

COLLINSVILLE AREA RECREATION DISTRICT
COMMITTEE-OF-THE-WHOLE MEETING MINUTES

May 1, 2012

The Regular Meeting of the Board of Park Commissioners of the Collinsville Area Recreation District was called to order by President Mary Ann Bitzer at 7:01 PM, May 1, 2012 at the district office, 10 Gateway Drive, Collinsville, Illinois. Following the Pledge of Allegiance the roll was called with the following commissioners answering present: Andrew Carruthers, Spike Bryant and Mary Ann Bitzer. Commissioners Burke and Tanzyus were absent.

Commissioner Tanzyus arrived at 7:13 PM.

Staff present included Interim Executive Director Rick Robbins, Superintendent of Parks Kevin Brown, Marketing & Communications Coordinator Elizabeth Davis, Director of Business Rosemary Barczewski, and Administrative Assistant Susan Zaber. Attorney David Gerber was also present.

PUBLIC COMMENT

Mark Achenbach stated at the last COTW meeting he found illegal use of the Paving & Lighting Fund by CARD. He stated since its inception in December 2004 CARD spent \$185,622 from the fund and he had yet to find a single incident where any of it was spent on a totally legitimate expense. He asked the Board what action they intended to take to right the illegal actions. He stated he only saw two options, one to repay the fund the entire amount of \$185,622 to the General Corp and/or Recreation Fund or refund the money to the tax payers. He stated he would not allow the issue to be swept under the rug and that if the Board did not take action he would take legal action against the Board. He stated if the Board did not plan to refund the account, they might want to insert some provision into the budget for the next year to cover the cost of refunding the \$185,622 to the tax payers.

James Sparks addressed the Board regarding his application for the Executive Director position. He stated the first meeting he attended in October 2011 caused him to get involved in finding out how CARD came to be. He referenced information he learned from researching archived newspaper articles, conversations with individuals involved in Collinsville politics, the State of Illinois recreation park district statute, and other fact finding ventures. He stated since its beginning CARD had saddled its taxing district property owners with a debt of approximately \$44 million. He referenced CARD regular meeting minutes and stated for years public input was nonexistent, and that elected CARD officials had been able to function freely without any oversight. He stated it was clear to him that certain member of the Board, if given the opportunity, would continue to borrow and spend money as before. He stated now was the time for change, which could begin, by CARD's commissioners choosing an Executive Director who understood the difference and meaning between debt and fiscal responsibility. He stated to the commissioners he was their man.

DISCUSSION ITEMS

The first item discussed was regarding the proposed Budget & Appropriation Ordinance:

- Rick Robbins stated at the May 15th meeting the Board would hopefully vote to adopt the 2012-2013 Budget. He stated prior to the Board vote the District would have its public hearing where public comment would be heard. He asked the Board when they wanted to have the public hearing. The Board agreed to schedule the public hearing for 6:30 PM.

The next topic discussed was regarding an update on Financial Restructuring options:

- Andrew Carruthers referenced the vote taken during the February regular meeting regarding seeking options to restructure the District's current principle debt of approximately \$23 million. He stated if the debt were paid according to the present schedule the total pay would be \$39.5 million. He stated he, David Tanzyus, and Rick Robbins met with Mary Kane of Stifel, Nicolaus, and Company a couple months ago, and at that time he stated his goals were to take advantage of low interest rates get the best deal available for the tax payers in restructuring the debt to save money over time, without extending the life of the debt and without taking on more debt. In response to the information provided to Mary Kane regarding the 2004, 2007, and 2010 bonds Andrew stated that in a recent meeting she stated the bonds could only be refunded or refinanced one time. He stated the first time the 2004 bond could be refunded was in December 2013, the 2007 bond could not be done till December 2016, and the 2010 bond could not be done till December 2019. Andrew stated Mary Kane stated the District could begin looking at refunding the 2004 bond in September 2013, and if the interest rates stay relatively the same at that time, there could be a potential savings of a little over a half million dollars on the 2004 bond. He stated the news was not encouraging, if the information was accurate, for the 2007 and 2010 bonds, but encouraging for the 2004 bond. He stated he considered the meeting with Mary Kane to be the first of 2-4 more potential meetings with financial advisors regarding additional opinions about restructuring District debt.
- Rick Robbins stated he talked to at least three other companies, one that was recommended and Mezro. Andrew Carruthers stated he had names of a few others that could be met with as well.

