I. Call to Order

Acting Finance Committee Chair Wehrli called the meeting to order at 4:05 pm in the Kendall County Board Room.

II. Roll Call

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

III. Approval of Agenda

Chairman Gryder made a motion to approve the agenda as presented. Seconded by Commissioner Koukol. Aye, all. Opposed, none.

IV. Citizens to be Heard

No public comments were offered.

V. Approval of a Motion to Forward Claims for Approval in an Amount Not-to-Exceed $7,546.88.

Commissioner Gryder made a motion to forward claims for approval in the amount of $7,546.88 for Commission approval. Seconded by Commissioner Koukol.

The Finance Committee discussed the claims listings.

Commissioner Gryder inquired into claim numbers 179 and 188 for Ameren and Nicor, to confirm that these costs were for Millbrook South utilities that will be reimbursed by Mark and Tom Mathre for use of the grain dryers as part of their farm lease agreement. Director Guritz stated that this should be the case, but will need to look into the costs for electricity.

Commissioner Gryder inquired into claim number 207 for veterinary services. Director Guritz stated that these costs were associated with addressing treatment and inoculations for Potomac Horse Fever.

Commissioner Wehrli called the question. All, aye. Opposed, none. Motion passed unanimously.
VI. Natural Beginnings 2015-2016 Fees, Registration, and Cancellation Policies

Commissioner Gryder made a motion to forward the 2015-2016 Fees and Charges, Registration, and Cancellation Policies to Commission for approval. Seconded by Commissioner Koukol.

Natural Beginnings Program Manager, Megan Gessler, presented information on the proposed changes to tuition and registration fees, and cancellation policies, presenting results of her review of registration and tuition fees from other preschools in Kendall County, and nature preschools in the region. One of the strengths of the program is the ratio of 1 instructor for every 6 students. However, because of this, the program budget takes a substantial hit if parents register their child for the upcoming year, and cancel their registration close to the start of the school year when these openings are far less likely to fill. The cancellation policy will allow us to retain the tuition down payment for the first quarter.

Megan stated that while the registration fee increase is higher than surrounding programs, the registration process requires parents to meet with Megan and observe the preschool program which provides an opportunity to sell the program’s strengths, and explain registration and enrollment policies.

Megan recommended a $100 tuition increase for both the 2-day and 3-day programs, bringing total tuition to $1,425 and $1,725 respectively, and presented an overview of tuition fees of other area programs.

The Finance Committee reviewed the proposed policy changes. Registration for families currently enrolled will begin December 1, 2015 with registration for families on the waitlist opening January 4, 2016, with open enrollment following the open house on January 15, 2016. Director Guritz stated the policy will be amended to include the dates for the staggered enrollment process.

Megan presented information on other cancellation policies for area preschools. Generally, area preschool program registration and tuition payments received for the upcoming quarter are non-refundable.

The Finance Committee discussed the current and proposed refund policies for the program.

Megan reported that as part of the policy changes, families will need to observe the program, and meet with Megan to review the enrollment policies prior to being placed on
the waitlist. Individuals are placed on the waitlist based on the order that their registration materials are received.

Commissioner Wehrli called the question to forward the policy for Commission consideration, as amended to include the specific waiting list enrollment dates.

Commissioner Gryder made a motion to forward the amended policy for board consideration and approval. Seconded by Commissioner Koukol. Aye, all. Opposed, none.

VII. Fox River Bluffs Farm Lease Agreement Discussion

Director Guritz reported that he had met with Trenton Toftoy to discuss the terms of the FY 15-16 farm license agreement for the acres under production at Fox River Bluffs. Trenton Toftoy will be planting soybeans in the upcoming year as part of the cropland conversion program, and will agree to pay the current per acre base rent of $300.00 per acre. Separately, the agreement will include Kendall County Highway Department right-of-way holdings that will be included within the overall agreement under the negotiated terms. Because District and County holdings will be included in one farm lease agreement, the final agreement will need to be approved by both boards. The State’s Attorney’s Office is working on the development of the tri-party agreement.

The Finance Committee discussed the proposed base rent rate, and agreed that the terms are favorable to the District, requesting that the licensee pay two separate checks when rent is due to the District and County based on the cropland acres owned.

VIII. Jericho Holdings – Request for Bond Release for Blackberry Point Phase 1 Bike Path Improvements

Director Guritz reported that he had been contacted by Willis of Illinois, Inc. requesting sign off on a $23,177 bond held by Ohio Farmers Insurance Company for completion of a bike trail that was not completed in accordance with the terms of the District’s agreement with Jericho Holdings, Inc.

Commissioner Wehrli reported that the bond was held for trail improvements in Blackberry Creek Forest Preserve, with an escrow account held by First American Title, Inc. available to complete the project. The Finance Committee discussed the situation, and instructed Director Guritz to work to secure the escrow funds held to complete the project prior to signing off on the release of the bond.
IX. FY 15-16 Budget Discussions

Latreese Caldwell distributed reports showing the year-to-date revenues and expenditures for the District.

