

**FOOTHILLS PARK AND RECREATION DISTRICT**  
**REGULAR BOARD OF DIRECTORS MEETING**

**November 10, 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:
- |                     |         |
|---------------------|---------|
| Director Maulik:    | Present |
| Director Shangraw:  | Present |
| Director Frankland: | Present |
| 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; Tom Woodard, Director of Golf; 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:

Director Maulik suggested a change to the agenda to consider cancelling the December 22, 2009 regular Board meeting due to holiday and possible lack of quorum. It was agreed to add that topic under new business.

**MOTION:** Director Shangraw moved that the Foothills Board of Directors approve the November 10, 2009 agenda as amended. Director Maulik 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 amended.

V. APPROVAL OF OCTOBER 27, 2009 MINUTES:

**MOTION:** Director Maulik moved that the Foothills Board of Directors approve the minutes of the October 27, 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:

VII. OLD BUSINESS:

VIII. NEW BUSINESS:

A. Cancellation of December 22, 2009 Board Meeting

**MOTION:** Director Maulik moved that the Foothills Board of Directors approve cancellation of the December 22, 2009 regular meeting of the Board of Directors because of the holiday and possible lack of quorum. 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.

IX. EXECUTIVE DIRECTOR'S REPORT:

Adding to the attached report, Ronald Hopp said Patricia Parkin, Jill Nunes, Richelle Riley, and he met with a representative from a consulting company that provides financial services related to mill levy and bond elections. This person was a presenter at the Special District Association Finance Seminar he and Ms. Parkin had attended last spring. Director Nunes said it gave us some new ideas for budget reports that might help the public read them more easily.

Mr. Hopp mentioned he has been made aware that there are petitions being distributed to Mesa View homeowners. Director Sutton confirmed that was prior to the proposal letter sent to them

by Mr. Hopp. There was discussion about approval requirements for petitions. Mr. Rufien said DEO approval is not required in this case because these petitions would not be headed towards an election, they are all ownership petitions. There was brief discussion whether Mesa View is working with the District towards a solution; Director Sutton suggested it is a timing issue. He hasn't seen indication of Mesa View working with the offer at this point primarily because the amount of money that is being offered is less than what it would take to maintain the park.

Concerning the meeting about Ward Street, Mr. Hopp said in the process of overall clean-up of parcels, it has been brought to our attention by the County that there is an issue with the lower half of Ward Street in relation to the bentonite that has caused that problem. He observed we are a long way apart in our philosophies for a solution; it probably will be an issue for quite some time.

Director Nunes asked how staff responded to the new compensation plan. Mr. Hopp acknowledged it is not the answer to everything; it is a start to a process. Generally, people were receptive; there are people with concerns and that was expected.

X. DISCUSSION ITEMS:

A. Salary Deferral Plan Amendment

Patricia Parkin explained that on October 27<sup>th</sup>, the 401k Investment Committee discussed and agreed to changes we may want to make to our plan to be more comparable to other companies. She noted Director Maulik had attended the meeting. Ms. Parkin indicated she wanted the Board to have an opportunity to express any concerns to the changes being proposed.

One change, Ms. Parkin explained, is that part time employees used to be allowed to participate in the plan (but did not receive a district contribution). At some point in time that was removed and it is recommended it be reinstated (not matched). Point two is to allow the option of Roth contributions to the plan; there is no cost to the District. The third suggested change, Ms. Parkin explained, is with the several restrictions that have to be met to be able to get district contribution. There is some cost for new employees that might have district matching a little sooner; Ms. Parkin believes it would not be a high cost. The fourth change is the method in which we determine the match. Ms. Parkin explained the 4% level would be averaged for the whole year; the District would not incur any costs with this change. Point five is to allow rollover contributions from a Code Section 403(b) or Code Section 457 plan; the District would not incur any costs with this change. The sixth change, Ms. Parkin explained, is to raise the non-forfeitable portion of a terminated employee's account that would be automatically distributed in a lump sum distribution following termination of the participant's employment from \$1,000 to \$5,000; no cost to the District. Director Frankland asked if there is a law that the money goes to the State, and the State holds that money. Ms. Parkin believes with 401k balances it is different; but will verify. The last change is to add the option for the District to apply participant forfeitures as a reduction in the amount needed to fund the District's discretionary contribution for the plan year; there is no cost to the District.

