

A Meeting of the Meridian City Council was called to order at 4:30 p.m., Tuesday, September 14, 2021, by Mayor Robert Simison.

Members Present: Robert Simison, Joe Borton, Luke Cavener, Treg Bernt, Jessica Perreault, Brad Hoaglund and Liz Strader.

Also present: Chris Johnson, Bill Nary, Steve Siddoway, Bill Parsons, Caleb Hood, Shawn Harper, Pam Orr and Dean Willis.

ROLL-CALL ATTENDANCE

☒ Liz Strader	☒ Joe Borton
☒ Brad Hoaglund	☒ Treg Bernt
☒ Jessica Perreault	☒ Luke Cavener
☒ Mayor Robert E. Simison	

Simison: Council, we will call the meeting to order. For the record it is Tuesday, September 14th, at 4:31 p.m. We will begin today's City Council workshop -- work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next item up is the adoption of the agenda.

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: I'm still very excited for the opportunity to make a motion to adopt the agenda as published.

Hoaglund: Mr. Mayor, second the motion.

Simison: I have a motion and a second to adopt the agenda as published. Is there any discussion on the motion? If not, all in favor signify by saying aye. Opposed nay. The ayes have it and the agenda is adopted.

MOTION CARRIED: ALL AYES.

CONSENT AGENDA [Action Item]

- 1. Bainbridge Subdivision No. 12 Pedestrian Pathway Easement**
- 2. Jocelyn Park Subdivision No. 1 Sanitary Sewer and Water Main**

Easement No. 1

- 3. Lemp Pedestrian Pathway Easement - Barnett Property**
- 4. Lemp Pedestrian Pathway Easement - Barnett Rentals, LLC**
- 5. Paramount Village Center Subdivision Pedestrian Pathway Easement**
- 6. Wadsworth Meridian Subdivision Pedestrian Pathway Easement**
- 7. Final Plat for Chewie Subdivision (FP-2021-0036) by Kent Brown Planning, Located on the North Side of W. Franklin Rd., Midway Between N. Ten Mile Rd. and N. Linder Rd.**
- 8. Final Plat for Prevail Subdivision No. 3 (FP-2021-0044) by Schultz Development, Located Approximately ¼ Mile South of E. Amity Road, East of S. Meridian Rd.**
- 9. Lemp Pathway Permanent Easement Contracts Between the City of Meridian and Edgar R. Barnett/Barnett Rentals, LLC (Parcels R5147490611 & R5147490701)**
- 10. Development Agreement Between the City of Meridian and Vincent Rigby (Owner/Developer) for 3175 N. Ten Mile (H-2020-0122) Rezone**
- 11. Agreement Between the City of Meridian and Sky Mesa East, LLC to Accept Payment and Equipment in Lieu of Installing Streetlights at Sky Mesa Subdivision No. 4**
- 12. License Agreement Between the City of Meridian and Ada County Highway District to Allow a Painted Center Line Along the Five Mile Pathway**
- 13. Resolution No. 21-2285: A Resolution Reappointing Camden Hyde to the Meridian Parks and Recreation Commission, Raeya Wardle to the Meridian Arts Commission, and Joseph Leckie to the Meridian Transportation Commission; and Providing and Effective Date**

Simison: First up is our Consent Agenda.

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: Grateful for the opportunity to make --

Simison: We lost you.

Cavener: So excited and so privileged that his mic went to mute.

Hoaglund: Did we lose him completely? Well, Mr. Mayor, I will go ahead and make the motion that we -- I move to adopt the Consent Agenda and for the Mayor to sign and Clerk to attest.

Cavener: Second the motion.

Simison: I have a motion and a second to adopt the Consent Agenda. Is there any discussion? If not, all favor signify by saying aye. Opposed nay. The ayes have it and the Consent Agenda is agreed to.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

Simison: There were no items moved from the Consent Agenda.

DEPARTMENT / COMMISSION REPORTS [Action Item]

14. Community Development Department: Multi-Family Open Space Comparison

Simison: So, the next item up will be the Community Development Department multi-family open space comparison. I will turn this over to Mr. Parsons.

Parsons: Thank you, Mayor, Members of the Council. Happy to be back in front of you. Hopefully you have had a chance to review that memo that I sent out the beginning of August. So, if you recall I was in front of you on July 27th. We got to the finish line of nailing down a lot of the changes that we were proposing to the UDC and during that hearing the Council actually made a couple of motions and changed some of the multi-family standards that we were proposing as part of the draft changes. At that hearing I committed to you that I would go ahead and vet those changes and understand the -- so that you could get a clearer picture of what -- what those changes would mean moving forward. In that memo I detailed out how we got to that, what we used. There were some assumptions that we used. We used densities between six and 40. We used developments between a half an acre to up to 20 acres and, then, also we just had a flat rate of 250 square feet of open space per multi-family unit. I really have to give kudos to Brian McClure. He's the one that kind of generated the open space calculator that I use to get the information that was provided in that memo. It was a team effort between myself, Caleb and Brian to try to get you that information, so that -- to help you make an informed decision as to whether or not you like the changes that you had. So, in today's discussion I really want to keep it at high level. I don't want to go into all the parameters. But I do just want to summarize exactly those tables that I did put in the memo for you.

So, currently the slide that's before you are the -- the draft standards. You can see here the graph on the left-hand side -- upper left hand I should say is the motion that Council made to require all multi-family developments of five acres or greater to provide an overall open space -- a flat rate of -- essentially of 18 percent and, then, the graphic in the lower right-hand corner is the same thing, just that the fact that you guys require ten percent for anything less than five acres. So, what this really shows you is if you have an overall flat rate the open space does not change based on the density, it only changes based on the acreage and I think that's a pretty important distinction here based on the motion that you made here. As I transition to the next slide, these are the current standards and you can see here from the exercise that I did, using those parameters that I just explained to you, you can see here that with the standards that we currently have in code, which is the ten percent plus the per unit ratio, you can see here that we -- as density increases and acreage increases we do get more open space and I think that was the vision or the intent when we set out to change the code is really to make sure that the more dense you go the more quality and the better open space that you get and that's -- that's what we believe you get with having a flat -- a baseline -- a baseline, a base rate and a per unit amount of open space per residential unit. So, that's, essentially, what I had to share with you in that memo. Hopefully you guys found value in that exercise. I certainly did. It was something -- I know Council Woman Strader actually called me on the phone and we went over this memo in detail. We also talked about some ways that we can help inform the customers -- or at least educate our customers and -- or applicants on what amount of open space would be required for these types of developments and I had discussed with her the idea of creating an open space calculator and putting that on the website, so that when a developer asked what would be required as part of a residential development or multi-family development they could put in their parameters here, their -- their number of units, their acreage and, then, they would get a ballpark figure what amount of open space they would need to provide as part of their open space. We feel that's the better way to communicate open space with the community. It's pretty similar to what we have now with our fee calculator. Someone calls us up and says what does it cost to get a building permit in Meridian, you go to the Community Development website, you go and plug in your parameters and you get a ballpark estimate of what your building permit fees will be. So, again, I will -- if -- if the Council supports that direction I will certainly continue to work with Brian and get something like that up and running on our website as soon as possible. I know in my memo to you it was staff's preference to stick with currently what we have in code. Certainly I wanted to get this information in front of you before we finalize the ordinance. I want to make sure that you guys are comfortable with the direction that we are going here and with that I will conclude my comments and stand for any further questions you may have.

