

**MINUTES OF A BOARD MEETING OF THE
RECREATIONAL AUTHORITY OF
ROSEVILLE AND EASTPOINTE
HELD ON THURSDAY, APRIL 11, 2013**

The meeting was called to order at 6:00 p.m. at the Roseville Recreation Center, 18185 Sycamore, by Vice Chairperson Duchane with the following Board Members present:

Duchane, Frontera and Marion

Absent: Aiuto and Switalski

Administrator present: Director Lipinski, Assistant Director Wilson

Approval of Minutes:

Motion by Frontera, seconded by Marion, to approve the minutes of February 14, 2013, as written.

MOTION CARRIED

Motion by Frontera, seconded by Marion, to approve the minutes of March 14, 2013, as written.

MOTION CARRIED

Discussion and/or Action on Disbursements and Budget Report:

Director Lipinski informed the Board that the packet contained Disbursement #10 and a budget report for the period ending March 31, 2013 and asked if there were any questions. Board Member Frontera asked about the page regarding refunds. Director Lipinski explained that the refund was for coaches if they were coaching their son or daughter. Board Member Frontera asked about building and vehicle keys. Director Lipinski explained that they were spare keys for the building and a spare key for his vehicle. Board Member Marion asked about Check No. 90493 which had three totals. Director Lipinski explained that one is for adult volleyball, one for the elementary basketball program and one for the middle school basketball program.

Motion by Marion, seconded by Frontera, to approve the disbursements as provided.

MOTION CARRIED

Communications:

Director Lipinski informed the Board that on the right side of packet there are a number of items and communications and asked if anyone had any questions. Board Member Marion asked about a letter he received regarding the website because the name Roseville is listed and Eastpointe isn't. Director Lipinski replied that he will look into that and give the Board an update.

Discussion on Draft of the Recreational Authority/East Detroit Public Schools Cooperative Agreement:

Director Lipinski informed the Board that he just received an e-mail from Superintendent Lelekatch, received some facility rental costs from the schools which are in the packet and tried to estimate our total cost based on the programs we would use the schools for; would like to meet with Superintendent Lelekatch and discuss this and asked that Vice Chairperson Duchane and Board Member Frontera meet with the school board members; one issue he has is that they included rental fees and we didn't add rental fees; hopefully before the next meeting they will all have time to meet. Vice Chairperson Duchane

asked if the charges offset each other. Board Member Frontera would like to meet with them because he doesn't understand the costs and thinks the East Detroit School District is looking at us as a revenue source; if they are upset about the football field then they can purchase their own football field and maintain it. Vice Chairperson Duchane explained that the City has provided a football field to them at no cost for years so they are looking at it differently and they are going through a time of adjustment. Board Member Frontera commented that he is not thrilled that we are negotiating fees for a City park that doesn't belong to the Authority, but we have to recoup our costs and asked is it an option for them to bring in their own people and maintain it. Vice Chairperson Duchane explained that there would have come a time when the City of Eastpointe would have begun charging the schools for use of Memorial Field. Director Lipinski commented that when making the agreement we will make sure to cover our costs for setting up the field for an event they schedule and hopefully we can make them understand that. Vice Chairperson Duchane commented that the Authority has to recover the costs and not subsidize costs.

Discussion and/or Action on MML Liability & Property Pool Renewal Information:

Director Lipinski informed that the Board that this is for their information only; just wanted to show the Board a copy at this time and he will fill it out and send it back to the MML. Vice Chairperson Duchane asked when the Authority signed up with MML. Director Lipinski replied on July 1, 2012.

Board Member Marion asked are we insuring the buildings that we don't own with this proposal. Vice Chairperson Duchane responded that the Authority owns both the Community Center and Recreation Center. Board Member Marion commented that there are a lot of buildings listed. Director Lipinski responded that the Authority uses those buildings for programs. Vice Chairperson Duchane replied that this is for liability purposes only, not for building replacement. Director Lipinski responded that this insurance is in case of an injury. Vice Chairperson Duchane asked have liability limits changed from last year. Director Lipinski responded no.

Review and Discuss Cleaning Proposal from American Cleaning Company:

Director Lipinski informed the Board that he received this proposal from American Cleaning Company; cleaning the building five days a week and such specialty items as carpet cleaning, waxing tile floors and gym floors (twice a year); has better cost for carpet cleaning than these; basic cleaning for five days a week would save money in the budget and looking at exercising a portion of the options in the cleaning contract; just wanted to share with the Board. Vice Chairperson Duchane asked are you proposing to advertise or solicit proposals for cleaning contractually. Director Lipinski responded that proposals were sent out with Roseville's proposals for cleaning with this option and this was the best proposal. Vice Chairperson Duchane asked what you want the Board to do. Director Lipinski replied that he would like the Board to allow him to contact the cleaning company and bring back the final proposal to the Board.

