



# **Kankakee Valley**

## **PARK DISTRICT**

### **Kankakee Valley Park District Board Meeting Minutes February 22, 2021**

The Board Meeting was called to order at 5:02pm by Commissioner Hollis. Those present for roll call (in person or by electronic means) were Commissioner A. Hollis, D. Skelly, D. Palmer, and B. Spriggs. Others present (in person or via Zoom): Dayna Heitz, Executive Director, Rick Collins, Superintendent of Building & Grounds, Attorney David Freeman & Nick Petrovski.

Public Present: Rink Management Tom Hillgrove and staff, KVPD staff, Chris Breach (in person).

#### **Public Comment:**

NA

#### **COMMUNICATIONS**

Included in board packet.

#### **CONSENT AGENDA**

Consent agenda for Monday, February 22, 2021, consists of special meeting minutes (February 8, 2021) and bills payable.

A motion to receive consent agenda was made by Commissioner Skelly, seconded by Commissioner Hollis. Upon roll call vote the following Commissioners voted aye: A. Hollis, D. Skelly, D. Palmer, and B. Spriggs. With 4 ayes, 0 nays, motion carried.

A motion to approve special board meeting minutes (February 8, 2021), was made by Commissioner Skelly, seconded by Commissioner Hollis.

#### **Discussion:**

Palmer: Sent Dayna a question regarding the lease and savings of \$20,000. May have misspoken but would like to have the opportunity to review that on the tape to see how I actually worded the question.

Heitz: Mr. Palmer would like us to review the minutes, as he may have phrased the question or I may have answered the question not correctly.

Palmer: Correct, this is for the lease. The cost of ownership compared the cost of lease and the benefit or the additional cost to the taxpayer.

Freeman: Commissioner, I guess the question right now is, we have a motion and a second on the floor in regards to the approval of these minutes, the question you are asking is on page 22, under maintenance fleet agreement.

Palmer: Correct.

Freeman: Are you ok with the language that is in the minutes on page 22?

Palmer: No, I am not.

Freeman: Ok, you are asking for the board then to table this item to the next meeting so you have an opportunity to review the actual tape and to listen to the audio.

Palmer: The thing I am taking exception to is where Director Heitz said we are saving about \$20,00 over 5 years. That wasn't how I thought I worded my question. Also find it doubtful that we would be saving \$20,000 over 5 years. Not debating, did vote for the passage of the lease agreement, I'm not taking exception to that. Am taking exception to the calculation to the way his question was answered.

Hollis: Is the way it is worded in the minutes is not correct?

Palmer: I agree with you.

Hollis: What do you feel like it was supposed to say?

Palmer: I think it could have been, I anticipated that this would have been worded as Director Heitz said that the additional cost of the lease over the cost of ownership would have been about \$20,000 over 5 years. That's what I understood her answer to be.

Freeman: In that case, the question is whether or not we can make that change. Whether or not Dayna, you have any problem with making that change without you going back to review the audio. And then whether or not the Commissioners are okay with approving these minutes and directing you to make that change to the minutes. Subsequently, what Commissioner Palmer just said is not really different than what's in the minutes. The wording is different, I agree, but substance it's still a \$20,000 savings.

Palmer: No, no it's not a \$20,000 savings. The way I worded my question was the cost of ownership compared to the cost of the lease. We leased, therefore, there would have been an additional cost of the lease of \$20,000. Not a savings.

Heitz: I was answering based on a savings over the period of 5 year. So maybe I misunderstood your question Don.

Skelly: Was the cost of the lease included in the \$20,000 savings?

Heitz: If we had purchased outright, at the cost of full purchase, with no incentives, through the lease agreement, we would have spent \$20,000 more to purchase outright in one year than what we will spend in 5 years of the lease.

Skelly: That includes the cost of the agreement?

Heitz: Yes.

Skelly. Okay.

Heitz: Of the lease, I'm not talking maintenance because maintenance is a separate agreement and we always have to maintain our vehicles.

Palmer: Ok, I'm going to come at this again. Over 5 years, excluding the maintenance, the payments that we make over 60 months, the total of that compared to...

Heitz: What we would have paid, accumulative of the 3 vehicles, we will save over the 5 year period.

Palmer: Ok.

