

MINUTES
SPECIAL BOARD MEETING
WESTERN ELMORE COUNTY RECREATION DISTRICT (WECRD)
and City of Mountain Home, City Council
245 East 6th South, Mountain Home, ID 83647
February 19, 2018 at 5:30PM

I. CALL MEETING TO ORDER/ ESTABLISH QUORUM

Mayor Rich Sykes called the meeting to order at 5:33PM. A quorum was established with two Directors present for the WECRD and all City Council members present. City Clerk Nina Patterson called roll for the City of Mountain Home City Council, and a quorum was established for both the WECRD and the City Council.

The following individuals were present:

WECRD:

President: Dan Gillies

Vice-president: Lee Pierce

Legal: Philip Miller

Administrator: Tarl Smith (Arrived at 5:55PM)

City of Mountain Home:

Mayor: Rich Sykes

City Council: Mark Bryant

City Council: Daniel Brennan

City Council: Jimmy Schipani

City Council: Matt Bundy

City Clerk: Nina Patterson

City Treasurer: Paula Szafranski

Legal: Jay Friedly

II. RAILROAD PARK & DUGOUTS

Mayor Sykes stated that the City of Mountain Home's purpose for the meeting was to discuss Railroad Park and the associated amenities and the Minor Field Dugouts. Director Lee Pierce stated that at present, there is no formal agreement between the WECRD and the City and there are upcoming events such as the Farmers Market and there will be a need to maintain the grass and other amenities of the Park. Director Pierce stated that the WECRD wants to maintain public access and does not want to move any of the existing items in the park, such as the train caboose, benches or tables, which belong to the City. He discussed selling the park or the possibility of an exchange or no cost lease.

Mayor Sykes asked if Councilman Bundy had any information regarding the Urban Renewal Agency's (URA) plans for the DOWntown Project and the park. Councilman Bundy stated that the URAs discussions have been in Executive Session and he could not speak publicly about that.

Mayor Sykes stated that he understood that the WECRD had restrictions, such as not being able to 'gift' anything, with the injunction in place and asked if the WECRD had to also maintain the park. He also asked if the WECRD was planning on putting the park up for auction.

Director Gillies stated that it had not been discussed, but had been mentioned. Mayor Sykes stated that the City is thinking about upcoming maintenance and does want it well maintained and that water, power, grass and other concerns will need to be addressed. He asked about the City giving the WECRD water meters, which cost \$400.00 each, if the WECRD does have to put them in.

Director Pierce stated that he was thinking of creating an LOU with the City which will have less restrictions than the previous agreement with the Union Pacific. Mayor Sykes stated that if the WECRD is thinking of selling the park, he would not be opposed to putting in a bid for the park, as it fits in with the downtown master plan for the City. He stated that if the WECRD wanted to attend the upcoming meeting for the downtown master plan, Railroad Park figures heavily into that plan. He further stated that for the rest of the year, an MOU or LOU would need to be agreed upon to allow for maintenance, such as fertilizer. Councilman Bryant stated that he was under the impression that the law would not allow for gifts to be given.

Phil Miller stated that as long as the WECRD was not gifting anything to the City of Mountain Home, the WECRD and the City are within the law and that it is possible to create an MOU that would pass the scrutiny of the court. Jay Friedly, legal counsel for the City agreed with that statement and stated that the functions of both entities are similar and that an agreement could be entered into.

Councilman Bryant stated that Railroad Park is an asset to the community and he would not want the park to be sold to a commercial entity and lose the public access. For that reason it should stay in the hands of the WECRD or the City.

Mayor Sykes asked if the WECRD could even sell the park, stating that it must be put up for auction. Councilman Schipani stated that is correct because the WECRD is a public entity.

Director Gillies stated that the WECRD needs to talk to the Urban Renewal Agency, but haven't heard any new information from them. Director Pierce stated that the WECRD would like to sell the park before having to put any funds into it and that Urban Renewal asked for a 120 day extension to consider purchasing Railroad Park. When asked if the property must be auctioned, Phil Miller stated that he is not sure, but presumes it must be either auctioned or sold at fair market value.

Councilman Schipani stated that he would be inclined to enter into a lease agreement with the WECRD for Railroad Park, for the maintenance of the park to maintain the property, to make the best use of taxpayer dollars and to maintain a clear partnership with the WECRD.

Lee Pierce stated that a lease until next year when the WECRD could sell or auction the property with stipulations that it stay a park would be favorable for all.

