

**MINUTES OF A BOARD MEETING OF THE
RECREATIONAL AUTHORITY OF
ROSEVILLE AND EASTPOINTE
HELD ON THURSDAY, MAY 17, 2012**

The meeting was called to order at 5:30 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 Frontera, seconded by Switalski, to approve the minutes of the regular meeting dated April 12, 2012, as written.

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

MOTION CARRIED

Discussion on the Bond Capacity for the Authority:

Director Lipinski said a letter was sent to Harold Haugh by Board Member Switalski and this is still an open item and that is why it is on the agenda. Board Member Switalski said that he hasn't heard anything yet and generally it takes about a month for the Attorney General to respond informally. Vice Chairperson Klinefelt said she is still in discussion with the attorneys regarding the previous opinion she got on committees.

Discussion and/or Action on Proposed Land Use Agreement:

Director Lipinski said that in the packet there is some backup information regarding the charges that were in the land use agreement; basically the cost of the cities to maintain the parks and/or fields for our programs; the first page shows 800 man hours plus estimated cost for materials and supplies for a total of \$35,962; reviewed usage report and revenue generated for pavilions and fields is around \$10,000 per city; Eastpointe has more pavilions than Roseville and rental rates are different in the cities so we need to have consistent rates; we either have to charge the schools the entire cost to use or have tradeoffs and other groups that are not a part of our organization may have to pay a little bit more for field rentals.

Vice Chairperson Klinefelt said that on the first sheet, the estimated cost was \$35,962 so if we pay that, then we would keep the \$10,000 and if we paid that to them then we would drop it down to \$25,962. Director Lipinski responded that we would give them the \$10,000 because we are not maintaining those facilities. Board Member Duchane said if the Authority does provide for the maintenance of the facilities and then pays the cities for the use of the facilities, he doesn't have a problem with the Authority keeping the fees; significant investment to be made to Eastpointe facilities to make them function properly and be safe. Vice Chairperson Klinefelt said she wasn't opposed to the idea of working with the cities and the Authority invests in the parks to attract more residents to the recreation programs; if we are paying \$36,000 to maintain the parks and doesn't mind paying that but why would you turn over the rental fees. Board Member Switalski said we are negotiating with both cities for costs to maintain the parks - \$36,000 to maintain and then there is a memorandum on the income of \$10,000 so why would the cities get that also. Director Lipinski responded because the Authority is bringing in the rental but the City is maintaining the pavilions. Jane Lamb said the \$10,000 would go back because the Authority is only scheduling the use of the pavilions and fields; the City would clean up the pavilions and the Authority is only scheduling so it would augment the revenue to the cities to keep them fixed up. Board Member Switalski asked don't we send a park attendant out for a pavilion rental. Director Lipinski responded yes.

Ms. Lamb said the City incurs the expenses for toilet paper, removal of graffiti, and make it showroom ready. Board Member Switalski said we both jointly have costs so we should split the \$10,000. Ms. Lamb said there are so many other costs and the money the Authority pays to the cities is reinvested in the parks. Board Member Frontera said that if we are going to give back the \$10,000 the Authority's manpower is used to schedule and issue permits and this is unfair to the Authority so we should get some money back. Vice Chairperson Klinefelt said we can turn it over to the cities and let them do the scheduling. Board Member Frontera said it looks like the City is trying to dump their problems on the Authority. Board Member Duchane said this is a policy question – we are just moving the same money around and who gets credit and doesn't get credit whatever; only hope for the fields – the fences look like crap, ball fields are improperly balanced and have standing water, the roof of a score box is falling off and now we have a source of revenue to pay for these things; if the Authority keeps all the revenues and also takes charge of the work to maintain the fields and pavilions; suggest that our philosophy be the facilities that are now being provided for recreation in Roseville and Eastpointe be under the direction of the Authority (maintained and operated by the Authority); so subcontract with the City staff to do the work if you keep the revenues. Vice Chairperson Klinefelt responded that when the one mill was voted on it was for recreation not for parks and she would hope that the cities would maintain fences anyway; we are paying City wages for City employees on things we could contract out a lot cheaper because of the union contracts. Board Member Duchane said it will be a capital function. Vice Chairperson Klinefelt asked can we add to the Land Use Agreement that \$10,000 has to be designated by the cities for materials for the upkeep of the physical attributes of the parks. Board Member Duchane agreed with this. Board Member Switalski asked could the \$10,000 go to capital improvements in the parks. Ms. Lamb responded that that would be fine. Vice Chairperson Klinefelt said she doesn't see how we are going to get everything for the recreation programs under the one mill.

