

Western Ada Recreation District
Meeting Minutes

October 22, 2020 Special Business Meeting

In Attendance:

Shaun Wardle, Chairman
Heath Van Patten, Director
Tyler Rountree, Director
Ema Brenneman, Secretary-Treasurer

Other Attendees:

Mark Freeman, Legal Counsel
Matt Bennett, Legal Counsel
Mike Barton, City of Meridian Parks and Recreation Department

The meeting was called to order by Director Wardle at 4:00 pm

Item 1: Approve the Agenda

Director Wardle moved to approve the agenda; Director VanPatten seconded. Director Rountree; no. The agenda was approved.

Item 2: Discussion of Lakeview Golf Course Asset Purchase Agreement with Lakeview Meridian Investors, LLC

Director Wardle discussed the history of discussions regarding WARD and the Lakeview Golf Course with the City and Mayor of Meridian. Director Wardle noted that the City of Meridian owns the land that the golf course sits on and leases it to Lakeview Investors. Director Wardle said that the items in front of WARD are for the purchase of assets for \$1,415,000 with a closing date of November 6, 2020. The City of Meridian operations of the golf course will run concurrent with the closing of the asset purchase. Director Wardle noted that there is also \$60,000 allocated to an irrigation study at the Lakeview Golf Course, and for the record future improvements are needed regarding the irrigation system. Mark Freeman discussed the Asset Purchase Agreement and distinctions between which assets and liabilities WARD would be purchasing and assuming. Mark Freeman also discussed potential agreement breaches, representations and warranties, indemnifications, contingencies, asset schedules and contracts to be assumed by WARD. Mark Freeman noted a date update needed in the Asset Purchase Agreement in section 12.3. Mark noted that this is an agreement to close and there is a due diligence period between board approval and the closing. Mark also discussed the asset schedules, non-capital assets and inventory. Director Rountree inquired with Mark about financial documents, confidentiality, and public records. Director Rountree also inquired about the valuation of the asset(s) and purchasing of inventory at Lakeview Golf Course. Mike Barton from the City of Meridian said that he believed inventory at the golf course is currently low and that the city will do a thorough inventory and would propose a budget amendment to cover those costs. Director Rountree asked about the inventory and golf passes specified in the contract. Director Van Patten also inquired about the specifics of the golf passes included with the agreement.

Item 3: Discussion of Lease and License and Management Agreements between Western Ada Recreation District and the City of Meridian

Director Wardle said the City of Meridian would operate the golf course under the proposed arrangements. The agreement is for three years and the anticipation is that WARD would transfer the assets to the City at the end of the three years. Mike Barton said that the transition brings all the assets into the public realm and that this is a smooth way to do so. Mike also noted the course makes a profit and would be a valuable asset to the community. Mark Freeman noted another date change to be noted on the City of Meridian agreements. Director Rountree clarified that the City of Meridian would cover all costs associated with the course.

Item 4: Reading and Hearing of Public Comment

Director Wardle opened the meeting for public comment, noting that all documents have been available for public inspection via WARD's website and the City of Meridian. Ema noted that no public comment had been submitted. Director Wardle asked if any board members wanted to put in any public comment. Hearing none, Director Wardle moved to item 5.

Item 5: Discussion of Fund Balance Designations and Resolution

Ema discussed the audit and governmental accounting standards requiring WARD to update intended use of funds prior to spending them.

Item 6: Action Items

a) Approval of Fund Balance Annual Resolution – 2020

Ema read the resolution by title.

Director Wardle motioned to approve the Annual Fund Balance Resolution 2020; Director Van Patten seconded. Director Wardle called for a roll call vote. Director Wardle: Director Van Patten: aye, Director Rountree: aye. The resolution was approved unanimously.

Item 7: Action Items

a) Approval of Lakeview Golf Course Asset Purchase and Sale Agreement with Lakeview Meridian Investors, LLC.

b) Approval of Lease and License and Management Agreements between Western Ada Recreation District and the City of Meridian.

- **Assignment of Lease for the Provision of Golf Course Operations at City of Meridian's Lakeview Municipal Golf Course**
- **License and Management Agreement between Western Ada Recreation District and the City of Meridian for Maintenance and Operation of Lakeview Golf Course**

Director Wardle motioned to approve the Lakeview Golf Course Asset Purchase and Sale Agreement With Lakeview investors with the following three clarifications: 1) that the date of October 30th for termination of the contract does not close by be moved to November 16th 2) the closing date to be November 6th 3) that the clarification of the 100 golf passes annually be single use 18 hole golf vouchers;

Director Van Patten asked if WARD wanted to look into an appraisal. Director Wardle clarified if this was for the inventory value or for the golf course overall. Director Wardle asked for a second on the motion to keep the procedure moving forward.

Director Van Patten seconded.

Director Wardle said he was comfortable with the price of the golf course. Director Wardle discussed the assets, cash flow and potential future capital improvements needed on the course. Director Rountree noted that WARD did not have the resources to run the golf course if the City of Meridian were to ever decide not to run the course. Director Wardle asked Mark Freeman about the legal ramifications of a lease default and Mark clarified. Director Wardle asked for other comments regarding the motion.

Director Wardle called for a roll call vote. Director Wardle: aye

Director Van Patten asked for further clarification about the legal ramifications of a lease default and WARD's ability to operate the course.

Director Wardle called for a roll call vote. Director Wardle: aye. Director Van Patten: aye, Director Rountree: no. The motion was approved.

Director Wardle moved to item 7b. Director Wardle noted the date of operation and the date of transfer of the lease need to be moved to November 6, 2020 and initialed by the chairman of WARD.

Director Wardle noted this was his motion (to approve the agreements with the date of operation and the date of transfer of the lease need to be moved to November 6, 2020 and initialed by the chairman of WARD); Director VanPatten seconded.

Director Wardle called for any further discussion. Director Rountree thanked Mike Barton for his work on this matter.

Director Wardle called for a roll call vote. Director Wardle: aye. Director Van Patten: aye, Director Rountree: no. The motion was approved.

Director Wardle discussed any additional needed items from Secretary-Treasurer Ema and Legal Counsel Mark Freeman. Director Wardle asked Mark Freeman to make the changes to the agreements noted above and prepare them for his signature. Director Wardle scheduled the signatures.

Item 8: Miscellaneous

Director Rountree asked about a status update on the status of disposing the vehicle at the pool. Ema said it would be formally presented at the November meeting for board consideration.

Hearing no other business, Director Wardle adjourned the meeting at 5:07 pm

Respectfully submitted,
Ema Brenneman
Secretary Treasurer, Western Ada Recreation District.