

FOOTHILLS PARK AND RECREATION DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

May 12, 2009

The regular meeting of the Foothills Park and Recreation District was held at The Peak Community and Wellness Center, 6612 South Ward Street, Littleton, Colorado 80127.

- I. CALL TO ORDER: Director Shangraw called the regular meeting to order at 7:00pm.
- II. PLEDGE OF ALLEGIANCE: Director Shangraw led those in attendance in the Pledge of Allegiance to the Flag of the United States of America.
- III. ROLL CALL: Director Frankland: Present
 Director Maulik: Absent
 Director Nunes: Arrived at 7:30pm
 Director Sutton: Present
 Chairman Shangraw: Present

ALSO IN ATTENDANCE: Ronald Hopp, Executive Director; Paul Rufien, District Counsel; Patricia Parkin, Director of Administrative Services; Tom Woodard, Director of Golf; Colin Insley, Director of Parks, Planning and Construction; Richelle Riley, Recording Secretary; other Foothills staff and members of the public.

- IV. APPROVAL OF AGENDA:

MOTION: Director Frankland moved that the Foothills Board of Directors approve the May 12, 2009 agenda as submitted. Director Sutton seconded the motion. Poll of the Board: Director Frankland, aye; Director Sutton, aye; Director Shangraw, aye. The agenda was approved as submitted.

- V. APPROVAL OF APRIL 28, 2009 MINUTES:

MOTION: Director Frankland moved that the Foothills Board of Directors approve the minutes of the April 28, 2009 Board meeting as submitted. Director Sutton seconded the motion. Poll of the Board: Director Frankland, aye; Director Sutton, aye; Director Shangraw, aye. The minutes were approved as submitted.

- VI. COMMUNITY COMMENTS:

- VII. OLD BUSINESS:

A. November Ballot Decision

Ronald Hopp indicated this item was placed on the agenda because the deadline is near for a decision to be made whether or not we are going to ask the question of a mill levy increase or any other ballot issue at the November election. In the County coordinated election in November of 2006, the District submitted a ballot question for a 1.5 mill levy increase; it was defeated. The cost for that election was a little less than \$60,000 including the pre-election voter survey. On May 6, 2008, the District asked voters to approve a 3.0 mill levy increase; it was defeated. Jill Nunes, Keith Sutton, and Terri Maulik were elected as Board members in that election. The cost for that election was \$143,557 including the pre-election voter survey. The next election coordinated by the County is November 3, 2009. The deadline to notify the Jefferson County Clerk and Recorder is July 24, 2009. On May 4, 2010, we will be holding an election for two new Board members and at that time could include a TABOR question if we choose to do so. It was clarified that a mill levy increase or bond debt would fall under the umbrella of a TABOR question, and would require notification to Jefferson County by January 22, 2010. Mr. Hopp said we have \$100,000 in the 2009 budget for election expenses if we decide to put a ballot together for the November election, and have included calendars in the packet that outline the deadlines. He acknowledged we have a lot of work to do if we would desire to have a mill levy or a bond issue election in November.

Director Shangraw pointed out the dramatic increase in cost between the first mill levy question and second is due to statute change that required a mail ballot; we used an outside consultant as well. She observed we are likely all in agreement that this fall is probably not a good time to ask the question, and is comfortable with having the discussion for next spring or next fall. Director Frankland agreed, and Mr. Hopp said that staff concurs.

Mr. Rufien advised if we want an election in May of 2010, we have a lot of work to do and it is not too early to start laying the ground work. Director Shangraw recommended we start looking ahead to what the 2010 budget would look like and how we will address upcoming issues for 2011, and critically think about where we want to be. Mr. Rufien said the next window after May, 2010 is November, 2011.

