

A Meeting of the Meridian City Council was called to order at 4:33 p.m., Tuesday, August 4, 2020, by Mayor Robert Simison.

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

Also present: Chris Johnson, Bill Nary, Shaun Harper, Joe Bongiorno and Dean Willis.

Item 1: Roll-call Attendance:

<input checked="" type="checkbox"/> Liz Strader	<input checked="" type="checkbox"/> Joe Borton
<input checked="" type="checkbox"/> Brad Hoaglun	<input checked="" type="checkbox"/> Treg Bernt
<input checked="" type="checkbox"/> Jessica Perreault	<input checked="" type="checkbox"/> Luke Cavener
<input checked="" type="checkbox"/> Mayor Robert E. Simison	

Simison: Council, I will call this meeting to order. For the record is Tuesday, August 4th, 2020, at 4:33 p.m. We will begin this meeting with roll call attendance.

Item 2: Adoption of Agenda

Simison: Next item is the adoption of the agenda.

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: I move -- I move that we adopt the agenda as published.

Cavener: Second.

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

MOTION CARRIED: FIVE AYES. ONE ABSENT.

Item 3: Consent Agenda [Action Item]

- 1. Approve Minutes of July 21, 2020 City Council Work Session**
- 2. Approve Minutes of July 21, 2020 City Council Regular Meeting**
- 3. Creason Creek Subdivision No. 2 Sanitary Sewer Easement No. 1**

- 4. Final Order for Sky Mesa No. 4 (H-2020-0063) by Sky Mesa East, LLC, Located at the Northwest Corner and the Southwest Corner of S. Eagle Rd. and E. Taconic Dr.**
- 5. Final Order for Whitecliffe Estates No. 2 (H-2020-0070) by 943 W. McMillan Road, LLC, Located at 943 W. McMillan Rd.**
- 6. Findings of Fact, Conclusions of Law for Brody Square (H-2020-0032) by Pinnacle Land Development, LLC, Located on the Northeast and Southeast Corners of N. Black Cat Rd. and W. Daphne St.**
- 7. Findings of Fact, Conclusions of Law for Chukar Ridge (H-2020-0025) by Investment Analytics Group, Located at 4005 N. McDermott Rd.**
- 8. Findings of Fact, Conclusions of Law for Lupine Cove (H-2019-0133) by Penelope Constantikes, Riley Planning Services, Located at 4000 N. McDermott Rd.**
- 9. Development Agreement between the City of Meridian and Donald Cantrell (Owner) and HHS Construction, LLC (Developer) for Sky Mesa Highlands (H-2019-0123)**
- 10. Agreement for Use of Sheriff's Community Service Participants Between the Ada County, the Ada County Sheriff's Office, and the City of Meridian**
- 11. First Addendum for an Additional Term of Years to Interagency Governmental Agreement Between Ada County Highway District and the City of Meridian for Waiver of Costs and Fees**
- 12. AP Invoices for Payment - 08-05-20 - \$110,491.65**

Simison: Item number -- the next item is the Consent Agenda.

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: I move that we approve the Consent Agenda, for the Mayor to sign and for the Clerk to attest.

Cavener: Second.

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

MOTION CARRIED: ALL AYES.

Item 4: Items Moved From The Consent Agenda [Action Item]

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

Item 5: COMMUNITY PRESENTATIONS [Action Item]

13. Western Ada Recreation District Discussion

Simison: So, we will move on to Community Presentations, Item 13, the Western Ada Recreation District discussion and I will turn this over to Mr. Wardle.

