



LNNLRCD Meeting Date: December 15, 2005 Time: 7:00PM

I. Call to Order and Roll Call – Joe called the meeting to order at 7:05PM.

| | | | |
|----------------------|----------------------|---|------------------------|
| Board Members | Joe Olliges | - | President |
| Present: | Jerry Sellers | - | Vice President |
| | Bill Piper | - | Treasurer |
| | Dan Dummett | - | Member at Large |
| | Herb Hill | - | Secretary |

II. Pledge of Allegiance

III. **Approval of Agenda:** Jerry motioned to approve the agenda. Dan seconded the motion. The board approved the motion unanimously by roll-call vote. [12-15-05-01]

IV. **Lake Court Center Rates and Charges** – Joe stated that the audience would have ten minutes to speak and after that then the board will go into discussing the business of the charges for the Lake Court Center.

Chuck Jolicoeur – Chuck read off a letter that he gave to the RCD Board regarding the LCC rates and Charges and a Freedom of Information Act Request (**see attachment 1**). Joe said that the RCD will take his freedom of information act and follow whatever law requires. If there is a fee for copying the items and it permits it in the freedom of information act, then Chuck will be charged it. The other letter will be taken under advisement.

Mick Kazmerski – Mick asked if a determination is made that it is necessary to obtain enough revenue from a facility like the LCC to operate at a break-even point and if it is impossible for them to recover the costs to operate the facility without using the tax money to pay for it, what would the RCD have to do at that point – dispose of the facility? Joe said that it becomes a cost to the RCD. Joe indicated that the statute does indicate that they shall recover the maintenance costs to run the facility through rental fees. If no one rents it, then it becomes the RCD's expense. Mick asked why go through all of the rental charges if they have the authority to absorb the costs in the first place. Joe said that it is his understanding that the RCD took this building on a quick-claim deed from the POA's and when they did that they took on the responsibility of following the statutes that the RCD runs under. If would hope that the POA's looked at the state statute long before they wanted to give it to the RCD to save them from being taxed on the land. Mick asked what the penalties that would be imposed on the RCD for violating this statute for the many years (that they have done so); why do they feel that it is necessary to correct it now . Joe said that ignorance of the law is no excuse and when he did his due diligence for the utility he came across the portion of the statutes that outlined recreational facilities (like the LCC) operated by the RCD and indicated that they shall operate them at break-even rates. There has been no penalty so far, however Joe said that now that this has come to light, someone could go to the state's attorney and file that they aren't following the state statutes. Mick said that he agreed with Chuck in that the RCD seemed to be singling out the Lake Court Center and not addressing the other facilities like the boat ramps. Joe said that the boat ramps are not a recreational facility that is required in the statutes like the LCC would be and Jerry said that they also appreciate Chuck's calling to the RCD's attention that maybe they ought to be charging for some of the other amenities and those will come under review in the future, for example, the campground and the boat racks. The other things are not being immediately addressed, however, if they should be breaking even on those things, then they will do it in order to conform to the law.

Harold Stromberger –POA's give properties, money, help, etc. to the RCD without charge and the facility is a community facility and since the RCD has a budget of over \$100,000, the cost to run the facility represents 8 or 9 percent of the budget. From what he understands, being consistent with the law, the RCD has to spend the money they get or lose it when in a government situation. He suggested that they could cover the expenses for this year with some of the budgeted money and try to work out a solution over the course of the year. He doesn't feel that \$8,000 is a very big part of their overall budget.

Herb O'Rourke - Herb asked why Joe disagreed with what their attorney told the RCD. Joe said that he doesn't disagree with what the attorney said in the ruling, in which he said that since there has been no case law on it to define it, he takes it as the way he reviewed it in his statement. The state statute say something a little bit different than how he interprets it, and that doesn't mean he's wrong, Joe just doesn't agree with the attorney's opinion portion of the interpretation.

Bill reviewed the Lake Court Center Rate Summary and Suggestions report from board members that he compiled (**see attachment 2**).

Herb Hill – Herb felt that the community building expenses should be borne by the RCD.

