



COLLINSVILLE AREA RECREATION DISTRICT

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CLOSED SESSION MINUTES NOVEMBER 25, 2015

The CLOSED SESSION of the Board of Park Commissioners of the Collinsville Area Recreation District was called to order by President Patrick Collins at 6:09 PM November 25, 2015 at the district office, 10 Gateway Drive, Collinsville, Illinois. Role was called with the following commissioners answering present: Mark Achenbach, Patrick Collins, Jeanne Lomax, Brad Sewell, and David Tanzyus. Others present included Doug Erhart and CARD Attorney Paul Evans.

In regard to potential litigation:

Patrick Collins stated Bank of Edwardsville had a meeting that day and made the decision they would not be funding the District's rollover bond. He stated their rationale was the qualified opinion outlined in the preliminary draft audit. Tanzyus outlined some possibilities for financing and stated amounts and time tables were needed, however, the concern was the need to pull things together by December 1st. Tanzyus made mention of the possibility of bankruptcy. Evans stated regarding timeframe, bond payments are due on December 1st for the long term bond payments and the rollover bond payment. Evans stated on December 1st, if payments were not made, the creditor would have the option to declare the District in default, and call the entire sum due. He stated he could see some degree of time being given to make the payments, to potentially multiple individual bond holders. There was discussion regarding the amount owed on December 1st, funds available to make the rollover bond payment as collected from the tax levy, and how the levy was to be spent or who should be paid from the tax levy. Tanzyus stated he thought the District would have 30 days, beyond December 1st, for the bond holders to be paid. Collins asked Tanzyus if he had the information he needed to go to Alan Dunstan with Madison County regarding approaching the County for assistance. There was discussion regarding penalties that would/could be extended, the current bond process and current legislation, potential impact/outcome if the District was or was not able to secure a funding source for the rollover bond. Doug Erhart stated he wanted to file a complaint with FDIC against the Bank of Edwardsville, which the Board generally agreed was a good idea. The Board generally agreed the \$20,000 bond redemption should be paid in relation to the VCAP agreement to Bank of New York Mellon and that none of the bond payments should be made until there was more information. Tim King should follow through with finding another funding source for the rollover bond. Tanzyus and Achenbach would schedule a meeting with Alan Dunstan, and Erhart would file a complaint with FDIC. Lomax inquired about the availability/use of City of Collinsville TIF, which led to a more detailed discussion about TIF.

Paul Evans presented information regarding bankruptcy, specifically information related to current legislation and potential options for CARD. He discussed potential benefits if CARD were able to file for bankruptcy, and how the scenario could play out. The Board and Evans discussed the costs associated with filing for bankruptcy and potential funding that could be available to assist in funding the costs for reorganization. Tanzyus stated the Board had time to obtain more information and think about it.

Brad Sewell left the meeting at approximately 7:45 PM.

Collins stated he thought they needed to continue discussions as to whether bankruptcy was a viable solution and no decisions would be made that evening. The Board continued to discuss financial issues and options to deal with the issues. Evans stated he would try and get a quote of what an appraisal would be, no commitment, and seek more information from the bankruptcy attorney so he could formulate an idea of what might happen. In regard to the discussion about raising tax rates in three of the District funds, Tanzyus stated they would need to get something drafted in December regarding a ballot initiative to raise the tax rate for the General Corp, Rec, and Museum funds. There continued to be more discussion about District financial issues and options.

No further business coming before the Commissioners, a motion was made by Sewell, seconded by Achenbach that the CLOSED SESSION be adjourned to OPEN SESSION. Those voting AYE were: Achenbach, Collins, Lomax, Sewell. None voted NAY. Motion passed.

The meeting stood adjourned at 7:57 PM.

Respectfully submitted,

Susan Zaber, Board Secretary

Date