Motion by Marion, seconded by Frontera, to have Director Lipinski go ahead and put together a proposal to present to the Board.

MOTION CARRIED

Discussion and/or Action on Proposals to Lease the Community Center:

Director Lipinski informed the Board that a RFP was advertised a couple of weeks ago in the Macomb Daily and received one bid today; only interested in leasing out the west wing of the auditorium; concern is what is to prevent them from using the gym or other rooms downstairs; cost they bid out to pay for everything was lower than he expected; toured the building with a couple of other people and churches but only received one bid; put a call in to Gary (Keller Williams) and he will call back to set up a meeting about what other areas we can do to get possible tenants in the Community Center; going forward he will do whatever the Board's wishes, but his recommendation is to seek other proposals for the building and he would like to work with Gary.

Motion by Marion, seconded by Frontera, to reject the proposal received from the Breath of Life Christian Church for the lease of the Community Center.

MOTION CARRIED

Discuss Recreational Authority of Roseville & Eastpointe Budget Preliminary Budget Proposal:

Director Lipinski deferred to Ms. Jane Lamb to explain in more detail. Ms. Lamb explained that this is the current year budget, preliminary budget for FY2013/14 and five year projected forecast; put a revised estimated column in for this year and then created the estimated FY2013/14 budget; first page is revenues – estimated current year revenues based on the cities taxable values and prepared FY2013/14; supporting documents behind this analysis are available; took taxable values and made some adjustments for tax amounts refunded back through Board of Review changes and MTTs and got tax dollars; next big line item is program rentals and revenues – that amount of \$425,000 is based on current year activity and keeping the same program levels; third section is SMART – we left the revenues and expenses equal to each other; last section other revenues – vending machines; insurance proceeds, refund from a good client and an amount for interest; estimated revenue for FY2013/14 is \$1.9 million; second page – expenditures broken down into two sections - programs and senior activities are in first section; supporting details behind this are available; two lines shaded in blue under expenditures – bond principal payment – talking about financing repairs and renovations to this building and we looked at how much money we have reserved every year for this and we have \$230,000 for the last two years and for next year it is estimated at \$230,000; second line item is State lighting grant – cities have an opportunity to pay back a loan at a discount and we budgeted an amount every year to pay the debt, but if we pay it this year we will save ten percent; looking through the expenditures the total sectional expenditures for this section would be \$1.4 million; page 3 – first section is SMART program and expenditures are equal to revenues from first page; second section – where senior activities would be separately funded but find it is more sense accounting wise and ease on staff if we house all expenditures in first section so there is no reduction in the amount that we have budgeted for programs or activities; in the current year – last year total expenditures of \$731,000 and fund balance of \$800,000; this year budgeted \$1.6 million expenditures and fund balance of \$255,000 and looks like expenditures will come in at \$1.7 million and net income will be \$544,000 because of program revenues that we couldn't recognize last year and this year were recognized – so end of year fund balance should be \$1.3 million; year we are looking at proposed FY2013/14 our expenditures should be \$1.6 million and net profit of \$275,000 so fund balance should be \$1.6 million; this also has \$230,000 loan repayment fee in it; so really at the end of this year will have \$1.1 million undesignated fund balance; next five years estimated revenues based on taxable values leveling off and starting to increase and expenditures salary and wages were held constant; did make a marginal increase for things beyond our control; pointed out on front page revenues on tax dollars did put in a provision for the personal property tax so to be conservative it is about a ten percent reduction and we took that off of our base revenues; did put in on front page the potential renting of the Community Center but in five year forecast put in a low amount.

Board Member Marion asked about the total building improvement reserve and will that accrue year after year. Ms. Lamb replied that it will continue to grow each year until expended; last page shows the supporting detail for what it will take to renovate the building; money we have available is \$342,000 grant and \$460,000 from two years and \$230,000 for next year; so we will have greater than \$1 million.

Vice Chairperson Duchane explained that the grant is the planning and architectural design grant; under SMART program revenues should change the descriptive subtotal; has a reasonable contingency plan for use of funds; unstable property values and revenues and thinks our reasonable contingency is very positive; multi-year perspective on the budget and hopes that we will see a three percent increase in property values; have an expense for BS&A software change because Roseville does our accounting; growing the fund balance is one relief to him.

Review and Discuss 2013 Fall/Winter Program Financial Report:

Director Lipinski explained there is a breakdown of the fall/winter programs in the packet with revenues and expenditures; basically for Board review and asked if there were any questions regarding the fall/winter programs; thanked Bobbie Wilson for putting together the report.

