
DATE: August 6, 2025

MEMO TO: S. Michael Rummel
Preservation Foundation Treasurer

Elizabeth Hough, President
Preservation Foundation Board

FROM: Erika Stergos
Preservation Foundation Executive Director

RECOMMENDATION: Recommend approval of the establishment of a new endowed fund to support the management of the Prairie Stream Wetland Mitigation Bank.

BACKGROUND:

In June of 2025, as part of the Lake County Forest Preserves' agreement with Resource Environmental Solutions (RES), RES agreed to provide \$165,475 to the Preservation Foundation of Lake County Forest Preserves to establish a Long-Term Management Fund (LTMF) to maintain the mitigation bank.

The donor has restricted the use of these funds for the perpetual maintenance of the Prairie Stream Wetland Mitigation Bank. Perpetual maintenance (ongoing land management) includes the removal of invasive species, prescribed burning, reseeding with native plants, and monitoring of plants and wildlife. Accepting this gift requires the establishment of a new restricted endowment fund.

As part of the larger agreement between the Forest Preserves and RES, the \$510,900 licensing fee for the mitigation bank has been given to the Preservation Foundation to support the general endowment.

The Preservation Foundation Endowment Policy permits the establishment of new restricted endowment funds, subject to approval by the Preservation Foundation Board.

REVIEW BY OTHERS: Director of Natural Resources, Director of Finance, Director of Community Engagement & Partnerships, Forest Preserves Executive Director, Forest Preserves Board of Commissioners



EXECUTIVE COMMITTEE:

Date: 8/6/2025 Roll Call Vote; Ayes: _____ Nays: _____
 Voice Vote; Majority Ayes: 7 Nays: 2

PRESERVATION FOUNDATION BOARD:

Date: _____ Roll Call Vote; Ayes: _____ Nays: _____
 Voice Vote; Majority Ayes: _____ Nays: _____



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June 10, 2025

Andrew Blackburn, PWS
Senior Regulatory Specialist
Chicago District U.S. Army Corps of Engineers
231 South LaSalle Street, Suite 1500
Chicago, Illinois 60604

Re: Prairie Stream WMB Long-Term Financial Assurances (Endowment)

Dear Mr. Blackburn,

As described in the Prairie Stream WMB (LRC-2022-167) MBI Section 13.2 Long-Term Management Fund, the perpetual long-term financial assurance will consist of a Long-Term Management Fund (LTMF) established by the Sponsor for sole use for Lake County Forest Preserves to maintain the Bank upon closure.

RES will provide \$165,475 to the Preservation Foundation of Lake County Forest Preserves (Foundation) to establish an interest-bearing non-wasting endowment fund. Prior to construction, the designated LTMF will be deposited into the LTMF. This LTMF will be used for the perpetual maintenance of the bank site after bank closure.

The Preservation Foundation of Lake County Forest Preserves is a private, not for profit corporation organized and existing under the Illinois General Not For Profit Corporation Act of 1986 (805 ILCS 105/101.01). The Foundation's primary purpose is to provide financial assistance to the District's mission. The Foundation raises funds for a variety of District's purposes, including land acquisition, habitat restoration, development of trails or other amenities and educational programs.

The Preservation Foundation's Endowment Policies and Procedures are included as an Attachment to this letter. Erika Stergos, Preservation Foundation Executive Director, can be reached at 847-968-3129 (office), 847-504-7064 (mobile) and/or estergos@lcfpd.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Ry Thompson", is written over a light blue horizontal line.

Ry Thompson
Senior Project Manager - Mitigation
Resource Environmental Solutions, LLC
33 North Dearborn Street, Suite 320
Chicago, IL 60602
608.558.6537

Attachment: Preservation Foundation of Lake County Forest Preserves – Endowment Policies and Procedures.

Endowment Policies and Procedures

I. Definition of Terms

- A. Endowment - An endowment is an established fund of cash, securities, or other assets set aside for perpetuity to provide long-term funding for the Lake County Forest Preserve District.
- B. Types of Endowment Funds Two distinct types of Endowment Funds will be established by the Preservation Foundation:
 - 1. Restricted Endowment Funds
Donors may make gifts of any amount to a previously established restricted endowment to support a specific program of the Lake County Forest Preserves. Establishment of a new restricted endowment must be approved by the Preservation Foundation Board of Directors.
 - 2. Unrestricted Endowment Fund
The Preservation Foundation accepts gifts of any amount to the permanent Unrestricted Endowment Fund to be used for general operations of the Lake County Forest Preserve District. Each year the Preservation Foundation Board of Directors determines the use of this fund's distribution, based upon the Forest Preserves operational needs.

II. Gift Acceptance

- A. A named fund, either unrestricted or restricted, must be approved by the Preservation Foundation Board of Directors.
- B. Gifts of illiquid assets, including real estate, insurance, charitable trusts are considered on a case-by-case basis with the guidance and assistance of the Finance Committee.
- C. The Preservation Foundation will not accept a gift that obligates the Lake County Forest Preserve District to continue a program that will become a financial burden or is inconsistent with its mission. If at any time, the Restricted Endowment becomes obsolete, the Board of Directors may designate another purpose.

III. Investment and Management of Endowment

The purpose of endowment funds is to provide consistent sources of income for the programs of the Lake County Forest Preserve District. The Preservation Foundation Investment Policy shall direct investment and management of endowment funds, maximizing the return of principal while maintaining prudent fiscal guidelines.

- A. The overall objectives of Endowment investment are as follows:
 - 1. Generation of a consistent and stable flow of income for ongoing operating and special programming purposes; and
 - 2. Appreciation and growth of Endowment for the long-term benefit of the Lake County Forest Preserves, as well as to protect Endowment principal from erosion through inflation.

B. The management of the endowment will be guided by the following:

1. No more than 4% of the average total market value of endowment principal over the previous 12 quarters (3 years) will be spent in any single fiscal year, in order to balance the effects of inflation as well as continue to build endowment principal. The original principal balance will not be invaded.
2. Management of endowment principal and income will take into consideration the near and long-term financial needs of the Lake County Forest Preserves and will not be solely or primarily dictated by the agency's short-term spending needs.