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## RECORD OF PROCEEDINGS

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Mountain Recreation Metropolitan District – November 16, 2022 Meeting Minutes

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### **Minutes of the Regular Meeting Of the Board of Directors Mountain Recreation Metropolitan District November 16, 2022**

The regular meeting of the Board of Directors of the Mountain Recreation Metropolitan District, Eagle County, Colorado, was held on November 16, 2022, at 6:00pm, in the Gypsum Recreation Center, 52 Lundgren Blvd, Gypsum, Colorado, and via Zoom platform, in accordance with the applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting:

- Jason Cowles
- Tracy Erickson
- Mikayla Curtis
- Chris Pryor
- Tom Pohl

Also in attendance were:

- Janet Bartnik, Executive Director
- Scott Robinson, Superintendent of Business Operations
- Lauren Shively, Facility Supervisor - Gypsum
- Cat Olson, Human Resources Manager (attending remotely)
- Lizzy Owens, Community Engagement Manager (attending remotely)
- Brad Johnson, Facility Supervisor - Edwards
- Sanjok Timilsina, Finance Manager
- Amy Burford, Administrative Assistant
- Ken Marchetti, Marchetti and Weaver
- Kris Miller (attending remotely)

#### **1. Call to Order**

The regular meeting of the Board of Directors of Mountain Recreation Metropolitan District was called to order by Director Pryor on November 16, 2022, at 6:00pm, noting a quorum was present to conduct business.

#### **2. Changes to the Agenda**

There were none.

#### **3. Minutes**

Director Pryor asked the Board to consider the October 19, 2022 meeting minutes.

Director Erickson thanked staff for including the board vacancy candidates in the meeting minutes.

Director Pohl moved to approve the October 19, 2022 regular minutes as presented. Director Erickson seconded the motion. It was unanimously.

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RESOLVED to approve the October 19, 2022 regular meeting minutes as presented.

#### 4. Public Input

Director Pryor asked for anyone from the public wishing to share comments with the board to do so at this time.

There was none.

#### 5. Business

##### a. FY 2023 Budget Adoption – Public Hearing

The Mountain Recreation Board met in work session on Monday October 24, 2022 to review the FY 2023 proposed budget. Four action items will be considered by the board:

- i. Board adjustments to the FY 2023 proposed budget
- ii. Adoption of the FY 2023 pay scale and ranges
- iii. Adoption of the FY 2023 schedule of fees and charges
- iv. A resolution adopting the FY 2023 budget and levy

Director Pryor opened the public hearing for the FY 2023 budget adoption.

##### i. Board adjustments to the FY 2023 proposed budget

Ms. Bartnik explained that a few points discussed at the budget work session required further study by staff.

##### Esports proposal

Ms. Bartnik stated that Mr. Johnson could answer any questions about the proposed esports program.

Ms. Curtis asked if the proposed space in the Edwards Field House would be solely designated to esports or if there would be flexibility in moving equipment to accommodate other activities in that room. Mr. Johnson stated that the room would be divided into two separate spaces, one for esports and one for fitness activities. Ms. Curtis asked if the esports room will be staffed. Mr. Johnson confirmed that there will be staff dedicated to the esports room while it is in use. The initial plan for the esports room will be utilization during birthday parties, camp programs and tournaments.

Director Pryor asked if there is potential for the Edwards Field House to host esports events for local schools. Mr. Johnson stated that was not included in the proposed project budget but there is possibility for that kind of partnership in the future. Mr. Pryor asked for clarification on cyber security concerns. Mr. Johnson explained that Decypher, the District's IT support, will build a protection system specific to the esports program and that cost is included in the budget.

Director Pohl expressed his support for the program and pointed out that it is an opportunity to engage with kids who are not currently using the District's facilities. He asked if staff studied other recreation centers with a similar program. Mr.