Simison: Thank you. Council, comments, questions?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Just a comment and I will -- I will take the blame, because I think it was a --

anytime we can simplify and make things easier it's better with our customers and our partners in the community, but clearly the flat percentage of open space just didn't work once you look at kind of what they had compared to that proposal. So, I talked about it in a lot of detail with the planning staff and I feel like what we have in code is better. I do feel like putting that calculator on the web would be really important though. It is really complicated and I think, you know, when -- when people come before us and they say, well, we have 20 percent open space, it's double the minimum, I think it's important to cut through that. That's not really the minimum, because it includes that density calculation. So, I was -- based on the analysis that was done by Bill and Brian and everybody, I would -- I would rather go with what we have in code now that they proposed.

Simison: Well, since I was one of the people that also discussed this I will give my two cents. I understand one creates more and one creates less. I'm still a fan of the flat. I think maybe our multi-family was too much open space to a certain extent, you know, but I think that's really the policy question for Council is, you know, what is an appropriate level of open space? Do you feel like what you have been seeing in the developments is the appropriate amount or not? Was it utilized in the way that you think it should be? Not? That's probably the best -- from my viewpoint the best way I can encourage you all to look at this is if you have been happy with what you are receiving, then, probably not need to change it. So, food for thought.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: I guess a question for Bill. In preparation for before Council I know we have got an open space committee coalition. Have we shared any of this with them and solicited any feedback?

Parsons: Mayor, Members of Council, we have not. No. I took that direction from the last hearing and went -- went forward.

Cavener: Okay.

Parsons: But I also just want to just preface the Council that, you know, this section of code we have also rolled in alternative compliance. So, again, if there is those in-fills or situations where this code doesn't work for every project, there is always that case-by-case basis of where they can go through that alternative compliance process as well. I'm sorry. Mayor, Council, Caleb just reminded me that, again, these aren't new changes. This is what was already shared with the group when we had the open space committee. So, it's -- it's nothing new, it's just kind of sharing with you that -- the changes you proposed and what we already have, just give you that -- that information to make -- allow you to make that informed decision. Really more of a vetting the changes versus what we currently have in the books.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: Bill, is that the -- is that the ask, then, that your recommendation is don't pivot like you had planned, stick with the current standards, and this data sort of supports the reasons why?

Parsons: Yeah. Mayor, Members of the Council, I -- from -- at least from our standpoint of doing the exercise we feel that what we currently have gets to what -- the desire the community has as far as providing open space commensurate to -- to density. So, keeping that ten percent base rate and that per unit count does that better in our opinion. And so, again, I had -- I think the rub that came from the Council was just that the minimum 15 percent, that if the project was -- if the project had more open space than what was the 15 percent, then, that we would cap them at 15 percent and that wasn't the intent. But certainly that has been removed. I think that was loud and clear from what I remember -- recall from the July 27th hearing that you guys did want to strike that 15 percent contingency and then -- and we went back and forth as to what the right amount was and, again, you gave staff the direction to come forward and see if that makes sense and what we provided here we -- clearly shows you that -- that the baseline open space and the per unit count provides -- gives you that -- that greater amount of open space and it spreads it across projects a little bit better, too, than just having a base rate. A flat rate I should say.

Simison: Mr. Hood, are you looking to say something?

Hood: Mayor, if you will allow me, just -- and you didn't direct the question to me, Councilman Borton, but I guess the reason for the memo from my perspective -- I'm not disagreeing with Bill, but it was just to show you the implications if you were to move forward with the discussion the action that you took from six weeks ago or whenever that was. So, just to show you how that would play out. Because there was a lot of discussion about, okay, well, this hypothetical project, what would we get and so this was really just meant to show you, again, on the ground what that would look like and, then, also the tool, the calculator that Bill mentioned and Councilman Strader alluded to, to put that on the website potentially to make it easier to figure out how much would be required. So, I don't know that we have a real recommendation or asking you to rethink anything, just wanted you to be fully aware of the implications of action -- any action you take.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: To comment, I -- I agree with you. I think looking at this data helps. I appreciate you doing it before a decision is made. I think it -- I mean it helps articulate consequences of the decision that might not have connected with the intent, so --

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Yeah. Mr. Mayor, Bill, I just -- I think Exhibit 5 was clear to me and let me -- I just want to make sure I understood it correctly that you had in the -- in the full deal and that was under the 18 percent overall open space for developments of greater than five acres, the average open space per unit square foot was 431 and, then, under our current open space standards greater than five acres, plus the ten percent -- plus -- the ten percent plus open space per unit, which is our current standard, came out to 489 square feet per -- per unit. So, we did lose there and our whole intent at the time was to try and increase it. The more dense the -- the -- the development the greater the open space and we didn't -- we didn't quite do that, did we?

Simison: Well, I guess the question would be -- we did it based upon the other standards. If your intention was to increase it based on the current standard, then, the answer would have been no.

Hoaglund: Right.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: So, was the rub of this looking for direction from Council to finally pick a lane and stay with the current standard as recommended or remain on the path of what we had earlier proposed?

Parsons: Yeah. Mayor, Members of the Council, I think that's where we want to land tonight is we want to get this one to the finish line and get the ordinance approved and get something in effect. So, it -- yes, the ball is in your court. You have the data in front of you. Staff is just looking as to whether or not you liked what you did on the 27th versus what we currently have on the books and tell us which way to move and based on that direction I will make sure that Legal gets the correct Exhibit 5, as Councilman Hoaglund pointed out to you. I do have a lot of those changes already made, so it doesn't take a lot of time to get those in -- into effect. So, I have both versions ready to go contingent upon what this body wants to do.

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: There we go. I have been having some audio issues. Can you guys hear me okay?

Simison: Yeah. We can.

Bernt: Okay. Good. I'm okay with -- with the proposal. If -- if there isn't anymore

discussion or any other opinions, I guess we can -- Bill, do you need some type of an approval today or just direction? Do we need to vote? What are you looking for?

