



FOREST PRESERVE DISTRICT OF KANE COUNTY

FINANCE AND ADMINISTRATION COMMITTEE MINUTES

I. Call to Order

The Finance and Administration Committee meeting was held Tuesday March 21, 2017 at 2:00 PM at the Administration Offices located at 1996 S. Kirk Road, Suite 320, Geneva, IL 60134.

The meeting was opened by Chairman Mark Davoust at 2:00 PM.

Members Present:

Attendee Name	Title	Status
Michael Kenyon	President	Present
Mark Davoust	Chairman	Present
Theresa Barreiro	Commissioner	Present
Brian Dahl	Commissioner	Present
Rebecca Gillam	Commissioner	Present
John Hoscheit	Commissioner	Absent
Don Ishmael	Commissioner	Absent
Bill Lenert	Commissioner	Present
Philip Lewis	Secretary	Absent
John Martin	Commissioner	Present
Penny Wegman	Commissioner	Present

Others Present:

Monica Meyers, Executive Director, Ken J. Stanish, Director of Finance, Jerry Culp, Director of Planning and Development, Laurie Metanchuk, Director of Community Affairs, John Goreth, Director of Operations, Tracey Smith, Director of Human Resources, Mike Gilloffo, Director of Public Safety, David Petschke, Accounting Manager, Anna Marano, Buyer, Caitlin Rodeghero, Administrative Assistant, Ellen J. Maglio, Recording Secretary

II. Approval of Minutes from February 28, 2017

RESULT:	ACCEPTED BY VOICE VOTE [UNANIMOUS]
MOVER:	Bill Lenert, Commissioner
SECONDER:	Brian Dahl, Commissioner
AYES:	Theresa Barreiro, Brian Dahl, Mark Davoust, Rebecca Gillam, Michael Kenyon, Bill Lenert, John Martin, Penny Wegman
ABSENT:	John Hoscheit, Don Ishmael, Philip Lewis

III. Public Comment (Each speaker is limited to three minutes) *None.*

IV. Bids and Proposals

A. Presentation and Approval of a Contract Extension with Waste Management Inc.

In an effort to reduce the cost of refuse removal, the District partnered with the County to secure a contract with Waste Management in April of 2014. The County is extending their existing contract to June 30, 2017. Waste Management has agreed to provide this extension to the District. The County is in the process of bidding the refuse and recycling service at this time and we will also be included in the bid specifications.

DISCUSSION: None.

RESULT:	MOVED FORWARD BY VOICE VOTE [UNANIMOUS]
TO:	FOREST PRESERVE EXECUTIVE COMMITTEE 4/7/2017 8:30 AM
MOVER:	Bill Lenert, Commissioner
SECONDER:	Brian Dahl, Commissioner
AYES:	Theresa Barreiro, Brian Dahl, Mark Davoust, Rebecca Gillam, Michael Kenyon, Bill Lenert, John Martin, Penny Wegman
ABSENT:	John Hoscheit, Don Ishmael, Philip Lewis

B. Presentation and Approval of a Contract Extension with Lauterbach & Amen, LLP, for Auditing Services

In Fiscal year 2014, the District conducted a request for proposal (RFP) for auditing services. Many firms were evaluated and the recommendation that was approved by the Commission was to award Lauterbach & Amen, LLP with a three-year contract for fiscal years 2014 through 2016. The District also included the option within the RFP to extend the contract for up to an additional 3 years if it so chooses. For fiscal year 2017, Lauterbach & Amen would keep the pricing the same as last year, \$24,400 for the standard audit and \$3,200 for a single audit (if required). Sufficient funds totaling \$27,600 are budgeted within the General Fund; Audit Management Account #01-12-12-5010 for these services.

DISCUSSION: Commissioner Gillam asked what the criteria was for a single audit. Director Stanish explained that grants using federal funding of \$750,000 or more require a single audit of the reimbursement packet, prior to submission to funding agency.

RESULT:	MOVED FORWARD BY VOICE VOTE [UNANIMOUS]
TO:	FOREST PRESERVE EXECUTIVE COMMITTEE 4/7/2017 8:30 AM
MOVER:	Theresa Barreiro, Commissioner
SECONDER:	Brian Dahl, Commissioner
AYES:	Theresa Barreiro, Brian Dahl, Mark Davoust, Rebecca Gillam, Michael Kenyon, Bill Lenert, John Martin, Penny Wegman
ABSENT:	John Hoscheit, Don Ishmael, Philip Lewis

C. Presentation and Approval of a Contract Extension for Money Manager Services from Sawyer Falduto Asset Management, LLC.

