
RECORD OF PROCEEDINGS

Mountain Recreation Metropolitan District – December 20, 2023 Meeting Minutes

Minutes of the Regular Meeting Of the Board of Directors Mountain Recreation Metropolitan District December 20, 2023

The regular meeting of the Board of Directors of the Mountain Recreation Metropolitan District, Eagle County, Colorado, was held on December 20, 2023, at 6:00pm, in the Edwards Field House, 450 Miller Ranch Rd, Edwards, 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
- Joanna Kerwin
- Tom Pohl
- Tom Edwards

Also in attendance were:

- Ture Nycum, Executive Director
- Eddie Campos, Marketing & Communications Manager
- Brad Johnson, Facilities Supervisor - Edwards
- Sanjok Timilsina, Finance Manager
- Amy Burford, Administrative Coordinator
- Anna Englehart, Superintendent of Recreational Programs
- Ken Marchetti, Marchetti and Weaver (attending remotely)
- Erin Leach, People & Culture Manager
- John Gottlieb
- Bill Suarez
- Jerry Santoro

1. Call to Order

The regular meeting of the Board of Directors of Mountain Recreation Metropolitan District was called to order by Director Erickson on December 20, at 6:00pm, noting a quorum was present to conduct business.

2. Changes to the Agenda

Mr. Nycum suggested flipping the order of the two executive sessions scheduled at the end of the meeting, allowing his review to be last, for staff who wished to stay for the hockey session.

3. Approval of Minutes

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Director Erickson asked the board to consider the October 18, 2023 and November 15, 2023, meeting minutes.

Director Cowles moved to approve the October 18, 2023 and the November, 15 2023 meeting minutes as presented. Director Kerwin seconded the motion. It was unanimously

RESOLVED to approve the October 18, 2023 and the November, 15 2023 meeting minutes as presented.

4. Public Input

Director Erickson asked for anyone from the public wishing to share comments with the board to do so at this time. Mr. Gottlieb, Mr. Suarez, and Mr. Santoro shared their vision for building a pickleball facility on the land west of the Edwards Field House. They shared stories about how pickleball has positively impacted both their lives and the community as a whole. They briefly discussed their plan to raise funds for the facility and requested to be officially added to the agenda for a future meeting. The board encouraged them to return for an official presentation at a future meeting. Director Erickson mentioned that a pickleball facility aligns with the District's mission but noted that Eagle County owns the land that they have been considering. Mr. Suarez stated that they will meet with Eagle County to discuss the land before they come back for a presentation. Mr. Nycum confirmed that he will reach out to add them to the agenda of an upcoming board meeting.

5. Presentations

There were none.

6. Business

a. Resolution – Administrative Matters - 2024

Colorado Special Districts are required to perform certain tasks annually that increase transparency and accountability. Mr. Timilsina explained that this process is conducted annually, and the staff, with assistance from legal counsel, drafted a resolution for the board's consideration.

Director Pohl moved to adopt a resolution concerning annual administrative matters for 2024. Director Edwards seconded the motion. It was unanimously

RESOLVED to adopt a resolution concerning annual administrative matters for 2024.

b. FY 2024 Budget Changes per SB 23B-001

The 2023 Special Session of the Colorado General Assembly passes a bill to lessen the property tax burden of the citizens of the State of Colorado. The name of the bill is SB 23B-001. It reduces the residential assessment rate from 6.765% to 6.70% for the Property tax year (PTY) 2023. It increases the actual value

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deduction for residential property from \$15,000, as it was for PTY23 in SB22-238, to \$55,000. The passage of SB23B-001 has shifted the assessment calendar as presented in the packet.

Mr. Timilsina explained that per the new law, the District can adjust any of the revenue numbers in the budget and the mill levy without amending the budget. The law specifically provides that if the previously approved 2024 budget appropriations are impacted by the valuation changes from the new law, the corresponding budget adjustments will not be considered a change to the 2024 budget that requires notice, hearing, or any budget process.

Mr. Timilsina recommended the board acknowledge that there will be a new assessed valuation coming from Eagle County by January 3rd that will likely impact the projected property tax revenue. Mr. Timilsina also recommended that the board authorize staff to adjust the previously approved budget upon receipt of the final assessed value figures from Eagle County. He suggested certifying the necessary mill levy by January 10th, as required under the new law.

