

**Canon City Area Metropolitan
Recreation and Park District
575 Ash Street
Canon City, CO 81212
(719) 275-1578**

**SPECIAL BOARD MEETING MINUTES
April 27, 2021**

CALL TO ORDER The Canon City Area Metropolitan Recreation and Park District Board meeting was called to order at 7:00 p.m. by Board President, Jim Johnson, in the board meeting room located at 575 Ash Street.

ROLL CALL

Board Members:

Present: Jim Johnson
 Mike Sallie
 Brett James

Staff: Kyle Horne Executive Director
 Dawn Green Finance Director

Attorney: Dan Slater

Guests: Todd Snidow
 Alan Matlosz
 Andrew Wheller
 Paul Hanley

- Attending via Zoom, Alan Matlosz, Andrew Wheeler and Todd Snidow from Stifel, gave a brief summary of the financing options for a new recreation center. They provided slides comparing the differences in annual payments, mill levy needs etc. on issuing bonds with a 20, 25 or 30 year pay back period. With current interest rates, premium on bond sales will generate more than the stated coupon. The numbers they provided are estimates, as it is tricky to forecast variables such as construction costs and interest rates. In general, the longer you borrow, the more interest you pay, yet a longer annual debt service period lowers the annual payment. When issuing general obligation bonds, the mill levy to repay them is adjusted to make the annual payment. The ballot question for the bonds needs to anticipate the option chosen.
Board member Jim Johnson asked about the budget for construction. Selling the bonds at a premium would give the District additional funds to look at options for the design. The number previously given to BRS (Barker, Rinker Seacat) was

based on the community survey results. With a budget number, a basic idea of what the community could get for the money is designed to show what is possible.

It was stated that there is only so much the voters will approve, but the board should ask for enough to give the public what was promised.

As the assessed value of the property within the District's boundaries increases, the mill levy needed for the bond repayment would decrease.

Additional funding from the URA was briefly discussed as an option.

Board member Jim Johnson asked when the board needs to decide on the question.

Kyle Horne responded that the number the board is willing to budget for the construction of the center needs to be given to BRS quickly and Mr. Paul Hanley also needs this information for the public policy and survey work.

Mr. Johnson then asked if the District could pay off the bond early without penalty. Answering the question, it was stated that this can be done after year 10. The District would not have to go to the voters again to refinance if the interest rates drop. The District would only levy what is due that year.

There was a brief discussion about the assessed value trends of the property within the District. It was stated that voters care about the tax impact when funding questions are asked. The polling prior to the pandemic was based on a 7.5 mill levy.

In determining a construction budget estimate for further work needed from BRS, the board favored a number which was based strictly off a bond issuance and did not include potential funding from other partners.

Board member Jim Johnson made a motion, seconded by board member Mike Sallie to give a \$25 million construction budget amount to BRS for design work on the recreation center. The motion passed with all members voting aye.

Staying with a metal gym structure would help save money on construction costs.

- Mr. Paul Hanley of Beyond Your Base gave a short presentation on his public policy role as it relates to the recreation center project. He has agreed to do a voter analysis, develop an FAQ sheet for the public, develop a presentation with the architect, work on the landing page on the project for the website, and include a newsletter with the mail survey his company will conduct. He shared a first draft of the FAQ sheet with Kyle today. The survey will be sent to every registered voter within the District, with the likely voters being identified by a marking. Within the survey, questions on programs, tax sensitivity, arguments for and against the center, the two ballot questions and demographic information will be asked. Once the ballot questions are submitted, he will continue to do campaign work with the citizen's committee pro bono. Mr. Hanley has worked with a lot of Park and Recreation Districts in passing tax questions, including Eaton.

There was a question about the acceptable level of board member involvement with a campaign. No tax dollars can be used to help the campaign. Board members individually can choose to work with the citizen's committee, REC (Recreation Enhances our Community).

There was discussion about the tax question for operations as the pro forma from BRS completed pre-pandemic showed a \$380,000 operating shortfall. With two

questions, one for the bond and the other for operations, one may pass and the other may not. There is ballot language that could be used to tie the operation question to the passage of the bond. Past boards had discussed asking for a mill levy increase to help fund current operations. There was discussion about increasing the mill levy ask in the question to address both the recreation center and current operations. Dan Slater commented that adding a third variable by referencing current operations may be politically detrimental - giving the voters another item to potentially disagree with. Mr. Hanley stated that if you complicate things, people tend to vote no.

The presenters from Beyond Your Base and Stifel were thanked for attending.

Board member Brett James made a motion, seconded by board member Mike Sallie to go into executive session for legal advice under C.R.S. Section 24-6-402(4)(b) regarding recreation center letter of intent negotiations. The motion passed with all members voting aye.

The board moved into executive session at 8:07 p.m. The executive session ended at 8:51 p.m. and the board returned to the regular meeting.

ADJOURNMENT

There being no further business to conduct, President Jim Johnson adjourned the meeting at 8:52 p.m.

Submitted by:

/s/ Dawn Green

Dawn Green, Finance Director

Approved as written or amended:

/s/ J. Johnson

Jim Johnson, Meeting Chair

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**EXECUTIVE SESSION MINUTES
April 27, 2021**

Executive Session was called at 8:07 p.m.

The substance of discussion during executive session was for legal advice under C.R.S. section 24-6-402(4)(b), regarding recreation center letter of intent negotiations.

The executive session adjourned at 8:51 p.m.

Submitted by:

/s/ Dawn Green
Dawn Green, Finance Director

Approved as written or amended:

/s/ J. Johnson
Jim Johnson, Chair of Executive Session