

FOOTHILLS PARK AND RECREATION DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

October 27, 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 – excused at 7:25pm |
| Director Sutton: | Present |
| Chairman Nunes: | Present |

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

IV. APPROVAL OF AGENDA:

MOTION: Director Maulik moved that the Foothills Board of Directors approve the October 27, 2009 agenda as submitted. Director Shangraw seconded the motion. Poll of the Board: Director Maulik, aye; Director Shangraw, aye; Director Frankland, aye; Director Sutton, aye; Director Nunes, aye. The agenda was approved as submitted.

V. APPROVAL OF OCTOBER 13, 2009 MINUTES:

MOTION: Director Maulik moved that the Foothills Board of Directors approve the minutes of the October 13, 2009 Board meeting as submitted. Director Shangraw seconded the motion. Poll of the Board: Director Maulik, aye; Director Shangraw, aye; Director Frankland, aye; Director Sutton, aye; Director Nunes, aye. The minutes were approved as submitted.

VI. COMMUNITY COMMENTS:

A. Staff Introductions – Jeff Barrett and Jesse Badder

Vickie Rodriguez introduced Jeff Barrett, Assistant Manager of Operations at the Edge Ice Arena. Mr. Barrett started in Aquatics and has been with the District for three and a half years; the last year and a half at the Edge Ice Arena.

Jesse Badder, Hockey and In-House Programs Manager on Duty at the Edge Ice Arena, comes to us from South Lake Tahoe. Mr. Badder is originally from Alaska, and his experience comes from working ice arenas in Tahoe and Arizona.

VII. OLD BUSINESS:

A. Jefferson County Open Space Land Swap Resolution

Ronald Hopp reminded the Board he brought this issue to their attention at the last Board meeting with an exhibit showing the land parcels being discussed. In an effort to clean up the overall plats and land ownership issues in this campus, we hired Martin and Martin to do a survey of the District's properties. We discovered there was a small parcel to the northeast of the Peak Community and Wellness Center, labeled Parcel A in the exhibit, that is still in ownership with Jefferson County. In talking with Jefferson County Open Space, we came to the conclusion that the best way to rectify the situation is to do a land swap with Parcel B shown in the exhibit. The parameters of both parcels are identical as far as square footage. This is on the Jefferson County Open Space Advisory Commission's meeting agenda for November 7, 2009; we need a resolution from the Board. There have been no changes since the last discussion.

MOTION: Director Maulik moved that the Foothills Board of Directors approve Resolution Number 09-006 to trade a parcel of land located northeast of the Peak Community and Wellness Center with the same size parcel of land with Jefferson County as shown with Parcel A and Parcel B, and authorize the Chairman of the Board to sign all documents required to complete the transaction with Jefferson County. Director Shangraw seconded the motion. Poll of the Board: Director Maulik, aye; Director Shangraw, aye; Director Frankland, aye; Director Sutton, aye; Director Nunes, aye. The motion was approved.

VIII. NEW BUSINESS:

IX. EXECUTIVE DIRECTOR'S REPORT:

Mr. Hopp pointed out a letter from Clearwire attached to his report. They are interested in placing an antenna on top of the Edge Ice Arena. The terms of what would be an agreement are outlined in the letter; they would work with Jefferson County in terms of what their requirements are, and the information has been forwarded to Paul Rufien. The revenue source is \$1,000 per month with a 3% escalator on an annual basis. Mr. Hopp mentioned we would want to do our due diligence in terms of our warranties with our roofing company. Clearwire had indicated they would use our roofing company to do the installations. Derek Eberhardt talked about two different antenna options and mentioned that we communicated to them our concerns that installation would not void the lifetime warranty on the roof. He said their having access to the roof would have to be worked out because the main access is through the inside of the building. Mr. Hopp offered there are a lot of details to be worked out but wanted to give the information to the Board so if they have objections, we would stop discussions with Clearwire. Director Frankland asked who would pay the electric bill. Mr. Hopp responded we would make sure they were separately metered or they would reimburse us for those costs. He clarified the towers are microwave wireless internet, not cell towers; and we can get references.