Motion by Switalski, seconded by Duchane, to approve the Land Use Agreement with the amendment that the \$10,000 be designated for park capital improvement.

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

MOTION CARRIED

Presentation by Partners in Architecture and AEW on Facility Assessment Report:

Dave Gassen from Partners in Architecture said the report last month was an introduction and overall view of the assessment; we have resubmitted the final package and there might have been some minor tweaks; added to report – introduction and orientation of how you use the report and determine the matrix; added the matrix and photos that support the matrix; matrix defines in more detail what is listed in the summary; reviewed the priority of work and costs; what happens in the next three years – \$1.25 million is the foundation (biggest cost), boiler and roof.

Vice Chairperson Klinefelt said the Authority loan can only be for five years and if we fix this in the next three years we won't have it paid down to continue with priority two projects; asked about the foundations. Mr. Gassen explained that they have found that it is external and suggesting that additional testing be performed on the internal foundation before going forward with foundation repairs; didn't see any signs of failure on the internal walls. Board Member Duchane said he sent out his strategic memorandum and this is our biggest challenge (structures and facilities); he utilized rentals and leases when he didn't have a recreation building; thinks one weakness is the financial commitment for one facility where repairs would be approximately thirty percent of annual spending; need to develop a strategic plan on how we are going to provide recreation in 2012 and beyond; can't find in either City a master plan for a joint recreation authority; there was a successful attempt to fund a joint recreation authority; we shouldn't be so focused on the capital. but how to deliver services; thinks that at this point we need to set aside something for capital this year and come back and address this solely on a more master strategy issue than just fix a

building; routine maintenance for a health/safety issue should be addressed. Board Member Switalski said that Board Member Duchane made some very good points. Vice Chairperson Klinefelt said we may want to decide what the rest of the foundation is but extremely torn because of what the residents were told. Board Member Switalski asked in terms of internal core testing, would that be the floor in the gym and in here. Mr. Gassen responded that it would be two locations 5 x 5 to drill into the internal foundation. Board Member Switalski asked what the time frame and costs are. Mr. Gassen responded that the cost would be less than \$10,000. Vice Chairperson Klinefelt said the Board needs to get more information on that and make a decision when Chairperson Aiuto is present. Board Member Duchane responded that he doesn't have a problem with that. Vice Chairperson Klinefelt commented that at least we would have something to say to the residents if the building is bad internally also. Board Member Duchane commented that he can't put thirty percent of the budget into a building with no measurable improvement in service. Board Member Switalski asked if the estimate of costs for priorities includes the internal walls. Mr. Gassen responded no. Mr. Gassen commented that in the summary there was a problematic section and none of that is in the matrix. Board Member Duchane asked if this facility was gone tomorrow, would recreation programs stop – and the answer is no.

Chairperson Aiuto arrived at 6:25 p.m.

Vice Chairperson Klinefelt gave Chairperson Aiuto a brief review of testing on the internal walls and Board Member Duchane said we should be more concerned about providing services instead of worrying so much about the facility. Chairperson Aiuto asked wasn't there a conversation that the internal footings were not a problem because they weren't exposed to the same things as the external footings. Mr. Gassen responded that they could be failing but the walls are held in place and do additional testing to check. Chairperson Aiuto commented that the weather was not expediting the deterioration. Mr. Gassen responded that moisture will help accelerate this issue and it depends on what is happening with the water that is in the walls. Chairperson Aiuto asked Mr. Neiman was there any decision to do internal footings when the tests were done. Mr. Neiman responded no, they only looked at the external footings.

