

**MINUTES OF A BOARD MEETING OF THE
RECREATIONAL AUTHORITY OF
ROSEVILLE AND EASTPOINTE
HELD ON THURSDAY, OCTOBER 11, 2012**

The meeting was called to order at 5:32 p.m. at the Roseville Recreation Center, 18185 Sycamore, by Chairperson Aiuto with the following Board Members present:

Duchane, Frontera, Klinefelt and Switalski

Administrator present: Director Lipinski

Motion by Switalski, seconded by Frontera, to approve the minutes of the regular meeting dated September 13, 2012, as written.

Yeas: Switalski, Frontera, Duchane, Klinefelt and Aiuto

Nays: None

MOTION CARRIED

Discussion and/or Action on Disbursements:

Motion by Switalski, seconded by Klinefelt, to approve the disbursements.

Yeas: Switalski, Klinefelt, Duchane, Frontera and Aiuto

Nays: None

MOTION CARRIED

Ms. Lamb explained that the audit will start next month and all the expenditures that are coming in from last year will be put in the right period. Chairperson Aiuto asked if this is a first year issue. Ms. Lamb responded yes and we want to make sure each community gets charged appropriately.

Chairperson Aiuto asked the Board about paying bills before our disbursements and asked shouldn't the bills be paid after the Recreational Authority agrees and approves them. Ms. Lamb explained that expenditures that are direct to the Authority could be held until after the Recreational Authority approves them. Vice Chairperson Klinefelt responded that you can have a group of payables without approval. Board Member Duchane commented that a lot of these are transitional items that will take care of themselves. Vice Chairperson Klinefelt commented that she sort of agrees that some things will work themselves out over time but a permanent system could be set up over time; mentioned the auditors are in the City and they are making determinations; it is a concern to her that there is no one making a determination for the Authority, it is being made by the cities. Board Member Duchane explained that the issue is about identity recognition and control – Director Lipinski is the Executive Director of the Authority, not the Roseville Director and he should be making these determinations and reporting to the Board; Director Lipinski needs to give the Board more assurance that both communities are being covered. Chairperson Aiuto said he doesn't have a problem with the way things are but Director Lipinski does need to be more involved in financial decisions and report back to the Board. Vice Chairperson Klinefelt said the Roseville City Council should not be approving the bills of the Authority. Ms. Lamb replied that the Council is only approving bills that were paid by the City and then reimbursed by the Authority. Vice Chairperson Klinefelt commented that most of this will work itself out. Ms. Lamb said that payroll goes out before it is approved because only meeting once a month. Vice Chairperson Klinefelt said we can have pre-pay bills such as payroll, electric, gas, etc. Board Member Duchane explained that the control device is the budget, so he is fine where we are.

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

Board Member Switalski called Harold Haugh's office and asked if there is anything new and was told they are still hard at work on it in the Attorney General's office,

Discussion and/or Action Regarding Selection of Legal Counsel to Represent Authority:

Motion by Switalski, seconded by Klinefelt, to approve York, Dolan & Tomlinson, P.C. until the end of this fiscal year, June 30, 2013, and begin the RFP process for next year beginning on July 1, 2013.

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

MOTION CARRIED

Public Hearing to Take Public Comments on the Recreational Authority of Roseville and Eastpointe Recreation Master Plan:

Director Lipinski commented that this is on the agenda to take public comments so residents can let us know what they would like to see in the future Master Plan.

Walter Jakubiec (18318 Holland, Eastpointe) commented that he still hasn't heard anything about what building we are going to be in; obviously this place isn't going to be it – so would like to know what is being done about that. Vice Chairperson Klinefelt responded that there has been no determination until we hear back from the Attorney General. Board Member Duchane responded that part of the master planning process is to determine what facilities exist, how they would be used, what the needs of the different populations are and decide where we are going with those demands, goals and objectives and needed outcomes of performance before we do the decisions about the facilities. Mr. Jakubiec asked is there a Plan B if this bond doesn't go through. Board Member Switalski responded that we are here and going to be here until we can do something else.

Theresa Peltz (27900 Van Howe, Roseville) asked has the Board decided in the future to change the name of the Authority. Director Lipinski replied that we have in the winter/spring brochure a design a logo contest. Chairperson Aiuto replied that the Authority is trying to get its identity.

Request Approval to Add Expense Account Number 208-101-993.001 Vending Supplies and Revenue Account Number 208-101-614.000 Vending Revenue to the Recreational Authority Budget:

Motion by Duchane, seconded by Switalski, to create the Expense Account Number 208-101-993.01 Vending Supplies and Revenue Account Number 208-101-614.000 Vending Revenue to the Recreational Authority.

