

FOOTHILLS PARK AND RECREATION DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

July 14, 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 Nunes called the regular meeting to order at 6pm.
- II. PLEDGE OF ALLEGIANCE: Director Nunes led those in attendance in the Pledge of Allegiance to the Flag of the United States of America.
- III. ROLL CALL:
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| Director Maulik: | Present |
| Director Shangraw: | Present |
| Director Frankland: | Present |
| Director Sutton: | Absent |
| Chairman Nunes: | Present |

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

IV. APPROVAL OF AGENDA:

Director Nunes requested to move Discussion Item "D", Rocky Mountain Roller Hockey League Lease, to Discussion Item "A"; and add New Business agenda item, Investment/401k Committee.

MOTION: Director Shangraw moved that the Foothills Board of Directors approve the July 14, 2009 agenda as revised. Director Maulik seconded the motion. Poll of the Board: Director Maulik, aye; Director Shangraw, aye; Director Frankland, aye; Director Nunes, aye. The agenda was approved as revised.

V. APPROVAL OF JUNE 9, 2009 MINUTES:

MOTION: Director Maulik moved that the Foothills Board of Directors approve the minutes of the June 9, 2009 Board meeting as submitted. Director Shangraw seconded the motion. Poll of the Board: Director Maulik, aye; Director Shangraw, aye; Director Frankland, aye; Director Nunes, aye. The minutes were approved as submitted.

VI. COMMUNITY COMMENTS:

A. Regional Parks Staff Introduction

Kevin Wilks, Supervisor of Regional Parks, introduced Raul Martinez to the Board. Mr. Martinez is filling a recently vacated position, coming to us with about twelve years of experience in golf course maintenance and working in the private sector. Mr. Martinez was welcomed by the Board.

Members in the audience were present to comment about the possible dog park proposal. Director Nunes reminded the audience that the dog park is not on tonight's agenda. We had our public meeting that she, Director Maulik and Director Shangraw attended; and the Board received a compiled list of comments and concerns from Ms. Riley. The Board has not had the opportunity to discuss it at this time, and would like to have the dog park on the agenda when all five Board members are present. Audience members were invited to make additional comments.

Carl Blesch, 6317 South Urban Street, said he and his wife had the opportunity to view what was called the perfect dog park in Englewood. They agree it is the perfect dog park, estimating the nearest housing is more than 1,200 feet away. He urged the Board to look at the Englewood park as a model with no line of site, no ability to hear or smell the dog park, and do this at Fehringer where it belongs.

Matt Spruill, 12305 West Brandt Place, said they have to drive out of the District to take their dog to a dog park. He talked about four elements that need to be synchronized in order to have a dog park. Three are in place; the only thing missing is the approval of this Board.

Susie Love, 12481 West Fair Drive, spoke to the Board about research she had to do for a client on dog parks. She discussed that the research recommended that all dog parks be constructed away from any steep slopes, any waterways or lakes due to potential for water contamination; and explained in detail. Her concern is that the EPA evaluate the health hazards.

Marge Melle, 12206 West Belleview Drive, showed the Board a brochure from Metro Brokers that advertises where the dog parks are because they feel people would be interested. She talked about pet therapy programs at Luthern Hospital and Children's Hospital. She said the danger of dogs polluting anything is very slim; the lake is not a very sanitary lake in the first place.

Lynda Fine, 11929 West Berry Avenue, said she has formed a non-profit corporation called Foothills Unleashed; she was told by Foothills' staff that it would be up to Foothills Unleashed to raise the money to build the park. The money is available and is in jeopardy of being taken away due to the prolonged manner in which this situation is being handled. Out of 624 letters sent to the immediate areas near option "A" and option "B", there were approximately 22 people at the June 4th meeting that were opposed to the dog park location. Ms. Fine said she has a petition with about 200 names who all agree it is time that this area gets a dog park, and stated they are all voters in this District.

Director Shangraw made clear the Board is going through a public process that they are required to go through. We have to listen to and weigh what everyone has to say. We are in the process of evaluating some alternative sites; it's our due diligence and we are doing our job.

Alias Gomez, 12348 West Dorado Place, said having a dog park in the area would be exceptionally great, he wouldn't have to drive five or ten miles.

Phyllis Boccuzzi, 12571 West Prentice Place, said people that use animal parks are a lot more responsible than others. The reason she chose her location is because of the dog park areas, and has had only isolated incidents over the years.

Alison Lambert, 8090 South Estes Street, said she has her own company and does a lot of dog walking. If there was a dog park closer, a lot of people would take their dogs and there would be less noise in the neighborhood.

