

**SOUTH SUBURBAN PARK AND RECREATION DISTRICT
REGULAR MEETING NO. 879
MINUTES**

Call to order/Roll call

A regular meeting of the Board of Directors of South Suburban Park and Recreation District was called to order at 5:40 pm, **Wednesday, November 9, 2016**, at the Goodson Recreation Center, 6315 South University Boulevard, Centennial, Colorado. Chair John Ostermiller presided.

Present: John K. Ostermiller
Scott A. LaBrash
Pamela M. Eller
Michael T. Anderson
James A. Taylor

Legal Counsel: Evan Ela Esq., District water rights attorney: Collins, Cockrel & Cole

Management Staff: Rob Hanna, Executive Director
Rich Meredith, Executive Director, Hudson Gardens
Brett Collins, Director of Planning & Development
Teresa Cope, Director of Communications
Jay Dikeman, Director of Hospitality Services
JoAnn Gould, Director of Recreation Facilities
Andy Jennings, Director of Parks & Open Space
Mike MacLennan, Director of IT
Eileen Matheson, Director of Recreation Services
Bill Ramsey, Director of Golf
Steve Shipley, Director of Finance

Study Session convened

After the call to order, Mr. Ostermiller convened the Study Session, and the group discussed the items on the posted agenda. Boardmembers provided some editorial comment for the proposed final fees & charges policy, and it was determined that it would be handled separately: See Consent Agenda items approval, below. Also, Mr. Ostermiller asked staff to reserve a table at the South Metro Chamber's annual local economic forecast, January 13, which likely will be a quorum event.

The Board paused at 6:57 pm and returned to the public meeting at 7:05 pm.

PUBLIC MEETING CONTINUED

Citizens' comments

No public came forward to speak at this time.

New employees introductions

Bill Dobbs, General Manager for the South Suburban Ice Arena and Family Sports Center ice operations, introduced *Chantel Tolan, Family Sports Recreation Coordinator*, who will oversee the adventure day camps.

Nikki Crouse, interim Buck Center manager, introduced *Mitchell Cox, Assistant Facility Manager*.

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Legal Counsel's report

Mr. Ela offered to answer questions regarding various the water matters that legal counsel has been pursuing on behalf of the District. He reported the Jamison property sale is scheduled to close in the next 30–45 days.

To Mr. Taylor's questions, Mr. Ela reported on the pending Nevada Ditch agreement with Denver Water. The agency representatives have met two or three times over the last few months about the concept, and during the last month Mr. Ela received a draft agreement for consideration. With the use of Farnell Wells to irrigate the Littleton Golf Course, possibly the Ditch will be used for stormwater runoff only in future years and impacting the water levels in local ponds. Mr. Ela explained the alignment of the Nevada Ditch. To members' questions, he reported that Cooley Lake doesn't get water directly from the Ditch.

Mr. Ela reported on a water court case for the Big Dry Creek, to maintain water rights for another six years, to irrigate the South Suburban Golf Course and deKoevend, Cherry Knolls, and Progress parks with nonpotable water. He noted that it would behoove the District to include, in future budgets, some funds for conversion to nonpotable water use, as the water court expects some progress to be made. To Mr. Ostermiller's questions, Mr. Ela explained how Centennial Water & Sanitation District is using court cases to maintain its water rights in the Big Dry Creek. To Mrs. Eller's question, Mr. Ela affirmed that the recently installed monitoring equipment for the Big Dry Creek was part of this case, to help determine how much of the Creek flow belongs to Centennial Water and Sanitation, Denver Water, and South Suburban.

Executive Director's report, concluded

Mr. Hanna had nothing to add to the reports provided in Study Session at this time.

Minutes approval

Mr. Taylor referred to a paragraph at the beginning of the minutes reporting the October 25 joint study session with the City of Littleton. His corrections: The session was held in *Littleton* City offices, and he wasn't in attendance. **Therefore, with no objections, the minutes of meeting no. 878, October 26, 2016 stood approved as corrected.**

Consent Agenda items approval

Mr. Ostermiller explained that Consent Agenda items are provided for study in the Board's study packets and introduced in Study Session for the Board's review. They can be adopted by a single motion. All resolutions and proposed actions must be read by title prior to a vote on the motion. Any consent agenda item may be removed at the request of a Director and either tabled or heard separately.

