1.0 CALL TO ORDER

The Special Call Meeting of the Finance and Administrative Committee of the Board of Trustees of the McHenry County Conservation District was called to order at 5:02 p.m. by Treasurer Henning on the evening of Monday, September 16, 2019 at the Brookdale Administrative Offices, 18410 US Highway 14, Woodstock, Illinois 60098.

2.0 ROLL CALL

2.1 Roll Call

Trustees Present: John Henning, Treasurer
Carolyn Campbell, Secretary
Patrick Fritz, Trustee

Additional Trustees Present: Vern Scacci, President
Dave Brant, Vice President
Bill Cook, Trustee

Staff Present: Elizabeth S. Kessler, Executive Director
John Kremer, Director of Operations & Public Safety
Andy Dylak, Director of Administration & Finance
Ed Collins, Director of Land Preservation & Natural Resources
Wendy Kummerer, Director of Marketing & Communications
Kristi LaMontagna, Police Administrative Coordinator

Others Present: No one else present.

3.0 PUBLIC COMMENTS

There were no public comments.

4.0 APPROVAL OF MINUTES PREVIOUS MEETING

4.1 August 12, 2019

A motion was made by Secretary Campbell, seconded by Trustee Fritz, to recommend approval of the minutes of the Finance & Administrative Committee from August 12, 2019. A verbal vote resulted in three ayes. Motion passed unanimously.

5.0 NEW & UNFINISHED BUSINESS

5.1 FY 2019 Audit Presentation - CAFR - Sikich, LLC

Jim Savio with Sikich, LLC was present to give a summary of the Comprehensive Annual Financial Report (CAFR). He started off by thanking Elizabeth, Andy, Jean and staff for their help with the audit and helping to make everything go smoothly.
Mr. Savio briefly went through all the sections of the CAFR and stated that everything went very well and that there were no concerns with the audit or financial statements as presented. Consistent with prior years, the District received the auditor’s highest level of affirmation of the financial statements; which is an unmodified opinion. He said there were no new comments and only two minor adjustments for this year and reiterated the audit went very well.

5.2 Organizational Capacity - 3-Year Capital Improvement Plan (CIP)/Capital Asset Management Plan (CAMP) Schedule

Director of Operations & Public Safety Kremer presented the Capital Improvement Plan (CIP) report stating that the District has a Capital Asset Management Plan (CAMP) to address long-term repair and replacement of District infrastructure. The report identified projects in a three (3) year plan which needed funding. They were organized by their funding source including CAMP Fund, Dedicated Account, Pending Funding, and Operational Fund.

Funding for the Dedicated Accounts, generally, was from received donations and grants; the pending funding are anticipating grants/donations that have been applied for or solicited but no funds as of yet. In addition, Director of Operations & Public Safety Kremer stated that some funding is needed for emergency repairs/unanticipated repairs that occur each year.

Director of Administration & Finance Dylak stated that the CIP funds are focused on repair and replacement projects. Projects in the dedicated accounts are funded through new donations and grants that come in.

Director of Operations & Public Safety Kremer explained, the structure of the report and mentioned that the District’s FY starts on April 1st and conducting any bidding at the beginning of the year cannot be done due to that late start date. He said that this severely limits the District’s ability to implement projects due to a shortened construction window.

Treasurer Henning asked Director of Operations & Public Safety Kremer if moving the budget forward would help, the answer was yes. President Scacci explained to the new trustees that the District is moving the budget preparation forward to get a budget approved before April 1.

Director of Operations & Public Safety Kremer continued the review of the plan and stated that 2021 projects are either in motion, such as projects with agreements or those that are critical to move forward. He continued with highlighting the projects in the propose FY 2021 budget.

Director of Operations & Public Safety Kremer mentioned that the committee discussed in a past meeting including $100,000 annually for the demolition of buildings. Director of Operations & Public Safety Kremer explained that, given the project work load, this was beyond the District’s capacity. He further shared that the amounts incorporated into the report addressed the highest priority structures in need of demolition.

Treasurer Henning asked how many buildings are to be knocked down. Director of Operations & Public Safety Kremer stated that it would be approximately 10 buildings.

Trustee Cook stated that prioritization should be on funds we have to spend and that he would like for the unsafe items be the first to fix rather than patching trails, etc.

Director of Operations & Public Safety Kremer talked about future new projects and that the museum grant project (Passport to Lost Valley Adventure exhibit) will go out to bid, it has already been designed but will just need to be built.
He mentioned that The Hollows Conservation area needs some repairs and replacements. We may be able to receive a grant to match.

