

**KENDALL COUNTY FOREST PRESERVE DISTRICT
FINANCE COMMITTEE MEETING MINUTES**

JULY 28, 2016

I. Call to Order

Commissioner Cullick called the meeting to order at 6:30 pm in the Kendall County Board Room.

II. Roll Call

Commissioners Davidson, Gryder, Wehrli, and Cullick all were present.

III. Approval of Agenda

Commissioner Gryder made a motion to approve the agenda as presented. Seconded by Commissioner Wehrli. Aye, all. Opposed, none.

IV. Citizens to be Heard

No public comments were offered.

V. Approval to Forward Claims in an Amount Not-to-Exceed \$8,899.84.

Commissioner Davidson made a motion to forward claims to Commission in the amount of \$8,899.84. Seconded by Commissioner Gryder.

The Finance Committee reviewed the claims list.

Commissioner Davidson inquired into Claim #182 for John Deere Financial. Chairman Cullick responded that the purchase was for horseshoe crafts for Ellis Equestrian Center birthday party programming.

Finance Committee Chair Cullick called the question. Aye, all. Opposed, none. Motion unanimously approved.

VI. 2017 Series Projected Refunding Bond Savings (Bank Qualified and Non-Bank Qualified Refund Projections)

The Finance Committee reviewed the projected 2017 Series refunding bond savings.

Commissioner Wehrli reported that this will be the third refunding opportunity for the 2007 series bonds approved by voter referendum.

Based on the Speer Financial, Inc. reports, the net present value savings for a non-bank qualified refunding of \$23,422,970 (principal and interest) is estimated at \$1,677,436, representing a \$19.57 savings per \$100,000 fair market home value over the current debt-

service schedule, with the savings evenly distributed over a 7-year period from 2018 through 2024.

The net present value savings for a bank-qualified refunding of \$11,083,008 (principal and interest) is estimated at \$1,113,485, representing a \$13.01 savings per \$100,000 fair market home value over the current debt-service schedule, with the savings evenly distributed over a 7-year period from 2018 through 2024.

Speer Financial is recommending moving forward with the non-bank qualified refunding proposal, and has advised that the District present the ordinance to Commission for approval shortly after the new board is seated, with a closing on the 2017 series refunding bonds in early 2017.

President Wehrli reported that the next agenda item for discussion proposes placement of a referendum question on the November ballot to increase taxes by just under \$1 dollar for residents with a fair market home value of \$100,000 in order to provide funding for restoration and opening of new preserve areas.

Commissioner Davidson stated that the taxes will be increased either way. Commissioner Wehrli stated that the tax increase will be offset by the bond refunding savings, so their overall taxes will not be increasing.

Commissioner Gryder stated that the referendum question as presented indicates that the District would be requesting an increase to the operating fund, stating that he would be comfortable with the question so long as the additional funds if approved were scheduled to support capital projects for the District, with a preference that the funds, if approved, be placed into a capital fund for the District.

The Finance Committee discussed the wording of the public question included in the draft ordinance.

Kendall County Budget Coordinator, Latreese Caldwell stated that the proposed limiting rate increase would increase the tax proceeds for the District's operating fund. Latreese stated that the District does not have a levy for a capital fund, but does have a levy for the District's operating fund, and separate levies for repayment of the District's outstanding bonded debt-service. Operating funds can be used to support capital projects for the District.

Commissioner Gryder expressed concerns that the additional funding would be absorbed by operations, and subsequently would not be available for capital projects similar to the District's past history of transferring interest earnings from the capital fund to offset capital costs. Latreese Caldwell suggested that the Commission could approve an ordinance establishing a capital fund, diverting the increased tax revenue into this fund to be used for

capital purposes. Latreese Caldwell stated that this is consistent with County accounting practices.

Commissioner Cullick stated that she supports posing the question to the taxpayers to provide them with the opportunity to consider the additional support. If the referendum is approved, Commission will be able to determine how best to allocate the additional funding towards capital projects.

Commissioner Davidson stated that he agreed that posing the question to the tax payer is the best approach, and would not argue against asking the question and letting voters decide.

Commissioner Cullick stated that it is not enough just to place the item on the ballot. The District will need to distribute information to the public as to how the additional funds would be used.

Commissioner Davidson stated that the petition is not where the allocation of funding is determined. This is completed following voter approval based on Commission direction.

Commissioner Gryder stated he was not comfortable with the question based on past financial management issues with the District.

The Finance Committee reached consensus to place the item on the upcoming Commission meeting agenda for full board discussion.

VII. November 8, 2016 General Election Referendum Question – Options, Recommendations, and Draft Ordinance to Propose an Increase the District’s Operating Fund PTL Limiting Rate and Tax Levy

The Finance Committee discussed the draft ordinance and options for retaining a portion of the savings that will be realized through the 2017 bond refunding opportunity.

VIII. Renewal of Insurance Coverage for Ellis Volunteers and Equestrian Program Participants

The Finance Committee discussed the renewal of insurance coverage for Ellis volunteers and equestrian program participants.

The Finance Committee discussed the District’s current general liability coverage. Commissioner Wehrli made a motion to approve sending both proposals for Commission consideration for the upcoming meeting. Seconded by Commissioner Davidson. Aye, all. Opposed, none.

IX. Executive Session

None.

X. Other Items of Business

None.

XI. Citizens to Be Heard

No public comments were offered by those in attendance.

XII. Adjournment

Commissioner Davidson made a motion to adjourn. Seconded by Commissioner Gryder. All, aye. Meeting adjourned at 6:53 pm.

Respectfully submitted,

David Guritz
Executive Director, Kendall County Forest Preserve District