Consent Agenda items A and C

- A. APPROVE ACCOUNTS PAYABLE FOR OCTOBER 2016 IN THE AMOUNT OF \$1,562,679.**
- C. RATIFY THE JAMISON PROPERTY WATERLINE EASEMENT AGREEMENT WITH THE CITY AND COUNTY OF DENVER**

Mr. Ostermiller noted that, per discussion during Study Session, Item B would be pulled and considered separately.

MR. TAYLOR MOVED TO ACCEPT ITEMS A AND C. Mrs. Eller seconded the motion. There was no further discussion. Consent agenda items were approved unanimously (5-0).

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Consent Agenda item B

B. APPROVE THE FEES AND CHARGES POLICY FOR SOUTH SUBURBAN PARK AND RECREATION DISTRICT.

Mr. Ostermiller read Boardmembers' editorial changes into the record. On page 4, Financial Assistance: Staff will change references to Interfaith Community Services, to Integrated Family Community Services, per the organization's recent name change. On page 5, under Establishment and Evaluation of Fees: User fees ... "will be *recommended* by staff under the authority of the Executive Director" ..., and the Board of Directors will approve the fees.

Members had no further changes at this time.

MR. ANDERSON MOVED TO APPROVE CONSENT AGENDA ITEM B WITH THE NOTED CHANGES. Mr. LaBrash seconded the motion. Item B was approved as changed.

NEW BUSINESS

PUBLIC HEARING: 2017 Budget approval

Staff had prepared the final budget for Board approval, totaling \$59,043,663, a balanced budget. Mr. Hanna thanked Steve Shipley, Linda Addison, and the Accounting staff for all their work this year. The proposed 2017 Budget meets the four goals the Board of Directors had established for the budget during the summer:

- maintaining our existing assets;
- reviewing fee policies and increasing program and facility fees where appropriate;
- addressing any safety issues; and
- continuing a focus on the deferred maintenance projects.

The current list of capital projects includes a range of deferred maintenance projects. As the District completes its master plan and strategic plan processes during the first quarter 2017, those plans will guide capital project expenditures for the next 5–10 years.

The presented budget includes some fee increases, and Mr. Hanna enumerated several of the increases, most of which are to keep fees apace with the increasing direct costs of services provided. User fees & charges have typically yielded \$24.5 million in gross income, and these fee increases will yield an estimated additional \$369K in 2017 (based on current user registrations and attendance figures). As the District didn't raise any fees for the 2016 year, these proposed increases represent an average 1.5% for each year, 2016-2017.

Mr. Hanna enumerated several projects planned for FY 2017, noting there are \$9.5 million total in capital projects, of which over \$2 million is being funded by partnerships and grant awards. He spoke with special appreciation for the current partnerships with the cities of Littleton and Centennial, and Arapahoe County Open Spaces. Overall the budget income is comprised 43% from property taxes and 45% from user fees program revenue, with the remainder from donations and miscellaneous revenue sources. He offered to answer questions.

Mrs. Eller and Mr. Taylor referred to the discussion under Debt Service in the Board comments and queried the totals and estimated differential between the 2016 and 2017 General Obligation debt service payments. Staff will review the numbers and correct the comments.

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For the benefit of the public present, Mr. Ostermiller affirmed that the Board of Directors had set the four budget goals (as enumerated above) during a July 2016 retreat, with a directive to staff to concentrate on them. He stated that staff had done a very good job putting together a budget to address these goals. In addition, the Board had met in several more sessions to concentrate on particular aspects of the budget, including employee benefits costs, the wage structure, and whether the District is meeting its commitment to provide quality healthcare and retirement benefits.

Mr. Ostermiller assured the public that if they had any questions or issues, the Board wants to address them. He opened the public hearing.

