



COLLINSVILLE AREA RECREATION DISTRICT
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REGULAR MEETING MINUTES

JUNE 20, 2017

The Regular Meeting of the Board of Park Commissioners of the Collinsville Area Recreation District was called to order by President Ronald Jedda at 6:30 PM, June 20, 2017 at the district office, 10 Gateway Drive, Collinsville, Illinois.

The roll was called with the following commissioners answering present: Mark Achenbach, Jeanne Lomax, Brad Sewell, Aaron Wright and Ron Jedda.

Staff present include: Doug Erhart, Kimberli DeRossett, Keith Grotefendt, Jessica Jader, Mark Kosmatka, Jill Rice and Jessica Seger. District Counsel James Craney was present as well.

SPEAKERS FROM THE FLOOR

Jedda opened the floor for speakers from the floor.

The first speaker from the floor was Marilyn McKinney. She really appreciates Splash City and has been a long time visitor. She has noticed a decline in maintenance over the last year or so. Umbrellas are either down, broken or missing. She hopes this is not a sign of the future and that CARD is planning to make improvements and keep the water park going. Her grandson voiced his concerns about the FlowRider not working and wants to know if CARD plans on fixing it.

The second speaker from the floor was James Grobmeier. He is concerned that the decrease in expenditures is having a negative impact on the general maintenance throughout the district. After discussions with various people he said that CARD is about 15% to 20% under operating costs for overall maintenance and hopes that does not continue so that facilities can be properly maintained. He is also concerned about the petition for disconnection from the parcels in Maryville. He understands they will still be paying property taxes to the debt but they will not be paying any money toward operating costs. He said the parcels disconnecting from CARD will have a tremendous impact on those remaining in CARD. The board needs to look at it closely and look for the good of the community.

The third speaker from the floor was Wendi Valenti. She is the executive director of the Collinsville Chamber of Commerce and speaking as a representative for the business community. The business community does pay property taxes, but they do not vote and do not necessarily enjoy discounted district rates. Area businesses have expectations for the district. They expect the parks and recreation facilities to be maintained. Businesses also have an interest in knowing the direction of the district. She would like for the board to let the business community know, before voting on the disconnections, if they intend for this to set a precedent for future individual parcels that wish to disconnect. If so, she wants to know how the board proposes to manage the district finances and maintain the facilities at the same time, given the shortfall. Also, if that is the intention, does the board intend for the action in the long term to force the district into bankruptcy and will the courts allow this to happen.

The fourth speaker from the floor was Mitchell Bair. Bair is the City Manager for Collinsville. As a representative of Collinsville, he is very concerned about the potential disconnection of parcels from the district and its impact on the residents. The City is committed to a proactive solution moving forward. He asked that the

board delay action tonight until they have proactive conversations. He noted the City is frustrated with the current condition of the parks but went on to commend Erhart for his hard work in trying to bridge the gap between CARD and the City. He would like for the board to find a proactive solution instead of disconnection.

The fifth speaker from the floor was Derrick Cox. Cox is a Collinsville Township Trustee. As an elected official he is often asked about getting out of CARD because no one uses it. He wants to know if petitions to disconnect, are dealt with by the City or by CARD.

The sixth speaker from the floor was Scott Rayho. Rayho started by welcoming the new board members. He went on to indicate he believes the board should further discuss the options and potential outcome of allowing parcels to disconnect before making an action. He went on to add that he is concerned about the upkeep and maintenance of CARD facilities and parks. He also noted the previous tax decrease in 2013 had a great impact on CARD's ability to maintain some facilities and parks. He added that CARD has made mistakes, but disconnecting and dismantling is not the route to go.

The seventh speaker from the floor was Craig Short. Short is the Mayor for the Village of Maryville. He is speaking on behalf of the disconnection from CARD. He agrees that parks are important, but Maryville has their own parks. He went on to note that many potential businesses looking to move to Maryville often ask if they are in the CARD district. He indicated that businesses do not want to be in the District. He concluded by saying let my people go.

The eighth speaker from the floor was Joe Ashmann. He started by indicating that he has been coming to CARD board meetings since CARD decided to buy Miner's Theater. He went on to suggest the board members watch the City of Collinsville's recent board meeting. He noted that CARD was pretty much tried and convicted. He added that he does not hate the golf course. He just does not believe a golf course should be run by a government entity.

