

**McHENRY COUNTY CONSERVATION DISTRICT  
BOARD OF TRUSTEES  
COMMITTEE OF THE WHOLE  
MINUTES OF JUNE 18, 2020**

**1.0 CALL TO ORDER**

The scheduled Committee of the Whole Meeting of the Board of Trustees of the McHenry County Conservation District was called to order at 5:08 p.m. by President Scacci on the evening of Thursday, June 18, 2020, via Video Conference by ZOOM Communications Platform under Gubernatorial Disaster Proclamation - Executive Order 2020-07 in response to COVID-19 (COVID-19 Executive Order No. 5), as amended by 2020-33- COVID 19 Executive Order No. 31) and as reissued and extended by Executive Order 2020-39 - Executive Order in Response to COVID-19 (COVID-19 Executive Order No. 37) Suspending the Open Meetings Act (5 ILCS 120/2 &120/7) which limits remote participation of the public body and requiring a quorum be physically present in a public space. The meeting was available for public access through the same logon and meeting code as the Trustees. Trustees were present at Brookdale Administrative Offices and were connected to the ZOOM Communications Platform through a shared connection on a laptop.

President Scacci stated that he had determined that it was not practical or prudent to hold the public meeting of the Board of Trustees in person with members of the public due to the current pandemic (PA 101-0640)

The Committee of the Whole Meeting of the Board of Trustees of the McHenry County Conservation District was then called to order at 5:08 p.m. by President Scacci on the evening of Thursday, June 18, 2020, at the Brookdale Administrative Offices, 18410 US Highway 14, Woodstock, Illinois 60098 and via Video Conference by ZOOM Communications Platform. The meeting was recorded and was posted to [www.MCCDistrict.org](http://www.MCCDistrict.org) the following morning.

**2.0 INTRODUCTORY ROLL CALL**

**2.1 Roll Call**

Trustees Present: Vern Scacci, President  
Dave Brandt, Vice President  
John Henning, Treasurer  
Carolyn Campbell, Secretary  
Bill Cook, Trustee  
Patrick Fritz, Trustee  
Linda Thomas, Trustee

Counsel & Staff Present: Andrew S. Paine, Counsel (remote)  
Elizabeth S. Kessler, Executive Director  
John Kremer, Director of Operations & Public Safety (remote)  
Andy Dylak, Director of Finance & Administration (remote)  
Ed Collins, Director of Land Preservation & Natural Resources (remote)  
Wendy Kummerer, Director of Marketing & Education (remote)  
Anne Basten, Executive Assistant

Others Present: Other members of the staff and public.

### 3.0 PUBLIC COMMENTS I

There were no public comments made.

### 4.0 NEW BUSINESS

#### 4.1 Discussion on Resolution #20-54, a Resolution adopting a Financing Strategy to Pay Off the \$4.3 Million Dollar Pichen Installment Loan in FY 2021

Director of Finance and Administration Dylak reviewed the history of the financing of the Pichen Parcel Installment Loan. The parcel was purchased for \$6.5 million and \$200,000 was paid directly to the owner. \$6.3 million was borrowed under a 10-year term (2007-2016) at 2.5% interest which was a very favorable rate at that time. A \$1.5 million possession payment was made in September 2011 and another \$500,000 was paid in December 2016 to extend the contract to December 31, 2021. \$4.3 million is the current loan balance with annual interest payments of \$107,500.

The market is again favorable for bonds.

Director of Finance and Administration Dylak then reviewed a chart showing various options to pay off the loan in full on its due date of December 2021. He explained the strategies of each option comparing upfront payments, annual Debt Service Payments, costs to the District, estimated ending reserves as of March 31, 2026, the Reserves as a percentage of the Operating Expenses (understanding that it is the direction of the Board and a good business practice to have at least 25% annual operating expenses in Reserves), and the estimated Reserves in excess of the 25% which could be used to fund the Capital Asset Management Plan. He also included the Average Annual Lost Interest Revenue.

