

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

JANUARY 28, 2016

I. Call to Order

Finance Committee Chair Cullick called the meeting to order at 5:30 pm in the Kendall County Board Room.

II. Roll Call

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

III. Approval of Agenda

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

IV. Citizens to be Heard

No public comments were offered.

V. Approval of Claims in an Amount Not-to-Exceed \$7,683.27.

Commissioner Wehrli made a motion to forward claims to Commission for approval in the amount of \$7,683.27. Seconded by Commissioner Koukol.

The Finance Committee reviewed the claims listings.

Commissioner Davidson inquired into claim #188 for the purchase of the heating cables. Director Guritz reported that the cables were purchased to avoid freezing pipes in the Ellis barn.

Commissioner Koukol inquired into claim #'s 198 and 202 for the ComEd and Champion electric bills for multiple meters at Hoover Forest Preserve. The claims amounts appear disproportionately high for the time of year. The Finance Committee provided instruction to review billings from the previous year, and update the committee on any significant findings.

Commissioner Wehrli inquired into claim #181 from Clear Sky. Director Guritz reported that this is the quarterly billing for internet access at Ellis. Staff is currently examining a Verizon solution to provide phone and internet access at Ellis at a reduced cost.

Commissioner Davidson inquired into claim #210 for a tire purchase. Director Guritz reported that the tire and rim were damaged when a staff member closing preserves was forced out of his turn lane and off the road due to oncoming traffic to avoid an accident damaging the tire and rim in the process.

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

VI. Galena Road Farm License Agreement Discussion

Director Guritz reported on his meeting with Don Young who has farmed the 12-acre parcel for the past three years. Don Young stated he was no longer interested in farming the property due to the low yields.

Director Guritz expressed concerns over the parcels becoming overgrown with undesirable weed species, and suggested that extending a contract with a zero cost for base rent would keep the area under management until the District has the resources available to restore the site.

The Finance Committee reviewed the yield maps, and discussed the possibility of establishing hay fields on the parcels. If hay fields can be established, base rent of \$150 per acre could be realized. The Finance Committee discussed access issues, which will need to be explored. The site is not large enough to consider possible restoration as a wetland mitigation project.

VII. Counselor in Training Program Discussion

Director Guritz reported that the State's Attorney's Office has completed its legal review of the proposed Counselor in Training program, and found no issues with offering this service. Staff is recommending approval of the \$200 enrollment fee. A screening process will be put in place, and students enrolled will be considered District volunteers.

Commissioner Wehrli made a motion to forward the Counselor in Training program fee to Commission for approval. Seconded by Commissioner Koukol. Aye, all. Opposed, none.

VIII. Fees and Charges for Spring Public Program Offerings

The Finance Committee reviewed the proposed spring program fees and charges. Director Guritz reported that a new Maple Syrup program will be offered, with the Forest

Foundation of Kendall County extending a supply contingency grant of \$300 to offset costs for supply purchases.

Commissioner Gryder entered the meeting at 5:40 pm.

Director Guritz reported that subscriptions to the District's electronic newsletter has grown to over 1,200 subscribers.

The recent e-blast from Shaw Media promoting District spring and summer camps was distributed, but there was a problem with one of the active links to the online catalog and registration form. Shaw Media has agreed to send out a second blast at no charge.

Commissioner Wehrli made a motion to forward the spring program fees and charges as presented to Commission for approval. Seconded by Commissioner Gryder. Aye, all. Opposed, none.

IX. 2016 Bond Refunding Opportunities

Director Guritz presented reports received from Speer Financial, Inc. for Finance Committee review.

The first report showed the District's total debt service schedule by levy year. Within the schedule, principal and interest payments increase considerably in the final two years of the schedule. Bond refunding opportunities could be scheduled to reduce the principal and interest payments in the last two years. There will also be an opportunity for future boards to consider reissuance of bonds to reduce the payments by spreading the remaining principal and interest payments out over one or two additional years.

Director Guritz reported that tax law has changed allowing the District and Kendall County to each issue up to \$10 million in bank-qualified refunded bonds. In the previous year, it was reported that the District and/or Kendall County could issue bank-qualified bonds up to \$10 million, but this was considered a collective ceiling for both agencies. This has now changed, and each agency can act independently to take advantage of the interest savings realized through bank-qualified issuances.