William Owens, 5841 East Geddes Circle, Centennial uses the Goodson Recreation Center regularly. He attended several of the Board sessions to develop the budget, stating, "It's a monstrous process." He stated his frustration: He had to wait until the final stages of preparation before seeing the entire budget. He reported there have been a lot of improvements at Goodson in 2016, and they made sense; however, he wanted to understand the decision process for the new equipment in the exercise rooms, not a trivial cost. The District had replaced a whole lot of equipment that worked perfectly: What's the thought process?: As a user, he found the old equipment perfectly adequate. He believed the new equipment cost 2-3 times as much, and the cost had yielded little impact on functionality. He noted, the Lone Tree Recreation Center is budgeted for new equipment in 2017—Is it needed?

Mr. Hanna stated the process of making the decision had included feedback from customers, including an intensive survey (which was also part of the current master plan development process): Fitness equipment was mentioned specifically for improvement. He stated, the majority of users want equipment that meets the newest trends and technologies, and District centers' users overwhelmingly asked for it—though, Sheridan Recreation Center customers have other priorities, and plans for that Center have been tailored accordingly. The prioritization of the expenditure included District recreation professionals' judgment as well. He mentioned the three public hearings held by the District for public input, as well as two workshops on the budget, where they took citizen comments. He concluded, while the current budget doesn't accomplish everybody's needs and wants, it identifies priorities for one year.

Mrs. Eller asked how much of the Goodson equipment is leased. Staff replied, the majority was leased. Mrs. Eller asked about the length of the lease; and Mr. Hanna believed it is four years, with the option to trade it in. Some equipment may be rotated to the Sheridan Recreation Center, and the longer the rest of the equipment is retained, the lower its trade-in value would be. To Mrs. Eller's question, staff affirmed that the equipment replacements at the centers are staggered over several years.

Mr. Owens asked, How do I get on the mailing list for the survey? Mr. Hanna noted opportunities in 2016, including online, Facebook, and the local newspapers, yielding about 2,000 responses. Mr. MacLennan offered to help him. Mr. Owens noted, he was made aware of the budget hearings through Nextdoor; and he stated again, the previous equipment was in perfectly fine shape.

(Note to the file: The Board packet included two additional written requests (emails) in favor of constructing a dog park in the deKoevend Park/Goodson Recreation Center area, from Greg and Jerilyn Thiel, and from Sinjin Carey.

Mr. Ostermiller closed the public hearing and thanked all the staff for their time and effort put into the budget this year. This has been a very smooth budget year. He thanked Mr. Hanna for bringing his experience and knowledge of working with budgets to the process and putting together a very nice summary, which was the easiest to follow, for the last several years.

Mr. Hanna noted that one goal was not met with this budget: to prepare a 5-year capital improvements projects list. He assured the Board that staff will make this a priority in 2017 for the 2018 budget preparation. He wants to use the list for some more groundwork and to eliminate some

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cost overruns, by preparing stronger estimates of proposed project costs in future years. Staff also plans to apply for some different grants and partnerships to help fund some projects.

Mrs. Eller asked if the State ballot question (approved by the voters on November 8, 2016) to approve new levels for minimum wages had been factored into these budget numbers, and she would like to see those impact numbers earlier rather than later. Mr. Hanna stated the new levels had not been factored in, but these will be addressed. He explained the District's typical annual salary market analysis: He believes that the 2016 wage analysis, included in the salary plan and proposed budget, would minimize the impact of the new 2017 minimum wage levels. If the local market does not move up salary levels in future years, however, then the impact of the State-mandated minimum wage will be felt, and wage compression issues and associated matters would need to be considered as well.

Mr. Anderson noted two items.

- There are still a lot of unfunded projects not yet addressed in the 2017 Budget, set by the Boardmembers, staff and citizens. They need to be considered as the District moves forward with the master plan.
- The District should take some credit for deferred maintenance being able to move forward. Some items couldn't be addressed in previous years and before the passage of the 2-mill ballot question (November 2014). He looks forward to "checking them off" before they become major maintenance issues.

