Official Proceedings of the Stutsman County Park Board – December 11, 2019

At 3:30 p.m., Chairman Klose called a special meeting of the Stutsman County Park Board to order. David Schwartz, Steven Cichos, Mark Klose, Joan Morris, Jason Houge, Dennis Ova and Ramone Gumke answered the roll call.

This meeting is regarding a concessionaire bid for Pelican Point and discussion from the previous Park Board meeting. One of the areas in question was regarding pumping of the septic tanks.

Tom Schultz, who submitted the only bid, addressed a question Commission Schwartz had previously. Mr. Schultz informed the Board he understands there are approvals that would need to be in place for beer and liquor licenses and gambling. Schwartz stated the Bureau of Reclamation have no issues with beer, liquor and gambling as long as proper licenses are acquired.

Schultz addressed the dock placement issue. He stated there is plenty of room and would like the Board to indicate where docks could be placed. There may be some landscaping necessary to accommodate placement of the docks. Further discussion was held regarding specific areas the docks could be placed.

Schultz feels the main area of concern was the septic. Schultz would be willing to take over the sanitation and pumping but would like a longer-term lease. Schultz would want to fix and/or replace septic tanks that are currently out there. Ground water is a current issue. Mr. Schultz stated if he were to take over the septic issues, he would like a longer-term lease similar to the Spiritwood lease. Klose questioned the breakdown of expenses. Schultz confirmed he would pay 100% of expenses, only with a longer-term lease. Schultz indicated he prefers his first proposal but is willing to work with the Board.

Miscellaneous discussion was held regarding how many septic tanks there are, the sizes, location, condition and cost of replacement. Karl Bergh, Park Superintendent, discussed how often the septic tanks are pumped and how long the pumping takes. The condition of the pumping equipment was also discussed.

Schultz indicated he would be looking at a potential 20-year contract but that could be negotiated.

Cichos mentioned they would still be in the pumping business whether they enter into a contract or not. Bergh discussed the other areas the park department has to pump. Eventually the park department will need a new truck.

A member from the public made comments regarding Stutsman County getting along with the Albers/DAK and asked if there would be a conflict of interest. Other members of the public discussed reasons why they thought the previous contracts were not approved or accepted and questioned previous meeting minutes. Commissioner Schwartz made comments regarding the previous proposals and the bid process and some of the details of the proposals.

Another member of the public voiced concerns regarding the current bid, the activities being proposed for the campground and the appearance of the relationship between Mr. Schultz and his sister and that minutes from past meetings are very foggy. Schwartz commented regarding the issues that have been dealt with during the prior concession contract.

Two other members of the public made comments about comments on Facebook from people who had been out there and knew what was going on here. Comments were made about attitudes and things being a waste of time. Comments were directed toward Nicole Meland, Stutsman County Auditor / COO smiling and hiring her boyfriend. Schwartz stated this was a special meeting and that was not an item on the agenda.

Meland asked Klose if she could address the comments. Meland did not hire her boyfriend, nor is he her employee. Tom Schultz is her brother, but she has no conflict in this situation because she has no authority over this contract. She has no final say and no vote. The courts in North Dakota have deemed conflict as someone having a direct and substantial benefit. Meland stated she has no direct and substantial benefit to this contract. She is not in this with her brother. He is a businessman with his own life and several successful businesses in this town. She had nothing to do with this venture. She is the Auditor and COO and members of the public seem to think that the men on the Board have no mind of their own and that Meland pulls the strings. The things that are said on social media are just trying to intimidate and stop her from doing her job. Meland stated she is stronger than the bullies harassing her on Facebook. Meland stated she has a good family, great friends, amazing co-workers and good bosses. If the Board does not like what was offered, they do not have to accept it. Schultz is not out anything if they do not accept it. He wanted to do something for this community, and it is his right to do that. It was anyone's right to put in a proposal and offer what they wanted to this Board. The Albers could have done that during negotiations, but nothing was presented on their behalf. We were supposed to do all the work and presenting and come up with all the ideas.

A member of the public asked Meland how many times a day she calls Bradley for personal information.

Klose stated we were here to discuss the contract and that's the nature of the business today. Ova stated we are here because of Facebook.

A member of the public voiced concerns that there is no operator out at the dam, no one is there to sell gas or rent boats. He believes the biggest concern people have is the relationship, they see what's happened at the dam and they see what's going on internally and wonder if that is fair and also asked if the contract been agreed upon and they're just now hearing of it. He asked what the deadline was for submitting proposals. Meland stated November 22. He asked about the process and stated the commission needs to be very careful with how they handle this.

Klose stated we have tried to be up front and try to do things the way they're supposed to be. He personally wants the best deal for the county and to have a good working relationship as a landlord.

A member from the public made comments regarding expenses of the county and acting as a landlord. Klose stated that's what this proposal was essentially doing by eliminating expenses.

Another member of the public stated that previously, the Board said they wanted some sort of a cushion.

Gumke stated that on the previous proposal the county was paying all expenses, in the proposal from Schultz, the County does not pay for any of that, he will pay for all of that. The cushion is the complete elimination of expenses currently being paid by the County.

A member of the public asked about maintenance items at the DAK. Gumke restated his comments about the current proposal.

