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## BOND HEARING MINUTES

NOVEMBER 8, 2012

The Bond Hearing for the Board of Park Commissioners of the Collinsville Area Recreation District was called to order by President Andrew Carruthers at 7:01 PM, November 8, 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, Spike Bryant, and Mary Ann Bitzer.

Staff present included Executive Director Terry Wilson and Administrative Assistant Susan Zaber. Attorney David Gerber was also present.

David Tanzyus arrived at 7:03 PM.

### **PUBLIC PRESENTATION:**

Mary Kane of Stifel Nicolaus presented information to the public regarding CARD's three outstanding bonds - 2004, 2007, and 2010. Mary Kane stated the purpose of doing the rollover bonds was to pay the principle and interest that was due for the next fiscal year. She stated the single amount was \$1,347,172.00 that had to be paid because that was the aggregate debt service principle and interest on the three bonds that were outstanding. She explained the reason CARD did rollover bonds versus levying for debt, the fact that Illinois park districts were different from other government entities, and the rollover bond process.

- Andrew Carruthers asked Mary Kane to explain the difference between a public and private offering. Mary stated bonds could be sold in the public marketplace, which was a more traditional mode of operation, where an electronic posting was publicly put out all over the country. She stated public offerings were more expensive than private placements and Stifel Nicolaus was offering the bonds privately for CARD. She stated instead of going out to the entire country, they were going after 15 banks in the region they thought would be interested in bidding to purchase the bond issue.
- A member of the public asked if it was callable any time. Mary stated no and it was a one year issue. She stated the bank buys it knowing they would be paid in one year.
- Andrew Carruthers stated he would like to take any "profits" made from the District's two enterprises (golf course and water park) and apply to the debt service so that the District borrowed less each year. He stated the private sale was fantastic, that it saved the District money and helped encourage the local banks to invest in the District. He referenced a decision made by the Board to investigate options to restructure the District's debt service and stated on the 2004 bond alone the District could save

approximately a half million over the life of the bond. He stated it was something that was actively being looked at by the District and Stifel Nicolaus.

- A member of the public inquired about the other two bonds and asked if they were fixed for some time or if they could be called. She stated the other two bonds could not be called for some time in the future, unlike the 2004 bond which could be called in 2013.
- A member of the public provided information about a company that runs theaters out West as micro breweries, and referenced Miner's Institute in Collinsville. He stated he encouraged Nancy Moss to contact them.

**PUBLIC COMMENT:**

Mark Achenbach addressed the Board regarding the District's debt and stated his understanding of amounts presented by Mary Kane during her presentation and asked for clarification. Mary explained the \$1,367,000,00 listed in the Bond Hearing Notification was a not to exceed amount. Andrew Carruthers stated his goal was to borrow \$1.3 million. Mary Kane stated she did not recommend that and instead to apply any additional monies from the enterprises and reduce the amount levied for the repayment. Mark Achenbach asked if it was legal to take revenue from an enterprise activity and put it into a different fund. He stated if the money was there and it was a profit, he hoped the District would borrow less on this bond now and take the funds and put into the bond payments instead of holding for sometime in the future. Mark Achenbach about the amount of the profits and if there was a ball park figure. Terry Wilson stated currently it was approximately \$100,000, but there were still expenses coming out of it. Mark asked about the date for determining profits, and stated every year it should be the same date.

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

The meeting stood adjourned at 7:30 PM.

Respectfully submitted,

11/20/12  
Date

Susan Zaber  
Susan Zaber, Recording Secretary