



COLLINSVILLE AREA RECREATION DISTRICT  
www.CollinsvilleRec.com

10 Gateway Drive, Collinsville, Illinois 62234 • (618) 346-PLAY (7529) • (618) 346-7530 (fax)

## CLOSED SESSION MEETING MINUTES

AUGUST 15, 2017

The CLOSED SESSION of the Board of Park Commissioners of the Collinsville Area Recreation District was called to order by President Ronald Jedda at 6:55 PM, August 15, 2017 at the district office, 10 Gateway Drive, Collinsville, Illinois. Roll was called with the following commissioners answering present: Mark Achenbach, Ronald Jedda, Brad Sewell and Aaron Wright. Others present included Executive Director Doug Erhart and District Attorney James Craney.

Jedda updated the board on the golf course management companies. Erhart, Jedda, Achenbach and Craney met with Vern Van Hoy and his groundskeeper as well as Jeff Smith with Walter's Management. They noted Van Hoy had the best opportunities and showed the most interest. Van Hoy will be meeting at the golf course on Wednesday with Mark Marcuzzo, Kyle Smith and Erhart to review equipment. Someone from Toro will review the equipment and give an estimate of the equipment value. Van Hoy would like to take control of the golf course by either October 1 or February 1. They indicated possibly taking over existing leases as well. It was also noted that Van Hoy has a long term interest in the golf course. Craney addressed concerns regarding leases and outstanding bonds. With tax exempt bonds, you cannot use a property that is subject to indebtedness from a tax exempt bond for private businesses. There is a safe harbor, however, that would allow CARD to bring in a golf course management company and it just needs to be structured accordingly. Achenbach asked about Marcuzzo and Smith. Erhart indicated they are very familiar with Van Hoy and that Van Hoy is interested in keeping Marcuzzo and Smith on board, as well as Kelsey Smith for mechanics. The board discussed vested employees and compensation.

Craney updated the board on the following points:

- The slide case and the possibility of settlement. Fiberglass's attorney might be interested in settlement. He has yet to hear from the other companies.
- He discussed a recent conversation with City of Collinsville Attorney Steve Giacoletto regarding the City taking their parks back. He reiterated that CARD will not pay the City to take care of the parks. It was noted the City showed interest in taking back the parks if CARD lowered their tax levy by \$300,000. This is the amount they believe it would cost to run the parks. Erhart noted that out of the \$330,000 CARD gets for the Rec Fund, we not only maintain the parks, but run all of our programming. Erhart said we are not going to lower it \$300,000. Part of that is for programming, it is not all going toward the parks. Achenbach also pointed out the income for the cell towers on various properties and questioned if that income would transfer to the City. The board will review the cell tower lease agreement. Jedda proposed getting quotes to outsource grass cutting this fall. He also would like details for the City's proposed budget of \$300,000 to run the parks. The board went on to discuss the sports complex as well.

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

The Closed Session Meeting stood adjourned at 7:38 PM.

Respectfully submitted,

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Kimberli DeRossett, Recording Secretary

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Date



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## **CLOSED SESSION MEETING MINUTES**

**SEPTEMBER 19, 2017**

The CLOSED SESSION of the Board of Park Commissioners of the Collinsville Area Recreation District was called to order by President Ronald Jedda at 7:10 PM, September 19, 2017 at the district office, 10 Gateway Drive, Collinsville, Illinois. Roll was called with the following commissioners answering present: Mark Achenbach, Ronald Jedda, Jeanne Lomax, Brad Sewell and Aaron Wright. Others present included Executive Director Doug Erhart and District Attorney James Craney.