Nary: Mr. Mayor, Members of the Council, I think what we did is we did vote on what direction you wanted. So, if you are -- and I think what Bill has stated is that we -- currently the standard is that ten and 18 is what you had moved forward with. If that's a change now for you, I think we would need to vote on it again.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Borton: Sorry. Bill was kind of cutting out on Zoom. Just so I understand, do you need a motion or --

Nary: Yes.

Strader: Okay. Does anyone else want to discuss or do you want me to -- I can make a motion or we could vote on it. I think there is a couple people we haven't heard from, so --

Simison: And you can always discuss after you make the motion.

Strader: Sure. Okay. So, then, I would move that we go back to the concept we had in the existing code. A minimum open space of ten percent, plus the calculation based on density and with the caveat I think you guys were going to clear up the language that there wasn't a lesser of 15 percent concept. Hopefully that's -- that makes sense.

Borton: Second.

Simison: I have a motion and a second. Is there discussion on the motion?

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Thanks, Mr. Mayor. I think I'm tracking the motion. I think I'm supportive. I think that last piece is important. So, 15 percent is the floor, not necessarily a ceiling or anything like that. So, I'm good with that then.

Simison: The motion is to not change current code. Correct? Am I mis --

Nary: Yes.

Simison: Okay. That's --

Cavener: So I was tracking it. So, I'm supportive. Thank you.

Simison: All right. If there is no further discussion, Clerk will call the roll.

Roll call: Borton, yea; Cavener, yea; Bernt, aye; Perreault, yea; Hoaglund, yea; Strader, yea.

Simison: All ayes and Bill has his direction.

MOTION CARRIED: ALL AYES.

15. Parks and Recreation Department: Lakeview Golf Course Strategic Master Plan Discussion

Simison: Okay. Next up is Item 15, Parks and Recreation Department Lakeview Golf Course strategic master plan discussion. Turn this over to Mr. Barton.

Barton: Good afternoon, Mayor and Council. Pleasure to be here this afternoon. We are bringing forward a presentation and discussion on the -- the strategic master plan for Lakeview Golf Course and the presentation and discussion is really centered around four focus areas. One being the management structure, the capital improvement plan, playing fees and, then, food and beverage services. Before I turn it over to Ed Getherall from the National Golf Foundation, who put the report together with his team and help from our stakeholder input and community surveys, I would just like to introduce who we have here this afternoon. We have Ed Getherall that's going to be leading the presentation. Forrest Richardson from Richardson and Danner Golf Course Architects and, then, we also have Shane Shaffer, who is the new golf course superintendent, and Ryan Roberts, who is the general manager at the golf course. So, if there is any questions that you have regarding anything going on -- of course Steve's here. I think we have a good team that can help answer any questions or concerns you have and the expertise and boots on the ground. So, with that I'm going to turn it over to Ed Getherall to lead the presentation.

Getherall: Good evening, Mayor, Council and staff. Happy to be here. It's a nice -- nice break from the hot humid weather in Florida. Am I controlling this or --

Johnson: Use the arrow on the keypad is the easiest way.

Getherall: Okay. This seems frozen. There we go. Yeah. There we go. Very good. Thank you for having me here tonight. It's been a long process. Excuse me. And we are happy to talk about the findings. It's been an exciting process. Very in depth process. We started off with trying to understand the whole scenario with the situation analysis. There was, obviously, the acquisition through Western Ada Recreation District. There is the history of the golf course. We wanted to understand the location factors and -- and the objectives of the city with respect to the ultimate acquisition of the property. So, there were several key components to the project. The physical evaluation and recommendations that Forrest Richardson, who is current president of the American

Society of Golf Course Architects. I like to say that. There is only a month left in his tenure, so I like to get that in as often as possible. But given that you inherited a very old asset with old infrastructure, we wanted to -- we anticipated that that would be a big part of the study and it was and we wanted to also look at strategic -- strategies going forward to help make this sustainable. We did understand from the early going that the city wanted this to be economically self sustaining, environmentally self sustaining, et cetera. At the very least to have high cost recovery. So, we provided a big picture strategic focus on the four areas that Mike mention, but also gave guidance on eight or ten other operational areas, such as marketing and staffing and things like that and we assisted in the budgeting process. Also provided a market analysis, both the national overview and, Lord, has that changed in the last 18 months and also a local market analysis -- a local slash regional market analysis. Then, of course, there was the extensive public engagement. I spoke to all of you at one time or another -- or Richard Singer did. Excuse me. We also had the online surveys and met with the golf course focus group several times throughout the process. Three or four times. Spoke to homeowners association representatives. So, that was pretty vigorous and we will talk about that a little bit more later on. So, I wanted to start off with what we are seeing globally on a national basis. Doesn't make sense, does it? But we wanted to see on a national basis -- golf was trending downward for a good, you know, ten to 15 years in terms of participation, in terms of number of golfers. Sixteen hundred plus golf facilities closed between 2005 and 2020. A lot of that was due to oversupply. A lot of real estate related golf courses were built in the 1990s and early 2000s trying to sell real estate. So, you had an oversupplied public market. So, we saw a lot of golf course closures. That made the news. I mean that's what the media wants to write about is, you know, things that are kind of negative and so you read a lot about that. There was a lot of attrition. You know, we had the Tiger boom in golf in the late '90s and the number of golfers peaked at about 30 million and we have lost about six million or so until the recent surge in the subsequent couple of decades. But a lot of things were going good even prior to the pandemic. We saw an increase in the junior population. Also increasing diversity of junior participants across all different types of people. More girls, more minorities, et cetera. And, then, there is the increase in off-course participation and I don't know how many of you have been to a TopGolf, but they have become very popular. It's, essentially, a nightclub that, you know, also has a golf component and there has been, you know, dozens of knockoffs on that and also there is ways that that's being carried through to existing golf facilities by introducing technology on the driving range, et cetera. And, again, even prior to the pandemic NGF does participation research every year -- twice a year, actually, and we identified a huge pool of interested nongolfers that we call late -- they represent latent demand for golf. So, in March of 2020 when the world changed over the next six or eight weeks golf courses were closed all over the world and at that time if we had predicted what would occur over the next, you know, 16 to 18 months nobody in their right mind would have predicted it, but because golf was one of the few activities -- it opens earlier than most other activities. It's socially distant by nature and, you know, just being out in the open, I think people craved that and we just had a surge like nobody could have predicted in both demand and new participants, in last golfers coming back to the game and we gained 60 million rounds in 2020, which is incredible given that golf was closed for almost six weeks across the country. The demand has increased -- has continued into 2021, although it's muted