Wardle: Thank you, Mr. Mayor, Members of the Council. I have got my proper distance here. Thanks for having me today. I'm here on behalf of the Western Ada Recreation District. I'm the chairman of that organization. Have two other commissioners who are elected officials, Tyler Rountree and Heath VanPatten. I would like to acknowledge in the audience Charlie Rountree, which was a commissioner and the chairman of that organization for over 20 years. So, thanks for being here, Charlie. Western Recreation District was formed in 1971 to build the community pool and -- and accomplish that which is in Storey Park. So, it was -- that was its original intent and -- and back then Meridian was a much smaller community than it is today. I'm going to give you a little bit of history just because that's one of the big questions is who is the Western Ada Recreation District. So -- so, we built that pool. The city had a very small parks department at that time and so Western Ada Recreation District sort of functioned as -- as part of the city parks department and acquired Fuller Park, which was on -- which is still on Ten Mile and was actually outside of the city limits and that was -- the Meridian Little League Park was built by -- by dads and older brothers and community involvement and today continues to serve the little league community, as well as the rest of the community. The city and the Western Ada Recreation District have been talking about Fuller Park -- began having some conversations about -- Meridian is a very different community than it was. The Western Ada Recreation District essentially encompasses the entire community of Meridian and -- and the Western Ada Rec District Board started talking about, you know, whether -- whether there was a -- a potential duplication of services and whether -- whether the city could -- could -- could function better in that park and so we actually created a partnership and -- by which the city managed Fuller Park. We made capital improvements to that -- to that asset and after one year of management the city actually took ownership of -- of the park. As a result of that the Western Ada Recreation District lowered its -- its taxable rate to match, essentially, what we were -- we were operating with that park and so that was a commitment that we made on behalf of the -- the community, as well as -- as the city. So, in 2016 the Western Ada Recreation District spent about three million dollars renovating our pool asset and -- and, you know, made a great improvement out there and

-- and that asset functions very well in the community. So, what brings us here today. So -- so, after the election the Mayor and I began a discussion about what is the future of the Western Ada Recreation District; right? So, what -- what are our future goals. We had transferred an asset to the city and we had expressed an interest in the future about -- talking about the pool. These are not new conversations, but we wanted to say, okay, well, how do we best use our resources and so we began talking about what happens in other communities and in -- in other communities around the state and around the country, frankly, typically a golf course will create excess capital funds; right? So, it will -- it will operate and the revenues will exceed the expenses for that particular asset and, in addition to that typically, we see the aquatics assets exactly reverse of that. So, the revenues typically don't cover the expenses for those communities. In this particular case the -- the Meridian community pool actually has revenues -- program revenues which pay beyond what our expenses are. But it doesn't necessarily cash flow capital improvements and so we began the discussion if -- if in a typical community a golf course can -- can augment some of those aquatics kind of activities then -- then it evens things out on the tax basis and so the Western Ada Recreation District began negotiation with Lakeview investors, which is the operator of the Lakeview Golf Course. And a little bit about that. The original lease with -- with Cherry Lane Recreation was renewed in 1999 and just a little history of the golf course. I know a lot of people have some history, but that was -- that was built by the original operator and -- and had a long-term lease in place, again, which renewed in 1999. The city didn't expend capital funds towards the improvements on the golf course, that was -- that was the operator themselves that -- that put that in and the original developers of the course. In 2005 the -- the lease was transferred to Lakeview investors with all of the assets in place and -- and that is the current operator that we are negotiating with. So, the highlights of the purchase agreement for the Western Ada Recreation District are the purchase of all of the assets, including the clubhouse, and just for the current -- the current operator owns the clubhouse, they own all of the machinery, all of the carts and the liquor license and so all of that is -- is contemplated to be part of the purchase and sale agreement negotiated by Western Ada Rec, as well as the lease -- purchasing the lease asset. Our anticipation is closing on October 8th. That agreement is contingent upon a management agreement with the city which brings us here today. So, our proposal -- our proposal is this -- is that -- and we have worked with the Parks Department and the legal -- and the Legal Department and that's why we are here today to talk about the management agreement. Western Ada Recreation District anticipates to -- to close on the property and then -- and, then, bring the city in to manage this particular asset. One of our commitments to that is to spend 60,000 dollars on a master plan. In working with the Parks Department they need an irrigation audit. There are some water rights issues and there are some things that need cleaned up and so Western Ada Recreation District will consider spending 60,000 dollars on that master plan, which -- which will be -- and I have talked to the Parks Department -- a -- a very public -- have a lot of public involvement in that process. I'm just going to hit a couple more highlights on the -- on the management agreement. The terms of the agreement are three years. Again, master plan and, then, the city will be in charge of maintenance and operation of the facility. It is our anticipation that -- that after that period of time -- so, just to back up one more real quickly. Within the state statute recreation districts have the authority specifically to be in the aquatics business, which we are. They also have the statutory