Mr. Hopp reported that McKinstry has been on site the last two weeks; they indicated our staff have been very cooperative.

There was discussion about the Persichetti property and pipe easement. Mr. Insley explained that in 1982 there was an easement from Castlewood Development Company, who had owned the property prior to Mr. Persichetti. They gave the easement to Bergen to put the pipe in so the water could be transferred from Bergen reservoirs one and two over to the ditch that feeds Hine Lake. Mr. Insley explained the pipe stops short inside Mr. Persichetti's property line about seven feet, so it technically doesn't go all the way through his property. Mr. Persichetti is asking for some concessions in exchange for a legal document that would technically give us rights to go through the property, although we have been doing that for the last 18 years. Mr. Rufien added the easement was done that way on purpose in 1982, according to the documents he has seen so far; somebody did it that way for a reason. As far as permanent solutions, ideally, it would be an agreement between the District and Mr. Persichetti that removes all doubt. Mr. Rufien said there are other issues unrelated to the District that complicate the situation; things Mr. Persichetti wants that the District cannot give. If those prove to be a road block that we can't get past, the permanent solution would likely have to come through court action. Mr. Rufien indicated Mr. Persichetti's primary interests are recreation uses of the Bergen reservoirs. That's not a Foothills issue, it is a Bergen Ditch Company issue. Mr. Rufien believes the issue remains open as to whether Mr. Persichetti would want some additional compensation from the District if he doesn't get his recreation rights.

X. DISCUSSION ITEMS:

A. Mesa View Estates Proposal

Mr. Hopp indicated that as a result of the conversation of the last Board meeting, the Mesa View Estates HOA's board has provided the Foothills Board a proposal dated October 22, 2009. Mr. Hopp had emailed the proposal to the Board and provided a copy for their review and discussion.

Director Maulik expressed in this proposal, Mesa View has asked for more than they originally asked for. Their request for the removal of ward districts makes her wonder about their motives. She added they are asking us to pay an enormous amount for them to take our property. Director Maulik reiterated she no longer trusts their motives, and believes this is not negotiable any more.

Director Nunes believes this proposal did not meet half way. She asked Director Sutton if he really feels this is a reasonable, fair proposal after the last conversation that took place. Director Sutton replied it has a lot of detail and is not as simple as he would like to see it, but it's something for us to respond to. Director Nunes expressed she does not want to waste any more of the District's money and time; and believes this is done. She maintained the only way she would approve anything would be through a purity sub-district. Director Maulik added she was also open to a sub-district plus the percentage we currently spend to maintain the park.

Director Sutton suggested we are not bargaining in good faith if we don't go back to them with something. Director Shangraw observed there is no bargaining in the letter, and Director Sutton stated this organization has yet to go back to Mesa View to say what they would be willing to do. It was pointed out the Board had told Mr. Burt what they would be interested in doing at the last Board meeting. Director Shangraw expressed the proposal is a clear message to her that he is not interested in making it happen. He hasn't moved from his position, and the Board was very clear what they were looking for.

Director Sutton reminded the Board that they are facing a deadline in November, when Mesa View will start their succession process. Director Sutton said it's a deadline we should both be worried about; Director Nunes voiced she is not worried about the deadline. Director Maulik agreed, and does not feel Mr. Burt is taking the whole neighborhood into consideration. When asked by Director Nunes if he had anything to add to the conversation, Director Frankland answered he wasn't at the last meeting and has no idea what was proposed and not proposed.