a little bit from what it was a year ago right now, but it's still going very strong and that leads me into the local market analysis. There is a lot of positives to say about, you know, the greater Treasure Valley golf market. One thing greatly in your favor is, you know, the tremendous growth rate in population. If you don't see anymore golf courses built and this population keeps growing like it is, just by -- you know, organically you are going to see better supply-demand ratio. You also have a robust diverse economy, favorable golf climate. You know, essentially a year around climate. You don't lose a lot of days to weather compared to most northern climate markets. Your supply-demand ratio is already very strong. I think what we tracked in the Ten Mile market around Lakeview is 61 percent more golfing households available to support each 18 holes of public golf than in the nation overall and the market averaged about 38,000 rounds per regulation 18 holes compared to the nation -- national average of 31,500. So, that's very impressive. You do have high quality public competition. The two city of Nampa courses, especially Ridgecrest, Banbury, and Falcon Crest and River Birch and the two Boise courses -- municipal courses as well. So, you have high quality competition at relatively low fees. I mean a lot of people have observed there seems to be a ceiling on fees in this market. Several people observed some of these courses in our market where we are from in California, Florida, Seattle, you know, these fees would be at 80, 90, 100 dollars at some of these courses. Lakeview we think -- you know, we made the point in the report -- it's no surprise. I think KemperSports made the same observation -- that in its current condition it certainly lags behind most of its competitors at this time, but that's not to say that, you know, it can't improve considerably and compete for more daily fee play. So, back to the stakeholder engagement. There were several components. One was the golfer survey that Kemper initiated in December using NGF golf set program. The results of that were not good, but they weren't necessarily surprising. I mean the main thing that people had a problem with was the conditions of the golf course. You know, nothing really stood out in terms of poor customer service or anything else, although I think talks about the private -- the previous operator. You know, there wasn't a lot of happiness there with the lack of investment, but overall the negative thoughts all tied back to the -- to the quality of the golf course conditions. So, there were really no surprises, but, then, it leaves a lot of room for improvement. We also spent a lot of time on the phone and doing video interviews with -- with some of you folks and the WARD chairman. The golf course focus group several meetings. Again, with Parks and Recreation commissioners. We spoke with the Cherry Lane Village and Ashford Greens and a few of the other HOAs and also the ladies and the men's golf associations at Lakeview and they -- they were the most colorful and actually quite helpful in some of the responses they provided, so -- and, then, there was the community online survey, which focused a lot on usage and awareness of the golf course and of the restaurant. We had about 120 responses and we got -- you know, that was quite favorable in terms of, you know, if you improve these things we will be there and we will really participate in this golf course even more frequently than we do now. It's skewed a little bit older in terms of the response -- respondents. I think about half or more were 65 or older and I think about 55 percent had median household income above 100,000. So, I mean that's a good piece of information. You know, you may be in a position where you have to raise, you know, prices at the restaurant. We know what the -- what the restaurant industry is facing in today's world. So, I think that you may be able to get away with some -- some price increases there. And, then, finally, there was

the town hall meeting held at Lakeview with the -- I think Mayor Simison attended, as well as Steve and Mike, and that was -- that was well attended as well, although I guess some of the feedback was a little focused on things that we really didn't need to look at that much, but -- so, overall, I mean we try -- in the report we have ten or more pages talking about the results of our public engagement across groups. There was a lot of feedback. I think even in all my conversation with you all and with most of the people we spoke to, people are positive and very happy that the city will be stewarding the golf course going forward. They believe it's -- you know, it's an exciting opportunity and, you know, obviously, they want to see everything happen at once in terms of improvements, but they also recognize that that's not going to happen and I think they are going to be very happy and I think they are going to be very happy as -- you know, as these improvements -- and we have seen this in a lot of places we have worked at a city or a county, whoever, shows a commitment to improving things and they keep people informed and we are doing this this year, we are doing this next year -- you know, you have already done new carts. Or I don't know if they are here yet, but you got new carts, new equipment, so people notice these changes and it also opened up the door to, you know, make fee increases as necessary to keep up with inflation if nothing else. As you all know the golf course -- excuse me -- the golf course suffered from years of neglect, lack of investment. This is not uncommon at all when you have a lessee in the latter years of a contract. We see it all the time. Especially if they had no intent of renewing a lease. So, basically, you were handed a property that needs millions and millions of dollars of improvements. All the infrastructure -- and Forrest will talk about this more. All the infrastructure is past its expected useful life. So, you know, that's to be expected and I don't think anybody here is surprised at that. Another couple things that came out was from -- a lot of the people said that we want to see broader community participation, even nongolfers. Not just -- not necessarily just at the restaurant, but, you know, how do we bring nongolfers out here to participate in activities when golf isn't being played. Everybody loves the clubhouse, especially the outside part of the clubhouse. They felt it's a real community gathering place and, you know, in the sense that they don't get it at the golf course necessarily. So, that's a real positive. A lot of people mentioned somehow finding a way to expand outdoor space, because they enjoy it so much. And, then, another issue, which, hopefully, will just be a temporary thing -- some of this ties to all the new golfers we had last year -- not just a Lakeview, but all across the country was some of the behavior on the course. Some of it is just the ignorance of golf rules. Some of it is -- well, just blatant and, you know, it has to be addressed from -- you know. And, then, there is trespassing. It is a public park in a sense, but it's also -- you have to -- you have to draw the line. You don't want, you know, school kids being in danger, because they are taking a shortcut to go to the school bus. So, that was a common theme that shows up as well. So, the four major areas that Mike alluded to -- again, in the report -- it's a lengthy report. There is a lot more detail in other areas, but these are four that we wanted to concentrate on for the executive summary and for the presentation is the management structure -- this says long-term management structure, but the short-term structure is part of this as well. The preliminary capital plan, which Forrest went at in great detail. Golf play fees. And, then, the food and beverage operation. So, with the management structure there is an extensive narrative in the report about the different options. These -- these here are self operation, management contract, operating lease and concession agreements are the four most

