

**Canon City Area Metropolitan
Recreation and Park District
575 Ash Street
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**SPECIAL BOARD MEETING MINUTES
August 24, 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 City of Canon City Council Chambers located at 128 Main Street.

ROLL CALL

Board Members:

Present: Jim Johnson
Michael Sallie
Nick Sartori
Greg DiRito
Brett James

Staff: Kyle Horne Executive Director
Dawn Green Finance Director

Attorney: Dan Slater

Guests: Daniel Matoba Karen Sartori
Jennifer Katsaros Tim Payne
Paul Hanley Ann Brown
Sonja Baker

- This meeting was held at the City of Canon City Council Chambers with the Mayor and City Council members in attendance, except for Mandy Reed. Also present were Fremont County Commissioners Debbie Bell and Dwayne McFall, County Manager Sunny Barnes, and City Manager Ryan Stevens.
- Daniel Matoba and Jenna Katsaros of Barker Rinker Seacat (BRS) joined via Zoom to give a power point presentation on the proposed building program for the recreation center. BRS has experience in building recreation centers nationwide, including the centers in Montrose and Eaton in Colorado. Eighty percent of their business is focused on recreation and through their work they have developed benchmarking numbers for operations.

BRS has a three-sided approach to design: program, schedule, and budget which Mr. Matoba demonstrated with a virtual tour of the recreation centers in Eaton and Montrose. Using results from the first survey he highlighted the amenities that the respondents in the Canon City area deemed a priority. These include a warm water activity pool, gym, aerobics room, multi-purpose room, fitness area, lap pool and a walk-jog track. He then showed renderings and discussed what the center could look like at an Abbey location, connecting the architecture to the place. The total project budget is \$33 million, which includes construction of the center and site amenities such as lighting, parking lot and professional fees.

Ms. Katsaros then discussed the pro forma developed for the center which included revenues generated by programming the spaces, expenses and 4% reserved for replacement. The annual expenses are projected to be approximately \$2 million, and revenues conservatively at \$1.6 million, requiring a subsidy of \$400,000. This represents a cost recovery of 80%. These numbers are based on the center operating 93 hours a week, seven days a week, 51 weeks per year. Staffing costs are approximately 61% of the expenses with lifeguards making up the bulk of those working part time. The benchmark for staffing costs averages 65%. The expenses per square foot of the center are \$27.69, with the benchmark average at \$30. Admissions make up the bulk of the revenues. Other revenue sources include programs and rentals, child watch and party revenue. Admissions revenue was based on using a variety of passes (family, annual and punch) and daily admissions based on charges from comparable centers. In district residents would pay a lower fee.

After her presentation there was a question-and-answer session which addressed the following:

Proposed admission rates are not yet set but are based on charges in similar communities such as Montrose and Eaton.

Child watch is not Kids Klub. Kids Klub would continue to operate at the schools and the District administration offices would remain at the current location.

The building will be designed to be ADA compliant.

The amenities included are designed to provide something for everyone, not just an aquatic center. Kyle Horne pointed out that aquatic only centers have a 50-55% cost recovery rate while full recreation centers are 90-95% sustainable.

The 3.5 mill levy increase would cover the subsidy to operate the center as well as supporting the District's current operations. It would also be used to build up reserves for future needs.

Within the pro forma, no revenue was factored in from the potential use by the school district.

The renderings show an outdoor lap pool, but there is a temporary shelter built into the budget for the center. With potential grant funding, URA assistance, or a capital campaign, the lap pool could become part of the building.

The recreation center would benefit not only the local community but also visitors to the area.

The size of the center, at 2.44 sq. ft. per person, is a lower number than those in Meeker, Eaton and Montrose.

The admissions price point was discussed and needs to be set equitably between non-resident and resident, and at a threshold to make it accessible to the community.

- Mr. Paul Hanley gave a presentation via Zoom on the results of the latest survey for the recreation center. It was mailed in July to 11,779 registered voters in the District and included a fact sheet and FAQ document. The response rate was 17.8% (2,103 completed surveys), 80% of which were likely voters (which were tracked by dots on the return envelopes.) It was not a scientific poll but should provide a general undertone of the electorate. The female response rate was higher, but the age range was spot on when compared to likely voters. 86% of respondents are owners/likely voters, so renters are slightly under-represented. The level of awareness of the funding proposals was not high. The question asking to grade the District is a trust test with an A or B typically a yes vote, received 47%. The confidence in handling taxpayers' money wisely received 64% answering very or somewhat confident.

The amenities polled similarly to the previous survey with a warm water leisure pool at the top.

This survey included questions on arguments for and against the proposal.

Those ranking higher include benefiting children, teens and working families; an indoor recreation space improves quality of life and health; and provides a connection the community.

Those against ranking higher include using funds for current operations of the District; making taxes too high; and questioning if this is the right time with COVID.