The ninth speaker from the floor was Jim Crisler. He is a Maryville resident and supports the disconnection of parcels from CARD.

CONSENT AGENDA

Jedda opened the floor to review and accept the consent agenda items including:

- Budget hearing and Regular Meeting Minutes for May 16, 2017
- Closed Meeting Minutes for May 16, 2017
- Treasurer's Report for May 2017
- Claim and Accounts List in the amount of \$229,090.66
- Budget Tracking reports for May 2017

A motion was made by Achenbach, seconded by Lomax, to accept the consent agenda items.

Achenbach noted he reviewed some typing errors with DeRossett. He went on to question a line item in the Aquatic Fund for John Deere Financial that included animal feed and equipment purchase. Rice and Erhart noted that was an error and should be listed under the Museum Fund.

Lomax went to question a line item in the Aquatic Fund for \$6,699.38 to Cardmember Services. Erhart noted that CARD initially pays for the uniforms but are reimbursed by employees once the season starts. Rice noted the top three credit card expenses (maintenance supplies, equipment purchases and guard uniforms) are the only things listed. There are many other items on the list.

Lomax went on to question different lease maintenance agreements. One is from Battery Specialist & Golf Carts. Erhart noted the charge for \$5,469.85 to Battery Specialists & Golf Carts is the yearly payment for the golf carts maintenance agreement. TFC Equipment was for maintenance vehicles.

Roll was called with the following commissioners voting AYE: Achenbach, Lomax, Sewell, Wright and Jemma. None voted NAY. Motion passed.

EXECUTIVE DIRECTOR & STAFF REPORTS

Jemma opened the floor for executive director & staff reports.

Erhart discussed the following issues:

- Erhart discussed maintenance issues at Splash City Waterpark. He noted that various issues are being addressed. We have a new maintenance staff and supervisor. He mentioned the failure of a motor recently at Monsoon Mountain that cost about \$6,000 to repair. He also pointed out that the water park is twenty years old and we are going to have to put money in it in order to maintain it. He added that we are doing the best we can with what we have.
- He discussed the annual audit next. The auditors were in the office for three days and things appeared to go smoothly. So far the auditors are very pleased.
- He discussed a recent assessment from hail damage and noted the repairs would be \$90,000 between the activity center and the golf course. The activity center roof was new in 2013 and to replace it again would be \$55,000. The recoverable depreciation on the roof is \$5,000 since it is so new. While going through the claim process, he found that paperwork from a 2013 insurance claim was never processed and CARD has recoverable depreciation in the amount of \$34,000. He is working on completing that as well.
- Grotefend's report was discussed next. A file was reported with the Collinsville Police regarding razor blades found at the Optimist Playground. The staff has been doing daily inspections of the playgrounds and the police have increased their patrols. He went on to discuss the damage to the fence at Fletcher Field following a car accident. The field is currently being leased from CARD by Unit 10.
- Jader's report was discussed next. CBSL is interested in CARD taking over CBSL. It is currently run by volunteers. Jader serves as CBSL's treasurer and complex director
- Kyle Smith's report was discussed next. The recent storms did extensive damage to the golf course. As a result of Saturday night storms, the course was closed on Sunday.
- Erhart noted Tim Childers and DeRossett's efforts to correct maintenance issues at Splash City Waterpark.

A motion was made by Achenbach, seconded by Sewell, to accept the Executive Director & Staff Reports.

Roll was called with the following commissioners voting AYE: Achenbach, Lomax, Sewell, Wright and Jemma. None voted NAY. Motion passed.

OLD BUSINESS

Jemma opened the floor for old business. There were no old business items.

NEW BUSINESS

Jemma opened the floor for new business.

The first item of new business was the discussion and potential action regarding a Corporate Authorization Resolution for FCB check signing privileges. Erhart said the current board members with check signing privileges are the executive director, board treasurer, president and vice president. All checks require two signatures.

Roll was called with the following commissioners voting AYE: Achenbach, Lomax, Sewell, Wright and Jedda. None voted NAY. Motion passed

The second item of new business was the discussion and potential action regarding the petitions submitted for disconnection from CARD.

A motion was made by Wright, seconded by Achenbach, to accept Ordinance 17-4 as submitted.