Skelly: Can I ask a question? Don, just so I'm clear about what you are asking and so I can understand. Are you asking if we had these payments or if we would have purchased without the lease, what the payments would have been?

Palmer: Yeah, and again I understand your question, but I don't want to answer it exactly how you asked it. If we bought a \$60,000 vehicle last month, paid it outright, what would that have cost us to pay that in a lease payment over 60 months. If we wrote a check last month for

\$60,000 versus making monthly payments over 60 months, what would the cost factor be? What would the difference be? What's the cost to the taxpayer of owning that vehicle outright versus paying a lease for it?

Skelly: My guess is we wouldn't have the ability to buy a vehicle outright and pay cash for it. I don't know why we would figure that.

Palmer: I couldn't understand what you said.

Hollis: He said right now we wouldn't have the cash on hand to pay for that vehicle. So, he's trying to figure out why we would want that figure. Am I about right Dave?

Skelly: Yes, I'm just wondering I don't think that was ever an option to go out and pay cash for these vehicles. I think obviously paying for them over 60 months is more than paying cash up front.

Palmer: And I would agree with that statement. However, I'm trying to flush out what is the cost of this to the taxpayers. I cannot believe that we are saving \$20,000 over 5 years. I've done a lot of lease calculations in my work environment, none of them have ever come out favorably to save money over ownership. I'm just trying to flush out, trying to get to the mindset of what do these deals cost the taxpayers. Not what we can afford, just what are our options.

Skelly: My only experience is with when I was with the City of Kankakee. Enterprise came in with a fleet leasing option and because Enterprise can buy vehicles so cheap because they buy so many, that's where the savings comes in. I agree with you on a traditional lease if your family was going to go lease a vehicle versus purchase a vehicle, it's definitely cheaper to purchase the vehicle in the long run. The lease is cheaper in the short term but by the time you give the vehicle back, pay the buyback fees, all that stuff, it's a lot more expensive. But I think basically, this is called a lease but it's really a purchase through Enterprise. Dayna can answer everything else.

Heitz: Yep. He is correct. We get incentives. It comes from the manufacturer. They buy in bulk. If we were to go out on the market and purchase like we have before we would pay a lot more for a vehicle. I'm not going to quote you a quarter or a half more because that will start something else again, however we do get it a lot less expensive because they are doing this for multiple municipalities not just park districts, not just cities, it's all municipalities. It's a very large order with the manufacturer. So, if we, I'm going to use this as an example, not that this

is in our situation but if you would normally purchase a Nissan Rogue for \$20,000, we can potentially purchase through Enterprise for \$15,000 through a lease. Does that give you some idea?

Palmer: Well, yes, it does. However, they purchase in bulk but they also have their profit margins plus their interest rates that they are going to have to carry. I realize they can essentially finance these. Do we know what these leases were financed at? Often that's a disclosure item on the lease and I don't remember. I remember looking at the leases but don't remember looking at that. Looking to see if they disclosed the built-in interest rate.

Skelly: Dayna, was this a purchase or is this a lease?

Heitz: It's called a lease but it is actually a purchase where we are paying it off over 5 years and at the end of the 5 years, it's ours. We have equity in it. If we want to trade it in, they give us an estimated value in the 5 years that it's worth, this truck that was \$40,000 is now worth \$30,000, that's our equity to roll into a down payment on another vehicle.

Palmer: Do we have an option to do a buyout for \$1?

Heitz: Not on this and I know what you are referring to but I don't know anyone that does that anymore.

Freeman: If I may, Commissioners, the motion that's on the table deals with the minutes as they are written in front of you. The motion and the second is to approve this set of minutes. We either approve this set of minutes, we cannot approve this set of minutes, we can table this set of minutes. If we table these minutes, perhaps Commissioner Palmer wants to send something in writing to Dayna for her to answer and respond directly to you with regards to specific questions. And then we come back next month, that written response can be added to the minutes and that would then accurately reflect whatever questions you have because now we are getting so far afield that we are never going to decide. My suggestion is to just table the minutes, or at least this portion and accept the rest of them.

Spriggs: Thank you Dave Freeman.

Heitz: How to we, Dave, if they approve a portion, everything but this portion, how do we post online within our timeframe then of the minutes that are approved.