On the tax sensitivity question (9.726 mills or 5.79 per month per \$100,000 of a home's actual value) 41% were extremely or very concerned.

On the mill levy increase question (3.5 mills or \$25 per year per \$100,000 of a home's actual value) 58% selected definitely or probably yes. Females were more supportive than males with the older population showing lower support. Voting yes: 56% of likely voters; 77% of those with children and 59% of owners. For those extremely concerned about the tax sensitivity the mill levy question only shows 19% support.

Support for the bond question was 55% yes. Males were less supportive than females and younger voters more supportive. Parents were highly supportive of the bond question. Those who were not highly tax sensitive were a yes vote.

The survey also included an open-ended question for further comment. Those in favor of the center mentioned the need for a center, stated it would be an investment in our community, increases the quality of life, and provides recreation year-round. Of those comments not in favor 13% mentioned costs or the tax impact, would rather see a focus on the pool, or the center should be a phased in approach.

In summary, Mr. Hanley stated that the questions show a modest tax sensitivity with a priority on a pool, gym and changing rooms. There is moderate support for the mill levy question. Mail surveys are generally 8-10% too friendly. A strong campaign is needed to get the voters that are 18-54 years old to participate.

- After the presentations, Board member Jim Johnson started the discussion by stating that this has been a long process that started as a grass roots effort.

Mayor Ashley Smith believes the community is highly tax sensitive.

There was discussion about the location with attorney Dan Slater stating that land at the Abbey has been identified and an agreement in principle with the developer has been reached, although there are still a lot of hoops to jump through. The District has looked at other locations. When Councilman Frank Jaquez asked how close the District is to having a land location prior to the November 2nd election, Dan responded that the District envisions the facility at that Abbey. The District does not have the money to purchase the land without the bond issue passing.

In discussing a sales tax versus a property tax to fund the center, it was pointed out that a sales tax increase would put Canon City over 9%, one of the higher rates in the state. The community's response was to move to a property tax question (including those in the business community.)

- The discussion was opened for public comment.

Karen Sartori spoke stating that having a recreation center will aid in the recruitment of high-quality professionals to our area. 70% of the prison workers live outside the area, and a recreation center could bring them into the city. It is an investment in our future, and the need hasn't gone away as the cost to build a center increases over time.

Mr. Tim Payne requested a breakdown for the \$33 million projected cost. Kyle responded that the information is available and is based on 2023 construction costs. It includes a \$1 million cushion.

Board member Jim Johnson stated that there is concern from community members questioning if this is a good time or that it costs too much. He stated that Montrose built a larger facility five years ago for \$8 million dollars less. Building a center is not getting any cheaper and it never will. Dr. Icabone had troubles starting the Icabone pool, but generations of kids have taken swimming lessons there. He stated the facility is needed as the current pool has outlasted its life. He continued saying we need to look forward for future generations. We deserve this.

County Commissioner Dwayne McFall stated his concern for those on a fixed income. They are not supportive of the measure because it costs them, and they may not use it.

Kyle Horne is conducting a lot of public presentations to get the factual information out into the community. He stated the 3.5 mill levy question will not sunset. For the bond question, as growth continues and the assessed value increases, the mill levy to pay the bond will go down. It will sunset when the bond is paid off.

City Councilman Brandon Smith stated that a recreation center is a catalyst for growth. It will give kids a safe place to go.

Kyle Horne mentioned that in talking with other recreation center directors there is a misconception that a recreation center is designed for families and kids. Seniors are generally one of the larger user groups and it improves their quality of life.

Councilman Frank Jaquez stated the burden is now on us and that if you think the center is a worthwhile project, you have to say so.

Ann Brown is a homeowner and 100% behind this project.

Sonya Baker is in full support of the recreation center. She has checked out two local gyms, but they are not very wheelchair accessible. The center would be for everyone, including the elderly and those with disabilities.

RESOLUTION NO. 2021-10

A RESOLUTION CALLING AN ELECTON ON NOVEMBER 2, 2021 AND CERTIFYING BALLOT MEASURES FOR ELECTOR APPROVAL FOR A MILL LEVY INCREASE AND TO INCUR AND PAY DEBT; SETTING THE BALLOT TITLES AND TEXT FOR THE BALLOT MEASURES; AND PROVIDING OTHER MATTERS RELATING TO THE ELECTION.

Board member Greg DiRito made a motion, seconded by board member Michael Sallie to adopt Resolution 2021-10. Motion carried unanimously, all present voting aye.

ADJOURNMENT

There being no further business to conduct, President Jim Johnson adjourned the meeting at 9:11 p.m.

Submitted by:

/s/ Dawn Green

Dawn Green, Finance Director

Approved as written or amended:

/s/ James Johnson

James Johnson, Meeting Chair