

**MINUTES OF A BOARD MEETING OF THE  
RECREATIONAL AUTHORITY OF  
ROSEVILLE AND EASTPOINTE  
HELD ON THURSDAY, JUNE 14, 2012**

The meeting was called to order at 5:34 p.m. at the Roseville Recreation Center, 18185 Sycamore, by Vice Chairperson Klinefelt with the following Board Members present:

Duchane, Frontera, Switalski and Klinefelt

Administrator present: Director Lipinski

Motion by Duchane, seconded by Switalski, to approve the minutes of the regular meeting dated May 17, 2012, as written.

Yeas: Duchane, Switalski, Frontera and Klinefelt  
Nays: None  
Absent: Aiuto

**MOTION CARRIED**

**Discussion and/or Action to Adopt the 2011/2012 Roseville-Eastpointe Recreation Authority Budget:**

Motion by Duchane, seconded by Switalski to adopt the 2011/2012 Roseville-Eastpointe Recreational Authority Budget.

Yeas: Duchane, Switalski, Frontera and Klinefelt  
Nays: None  
Absent: Aiuto

**MOTION CARRIED**

Board Member Switalski asked are we going to have a cash flow problem in 2013. Director Lipinski replied that we will have general fund money from 2011/2012 to cover the cash flow until the tax collection is made at the beginning of the year. Board Member Duchane said he brought up the tax collection date at a prior meeting because of anticipating this situation.

Board Member Switalski asked if the line contingency is the fund balance; so looking at page 2 of the budget under Tab 2 our contingency is \$1.1 million in our fund balance; he has heard that fund balance should be ten percent and we are just short of that; asked should our goal be to get to that ten percent as quickly as possible. Board Member Duchane replied that the rule for special government districts probably go more on adjusting the actual operation, known expenses, capital expenditures, etc. and doesn't think there is anything wrong with having a set financial policy and probably should adopt one but is not terribly troubled by the fund balance number. Board Member Switalski asked would he agree that we should set a goal to get to ten percent. Board Member Duchane replied that that would be good goal. Vice Chairperson Klinefelt said the defining factor will probably be the facilities. Board Member Switalski asked do we still have that line item in there for the facilities.

**Review and Approval of Disbursements:**

Motion by Switalski, seconded by Frontera, to approve the disbursements

Yeas: Switalski, Frontera, Duchane and Klinefelt  
Nays: None  
Absent: Aiuto

**MOTION CARRIED**

**Discussion and/or Action on the Bond Capacity for the Authority:**

Board Switalski contacted Harold Haugh's office who called the Attorney General's office last week and were told they are working on the opinion and hopefully it will come out by next week.

**Discussion and/or Action on Proposal by Partners in Architecture for Internal Core Testing:**

Director Lipinski said there is a proposal from Partners in Architecture and Mr. David Gassen is here to answer any questions.

Mr. Gassen informed the Board that he analyzed the foundations and there are four primary interior walls; proposals says that we will do two of them and approach would be to establish an area where to do it based on programming, would be a 5 foot by 5 foot hole; work would go to the lab, after two to three week process would analyze the concrete and overall it would be a four week process; suggested that rather than doing all of that maybe should consider that it is reasonable to assume that the concrete is all the same and save the money.

Vice Chairperson Klinefelt said that that was the logical assumption a couple of months ago. Mr. Lipinski explained that part of the problem was the exposure to the elements. Mr. Gassen explained that it was determined based on reports done in 2009 that it is the internal but is not influenced by the environment just the mixture from the plant and it is reasonable to believe it is the same way; might not have the same failure as you have on the exterior walls.

Board Member Switalski – implication is that in terms of what you presented last time about things we need to look at in the short-term, medium-term and long-term, does that change any of the recommendations because the interior walls could be suffering the same as the exterior wall. Mr. Gassen replied that it wouldn't change the process but would repair the interior wall in the gym.

Vice Chairperson Klinefelt asked are there footings under the center of the building. Mr. Gassen responded no. Vice Chairperson Klinefelt asked that even if the interior walls are failing you are saying they don't need to be repaired. Mr. Gassen replied that they don't need to be repaired right now but if there becomes a problem then you would repair them. Vice Chairperson Klinefelt commented that we are looking to the future and need to logically decide if we should spend the money on the outer walls if we will need to do something on the interior walls. Mr. Gassen replied that at this point the bad concrete is causing the wall failure but don't need to have the cost for interior walls. Vice Chairperson Klinefelt asked if the footings on the interior turn to sand won't it have a devastating effect. Mr. Gassen responded no because it is an internal wall and won't cause those problems; outside walls are bad because of the bad concrete and other things that are affecting them such as water.

