

## FACILITIES COMMITTEE MEETING NOTES

Wednesday, November 29, 2023

Depot Board Room

Attended: Commissioner Joe Deutsch, Commissioner Dawn Morgan, Commissioner Aaron Hill, Susan Faus, Dave Bietz, Broc Lietz, Carolyn Boutain, Kelly Kisell, Stacy Kruger, Tony Schmitt, Craig Bjur, Kali Mork, Tyler Kirchner, Luke Evenson, Darren Dunlop, Fargo Park District Foundation Board member, Greg McCullagh, Edgewood, and El Zagal Golf Course Superintendent. Chris Larson, Osgood Golf Course Superintendent, Matt Cook, Rose Creek and Prairiewood Golf Course Superintendent, Carissa Roepke, JLG Architects, Cassie Doll, and Jodi Buzick

### - **Review request for 2024 Budget Adjustment**

Broc Lietz, presented. Discovered an error late in the process of certifying the Park District budget to the County, staff is asking the Board to take formal action to make an adjust in the budget. This preliminary budget is the basis for preliminary tax statements to property taxpayers, establishes the district's estimated mill levy, and establishes the annual budget hearing required by state statute. Once the actual dollars are approved in the preliminary budget a Park District does not have the authority to adjust revenue requests or taxation upward prior to final certification of annual budgets. Final certification to the county is Oct. 10. The error that has occurred is that the wrong budget was submitted to the county. The 2023 budget was the file that was selected and sent rather than the 2024 budget file. The public was noticed, and the board acted on the correct budget, but the budget that was submitted was for 2023. The 2024 budget had a request of a reduction of 1.35 mills but with this error the actual reduction will be 4.01 mills. Broc erroneously submitted the 2023 budget to the County. Around November when the County sent out the final statements is when the error was realized. Broc immediately called the County and walked through the statement they presented. The Finance Department did a lot of investigation to find out what can be done. There is nothing to do as the budget for 2023 was already certified. The result of the error is a deficit to the Park District of \$2.2 million dollars because of the reduction of mills. Discussed what does that mean for the budget. There is the opportunity to look at adjusting line items in the budget. How would we cover the loss of the \$2.2 million dollars? Interest income that was not currently in the budget because of recent bond sales will be available in 2024. After the 2024 budget was approved, these general bonds were issued. This puts a slight increase in revenue of \$570,00 with the bank. Second item is the sale of assets, namely the RDJ building. This was not included in the budget because we were not certain of the sale at the time the budget was certified. Also, there are other miscellaneous adjustments totaling \$62,000. Ultimately the remaining balance will need to come through our internal transfer. Initially we planned \$1.2 million dollars to save for long range capital projects. We would reduce that number by the number needed to make us whole. This would mean transferring smaller amounts to future projects for this next year. The goal is to not affect the 2024 operations while we do know this will impact the ability to put dollars towards long term projects. To ensure this will not happen again, the Finance Department will do the budget sooner, work with the leadership team closer, and eliminate

vacations in the Finance Department during this process. They will ensure more than one person is looking at what has been submitted and be included on the submission to the County.

Before submission to the County the executive team will give the last review and approval to submit. Broc completely takes responsibility with this error when submitting the incorrect information to the County. Assured there would be no reduction or changes in their operations for 2024.

Staff is requesting for this to be placed on the agenda asking for the Board to make approval of the budget adjustments for the 2024 budget.

Commissioner Aaron Hill asked how we make an amendment. What formal action do we take. Broc presented a new packet with updated line items showing the increased interest income as well as the sale of asset.

Commissioner Joe Deutsch discussed the mill reduction which is not captured in growth. Broc confirmed. The budget is submitted in actual dollars. If the number of mills is different than what is allotted for your need, there could be a reduction based on what is needed. Part is also computing what is needed to use their dollars. Ultimately reduced the mills. Theoretically if we are going to operate what the plan was for 2024, we will have to raise mills in 2025. Will consider in the 2025 budget cycle to review if mills will have to increase or not. Commissioner Hill added the Park District is ok for 2024 but what are the downstream effects. We won't realize the full impact until we close the books for 2023 and then see what the 2025 budget requests will be.