Executive Director Kessler mentioned that grant applications may be submitted next year.

Director of Operations & Public Safety Kremer mentioned that the Powers-Walker House service road can be resurfaced by staff. The main road to Lost Valley Visitor Center is nearly complete which will take the pressure of the service road. President Scacci asked if the Lost Valley Road was now two way and Kremer said yes.

Director of Operations & Public Safety Kremer mentioned that Brookdale and Prairiewood Education Center were renovated 20 to 25 years ago and the facilities need maintenance, including new roofs. The Brookdale facility has some issues with windows, building areas need to be painted, some tuck pointing is needed and the roof will need to be replaced in about three (3) years.

Director of Operations & Public Safety Kremer stated that at some point in time a budget will need to be built for capital items. In overview of the report, staff is looking for consensus and direction before bringing formally to the full board.

There was general discussion among the board members about the need to preserve resources for paying off the Pichen Installment Agreement. There were specific discussions about whether to defer maintenance, so those resources could be used to pay the installment agreement. The conclusion was that Treasurer Henning would meet with Executive Director Kessler and Director of Administration & Finance Dylak to come up with an approach that could be presented at the Tuesday, September 24 Regular Meeting of the Board of Trustees.

5.3 Development of the FY 2021 Budget & Approved Timeline

Director of Administration & Finance Dylak presented the FY 2021 Budget assumptions, guidelines & approved timeline to the committee and stated that this was substantially the same presentation he gave in July of this year. He stated that because there would be less General Fund property tax revenue, the FY 2021 Budget will look very similar to FY 2020 budget. Both the expenses and revenues are based off of the 2020 budget and projected forward with the assumptions presented.

Director of Administration & Finance Dylak stated that the 2019 Levy was reduced by $123,681.00. Farm lease revenue for FY 2021 equaled an increase of $94,974.00.

Director of Administration & Finance Dylak reviewed the expense assumptions for personnel for FY 2021 and stated that wages for non-contractual employees would increase 2%, plus the 4/7 year increases as per policy, union employee wages would increase according to their contracts, salary grades would increase 2%, seasonal wages will go up due to the new Illinois minimum wage increase to $11.00 per hour and the District is evaluating additional increases for seasonals due to having a hard time obtaining seasonal workers.

Director of Administration & Finance Dylak also mentioned that he included an increase to employee health insurance of 5%, an IMRF increase of 9.5% and that there will not be any new and/or full-time personnel brought on. He stated the managers are currently building their department budgets which are due by October 1st.

Director of Administration & Finance Dylak touched briefly on three FY 2022 budget planning scenarios and stated that while there are significant financial challenges that need to be addressed, it would be very difficult to address them within the accelerated timeline for the development of the FY 2021 budget.
Treasurer Henning stated that he would just like for everyone to know where the District is at so when it is time to vote on the budget, everyone knows what they are voting on.

5.4 Review of Professional Services Vendor List - $30K
Executive Director Kessler shared information about the current professional services vendor list the District currently utilizes, some being vendors that are used every year and others not used lately or often. Some areas may go out for Requests for Qualifications (RFQs) but the discussion of the list should be conducted to see if the Board of Trustees has any concerns or would like to know who all the District is doing business with.

President Scacci mentioned that as far as the attorney and engineering firms, the District has not gone out for requests for proposal on these services in about ten (10) years and they should be reviewed and maybe put out for quotation. He stated that as a board, they have a responsibility to go out and get good service for good pricing. He suggests that requests go out every so often to ensure that businesses are being fair with the District. Vice President Brandt stated that he does not agree with doing that and that we have qualified firms representing the District.

Executive Director Kessler mentioned that when seeking professional service vendors or keeping ones on hand (attorney’s, architects, engineers, appraisers), we cannot simply go off of financial status. The District would first need to select vendors based on qualifications through a formal RFQ process and then look at fees. The board completed a large search to add vendors on the current Professional Services Vendor List.

President Scacci stated that he still feels it is good to go out every now and again for bids on services. Vice President Brandt asked if there would be RFQs to go along with that. Executive Director Kessler answered, yes.

6.0 OTHER
There were none.

7.0 ADJOURN
A motion was made by Secretary Campbell, seconded by Trustee Fritz, to adjourn the meeting. A voice vote resulted in all ayes.
Motion passed unanimously. Meeting adjourned at 7:54 p.m. September 16, 2019.

Respectfully submitted,

John Henning, Treasurer

Carolyn Campbell, Secretary

[Signature]

Date 10-22-19