Freeman: You'd have to make a note, that this specific section has not been approved. You're right, it's probably easier to just table the entire set of minutes.

Heitz: It is. I don't want to put something out in the public in the minutes that people have an issue with.

Freeman: My suggestion is, Melissa, I don't know, whoever made the motion and the second to withdraw their motion and second to approve, instead move to table this to the next meeting. This will give Commissioner Palmer enough time to get answers to his questions and hopefully that will resolve this problem.

Skelly: I will withdraw my motion.

Spriggs: Second.

Freeman: So now we are back to where we started. Now we need a motion to table the minutes to the next meeting. Committee meeting?

Heitz: We will make it a special meeting so we can take action.

Spriggs: May I say something please Dayna?

Heitz: Make sure I get this correct, we are tabling the motion. The entire set of minutes. To have Melissa go back and relisten to make sure that what is stated in the minutes is accurate as to the question that Mr. Palmer asked and how I answered.

Freeman: Well, I think, correct me if I'm wrong Don, I think the questions you are asking now are more than what you asked.

Heitz: Right, the questions he's asking now are not included in the minutes.

Freeman: That's why I'm wondering if you want to use this opportunity to send specific questions that go above and beyond last month. Or do you simply want Dayna, and you to review the audio from last month and end it there.

Palmer: I'd like to review the audio.

Spriggs: Dave Freeman, I have a question for you.

Freeman: Yes, Bill.

Spriggs: Following up on what you just said about Don getting ahold of Dayna or leave a message to have her call him. I know that he called Shelby, our part time office person, and went through all this stuff with her and I think that's very unprofessional. And #2, she shouldn't be involved in discussion about minutes from the last meeting. She should be given a request by Don to have Dayna call so he can discuss it with her. Shelby doesn't need to hear all this.

Freeman: Ok, well Don indicated to me, you just want an opportunity to review the audio from last month.

Palmer: Yeah.

Freeman: Ok, that makes it really simple.

Palmer: Bill, I don't see where I did anything incorrect.

Hollis: Ok, here's the key. We can table. We need a motion and a second to table item A until the next meeting.

Spriggs: Now wait a minute before we do this, let's get this straightened out. This kind of information should not be given out to anybody but Dayna if there's any questions about minutes or anything else. He should call the office, and we all should do this. And ask Shelby or whoever is there answering the phones, and leave a message so that Dayna or whoever calls, can get the question understood and we can bring it up at a meeting correctly. But Shelby doesn't have to hear all this.

Hollis: I agree, that's protocol. So as long as we understand that part.

Heitz: We need to approve the minutes or table them.

Hollis: We are going to make a motion to table the minutes, item A, we need to make that motion and second so we can move on from item A. Need a motion and a second.

Skelly: So, moved.

Hollis: I'll make that second.

Upon roll call vote the following Commissioners voted aye: A. Hollis, D. Skelly, D. Palmer. Nay: B. Spriggs. With 3 ayes, 1 nay, motion carried.

A motion to approve bills payable was made by Commissioner Hollis, seconded by Commissioner Spriggs. Upon roll call vote the following Commissioners voted aye: A. Hollis, D. Skelly, D. Palmer, B. Spriggs. With 4 ayes, 0 nay, motion carried.

## **OLD BUSINESS**

### **Riverfront Update**

Director Heitz: Watch your email and paper. Will be having an open house.

### **Board Policy**

Director Heitz said there is a draft in front of you. Changes that were made since last draft.

### **Facility & Operations-Covid 19**

Included in report.

### **Discussion of Management services for ICV & SV**

Director Heitz said this is on the agenda for the board to make a determination. There is an agreement and letter from Rink Management stating how they would work the fees moving forward. This would be for Ice Valley and Splash Valley. Commissioner Hollis asked what advantage do you see for us? Director Heitz said in talking with them they are involved in USA Hockey and they do have a lot of background in ice rinks. Commissioner Hollis said if we vote to do this, you are the person that will have to work with them, not us. How comfortable are you with working them? We have been down this road before. Director Heitz has heard a lot about the prior management company. Commissioner Spriggs said at the last meeting he requested a list of programs and didn't ever get anything. Director Heitz said we received the agreement and did discuss with staff the programming. Tom said we did have a power point of programs we used for aquatics and ice rinks. Director Heitz said commissioners have received that, financials and an agreement. Commissioner Palmer thinks he overlooked it and couldn't find it. Director Heitz forwarded the original email from January 15. Commissioner Palmer asked how much the utilities run per month. He talked about page 28 of the auditor report, ice revenue was \$380,000. On the SKDO audit, page 28 of auditor's report, \$106,000 is the profit but doesn't show the utilities. If he takes face value, you drop off \$90,000 for utilities. The assessment is that we are making profit, is a bit of a stretch but not as generous as the \$106,000. Concur with the presentation for 2018. Cannot accommodate that this assessment