Discuss and/or Action on 2012/13 Proposed Roseville-Eastpointe Recreational Authority Budget:

Chairperson Aiuto said the Board received this budget last month for review and ask any questions of Ms. Lamb. Vice Chairperson Klinefelt asked that in order to approve the budget do we first have to address the contracts. Chairperson Aiuto replied that the Board will approve the budget and can amend it after contract negotiations. Board Member Duchane said the capital portion of the budget then becomes our work plan; would like to have capital tied to a programming feature of the strategy of what we are going to do regarding delivery of services; have a session just to look at capital expenditures. Board Member Frontera said he had nothing on the budget. Board Member Switalski said he had nothing on the budget. Board Member Switalski asked Ms. Lamb if she had anything to interject. Ms. Lamb responded that she will print off the account numbers and name with the budget for next packet and give a year-to-date with actual numbers. Vice Chairperson Klinefelt asked did we put in this budget Eastpointe's lighting loan. Ms. Lamb responded that she will put it in the line item.

Motion by Duchane, seconded by Frontera, to approve the budget as presented dated May 17, 2012, Revision 2, for the fiscal year July 1, 2012 through June 20, 2013 in the total amount of \$1,733,658, also showing the estimated recreation expenditures of \$927,088, senior expenditures of \$195,166 and additional expenditures – administrative costs of \$396,000 for total expenditures of \$1,518,254.

Yeas: Duchane, Frontera, Klinefelt, Switalski and Aiuto

Nays: None

Review Insurance Information from Nickel & Saph, Inc. for Authority:

Vice Chairperson Klinefelt said she didn't get a chance to read it. Director Lipinski explained that he put a copy of letter and quote in the packet but wasn't really planning to have any action taken on it; will be on

next month's meeting agenda and if there are any questions please send them to him and he will get the questions addressed before the next meeting.

Chairperson Aiuto asked why we are looking at it. Director Lipinski responded that we are looking at liability insurance, worker's compensation, property, automobile, crime. Ms. Lamb said it covers insurance for the Authority – commercial liability for both buildings, covers SMART buses and handling worker's compensation; better if the Authority stands alone for insurance purposes. Vice Chairperson Klinefelt asked how many quotes Ms. Lamb sought. Ms. Lamb replied that she did it through Roseville's insurance. Board Member Switalski asked if Roseville went out to bid for insurance and took the low bidder and then went back to that company for the Authority. Ms. Lamb responded that Roseville did bid out insurance last year and that is what we did. Vice Chairperson Klinefelt asked did you look at the City covering the buildings. Ms. Lamb explained that each city wanted the Authority to cover the buildings. Board Member Duchane said we wanted the Authority to take over the buildings on July 1st; question on fire damage of \$100,000 and doesn't know what they were looking at and he will ask the Michigan Municipal Risk Management Authority for a quote. Chairperson Aiuto asked who came up with the limits. Ms. Lamb responded that she and Mr. Cady did.

Discuss and/or Action on Recreational Authority Employment Agreements:

Chairperson Aiuto asked that we have this template in place and begin a dialogue so we know where we are going to go with this and asked Director Lipinski to put on the agenda; asked if anyone has any specific questions on this and explained that he is leaning towards having a committee work on this and bring it back to the Board next month. Vice Chairperson Klinefelt said she spoke with Mr. Albright about his opinion on committees and she dropped off some pages on committees that were in direct conflict with his opinion; said the Board wouldn't discuss anything about committees tonight; her information is that the committee would be subject to the Open Meetings Act and she can't agree to creating any committees tonight without talking with Mr. Albright.

Vice Chairperson Klinefelt commented that she doesn't want to raise all the issues and no one has an opinion so if we will hammer it out that is when she wants to discuss it. Board Member Switalski asked Chairperson Aiuto if he wanted to hammer it out tonight. Chairperson Aiuto replied that it has to be done by the end of the next meeting and do we need to have attorneys present. Vice Chairperson Klinefelt responded that she didn't think the attorneys needed to be present.

