

COLLINSVILLE AREA RECREATION DISTRICT

COMMITTEE-OF-THE-WHOLE MEETING

April 3, 2012

The Committee-of-the-Whole Meeting of the Board of Park Commissioners of the Collinsville Area Recreation District was called to order by President Mary Ann Bitzer at 7:00 PM, April 3, 2012 at the district office, 10 Gateway Drive, Collinsville, Illinois. Following the Pledge of Allegiance the role was called with the following commissioners answering present: Andrew Carruthers, David Tanzysus, Joan Burke, Spike Bryant and Mary Ann Bitzer.

Staff present included Interim Executive Director Rick Robbins, Marketing & Communications Coordinator Elizabeth Davis, Special Events Coordinator Shelly Crehan, Outdoor Program Coordinator Kelsey Rundle, Aquatics Supervisor Stephanie Whittington, Director of Business Rosemary Barczewski, Golf Course Manager Mark Marcuzzo, Golf Course Superintendent Bob Lovatto, Administrative Assistant Susan Zaber, and Splash City seasonal staff Craig Norrenburns and Dominic Baima. Attorney David Gerber was also present.

PUBLIC INPUT

Pete Palumbo addressed the board regarding his experience in public finance, and the decision that he stated was passed by the Board in January 2012 (the motion was made and passed at the regular meeting held on February 21, 2012) to explore other financial options and advisors in an effort to possibly restructure outstanding bonded debt. He presented information regarding current interest rates and benefits of pursuing other methods for paying CARD's debt, and stated since January the inaction had cost CARD roughly 3/10 of 1% because of the increase of interest rates on the 10 Year Treasury bond. He stated the Board had a finite window of opportunity to act as rates would likely climb if any sort of economic recovery would take place. He stated one of the concerns of the Board was to act quickly in order to save the tax payers money as was indicated by the Board in the past, and to immediately begin the process of interviewing a new, local financial advisor and employ one as soon as possible, less the Board's inaction turn into lost opportunity.

Mark Achenbach addressed the board regarding a FOIA request he submitted in February 2012 for data regarding the use of the CARD Paving and Lighting Fund. He stated although his investigation was not complete he found the fund was being used in a manner that was blatantly in violation of the law. He stated since the Board was discussing next years budget he hoped someone on the Board would get an answer to the question of what is the total of all legitimate Paving and Lighting Fund bills. He stated once the Board knew what was legitimate then the Paving and Lighting Fund must be repaid by the other funds that should have been paying the non-paving and

lighting bills over the last several years. He stated once the Board was back within the law that the Paving and Lighting Fund would not need any additional funds for the years to come. He stated CARD's practice of collecting the maximum allowable Paving and Lighting Fund levy and then illegally using the money for unauthorized purposes needed to stop or citizen legal action would ensue. He read from the Park District Code in section 5-6 the appropriate use of the Paving and Lighting Fund, and provided examples of appropriate and inappropriate uses of the fund. He stated since the funds inception in December 2004 CARD collected \$185,622 for the Paving and Lighting Fund, and stated he guessed very little was used for legitimate and legal uses. He stated apparently Rosemary (Barczewski) was paying any or all utility bills, both electric and gas, with the Paving and Lighting Funds and in violation of the statute. He stated these were restricted funds and not only could the funds not be used for unauthorized uses, but past misuses must be paid back to the Paving and Lighting Fund or paid back to the tax payers.

DISCUSSION ITEMS

The only topic discussed during the meeting was the presentation and discussion of the proposed CARD 2012-2013 budget.

- Rick Robbins led the discussion and reading from an outline/memo provided to the Board about the proposed budget.
- A presentation was shown about CARD and the various services/offerings provided by CARD to the community.
- The first individual who presented budget information was Elizabeth Davis, Marketing & Communications Coordinator:
 - She noted in this years budget compared to last year there was an increase in publishing in the Aquatic and Corporate Fund, a decrease in the Recreation and Museum Fund, and really no change in the Golf Fund. She also noted that since she started working at CARD the marketing budget was decreased by \$50,000 and that the budget had been cut as much as it could be.
 - Rick Robbins stated the District used as much free advertising as it could, as well as social networking and other methods as means to market District offerings.
- Stephanie Whittington, Aquatic Supervisor, presented the Aquatic Budget:
 - Stephanie stated in 2011 Splash City had its second highest attendance of 65,983 since Splash City's inception. She highlighted attendance experienced by Splash City during its first season, and since Splash City expanded its offerings and with local pool closings. She stated due to these changes Splash City increased its attendance by 22,673 visitors or by 34%. She also stated Splash City experienced record revenue years in 2011 with over \$640,656 in revenues. She stated 2011-2012 expenditures were \$610,539 as of February 29, 2012. Stephanie stated the attendance was expected to increase with the closing of the Belleville, IL pool.

