

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

**SPECIAL BOARD MEETING MINUTES
May 25, 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
 Nick Sartori
 Brett James

Staff: Kyle Horne Executive Director
 Dawn Green Finance Director

Attorney: Dan Slater

Guests: Daniel Matoba
 Jenna Katsaros
 Tim Dennehy
 Amy Schmisser

- Based on the direction he received from the board, Executive Director Kyle Horne spoke with Daniel Matoba from Barker Rinker Seacat (BRS) to inform him of the construction budget for the proposed center. In a meeting with BRS and Rob Brown, a basic idea of the general location of the center was presented. With an assumed project cost budget of \$34 million, BRS is working on a concept drawing of what the center could look like to give voters a visual. It is not the final design. Mr. Matoba and Ms. Katsaros from BRS were present via Zoom, sharing with the board a diagram of the potential layout. Based on the construction budget, Mr. Matoba listed the amenities that could be included in the center: an indoor leisure pool, an outdoor 6 lane lap pool, a gym, a party room, two multi-purpose rooms, a child watch area, fitness area and rooms, and an elevated walking track. The design utilizes a prefabricated metal building for the

gym that could have some architectural elements. He went over the construction budget, a copy of which was distributed to the board. The site allowance amount covers items such as landscaping, parking and curb and gutter. The soft costs include the building permit, tap fees, professional fees, surveying, contingency etc. Kyle used the example from Jenna to explain that these costs include all the things that would shake out if you were to turn the building upside down.

In their diagram, the recreation center is located at a T- the end of the street coming in from the highway, with the active aquatic features located in the visible corner and the entrance on the North. The two fitness rooms and walking tracking are located upstairs. A soft sided structure to cover the lap pool is included in the budget at a cost of \$750,000. Three million dollars is needed to brick and mortar the lap pool. Attorney Dan Slater asked if this could be done at a later date. Mr. Matoba responded that the short answer is yes.

There was discussion about having the entrance to the building on the north; whether it could be moved, its location in reference to parking and if a south facing entrance can also be included.

Board member Nick Sartori asked about turning this design layout into a 3-D rendering that would fit with Canon City. Mr. Matoba responded that he expects to see design standards with this type of development which will need to be considered for the center. BRS is working on a 3-D conceptual design, which will be given to Paul Hanley for the survey and public policy work. Having it will help generate some excitement for the project.

Ms. Jenna Katsaros then made a slide presentation regarding the updated proforma for the center. Some of the assumptions for the operating budget include basing full-time wages on the Recreation District's salary scale for 2023, operating 93 hours a week, an estimated inflation adjusted minimum wage for part-time staff, and 4% for capital repair and replacement.

In the pro forma, the center has a cost recovery of 80% with the District subsidizing it approximately \$400,000.

She went into further detail on some of the staffing costs based on the hours of coverage needed. Labor costs are 61% of total expenses, which is within the industry benchmark.

The cost of supplies, at 18% of total expenses, is aligned with what BRS sees in other centers. Total expenses are approximately \$2,039,343 which include capital replacement costs of approximately \$78,000. This equates to \$27.69 per sq. ft. for the center.

In developing the pro forma with District Staff, there was an attempt to be conservative with the revenues. As she explained 77% of total revenue comes from admissions. The center could draw from other communities in the Royal Gorge area. The pass rates used are based on what Montrose charged pre-COVID. She highlighted potential rental revenues from the gym, multi-purpose rooms, and party room. Child watch and specialized fitness classes also generate revenue.

In the calculations, total daily visits are 978, which is a number seen in communities of comparable size.

Kyle Horne stated that comparisons were not made to YMCAs or recreation centers in the Denver Metro area. In similar sized communities, their centers have a cost recovery rate of around 90%. The District went with a conservative 80%. (In the earlier Ballard-King feasibility study, the cost recovery was between 50-55%.) Kyle stated that within the pro forma there are solid numbers for expenses, but the revenues were calculated conservatively.

In response to questions from the board, vending revenue between \$7,000-\$10,000 is possible but having a snack bar is not factored into the construction. When asked about lifeguard staffing needs, it was stated that the CDC regulates public swimming pools and even if they are not required to be on duty it is certainly a best practice. The revenues potentially generated by partnering with the local school districts are not included in the pro forma. However, Kyle has met with George Welsh of the Canon City School District and he would like to explore options such as swim team and P.E. classes for the students. Kyle also suggested a potential partnership with PCC through the activity fees charged to Fremont campus students. Mr. Dennehy asked if there would be a difference in fees based on residency. Kyle responded that there would be both in-district and out-of-district rates. Jenna said that currently recreation centers are adjusting their pricing structures to get people back in the door after the COVID-19 closures.

The presenters from Barker Rinker Seacat were thanked for attending.

Board member Jim Johnson made a motion, seconded by board member Nick Sartori 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.

There was a short break from 8:07 p.m. as the guests left and then the board moved into executive session at 8:13 p.m. The executive session ended at 8:46 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 8:47 p.m.

Submitted by:



Dawn Green, Finance Director

Approved as written or amended:



Meeting Chair

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**EXECUTIVE SESSION MINUTES
May 25, 2021**

Executive Session was called at 8:13 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 8:46 p.m.

Submitted by:



Dawn Green, Finance Director

Approved as written or amended:



Chair of Executive Session