Latreese reported on the year-to-date totals for each of the District’s cost centers.

For the Administration cost center, revenues totaling $421,000 is anticipated, with $253,000 (60%) received year-to-date, with expenditures totaling $232,507 anticipated, with $144,999 (62%) incurred year to date, resulting in a $108,000 surplus year-to-date.

For the Ellis cost center, revenues totaling $ is anticipated, with $( %) received year-to-date, with expenditures totaling $ anticipated, with $( %) incurred year to date, resulting in a $(44,000) deficit year-to-date.

For the Environmental Education cost center, revenues totaling $ is anticipated, with $( %) received year-to-date, with expenditures totaling $ anticipated, with $( %) incurred year to date, resulting in a $(28,000) deficit year-to-date. Latreese noted that the cost center spreadsheets provide a detailed breakdown the various programs, and some are doing better than others.

For the Hoover cost center, revenues totaling $ is anticipated, with $( %) received year-to-date, with expenditures totaling $ anticipated, with $( %) incurred year to date, resulting in a $(66,000) deficit year-to-date.

For the Natural Area Volunteers cost center, revenues totaling $ is anticipated, with $( %) received year-to-date, with expenditures totaling $ anticipated, with $( %) incurred year to date, resulting in a $() deficit year-to-date. These figures will not change.

For the Grounds and Resources cost center, revenues totaling $ is anticipated, with $( %) received year-to-date, with expenditures totaling $ anticipated, with $( %) incurred year to date, and will always be presented with a net zero-balance.

Overall, the total budgeted revenue in the working budget is $1,008,000, with total expenditures of $(1,045,000) resulting in a forecast deficit of $(36,000). Currently, $678,000 (67%) has been collected year-to-date, with expenditures totaling $(728,000) (69%) of the total budget, with a year-to-date deficit of $(50,000).

Tax collections of $234,000 remain to be collected in the current fiscal year.
Director Guritz observed that there was a calculation error reported in the Environmental Education cost center summary of percentages. Latreese reported that she would recalculate the percentages for the report to the Committee of the Whole.

The Finance Committee discussed the report presented. Discussion included costs associated with operating and maintaining Ellis House and Equestrian Center.

Latreese presented the summary report for revenues and expenditures across the cost centers for each category of expenditures including personnel, benefits, contractual services, and supplies.

Latreese provided an overview of the detail spreadsheets for each of the cost centers, with each cost center presented as a separate report. The cost centers are further broken down into program budgets. In review of the Ellis cost center, year-to-date expenditures for maintaining the house, barn and grounds at Ellis totals ($33,000).

The Finance Committee reviewed the actual revenues and expenditures year-to-date for the Ellis program budgets.

Director Guritz cautioned the Finance Committee that the preliminary cost center allocations presented to Latreese by District staff need to be critically examined. While the percentage allocations are reasonable estimates based on staff feedback, certain areas, like public programs show a large amount of staff time going in with very little return in terms of program revenues. Beyond this, training needs to take place with the program managers to understand, and properly allocate program inputs and outputs to insure that costs are more accurately presented within the upcoming budget in order to properly track actual program performance. Managers need to understand how these allocations impact program performance, and identify opportunities for balancing the program budgets through either fee increases, cost decreases, or in combination.

The Finance Committee examined and discussed the cost center spreadsheet summaries, and thanked Latreese for all of the work that went into presenting this report.

The Finance Committee discussed end-of-year budget activity. Revenues will be received for tax proceeds, school programs, natural beginnings, horsemanship lessons, and other program areas. The Finance Committee discussed whether yield payments for the farm lease agreements will be accrued in the current fiscal year. Latreese stated that yield payments, if received in the current fiscal year, will be credited to the current year on a cash basis. The auditors will credit the revenue towards the fiscal year in which the revenue was actually earned.
The Finance Committee reviewed the budget timeframe report prepared by Latreese for development of the FY 15-16 timeline for the budget and levy extension. The preliminary budget and levy need to be approved ideally by the end of September, with notice placed to The Record of the approved preliminary budget for public review in October. Changes can be made to the preliminary budget up to the first meeting in November, with the levy approved at the last Commission meeting in November. The budget and levy are certified before the last Tuesday in December.

X. Executive Session

None.

XI. Other Items of Business

Commissioner Gryder discussed the need for an improved website for the District, and that this should be considered within the FY 15-16 budget.

XII. Citizens to be Heard

None.

XIII. Adjournment

Commissioner Koukol made a motion to adjourn. Seconded by Commissioner Gryder. All, aye. Meeting adjourned at 5:30 pm.

Respectfully submitted,

David Guritz
Director, Kendall County Forest Preserve District