

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

DECEMBER 14, 2016

I. Call to Order

President Gilmour called the meeting to order at 5:35 pm in the Kendall County Board Room.

II. Roll Call

Commissioners Cullick, Giles, Gryder, Hendrix, Prochaska, Purcell, and Gilmour all were present.

III. Approval of Agenda

Commissioner Gryder made a motion to approve the agenda as presented. Seconded by Commissioner Cullick.

Commissioner Gryder made an amendatory motion to revise the agenda for the meeting removing item VII(a) – a proposed position description for a Forest Preserve Master Planner and Resident Caretaker; and item XI – a draft lease agreement between the District and Ken Pickerill for use of the residence at Pickerill-Pigott Forest Preserve. Seconded by Commissioner Cullick. 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 incident reporting has been added to the Superintendent's section of the Director's report in order to begin to develop a picture on the types of issues and negative encounters taking place within the scope of District operations. The intention is to begin to look at ways for addressing these issues and improving security within District operations. While most public encounters and feedback are positive, there have been an increasing number of incidents taking place within preserves, particularly during closing and after hours seen over this past year.

Director Guritz stated that grounds maintenance staffing is limited and spread thin, which is impacting preventative building and grounds maintenance activities. While the annual report presented highlights significant accomplishments from the past year, and positive directions for 2017, it is important that time is taken to also examine the challenges the District is confronting in sustaining its operations, preserve quality, and facilities.

Commissioner Prochaska, in review of the incident reports, expressed concerns over staff security on a portion of the incidents reported.

Commissioner Purcell requested that Director Guritz take some time to develop and present a picture of staffing required to address facility maintenance challenges.

Commissioner Hendrix expressed concern over increased costs to the District resulting from deferred maintenance within the preserves.

Director Guritz stated that part of this issue is time. Capital funds are available to address many of the short term maintenance priorities, but carving out the time needed to develop bid specifications and manage priority projects is part of the challenge. For example, asphalt replacement and sealing has been needed in many preserve areas. Funds are available, but competing priorities have delayed getting the project out to bid to have the work completed.

Generally, the goal is to build awareness on the scope of projects needed so these can be prioritized and addressed accordingly. Director Guritz stated he would develop a status report on facility and grounds projects needed.

Commissioner Purcell stated that this would also provide insights into opportunity costs incurred for District programs which impact District staff time towards addressing other competing priorities.

Commissioner Hendrix inquired into whether the programs have been examined to determine whether they are covering their costs. Director Guritz stated that in the past year, significant time was taken to examine program performance and make adjustments, with most programs now offsetting their direct costs.

Commissioner Gryder added that this was a significant undertaking, but provided insights into the District's revenue streams and expenditures associated with all programs, helping inform decisions for restructuring operations and program offerings.

Director Guritz reported that the Illinois Nature Preserves Commission has notified the District of award of \$5,000 in restoration project funding to support the control of Reed canary grass at Maramech Forest Preserve. Reed canary grass is a difficult species to control requiring a multi-year commitment to herbicide and burn impacted areas, including seeding and planting of native plants, trees and shrubs into impacted areas to increase competition and shade. Restoration project funding for Maramech includes a US Fish and Wildlife Partners for Wildlife grant in the amount of \$5,000 requiring a 1:1 District match to continue efforts to eradicate non-native and invasive Honeysuckle species within the oak uplands and riparian slopes.

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

President Gilmour introduced Anthony Miceli, Senior Vice President from Speer Financial, Inc. to present an overview of market conditions for the proposed refunding of the remaining 2007 series callable bonds.

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

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.

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. Interest rates are higher than last year, and projected to increase over the next year reducing the overall 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.

Commissioner Purcell inquired into the process for selecting underwriting firms. Anthony Miceli stated that the process involves examination of the proposals received including review of recent and similar issuance history of the firm for to insure that the proposals are in line with both issuance history and current market conditions.

Anthony Miceli explained that with the Kendall County bond issuances, underwriting firms are locked into rates extended within their bids. With the District's refund bonds, it is a negotiated bond sale.

Commissioner Prochaska asked for confirmation that issuance of non-bank qualified refund bonds is still the recommended course. Anthony Miceli affirmed the recommendation for a non-bank qualified issuance because the remaining bonds are closer to their call date, and interest rates are beginning to rise.

Director Guritz stated that the District will again appoint disclosure council for the issuance.

Commissioner Gilmour received Board consensus directing Speer Financial, Inc. to move forward with their request for proposals for underwriting services.

Commissioner Purcell inquired into what costs the District would incur if market conditions prevented the sale of bonds. Anthony Miceli stated that the District will incur a \$15,000 cost for issuance of the bond rating, scheduled for mid-January. Should market conditions change significantly between now and mid-January, the rating call can be cancelled to avoid this charge.

The Committee of the Whole discussed application of the possible savings, with consensus that the schedule for savings with an even spread over the six year period is the best strategy moving forward.

VII. Review of Proposed and Revised Position Descriptions

- a. Forest Preserve Master Planner and Resident Caretaker**
- b. Natural Resources Technician**
- c. Equestrian Program Coordinator**

The Forest Preserve Master Planner and Resident Caretaker position description was removed from consideration on the agenda.

Director Guritz presented a draft position description for a new part time Natural Resources Technician, and a revised description for the Equestrian Program Coordinator positions.

Director Guritz stated that a Natural Resources Technician is needed to support District efforts with natural resource management within District preserves. This position will assist with restoration initiatives planned for 2017, and support expanded volunteer work days that will help build capacity to manage District preserve areas. This position also will begin to build the District's GIS maps and data recording for the location of critical resources and threats.