Board Member Switalski asked if his recommendation was do not spend the \$10,000 to prove what we already think is true; not catastrophic on the internal walls just minor repairs. Mr. Gassen replied that \$25,000 would take care of the repairs instead of spending the \$10,000 on testing and he doesn't want to see them waste the money on testing.

Board Member Frontera said he would rather spend that kind of money on repairs rather than testing something that we already think is true.

Vice Chairperson Klinefelt commented that she still has a problem that the footings might be sand and there is no ramification for that.

Board Member Switalski said that if we had sand, it would show on the walls. Vice Chairperson Klinefelt commented that she was thinking down the road, we have a major repair that we should have known we would have. Board Member Switalski commented that he does agree but he is hearing that the interior walls would be minor repairs. Mr. Gassen responded that the gym wall would be approximately \$25,000 and this is something you would eventually want to address (medium-term).

Board Member Duchane commented that he doesn't want to test at this time because we need a Master Recreation Plan for the Authority and making investments in the facility until you know what the greater good is would be is a wise idea.

Vice Chairperson commented that we aren't going to do anything at this time. The Board agreed.

Chairperson Aiuto arrived at 6:04 p.m.

**Discussion and/or Action on 2012-2013 Amended Roseville-Eastpointe Recreation Authority Budget to Include Personnel Contracts and SMART Budgets:**

Director Lipinski informed the Board that the handout is a summary of adjustments of what is in your binder; SMART column Municipal Credits and Community credits to bring in the revenue and support for the increase in the line item is due to including the SMART budget; moving down to expenditures – summary of SMART budget; moving down into programs – wages of permanent employees showing the decrease of \$5,780 due to the savings on the new employment contracts; temporary employees – slight increase due to staffing changes; overtime was taken out; retirement lowered because of new employment contracts; insurance and bonds increase until review of proposals; decrease in utilities because of reclassification of Eastpointe lighting grant; senior activities – decrease in permanent employees because of new employment contract ;temporary employment – due to staffing changes and pay rate changes; increase in fund balance of \$39,930.

Ms. Lamb included SMART activity and revenues equal expenditures and savings are due to contractual savings.

Vice Chairperson Klinefelt asked about the employment contract sheet – yellow column is current salary, blue column is adjusted salary and then have total adjusted salary before retirement and if you go back to the budget we did 10% wage decrease so how is there only a \$5,000 difference. Ms. Lamb explained that it was because the current amount is what is being paid for wages so it has already been reflected and there is additional savings because of the new employment agreements since they do not allow for a payout for vacation.

Motion by Duchane, seconded by Switalski, to approve the amended budget for 2012/2013 for the Roseville-Eastpointe Recreation Authority reflecting the changes to the personnel contracts as proposed and the SMART budgets reflecting the actual agreements that we will be taking action on at a later time.

Yeas: Duchane, Switalski, Frontera, Klinefelt and Aiuto  
Nays: None

**MOTION CARRIED**

**Discussion and/or Action on Insurance Proposals for Authority:**

Director Lipinski informed the Board that in front of you paper clipped there is a summary page of the insurance proposals that were just received. Ms. Lamb explained that IBEX proposal is in error and needs to revise it and hopes to have it tomorrow. Director Lipinski commented that the summary page has proposals from IBEX, MML and Nickel and Saph, Inc. and doesn't know if you want to have someone review them or have him review them. Vice Chairperson Klinefelt asked can the final approval wait until next month and have Administration give us a recommendation. Ms. Lamb replied that her only concern was that insurance should be in effect on July 1.

Board Member Switalski said to look at Worker's Compensation - first two are similar and MML is half so MML is better than IBEX, so the only question is do we want our liability at \$500,000 or \$1 million. Board Member Duchane responded that with our limited payroll and staff size he is comfortable with the lower liability but would be fine with awarding compensation to Nickel & Saph, Inc. at a cost of \$7,597 for \$1 million. Vice Chairperson Klinefelt commented that if you doubled it, it wouldn't be better. Board Member

commented that he doesn't want to say he is looking for the cheaper plan for workers' compensation. Chairperson Aiuto asked who Eastpointe uses. Board Member Duchane replied that Eastpointe is with MML.

Motion by Duchane, seconded by Frontera, to award the Michigan Workers' Compensation coverage based on the proposal from Nickel & Saph, Inc. at the premium amount of \$7,597 with employers' liability limit at \$1 million.

