

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

FEBRUARY 10, 2016

I. Call to Order

Finance Committee Chair Cullick called the meeting to order at 4:32 pm in the Kendall County Board Room.

II. Roll Call

Commissioners Davidson, Wehrli, and Cullick all were present.

III. Approval of Agenda

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

IV. Citizens to be Heard

No public comments were offered.

V. Approval of Claims in an Amount Not-to-Exceed \$7,338.31.

Commissioner Wehrli made a motion to forward claims to Commission in the amount of \$7,338.31. Seconded by Commissioner Davidson.

The Finance Committee reviewed the claims list. Commissioner Wehrli inquired into the claim #229 for Verizon. Director Guritz reported that he has been changing out Verizon equipment to replace AT&T services at a lower cost. Phones need to be installed with the routers prior to reducing AT&T services. The Finance Committee instructed Director Guritz to request reduced rates with Verizon later in the year.

Commissioner Cullick inquired into claim #231. Director Guritz reported that the cost was incurred for purchase of brackets to mount the salt spreader to the Hoover pick-up truck.

Finance Committee Chair Cullick called the question. Aye, all. Opposed, none. The motion was unanimously approved.

VI. 2016 Bond Refunding Opportunities and Timeline – Speer Financial

Anthony Micelli of Speer Financial presented the bond refunding opportunities for calendar year 2016. Director Guritz reported that the District is able to refund up to \$10M in bank-qualified bonds from the 2007 series. Following this refunding, there will be approximately \$20M remaining in principal to consider future refunding opportunities.

Anthony Micelli reported that the benefit of bank-qualified bonds is that you are able to sell the bonds at a lower rate, saving between .20 to .25 basis points.

Both the County and Forest Preserve District can take advantage of a bank-qualified refunding opportunity in 2016 due to changes in interpretation in tax law.

Interest rates have improved over 2015 rates, which could result in an overall net savings of approximately \$950K.

Anthony Micelli presented different scenarios for bank-qualified and non-bank qualified refunding opportunities. If the District were to refund the full amount of callable principal, which approximates \$32M, the District could recognize a savings of just over \$1.9 million of net savings from the refunding, with \$928K of negative arbitrage, which represents the difference in interest loss resulting from deposit of the bonds callable in January 2018 into an escrow account while continuing to pay the current debt service interest, reducing overall net savings. Negative arbitrage is reduced the closer you get to the actual bond call dates.

The Finance Committee discussed the scenarios presented. Director Guritz pointed out that the debt service schedule and levy increases significantly in the final two years of the issuance. Anthony Micelli stated that because of this, the District could consider a pro-rated refunding this year, which would schedule the greatest amount of savings in the final years of the issuance to reduce the debt service peak in the final years.

Director Guritz inquired into what the dollar amount impact of the referendum bond debt service is to the average tax payer. Anthony Micelli and Director Guritz stated that they would calculate this and report back to Commission.

The Finance Committee discussed whether or not to continue along the track of taking advantage of bank-qualified refunding, or refunding the full amount of remaining principal through a non-bank qualified issuance. Based on the fact that future bank-qualified issuances will be shorter on the curve, with reduced negative arbitrage, if market rates do begin to increase, the District should still be able to realize significant savings within future refunding opportunities. Therefore, the consensus of the Committee is to recommend moving forward with a \$10M bank-qualified refunding in 2016.

VII. OSLAD – LWCF Grant Reimbursement Updates

Director Guritz reported on the progress with completing a final billing statement to secure the OSLAD-LWCF grant reimbursement. Director Guritz met with Laura Stuart, and determined that two remaining tasks need to be addressed. The first task is filing a second grant covenant page with the warranty deed for the purchase. This task was accomplished in coordination with Attorney Coffey. The second task is to submit requested revisions to

the fair market value appraisal report. A letter sent to RVG from the IDNR was included with the Finance Committee packets detailing the additional information needed. Once the IDNR certifies the appraisal report, the District can submit the final billing statement.