Board Member Frontera asked why there were no expenses for Zumba and NAAMA Karate. Director Lipinski replied that these are both contractual programs, they have their own insurance, different type of payment because they do their own registration and they pay us a set rate. Board Member Frontera pointed out that all the programs are positive except for the Easter Egg Hunt.

Discussion and/or Action on Options to Finance Building Improvements/Addition:

Director Lipinski asked Board Members to refer back to the last page of binder which has a draft of a breakdown of possible financing for building improvements; preliminary drawings that were done were for repairing some of the foundation issues for around \$700,000 to \$900,000, adding 8,000 square feet to east end of the building for around \$2.3 million and addition and second story was around \$5 million plus; we looked at \$2.3 million and we need to add on to the building for scheduling and programs we cannot offer because of space unless we look at satellite facilities; the money that is in reserve and grant money we would have just over \$1 million and finance approximately \$1,268,000 and repayment schedule would be over five years with principal and interest is \$288,000; talked about getting a loan from each City or a financial institution; discussed earlier if we are paying someone back with interest, why not pay the cities back with interest instead of a financial institute.

Vice Chairperson Duchane commented that there has been no final decision on a plan or scope of the project; did ask for the Attorney General's Opinion if the Authority could finance for over five years and would need a vote of the people to borrow for under five years. Director Lipinski commented that we could borrow for under five years but anything over five years would need a vote of the people. Vice Chairperson Duchane commented that two things we need to determine – what is our actual strategic plan for the facility and he would like to look at alternative facilities.

Board Member Frontera commented that he disagrees with the Attorney General's Opinion and asked what would be the consequences if we did it without a vote of the people. Vice Chairperson Duchane replied that we would be acting against an Attorney General Opinion and can't do that.

Board Member Marion asked can we look at the scope of what we want to do and do it in phases so we stay under the five year cap. Vice Chairperson Duchane requested that Mr. Lipinski supply Board Member Marion with the structured phase documents. Vice Chairperson Duchane commented that the challenge is that you can't do some improvements without consideration of the structural concerns of the eastern walls and feels that borrowing from the cities is a possibility. Director Lipinski would like to explore other options regarding financing and would like to take some action in the next month or two to get something done with the building. Vice Chairperson Duchane commented that we have some interesting challenges to address on the plan and are now a number of other structural and architectural issues that we need to look at before we move ahead.

Request Action to Move Date of Next Regular Recreational Authority Board Meeting to May 16, 2013 at 6:00 p.m. Due to Conflict on May 9:

Motion by Frontera, seconded by Marion, to reschedule next regular Recreational Authority Board Meeting to May 16, 2013 at 6:00 p.m.

MOTION CARRIED

Hearing of the Public:

Alex Truesdale (15570 Crescentwood, Eastpointe) had a few questions regarding the soccer fields – Spindler north field is to be closed for some time – what is exactly being done to the field and how long will the field be out and Kennedy Park soccer field – when will it be in operation. Director Lipinski explained that Kennedy Park field will be a U12 size field and question to parks maintenance was if they had goals for that size field and Spindler will be out until the fall.

Director Report:

Director Lipinski reported that it was a busy month; Easter Egg Hunt at Recreation Center in back field and MiDog group was handing out packets and Roseville clowns brought the Easter bunny; attended seminar in Lansing on Placemaking; will be attending another seminar regarding this; wants to get the Chamber and other groups together to make sure everyone is on the same page on making these communities more walkable; April 5th and 6th had Quilt Show and was very well attended; April 7th Roseville Handicap Association had their Spring Fling at VFW and want to expand this group so looking to get a name change and plans to increase membership; Recreational Authority has an adult coed volley ball team that won a State Championship so we will be placing a banner in the gym to recognize them; April 20th-21st is Rocking Gem Show at the Recreation Center; May 4th the Mom to Mom sale from 9:30 a.m. to 1:00 p.m. at Recreation Center; do have an intern from Baker College and currently working on creating our website; May 18th is the opening day for youth baseball program at Huron Park and Board Members are invited to attend; Macomb County Senior Services will not be serving lunches on Fridays due to budget constraints; Roseville fireworks fundraiser is on April 21st with bowling at Continental Lanes; May 18th is dog park spaghetti dinner fundraiser at Sugarbush Tavern.

Board Member Reports:

Board Member Frontera asked if the Roseville Fireworks Committee will reimburse us for any expenses of the Authority. Director Lipinski replied that anything above our normal scheduling they pay for. Board Member Frontera asked what about their vendors. Director Lipinski responded that they are responsible for the fireworks vendor which is Coney Island, but we are coordinating with them regarding the vendor show at the fireworks.

Board Member Marion commented that he put flyers in the lobby regarding the dog park fundraiser.

Vice Chairperson Duchane had no report.

Motion by Frontera, seconded by Marion, to adjourn the meeting time at 7:10 p.m.

MOTION CARRIED