authority to be in the golf business, which is where this would fall under. Our proposal to the city, again, much like the Fuller Park, is that Western Ada Recreation District can spend its capital funds on assets which are owned, which -- which they are involved in. It's our anticipation that we -- that we would make this purchase. The city would manage the asset for us. The city would, then, take over management of the aquatics asset in the future and that eventually the Western Ada Recreation District would transfer those assets to the City of Meridian and get out of the taxing business. So, that is -- that is the overall strategy and plan and I have hit the highlights on our management agreement. Just a couple timelines. I'm here today in front of you to answer questions to talk officially about this management agreement. We have a meeting on Thursday at 12:00 o'clock. The item on the agenda is the purchase and sale agreement, so it could be considered there, along with our next year's budget, which has the total amount for the purchase and sale in there. So, it could be authorized Thursday. If -- if that doesn't happen this week, we would hold a special meeting, again, which would all be public meetings. So, nothing has been decided either on the city side or Western Ada Recreation District's behalf. And with that I would -- Bill, did I cover all the highlights for the management agreement? Stand for any questions.

Simison: Thank you, Shaun. Council, do you have any questions for Mr. Wardle?

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: So, what you are saying, Shaun -- thank you for the presentation, by the way. Well done. Appreciate you being here. So, what you are saying is after -- so, you would take control of the golf course -- whatever that date was in October and, then, we would sign a management agreement that would last for three years and what would happen at the end of that three years?

Wardle: So, that's -- that's what we are -- we are anticipating that at the end of three years we would transfer the asset to the City of Meridian. So, the agreement reads that we hold possession of the asset -- we are in control of the -- the liquor license, but to have an operator that's operating it on our behalf. So, our anticipation that along with -- again, along with the aquatic asset, the Meridian community pool, that we would -- we would transfer all those -- all of our holdings to the City of Meridian.

Cavener: Mr. Mayor?

Hoaglund: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Question for Mr. Nary or Mr. Wardle. Is there an ability to either extend that timeline out further if needed or to accelerate it faster if desired?

Nary: I can start that I guess. It -- it can be altered. I think -- there has been conversation with Council for WARD maybe not wanting to have that option, but I think we still have had that discussion that that can happen, but it really is sort of WARD's timing.

Wardle: So, from Western Ada Recreation -- from our perspective the answer is yes. We -- again, it's our anticipation -- we have funds that we have collected, tax funds, which have to -- you know, which we understand have to be spent on our assets, either the pool or this -- or this new asset and once -- and once those are -- those funds have been expended and we are no longer taxing them, we would -- we would want to move that up, if possible.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: Mr. Mayor, Shaun, I just want to be certain we are all on the same page, you know, and that the question was about the -- the assets being transferred and you said all of the assets will be transferred and I think a lot of people were thinking golf course. In the three -- in three years. Where does the pool fall in that timeline? Is that also three years?

Wardle: So, to answer that specific question, the pool is -- is not part of this -- this management agreement. That would be a separate agreement that we would enter into and in -- in talking with the Parks Department this is really a -- sort of two step process. They want it to be -- they want to -- to operate the golf course in such a manner that -- that enhances the neighborhood, enhances the community, and -- and -- and really becomes a great place to be and so they didn't want to be focused on also having to -- to pick up the pool asset. We are managing that efficiently at the time being and -- and anticipate we could do that for another -- another three years. I would say that a likely timeline would be that we would have another full pool season and, then, we could start talking about -- about transferring the asset or at least managing.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Maybe just a clarification or just taking a step back. You know, for people that are watching this kind of out of nowhere that the city -- and maybe if Mr. Nary or even Mr. Wardle wants to just explain the background that the city already owns the land that the golf course is on and so, you know, it sounds like to sort of operate it to its best and highest use and make the appropriate investments that are needed for it that this would make sense at some point and that we could be the management company. So, maybe just a little background might be helpful for people that -- we are already in the golf business, because we already own this property.