is valid. Director Heitz said ok. This is something the board had requested in September to look into. We do need to make a determination either way, especially with Splash. Commissioner Spriggs said didn't we give them a choice to do both or one or the other. Director Heitz said they want to do both not one or the other. Splash has a short season, it's not worth it to do just that. Tom said they would only run Ice if that's what the Commissioners want.

Commissioner Palmer said we can take Dayna's audit report as is, but it also doesn't reflect the upside for the outside management company. Is it safe to say, can they generate by year 3 enough revenue that we break even? That we cover the minimum. Can they produce enough profit to cover their fees? Tom thinks over 3 years we can provide value. By the 15<sup>th</sup> of the month the board will get financials. We have been in business for over 20 years. We have had 20-30 audits and they have been clean. We run several ice rinks and aquatic parks. Splash Valley hasn't been open in 5 years and Covid makes it challenging. Thinks we could justify our fees in a year but think Covid may stay with us for a year. Once that is gone, he is confident he can add enough value to justify fees. Think we bring a lot to the table and are confident they will get along great with Dayna and staff. Commissioner Spriggs asked how the management is at Ice Valley? Director Heitz said we have Joe as Facility Manager and Lisa is assistant. Joe is also handling the hockey programs now too. Commissioner Spriggs asked if Ice Valley is running smoothly? Director Heitz said they are ok. We have had a lot of challenges with Covid.

Commissioner Spriggs asked if you are telling us we could continue running with the staff you have? Director Heitz said that is up to the board. The board asked me to look into it. Laid it out in the memo. Rink management has provided an agreement and a letter. Requesting a determination so we can move forward in one direction or the other. Commissioner Spriggs asked if you are in favor of one or the other? Director Heitz said that's the board's decision.

Commissioner Palmer said for Joe and Lisa, they would become employees of your company? Tom said yes and that's what we would recommend. It's more cost efficient for the District.

Commissioner Palmer said let's say you found Joe to be a super performer, would he be possibly be moved to another facility? Or if they decide they don't align and resign, how would they be replaced? Tom said if they are superstars, we would not move them to other facilities.

Will work with attorneys on the wording. We run 20 rinks now. We have the means to bring in others but hope to work with what we have. Start to identify leaders and that's how we advance it. We have only met with Joe for an hour. He will thrive with us and be able to focus on the things he enjoys. We have our own in-house graphics department. We are in the industry and can move quickly. We are fine running only the ice rink but not splash valley on its own. Starting from scratch after 5 years. Run large aquatics parks now and are good at it. Think we can add programming. Does the board think we are still going to be restricted capacity and if so, we add value because we work with reservation programs? Experienced and conditioned on the Covid. Hoping there will be less restrictions going into the summer.

Commissioner Palmer asked with being remote, Joe and Lisa, are there Zoom meetings? Tom