common ways that municipalities manage or operate their golf courses and there is several variations on a theme with these, so I'm just going to go through those quickly. The self operation is, essentially, when you have all public employees at the golf course. Usually -- you know, sometimes we consider -- there is some exceptions if you had a contract, teaching professional, or something like that, we still consider that self operation. It involves the maximum level of city control at the golf course, but there could be a lack of expertise, especially when you are new to the game, you just acquired a golf facility, so that can -- you know, that can be taken care of over time certainly by hiring key employees who, then, help hire other employees, but the main stumbling block for most cities and counties is the lack of golf expertise. The management contract. There is a lot of advantages to it. Right here I'm just listing a couple. Usually there is -- when you are shooting from a public pay structure to a private pay structure there is considerable savings, at least on the benefit side, sometimes on the wages side as well. And it depends on what market you are in. If you were in the Bay area you -- say if you went from a public structure to a private structure you might save 30, 35 percent in your labor budget, you know, just by making that change. But here we did a calculation here, the Finance Department did, and there would be some savings, but, you know, not -- not as great as you would see in some other markets and the main benefit of the management contract is the expertise. The national companies -- Indigo and KemperSports and Touchstone and OB Sports, they have expertise, they have purchasing power, they have, you know, benefits in getting -- in procuring things, goods and services, and hiring people, marketing strategies, you know, access to national marketing teams and strategies. So, those are some of the benefits. The problem is -- or not a problem, but a limitation is if you have a bad year -- let's say you have a bad year with the greens, you lost your greens or you just have a terrible weather year or some other unforeseen circumstance, you still have the obligation of that -- of that management fee. Operating lease is what was the structure prior to this. You own the land, but you had an operator there for -- or several operators over the -- over the decades. So, in theory, this is very much attractive and it's become, you know, much more attractive to some -- to cities and counties, because they are losing money and they think it's an easy button. No, we will just lease this out. We will just privatize it. But they are not going to stay -- the operators are not going to stay in a lease when they are losing money. So, it's only shedding risk theoretically, but as soon they start losing money -- and we have seen some -- even some national operators that happened down in Florida, Brevard County, just with no notice dropped out of the lease for five golf courses and it -- it was actually a national management company and -- but in a good -- in a good case situation, though, if it's a good cash flowing property, you get a good operator in there, they make a rent payment to you, they take care of some or all the capital, depending on the length of the lease, so it can be a good thing, if it's a good cash flowing facility. If it's not, then, it's -- it's a little nebulous as to how that would work out. And, then, there is concession agreements. The most typical ones we see are for food and beverage and for the pro shop, but we also see private maintenance contracts. So, for instance, you could have a private maintenance contract, but the city runs the golf or the city do the maintenance and you have a private concessionaire for the golf. So, there is many variations on a theme. So, our recommendation -- again, there is a lot more explanatory narrative in the report, but we thought at least for the short term -- you know, the reason you got into this with a -- with a management agreement is to manage the

transition of the golf course to the city and, you know, if you get experts involved on how to do staffing and budgeting and et cetera -- so, you are in the middle of that now and we see no reason to discontinue that. You are, as I understand it, on a month-to-month basis and you don't know what the operation looks like right now. I think the food and beverage is up -- really up in the air. I mean it could be anything from a money loser to a good profit center or it could be minimal -- minimalist type service to a full service restaurant. So, I think until you get a handle on this operation as it stabilizes and also as you start making the capital improvements, then, you can reevaluate your options. Right now your options are open. You could always go to city self operation at some point as you get a real good handle on -- on -- on the operation and especially the food and beverage and the pace at which the capital improvements will be made. Then a longer term possibility would be you stick with the management agreement, but you do more of what we call a hybrid agreement where it's a -- the fixed fee part of the compensation is lower and, then, there is a variable component that's based on performance incentive, such as reaching certain gross revenue thresholds or customer service based thresholds, things like that. So, the city would be on the hook for a lower fixed compensation and some variable component that the operator would be at risk for. And I'm going to turn it over to Forrest shortly here. The capital area -- capital recommendations we thought were really critical. Not just because the infrastructure is out of date, but there are a lot of safety issues on this course. You have very narrow hall corridors, fairway corridors, and a lot of homes lining up the fairways. So, there are a number of safety issues and, you know, the more we got into this, the more we realized that this capital plan is critical and it's critical to your improving your financials in the future. So --

Simison: Before we -- Council, any questions on the management structure piece that you would like to ask at this point in time?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I was hoping that we would get an analysis and perhaps there wasn't one, because there are too many unknowns or it's not technically a long term management plan, but I would really like to see if the city invests in the capital improvements that are recommended over the next five years or so what -- what value, then, is created such that it could be sold off to a private investor/owner and the city no longer manages it? I know there is a lot of unknowns in that, because you don't know what the future value of the course is going to be that far out.

Getherall: Right.

Perreault: Is there any way you could do an assessment in that regard if -- if we -- if we take the full recommendations -- maybe -- maybe with some of the -- the long range capital enhancements and maybe without -- and is there -- is there a formula or a way for us to analyze whether it would be kind of a marketable course that we can sell and, then, not continue to manage long term?

Getherall: Well, I don't think there is any formula, but I will say that -- I mean what you don't want to do is invest six or seven thousand dollars -- or six or seven million dollars of the city's money and, then, turn it over to a private lessee. I mean that's the last thing in the world you want to do. If you were going to consider another lease I would -- you know, I would lean towards, you know, looking at a long-term lease and acquiring significant capital investment.

Perreault: I apologize. I meant to sell the course, not to --

Getherall: To sell it outright. Oh, well, I doubt that would happen. Again, the only way I think it would happen is if you -- you -- you spent all the money on the improvements and, then, you sell it, I don't know that you would recouped the money. There is not a big market for golf courses right now, unless it's, you know, a private club. I mean golf is thriving right now, but I think it has to be more of a proven cash flow type situation where they are -- they are evaluating on a multiple -- the value is a multiple of the net cash flow and you don't have that here. You don't have reliable history. But if you had five years where it was cash flowing 300,000 net a year, then, you would probably have somebody interested. They would look at it. But I think to get to that point where you are net cash flowing you would be putting a lot have capital improvements into it. If you put the money -- the capital into it, we think this -- this can be a profitable facility. So, if you are going to commit to spending that money I think it makes sense to hold onto the asset. But if you want somebody else to invest in it, then, maybe you go out to the street -- I mean I don't know that you would have any interested buyers, to be honest with you. You might find an interested lessee that would take it on on a long term lease if -- you know, they were going to -- if you give me 30 years, then, I will -- I will do the irrigation system this year, I will do this in years three to five, I will do -- it's not the way golf is going right now though. It's getting away from that, to be honest with you. There is no -- there is no easy button when you are in a situation where the course needs this -- this much money and I don't think a private owner -- you know, the sales we are seeing happen today are people land banking golf courses, because they want to -- you know, they see a shot down the road to redevelop it as housing or something else. So, you may -- you may get -- you know, somebody will say, well, I will take a chance on this, maybe we will get some housing out of this five or ten years down the road. So, it's not a big market. It's a low margin business to begin with. So, there is not a big market for buying golf courses as golf courses. Especially at this price point. You know, nobody is going to get rich off of this golf course, so -- unless there was some ulterior motive -- future land use change or something, I don't see that as an option realistically.

Simison: Council, any other questions on the management aspect? Okay.

Getherall: So, I will turn it over to Forrest. We basically broke up the capital improvement plan into five tiers. Ideally -- and we tell every client this. Ideally you would like to do it all at once if you had the money, so you don't have to tear up the golf course multiple times. But obvious -- and most municipalities don't have that luxury. So, we put it into tiers -- prioritized tiers. One being some of the startup costs, maintenance equipment, golf carts. Safety mitigation is very important. And, then, Forrest will speak to the different

tiers of improvements, including some long range potential capital enhancements that may help draw more of the community to the golf course.