MR. ANDERSON MOVED TO APPROVE RESOLUTION # 2016-013, ADOPTING THE 2017 BUDGET, INCLUDING ALL DISTRICT FEES AND CHARGES. Mrs. Eller seconded the motion.

There was no further discussion, and **the motion was approved unanimously (5-0)**. (A copy of the Resolution is attached hereto and made part of the permanent record.)

Big Dry Creek East Trailhead at Powers Avenue, award of construction contract

Brett Collins presented. He asked the Board of Directors to award the construction contract to KECI Colorado, Inc.

He noted that the master plan had been approved in 2015, after receiving quite a bit of public input, particularly from the surrounding neighborhood. Then staff started moving forward through the City of Littleton planning process. The project was put out to bid recently, and the lowest conforming bid was \$165K, which including the contingency was significantly over budget. Therefore, staff was asking tonight for an additional \$42K to complete the project, to be allocated from the 2010 one-mill contingency. Staff hopes not to utilize any of the contingency funds, but as always, there's a chance that something will come up. He noted as well, the construction market has experienced a turn for the worse in getting adequate labor levels for jobs, and so contractors are bidding a premium cost for small projects, and this may be the start of a future trend.

As the neighborhood has an expectation that the trailhead will be built completely to the plan, he suggested the District should award the contract, allocate the additional funds, and get the trailhead built.

Mr. Taylor noted he was on the Board of Trustees of the South Suburban Park Foundation during the 2015 discussions and he attended those meetings with the neighbors. He concluded, it's important to build this project to plan.

Mr. LaBrash asked about the construction schedule. Brett reported they plan to start in December (pending weather) and work through the winter, with a completion on landscape items in April 2017. Mr. LaBrash noted the bids came in pretty high over the approval amount, but there were four bids this time, and he didn't favor rebidding the project (as the next round of bids could be higher yet). Brett agreed.

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Mr. Anderson stated, he actually thought this project was built! He reinforced Mr. Taylor's comments, concluding, there's an expectation, and the District was eventually able to get a buy-in from the neighborhood, and therefore, let's move forward.

To Mr. Ostermiller's question, Brett reported the District hasn't used KECI before; however, District staff received a positive recommendation from Greenwood Village staff, and the firm is of an adequate size to complete this project successfully.

Mrs. Eller added, the South Suburban Park Foundation would like to see this project completed, so that they could get the \$104K fund balance off their books.

Mr. Ostermiller offered the audience members an opportunity to speak. None came forward at this time.

MRS. ELLER MOVED TO APPROVE A CONSTRUCTION CONTRACT WITH KECI COLORADO, INC. FOR THE BIG DRY CREEK EAST TRAILHEAD AT EAST POWERS AVE. IN THE AMOUNT OF \$165,731.00, APPROPRIATE \$41,974.00 FROM THE 2010 ONE-MILL CONTINGENCY TO THE PROJECT, AND APPROVE A TOTAL PROJECT BUDGET OF \$205,974.00, INCLUDING 10% CONTINGENCY AND OTHER PROJECT RELATED EXPENSES. Mr. LaBrash seconded the motion. There was no further discussion, and **the motion was approved unanimously (5-0).**

To Mr. LaBrash's question, Brett reported there have been ongoing communications with the neighborhood.

Board of Directors items

Mr. Taylor noted two articles in recent NRPA magazines,

- About parents "screaming at the kids" during ballgames on District fields. He noted some signage used by another agency to remind parents, it's a game for the kids. He encouraged staff to look into it.
- About the power of play, and if people are getting "their daily dose," a good idea.

Members also reported on the Lone Tree Subcommittee. Mr. Anderson summarized, there were no surprises. Topics covered:

- The Cook Creek Pool: District staff shared use data and costs associated with the extra pool hours for a few evenings during the summer. They agreed with the City staff to try the program again in 2017 and perhaps spend some additional effort on promotion.
- The concert series at Prairie Sky Park: Residents were happy with the event, and they want to continue it into 2017. Mr. Hanna had shared a complaint and asked a City Councilmember for input.
- The South Suburban master plan/strategic plan process, and the upcoming meetings.
- The Lincoln Bridge: Sections of the bridge are under construction now, in Texas. Major sections will be trucked north to the site, and then final construction and installation (It will be lifted into place, in one piece) will be completed in the early spring.

