I. Call to Order

President Wehrli called the meeting to order at 9:00 am in the Kendall County Board Room.

II. Pledge of Allegiance

The Board of Commissioners recited the pledge of allegiance.

III. Invocation

Commissioner Prochaska offered an invocation for the meeting.

IV. Roll Call

Commissioners Cullick, Davidson, Gilmour, Koukol, Prochaska, Purcell, Shaw, and Wehrli all were present.

V. Citizens to be Heard

Kara Walker of Pessina Tree Service inquired into whether the apparent low bidder for the tree removal project had properly submitted all required documentation with their bid, including two signed copies of the bid proposal. Director Guritz responded that the apparent low bidder had submitted two copies of all the required documents, and acknowledged that not all firms submitted two full sets of documents.

VI. Approval of Agenda

Commissioner Cullick made a motion to approve the agenda. Seconded by Commissioner Koukol. President Wehrli reported that Ordinance #15-005 needed to be removed from consideration on the recommendation of the State’s Attorney’s Office. This agenda item as posted did not include the purchase cost for the property. Commissioner Wehrli apologized to the board, and stated that he would be working to schedule a special call meeting to address contract timing constraints. Commissioner Cullick amended her motion to approve the agenda as amended, with Ordinance #15-005 removed from consideration. Seconded by Commissioner Koukol. All, aye. Opposed, none. Motion passed unanimously.

Commissioner Flowers and Commissioner Gryder arrived at 9:04 am.
VII. Approval of Claims in an Amount Not-to-Exceed $9,091.58.

Commissioner Davidson made a motion to approve claims in the amount of $9,091.58. Seconded by Commissioner Cullick.

Roll call: Commissioners Davidson, Flowers, Gilmour, Gryder, Koukol, Prochaska, Purcell, Shaw, Werhli, and Cullick, aye. Opposed, none. Motion passed unanimously.

VIII. Approval of Minutes

Commissioner Cullick made a motion to approve the Commission meeting minutes of February 17, 2015, and March 3, 2015; and the Finance Committee meeting minutes of February 26, 2015. Seconded by Commissioner Prochaska. All, aye. Opposed, none. Motion passed unanimously.

IX. Motion to Approve Bernardi Securities, Inc. as Underwriter on the Proposed General Obligation Refunding Bonds, Series 2015.

Commissioner Gryder made a motion to approve Bernardi Securities, Inc. as underwriter on the proposed general obligation refunding bonds, series 2015. Seconded by Commissioner Cullick.

Director Guritz reported that the meeting packets included the results of the call for proposals for underwriter services. Anthony Micelli of Speer Financial, Inc. reported that the call for underwriter services was posted to the District’s website on February 26, 2015, and sent directly to six reputable underwriting firms in the region. The request for proposals included a request for the underwriting fees, as well as any additional fees or charges the District would be required to pay, their relative rates based on different credit ratings, and their experience with similar bond issuances. Of the eight proposals received, three were received from firms receiving an invitation from Speer Financial, Inc. to submit a proposal, with seven of the proposals submitted providing sufficient information to be considered responsive to the request for proposals. The proposal received from Rockfleet Financial Services was not considered responsive, as their proposal indicated they would serve a role as co-manager for the underwriting services, with limited experience in the region. Of the proposals received, Bernardi Securities, Inc. extended the lowest qualified proposal to the District in terms of overall fee and interest rate costs. While their issuance rate of $5.40 per $1,000 bond issued was not the lowest when compared to other firms, their extended interest rates provided the lowest overall cost to the District when compared to the other proposals received. The request for proposals required firms to demonstrate that their rates extended were reasonable based on recent comparable
issuances. Fifth Third Securities, initially considered the lowest cost provider, was not able to support their stated interest rates, and reported during follow-up with Speer Financial that the interest rates extended in their proposal were likely too aggressive by 10 basis points, or .1%.

Commissioner Davidson requested the bottom line for projected savings. Anthony Micelli reported that based on market changes, and the interest rates provided by Bernardi Securities, the bond refunding should result in an overall 5% savings representing a total of $527,600 in gross savings, or $50,000 per year for the life of the bonds from 2017 through 2027 for the $10,000,000 refunding issuance.