- She directed the Board to the revenue section of the aquatic budget outline, specifically admissions. She stated General Admissions numbers were relatively the same, with the exception of obtaining higher sales as long as the weather was above average. She stated she raised projections for Resident Admissions with the thought of targeting local markets and promoting the Benefit ID card. She stated season passes remained on target, Family Night projections were increased by \$18,111, other special event projections remained unchanged, and pavilion rental projections increased due to the addition of another tent outside the park premises. She stated youth swim lessons were lowered slightly, due to the elimination of the 6:00 PM lesson period, which was done because of customer complaints. She stated the price of the classes increased due to an increase in training materials. Stephanie directed the Board to expenditures, starting with salaries, which she stated was dependent on the return rate of staff. She stated the average return rate was 71% overall. She stated aquatic utilities projections were decreased by \$7,800, printing and publishing increased, aquatics training increased, public safety supplies decreased because of the ability to purchase safety items under the PEP grant, and other items remained relatively unchanged.
- Joan Burke asked what "Other Professional Services" was, and Stephanie answered it was computer support. Joan asked about "Meeting Expenses", and Stephanie explained it was for orientation materials for Splash City staff, staff/guard game incentives, etc.
- Mary Ann Bitzer asked if the slides repairs and bath house roof repair were included in the aquatic budget. It was explained these items were included in the capital budget.
- Dave Tanzyus asked what the top three demographics were for Splash City and with the Belleville pool closing if that would be an area for the District to focus on, and asked what the District was doing to promote Splash City to that area. Elizabeth stated she was considering a direct mail piece to the Belleville area to promote Splash City. Regarding the demographics it was stated the primary demographic was ages 2-12 and families, and that because of the Flow Rider more of the teen market was represented. Elizabeth stated a lot of the Splash City special events were also geared toward the teenage group.
- Andrew Carruthers inquired about the travel expense line item of \$3,000 and what it was for. Stephanie stated it was for the IPRA conference, WWA conference, any aquatic training she was required to participate in, etc.
- Rosemary presented information about the Audit Fund and the other small funds represented in the budget:
 - Regarding the Audit Fund, Rosemary stated the \$30,000 received from the property tax was used for the payment of the District's annual audit, which was required by law and the administrative salary to administer the District's finances. \$14,000 was budgeted for the audit, which was a 5%

increase over last year and based on the same increase seen in the prior year.

- Andrew Carruthers asked how much the audit was this year. Rosemary stated approximately \$14,500.
- Regarding the IMRF Fund, Rosemary stated it was a restricted fund, so the \$75,000 received must be used only for the District's contribution to IMRF. She stated any employee working more than 1,000 hours was required to participate in the retirement plan and pay a contribution of 4.5%. She stated 31 employees were enrolled and the District's 2012 contribution rate was 9.26%.
- Regarding the Liability Fund, Rosemary stated the \$134,000 budgeted was a 6% increase over last year's premium. She stated in the past two years the District saw a 9.5% increase, but for 2012-2013 the amount was lowered due to no new facilities being added to the policy. She stated \$10,000 was budgeted in administrative salaries. She stated in 2011 there were 71 liability complaints filed, and 2010 there were 61 claims filed.
 - Andrew Carruthers asked where the claims were from, and Rosemary stated they were from all the facilities.
 - Joan Burke asked where the St. Clair County property tax line item was. Rosemary stated since St. Clair and Madison County were behind and had not set their multipliers, the District did not know how much would be received. So, for now the total amount approximated was listed as one number under the Madison County property tax line items.
- Regarding the Bond and Interest Fund, Rosemary stated the funds received would pay the 2011 Rollover bond principal of \$1,300,000 and interest of \$19,373.67.
 - Andrew Carruthers asked or clarified that this was the rollover bond passed in December, and Rosemary stated yes.
 - Andrew asked why this was reflected in the 2012-2013 budgets, since it was voted on in December 2011. Rosemary responded it was because that was when the pay off was. She stated in December the District voted to receive the money, but then the District was paying it back in the following year.
- Regarding the Social Security Fund, Rosemary stated it was a restricted fund and the monies levied in the fund were for the employer's portion of the Social Security and Medicare tax. She stated the employer's rate was 7.65% and CARD's total salary from 5/1/11 to 4/30/12 was \$1,455,424.25. Therefore the District social security until the end of March 31, 2012 was \$111,317.04. She stated the District still had two more payrolls to pay into this current year's budget, and with that in mind the District should have a total Social Security and Medicare for this year's fiscal budget of \$119,000. She stated \$125,000 was budgeted for the 2012-2013 budgets with the possible reason of additions to salary.

