

RECORD OF PROCEEDINGS

FOOTHILLS PARK & RECREATION DISTRICT REGULAR BOARD OF DIRECTORS MEETING

May 24, 2022

Zoom Option

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When: May 24, 2022 06:00 PM Mountain Time (US and Canada)

Topic: Board Meeting 05/24/2022 Register in advance for this webinar:

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RECOGNITION OF OUTGOING DIRECTORS KYLE BUTMAN AND TIM W. JAMES. WELCOME NEW DIRECTORS ALI LODICE AND GINA M. WRITZ.

Ronald Hopp announced that tonight is a special meeting because we have two outgoing board members, and two incoming board members. Mr. Hopp thanked both Director James and Director Butman for their outstanding service to the District. Director James served from 2013 through 2022. Originally being appointed to fill an unexpired term, and then serving two four-year terms. Director Butman served from 2018 through 2022. Mr. Hopp talked about things that happened with the District while they were board members. During his nine-year tenure, Director James served as Second Vice-Chair, Treasurer, and three years as Chair. Director Butman served as Second-Vice Chair, First Vice-Chair, and Secretary during his four-year tenure. Mr. Hopp recalled when Director James started on the Board, there were a lot of tough decisions that had to be made to help the financial stability of the District. Looking back at board meetings, Mr. Hopp recognized there were a lot of mundane board meetings in comparison to the many things the District has going on now. Many board meetings were devoted to policy revisions, considering challenging decisions regarding district assets, developing creative improvement solutions for how to update aging infrastructures and facilities, how do we strive to develop efficiencies, improve programming, enhance revenue streams, ensure quality work environment culture for employees. As a comparison, Mr. Hopp pointed out the capital budget the District was dealing with in 2013 was \$659,000; in 2014, \$879,000 in capital and that included the Golf Development and Improvement Fund which is about a fourth of that.

Mr. Hopp recognized those years were kind of mundane, but they helped prepare a stable foundation for the future. As time went on, the District became more financially secure with a lot of the decision making that was made. The District was eventually able to acquire and renovate what is now known as the Foothills Fieldhouse. With the help of some grants, the District was able to begin making some capital improvements at Clement Park, starting with major improvements in the irrigation system, building the core area for the softball/baseball fields, rebuilding the splash park. Eventually, the County deeded Clement Park to the District at the end of 2017. The hard work by Director James and the rest of the Board at the time, and many others, to get the mill levy increase election passed in the fall of 2017 is what really began to propel the District to new heights regarding capital projects, Mr. Hopp acknowledged.

Primarily with the funds from the mill levy increase, the capital improvement projects ramped up in 2018, that is also when Director Butman started with the Board of Directors, Mr. Hopp said. Since 2018, the mill levy funds have allowed the District to make improvements to the following facilities and parks – not an inclusive list but these are the types of things that have been completed in 2018 with the help of these two board members – new LED lights at Clement Park, new synthetic turf at Foothills Sports Arena, new wood flooring and air conditioning in the gymnasium at Lilley Gulch, new post tension tennis courts at Lilley Gulch, renovated cardio area and cardio equipment at Lilley Gulch, new pool feature in the leisure pool at Ridge Recreation Center, new outdoor splash pad at Ridge that will be opening next month, replacement of the Columbine Trail, field replacement at Jason Jennings Field, floor replacement at Foothills Fieldhouse, improvements and continued planning efforts at 32 park sites and trail corridors with a plethora of improvements all while connecting with neighborhoods and HOAs that help plan and execute these improvements, continued improvements at Clement Park. Mr. Hopp explained these funds have also allowed the District to enhance services,

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upgrade maintenance equipment, improve buildings and facilities, and ensure that the District's employees continue to thrive.