said Louis is 3–4-hour drive and he would be our on-site person. We have checklists and develop strategies. Once a week call with department heads and general managers. More just reinforcement and for the leaders to meet. Do a lot of Zoom too. Number oriented. Like targets and goals and that's why we offered to risk ½ our money. Don't want to come across as arrogant or cocky but do bet we can. If you aren't happy with us in a year, we will give you a smooth transition. Your team will be better off than they are now. Commissioner Palmer asked Skelly for some input? Commissioner Skelly thinks it's a great idea but don't know where we are as a board with Covid. Tom thinks now is the time. You'll have a proven system for accounting and marketing. Think your team will enjoy working with us and it will free them up to do what they are best at. The grunt work is what we can handle. Angie does a good job for marketing. Willing to ask the board what kind of guarantee to give you assurance that we can be successful. I'm offering ½ fees. Leaving everything on the table to prove himself. Commissioner Palmer asked if KVPD has any contact with Effingham for their assessment? Director Heitz has spoken with their director and Attorney Freeman has too. The community did not want to put the pressure on the district to run it. It has been a good relationship and spoke very highly of them. Until Covid, they were doing very well. Tom said Effingham has a population of 10,000. Until Covid, we had 5100 members at the center. Can't do that unless you are producing. We would like to work with your team. If we didn't think we could make this work, we wouldn't have put as much effort in showing your team what we can do. Tom showed the PowerPoint with programming they do. You'll get our finance reports by the 15<sup>th</sup> of the month. Can be customized with what the board wants. Willing to put our money where our mouth is. Attorney Freeman wants to know what direction the board wants to go, especially for splash valley because of time. If you aren't going to vote on this tonight, consensus of where you are leaning. Not voting on this contract yet as it needs some work. Tom needs to know too. Commissioner Hollis is not in favor of it. Been down this road before. Didn't work out. Kankakee is a place where they want people from here they can talk to right now. Never been a fan. Think this is a great company and done his own research. Don't feel comfortable and think we have people that are more than comfortable. Commissioner Spriggs is not for it. Lot of money that is going to change hands. Think we can run the ice arena ourselves. People there now are doing a good job and will continue. Not for it. Think our employees will not feel a part of the District. Commissioner Skelly thanked Tom. Commissioner Palmer if you do the same thing, you get the same result. Just because you bought a rotten apple, doesn't mean you have to eat it. He's given us some very serious concessions to bring us on. Feel comfortable that if we went downhill, we could exit. Improvement is huge. Status quo seems to be our default. Voting for it. Tom said he can provide lots of references. We are going to get the local people out. Think we can improve the revenue. Commissioner Spriggs thinks we can work harder at it. You've given us enough information that my mind is made up. Appreciate your time. Commissioner Hollis said it's going to be 2-2 so we wouldn't move

forward with it. Maybe we will revisit this down the line when new board member comes on. At this time, we appreciate everything. As a board we aren't wanting to move forward. Attorney Freeman said it's an action item. We can make a motion to approve it or not or take it off the agenda based on the agenda so it doesn't hang. A motion to approve the agreement with rink management was made by Commissioner Skelly, seconded by Commissioner Palmer. Upon roll call vote, the following commissioners voted aye: D. Palmer, D. Skelly. Nay: B. Spriggs, A. Hollis. 2-2, motion dies. Tom respects your opinion and will keep trying to show how we add value. Jim (Rink Management): find the board very engaging and thoughtful. Do want to say you miss 100% of the shots you don't take. Think Commissioner Palmer hit it on the head. There are enough ways to get out if needed. We have a proven track record.

## **NEW BUSINESS**

Need a consensus on the Hobbie avenue. Commissioner Hollis said that area has been flooding. Commissioner Spriggs said yes. Consensus to move forward. Commissioner Skelly is not for this.

## **STAFF REPORTS**

### **Executive Director**

**Dayna Heitz:** Still working with Lauterbach and Amen. No balance sheet until they are done. The Rec Center and Civic were warming centers last 2 weeks but not this week. Election is tomorrow. Rick will be opening buildings at 4:45am. We will store the ballot boxes for them. Did speak to Matt Mullady about the boat launch today. Will be coming to a meeting in the future. James Smith will be hosting the children's lunch program at Pioneer starting in June.

## **COMMITTEE REPORTS**

### **KCCVB:**

**Dayna Heitz:** no report.

### **Historical Society**

**Commissioner Spriggs:** No report.

## **SRA**

**Commissioner Hollis:** Will meet tomorrow.

## **COMMISSIONERS FORUM**

Commissioner Skelly wished JJ good luck tomorrow.

## **Executive Session**

NA

**ADJOURN MEETING**

A motion to adjourn the meeting was made at 6:28pm by Commissioner Skelly, seconded by Commissioner Hollis. Upon voice vote, all ayes, motion carried.

**OFFICIAL REPORTS:**

1. Special Meeting Minutes (February 8, 2021)
2. Bills Payable
3. Board Policy
4. Management Services for IVC & SV
5. Executive Director Report

Respectfully submitted: Melissa Woodard