Director Guritz requested what savings resulted from Speer Financial's original cost of issuance schedule for underwriting services. Anthony Micelli reported that the schedule provided an estimate of $7.50 per bond, or $75,000, now reduced to $5.40 per bond, or approximately $54,000 representing a $20,000 reduction from the original schedule presented. However, Speer Financial is anticipating an additional cost of $5,000 for an escrow bidding agent. Typically, this cost is avoided for tax-exempt refinancing by investing through the federal Treasury Department's state and local government securities escrow account. This opportunity is currently not available. Due to the federal debt ceiling, this program is currently suspended. The escrow bidding agent service will secure competitive rates for the escrow account for the bonds.

Commissioner Purcell inquired into whether the $121,000 in refunding service fees was included in the gross savings projection of $527,000. Anthony Micelli reported that the $527,000 represents a net savings after cost for issuance.

Commissioner Purcell inquired into why Speer was not recommending a higher amount for refunding at this time. Anthony Micelli stated that because this is a small-issue, bank-qualified bond issuance under $10,000,000, there is an advantage in interest savings and banks can take a small tax deduction. Because the District is refunding the most attractive portion of the 2007 bond issuance, there is a higher level of savings. Because the call date for the bonds does not begin until 2018, the District is able to track the bond market and interest rates and potentially secure additional savings through future refunding opportunities for the remainder of the 2007 issuance, within a shorter timeframe for the call dates, which should translate into better interest rates for the next refunding opportunity. This should be examined within the next two years. The benefit of the future refunding opportunity is that even if interest rates tick up, the District is closer to the call date of issuance, shortening the yield curve and reducing the escrow costs.
Commissioner Purcell inquired into whether this should be examined in the fall of 2015. Anthony Micelli reported that because the County and District are considered collectively for the purposes of the small-issuance, bank-qualified annual bond refund opportunity, the needs of both agencies should be first examined.

Commissioner Koukol inquired into whether the additional $5,000 cost for the escrow bidding agent would be deducted from the net savings presented. Anthony Micelli reported that the cost was factored into the schedule, and would not impact the net savings projected.

Roll call: Commissioners Flowers, Gilmour, Gryder, Koukol, Prochaska, Purcell, Shaw, Wehrli, Cullick, and Davidson, aye. Opposed, none. Motion passed unanimously.

X. **Ordinance #15-005 Authorizing the Issuance of Not-to-Exceed $10,000,000 General Obligation Refunding Bonds, Series 2015, of the Kendall County Forest Preserve District.**

Commissioner Gryder made a motion to approve Ordinance #15-005 authorizing the issuance of not-to-exceed $10,000,000 general obligation refunding bonds, series 2015, of the Kendall County Forest Preserve District. Seconded by Commissioner Cullick.

Roll call: Commissioners Gilmour, Gryder, Koukol, Prochaska, Purcell, Shaw, Wehrli, Cullick, Davidson and Flowers, aye. Opposed, none. Motion passed unanimously.

XI. **Ordinance #15-005 Authorizing the Purchase of Land Known as the Fox River Bluffs in Fox and Little Rock Townships, Kendall County.**

President Wehrli reminded the board that because the amount of the purchase was not included in the agenda title, this item would be considered for approval at a future meeting. President Wehrli introduced Laura Stuart with Charles Schrader & Associates to provide an update on the grants secured for the Fox River Bluffs purchase.

Laura Stuart reported that she has provided consulting services for the District since 2002. Laura Stuart reported that for the Fox River Bluffs property, the District has received two grant agreements for purchase of the property through the Illinois Clean Energy Community Foundation, and the Illinois Department of Natural Resources Open Space Land Acquisition and Development programs. Laura Stuart reported that many agencies recently received letters from the Illinois Department of Natural Resources suspending their OSLAD grant awards. The District, however, is in the enviable position for receiving their grant award through the federal Land and Water Conservation Fund grant program. As a result, the
District’s OSLAD grant is secure, and not at risk from any type of legislative sweep or suspension.