Board Member Duchane said it seems pretty similar to our administrative regulations and for him just would need some clarification; in general the Authority is going to offer an employment agreement on July 1st; if it is either something that the City promised you isn't being fulfilled or you have other issues you want to take it up with your former employer then one way we can do this is here is our offer of employment and if you have other supplement issues you take them up with your former employer; Eastpointe has one employee who is close to her time in the defined benefit plan and we should give her the service credit if she continues to work for the Authority or she is assigned to work for the Authority and we are reimbursed until such time as she is qualified to retire and starts under whatever our offered employment agreement was the next day; all of those things are equitable; our foremost duty is what does the Recreational Authority want to provide for our full-time staff; with that broad understanding we can reach an equitable position as a Board to offer people something that is respective of their positions.

Vice Chairperson Klinefelt – three things – never known administrators to make overtime, if she reads it correctly they get the holidays off and get a check for the holidays on top of their salaries; fifty percent pay out for unused sick days and she doesn't feel they should be compensated for them.

Board Member Switalski asked would there be three employment agreements for our three full-time staff. Vice Chairperson Klinefelt replied that she didn't think there would be because Director Lipinski's is entirely different than the other employees, Ms. Grant is eligible for retirement in October and wants to make sure that whoever replaces these people will not get the same contract. Board Member Duchane

said these would be our offers for our three personnel we are bringing on for these individuals and after that the employment agreement with the next three people would be modified. Chairperson Aiuto agreed with Board Member Duchane. Vice Chairperson Klinefelt read the section on holiday pay; suggesting changing the language to remove "The employee shall receive payment for eleven (11) holidays at his/her regular rate of pay each year after he/she has completed six (6) months of service." Chairperson Aiuto said he doesn't want these people to call in sick before a holiday or after a holiday to have a long weekend. Vice Chairperson Klinefelt responded that that doesn't work for salaried employees.

Board Member Switalski suggested hammering the employment agreements out at the table on June 14th.

Board Member Duchane brought up the overtime issue – you are contractual administrative employees – maybe we could have compensatory time. Vice Chairperson Klinefelt said she doesn't want the cashing in of compensatory time but doesn't care if they work some overtime and take a day off.

Board Member Duchane asked what the unused sick time policy is for Roseville. Ms. Lamb replied that it is unlimited sick time. Board Member Duchane asked would you put into their employment agreement unlimited sick time. Vice Chairperson Klinefelt said she wouldn't give them sick days, would just let them call in sick and it is okay but if they call in sick a lot, you take care of them. Board Member Duchane said that would lead us back to the potential that they would call in sick all the time. Vice Chairperson Klinefelt responded that then you fire them.

Chairperson Aiuto said that his original thought was to have the committee talk to the three employees and go through the contracts that way. Board Member Duchane said to get around the Open Meetings Act you can have one member sit down with the three employees to negotiate the contract. Ms. Wilson said this isn't really a negotiation. Board Member Duchane volunteered to take the issues of the Board and sit down with the three individuals, see if we have concurrence, then send out new agreements to the Board for review and discuss the agreements on June 14th. Board Member Switalski agreed that he can talk to the employees, get their feelings and write a memo to the Board before June 14th and haggle it out at the table. Chairperson Aiuto said we have two employees here why not haggle it out now with these two.

Item 2 – Term - Director Lipinski said that they would like to start out with a two year agreement. Vice Chairperson Klinefelt said she had no problem with that, Board Member Switalski said the only thing that concerns him is that there might be budget problems and would like the flexibility to adjust. Chairperson Aiuto said he was uncomfortable with two years because until something in this world stabilizes we need to be able to be flexible and nimble to make this place survive. Board Member Frontera said he thinks that we can compromise on two years because they did take a ten percent pay cut as long as there is some give and take on other items. Board Member Duchane said that the term of agreement would follow what other sections you change and would go with two years working out a couple of other things.

Item 3 – Name, Title and Salary – Board Member Switalski said they took a ten percent pay cut. Ms. Wilson said they were taking the pay cut - \$81,409, \$63,675 and \$51,981; all of them are aware of the cities' economic conditions and budget constraints.

