



**BOARD OF DIRECTORS MEETING MINUTES**  
**Tuesday, September 18, 2018, 5:30 pm**  
**Meeting held at the Grand Park Community Recreation Center**

**I. CALL TO ORDER**

*President Roger Hedlund called the meeting to order at 5:30 pm.*

**II. ROLL CALL/DECLARATION OF QUORUM/CONFLICT DISCLOSURE**

*Roger Hedlund, David McKnight, Rainie Murdoch, Kelley Glancey and Al White were all present.*

**Staff present:** *Scott Ledin, Ann McConnell, Mary Moynihan, Sarah Marty, Michelle Lawrence, Jordan Rea, Mariah Emmert, Austin DeGarmo, Kristen Chua and Graham Paschke*

**Public present (signed-in):** *Francie de Vos, Heidi Ross, Motor Coulson, Rich Karlin, Romina canton, David Peterson, Bob Williams, Louise Powers, Graham Powers, Debbie Harris, Kristine Meyer, Karla Miller, Mike Turner, Diane Ehlert, Dick Zieff, Pat Rupert, Darcee Kissler.*

**III. REVIEW AND APPROVAL OF MINUTES**

- a. *August 28, 2018 Regular Board Meeting Minutes: Al White motioned to approve minutes; Rainie Murdoch seconded; all in favor 5-0.*

**IV. OPEN FORUM**

*The Board provides opportunity for the public to comment on items not on the agenda. There were no comments for open forum.*

**V. OLD BUSINESS**

*Discussion regarding The Foundry and Cinema Bowl operations. Roger Hedlund asked Scott Ledin to help walk those present through the ground work that has been done so far and explain how we have gotten to this point. Scott added that the board was looking for feedback from the public regarding the possibility of the FVMRD taking over the operation of the Foundry Cinema and Bowl. The owners were invited to today's meeting; however, they were not able to attend.*

*The District's Safety and Risk Management Committee recently met to discuss and evaluate the possibility of the District taking over the operations of the Foundry Cinema and Bowl. Scott walked those present through a presentation summarizing the outcomes of that meeting. The committee followed the Enterprise Risk Management framework in their assessment of the objective. Topics discussed included:*

- *Does the objective support the FVMRD Mission & Vision?*
  - *The committee felt the objective met both the mission and vision for the District.*
- *Identify the elements impacted by the objective.*
  - *Organizational Capacity*
  - *Staff Buy-In (FVMRD & Foundry)*
  - *Local Labor Market*
  - *Financial Capacity – Budget*
  - *Maintenance and Current Condition of Equipment & Facility*
  - *Industry Knowledge*
  - *Community Perception – Local Politics*

- *Identify the internal and external factors affecting achievement of the objective*
  - *Industry Outlook*
  - *National Economy*
  - *BOCC Approval Process*
  - *Staffing Levels*
  - *Timeline*
  - *Seasonality of Current Operations*
  - *Current Business Occupancy- Bowling (50%); Movies (35%)*
  - *Organizational Capacity*
  - *Foreign Operations*
  - *Reputation*
  - *Public Financing Options*
  
- *What are the potential benefits of achieving the objective*
  - *Improved Organizational Reputation*
  - *Economies of Scale – purchasing power*
  - *Profit Center*
  - *Increased Programming*
  - *Improved Operations*
  - *New Staff Recruitment*
  - *Staff Retention*
  - *Improved Cross Marketing*
  - *Possible Facility Expansion*
  
- *What would be the potential downside of achieving the objective*
  - *Long Term Financial Commitment- Lease vs Purchase*
  - *Impact to Future Financial Credit*
  - *Unforeseen Maintenance Related Expenses*
  - *Compensation of staff - FVMRD vs Foundry*
  - *Damaged Organizational Reputation*
  - *Impact of Limited Workforce to Operations*
  - *Initial FF&E Outlay (Décor)*
  
