



410 Kenilworth Ave. | Kenilworth, IL 60043

Request for Board Action

Agenda Item: 6.D

Considered By:
Park District Board

Date:
2/27/25

Staff Contact: Johnathan Kiwala | Executive Director
John Hart | President
David Byrd | Commissioner
Derke Price | Legal Counsel

Subject: Adoption of Ordinance 2025-03 – First Amendment to the Marguerite L. Storch Memorial Garden Fund Agreement

Summary: The First Amendment to the Marguerite L. Storch Memorial Garden Fund Agreement provides necessary clarifications and safeguards regarding the use, investment, and oversight of the fund. It ensures responsible stewardship while preserving the fund's intended purpose of supporting beautification projects for the Kenilworth Park District.

Background of Matter: The Kenilworth Park District Board of Commissioners has been engaged in a comprehensive review of the Marguerite L. Storch Memorial Garden Fund Agreement to clarify ambiguities and ensure the agreement aligns with the intent of the original donor while addressing several community concerns. As directed by the Board, staff conducted research to identify any living heirs of the Storch family to seek their input regarding the fund. Upon locating and contacting a direct heir, members of the Board held multiple meetings to discuss the historical use of the fund, the investment policy, and the several public concerns. The heirs were provided with a detailed overview of fund-supported projects and were given site tours of funded improvements. Following these discussions, the Storch heirs expressed their full support of the Park District's stewardship and interpretation of the fund and agreed that an amendment should be drafted to clarify key terms and strengthen protections for the principal of the gift.

Summary of Ordinance 2025-03 – First Amendment to the Storch Fund Agreement:
This amendment to the Restricted Gift Agreement, originally established on June 11, 1998, formalizes the understanding between the Storch heirs and the Park District, ensuring continued responsible management and use of the fund. Key provisions of the amendment include:

1. **Clarification of Beautification Projects:** The definition is expanded to include landscaping, horticulture, and capital improvement projects that align with the Park District's

mission. However, funds cannot be used for items included in the Capital Improvement Plan, ADA Transition Plan, or for operational expenses.

2. Definition of the Principal of the Gift: The principal is now established as \$1,125,000.00 as of December 1, 2024, with an annual adjustment for inflation based on the Consumer Price Index (CPI) given to the Kenilworth Park District. If any investment or expenditure results in a reduction of this principal, the Park District is obligated to restore it.
3. Definition of Income Earned on the Gift: Income earned is defined as any appreciation above the principal, which will be tracked in a dedicated "Gains Account."
4. Affirmation of Park District Authority: The amendment affirms the Park District's sole discretion to determine beautification projects.
5. Ratification of Prior Acts: The amendment formally affirms all past investment and expenditure decisions made by the Park District regarding the fund.
6. Indemnification of Heirs: The Park District will defend and indemnify the heirs from any third-party claims related to the agreement.

Financial Impact: The amendment does not create any new financial burden on the Park District but ensures that the principal of the fund remains protected and appropriately adjusted for inflation. The amendment provides a clear framework for how investment gains are used, safeguarding the long-term viability of the fund while enabling continued beautification projects that enhance the community.

Recommendation Staff recommends that the Board take action regarding Ordinance 2025-03. The proposed amendment ensures long-term protection of the fund's principal while maintaining its intended purpose of supporting beautification projects that benefit all who dwell within the Kenilworth community.

Attachment:

Ordinance 2025-03 First Amendment to the Margeurite L. Storch Memorial Garden Fund Agreement

Ordinance 2025-03

**An Ordinance for the 1st Amendment to the Marguerite L. Storch Memorial
Garden Fund Agreement**



Special Meeting

February 27, 2025

Kenilworth Park District

Park District Board of Commissioners

**FIRST AMENDMENT TO RESTRICTED GIFT AGREEMENT
AND RATIFICATION OF PRIOR ACTS**

Effective February 27, 2025, Chris Ball, being the authorized representative and attorney in fact for the heirs of Howard L. Storch (“Donor”), party of the first part, and the Kenilworth Park District (“Park District”), party of the second part, enter into this First Amendment to that Restricted Gift Agreement dated June 11, 1998 by and between Howard L. Storch and the Kenilworth Park District, and Donor and Park District hereby ratify and affirm all prior acts of the Park District from the commencement of the Restricted Gift Agreement to the effective date of this First Amendment.

RECITALS

WHEREAS, since the commencement of the original Restricted Gift Agreement, the investment policies of the Park District have evolved to provide considerable gains to the Gift; and

WHEREAS, the investment policies and the available investment instruments have resulted in ambiguities concerning the meaning of “Income Earned on the Gift” that the Parties desire to clarify; and

WHEREAS, the Parties also desire to clarify the definition of “Beautification Projects” to contemplate the full spectrum of capital improvements used in fulfillment of the Park District’s mission on its properties such as structures upon which children may play; and

WHEREAS, the Parties also desire to end any controversy about the Park District’s investment policies concerning the Gift and likewise end any controversy about the use of the Gift to date by formally ratifying the acts of the Park District Board of Commissioners taken with respect to the Gift to date.