Mr. Hopp recognized another major accomplishment that occurred while both Directors James and Butman were on the Board was the successful mill levy continuation election in 2020. This successful election led to the ability to secure a sizable Certificate of Participation for \$35 million which is allowing the District to make significant capital improvements over the next several years. These improvements include a new clubhouse at Foothills Golf Course, major renovations to Columbine West and Sixth Avenue West pools, extension of the Dutch Creek Trail, pickleball and tennis court complex at Clement Park, significant facility improvements at all of our indoor facilities, ball diamond at Easton Regional Park.

These projects will continue to provide excellent services to the many patrons and community members for decades to come, Mr. Hopp said. In addition to a myriad of capital projects, the District's financial position has improved significantly during both Director James' and Director Butman's tenures. Through solid, financial management over their time on the Board, the District was successful in significantly reducing outstanding debt balance, growing reserve funds, increasing enough capital funds to address infrastructure and equipment needs. Over the many board meetings that Directors James and Butman participated in, there have been dozens of memorial benches approved, eagle scouts and volunteers recognized, Intergovernmental Agreements, easements, other agreements approved, budgets approved, audits reviewed, grants accepted, policies created and updated. They have each helped shepherd the District through a global pandemic that had a major impact on District revenue streams, program and facility offerings, as well as District staff members.

Mr. Hopp recognized that Director James and Director Butman have been great advocates of programs and services that the District provides to the community. Both have been great advocates for all of our great employees and the District. They were also instrumental with developing the 2030 Master Plan which helped set the direction for the District.

On behalf of all District staff, Mr. Hopp thanked Director Butman for his four years of service to the District, and Director James for his nine years of service to the District, and presented them with a gift and recognition plaque.

Director Butman expressed the experience has been amazing, the past four years were a really neat experience. On day one, he had an orientation of all the facilities and all the parks and was blown away with how much goes on in our own District. The staff and everyone is incredible. Director Butman said he is grateful for the opportunity and experience, and expressed thanks to Mr. Hopp.

Director James thanked the past board members that couldn't be here and were here in 2013 when he came on the Board. They welcomed him as a family member of sorts, he expressed appreciation for everybody who welcomed him to the Board. Director James thanked the Executive Team that directed the District through a pandemic and kept the District afloat during uncertain times. Over his nine years he has been very impressed with their dedication and loyalty to Foothills and have made it easy to be a board member, as they all excel at their jobs and are great leaders and role models for staff. He thanked the team in attendance, and those not present. Director James thanked Richelle Riley for organizing and prepping the meetings and overseeing the District's elections; Paul Rufien for his wisdom and sage advice and teaching about the legal world and the county; Ronald Hopp for leadership, direction, financial standing of the District is so much better than when he came on board. He thanked fellow board members for their support and being respectful. Director James gave a special shout out to Kate Dragoo who introduced him to the world of Foothills over 20 years ago, he would not have served in this role if not for her. He thanked Diane Suchomel for her support of the District and being such a good community person.

To the current and future boards, Director James passed along pearls of wisdom – listen to the public and its constituents, whether it be surveys, phone banking, emails, conversation with friends and neighbors, listen to the community. He expressed being proud we learned as a District from early mill levy failures and recognizing the importance of listening first to our constituents before making decisions. He expressed belief this District was able to be successful in the mill levy and extensions with the listen first approach. The tough decisions will not make everybody happy. The Board has

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made some challenging decisions that might have been upsetting to some of the people in the community, but in retrospect, expressed belief they did what was best for the District at the time. Overall the Board has been good stewards of taxpayer dollars and good leaders. Director James advised to keep the focus on the greater good of the District as a whole rather than personal agendas and desires.

Director James thanked everybody who has made it easy for him to be a board member, expressed thanks for the positive direction this District is headed. He said it has been an honor and privilege to serve and work with the District.

Director James and Director Butman departed the board table and Gina Writz took her seat at the board table.

