



LAKE COUNTY FOREST PRESERVES  
www.LCFPD.org

Preservation, Restoration, Education and Recreation

**DATE:** June 24, 2019

**MEMO TO:** Jessica Vealitzek, Chair  
Operations Committee

John Wasik, Chair  
Planning Committee

Terry Wilke, Chair  
Finance Committee

**FROM:** Katherine Hamilton-Smith  
Director of Public Affairs and Development

**RECOMMENDATION:** Recommend approval of a Resolution (i) establishing a fundraising goal of \$20 million for the Endowment Fund of the Preservation Foundation of the Lake County Forest Preserves (the “Foundation”); (ii) requesting designation of proceeds from the Foundation’s Endowment Fund to support the following three line items in the 10-Year Capital Improvement Plan (CIP): Habitat Restoration, Preserve Tree Planting, and District-Wide Reforestation; and (iii) directing staff to engage on such issues with the Foundation and to implement a multi-year fundraising campaign to meet the \$20 million goal.

**STRATEGIC DIRECTIONS SUPPORTED:** Organizational Sustainability; Leadership; Conservation

**FINANCIAL DATA:** There is no financial impact on the current approved budget.

**BACKGROUND:** Since the economic downturn began in 2008, the Lake County Forest Preserve District (the “District”) has employed multiple strategies to manage a significant loss of operating revenue from decreased property values including (i) placing major capital development projects on an unfunded list, (ii) eliminating staff positions through attrition, (iii) reducing program offerings, (iv) removing unneeded buildings and structural square footage, (v) reducing outside entanglements, and (vi) bringing focus to our work by developing the 100-Year Strategic Vision for Lake County.

Moving forward, the District faces limited opportunities to continue reducing expenses and diversifying revenue sources. Consequently, the District faces the real threat of falling behind on its ability to meet the standards that the public has come to expect of its Forest Preserves: a safe and clean user experience and continued care of more than 20,000 acres that the District has restored to ecological health. Therefore, the District must conceive of new ways to increase and diversify revenues.

Toward this end, the Foundation – the charitable partner of the District – established an Endowment Fund for the benefit of the District. The Foundation received its first endowment gifts in 2017. An endowment supports long-term sustainability and provides a hedge against future economic and fundraising challenges. Gifts to the Endowment Fund are preserved in perpetuity. Such gifts are pooled

and invested according to the Preservation Foundation's investment policy. Investment performance is overseen by the Foundation's Finance Committee and Board of Directors. Only a portion of the investment return is expended (no more than 4%, per current Endowment Policy), enabling the endowment to grow. Currently, the Endowment Fund totals \$281,570, and the Foundation has received an additional pledge of \$250,000. To build on this success, District staff propose a near-term endowment fundraising goal of \$20 million to provide funding for three line items in the current 10-Year Capital Improvement Plan: Habitat Restoration, Preserve Tree Planting, and District-Wide Reforestation. Per the Foundation's Endowment Policy, an endowment of this size would generate an estimated \$800,000 per year to support this work, which includes tree planting near trails and parking lots, large-scale reforestation, and landscape-scale habitat restoration initiatives. These CIP line items are often a source of matching funds to leverage outside grants and donations. By supporting this fundraising initiative, endowment donors will enable the District to continue leveraging outside funding.

Endowment Fund proceeds would be identified as a funding source beginning in either year nine or ten of the ten-year CIP projection.

**REVIEW BY OTHERS:** Executive Director, Chief Operations Officer, Director of Finance, Chief Development Officer/Exec. Director Preservation Foundation.

COUNTY OF LAKE )

**JULY 10, 2019**

**MISTER PRESIDENT AND MEMBERS OF THE BOARD OF COMMISSIONERS:**

Your **OPERATIONS, PLANNING and FINANCE COMMITTEES** present herewith "a Resolution Establishing a Fundraising Goal for and Requesting Designated Uses of the Endowment Fund of the Preservation Foundation of the Lake County Forest Preserves," and request its approval.

### **OPERATIONS COMMITTEE:**

☐ Voice Vote Majority Ayes; Nays:\_\_\_\_\_

## PLANNING COMMITTEE:

☐ Voice Vote Majority Ayes; Nays:\_\_\_\_\_

**FINANCE COMMITTEE:**☐ Voice Vote Majority Ayes; Nays:\_\_\_\_\_

**LAKE COUNTY FOREST PRESERVE DISTRICT  
LAKE COUNTY, ILLINOIS**

**A RESOLUTION ESTABLISHING A FUNDRAISING GOAL FOR AND REQUESTING  
DESIGNATED USES OF THE ENDOWMENT FUND OF THE PRESERVATION  
FOUNDATION OF THE LAKE COUNTY FOREST PRESERVES**

**WHEREAS**, the Lake County Forest Preserve District (the “District”) has employed multiple strategies to manage the loss of operating revenue since the economic downturn began in 2008; and

**WHEREAS**, the District has limited opportunities to continue to reduce operating expenses and has an incentive to diversify its revenue sources; and

**WHEREAS**, a robust, well-managed endowment can provide a reliable source of revenue and serve as a hedge against future economic challenges; and

**WHEREAS**, the Preservation Foundation of the Lake County Forest Preserves (the “Foundation”) has established an endowment fund for the benefit of the District (the “Endowment Fund”) and has received gifts and pledges to the Endowment Fund totaling more than \$532,000 to date; and

**WHEREAS**, it is in the District’s best interest to (i) establish a fundraising goal for the Endowment Fund of \$20 million; (ii) request that the Foundation designate proceeds from the Endowment Fund to support the following three line items in the District’s 10-Year Capital Improvement Plan (“CIP”): (a) Habitat Restoration, (b) Preserve Tree Planting, and (c) District-Wide Reforestation;

**NOW, THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois **THAT**:

**Section 1. Recitals.** The recitals set forth above are incorporated as a part of this Resolution by reference.

**Section 2. Establishment of Endowment Fund Fundraising Goal and Request for Use of Funds.** The District hereby (i) establishes a \$20,000,000 fundraising goal for the Endowment Fund and (ii) requests that the proceeds of the Endowment Fund be designated for the following line items in the CIP: (a) Habitat Restoration, (b) Preserve Tree Planting, and (c) District-Wide Reforestation. Such goal and designations shall be used in the preparation of the District’s future budgets. The Executive Director (and his designees) are hereby directed to (i) engage with the Foundation in an effort to establish such goal and such designation of funds and (ii) implement a multi-year fundraising campaign to meet the \$20,000,000 goal.

**Section 3. Effective Date.** This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2019

AYES:

NAYS:

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Angelo D. Kyle, President  
Lake County Forest Preserve District

ATTEST:

\_\_\_\_\_  
Julie Gragnani, Secretary  
Lake County Forest Preserve District  
Exhibit No. \_\_\_\_\_