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Johnson confirmed that staff has been researching an esports program offered at South Suburban Parks and Recreation located in the Denver area. Mr. Johnson explained that esports is an inclusive program that can be enjoyed by children with mental or physical disabilities and those who may not participate in traditional sports. Mr. Pohl stated that he would like to see data collected from the esports program to communicate the positive impact to the public.

Director Curtis asked if this was included in the delivered FY 2023 budget. Ms. Bartnik confirmed it was not yet included in the budget.

Director Erickson moved to approve the esports proposal as presented, amending the proposed budget by adding a capital expenditure of \$24,545. Director Pryor seconded. It was unanimously.

RESOLVED to approve the esports proposal as presented amending the proposed budget by adding a capital expenditure of \$24,545.

### Anti-gravity drop-in rates – member versus non-member

During the work session, it was noted that there are member and non-member rates listed in the schedule of fees and charges for anti-gravity center drop in use. Board members asked staff to consider the need for differential rates and consider if the difference moves patrons to purchase a membership. An understanding as to whether this differential promotes membership is difficult to ascertain because the District lacked an anti-gravity center instructor in 2020 and 2021. The District promoted session classes for a time to restart the program area successfully and has also begun to re-introduce drop in opportunities in 2022. A participant who buys an annual pass would need to attend 14 anti-gravity classes a year to make the savings worthwhile.

Ms. Bartnik clarified that tumble tots and the anti-gravity center are the only programs that use member/non-member rates.

Director Pryor suggested staff re-evaluate the anti-gravity center space and programming. Ms. Bartnik explained there are plans for public outreach to find out what services, including the anti-gravity center, are meaningful to the community. Mr. Johnson pointed out that the anti-gravity center is utilized often for birthday parties. He explained that if the anti-gravity center was removed that the space would most likely be dedicated to basketball or pickleball.

Discussion ensued about the popularity of pickleball and the community's desire for more pickleball courts.

Director Erickson moved to approve anti-gravity drop-in rates as presented to remain with a member/non-member rate. Director Curtis seconded. It was unanimously.

RESOLVED to approve anti-gravity drop-in rates as presented to remain with a member/non-member rate.

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### ECO Trails fiscal agent request

Board members asked staff to consider whether the Mountain Recreation Foundation should provide fiscal agent services to the Eagle County (ECO) Trails fundraising effort and, if so, for what percent of the generated revenue to ensure there is a positive return on investment.

Mr. Robinson stated that Mr. Timilsina is gathering information to present the board with specific numbers and pointed out the mission alignment between Mountain Recreation and ECO Trails. Mr. Timilsina reviewed the necessary steps that would occur, such as setting up a separate QuickBooks account, if the Mountain Recreation Foundation became a fiscal agent. He stated that the project would last approximately two or three years.

Director Pohl asked if the Mountain Recreation Foundation is currently a fiscal agent for another entity. Mr. Timilsina confirmed the Mountain Recreation Foundation is not currently a fiscal agent, but he is confident in moving forward due to his previous experience in nonprofit accounting.

### **ii. FY 2023 Pay Scale and Ranges**

Director Erickson asked if the 2023 pay scale and ranges includes a merit increase and cost-of-living adjustment. Ms. Bartnik confirmed there is an average increase of 7.8%, which includes a merit increase and cost-of-living adjustment, amongst the pay ranges.

Director Erickson moved to approve the FY 2023 pay scale and ranges as presented. Director Pohl seconded. It was unanimously.

RESOLVED to approve the FY 2023 pay scale and ranges as presented.

### **iii. FY 2023 Schedule of Fees and Charges**

Director Curtis asked for clarification on the \$20 increase of the youth sports league fee. Ms. Bartnik stated that staff decided that was an appropriate fee increase due to the amount of practice time and officials needed.

Director Erickson moved to approve the FY 2023 schedule of fees and charges as presented. Director Pryor seconded. It was unanimously.

RESOLVED to approve the FY 2023 schedule of fees and charge as presented.

