

**MCHENRY COUNTY CONSERVATION DISTRICT
BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE
MINUTES OF NOVEMBER 17, 2022**

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 5:00 p.m. on the evening of Thursday, November 17, 2022, by President Cook at the Brookdale Administrative Offices and via video conference software by ZOOM.

The meeting was available for public access through the same log-on and meeting code as the Trustees. All Trustees were present in person at the Brookdale Administrative Offices and were connected to ZOOM through individual devices for video and a shared connection via conference phone for audio.

The meeting was recorded and posted on YouTube with an accessible link at www.MCCDistrict.org.

2.0 PLEDGE OF ALLEGIANCE

The pledge was led by President Cook.

3.0 INTRODUCTORY ROLL CALL

3.1 Roll Call

Trustees Present: Bill Cook, President
Christopher Dahm, Vice President
Pat Fritz, Treasurer
Linda Thomas, Secretary
Reynaldo Gaytan, Jr., Trustee
Shawn Zimmerman, Trustee
Llyod Everard, Trustee

Staff & Others Present: Kelli Wegner, County Board Liaison (Remote)
Elizabeth S. Kessler, Executive Director
Ed Collins, Director of Land Preservation & Natural Resources
Andy Dylak, Director of Administration & Finance (Remote)
John Kremer, Director of Operations, Planning & Public Safety
Wendy Kummerer, Director of Marketing & Education (Remote)
Kristi LaMontagna, Executive Administrative Assistant
Laura King, Police Chief (Remote)
Jenny Heider, Human Resources Manager (Remote)
Jean Gerstbrein, Accounting Manager (Remote)
Becky Lambert, Education Services Manager (Remote)
Amy Peters, Planning & Development Manager (Remote)
Val Siler, Land Administration & Preservation Manager
Perry Weborg, Operations Manager (Remote)

4.0 PUBLIC COMMENTS I

President Cook asked if there were any members of the public in attendance wishing to make any comments.

There were no comments received.

5.0 PRESENTATIONS

5.1 Preliminary FY 2024 Budget Presentation

Executive Director Kessler gave a brief presentation to the Board of Trustees on the preliminary FY 2024 Budget.

Executive Director Kessler mentioned that the Tentative Combined Annual Budget will be presented on January 12, 2023, and that a public hearing will be set for February 16, 2023, with a Board vote on the Final Combined Budget and Appropriation Ordinance on February 21, 2023, before going to the County Board for final approval in March of 2023.

Executive Director Kessler provided a brief update on the change in fund balances for FY 2024, mentioning that total revenue for FY 2024 is budgeted at \$27,952,683 and total expenditures budgeted at \$28,892,824 which results in a change in final fund balance of \$940,141 for all funds.

Executive Director Kessler gave a few highlights on the General Fund, mentioning that the total budgeted revenues are set to increase by \$854,598 or 8.6%, total non-capital expenses are budgeted to increase by \$546,415 or 5.5%, the total personnel costs are budgeted to increase by \$300,665 or 3.9% and the total capital expenses are budgeted at \$894,600, which is an increase of \$247,917 over the prior year.

Executive Director Kessler continued with an overview of the General Fund revenue streams and then confirmed prior discussions related to personnel with a total wage increase of 6.2% over prior year and an annual economic increase of 4.7% for non-contractual employees which will take effect on April 1, 2023 with an increase of 1% in total wages for adjusting wages for 9 employees with the 4/7 Plan which recognizes those individuals who on their work anniversary will celebrate four or seven years with the District. Seasonal wages will increase by ½% of 1% and the retirements and insurance budgeted is to decrease by 2.5%.

Executive Director Kessler continued briefing the Board by going over CAMP Funds and the Dedicated Accounts which was the same as presented in September 2022, moving onto the Debit Service Funds whereby the total expenditures of \$13.1 million is required for contractual payments that are due on \$48.3 million outstanding General Obligation Bonds and \$2.3 million outstanding in debts certificates.

Executive Director Kessler talked to the Board about the Natural Resources Special Revenue Fund which for FY 2024, is similar to the prior year, with a \$744,000 mitigation bank sales credit that is not available at this time but is anticipated. The proposed budget supports two full-time restoration ecologists, one full-time habitat technician, seven seasonals, and 50% of full-time volunteer coordinator.