Laura Stuart stated that for all District acquisition projects, the District works to secure OSLAD funds through the federal Land and Water Conservation Fund program. While this process adds complexity and requires additional paperwork, award through the Land and Water Conservation Fund program locks-in the grant funding.

Commissioner Shaw inquired into what grant funding was lost for this project. Director Guritz reported that the District has not lost any grant funding. However, the recent Vital Lands grant application submitted to the Grand Victoria Foundation by The Conservation Foundation was not funded.

President Wehrli reported that the award of this funding was factored into the scope of the Fox River Bluffs acquisition, but that this grant funding is now off the table.

Commissioner Purcell inquired into how this factored into a larger scope for the acquisition. Director Guritz reported that the board approved an agreement with The Conservation Foundation in February that would have committed the District to purchasing 250 acres if the Vital Lands grant program funding had been awarded. Approval of the ordinance and agreement was a requirement for The Conservation Foundation’s grant application.

Commissioner Purcell inquired into when we would receive the reimbursement from the Land and Water Conservation Fund. Laura Stuart suggested that the District could receive reimbursement within 60 days following the purchase.

Commissioner Purcell inquired into the federal restrictions with the funding reimbursed to the District. Laura Stuart reported that the District is essentially paying itself back, so there are no restrictions, but the District will be required to provide public access to the property, and manage the property consistent with the language of the grant agreement, which includes providing critical habitat and natural areas. Laura Stuart reported that the District has the opportunity to apply for additional grants for the required improvements.

Commissioner Purcell inquired into the timeframe for the improvements. Laura Stuart reported that the District will need to provide public access to the property within three years. Director Guritz reported that he would forward the grant agreement covenants to the board for review.

Commissioner Gryder inquired into the characterization of the grant, whether the District’s grant was an OSLAD or Land and Water Conservation Fund grant. Director Guritz reported that when the District applies for OSLAD funding, the IDNR, under separate agreement with
the Department of Interior, selects projects for Land and Water Conservation funding that meet the criteria of this program. The Land and Water Conservation fund program is funded by tax proceeds from off-shore oil drilling.

Laura Stuart added that one of the reasons that the District is selected to receive Land and Water Conservation funding through the OSLAD program is our strong track record for successfully implementing these projects within the established timeframes, and dedication to open space conservation including the accomplishments under the referendum.

Commissioner Purcell requested that Laura Stuart provide a report on what the District is required to complete under the District’s various grant agreements. Commissioner Purcell reported that the board has been informed that there are commitments the District needs to address, and would like to receive this information.

Director Guritz reported that Laura Stuart recently completed inspection reports for the IDNR for recent OSLAD grants, and that information from these reports had been presented to the board at a recent meeting.

Old Business

- Approval of a time extension for the Ellis House Boarding Agreement at an additional monthly boarding rate of $300.00

Commissioner Cullick made a motion to approve a time extension for the Ellis House boarding agreement at an additional monthly boarding rate of $300.00. Seconded by Commissioner Flowers.

Director Guritz reported that the request is for a one month extension of the current agreement through the end of April for an additional $300.00.

Commissioner Koukol inquired into whether the boarder’s facility construction would be completed in the next month. Director Guritz stated he was uncertain about the timeframe for the boarder’s reconstruction project, but added that the District is currently pasture boarding. Once the weather warms up, the horses should be able to relocate.

Commissioner Koukol inquired into who is paying for the feed and care. Director Guritz reported that the boarders are paying for the full care of the animals, but staff assists by distributing evening hay.

Roll call: Commissioners Gryder, Koukol, Prochaska, Shaw, Wehrli, Cullick, Davidson, Flowers, and Gilmour, aye. Opposed, Commissioner Purcell. Motion carried.
• Approval of a Letter of Understanding and Service Agreement with Charles Schrader and Associates for Grant Consulting Services for an Amount Not-to-Exceed $10,500, plus reimbursable expenses.