Mr. Anderson reported that the current issue of Timberlines is available. The City of Lone Tree now has plans for and/or is constructing five bridges. He concluded the City's infrastructure continues to be a priority.

Several reported on the Lee Gulch Overlook celebration. They agreed the site turned out very well. Mr. LaBrash encouraged staff to complete the trail around the pond. Mr. Anderson complimented Victoria Sutton, South Platte Park interpreter for her information share about the northern end of South Platte Park. Mr. Anderson added, the District has a responsibility to maintain natural areas to

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the extent that it can, and Lee Gulch is an improved natural area. Staff affirmed that there is a conservation easement on the Lee Gulch Overlook property. Mr. Ostermiller added some history of the property, and that the City of Littleton had considered acquisition of it 15 years ago, concluding, it had been redeveloped into an open space cooperatively. It's a great park, and a great entryway to the Mary Carter Greenway.

The CANDO Committee's most recent meeting. Mrs. Eller and Mr. Taylor attended.

- Several updates were shared: The Habitat for Humanity housing construction project is ready to break ground at the first of the year. The City is considering allowing marijuana sales in certain (controlled) zones. The City had a ballot question for a 5% excise tax on the November 8 ballot. (It did not pass.) Mrs. Eller apprised the group on the current South Suburban Park Foundation projects, including the MetroTrail, and provided updates on other local trail construction, including the East Side Trail. Staff from the various agencies are working hard on the annual City holiday celebration, a very popular event.
- The main topic of this meeting was a report on the City's request for proposals, to master plan the pool building, adjacent the Sheridan Recreation Center and owned by the Sheridan School District. Cyndi Wright of the Sheridan School District reported that the School District has participated in a state-wide audit to bring education facilities up to a certain standard, set by the Colorado Department of Education, a potential \$18 billion project. They are expecting a report this month. The Sheridan School District may consider building a new high school, and may look at the site now occupied by the Sheridan Recreation Center and pool. Also, there was a report on the Best Grant funds, spent for the new school opened this year. Discussion ensued on what assets the School District owns and what South Suburban owns, particularly the Sheridan Recreation Center main building. Mr. Hanna plans to set up a meeting with senior agency representatives and report back to the Board. The group discussed the history of the building and park properties.

Mr. Ostermiller attended the second meeting on the local coyote issues, presented for the District residents by Colorado Parks & Wildlife staff last week. While the number of public attending was somewhat smaller than the first meeting, there were good discussions and a lot of information. The Colorado representative's conclusion to those present—the goal is to coexist as best we can.

Mr. Hanna added, staff received notification from the City of Centennial that the City is updating its coyote management plan. The original plan was developed in response to the perceived issue in 2009, and the City drafted a plan which was adopted by several other local agencies; and the new plan doesn't have a lot of changes. To Mr. LaBrash's question, staff reported that City representatives hadn't attended the recent District presentations.

Announcements and emergency items

Mr. Ostermiller reported a number of upcoming events:

- On Thursday, November 10 and Thursday, November 17, The District master plan/strategic plan project, community information meetings. These are anticipated to be quorum events. On Thursdays, November 10, 6:30–8:30 pm at the Goodson Recreation Center; and November 17, 6:30–8:30 pm, at the Lone Tree Golf Club and Hotel.
- On Saturday, November 12, there are potential quorum events: Great Skate Day at South Suburban Ice Arena (noon–2 pm) and Family Sports Center (1–3 pm).
- On Tuesday, November 15, 2016, a potential quorum event: the Douglas County, State of the County breakfast and celebration. At the CU-Denver South building, 10035 South Peoria Street, Parker. 7:30-9:30 am. This event is by invitation.