B. Rocky Mountain Roller Hockey League Site Lease Addendum

Ms. Parkin told the Board that the attached Rocky Mountain Roller Hockey League (RMRHL) Site Lease Addendum is what we agreed upon at the July 14, 2009 Board meeting in executive session. We agreed to allow them to pay \$1,000 for this year instead of \$1,000 per month with the exchange of them picking up the maintenance for a five year period starting in 2009 and going through 2013. The contact information was also updated. Ms. Parkin verified it is the understanding of RMRHL to start payments in January. There was discussion about quality of their maintenance so far. Director Sutton pointed out the last sentence in paragraph three stating the date of December 31, 2009; should it be stated December 31, 2013. Ms. Parkin agreed; that will be changed.

C. Pandemic Influenza Contingency Plan

Derek Eberhardt said to address concerns with the possible H1N1 crisis, staff have completed a contingency plan for the District.

The plan outlines what to do about sick employees, and employees with sick family members. He summarized some reminders and precautions that are included in the plan, and explained that each department identified their work functions, along with level of priority. The impact on operations with a 25% or 50% absentee rate was evaluated. Cross training opportunities and telecommuting options were also evaluated.

Director Maulik shared some ideas that have been utilized at Arapahoe County. She said they implemented a program where employees can borrow sick or vacation time if they are new and don't have it banked, up to so many hours, and have to pay it back immediately. They don't leave it up to just a supervisor to initiate the call that someone is sick and needs to go home; everyone looks for people who are showing symptoms. She said at Arapahoe County, employees get hits on their review for taking excessive sick time, so it has to be stated that it cannot be held against you during the time of a pandemic. She suggested we try to have a flu tracking mechanism.

D. 2010 Proposed Budget Presentations

Mr. Hopp provided budget highlights; it has been about a month since the preliminary budget was presented to the Board. An item he mentioned would be changing is the reallocation of some revenues and expenditures related to Athletics and Parks. The overall budget includes a 3% increase for all employees, it includes the benchmark adjustments that have been implemented as of November 7<sup>th</sup>, it absorbs the health insurance increase (approximately 4.2%) for those employees who are enrolled in the HMO. We are absorbing 4.2% of the PPO increase, but the employees enrolled in the PPO will have to absorb about 3% in addition. The budget includes \$100,000 for capital equipment, and \$285,000 (includes \$85,000 that we reallocated from the facility surcharge). The budget includes \$500,000 for debt reserve, and there are no reductions of services and no facility closures.

Mr. Hopp indicated the debt, other than golf, has all been moved out of each of the cost centers into a debt service cost center which is appearing in Other Funds. In 2009, the COP debt, capital lease payments were charged to Leisure Services and Parks because that debt was for the Edge Ice Arena, Indoor Sports Arena, Ridge Recreation Center, expansion of Lilley Gulch, and some trail improvements. Since it's hard to attribute how much of each of the debt categories is attributable to Leisure Services or Parks, we decided to develop a Debt Service Other Fund. We are showing the revenue source of property tax in the proper areas to cover those subsidized areas. The property tax revenues are being allocated first to the debt service fund, then to Parks to pay for the maintenance of the parks, to Aquatics, then to help pay for other operations (mostly administrative costs).

Mr. Hopp revisited the charts which are a bit different than what was provided in October. Turning to page 45 in the budget book, he referred to the charts for Parks, Planning and Construction. He pointed out that operational revenues are showing \$466,972 which is inclusive of rental and admission fees that have been moved from Athletics. The \$176,418 for rentals is representative of 90% of the field rental fees for tournaments and outside events that utilize the fields. 10% of the revenue is staying in Athletics for the administrative part of the rental. 70% of shelter rentals and amenities such as volley ball kits at Clement Park will be reflected in the Parks budget; 30% in Athletics. Athletics does the administration and Parks does the setup. The \$259,310 admission fee is 90% of the sports association fees that the District collects. Last year it was being reflected in the Athletics budget, yet we determined 90% of the expenses associated with the sports association's use of the fields was being born by Parks. We put revenue in the Parks budget in an effort to show that cost center more accurately.

Director Shangraw asked where are the Jeffco grants reflected? Mr. Hopp answered they are reflected under Other Funds which also include the Golf Development and Improvement Fund, the debt, and the grants. He clarified this is just the operating budget.

Referring to page 60, Leisure Services, Mr. Hopp explained the reallocation of funds to more accurately portray the expenses and revenues. The revenues in Athletics decreased by \$357,868; basically wrapped into rentals and admission fees which is reflected in the Parks budget. Athletics charges for light rental, yet the Parks budget was paying for the expenses associated with that, so we moved the expenses of ball field lights to the Athletics budget since they collect the revenue. The expenditures in the Athletics budget went up by about \$130,000 to cover that.

