

**KENDALL COUNTY FOREST PRESERVE DISTRICT
COMMITTEE OF THE WHOLE MEETING MINUTES**

FEBRUARY 10, 2016

I. Call to Order

President Wehrli called the meeting to order at 5:35 p.m. in the Kendall County Board Room.

II. Roll Call

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

III. Approval of Agenda

Commissioner Cullick made a motion to approve the agenda as presented. Seconded by Commissioner Gryder. All, aye. Opposed, none. Motion passed unanimously.

IV. Citizens to be Heard

No public comments were offered by those present at the meeting.

V. Director's Report

Director Guritz reported that the final billing statement for the reimbursement of the District's LWCF/OSLAD grant should be finalized and submitted within the next two weeks.

The Forest Foundation approved a grant of \$600 to support the spring 2016 Natural Resource Tour programs, providing an additional opportunity for the District to market its summer camps.

The Conservation Foundation plans to extend financial support to complete a large-scale restoration project at Schessler's Fen, and a resolution will be drafted and brought forward for approval of the project.

VI. 2016 Bond Refunding Opportunities and Timeline – Speer Financial

Anthony Micelli with Speer Financial presented an overview of refunding opportunities for the 2007 series debt service fund. The District is able to refund up to \$10M in bank-qualified bonds from the 2007 series. The District is also able to refund the remaining \$32M through a non-bank qualified refunding, and the differences in opportunities were presented within three scenarios included with Committee of the Whole meeting packets.

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.

Commissioner Gryder inquired into whether this would extend the life of the debt service beyond the current schedule. Anthony Micelli reported that the refunding would not result in the extension of the debt service schedule.

Following the recommended bank-qualified refunding in 2016, there will be approximately \$20M remaining in principal to consider future refunding opportunities, presented in the second scenario spreadsheet.

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.

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

Anthony Micelli presented the remaining 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 a non-bank qualified 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 Committee of the Whole 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 reported that he would be working with Anthony Micelli to determine what the dollar amount impact of the referendum bond debt service is to the average taxpayer, and would provide this information to Commission.

The Committee of the Whole 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.

Commissioner Davidson inquired into whether refunding the remaining principal could be examined later in the year if rates begin to increase. Anthony Micelli reported that if rates begin to increase, the Commission could move ahead with beginning the refunding process for the remaining amount later in the year with a closing scheduled for January 2017.

Commissioner Purcell stated that the advantage of refunding the full amount in 2016 is that you are assured a significant savings now when market rates are favorable.

Anthony Micelli stated that if the District pursues a bank-qualified refunding opportunity, it would not be able to consider additional refunding opportunities for the remainder of 2016.

Director Guritz reported that Commission is able to issue limited-tax obligation bonds for additional capital funds to secure an additional \$70,000 of capital funding for each year of issuance. A five-year bond issuance would bring in an additional \$350,000 in capital funding. The District would not be able to issue non-taxable bonds in 2016 if the Commission decides to move forward with the bank-qualified refund, but could issue taxable bonds if additional capital funding is desired or needed. Delaying this opportunity results in a loss of \$70,000 in capital funding available to the District for each year the District foregoes the opportunity to levy this funding.

Anthony Micelli reported that the Commission can determine whether to move forward with the refunding at any time, including changing the parameters for the refunding should the board decide to move forward with an alternate scenario.

The consensus generated by the Committee is to move forward with a \$10M bank-qualified pro-rated refunding in 2016, with an eye on market rates moving towards the end of the year in order to consider a second bank-qualified refunding or non-bank qualified refunding in early 2017.

VII. Yorkville Athletic Association License Agreement – Hoover FP Ball Field

Director Guritz presented the updated license agreement with the Yorkville Athletic Association which included recommended revisions received from the State's Attorney's Office. Mike Klimivicius, President of the Yorkville Athletic Association, was invited to the meeting to discuss the proposed agreement.

Mike Klimivicius reported on the Association's interest in leasing the ball field seven days a week mid-March through the end of June.

Director Guritz inquired into the ability of the Association to extend insurance. Mike Klimivicius confirmed that the Association is unable to extend insurance, but does have coverage for its coaches and players for all practices and games.

Director Guritz recommended that the District amend the draft contract to waive the insurance requirements for the Association, and put in a provision that would allow the District to reduce the required coverage amounts for Association contractors

The Committee of the Whole discussed the contract. Commissioner Gryder stated that the insurance issue should not be a concern if the players and coaches are covered.

Commissioner Purcell stated that the ball field is there to be used by the public, and having an agreement in place is a big step forward.

Commissioner Cullick stated she was comfortable with the agreement, and this is similar to the types of agreements extended by other government entities to community groups.

Commissioner Cullick made a motion providing direction to Director Guritz to amend the draft agreement by waiving the requirement of the Association to extend insurance coverage to the District, and provide flexibility within the agreement to consider reduced insurance requirements for the Association's contractors on a case-by-case basis, and to forward the final agreement to Commission for consideration for approval. Seconded by Commissioner Purcell. All, aye. Opposed, none. Motion passed unanimously.