Item 4 – Overtime – Ms. Wilson said she gets a lot of compensatory time and doesn't have a problem with it if they don't want to offer overtime but would like to be able to accumulate up to 60 hours of compensatory time. Director Lipinski commented that compensatory time is currently 60 hours. Vice Chairperson Klinefelt said she doesn't have a problem with taking compensatory time when it is slow, but doesn't want it to be cashed out. Board Member Switalski said we would trust them to manage their compensatory time themselves but if it is overtime that is a complete change. Director Lipinski said that to save on the overtime budget they have used compensatory time. Vice Chairperson Klinefelt asked did any of them take a week of vacation using compensatory time and then sold vacation time. Mr. Wilson responded yes. Board Member Switalski said our concern is not paying overtime. Board Member

Duchane said this would be accumulated at time and a half up to a maximum of 60 hours. Ms. Wilson said it was double time on Sunday. Chairperson Aiuto asked do you document your compensatory time. Ms. Wilson responded that she has a spreadsheet that she sends to Director Lipinski. Board Member Switalski asked should we think of compensatory time only during events or on a weekly basis. Chairperson Aiuto asked if you reach your limit, you take a day off and drop down and then you start a rolling count again. Director Lipinski responded yes. Board Member Switalski asked what Eastpointe does. Vice Chairperson Klinefelt responded that we allow for compensatory time but he doesn't get to sit there and calculate every hour and then take a week off.

Item 5 – Holidays – Director Lipinski said it is semantics on the holiday language. They are losing one holiday – anniversary date.

Item 6 – Sick Leave – Ms. Wilson said she has unlimited sick leave but when it comes to sick leave would like to see twelve sick days per year with an accumulation of twenty-four days and no payout for sick leave; if we are sick more than two consecutive days should have doctor's excuse. Board Member Duchane said he doesn't have a problem with the doctor's note and accumulation of twenty-four sick days without payout. Ms. Wilson said short-term disability was built in at sixty-five percent which is fair. Chairperson Aiuto asked why put a number on the sick leave. Ms. Wilson responded because of accountability. Chairperson Aiuto recommended twenty-four sick days and no cash payout. Ms. Wilson and Director Lipinski were in agreement with this.

Item 7 – Personal Business Days – Board Member Duchane asked do you usually do three personal days. Ms. Wilson said that personal days don't need to be approved in advance. Vice Chairperson Klinefelt said she likes a one lump sum thing of days off. Ms. Wilson had a question about the probationary period. Vice Chairperson Klinefelt said she doesn't believe it needs to apply because in their situation they aren't new employees. Board Member Duchane has no issue with that and it can stay but drop in there after July 1, 2012.

Item 8 – Vacation Selection and Vacation Time – Ms. Wilson said there is no vacation payout; right now Director Lipinski gets twenty-five days and she gets twenty days; she is okay with fifteen days but would like those days on July 1st of each year. Vice Chairperson Klinefelt said she doesn't have a problem with that. Ms. Lamb responded that this is not a problem. Board Member Switalski asked are you carrying any vacation time over this year. Director Lipinski and Ms. Wilson said that is another issue. Director Lipinski said he would like to see vacation schedule at ten, fifteen and twenty days. Board Member Switalski asked do you have vacation time that you will have left on June 30th. Ms. Wilson requested that the full amount of vacation days be cashed out on June 30th for pension purposes. Ms. Lamb responded that it would be cashed out at the full amount. Board Member Duchane said they would need to make arrangements with their terminated vested deals with their cities. Board Member Switalski said that cashing out vacation for final average compensation only benefits you when you retire. Board Member Duchane said they are going into a hybrid plan. Vice Chairperson Klinefelt said that when they freeze why does it matter whether Ms. Grant makes it to October. Board Member Duchane responded that she will hit twenty-five years in October and makes her eligible to retire. Board Member Switalski asked after this will you be able to cash in vacation. Ms. Wilson replied that is not in the contract. Chairperson Aiuto said that Director Lipinski and Ms. Wilson would like vacation to start on July 1st instead of January 1st and see another tier of twenty days for fifteen years.

Item 9 – Funeral Leave – There was nothing in this section.

Item 10 – Jury Duty – There was nothing in this section.

