

**MINUTES OF A BOARD MEETING OF THE  
RECREATIONAL AUTHORITY OF  
ROSEVILLE AND EASTPOINTE  
HELD ON THURSDAY, JANUARY 12, 2012**

The meeting was called to order at 5:30 p.m. at the Roseville Recreation Center, 18185 Sycamore, by Executive Director Tony Lipinski with the following Board Members present:

Duchane, Klinefelt, Aiuto and Switalski

Administrator present: Rich Albright, Randy Blum and Tim Tomlinson

Motion by Klinefelt, seconded by Duchane, to approve the minutes of the November 22, 2011 meeting, as written.

**MOTION CARRIED**

Assistant City Attorney Albright administered the oath of office to the new Board Members – Salvatore Aiuto, Steve Duchane and Mickey Switalski.

Motion by Klinefelt, seconded by Switalski, to appoint Sam Aiuto as Chairperson.

**MOTION CARRIED**

Motion by Switalski, seconded by Duchane, to appoint Veronica Klinefelt as Vice Chairperson.

Yeas: Switalski, Duchane, Klinefelt and Aiuto

Nays: None

Board Member Switalski asked if we were voting on the secretary and treasurer this evening. Vice Chairperson Klinefelt responded that the secretary and treasurer aren't actually members of the Board and Linda Lince acts as the secretary. Board Member Duchane responded that the Articles of Incorporation state that the Finance Director of the City of Eastpointe is the Treasurer initially and we don't need to take any further action right now. Board Member Switalski asked if we can transition to Director Lipinski at some point. Vice Chairperson Klinefelt responded that the Executive Director cannot be the Treasurer. Board Member Duchane said we would transition the administrative finance support to the City of Roseville.

Chairperson Aiuto commented that he didn't see a time table for this transition so leave it as an open item that needs to be addressed in the future.

**Discuss and/or Act on Proposed By-Law Revisions:**

Vice Chairperson Klinefelt commented that in the minutes on page 4 there was motion made to alternate the fifth member and needs to make it into the By-Laws.

Board Member Switalski asked about the terms of the Board Members. Mr. Tomlinson responded that the terms are staggered so need to specify by the appointing authority who will be the three year term and who will be the two year term. Vice Chairperson Klinefelt responded that the Council decided in Eastpointe's motion that Vice Chairperson Klinefelt's term would be three years and Board Member Duchane's term would be two years. Mr. Tomlinson responded that Roseville didn't do that in their motion so they will go back and take care of that.

Board Member Switalski asked what language you want in there regarding the fifth member alternating. Vice Chairperson Klinefelt responded that when the Councils had a joint meeting they decided the fifth

member would rotate between the cities and then it came to the Recreational Authority and the motion was made to incorporate it into the By-Laws and left it up to the administrators to do the wording on that but could put it under 4.2 "The fifth member's term will be alternating between the two cities unless the City that is due defers to the one already in office."

Chairperson Aiuto said the fifth person is chosen by the Board and they will go forward and review the resumes and pick the person. Board Member Duchane said it was the intent to provide an equal process. Vice Chairperson Klinefelt commented that the Board reserves the right to request from both cities that they retain an individual. Chairperson Aiuto said let's let legal counsel take care of the verbiage and this will be an open item that we will take care later.

Board Member Switalski asked isn't it up to the four of us to choose the fifth member. Vice Chairperson Klinefelt replied that we are starting off, right off the bat, committing an act that was against the intent of both of the Councils because there was a concern that there wasn't representation from one city for twenty years. Board Member Switalski responded that he thinks the members will try to take care of their City. Board Member Duchane asked how we make sure that there is some consideration given that there is some proportional representation on the Board. Vice Chairperson Klinefelt commented that it wouldn't be two and two because the vote would be cast before that person's term is expired. Board Member Duchane commented that it is not in the Articles of Incorporation so we are going to have to move ahead on this and review it further. Vice Chairperson Klinefelt commented that the intent was that it would be in the Articles of Incorporation and then it was the intent to be in the By-Laws. Chairperson Aiuto commented that we would leave this as another item we need to address and ask counsel to draft language. Mr. Albright responded that they would have something ready for the next meeting.

Chairperson Aiuto asked if there were any further questions or comments. Board Member Switalski asked about 6.5 – would like "office" changed to "officers" and 5.3 and 6.2 already have been taken care of. Chairperson Aiuto requested in 6.4 change "directors" to "trustees" and the Board will get revised By-Laws for discussion at next month's meeting.