- Andrew Carruthers asked in all the restricted funds how much the District liked to keep in reserve. Rosemary stated 3 months for cash reserve for May, June, and July, because the District does not typically receive its property tax till July.
 - Andrew asked with all the different funds budgeted was the District counting on depleting those funds. Rosemary stated hopefully not, but that was dependent on what the Board does with raises, whether the Board brought in another Executive Director or retained what it had, which would impact what was left in Social Security and IMRF. She stated the District was not planning on seeing large increases in liability or worker's comp. She stated the District should have some reserve. She stated she wasn't sure if it would be 3 months, but there should be enough to get through part of the 3 months.
 - Regarding the Worker's Comp Fund, Rosemary stated the funds in the account would pay the District's worker's comp insurance plus salaries to administer the account. She stated in 2011 there were 7 claims and in 2010 there were 8 claims.
- Kevin Brown and Rosemary presented information about the General Corporate Fund:
 - Kevin stated the bulk of the revenue generated for the fund came from property taxes. Under revenue, he stated there was an increase in the Rental Income line item, due to two pavilions added this year. The Lakeview pavilion in Woodland Park was added, and he stated Pleasant Ridge was expected to come online in the next 60 days. He explained the line item for Rental Income-Other was income for the rental of Tara Lane and two cell phone towers. The line item for Reimbursements was explained to be what was received from the CBSL for lighting at the Sport Complex. Under expenditures Kevin stated the \$18,045.50 for line item Maintenance Facility was for repairs for parks equipment. Kevin stated the line item Maintenance Supplies was for light bulbs, paint, ice melt, bathroom chemicals, toilet paper, paper towels, etc. He stated the line item for Chemicals-Maintenance Facility was for things like Round-up.
 - Rosemary added that another reason for the increase in rental income was due to the District having a standing rental every Sunday, which equated to \$275 per week, and added \$14,000 per year in income. She explained the two cell towers generated approximately \$2150 per month, \$500 of which was given to the city for their share. She stated half of the District's operating expenses for the Admin office was paid from the fund.
 - Joan Burke asked why aquatic was listed under the General Corporate Fund. Rosemary explained when the District gets to year end in aquatics there was one credit card that ran through the main office. She stated when people come in to purchase season passes for the water park the money collected is put in the credit card account under General Corp, and would be zeroed out at the end of the year and put into the appropriate account.

- Mary Ann Bitzer noted Pleasant Ridge Park was not listed under the line item Plant Materials and asked if the expenditures were currently covered by grant money. Kevin Brown stated some of it was. Rosemary stated some of it was covered under the Capital Fund.
- Mary Ann Bitzer asked about utilities and if the District was in a co-op. Rosemary stated the administrative office was in a co-op, but the parks were not.
- David Tanyzus noted there was approximately a \$1.1 million variance between budget and actuals in the 2011-2012 budgets. He asked Rosemary how she thought the District would compare in actuals versus budget in 2012-2013, because this year's budget looked tighter. Rosemary stated the District cut staff. David stated that would not be a real variable between budget and actuals. He stated it would be a cut, but the difference between budgets versus actuals seemed to be much higher in the past. He asked if the District in the past was too optimistic, and Rosemary stated "we didn't do the budget".
- Mark Marcuzzo and Bob Lovatto presented information about the Golf Fund:
 - Mark stated things that had changed over the years were that concessions changed and Arlington was no longer staffing cooks, and in general the biggest change was a reduction in payroll. The Pro Shop was moved behind the bar, and the Pro Shop and bar were now primarily being worked by the regular full time staff. He provided a comparison of rounds played by courses in the area and stated last year Belk Park had 24,500 golfers, the Woodlands had 25,000 golfers, Fox Creek had 15,500, Spencer T. Olin had 28-30,000 every year, and Timberlake's had 13,000. He stated Arlington Greens average was 29,000 since 2007 when it opened, and the rounds would be there because of the conditions of the course, the marketing, and staff. Mark talked about the programs and events scheduled for the year, and stated this year he tried to eliminate weekend tournament play and some of the exceptions made in the past related to tournament play.
 - David Tanyzus asked if the overall revenue and expenditure number was correct. Mark stated it was. David asked about the difference between budgeted for 2011-2012 of \$892,766 and the current actual of \$782,571. Rosemary explained there were still two months left in the budget year and that the last two months were big months. She stated another \$100,000 could be expected to be added to the \$782,571. She explained that in 2011-2012 versus 2012-2013 there was an expected decrease of about \$40,000 in the budget. Mark explained the deficit was dependent on revenue, and stated the gap between revenue and expenditures was getting closer.
 - Andrew Carruthers asked if there would be an opportunity to see the final two months of revenues and expenses to be able to see a complete fiscal year. Rosemary stated it would be updated.
 - Joan Burke asked about the line item for Golf Course lease. Mark Marcuzzo stated the expenditure was for golf carts lease. Joan asked if