Wardle: Yeah. So, just to back up a little further. The city does own on the -- the ground, essentially. The operating entity does own all of the improvements, including the building, and so I know that's not a typical thing that you see in real estate. This -- this particular transaction would -- would clean all of that up, meaning that all of the assets are now owned by a public entity. One of the other things that I can say -- and I have been involved in this for a long time -- is there is always -- there is -- I shouldn't say always. There has been significant pushback, both from elected officials and some of the rest of the community, to use public dollars on a -- an asset that's managed by a private entity that's a for profit entity and so this -- this transaction actually brings everything back into the public realm with -- with those public dollars.

Simison: Shaun -- and I just want to first start by saying thank you. I know this has been a lot of work since our first conversation and I know you have taken it very seriously and I appreciate Erik -- working with Erik in this as well, because these are community assets, whether it's the golf course, the -- the things on it, the pool and having a long term sustainable plan that makes sense for the community that allows public investment and upkeep and operations in a meaningful way, so that there is not these challenges about who is responsible for what. It really cleans up the underlying issues that -- that would continue to exist under the current scenario and allows the city to, you know, invest in an important community asset for our -- our community. I know there is always concerns about the costs of what this is, but we currently are in the business of things that don't make money. Parks don't make money and we have those. You know, you do have certain parts of parks that you see a return on your investment in terms of -- never fully, but, you know, you at least cover your operational costs when it comes to, you know, renting out shelters and having them taken care of, you know. So, that's -- that's what this is. But the underlying -- underlying ground of a park you never recover the cost of upkeep and maintenance, long term, you know, fixes that need to occur through your fees, whether that's a HomeCourt building or anything else. So, we need to be in -- making sure that these are amenities that have a long term value to, you know, the neighbors, to the communities that use them and to the taxpayers who pay for them. So, thank you for all your work in getting us to this point.

Wardle: Thanks. Thanks for having me.

Simison: Mr. Borton, did you have a question? I see your --

Borton: I do, Mr. Mayor. A question for either Shaun or Bill. Can you just talk briefly about the simultaneous -- the closing of this transaction to occur in early October and confirming that the -- the funding provided for this also provides -- or ensures that the -- all of the assets included in the purchase will become free and clear of any and all encumbrances, so when they are, then, ultimately transferred to the city there is -- we have assurances from day one that there are no liens or -- or other obligations that encumber anything.

Nary: That is part of the agreement to have -- Mr. Mayor, Members of the Council, Council Member Borton, that was anticipated as part of this transaction was that would all be done prior to transfer.

Wardle: So -- so, the -- and one of the -- one of the negotiation points has been the -- the need to -- so, the -- close on the 8th of October and on the 9th the -- the city begins the management contract. Certainly there is preparation prior to that, but that's how the -- the transaction works. I understand that there is a funding mechanism that needs to be in place that is anticipated to happen potentially that Tuesday, which would coincide with -- with the management agreement. Our purchase and sale agreement requires that the -- all assets come to us free -- free and clear and there is actually a guarantee by the operator in that agreement for that to happen, in addition to the title insurance we will be purchasing.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: The follow up on that is at that will -- I don't know who the closing agent is, but will WARD be in receipt of UCC releases and lien waivers and anything and everything under the sun to ensure those proceeds are transferred to any third party creditor at closing, as opposed to provide to a creditor via the seller. Just so there is absolutely no chance for a loose end.

Wardle; Yeah. So -- so, our legal counsel is currently working on all of those exhibit -- exhibits, which are exhibit to the purchase and sale agreement. They are not completed yet, which is why the document is not public yet for our -- our consideration on Thursday. But we will -- we will have all of those in place prior to the board considering -- considering that purchase and sale.

Borton: Okay.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: In terms of process, what are -- what are our next steps, options, decision points for this body?

Simison: Mr. Nary, would you like to speak to that?