Richardson: Thanks, Ed. Mayor, Council, Forrest Richardson. Thank you for having me and I recognize some of you from the Zoom calls that we have had over the last eight months or so. Before I go further you might not know, but it's Thank A Golf Course Superintendent Day nationally, so I would like to thank Shane especially for being here, since he's the only golf course superintendent here, but -- this is -- I would leave most of my time for questions that you might have. As Ed mentioned, it's a very in depth report. I would direct you to page 113 of the NGF report. Our role as golf course architects in this case is to support NGF to help them understand the complexity and the scope of what maybe needs to happen to this asset that you have acquired and page 113 is the life cycle chart that was adopted several years ago by all of golf's major bodies to help owners understand at what interval different components of golf courses wear out and unlike buildings and other parts of our built environment, golf courses that are very unique to themselves and that the components wear out at very different intervals and in different regions they wear out sooner or later. In your case here in Boise I can tell you that there are no components of this asset that are not past their useful life cycle and I regret having to tell you that. However, I remain -- I grew up on public golf courses and I'm a huge believer in their benefit to communities. One of the things sometimes that we have failed to recognize is that of the 35,000 rounds or so on Lakeview it's the amount of quality time that people are spending. So, golf is very unique in that regard. Four and a half hours in some cases. And when you factor that time in these open spaces are extremely important to communities and I see it all over the west, which is primarily where -- where we work -- about how valuable courses can be to families and to senior citizens and to people that maybe ordinarily wouldn't get outside as much and that time factor is very very very important. So, I remain excited for you and I applaud you for acquiring this -- this asset. As Ed mentioned, there are people out there that might look at things like this and say, well, let me develop them or I will hold on to them, but in this case I think keeping it a public golf course is -- is quite a benevolent thing for you to do. So, we put the capital improvements into buckets, if you will. They involve replacing the irrigation system and, then, doing things like drainage and fairway work, rough work, tee construction. And, by the way, tee construction would also have a diversity component, as we feel that Lakeview really needs forward tees to bring kids and people into the game that can have a more fun time on the golf course than where the tees currently are located. There is all sorts of infrastructure to do with the golf course. There is also the clubhouse needs work and -- and these are listed in the report. You also have, as many of you know, an aqua range. So, just a little bit of history. When the club -- when the golf course was built in 1979 it had a grass range and, then, when the second nine was built in 1997, converted to the aqua range and so there are issues with that lake and the aqua range that need to be resolved. Some of that very closely related to the irrigation system and, then, long term we feel that one of the things that's very important in public golf is that there be opportunities for bringing new players into the game. So, we have given you some ideas in the future that you could look at reconfiguring portions of the course to make areas available to have more of a family oriented new golfer beginning and -- and a component of the facility that would take less time, so people that might come home from work let's

say and have a few hours could go enjoy, rather than committing to an entire 18 hole round. Real briefly just some pictures to help break up the -- the text. This is the original golf course called Cherry Lane. This is from 1992 from Google's archive and you can see the -- the yellow line there represents the -- where the newer nine was eventually constructed. This is your asset as it is today. We think of it in two parts. The west nine, which is the white holes and, then, the yellow nine down in the eastern part, which is the back nine, and you will notice something very striking about this, is that the east nine is very tight and the homes are much closer to the -- to the golf holes and in the survey that NGF did most of the comments about, you know, the golf course is right on top of my house and everything -- well, guess where those comments mostly came from? They came from the eastern part of the property. The golf course was designed by Robert Baldock who was a well known figure in the west designing golf courses. We think that he might have been strong armed by the original home developer to maximize those lot counts and things, which happens, but, unfortunately, that's the reality. So, what we have done in -- in our work is given you a head start so your staff has a -- let me go back here. Oh, I'm sorry. I'm going to go back -- so, that your staff has a little bit of head start on how to mitigate some of these safety issues. So, we -- we did a safety analysis, in addition to looking at all of the components of the course, and, of course, I will answer any questions about that. I'm not going to go into detail about every single thing that needs to be done, because there is a lot of them, but if you look at the safety analysis you will see these little red triangles. They represent in some cases a very small easy thing, like maybe planting a few more trees or just moving a tee or working with staff on setting up the course to try to help mitigate some those -- those areas where errant balls are leaving the facility and I mentioned to you that we looked in the future, so I will real quickly share this slide is this yellow area represents an area proximal to the clubhouse that we think could be, long range, a wonderful little short practice area that could be fun for families and events and outings and we conceptually call that the Zenger nine hole practice course and we gave you a little taste of what it might look like. Again, these are just concepts, but the -- the important part is that you think to the future of this facility and, again, bringing kids and people in that don't play golf currently we think should be one of the goals that Meridian would have for the golf course. So, with that, again, you have these buckets. I like to think of the -- the work that we have done here looking at the capital needs as giving your staff and Kemper currently, your management group, a road map of the future. Certainly there is a lot of work to be done. One of the cautions that we have made over and over, not just to Meridian, but to all of our clients is making sure that things dovetail. So, when you go to replace the irrigation system you want to make sure that you are not spending that good money, for instance, with the notion that cart paths might need to be redone or bunkers or a tee might need to be built, you need to have everything in one master plan and we have given you the roadmap for that, but the next step is to bring together the consultants, get to a competitive bidding state where you can start making these improvements. I will also just tell you that right now it's -- there is a supply chain issue and it hasn't bypassed golf. We are -- we are seeing the same things that other people have seen. So, I can't tell you if that will quiet down. I'm sure eventually it will quiet down, but right now it doesn't happen to be a buyer's market, so we have contractors that are extremely busy, because, as Ed mentioned, we have a robust golf economy. A lot of people have saved money and haven't spent it and now they are ready to spend it and,

then, we also have this problem of not being able to get things -- like I can tell you that working in Anchorage for the city of Anchorage, it's almost impossible to get drainage pipe anyway in Anchorage, but we certainly can't get any right now. So, we have raided the Lowe's, the Home Depot, and every -- even the U.S. Army and Air Force to be able to try to finish a project for the city of Anchorage. So, I would encourage you just on the side of getting competitive bids, I think one of the pieces of advice I could give you and leave you with is -- is just work sooner. Try to -- try to get ahead start on things and I think you will save money if you get a head start on things and give yourself more time to make decisions on these capital improvements. So, with that any questions? I will turn it back over to Ed or did you want to pause and take some questions on the capital part?

Simison: Yeah. Let's see if Council has any questions at this point in time.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: Share with us from your experience on how other courses have handled the large capital replacement of irrigation. What's the least painful way you have seen that being done?

Richardson: From an interruption point of view?

Borton: Yeah.

