



BOARD OF PARK AND RECREATION COMMISSIONERS

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ADMINISTRATIVE SERVICES (ASV) COMMITTEE

Jeff Meyers, Chair
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Steve Baru, Board Chair Ex Officio Member

MEETING MINUTES

JCPRD Administration Building Boardroom
7900 Renner Road, Shawnee Mission, KS 66219

March 11, 2019
5:33 pm

CALL TO ORDER/ROLL CALL

The meeting was called to order by Committee Chair Jeff Meyers, and roll call was taken as follows:

Committee Members Present: Jeff Meyers, Heather Rubesch, George Schlagel

Committee Members Absent: None

Guests Present: David Arteberry, JCPRD Financial Advisor with George K. Baum & Company and Tyler Ellsworth, JCPRD Bond Counsel with Kutak Rock, LLP

Staff Members Present:

Jill Geller, Executive Director
Jeff Stewart, Deputy Director
Jennifer Assmann, ASV Sr. Administrative Assistant
Jo Ann Courtney, Administration & HR Manager
Noelle Testa, Chief Financial Officer
Jay Hinrichs, Development Director
David Grant, Human Resources Director

Ted Tartenaar, Information Tech. Services Manager
Richard Smalley, Marketing & Communications Mgr.
Katie Baergen, CUL Sr. Administrative Assistant
Rhonda Pollard, Superintendent of Recreation
Jane Lickteig, REC Sr. Administrative Assistant
Mary Eads, Administration Assistant

DISCUSSION & ACTION

A. Intent to Issue Federally Tax-Exempt Debt for Cedar Niles Park Development– Noelle Testa, Chief Financial Officer

Ms. Testa gave an overview of agenda items A through C, explaining she would be presenting three different debt service offerings. She noted items A and B would be new debt to finance Cedar Niles Park development and Mid-America Sports Complex (MASC) and Mid-America West Sports Complex (MAWSC) facility improvements. Item C is a refinance of existing debt for New Century Fieldhouse. The debt offerings are scheduled to close on June 6, 2019. Ms. Testa went on to highlight the terms of Resolution 2019-01 regarding Cedar Niles Park, noting the total aggregate principal amount to be \$6,365,000, which will mature September of 2029. She further explained with Cedar Niles Park land being listed as a form of collateral, a required notice to the public would be available in the newspaper for two weeks. In referencing the recent purchase of additional land for Cedar Niles Park, Mr. Schlagel questioned being able to issue additional debt on top of current debt. It was explained there are special provisions that allow for debt issuance on the same standing

as the original debt. Ms. Testa informed that this resolution of intent allows JCPRD to recapture from bond proceeds expenses that might be incurred prior to the bond sale.

ASV-1 It was the consensus of the committee to recommend Board consent approval of Resolution No. 2019-01, a resolution determining the intent of the Johnson County Park and Recreation District, Johnson County, Kansas, to enter into a Lease-Purchase Agreement in connection with the issuance of Certificates of Participation by the District of lease obligations in the aggregate principal amount of approximately \$6,365,000 to finance development of Cedar Niles Park.

B. Intent to Issue Federally Tax-Exempt Debt for Mid-America Sports Complex (MASC) and Mid-America West Sports Complex (MAWSC) Facility Improvements – Noelle Testa, Chief Financial Officer

Ms. Testa explained the Board approved a project total of \$2,070,000 for sports facility improvements in the 2019 CIP. With current interest rates, it has been estimated a project totaling \$2,700,000 can be completed within the 2020 budgeted debt service payment of \$1,103,000. Additionally, staff recommend an option to the board for a project totaling \$4,000,000 that could be supported by funding available within the 2020 budget due to growth in valuation. The total aggregate principal amount would be \$4,540,000.

Ms. Testa went on to present a chart of the recommended improvements at both MASC and MAWSC, along with cost estimates, to be completed with this \$4,000,000. Mr. Stewart noted the Board approved to have eight backstops at MAWSC replaced due to recent winter storm damage and explained the expense for those replacements was excluded from these estimates since it is already covered. Mr. Meyers asked when consideration would be made for restroom improvements. Mr. Stewart stated staff are currently making minimal restroom improvements and that the Board would be presented with a full, detailed sports facility study in the near future. Mr. Schlagel asked if this would be general obligation debt. Ms. Testa explained this debt is in the form of Certificates of Participation, subject to an annual lease payment by JCPRD. Ms. Geller explained the only general obligation debt JCPRD currently has is for Big Bull Creek, which will be paid off this year.