Executive Director Kessler discussed the budgeted capital expenses with a total capital increase of \$894,600; \$247,917.00 from the prior year that includes \$289,000 of re-appropriations of five vehicles and an additional \$45,600 of capital expenses identified as since the information was preliminarily presented at August 2022 meeting.

Trustee Everard mentioned about the pension and insurance for employees going down, commenting that was unusual.

Executive Director Kessler commented that the District is part of the IPBC (Intergovernmental Personnel Benefit Cooperative) which has been effective in rate stabilization.

Director of Administration & Finance Dylak explained that the insurance premium is going up about 2 ½% on an annualized basis and was locked in for 18 months. The savings is a result of the IMRF Pension retirement rate budgeted to go down by more than 10%. The sum the two together results in total benefits going down.

President Cook asked the Board if anyone else had any more questions regarding the budget presentation.

Trustee Zimmerman asked if the compensation study for \$25,000 is accurate.

Executive Director Kessler stated that this is the amount the District has budgeted for the work. The real cost for the study will be known when proposals are received next month, and a firm selected. It is envisioned that a portion of the consultant's work will be invoiced in the current fiscal year and the remainder in FY 2024.

6.0 NEW BUSINESS

President Cook asked the Board to look over the draft meeting dates for 2023 that were included in the meeting packet.

6.1 Review of Regular Meeting Agenda Items for November 22, 2022

Treasurer Fritz asked why Resolution #22-87 was being rescinded.

Executive Director Kessler explained that there was an error in the way the motion was written up on the Consent Agenda with the percentages and due to said error, Resolution #22-87 needed to be rescinded since it was approved at October's Board with incorrect data and that a new resolution, Resolution #22-95 will be present at this month's Board with the correct data.

There were no other comments or question on the review of the regular meeting agenda for November 22, 2022.

6.2 School Springs Wetland Mitigation Bank Sales - McHenry County Division of Transportation

President Cook stated that what stood out to him was that the District was discounting the wetland by twenty percent (20%) and believes this would establish a sense of precedent for dealing with the McHenry County Division of Transportation (MCDOT) or perhaps any other government agency.

President Cook then mentioned that it was explained to him that there is language in our policy document that states that the District is open to cooperating with other government agencies, suggesting that the District might discount the value of these assets.

President Cook mentioned that the discounted rate of 20% was suggested by the McHenry County Division of Transportation (MCDOT) and was not sure how the Board felt about this suggestion and whether the District should negotiate a smaller discount because these are assets, the District may want to be cooperative to other governmental agencies; however, the District should dictate the terms not the other way around.

Director of Land Preservation & Natural Resources Collins gave the Board a brief history with the McHenry County Division of Transportation (MCDOT) and mentioned that the District has a very long history with McHenry County Division of Transportation (MCDOT) in terms of wetland mitigation which stretches back at least a decade.

Director of Land Preservation & Natural Resources Collins mentioned that the difference between what the District is proposing and what has been proposed in the past is that the District would do individual project mitigation, road repairs and bridges that MCDOT was working on or thought that they were working on, the District would find a specific site and the mitigation would begin on that site or individual project.

Director of Land Preservation & Natural Resources Collins mentioned at the time the average rate the District was receiving was about \$35,000 an acre for wetland mitigation. Once the bank was established the District reviewed and back then wetland mitigation credits were not moving fast during the downturn.

Director of Land Preservation & Natural Resources Collins said that once the District established the bank and the economy picked up again, the District looked at all the going rates in the area and that is how the District came up with the proposal that the Board approved for the existing price record that the District has.

Director of Land Preservation & Natural Resources Collins also mentioned that the District has a long history of cooperating with McHenry County Division of Transportation (MCDOT) on projects that are specific to McHenry County, most of the sales the District has made so far have been to government agencies and they have not asked or received a discount.

President Cook stated that this is a practical matter and that the current rate or market rate is \$96,000 per acre of wetland and that the rate that this is being presented at is \$80,000 per acre or a twenty percent (20%) discount and we are talking about 3.3 acres.

President Cook mentioned that they are going to pay full market rate for the linear feet of stream bank.

Vice President Dahm asked if this is a give and take kind of situation.

Treasurer Fritz asked if there is something the District will get in exchange for the discounted rate.

Director of Land Preservation & Natural Resources Collins stated that the McHenry County Division of Transportation (MCDOT) has additional credits of significant numbers that are going to be coming up in the next few years for additional bridge projects, possibly somewhere in the area of ten (10) to fifteen (15) credits and the Board of Trustees should be aware that going forward there is additional revenue to be generated.