Richardson: Well, there is -- there is so many different trains of thought on that. Of course the outright closure of a golf course and doing the work all at once has a benefit typically from a cost point of view. However, most the qualified golf course builders and irrigation consultants in today's world understand the realities of keeping courses open. So, you -- you have a choice of going for almost on a hole by hole basis. One of the complexities at Lakeview is that you have to keep the old system operating while the new system is in place. So, what we would do typically is put in a new pump station and get that working and it might in your case charge the old system, as well as the new system and these are things yet to be resolved, but it is possible to go hole by hole, keep the course open, get the new system in and, then, magically turn it on. I would guess having been at Lakeview and -- and understanding the complexities of the irrigation system, that you might be better off looking at a nine by nine approach where you close nine holes and work on, for instance, the west nine and, then, go to the east nine. What I think would be in your best interest would be to work with your irrigation consultant and your staff and your -- and your -- your whole team to maybe go bid that work and ask the contractors to bid it in different ways, because one of the things that we find in golf course construction is different contractors will have different approaches and one might be advantageous to you from a revenue point of view to keep the course open. I think that's what you are asking. So, there are flexibilities, but I think that probably in the end you might benefit from a nine by nine approach, at least that's how I have kind of phrased -- phrased it in my vision, so --

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: First, thanks for being here and I know Council have probably dived deep into the very detailed report that you have put together for us and appreciate kind of giving us some -- some high level pieces of that. You didn't touch on this in your presentation, but it's in the report and it piqued an interest in me, the trade-offs and the benefits of kind of the -- the accounting of the golf operation, the general fund versus an enterprise fund versus a special fund. Can you maybe talk Council through the pros and cons of that and maybe -- I don't -- there is not a recommendation in there, but maybe be giving Council an idea for cities that run municipal golf courses really well what that philosophy is.

Getherall: Sure. It's -- and it's public policy, so we try not to make a recommendation. We try to present, you know, the pros and cons. We did -- we have done a couple of municipal golf courses over the last decade and only about half are covering their costs on site. Then when you throw in capital costs and maybe for enterprise funds, the general fund will charge enterprise fund for indirect, you know, allocated overhead, et cetera, and that put -- makes it even less likely, when you overlay that, about a third of our respondents were making money and this -- you know, among enterprise funds and general funds. So, the problem is if you go to enterprise fund and, then, you start losing money and losing a lot of money and you have an accumulated deficit in the fund and you are basically robbing Peter to pay Paul. I mean we literally did a job in Florida where they -- whatever the debt is at the end of the year they just do a transfer in to match it and that's considered a revenue item, that's how they get by the auditors, because an enterprise fund is supposed to pay for itself. So, it's very transparent to voters and to everybody else when it's an enterprise fund and even somewhat as a special revenue fund. In the general fund it's generally a line item within parks and recreation or public works or what have you and sometimes we will look at city CAFRs, C-A-F-R-s, and we will search for golf and sometimes we don't see golf and said, oh, it's a general fund operation. So, it's not even listed anywhere in the CAFR. So, it's not transparent and to be honest with you, sometimes golf courses can be more successful as a general fund, because, you know, they are not worried about spending the money they need to spend to improve the facility, whereas in an enterprise fund if it's already losing money operationally now it has capital needs. It becomes very contentious. So, we are going to throw more money at the golf course when they already owe -- when there is already a negative 1.2 million dollar balance in the golf fund and unless you are pretty confident that the golf course is going to be profitable, you could be putting yourself behind the eight ball from the beginning under enterprise fund accounting. Special revenue fund is kind of an offshoot of that. It's not intended to pay -- to pay for everything the golf course needs, it's just intended to have high cost recovery and a lot of golf courses -- even to lose money they generally have higher cost recovery than -- than other recreation amenities within the city. So, let's say a golf course is losing a couple hundred thousand dollars, but they have 90 percent cost recovery and, then, you look at other city services that have 50 percent cost recovery or zero percent, it kind of puts it into context. But if we had to make recommendation, you know, I would say put it in the general fund, you

know, a lot less problems or special revenue fund, like I said. I don't know if that -- if that construct exists in Idaho, but it can be -- it can become a shell game with an enterprise fund that's losing money. You know, we just did a study for the city of Sunnyvale, California. They had three years in a row losing a million and a half dollars and we did a subsidy analysis for them. They wanted to know, first of all, is that high. We said, yes, that's very high and at the end of every year they would just transfer the money and to wipe out the deficit and I said this -- you know, it's just robbing Peter to pay Paul. So, it's -- that's an extreme example, but, believe it or not, they made -- they are going to make money this year with the pandemic. They made up a million and a half dollar deficit somehow, because they added 40,000 rounds on their -- on their 27 holes. But it's really a public policy issue. We just did -- we did work in Mission Viejo, California, that acquired a golf course and we recommended the same thing to them. Said if you don't want -- if you don't want a lot of headaches, then, don't set this up as an enterprise fund, unless there is a strong expectation that it can carry its cost.

Cavener: Great. Thank you.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thanks. I thought it was an interesting report. I was wondering, I -- you know, can you give us an example of what is the most profitable public golf course you have ever seen? What is a great example of a city -- if that -- if that has existed. That's a big leap. What -- what did that look like? What's a good case study of a great example of a successful public golf course and what -- what would be the lessons learned that we could take away from that?

Getherall: Yeah. There is a lot of -- I mean there is some extreme examples, like Torrey Pines, you know, city of San Diego is Torrey Pines hosted U.S. Opens and, you know, what -- what else? Bethpage Black in New York -- New York State courses. But if you are not talking about super premium unis, there is an exam -- there is some examples down in south Florida. Osprey Point, which is Palm -- a Palm Beach county facility, they netted over two million dollars on 36 holes. It's in a dense population and it's in a market that's seen a lot of closures of -- of other public golf courses, but they do things right. It's -- you know, they are not charging 80, 90 -- or I guess they are about 80, 90 dollars in season, which is winter in Florida. But they have resident rates, discounted resident rates, and they present a really nice product. I guess that's the bottom line is it's -- it's a visually stunning property. They present a really nice product. They keep it in good shape. But a lot of it ties down to the market. If you have a lot of bodies -- I mean Southern California, for instance, the LA -- LA County and all these city courses, they are not in the greatest condition most of them, because they are turning 80, 90 thousand rounds a year on 18 hole courses merely because the bodies are there and LA County collects 15 million dollars a year in rent payments. All their facilities are leased. So, they are collecting 15 million in rent payments from their lessees and their lessees are still making money and it's because they are -- you know, just an incredible amount of golfers in that market. So,

I wouldn't say there is any one thing, but, you know, obviously, good management, good customer service and a real -- and a desirable product are basically the keys.

Strader: Mr. Mayor, a quick follow up.

Simison: Council Woman Strader.