NOW THEREFORE, PURSUANT TO SECTION 9 OF THE RESTRICTED GIFT AGREEMENT, THE PARTIES AGREE TO AMEND THE RESTRICTED GIFT AGREEMENT AS FOLLOWS:

1. The Recitals set forth above are hereby incorporated herein by reference.
2. The definition of “Beautification Projects” is amended to include landscaping projects, horticulture projects, and capital improvement projects of the kind used in fulfillment of the Park District’s mission on Park District Properties that are—in whole or in part--in addition to the landscaping, horticulture and capital improvement projects funded in the Park District’s annual budget. “Beautification Projects” may include projects funded in part by the Marguerite L. Storch Memorial Garden Fund and by the Park District’s appropriation of dollars as determined by the

sole and absolute discretion of the Park District Board of Commissioners.
“Beautification Projects” does not include items on the Capital Improvement Plan, nor on the ADA Transition Plan, nor operational expenses of the Park District.

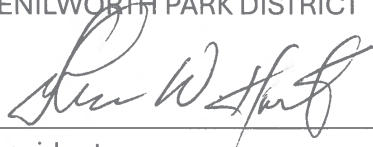
3. The definition of “Gift” is hereby amended to be the current recognized principal of the gift (from initial funding to date as adjusted by CPI) being \$1,125,000.00 as of December 1, 2024.
4. The definition of “Income Earned on the Gift” is hereby amended to be all appreciation or increase in the Marguerite L. Storch Memorial Garden Fund above the recognized “Principal of the Gift” as defined herein. The “Income Earned on the Gift” shall be reported in a sub-account of the Marguerite L. Storch Memorial Garden Fund known as the “Gains Account.”
5. The definition of “Principal of the Gift” is hereby amended to be the amount of the Gift as of December 1, 2024 and thereafter as increased each December 1 by the CPI reported by the State of Illinois to the Park District for purposes of the Property Tax Extension Limitation Law and the annual extension of taxes. Should any of the investment policies, investment decisions, or expenditure decisions of the Park District Board of Commissioners result in a diminution of the Principal of the Gift, as herein defined, then the Park District Board of Commissioners shall appropriate funds to restore the Principal of the Gift to its full amount.
6. Paragraph 4(e) of the Restricted Gift Agreement is hereby amended to clarify that the Park District, in exercising its sole and absolute discretion, is not limited to selecting Beautification Projects from among those suggested, considered or recommended by KGC, or other clubs or organizations or interested persons, but also includes any Beautification Projects conceived by the Park District.
7. Donor hereby ratifies and affirms the investment policies and decisions of the Park District Board of Commissioners made to date and further ratifies and affirms all expenditures made by the Park District Board of Commissioners on the various Beautification Projects for which Park District Board of Commissioners has recognized the Fund and placed the Marker required by Paragraph 5 of the Restricted Gift Agreement.
8. The Kenilworth Park District shall defend and indemnify the Heirs and their Authorized Representative from any third-party claims against them arising from or related to the Donation Agreement.

IN WITNESS WHEREOF, the Donor and the Park District have executed the Agreement as of the date set forth above.

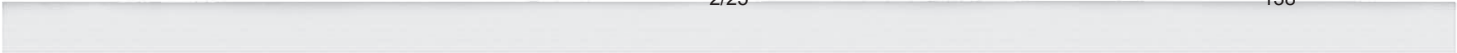
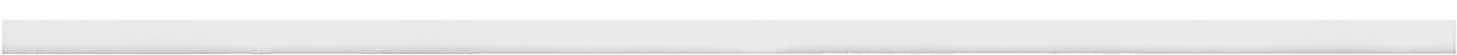


Chris Ball, as authorized representative
Of the heirs of Howard L. Storch

KENILWORTH PARK DISTRICT



President





410 Kenilworth Ave. | Kenilworth, IL 60043

Request for Board Action

Agenda Item: 6.E

Considered By:
Park District Board

Date:
2/27/25

Staff Contact: John Hart | President
David Byrd | Commissioner

Subject: Board Consideration for Approval – An Ordinance for the Creation of an Investment Committee and Charter for the Margeurite L. Storch Memorial Garden Fund

Summary: The Kenilworth Park District Board of Commissioners is requested to adopt the Investment Committee Charter for the Marguerite L. Storch Memorial Garden Fund ("Fund"). This charter establishes an Investment Committee ("Committee") to oversee the management and investment of the Fund's assets in alignment with the Park District's mission and the Gift Agreement governing the Fund.

