



FOREST PRESERVE DISTRICT OF KANE COUNTY

EXECUTIVE COMMITTEE CLOSED SESSION MINUTES

JANUARY 5, 2018

I. Call to Order

The Forest Preserve District Executive Committee meeting was held Friday, January 5, 2018 at 9:00 AM at the Administration Offices located at 1996 S. Kirk Road, Suite 320, Geneva, IL 60134. The meeting was opened by President Michael Kenyon at 8:38 AM.

Attendee Name:

Status:

Commissioner Deborah Allan	Present
Commissioner Margaret Auger	Present
Commissioner Theresa Barreiro	Present
Commissioner Brian Dahl	Present
President Pro Tem Mark Davoust	Absent
Commissioner Drew Frasz	Present
Commissioner Rebecca Gillam	Present
Commissioner John Hoscheit	Present
President Michael Kenyon	Present
Secretary Philip Lewis	Present
Commissioner Thomas Smith	Present
Commissioner Barbara Wojnicki	Present

Others Present:

Staff: Monica Meyers, Executive Director, Ben Haberthur, Director of Natural Resources, Jerry Culp, Director of Planning and Development, Jerry Hodge, Attorney, Ellen J. Maglio, Recording Secretary

II. Closed Session to Discuss Land Acquisition, Contracts, Litigation, and Personnel: Contracts Discussion

Executive Director Monica Meyers, distributed a handout with the information and explained the following:

THIRD AMENDMENT TO THE SECOND AMENDED AND RESTATED LICENSE AGREEMENT WITH THE COUGARS BASEBALL PARTNERSHIP

- Defers the last two quarterly payments from 2017; totaling \$400,000. To be paid in equal \$200,000 installments in 2020 and 2021 (September 30).
- Interest shall be paid on the \$400,000 Deferred Payments at a rate of 6% per annum from the original dates due. Payments shall be applied to interest first and then against principal.

- 15% shall be paid on revenues exceeding \$8 million until all outstanding Deferred Payments are paid in full.
- Percentage fee shall return to 12% on revenues above \$8,250,000 once Deferred Payments are paid in full.
- Personal guarantee from Dr. Froehlich
- Shareholder and/or other principal indebtedness shall be subordinate to the District Deferred Payments.

The Cougars were unable to make their last two quarterly payments from 2017 so those two payments are to be deferred. Gerry Hodge, District's attorney then explained that he has reviewed the personal financial statements and feels that the personal guarantee is sufficient. Commissioner Gillam asked if the PG is manifested. Attorney Hodge said yes, it is written into the agreement.

He also stated that if the Cougars' can get their payables in order, then the organization can pay the debt and the personal guarantee of Dr. Bob will not have to come into play.

Executive Director Meyers explained that there were some extenuating circumstances that have created this situation. Dr. Bob has funded some substantial capital improvements which totaled over \$1m dollars, he introduced a rebranding, and he also adopted several vendor contracts for concessions that have caused a strain in the revenue dollars received to the organization.

Commissioner Allan, asked about the bond payments and how that would be paid. Director Stanish explained that we have covered the November payment using the Enterprise Fund. This fund has reserves that may be used, but will not be enough to run through the debt until 2027.

There were several other questions regarding the fact that no one wants the stadium sitting empty. The interest payments will be made at the time of payments and is calculated based on the quarterly payment amount. Commissioner Hoscheit stated that he does not expect to have these problems repeated as the concession agreement will be over in 2020 and the capital improvements have been completed.

The Cougars are working on several revenue opportunities.

Director Stanish explained that the bond payments are \$610K annually. The amount was lowered when the bonds were refinanced in February. This year we received about \$500k from the Cougars so we needed to use about \$110K from the fund balance in the Enterprise Fund.

The Quarterly payment restructured as of the last amendment to the agreement. They are 1st quarter (April) \$50,000, 2nd and 3rd (June & September) \$250,000, the 4th (December) is \$150,000; \$750,000 total.

The agreement will deferred the interest as well, unless they make the gross revenue then they will be applied to the interest first. They usually ask what the interest when they are prepared to make a payment.

Commissioner Hoscheit thanked staff and President Kenyon for the hard work with this, it is a difficult situation. Added to that because we are one of the few baseball stadiums that is not affiliated with a municipality. The municipality makes the revenues, our organization does not make revenues so the Cougars pay a higher rate of rent to compensate for the District's financial structure. He went on to explain that since the economy is getting to a better place, that this should help the Cougars as well. Also Director Stanish explained that the naming rights change from a bank, now allows other banks to advertise/sponsor there and this increases revenues.

Commissioner Hoscheit asked if we are still receiving residual payments from the previous owners. Director Stanish answered in the affirmative. \$12,500 per owner at the end of the year. This will go on for about 15 more years.

President Kenyon entertained a motion to adjourn Closed Session at 8:50AM by Commissioner Smith with a Second by Commissioner Allan. Voice vote unanimous; motion carried.

Michael Kenyon, Chairman
Forest Preserve District Executive Committee
Forest Preserve District of Kane County

Respectfully Submitted,

Ellen J. Maglio

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Recording Secretary