

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

DECEMBER 14, 2016

I. Call to Order

Finance Committee Chairman Cullick called the meeting to order at 4:34 pm in the Kendall County Board Room.

II. Roll Call

Commissioners Gilmour, Gryder, and Cullick all were present.

III. Approval of Agenda

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

IV. Citizens to be Heard

No public comments were offered by those in attendance.

V. Approval to Forward Claims in an Amount Not-to-Exceed \$8,567.14.

Commissioner Gilmour made a motion to forward claims to Commission in an amount not-to-exceed \$8,567.14. Seconded by Commissioner Gryder.

The Finance Committee reviewed the claims list and the December 1, 2016 credit card transaction detail report.

Commissioner Gryder inquired into the \$1,790.00 charge from Factory Outlet Store on Kim Olson's procurement card. Director Guritz stated that this was likely for the purchase of walkie-talkies for the prescription burn program, which was approved on the previous claims list. Director Guritz stated that he would work to confirm the charge.

Commissioner Gryder inquired into the Wire Wizard charges. Director Guritz stated that the charges were for the quarterly alarm monitoring services for Hoover Forest Preserve buildings.

Director Guritz stated that the monitoring line to the Blazing Star bunkhouse will need to be installed and reconnected in the upcoming year.

Commissioner Gryder inquired into the Central Limestone Quarry charges. Director Guritz stated that the charges were for maintenance of the gravel roads at Hoover Forest Preserve.

Commissioner Cullick called the question. All, aye. Opposed, none.

VI. 2017 Refunding Bonds – Overview of Market Conditions, Anticipated Bond Rating, and Direction to Issue a Request for Proposals for Underwriter Services

Anthony Miceli, Senior Vice President for Speer Financial, Inc. presented a report on market conditions and refunding savings for the refunding of the remaining callable balance of the 2007 series bonds.

The proposed 2017 non-bank qualified refund bond issuance of \$24.013 million (\$19.865M principal / \$4.149 interest) will result in an estimated net savings of \$1.225 million (\$1.1 million present value savings) based on market conditions at the time of sale.

Vice President Miceli presented a brief history of prior bond refunding issuances. The proposed 2017 refunding represents the third and final refunding of 2007 series callable bonds, with the generated net savings applied to reduce the overall 2007 series debt service levy and generation of taxpayer savings.

Anthony Miceli reported on current market volatility based on rising bond interest rates. Generally, when the stock market is performing well, there is less demand for municipal bonds, resulting in increased bond interest rates. While rates are still favorable, they are less favorable than they were in the last quarter, with concerns that interest rates will continue to climb in 2017.

Anthony Miceli reported that the District's financial situation has stabilized, anticipating that this will result in the removal of the negative outlook of the District's bond rating by both bond rating agencies. The District's current bond rating under Standard & Poors is A- with a stable outlook, which is improved from the A- with a negative outlook from the prior year's assigned rating, and A2 with a negative outlook for Moody's. Because the Moody's bond rating remains higher overall than the rating assigned by Standard & Poors, the District will again receive its bond rating assignment for the 2017 issuance from Moody's, with the anticipation that Moody's will remove the assignment of a negative outlook based on the District's financial performance in the previous year.

At this point, direction is needed to secure proposals from underwriting firms. As part of this process, Speer Financial, Inc. issues a call for proposals from underwriting firms, and screens all proposals to secure the best anticipated rates based on comparable issuances.

Anthony Miceli presented a preliminary timetable for the 2017 issuance. Once direction is received from the Committee of the Whole to request proposals from underwriting firms, an RFP will be distributed, with concurrent development of the draft bond ordinance for presentation to the Committee of the Whole Commission at the January meeting, and subsequent approval at the second Commission meeting in January, or first Commission meeting in February in order to complete the sale of bonds by mid- to late March.

Within the parameters ordinance, Anthony Miceli recommended establishing a minimum savings threshold of 3%, or \$595,950 in order to move forward with the sale and refunding based on current market conditions.

Director Guritz stated that beyond supporting bond refunding, the District is required to produce an annual continuing disclosure statement for bond investors. Typically, the District pays Speer Financial, Inc. each year to develop the disclosure statement. This cost and service has been waived in each of the past three years because the disclosure statement is already developed as part of the bond refunding process. In subsequent years beginning in 2018, the District should anticipate receiving an invoice for this service from Speer Financial, Inc.

VII. Review of an Intergovernmental Agreement with the City of Plano for the Rebate of Delinquent Property Taxes

Director Guritz presented a proposed intergovernmental agreement with the City of Plano for the rebate of delinquent property taxes. Director Guritz stated that the District will follow the lead of Kendall County in review of the intergovernmental agreement prior to presentation to Commission for consideration likely in late January or early February 2017.

The total amount of payment for rebated taxes is \$305.31 for tax years 2007 through 2015. The City of Plano intends to lease the building for \$1.00 per year to the Plano Historical Society.