Mr. Hopp offered that when the audit is finished, staff would like to go through a forecasting process like we did last year to look at a five year projection looking at our needs, how our costs are escalating, and how our efficiencies we have developed will impact that forecast. With that information we can more accurately predict whether or not a mill levy is important to that success or if there is another alternative. Mr. Hopp suggested we could make some decision towards May of 2010 by the end of June or first part of July.

The Board agreed to not submit a ballot question for the November 3, 2009 election coordinated by the County. We will study to see where we really are considering our cost cutting measures.

VIII. NEW BUSINESS:

A. Board Meeting Time Change

Mr. Hopp explained that we used to have a 6pm study session, and in an effort to enhance our transparency, it has been eliminated. There has been discussion about possibly moving our public agenda to 6pm as opposed to the current 7pm.

Director Frankland asked those in the audience, who were not staff members, what their thoughts were about moving the Board meeting from 7pm to 6pm. Mr. Miller stated 6pm would be fine for him.

Director Sutton agreed that an earlier meeting makes sense. He suggested thinking about having one meeting per month instead of two, and being on call for work sessions. Director Frankland voiced we have had two or three sessions this year that have gone late into the evening and if we had only one meeting per month, there could be several. One of the reasons to start at 6pm instead of 7pm is to finish a little earlier. Director Sutton asked to consider a table set up again for the executive staff to sit during the meeting rather than among the audience. Director Frankland and Director Shangraw would agree with whatever staff are comfortable with; Mr. Hopp said we can address that.

MOTION: Director Frankland moved that the Foothills Board of Directors approve Resolution No. 09-002 to change the start time of Board meetings, which occur the second and fourth Tuesday of each month, from 7pm to 6pm. Director Sutton seconded the motion. Poll of the Board: Director Frankland, aye; Director Sutton, aye; Director Shangraw, aye. The motion was approved.

IX. EXECUTIVE DIRECTOR'S REPORT:

Mr. Hopp and Mr. Insley attended a briefing session today with the County Commissioners where they were reviewing future agenda items. One of the topics they discussed was the disbursement of Conservation Trust monies being allocated to three separate projects; one being the dog park in the Foothills District. They approved that item in the amount of \$125,000, and it will appear on the consent agenda for the County Commissioners' meeting on May 26th. Mr. Hopp mentioned the cost estimates we had developed are under \$125,000; and it appears that Foothills Unleashed will be fulfilling one obligation which is to raise the money towards this improvement. It was stated to the commissioners today that this still has to go through a formal process with the Foothills Board of Directors, and will need to go through a public process. We will present to the Board our recommendations for placement of the site and go through the formal process upon receipt of the information that the funding has been secured. Mr. Hopp clarified no matching funds are required for this funding; it is a process that is funneled through Open Space. They have about \$538,000 with what they have projected to come in this fiscal year, and what has carried over from previous fiscal years. After they fund the three projects that it appears they are going to fund, they still have \$217,000 unallocated.

Mr. Hopp said the dog park has been narrowed down to two concepts; one is about 3 1/2 acres and one is about 6 acres. He discussed the difference between the two being the other amenities that can be provided, including the provision for water.

Regarding the employee survey, Mr. Hopp stated as of about 6pm this evening, there have been 208 employees who have responded. We have had 97 respondents to the Before and After School participant survey.

Mr. Hopp gave a brief update on the climbing wall. After purchasing some new supplies and equipment, and with the rentals we have had, we are one penny ahead. We have had some additional rentals since and are on the right track. Mr. Hopp expressed appreciation to the Board for their willingness to support the climbing wall.

Mr. Hopp introduced his mother, Joann Hopp, who was visiting from Council Bluffs, Iowa.