the lease was the best lease the District could get. Mark stated it was and the lease was renewed last year. Joan asked what line item Lease-Golf was. Bob stated it was for the irrigation controller.

- Kevin Brown presented information on the Museum Fund, which houses Willoughby Farm and Miner's Institute:
 - Rick Robbins stated the only thing budgeted for Miner's was for utility costs. Rosemary stated \$3500 was put back in the Miner's budget in case there was a need to rent a heating unit again the upcoming year.
 - Kevin Brown stated Carol Freker, Willoughby Farm Coordinator, developed the budget. Kevin stated the line item for Rental Income was increased from \$2000 to \$8000, because it was anticipated there would be a lot more rentals, due to the increase in interest in the farm the last few years. Kevin stated on most line items expenditures stayed the same or went down.
 - Joan Burke asked what kind of uniforms the District had. Rick Robbins stated it was for staff shirts, volunteer t-shirts, Parks department sweatshirts, etc. Kevin Brown stated the District was in a contract with Aramark until January and stated the District would probably end that contract.
 - Kevin Brown stated the District was already over the \$10,000 budgeted for the line item Maintenance Supplies for last year, but the District was going to try to hold to the \$10,000 for 2012-2013.
 - Rick Robbins stated the main level of the house at Willoughby Farm, which was almost completely renovated by volunteer staff at minimal cost, would be opened for the Heritage Festival on May 2nd. Kevin stated an ADA accessible bathroom would be completed by the end of the year.
 - Mary Ann Bitzer asked if the house would be open for rental by organizations. Shelly Crehan, Special Events Coordinator, stated that had been discussed as a means to generate revenue, but that the District had not specifically gotten to that point yet.
 - Joan Burke asked that since there was nothing budgeted for Miner's if there was a time for the Board to discuss what the District was going to do with Miner's. Rick Robbins stated Miner's would be discussed during the Capital Budget presentation. She stated she thought the Board needed to make a decision as to whether the District was going to take care of it or move it along. She stated she wanted to see the topic coming up in upcoming discussions.
- Rick Robbins presented information on the Recreation Fund:
 - Rick stated there were not a lot of changes with programming, but there were some additions with trips scheduled, there were expansions in the area of events, and some significant reductions. He stated there were reductions in staffing and meeting/training expenses and in programming, due to the cancellation of some big programs like the Bluegrass Festival, the Summer Concert Series, and the stocking of trout in the Woodland Park Lake and some smaller programs.