Yeas: Duchane, Frontera, Klinefelt, Switalski and Aiuto  
Nays: None

#### **MOTION CARRIED**

Board Member Duchane commented on liability, automobile, crime and umbrella covered and asked is MMRMA's error in the limit of liability coverage. Ms. Lamb said that MMRMA quoted it out for \$1,000,000, MML quoted it out for \$10,000,000 and Nickel & Saph, Inc. quoted it out for \$11,000,000 and if we were to increase MML's coverage to \$15,000,000 it would add about \$7,000 to the cost. Vice Chairperson Klinefelt commented that IBEX is high and we wouldn't need to wait for them. Ms. Lamb replied yes they are higher.

Motion by Duchane, seconded by Switalski, to award the Comprehensive Property, Liability, Automobile, Crime and Umbrella coverage to assets as indicated to the MML with premium quote of \$25,254 with limit of liability of \$10,000,000, \$250 comprehensive and \$1,000 collision deductible for vehicles and as attached for property and crime..

Yeas: Duchane, Switalski, Klinefelt, Frontera and Aiuto  
Nays: None

#### **MOTION CARRIED**

#### **Discussion and/or Action on Recreation Authority Employment Agreements:**

Director Lipinski informed the Board that the binder contains the revised employment agreements under the first tab and asked if they had enough time to review them and the full-time employees still need to get some other questions answered from their respective cities.

Chairman Aiuto asked is the Board to agree with verbiage and then we can give them to the employees and they can sign them or not by July 1<sup>st</sup>.

Vice Chairperson Klinefelt said she had some changes to Director Lipinski's contract: 4. Overtime – can't have his approval of his overtime for compensatory time – he is a salaried Recreation Director. Board Member Switalski said the Board is giving him permission to accumulate up to 60 hours. Board Member Duchane said salaried people don't keep track of compensatory hours and we expect him to work because he has to work to get things done. Vice Chair Person Klinefelt said that just by changing it to Recreation Authority instead of Recreation Director he doesn't have to come to us for approval.

Chairperson Aiuto asked if for the agreement with Director Lipinski under 4. Overtime – are we are going to strike "by mutual agreement between the employee and the Recreation Director".

Vice Chairperson Klinefelt said compensatory time cannot be paid out and should say so in the contracts so add "Compensatory time shall not be paid out." and it should be added at the end of 4 – Overtime.

Vice Chairperson Klinefelt's next change is under 5. Holidays – would like to strike the sentence "The employee shall be receive Holiday pay for the eleven (11) holidays that he/she is allowed to not report to work at his/her regular rate of pay each year after he/she has completed six (6) months of service."

Board Member Duchane said these are the holidays the Board is recognizing that this employee will not be at work; not quite clear on why any employee under six months wouldn't be paid for the holiday. Ms. Lamb replied that she used the hourly rate to calculate payroll and this is based on new employees. Board Member Duchane suggested simply saying the holidays are because we all agree that we are going to pay him for eleven holidays. Board Member Frontera said that salary stays the same no matter what. Chairperson Aiuto asked what the Board would like to say. Board Member Switalski said let it stand; Board Member Frontera said strike it; Board Member Klinefelt said strike it; Board Member Duchane said strike it; Chairperson Aiuto said to strike the sentence.

Vice Chairperson Klinefelt's next change: 6. Sick Leave - would like added at the end of the paragraph "Sick leave shall not be paid out." The Board agreed to this change.

Vice Chairperson Klinefelt's next change: 7. Personal Business Days – change first sentence to read "Three personal business days shall be allowed during each year of this agreement." The Board agreed to this change.

Vice Chairperson Klinefelt's next change: 8. Vacation – addition of sentence to last paragraph "Vacation pay shall not be paid out "

Board Member Switalski suggested that the last paragraph addition read "Vacation shall not be paid out. However, in the event..." The Board agreed to this change.

Vice Chairperson Klinefelt suggested that the same changes be made to the other contracts except for the overtime change and personal business days.

Board Member Duchane said he spoke with Mary Grant during this transitional time and she doesn't have any concerns.

Board Member Switalski asked about 13. Post Retirement Health Care – we will contribute 2% of base wage and for what they have accumulated with the City that is something they are going to work out and under 16. Pension – our exposure is that we will contribute 10% of base wage and employee contribution is a required 5%.