- *Identify the People, Processes & Systems that would support or hinder the objective*
  - *FVMRD District Administration Department*
  - *FVMRD Facilities Maintenance Department*
  - *FVMRD Food & Beverage Department*
  - *Current Foundry Staff – Provide Staffing & Training*
  - *Newer High-Quality Facility & Equipment*
  - *POS Upgrade – Ticket Kiosks*
  - *No Current Operations Manuals*
  - *Minimal Preventative Maintenance*

*Scott continued to show how the objective may meet goals and objectives identified in the 2017 FVMRD Master Plan Update.*

*Goal:* *Provide Amazing Outdoor Experiences*

*Objective:* *Find and procure additional land.*

*Action:* *Explore additional partnerships within FVMRD boundaries to increase opportunities through contracted use or purchase/lease agreements*

*Goal:* *Provide Amazing Indoor Experiences*

*Objective:* *Expand programming reach and frequency of use in a way that aligns with community feedback.*

*Action:* *Increase teen/tween and senior programming through partnerships.*

Goal: Operate and Fund Amazing Experiences

Objective: Maintain financial efficiency by maximizing current revenue streams, pursuing alternative revenue sources and effectively managing expenses.

Action: Diversify funding streams within FVMRD

The presentation included a draft budget indicating potential net revenues the District may generate and contribute to existing reserve funds for future projects. The last part of the presentation outlined the various lease and/or financing options that may be available to the District.

Roger thanked Scott for his presentation and reiterated that the Board has made no decisions regarding this opportunity. He welcomed comments from the public.

Dick Zieff – Could an outright purchase be financed through a local bank or would it require a bond. Roger replied that it is possible to finance through a local bank. Dick added that he loves the idea but cautioned the Board to rely on existing numbers and not forecasting. He commended the board for getting to this point.

Rich Karlin – Is the property currently on the market? Yes. Does the price offered to the District include any considerations? Roger replied that there have been no negotiations at this point regarding price. The board is still just gathering information. Al White added that as the funding for the operation would be subject to annual appropriations of the District the owners may not be interested in offering a discounted price. Rich recommended that the board try to bring the subject to a broader public. Scott added that the approval process through the Board of County Commissioners will be public.

Dave Peterson – Is the board opposed to putting this to a public vote? Roger replied that the board has not discussed putting forth a ballot question on the matter. Al added that it would be challenging to write a ballot question that provides the voters the information necessary to make an informed decision.

Louise Powers – Will the District need to update any equipment to meet today's movie technology? Roger replied that it is possible, but an unknown at this point.

Romina Canton – Recommended that the District gain more expertise in the field before getting into the business. How is this purchase going to affect financing other projects the District is planning? Roger replied that the initial draft budgets indicate this could be a revenue stream for the District. She added, why do the current owners want out of the business and why don't investors with expertise in this business want in?

Bob Williams – How many additional employees would the District employ? The current payroll is approximately 15 employees per pay period. The draft budget identifies costs and related benefits for the staff.

Kristen Meyer – The District should be applauded for their due diligence. She cautioned that their payroll expenses may be overstated. She added that the business should be easy to learn. The hardest part may be food and beverage operation which the District already has experience in. She added that she thinks it's a great idea. What does the existing staff think? Scott replied, that several staff have expressed optimism for this project. Mariah Emmert added that the process the Safety and Risk Management committee went through in their evaluation was enlightening for staff and helped to draw the conclusion that this could be a tremendous opportunity for the District.

Dick Zieff – Is there an established timeline? As there have been no decisions made, there is established no timeline. Roger added that the Board is cautiously and guardedly moving forward.

*Karla Miller – There would continue to be a hard balance between servicing the local community and the tourist community. Mariah Emmert added that we face this same challenge with our other facilities.*

*Graham Powers – Video delivery is changing rapidly and the District should consider this technology and delivery risk.*

*Darcee Kissler – This is an opportunity that would continue to bind our community together and is an excellent idea but everyone needs to understand what this is going to cost the average person.*

*Pat Rupert – Pat added that it appears that everyone likes the idea, is upbeat about it and sees the upside for a facility that everyone is already using. But he remains concerned about the lack of available staff and housing facing our community.*

*Rich Karlin – District residents are going to want to know what they will be paying for this facility and the District should be prepared for feedback from the public on which movies are being shown.*