- I. CALL TO ORDER: Director Meyer called the regular meeting to order at 6:17pm.
- II. PLEDGE OF ALLEGIANCE: Director Meyer led those in attendance in the Pledge of Allegiance to the Flag of the United States of America.
- III. ROLL CALL:

Director Bielkiewicz:	Present
Director Trimble:	Present
Director Lodice:	Absent
Director Writz:	Present
Director Meyer:	Present

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

Potential conflicts of interest were disclosed pursuant to Colorado Revised Statutes 18-8-308(2), 24-18-109(3)(a), 24-18-110, and 32-1-902(3).

IV. APPROVAL OF AGENDA:

MOTION: Director Trimble moved that the Foothills Board of Directors approve the May 24, 2022 agenda as submitted. Director Bielkiewicz seconded the motion. Poll of the Board: Director Bielkiewicz, aye; Director Trimble, aye; Director Writz, aye; Director Meyer, aye. The motion was approved.

V. APPROVAL OF APRIL 26, 2022 MINUTES:

MOTION: Director Bielkiewicz moved that the Foothills Board of Directors approve the minutes of the April 26, 2022 board meeting as submitted. Director Trimble seconded the motion. Poll of the Board: Director Bielkiewicz, aye; Director Trimble, aye; Director Writz, aye; Director Meyer, aye. The motion was approved.

VI. COMMUNITY COMMENTS:

A. Volunteer Coach Recognition

Mike Hanson, Youth Leagues Coordinator, said he has been with the District for the last 14 years. He talked about the number of youth sports registrations and volunteer coaches, and revenue they brought for the District in that 14 years.

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Six volunteer coaches were recognized: Kristen Driscoll, Tommy Dodge, Joey Louth, Natalie Payant, Chris Baumer, Eric Pilletere. Mr. Hanson acknowledged these six coaches have done a combined 134 teams, 1,608 kids, and 2,600 hours of volunteer service.

On behalf of the Board, Director Meyer thanked them all for their service and for participating in youth sports. It is all owed to bringing new families, the coaches and work of the staff, and he thanked everyone who is involved.

Mr. Hanson and Barb Butler told the Board that Mr. Hanson has submitted his resignation and is going to be Athletic Director for Denver Christian School. She expressed thanks for what Mr. Hanson has done with youth sports, and the Board expressed appreciation.

VII. DECISION ITEMS

A. May 3, 2022 Election Results/Board Election of Officers

Mr. Hopp discussed it was a successful election. For Ward 3, Ali Lodice was the victor; Ward 4, Gina Writz was the victor; Ward 5, Phillip Trimble was the victor. The Kipling Villas Sub-District B election to continue the mill levy that was associated with the bond was successful at 88 percent.

Oaths of Office were issued last Friday when Directors Trimble, Writz, and Lodice all attended an all-day board orientation. Mr. Hopp explained that before the Board now is Election of Officers.

Director Meyer described the board offices: Chair, First Vice Chair, Second Vice Chair, Secretary, Treasurer. Dennis Weiner talked about duties of the Treasurer. There was board discussion.

MOTION: Director Bielkiewicz moved that the Foothills Board of Directors elect the following slate of officers: Director Meyer, Chair; Director Bielkiewicz, First Vice Chair; Director Lodice, Second Vice Chair; Director Trimble, Treasurer; Director Writz, Secretary. Director Trimble seconded the motion. Poll of the Board: Director Bielkiewicz, aye; Director Trimble, aye; Director Writz, aye; Director Meyer, aye. The motion was approved.

B. Board Signature Authorities

Dennis Weiner said the designated signature authorities for the District's bank accounts are that of the Board Chair, Board Treasurer, Executive Director, and Director of Finance and Administrative Services. To reflect the changes that just took place, our resolution for designation of individuals for signature authorities as it relates to the District's financial activities needs to be updated, along with the various applicable signature cards that will come later. Mr. Weiner pointed out the resolution provided in the packet.

MOTION: Director Writz moved that the Foothills Board of Directors approve Resolution No. 22-006 to designate the current Board Chair, Board Treasurer, Executive Director, and Director of Finance and Administrative Services as the official signors as it relates to the financial activities for the District. Director Bielkiewicz seconded the motion. Poll of the Board: Director Bielkiewicz, aye; Director Trimble, aye; Director Writz, aye; Director Meyer, aye. The motion was approved.