In June of 2015, the Commission approved a two-year contract for money manager services with Sawyer Falduto Asset Management, LLC based on results of an RFP. Their proposal included a guaranteed fee of 0.15% of market value of assets under management for a period of ten years. Included within this fee are the following:

- Investment Policy drafting, review and updating as needed
- Acceptance of Fiduciary Responsibility
- Fixed Income Management
- Coordination of Custodial Services
- Monthly Statements via Schwab Institutional
- On-line Access via Schwab Institutional
- Quarterly Performance Reports
- Attendance at Quarterly Board Meetings or with Finance Department
- Direct Access to the Sawyer Falduto Managing Partners

Staff reviewed all investment performance for the 2016 calendar year as provided below.

Investment	Amount Invested	Net Annualized Return
Sawyer Falduto Asset Management, LLC	\$1,000,000	1.17%
Kane County Treasurer	\$3,000,000	0.74%
IMET Convenience Fund (Money Market)	Varies	0.50%

Both Sawyer Falduto and the Kane County Treasurer investments were looked at to increase returns for fund balances for the General Fund, the Enterprise Fund and the Debt Service Fund. All three funds currently have a piece in either both or one investment vehicle. Balance of each fund and investment are as follows:

Fund	Investment	Amount (as of 12/31/16)	Fund Balance (as of 6/30/16)	Available to Invest
General	Sawyer Falduto	\$508,475	\$3,968,512	\$2,129,101
	Kane County	\$1,330,936		
Enterprise	Sawyer Falduto	\$508,475	\$3,361,224	\$1,521,813
	Kane County	\$1,330,936		
Debt Service	Kane County	\$362,983		

If the Committee would like to invest additional funds in order to maximize returns, the District could move funds from the County to Sawyer Falduto, reduce the amount of fund balance that is currently in the money market or a combination of both. Staff believes that moving an additional \$2 million - \$3 million would increase investment returns and better utilize funds that are designed to be set aside for a longer period.

Keep in mind that all investments made by Sawyer Falduto can always be sold on the open market if the District ever needed access to the funds.

DISCUSSION: Commissioner Lenert asked if this was based on a one year performance. Director Stanish explained that it was a calendar year analysis. A vote to continue the contract for Sawyer Falduto services was accepted and Staff was directed by recommendation of this Committee to proceed with the moving all of the money in the County fund to be used by Sawyer Falduto for further investment.

RESULT:	MOVED FORWARD BY VOICE VOTE [UNANIMOUS]
TO:	FOREST PRESERVE EXECUTIVE COMMITTEE 4/7/2017 8:30 AM
MOVER:	Rebecca Gillam, Commissioner
SECONDER:	Brian Dahl, Commissioner
AYES:	Theresa Barreiro, Brian Dahl, Mark Davoust, Rebecca Gillam, Michael Kenyon, Bill Lenert, John Martin, Penny Wegman
ABSENT:	John Hoscheit, Don Ishmael, Philip Lewis

VI. New or Unfinished Business

A. Presentation and Approval of the Spring 2017 Surplus Vehicles and Equipment

In 2013, the District began using an on-line auction house to dispose its surplus vehicles and equipment with good results. Staff is requesting the Committee declare the 2017 Surplus Vehicles and Equipment list as surplus and approve disposing of them through an on-line auction service. List is available online.

The results of last year's auctions shows the District earned \$40,779 through the sale of various surplus equipment and vehicles. Staff views these results as being very good with most items having numerous bids submitted. All proceeds from the auction go into the General Fund; Sale of Material Account #01-00-00-3070.

DISCUSSION: None.

RESULT:	MOVED FORWARD BY VOICE VOTE [UNANIMOUS]
TO:	FOREST PRESERVE EXECUTIVE COMMITTEE 4/7/2017 8:30 AM
MOVER:	Rebecca Gillam, Commissioner
SECONDER:	Bill Lenert, Commissioner
AYES:	Theresa Barreiro, Brian Dahl, Mark Davoust, Rebecca Gillam, Michael Kenyon, Bill Lenert, John Martin, Penny Wegman
ABSENT:	John Hoscheit, Don Ishmael, Philip Lewis