Director of Finance and Administration Dylak stated that he believes that Option 7 was the best compromise solution to achieve the retirement of the loan at this earlier date.

The plan includes: Using \$1.9 million from General Fund and Natural Resource Special Revenue Fund (already approved in the FY 2021 budget) and the issuance of \$2.34 million in Debt Certificates in Fiscal Year 2020-2021; issuing non-referendum General Obligation Bonds in 2026 for a term of 1 year to pay off the \$2.34 million in Debt Certificates; and, paying off those \$2.34 million in General Obligation Bonds in full in 2027.

This strategy would result in NO TAX INCREASES to the tax payers 2021-2026 as interest on the Debt Certificates would be paid through non-tax revenues or reserves and identified in the budget planning process. They cannot be levied for debt service payment. The District would pay interest only payments estimated to be \$204,986 until paid off in 2026.

In 2026, the District would issue non-referendum General Obligation Bonds (GO Bonds) to pay off the Debt Certificates. These GO Bonds would have a 1-year maturity. The last tax levy on the 2007 Referendum approved GO Bond Debt Service matures in 2025 and the combination of the issuance of the non-referendum GO Bonds and the maturity of the Referendum Bonds will result in a 50% reduction in total taxes levied to the taxpayers in 2026 (payable in 2027).

In 2027, the non-referendum GO Bonds would mature resulting in a further reduction of 19% of the District's tax levy for 2027 (payable in 2028).

Director of Finance and Administration Dylak included graphs of outstanding GO Bonds for other similar agencies in the collar counties and their Principal Payment Schedules through 2038.

In summary, Director of Finance and Administration Dylak shared that this payment plan Option 7 will result in an overall savings of \$1,987,354 compared to if the property had been purchased outright using Referendum Bonds at their much higher interest rate.

It was the consensus of the Board of Trustees to move forward with voting on the Pichen Installment Finance Strategy as proposed through Option 7 at the June 23, 2020 Board of Trustees Meeting.

#### 4.2 Review of June 23, 2020 Regular Meeting Agenda Items

Vice President Brandt noted that the ADP Payroll pages were missing and he was advised they would be sent before the Tuesday meeting.

### 5.0 EXECUTIVE SESSION

*At 5:57 p.m., a motion was made by Trustee Thomas, seconded by Trustee Cook, to go into Executive Session pursuant to 2C1 (Personnel), 2C11 (Pending Litigation), and 2C21 (Review of Closed Session Minutes) of the Open Meetings Act. A roll call vote gave the following results: Brandt-yes, Campbell-yes, Cook-yes, Fritz-yes, Henning-yes, Thomas-yes, Scacci-yes.*

Motion passed unanimously.

### 6.0 RECONVENE

The meeting was reconvened to order at 7:36 p.m. by President Scacci on the evening of Thursday, June 18, 2020 via Video Conference by Zoom.

#### 6.1 Roll Call

Trustees Present: Vern Scacci, President  
Dave Brandt, Vice President  
John Henning, Treasurer  
Carolyn Campbell, Secretary  
Bill Cook, Trustee  
Patrick Fritz, Trustee  
Linda Thomas, Trustee

Counsel & Staff Present: Andrew S. Paine, Counsel (remote)  
Elizabeth S. Kessler, Executive Director  
Wendy Kummerer, Director of Marketing & Communications (remote)  
Anne Basten, Executive Assistant

### 7.0 PUBLIC COMMENTS II

There were no public comments.

**8.0 ADJOURNMENT**

A motion was made by Trustee Thomas, seconded by Treasurer Henning, to adjourn the meeting. A roll call vote gave the following results: Fritz-yes, Cook-yes, Brandt-yes, Thomas-yes, Campbell-yes, Henning-yes, Scacci-yes.

Motion passed unanimously. Meeting adjourned at 7:37 p.m. June 18, 2020.

Respectfully submitted,

Carolyn Campbell  
Carolyn Campbell, Secretary

7-21-2020  
Date