



COLLINSVILLE AREA RECREATION DISTRICT
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CLOSED SESSION SPECIAL MEETING MINUTES

SEPTEMBER 26, 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 6:32 PM, September 26, 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.

Craney updated the board on occurrences over the past week in regards to the potential partnership between Van Hoy and CARD. There was a conference call between Jedda, Achenbach, Craney and the bond council. It was determined that the agreement is fine as is, as long as the amount of money moving is below a certain threshold. Craney asked for bond counsel to provide a written opinion regarding that. The bigger issue is with the agreement itself from Van Hoy. It is an agreement similar to one Van Hoy currently has in place with another golf course. Van Hoy's counsel and Craney discussed modifications. There were some major changes.

- First, the original agreement was that Van Hoy would lease the golf course and run it for a period of 17 years with possible renewal of 13 years. Van Hoy requested that the assignment clause allow him to assign his interest in the lease without the approval of the CARD Board of Commissioners. CARD proposed that we would have to agree to any assignment. Van Hoy does not want limitations. CARD then proposed if there were an assignment, there would have to be certain requirements for the assignee. Van Hoy refused to agree to that as well. Van Hoy's main concern is about signing on to such a lengthy agreement. Jedda noted upon first discussion, Van Hoy showed interest in a long term agreement. Now Van Hoy is interested in a lease with various renewal periods.
- The second point of concern is with the liquor license. Van Hoy will not apply for a liquor license until there is a signed agreement. At this point, the soonest Van Hoy would be able to get a liquor license is October 19. They are asking to add provisions to the contract stating they will not run the operation until a liquor license is in place and would like offsets added to the contract for the days they are not operating. They discussed other options to allow Van Hoy to operate starting October 1.

The board then discussed the ramifications of Van Hoy ending the lease early and how the equipment would be handled. Craney suggested a sliding scale. He went on to suggest a 10 year lease with 5 year renewal with a buy out option. Craney suggests contacting Van Hoy's counsel, letting him know CARD wants the same deal and arrangement they have with Spencer T. Olin Community Golf Course, plus an escape clause. If there is no deal with Van Hoy, Jedda will reach out to Jeff Smith with Walter's Management. Erhart noted he does not see how CARD would save the taxpayers money with Walter's Management. Achenbach added it would not have the same savings as the deal with Van Hoy. He went on to note that if CARD is unable to find an outside company to manage the golf course, the board can vote to put it on the ballot at the next election, asking the voters if they would authorize the district to sell the golf course. CARD could sell it and use the money to pay down the associated debt which would be taxes the people do not have to pay.

Jedda added that he, Achenbach, Craney and Erhart are meeting with the City of Collinsville on Wednesday night to discuss the parks.

He also added that Madison County will be taking over the 7.5 acres at Arlington Wetlands.

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 7:24 PM.

Respectfully submitted,

Kimberli DeRossett, Recording Secretary

Date