The next topic discussed was regarding the opening of Pleasant Ridge Park:

- Rick Robbins stated he and Kevin Brown had spent a lot of time with Tindall and Woolpert to develop and institute a plan to address remaining issues. He stated the District really wanted the park open, and he would like to push for a soft opening of the park for Memorial Day weekend, and then schedule a dedication/ribbon cutting a couple weeks following Memorial Day. Rick asked the Board for recommendations for a date and time for a dedication. He suggested a day during the week and a time of 4:00. The Board generally responded 4:00 would be a good time. He stated he would put information out to the Board in an e-mail and then go from there.

The next topic discussed was regarding the suggestion to implement a Forensic Audit:

- Andrew Carruthers stated at the last meeting a couple weeks ago he raised the idea of having a forensic audit performed. He stated the idea was that given the allegations regarding past credit card use and use of or potential misuse of District

restrictive funds he suggested that the Board bring in a company that specializes in local government, accounting, and perform a special audit to review past transfers, transactions, and expenditures and to follow-up on statements made by Mark Achenbach to tell the Board where corrections need to be made in all areas and tell the Board what to do. He stated he did not know how much it would cost, that he anticipated it would cost as much as the regular audit, which is approximately \$20,000 – 30,000. He suggested adding an additional appropriation for a forensic audit in the budget to be passed in a couple weeks. He stated it wasn't a vote to spend the money, but in his view if it was not added it could not be done at all during the fiscal year. Mary Ann Bitzer stated she thought the Board needed estimates, and Andrew stated he could make some calls and probably get some rough estimates to provide to Rick Robbins to include in the budget to be passed.

- David Gerber stated to Andrew to get a "not to exceed" estimate and stated the District would probably be limited to the number of years to go back and review. Andrew responded the Paving & Lighting Fund had only been around for 6-7 years and he thought the first tax money received came in 2005.
- Rick Robbins asked what the impact of adding the audit would have on the appropriation, and the requirement that the ordinance must be available for 30 days. David Gerber stated the District was still able to amend. He stated the District would have to identify what the changes are, which should probably first be done during the public hearing.

The next topic discussed was regarding Miner's Theater:

- Mary Ann Bitzer asked if the topic could be tabled till the next meeting when Joan Burke could be present. She stated she thought the issue of the heating needed to eventually be addressed, before fall. Andrew Carruthers stated no action could be taken that evening anyway, and that he thought all the Board members stated how they felt about it and to keep it on the agenda as suggested by Joan.
- Rick Robbins stated he was currently pursuing every option available and would bring the options forward as presented to him. He stated he understood the concern of affordability of not only the project, but also the operating of the facility even if the project were completed. He stated he had that concern for awhile.
- David Tanzyus asked Rick about his discussions with the Miner's Foundation and if there was any hope of them wanting to get back in with the project. Rick stated he had heard mixed feelings from individuals. He stated they had it and the reason CARD had it was because the Foundation wasn't doing a good job of keeping it up and weren't able to afford it. Mary Ann Bitzer stated there was no one there to fund raise or organize it. She stated that was the missing link and if the District wanted to pursue the project, somebody with either the city or CARD or everyone would have to find that individual that could do fund raising. Rick stated he didn't think there was any way for the project to happen without a large donation or grant being found, and having cooperation from CARD, from the City, from MIF, from a lot of different sources to make it happen.
- Spike Bryant stated there was supposed to be changes made on the Foundation board. Rick Robbins stated the changes were in process, that a couple people were added, the Foundation was reviewing the descriptions for a new board and bylaws, but it was a slow process.