ASV-2 It was the consensus of the committee to recommend Board consent approval of Resolution No. 2019-02, a resolution determining the intent of the Johnson County Park and Recreation District, Johnson County, Kansas, to enter into a Lease-Purchase Agreement in connection with the issuance of Certificates of Participation by the District of lease obligations in the aggregate principal amount of approximately \$4,540,000 to finance facility improvements at MASC and MAWSC.

C. Intent to Refinance Federally Tax-Exempt Debt for 2010D COP for New Century Fieldhouse– Noelle Testa, Chief Financial Officer

Ms. Testa presented Resolution 2019-03 regarding debt for New Century Fieldhouse. She explained that JCPRD would not be issuing new debt but refinancing current tax-exempt debt into taxable debt. Currently there are restrictions regarding private use in securing sponsorships under tax-exempt debt. Restructuring the debt would allow for increased sponsorships and advertising opportunities at New Century Fieldhouse. Ms. Testa explained that interest rates could fluctuate between now and the scheduled June 6 closing date. The total cost of this refinancing, for the life of the issuance (through 2030), is projected to range from \$35,000 to \$125,000 depending on the interest rate at the time of issuance. JCPRD projects a \$20,000 increase in additional revenue each year through increased advertisements and sponsorships, exceeding projected refinancing costs. Ms. Testa displayed information itemizing the amount for this issuance of \$3,135,715, with \$2,595,000 representing the authorized COP amount.

ASV-3 It was the consensus of the committee to recommend Board consent approval of Resolution No. 2019-03, a resolution determining the intent of the Johnson County Park and Recreation District,

Johnson County, Kansas, to enter into a Lease-Purchase Agreement in connection with the issuance of Certificates of Participation by the District of lease obligations in the aggregate principal amount of approximately \$2,595,000 to refinance 2010D COP offering for New Century Fieldhouse as taxable debt financing.

D. Independent Auditing Services – Noelle Testa, Chief Financial Officer

Ms. Testa presented a contract for external audit services, she explained the agreement was accepted by the BOCC in December 2018. She explained the contract covers all aspects of the JCPRD audit with the exception of addressing the fees. She noted the short agreement found in the briefing sheet specifically references JCPRD's associated audit fees. In response to Mr. Schlage's question, Ms. Testa explained JCPRD follows the county audit agreement so the JCPRD audit can easily roll into the County's audit.

ASV-4 It was the consensus of the committee to recommend Board consent approval of a contract with Rubin Brown for audit services in an amount not to exceed \$32,675, Request for Proposal No. 2018-056 for a period of two years, August 1, 2019 through July 31, 2021, with the option to renew including up to a 3% increase per year, for an additional two two-year extensions of the subsequent years 2022-2025.

E. Election of Board Assistant Treasurer – Jo Ann Courtney, Administration & HR Manager

Ms. Courtney explained with the appointment of new Board members, Bob Carlson and Heather Rubesch, it is necessary to consider a nomination for election of Assistant Treasurer. In response to Mr. Schlage's question, Ms. Courtney explained per JCPRD's traditional rotation, the person in the recently vacated District One position would be the individual to roll into Assistant Treasurer.

ASV-5 It was the consensus of the committee to recommend Board consent approval to nominate Heather Rubesch to serve as the Board's Assistant Treasurer for the remainder of 2019.

OTHER BUSINESS

No other business was discussed.

ADJOURNMENT

Mr. Meyers adjourned the meeting at 5:58 pm.

**BOARD OF PARK AND RECREATION COMMISSIONERS
ADMINISTRATIVE SERVICES COMMITTEE**

[Signature on file]

JEFF MEYERS, *Committee Chair*

PREPARED BY Jennifer Assmann, ASV Sr. Administrative Assistant

Approved: March 30, 2019