Tamar Braatz said she wrote to the Board as well as the Columbine Courier in support of this dog park. She told the Board they have a responsibility to the community they serve and asked them not to disregard the dog park.

Mr. Hopp mentioned that on June 4th we held a public meeting required by Jefferson County Planning, as well as the health department, to make sure we garner public comment both for and against. We also received public comment through June 26th. In addition, we are in the process of evaluating other sites. We are looking at sites at Fehringer Ranch and Harriman Park. The lake at the Harriman site is owned by Denver Water and we are making contacts with them to talk about the possibilities, and there are due diligence issues to work out with Fehringer Ranch as well. Mr. Hopp said we have been keeping Ms. Fine up to date. In regard to Fehringer Ranch, Director Maulik asked if we have asked for exception to the water requirement. Mr. Hopp agreed it would be an excellent opportunity to ask that question of the County.

Scott Melle, 8562 South Everett Street, talked about how the community has grown and restrictions for his animals have become narrower. He said he expects the Board to do their due diligence and proper analysis, but thinks the common thread is that people do want to have a dog park.

Mary Walton, 12073 West Capri Avenue, read her top ten list of good reasons for a dog park in South Jeffco. The number one reason was that the funds are available now, she would hate for us to lose it because of squabbling about location.

Catherine Shaw, 6307 South Urban Street, said she opposes the dog park because it's right down the street from where she lives. She said every other dog park has nothing else near it; this dog park is situated in a very busy area. She talked about wild life in the area and a problem with voles.

Director Nunes shared that she works in Highlands Ranch. They have three dog parks that are all very close to playgrounds, tennis courts, athletic fields, and lakes. There are dog parks all over Colorado that are situated around neighborhoods and not in the middle of nowhere.

Kim Love, 10380 Ravenswood Lane, said he is president of Englewood Unleashed which has been around for six years. They had the same comments we are hearing today, and most dog parks in Colorado are in very heavily populated communities. Mr. Love talked about the history of Englewood Unleashed and the dog park they funded called the Canine Corral. He explained they raise money on a regular basis, make sure the park is cleaned up, and have posted rules signs. People have come to Canine Corral from as far away as Aurora and Thornton. Mr. Love talked about the benefits a dog park would have for the community.

Pat Scott, 13950 West Cedar Place, asked if there is any intent by the Board to sell property in the Sixth Avenue West area; there are rumors and probably misinformation floating around in the neighborhood. Director Nunes answered not at this time. Ms. Scott asked if it could be put in writing and asked for clarifications. Director Nunes determined there will be an Executive Session at the next Board meeting because Director Sutton is not here tonight. At that time, we can put in writing what Ms. Scott might be looking for. Regarding the Mesa View letter that was previously sent to the Board, Mr. Hopp said he can provide Ms. Scott a copy of our response. Director Nunes reiterated we have no desire at this point to sell any land at Sixth Avenue and/or let Sixth Avenue go away. We will do everything we can to keep it in the District.

Director Shangraw thanked everyone for coming, both for and against. It's really important for the Board to hear what everybody has to say.

VII. OLD BUSINESS:

A. Investment Resolution and Policy Update

Patricia Parkin explained we have an old investment resolution that includes names of previous Board and staff members. Staff have provided an updated resolution authorizing the Board Treasurer, the Executive Director, or the Director of Administrative Services to secure investments that meet the Foothills Park & Recreation District's investment policy guidelines. Provided to the Board was an updated investment policy that agrees with *Legal Investments for Colorado Local Governments* which was also included in the packet.

MOTION: Director Maulik moved that the Foothills Board of Directors approve Resolution No. 09-004 to update the District's Investment Resolution designating the Board Treasurer, Executive Director, or Director of Administrative Services authorized to invest funds according to the updated Investment Policy Guidelines. Director Shangraw seconded the motion. Poll of the Board: Director Maulik, aye; Director Shangraw, aye; Director Frankland, aye; Director Nunes, aye. The motion was approved.

B. Senate Bill 35 Application

Colin Insley discussed that the packet includes an application for fees in lieu of land donations that have been on our account with Jefferson County. Some of the developments are within the District boundaries and some are within a five mile radius of the service area. Mr. Insley indicated these fees will go to capital improvements that have been identified on the capital improvement plan for the District. He pointed out this application includes fees from the Jefferson at Raccoon Creek development that the County deemed would be split 50/50 between Foothills Park & Recreation District and Leawood Park & Recreation District.

Half of that fee would be \$27,389 plus interest. Other subdivisions included in the application are Homestead, Wichman, and Red Mesa. The County requires us to file an application with a resolution to apply for those funds.