X. DISCUSSION ITEMS:

A. Meadows New Nine-Hole Golf Course Update

Tom Woodard recognized that at the last meeting, Director Nunes asked staff to provide a detailed analysis on the possibility of the District building, financing, and running a new nine holes and learning center at the Meadows. He referred to the financial spreadsheet in the packet, explaining the scenario of the District operating with debt. He said starting in 2010, the net profit loss is \$242,000 and stays consistent until all the debt service is paid off in 2020. The key is not so much that the facility would lose money in those first ten years; the issue is the District's ability to take on additional debt. That is what makes this plan not work. Mr. Woodard talked about a feasibility analysis that was done in August of 2000 on building a new nine holes and learning center at the Meadows. He concluded the District didn't follow through on the project because the District started other new projects and had overruns, and because the golf industry became flat. Comparing what those projections said we would be generating in 2009 to what we are actually doing, they said the gross revenues at the 18 hole golf course at the Meadows would be about \$2.4 million; we are doing \$1.9 million. Mr. Woodard said we are going to spend the next two weeks really looking at the numbers that we put together with the partnership to see if those numbers work. We will have to decide if the Board and the District are ready to move forward with a long term partnership, assuming that the partner can come to the table with \$3 million in escrow.

Director Shangraw mentioned they make the numbers work because they would be getting donated funds rather than securing debt. She observed that we are still on the hook for maintenance, and asked if we would be coming out ahead with our three days of revenue and be able to cover the costs. Mr. Woodard said that will be a different spreadsheet because some of the maintenance expenditures are not there if there is a partnership in place, and he gave examples. Director Shangraw expressed concern about how we would structure a contract to protect the District from liability if they can't fulfill their obligations financially. Director Frankland voiced they will have to prove they can finance it; then we would need to take a good look at the maintenance costs. He feels comfortable that we could make the agreement work, assuming our numbers hold true on the amount of rounds we play on the weekends.

Director Shangraw cautioned we've tried these public/private partnerships and they are never as good as they sound at the beginning. There hasn't been one that has exceeded our expectations. Director Sutton concurred and suggested it's well founded, but enter into it with the position that we may have to operate it in total. Mr. Woodard said the key would be if they came to the table with \$3 million and put it in escrow, at that point we would put the contract together.

Mr. Hopp added that we presented the project to the Jefferson County Open Space Advisory Committee last Thursday night; he shared with the Board their comments and concerns. It boiled down to the magnitude because it is bigger than anything they have considered before. They have asked their attorney to make some recommendations to them. Mr. Hopp reminded this is conceptual, a lot of due diligence has to happen; we want to be proactive to determine what steps have to be taken in order to accomplish it if we all think it is a good idea.

B. Wards

Mr. Hopp explained that staff and Mr. Rufien were asked to provide information to the Board to help with the discussion about whether or not it is in the best interest of the District to change to a ward form of government representation. The Board was provided with information outlining three options along with some pros and cons; one option to remain the way it is. An alternative option would be a five member board representing five wards; another alternative option would be a seven member board representing seven wards. Also provided to the Board were previous memos (August, 2007) from Mr. Rufien that conveyed what needs to happen to create a ward and information about the exclusion process, which was the reason for the discussion item in 2007.

Concerning options, Director Shangraw asked what if we were to have an option with three wards and two members at large with the caveat that we can have only two members per ward. Mr. Rufien indicated that would be a possibility; the options presented were the most straight forward. He added, based on statute, wards are supposed to be roughly equally divided based on our electors. If that is the direction this Board wants, we could probably make it happen. Director Shangraw expressed that in the coming years, she believes the District is in a very vulnerable position financially and it is imperative that we keep a well balanced board. We may need to move to the ward concept to insure we are protected during this fragile time.

Director Sutton expressed he does not know what problem there is and what we are trying to cure. He would need to be convinced that there is something not working or there is some danger in using what we have. Director Shangraw said the memo about exclusion was put together because of the activity coming out of Sixth Avenue; that is a concern at this time when we are financially fragile. She believes we are not in a position at this point to have that kind of a process take place. We have two board positions opening next May and if there were two Sixth Avenue candidates successful with exclusion from the District in mind, it could potentially be a three person vote. Director Sutton offered that may not be reason to run in fear; it might be a reason to think about our processes and what we have done over the years, and how we deal with things in the future. He indicated it's not as though their feelings go unfounded, there is some deep-seated animosity. Director Shangraw said Mr. Hopp has been trying to address those, but his efforts don't make a difference in their sentiment.