Chairperson Aiuto asked if everyone is comfortable with the changes and allowing them to

Motion by Frontera, seconded by Switalski, that the employment contracts be changed as follows: 4. Overtime – strike "by mutual agreement between the employee and the Recreation Director" and add at the end of the paragraph "Compensatory time shall not be paid out."; 5. Holidays – strike the sentence "The employee shall be receive Holiday pay for the eleven (11) holidays that he/she is allowed to not report to work at his/her regular rate of pay each year after he/she has completed six (6) months of service."; 6. – Sick Leave – add at the end of the first paragraph "Sick leave shall not be paid out."; 7. Personal Business Days – change first sentence to read "Three personal business days shall be allowed during each year of this agreement."; 8. Vacation – change the last paragraph to read "Vacation shall not be paid out. However, in the event...", with the exception of the first change under 4. Overtime and the change to 7. Personal Business days should not be made to Bobby Wilson's or Mary Grant's employment agreement.

Yeas: Frontera, Switalski, Duchane, Klinefelt and Aiuto

Nays: None

**MOTION CARRIED**

**Request Approval to Place Ad in Eastsider to Promote New Programs and Events in July and August at a Cost of \$1,091.00 Each Month:**

Director Lipinski said that he had placed an ad on the inside front cover of the Eastsider for the last few months and would like to place the ad for the next two months because we have programs coming up and would like to continue the momentum until the program brochure comes out and money would come out of promotional account.

Chairperson Aiuto asked do we still have this kind of money to spend on advertising. Director Lipinski replied that on July 1<sup>st</sup> the balance on the account would be \$3,500. Chairperson Aiuto said we would have about \$800 left then. Vice Chairperson Klinefelt responded that one of the ads would be after July 1<sup>st</sup> so there would be more than \$800 left in the budget for this year.

Board Member Frontera said he wasn't on the Board the first time and asked what happened. Director Lipinski explained that there was one printing a month for four months and spent \$3,000.

Motion by Switalski, seconded by Frontera, to approve the request to place an ad in the Eastsider to promote new programs and events in July and August at a cost of \$1,091.00 each month.

Yeas: Switalski, Frontera, Duchane, Klinefelt and Aiuto  
Nays: None

**MOTION CARRIED**

**Hearing of the Public:**

Walt Jakubiec commented on the concerns regarding the building repairs.

A Roseville resident asked what happens to our Recreation Board since we have a joint Recreation Authority. Director Lipinski responded that the Parks and Recreation Board is still in place and Roseville's and it is a policy making board while Eastpointe's is an advisory board. Vice Chairperson Klinefelt said that Eastpointe's Recreational Commission has not been meeting.

A Roseville resident asked about if during construction they would have to go to Eastpointe's building. Director Lipinski responded that that would be the plan.

**Director Report:**

Director Lipinski explained that in the back of the binder there is a copy of the Land Use Agreement that was approved last month and needs to be approved by each City Council for approval; also in front of you is an agreement for the SMART senior van program; also a copy of the grant application that was recently submitted \$1.3 towards the renovation of the building and this was part of Governor Snyder's consolidation program; Gratiot Cruise is this week; summer day camp program begins Monday, June 18<sup>th</sup>; parent orientation meeting was last night and tonight there is additional training for staff; Roseville fireworks on Saturday June 23<sup>rd</sup> at Veterans Memorial Park in Roseville; if Board Members are attending, let him know; currently working on fall/winter brochure; kick off will be park it event on August 13<sup>th</sup> and there is a letter indicating that we received a small grant for the summer food program;.

**Board Member Reports:**

Board Member Frontera thanked to Tony and Bobby for all their hard work and working with us on everything.

Board Member Switalski had no report.

Board Member Duchane said that the Master Recreation Plan should be a key first objective and need to get cost estimates for an update because any planning, grant applications, etc. will need this.

Vice Chairperson Klinefelt said residents certainly have been given the indication that repairs are going to be made to this building and they are moving to Eastpointe; this Authority has not made any decision to do that so she thinks we should be telling everyone that we haven't made a decision yet; Authority doesn't have an attorney but line item for attorneys is so small that the advertisement would use up the whole line item; too late to seek our auditors for this year; Ms. Lamb replied that the Board could obtain a separate auditing firm for the Authority but we piggy back off City Hall; there was a Macomb Daily story on violation of Open Meetings Act and discussing committees not being legal and this is the same issue that she brought up at the table and would like Mr. Albright to look at the article and see what his opinion should be. Board Member Duchane responded the Mr. Albright is talking to corporate counsel and will give us his opinion.

Chairperson Aiuto thanked the Board for hashing out a lot of difficult things; agreed that we need to do the Master Recreation Plan; the budget behind us and the employment agreements behind us.

Motion by Switalski, seconded by Frontera, to adjourn the meeting at 7:15 p.m.

Yeas: Switalski, Frontera, Duchane, Klinefelt and Aiuto  
Nays: None

**MOTION CARRIED**

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Linda S. Lince, Acting Secretary