Mr. Hopp said those are the major changes since the slides and graphics that were presented in October. Director Shangraw asked for explanation about changing the line item for debt. Mr. Hopp said the Building Authority was part of the overall financial picture and we would show in our budget a transfer of money to the Building Authority, they would show it as revenue and then show it as an expenditure, so it was reflected twice. Last year, in an effort to attribute some of that funding to all the cost centers, it went to each of the program areas. We came to the conclusion that we can't break up those COPs that were developed into those specific program areas. Director Shangraw asked if we will get to a place where we don't shift things so we can compare year to year. Mr. Hopp recognized if we can attribute revenues or expenditures to any specific cost center, we should. If it takes a lot of administrative work to do that and doesn't make any sense at the end of the day, there is no reason to do it.

Long Term Debt information (pages 6 – 9) was explained. To be consistent, Director Shangraw suggested we show an ending year on each of the items.

1. Parks, Planning and Construction

Referring to the Parks, Planning and Construction section of the budget book, page 47, Total Parks and Clement Park, Colin Insley reiterated changes in allocations that Mr. Hopp previously explained. He mentioned we were charging sports associations for painting the fields, they have elected to have a vendor (approved by the District) do that instead of our staff. Mr. Insley said supplies went up 4% and adjustments were made in professional services in individual budgets to offset that. We are doing more mowing that was previously contracted out.

Mr. Insley summarized budgets for each division beginning with Administration. There was an overstated number for salaries and wages that was corrected in 2009. Uniforms were taken out and put into the Fleet budget. Ball field lighting was taken out of Administration and put into Athletics; water was taken out of the Administration budget and put into the Urban Parks budget; and some into the Regional Parks budget as well as electrical. Debt payments were put into Debt Service; interest expense was taken out and added to the general administration. Director Shangraw asked what percentage of increase are we assuming to budget for utilities. It was clarified the budget for 2010 will be 8% of the 2008 actual numbers for electric and water will be a 10% increase.

Mr. Insley continued his budget summary for Fleet Maintenance, page 52. Instead of a general repair account, it has been broken into equipment and vehicle repair. We made our last lease purchase payment in January of last year. Urban Parks Maintenance; athletic field rentals were added to offset some of the expenses. We added water into the Urban Parks budget as well as electrical and utilities. The debt payments have also been removed from that budget. In the Regional Parks budget, Mr. Insley said admission fees and rentals were added. Mr. Hopp added that included in the utilities in the Regional Parks budget, there is an increase in the assessment amount if in the event we are able to secure additional shares from Jefferson County for the Bergen system. Director Shangraw asked if other expenses for Bergen are in Regional Parks or Golf. Mr. Insley said it is within the assessments which are charged to Golf and Regional Parks. He explained we were hoping to get Water Conservation funding for that, but it is on hold and we are in line if the government is able to recharge that account.

Mr. Woodard talked about issues with the Morrison water storage; we have budgeted funds within the Golf department to implement that when approved. Mr. Hopp added nothing has happened on the Jefferson County lease. If an agreement has not been forged prior to January, we may not be responsible for those assessments, but they are in the budget.

Mr. Insley explained the budget for Kipling Villas Sub-district. There was previously one line item for purchased services and utilities. Now we are breaking out fertilization, herbicide, and irrigation repairs. He said we are still contracting the mowing, but staff are doing irrigation repairs. Mr. Insley provided a Clement Park summary. The main change is admission fees and rentals. The ball field lighting has been put into the Athletics budget and lease purchase payments are completed.

Director Shangraw asked, because of things we are deferring, are there items that staff knows are so critical we need to be addressing them sooner rather than later, and are those included in this budget. Mr. Hopp said that will probably come through the process of prioritizing how we will spend the \$285,000. From the priority perspective, the criteria we have been using are safety, revenue producing, or the ability to reduce our operational costs. Director Shangraw said since we have been deferring this for the past three or four years, is there concern that might not be enough. Mr. Hopp replied that's never enough but that, along with the success that we have had with grants, we are addressing some of the major issues. We are trying to develop some creative ways to address things that we won't be able to fund with grant dollars.

## 2. Leisure Services

Derek Eberhardt said the 2010 Leisure Services budget is presented with a net revenue of \$474,808. On the revenue side, fee increases are being proposed in all revenue generating departments, approximately generating \$95,000. Reductions in ice rental revenues are being planned at the Edge due to lower participation, youth associations and the adult leagues; primarily based on the economy. He reiterated for more precise cost center accounting, a percentage of field and shelter revenue is being allocated to Urban and Regional Parks to offset maintenance expense. Tax revenue is being shown as a revenue line item in Aquatics to offset the operations tax subsidy. Reductions in facility passes are being proposed due to projected declining sales. The facility surcharge has been changed from a revenue source to providing the ability to increase the capital projects budget. Mr. Eberhardt said overall, revenues are increasing a modest \$23,140 over 2009.