- Rosemary stated some of the operating expenditures were also included in the Recreation Fund. For example, 25% of the telephone, 50% of the office electric, water, and sewer, copier and postage meter fees, legal fees, half of the Parks Division fuel, etc.
 - Joan Burke stated it was unfortunate the concerts had to be taken out and inquired about the possibility of getting sponsors and bringing the concerts back next year. Rick Robbins stated it was something that was thought about, and that it was a challenge to find sponsors because of staff time and getting the contacts. He stated he did not foresee bringing the concerts back without sponsors. He stated it may be possible to seek out a couple sponsors and bring back a couple concerts this year and maybe more back the following year.
- Rick Robbins referenced the information outlined for the overall operating budget and stated the revenue budgeted was approximately \$4,661,000 and expenditures were approximately \$4,621,000.
- Joan Burke inquired about the Paving and Lighting Fund. Rick Robbins stated there had not been any expenditures paid from the fund in awhile. Rosemary stated there had not been, because she was waiting on an opinion from the District attorney.
 - Andrew Carruthers asked if it was acknowledged that there was some potential. Rosemary stated she was not saying that, and that she was saying she was waiting on the attorney, because she did what she was directed to do when the fund was started.
 - Attorney David Gerber stated it was being looked at. David Tanzyus asked when the Board could expect to have an opinion, and David Gerber stated by the May regular meeting.
 - Andrew Carruthers confirmed the \$22,400 was what was left, that nothing was levied in the fund for 2012-2013, that no more money was coming into the fund, and essentially there was a freeze on the account.
- Rick Robbins presented information on the Capital Improvement and Capital Equipment Funds:
 - He started by providing background information about the Capital Improvement Fund and explaining why the budgeted amounts were so high. Rick read from state statutes and explained the appropriation part of the budget allows for the maximum amount that could be spent if sufficient funds were available. He stated what he wanted to highlight was that with the 5 year capital improvement plan that would be presented to the Board, there would be a clear list or plan of park priorities. He read from the budget summary provided to the Board and stated the revenue proposed was \$6,139,743 and expenditures proposed were \$5,277,593. He reiterated all of the anticipated revenues/expenditures needed to be in the budget.

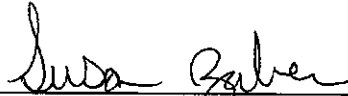
- Mary Ann Bitzer asked if an anticipated grant was not noted, would the District not be able to use it. Rick stated that was correct or at the very least the District would have to submit an amended budget. He stated in the statutes it stated more dollars should be appropriated for than expected.
 - Andrew Carruthers asked about the \$1.3 million listed on the line item Bond Proceeds and if that was the amount needed for the next year's payment. Rosemary stated that was for the long term payment. He confirmed the \$1.347 million was just to cover the payments, and noted that last year the amount budgeted was for \$3.8 million in Bond Proceed revenues, and now the District was doing \$1.3. He stated the District did not anticipate any additional revenues above and beyond the payment. Rick Robbins affirmed the District was not asking for any additional increase in debt.
 - Rick Robbins highlighted some of the projects that were used to come up with the number proposed or presented in the budget. For example, the completion of the Willoughby Farm house. As a side note he stated it could take two years to pay out on some of the projects appropriated for, but because the expenditure could happen in the next year it needed to be in the budget. Some of the other projects mentioned were reconstruction of lighting on the tennis courts, completion of Arlington Wetlands project, completion of Pleasant Ridge Park, park renovations, etc. He stated the staff would not come to the Board with any new projects not currently in progress, unless absolutely necessary, until the 5 year plan was complete. He stated the plan would be provided to the Board to solicit feedback on the Board's priorities, and the staff and Board would work together to adjust the plan on an ongoing basis and as things changed.
- Andrew Carruthers stated he understood budgeting and that if there wasn't an appropriation the District couldn't spend the money. He asked about the approximate \$60,000 budgeted for Miner's and stated he assumed the cost was for possibly putting in a new furnace, which was affirmed by Rick Robbins. Andrew noted that under the Museum Fund \$82,000 was budgeted for Capital Improvement last year and this year \$1.9 million was budgeted. Rick Robbins stated that was for the potential Arlington Wetland Interpretive Center, which he anticipated would be in the Museum Fund. Rick stated the center would not happen without grant funding. Andrew asked about the amount budgeted for the golf course. Rick responded the amount budgeted was primarily for equipment, which included some of the pieces already approved for purchase.
 - David Tanzyus asked about the \$100,000 budgeted for land. Rick stated that was for nothing in particular, and that was just an amount appropriated for in case there was a possibility of a parcel purchase.
 - Andrew Carruthers pointed out that just by voting or approving the budget the Board was not committing to anything, and that anything over \$20,000 would require a Board vote.

- David Tanzyus asked about an update on the debt and what the search was. Rick stated he planned to bring an update in the next few weeks. He stated staff had been working on some major issues since the vote was passed in February, to include the budget, and his plan was that after the District got through the budget approval that refinancing and restructuring options would be pursued.

No further business coming before the Commissioners, a motion was made by Burke, seconded by Tanzyus, that the meeting be adjourned. Upon roll being called, those voting AYE were: Carruthers, Tanzyus, Burke, Bryant, and Bitzer. None voted Nay. Motion passed.

The meeting stood adjourned at 8:50 PM.

Respectfully submitted,



Susan Zaber, Recording Secretary

4/17/12

Date