Director Nunes emphasized she is not for the lease, but sub-district only (Directors Maulik and Shangraw had said they would be in favor of the lease), and that's what Mr. Burt was told. She pointed out items in the proposal that were not talked about at the last Board meeting. Director Nunes recognized, after visiting the park, we do a fine job of maintaining that park. Referring to a sub-district, Director Sutton asked what about the dollars that are already paid to Foothills. Director Shangraw maintained that Mr. Burt had the opportunity to negotiate, it wasn't taken; she believes this is done. Director Sutton asked if the discussions from the last 19 years should enter into this. Director Nunes recalled that Mr. Burt did say he was not in favor of doing just a sub-district.

Concerning the November Mesa View HOA meeting deadline when they will decide whether to exclude from the District or not, Director Maulik said the Board does not want to have to make this kind of decision this fast. Director Sutton advised we write a letter back to Mesa View saying what we are willing to accept.

Mr. Hopp suggested that the Board could respond with consideration of which terms of the proposal might be acceptable. In Mr. Hopp's opinion, there are things within their proposal that were discussed at the last Board meeting; there are things in their proposal that were discussed at the meeting that Director Nunes and he attended or the meeting Mr. Rufien and he attended. He concurred this proposal is beyond what he would have realized as part of the overall discussion from either of those meetings or the last Board meeting.

Mr. Hopp said, looking at this in the spirit of the conversations that were had at the two meetings and the Board meeting, as well as the letter he presented to Mesa View that all of the Board members reviewed, he believes there is some common ground. He recognized the desires of Mesa View and the desires of the majority of this Board are a long way apart.

Discussing points that could be middle ground, Mr. Hopp noted in point number one, he does not think a 100 year agreement is feasible or necessary; it could possibly be a 20 year agreement with an automatic renew clause. Item number two (a) is somewhere in the realm of the amount we are currently spending. The approximate number as to dollar amount that Mesa View Estates' property owners generate, that was given to Mesa View Estates, is somewhere in the neighborhood of \$25,000 to \$30,000 on an annual basis to maintain Estates Park. Mr. Hopp proposed item number two (b), (c), and (d) are, from his perspective, not in the spirit of the conversation. Item number two (e), he suggested is reasonable; 1.67% of whatever capital funds that we would appropriate annually in the budget could be spent in

that area. Item number two (f) basically states they want the ability to fund additional things and in the spirit of the conversation, Mr. Hopp believes we would allow that. Number three; if a mill levy would increase, they would be entitled to that if it is used to enhance the level of service and maintenance of the park, if that is the intent of the mill levy increase for all parks throughout the District. Item number four; if they want to develop a sub-district as a mechanism for additional funding, we could support that. Number five is not in the spirit of the conversation. All of the items in number six are in the spirit of the conversation. Mr. Hopp added that Foothills would want to put in a reversion clause that if they are not maintaining to our level of expectation we could take it back. Item six (b), in addition to a public process, if we ultimately would be owners of the park and they are managing it, it would require Foothills' approval if there would be any additional improvements made. Referring to item number six (a), Director Maulik emphasized the whole park will always be a public park. Referring to number two (a), Director Shangraw believes that what we can justify to the rest of the District is what we are currently spending in that park and no more. Mr. Hopp said if the negotiations were to continue, we can refer to the 2010 approved budget to determine what the number is. Director Maulik made clear Mesa View would not act as a private entity, and would follow government laws.

Mr. Rufien discussed from the legal aspect, a lease term of 100 years or less can be done. It becomes an issue of what the Board's desire is, as well as many different control factors. If we go the route of a lease, it is going to be a very complicated, very lengthy lease. While it is not an absolute "no", he does not like the percentages concept, but would like quantification; tie it to an expense figure. Item number two (e) in the proposal, Mr. Rufien agrees with Mr. Hopp that in concept that is good, and would probably be a couple of pages unto itself in a lease agreement because there are a lot of situations to be addressed. Number two (f) would be less complicated. Number three would have a lot of contingencies and different paragraphs in a lease as well. Number four; this Board cannot bind future boards on those types of decisions. Creating a sub-district, in Mr. Rufien's opinion, is a governmental function. He agrees number five is outside of the context, but that decision is the Board's. He said the other items are control issues, and if we make any headway toward middle ground, there are going to be lots of time consuming negotiations about control. What he has heard from the previous meeting and the presentation here, it is "ownership like control" that is sought. Mr. Rufien cautioned if we really get talking to these things, it is going to be very time consuming, there are many nuances, and there will be many questions. He emphasized there is no conceivable way a mid-November deadline is going to be met, and does not think year end is a feasible target.

