

**PARK DISTRICT OF THE CITY OF GRAND FORKS
PROCEEDINGS OF THE BOARD OF PARK COMMISSIONERS
OCTOBER 24, 2011**

AGENDA

ROLL CALL

The Board of Park Commissioners met for a special meeting on Monday, October 24, 2011, in the Park District Board meeting room at 5:00 p.m. Present were Commissioners Bollman, Panzer, LaDouceur, Skarperud and Soeby.

APPROVAL OF ADDITIONAL ITEMS FOR THE AGENDA

A Request was made by Director John Staley to add "Choice Health & Fitness Center – Altru Second Lease Alternatives" to the agenda, for discussion.

A motion was made by Commissioner LaDouceur to add "Choice Health & Fitness Center – Altru Second Lease Alternatives" to the agenda. All Board members were in favor; motion carried.

DELEGATES TO APPEAR BEFORE THE BOARD

None.

FOR ACTION

TREE ASSESSMENTS – HEAR APPEALS AND APPROVE CERTIFICATION OF SPECIAL ASSESSMENTS

Director John Staley addressed the Board on the process of tree planting, which has been done every 3 – 4 years since about 1980. The following are the three tree assessment projects that were printed in the Grand Forks Herald as a notice to taxpayers. Nobody from the public was present for questions or appeals.

A. Project 331, District 31

Special assessments for the cost of planting berm trees in: Southern Estates 3rd Addition, Southbrook 1st Addition, Deacon's Garden Addition, Columbia Park 29th Resubdivision, North Pines Resubdivision, Congressional 2nd Resubdivision, LeClerc's addition, Highland Point 1st Addition, and Countryview 1st Resubdivision.

A motion was made by Commissioner Soeby to approve the certification of project 331, District 31. Seconded by Commissioner Skarperud; motion carried.

B. Project 332, District 32

Special assessments for the cost of planting berm trees in: Columbia Park 29th Resubdivision, North Pines Resubdivision, Congressional 2nd Resubdivision, Southern Estates 3rd Addition, and Deacon's Garden Addition.

A motion was made by Commissioner Panzer to approve the certification of project 332, District 32. Seconded by Commissioner LaDouceur; motion carried.

C. Project 333, District 33

Special assessments for the cost of planting berm trees in: Southern Estates 3rd Addition, Southbrook 1st Addition, Columbia Park 29th Resubdivision, North Pines Resubdivision, Congressional 2nd Resubdivision, and Highland Point 1st Addition.

A motion was made by Commissioner Panzer to approve the certification of project 333, District 33. Seconded by Commissioner Skarperud; motion carried.

REQUEST TO FOUNDATION FOR ULLAND GRANT POLICY

Superintendent George Hellyer presented the Board with a request from the Foundation Finance Committee on an updated process procedure for Ulland Grants. The Ulland Grant funds were transferred a couple of years ago to the Grand Forks Parks and Recreation Foundation with the Park District still deciding who the funds go to and how much is given.

The Foundation Board controls the funds and would like the requests for any grants to be presented to them. They would then allocate an annual amount to the Park District. The Park District would decide who to distribute the individual grants to. It was questioned, why, since the funds were originally given to the Park District, would the Foundation Board need to approve any distributions. It was stated that since the funds were transferred from the Park District to the Foundation a couple of years ago, the Foundation now controls the funds. We now ask for the funds from the Foundation and the Park District Board decides where we give them and the amount to be given.

It was asked if Brady Martz had suggested the move of the funds from the Park District to the Foundation. Staley said that he is unsure if that was the reason; he does know that the Park District cannot loan monies for more than one year and the Foundation can, so the transfer has made it possible to continue with projects for the improvement of the Park District.

It was stated that the funds are invested and only 85% of the interest can be used for grants. It was also stated that there is a policy in place and we should just add the following to it: (1) The Park District should have control of all distributions of Foundation Ulland Grant Funds. (2) The Park District will go through the Foundation for the allocation of fund amounts requested. (3) An agreement from both Boards would be needed to make any changes to the policy or principle. Superintendent George Hellyer was asked to put something together for the November Board meeting.

The Foundation would also like some direction on how the funds should be invested – staying with a very conservative investment policy or becoming slightly more aggressive with investing in a few stock mutual funds. The Board did not feel comfortable with moving in that direction and decided they would like to keep the investments as is. Superintendent Hellyer stated that, at present, there is no verbiage in the Park District Policy on investments.

REIMBURSEMENT RESOLUTION FOR PARKING LOTS

Superintendent George Hellyer addressed that Board on the reimbursement resolution for the parking lot project. This will allow preliminary work to begin on the parking lots before we receive the bond proceeds. Any invoices received would be paid out of the General Fund. Once we receive the parking lot bond proceeds, the General Fund will be reimbursed.

A motion was made by Commissioner Panzer to approve the resolution for reimbursement of expenditures relating to parking lots. Seconded by Commissioner Soeby; motion carried.

FOR DISCUSSION

CHOICE HEALTH & FITNESS CENTER – ALTRU SECOND LEASE ALTERNATIVES

Director John Staley presented the Board with Altru's Truyu second floor lease alternatives as follows:

The first alternative would be to increase loan indebtedness by \$668,000 and collect rent of \$1,106,545 over ten years. This would guarantee profit of second floor space over ten years of \$236,545 with a potential profit of \$817,950 over 15 years.

The second alternative would be for Altru to take a loan out for \$668,000. This would not increase our loan indebtedness. The risk would be of Altru pulling out of the second floor lease (option 1 above). This would have a guarantee profit of second floor space over ten years of \$438,545 with a potential profit of \$1,019,950 over 15 years.

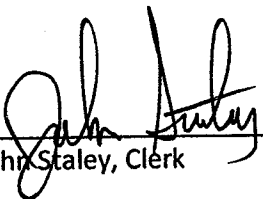
The third alternative would be that Altru does not rent second floor space and we use it for Athletic Republic instead. Potential revenue for Athletic Republic would be \$300,000 over ten years with the potential profit of \$450,000 over 15 years. We would take on an additional indebtedness of \$90,000.

All three alternatives were discussed and the general direction of the Board was to have a contract written up the same as what was signed by Altru for the first floor agreement. It should be up to \$7.50 per square foot (3,751 square feet) with Altru being responsible for all other finances needed. Cam Tweten suggested that we could bid out this space and see if the bids come in for less.

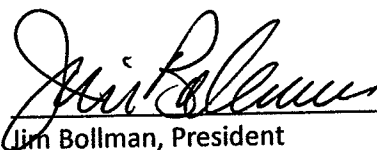
John Staley agreed to take the proposal suggested to Altru to see what they say. This should be done as soon as possible.

ADJOURNMENT

A motion was made by Commissioner Panzer to adjourn. Seconded by Commissioner Soeby; motion carried.



John Staley, Clerk



Jim Bollman, President