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

MOTION CARRIED

Discussion on Recreational Authority Budget Status Through First Quarter:

Director Lipinski explained that Ms. Lamb just received some of the final expenses on Tuesday; reviewed the 1st quarter budget report; his view is that we are in good shape for what we budgeted and trying to keep expenses low. Ms. Lamb explained that she went through everything for 2011/2012 and the Recreational Authority will have a profit of \$804,000 which carries over as the beginning fund balance for

this year and have a large portion of revenue (property taxes and earned revenue from last year – program income that wasn't transferred over on June 30th) and this won't happen again in a go forward basis; have an additional \$96,000 profit which will not happen again; all in all we are in very nice shape; because we didn't incur some of the expenses is why we have a higher fund balance. Vice Chairperson Klinefelt asked in the future will we have an original budget column and a column for the amended budget. Ms. Lamb replied yes and with the audit coming up next month she anticipates that these will be our numbers; at next meeting would like to do budget adjustments for 2011/2012 year so we wouldn't have these tremendous variances and would also like to amend the budget for 2012/2013 year. Chairperson Aiuto asked that she e-mail the amendments out when she completes them rather than wait for the agenda packet. Board Member Switalski said he is looking at June 30, 2012 and got \$1.48 million in property taxes \$55,000 for program use fees, so even with this loss we are still \$800,000 to the good. Ms. Lamb responded yes. Board Member Switalski commented that now property taxes are \$1.375 million and to date collected \$62,000. Ms. Lamb responded that the \$62,000 is last year's property taxes because we haven't collected taxes for this year yet. Board Member Switalski commented that on the bottom of page 3 he sees an \$804,000 fund balance. Ms. Lamb explained that \$96,000 is revenues in excess of expenditures for the first quarter and you have \$919,000 at end of the quarter but she expects that to be much lower next quarter because the Authority will only have expenditures.

Board Member Duchane explained that because of the fund balance rolling forward we will have some tough times in the next few fiscal years because of how the taxes are being collected. Board Member Switalski asked are you suggesting that cash flow will dip down. Board Member Duchane replied that the 1st quarter is not an indicator but it will take a year to do it. Board Member Switalski asked did we do a five percent projection for next year. Ms. Lamb replied yes, we did it for a few years out until we leveled it out. Board Member Duchane commented that expenses are 14.5% for first quarter, so if at six months it is 50% we should not look at that as bad.

Update on Economic Vitality Incentive Program (EVIP) Grant Application:

Director Lipinski commented that there is the cover page for the EVIP grant application that was first submitted and this was for the building repair and possible expansion; subsequently extended that deadline and submitted a grant for skate parks for both cities; received call last week from the Department of Treasury and revised the cover page because it would need to be paid to the City of Roseville or City of Eastpointe. Board Member Duchane commented that we are not EVIP eligible.

Vice Chairperson Klinefelt asked right now who this property is deeded to. Ms. Lamb replied that the land is owned by the City and the building is owned by the Authority. Vice Chairperson Klinefelt asked has there been a transfer of ownership. Ms. Lamb responded that the transfer of ownership has not happened yet. Vice Chairperson Klinefelt asked who owns the Community Center. Board Member Duchane replied that the Authority owns the building and the City owns the property. Board Member Frontera replied that the Articles of Incorporation say the real and personal property is owned by the Authority. Ms. Lamb commented that it doesn't specifically state the land. Board Member Switalski asked when we transfer the deed, will the Authority own the land and the building.

Director Lipinski commented that the application cover page was changed and sent back to the Department of Treasury and when inquiring about the grant no decisions have been made yet.

Hearing of the Public:

Betty Ulrich (25296 Hayes, Roseville) asked are we only collecting the Authority money in December and not collecting in July also. Chairperson Aiuto replied that it was put on the winter tax of both communities. Ms. Ulrich asked why we aren't collecting at the beginning of the fiscal year. Mr. Lipinski explained that the first meeting of the Authority was in December and that is when the decision was made. Vice Chairperson Klinefelt commented that if we billed in July we would have had to bill you for two years in the first year.

Walter Jakubiec (18318 Holland Avenue, Eastpointe) asked are we looking for a Finance Director and our own attorney for the Authority. Chairperson Aiuto replied that we chose our attorney for this year and by July of next year we will put out an RFP for a new attorney. Vice Chairperson Klinefelt replied that costs are too high for the Authority to have its own Finance Director. Board Member Duchane replied that the best way to go is through Roseville. Mr. Jakubiec asked if going forward Ms. Lamb will do all the finance stuff. Vice Chairperson Klinefelt replied yes. Mr. Jakubiec commented that he thinks we need to cut the apron strings. Board Member Switalski commented that we want to be in the business of providing services instead of having high overhead costs. Mr. Jakubiec asked if the Authority is paying Ms. Lamb for this work. Chairperson Aiuto replied yes at a discount.