*Al White added that this is a wonderful amenity for the community, but he sees the role of the District as an “operator of last resort” and would prefer to see a private entity step in to take over the operation.*

*Roger Hedlund thanked everyone for coming and providing valuable feedback.*

## **VI. NEW BUSINESS**

- a. August Financial Report (Ann McConnell) *Ann McConnell gave a summary of the written financial report. Four month and year-end projections were added to the financial report. August was another strong month financially. District Wide revenues continue to exceed budget. Year to date the District is \$229,691 better than budget with a projected net income of \$514,917 before capital expenditures.*

*The Parks and Recreation Combined departments are looking to end the year with a net income of \$266,844 before capital which is \$147,250 better than budget. All of these departments are projecting to end the year better than budget. Golf Course revenues exceeded budget for August and is projected to end the year with \$249,736 in net income which is \$82,239 better than budget.*

*Capital expenditures for the month was \$26,292. Year to date \$256,468 has been spent on the Ice Rink Refrigerator Project. Grants and Donations of \$80,994 was received in August for the project.*

- b. Department Reports (Staff)

- *Pole Creek Golf Club: Mary gave a verbal summary of the written report. Craig has started aerification on the fairways and tee boxes. Mary is meeting with vendors for next year’s merchandise purchasing. Sarah added that weekdays are slowing down a bit but they are still busy with events on the weekends.*
- *Grand Park Community Recreation Center: Mariah added that the October pass special will be offered again. She introduced Graham Pashcke, as the new Aquatics Coordinator. Graham had been serving as our current Lead Lifeguard at the Rec Center. He is COP certified and will be receiving his LGI certification early next month.*

*Rainie Murdoch asked about the current state of our gymnastics coaches. Mariah replied that one of the coaches left to pursue school and that it remains a challenge to find qualified staff for the gymnastics programs. Scott added that oftentimes, parents have the expectation that we provide programs that will offer kids a higher level of competition. We offer very strong recreational level programs and it has remained a challenge to find*

*coaches that can take these athletes to the next level. Much like other sports, the clubs take on the competitive component and we concentrate on the recreational side.*

- *Parks and Athletics: Austin DeGarmo gave a brief update on the Ice Rink Refrigeration Project. Roger asked about a timeline for project completion. Austin replied that we should be on track to make ice the first week of November and the first games are scheduled for the second week of November. Soccer continues with four weekends to go.*
- *Marketing: Michelle encouraged the board to read our Google reviews. Registration for the Craft Fair has begun.*
- *General Recreation: Michelle added that staff continues to work through the new School Age State Regulations which will go into effect on October 10<sup>th</sup>. A copy of the new regulations was distributed to the Board. The biggest impact is the change in ratios that is impacting staffing levels.*
- *Facility Maintenance: Jordan Rea gave the verbal report. Staff has been preparing and performing duties for closure week. Roger thanked all staff for their hard work during this maintenance week.*
- *District Administration: There were no updates to the written report.*

## **VII. EXECUTIVE SESSION**

*Roger Hedlund made a motion to move into Executive Session pursuant to C.R.S. 24-6-402(4)e for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators. Al White seconded, all in favor 5-0. Scott added that he and Ann McConnell along with the board members will attend the Executive Session*

## **VIII. REGULAR SESSION**

*Roger Hedlund reconvened the public meeting 7:30 pm. Al White made a motion to authorize the Director of Parks Recreation and Golf to contact the Board of County Commissioners to seek approval to consider assuming the Foundry Cinema and Bowl business operations pursuant to C.R.S. Title 32 Special Districts 32-1-1005. The motion also included direction to discuss the potential for an owner carried lease purchase agreement with the owners of the Foundry Cinema and Bowl based on a 20-year term at an interest rate of 4% with an acquisition price not to exceed \$4,000,000. The board further clarified that this direction was designed with the understanding that the District was not obligated to pursue any agreement. David McKnight seconded. All in favor 5-0.*

## **IX. ADJOURNMENT**

*Al White made a motion to adjourn the meeting at 7:35pm; David McKnight seconded; all in favor 5-0.*