VIII. Wetland Restoration and Mitigation Projects Research Updates

Director Guritz provided an update on possible mitigation project sites. The Army Corps of Engineers reviewed the three candidate sites, and has confirmed that Baker Woods Forest Preserve is the best location for establishing a wetland bank.

Director Guritz also reported on information received from a conference call with Jill Kostel, a civil engineer with The Wetlands Initiative, and received a short list of firms qualified to perform the engineering studies, wetland delineation and restoration work.

Mitigation bank credits are approved by the Army Corps at various stages of the restoration. Initial credits are awarded and available for purchase by developers at a ratio of 2 acres of wetland for every 1 acre of mitigation credit needed. This ratio changes to 1:1 for mitigation credits remaining after regulator sign-off at the end of the project. This makes the end credits awarded the most valuable.

Director Guritz reported that Hey and Associates has been invited to present an overview of the process at Tuesday's Commission meeting, and to answer any questions from Commission to help determine next steps.

Following the presentation, Commission will need to consider completing an engineering and wetland delineation study that would also include field work to locate drain tiles in order to prepare a cost estimate for the overall restoration project. This study also will need to determine best approaches for insuring that drainage from adjacent parcels is improved and/or continues to function uninterrupted.

The Baker Woods GIS exhibit was sent to Hey and Associates for an initial reaction. Based on discussions, Baker Woods is an ideal site because of the relatively flat topography, ability to restore and enhance existing and pre-existing wetland areas for credit, and location along the Aux Sable Creek, a Class II stream.

Director Guritz reported that Baker Woods Forest Preserve is free and clear of grant covenants that could impose additional challenges with moving forward.

Director Guritz reported that Laura Stuart is looking into an NRCS grant opportunity that may be available to fund the engineering study and restoration project, and if eligible, insure that the District would be able to retain and sell any credits banked as part of the project.

IX. ComEd Green Region Matching Funds Allocation and Restoration Quotes

Director Guritz presented a breakdown of the District required capital funding match to the ComEd Green Region grant. Two proposals have been received from ecological restoration firms recommended by the Illinois Nature Preserves Commission to conduct brush clearing with stump herbicide treatments for up to \$6,500. Both firms will be needed to assist with the project in order to accomplish the work in February and March. Remaining funds will be used to complete a floristic quality survey of Maramech Forest Preserve (\$1,500) and to control Phragmites, or Common reed at Tucker-Millington Fen (\$2,000).

Director Guritz reported that part of scope of work for the floristic quality survey is to locate populations of rare, threatened and endangered plant species that have been previously documented as present in order to expand monitoring efforts.

X. Forest Foundation Grant Support of Natural Resource Tour Programs

Director Guritz presented an update that the Forest Foundation approved a \$600 grant to the District to offset direct costs for the spring 2016 Natural Resource Tour programs. Costs incurred by the Soil and Water Conservation District will be reimbursed by the District upon submission of an invoice and receipts for supplies purchased. This will give the District an opportunity to market summer camp programming to over 600 students registered to participate in the programs.

Commissioner Gryder entered the meeting at 5:25 pm.

XI. Citizens to be Heard

None.

XII. Executive Session

None.

XIII. Other Items of Business

Director Guritz reported on a need for repairs to a pedestrian bridge and creek crossing in Richard Young Forest Preserve, and repairs to the roof at Ellis House and Equestrian Center where strong winds has damaged shingles and exposed the roof underlayment.

Director Guritz reported that he is working with Latreese Caldwell to recode expenses incurred in the first part of the year to the new GL and budget codes.

XIV. Adjournment

Commissioner Gryder made a motion to adjourn. Seconded by Commissioner Wehrli. All, aye. Meeting adjourned at 5:29 pm.

Respectfully submitted,

David Guritz
Executive Director, Kendall County Forest Preserve District