

COLLINSVILLE AREA RECREATION DISTRICT

SPECIAL MEETING MINUTES

NOVEMBER 1, 2011

The Special 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 P.M., November 1, 2011 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, David Tanzyus, Joan Burke, Spike Bryant, and Mary Ann Bitzer. No commissioners were absent.

Staff present included Executive Director Mark Badasch, Superintendent of Recreation Rick Robbins, and Administrative Assistant Susan Zaber. Attorney David Gerber was also present.

Discussion Items

Mary Ann Bitzer explained the purpose of the meeting to present two items for discussion and action, and explained a special meeting does not allow for public comment. Mr. Carruthers then asked Bitzer if she was sure. Bitzer then reiterated there would be no public comment at the meeting.

A motion was made by Bitzer, seconded by Bryant to authorize the emergency replacement of the boiler at Miner's theater for the cost of \$49, 921.87. Discussion followed:

- Andrew Carruthers asked how many bids were solicited for the boiler replacement, and referenced legislation for bidding requirements and public notification for expenditures in excess of \$20,000. He then questioned the claim made during the discussion that the boiler replacement was not put out for bid due to an exception for emergency expenditures.
- David Gerber addressed Andrew Carruthers question about emergency exceptions, and David Gerber stated for emergency repair it does not need to be bid, but for sole source it does.
- There was additional discussion between Mary Ann Bitzer and Andrew Carruthers regarding options and costs previously discussed to protect the work completed and the \$750,000 spent on renovations to date.
- Andrew Carruthers stated his disappointment that more bids were not presented for the option to drain the sprinkler system and add anti-freeze, which was his expectation.
- Dave Tanzyus also stated his expectation of additional bids being presented at the meeting.

Upon roll being called, those voting aye were: Burke, Bryant, Bitzer. Those voting nay were: Carruthers, Tanzyus. Motion failed.

(Following the meeting counsel advised that pursuant to section 8-1(c) , of the Park District Code, approval by ¾ of the members of the board of commissioners is required to authorize an emergency expenditure without competitive bidding for an expenditure in excess of \$20,000.00 and therefore the motion failed.)

A motion was made by Bitzer, seconded by Bryant to “Adopt an Ordinance Authorizing the Issuance of General Obligation Park Bonds Series 2011, of the Collinsville Area Recreation District in Madison and St. Clair Counties, Illinois, providing The Terms of Such Bonds and for the Levy of Direct Annual Taxes to Pay the Principal of and Interest on Such Bonds, and Related Matters”. Discussion followed:

- Mary Ann Bitzer referenced the debt payment due December 1, 2011, and asked the commissioners to turn to page 8, section 7 of the proposed ordinance outlining the District’s obligation to make “punctual payments”.
- Carruthers stated he was not suggesting we not pay our debt.
- Mary Ann Bitzer referenced CARD’s history and ability to pay debt, and stated the District “is fine”. To which Mr. Carruthers then replied that CARD was \$25 million in debt and apparently does not have sufficient assets to pay its debt service.
- Mark Badasch referenced a plan that has been in place to pay the debt, the discussion with Jeff Schuppel at the last regular meeting, and the fact that CARD taxes have decreased and will continue to go down. He also stated if the desire is to pay the debt more quickly, that can be done, but more time is needed to revise the current plan.
- Mary Ann Bitzer made reference to CARD’s financial advisor, Jeff Schuppel, and that he recommended CARD issue the rollover bonds. Andrew Carruthers then made reference to the fact that Jeff Schuppel has a financial interest in CARD taking the rollover bond debt due to the commission he stands to receive and the possibility that his advice may be based on that motivation.
- Dave Tanzyus made reference to the amount of interest CARD will pay each year if the District continues to use rollover bonds to pay off debt, and stated “it is not a good plan”.
- Andrew Carruthers stated “we are opening a new credit card to pay debt” or “interest to pay interest”.
- Andrew Carruthers suggested the payment be made with \$2.2 million maintained in an account by CARD, and referenced an e-mail exchange with Kurt Froehlich, CARD Bond Counsel, and answers provided by Kurt Froehlich about the ability to use the estimated \$2.2 million in the account to pay the debt payment due on December 1, 2011. Andrew Carruthers does not believe a clear answer was received that the money can’t be used to make the debt payment. Mary Ann Bitzer also referenced information provided by Kurt Froehlich, as well as Jeff Schuppel, regarding the \$2.2 million referenced in the account and stated the money in the account cannot legally be used to make the payment. Andrew Carruthers responded by stating, “I don’t believe it”, and stated he wants a definitive answer from a legal authority stating whether the money in the account can be used to make the debt payment.

Upon roll being called, those voting aye were: Bryant, Bitzer. Those voting nay were: Carruthers, Tanzyus. Those voting to abstain: Burke. Motion failed.

A motion was made by Carruthers, seconded by Tanzyus, that the meeting be adjourned. Upon roll being called, those voting aye were: Carruthers, Tanzyus, Burke, Bryant, Bitzer. None voted nay. Motion passed.

The meeting stood adjourned at 7:25 PM.

Respectfully submitted,

Mark Badasch, Secretary

Date