Another member of the public asked about how the request for bids was presented to the public and if there were guidelines or policies written. Gumke stated that typically there are not specifics listed as to what was required.

Meland stated there was an ad presented. The ad was published in the Jamestown Sun and nine other newspapers in this region. The website address was listed and on the website was a draft of the concessionaire agreement, the application and the full advertisement.

Joan Morris stated she was looking at cash flow on the previous DAK proposal. This led to discussion regarding bills and net total of $12,000 after expenses, which could be used to pay for pumping. When she looks at the Schultz proposal, the cash flow is $1,000 and the County will still have to pay for pumping. Meland and Klose made comments regarding payment of expenses with the Schultz proposal and the DAK's previous proposal.

The previous concessionaire stated had he known this was the type of proposal the County was looking for; he would have put in a bid. He did not because the County already rejected his $30,000 bid. Gumke clarified some of the expenses.

The term of the proposal concerns Cichos. Cichos presented some questions. He is concerned about the length of the contract. One item they have not discussed is when and if the new sites come into play and the costs to put the sites in and revenue. Schultz clarified he would want to take over those sites. Cichos asked the question that if we are doing so well at the Marina, why can't we do that well at the DAK. The Marina brought in about $59,000 or $58,000, which was all County. The revenue according to our books, the DAK took in about $180 more than the Marina. Cichos indicated that the net income needs to be taken into consideration. The risk we take is that there would be an open building.

A member of the public asked when there will be a Marina. He went fishing and couldn't get a hot glass of water. He is wondering how many years that will be empty.

Cichos went on to say we have the potential of two concession buildings empty and there are major dollars invested in both of those buildings. If we want to look at total dollars, it may make sense for the County to run the campground. Cichos stated he has no issues with Schultz, but he is not in a position to accept the proposal. We can look at the County taking over the campground, rebid it, there may be someone else interested. He heard good and bad things about camp hosts.

Schultz commented that if he were on the County's side of this, he would shut the DAK down, run it with camp hosts, keep all the income for the County to spend on other things. Schultz commented on turning the DAK into a larger party / group spot / rental. He mentioned putting a shower in it and renting it out as a large cabin. You would take blowback from the community for a couple years, but they'll get over it.

A member of the public stated that a lot of tourism dollars have been spent in the community. Fifty-two states and four countries of people that came and spent their money here.

Houge stated that the County cannot run another campground.

Schultz stated that if the County was planning to accept a proposal not to drag it out too long. There is a lot of work to be done. Cichos would like a decision made and done by March or April. Schultz stated that after the Board agrees on something, an LLC would need to be set up, equipment would need to be purchased and work on the building completed, so waiting until March is too long.

Schwartz would like to negotiate the length of the term. He likes the idea of being out of the pumping business and replacing the septic tanks. The concession building would be open and running and issues would be taken care of.

Karl Bergh, Park Superintendent, stated when he first started with the Park in 2016, it seemed to him that the goal was to at least break even rather than losing on both campgrounds. Schwartz is concerned with the cost of replacing septic tanks and feels that will be coming soon. Bergh stated that in running the campground this year that there was some blowback from people that loved it the way it was, but our revenue was great; people come anyways. People camp because they want to camp.

Klose asked if there was more discussion or if we'd like to bring this to the next meeting. Cichos made some comments regarding the Bureau of Reclamation and recreation. The County has decided to be in the recreation business and the County needs to maintain it. We need to look at the long-term goals and how to get there. He knows Meland budgets on an accrual basis, so money is there when it is time to upgrade.

Schultz reiterated what he had previously spoke about. There are two options, keep the money for yourselves, do the upgrades discussed here, buying a new truck, fix the tanks, finish of the rest of the spots and add tanks but you're not going to have an eatery. The other option is dealing with a long-term lease. The person taking it over would have the expense, they'd do the pumping and taking care of the tanks, but they would not be able to make that expense up and you can't do that in one or probably even five years. Personally, he would shut the DAK down, take it over yourselves, fix it up, that would be the best for the County as far as money goes. A member of the public requested that the name Pelican Point Landing be used and not the DAK as that is their personal business, not the building.

Houge questioned whether most wanted the ten-year lease. Schwartz stated he would rather have a longer lease and be totally out of the picture with expenses. Replacing tanks and the truck will be major expenses. The concessionaire at Spiritwood Lake takes care of all the property and expenses. He'd like something similar. Morris stated the ten-year lease with the County doing the pumping and the revenue

at $1,000 a year is the County losing money. She asked Schultz if a ten-year lease would be enough for him to take over the pumping. He stated it would not, he would be looking at starting at a 20-year lease and would address a proposal and send it electronically.

Schwartz would like this topic tabled for the next Stutsman County Park Board meeting. Morris is wondering if the Bureau would have a problem with entering into a 10- or 15-year lease. Meland stated the Bureau did not have an issue with the current proposal we sent them. The gambling and alcohol would need the appropriate permits.

A member from the public asked if it would be opened to anyone else wanting to put in a bid. Klose stated they were looking at the proposal in front of them and not opening it for rebid. Klose stated this would be put on the next Park Board meeting.

At 4:41 p.m., a motion to adjourn the Special Park Board meeting was made by Schwartz, seconded by Gumke. Motion carried.

ATTEST:

Nicole Meland	Mark T. Klose
Auditor/COO	Commission Chairman