Mary Grant gave an update and that the last nine months have been a whirlwind; this is a heavy load and can kind of see the light at the end of the tunnel; still have equipment at the Community Center that we need to talk about to see what we can use here; was overseeing the Community Center but can now focus on senior activities; the senior newsletter is a work in progress; Eastpointe seniors need to be welcomed by the Roseville seniors; we need to focus on Authority things instead of Roseville and Eastpointe; will add travel opportunities to the senior newsletter and any other new programs that will be offered; there has been some issues with the van service and we are working toward resolving those issues; seniors as a whole are getting the same programs as before. Mr. Lipinski commented that they are reevaluating constantly and there are some benefits to both programs and trying to tap into the best of both sides. Ms. Grant commented that Eastpointe seniors couldn't call up and say they want to go the bank or JoAnn Fabrics but under the new van service they can do that if there is an opening; announced the Open House on November 1st from 1:00 p.m. to 3:00 p.m. Board Member Switalski commented that change is a time of high stress and appreciates the heroic efforts you are going through to put everything together and the welcoming effort so thank you for that.

Mary Lazaris (26284 Barnes, Roseville) informed Director Lipinski that PNC Bank has money available for community projects.

Director Report:

Director Lipinski thanked Ms. Lamb for presenting the 1st quarter summary; thanked Ms. Grant for her comments and updates; commented that the Community Center is closed and working on moving a few things here and there; commented that Heather, who worked with the van program, got a job with the dental office she was working for and wished her well; commented that they will work through all the concerns of the van service; announced that last Friday they had Mom/Son Bowling night and was sold out and everyone had a great time; announced that fall programs are in full swing and tonight is one of the newer programs – fitness program and a lot of the instructors are pleased with the numbers and some are adding additional programs; still preparing for October 27th Mom-To-Mom sale; announced Trunk or Treat at Veterans Memorial Park; announced November 1st is Open House at the Authority building; preparing for 34th Annual Big Bird Run; announced that December 6th is Eastpointe tree lighting and December 7th is Roseville tree lighting; received notice from MHT of ground breaking for Oakwood on October 19; sent a job description for building attendant to Macomb Community College to hire some college students and we would be obligated to pay 25% of their wages and the college would pay the rest and Go Tigers.

Board Member Frontera asked if there has been termination of contractual cleaning services for Eastpointe's building and asked who cleans our building. Mr. Lipinski replied that we are doing a contract to get someone to clean the building. Board Member Frontera asked if the City of Roseville sends their contractor to clean our building right now. Mr. Lipinski replied yes.

Chairperson Aiuto asked where we are with our website. Mr. Lipinski replied that there will be a demonstration next week with a company and sent it to Mr. Teolis to ask his opinion and will be looking to have our own website.

Board Member Reports:

Board Member Frontera commented that if the Authority sells the Community Center, the money would go to the two cities and asked have we looked at leasing the building to turn it into a revenue source. Board Member Duchane commented that he thinks it is a great idea to lease the building. Mr. Lipinski commented that he has had someone inquire about renting a commercial kitchen but the Community Center doesn't have a stove or refrigerator. Board Member Duchane commented that if we do anything with Oakwood the revenue from leasing the Community Center would cover those costs. Vice Chairperson Klinefelt commented that when there is a lot more activity in the summer maybe we could open the Community Center for a few months.

Board Member Frontera commented that the Authority's Facebook page is not an actual page, it is a person and his concern is that after 3,000 or 4,000 friends you can't have anymore friends so would be in our best interest to create it as an entity instead of a person. Mr. Lipinski responded that when we first created it, it was set up as a person. Board Member Frontera volunteered to change the page with Mr. Lipinski

Board Member Switalski had no report.

Board Member Duchane had no report.

Vice Chairperson Klinefelt explained to the Board that she made two quick corrections to the attorney-client privileged letter regarding a possible case; commented that it is 7:25 p.m. and the full Board of the County Commissioners are meeting right now and if she wins the election she sees conflicts.

Chairperson Aiuto had no report.

Motion by Switalski, seconded by Frontera, to adjourn the meeting at 7:26 p.m.

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

MOTION CARRIED

Linda S. Lince, Acting Secretary