### **iv. FY 2023 Budget and Mill Levy**

Mr. Timilsina stated that the ending fund balance of 2023 is \$5.2 million and the District will be allocating \$3 million to capital reserve in 2023. Director Erickson thanked Mr. Timilsina for his work on the 2023 budget.

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Director Erickson moved to approve a resolution adopting the FY 2023 budget and mill levy as amended to include the esports project approved earlier in the meeting. Director Cowles seconded. It was unanimously.

RESOLVED to approve a resolution adopting the FY 2023 budget and mill levy as amended.

### **b. FY 2022 Wellness Benefit**

Staff have expressed their appreciation of the wellness benefit in 2020 & 2021 as it affords them the opportunity to support their wellness as they see fit and builds their loyalty to the District, assisting the District with employee retention. Should the board decide to continue the benefit for employees in FY 2022 and beyond, the cost is expected to be approximately \$25,000 in FY 2022 and estimated to be about \$30,000 in FY 2023 and beyond. Alternately, the board can consider approving the FY 2022 wellness benefit only and allowing staff time to consider other options going forward.

Ms. Olson explained that the wellness benefit would be \$800 for full time staff and \$200 for part time staff. Director Pryor asked if this benefit would require a budget adjustment. Ms. Bartnik confirmed that the wellness benefit would be in FY 2022, and it would not be a budget adjustment. She explained that staff are preparing for 2023 by evaluating the District's benefit package to ensure it is meeting staff's needs.

Director Erikson asked if the wellness benefit is taxed. Ms. Bartnik confirmed it will be taxed.

Director Curtis moved to approve the FY 2022 wellness benefit as presented. Director Pryor seconded. It was unanimously.

RESOLVED to approve the FY 2022 wellness benefit as presented.

Ms. Bartnik suggested that board members could attend the announcement of the bonus to the staff. Director Cowles suggested a holiday card signed by the board members. The board directed staff to explore an appreciation note to be included in the bonus announcement.

### **c. Inclusion Policy**

An inclusion policy was drafted to guide staff in decision making and procedure development associated with equity and inclusion toward the District's mission. As Mountain Recreation staff work to create a healthy, connected, and resilient community, it's imperative that the District's facilities, spaces, and places look, feel and are open, welcoming, and engaging to all community members. Creating and adopting a formal inclusion policy is a first step to ensuring that Mountain Recreation facilities, programs and activities are accessible, welcoming, and inclusive.

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Staff held a series of small and large focus group meetings to discuss an approach to the development of an inclusion policy in April and May 2022. The guiding policy document calls for compliance among the staff team and partner organizations. Several iterations of the draft have been sent for review and feedback from various groups within the staff team. The final draft has been reviewed by The Equity Project consultant team, partners in the community, and legal counsel. It is presented for board consideration.

Ms. Bartnik stated that staff is looking for direction regarding inclusion and that this draft is the first attempt at an inclusion policy.

Mr. Pryor believes that an inclusion policy is an important resource for staff and the community members. Ms. Curtis voiced her support for an inclusion policy and stated that she had already emailed her notes to Ms. Bartnik. Discussion ensued about the placement of the legal language in the policy.

Mr. Robinson stated the goal is to post the inclusion policy on Mountain Recreation's website to make it easily accessible to the community.

Director Pohl asked for more details on the inclusion coordination team that is referenced in the inclusion policy. Ms. Bartnik stated that the inclusion coordination team will be comprised of the management team who will have assistance from The Equity Project consultant team. She explained that Mr. Campos has created an incident reporting form that will be reviewed by the inclusion coordination team and will give staff insight on how to improve inclusion efforts. Ms. Bartnik thanked Mr. Campos for creating the incident report form.

Director Curtis asked how the inclusion policy will be built into new staff onboarding. Ms. Olson confirmed that the management team is working to understand the best way to include inclusion policy training in orientation.

Director Pohl moved to approve the inclusion policy as modified by Director Curtis and reviewed by legal counsel. Director Pryor seconded. It was unanimously.