Concerning our counter offer, Mr. Rufien advised it could be very short and simple if the Board has decided not to negotiate, or we can respond to the proposal in similar terms with a staff letter moving forward and invite another response from Mesa View.

Director Sutton said he would like work with Mr. Hopp and come up with a response back to Mesa View that all the Board can support, that says in very simplistic terms what we are interested in doing. Director Shangraw expressed disagreement with contriving some simple points to continue a negotiation that she doesn't feel is going to go anywhere. Director Nunes expressed she is still having an issue with the public process, and there was discussion about public process.

Directors Nunes, Shangraw, and Maulik agreed to support a sub-district at this time. Director Nunes recommended writing a response about the things we talked about, and at this point, a sub-district is the only thing the Board is in favor of. She emphasized without public process, that is the only option right now. Director Maulik added, for extra dollars we would have to take it to vote; that is the way we can know what the public wants.

Director Shangraw pointed out that elections aren't cheap and suggested that needs to be built into any future costs for the sub-district. Mr. Rufien explained the process associated with Kipling Villas. The District required a straw poll from that area and a super majority approval from that poll, it was about two thirds. The District paid for the sub-district election because it had enough assurances it was going to pass.

Mr. Rufien suggested the Board can designate Director Sutton to work with Mr. Hopp on the response letter; then let the Board review it before it goes out. Director Maulik added she does not want to spend any more District money on this, and recommended to keep Mr. Rufien out of the loop to the best of staff's ability. Mr. Hopp said because of the legal nature,

Mr. Rufien would have to be included somewhat, but he will take the lead on drafting the letter as he did for the last letter that went to Mesa View.

B. Compensation Plan

Mr. Hopp recalled when he came to the District in May of 2008, we had recently gone through a benchmarking study that was done internally and partially implemented. Mr. Hopp reminded the Board he made the choice to hire an outside consultant, Michael Venturini, to assist us with a new compensation plan. It responds to some situations that we need to rectify for employees in terms of how they compare to the overall market and responds to a total compensation package that will be outlined for the Board as part of the presentation.

Using a PowerPoint presentation, Ms. Narrell talked about what a compensation system is, compared our benefits to other organizations in Colorado, and explained some changes that were made to our time off benefits.

Ms. Narrell said the compensation system includes non-financial elements as well as financial elements, and explained each. The total compensation package includes base pay and all the other indirect financial benefits. Using our HMO as an example, Ms. Narrell explained what the District pays towards those benefits, emphasizing we are above average compared to other companies within Colorado. She outlined changes to our time off benefits including sick time, which will keep in line with what is offered by other companies. Ms. Narrell explained the perfect attendance program, if no sick time is used in a quarter, the employee will be rewarded with a personal day. She noted we offer four personal days, and now the ability to earn four more. Ms. Narrell outlined changes to time off accrual for full time staff, and changes to paid time off for level two employees were explained.

Mr. Venturini described the compensation program development process. The external factor is the reality of the market; we developed a process to provide internal equity and make sure we're competitive with the market. He said the process started with a job position evaluation, analysis, and description. Then we found out what the market pays for the position, evaluated it internally, and came up with the pay grades. Mr. Venturini indicated for this program, he used Mountain States Employers Council. He described the point factor method, indicating the end result is the pay structure. In answer to Director Maulik, Mr. Venturini explained the requirements and rules of exemptions relating to exempt versus nonexempt status. He noted this program is a very strong 94% match to the market for the exempt jobs and 92% match for nonexempt jobs. As a result, he said this pay program is very indicative of the market.