VIII. Kendall Educational Connection (KEC) – Memorandum of Understanding

Director Guritz invited Deanna Bazan of the Kendall-Grundy Regional Office of Education to present an overview of the proposed memorandum of understanding with the Kendall Educational Connection workgroup. Deanna reported that it is time to renew the agreement, with previous memorandum letters approved in 2008 and 2011 by the six participating agencies.

Commissioner Purcell made a motion to forward the Kendall Educational Connection memorandum of understanding to Commission for approval. Seconded by Commissioner Cullick. Aye, all. Opposed, none.

IX. Oswegoland Park District Contract for Services – Horsemanship Lessons

Director Guritz reported that the Programming and Events Committee had reviewed the proposed contract with the Oswegoland Park District, with its recommendation for approval.

Commissioner Gryder made a motion to forward the proposed contract with the Oswegoland Park District to Commission for approval. Seconded by Commissioner Prochaska.

Director Guritz reported that the agreement was unchanged from the contract reviewed at the Programming and Events Committee.

Aye, all. Opposed, none.

X. Yorkville High School Special Event Permit

Commissioner Prochaska made a motion to forward the Yorkville High School special event permit to Commission for approval. Seconded by Commissioner Gryder.

Director Guritz reported that the Programming and Events Committee had reviewed the permit, with its recommendation for approval.

Aye, all. Opposed, none.

XI. Lesson Horse Purchase

Director Guritz presented a draft purchase agreement for purchase of “Shadow,” including a 5-day trial period for a cost of \$1,300.

Commissioner Cullick made a motion to forward the purchase agreement for “Shadow” to Commission for approval. Seconded by Commissioner Purcell. Aye, all. Opposed, none.

XII. Millbrook Bridge Intergovernmental Agreement

President Wehrli reported that a letter requesting Village of Millbrook support and assistance with securing outside funding to restore Millbrook Bridge has been sent to Jackie Kowalski, and is working to attend their February board meeting.

XIII. Maramech Forest Preserve Restoration Plans – Consultant Quotes

Director Guritz presented quotes received from ecological restoration consulting firms for brush-clearing work days at Maramech Forest Preserve.

The Committee of the Whole discussed the 2001 floristic quality survey report, which will be repeated as part of the District's required match to help inform the final management plan for the preserve, and document presence of rare, threatened and endangered plant species.

Commissioner Purcell inquired into whether the match would be from operations or capital. Director Guritz reported that the restoration projects are scheduled for expenditure from the capital fund.

The Committee of the Whole provided direction to place motion(s) on the Commission meeting agenda for approval of ecological restoration consultant charges up to \$6,500 to support restoration work days at Maramech Forest Preserve.

XIV. Review of Seasonal Position Descriptions – Summer Camp Instructor and Ellis House and Equestrian Center Seasonal

Director Guritz presented draft position descriptions for the Summer Camp Instructor position, and the Ellis House and Equestrian Center Seasonal position.

The Committee of the Whole discussed the draft descriptions. Commissioner Gryder pointed out a typo in the approved date in one of the draft descriptions.

Director Guritz stated that the instructor and Ellis seasonal positions will be posted once approved.

Commissioner Purcell inquired into the salary rate of pay for the positions. Director Guritz stated that starting pay is around \$9.00 per hour.

Commissioner Purcell made a motion to forward the position descriptions to Commission as amended for approval following completion of review by the State's Attorney's Office. Seconded by Commissioner Gryder. Aye, all. Opposed, none.

XV. Ellis Intern Housing Option Discussion

Director Guritz requested Committee of the Whole discussion on whether the apartment space at Ellis House could be used to support intern housing. Director Guritz stated he was in process with reaching out to Black Hawk College to extend internship opportunities, and would like to extend an option for housing to potential candidates. This would be for unpaid internship positions, and may help attract student participation.

Commissioner Purcell inquired into whether the interns may offset budget expense for staff salaries. Director Guritz stated that it would, particularly with daily horse care and summer camp instructional support.

The Committee of the Whole provided direction to place a motion on the Commission meeting agenda to approve the opportunity to extend a housing option to interns at Ellis House and Equestrian Center.

XVI. Kendall County Letter of Understanding and Intent – Insurance Deductible Coverage

Director Guritz presented a letter of understanding and intent received from Kendall County that would limit the District's liability exposure to the first \$100,000 of any single workers' compensation claim, with Kendall County covering any charges up to the new \$250,000 deductible.

Commissioner Purcell reported that the letter had been reviewed and recommended for approval by the County's Finance Committee.

President Wehrli reported that as part of this effort, he would like to see an intergovernmental agreement crafted between Kendall County and the District that would include the provisions presented in the letter of understanding.

The Committee of the Whole provided direction to place a motion on the Commission meeting agenda to approve the proposed letter of understanding and intent with Kendall County.

XVII. Executive Session

None.

XVIII. Other Items of Business

None.

XIX. Citizens to Be Heard

No public comments were offered by those in attendance.

XX. Adjournment

Commissioner Gryder made a motion to adjourn. Seconded by Commissioner Cullick. Aye, all. Opposed, none. Meeting adjourned at 6:45 pm.

Respectfully submitted,

David Guritz
Director, Kendall County Forest Preserve District