Regarding Jefferson at Raccoon Creek, Director Shangraw expressed her disappointment in the County's decision to split it 50/50; Mr. Hopp concurred.

MOTION: Director Shangraw moved that the Foothills Board of Directors approve Resolution No. 09-005 authorizing application to Jefferson County for disbursement of Senate Bill 35 funds in the amount totaling \$35,503.22 plus interest for improvements to parks and facilities; and further authorize the Executive Director to prepare and submit the required application. Director Maulik seconded the motion. Poll of the Board: Director Maulik, aye; Director Shangraw, aye; Director Frankland, aye; Director Nunes, aye. The motion was approved.

VIII. NEW BUSINESS:

A. 401k Investment Committee

Patricia Parkin explained we have an investment committee for our 401k contribution plan for our employees; Director Nunes has represented the Board on the committee. Now that she has additional responsibilities, we need to replace her with another Board member. Ms. Parkin said the committee meets quarterly at 4pm before a Board meeting; the next meeting has been moved to August 4th. Director Maulik volunteered to serve on the committee.

IX. EXECUTIVE DIRECTOR'S REPORT:

Mr. Hopp referred to the first point on the second page of his report and noted that the ESCOs are submitting their proposals for performance contracting by tomorrow. Several staff members are going to serve on a selection committee. Mr. Hopp invited a Board member or members to be part of the selection committee if interested. He explained it would be a matter of reading the proposals and determining who would be the best fit for Foothills. We sent requests for proposals to 13 companies and are expecting to receive five or six proposals. Mr. Hopp indicated staff could make a recommendation and ask the Board for a decision probably the second meeting in August. Director Shangraw and Director Nunes volunteered to serve on the selection committee.

Mr. Hopp pointed out the last paragraph on the page that says the dog park public comments needed to be submitted by July 26th, it was June 26th. He pointed out there are 15 pages of comments in the information section of the packet.

In reference to the third point on page three regarding the surveys, we now have 174 people who have responded to the golf survey and 27 people have responded to the home school survey.

Mr. Hopp communicated that Nick Stroot and Lauren Durr have resigned their positions. We posted Mr. Stroot's position last Wednesday and as of today have received almost 70 applications.

Children's Programming staff, with Amber Selby and Barb Butler, applied for grants and received over \$60,000 in funding. With that, we are enhancing the playground at Lilley Gulch, among other projects listed in the packet. Director Shangraw inquired about stimulus funds for interns; Ms. Parkin said we are looking into the possibility of using stimulus funds for part time interns.

Mr. Hopp reported he met with Paul Rufien and talked about the process of changing to the wards system. We have maps and need to develop a narrative description of each of the wards, as well as provide some larger exhibits. Mr. Hopp said there are maps in his office if the Board would like to see a breakdown of any specific ward. Mr. Rufien acknowledged this is the first step and he needs to submit the necessary paperwork to the court. It was clarified the narrative description isn't necessarily a legal description, but describes the basic boundaries.

In June, we went to auction with equipment from Clement Park, Urban Parks, Foothills Maintenance, Foothills Pro Shop, Cultural Arts, Leisure Services, and Facility Maintenance that is broken and no longer usable. We received proceeds of a little over \$17,000, and made the decision to turn that money back into additional equipment.

Mr. Hopp said we partnered with APEX, South Suburban, and Highland Hills to apply for a grant from the Federal Department of Energy, run through the National Renewable Energy Laboratory in Golden. They would fully fund a study to come in and evaluate the feasibility of providing solar passive or solar thermal equipment at any of our facilities.

The grant would be completely separate from our other proposals; however, if they find it's feasible from an economic perspective to provide solar, it could be something we could ask the ESCO to do as a performance contract. The study will be strictly solar at this point in time.

Mr. Hopp informed the Board that through the matching funds program, we have worked with Mesa View to fix the pothole and provide additional patching in the parking lot at Estates Park. The bid of \$2,173 will be split 50/50 between the Mesa View HOA and the District.

Mr. Hopp acknowledged Sami Al-Jassim, Kyle Jones, Lisa Kuhn, Rachel Mestnik, and Jen Pitoniak for responding to an accident scene last week as Weaver Hollow Pool was closing. Kim Maxey provided details to the Board. Mr. Hopp observed that those staff are highly trained professionals and did an outstanding job. Unfortunately, the outcome was not what we all had hoped.