Nary: Certainly. Mr. Mayor, Members of Council, so you have on your agenda tonight these agreements that we have worked out with Western Ada. They are listed as an action item. You certainly are able to take action on them now -- this week if you wish. If you would like to delay a week, so you have an opportunity for further review or discussion, I think a week is fine. I don't know if that's -- much further than that I think it

pushes some timelines for Western Ada as well. So, I think we -- we would like to, you know, move this forward. If there is concerns we hopefully can answer them for you. Mr. Baird is on the line as well and he helped craft these with WARD's attorney, so if you have specifics about the agreement itself he could probably answer that, too.

Cavener: Mr. Mayor --

Simison: Mr. Nary, where is this on the agenda?

Cavener: -- I don't see it on the agenda as the next item.

Nary: It's listed on the agenda that I have. We submitted them to the clerk's office and we put them in the --

Simison: Maybe it's just the ones that are put in front of us that we don't have.

Nary: Oh.

Cavener: So, it was community presentation --

Nary: Yeah. The -- the agreements I think are in your packet.

Cavener: Mr. Mayor, they are. I just --

Simison: I would think they would need to be listed as a separate item as an agreement.

Nary: Okay. I apologize, Mr. Mayor. The one I have it was listed as a separate item, so I didn't realize until I saw this Today that they are not. They are the same way.

Cavener: So, Mr. Mayor?

Simison: Councilman Cavener.

Cavener: I appreciate the desire of WARD to try and meet and have this addressed as part of your -- your budget hearing, but I am concerned -- I think this is likely the right decision for our community and something I'm -- I'm conceptually supportive of moving forward. From a process standpoint I would -- would almost want to have this back next week for us as an agenda item with the agreements listed separately. Recognize that that's going to require your body to likely have a special meeting. I apologize for that, but I think that's the appropriate approach.

Wardle: So, if what I'm hearing you say is we need an action item on the agenda which would need to be properly noticed, so -- so, next Tuesday would be the next meeting. So, our process will be -- will look like this -- and we can adjust to that. We were anticipating a potential. So, we will have our -- our -- our meeting on Thursday. It is a -- it is a draft budget hearing. This item is in the budget for -- for next fiscal year, so we will discuss

that item and the public's welcome to attend via Zoom and so we will have that -- we will have that discussion. We do -- we have noticed the purchase and sale agreement, as well as the approval of the management agreement with the city -- so, we will remove consideration of those items and -- and will, essentially, notice -- we will have a special meeting next week after your Tuesday meeting to do that, so -- and we will provide, again, ample notice for -- for the public, anyone that wants to provide input on that.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: I will leave it to you and the Council President and maybe the Council to weigh in on this. While I recognize that the -- the land at which the golf course sits on is a city-owned asset and some of these changes are somewhat administrative, I -- my preference would be that we include some form of a public comment or a public hearing around this to allow our citizens to weigh in on these potential changes.

Simison: Duly noted.

Wardle: Thank you.

Simison: Any final questions from Mr. Wardle at this time?

Wardle: Thank you.

Item 6: EXECUTIVE SESSION

- 14. Per Idaho Code 74-206A(1)(a) To deliberate on a labor contract offer or to formulate a counteroffer, and 74-206(1)(f): To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.**

Simison: All right. Thank you very much. With that we will move on to Item 14.

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: I move that we move into Executive Session per Idaho Code 74-206A(1)(a) and 74-206(1)(f).

Cavener: Second.

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

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

Simison: All ayes. Motion carries.

MOTION CARRIED: ALL AYES.

EXECUTIVE SESSION: (4:57 p.m. to 6:00 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 those in favor signify by saying aye. Opposed nay. The ayes have it.

MOTION CARRIED: ALL AYES.

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. Any discussion on the motion? If not, all those in favor signify by saying aye. Those opposed nay. The ayes have it. We are adjourned.

MOTION CARRIED: ALL AYES.

MEETING ADJOURNED AT 6:01 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT SIMISON

ATTEST:

DATE APPROVED

CHRIS JOHNSON - CITY CLERK