VIII. Review of the Proposed Costs for the Early Termination of the Life Estate Agreement with Ken Pickerill for Parcel 05-02-400-030

Director Guritz presented the estimate for the anticipated 2016 tax bill for the parcel to be paid in 2017. The total amount of anticipated 2016 taxes is just over \$30,000.

Director Guritz stated that he and President Gilmour met with Ken Pickerill, Assistant State's Attorney Coffey, and Attorney Mark Shea to discuss the early termination of the life estate agreement, including the proposed lease agreement and position description. During the meeting, Mr. Pickerill indicated that he intends to vacate the property in March 2017, and is considering the District's proposed lease agreement and offer for employment. The position description, lease agreement, and quit claim deed will be included on next Tuesday's Commission meeting agenda for consideration should Mr. Pickerill choose to accept the offer presented.

President Gilmour stated that during the meeting, Mr. Pickerill indicated his intention to vacate the property in 2017.

IX. Review of a Draft Lease Agreement between the District and Ken Pickerill for Use of the Residence at Pickerill-Pigott Forest Preserve

Director Guritz presented the draft lease agreement for the use of the residence at Pickerill-Pigott Forest Preserve.

X. Eldamain Road Corridor Mitigation Project Updates – Henneberry Forest Preserve Cropland Conversion Project

Director Guritz presented updates on the proposed cropland conversion and tree mitigation projected scheduled for restoration in late fall 2017 at Henneberry Forest Preserve.

Director Guritz reported that the Illinois Department of Transportation has approved use of Henneberry Forest Preserve as the Phase I Eldamain Road Corridor Project mitigation site. As part of the review, the scope of the mitigation project has changed to insure that tree and shrub survivorship targets are hit in order to achieve regulatory sign-off, and includes monitoring for planted tree and shrub survivorship in the first year. As part of the project revisions, the District will plant 341 5-gallon large trees representing a 15.5% overstock over mitigation requirements, and 230 5-gallon small trees and shrubs representing a 19.5% overstock over mitigation requirements. The contractor will be required to fence around all planted areas, install wood chip mulch for root protection, and water on an as-needed basis for the first 12 months following the planting. The mitigation project will also include purchase and installation of 15-acres of pure live seed mix into the mitigation project area.

Director Guritz stated that there is a need to restore the soil hydrology by breaking of drain tiles within the 45-acre footprint. The District will be working to determine whether a drain tile and hydrology study should be undertaken in the coming year.

Commissioner Gilmour inquired into the status of the public access requirements for Henneberry Forest Preserve. Director Guritz stated that the District is working to complete a Post Inspection Completion Report for the IDNR to provide an update on status for completing public access improvements. At this point, the District has not completed the required improvements due to limitations on preserve access from adjacent public roads, but the cropland conversion is an important first step towards meeting acquisition grant requirements. As part of the project, the Whitetail Ridge Homeowners' Association has been approached to see if there is interest in constructing a single loop trail for preserve access by local residents.

XI. Maramech Restoration Project Updates

Director Guritz presented updates on the restoration project at Maramech Forest Preserve scheduled for 2017, including correspondence with the Illinois Nature Preserves Commission that has approved an additional \$5,000 restoration project targeting the restoration of preserve core flatwoods areas impacted by Reed canary grass (*Phalaris arundinacea*). INPC funding will be applied to a prescribed burn and herbicide treatment(s) of the Reed canary grass immediately following post emergence in late March and early April 2017. The District will seed, plant, and continue to apply herbicide within the impacted areas over the next three to five years to insure proper control is achieved.

XII. Executive Session

None.

XIII. Other Items of Business

Director Guritz reported that there may be an opportunity to install net metering at Meadowhawk Lodge that would establish electricity generation tracking and consumption, and possibly reduce the ComEd and Champion Energy electric bills.

Director Guritz reported that the District did not receive yield payments under its farm license agreement in 2016 due primarily to depressed grain prices in the year. Grain price increases may result in yield payments in the upcoming year.

Commissioner Gryder inquired into whether the District had been reimbursed for use of the grain dryers for 2016. Director Guritz stated that the District has received reimbursement for gas bills paid in 2016 with a final December bill anticipated for reimbursement, and has received payment of \$.01 per bushel dried for the year based on estimates presented. Final figures will be forthcoming, with an additional invoice presented based on grain sale tickets presented.

Chairman Cullick cancelled the Finance Committee meeting scheduled for December 22, 2016. The claims list will be forwarded straight to the first Commission meeting in January 2017 for approval.

The Finance Committee discussed the regular meeting schedule, recommending that the District retain the current Finance Committee schedule for the upcoming year.

Director Guritz stated that the fund balance increased by \$67,977 in the past fiscal year on a cash basis as indicated in the 11/30/16 financial statement.

XIV. Citizens to be Heard

No public comments were offered by those in attendance.

XV. Adjournment

Commissioner Gryder made a motion to adjourn. Seconded by Commissioner Gilmour. All, aye. Meeting adjourned at 5:31 pm.

Respectfully submitted,

David Guritz
Executive Director, Kendall County Forest Preserve District