



**Lava Hot Springs Foundation's
April 30, 2021
Board of Director's
Meeting Minutes**

The Board of Directors of the Lava Hot Springs Foundation of the State of Idaho met on Friday April 30, 2021 at the World Famous Hot Springs Administrative Office 430 E. Main Street in Lava Hot Springs Idaho.

Mission Statement

To ensure that the public has access to healthful, clean, and inviting facilities for recreation and healing purposes.

Present: In attendance were Chair Jeff Hough, Vice Chair Ronald Johnson. Board Members; Cameron Salt and Robert Poleki. Executive Director Devanee Morrison and Management Assistant Bridget Losee. Guests: Larry Stubbs-teleconference, Hot Springs Village Condo's Representatives-President Suzanne Dean, Manager Diane Myers and Attorney Brent Wansley. Tube Rental Owners-Chet Davids-TPD Rentals, Randy Benglan-Portneuf Tube Rentals, Sam Netuschil-Mountain Mayham rentals, Mark Patterson-Gator Tubes and 4 Falls Rentals, Community Center Representatives Les and Joan Bocek.

Welcome and Introductions

Chair Jeff Hough called the meeting to order and welcomed all in attendance. Introductions were made by all in attendance.

Larry Stubbs LPRI parking structure discussion

Larry Stubbs joined the meeting by teleconference. He is a partner of a Laz Parking Investment business that buys parking structures. Executive Director Devanee Morrison reached out to Larry to discuss options, goals and perspectives of building a parking structure in Lava Hot Springs.

Larry Stubbs mentioned the following options;

- Build a parking structure that would accommodate parking for Hot Springs and Olympic Swimming Complex.
- Engineering and site work.
- Structure size-120ft wide X 400ft long-4 levels
- Parking capacity
- Cost- \$26,000 per parking stall-800 stalls would cost approximately \$20 million.
- Proposed structure area-is square and is not the most effective space for building a garage structure.
- Interest in building a parking structure of this scale.
- ROA-paid parking
- Precast construction or poured in place.
- Electrical and elevator.
- Lease payments on structure.
- Smallest project suggested would be a 500 stall structure.
- Better off taking the land that you have and making a level parking area.

Hot Springs Village Condo Lease discussion

Hot Springs Village Condo's Representatives-President Suzanne Dean, Manager Diane Myers and Attorney Brent Wansley by teleconference.

The Hot Springs Village Condo's Lease dates back into the 1970's. The original lease agreement was with the Lava Hot Springs Foundation and Idaho Bank and Trust Inc. which was a 50-year lease. There was a bankruptcy in the 70's. In October 1979 Idaho Bank and Trust changed their name on the agreement to Lava Properties LTD.

The Lava Hot Springs Foundation was notified of the Hot Springs Village Condo having delinquent property taxes. The property taxes are to be paid by the Lessee. They are working with the County Commissioners on a payment plan to get the taxes paid and up to date.

President Suzanne Dean informed the Board of Directors that they have new management at the Hot Springs Village Condo's. The prior management went through some issues. There were no billings sent out to homeowners for approximately 10 years. They are working to get the Condo's operations back in order. The Hot Springs Village Homeowners Association is making an effort to sale properties to homeowners. Diane Myers is the new manager. They have plans to elect a new board.

Valid Lease: There has not been a valid lease in place for years. What do we want to do going forward? Taxes need to be paid annually. Rob Poleki offered to check at the Bannock County Clerk's Office to see if the original lease was recorded and on file.

Suzanne Dean: Priority is getting the property taxes paid and up to date.

Options Discussed:

- Valid working Lease.
- Inspection of property.
- Board of Director visit site.
- Obtain proof of paid improvement and property taxes.
- New Lease.
- Take back lease and do something different with the property.
- Develop property.

Suzanne Dean mentioned that the homeowners own some of the properties. There are a group of homeowners that are committed and use the facility. The Hot Springs Village Condos are moving more into nightly rentals.

Hot Springs Village Condos Units Status:

- 28 Units
- 1100 timeshare owners: Condos sent owners letters and 200 letters were returned. Of the 52 weeks per year, they have approximately 50% capacity.
- 50-100 of the original homeowners are deceased.
- Of the 1100 timeshare owners approximately 350 want to keep their timeshares.
- Improvement taxes annually \$17,000. Delinquent by two years.
- Income in last 2 months \$120,000.00

Suzanne Dean said that she is committed to turning around the situation of the properties and to make it work as a business. She mentioned that the Hot Springs Village Condos are a nonprofit organization.

Rob Poleki make a motion to pause this discussion until the Board of Directors can visit the Hot Springs Village property and requested 4-5 years of profit and loss statements for Board review. Ronald Johnson seconded the motion. The motion carried.

Hot Springs Village Condo's Attorney Brent Wansley questioned the Supplemental Lease of December 24, 1924.

The Board will reach out to the Bannock County Clerk's Office for a recorded lease.

Review and approve minutes from January 22, 2021.

