

Western Ada Recreation District
Meeting Minutes

May 16, 2018 Regular Business Meeting

In Attendance:

Shaun Wardle, Director
Tyler Rountree, Director
Colin Moss, Director
Carol White, Secretary-Treasurer
Janea Walker, Pool Manager
Rob Cleve, Facilities Manager
Ryan Gratton, Park Staff

Other Attendees:

Rachelle Bird, Killer Whales
Cassie Zattiero, Bailey & Co, CPA's
Mark Freeman, Foley Freeman PLLC
Matt Bennett, Foley Freeman PLLC
Chris and Bill, Streamliners Swim Team

The meeting was called to order by Director Wardle at 12:00pm.

Director Wardle presented an amended agenda, removing an executive session, having been deemed unnecessary and moving Director Wardle's report on his meeting with the City of Meridian to later in the meeting. Director Wardle asked the Secretary Treasurer if she had any further changes. She responded no. Director Moss moved the board accept the agenda as amended. Director Rountree seconded and the motion passed unanimously.

The Secretary Treasurer presented updated financials, calling their attention to some items that had been reclassified after discussion with Facilities Manager, Rob Cleve. Director Moss moved to accept the consent agenda with updated information. Director Rountree seconded the motion and it was passed with a unanimous vote.

Pool Manager's report In the interest of time, the pool manager stated that all was going well with the preparations for the pool opening on June 1 and had provided a written report for the board to review.

Facilities Manager report: The facilities manager also provided a written report, but added the following:

Shade shelter structures have been ordered from KB Fabricators. Ten have been ordered. We can save cost by installing ourselves. These are items that were included in the current year budget. The canvas covers will be ordered from The Cover Shop at an additional cost that will match existing awning canvas. The original budget was \$5k to do the project. Shade is very important for our patrons. Director Moss said he would like to see us purchase as much as possible to meet the need. Director Rountree was

concerned that we would use up the entire budget and not be able to complete the canvas covers without going far over budget. Director Wardle suggested that the purchase be tabled until Rob could email further information to the board regarding the total cost of structures and covers. Director Wardle was also concerned with the budget, but leaned towards moving forward if the board could see those final numbers. Director Moss suggested that Rob also look into what the cost would be to get more structures that could be placed between the kiddie pool and the main pool to provide more shade. Rob said that he would get that information to the board.

The pump project for the pool is 95% done and Rob is still working with them to get it completed.

Update on the Fuller Park Restroom Project. NeuDesgn Architects have provided us with a contract for construction management services, estimating roughly an additional \$4K. Director Wardle reminded that board that legal counsel has advised that this falls below the limit for the state bidding statute and also is a new contract, outside of the original contract for design services.

Director Wardle moved that the board accept the contract with NeuDesign in the amount of \$3,985. Director Moss seconded and the motion passed unanimously.

Demolition is done and they are preparing the put in the new foundation next week, which will be followed by the flatwork. Triple G should be able to dial in a better timeline now that things are underway.

Director Rountree asked if there was any followup on the mortar, water repellent for the brick for the building. Rob said that NeuDesign said sometimes these things just get missed. He felt this was an unsatisfactory answer, but not much we can do but move forward.

half, which seems about the best we can do. We are required to have a service contract and they are the only game in town.

Lots of work at the pool getting things ready for the season. Grounds maintenance is starting and other things like building shelves. Covers have been pulled and we are prepping to get the new thermal covers on. Chemicals and heat will be slowly adjusted so that we are ready to go in May.

Bought a whole season's worth of supplies from Zamzows so that we could get a 30% discount. They don't have a commercial rate so that is the best that we can do.

We are having a hard time finding someone to do fabricating of the shade structures for along the back side of the pool. We finally found a shop, but lead time is long.

The pool accidentally overflowed when H2O came in for season startup, but the problem has been corrected.

Secretary/Treasurer Report: Carol asked if June 21 was ok with everyone for the next monthly meeting and it was agreed that this would work for everyone.

Carol will be attending Budget and Levy Training on May 17th and so the office will be closed.

The Travel Policy and Bounce House Policies have been run by ICRMP and our attorney and modified based on their suggestions.

Director Wardle moved that the board approve the updated district travel policy. Director Moss seconded and the policy was approved with a unanimous vote.

Director Wardle moved that the board accept the updated bounce house users agreement. Director Moss seconded and the policy/agreement was passed unanimously.

The standard fee policy for 2018 was presented for approval.

Director Wardle moved that the board approve the Standard Pricing Resolution for 2018. Director Rountree seconded and the resolution was passed unanimously.

Carol presented a change order from Ewing Company, which would return the excess contingency and reimburseables funds being held by Ewing (\$85,279). Director Wardle signed the change order and said no motion was required to get money back.