Dan Dummett - said that there are no Illinois opinions from the Attorney General on this portion of the state statutes; he feels that this indicates that no one has ever tested or challenged it no matter what anyone has done. Dan reviewed the August 2005 opinion from attorney Nye, as well as the packet of information put together by Bill, and he feels that because the RCD is a taxing body and receives tax funds from the constituency that utilizes the LCC, it differs from the other POA's that were researched to determine how they assess their rates. He believes that the community building is one of the key unifying aspects that serves the purpose of bringing people together. By creating what is being perceived as a hardship on the community groups utilizing the facility, the RCD is furthering the negative feelings that will make a unified community much more difficult. He doesn't support the rate theory that 100% of the annual operating costs of the facility should be assessed to the users. It is not fair to have the user rates based on the cost of operating the facility even during times when it is not in use. Instead, he supports attorney Nye's analysis that the rates be adopted based on the actual cost per hour, which would be determined by dividing the total annual operating expense by the total number of hours in the year. Based 2004 expenses, this would amount to \$1.27 an hour. For example, a three-hour fishing club meeting would be billed at \$3.81. There should be a minimum set for rate for billing purposes, say, \$10 per usage. Any use of the kitchen would carry an additional fee of \$50-100 dollars. He proposes that an exception be made for the library because it is a service to the community as a whole – not any particular group and should be donated by the RCD. He doesn't foresee the county, any citizen, or the state attorney's office objecting to the RCD authorizing this type of exception because even the attorney's letter states that special considerations be given to non-profit organizations. This issue is not a financial one – the RCD certainly has the necessary funds to provide this service to the community and if they can do so while still address the spirit of the statute, which in Dan's opinion the attorney states they can, then he would support the above approach. Fees for private use he would consider a different matter. Dan proposed that for community functions, they charge \$1.50 per hour, with a minimum charge of \$10, regardless of the amount of time that the facility is used, and an extra \$50 charge added on anytime the kitchen is used. For private functions, they should charge \$100.

Herb O'Rourke -asked if they made coffee, would that be considered use of the kitchen. Bill said that technically the coffee pot is outside the kitchen, although you do get water from there to fill it. Herb Hill would like to eliminate the extra fee on the kitchen. Joe felt that it would be considered use of the kitchen. Jerry said that \$10,000 was spent on the kitchen last year upon recommendation from the social committee.

Ralph Petersen – said that the tiled floor by the coffee service and the cabinets were donated by the social club, labor donated by others. He doesn't understand why they want to charge \$50 for use of the refrigerator.

Lorraine Murray – asked if , for example at the Christmas Party, they would be charged \$10 for use of the building and another \$50 to serve the community out of the kitchen. She didn't feel that that was right.

Maureen Bronkema – Maureen said that the originally, the social committee had offered to pay for the island and the electrical work was offered to be done, but the RCD said that they would cover all the costs.

Mick Kazmerski – Mick said that he felt that Dan's proposal seemed fair and he was wondering whether they were trying to comply with the spirit of the law to stay out of trouble, or are they trying to raise revenue. He felt that it would satisfy what's happening everywhere else in the state, because its not being challenged and the RCD has not been challenged. Joe said that apparently they are being challenged as of right now by Chuck Jolicoeur.

Jerry said that if anyone in the community could tell them how to legally circumvent the statute to please come forward. He added that Dan's proposal doesn't look at trying to meet the total expenses, however, he is willing to withdraw his pro-forma statement, which would have covered all the expenses, in light of the fact that Bill has said that the RCD will pick up \$3,708 of the \$11,125 expenses for the time that the building can't be used. Dan wants to go 24-7-365, which Jerry doesn't feel is realistic in his opinion as law. He thinks that what Joe put down is realistic in terms of the fees and the paid rentals. The people that ought to be paying for the building are the ones that are bringing in 50 to 100 people a time for things like family reunions because that is where most of the pressure on the building comes from. Chuck said that Dan and Jerry were in agreement and Dan was not saying not to charge those people. Jerry said that Dan didn't offer anything (suggestions for private rentals). Dan said that he did propose a \$100 charge for private rentals. He also wanted to make it a matter of record that when Jerry implied that it was Dan's intent to circumvent the law and he wants to make it perfectly clear that he has no intention of circumventing the law and he doesn't think that the law has been interpreted in such a manner where his statement was an attempt to circumvent the law. Both Joe and Jerry said that they didn't take it that way. Jerry said that he feels that this is something that has to be reviewed annually. The RCD is already saying that they will assume \$3,700-4,000 of the expenses, which certainly doesn't comply with the RCD having to cover all the expenses. Jerry is willing to accept the RCD taking on that amount, and if there was a chance of prosecution, he would probably say that incrementally they would build up to the full amount.