B. Presentation and Approval of the District's Cafeteria 125 Plan Document

A 125 Cafeteria Plan ("Plan") document is a legal document required under IRS Tax Code that allows employees to make pre-tax payments for insurance premiums, health care, FSA, and dependent care. Prior to 2016, the District utilized the County of Kane's Plan while participating in the County's health insurance. Now that the District manages its own health insurance and FSA plan, it is necessary to have a Plan documenting the District's benefits regarding pre-tax payments. Attorney Monica Lasky, of Laner Muchin,

reviewed the 125 Cafeteria Plan document as well as a Cafeteria Plan Summary that will be used to communicate the Plan to employees and a Cafeteria Plan election form (Compensation Reduction Agreement), which gives employees the opportunity to approve pre-tax deductions from their paycheck. Laner Muchin charged the District a flat rate of \$3,750 to draft a Cafeteria Plan, Plan Summary, and Compensation Reduction Agreement. There is no further financial impact to implementing the 125 Cafeteria Plan document.

DISCUSSION: *Commissioner Lenert asked if there were any additional fees, because this one flat fee is an excellent cost savings. Director Smith confirmed this was a flat fee for all the services. Commissioner Martin asked if the plan required an annual audit. Director Smith responded that Lanier Muchin was confident, that barring a complex requirement change, there would be no need for an annual audit.*

RESULT:	MOVED FORWARD BY VOICE VOTE [UNANIMOUS]
TO:	FOREST PRESERVE EXECUTIVE COMMITTEE 4/7/2017 8:30 AM
MOVER:	Bill Lenert, Commissioner
SECONDER:	John Martin, Commissioner
AYES:	Theresa Barreiro, Brian Dahl, Mark Davoust, Rebecca Gillam, Michael Kenyon, Bill Lenert, John Martin, Penny Wegman
ABSENT:	John Hoscheit, Don Ishmael, Philip Lewis

C. Presentation and Approval of Authorizing Participation by Specific Elected Officials in the Illinois Municipal Retirement Fund (IMRF)

The Forest Preserve District Commission is a participant in the Illinois Municipal Retirement Fund (IMRF). District President and Commissioners may elect to participate in IMRF if they are in positions normally requiring performance of duty for 600 hours or more per year.

Per the Committee's direction, the District requested a written opinion on the District's responsibility toward Public Act 99-900. IMRF's general counsel Kathy O'Brien's response is attached. In summary, Ms. O'Brien indicated that the District is exempt from the Act, because it is a separate unit of government from the County of Kane and the Act only applies to county boards. In a follow-up phone call with Ms. O'Brien, she clarified a few details. Ms. O'Brien mentioned that IMRF sent out Special Memorandum #337 (attached) on approximately March 6. The memo referenced IMRF Board Resolution 2017-02-13, which requires recertification of IMRF eligibility every two years for all elected positions. This new Board rule requires all governing bodies of units of government with elected positions participating in IMRF to pass new resolutions re-affirming that the positions meet the IMRF hourly standard of 600 hours.

The District must pass the resolution by September 1, 2017. If IMRF does not receive a new resolution by September, the District's elected officials will no longer be eligible to participate in IMRF and will be administratively terminated by IMRF. A draft resolution is attached.

At the March Executive Committee, many committee members indicated a desire to opt-out of the District's IMRF plan. Ms. O'Brien stated that, if the District's resolution does not include "Commissioners" as an eligible position, Commissioners do not need to send IMRF an opt-out letter. IMRF will automatically change their status to "inactive" until such time the Commissioners elect to draw a pension.

The options are as follows:

- Option 1: List "President" on the resolution.
- Option 2: Do not approve any participation by elected officials in the IMRF program.

Note- the general term of "Commissioners" is no longer an option of eligibility as some commissioners have already opted out of IMRF.

Commissioners receive IMRF contributions against their commission meeting attendance per diems. The per diem and the District's IMRF contribution portion are currently budgeted.

DISCUSSION: None.

RESULT:	MOVED FORWARD BY VOICE VOTE [UNANIMOUS]
TO:	FOREST PRESERVE EXECUTIVE COMMITTEE 4/7/2017 8:30 AM
MOVER:	Penny Wegman, Commissioner
SECONDER:	Bill Lenert, Commissioner
AYES:	Theresa Barreiro, Brian Dahl, Mark Davoust, Rebecca Gillam, Michael Kenyon, Bill Lenert, John Martin, Penny Wegman
ABSENT:	John Hoscheit, Don Ishmael, Philip Lewis

D. Presentation and Approval of the 2017 Employee Handbook Revisions

Director Smith provided a PowerPoint presentation.