Director Pohl moved to authorize staff to make changes to the 2024 budget including the potential adjustment of the temporary mill levy credit, made necessary by changes in assessed values as a result of Senate Bill 23B-001. Director Kerwin seconded the motion. It was unanimously

RESOLVED to authorize staff to make changes to the 2024 budget including the potential adjustment of the temporary mill levy credit, made necessary by changes in assessed values as a result of Senate Bill 23B-001.

c. Auditor Letter of Engagement

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government whose revenues or expenditures exceed \$750,000 in the fiscal year, must complete, and submit a copy of an audit of its financial statements to the Office of the State Auditor. Mountain Recreation annually engages with a professional services firm to conduct the annual financial audit. For many years, Mountain Recreation has engaged with Maggard & Hood, P.C.

Maggard & Hood has submitted a letter of engagement for board consideration. The engagement letter outlines the scope and objectives of the audit, the auditor's responsibilities, management responsibilities, and fees for services. The letter includes language that addresses the timing of the audit indicating delivery of a report in June 2024 unless unusual circumstances arise. Fees for anticipated services are estimated to be \$10,900.

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Mr. Timilsina mentioned that Maggard & Hood have been performing the District's audits for several years and he sees no reason to change auditors. Staff recommended engagement of Maggard & Hood for FY 2023 audit services.

Director Erickson asked if the District had issued a Request for Proposal (RFP) for audit services. Mr. Timilsina stated that the last time the District issued an RFP for audit services was 2019. Director Cowles asked if Maggard & Hood ensures that multiple individuals review our financials during the audit process. Mr. Timilsina explained that standard audit procedures involve multiple individuals reviewing and signing off on audit forms. He also stated that due to turnover, our financials are reviewed by a group of different auditors each year. Director Erickson expressed his interest in issuing an RFP next year to consider other firms who are interested in performing the District's financial audit. Mr. Timilsina confirmed that staff can issue an RFP for audit services next year.

Director Cowles moved to approve the engagement with Maggard & Hood for FY 2023 audit services in the amount of \$10,900. Director Edwards seconded the motion. It was unanimously

RESOLVED to approve the engagement with Maggard & Hood for FY 2023 audit services in the amount of \$10,900.

d. Mountain Recreation Investment Strategy

The District has a total of 12 Certificate of Deposits (CDs) as of November 2023. Two CDs are set to mature in December 2023 and early January 2024, while the other two are scheduled to mature in May 2024. The remaining eight CDs have maturity dates in 2025 – 2028. Interest rates are currently very high with 5-year CD yielding as high as 4.5%.

Investment in CDs is considered as a risk-free investment. It is one of the approved investment types per the Investment Policy approved by the board in 2015. CDs worth \$250,000 or less are fully insured by the FDIC. Investment in one CD of \$250,000 with an interest rate of 4.50% will bring in an annual interest revenue of \$11,250. Thus, it can be considered as a secure passive income source for the District.

Mr. Timilsina reviewed the maturity times of CDs within the next year and proposed purchasing four 5-year CDS to secure higher interest rates. He recommended the board authorize staff to purchase four 5-year Certificate of Deposits worth no more than \$249,000 each totaling \$996,000 as a replacement for four maturing CDs.

Director Erickson and Director Edwards expressed concerns about potential future cash needs and asked about penalties for early withdrawal. Mr. Timilsina confirmed there is no penalty for early withdrawal. He stated that he will work

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with our representatives to focus on purchasing CDs that can be easily liquidated if needed.

Director Cowles moved to approve staff to purchase four 5-year Certificate of Deposits (CDs) worth no more than \$249,000 each totaling \$996,000 as a replacement for four maturing CDs. Director Edwards seconded the motion. It was unanimously

RESOLVED to approve staff to purchase four 5-year Certificate of Deposits (CDs) worth no more than \$249,000 each totaling \$996,000 as a replacement for four maturing CDs.

e. Reallocation of Contributions made by Mountain Recreation Foundation

The Mountain Recreation Foundation (MRF) raised \$26,000 in donations for capital improvement in 2021. In 2022, the MRF board voted to allocate the funds to the Edwards Field House roof repainting project, which has not yet begun. The project is budgeted for 2024.

During the September 2023 retreat between the MRF and Mountain Recreation Metropolitan District (MRMD) board, this \$26,000 was discussed in small groups with a combination of MRF board members, MRMD board members, and staff. All groups reported that the MRF should consider focusing on funding projects that will benefit the community and yield positive results. Based on timeline and capacity, staff brought this idea to the MRF board meeting in October 2023. Several projects were suggested for the funding reallocation, but the MRF board discussed and recommended the Eagle Pool project fund.