The January 22, 2021 meeting minutes were emailed to the Board Member's for review. Ronald Johnson made a motion to approve the January 22, 2021 meeting minutes, Cameron Salt seconded the motion. The motion carried.

Bocek proposal for tube pullout

Les and Joan Bocek presented a proposal for a paved area for tube trailers by the Lava Senior Center. The Lava Senior's Board had a meeting about the tube trailers and the traffic of the trailers that pull around the community building. The Senior Center Board approved a 100 ft. area be paved at a cost of \$5,000.00.

Tube Trailers Situation:

- 8 trucks and tube trailers pull around the Community Center and take up most of the roadway around the building.
- High Traffic Area: The area is already congested it does not make sense to add more congestion.
- There is a safety issue with trucks and trailers pulling around the center.
- There is a concern that there is not a lot of space in the proposed lane area for the tube trailers.
- One option is to block off the roadway around the Community Center with a fence and gate.
- The Community Center does not have to accommodate the tube trailers.
- Locate another area of the Portneuf River for tubers to exit.
- Install a crosswalk and use opposite side of roadway.
- Tube Rentals hire two employees' (traffic managers) to control traffic.

Robert Poleki mentioned that it has been reported to the Foundation that there is a possibility of someone getting injured in the area of the proposed pullout which is a safety issue.

The Lava Hot Springs Senior Center would be responsible for incidents on their leased property.

Chairman Jeff Hough closed the meeting to public comment for Board Discussion at 11:54am.

Board Discussion.

- Close exit of river on State Property.
- Close roadway around the Community Center. There are a lot of blind spots in the Community Building parking lot. (Safety-Liability Issues).
- Work together with the City of Lava Hot Springs on traffic congestion-parking.
- Tube Trailers turn around by Hot Springs Village Condos. Sam Netuschil commented that there are curbs along the roadway to condos and it would be hard to turn a trailer around in that area.
- Garbage is an issue along the Portneuf river.
- Create two separate pickup areas for tube rental trailers at the Community Building location.
- Designate another tube exit further down the river. Limit the number of shuttles in that area. No private vehicles allowed in the area.
- Separate the tube rental trailers to different pickup locations. Hire an attendant to monitor the shuttle pickup areas. Control private vehicles in the area of trailer pickup.

Executive Director Devanee Morrison mentioned that she would prefer to not allow the proposed area to be paved at the Lava Senior Center-Community Building.

Robert Poleki made a motion that we do not pave the property as proposed by the Lava Senior Center. Ronald Johnson seconded the motion. The motion carried.

TJ Latour photo booth presentation

My proposal is for a 5'x 8' (40sq ft.) rustic looking photo booth in the area of the 4-Falls tube rental on the western edge. It would take a small space and be off the pavement. It would be a temporary steel structure under ruff wood exterior that could be moved off the property during the winter months. If prosperous then he would look into a permanent structure. He would provide a printer, camera and small generator for power. TJ mentioned that he has minimal photography experience.

Devanee Morrison commented that it is a really good business idea. It would not cause more traffic in the area. Proposed cost of rental property, \$1.00 per square ft per year. Public Pictures in public setting what rules do you have in place? TJ said he would have a signed photo release if pictures were to be publicized.

The Board suggested that TJ Latour present Executive Director Devanee Morrison with a formal one-year lease presentation.

Robert Poleki made a motion to give Executive Director Devanee Morrison authority to work with TJ Latour to approve or deny the photo booth proposal. Ronald Johnson seconded the motion. The motion carried.

Break

The meeting was called into a break at 12:30pm and back in session at 12:45pm.

Financial Report

Executive Director Devanee Morrison reported on the financial status of the Lava Hot Springs Foundation. The reports covered were:

- Attendance: The Hot Springs and the Olympic Swimming Complex has had record attendance since September 2020.
- Revenue vs Expenditure: YTD Revenue: \$2,607,115.50
Expenditures \$1,735,331.07
Rev vs Exp \$ 871,784.43
- Cash Position: March 2021
Operating Fund \$1,928,423.46
Capital Outlay \$3,777,896.33
Total \$5,706,319.79

New Credit Card Merchant Services Company-Cardknox/Fidelity. Their customer service is great. Representative Larry Wieder responds to any issue or has a customer service representative contact us with a solution to any credit card processing issue. When working with Worldpay we would have a two hour wait to talk to a customer service representative.

Director's Report

1. Mike Hansen and Vickie Hansen have leased the concession stand (PITA) at the Olympic Swimming complex since 2008. Mike Hansen contacted Devanee about some water damage to the concession stand located at the Olympic Swimming Complex. The concession building is attached to the Olympic Swimming Complex building. Mike and Vickie Hansen contacted State of Idaho Risk Management and submitted an insurance claim for water damage to the concession stand stating that the damage was caused from the Olympic Swimming Complex condensation in the pool area and the water leaked into the concession building.

Devanee mentioned that there should be a fire block between the Swimming pool building and the concession stand. The concession building has a cooking grill that goes up through their roof and into the Swimming pool building roof.

