

FILE

BOARD OF TRUSTEES
FINANCE COMMITTEE
McHENRY COUNTY CONSERVATION DISTRICT
Minutes of September 16, 2009

1.0 CALL TO ORDER

The Special Call meeting of the Finance Committee of the Board of Trustees of the McHenry County Conservation District was called to order at 6:02 p.m. by Treasurer O'Donnell on the evening of September 16, 2009 at the Brookdale Administrative Office, 18410 US Highway 14, Woodstock, Illinois.

2.0 ROLL CALL

Trustees Present: Tom O'Donnell, Treasurer
Nancy Williamson, Vice President
Bonnie Leahy, Trustee

Staff Present: Elizabeth S. Kessler, Executive Director
Andy Dylak, Director of Finance
John Kremer, Director of Operations
Anne Basten, Executive Assistant

Others Present: Louis Karrison and James Savio, Sikich, LLP

3.0 PUBLIC COMMENTS

There were no public comments.

Due to the attendance of representatives of the auditing firm, Item 5.2 was moved up on the agenda for discussion after the public comments followed by Item 5.5.

5.0 COMMITTEE BUSINESS

5.2 Annual Audit Presentation by Sikich, LLP

Louis Karrison began the presentation by reviewing the Independent Auditors Report that states that they believe that the District's financial statements present fairly in all material respects and are in conformity with accounting principles generally accepted in the United States of America.

James Savio then covered various highlights of the audit including the improvement in position of net capital and noted that this was consistent with the last several years and considered a positive sign of the District's strong financial position. He also noted that the District had paid down approximately \$4 million in debt from the previous year.

Treasurer O'Donnell noted the Unfunded Actuarial Accrued Liability (UAAL) under IMRF and Director of Finance Dylak explained the history of the funding of this item. Director Dylak explained that the (UAAL) is determined by numerous variables including; the District's annual contribution rate, increase in staffing and wages, the IMRF investment performance and a complex actuarial science performed

by third party actuaries retained by IMRF. The IMRF and actuaries review the District's positions annually and adjust the required contribution levels accordingly and the District's required level of funding had risen in each of the last several years.

Mr. Savio then briefly covered the Management Letter. He explained the changes in the GASB rules and the limited affect they would have on the District. It was noted that there were very few adjustments that were needed overall and that there were no material weaknesses or significant deficiencies found. One control deficiency was identified and one other comment was made and all deficiencies and recommendation from the previous audit had been corrected as of March 31, 2009.

The original Management Letter and Annual Financial Report as presented will be permanently stored with the financial records of the District by year created.

5.5 Farm Lease Expense budget adjustment

Director of Operations Kremer explained the additional expenses related to maintenance issues related to excess rain during the early spring.

A motion was made by Treasurer O'Donnell, seconded by Vice President Williamson to recommend approval of a line item adjustment to GL #01-04-443 for \$9,200 for seeding borders and filter strips along the boundaries of leased agricultural fields for this fall season and for the expenditures of ditch maintenance and drainage work. A voice vote resulted in all ayes.

Motion passed unanimously.

The item is on the consent agenda for September 17, 2009.

4.0 REVIEW MONTH OF JULY 2009 FINANCIAL STATEMENTS

4.1 Submission of Bills Payable

Director of Finance Dylak answered a few questions related to legal expenses. Treasurer O'Donnell expressed his displeasure with inconsistency of corporate counsel representation at the Regular Board Meetings and requested Executive Director Kessler forward his concerns to counsel.

A motion was made by Trustee Leahy, seconded by Treasurer O'Donnell to place a motion to approve the payment of the bills, as indicated on the Submission of Bills Pending Report for the month ending August 31, 2009 as presented. A voice vote resulted in all ayes.

Motion passed unanimously.

4.2 Treasurer's Report

Director of Finance Dylak stated that \$21,716,400 was available for Land Acquisition presently. Treasurer O'Donnell noted that there were subtotals on the supporting land acquisition schedules that did not tie out and should be corrected.

A motion was made by Trustee Leahy, seconded by Vice President Williamson to place the approval of the Treasurer's Report on the consent agenda of the regular board meeting on Thursday, September 17, 2009 and to recommend approval. A voice vote resulted in all ayes.

Motion passed unanimously.

5.0 COMMITTEE BUSINESS (CONTINUED)

5.1 Approval of Minutes

5.1a August 17, 2009

A motion was made by Trustee Leahy, seconded by Vice President Williamson that the minutes of August 17, 2009 Finance Committee be approved. A verbal vote resulted in all ayes.

Motion passed unanimously.

5.3 2009 Property Tax Levy Extension & Truth in Taxation Ordinance

Director of Finance Dylak reviewed the changes from the draft copy received due to a typographical error and explained the difference between the levy and the appropriation. The Levy represents the amount the District would be receiving in property taxes which accounts for approximately 86% of total General Fund revenues. The total appropriation's represent the total estimated/budgeted expenditures for the fiscal year. The District Act requires that the District disclose an estimate (or Tentative budget) of total expenditures.

A motion was made by Trustee Leahy, seconded by Vice President Williamson to recommend approval of Ordinance #09-835 establishing the levy and assessment of property taxes in the Year 2009; to be collected in the Year 2010 on the September 17, 2009 meeting. A verbal vote resulted in all ayes.

Motion passed unanimously.

Director of Finance Dylak briefly reviewed an Analysis of Legal Expenses that showed that legal expenses have been fairly consistent over the years

5.4 Reimbursement Ordinance

Director of Finance Dylak stated that due to the language required as prepared by the bond counsel that a reimbursement ordinance would require that the District state it intended to issue additional 'obligations' to reimburse itself. Since the District has no intention of issuing additional debt at this time, Trustees agreed to not pursue this issue any further.

Director of Finance Dylak then reviewed additional information received on the Build America Bonds as provided by First Trust, noting that these bonds are taxable and discussed a comparative analysis that identified a tax savings on the total debt service and a higher yield for future reference. Directed Dylak explained that if the District had a need to issue additional debt, the Build America Bonds might be worth looking into further.

5.6 Rescind bid acceptance for LVVC Fire Suppression System

Executive Director Kessler explained the error that was made when the bids were reviewed. The consensus was to place the item on the consent agenda September 17, 2009 regular meeting of the Board of Trustees and recommend approval.

5.7 Change Orders & Amendments to Professional Service Agreements

Executive Director Kessler noted that a few change orders would be forthcoming for the Lost Valley Visitor Center construction due to findings during the start of the construction process but were not yet ready for review.

6.0 EXECUTIVE SESSION

There was no need for an executive session.

7.0 RECONVENE

8.0 ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

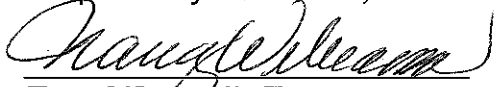
There was no action to be taken.

9.0 ADJOURN

There being no further business to come before the Committee, a motion was made by Trustee Leahy, seconded by Vice President Williamson, that the meeting be adjourned.

Motion passed unanimously. Meeting adjourned at 7:30 p.m. on Wednesday, September 16, 2009.

Respectfully submitted,



Tom O'Donnell, Treasurer

NADY WILLIAMSON, TRUSTEE

10/22/09
Date