Commissioner Cullick made a motion to approve the letter of understanding and service agreement with Charles Schrader and Associates for grant consulting services for an amount not-to-exceed $10,500, plus reimbursable expenses. Seconded by Commissioner Flowers.

Commissioner Cullick asked Laura Stuart to provide an overview of the agreement. Laura Stuart reported that this is an annual agreement with the District, payable in installments for whatever schedule the District deems fit.

President Wehrli asked for a brief history of the District’s engagement. Laura Stuart reported that the firm has assisted the District with securing funds for purchases and/or improvements at Richard Young Forest Preserve, Fox River trail improvements, Shuh Shuh Gah Canoe Launch, Subat Forest Preserve, Hoover Forest Preserve, Blackberry Trail Forest Preserve, Jay Woods Forest Preserve, Millbrook Forest Preserve, Baker Woods Forest Preserve, Henneberry Forest Preserve, Harris Forest Preserve, and Lyons Forest Preserve. This information is included within the District’s recently approved Master Plan. Laura Stuart stated that when she provides the board with past grant project requirements, they will be provided with a full list of grants secured with support from the firm.

Director Guritz inquired into the research into possible grant sources for Millbrook Bridge. Laura Stuart reported that the recent finding of public road connectivity to Millbrook North Forest Preserve opens up potential grant opportunities through state and federal grant sources. Through the Recreational Trail Grants program, or IDOT non-vehicular transportation grants, matching funding requirements ranges between 20% and 50%. Director Guritz inquired into the recent CMAQ grant requirements received. Laura Stuart confirmed that the District was not a good candidate for this particular funding opportunity.

Commissioner Davidson asked about matching fund requirements. Laura Stuart reported that the District has successfully leveraged referendum dollars to achieve a great deal more through the various grants received over the past several years.

Commissioner Davidson suggested that careful examination of remaining funds is needed in order to determine priorities and matching fund limits.

Commissioner Koukol requested that Laura Stuart provide quarterly updates, complimenting her on her presentation and information shared with the board.
Commissioner Shaw requested confirmation that recent state cuts would affect the District. Laura Stuart stated that there are no impacts to current projects, but the cuts could impact certain funding sources at the state level.

Commissioner Davidson inquired into impacts to the District should the District fail to meet requirements of current or past grant agreements. Laura Stuart stated that the District could face debarment from participation in these grant programs for a period of time.

Roll call: Commissioners Prochaska, Purcell, Shaw, Wehrli, Cullick, Davidson, Flowers, Gilmour, Gryder, and Koukol, aye. Opposed, none. Motion passed unanimously.

- Approval of the FY 14 Audit Report from WIPFLi CPAs and Consultants

Commissioner Cullick made a motion to approve the FY 14 audit report from WIPFLi CPAs and Consultants. Seconded by Commissioner Prochaska.

Commissioner Davidson inquired into the beginning balance of the operating fund balance. Matt Schueler reported that the operating fund beginning balance is a negative $34,812.

Commissioner Purcell inquired into how this could impact the District’s bond rating. Matt Schueler reported that the negative balance could impact the District’s bond rating, however they look primarily at the taxing ability of the District.

Director Guritz reported that overall, the board has made positive changes to the overall budget for expenditures, but revenues for the year will need to be carefully examined, including the farm license revenue.

Commissioner Gryder inquired into the requirements of the District as posting a negative balance to the general operating fund. Matt Schueler reported that having a negative fund balance is a significant concern.

Director Guritz requested confirmation that the deficit posted was due primarily to accrual adjustments performed after the District approved the end-of-year transfer of investment earnings. Matt Schueler confirmed that this was correct.

Roll call: Commissioners Purcell, Shaw, Wehrli, Cullick, Davidson, Flowers, Gilmour, Gryder, Koukol, and Prochaska, aye. Opposed, none. Motion passed unanimously.
- Approval of a Request from the Illinois Department of Transportation to Configure a 10-Foot Wide Shared Use Path on the South Side of US Route 30 Conterminous with the Blackberry Trails Forest Preserve’s Northern Property Line that will include Eventual Sale of 0.6 Acres of District Property for Roadway Purposes

Commissioner Cullick made a motion to approve a request from the Illinois Department of Transportation to configure a 10-foot wide shared use path on the south side of US Route 30 conterminous with the Blackberry Trails Forest Preserve’s northern property line that will include eventual sale of 0.6 acres of District property for roadway purposes. Seconded by Commissioner Flowers.