The next topic discussed was a previously proposed project for the development of a skate park in Glidden Park:

- Rick Robbins stated the idea of the park had been discussed for years. Rick asked the Board if they wanted to keep it on the radar or let it go.
- David Tanzyus asked if the report provided was still current. Rick stated it was not, and it was provided to give the Board background information. David asked if the information listed was correct that the park could be built for an additional \$20-30 thousand and if the District had already put \$50,000 into the Park. Spike Bryant stated no money had been put into it, and Rick stated funding for the Skate Park was included as part of the bond issue.
- Mary Ann Bitzer asked if some of the Battle of the Band functions were used to generate funds for the skate park. Rick stated there were a couple fund raisers and it was stated the funds generated were nominal.
- Mary Ann asked if the City was going to help with the concrete. Rick stated the City was going to help with not only the concrete, but with the infrastructure, parking areas, entrance to the park, etc.
- Andrew Carruthers asked what other towns had skate parks. It was stated Belleville, Troy, Highland, and Woodriver had skate parks. Andrew asked what the addition of a skate park would do with the District's liability insurance. Rosemary Barczewski stated she did not know and would have to check. Rick stated it was his understanding that if the skate park were staffed there was more liability than if it was left out in the open for people to use.
- Rick stated his suggestion was to rebuild three of the five currently existing tennis courts in Glidden Park, and then use the other two courts that are located across the street, as an area to build a skate park. David Tanzyus inquired about the costs associated with Rick's suggestion. Rick stated his first question was whether the Board even wanted to pursue the project.
- David Tanzyus asked if the group that first inquired about a skate park was still in existence. It was stated most of the kids were now out of high school and/or college. Rick Robbins stated the folks he heard from were the companies who wanted to build it. Rick stated the cost could range from \$50,000-100,000, depending on how elaborate the Board would want to go with such a project. Andrew stated he would really like to know the impact of liability issues, and Rosemary stated she would call and check.

The last topic discussed was regarding the hire of a summer recreation intern:

- Rick Robbins stated he interviewed an intern from ISU, Hannah Wallbaum, who was expected to arrive prior to the next Board meeting. He stated typically in the past the District paid a stipend that equated to 20 hours of pay for a 40 hour work week. He stated the District did not have the money in the budget and proposed allowing the intern to live in the house on Tara Lane, in lieu of payment, while it was being prepared to sell. He stated he was not proposing to allow anyone else live there or lease it, and it would just be for the duration of the internship.
- David Tanzyus asked how long it would take to get the house ready and whether the improvements were necessary. Rick stated the insurance would cover the roof and the indoor repairs, but the District would need to repair the deck because it was a safety issue. Andrew asked about the duration of the internship. Rick stated the internship was 14 weeks and the expected end date for the internship was August

17, 2012. David asked what the timeline was for getting the work done on the house and that he didn't see the repairs taking that long. Rick stated there were other things that needed to be done. For example, a survey needed to be done to split the property and court authorization obtained to sell the property. David asked if the property would be taken off the tax role, and it was stated it would. David asked if the process was expected to take 90 – 120 days, and it was stated it was.

- Andrew Carruthers stated his concern was that the intern understood it was a place that was for sale, that the house would be shown with reasonable notice, that it needed to be kept in good condition at all times, and the temporary tenancy did not prolong the sale of the property. David stated the deal needed to be structured so that if things went right and the District was able to get out of the house by August 1st, the intern would get what she would have received to not live at the house.
- Rick asked if the Board was okay with him making the offer. Andrew stated as long as it did not prolong the District's ownership.

A motion was made by Bryant, seconded by Tanzyus that the Commissioners go into Closed Session for the purpose of discussing the appointment, employment, compensation, discipline, performance or dismissal of specific employees.

The board adjourned to CLOSED SESSION at 8:00 PM.

The Regular Meeting of the Board of Park Commissioners of the Collinsville Area Recreation District was called to order in OPEN SESSION by President Mary Ann Bitzer at 8:25 PM, May 1, 2012 at the district office, 10 Gateway Drive, Collinsville, Illinois. Upon roll being called the following commissioners answered present: Spike Bryant, Andrew Carruthers, David Tanzyus, and Mary Ann Bitzer. Commissioner Burke was absent. Staff present included Interim Executive Director Rick Robbins, Marketing & Communications Coordinator Elizabeth Davis, and Administrative Assistant Susan Zaber. Attorney David Gerber was also present.

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

The meeting stood adjourned at 8:26 PM.

Respectfully submitted,

5/15/12
Date


Susan Zaber, Recording Secretary