C. Memorial Bench Application

Referring to information in the packet, Colin Insley explained the District has a memorial bench program under direction of the Board. He indicated a gentleman submitted an application from the family of a

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deceased member to replace an old bench on Harriman Lake to bring before the Board, and pointed out a location map.

Director Bielkiewicz questioned the wording on the plaque, there is a quote at the end, what does that quote translate to? Mr. Insley indicated it is a fond term the father used to say in Italian, kind of like “aye aye aye” or “mama mia”. Director Bielkiewicz said google would suggest it is profane and questioned if it should be put in the minutes. Director Meyer said it can be put in the minutes; Director Bielkiewicz indicated it means “holy shit”. Director Meyer was not in support of having it say “holy shit” on the plaque, in any language. There was discussion. Mr. Insley can go back to the family and bring the request back to the Board.

D. Cruz Inclusion Hearing

Referring to information in the packet, Mr. Hopp recalled that back in February, it was reported in the Executive Director’s report that there was an individual who has two adjacent, vacant parcels and one happens to be in the District, one is not. He tried to get it cleared up with Jefferson County, Mr. Hopp discussed, he needs to clean it up because he is trying to combine the parcels so he can build on one or the other. Mr. Hopp let him know he will pay more taxes because he is going to accrue that additional parcel and he was understanding of that. The only way to do that, in consultation with Paul Rufien, Mr. Hopp explained he had to do an inclusion petition for the Board to consider at 11789 Bear Creek Drive in Lakewood, Colorado, which is unincorporated Lakewood. Included in the packet is the petition and resolution for the Board’s consideration.

As part of the process, Mr. Hopp said a public notice was published in the Jeffco Transcript on May 12, 2022. The Chair can open a public hearing, take any public comments, close the public hearing, then take action on the resolution. There was board discussion. Mr. Hopp reiterated this is literally to include it in the District’s boundaries and he will pay taxes to the District.

Paul Rufien acknowledged it is a lot of formality for one parcel. The process is designed for sub-divisions, not parcels. Mr. Hopp recognized the county said he needs to clean it up before doing anything.

- **Public Hearing**

Director Meyer opened the Public Hearing to take comments for or opposed to inclusion of this property in Foothills District at 6:45pm. There were no public comments electronically or the in-person meeting. Director Meyer closed the Public Hearing at 6:46pm.

MOTION: Director Trimble moved that the Foothills Board of Directors approve Resolution No. 22-007 ordering inclusion of real property, 11789 Bear Creek Drive, Lakewood, Colorado, 80227, into the boundaries of the District as discussed. Director Bielkiewicz seconded the motion. Poll of the Board: Director Bielkiewicz, aye; Director Trimble, aye; Director Writz, aye; Director Meyer, aye. The motion was approved.

VIII. EXECUTIVE DIRECTOR’S REPORT:

Highlighting the report provided, Mr. Hopp said the District has a 401k Committee that meets quarterly with a financial advisor. There has been in the past, it is not a requirement for the committee, a board member serving on the committee. Mr. Hopp asked if there is a board member interested in serving on the 401k Committee to let staff know. Director Bielkiewicz said he would serve on the committee.

Mr. Hopp gave updates on the pools repair project. Providing background information, he said the intent is to do a repair project to address issues with the pools so they can be open this summer. At the end of the summer, they will be closed again for the major renovation. He explained that at Columbine West the wading pool won’t be

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used this summer, the lap pool will be fixed and operational and the diving pool will be fixed and operational. Staff are waiting on a boiler that was ordered in January for Columbine West Pool, Mr. Hopp discussed, and Derek Eberhardt elaborated. Mr. Hopp indicated staff were anticipating to open the pool by June 4th, it is likely there will be a delay. Mr. Hopp explained the dive pool won't be open at Sixth Avenue West Pool, the lap pool will be open so it will be able to accommodate the swim team, and the wading pool will be open at Sixth Avenue West. Staff anticipate it will be open June 4th as well. As part of the second major project, the gutter system in the diving well will be replaced, that was an unanticipated cost for the second part.