Director Nunes asked where we go from here; we should definitely look into wards. Director Shangraw replied if we decide to look at it further it would require public process. Mr. Rufien suggested before we open it up to public process, there should be clearly delineated position/positions on the Board so the discussion is focused whether all pro or con or equally divided. He recommended we do not go to the public with multiple options; decide if and what the Board wants to present to the public and let them comment on one thing. Mr. Rufien advised what was designed here is for discussion; it is not presumed that the Board wants to do it or does not want to do it, but questions are being raised. He determined the Board will need more assistance if we want to move forward.

Director Frankland indicated Sixth Avenue could go directly to the County Commissioners if Foothills says "no". Director Shangraw said alternatively it could happen if the Board said "yes". Mr. Rufien said there is a process, and discussed a series of formalities mentioning Lakewood as an example. He emphasized it applies not only to Sixth Avenue, but any pocket in any area in the District. Discussion continued and Director Sutton suggested taking a look at the grievances; is there a way of resolving them, or maybe the thing to do is to go along with a succession on a modified or win/win basis. The shape of the Sixth Avenue parks and pool versus parks in other areas of the District was discussed.

Director Nunes asked how we move forward and Mr. Rufien advised we are having this discussion here and now because that is what the Board wanted to do – have transparent discussions at Board meetings. Whether that is future Board meetings, work sessions, or special meetings devoted just to this is going to be up to the Board. There are many processes and much dialogue yet to have and he recognized that Director Maulik is interested in this topic and wants to be heard. Staff have provided pros and cons, in which Mr. Rufien gave some input; and outlined what some wards could potentially look like. This is healthy dialogue and it needs to continue until a path starts to develop. It was decided to have an additional discussion at the next Board meeting when Director Maulik is available.

There was discussion about the feasibility of getting candidates for each ward; Mr. Rufien explained the process to fill a vacancy. It was decided to eliminate the seven board member and ward option, and look at the three member/three wards with two members at large option. The topic will be placed on the agenda for the next Board meeting.

Director Nunes requested having further discussion on the Sixth Avenue issues. Mr. Hopp said factual information can be provided. Mr. Rufien suggested that Mr. Insley could provide historical information; the next step could be to bring in representatives from that area. Director Shangraw indicated a lot of the issues recently are as a result of our budget cuts and they affect the whole District, it's very important to keep that in context. Mr. Hopp pointed out he heard the same types of things in the Columbine Hills area as he heard in Sixth Avenue; he believes there are a variety of areas within the District that are feeling very similar. We have tried to establish better relationships with people in that particular area; Mr. Hopp related some examples. He said there are other areas and HOA's who have requested that we have improvements done to their specific park where we have made the statement that we can't afford to do those things. Mr. Hopp gave an example of a request to improve the aeration system at Blue Heron; we couldn't afford it and the HOA has stepped forward and agreed to fund that. Today we got a phone call from the Mesa View Estates manager about a hole in the parking lot; they have volunteered to possibly pay for that improvement. Mr. Hopp mentioned the Kipling Villas area that made the decision to have their own sub-district to improve their particular area; that could be an opportunity for Sixth Avenue. There are a lot of opportunities to discuss; we need to chart a path and figure out the best way.

Director Sutton said there has been positive feedback through all the contact methods Mr. Hopp has made. Mr. Insley offered we could do a better job explaining things like what percentage of what they are paying is going to maintenance and various overhead; as with other neighborhoods. It was agreed to take a new look at that information at the next Board meeting. Director Sutton voiced that perhaps there are other areas that are in similar situations.