Item 11 – Duty Related Illness and Injury – Board Member Duchane asked how long can a person be off for a non-duty illness or injury. Ms. Wilson responded that short-term disability ends after 365 days. Board Member Duchane said that at that time they would be terminated. Ms. Wilson and Director Lipinski responded that they had no problem with that.

Item 12 – Hospitalization – Board Member Duchane would like to see Roseville's plan document. Ms. Wilson and Director Lipinski are okay with hospitalization. Board Member Duchane said he will need to look over this and could go along with this plan for one year but would like to look at different health care plans; would like to spell out some co-pays in the contract.

Item 13 – Post Retirement Health Care – Ms. Wilson said that presently she earns four percent of hospitalization for every year worked so if she retired after 25 years she would have 100% health care. Board Member Duchane said that the health savings plan is a non-debatable plan but would like to have statement that this can be changed. Vice Chairperson Klinefelt said that Eastpointe is locked in for retiree health care. Board Member Duchane said he would like to change retiree co-pays on prescriptions. Director Lipinski said he needs to get some kind of agreement with the City regarding post employment retirement health care.

Item 14 – Reimbursement Accounts – There was nothing in this section.

Item 15 – Cash in Lieu of Benefits – There was nothing in this section.

Item 16 – Pension – Board Member Switalski said this is similar to retiree health care. Ms. Wilson asked if the 457 comps can be rolled into these pension accounts and if she can put in more than five percent. Ms. Lamb replied that she thinks they can put in an additional three percent.

Item 17 – Use of Private Autos – Board Member Duchane asked how many cars we have. Director Lipinski said he has a car and one truck. Vice Chairperson Klinefelt asked if the car is a benefit of his contract and he drives it home. Director Lipinski responded that he usually drives his own car and leaves it here.

Item 18 – Cessation of Benefits – There was nothing in this section.

Item 19 – Rights and Responsibilities – There was nothing in this section.

Hearing of the Public:

There was no one present.

Director Report:

Ms. Wilson has had part-time staff working on an inventory in Roseville and Eastpointe; met with part-time staff in Eastpointe and pre-school instructors and they wanted to know if they could still use the room at Spindler Park; Amanda from Community Center took a position at City Hall and created some coverage issues so we have some of our staff covering; a lot of part-time staff have submitted documentation to get on payroll; opening day for Eastpointe youth baseball was a few weeks ago; talked with Mr. Chanske, President of Eastpointe Youth Baseball, and working out some things with him, met with parks maintenance staff at some of the parks (Duchane thanked him for stepping in and taking care of the problem); latest Eastsider has the latest recreation program ad and has generated quite a few phone calls; Tulip bus trip last month was sold out after ad was in Eastsider; talked about future programming and having the facilities in mind along with capital outlay program and one of the things when we reviewed the financials last month adult basketball lost money – looked at the makeup and fifteen percent were from Roseville and Eastpointe so we may not offer this anymore and we could fill this with something else; working on getting folders and standard packets delivered on Monday or Tuesday before the meeting; tried to get information out as he received it; getting ready for the summer programs; field/pavilion rental policies that will be coming up and moving forward he will discuss with the groups; the high school will be paying something for the field being set up for them. Thanked Ms. Wilson and Ms. Lamb for all their help. Vice Chairperson Klinefelt commented that now that we are an Authority, if the City

Council gets invited to events, then maybe the Recreational Authority Board should be invited also. Director Lipinski responded that he could do that.

Board Member Reports:

Vice Chairperson Klinefelt touched on packets and agendas and never approved a payment of the bills and once the budget is in place then need the bills; regarding paying the bills it has been brought to her attention that we are incurring legal fees and we don't know what we have spent so far; would like to expand programs to include adult kickball. Director Lipinski replied that he was looking at that for the fall.

Board Member Duchane thanked Director Lipinski and Ms. Lamb for their work.

Board Member Frontera had nothing to report.

Board Member Switalski had nothing to report.

Chairperson Aiuto had nothing to report.

Motion by Switalski, seconded by Frontera, to adjourn the meeting at 8:28 p.m.

Yeas: Switalski, Frontera, Duchane, Klinefelt and Aiuto

Nays: None

MOTION CARRIED

Linda S. Lince, Acting Secretary