

**SPECIAL MEETING
SIOUX CITY COMMUNITY SCHOOL DISTRICT
EDUCATION SERVICE CENTER
APRIL 6, 2004—6:00 P.M.**

President James announced the procedures for the meetings and hearings tonight.

Call to Order/Pledge of Allegiance

President James called the special meeting to order at 6:02 p.m. Present: Directors Batcheller (via telephone from Chicago, IL—call placed from the Education Service Center to Director Batcheller), Daane, James, Jorgensen, Kruse, Mounts, and Peterson.

Approval of Agenda

Director Kruse moved and Director Peterson seconded the motion to approve the agenda. The motion carried 7-0. Directors Jorgensen and Mounts excused themselves from the board table due to their affiliation with Morningside College.

Presentation of Proposals—Morningside College Proposal

A 15-minute presentation on the Morningside College proposal was given by John Reynders, President, Morningside College.

Board Question and Answer Period Regarding the Proposal

The board asked questions of President Reynders.

Presentation of Proposals—Friends of Roberts Stadium Committee Proposal

A 15-minute presentation was given on the Friends of Roberts Stadium Committee proposal by Bob, Bill, and Chris Prince of the Friends of Roberts Stadium Committee.

Board Question and Answer Period Regarding the Proposal

The board asked questions of Bob, Chris, and Bill Prince.

Adjourn

Director Kruse moved and Director Peterson seconded the motion to adjourn. The motion carried 5-0, and the special meeting adjourned at 7:47 p.m.

HEARING

Call to Order

President James called the hearing to order at 7:57 p.m. Directors Batcheller (via telephone from Chicago, IL—call placed from the Education Service Center to Director Batcheller), Daane, James, Jorgensen, Kruse, Mounts, and Peterson. Directors Jorgensen and Mounts excused themselves from the board table due to their affiliation with Morningside College.

Hearing and Discussion

Notice was published that a hearing would be held April 6, 2004, at 6:00 p.m. local time. The hearing is held for the purpose of deliberating and acting on the sale of Roberts Stadium (located at 3201 Peters Avenue, Sioux City, Iowa) to Morningside College and the lease back of Roberts Stadium from Morningside College on a non-exclusive basis for a term of indefinite duration and in perpetuity.

Any interested party may appear and file objections and any information for or against same will be heard on the above-named proposal with the final decision of the Board of Education a matter of record.

Citizen input was received from the following:

Irving Jensen, Jr.—Asked the board to give strong consideration to the Morningside College proposal. Doesn't want to see the \$2.35 million not come to Sioux City. Let's take it from the outside. Doesn't see the downside to the district.

Charese Yanney—Appreciated the thoughtfulness given this process. The district has had financial problems in the past. A gift from out of town for \$2.35 is worth any risks. This would leave more money for our schools. Fund raising is not easy. This is a golden opportunity for us in Sioux City.

Doug Palmer (on behalf of Morningside College Board of Directors)—This is a vote about what can be—to provide a better stadium for our students. Sound proposal with solid financial backing. Proposal clearly outlines the improvements that will be made to the stadium by Morningside College. Interests of the district are protected. Only motive is to offer a partnership in which district, community, and college benefit. Not a vote about preserving the status quo but a vote about what can be.

Michael Tramp—Reviewed calculations and believes figures are accurate which the district has given in regard to this proposal.

Randy Bradley—Spoke regarding the sale of Central High School in 1972 in that this building was saved by a private organization, the Castle on the Hill

Association. Stadiums are not profitable. Asked to have Morningside College take over the stadium.

Harold Mettenbrink—What is the problem? Two solutions were presented and we continue to argue about those two solutions. Has the board determined what the problem is? Which proposal is the best? Is there another solution? Was on the board when there were several problems with the stadium. Feels that nothing that has been done in the last fifteen to twenty years to update the stadium.