Jedda led the discussion regarding the disconnections. CARD's responsibility is to receive and accept the petitions and any accompanying documents from the petitioners. CARD then has their attorney review the petitions to make sure they meet the Illinois State Statutes qualifications and advise the board accordingly. The board then votes on the ordinance concerning the petitions. He added that no one on this board and no one in the staff positions are officially taking any kind of roll in trying to move along a disconnection effort.

Craney then discussed his review of the petitions. Specifically he reviewed statute 70-ILCS-1205/3-6 and the certain criteria that has to be met before the board can vote.

In this case, it appears that all of the required qualifications have been met. The statute has been upheld under Illinois law. He went on to note a separate statute that was not cited in the petitions. Section 70 ILCS-1205/3-7 makes clear that if disconnection is granted; the parcels of disconnected land are not exempt from paying their share of indebtedness which was taken out prior to their disconnection. Going forward, they will not be taxed for any new debts or for operating expenses.

Achenbach tried to answer the questions raised in public comment regarding the disconnection. He first addressed Valenti's concerns. Her first question was if the board intends for this to set a precedent moving forward. Achenbach noted that he can only speak for himself, but the statute lays out the guidelines. The first thing is to see if the requirements of the statutes were met. When it comes down to the decision, each board member will have to make that decision and that it is a case by case basis. They can't just say "no, we are not going to let anyone out" or "yes they will let everyone" out because circumstances are different.

Valenti went on to question how the board plans to manage district finances and maintain facilities if more petitions are submitted for disconnection. Achenbach noted this is a park district. We are not a fire protection district or police district. Yes, parks are important, but there are a lot of people in the state of Illinois who are not in a park district or a municipality that has parks and it's not the end of the world. It is not like police protection or fire protection, something that is absolutely necessary.

Valenti went on to question if CARD could be led to file for bankruptcy. Achenbach said no. He went on to explain that the past board had been paying the debt after the year was over and that CARD had been a year behind on their debt since the mid 2000's, which is illegal. To correct that, unfortunately, this year the taxpayers are paying close to two years' worth of debt. That will pay last year's debt payment and two-thirds of the payment for this year's tax payment. It is only two-thirds because the staff and the conservative board found ways to find more money so that the entire burden did not have to be on the tax payers. Out of the \$0.63 of the tax bill to CARD, \$0.42 is debt. The remaining \$0.21 goes to operating costs. Doing this saved taxpayers \$2.3 million over the life of the bonds. He added that the board cannot raise taxes. The people have to vote on a referendum to change taxes.

Valenti wanted to know where the board is going and if they are going to be making cuts. Achenbach added that the board is exploring other options that will allow the existing facilities of CARD to go forward while reducing the expenses to the people in CARD.

Wright added that a discussion like this would not be had at the Collinsville City Council meetings. He went on to note that he feels the board has to accept the disconnections on principal. "If we are pretending that we govern through the consent of the governed, then when people have a method to get themselves out of a certain situation and they request it, we should grant it. If we side with the remainder of the people that will stay in the tax district versus the handful of properties that want out, then we are coercing the other; and we say that their voices don't matter and we are going to take their money how we please."

Sewell added that Maryville has had parks as long as he can remember. He noted that in the very beginning Maryville had the opportunity to put their parks in CARD and they did not. He added that the board will have to pass a referendum, which rarely passes, to raise our taxes. He went on to note this did not happen overnight and it's too late to complain about it. He added he is not an advocate for this, but he is a realist. The board needs to determine how they are going to move forward.

Gulledge added that out of the Maryville residents he has talked to, about 90% of them want out of CARD. He went on to address why Maryville did not put their parks in CARD. He added that he is not against CARD and he is not against park districts. He is against double taxation for the people he represents. They have their own parks. He noted that if the people of Collinsville want CARD to stay, they will figure out a way to do it.

Achenbach added that there is not a tax levy for the golf fund or the aquatic fund. They are for fee services. The tax levy is for the remaining funds like recreation, corporate, museum, etc.

Grobmeier added that he knows for a fact there are a lot of Maryville residents that want to stay in CARD. There also are a lot of Maryville residents that use the golf course, Splash City and Willoughby Farm. He stressed that it is the Collinsville Area. The idea is to develop things for the communities in the area. Achenbach added that the majority of the users of the golf course and Splash City are not in the park district.