Mr. Eberhardt continued on the expense side, salaries and raises are increasing due to benchmarking and the proposed across the board salary increase of 3%. Supplies and purchased services are increasing less than 3%. With the reallocations, utilities are decreasing slightly.

To try to make up for losses at the ice arena due to lower participation, Mr. Eberhardt said we are planning a conservative increase in participation in the adult leagues. We feel one of the competitive advantages of having our own in-house league is that the players don't have to travel throughout the Denver Metro area. We are looking at reallocation of ice time. Staff have spent time with a group called Denver Synchronicity; it's potentially over \$100,000 of additional revenue. Mr. Eberhardt said with the addition of an in-house program, we are also looking at doing some shorter league seasons. Vickie Rodriguez explained the September and October financials for the ice arena. She added we anticipate our adult leagues going back up, and talked about schools that are scheduled at the ice arena. Mr. Eberhardt said we are on the low end of the Denver market for ice time. We are proposing a \$10 an hour increase for the beginning of next season which still leaves us at the lower bottom. We are also recommending increasing skate rentals from two to three dollars for drop-in programs. There was discussion about this being an Olympic year, and possible increase in participation.

Starting on page 69 of the budget book, Barb Butler summarized the rest of the departmental budgets within Leisure Services. Highlights of the Administration budget are the reduction of admission fees which is the facility surcharge, change in salaries and wages, and decrease in purchased services. In Facility Operations, pass sales are projected to be lower, and a projected increase in room and chair rentals. Ms. Butler said in the past we have offered a 25% discount to sports associations for room rentals. We are changing that to 100% cost recovery to be in line with field rentals, and are taking the next couple of years to get to that.

Ms. Butler continued salaries and personnel services for Facility Operations are reduced. The building services person is moving out of the Ridge and into the Administration budget, and utilities have decreased. Facility Maintenance has no significant changes within that budget. The Unallocated budget included mostly debt payment and that is being moved to the debt budget, it also includes \$3,000 in facility surcharge that is being moved to the capital funding budget. Referring to the Climbing Wall budget, Ms. Butler said it did earn money this year. There are no real significant differences in the Wellness Programs budget.

Director Shangraw asked if the patrons that were so loyal to the climbing wall have come back. Tami Adams said they were invited back in, but we did not have a lot of response. We are seeing almost a brand new population right now.

Ms. Butler continued with the Cultural Arts budget; a few nominal increases in fees. We project amphitheatre rentals to decline. We are moving the management of the amphitheatre to the Sports office, although the budget line item will stay in the Cultural Arts department due to a previous decision by the Board to create a Cultural Arts program for the SCFD funding allocation. There are fee increases within the Children's Programs budget; approximately \$30,000 across all program areas. Ms. Butler indicated we have chosen to close the Columbine Hills Before and After School program; there is another day care service across the street that takes the bulk of the business. We made some staffing changes at the site director/program director level that were discussed with the Board in September. She pointed out purchased services have increased due to transfer of the merchant fees for the Kinderstreet program from the Finance department to Children's Programs. The Aquatics budget reflects a fee increase in the property tax line item that is new to this department. The major fee increase in the department is the CARA Swim Team fee. Salaries increased, and utilities decreased. Ms. Butler indicated in District Athletics, we have increased the athletic facility fee approximately 15% for baseball and softball fields and 7% for multi-use fields. We have some nominal fee increases in the other departments. For batting cages, we are doing a roll back in prices, banking on volume. Ms. Butler said most of our athletic programs are at capacity with the existing field and gym usage that we have; we are in the market range for our fees. Utilities have been reallocated from Parks to Athletics for the lights at the ball fields and a percentage of athletic fields, shelter rentals, and special events have been reallocated back to Parks.

There was discussion about the budget process this year, and staff were commended for their work. Mr. Hopp indicated at the next Board meeting we will have Administrative Services and Golf presentations. At the December 8<sup>th</sup> meeting, we will be asking for the overall approval.

Director Nunes asked Mr. Rufien if we have heard anything about the wards. He replied he was in the court house today and was able to find the judge that was assigned our petition and was able to talk to the clerk of that particular judge who said she would walk it in to the judge this afternoon. He fully expects it is going to be signed this week.

XI. ADJOURNMENT:

The regular meeting was adjourned at 7:35pm. The next Board meeting will be held at 6pm on Tuesday, November 24, 2009, at The Peak Community and Wellness Center, 6612 South Ward Street, Littleton.

Submitted by:

Richelle Riley, Recording Secretary