I. Call to Order

Finance Committee Chair Lynn Cullick called the meeting to order at 6:40 p.m. in the Kendall County Board Room.

II. Roll Call

Bob Davidson, Scott Gryder, Dan Koukol, Matthew Prochaska and Lynn Cullick, all were present. Absent, none.

III. Citizens to be Heard

Craig Johnson informed Commission that he was working with District and County staff to determine his final IMRF benefit payments, expressing concerns that delays in calculating correct and final payouts impacted his 2015 retirement benefits. Mr. Johnson stated that he believed that this situation is now being resolved.

Mr. Johnson also expressed his support for hunting in preserve lands, concerns over staff subsidized housing, and liability of ash tree hazards impacted by the Emerald Ash Borer.

IV. Review of Claims in an Amount not to Exceed $5,290.06

Commissioner Davidson made a motion to review and forward the claims for Commission approval in an amount not to exceed $5,290.06. Motion seconded by Commissioner Gryder.

Chairman Cullick informed Commission that original vouchers and back-up are now made available for Finance Committee review. Director Guritz stated that all vouchers have been signed, but was looking into one of the voucher payments prior to Commission approval.

Commissioner Koukol inquired into voucher #228 for Atlas Bobcat, with a question on whether this was for a new battery, voucher #229 for Elburn Napa, expressing interest in insuring that local Kendall businesses are approached for District expenses.

In review of voucher #228, the billing address was Schiller Park. Commission noted that there is a local store, and the purchase was likely made locally.
Commission discussed the need for District staff to shop locally, and Director Guritz stated that he would encourage all staff to research local suppliers for purchases, understanding that the District will purchase from low quote suppliers.

Roll call: Bob Davidson, Scott Gryder, Dan Koukol, Matthew Prochaska and Lynn Cullick, all aye. Opposed, none.

V. Finance Review

Latreese Caldwell informed Commission that updated District budget reports have been prepared and distributed to the Committee. Ms. Caldwell presented budget reports that compare past fiscal year expenses to the current fiscal year budget, including percentage changes. For the current fiscal year, the operating fund beginning balance is $13,053, with total anticipated revenues of $1,081,643, which is 3.5% above last year’s budget, and total anticipated expenditures of $1,072,669, which is 3.3% less than last year’s budget, with a projected end-of-year surplus of $8,974. Ms. Caldwell stated that this is a positive budget, with no bond-fund interest earning transfers projected for the current fiscal year, resulting in a projected year-end fund balance of $22,027.

Director Guritz stated that while a transfer of interest earnings from the 2007 series bond fund is not anticipated within the budget, the 2007 series bond budget includes approximately $60,000 of staff salary payments charged against the fund. In looking forward, the District’s goal is to reduce reliance on bond fund proceeds to support operations in order to achieve sustainability.

Commissioner Koukol informed Director Guritz that not all Commissioners were in favor of the approval of the FY 2015 budget because of this issue.

Director Guritz stated that while it is reasonable to budget for a portion of staff salary expenditures from the bond fund, a goal for the year should be the development of a five-year plan to look at the longer term financial picture for the District.

Director Guritz stated that there are near-term opportunities to support the fiscal health of the District. The first opportunity available is to secure Land-Cash funds to support the acquisition costs of the Fox River Bluffs forest preserve. Land-Cash funds are available to support land purchases per Kendall County ordinance, with over $400,000 available to offset total costs for the acquisition. This would reduce the budget impact of the proposed acquisition, conserving 2007 series bond funds to allow the District time to address the operating budget shortfall. The Finance Committee discussed the Land-Cash Fund opportunity, and future capital needs of the District.
Commissioner Koukol inquired into what the 2007 series bond fund balance will be following the purchase of the Fox River Bluffs property. Director Guritz stated that the balance will depend on whether the Land-Cash funds are used to support the acquisition.

Commissioner Davidson suggested that the Commission should take time to review the mission of the District, and determine if District programs and operations align to the mission.

Commissioner Prochaska reminded the Committee that a mission review has recently been completed as part of the approved master plan for the District. Commissioner Prochaska also stated that the issue of the operational deficit will need to be resolved over the next several months.

Commissioner Koukol supported the idea of development of a financial plan, as well as efforts to determine where District funds are actually expended.

Director Guritz reported that he has reviewed the efforts of Ms. Caldwell to develop a programmatic budget, with new cost centers for budget coding, to track all associated costs for programs and facilities. Staff training has begun to begin to look at budget issues, and insure that program and facility managers understand their roles and responsibilities for budget goals and management.

Commissioner Gryder expressed concerns over the end-of-year transfer of bond-fund interest earnings in FY 14, indicating that the deficit and subsequent transfer cannot be repeated in FY 15.

The Finance Committee discussed the Fox River Bluffs acquisition project. Commissioner Davidson indicated that as part of this project, the District will acquire approximately 150 tillable acres, and inquired about how the farming revenue will be accounted within the budget, and stated that the District will be entitled to assume the farm lease, securing an additional $300 per acre.

Director Guritz stated that the Finance Committee and Commission will need a broader understanding of the Fox River Bluffs project, including long-term restoration responsibilities associated with the acquisition.

Commissioner Cullick reminded the Committee that an increase in farm lease revenues was anticipated in the FY 15 operating budget.

Director Guritz stated that the farm lease contracts will need to all be reviewed to forecast annual revenue projections, and restoration project costs.
Commissioner Koukol informed Director Guritz that the current farm lease agreements in place were researched by a sub-committee of the District, with provisions in place that are favorable to the District given the current agricultural market.

Commissioner Gryder recommended that all agricultural lands purchased by grant funds be examined to determine the long-term implications on operations and 2007 bond series budgets.

Commissioner Cullick expressed appreciation for the candid discussion, emphasizing that Commission is firm in its responsibilities to balance the District’s budget.

Director Guritz informed the Finance Committee that he was looking into a voucher claim for payment to the hay farmer at Ellis to determine what, if any amount is owed. Additional items discussed included long term funding needs and costs for removing ash trees killed by the Emerald Ash borer, and a request from The Conservation Foundation for a $2,000 contribution for support of the Big Rock Creek Land Conservation Planning Project.

VI. Executive Session

Commissioner Prochaska made a motion to enter into executive session under Section 2(c)1 of the Open Meetings Act for the purpose of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity. Seconded by Commissioner Gryder. Aye, all. Opposed, none. The Finance Committee entered executive session at 7:57 p.m.

Commissioner Davidson made a motion to reconvene the regular meeting. Seconded by Commissioner Gryder. Aye, all. Regular meeting reconvened at 8:11 p.m.

VII. Other Items of Business

Director Guritz reported that he had received a report that Ellis was currently boarding horses of a local resident impacted by a barn fire in early December 2014. The Finance Committee discussed the issue, and Director Guritz reported he would return to Commission with an update and boarding agreement.

VIII. Adjournment

Commissioner Gryder made a motion to adjourn the meeting. Motion seconded by Commissioner Prochaska. Aye, all. Opposed, none. Meeting adjourned at 8:18 p.m.
Respectfully submitted,

David Guritz
Director, Kendall County Forest Preserve District