Mr. Hopp reiterated that we feel staff are being consistent across the board in terms of any efficiencies and cut backs we have made. Director Sutton pointed out the problems we are encountering were cast years before any of us were here.

C. Capital Repair/Equipment

Mr. Hopp discussed that the 2009 approved budget included \$100,000 for capital equipment and \$200,000 for capital repairs and projects. To recognize the priorities, the management team considered safety issues, liability issues, things that could generate revenue, and things that make sense to invest in. He highlighted items from the memo that was presented to the Board. All the equipment or improvements for the golf courses are coming out of the Golf Improvement and Development Fund and previously approved by the Board. For capital equipment: \$32,000 was earmarked for cardio equipment at the Peak, \$8,000 for lane rope replacement at the Ridge and Lilley Gulch. For Parks, Planning and Construction we purchased a used mower for \$9,500 for Urban Parks; \$25,536 for a mower at Clement Park; \$9,143 for an equipment lift for Fleet Services. Earmarked for Administrative Services is \$7,500 for a mail/backup server; \$7,000 for a new tape library.

Mr. Hopp outlined the capital repair projects summary list for Parks, Planning and Construction, our matching funds for 2009 Open Space Joint Venture grants, and Leisure Services. We had \$200,000 budgeted and developed a list that equals a little less than \$165,000. We still have seven months of the year where something might arise that might be a liability situation, and we have \$35,000 left to address that.

Director Sutton observed that none of those improvements go into the Sixth Avenue area. Mr. Hopp reiterated these are the safety and liability issues that rose to the top.

Mr. Hopp discussed that we moved from a self insurance medical fund to a fully insured plan. The District had been making contributions to a reserve account to cover the claims associated with a self insured plan. By moving to a fully insured plan, it alleviates the burden on that reserve account for the need to cover claims. We believe the amount we can transfer

from the medical reserve fund to the general fund is about \$370,000. He said we need to be prudent in making sure these funds stay as reserve funds within the general fund. Mr. Hopp suggested the need for cardio vascular equipment at the Peak. The equipment was purchased about nine years ago and the life expectancy is five years. We are currently spending about \$5,000 annually to repair the cardio vascular equipment at the Peak. He suggested that as patrons and employees of the District, the medical fund is designed to provide enhancement to quality of life. Our cardio vascular equipment is aging and patrons are looking elsewhere for their cardio vascular needs. Mr. Hopp couldn't state that we would generate a huge influx in revenues by doing this, but does think we could potentially deter people from looking at other sites. He proposed we use \$60,000 of the medical fund to enhance the health of our employees and patrons of our District and replace all of our cardio vascular equipment at the Peak. The estimate for replacement is around \$92,000; of which we have earmarked \$32,000 of our capital equipment fund. The remaining \$310,000 will go into the general reserve fund. Mr. Hopp clarified this is a one-time expense and a way to fill a need. Director Shangraw pointed out this is a need that has come up for the past three years and we have not been able to address it at all. This is a reasonable way to accomplish that and still maintain dollars for a reserve fund. Tami Adams explained how staff have maintained the existing equipment, and issues they have with the equipment.

Mr. Rufien advised it was not necessary to have a motion, but discuss with the Board so they are fully aware; and let the record reflect that. Director Frankland observed if we are spending \$60,000 and taking it out of a reserve fund, it needs to be reflected that this is a one-time expenditure. The Board agreed to utilize \$60,000 from the medical fund to make a one-time purchase of cardio vascular equipment for the Peak. Mr. Hopp reiterated it is a medical benefit.

MOTION: Director Sutton moved that the Foothills Board of Directors approve to use \$60,000 of the medical fund to combine with \$32,000 that has been earmarked from the capital equipment fund to replace all of the cardio vascular equipment at the Peak, as a one-time expenditure. Director Nunes seconded the motion. Poll of the Board: Director Frankland, aye; Director Nunes, aye; Director Sutton, aye; Director Shangraw, aye. The motion was approved.