Chuck Jolicoeur – said that the point is regardless of the numbers that they use, they are arbitrary and any one of them maybe could comply with the law.

Mick – asked again, what is the RCD trying to accomplish. Jerry said for him there are two things – to cover a reasonable amount of the expenses that the RCD has to run the building. Jerry said that Chuck brought up that the RCD should be charging for other things too and now they will have to because it has come before the community.

Nadine Portner – said that the Social Committee knows that they are a big user and they want to contribute their part to an agreed upon degree. She likes the idea of an hourly rate because if they have a morning affair, they can be in and out of there with the objective that they are paying until 12:00PM and then the RCD can rent the building the rest of the day. She appreciates all the work they have put into considering this and she appreciates that at the last meeting she suggested that if the usage goes down they may have to relook at the numbers.

Bob Bortman – Bob said that some of the time that it takes to set up has to be considered too do they charge \$1.50 an hour for setup the night before? Bill said that if they instituted a \$10 minimum fee, even if you had an event run 4 hours, you'd still have \$4 built in there for setup and teardown.

Herb O'Rourke – asked if it was possible to charge more for the outside events so that they could subsidize the community events? Jerry said that that is what they are proposing.

Charlie Brown – If the running expenses are \$11,000 and they are supposed to charge fees that cover the running expenses, then if the RCD is paying \$3,700, are they only obeying 75% of the law? Jerry agreed, repeating that he would state before a judge that they were in good faith trying to incrementally increase the revenue to a point where they were covered. They would use the point that there was no case law to prove their point.

Ralph Petersen – said that Chuck brought up a good point that they have a facility there (the LCC) that they could set up an RCD office rather than paying rent on somebody's house. Joe said that if they did that, they wouldn't be able to rent the facility during office business hours and the office/storage room has no outside access door.

Bob Bortman – suggested that part of the shortfall of the difference between what's being generated by the community could be made up on a 50/50 basis with a contribution from each of the POA's since it is basically their membership events that are held that would be covered. Joe said that he appreciates his suggestion, but the RCD needs to set up a fee schedule but how it works out is another thing. The RCD can't say that they are setting up a fee schedule with the POA's paying \$2,500 each.

Mick Kasmerski – Mick said that if the POA's were to do such a thing, they would probably be interested in recovering a big part of that by assessing the RCD for private lots within Lost Nation. Joe said that that is fine. Bill said that if it is legal and it is supposed to be, then it ought to be done and if it isn't and it is only a retribution type thing than it is stupid because we are all grown people and we need to get on with things. New Landing billed the RCD for two lots that they own and the RCD paid it.

Jerry - suggested that they could also look at ways to cut back on expenses of running the building; the only person who has addressed the issue is Maureen, in considering cutting back library hours. Jerry suggested that the social club and the senior focus could have their planning meetings in the library or someone's home to conserve the energy it takes heating and cooling the large meeting area of the LCC. He gave an example of the fishing club, who always have their officer meetings or planning meetings in someone's house.

Harold Stromberger – said that he has heard a lot of compromise and give an take since the meeting started and he feels better about what he hears. He suggested that Chuck withdraw the document that he presented to board for review to save the legal fees, especially since they are proposing only charging \$1.50 an hour, with a minimum of \$10 for community events. Chuck asked how they can comply with part of the law and not all of the law? He suggested that the RCD consider reducing their levy for taxes that they collect that have always paid for the LCC, perhaps the POA boards could increase their assessments to their property owners and use that to pay for the building expenses. That way they aren't looking at a bill here and a bill there.

Chuck Jolicoeur - Chuck said that it is just a piece of paper asking for information and it doesn't mean anything except to the people in this room. Harold said that is matters because it'll cost the board probably thousands of dollars in legal fees and Chuck said it would be no more than anything else that they are talking about and it is only the people in this room that know that the paper exists. Joe said no, it is public record. Jerry said that the RCD will see that everybody in the community understands this tonight. Joe said to comply with the freedom of information act, it will take time and since there is a certain time that they have to comply with, they will have to apply for an extension because the records aren't always easily available. They will also have to have the attorney, at \$175 an hour, research Chuck's letter regarding other facilities should be charged. They are taking all of Chuck's requests under advisement according to their statutes and whatever he is entitled to, he will get. The rest will be presented to the attorney.