X. DISCUSSION ITEMS:

A. Rocky Mountain Roller Hockey League Lease

Ms. Parkin explained we have a land lease with Rocky Mountain Roller Hockey League (RMRHL). We believe the lease changed in January of 2009 from a \$1,000 annual lease payment to \$1,000 per month lease payment. RMRHL representatives disagree with our interpretation of the lease because they didn't take possession of the building until June of 2004; the lease was signed in February of 2003. On the sixth anniversary of the lease, it jumps to \$1,000 per month. Foothills' staff believe it should have started in February of 2008, but because of an earlier discussion/agreement in 2007, proposed it could start in January of 2009 (correspondence attached). Ms. Parkin said we do have a lease guaranty risk for the building lease payments and is guaranteed through this year. She noted RMRHL has held up their end of the bargain as far as making sure we don't have any liability for that. Also attached are RMRHL's financial statements.

Mr. Rufien said he has reviewed the document two different times. He has always been of the opinion that February, 2008 was the trigger date. Recalling conversations with Mr. Green in 2007, Mr. Rufien said there was some back and forth between the District and RMRHL. An agreement was proposed to compromise and have January, 2009 be the trigger date. When it resurfaced again, his opinion didn't change.

Christina Scinski and Steve Garson, with RMRHL, were in attendance and each given the opportunity to speak to the Board about their situation. The Board will meet in Executive Session for the purpose of lease negotiation at a later date.

Ms. Scinski distributed a pamphlet to the Board and explained who they are and what they do. She told the Board they are struggling with the economy the way it is, and they just put in the parking lot due to some urging from Foothills (Craig Stark and Bob Easton at the time). The other improvement they have made is the cooling system, and that cost put them back a little bit. She asked to re-establish a relationship with Foothills and said they would be willing to talk about helping with maintenance around the building. Ms. Scinski hopes the lease can be extended for another five years the way it has been the previous five years.

Steven Garson discussed the history of RMRHL. He said he wrote the feasibility study for the facility, helped raise the bonds, and helped negotiate with Foothills. The only thing that has been a challenge for RMRHL is the economy; being a non-profit, they aren't going to increase the rates because they would have to subsidize more people. He expressed they are looking for a small break to extend the current terms for another five years. Referring to the lease, he explained the rate increase in year six is because he thought by then they would be making enough money to start another facility and be able to give something back to Foothills for all the service they have provided in support of RMRHL. He is no longer with the RMRHL program, so speaking on their behalf.

Director Shangraw told Mr. Garson that everything he just said are challenges for RMRHL are challenges for Foothills. She said the scheduling is coincidental because that is about when we have increased payments for our ice arena; we're not getting any forgiveness for that. She reiterated we will have a discussion in Executive Session, and thanked them for coming. Director Nunes advised scheduling the discussion for the next Board meeting.

B. Before and After School Survey Results

Amber Selby presented the results of their Before and After School Program's parent survey, done at the end of the school year on Survey Monkey. Staff emailed a link to the survey to all the families that were participants in the program; over 600 families. We received 151 responses. Incentives were attached to the survey to encourage participation. The questions used for the survey were taken directly out of the National Afterschool Association Parent Survey Tool. It's a tool we can use in the future when we are looking at accreditation in national standards. Ms. Selby provided a PowerPoint showing results of each question. Regarding comments, parents mostly wanted to share how much they appreciate the staff. Ms. Selby said the survey is helpful so we can see an accumulative score and have a goal to focus on and improve in certain areas.

C. New Website Presentation

Mr. Hopp emphasized that lots of staff members were involved in this project from every department and every area; and it is a work in progress. Christopher Lyons has put many hours into the website to create a new look, new navigation concepts, and make it more user friendly. Implementation of the redesigned website is planned for next Wednesday. Mr. Lyons gave the Board a general overview of the site explaining what has changed, what has been added, and how the website is more easily navigated. Regarding the security of registering on line, Mr. Lyons said a privacy policy and the SSL encryption certificate image need to be added to the purchase page. Director Shangraw suggested the links on the side of the home page be in the same order as the other pages for consistency. Mr. Hopp indicated that Facebook and Twitter links are available on the site, and are being maintained by Kate Dragoo in Marketing and Community Outreach.

D. Financial Forecast 2010 - 2015

Mr. Hopp recalled that a little more than a year ago we went through the exercise of developing assumptions to assist us with a forecast of what the future years may look like. He summarized the updated assumptions memo included in the packet, along with a spreadsheet presented on PowerPoint. Inflation has averaged about 2.9% over the last six years, and in some cases we used that guide for some of our expenses. Mr. Hopp indicated with revenues, we are expecting that there is no available carry over cash. We are assuming no increase in property tax and no increase in specific ownership tax. Conservation Trust assumed a decrease in 2009 and we expect that to be a similar level going forward. As discussed in the memo, Mr. Hopp outlined the forecasted revenues for 2010 through 2015. There was brief discussion about the feasibility of selling merchandise on line. He pointed out there will be a \$50,000 drop in revenue in 2012 when the Pepsi Endorsement contract expires. At this point in time, we are assuming no gain or loss in the sale of assets.

