Official Proceedings of the Stutsman County Park Board – January 3, 2020

At 9:00 a.m., Chairman Klose called a special meeting of the Stutsman County Park Board to order. Dennis Ova, Ramone Gumke, David Schwartz, Steven Cichos, Mark Klose, Jason Houge and Joan Morris answered the roll call.

Chairman Klose opened the meeting for discussion and questions of the concessionaire bid at Pelican Point. Tom Schultz indicated that he had prepared two contracts based on the discussions of the last meeting. Option #1 is the original 10-year proposal. Option #2 is the longer 15-year contract with Schultz taking over majority of the pumping operations.

Klose had questions regarding septic tank replacements and whether Schultz would take care of the septic systems. Schultz indicated he would. Schultz understands that any land improvement requests would have to go through the Stutsman County Park Board for approval. He also discussed projects/improvements that he would like to make including septic tanks, camping pads, tree removal for a new dock area, etc.

Park Board Member Houge questioned if Schultz would move the cabins back that were moved this Fall. Schultz would expect the County to move them back as he doesn't want to damage the County's buildings. He would gladly help move them back.

From Park Board Member Morris's reading of the contract, it's her understanding that minor maintenance items would be paid by the concessionaire and larger items would be the County's responsibility. Schultz indicated an example of the minor maintenance items he would take care of are benches that are falling apart, painting, etc. An example of a larger item would be roof replacements. Schultz is willing to help with the labor portion of the larger maintenance items but not for the materials because he doesn't own the buildings/property.

Morris stated her concerns and an issue regarding subsidizing operations. Morris doesn't feel that the contracts, as written, provide enough revenue to the County to replace large maintenance items. Houge believes the cost savings the County will have from not pumping will allow the County to have money to complete these large maintenance items.

Discussion was held regarding dollar amounts, savings and spending. Houge believes the County will be in a better position now then we were before. Morris doesn't think Stutsman County should enter into a 10-year or 15-year contract.

Schultz stated if something large would need fixing, such as a roof replacement, the County could have coverage from their insurance company. Losses that Commissioner Cichos is worried about are the bathhouse, picnic shelter, etc. that need major repairs and are expenses that will need to be absorbed by the County.

Commissioner Schwartz prefers the contract where the County is more or less out of the picture and we wouldn't have to do the pumping. This would allow more time to budget for a pump truck, if the current one goes down. The contract would eliminate labor time and expenses for the County that would offset

the other costs we would have. This would also benefit the County, since the Park Department is shorthanded.

Morris indicated she did some conservative type calculations on revenue and estimated the 10-year contract is close to 1 million dollars in revenue and the 15-year contract is close to 1.5 million dollars in revenue. Morris is wondering if there are other folks out there that assumed, like she did, that the County was looking for a 1 -year contract to bridge the County until we owned the land. Morris would personally feel better if we re-bid the concession contract to see if other folks are interested.

Schwartz stated that once something goes to bid and the bid process is closed and bids are publicly opened, we can't legally re-bid unless we change the scope. We would be advertising the price that someone else has already submitted in a closed bid process. Morris believes the whole scope has changed from a 1-year type of contract and morphed into a 10-year or 15-year commitment. Klose asked Auditor/COO Meland if the solicitation of bids was advertised as a 1-year contract and Meland indicated it wasn't. Houge stated, the only reason we offered a 1-year contract with the previous concessionaires was to see if we could get along because there was so much tension and backstabbing.

A member of the public wanted to clarify the comment regarding conflict with the previous concessionaires. Klose limited the discussion to Park Board Members only.

Morris had an issue with an option in the contract regarding possible conversion of all sites to seasonal camping. Klose asked Schultz if we are required as part of the land transfer to maintain the 14-day limit, would it affect his decision on entering into the contract. Schultz said he can change some of the verbiage and his intention was not to convert all sites to seasonal camping.

Morris also had an issue with the termination clause. She feels like it's one-sided and would like to review it some more. Morris would like the same termination clause on both sides.

The other issue that concerned Morris was the verbiage regarding the Park Board being responsible for providing the picnic tables, grills and the fire rings. What mainly concerns Morris is there will be 22-25 new sites in the upper campground when it is completed, and the County will be responsible for those costs. Morris does not believe this contract is in the County's best interest.