Mayor Sykes asked how the WECRD would like to detail the cost of services that are performed to maintain Railroad Park. Director Pierce stated that it would be much like the previous lease, with the City maintaining responsibility for maintenance and fees. When asked about cost for leasing the park, Director Gillies stated that he was not sure if there would be a cost or how much. Phil Miller stated that he would have to research that to see how it would impact the WECRD to allow other entities to use WECRD property with no cost. Mark Bryant asked if the WECRD would consider trading the maintenance cost for the lease costs.

Councilman Brennan stated that the lease would need to be done in a timely manner so as to not hinder the plans for the downtown project. He suggested that the long-term lease be done now, with a clause in the lease that it could be changed if there is a sale to URA or the City.

Phil Miller asked how the URA would fit into the lease and Mayor Sykes stated that if a stipulation was put into the lease, then the WECRD could move forward with a sale to the URA.

Councilman Brennan asked if the City could do a lease-to-own. This is most likely not a possibility.

Councilman Schipani stated that he would not like to involve another taxing agency and a 99 year lease would be favorable. He suggested that if the WECRD wanted to change the lease, then the City and the WECRD could meet and reconsider the terms. Director Pierce stated that an extended lease keeps the property in the hands of the WECRD and does not allow the recovery of any of the funds spent on the property. Mr. Schipani stated that the money coming out of URA funds would potentially hinder the downtown project. He also suggested a property swap for another piece of City property. Mayor Sykes stated as he understands it, that if the WECRD does have to auction the property off, there is a possibility of taking a loss. He further stated that the City is here to help and also offered to exchange a piece of property if the WECRD desired that.

Mayor Sykes stated that the City received a letter from C-2 Construction and Mitch Egusquiza Law about the dugouts. The City is putting roofs on the Minor Field Dugouts and getting them ready for the upcoming softball season, with the Parks and Recreation department taking the lead. Mayor Sykes asked if it was in fact a lawsuit. Phil Miller stated that the letter received from C-2 Construction and Mitchell Esquiza Law is a demand letter. Phil Miller read a portion of the judge's decision and stated that the injunction states that the WECRD cannot pay the invoice to C-2 Construction.

Councilman Mark Bryant asked if the MOU could be changed, since the judge's decision was based on it. Mr. Miller stated that it would have to be a joint facility, meaning that the District and the City would have to jointly own and operate the facility.

Mayor Sykes suggested that the WECRD enter into a lease of the property from the City and that as long as it is open to the public, the School District would most likely be agreeable.

Councilman Bundy state that he has a hard time seeing how something that was entered into prior to the ruling is affected by the ruling, as a concept of law. Phil Miller stated that from the judge's decision, the WECRD entered into the agreement in opposition to the existing Idaho statutes. Mr. Bundy stated that the agreement was deemed illegal, as the statute was interpreted and a decision made, after the fact.

Mayor Sykes asked if the expenses that the WECRD had previously incurred needed to be paid back. Mr. Miller stated that he did not know and that it has not come up yet.

Councilman Mark Bryant asked about appealing the decision. Phil Miller stated that the appeal has already been dismissed with prejudice. Mr. Bryant suggested that the MOU could be changed.

Mayor Sykes stated that the bill that was received could be much larger if the a court case ensues. He also stated that he does not know if the bill should be split or how that should be paid.

Mayor Sykes asked the City Council members if they had any other input on the Dugouts. Mark Bryant stated that changing the MOU to some kind of a joint facility.

Jay Friedly stated that there is some argument that a lease could be entered into and that would be acceptable. Phil Miller stated the building of the dugouts constituted a gift and there must be joint ownership and management. Mayor Sykes asked if the WECRD board would be comfortable with that.

Phil Miller stated that the demand letters had a 14 day deadline and that although he asked for time to have the meeting, a complaint could be filed soon.

Mayor Sykes stated that he will speak to the School District concerning joint ownership with the WECRD and will finish the dugouts with City funds, in time for the softball season starting this week.

Jay Friedly stated that the City Council and WECRD Directors could have a meeting and discuss options in an executive session. The Executive Session will happen at the WECRD during the Regular Board Meeting on Wednesday, February 28, 2018 at 6:00PM.

Mayor Sykes stated that it would be a shame if the future WECRD facility would not be able to be staffed and recreational programs run by City employees. Jay Friedly stated that as long as it was a facility owned by the WECRD and run as a joint facility, it should be allowed.

Mark Bryant suggested the former Paul's building as a possible WECRD facility. Addressing concerns about the size, Mayor Sykes stated that it is approximately 27,000 square feet.

Director Pierce asked if the City needed anything more to help complete the Dugouts and Mayor Sykes stated that it should be done soon, but appreciated the offer.

III. ADJOURN

Mayor Rich Sykes adjourned the meeting at 6:22PM

Submitted by:

Tarl Smith, Administrator

Date

APPROVED: as written as amended

Dan Gillies, President

Date