on a month to month basis. She stated that the District allows Hinsdale South parking.

Commissioner Christensen questioned if Hinsdale South paid for parking.

Executive Director Gurgone stated that the students pay the school for parking and the school passes along the revenue to Sportsplex.

Executive Director Gurgone reported that she received correspondence from Mr. Robert Gelwicks, President of the Downers Grove Park District asking if the Darien Park District would be interested in exploring a potential partnership for an aquatic facility for the residents.

Commissioner Christensen questioned the no funding commitment.

Executive Director Gurgone stated that she suspected that somewhere along the road that there would be some financial commitment.

President Campagnolo stated that staff has a full plate right now and that she did not want staff to take the time and that Stephanie contact them in the future.

COMMITTEE TOPICS

A. Sportsplex

a. Financials

Executive Director Gurgone reported that the Board received the Sportsplex financials for May and June.

President Campagnolo questioned the repairs in May and June specifically \$7,000 in May.

General Manager Henderson reported that the \$7,000 was for a major compressor repair.

b. Adding 3rd Sheet of Ice

Executive Director Gurgone reported that the Board received a summary for the 3rd sheet of ice at Sportsplex. She stated that staff is working with Energy Systems Group (ESG).

Commissioner Christensen questioned the elevated seating area, and asked how many patrons it could accommodate. Executive Director Gurgone stated that staff was working on the seating arrangements.

Commissioner Christensen questioned if the boards would be removed in the fieldhouse. Executive Director Gurgone stated that the boards will be replaced with netting. She stated that boards are obsolete. She further stated that staff will continue to provide the Board with updates.

Commissioner Christensen stated that this will be year 3 of 3 for all of our fieldhouse contracts. He asked if staff has heard from Darien Soccer Club.

Executive Director Gurgone reported that Darien Soccer will not be returning for their tournaments and that staff is looking to sell the time to someone else.

Commissioner Christensen questioned if staff had any input from Lacrosse.

Executive Director Gurgone reported that staff met with Lacrosse 5 or 6 months ago and that they were interested in a reduction for the hourly rate for year 3 of their contract. They have not been contacted regarding the reduction in fields. General Manager Henderson stated that this is something that will be discussed within the next few months. Executive Director Gurgone stated that it is difficult to meet until staff feels confident of what the future plans are.

President Campagnolo questioned if there were any thoughts to do something with the one remaining field. Executive Director Gurgone stated that turf has been an issue because no flooring can be placed on top of it. If different turf is purchased, there are other possibilities for April - October.

Commissioner Jablonski told staff to inform to customers if the turf surface is going to be changed.

B. Community Center

a. Phase 2 Improvements

Executive Director Gurgone stated that there were three representatives from ESG in the audience. She stated that the information provided by ESG is everything in Phase 2 and that the figure is the entire package including walls, sprinkler, lighting, HVAC, etc. and a brand new facility within the Fairview walls.

Commissioner Christensen stated that the District has healthy operating reserves and since it is a new facility, the equipment, maintenance and upkeep should be minimal.

C. Funding and bond scenarios for Capital improvements

Executive Director Gurgone reported that there is a preliminary budget figure of \$4.5 million for the Phase 2 remodeling of the community center. She stated that staff is still working with ESG on options to reduce the cost of renovations.

Executive Director Gurgone reported that the scenario would allow the District to complete the renovation with \$4.4 million, make the annual \$150,000 repayment for Fairview and still have \$150,000-\$190,000 year for other capital improvements until 2016. She further reported that starting in 2017, \$330,000 year would be available for capital improvements.

Executive Director Gurgone stated that this scenario probably does not allow the District to buy property or develop a park such as South Grove in the next 10 years.

Commissioner Noverini questioned if \$150,000 was enough to cover upcoming projects.

Executive Director Gurgone stated that \$150,000 was a lot and the maintenance costs on the new facility should be fairly low.

Commissioner Christensen questioned the Capital Appreciation Model vs. the Capital Interest Model.

Mr. Dave Phillips, Speer Financial presented the Capital Appreciation Model stating that only \$4.5 million would be issued with accumulated interest total debt of \$7.9 million. He stated that \$5.1 would be issued under the Capitalized Interest Model.

Executive Director Gurgone stated that there is not a significant difference with the models but that the recommended scenario is the Capital Appreciation Model which allows the District to make payments and do projects in the short term.

Mr. Phillips stated that the long term bonds are always callable and that there can be higher coupons when the window is open after 8 years.

Executive Director Gurgone stated that the District's \$2.5 million bond is not callable.

Commissioner Christensen questioned if there was any thought of contacting the School District and what it would cost to pay back now. Executive Director Gurgone stated that she did not think so and that cash flow was more important to the School District.

Mr. Phillips stated that it was more value to the District to stretch the payments out. Commissioner Christensen asked if Municipal Bond Issues were still of interest.

Mr. Phillips stated that it is a safe harbor for investors and a favorable market.