#### **Discussion on Resolution No. 1 – Organization of the Recreational Authority:**

Board Member Duchane gave an overview of Resolution No. 1 and that the intent was to start the process of transition with an outline, what the issues are to be addressed and it is a working copy to begin addressing changes in personnel, business plan, give the Director some direction and some support to carry out and do what he has to do to makes this transition to a new organization happen.

Board Member Switalski commented that Section 3 refers to appendix A. Board Member Duchane responded that he doesn't have that yet.

Vice Chairperson Klinefelt commented that she talked to Board Member Duchane about a conflict in Paragraph 2 and Paragraph 11 – intent was that come July 1<sup>st</sup> everything starts over and Roseville's contracts expire July 1<sup>st</sup> but the two paragraphs need to be cleaned up; other change is Paragraph 4 – if all this transfers over and we had said that they will be in place but July 1<sup>st</sup> it is a new entity and we are starting over with a new budget, what happens if they say we are a new union and you need to negotiate so this needs to be clarified that the contracts are in existence until June 30<sup>th</sup>. Mr. Tomlinson commented that he had a problem with this whole section and needs to look at it in depth as to how it is going to relate to the collective bargaining agreements of Eastpointe and Roseville; how they are going to be brought over or completely abolished and whether we are going to be dealing with individual employment contract or whatever. Vice Chairperson Klinefelt commented that Eastpointe doesn't have people coming over with contracts. Board Member Duchane commented that with recent changes in collaboration the legislature did put in place a transitional process and not sure that this Act that incorporates the Recreational Authority was addressed in the legislation and we do not have represented employees that would be considering transferring to the Authority. Director Lipinski responded that he and Bobby are in a supervisor's union which expires on June 30<sup>th</sup>. Vice Chairperson Klinefelt commented that she has never

known a chief executive being in a union. Board Member Switalski commented that what he understands is that we want guidance of where we stand with the law and what is the day of authority formation. Chairperson Aiuto responded that he heard a July 1<sup>st</sup> date and an April date from Finance. Board Member Duchane responded that the Articles of Incorporation was the date of inception of the corporation and formation was based on the organizational model being finalized and then operating to the degree of independence that we planned on it doing. Vice Chairperson Klinefelt responded that we have become completely and entirely dependent on July 1<sup>st</sup>. Board Member Duchane commented that when you adopt the budget it will be effective for July 1<sup>st</sup>. Vice Chairperson Klinefelt commented that those three sections are the concerns. Mr. Tomlinson and Mr. Albright will look at them.

Vice Chairperson Klinefelt commented that in paragraph 10 – should say we can designate this. Board Member Duchane commented that these are operational rules for the Authority to go forward. Vice Chairperson Klinefelt added the word “current” in paragraph 5 because the intent that new employees hired after July 1<sup>st</sup> aren’t in either of the City’s retirement systems. Mr. Tomlinson responded that this paragraph needs to be flushed out a little bit more. Mr. Cady commented that it might be prohibitive to find health care for three or four employees and agreed on the retiree issue so for future employees should use either Roseville or Eastpointe’s health care and charge back.

Board Member Switalski commented that paragraph 5 should say current and retired employees as of July 1, 2012. Chairperson Aiuto commented that paragraph 7 addressed health care. Mr. Cady commented that it might be better to say anyone hired after July 1<sup>st</sup> becomes the responsibility of the Authority for benefits.

#### **Discussion on Transition Plan for Programs/Events:**

Director Lipinski gave a brief synopsis of what has been discussed and currently operating programs as have in the past; during the spring/summer program will be to combine as much as possible; summer/fall all programs will be combined; this is the game plan to put in place; do want to come up with a promotional piece during this transition phase and distribute it in the Eastsider because both communities receive this.

Vice Chairperson Klinefelt commented that we might be able to get the reporter from the Eastsider to write a story on it instead of paying for a promotion piece. Chairperson Aiuto asked Director Lipinski if he intends to articulate this on cable and has he changed the name on cable calling it the Recreational Authority. Director Lipinski replied that he is looking for July 1<sup>st</sup> as the date to use the new name. Chairperson Aiuto asked Board Member Duchane if Eastpointe has done anything for this transition. Board Member Duchane responded that nothing formally has been done and the idea was to have everything in place and set a target date. Chairperson Aiuto asked Director Lipinski when he thinks it would be a good time to have an article in the Eastsider. Director Lipinski replied early summer because spring programs will have started but the summer programs and events will begin after July 1<sup>st</sup>.