Strader: So, you have analyzed our market and you have seen the challenges and constraints around the setup of our golf course. What is the best case scenario for the City of Meridian? Do you think it's possible for this golf course to be profitable? If we made all the investments in the three tiers of capital improvements, how long do you think it would take us to break even? Do you think it could become profitable at some point based on what you have seen?

Getherall: I think so. I mean if we have any reliance at all on the previous numbers from the lessee I think we only had one year that we thought was -- was reliable. It showed close to break even in FY-18 or '19. You know, I -- I'm willing to say anything is possible. I just talked about a million and a half dollar turnaround in Sunnyvale, California, with -- with a golf course that's also beaten down. You know, everything is shot at that golf course. But you may -- for all I know you may be profitable this year. I mean we haven't seen the recent numbers, but I know you have been, you know, doing a lot of rounds of golf. I think the X factor this year, other than the facility improvements, are the food and beverage operation. You know, you have a lot of homes in direct proximity to that golf course, a lot of opportunity for nongolf food and beverage business. It has to be at the appropriate margins and the labor market has to stabilize and you have to get a real good analysis of the input costs and make sure you can charge enough to make a profit on the food and beverage and, you know, do special events around that. But Forrest talked about with the Zenger course, that's an opportunity to get nongolfers there and, you know, to do program and contests and what have you and you have the built-in customer base of these people living in the mile square neighborhoods, especially these season pass holders, you know, you -- you wouldn't be able to survive without them, because there is some parts of this golf course that are just not appealing to avid golfers that -- the narrowness of the fairways, the lack of challenge if you are a really good golfer. If you are a really bad golfer there is -- there is an issue with, you know, losing 20 balls into -- into people's yards and -- and houses. So, that's not to say you can't do, you know, 40,000 rounds and have a strong season ticket base and do well in the restaurant. So, I think -- yes, I think this can be profitable. If it's not expected to pay for its -- its capital cost, its debt service, then, I think it can make money -- break even or make money on the ground with improvements for sure and you better be ready to raise rates, of course, when it's -- when it's a much improved facility.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Can you go into a little more detail about the hybrid management structure

from the management company's standpoint? Do they -- what would be their incentive to join in the risk and do they require a certain number of years of profitability before agreeing to that? Can you give us some more details on that?

Getherall: Yeah. That's a great question. I don't think you would find a management company anywhere that would agree to that right now until they saw -- not just because of all the capital needs, et cetera, but because you didn't have a reliable history of financials from the prior operator. So, it would probably take, you know, two to three years of, you know, we think we can keep this going and we would like to participate in the upside, rather than just take a flat management fee. So, they would have to believe in the upside of the facility. You know, again, another thing in your favor I talked about earlier is the population growth in this market. You know, if no new golf courses open, then, you know, you are going to get your fair share of those -- you know, that -- that new demand and some of these people were coming from pricier golf markets, so maybe organically the green fees are going to, you know, start rising in this market as well as more people come in from more expensive markets. But it would take I think several years of cash flow to -- for an operator to say, yeah, we will share in this, we will take -- we will take a piece of the risk.

Simison: Council, any other questions? Is that everything or is there still a wrap up?

Getherall: We actually had a few more areas I can go through real quickly or if you want to -- about three more --

Simison: We have an Executive Session we will want to get to, so if you want to go through them quickly and we can see -- and we can always reschedule a Zoom portion for anything that doesn't get covered and follow up in an additional week.

Getherall: Okay. I will just go through these real quickly. On the golf playing fees, we basically said keep the playing structure -- the fee structure the same for the -- for the time being. As improvements are made, you know, you could start contemplating small fee increases. But you also want to try and capture inflationary increases just to keep up with what's going on in the world now. You mentioned replacing the VIP pass program with an internal loyalty program, so you don't have to pay that outside vendor the money for it and, again, as an improvement program moves forth there should be some room -- some fee increases at that time. Food-beverage we talked about already tangentially. If things normalize in the world, which hopefully someday soon they will, and you can get employees and you can get supplies and input costs come down, you could, you know, really look at that restaurant as a potential profit center and, really, a community gathering place. So, if that doesn't happen, then, you got to think about a more basic food and beverage operation that you think of when you think of a municipal golf course. But that will kind of be a shame and in a sense given all the homes in the immediate proximity and the lack of food and beverage operations in proximity to the golf course. And, then, the third option that we see a lot of golf courses do is a private concession and we have even seen that when a management company is in place, but the food and beverage is privatized. It's not that common, but we have seen that as well. Closing thoughts. Do

we have time? Okay. Yeah. As we mentioned, the golf -- the golf course presents both opportunities and challenges. You have some key public policy decisions to be made. You have to come up with some money -- quite a lot of money to make these improvements. But it's a good market, it's a growing market, and strong loyal fan -- or player base already from the mile square neighborhood. So, opportunity to broaden the engagement and broaden the appeal of the facility with, you know, events -- nongolf events and some -- you know, I think the Zenger course would be a great idea. It's the way golf is going to bring new kids -- more kids into the game and more nongolfers into the game and families to the -- to the golf course and, then, at the end, you know -- and this goes to the question earlier. Does -- or we think it does have a chance to break even or make a profit and its key differentiators right now -- or its -- you know, the value, its walkability and the community feel to the facility, but, you know, with -- with continued facility infrastructure improvements we think, you know, we think it could draw more outside play as well. And that is it.

Simison: Council, any final questions or comments? Okay. Thank you very much. Steve, Shane, anything else from you at this time? All right. Perfect. Well, thank you very much.

EXECUTIVE SESSION

16. Per Idaho Code 74-206(1)(d) To consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code.

Simison: So, Council, with that we are at Item 16.

Bernt: Mr. Mayor?

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: Move we go into Executive Session pursuant to Idaho State Code 74-206(1)(d).

Cavener: Second.

Simison: I have a motion and a second to go into Executive Session. Is there any discussion on the motion? If not, Clerk will call the roll.

Roll call: Borton, yea; Cavener, yea; Bernt, yea; Perreault, yea; Hoaglund, yea; Strader, yea.

Simison: All ayes. Motion carries. We will go into Executive Session.

MOTION CARRIED: ALL AYES.

EXECUTIVE SESSION: (5:44 p.m. to 6:04 p.m.)

Simison: Council, do I have a motion?

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: I move that we come out of Executive Session.

Cavener: Second.

Simison: I have a motion and a second to come out of Executive Session. All in favor signify by saying aye. Opposed nay. The ayes have it and we are out of Executive Session.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

Simison: Do I have a motion to adjourn?

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: I move that we adjourn the meeting.

Cavener: Second.

Simison: I have a motion and a second to adjourn the meeting. All in favor signify by saying aye. Opposed nay. The ayes have it. We are adjourned.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

MEETING ADJOURNED AT 6:04 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT SIMISON

DATE APPROVED

ATTEST:

CHRIS JOHNSON - CITY CLERK