Lake Court Center Rates and Charges tabled to the January 5th meeting.

V. Adjourn: Bill motioned to adjourn the meeting. Dan seconded the motion. Board approved the motion unanimously by roll-call vote at 8:26PM.

December 15, 2005 Motion List

1. Jerry motioned to approve the agenda. Dan seconded the motion. The board approved the motion unanimously by roll-call vote. [12-15-05-01]
2. Bill motioned to adjourn the meeting. Dan seconded the motion. Board approved the motion unanimously by roll-call vote at 8:26PM.

Attachment 1 Page 1 of 2

FREEDOM of INFORMATION ACT REQUEST

December 15, 2005

Joe Olliges, President

Lost Nation – New Landing River Conservancy District

100 Park Drive, Dixon, IL61021

This is a request under the Freedom of Information Act of the State of Illinois for the following documents, request that a copy of each document in its entirety be provided to me.

1. Financial Records for the fiscal year 2005 to date. The records should include all individual expenses and income including the payee or payer as well as the dates and purposes for such amounts.
2. Financial Records for the fiscal year 2004. The records should include all individual expenses and income including the payee or payer as well as the dates and purposes for such amounts.
3. The Line Item and/or Category Budgets for the fiscal year 2004.
4. The Line Item and/or Category Budgets for the fiscal year 2005.
5. The Line Item and/or Category Budgets for the fiscal year 2006.
6. The Agendas and Minutes for all Special Meetings for the fiscal year 2005 to date.
7. The Agendas and Minutes for all Special Meetings for the fiscal year 2004.
8. Agendas and Minutes for all Closed Meetings, excluding those relating to personnel, for the fiscal year 2005 to date.
9. Agendas and Minutes for all Closed Meetings, excluding those relating to personnel, for the fiscal year 2004.

I am a Property Owner, Resident, and Tax Payer in the LN-NL River Conservancy District. The requested information is neither exempt nor prohibited under federal law or state law. The requested information does not represent an invasion of privacy, does not include any personal information, and does not represent endangerment of any person or property. The information requested requires no need for confidentiality and best serves the public interest by disclosure.

I request a waiver of all fees for this request. Disclosure of the requested information to me is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the LNNL River Conservancy District. There is no commercial interest involved.

If you deny any part of this request, please cite (in writing) each specific reason that you think justifies your refusal to release information and notify me of appeal procedures available to me under the law.

If you have any questions processing this request, you may contact me at 652-3644 or lostonationil@grics.net. Thank you for your consideration of this request.

Sincerely,

Charles R. Jolicoeur, Jr.
1006 White Pine Drive
Dixon, IL 61021-8147

Attachment 1 Page 2 of 2

Charles R. Jolicoeur, Jr.
1006 White Pine Drive Dixon, IL
61021-8147 815/652-3644



December 15, 2005

Lost Nation-New Landing
River Conservancy District
Joe Olliges, President

Subject: Rental Fees

As the RCD Board of Trustees is currently considering or has set rental fees for the use of the RCD Lake Court Center Facilities, it would be appropriate and equitable to include rental fees for the use of the Tennis Courts, fees for the use of the Campground, fees for the use of the Beaches, fees for storage of boats on the Boat Racks, and either a daily Fishing Fee or Catch Fee for those people catching or trying to catch fish from the lake. Included with chargeable fees, there should be a Toilet Use Fee for the toilets, which are currently open for public use at the LCC Building. And of course, do not forget the Library.

In addition to LCC and the toilets and library therein, there are costs attributed to maintaining the Tennis Court, the Campground, the Boat Racks, the Beaches, and the cost of restocking the lake annually. Just as has been indicated, relative to LCC, if not our taxes, then the actual users should pay these costs.

Of course, it might be construed that all these costs have always been covered by the taxes paid by the Property Owners within the Taxing District and that no additional revenue has ever been required to cover costs not paid through taxes. It might also be construed that the users are already paying, via taxes and that only those persons outside of the District should be subject to rent or other Fees.