Morris is concerned about the money being spent for the new campground. The money is through a grant and taxpayer money and Morris doesn't see a return to the taxpayers for the amount invested.

Schwartz understands there will be some unknown expenses, but something needs to be done. The County can either accept one of the two options from the one bid received or the County can take over the operation of the campground, but the concessionaire building would probably be shut down. Schwartz indicated that both campgrounds have cost the County a lot of money because of how they were previously run.

Cichos indicated that the bid did not have any specs and that if we re-bid with specs we might have others interested.

Schwartz made a motion to accept the 15-year proposal, with verbiage changed to meet all Bureau requirements, seconded by Gumke so discussion could be had. Gumke asked if there were any other changes to the verbiage.

Schwartz indicated verbiage regarding the 14-day camping and right-of-way access to the property should be reviewed. Morris indicated the termination clauses should be reviewed.

Schwartz indicated there is a clause in the contract that if it is ended early, that Schultz would be reimbursed for items that he installed. Klose asked Schultz if the contract was terminated early by either party if he would expect reimbursement. Schultz indicated he would ask for fair market value of items approved by the Park Board that he installed at the time of termination. Any item the Park Board did not approve for replacement, would be at Schultz's cost if he decided to proceed with replacement/repair. The Board would have to approve all the work in order for reimbursement to be provided at the end of the contract. Additional discussion was had regarding major maintenance items and septic tanks.

Cichos stated we weren't in the position to sell taxpayer's out for this long of a contract and he cannot support it.

Houge indicated that once the upper campground is open the lease amount is increased to $8,000.

Morris wanted to make sure the termination clauses are reviewed if the contract is approved. Klose asked Meland what items Board members wanted reviewed. Meland indicated the items are maintenance, length of stay, access and termination.

Schultz asked what the issue with termination was since it was the same verbiage as the last contract. Morris felt the County should have the same rights as the concessionaire to give 4 months-notice to end the contract. Meland indicated the notice was 60 days. Meland stated that no one is indicating what they want specifically changed and how they want to proceed with the issues.

Morris wants the termination to be the same for the County as concessionaire. She would like the County to be allowed a 60-day advance notice of termination at the end of the year. The lease allows options for the County to terminate the contract, but Morris indicated it's not as open as the rights of the concessionaire and feels both should be the same. Morris indicated she didn't see anything about sub-contracting. The sub-contractor wording is contained in the lease.

Klose asked if the question regarding termination was answered. Morris is asking that the County be allowed to end the contract with a 60-day notice without cause. Houge is ok with how the termination clause is written because that is how it had been written in the past.

Meland stated that there is a motion and second on the table for the 15-year contract and asked who planned to meet with the concessionaire to discuss the items at issue. Klose stated that he felt it might be best to vote on the motion to approve the contract. If the motion passed, then separate motions could be made to amend the contract terms.

Schwartz amended his motion to approve the 15-year contract as presented, seconded by Gumke. Roll call vote: Ova – aye, Gumke – aye, Schwartz – aye, Cichos – nay, Klose – aye, Houge – aye and Morris – nay. Motion carried.

Discussion was had regarding the previous concessionaire's personal property still located at the DAK at Pelican Point. Klose asked for a time frame as to when the previous concessionaire would be out. It was stated they would have their personal property out by the end of next week.

Houge asked Schultz if he needed access to the property prior to the 10th. Schultz indicated no because he will need some time to form an LLC and will not sign the contract until the LLC is formed.

The previous concessionaire built a false wall in the garage and asked if the County or new concessionaire would buy the materials, if not, it would be removed since it's not affixed to the building. Schultz stated he will not need the false wall.

Gumke made a motion to extend removal of personal property from the DAK at Pelican Point to January 10, 2020, seconded by Houge. Motion carried.

At 9:54 a.m., Houge made a motion to adjourn the special meeting of the Stutsman County Park Board, seconded by Morris. Motion carried.

ATTEST:

Nicole Meland	Mark T. Klose
Auditor/COO	Commission Chairman