Executive Director Gurgone stated that Sportsplex would be included with the same bond issue.

Mr. Phillips explained that there are a couple of different types of alternatives when looking at bonding. He stated that Alternate Bonds such as Sportsplex are viewed as favorable because that they do not raise taxes. He further stated that during the petition period there usually is not much input from the public because residents know that their taxes will not go up and that the money will be used for something that is a benefit to the community. Mr. Phillips stated that Alternate Bonds are the best solution and maintains flexibility.

President Campagnolo asked for a timeframe.

Mr. Phillips stated that it is a 60 day sale and 15 days for the money.

Executive Director Gurgone stated that the Board would have to pass the ordinance, publicize it in the newspaper allowing 30 days and a public hearing on the issue. She stated that it is recommended to issue the ordinance at a higher amount than required.

Mr. Phillips stated that \$7 – 7.5 million authorization gives 60 days of flexibility and allows the District to fine tune up or down and feel comfortable with the final sizing. He stated that authorization can be specific or general or both but that general makes it flexible so that the money can be used for capital projects.

President Campagnolo asked ESG for a time schedule of when the project could be completed.

Ms. Sylvia McIvor, ESG stated that the Board received a copy of the drawings which were a culmination of many meetings with staff. She stated that Fairview is an open plan but that a lot of infrastructure is needed. Ms. McIvor stated that ESG tried to give the District a high level budget and that once the design is finalized they will go out for competitive pricing to be as cost effective as possible.

Ms. McIvor stated that \$4.5 million or possibly less will provide for an essentially new facility for the Darien Park District. She stated that once the design is approved by the District ESG can have the design documents ready by October 1st and thirty days for a firm fixed project by November 1st. She further stated that construction can begin on the half of the building away from the preschool and work without interruptions and allow the other work in the preschool area in the summer.

Executive Director Gurgone stated that once the District receives the final scope of work the price will not increase.

Ms. McIvor stated that if ESG misses something that the cost is on them.

Mr. Mario Zotta, ESG stated that once the contract is signed for Sportsplex the sheet of ice should be operational within 6-8 months.

Executive Director Gurgone stated that as long as the District has a firm date when it will be done, staff can sell the ice even if the ice is not up by September 1st.

President Campagnolo questioned how the Hawks will be affected if the ice is not up by September 1st.

General Manager Henderson stated that the Hawks contract with Bridgeview is year to year and as long as the dates are known plans can be made accordingly.

President Campagnolo asked if completion included the stands, locker rooms, etc.

Mr. Zotta stated that the other can be done concurrently. He stated that 8 months is the worse case scenario.

President Campagnolo stated that Sportsplex has phenomenal ice and that her greatest fear is that it will not compare to the other two sheets.

Ms. McIvor stated that it is important that both parties work collaboratively and get the experts. She stated that they use companies that are capable of work and performance.

Mr. Zotta stated that the company that is selected will provide an on site individual to oversee construction.

Executive Director Gurgone stated that ESG is working on phase 1 now and managing the project for the District.

Executive Director Gurgone stated that nothing can be done in the Field House until April 1st and the Recreation Center timeframe of completion is around August 1, 2008.

Attorney Murphey stated that should the District not go forward with Phase 2, that a letter agreement will be made that ESG will be paid for time and material.

Attorney Murphey noted that if there is a petition presented during the Alternate Bond hearing that it will call for an election and a referendum can only be done in a regular election. He stated that the Board may want to move forward by the first meeting in October in order for the petition (if necessary) to be on the ballot for the primary election in February. He further stated that if this timing is not met that the referendum would not be done until the election of the following year.

Executive Director Gurgone questioned if at that time if debt certificates could be issued instead. Mr. Phillips stated that debt certificates would be allowed. Commissioner Christensen asked how many basis points difference between the two options. Mr. Phillips stated that there would be 20 points or less.

Commissioner Jablonski questioned the timing of any future development of parks such as South Grove.

Executive Director Gurgone stated that as the District moves forward South Grove will probably not happen within the next ten years and that 2015 would be the first possibility. Mr. Phillips stated that the future Capital Appreciation Model dollars increase in 2017 but restructuring the debt earlier is always a possibility.

Commissioner Christensen stated that he was in favor of moving ahead and that the Board made a commitment to buying Fairview realizing that money would have to be put into it. He stated that combining the two issues gives us money with a very favorable rate environment and an opportunity to lock in at affordable financing. He further stated that the labor availability is there and the timing is perfect.

President Campagnolo stated that she too was in favor of moving ahead and that this will allow the District to turn the corner with Sportsplex as a benefit to the taxpayers and to be completely self sufficient. She stated that a special meeting may need to be scheduled prior to the August 27th meeting.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further discussion, Commissioner Tikalsky, duly seconded by Commissioner Noverini that the meeting be adjourned. Upon voice vote the Motion was thereby carried.

The meeting adjourned at 7:51 p.m.

Nancy Campagnolo, President
Darien Park District

Ray Jablonski, Secretary
Darien Park District