The District's Second Annual Hops in the Park took place. There were over a thousand patrons and twelve vendors. The hope is to continue to grow that every year. It was moved from the east side of the park to the west side of the park by the amphitheater.

The concerts in the park are starting. The newly installed sound system at the amphitheater will be used, it was also used at Hops in the Park.

Mr. Hopp thanked Gina, Phil and Ali for spending the whole day at board orientation, watching it snow most of the day, and getting out and seeing some facilities.

There was fairly significant snow storm damage throughout the District, Mr. Hopp discussed. He talked about staff being in communication with Jefferson County over the weekend, and deliberated on multiple sites for potential slash piles, none of them seemed to work out very well. It was decided to move it to a county facility.

In answer to Director Writz, Mr. Hopp discussed the District works with Miracle League of Metro Denver to provide a program at the Jason Jennings field, which is the District's fully accessible field at Schaefer Athletic Complex. Staff are in ongoing conversations with them about that site. The District has an agreement with them that outlines the responsibilities of their agency versus our agency. It was developed about 20 years ago. It is an outdated agreement and both are in recognition that there probably needs to be some updates to that.

IX. DISCUSSION ITEMS:

A. 2021 Audit Report

Dennis Weiner said between January and May of this year our internal staff prepared the District's 2021 financial statements. Staff worked through the annual audit process with the District's external audit firm, Eide Bailly. The final audited financial statements along with a Letter to Governance from the audit firm was provided to the Board. Paul Kane and Alex Arndt with Eide Bailly were in attendance to discuss results of the audit. Mr. Weiner distributed bound copies of the audit to the Board.

Using Power Point presentation, Paul Kane, audit partner with Eide Bailly, talked through some slides, went over the audit results, and provided financial information.

Mr. Kane said Dennis and his staff were amazing to work with, as always, this year. The auditors came in the end of March, first week of April, and were able to finish the audit by April 27th; it took under a month to get through all of their foot work and quality control processes. He said there are no Management Letter comments to go through, there are no adjustments, everything was totally clean.

Going through the pages of the audit report, Mr. Kane said it is a clean, unmodified opinion, it is the best that can be given. He pointed out this is a brand new format for this report, audit standards changed up this year. It reports that the audit was done, and the next paragraph is their opinion. He reiterated this is the very best the District can get, and discussed the Independent Auditors Report, Management's Discussion and Analysis. He discussed overall financial highlights, growth of net position over the last five years.

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Mr. Arndt talked about the letter that accompanies the financial statements. He explained the firm has assessed their opinion, this letter helps clarify the rationale of how they reached their opinion. Mr. Arndt said it demonstrates that any other audit firm coming in would follow the same guidelines and therefore reach the same opinion, and went through the letter. He talked about changes, going forward, with leases and subscription-based information technology arrangements.

B. Finance Update

Dennis Weiner discussed the financial update for this year through April 30th, as detailed in the report provided in the information packet. Highlighting the report, he spoke about total year-to-date operating revenues, operating expenditures, net operating loss, non-operating revenue and expenditures. Looking at the bottom line, Mr. Weiner concluded that net revenue year-to-date was better than plan.

Director Writz asked how can we use the overall net revenue, is it earmarked? Mr. Weiner explained it is earmarked, on the property tax collections side of things, the District collects 98 percent of property tax assessments by June, so property tax collections are very front loaded, so for the first six months of the year, the District looks profitable from a bottom line perspective. But in the second half of the year, we have lots of debt payments and different things, capital expenditures that are scheduled through the budget that consume that net revenue over the course of the year. He said there are some years where we end up net positive to the budget and then there are discussions on what we'll do with that.