Broc also stated he has had several meetings in the process of revitalizing the long-range plans and how to put dollars away for how to fund those long-range plans. Will look at that and how to handle internal needs. Broc understands this error could impact in future years. Assurance was given to the board that the public should see no change in what we offer the community. Broc stated he will have to earn back the board's trust. Commissioner Dawn Morgan added in the budget there are planned expenditures, going forward with Yunker Farm and Island Park. Broc advised that speaks to the internal transfer that we use as funding for capital projects. Some of those dollars will be reduced for 2024. The funds will be used over the years for long range projects that are being planned. If 2023 finished revenues over expenditures would use those funds to move forward for funding future projects.

The committee recommends moving to the full board for consideration and approval.

**Bring to full Board: December 12, 2023**

- **Discussion of new lease for Rose Creek Restaurant**

Carolyn Boutain, presented. The Park Distract started looking for a new tenant after the 19<sup>th</sup> Hole notified us of their desire to assign the lease to a new owner. Staff put together a request for proposals (RFP) with all proposals were due the end of Oct. Reviewed one proposal that came from Up North Hospitality, LLC, d/b/a CJs Tavern. They requested a draft of the lease.

Highlights of the proposal describes providing operations at Rose Creek year-round and they would like to open January 2024, contingent upon the tenant's ability to transfer the current liquor license to their ownership. The process has been started and may be awarded in December 2023. The lease is essentially the same as the Fargo Park District had with the 19<sup>th</sup> Hole. Changes include this group wanting to operate year-round. The lease would provide the tenant rental of the restaurant, grill, and banquet room. Snow removal would be shared. The Park District would provide clearing of the parking lot and the tenant would be responsible for the walkways and entrances. The partnership has experience managing bars and restaurant in Northern Minnesota. It is a 5-year term but would need to change if they did not want to operate in the winter months. They would like the banquet room. The rent proposed is 12% of gross sales less sales tax and tips in the first three years, with an escalation in years 4 and 5. The lease can be renewed for 2 additional terms of 5 years. Cleaning of common areas would be the responsibility of the tenant with the Park District financially reimbursing to the Tenant for hours billed during the golf season. Winter they would do all cleaning inside. Any changes to the building would need written permission from the Fargo Park District. Tenants do not plan to make improvements to the restaurant or grill. Staff is working to discuss the current equipment needs including tables and chairs in the banquet area.

Carolyn advised CJ's Tavern would still have to go through the liquor license process to request to transfer the license. Need to attend to the golfers during the golf season. CJ's Tavern wants the amenities, and the neighborhood wants the bar to be open. Discussed the importance of the neighborhood supporting the bar. Golfers also must support the bar and purchase beverages, rather than bringing their own alcohol on the golf course.

Commissioner Joe Deutsch expressed the neighborhood needs to go out and support it more than once a month if it is to be successful. Discussed that this is the focus of CJ's Tavern, where other vendors have had other obligations. Susan Faus added that in conversations they have had, CJs Tavern is discussing ways to emphasize drawing in the community, they mentioned such things as Friday night fish fries, and bingo. They also understand year-round service and are willing to invest. Staff is more comfortable with the success of CJ's Tavern. Commissioner Aaron Hill advised he will abstain from voting at the board meeting due to potential conflict of interests.

The committee recommends moving to the full board for consideration and approval.

**Bring to full Board: December 12, 2023**

- **Consider Charitable Gaming for Fargo Park District Foundation**

Craig Bjur, presented. The Fargo Park District Foundation is considering charitable gaming in 2024 as a source of revenue to fund Foundation as well as future Park District projects, youth programs, youth scholarships. Potential site at Rose Creek and Cj's has expressed interest. Darren Dunlop, Fargo Park District Foundation Board member, has extensive experience in charitable gaming in our region. Will be moving forward with his guidance and expertise. Vision statement as to who we are as a foundation, enhance facilities project, and additional funding. The reason to pursue this unique opportunity is to expand Park District funds. East room walk up to the bar area is the perfect location. It is a 24x27 space