RESOLVED to approve the inclusion policy as modified by Director Curtis and reviewed by legal counsel.

#### **d. Capitalization Policy**

Staff has drafted a capitalization policy to guide staff in reporting requirements related to capital assets. Included are capital asset definitions, thresholds, and depreciation methodologies. The primary purpose of this capitalization policy is to provide direction to staff for handling estimates within generally accepted accounting principles for governmental entities as applied to capital assets, and to establish policy so reporting requirements can be met for capital assets, infrastructure assets, and depreciation of assets. Reporting requirements are established by the Governmental Accounting Standards Board (GASB).

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Mr. Timilsina reviewed what qualifies as a capital asset, high risk items, and the exceptions when it comes to grant expenditures. He pointed out that any single expenditure that is more than \$5,000 and has a useful life greater than one year is considered a capital asset.

Mr. Pohl asked for clarification on why the number of \$5,000 was established. Mr. Timilsina confirmed that a \$5,000 threshold is the general practice for a government entity. Mr. Timilsina stated that the District can change that number in the future if desired.

Director Pohl moved to approve the capitalization policy as presented. Director Cowles seconded. It was unanimously.

RESOLVED to approve the capitalization policy as presented.

**e. Field Rental Rates**

This agenda item is a follow up to the work session discussion held in October. Staff was requested to provide more information to allow for further consideration. Mr. Johnson stated that the District's expenses are starting to increase for the outdoor complexes, especially the capital expenses. Mr. Johnson presented three different options for field rental rates using guidance from the October work session. The field rental rate options are to keep the current practice of charging for direct costs only; charge local youth user groups for any large event or tournament; or charge local youth user groups for all use. Mr. Johnson stated that staff recommendation is a tiered approach to introducing rental fees over the course of three years with a goal of rental fees for all use in 2025.

Discussion ensued about an hourly rate versus a per participant rate. Mr. Johnson confirmed that an hourly fee is the standard. Director Cowles voiced concerns about the financial impact the new fees would have on local user groups. He stated that he would like more specific estimates on how much those groups would be paying.

Director Pohl voiced his support for the suggested tiered approach to introducing the rental fees and agreed communicating with local groups in 2023, to prepare for the increase in 2024, is a positive way to start the conversation.

The board gave direction to explore the financial impact on local user groups and present the information in the March board meeting.

**f. Other Business**

**6. Financial Matters**

**a. Financial Statements**

**b. Accounts Payable**

Mr. Timilsina reviewed October financials and stated that total revenue at the end of October is favorable mainly due to Gypsum Recreation Center revenue.

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Director Pohl asked for more details on outdoor recreation's recovery rate. Ms. Bartnik explained that there were program cancelations due to staffing challenges over the summer season. Director Curtis asked if bringing back Monument trips would increase cost recovery. Ms. Bartnik stated that the Monument trips were supported by a grant and the status of receiving that grant again is uncertain. Mr. Robinson pointed out that staff does not include grants in the budget.

Director Pryor asked for clarification on the Pride in The Park sponsorship payable. Ms. Owens confirmed that the District chose to sponsor Pride in the Park because it gave staff the opportunity to connect with new groups of people and introduce them to Mountain Recreation's programs and services.

Director Pryor moved to approve the financial statements and accounts payable report as presented. Director Curtis seconded the motion. It was unanimously

RESOLVED to approve the financial statements and accounts payable report.

### **7. Staff Reports**

- a. Administration**
- b. Facilities Division**
- c. Recreation Programs Division**

### **8. Reports & Board Communication**

Director Pohl asked if the Freedom Park water line is complete. Mr. Johnson confirmed the water line is close to complete and the goal is to have the Edward's ice rink open for Christmas break.

### **9. Adjournment**

Director Erickson moved to adjourn the board meeting. Director Cowles seconded. It was unanimously.

RESOLVED to adjourn the meeting at 8:14 pm.