Risk Management Adjustor told Devanee that the Foundation is not responsible for concession damage. It is not the Foundation's Liability.

Mike and Vickie Hansen contacted Board Member Cameron Salt at his home and asked him to come look at the concession stand roof. Cameron went and looked at the concession stand roof.

PITA Lease:

- Conflict of Interest
- Lessees provide the following information;
 - Commercial Liability insurance.
 - Property insurance.
 - Workers Comp Insurance.
 - CO Inspection
 - Plumbing Inspection
- Lease RFP included sewer and water utilities. Electricity not included in the lease. They are a separate commercial business and need to get separate power.
- Concession's negative reviews reported to the Foundation.
- Parking spaces are not included in the lease agreement.
- State Fire Inspector conduct a full inspection of the property (grease trap).
- Failure to purchase-provide insurance may result in lease termination.
- Performance- not able to operate until issues are corrected.

Executive Director Devanee Morrison recommended sending a letter to PITA lessee to provide proof of commercial-property insurance, CO inspection and to acquire separate electricity. Paperwork and documentation with 30 days to do repairs.

Robert Poleki made a motion to give Executive Director Devanee Morrison authority to send a letter to PITA (concession) Lessee's Mike and Vickie Hansen to provide a list as presented of documents and give 10 days to provide requested information. Cameron Salt seconded the motion. The motion carried.

2. Foundation Property Leases

- Inspector Report
 - Due Diligence
 - Hire an outside contractor-inspector to inspect all leased properties and give a report. Then send out a letter from the Board of Directors asking for information by a certain date.
3. Devanee upgraded the Foundation's Organizational Chart. We are hiring two new Positions; an Office Services Supervisor and a Maintenance Craftsman Senior.
 4. SB1123 Senate Bill- Lava Hot Springs Foundation's continuous budget bill passed the Idaho House and Senate. This will change things tremendously with hiring employees and purchasing. Executive Director Devanee Morrison will continue to keep an internal budgeting system.
 5. East/West parks Bathroom Building: The Sewer lift station is about 5 ft. above ground which was a DPW oversight of the project. The subcontractor hit water and had an issue with burying the sewer tank so they left it 5ft above ground level which was not what was in the project plans. They were worried the tank would float but after researching the issue the tank could be buried in the ground. DPW is paying to have the sewer lift station issue corrected.
 6. The Foundation is an agency under Idaho Parks and Recreation which does not required DPW oversight of projects.
 7. Thai Restaurant Lease expires in 2025. The lessee's do not plan to renew their lease.

8. Tumbling Waters Motel: We are moving forward with the demolition of the motel. DPW (Department of Public Works is still involved with this project. There is a service contract and had to have a third party monitor the property for asbestos. Asphalt will be installed temporarily in this location. Demolition will start in the next 2 weeks and completion deadline is middle of June.
9. Rock Wall (Hot Pool Facility) construction project should be completed by Memorial Day. The chain link portion of the wall will have a vine. The rest will have shotcrete that is carved and stained.
10. Aqua Zip'N attraction at the Olympic Swimming Complex will be delivered next Monday. The area will have a lane line to block the landing area of the pool.
11. Frog slide has been purchased for the kid-Zoo area of the outside pool at the Olympic Swimming Complex. The tongue of the frog is the slide. It is scheduled to be delivered in August.
12. The new rate structure-prices went into effect May 1, 2021.
13. Debra Jenson Lawsuit. Debra's incident happened on the speed slides. She is claiming that her injuries caused her to lose her job. The State is going to offer her a settlement of \$40,000. If she does not accept the offer then it will go to court.
14. Mark Blanscett of SICOG notified Devanee Morrison of a company (Auto Parker) that Builds stackable parking structures that use less space and can park more vehicles. Mark visited the site of the proposed parking structure and said that a stackable parking structure would work great in the proposed space. This company will build the structure and lease to the Foundation. The company will be here this Wednesday for a walk through of the site.

Executive Session

Ronald Johnson made motion to go into Executive Session under Idaho Code 74-206(b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public-school student. Robert Poleki seconded the motion. The meeting went into executive session.

Roll Call:

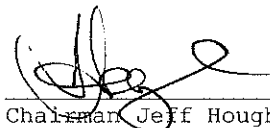
Jeff Hough-Aye
 Ronald Johnson-Aye
 Cameron Salt-Aye
 Rob Poleki-Aye

Ronald Johnson made a motion to return to regular session, Cameron Salt seconded the motion. The motion carried. The meeting returned to regular session.

The Board of Director's conducted Executive Director Devanee Morrison's annual performance evaluation.

Adjourn

Cameron Salt made a motion to adjourn the meeting, Ronald Johnson seconded the motion. The motion carried. The meeting was adjourned at 2:25pm.



 Chairman Jeff Hough

Date



 Executive Director (Devanee Morrison) Date

Minutes by:

Bridget Losee-Management Assistant
 Lava Hot Springs Foundation