#### **Review Proposed Organizational Chart and Discuss Proposed 2012/2013 Budget:**

Director Lipinski commented that with the help of Mr. Cady, with the organizational chart and budget it was with the understanding that we had \$1.5 million to work with but recent drops in property values have reduced this and in this proposal there are two options.

Jane Lamb reviewed Option 1 - we have lost property values which means less money to work and the original budget that you saw before we talked about and made modifications to the budget; Option 1 and 2 are exactly the same except with a change in the personnel in Option 2; Option 1 – decrease in property values and looked at all the expenditures for the programs and how we would continue the programs and went through line by line and looked at all our revenues and tried to match them into our expenditures; what we projected the first year Eastpointe 14% decrease and Roseville 12% decrease; and forecast 5% decrease second year; 2% decrease third year and 0 next two years; then we built this

budget based on what we would have available to work with during the next five years; looked at program revenues and kept pretty close to what they generate currently; will have some interest income; took existing personnel and have the positions with their benefits and at bottom of spreadsheet on page 3 would have additional expenditures of the Authority such as future bond payment, administrative fees, incorporation fees, asset transfer expense, etc.; at the end of Option 1 we would be at a deficit for fiscal year 2012/2013 and that created Option 2.

Vice Chairperson Klinefelt asked questions regarding the original budget she received and this one. Ms. Lamb told her that she shouldn't look at the original budget any more.

Ms. Lamb commented that revenue collection began on January 1 so we have a small fund balance because it was only six month of expenditures. Vice Chairperson Klinefelt commented that when you renovate an existing building there will be overruns on that. Ms. Lamb commented that the timing of everything with the tax collection in the first year gives us a little bit of a cushion. Vice Chairperson Klinefelt commented that she will need time to look through these proposed budgets. Director Lipinski commented that these proposed budgets are preliminary and we will get a more detailed budget out to the Board Members.

Vice Chairperson Klinefelt asked will the 1 mil rollback. Board Member Duchane responded that it will be subject to Headlee. Vice Chairperson Klinefelt commented that she thought that until we could get these going, the Authority would be reimbursing back the cities from January 1<sup>st</sup>. Mr. Cady responded that going into July 1<sup>st</sup> you should have a fund balance of \$700,000, so have seed money to move forward. Board Member Switalski asked why the fund balance declines each year under Option 1 and in Option 2 it grows. Mr. Cady responded because Option 2 has changes to personnel and also included a bond payment in the budget. Board Member Switalski asked if the personnel changes are one different assumption from the start and staggered over the five year period. Ms. Lamb responded that they are the same assumptions from day one. Mr. Cady responded that we needed a starting point and moved forward and will adjust them as the future budgets are established.

Ms. Lamb commented that construction and renovations will occur in 2012/13 and will be using the Eight Mile building during this time and at the end of June 2013 will be ready to move into this building and could sell the Eight Mile building but does have money in the budget to maintain the Eight Mile building.

Chairperson Aiuto asked that Board Members dissect the budget and email questions to Mr. Cady or Ms. Lamb with copies to all Board Members and drill down into this.

Board Member Duchane asked them to go over the difference between Option 1 and 2. Ms. Lamb explained that Option 1 is the Assistant Director/Program Coordination and Adult Youth Sports Coordinator at same level and Option 2 Youth Coordinator would become a part-time position and go under the Assistant Director. Ms. Carter asked what the rate of pay is. Ms. Lamb replied \$20.

Board Member Duchane asked how you would account for expenses to either of the cities for maintenance of ball parks, etc. Director Lipinski responded that reimbursement would be from the Authority to the cities for park maintenance, needs a name from Board Member Duchane for who would be in charge of the ball fields and would like Roseville and Eastpointe parks maintenance to meet and discuss. Board Member Duchane asked for budgetary purposes did you use historical trends from both cities for these costs. Ms. Lamb explained that they incorporated a user fee, they use three parks from each city and would pay \$2,500/per park/per month to each city for six months. Vice Chairperson Klinefelt asked if the Authority sets up a baseball league and they charge a fee, could we get some of that money. Director Lipinski replied that that was discussed and that is what he is working out.

