



Finance Committee Meeting Minutes
Fountain View Recreation Center, Room 120
July 8, 2019
6:00pm – 7:00 pm

Present: Commissioners Gramann, Bird, Powers and Jeffery
Staff: Executive Director Reuter, Director Rini, Superintendent Scumaci,
Accounting Specialist Nge, Andy Arndt from RW Baird.

Topic: **Bond Financing**

The meeting was called to order at 6:00 pm. Executive Director Reuter introduced Andy Arndt from RW Baird, our bond consultant. RW Baird continuously monitors the market and analyzes our bonds to determine opportunities to save money through debt restructuring. The market is at a point where it could be advantageous to restructure. Market conditions and pay down of our outstanding debt over the last few years has created available debt margin. With the District's A2 from Moody's, a restructure of existing bonds would smooth out the repayment schedule and save taxpayers money.

The Unlimited Park Bonds (ULT) are voter-approved and have restrictive restructuring options. The current repayment schedule reflects increasing payments that peak at \$9.5 million in 2032 before payments decrease and we pay off the debt in 2037. By restructuring these bonds, we smooth out that repayment schedule so our payments stay around \$7 million and still are paid off in 2037. There is a tax consequence because of the type of bonds, but the net impact produces savings to the District and taxpayers. This process takes 30 days after the board signs the ordinance for the refunding/restructuring.

Market conditions have also created an opportunity for the District to issue Limited (LT) Park Bonds and receive new money. LT Park bonds are not voter-approved, and are possible under Debt Service Extension Base statutory authority. Should the Board choose this direction, it would take a little longer than the 30 days previously mentioned to complete the restructure and sale of new bonds. Arndt estimated that \$3 million of new money could be issued for the District to address capital repairs and projects. The debt payment of approximately \$382,000 through 2044 would extend beyond the current scheduled end of payments in 2037. The additional new money would still leave some debt margin in the event of an emergency repair.

Executive Director Reuter explained that having the new money would allow the District to address repairs which are currently unfunded; in other words, take care of what we have. The existing paths at Veterans and Bierman Park are in need of work. There are other repairs that will be needed, like Coral Cove Water Park, finishing the Fountain View Roof, and the Deferred Maintenance Plan at Elk Trail; all of that speaks to taking care of what we have. We also have

Community Park to think about. We will continue to look for alternate revenue sources like grants, but many grants require a cash match from the District. He is committed to making suggestions so that he can leave this District in better condition than he found it.

Commissioner Gramann thanked Mr. Arndt for explaining this complicated process in layman's terms. We are missing several board members so we will have to meet again. There being no further comments, the meeting adjourned at 7pm.

Respectfully submitted by:

Sue Rini
Director, Finance & Administration