Background of Matter: The Marguerite L. Storch Memorial Garden Fund was created through a Gift Agreement to support beautification projects within the Park District. Under this agreement, the Fund consists of the "Principal of the Gift" and "Income Earned on the Gift." The primary objective of the Fund is to prudently invest and maintain the principal while utilizing income for beautification projects at the Park District's discretion.

To ensure responsible oversight and sustainable investment practices, the Investment Committee Charter outlines the Committee's responsibilities, structure, and decision-making framework. The Committee's primary duties include:

- Reviewing and providing recommendations on the Investment Policy Statement (IPS), including asset allocation, risk tolerance, and funding strategies.
- Overseeing investment managers and ensuring compliance with established benchmarks and fiduciary standards.
- Ensuring transparency and accountability in all investment-related decisions.
- Providing an annual report and recommendations to the Park District Board on investment performance and funding allocations.

The Committee will consist of three members:

1. A Kenilworth Park District Board Commissioner
2. The Kenilworth Park District Board Treasurer
3. A Community Representative with relevant investment knowledge

The Committee will meet annually in January and on an as-needed basis to review investment performance and provide recommendations to the Park District Board.

Financial Impact: The establishment of the Investment Committee and adoption of the Charter will not have a direct financial impact. However, by ensuring prudent investment oversight and strategic fund management, the Park District can maximize the Fund's long-term sustainability and financial contributions to beautification projects.

Recommendation: It is recommended that the Kenilworth Park District Board of Commissioners approve the Investment Committee Charter as presented and establish the Investment Committee in accordance with the outlined structure and responsibilities. This action will enhance financial oversight, ensure responsible stewardship of the Fund, and support the Park District's beautification initiatives.

Attachment:

Margeurite L. Storch Memorial Garden Fund Investment Committee Charter
Storch Investment Objectives

ORDINANCE 2025-04

**An Ordinance for the Creation of an Investment Committee and Charter
for the Margeurite L. Storch Memorial Garden Fund**



KENILWORTH
PARK DISTRICT



Special Meeting

February 27, 2025

Kenilworth Park District

Park District Board of Commissioners

Investment Committee Charter for Kenilworth Park District

Marguerite L. Storch Memorial Garden Fund

I. Purpose

The Investment Committee (“Committee”) for the Kenilworth Park District Marguerite L. Storch Memorial Garden Fund (“Fund”) is established to oversee and provide strategic guidance for the management and investment of the Fund’s assets. The purpose of the Committee is to ensure the overall Fund is managed prudently, sustainably, and in accordance with the Gift Agreement and the Park District’s mission.

Under the Gift Agreement, the Fund recognizes the “Principal of the Gift” and the “Income Earned on the Gift.” The primary objective of the Committee is to hold and provide investment of the Principal of the Gift, as required by the Fund Agreement, for the perpetual benefit of the community thorough beautification projects as determined by the sole discretion of the Park District.

II. Responsibilities

The primary responsibilities of the Investment Committee are as follows:

1. Investment Policy Review and Oversight:

- Review the current Investment Policy Statement (IPS) that includes the Fund’s investment objectives, asset allocation strategies, and risk tolerance. The current IPS can be found in Appendix A.
- Review asset allocation targets and guidelines consistent with the Fund’s risk tolerance and return objectives.
- Provide recommendations to the Park District Board to either maintain or revise the current IPS to reflect changes in market conditions, funding needs, and Park District objectives.
- Provide recommendations to the Park District Board for level of funding allotted for beautification projects for the current fiscal year.

2. Investment Manager Oversight and Performance Monitoring:

- Review, monitor, and evaluate third-party investment manager, advisor, or custodian.
- Review investment performance relative to benchmarks and objectives outlined in the IPS
- Conduct an annual performance review to ensure that investment managers are meeting expectations and adhering to the IPS.
- Provide an annual brief report to the Park District Board regarding the Fund performance, investment strategy, and any significant developments. Address any breaches of investment guidelines or significant underperformance promptly.
- Provide recommendations to the Park District Board to retain or change the Fund’s investment manager for the current fiscal year.

3. Compliance and Ethical Oversight:

- Ensure that investments comply with all applicable legal, ethical, and fiduciary standards.
- Promote transparency and accountability in all investment decisions and communications.

III. Membership

The Investment Committee shall be composed of three members, including:

- Kenilworth Park District Board Commissioner
- Kenilworth Park District Board Treasurer
- Community representative who possesses the necessary knowledge to competently review, provide comment, and recommendations on Fund Investments.