Jerry Schmutte, Morningside College AD—Gave ten reasons to accept the Morningside College proposal. In the future, Morningside College's money will be in place, will the Friends of Roberts Stadium Committee volunteers be there?

Randy Hansen—Attended schools in Sioux City and is a Morningside College graduate. Aesthetics has dramatically improved due to the funds and pride that Morningside College has put into their property. Roberts Stadium will also be updated to improve the neighborhood. Appreciates concern and effort by Friends of Roberts Stadium Committee but feels the Morningside College proposal is the best for all concerned.

Chuck Mounts—Stated that whoever gets Roberts Stadium will have to live up to it. When girls' athletics were formed, the coaches had to raise funds for uniforms, etc. Presently responsible for assigning volunteers for the Sioux City Relays. He cannot always depend upon folks to work the relays. Volunteerism is not going to solve the problems at Roberts Stadium. The Friends of Roberts Stadium Committee is dedicated, but doesn't feel they can raise the funds. Too bad as both groups deserve what they want. Done a lot of work to prove point, and he respects that. Can't turn down hard-earned money.

Thomas Peterson—Stated that the first thing he had a problem with regarding the Morningside College proposal was the time limit. This has been changed so it can go on forever. Even if this board approves this contract and the Morningside College Board approves this contract, the donor can review the contract and negate the whole thing. Timeframe is a problem. Morningside College has indicated a timeframe this evening. Doesn't like the bankruptcy language as it doesn't protect the district. Asked the district to get expert language from an attorney. Spoke regarding naming rights.

Kim Walish—Spoke regarding what a truly amazing piece of land we have. In the 1920s the land upon which Roberts was built was nothing more than a ravine. Someone on the school board back then planned for a stadium. The 1929s hit. Later the plans came out of the drawer and 1,800 men built the stadium (WPA) due to assistance from Harry Hopkins.

Bob Burdick—Football used to be played in the stockyards. Morningside College is a great institution but this stadium belongs to the children and future children of the taxpayers of Sioux City. Hopes the board reads the contract as it is strictly written by Morningside College.

Bob Houlihan—Spoke regarding the financial impact of this contract. Selling for \$1.00 and once it is sold the equity of the district goes down by almost \$500,000. The lease has to be capitalized. Wonders what this will do to our bonding. In regard to the CPI, if we don't control it, we will be purchasing a new stadium throughout the years.

Bob Scott—Stated that this is about equity between our two colleges. Has much respect for Irv Jensen who gives back as much or more as anyone in the city. Concessions can make more money. Same concern with cap on the lease. Concern about bidding as their contractors may be to our detriment. Should be fair and open. Should be concerned about the future of Morningside College. Obligation for books but for students to have extracurricular activities also.

Dick Benton—Said that a couple of things that haven't been discussed are articles put out by Morningside College. Nothing about the teeth regarding the concession stands have been stated. Feels they have a ten-year sunset clause and they are going to be evaluated. Feels we should keep the stadium for our students.

Dick Williams—Stated that there were several meetings to analyze the Morningside College's proposal and that it comes down to what is best for the citizens of Sioux City. Friends of Roberts Stadium Committee has gone out and gotten lighting bids, bleacher bids, and a bid for a new track. The Friends of Roberts Stadium Committee bids for these three items are 45 percent less than those estimated by Morningside College. The Friends of Roberts Stadium Committee solutions make it feasible for the district to keep Roberts Stadium. Was built with public funds and should be retained for the purpose for which it was intended. Extremely proud of Roberts' Stadium.

Caroline Conkey—A partnership is a joint endeavor where risks and benefits are assumed by both. Always seeking public input, public involvement. The Friends of Roberts Stadium Committee will not go away. This is a diverse committee. Does it make financial sense and is it right for the whole community?

Dick Matousek—Wonder why we are considering Morningside College proposal. Feels it is foolish to sell for \$1 and take the management. If we give away public asset, we will have a new definition of uphill battle on an additional ten-year Local Option Sales Tax.