Director Meyer inquired if anybody else on the Board has anything else they want to talk about.

Director Writz asked about the contract that was created between the Board and Mr. Hopp, how, overall, does that work?

Director Meyer explained that every year the Board goes through Mr. Hopp's annual performance review. Every time, the Board has had concerns about retention and losing him to other Districts. This year, there were two openings, South Suburban was prior, and the Board was concerned about it. The discussion, at Board level, was brought up about whether or not they would want to do an employment contract that would have a non-compete component to keep him from going somewhere else. The balance on that would be there would be a penalty if the Board terminates him prematurely, severance pay basically. In answer to Director Writz, Director Meyer explained premature termination is without cause under the agreement, if there is cause, there is no severance pay. Director Writz asked to define cause. Malfeasance; Paul Rufien offered a lot of things are listed in the contract itself. Obvious ones would be misappropriation of funds, mishandling of staff. Director Meyer added there is a catch-all, anything unbecoming of an Executive Director. Mr. Hopp indicated we can provide Director Writz a copy of the contract.

Director Writz questioned the seven months when a new board comes in. Mr. Rufien explained it is a get to know your period and that was somewhat in response to what has been happening with a lot of other entities throughout the state in that when a new Board comes on, let's get to know everybody before any type of employment decision is made. Mr. Rufien said the seven months ties in from now to the year end.

Director Writz asked what if Mr. Hopp does want to leave. Director Meyer said he can quit but if he does, he is subject to a non-compete for 12 months, that he can't go into a comparable position. Director Meyer offered certainly if Mr. Hopp said he is leaving and wants to go take this same position in Maryland, the Board could agree to do that, but not on the contract as written. The contract is not reviewed annually; it terminates in 13 years.

Director Writz asked if Mr. Hopp does decide to terminate and the Board hires someone new, can the Board apply the contract. Director Meyer said his position is that he would not want to have an employment contract,

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necessarily, for the next Executive Director. He has been working with Mr. Hopp for his entire time on the Board, and personally believes he is a big asset to the District. He can answer questions that aren't anticipated, and knows the answer, Director Meyer expressed belief there is a real benefit to that, and doesn't think we necessarily would get that benefit and have the leadership we want in place necessarily with the next Executive Director; the goal would be to have that, but we wouldn't know that we have that. Director Meyer expressed his personal preference would be that this does not set a precedent going forward but if we get a new Executive Director, and after a couple of years we believe that it would be appropriate, he would support it at that time. Director Writz expressed understanding it is terminated if Mr. Hopp leaves.

Mr. Hopp reiterated a copy of the contract can be provided to Director Writz. Director Meyer added that there was discussion about the seven months, there are provisions about what happens at termination, there is a provision about that seven months, they need to be read together. He told Director Writz after looking at the contract, if she has questions, certainly bring them to a board meeting, or she is welcome to talk to Mr. Rufien about it.

Director Writz asked if Mr. Rufien has done these for other districts. Mr. Rufien said he has not done many, but others. He said the language of Mr. Hopp's was derived not only from ones that he has done, but from other park and recreation districts somewhat comparable in size. Director Meyer said the Board raised that question also, are they typical. In one issue they addressed was they are becoming more common with park and recreation districts in the area, that one of the Board's concerns was that Mr. Hopp might be solicited to go there.

Mr. Rufien added that they did learn that South Suburban, Apex, Hyland Hills all have similar type of contracts, Director Trimble said they were able to get a copy of Hyland Hills' contract and use some of that. Mr. Rufien added that is the one we took a great deal of language from, South Suburban did not provide us a copy of theirs. Apex, at the time, may have been a step behind us in developing that language. The template was from another large district.

X. ADJOURNMENT:

The regular meeting was adjourned at 7:34pm. The next regular board meeting will be held at 6pm on Tuesday, June 28, 2022.

Submitted by: Richelle Riley, Recording Secretary