Mr. Hopp pointed out that the VGB compliance does spend money at the Sixth Avenue West pool. Derek Eberhardt added we have spent about \$9,200 from the operating budget for the pool start up; there is additional concrete repair that will be made as well. He said about \$2,500 was spent at Sixth Avenue for VGB compliance, and estimated about \$1,500 for the concrete repairs.

D. Quarterly Reports

Director Shangraw thanked staff for the improvement in information provided in the quarterly reports.

1. Golf

Referring to the report provided, Mr. Woodard said for the first quarter (big picture), golf did about 11% of the rounds and revenue that they do for the year. He noted that through April, we are 1,200 below the previous three year average, but 558 rounds above our 2008 year-to-date numbers. Revenues are on pace to match our projected 2009 budget. On the expense side, Mr. Woodard said we have had to replace about \$4,000 in restaurant equipment. At Foothills, we may need to spend \$15,000 to replace four light posts that are in the parking lot. He noted the Premier Restaurant Group's numbers are up through the first quarter, and the Foothills Invitational golf tournament has sold out.

Mr. Woodard talked about the employee golf two-person match play tournament and thanked Jeff Freebury for the work he has put in for that event.

2. Leisure Services

Ms. Butler highlighted the report provided in the packet. Leisure Services is currently tracking about \$121,000 better this year than the same time frame of last year. It is predominately contributed to the increase in fees and participation including field rentals, athletics and youth sports. The added Before and After School site and additional rentals at the Peak contributed as well. Expenses are tracking about \$33,000 less than this time

last year, predominately due to some vacancies in staff and reorganization. Currently, we are on track to meet budget in Leisure Services even with the moisture that has occurred causing us to lose some revenue from weekend tournaments.

Air conditioning at the Indoor Sports Arena was discussed. Mr. Hopp clarified that was an item the Colorado School of Mines students adopted as a class project.

3. Parks, Planning and Construction

As detailed in his report, Mr. Insley said revenues are tracking 25% as of the first quarter; expenses are tracking around 16%. He noted the Bowles Reservoir Company (we are not a part of, but pay an assessment to the County) has undergone a project to revitalize the ditch, so our assessment went up about \$10,000. Our fuel consumption was very low for the first quarter; we've spent about 5% of what we normally would by this time for the year. Mr. Insley said we will complete the Johnston Reservoir repair in July through September after we drain some of the reservoir down.

4. Administrative Services

Patricia Parkin said property tax collection was under through the end of March, but made up in early April so we are on track as far as receiving our taxes as planned. Referring to her report, Ms. Parkin outlined items regarding the total year-to-date revenues and expenditures. We have a \$242,939 decrease in revenues due to offsetting expenses. Because of golf, children's programs' additional site, and athletics having additional leagues, revenues are looking positive for the year. Expenses show a decrease of \$127,000 due to salaries and wages, and personnel expenses. Profit wise we are \$116,000 less than last year, but it boils down to the golf capital improvement being spent in the first quarter and supplies being ahead of where they were last year. She concluded she feels good about where we are with the budget. The audit is finished and Ms. Parkin explained the \$1.9 million in funds that are reserved for future impacts. We have some cushion that we are building up, thanks to the cuts that Mr. Hopp implemented and sacrifices the District has implemented.

Human Resources, Information Technology, and Finance have been very busy and have made a lot of accomplishments during the first quarter.

5. Marketing and Community Outreach

Referring to the report, Mr. Hopp said it has diminished in the amount of the media contacts because the last quarterly report included the security breach. The items listed in the media are positive things.

XI. ADJOURNMENT:

The regular meeting was adjourned at 9:05pm. The next Board meeting will be held at 7pm on Tuesday, May 26, 2009 at The Peak Community and Wellness Center, 6612 South Ward Street, Littleton.

Submitted by:

Richelle Riley
Recording Secretary