Jedda updated the board on discussions and potential open session action regarding the Van Hoy/CARD agreement to manage Arlington Greens Golf Course. He believes they have reached a tentative agreement. Currently they are working out the actual agreement itself. Craney said an agreement was sent to him that was like a lease management agreement. He went on to note there is an IRS regulation preventing an entity/municipality from using a tax exempt bond that leads to private use. He was aware of this and reached out to a bond attorney and was told there would be a way to structure this. Craney has updated the agreement and forwarded it to the bond attorney. As written, the bond attorney feels the agreement may work as is. Achenbach added some details of the agreement including Van Hoy paying CARD \$1 per 18 hole round and \$0.50 per 9 hole round for every round that is played. Anytime they increase the fees, CARD would be paid an additional 5% of the increase. They are going to buy the CARD owned equipment and pay \$20,000 annually for the next five years. Jedda added that there was an appraisal done on the equipment. The appraised value of the equipment was around \$135,000 at wholesale. There also was an issue about the parking lot. It was agreed to lower the equipment cost from \$135,000 to \$100,000 if Van Hoy would accept full responsibility of the parking lot. Van Hoy has also agreed to take over the existing equipment lease payments. Marcuzzo will become an employee of Van Hoy once he is eligible to retire from the park district. Since Van Hoy is taking over the equipment at the course, CARD will file a Uniform Commercial Code, or UCC, filing with the State of Illinois and Madison County. This will give CARD a lean against the equipment which runs for a five year term and can be renewed. CARD also is going to take out a ten year term life insurance policy on Van Hoy. Craney questioned how the five pieces of equipment that are being sold were purchased. Erhart noted that none of it was tax exempt money. Achenbach said some could have been PEP Grant money and money out of the Golf Fund. The bond attorney is interested in trying to pay on the bonds early. Jedda went on to note a joint press release will be release to inform the public that Van Hoy is taking over the golf course. A joint letter will go out as well to all of the people that have tournaments scheduled in the future. Lomax asked if there was still going to be a resident rate. Jedda noted there will be no rate changes before the end of the year. The issue of resident rates was not pushed. Van Hoy does not anticipate changing rates. Lomax asked about revenue. Jedda pointed out the savings the park district will have by not paying social security or IMRF, and liability insurance will drop by \$7,000 to \$8,000. He also noted we will not have to pay any workman's compensation and no capital expenditures. It is estimated CARD will receive around \$25,000 annually on rounds of golf. With those numbers, the tax payers will save about \$135,000 annually. They are currently aiming for an October 1, 2017 takeover. Van Hoy also has to obtain the liquor license in his name. The current liquor license may have to go into October. Craney suggested an indemnity provision in case something was to happen during that time. There might be a necessity for a special meeting tentatively on Tuesday, September 26, 2017.

Jedda updated the board on discussion and potential open session action regarding the transfer of ownership of the Arlington Wetlands, containing 7.54 acres and defined as Parcel #17-1-20-24-00-000-003.001. Lomax and Jedda met with Matthew Brandmeyer, AICP, head of planning and development with Madison County. They are interested in Madison County taking over the 7.5 acres or Pontoon Beach. CARD would

transfer the deed. Achenbach added that Arlington Wetlands is actually about 200 acres and CARD owns a small portion, including the parking lot and the area along the road. CARD paid \$112,000 for 7.5 acres. The board will vote on this in open session.

Jedda updated the board on discussion and possible action concerning the city leased parks. Erhart gave the board printed information and led the discussion. He has been working with Mitch Bair, the City of Collinsville City Manager. The agreement the board was presented with is the closest that both parties have ever come to an agreement. There is a meeting set up to go through the agreement section by section and cover all options. Achenbach has an issue with the section stating CARD will give the City a prorated share of the PEP Grant. He questions how that will impact the parcels in Pontoon Beach, Glen Carbon and Maryville that has PEP Grant money going to CARD, but not their own park districts. CARD does not want an intergovernmental agreement. The board continued to discuss options other than giving the City PEP Grant money.

Erhart updated the board on the collaboration agreement between CARD and the YMCA. There have been no updates since the last meeting with the YMCA. Several maintenance people from the YMCA are coming by on Thursday to look at the park and check on the equipment. This would include recreation programs as well.

Craney updated the board on pending litigation. He said there was nothing to report.

No further business coming before the Commissioners, a motion was made by Wright, seconded by Lomax, that the CLOSED SESSION be adjourned to OPEN SESSION. Roll was called with the following voting AYE: Achenbach, Jedda, Lomax, Sewell and Wright. None voted NAY. Motion passed.

The Closed Session Meeting stood adjourned at 8:25 PM.

Respectfully submitted,

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Kimberli DeRossett, Recording Secretary

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