Ms. Narrell expressed our compensation program is going to be the cornerstone for recruiting, retaining, and motivating our employees. Our philosophy is to pay employees at competitive levels considering both salary and benefits as the total compensation package. The program objectives are to remain competitive in the labor market, to reward employees based on performance, to maintain salary equity among employees, to provide flexibility to changing conditions such as market demand, organization structure, and turnover; and to control the compensation budget. Ms. Narrell summarized the impacts on exempt and non-exempt employees. In 2009, we would like to bring employees who are below the tenth percentile to the tenth percentile starting with the November 7th pay period; number of employees impacted is 41. In 2010, there would be an across the board percentage pay increase for exempt and nonexempt full-time employees. She said we would like to bring hourly employees to the new set minimum starting November 7th; 64 employees would be impacted. January 1st, year round hourly employees would receive a step increase; we are creating steps between the minimum and maximum. Seasonal employees would receive their step when they return back to the District.

Ms. Narrell outlined the cost to the District. The total benchmark for 2009 would be \$22,879; 2010 (annualized) would be \$140,545. She explained the benefit costs to the District. The rollout plan would be January 1st to make changes to the time off benefits, and in 2011 we would move to a performance based system. Ms. Narrell described the performance based system.

Director Maulik asked if the employees would be evaluating the supervisors with this model. Ms. Narrell said we are still creating performance evaluations and gathering ideas; we have not created one yet.

Mr. Hopp emphasized all of the costs to the District based on benefits and the implementation of benchmarking is included in the proposed budget; we are not asking the Board for additional appropriation. The funds are available for anything being funded in 2009; anything we are looking to implement in 2010 is included in the proposed budget previously given to the Board.

There were no questions from the Board. Mr. Hopp pointed out we are meeting with the directors, managers, and supervisors tomorrow to roll out the plan. All employees that are affected are being invited to four informational meetings that we are holding on Thursday.

C. Departmental Quarterly Reports

1. Golf

Sue Maguire said included in the packet is the third quarter report for Golf. She indicated golf rounds are down 7% from the previous three year average; other golf courses have a 7% drop in rounds as well. There is a 3% drop in revenue from 2008. She reported they had a few unexpected expenditures that can be offset by savings in utilities, fuels, salaries and wages. Ms. Maguire said overall, despite the bad weather, the Golf division is tracking on a pace that will fall just short of the 2009 budgeted revenue. She reported the tee box rebuilding project at Foothills Golf Course is complete and was very successful. The restaurant has a 12% drop in gross revenue. Ms. Maguire highlighted some of the department's achievements in the third quarter.

2. Leisure Services

Derek Eberhardt solicited questions about the third quarter information provided in the packet, and expressed concern that at the ice arena, the economy has impacted the youth sports associations and the adult leagues. We are taking a look at the reallocation of ice. Mr. Eberhardt said we have relied heavily on Select Girls and Foothills Hockey; we gave them a lot of time at the beginning of September and they keep returning it because their numbers are down.

3. Parks, Planning and Construction

Colin Insley said in the third quarter they are at about 71% of their overall expenses, and are tracking at 74% on revenues. Staff are trying to do some extra things for noxious weed control and some additional fertilizations since they have some extra dollars. He said they are still doing well in terms of volunteers. There were about 70 volunteers one weekend for the Easton Region Park playground project. The pier and embankment project is underway as well as the Alper's Farm project.