Director Guritz reported that Speer Financial Inc., will present the opportunities available at the upcoming Finance Committee and Committee of the Whole meetings, with the recommendation that the District consider repeating a bank-qualified refunding process for up to \$10 million in 2016. Market rates have improved, with potential savings of just over \$1.1 million compared to \$650,000 realized in 2015.

The District also has opportunities to consider non-bank qualified refunding opportunities of the remaining principal, or can continue to refund the remaining \$30 million in principal through three separate bank-qualified issuances. Under current market conditions, refunding through three separate bank-qualified issuances achieves the highest amount of overall savings.

The first step in this process is the approval of the parameters ordinance. This will be prepared for consideration at the second Commission meeting in February.

Director Guritz also presented a schedule for issuance of limited debt-service obligation bonds. The District's Board of Commissioners has the ability to levy approximately \$78,000 per year of non-referendum bonds to secure capital funding for projects. Speer Financial recommends issuing limited debt-service obligation bonds in five-year increments. Once locked in, new bonds cannot be issued until debt-service for this type of bond issuance is paid off.

X. Review of Available Funding and Capital Project Priorities

Director Guritz presented an at-a-glance report of project priorities for the remaining 2007 series capital funds. The current balance in the capital fund is just over \$1 million. The District anticipates reimbursement of the \$750,000 OSLAD/LWCF grant reimbursement. The Land-Cash fund balance has grown following drawdown for the Fox River Bluffs acquisition, with a current balance of \$22,635. Combined with other anticipated revenue, total capital funds available in 2016 is \$1,836,000.

Anticipated expenses for capital projects include the restoration of 150 acres at a cost of \$6,000 per acre totaling \$870,000, and Millbrook Bridge improvements totaling \$300,000. Funding of other capital projects includes contingencies for Hoover Forest Preserve (\$45,800), Ellis House and Equestrian Center (\$25,200) and other Forest Preserves (\$50,000) leaving approximately \$460,000 available for other forest preserve improvements that can be used to leverage additional grants, or applied towards a wetland mitigation restoration project where return on the investment through sale of credits could provide funding for operations and capital project priorities over time.

Director Guritz reported that the \$300,000 for Millbrook Bridge is not sufficient to complete the restoration needed to reopen the bridge to the public. The District is working on development of an intergovernmental agreement with Millbrook in order to work together to secure additional funds needed to complete the project.

The Finance Committee instructed Director Guritz to provide an update on the OSLAD/LWCF grant reimbursement progress at the next Finance Committee meeting.

XI. Wetland Restoration and Mitigation Projects Research Updates

Director Guritz presented research updates and possible preserve locations where wetland mitigation projects could be considered.

The District is located within a hydrologic unit where there is a high demand for purchase of mitigation credits. The Army Corps of Engineers is the agency responsible for assignment of mitigation credits, preferring to approve mitigation projects with a high probability of success for restoring 25 acres of wetlands, or more.

Restoration of hydrologic function and wetland vegetation is preferred over enhancement of existing wetland areas. While enhancement projects can receive credit, the ratio of acres restored to mitigation credit received is 4 to 1. This approach could assist with providing funding that could cover costs for restoration of existing wetland areas if the District has large enough areas of existing wetlands, or if the existing wetlands are restored as part of a larger mitigation effort.

Director Guritz stated he would be researching grant opportunities to identify funding opportunities for offsetting wetland restoration project costs.

The Finance Committee requested a presentation from experts in the field to provide a breakdown of the types of projects approved and associated costs. Director Guritz stated he would invite representatives from The Wetlands Initiative to present at an upcoming meeting.

The Finance Committee reviewed forest preserve location maps generated with support of Kendall County GIS. Baker Woods and Millington Forest Preserves may contain a sufficient area of prerequisite hydric soil coverage to meet the Army Corps of Engineers criteria.

XII. Executive Session

None.

XIII. Other Items of Business

Director Guritz reported that a purchase agreement for a new lesson horse is under development. Purchase cost is \$1,000, and the owner will extend a 10-day trial period. The owner will also relocate the horse at a cost of \$1 per mile. The purchase agreement will be placed on the Commission agenda for approval, subject to Ellis staff visiting the barn to perform an assessment and provide recommendations.

XIV. Citizens to be Heard

None.

XV. Adjournment

Commissioner Wehrli made a motion to adjourn. Seconded by Commissioner Davidson.
All, aye. Meeting adjourned at 6:30 pm.

Respectfully submitted,

David Guritz
Director, Kendall County Forest Preserve District