If additional revenue is required to support each facility by the users, then why should anyone not using the facilities be taxed other than for the cost of dredging the lake and maintaining the dam?

Also, if there is a shortfall of funds, anticipated or otherwise, why would you be paying for the use of Office Facilities elsewhere when you have any existing facility (LCC) which would cost you nothing additional.

Being a non-profit organization, if you have funds remaining at the end of a fiscal year, why do you need additional revenue, A written response would be appreciated. I would not be adverse to your answering each item at an open meeting that is announced in the newsletter so all property owners can be made aware of the meeting.

Sincerely,

Charles R. Jolicoeur, Jr.
Resident, Property Owner, and Tax Payer within the LN-NL River Conservancy District

Attachment 2

Lake Court Center Rate Summary and Suggestions for Special Meeting 12/15/2005

- A. 365 Days/Year X 24 Hours/Day = 8,760 available hours
- B. Cost of Center 2004 = \$11,125 / 8,760 = \$1.27 hourly cost
- C. Time Ea. Day Center is Unoccupied + Unavailable (11PM-7AM) or 8 hours a day X 365 = \$3708.40
Unreclaimable cost: \$3,708.40 (To be borne by RCD from tax income from total district)
- D. \$11,125 Total Expenses less \$3,708.40 Unreclaimable Expenses = \$7,416 Net Expenses
- E. \$7,416 less 2004 income based on former fee schedule \$1,500 + 933 = \$2,433
- F. \$7,416 less \$2,433 = \$4,983 to be produced by new fee schedule

| Bill, Dan | | Increase | Joe | | Fee | Increase | |
|---|--|----------|--------------------------|-----------|-------|------------------|-------|
| Paid Rentals(28) (outside) From \$50 to \$100 | | \$1,400 | Paid Rentals (28) | | | \$2,520 | |
| Classes (10) From \$10 to \$25 | | \$150 | With Kitchen | 1 to 75 | \$105 | | |
| | | | | 76 to 157 | \$175 | | |
| POA's (17) From \$0 to \$25 | | \$425 | Without Kitchen | 1 to 75 | \$75 | \$935 | |
| | | | | 76 to 157 | \$125 | | |
| Fish Club(14) From \$0 to \$25 | | \$350 | Other Fees | | | \$1,530 | |
| Library (147) From \$0 to \$10 | | \$1,470 | Library (Per Month) | | \$15 | | \$180 |
| Senior Focus(24) From \$0 to \$25 | | \$600 | Cards/bunco (per month) | | \$25 | | \$300 |
| Cards, Bunco(61) From \$0 to \$25 | | \$1,525 | Fishing Club (per month) | | \$25 | | 300 |
| Misc. (21) From \$0 to \$25 | | \$525 | Senior Focus/month | | \$25 | | 300 |
| | | | Social Club/month | | \$25 | | 300 |
| | | | Per Class (10 classes) | | \$15 | | \$150 |
| | | | Total | | | = \$4,985 | |

Dan Suggest billing by hours used w/ minimum charges per usage + \$50 for kitchen. Leave library no charge.

| Jerry | | | | |
|---|--------------------------------|---------------|-----------------|----------------|
| Using Apple Canyon's 1-50 h/ rate of \$105 Lake Summersets 51 –100 rate of \$165 and Apple Canyon's business rental schedule a pro forma income statement can be generated based upon 2005 rentals h/c and bldg. use. | Receptions/Parties | 17 at \$105 = | \$1,775 | |
| | | | \$1,320 | |
| | | | | \$3,105 |
| | Business meetings | 83 at \$55 = | \$4,565 | |
| | | 1 at \$75 = | \$75 | |
| | | 1 at \$105 = | \$105 | |
| | | 2 at \$125 = | \$250 | |
| | | | \$4,995 | |
| | Library | 147 at \$10 = | \$1,470 | |
| | Cards | 61 at \$10= | \$610 | |
| | Pop Machine | | \$933 | |
| | Total Pro Forma Revenue | | \$11,133 | |
| | Total 2004 Expenses | | \$11,125 | |

Herb - Herb recommends no charges for community group or club uses, for example, Senior Focus, fishing club, etc. He recommends a fee for private use.