4. Administrative Services

For the third quarter, Patricia Parkin reported revenues are about \$30,000 better than planned. This is offset by lower investment earnings because of the lower interest rate we are currently getting on our money. The total expenditures were \$927,000 less than planned, \$500,000 of that is for our debt reserve. Ms. Parkin said salaries and wages were about \$57,000 higher than budget due to a special project position we have in the Executive department and also due to some unused vacation paid in January. Benefits are running about \$46,000 favorable to plan due to unemployment insurance being charged to different departments. Overall, unemployment claims for the District are going to exceed probably about \$26,000 over planned, and is being charged to each department. Supplies expenses are favorable to plan, purchased services are favorable to plan, and training is being charged to the departments so there is \$19,000 less in the Administrative Services budget. Utilities are under plan and other expenditures are under plan. \$181,246 is the efficiency savings put together in 2008, hopefully benchmarked for salary increases that were just presented. Ms. Parkin provided an update for the Finance Department, and mentioned that Pat Benton was instrumental in helping develop our budget by month. She provided an update for Human Resources, and referred to the previous presentation thanks to Mr. Venturini, Ms. Macdonald, Ms. Narrell, and Mr. Hopp. We had hail damage in July and will get about \$500,000 for that damage. We have received \$250,000; they are holding back 20% in property damage until it's

repaired. Information Technology staff have been busy supporting the District; Ms. Parkin provided some highlights and thanked Kathy Meacham, Christopher Lyons, and Wes Lammers. There was discussion about workers compensation claims.

Ms. Parkin provided a brief District finance update. Net revenues for the first nine months were \$5,400,000 compared to \$4,615,000 in 2008; an increase in net profit of \$785,000. This was offset by decreases in admission fees, rental revenues, and capital repair and replacements (timing). Overall, Ms. Parkin said the budget is in excellent shape. She proposed we will be close to \$900,000 (\$500,000 of that for debt and \$100,000 due to no mill levy election) better than we budgeted, so roughly \$300,000 better than we budgeted at the end of the year.

5. Marketing and Community Outreach

In addition to the report provided in the packet, Mr. Hopp pointed out that Marketing and Community Outreach staff have been working very hard on the Boo-rific Bash and Splash which is a new event at the Ridge this Friday.

D. Board Policy Manual Updates

Referring to the Fees and Charges Guidelines, Mr. Hopp pointed out a red-lined recommendation for changes. He specifically pointed out there was a scholarship assistance program in the document that staff felt could be broken out into a different document and brought to the Board for approval because it does affect our revenue stream.

In review, Mr. Hopp indicated there is a change to the Identification Card Policy, and there are a lot of revisions to the Fees and Charges Guidelines. The change to the Parks Naming Policy is to include neighborhood parks in the process of naming or renaming a park. We are recommending removal of the Sports Association Manual and Facility Closure Policy from the Board Policy Manual.

Mr. Eberhardt offered the change to the Identification Card Policy is to update the language to specify that "ages nine and up" are required to obtain a District ID card.

MOTION: Director Shangraw moved that in the effort to update the Board Policy Manual, the Foothills Board of Directors approve the attached policy revisions for District Identification Card, Fees and Charges Guidelines, and Parks Naming Policy; and approve removal of the Sports Association Manual, and Facility Closures from the Board Policy Manual. Director Maulik seconded the motion. Poll of the Board: Director Maulik, aye; Director Shangraw, aye; Director Sutton, aye; Director Nunes, aye. The motion was approved.

XI. EXECUTIVE SESSION

A. Personnel Matters per 24-6-402(4)(f), C.R.S.

MOTION: Director Maulik moved that the Foothills Board of Directors move into Executive Session for personnel matters pursuant to Colorado Revised Statute 24-6-402(4)(f). Director Shangraw seconded the motion. Poll of the Board: Director Maulik, aye; Director Shangraw, aye; Director Sutton, aye; Director Nunes, aye. The motion was approved.

The regular meeting adjourned at 7:50pm, and the Executive Session began at 7:55pm.

Executive Session adjourned at 8:09pm and the regular meeting reconvened.

XII. ADJOURNMENT:

The regular meeting was adjourned at 8:10pm. The next Board meeting will be held at 6pm on Tuesday, November 10, 2009, at The Peak Community and Wellness Center, 6612 South Ward Street, Littleton.

Submitted by:

Richelle Riley, Recording Secretary