The invoice and check for Gingerich Site and Underground was presented for approval in the amount of \$57,596 for the pump project at the pool. This is the final invoice. *Director Wardle moved that the board approve the payment of the invoice. Director Moss seconded the motion and it was pass unanimously.*

There has been a request by a group that live in the Parkcreek neighborhood wanting to play nighttime Frisbee golf in the park after the normal closure time (dusk) of the park. They will be their own equipment. There is concern over liability. This is just a group that wants to use the park. The board said that the policy is that the park closes at dusk and that to make exceptions would lead to future problems. Carol said that she would let the group know that this would not be permitted.

Streamliners Proposal for Pool Enclosure: Chris said that this was not a formal proposal. The team, Streamliners has a long relationship with the Meridian Pool and is currently practicing at various locations in the area, including the Meridian Pool. Director Wardle said that the board had questions based on discussion at a previous meeting about the cost and feasibility of covering our pool for year round use. Since Streamliners brought the issue to WARD, the board asked that they bring us additional information including cost to cover the pool, expected utilization, etc. This is just a fact finding meeting.

Chris said the easy part is utilization. This would provide year round use and distribute fixed costs across the year instead of just the current three months of summer. There would be additional operating costs but hopefully the pool and the building would be utilized year round. High school swimming has been sanctioned by the state of Idaho and there is a lot of growth in the sport. Right now, the only place in the valley that can hold a meet is the west Y. There is very limited space valley wide for practice.

Chris said that Cascade would be a good pool to look at that has put in a bubble covering on their pool. They did this two years ago for a cost of approximately \$72k as part of the pool construction plan. This is a bubble that would be removed in the summer. It requires several volunteers/workers and offsite storage during the months that it is not in use. There are no slide or diving boards as impediments with the Cascade pool. The manufacture of that bubble said that the Meridian Pool would require a similarly sized bubble. However, the Meridian Pool does have slides and diving boards that would need to be removed annually. Chris didn't know what the costs of making these accommodations would be. There are also ADA issues for clearance around the pool. The bubble also may be affected by weather conditions like wind and snow. Expected life for the bubble cover would be in the 5 – 7 years range before repairs would be needed. Blowers would be needed to keep the bubble expanded and heated.

Director Moss asked if there was any possibility that it could be attached to the building? Chris said that the humidity from the pool could be pushed back inside the building by the pressurization of the bubble, so probably not an option here. Other structural options are available such as an architectural membrane, which fits over an aluminum structure. This is about 8 times more expensive. To do our pool would be roughly \$35 per square foot. The aluminum structure alone for our facility would be \$380k – \$400k plus the cost of \$100k in site prep and then cost for the cover. This would be “semi-permanent”. This would be able to accommodate the slides and diving boards.

Director Wardle said that his thought was that if we would do a bubble for under \$100k, it was probably something that could be planned for a future budget. If it is closer to \$500k, then this would require multiple years to save up for this item. Director Moss said that a structure that would last longer might be worth looking into. Director Wardle asked if there were multiple bubble manufacturers? Chris said yes, he was presenting info based on Cascade's research and the company they used. Director Wardle said that the next step for the district would probably be to engage a design professional and see what is feasible for us. Based on the anticipated cost of this project, it would require that the project be bid according to statute. We can probably engage someone here locally that could provide those services below the \$25k limit of the statute for professional service. Director Wardle said that he thought we needed a mechanical engineer to provide these services as opposed to an architect to give us an idea of feasibility and cost for such a project. He would be willing to make room in our current year budget to explore this idea.

Chris said that Streamliners would be interested in partnering with WARD to get this done and see what other groups might be interested in joining in. Chris said that ordering for a bubble is a 6 month ordering time. Director Wardle said that this would not fit into the current budget cycle so the earliest we would have funds available would be October of this year when the new budget cycle begins. Chris asked what if funds come from outside the district? Director Wardle said that it could be begin when those funds were available to the district.

The board thanked Chris for coming to the board with the information

Presentation of annual financials and audit findings by Bailey & Co. Cassie Zattiero from Bailey & Co went over the financial reports and audit findings for fiscal year 2017. The district was given a clean

opinion for the year. A single audit finding, that the budget had been amended after the end of the fiscal year. Director Wardle asked if the district's method of taking depreciation based on useful life was acceptable and Cassie responded that yes, GAAP allowed useful life as reasonable determined to be perfectly acceptable.

Director Moss moved to accept the financial statements as prepared by Bailey & Associates for fiscal year 2017. Director Rountree seconded. The board voted unanimously to accept the FY 2017 financial statements.

Director Wardle reported on his meeting with the City of Meridian regarding their interest in acquiring the facilities and operations of WARD. Legal counsel (Mark Freeman and Matt Bennett) has been consulted and are present for the meeting to discuss options for WARD. While this remains an open meeting, staff has been excused for the remainder of the meeting.

The city is interested in discussing the acquisition of the WARD's assets. The board has asked Mark Freeman to give them an idea of what that might look like and how it might occur. There are lots of public meetings and other things that need to happen so this discussion is just to see what might even be possible.