President Wehrli reported that the IDOT request is to increase the path width on the south side of Route 30 from five feet to ten feet. With the increase in path width, the question is whether the District will sell the 0.6 acres required to construct the wider path.

Commissioner Gilmour asked what the approximate revenue will be from the sale of the property. Director Guritz stated that the District would receive fair market value for the sale, perhaps up to $15,000.

Director Guritz reported that prior to the sale, IDOT will complete an appraisal, and present their offer to the District for consideration and approval.

Commissioner Shaw inquired into how the Downstate Forest Preserve District Act allows the District to sell property. Director Guritz stated that under the Act, the District is able to sell parcels one-acre in size or less with the approval of two-thirds of the board. Attorney Weis added that the District can also enter into intergovernmental agreements as another option for facilitating the exchange.

Roll call: Commissioners Shaw, Cullick, Davidson, Flowers, Gilmour, Gryder, Koukol, Prochaska, Purcell, and Wehrli, aye. Opposed, none. Motion passed unanimously.
New Business

- Approval of a Contract with Arborworks, LLC of Downers Grove for an Amount Not-to-Exceed $25,131.00 for Completion of Project #15-002-001

Commissioner Cullick made a motion to approve the contract with Arborworks, LLC of Downers Grove for an amount not-to-exceed $25,131.00 for completion of project #15-002-001. Seconded by Commissioner Flowers.

Director Guritz reported that 12 firms attended the mandatory pre-bid conference, with 10 firms submitting bids for the bid opening. Director Guritz stated that Arborworks, LLC is the lowest qualified bidder, and that follow-up with bidder references for contracts performed for other municipal and government agencies were consistently positive. The range of bids extended from $25,131.00 to $91,688.00, with the second lowest bid price of $31,116.60.

Director Guritz reported that the contract costs includes a $4,000.00 contingency to address additional trees that need to be cleared beyond the 226 initially surveyed and included in base bid calculations. Director Guritz added that if additional funds are needed beyond the contingency, a change order would be presented for board approval at some point in April.

Commissioner Davidson inquired into whether the District is required to pay prevailing wage for the project. Director Guritz stated that by law, the District is required to pay prevailing wage on all contracts, but removal of ash trees impacted by emerald ash borer is exempt from requirements for payment of prevailing wage by the Illinois Department of Labor, with this information posted on their website.

Commissioner Gilmour inquired into whether the District will be addressing removals from the core campsites area. Director Guritz stated that the contract includes removals from the campsite area, and the Kendall County Outdoor Education Center.

Director Guritz stated that we will be addressing removals for the next 2-5 years, but this should be the largest single removal project for the District.

Commissioner Gryder requested confirmation that the purpose of the removal is primarily for public safety, with the concern being that trees could fall on District property, or preserve visitors. Director Guritz stated that our goal is to initially address those hazards near structures, and in areas of high preserve visitation.

Commissioner Purcell requested confirmation that the District would not be conducting removals within forest preserves away from trails and structures. Director Guritz confirmed that the District would not be clearing within preserve core forested areas.
Director Guritz clarified how the contingency funds would be expended based on unit costs, and that any costs beyond contingency would need to be approved by the board.

Commissioner Koukol confirmed that the per unit costs only come into calculations for contingency expenditures.

Roll call: Commissioners Davidson, Flowers, Gilmour, Gryder, Koukol, Prochaska, Purcell, Shaw, Wehrli, and Cullick, aye. Opposed, none. Motion passed unanimously.

XII. Executive Session

None.

XIII. Other Items of Business

None.

XIV. Adjournment

Commissioner Cullick made a motion to adjourn. Seconded by Commissioner Flowers. All, aye. Meeting adjourned at 10:05 am.

Respectfully submitted,

David Guritz
Director, Kendall County Forest Preserve District