to utilize for charitable gaming. A dedicated space is much more successful. This is a great opportunity for the foundation to get into it and have the right people to help in the process. Darren discussed if the Fargo Park District decides to go this route, the bar would oversee all jars at the bar and electronic pull tabs. The blackjack and jar bar would be manned, while the electronics machines can be open anytime the bar is open. The foundation would need to add staff. If we move ahead, Craig would be looking to hire a very part time gaming manager in 2024. One thing to be aware of is other nonprofits and other groups concerned about the Park District competing. Commissioner Joe Deutsch stated having a separate room segregates it from the general patrons. Darren advised there is an age limit of 21, so patrons would need to be 21 and older to enter the gambling room. E-tabs are on lease agreement and any fees are based on volume. The Foundation has the startup money in the 2024 budget in the event this is pursued.

- **Presentation on the 2023 Golf Season**

Carolyn Boutain, presented. The Park District has had another great golf season. Carolyn recognizes staff for the hard work they did this year to make courses and experience as good as it was. The season had 7,800 more rounds than 2022. Season passes were down 127. Spectacular year in hole in ones, more than 35 at all courses. Received a donation from Dare to Stand Out for the adaptive golf carts. Osgood increased in leagues. Discover JR golf tour and very pleased with family focus and participation. There was 53 episodes of muni misfits. Matt Cook was recognized and received the 2023 golf professional of the year award. Osgood also received best of the Red River Valley Golf Course award.

Dave Bietz echoes Carolyn's sentiment of the true caliber of the staff we have running the courses. Rose Creek had a cart path project last year finished up this spring. Adaptive carts are housed at Rose Creek. Also, a city project going on currently at Iwen Park having a side impact on the Rose Creek Golf Course. Our irrigation feed line runs through their project area. Working with the city engineer staff to ensure we will have water for Rose Creek Golf Course this spring. At Osgood currently working with our engineer group to figure out if some of the sloughing we are seeing now is part of the project we fixed or is separate as well as the severity. We are also finalizing the decoder project on the irrigation system at Osgood. Edgewood Golf Course had the artificial tee line installed. Allowed us to get people off our natural turf when conditions prohibit good recovery growth. Also continue to work on the Edgewood Irrigation project research. Our current design is supported with existing infrastructure. At ElZagal we responded to neighbor complaints about balls into yards. On hole 6 we shortened the hole by moving the tee up closer and this seems to have worked. We consulted with our insurance company, and they responded favorably to the steps we had taken to help mitigate errant shots. We will plan to construct a permanent tee in 2024.

Commissioner Hill asked how youth lesson numbers are compared to previous years. Greg McCullough advised they were very similar to the past. Matt Cook, Greg McCullough and Chris Larson will take over youth lessons and we will see some changes. Greg stated looking at what the new year will bring with changes. Younger groups 7-12 years and expanded events are also being planned.

- **Review bids for Courts Plus Janitorial Services**

Kelly Kisell, presented. ServiceMaster has been cleaning at Courts Plus currently and was the only company to supply a proposal. Bids were received and opened Thursday, November 16, 2023, at 11:00 a.m. One bid was received from ServiceMaster. Reviewed some of the jobs and the bid came in significantly higher than what we are currently paying. Kelly recommends rejecting the bid. He wants to look at what current staff can do. Commissioner Joe Deutsch expressed if Dean and Brian can fill in this time as well. Kelly stated the mindset has always been to have the cleaning crew come in after hours. The job is not getting done to the level it should be so thoughts are now that some of the jobs can be done during the day. The playground is a big cleaning job that staff cannot handle during the day. Commissioner Aaron Hill inquired as to what we paid last year. Kelly advised that currently we pay \$9,285/mo., which is \$111, 420/year. The bid is just under \$14,000 monthly. Courts Plus will continue a month-to-month basis until something else gets figured out.

The committee recommends moving to the full board on the Consent Agenda for consideration and approval.