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- The Wednesday, November 23 regular sessions have been cancelled by the Board of Directors (as of September 28).
- On Monday, November 28, there will be a special joint session with Centennial City Council. At the City offices, 13133 East Arapahoe Road, in the Long's Peak Room. Start time 7:30 am. It's anticipated the agenda will include a report on the District master planning effort.
- On Wednesday, December 7, a potential quorum event. Eighth annual, free Sheridan Holiday event, Noon–2 pm, at the Sheridan Recreation Center.

Adjournment

There was no executive session this evening.

There being no further business to come before the Board, the group adjourned for the evening at 8:20 pm.

Donna Shephard
Executive Assistant

/ds

SOUTH SUBURBAN PARK AND RECREATION DISTRICT

RESOLUTION # 2016-013 TO ADOPT 2017 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, AND ADOPTING A BUDGET FOR THE SOUTH SUBURBAN PARK AND RECREATION DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2017 AND ENDING THE LAST DAY OF DECEMBER, 2017.

WHEREAS, the Board of Directors of the South Suburban Park and Recreation District ("District") has appointed a budget committee to prepare and submit a proposed 2017 budget to the Board at the proper time; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and public hearings were held on August 24, 2016, September 14, 2016, and November 9, 2016; and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH SUBURBAN PARK AND RECREATION DISTRICT.

Section 1. That estimated expenditures for each fund are as follows:

General Fund	\$21,930,408
Debt Service Fund	3,682,750
Conservation Trust Fund	925,405
Grants Fund	35,842
2010 1 Mill Fund	5,195,804
Golf and Recreation Facilities Enterprise Fund	27,273,454
TOTAL BUDGETED EXPENDITURES, ALL FUNDS	\$59,043,663

Section 2. That estimated revenues for each fund are as follows:

General Fund		
From the 2016 fund balance carryover	\$ 800,428	
From sources other than general property tax	3,910,249	
From the general property tax levy	17,219,731	
TOTAL GENERAL FUND		21,930,408

South Suburban Park and Recreation District
 Resolution # 2016-013 to Adopt 2017 Budget

<u>Debt Service Fund</u>		
From the 2016 fund balance carryover	-	
From sources other than general property tax	10,000	
From the general property tax levy	3,672,750	
TOTAL DEBT SERVICE FUND		3,682,750
<u>Conservation Trust Fund</u>		
From the 2016 fund balance carryover	224,405	
From sources other than general property tax	701,000	
TOTAL CONSERVATION TRUST FUND		925,405
<u>Grants Fund</u>		
From the 2016 fund balance carryover	-	
From sources other than general property tax	35,842	
TOTAL CONSERVATION TRUST FUND		35,842
<u>2010 1 Mill Fund</u>		
From the 2016 fund balance carryover	394,179	
From sources other than general property tax	2,135,000	
From the general property tax levy	2,666,625	
TOTAL 2010 1 MILL FUND		5,195,804
<u>Golf and Recreation Facilities Enterprise Fund</u>		
From the 2016 fund balance carryover	(216,673)	
From sources other than general property tax	27,490,127	
TOTAL GOLF AND RECREATION FACILITIES ENTERPRISE FUND		27,273,454
TOTAL BUDGETED REVENUE, ALL FUNDS		\$ 59,043,663

Section 3. That reserves have been or are hereby established for each appropriate fund or combined as a single reserve fund as set forth in the budget in order to preserve the spending exemption for reserves under Article X, Section 20 of the Colorado Constitution, and all such reserves shall be transferred or expended within any fund as set forth in the budget.

Section 4. That the budget as submitted, amended, and herein above summarized by fund, be, and the same hereby is approved and adopted as the budget of the South Suburban Park and Recreation District for the year 2017.

Section 5. That the budget hereby approved and adopted shall be signed John K. Ostermiller, Chairman of the Board, attested to by Pamela M. Eller, Secretary, and made part of the public records of South Suburban Park and Recreation District.

PASSED, APPROVED, AND ADOPTED this 9th day of November, 2016 by the Board of Directors of the

South Suburban Park and Recreation District, by a vote of 5 for and 0 against.

Attest:

SIGNED

 JOHN K. OSTERMILLER, CHAIRMAN

 PAMELA M. ELLER, SECRETARY