Mark Freeman said that he had Matt Bennet research things. He provided handouts to the board. Starting with Item # 3 on the handouts. "Whether the District can maintain its property and have the City operate it." Matt Bennett said that part of the problem is that the statutes in question are very old, mostly written in the 70's without a lot of amendment and so the short answer is probably. Just looking at the plain language of the statute, the District is able to execute contracts that it believes are reasonable or necessary, including the ability to lease out facilities and properties. Sub-section H of statute 31-4317 allows the District to enter into joint ventures or agreements with other entities. So under these statute, WARD could maintain ownership and existence while having the properties managed by other entities.

Item #2, "Whether the District can transfer its property to another governmental entity". That is a yes, but there are some concerns with it. The powers that the District has is to hold, use, manage, possess, and sell or convey property so under guidelines of the statute, the board could sell or convey the property to the City. However, the statute requires that this transfer be necessary or convenient and would require a resolution by the board stating why the transfer is occurring and why it would be necessary or convenient. This option is not without risk. WARD's district boundaries encompass more than the City of Meridian and the tax dollars of people outside of the City of Meridian paid for the facilities. So by conveying the property to the City of Meridian, the facilities would become the property of something these tax payers are not part of. This has never been litigated, so if it was litigated, the District would be the first and there is no case law to look at in the issue.

A transfer without consideration may be possible but the statute is silent on this. Other districts, such as fire districts have this stated in their statute, but it is not in the statute for recreation districts.

A concern of this would be whether non-City residents who were still in the district might be impacted or excluded under City ownership of the facilities, such as having to pay non-resident fees or priority being given to City residents. Director Moss asked if there was a way to write language into the purchase and sale that would preclude the City from charging non-resident fees or excluding non-residents from use. Mark said that there would be a possibility, if the City is able to engage in such a contract, to write in that language for the existing properties if they were to transfer. Matt said that this would need to be written into the deed for enforcement to occur should WARD dissolve.

Item #1 – Dissolution. The question of whether WARD could transfer assets and then file a zero budget for three years, then dissolve. This option is only allowed for newly created districts that never entered operations and ran a budget. This option would not work for WARD. The procedure for dissolution that would be used by WARD would require a public vote.

(Aside note: the process for dissolution is for a member or members of the electorate of the District to submit a petition for dissolution, having collected signatures constituting 20% or more of the valid electors of the district, requesting that it be up for vote at the next election date. Once on the ballot, this would need to pass with a 2/3 vote.)

Should the vote pass by the required majority, the property would transfer to the County. If the County wants the property, it is theirs to dispose of at that point. Potentially, if the County is interested in the property, they might be an interested party that would object to a transfer of assets directly between WARD and the City of Meridian as an attempt to dissolve without following the dissolution process properly.

If the ultimate goal is to remove an additional layer of taxation, who could argue with that? Another way to address this might be legislatively to have the statute amended so that the three year process could be used for existing districts so that assets could be transferred and a zero budget filed. This is a long process as well.

It appears that the District definitely has the ability to allow the City to contractually operate things, but then what is the purpose of the board?

These are the opinions of our legal counsel, but others might have a different opinion. The District is constrained by the statutes as currently written.

The board agreed that there doesn't look like a very easy or short solution at this time. The long solution would be legislative to get the statute change. Director Wardle thanked Mark and Matt for all the information.

Director Rountree asked what is the ultimate goal that would be achieved by this transfer? Director Wardle said that his ultimate goal would be to remove that extra layer of taxation. People in the district are receiving similar services from the City. In his opinion, there was a time that WARD made sense, but he thinks that time has passed. Since WARD was created, we have fulfilled our mission and the District is sitting on great facilities and assets, in the form of the new pool and the park.

Director Moss said that if we go through the process of transferring assets without knowing what that would bring, whether we dissolved, wouldn't this accomplish the same thing? It is just nerve racking without knowing what might bounce back on the District if we didn't formally dissolve.

Mark responded that if the district has the ability to transfer without consideration or "gift" there is always the taxpayer to consider and the perception of the giving of taxpayer paid assets to another entity. That is where appropriate language would be needed to protect their rights to use the facilities.

Director Rountree said that he understood that the transfer could take place and that WARD could reduce its tax income, in essence eliminating that extra level of taxation, but then the City would have to find a way to recoup its additional outlay for operations. Matt says that the City is allowed to operate and tax for the purpose of operating recreational facilities and the statute has guidelines for how much they can tax for those purposes. Director Rountree compared it to fire districts which are managed by the City and the fire district transfers funds to the City monthly. He would not like to see that role for WARD, but rather that WARD would reduce its budget and the double taxation would go away as the City incorporated operations into their own budget and operations.

There was discussion of what the board would look like at this point and what their purpose would be, meetings, etc. If the entire board resigned, what then? Would there be need of a secretary/treasurer?

No conclusions were reached as this conversation was for the purpose of fact finding.

Director Wardle concluded by saying that the City would like to send representatives from the Parks Department out to look at Fuller Park. We will then explore further based on their interest.

No miscellaneous items.

Hearing no other business, Director Wardle adjourned the meeting at 1:45pm

Respectfully submitted,

Carol White
Secretary Treasurer
Western Ada Recreation District.