President James read an e-mail from Lynn Richardson who feels Morningside has a quick fix for a problem which has been blown out of proportion. The stadium is not

in as bad of shape as stated. The Friends of Roberts Stadium Committee has a plan that will make repairs in a timely fashion and save the district millions of dollars in future payments.

Recommendation

Director Daane moved and Director Kruse seconded the motion that the Board of Education defer action to accept/reject the above-named proposal until April 14, 2004, at 6:00 p.m. local time, at the public meeting of the Board. The motion carried 5-0.

Adjourn

Director Kruse moved and Director Peterson seconded the motion to adjourn. The motion carried 5-0, and the hearing adjourned at 8:53 p.m.

HEARING

Call to Order

President James called the hearing to order at 8:53 p.m. Present: Directors Batcheller (via telephone from Chicago, IL—call placed from the Education Service Center to Director Batcheller), Daane, James, Jorgensen, Kruse, Mounts, and Peterson. Directors Jorgensen and Mounts excused themselves from the board table due to their affiliation with Morningside College.

Hearing and Discussion

Notice was provided that a hearing would be held April 6, 2004, at 6:00 p.m. local time. The hearing is held for the purpose of deliberating and acting on the proposal of the Friends of Roberts Stadium Committee for the operation, management, and maintenance of Roberts Stadium (located at 3201 Peters Avenue, Sioux City, Iowa).

Any interested party may appear and file objections and any information for or against same will be heard on the above-named proposal with the final decision of the Board of Education a matter of record.

Citizen input was received as follows:

Irving Jensen, Jr.—Thanked the Friends of Roberts Stadium Committee. Done a good job; they mean well. They need to look at their proposal insofar as their management group as they need at least one board member who will represent the taxpayers. Little use for outside concerts at this stadium as no beer can be sold on the premises. The event center and baseball stadium will get the concerts. Doesn't feel the National Register is a big thing regarding the stadium as it was not much

help to the Orpheum Theatre as far as getting grants. Guarantees must be given by Friends of Roberts Stadium Committee and Morningside College. Proud of the stadium whichever way it goes.

Kim Walsh—Indicated the back in the 1980s Morningside College wanted Lewis Park. Parks are an important part of our history as is Roberts Stadium and the land it sits on.

Frank Fisher—Spoke on behalf of the Friends of Roberts Stadium Committee. Last time stadium worked well was when a former board formed a partnership with citizens. The Friends of Roberts Stadium Committee have created an annual project called Friends of Roberts Stadium Committee Day at which time funds will be raised. Prizes will be given out to teachers and students. Will create a forum each year to honor graduates who have gone into their futures in exceptional ways. Doesn't believe in making promises we can't deliver.

Also have out of town donors. Matt Chatham, former North High School student, is gathering a group of former graduates who will do what it takes to keep Roberts Stadium. Talked about an annual event with nationally-known athletes through All-Pro Marketing Association.

Bill Prince—Stated that a lot was said tonight. Doesn't see that \$2.35 coming in from an outside person as being a good thing. Feels we are in an awkward position. They don't want the ownership to happen. Feels his committee could raise \$1 million by the end of the year. Why can't we get together with those two parties and not have the board even be involved. There is another alternative. Makes common sense to him.

Tom Peterson—Thanked the board on behalf of Friends of Roberts Stadium Committee and Mr. Reynders and Morningside College for giving the opportunity for this public input. Thanks also to attorney Dan Moore, as well as Superintendent Williams.

Chris Varney—Proud of Sioux City and being up in the booth broadcasting high school football. Believes in his heart that Roberts Stadium is the best high school football stadium in Iowa. The new Valley Stadium is too cramped and does not have as good a view of the field as Roberts. Press box is second to none. Visiting broadcasters come up to him and say we have a great facility. Proud to say he works at Roberts Stadium. Hopes the board will be as proud themselves and not give it away.

