I. **Call to Order**

Vice-chair Cullick called the meeting to order at 7:06 pm in the Kendall County Board Room, appointing Commissioner Gilmour as a committee representative for the meeting.

II. **Roll Call**

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

III. **Citizens to be Heard**

No public comments offered.

IV. **Review of Claims in an Amount not to Exceed $12,680.09.**

Commissioner Gryder made a motion to forward claims in the amount of $12,680.09 for Commission approval. Seconded by Commissioner Koukol.

The Finance Committee discussed the claim for tree removal completed by Four Seasons Landscaping. Director Guritz stated that he had requested a reduction in the cost from the quote received from Four Seasons as specialized equipment was not needed as anticipated within the initial proposal. Cost was reduced from $2,300 to $1,950.

The Finance Committee discussed District responsibilities for tree removals along forest preserve boundaries. Generally, overhanging trees and branches are the responsibility of adjacent property owners for removal.

The Finance Committee discussed claim numbers 393 and 394 for Brothers County Supply in Morris. Director Guritz stated that in speaking with Ellis staff, the cost for goods purchased is generally lower, and the store is closer to Ellis reducing staff travel time.

The Finance Committee discussed claim number 397 for Blue Peak Tents. Director Guritz stated that the tent lease runs through the end of October. The Committee discussed increased competition from other local wedding venues.

Committee Chair Cullick called the question on the motion. Aye, all. Opposed, none. Motion passed unanimously.

Director Guritz stated that overall the District is tracking well within the expenditure line items, with the concerns focused on the revenues for the year. Separately, in a recent meeting with Latreese Caldwell, our part time salary expenditures at Ellis are higher than expected, understanding that part of this equation deals with the reassignment of one full-time staff member from Ellis to Grounds and Resources, and one part-time Grounds and Resources staff member to Ellis.

Director Guritz stated that he would be bringing forward a staffing proposal for Ellis, understanding that Amy Clever will be reducing hours in June of this year, and that Ellis administrative responsibilities will need to be examined. Separately, Rebecca Bigel, the center’s primary lessons instructor will be leaving the District at the end of August. A summer intern from Black Hawk College will provide lessons instruction over the summer months.

The Finance Committee discussed revenues for credit card fees. Director Guritz stated he would look into where these revenues were being coded.

Commissioner Gryder inquired into the Ellis revenues, with only 14.66 percent collected year-to-date, understanding that center programs will be increasing through the remainder of the year. Director Guritz stated that the wedding event program has been examined, with projections down from $69,000 budgeted to $43,500 anticipated.

The Finance Committee discussed staffing at Ellis. Commissioner Cullick raised concerns over not having the Barn Manager position present on a regular basis. Director Guritz stated that he was examining opportunities for the grounds maintenance position to assume a more significant administrative role over the operations of the center.

Commissioner Koukol stated that this would place a lot of responsibility on a part-time position.

Director Guritz stated that the way the program is currently structured, we have one part-time staff member handling morning chores and feeding. Ellis has one lessons instructor that handles the bulk of instruction, and the Barn Manager provides more regular coverage on evenings and weekends during peak program times.

Commissioner Davidson stated concerns over hiring new positions to address these issues with the present budget concerns. Director Guritz stated that this was his concern as well, with the goal of insuring that staffing levels are sufficient to cover base operational needs of the center and programs.
Commissioner Koukol inquired into whether Ellis volunteers are supervised by staff. Director Guritz stated that it was his understanding that volunteers working with the horses are supervised at all times. Director Guritz reported that Marty Vick’s reassignment to Ellis is working well, and that he has the experience needed to assume a more significant administrative role for the center.

Commissioner Gryder asked if the plan and recommendations will be put forward in the next month. Director Guritz stated that this was the timeframe he is working towards.

VI. 2015 Bond Refund Updates

Director Guritz reported that the bonds will close on April 22, 2015. Because of the bond insurance agency’s rating, interest rates are reduced by 0.1% basis points translating to approximately $65,000 in additional savings.