**Bring to full Board: December 12, 2023**

- **Review request to consider from Fargo South High School for placement of a storage shed at the Tharaldson Little League Complex**

Tony Schmitt, presented. Fargo South High School has requested permission to place an 8'x12' storage shed at the Tharaldson Little League Complex for storage of soft ball equipment for practices and games. Fargo South High School has agreed that it is their responsibility to maintain the storage shed. Staff approves of the appearance of shed.

The committee recommends moving to the full board on the Consent Agenda for consideration and approval.

**Bring to full Board: December 12, 2023**

- **Review request to reallocate budgeted 2024 Capital Improvement Funds from Southwest Recreation Pool to Roger G. Gress Northside Pool, Fargo North**

Tony Schmitt, presented. Staff is requesting the reallocation of budgeted 2024 capital project funds from the Southwest Recreation Pool to a project at Roger G. Gress Northside Pool. After a study and investigation, it was proposed that the pump replacement project that was planned for the Southwest Recreation Pool is going to cost considerably more than the \$100,000 that was budgeted. The hope is we complete this project in 2025 as we will budget correctly for the entirety of the project.

The Roger G. Gress Northside Pool project would consist of removing and replacing the two existing stand filters and the removal and replacement of the pool heater. We would still be utilizing the dollars approved for 2024, but just at North instead of South.

The committee recommends moving to the full board on the Consent Agenda for consideration and approval.

**Bring to full Board: December 12, 2023**

- **Review bids for the Furniture Package at the Fargo Parks Sports Center**

Tyler Kirchner and Kali Mork presented. Recap, in September a furniture committee was formed, and departments gave input on the furniture for the Sports Center. The architectural estimate for the base bid was \$1,090,000. Staff would like to add Alternates #2, #3, #4, and #5 for consideration. We received four bids, two were not opened because they did not comply with our requirements. One did not have the bond in an envelope on the outside of the proposal. One bid had no identification of any kind on the outside of the envelope. Staff reached out to Attorney, Jeff Gunkelman, he gave approval to open and send the bid back to the address listed. Christianson by Fluid were low bids but had a caveat that if they were not granted most of the project, they wanted to increase price on various items. Chose to accept Connect Interiors and Alternates #2,#3, #4, #5. Looked at pricing and that came back in line so requesting to added them back in. Commissioner Aaron Hill wondered about Christianson by Fluid, not being in compliance. Tyler explained they had a bid price, but added they stated they reserved the rights to increase bid prices. Tyler stated that language was deemed as non-compliant by our architecture and design teams.

The committee recommends moving to the full board on the Consent Agenda. for consideration and approval.

**Bring to full Board: December 12, 2023**

- **Review request to solicit bids for the 2024 Concrete Projects**

Tyler Kirchner, presented. In alignment with our Procurement Policy No. 390, staff is requesting permission to publicly bid the 2024 Concrete Projects. Funds for these projects are budgeted in 2024. The Park District applied for and was awarded a \$534,694 grant for a project this project that totaled \$1,910.00. The concrete project list, depending on bids, includes Oak Grove Asphalt Trail Remove and Replace, Oak Grove Frisbee Golf Tee Boxes, Brunsdale East Asphalt Trail Remove and Replace, Longfellow Asphalt Trail Remove and Replace, Tharaldson Little League Asphalt Pavement Remove and Replace, Pepsi Soccer Complex Playground Border, Brandt Crossing Dog Parking Lot, and Brunsdale 8U concrete pads and dugouts.

The committee recommends moving to the full board on the Consent Agenda for consideration and approval.

**Bring to full Board: December 12, 2023**

- **Review request to solicit request for proposals for the 2024 Playground Replacement Projects**

Tyler Kirchner, presented. In alignment with our Procurement Policy No. 390, staff is requesting permission to solicit request for proposals for the 2024 Playground Replacement Projects. Funds for these projects are budgeted in 2024. The total estimate for the replacement project is \$450,000. The list of playground replacement is Pepsi Soccer Complex Playground, Trollwood North Playground, and Johnson Park Swing Set. Johnson Park may be pulled off due to cost and if we can do inhouse.

The committee recommends moving to the full board on the Consent Agenda for consideration and approval.

**Bring to full Board: December 12, 2023**

Other

Notes submitted by Jodi Buzick, Administrative Specialist