Gene Ambroson—Seems that we are hitching our wagon to two words. The first word is "if." If we can raise the money, according to the Friends of Roberts Stadium Committee, things will happen. The board has heard from Bruce Zook and Irving Jensen regarding the uphill fund raising battle over the next few years. We heard

it is next to impossible to rely on volunteers always. We all know that improvements need to be made at the stadium. One proposal guarantees “if” and one is “if” we can do certain things we can fund the improvements. The Friends of Roberts Stadium Committee gives us the bare minimum. Concession sales are down. The Morningside College proposal is full of guarantees and he maintains that the Friends of Roberts Stadium Committee proposal is a big if.

Mary Mettenbrink—Appreciates that the board let everyone speak and give their opinions. First impression was that Morningside College have the stadium. More to it than having millions of dollars. There’s pride in this stadium. Feels the donor should remodel the stadium and let the district keep the stadium for the community.

Mike Tramp—Proforma comparison shows that the Friends of Roberts Stadium Committee will increase their revenues or fund raising. Admires the Friends of Roberts Stadium Committee for their effort and pride. Feels it would be beneficial if the Friends of Roberts Stadium Committee works with Morningside College for the betterment of the community.

Randy Bradley—When you vote on the 14th, expects the board to sell to Roberts Stadium and become a good neighbor to Morningside College. It’s a community in that area. Feels board will do what they need to do to improve this property. If we want to have attractive property, must maintain to the same standards as the Morningside College campus.

Chris Prince—Problem since whole debate started in regard to tenant and landowner. If a piece of property is not in good repair, the city comes to you and tells you to rectify problems. The Friends of Roberts Stadium Committee were not told there was an issue with the stadium.

Dick Williams—Would feel remiss if he didn’t point out that the parking lot at Roberts Stadium (east side) has been used by Morningside College. They were to do some renovation and didn’t do it.

Kim Walsh—Stated that in the past Morningside College wanted to pave the parking lot. Students were charged to park in this lot.

Recommendation

Director Kruse moved and Director Daane seconded the motion that the Board of Education defer action to accept/reject the above-named proposal until April 14, 2004, at 6:00 p.m. local time, at the public meeting of the Board. The motion carried 5-0.

Adjourn

Director Kruse moved and Director Daane seconded the motion to adjourn. The motion carried 5-0, and the hearing adjourned at 9:27 p.m.

SPECIAL MEETING

Call to Order

President James called the special meeting to order at 9:28 p.m. Directors Batcheller (via telephone from Chicago, IL—call placed from the Education Service Center to Director Batcheller), Daane, James, Jorgensen, Kruse, Mounts, and Peterson. Directors Jorgensen and Mounts excused themselves from the board table due to their affiliation with Morningside College.

Approval of Agenda

Director Peterson moved and Director Kruse seconded the motion to approve the agenda. The motion carried 5-0.

Board Discussion, Evaluation, and Deliberation

Superintendent Williams:

- Stated that the discussion was very interesting and probative.
- Two methods of appraisal were discussed. We asked that the facility not be value. appraisal
- Another question was “What is the problem?” Depends on which party is looking at the problem. Morningside College was responding to him that we didn’t have tax base enough to take care of this. Did not feel we would go with a voted PPEL. In the simplest form, that would be the problem.
- We had not asked the public to see what they could do by way of fund raising.
- Facility “hasn’t cost us a cent said one.” Half the cost of the track was paid for by the district.

Director Daane:

- Asked Dan Moore of his concern regarding the extremely remote possibility that Morningside College might have financial trouble and the what ifs. He asked Dan Moore to write the proposal to protect the district buy-back. He asked Dan to write the board a letter regarding the possibility that if the college goes under and they have creditors what would happen to the stadium.