County Board Liaison Wegner commented that the County Board passed a resolution Tuesday night regarding this topic for the full credit pricing of \$96,000 an acre for 3.33 acres and 300 feet was \$499,680.

Director of Land Preservation & Natural Resources Collins commented that he did not want to speak for the McHenry County Division of Transportation (MCDOT) but he thinks that they did not want to assume that the District's Board would agree to a discount, and they do need to get their credits lined up for their projects and he believes that is why that figure came through the County Board.

County Board Liaison Wegner then commented that she was looking at the documentation that says the price per acre is \$96,000 and in parentheses pending approved approval of government discount, she was under the impression that the County Board voted on this and that was the government discount. No one has explained differently to the County Board and that they have approved a full amount and to keep that in mind when discussing this item.

President Cook mentioned that the District is in kind of a cat bird situation but obviously being a County organization, the District is in the business of serving taxpayers.

Executive Director Kessler mentioned that the District has worked cooperatively with County and that has served the District well on many levels over the years and one of the things that staff has talked about in reviewing this sale and request and other changes to the policy is that with inflation, staff needs to reassess rates for credit sales and plans to come back to the Board with a revised rate for discussion next month.

Trustee Zimmerman asked what the history of this account was.

Executive Director Kessler stated that the District is new to the wetland banking business.

Director of Land Preservation & Natural Resources Collins stated that this is the District's first bank.

Land Administration & Preservation Manager Siler commented that he is on the sales review team who is involved in administering the policy and the policy says something to the effect that the District may establish a discount for government partners or something like that so in his opinion, approving a sale at a given price does not establish a precedent for a set discounted rate going forward.

Trustee Everard commented that he is in support of not providing a discount.

Vice President Dahm commented that he would rather go with staff's recommendation.

Director of Operations, Planning & Public Safety Kremer mentioned that this crosses over into a different area, when you are talking about the partnership, there have been times when the District did not have the resources to complete a section of a bike path and the McHenry County Division of Transportation (MCDOT) came in and did it for the District and they have also paid for local maps. He noted over twenty years ago the relationship was very contentious but over the years the District has built a positive and collaborative working relationship with them.

Director of Land Preservation & Natural Resources Collins mentioned that the District has worked with the McHenry County Division of Transportation (MCDOT) to establish a good working relationship.

President Cook asked if the amount of \$96,000 was pulled from the active market.

Director of Land Preservation & Natural Resources Collins stated that yes it was and the District will be sold out of wetland credits with this sale but more will come available in the spring.

Trustee Everard stated that he would like to withdraw his earlier opinion.

Trustee Gaytan commented that if staff feels that twenty percent (20%) is reasonable, he would be okay with that.

Vice President Dahm mentioned that the Board is not the ones dealing with this daily as staff is.

President Cook commented that the Board concurs to move forward.

Executive Director Kessler mentioned that this will be an action item for consideration during the Regular Monthly Board of Trustees meeting during Other Board Business on Tuesday night's meeting.

6.3 Request for Twelve-Year Extension to Tax Increment Financing (TIF) District - City of McHenry

Executive Director Kessler mentioned that normally the District has not taken a position on TIF Districts and has elected to remain neutral and not attend any hearings and meetings because as a County wide organization the impact to the District is di minimis as compared to a school district or another unit of government within the municipality.

Executive Director Kessler mentioned in this case, this is an extension, not a request to establish a new TIF District. The City of McHenry is trying to work to build upon the Fox River Waterfront Area which is good for tourism and development and their growth and project vision cannot move forward to obtain an extension unless they obtain a letter of support for all taxing bodies because of the required legislative procedures.

County Board Liaison Wegner mentioned that the County passed a Resolution on Tuesday night in support of this and the reason why it is an extension and not a completely new ask is because they only want twelve years and because what they

were trying to accomplish in the past of twenty-one years was fully done due to various reasons.

Vice President Dahm mentioned that if there are no negative effects on the environment and what the District stands for, he is okay with this.

7.0 EXECUTIVE DIRECTOR'S REPORT

Executive Director Kessler briefed the Board of Trustees on a few items of interest. The District assisted the Paddle the Kish group this past year which has gone well. One of the things that was discussed during the process was the challenges for paddlers on having the ability to access waterways because of limitations.