Continuing, Mr. Hopp described the forecasted expenditure assumptions for 2010 through 2015. In salaries and personnel, we show a \$200,000 increase in the 2009 budgeted salaries, hoping we could do some benchmark adjustments; and show a 3% increase per year after that. Medical and dental/personnel costs forecasted expenditures show a 10% increase each year. Mr. Hopp pointed out utilities for 2009 are coming in well below our budgeted amounts. For the purpose of this forecast, we are showing 0% increase in electricity, natural gas, and water and sewer for 2010; after that we show 10% increase per year. If we are successful in securing additional Bergen shares from Jefferson County, we will have an additional \$45,000 in assessments in 2010 (based upon current assessment rate).

Capital repair and equipment replacement; we have about \$10 million in capital equipment. Industry standard is that we should be replacing about 10% per year (\$1 million). We have \$20 - \$30 million in capital repair. We could be doing more but kept it consistent with last year's forecast. We show \$2 million per year for capital repair/replacement through 2015 and beyond. Last year, through the budget process, we reduced the \$1 million to \$100,000 and the \$2 million to \$200,000. We were successful in securing some grants utilizing the \$200,000 as seed money, but we are a long way from our overall needs.

Director Shangraw asked if there is a point in which we start accounting for deferred maintenance. Mr. Hopp replied staff are meeting on Thursday to develop a consistent approach to tracking our expenses associated with equipment. We want to create a greater

focus on cost analysis to see when it no longer makes sense to maintain a piece of equipment, and have everyone involved in those activities across the District be on the same page.

Mr. Hopp mentioned the numbers put into the worksheet for debt payments and interest expense are the actual annual payment amount per the debt amortization schedules.

Looking at the second page of the worksheet, Mr. Hopp pointed out the 2010 forecast with the \$1million in capital equipment and the \$2 million in capital repairs, we are at a deficit of \$3,038,411. We can reduce each of those items to 10% again, but over the years that compounds the problem.

Mr. Hopp indicated that in 2011 we experience an increase of the debt; the \$3,477,127 problem we have in 2011 can mostly be attributed to that increase in debt. He feels we have done a great job containing costs and thinking in terms of efficiencies; there have been some painful casualties as well. We are not addressing the capital equipment and capital repairs that are so critical, which is what the mill levy was designed to address. We had the question before the Board a couple of months ago as to if and when we go back for a mill levy increase. The Board basically said they would need to see a projection. Mr. Hopp expressed that at some point in time, we are going to need an influx of cash somehow; either through a mill levy, bond issue, or sale of assets.

Mr. Hopp proposed if the Board agrees with the assumptions, this forecast will probably be used as a tool to begin the 2010 budget process.

Director Maulik asked if the cost accounting will be where we want it to be to help identify more detail. Mr. Hopp said Ms. Parkin and her staff have been working very hard at putting things in the right buckets so we have a better sense of where things are being expended. Ms. Parkin agreed expenses are being tracked by department and by program. There are only a few things in administrative costs that need to be allocated out.

Director Shangraw asked with this information, when we decide to do a mill levy question, do we have the information needed to assign an appropriate mill levy amount. Ms. Parkin said she would have to work with Mr. Hopp and the directors involved to see how to approach that. She talked about GO bonds that are callable in December, 2011; there may be a government program to help refinance. Mr. Hopp observed that some debt ends at 2015 and 2020, but they are not significant.

Mr. Hopp explained that in the case of a General Obligation Bond, which is a vote of the public; in December 2011 they are callable which means if interest rates are less, can be reduced. The benefit doesn't go to the District, it goes to the taxpayers; it could potentially be a political strategy the end of 2011 or beginning of 2012. Mr. Hopp cautioned that bond rates could go higher. We may not have the opportunity to refund and have the political benefit, and benefit the taxpayer. There were no further questions.

XI. ADJOURNMENT:

The regular meeting was adjourned at 8:42pm. The next Board meeting will be held at 6pm on Tuesday, July 28, 2009 at The Peak Community and Wellness Center, 6612 South Ward Street, Littleton.

Submitted by:

Richelle Riley
Recording Secretary