I. Call to Order

Commissioner Cullick called the meeting to order at 6:33 p.m. in the Kendall County Board Room.

II. Roll Call

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

III. Citizens to be Heard

No public comments offered.

IV. Review of Claims in an Amount not to Exceed $12,669.00

Commissioner Davidson made a motion to forward claims in the amount of $12,669 for Commission approval. Seconded by Commissioner Gryder.

Commissioner Koukol stated he was glad a new I-PASS transponder was purchased. Director Guritz stated that Commission should expect to see some additional tolls come through. Commissioner Koukol also wanted to bring attention to conference costs, stating that the goal is not to exceed the budget for conferences in the current fiscal year.

Commissioner Koukol inquired into what the Kids Links Unlimited conference entailed. Director Guritz stated he would provide follow-up information on the event.

Commissioner Prochaska reviewed claim #230 for Fox Valley Equine in the amount of $801. Commissioner Prochaska reported the scope of veterinary care provided including insulin test, thyroid testing, and chiropractic exams and adjustments for the Ellis horses.

Roll call: Commissioners Davidson, Gryder, Koukol, Prochaska, and Cullick, aye. Opposed, none. Motion passed unanimously.
V. Presentation from Speer Financial, Inc. – 2007 Bond Series Refund Proposal

Director Guritz reported that the Forest Preserve district had been contacted by Anthony Miceli of Speer Financial, Inc. to present a potential bond refund opportunity. Anthony Miceli and Kevin McCanna provided and overview of the refunding opportunity, recommending that the Forest Preserve district consider a bank-qualified refund of up to $10 million of the 2007 series general obligation bonds, with a projected annual savings of approximately $54,000, annually, and just over $641,000 over the 12-year refund period. There would be no extension of the term length. Based on the current market, and the forest preserve district’s current bond rating, Speer estimates a savings of $547,000 based on present value, or 6.32% based on current market rates.

A bank-qualified issuance of under $10 million provides a tax-benefit incentive to banks, and a lower interest rate of .25%. Within the proposal, Speer recommends refunding $8.6 million of the principal, with the bond issue of $10 million to refund $8.6 million of the current bond principal. The resulting savings would be direct property tax relief only, and not an opportunity for the forest preserve district to capitalize on the savings.

Mr. Miceli reported that the total savings may be impacted and reduced by the Forest Preserve district’s bond rating. The District’s current rating is A with a negative outlook, and the S&P review would likely result in the lowering of the bond rating to an A-, or BBB bond rating with a negative outlook. This review will take place later in this year regardless of whether the District pursues this refunding opportunity.

Commissioner Koukol inquired into whether the Forest Preserve district approached Speer, or whether we had requested a proposal. Mr. Miceli reported that Speer Financial monitors all of their clients, and informs them when refunding opportunities are available. Director Guritz stated that Speer Financial had reached out to the District, and President Wehrli directed the refunding process to be presented to the board, understanding that the bond rating could be lowered, and the calculated savings reduced as a result. Mr. Miceli stated that during the process of refunding, the Forest Preserve district’s bond rating will be evaluated by Standard and Poor’s.

Commissioner Gryder asked whether a reduction in the District’s bond rating would impact existing bond interest rates. Mr. Miceli responded that the declining bond rating would only impact this refunding opportunity, and future bond refunds or issuances.

While this bond refund opportunity could only result in a reduction in the overall tax levy, the District could issue limited obligation bonds up to $350,000 for additional capital.
funding were needed. The District issued a short-term limited-tax obligation bond issue of $300,000 for capital projects in 2009. If the District was planning to pursue this additional issuance, than the total amount of the bond refund and cost of the additional bond issue would need to fall under the cap of $10 million.

Mr. McCanna reported that the District does not know what the savings or ratings will be, the board does have control over whether or not to issue the bonds by picking a target and set the threshold for savings. Separately, under the tax cap, the District can issue up to $77,000 per year in new taxable, or non-taxable bonds for capital projects, and this can be done at any time.

Mr. Miceli informed the Finance Committee that the $10 million bank-qualified bonding limit for is set and is inclusive for both Kendall County and the Forest Preserve district. If the Forest Preserve district refunds the $10 million, Kendall County would not be able to pursue bank-qualified bonds in the current calendar year. Speer Financial can balance the needs of both agencies if need be.

County Administrator Wilkins stated that the county would not be pursuing a bank-qualified bond issuance in 2015, but may pursue this in 2016. If Kendall County does achieve a stable bond rating during review in 2015, he would be pursuing this opportunity next year when County bond issuances become callable next year up to $5.6 million. The Forest Preserve district’s bond rating is separate from the rating of Kendall County.

Director Guritz stated that Commission will need to assign a minimum threshold at a future meeting. If the bond refunding proposal moves forward, the $15,000 bond rating costs will be rolled into the refunding costs. If the refunding does not move forward, the District will be responsible for paying for this expense out of the 2007 bond series budget.

VI. Kendall County Land-Cash Fund

The Finance Committee did not discuss use of Land-Cash funds. This item was listed separately on the agenda and scheduled for discussion at the Special Commission meeting of January 29, 2015.

VII. Temporary Horse Boarding Agreement – Ellis

The Finance Committee did not discuss the proposed temporary horse boarding agreement. This item was listed separately on the agenda and scheduled for discussion at the Special Commission meeting of January 29, 2015.
VIII. Fire Alarm Panel Replacement – Hoover

The Finance Committee did not discuss the proposed replacement of a fire alarm panel at Hoover Forest Preserve. This item was listed separately on the agenda and scheduled for discussion at the Special Commission meeting of January 29, 2015.

IX. Blue Peak Tents Proposal

Director Guritz reported that Blue Peak Tents, Inc. has agreed to hold their 2014 prices for 2015. The other option for consideration is the bidding and purchase of a comparable tent and sidewalls, with estimated costs for purchase of $25,000, which would be recovered in less than 18-months. District staff would take on the responsibilities of raising and lowering the tent at the beginning and end of the season, as well as routine maintenance.

Commissioner Koukol inquired into whether there is a month-to-month contract option. Director Guritz stated the proposal is for the season which extends through October, with wedding events scheduled through the end of the season. Commissioner Cullick reported that the companies contacted did not have an interest in extending a month-to-month rental and maintenance agreement.

Director Guritz reported that Commission also would need to decide whether or not to pay an additional 7% contract cost for a damage waiver. The tent damage waiver was not paid as part of the 2014 agreement.

Commissioner Davidson made a motion to present a one-year contract renewal to the Board of Commissioners for approval. Seconded by Commissioner Prochaska. Aye, all. Opposed, none.

X. Executive Session

None.

XI. Adjournment

Commissioner Koukol made a motion to adjourn. Seconded by Commissioner Prochaska. All, aye. Meeting adjourned at 7:07 p.m.

Respectfully submitted,

David Guritz
Director, Kendall County Forest Preserve District