The Commission last approved the Employee Handbook in January 2015. The 2017 modifications presented have been compiled with the involvement of President Kenyon, Finance Chair Davoust, Executive Director Meyers, general counsel attorney Gerald Hodge and an employment law attorney from Laner Muchin. Below is a summary of the major Handbook modifications.

1. Added Child Bereavement Leave Policy (P.A. 099-0703)
2. Added Family Sick Leave Policy (P.A. 099-0841)
3. Added Travel Expense Reimbursement Policy (099-6040)
4. Added Pregnancy Non-discrimination and Accommodation Policy (P.A. 98-1050)
5. Added Local Government Wage Increase Transparency Policy (P.A. 099-0646)
6. Added Sick Leave Donation Program
7. Added Restroom and Locker Room Policy
8. Created a classification system for the various part-time positions

9. Removed the optional death benefit; District now provides life insurance up to \$50,000
10. Removed sections unnecessary for inclusion in the Handbook (ex. Job Description)
11. Removed 10% retirement benefit subsidy, due to District liability
12. Moved CDL Substance Abuse section to Appendix
13. Enhanced Welcome page
14. Enhanced vacation for long-tenured employees
15. Enhanced Rules of Conduct list to allow pepper spray
16. Enhanced Smoking section to include electronic smoking devices

The District will experience minimal financial impact. Human Resources will copy and bind approximately 125 handbooks for an estimated cost of \$100 total.

DISCUSSION: *Chairman Davoust stated that the District was now competitive with other neighboring agencies, so it has the opportunity to keep our tenured and experienced employees. Commissioner Lenert confirmed that the vacation leave increasing is not increasing the cost to the District.*

RESULT:	MOVED FORWARD BY VOICE VOTE [UNANIMOUS]
TO:	FOREST PRESERVE EXECUTIVE COMMITTEE 4/7/2017 8:30 AM
MOVER:	John Martin, Commissioner
SECONDER:	Bill Lenert, Commissioner
AYES:	Theresa Barreiro, Brian Dahl, Mark Davoust, Rebecca Gillam, Michael Kenyon, Bill Lenert, John Martin, Penny Wegman
ABSENT:	John Hoscheit, Don Ishmael, Philip Lewis

VII. Executive Session to Discuss Land Acquisition, Contracts, Litigation and Personnel None.

VIII. Communications

The Volunteer Appreciation Dinner will be held on Thursday, March 30th at the Riverside Banquets in St. Charles. All Commissioners are welcome, but RSVP is required.

Earth Day Events

An Earth Day Open House will be held at the LeRoy Oakes Forest Preserve on April 20 from 10 AM to 6 PM.

An Earth Day Tree Planting Event will be held at the Kenyon Farms Forest Preserve on April 22, from 10 AM to 1 PM.

The Conservation Foundation hosts an Earth Day Dinner on Thursday, April 27 from 5-9 PM at the Bobak's Signature Events in Woodridge. Dinner and an opportunity to support the work of The Conservation Foundation through auctions and a nature themed silent auction.

RESULT:	ANNOUNCED
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IX. Chairman's Comments

Chairman Davoust recognized the efforts and time staff has taken in the presentations and open house informational meetings throughout the county. He encouraged others to give the facts regarding some of the misinformation that has been published. President Kenyon stated that the time is right for a referendum to be put forward to the public.

Commissioner Dahl stated that he was unfortunately absent from the March 16th Open House in Aurora, as work took him out of town. Commissioner Barreiro thanked staff for a very well done presentation and said she was disappointed in the light attendance.

X. Adjournment

RESULT:	APPROVED WITH VOICE VOTE [UNANIMOUS]
MOVER:	Rebecca Gillam, Commissioner
SECONDER:	Theresa Barreiro, Commissioner
AYES:	Theresa Barreiro, Brian Dahl, Mark Davoust, Rebecca Gillam, Michael Kenyon, Bill Lenert, John Martin, Penny Wegman
ABSENT:	John Hoscheit, Don Ishmael, Philip Lewis

Mark Davoust, Chairman
Finance and Administration Committee
Forest Preserve District of Kane County

Adjournment Until: Tuesday, April 25, 2017 at 2:00 p.m.
Forest Preserve District Administration Offices
1996 S. Kirk Road, Suite 320 Geneva, Illinois

Respectfully Submitted,

Ellen J. Maglio

Recording Secretary