Commissioner Purcell asked what has been budgeted for the position. Director Guritz stated that the position is scheduled at \$14 per hour for 1,000 hours. Depending on the availability of the applicant pool, this role may be served by one employee, or multiple employees hired to perform this function within the allowable budget.

Commissioner Purcell asked whether this role will help support the Grounds Maintenance division. Director Guritz stated that the roles this position will take on will help to reduce the project support burden for both the Director and Superintendent positions, and provide needed assistance with supporting natural resource management activities typically performed by the grounds maintenance staff. Director Guritz stated that individuals fulfilling this role need to have a background in local ecology and natural resource management.

Director Guritz presented an amended Equestrian Program Coordinator position description. With the restructure of Ellis House and Equestrian Center operations, Marty Vick is now serving in the role of Farm Manager, with oversight and supervisory responsibilities for all Ellis staff members and volunteers. Reclassification of the Equestrian Program Manager position to an Equestrian Program Coordinator position is the last step needed to complete the restructure, with two coordinator positions working to direct equestrian programming at Ellis. This change mirrors the functions performed by the Environmental Education Coordinator positions, providing improved continuity in staffing and programming in the event of staff turnover, and is working well in the environmental education department. The Ellis Equestrian Center program is a 7-day a week operation, and includes responsibilities for attending to the Sunrise Center North license agreement.

The change will improve coverage for program development, marketing, and coordination, and horse care responsibilities.

Commissioner Gryder asked whether this will increase Farm Manager responsibilities, expressing concerns over the significant wage increases requested for this position. Director Guritz stated that the Farm Manager position description includes staff oversight roles. Restructure of the Equestrian Program Manager position description to an Equestrian Program Coordinator naturally follows. The second coordinator position will support responsibilities currently handled by Amy Martin, who expressed the need for this type of additional support earlier this year.

Director Guritz stated that the Natural Resource Technician position description is currently under review by the State's Attorney's Office, and will be presented for approval once the review is completed.

VIII. Review of Proposed Organizational Chart Revisions

Director Guritz presented an updated organizational chart for the Kendall County Forest Preserve District.

Commissioner Gilmour inquired into the Office Assistant part time position. Director Guritz stated that this position was reassigned from Ellis House and Equestrian Center to Administration in late 2015. The individual employed as the Office Assistant resigned in early 2016, and the position was not immediately filled due to budget concerns. The budget includes funding for this position, which will extend support one day per week on average.

Commissioner Gilmour inquired into whether approval of the revised chart is needed. Director Guritz stated that the revised chart will be presented to Commission for approval at next week's meeting.

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

Director Guritz presented a draft intergovernmental agreement received from the City of Plano requesting a rebate of delinquent property taxes.

Director Guritz stated that the District will follow suit with Kendall County's deliberations. Once the County Board has had an opportunity to review the agreement, it will come back to Commission for final approval. Financial impact to the District is approximately \$295.00.

X. Review of a Quit Claim Deed for Parcel Number 05-02-400-029 at Pickerill-Pigott Forest Preserve, Including the Amount Payable for the Early Termination of the Life Estate Agreement

Director Guritz updated Commission on the proposed early termination of the life estate agreement for the residence parcel at Pickerill-Pigott Forest Preserve. A meeting was held earlier in the week with Mr. Pickerill to discuss the District's offer to accept an early termination of the life estate agreement in exchange for the District's payment of the 2016 tax bill and extension of an offer of employment that would allow Mr. Pickerill to support preserve planning and maintenance activities while continuing to reside in the Pickerill-Pigott residence. Mr. Pickerill indicated that he has been considering vacating the life estate for some time, possibly as early as March 2017. In the event that Mr. Pickerill wishes to move forward with an early termination of the life estate, the quit claim deed will be presented to Commission for approval. The District anticipates hearing back from Mr. Pickerill later this week. Should Mr. Pickerill decide to move forward, signed documents will be included with next week's Commission packets.

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

This item was removed from consideration as part of the meeting agenda.

XII. Review of the 2017 Annual Schedule for Regular Meetings of the Kendall County Forest Preserve District Board of Commissioners

Director Guritz presented a proposed annual schedule for Kendall County Forest Preserve District meetings for 2017. Direction was received to cancel the July 2017 Programming and Events Committee meeting, and move the revised schedule forward for approval by Commission.

XIII. Annual Report on 2016 Accomplishments – 2017 Projects and Initiatives

Director Guritz presented an annual report on the District's accomplishments in 2016, and 2017 projects and initiatives for Committee of the Whole review and discussion.

Director Guritz reported that one of the most significant accomplishments of the past year was the resulting operating fund balance increase of \$67,000 on a cash basis over the prior year, bringing the total operating fund balance to \$317,672.

Commissioner Purcell inquired into whether the calculation of the net gain included the District's repayment of workers' compensation claims to Kendall County. Director Guritz stated that the County was reimbursed and included within the final calculation.

Commissioner Purcell inquired into whether the District had received grant reimbursement for the Fox River Bluffs acquisition. Director Guritz stated that the District received the final

\$750,000 check in early December, and separately, the \$28,000 FEMA reimbursement for flood damages to Ellis House.

Commissioner Gilmour encouraged Commission to review the information included in the report.

Director Guritz stated that the headings are aligned to the goals stated in the District's Master Plan.

XIV. Executive Session

None.

XV. Other Items of Business

None.

XVI. Adjournment

Commissioner Prochaska made a motion to adjourn. Seconded by Commissioner Cullick. Aye, all. Opposed, none. Meeting adjourned at 7:48 pm.

Respectfully submitted,

David Guritz
Director, Kendall County Forest Preserve District