VII. S&P Bond Rating Correspondence and Discussion

Director Guritz presented the S&P Bond Rating report. The District’s bond rating has been reduced to A- with a negative outlook based on their assessment of overly optimistic revenue projections, negative operating fund balance, and reliance on interest earnings in the capital fund not considered normally available. For the District’s bond rating to level off and improve, these issues will need to be addressed. As the District moves forward, this report, and the auditors notes will need to be addressed.

Commissioner Gryder pointed out the report’s mention of structural imbalances in the budget, which is being addressed by the budget recoding project. Commissioner Gryder stated that the next budget needs to be based on realistic and attainable figures and projections.

Commissioner Koukol stated that the whole board needs to understand this, and make decisions moving forward based on sound projections.

Commissioner Gryder quoted from the report stating that while the District’s 2015 general fund budget is balanced without the use of reserves, given the District’s negative general fund position, S&P believes that there is little flexibility within the budget to absorb what could be optimistic budget assumptions. This reiterates this point, and needs to be addressed. The Finance Committee directed that this report be brought to the Committee of the Whole for discussion.
VIII. Budget Recoding Project Updates

Latreese Caldwell reported that she had met with the majority of program supervisory staff, making progress on reallocation of the District’s budget appropriations. Latreese Caldwell reported that she was working to prepare and present a final draft for the committee, and received additional input from Marty Vick earlier in the day with good recommendations for establishing additional cost centers for Ellis grounds and structures to further identify and apportion operational costs associated with grounds and facility utilities and maintenance.

Latreese also reported she had met with Laura McCoy to assign salary and supply costs to the environmental education program cost centers.

In review of the budget projections, Latreese expressed concerns that some of the budgeted costs, particularly in staff salary budgets, are understated, and as part of this review, the final allocations will present a more realistic picture of the true costs for running District programs.

Director Guritz stated that the revised allocations will fall within current fiscal year appropriations. As a result, the District is on track for expending within the budgeted appropriations for all funds which was an issue raised in the FY 15 audit report.

The Finance Committee discussed the need for an accurate working budget. Latreese Caldwell stated that this would be presented as part of the final report.

Commissioner Davidson stated that we need a simple working budget with pretty close numbers so the board can make some hard decisions. The District budgeted $220,000 for farm license revenue that will only bring in $170,000, and there are other incorrect expenditures budgets. The board needs to receive the bottom line numbers.

Latreese Caldwell explained that there are two goals for the project. The first is reallocating expenditures and changing the general ledger codes to reflect the changes within total appropriations for the year. The second goal is to have a working budget that realistically shows the District’s financial position for the year.

Commissioner Koukol expressed that the budget summaries, once completed, need to be presented in layman’s terms so the whole board understands the District’s financial position and costs for operations and programs.

Director Guritz stated that beyond the reallocation project, the next step is to figure out what the District can afford in terms of programs and operations going into the next fiscal year, and provide an opportunity for staff to present their recommendations for addressing cost reductions and opportunities for raising additional revenues. This collective effort will
provide the basis for establishing the FY 15-16 budget plan, and the District will be in a much better position in terms of having a handle on the actual costs for operation, and informed staff for managing the budget program.

Latreese Caldwell affirmed that staff has been working closely with her, expressing that all have said this is the first time they have been asked to examine their areas of operational responsibilities.

IX. 2015 Farm License Agreements

Director Guritz provided a final farm license agreement spreadsheet based on the completed internal audit for the program.

The Finance Committee discussed the impact from trail construction activities at Baker Woods Forest Preserve on the farm license agreement with Dan and Don Roberts. A credit has been extended to this contract in accordance with the contract’s provisions, reducing the amount owed to $9,651.24.

The Finance Committee reviewed the base rent projections for the current fiscal year totaling $146,182, and discussed yield outlook.

X. Executive Session

None.

XI. Other Items of Business

Commissioner Davidson recommended that the Finance Committee meeting date be changed to occur prior to the Committee of the Whole, and brought forward for discussion at the following Committee of the Whole meeting.

XII. Adjournment

Commissioner Koukol made a motion to adjourn. Seconded by Commissioner Gryder. All, aye. Meeting adjourned at 8:10 p.m.

Respectfully submitted,

David Guritz
Director, Kendall County Forest Preserve District