Attorney Moore:

- Legally, he is unable to write this letter. Not a bankruptcy lawyer so he hired an insolvency attorney, Frank Baron, who reviewed the revisions for him and the structure of the agreement. This is why we are looking at the agreement we are today. Bankruptcy and insolvency cannot eliminate the risk that the board is asking. There is a risk once the title is transferred to the college. We have no way of knowing what the variables will be in the future. Mortgage lien helps but does not eliminate the risk. It comes down to weighing benefits and liabilities and there are no certainties.

- The agreement reads that the college would have seven years to make \$1.5 million in capital improvements and then would have the remaining time, not to exceed ten years, to make \$850,000 in improvements. This will be clarified in the agreement. We can exact performance within the seventh year.

Director Kruse:

- Says the Friends of Roberts Stadium Committee would also have a given number of years to make improvements.

Director Peterson:

- Board can look at stadium as a wonderful asset, or we can look at it as a liability—and it is both. The fix-up is the only area in which we will save money in both proposals. Problem is the repair that needs to be done. If we can get it repaired and we don't have to use taxpayer money, both proposals have merit.

Director Daane:

- Agrees with Judy's bottom line issue. Asset or liability? If liability, we look at whatever is the best deal for the taxpayers. If asset, potential income producing asset; this changes things.

Director Kruse:

- Appreciates the phone calls and e-mails from both sides. Curious if folks had read both proposals from cover to cover. Want the best for the citizens, but is it a reason to get rid of it because we haven't been able to repair the stadium due to lack of funds.

Director Daane:

- We won't ask the taxpayers for money for the stadium. For 25 years we had no money to put capital improvements into the stadium.

Director Batcheller:

- Still struggles with a concept that educationally we need to talk about other things. Wish community would get as fired up about No Child Left Behind as they have about Roberts Stadium. Respects everyone's opinion and the desire and effort they have put forth. Here we have \$2.35 million sitting there given by a donor to an organization that has been a good corporate citizen for over 100 years. Has to go forward to figure out what is best for the teachers and the students and understands the Roberts Stadium is also a stadium. Feels the Morningside College proposal will make it the best classroom in the State of Iowa and the Midwest. Convinced the \$2.35 million the Morningside College donor has so graciously given is the way to go, and wants to get on with important issues with the school district.

President James:

- In regard to the discrepancy of costs, the Friends of Roberts Stadium Committee thinks they can do the repairs at a cheaper cost. The superintendent stated that this issue is virtually irreconcilable.

Director Batcheller:

- Respects the input from Jim and Valorie. Issue not raised is the concept of the closed meeting law. Recognizes that he overstepped his bounds in this issue with no malice or forethought but simply to gather more information about what was being presented. There was no agenda. Proud to serve with Directors Kruse and Daane.

Director Daane:

- To those in the public who don't feel that you've had an opportunity to speak, the district has a website. Both proposals are on the website, as well as board members' e-mail addresses, to get best public perception as to asset or liability.

Director Peterson:

- Thanks for all of the input. Didn't know about this concept until November and it was given to the press at this same time.

Superintendent Williams:

- Cannot bind the board to the concept paper, but as superintendent has in good faith listened to and contributed to the discussion that led to this concept paper.

Director Kruse:

- Hard part for the board is that we really haven't preserved and reserved the most for the district. I don't know which proposal would be the best. A black and white real estate change would have been very easy. It's a very difficult decision.

Director Daane:

- When sending e-mails, don't waste my time by telling me bad things about Morningside College. Grateful that Morningside College has made this offer. They've done everything we've asked them to do. Knows the Friends of Roberts Stadium Committee feels the same way. Not interested in hearing how the Friends of Roberts Stadium Committee cannot guarantee the fundraising efforts.

- Want to know which proposal will make the stadium an asset or present the stadium a liability as you see it to be. Best solution to preserve the asset or avoid the liability.

Adjourn

Director Daane moved and Director Peterson seconded the motion to adjourn. The motion carried 5-0, and the special meeting adjourned at 10:06 p.m.

(The complete audio tape of board meetings is housed at the Education Service Center, 1221 Pierce Street.)