Executive Director Kessler has been participating on legislative calls with the Illinois Environmental Council and other partners from paddling and environmental groups, including the Illinois Association of Park Districts. The groups have been working on introducing legislation to clarify language and the District along with IAPD provided some additional language to protect public entities before the bill was sent on the Legislative Research Bureau. House Bill 5844 has been introduced in veto session and she will send information out to the Board of Trustees.

Executive Director Kessler mentioned that the Friends of Hackmatack had their t10-Year Anniversary Celebration and Art Show at the Dole Mansion. She gave kudos to Director of Land Preservation & Natural Resources Collins and his leadership with the Friends of Hackmatack and noted that it has been a great partnership with the District and it is wonderful to celebrate the success and creation of the refuge.

Executive Director Kessler mentioned that the District had a table at the Green Living Expo that went very well.

The Leadership Team held a Strategic Planning Retreat these past two days and worked on a framework to be discussed with our Board and the Foundation Board in early 2023 in an effort to establish a three to five year Strategic Plan and shared vision for the future. A new Doodle Poll will be distributed as the date selected for the meeting did not work for several Trustees.

Executive Director Kessler continued with her updates to the Board letting them know that the Winter Landscapes Magazine is available.

Lastly, she let the Board of Trustees know that Natural Resources Manager Brad Woodson will be retiring from the District on December 16th and that he has been with the District for thirty-one years. As customary, the Board of Trustees will celebrate and recognize him with a Resolution in December.

8.0 OTHER

President Cook asked if any of the Trustees wanted to pull anything from the Treasurer's Report. There were no specific requests from the Trustees.

President Cook asked about the chainsaw safety specialist charge in the bills for \$1,491.89, mentioning that because the District has a lot of employees in the Natural Resource Management Department who operate chainsaws and asked why the District goes outside our internal group for safety certification.

Director of Land Preservation & Natural Resources Collins stated that part of it is because the District must have a certain accreditation in order to teach the class and part of it is the District also teaches volunteers and seasonal employees which is a reoccurring thing.

President Cook suggested that if we had someone on staff who was a certified instructor, the District would save money.

Director of Land Preservation & Natural Resources Collins mentioned that he would go back and check to see if someone in the Land Preservation and Natural Resources Division could become certified for this.

President Cook mentioned that he does not have any issues with this charge but that it is a big enough charge to investigate saving that money each time.

Operations Manager Weborg shared that the charge was for the Operations Department and this charge is not an annual charge but something that is done every three years and that the training is specialized. The District does their own training on a regular basis.

President Cook thanked Trustee Everard and Vice President Dahm for participating with Working Group No. 1 to explore future funding options and thanked Trustees Zimmerman and Gaytan for volunteering to help with the Auditor RFP review process.

President Cook let the Board know that there will be another Working Group after the first of the year and that the Board needs to have representation at these workshops, restricted to two Board members in order to stay compliant with the Open Meetings Act and that these would be meetings via Zoom.

Trustees Everard and Zimmerman volunteered to be in the next working group with Trustee Gaytan serving as back-up if needed.

Trustee Everard asked if there was anything else on the recent vehicle accident at The Hollows Conservation Area.

Police Chief King mentioned that there are no real updates at this time, but that Officer Chris Murison was investigating, and this incident was a reported accident at US Route 14 and Three Oaks that was dispatched out of McHenry County Sheriff's Office at first and then District Police went out to this location to assist and could not find an accident in that area.

Police Chief King then mentioned that District Police and McHenry County Sheriff's Office eventually found the accident to be in The Hollows Conservation Area where Officer Murison responded; however, there was a delay in response time due to the McHenry County Sheriff's Office spending time searching the area of accident that could not be found from the information reported to police but Officer Murison continues to investigate.

Police Chief King mentioned that there was no real property damage to District property, and no one was hurt except for a minor thumb injury.

9.0 PUBLIC COMMENTS II

President Cook asked if there were any members of the public in attendance wishing to make any comments.

There were no comments received.

10.0 EXECUTIVE SESSION

There was no need for an Executive Session.

12.0 ADJOURNMENT

A motion was made by Trustee Zimmerman, seconded by Secretary Thomas, to adjourn the meeting. A roll call vote gave the following results: Everard-yes, Dahm-yes, Thomas-yes, Zimmerman-yes, Fritz-yes, Gaytan-yes, and Cook-yes.

Motion passed unanimously. Meeting adjourned at 6:02 p.m. on Thursday, November 17, 2022.

Respectfully submitted,



Linda Thomas, Secretary



Date