Chairperson: The Committee Chairperson shall be the Kenilworth Park District Board Treasurer responsible for setting the meeting agenda, facilitating discussions, and serving as the primary liaison with the Park District Board.

Appointment and Term: The Park District Board shall select a Board Commissioner and Community Representative to serve on the committee. Committee members will be selected by the Park District Board on an as-needed basis should a Committee member excuse themselves from the Committee.

IV. Meetings

The Investment Committee shall meet annually each January and additionally as needed to address urgent matters. The Investment Committee shall complete its review and provide its report and recommendations before the January Park District Board Meeting, typically occurring the third Thursday in January.

The Committee's report and recommendations to coincide with the issuance of the Park District's annual Call for Projects associated with the requirements of the Fund.

Exception: In the Committee's first year, 2025, it shall meet immediately once its initial members are appointed and complete a review of the current IPS and provide recommendations, if any, to the Park District Board.

V. Decision-Making Authority

The Investment Committee is an advisory body and shall make recommendations to the Park District Board regarding investment strategies and policies. Final decision-making authority resides with the Park District Board.

VI. Review and Amendment of the Charter

This Charter shall be reviewed on an as-needed basis and amended as necessary to ensure its continued relevance and effectiveness. Amendments require approval by the Park District Board.

Approval

This Investment Committee Charter was approved by the Kenilworth Park District Board on April 17, 2025.

DRAFT

The Marguerite L. Storch Memorial Garden Fund Statement of Purpose and Investment Objectives and Policies

Purpose:

The fund was formed June 11, 1998 by agreement by and between Howard L. Storch and the Kenilworth Park District with an initial First National Bank of Chicago stock gift of approximately \$1 million.

The Principal of the Gift is to be held for investment. The income is to be distributed and may be additive to the beautification budget of the Park District for its properties, not reducing the otherwise planned budget of the Park District, for beautification purposes. Any income that is not used for such purposes, may be either (a) accumulated and used in future years for such purposes or (b) distributed to Sears School, to be used to supplement the School's budget for programs to assist students with disabilities or "differences", as the Park District determines in its sole and absolute discretion.

Investment:

The original Principal value will be held in a separate account (Principal Fund). **Income** that is not utilized in the current year, will be held and invested in a separate account (Accumulated Distributions Portfolio).

The investment of the Principal Fund is to be made by the Park District in a "prudent manner". The donor requests, but does not require, the funds to be invested in a "diversified portfolio" of financial assets. The donor suggests utilizing assets of the "highest quality rating" which pay a "relatively high current income". The donor also stresses that it is desirable to produce sufficient appreciation to "keep pace with inflation".

Presently, the board seeks, within the context of the current investment environment and relative to generally acceptable fund management benchmarks for other exemplary endowment funds, to achieve quality, diversification, income, and appreciation goals that are balanced between these objectives. The Park District has entered into an agreement with Hartline Investment Corp. to manage the investments accordingly on a discretionary basis.

The second portfolio represents the Accumulated Income from the Principal portfolio, will be similar, with a greater focus on growth in the principal to preserve the purchasing power of the funds. The secondary goal will be current income and to provide stability of the assets. The initial asset mix ranges provided are as follows:

Asset Mix: Principal Fund

<u>Asset Type</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>
Equities	40%	60%	50%
Real Estate (REIT)	0%	20%	5%
Fixed Income	20%	60%	40%
Money Market	0%	30%	5%

Asset Mix: **Accumulate Distributions Fund**

<u>Asset Type</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>
Equities	50%	70%	60%
Real Estate (REIT)	0%	20%	10%
Fixed Income	0%	50%	25%
Money Market	0%	30%	5%

Whereas **Equities** generally provide both capital appreciation potential and dividend income and can be diversified by size, economic sector, domestic and international location, and degree of established business record, equities are most appropriate for the objectives.

Real Estate (publicly traded equity real estate investment trusts) is traded on the U.S. stock exchanges and represents high quality liquid assets that provide a balance between the high income that properties provide and a modest appreciation potential as well as being linked to inflation through asset pricing.

Fixed Income investments are focused on income generation, but no capital appreciation and are available from diversified issuers including governments and corporations. The investments in fixed income will be limited to Investment Grade securities as being the “highest quality” in today’s context. Bonds also act to buffer the portfolio from volatility.

Money Market securities are highly liquid short-term fixed or variable income securities that provide both money available for distribution

and for use as a safe harbor in turbulent times for protection of principal and to provide strategic funds available for opportunistic purchases in the other asset categories. The 5% target level is current set somewhat above the current anticipated overall account income generation expectation and be adjusted accordingly in the future.

Investments will be reviewed at the frequency and discretion of the Commissioners relative to several variables to evaluate that the character of the portfolio reflects the intent of the Board.