**Discussion and/or Action on Resumes Received to Fill Remaining Board Position:**

Board Member Switalski suggested that since we have seven resumes the Board interview each of them and make a selection. Board Member Duchane suggested that the Executive Director e-mail them with some possible dates. Director Lipinski commented that the person would need to be available at 5:30 p.m. on Thursdays. The Board agreed to January 26<sup>th</sup> for interviews and would start at 6:00 p.m. Chairperson Aiuto asked what the duration of each interview should be. Board Member Switalski suggested 15 minutes. Vice Chairperson Klinefelt suggested that each Board Member come up with a couple of questions. Director Lipinski will contact them in the order he received their resumes.

**Discussion on Building Renovations:**

Director Lipinski commented that he wanted to get some dialogue started and asked if the Board would like to form a committee to start meeting architects/engineers, etc. Chairperson Aiuto asked the Board what are their thoughts. Vice Chairperson Klinefelt commented that it doesn't matter to her if Administration takes care of this or a committee and doesn't have a problem with the two administrators working together on this. Board Member Duchane asked has there been any preliminary discussion with an architectural firm. Director Lipinski responded that there was very preliminary work done before the campaign to develop the Recreational Authority and some preliminary plans to add approximately 8,000 square feet to the east end of the building and adding on to the gym. Board Member Duchane asked would it be appropriate to solicit a RFP for architectural designs for construction. Chairperson Aiuto responded that what would be beneficial is if the group that has done all the research on it to educate everybody on what the status is of the building, what the problems are, why we are there and suggest forward moving activity and then we go find someone to do it. Board Member Duchane asked if there has been some type of analysis done. Chairperson Aiuto responded that there was a presentation to Roseville City Council prior to establishment of the Authority and he thinks this would be beneficial to the Board if they want to hear it. Vice Chairperson Klinefelt commented that we could do both at the same time but doesn't see a problem with Administration moving forward with the process of what a RFP is going to look like. Mr. Tomlinson suggested that Mr. Rose from AEW come in and explain what the issues were at the next meeting. Chairperson Aiuto said Director Lipinski will make sure they are at the next meeting.

**Hearing of the Public:**

Mary Grant commented that she met Leona Nedoliwcka and discussed that they programmed very similarly and take the best of both of their worlds and the seniors will be very happy.

Walt Jakubiec asked what the target date to start working on the building is. Chairperson Aiuto responded that there is no start date.

**Director Report:**

Wanted to congratulate Chairperson Aiuto and Vice Chairperson Klinefelt for their appointment as officers; thanked the Board for their confidence in him as far as moving forward with administering for the Recreational Authority; thanked Maureen, Mary and Bobbie for getting some of this information together and thanked Mr. Cady and Ms. Lamb for budget presentation; announced the Michigan Recreation Park Association has scheduled a session on recreation authorities involving us, Mr. Tomlinson will speak at it and will get information to Board Members to see if they can be there but believes it is on February 9<sup>th</sup> at 4:15 p.m. at the Dearborn Hyatt. Board Member Duchane said the MML is also scheduling a session on recreation authorities on March 20<sup>th</sup>.

**Board Member Reports:**

Board Member Duchane had nothing further but he will bring the By-Laws and Resolution back at the February meeting.

Board Member Switalski had nothing other than putting the next meeting on the calendar and February 9<sup>th</sup> is the meeting in Dearborn. Board Member Duchane suggested adopting the By-Laws and Resolution No. 1 at the January 26<sup>th</sup> meeting along with a decision on whether to have a meeting in February. Vice Chairperson Klinefelt commented that we can cancel the February meeting at the January 26<sup>th</sup> meeting if it is not necessary. The Board asked that the interviews should be scheduled first on the agenda.

Vice Chairperson Klinefelt commented that she never had a discussion on dress attire and her opinion is that we should dress however we feel and asked if anyone is opposed to that. Chairperson Aiuto responded that he had no issue making these casual meetings and wished Board Member Switalski happy birthday.

Chairperson Aiuto thanked the Board for allowing him to be Chairperson and he looks forward to working with them.

Motion by Duchane, seconded by Switalski, to adjourn the meeting at 6:55 p.m.

**MOTION CARRIED**

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Linda S. Lince, Acting Secretary