Lomax asked about the parcels wanting to disconnect and the possibilities of their development. Achenbach added that once those properties are developed, they will be responsible for their share of the debt at the improved assessed tax rate.

Rayho questioned the possibility of refinancing the debt. He added that refinancing of the debt is just a transfer of the existing debt, it is not new debt. Achenbach noted that CARD is not in a position to refinance the debt because we are over the debt limit.

Lomax estimated if half of the people in the district were to disconnect, it would double our tax rate from \$0.07 to \$0.14 for the non-capped taxes. For example, a house with a \$200,000 value would have a \$48.00 increase.

Valenti asked if services would be cut in those other areas. Jedda said that the comment about cutting services is trying to put words in the mouths of board members. She indicated she is just trying to understand. Jedda said she is trying to understand, but she is trying to imply that by allowing a disconnect, the board is automatically going down a road of cutting services. He went on to note that a few years ago there was a tax referendum that passed by 81% to 19% and the district managed the reduction of \$250,000 of expenses. He added that if the disconnection takes place, it is the role of the board to deal with what is left in the district and manage the finances accordingly. That does not automatically mean there are going to be cuts.

Jedda added that he did watch the June 12 City of Collinsville council meeting. He remembers the mayor saying that the road of financial ruin started in 2006-2007. The first 15 years were pretty good, then around 2006-2007, when Splash City came on board and the golf course was purchased, the financial conditions started to deteriorate

rapidly. The first 19 year lease for the parks came up in 2010. That lease was then extended for another 19 years with no conditions or indications saying the City was concerned about the financials. He went on to note that the people sitting on the CARD board ran unopposed during the elections. He knows there are people at the meeting tonight to express their opinions and he appreciates it. Again, no one ran against them. Wright added there was a 65 signature requirement to run.

Jim Sparks asked if all of the tax payers under the umbrella of CARD are responsible for not only the good that CARD did but for the incurred debt until 2036. It would not be fair for some to not have to be in it until the end. Jedda and Achenbach reiterated that the disconnected parcels are still responsible for the long term debt payment. They would not be responsible for the operation fees.

Roll was called with the following commissioners voting AYE: Achenbach, Lomax, Wright and Jedda. The following commissioner voted NAY: Sewell. Motion passed.

The third item of new business was the discussion and potential action regarding prevailing wage act Ordinance #17-3.

Erhart discussed the ordinance. It is done every year. Erhart gave the prevailing wage information for a laborer as an example. The hourly wage would be \$30.54 an hour, health and welfare benefits are \$6.30 an hour, retirement is \$12.91 an hour and training is \$0.80 an hour. That would be roughly \$50.00 an hour. Wright pointed out that the only changes from year to year are the rates.

Roll was called with the following commissioners voting AYE: Achenbach, Sewell and Wright. The following commissioners voting NAY: Lomax and Jedda.

FOR THE GOOD OF THE DISTRICT

Jedda opened the floor for the good of the district.

Achenbach thanked DeRossett and Rice for help with the recent payroll.

OTHER BUSINESS

A motion was made by Lomax, seconded by Wright, to go into Closed Session for the purpose of discussing the employment, compensation, or dismissal of specific employees, purchase or sale of real property, and litigation. (5 ILCS 120/2§ 1, 5, 6, 11).

Those voting AYE were Achenbach, Lomax, Sewell, Wright and Jedda. None voted NAY. Motion passed.

The Board adjourned to CLOSED SESSION at 7:56 PM.

The Regular Meeting of the Board of Park Commissioners of the Collinsville Area Recreation District was called to order in OPEN SESSION by Jedda, June 20, 2017 at 8:14 PM at the district office, 10 Gateway Drive, Collinsville, Illinois. Commissioners present were Achenbach, Lomax, Sewell, Wright and Jedda. Staff present included Executive Director Doug Erhart. District Attorney James Craney was present as well.

No further business coming before the commissioners, a motion was made by Sewell, seconded by Lomax, the meeting be adjourned. Those voting AYE were Achenbach, Lomax, Sewell, Wright and Jedda. None voted NAY. Motion passed.

The meeting stood adjourned at 8:14 PM.

Respectfully Submitted,

Kimberli DeRossett, Recording Secretary

Date