Mr. Timilsina explained that the Mountain Recreation Foundation board recommends that the \$26,000 allocated to the Edwards Field House roof repainting project be used for the Eagle Pool project fund. This amount would be the start of what could be a goal of \$100,000 from community members to help fund the outdoor recreational amenities the community is hoping to see in the Eagle pool.

Director Cowles expressed his support for reallocating the funds to the Eagle pool project. Director Erickson voiced his preference to allocate funds from the MRF towards scholarships. Director Pohl stated that he attended the Eagle pool project open house and noted the community's excitement for the new pool. He voiced his support for reallocating the funds to the Eagle pool project if it does not hinder the Edwards roof repainting.

Director Cowles moved to approve the Mountain Recreation Foundation's request to reallocate the \$26,000 contributions from the Edwards Field House roof repainting project to the Eagle pool fund. Director Kerwin seconded the motion. It was unanimously

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RESOLVED to approve the Mountain Rec Foundation’s request to reallocate the \$26,000 contributions from the Edwards Field House roof repainting project to the Eagle pool fund.

f. Registration Software Contract Renewal

The initial three-year contract with SmartRec (Amilia) is up for renewal in June 2024. Staff have been discussing the renewal of the software to ensure they still feel the software meets their needs along with the communities.

Mr. Timilsina explained that in 2021 there was a unique opportunity where all the major recreation providers (Mountain Rec, Town of Avon, Vail Rec District) were all considering SmartRec. All three agencies ended up contracting with SmartRec for three years. As part of the review process in 2023, staff connected with Town of Avon and Vail Rec District, and they felt there was no reason to switch from SmartRec because they were also happy with the product and service.

After careful consideration staff concluded it was wise to continue the contract with SmartRec (Amilia) because:

1. While the software is not perfect, SmartRec can meet the needs for program registrations and facility memberships.
2. We have heard positive feedback from the community on the ease of use and that all three rec providers utilize the same system.
3. It takes 6-12 months to research and implement new software which would not be a wise investment of staff time because the software is meeting our needs.

Staff recommended the board move to approve a two-year contract with Amilia (SmartRec) to commence on July 1, 2024.

Director Cowles moved to approve a two-year contract with Amilia (SmartRec) to commence on July 1, 2024. Director Edwards seconded the motion. It was unanimously

RESOLVED to approve a two-year contract with Amilia (SmartRec) to commence on July 1, 2024

g. Great Outdoors Colorado Resolution Supporting a Community Impact Grant Application

Mountain Recreation and the Town of Eagle have been invited by Great Outdoors Colorado (GOCO) to submit a full community impact grant application to help fund improvements to the Haymaker Recreation Hub. The grant will be submitted by the Town of Eagle with Mountain Recreation as a co-applicant. On December 12th, the Town of Eagle adopted their resolution supporting the grant application.

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The Haymaker Recreation Hub grant request to GOCO was for \$730,000 of which and if awarded, \$500,000 will go towards enhancing and adding amenities at the Eagle outdoor pool, \$100,000 for improvements at the Bike Park, \$100,000 for improvements at the BMX Track, and \$30,000 to plan a skate park.

Staff requested that the board move to approve a resolution supporting a Great Outdoors Colorado Grant Application.

Director Erickson asked why the entirety of the grant funds would not be allocated to the Eagle pool. Mr. Nycum explained that GOCO prefers to see support for multiple recreational activities.

Director Edwards moved to approve a resolution supporting a Great Outdoors Colorado Grant application. Director Pohl seconded the motion. It was unanimously

RESOLVED to approve a resolution supporting a Great Outdoors Colorado Grant application.

h. Eagle Outdoor Pool Replacement Project Update

Mr. Nycum gave an update on the progress of design and cost estimating of the Eagle pool. He explained that the project has a total budget of 13 million dollars, which includes a 9-million-dollar contribution from the Town of Eagle. The goal is to have the pool completed and open by Memorial Day 2025. Mr. Nycum explained that the initial pool design exceeded the budget, and the team is now altering the design to remain within the budget while including amenities desired by the community.

Director Pohl asked if the plans currently include a pool play structure. Mr. Nycum explained that the priority is to design the pool with the appropriate space and infrastructure to be able to add amenities, such as a play structure or slides, during the construction process. Director Pohl mentioned that he has heard that kids enjoy the open slides over the enclosed slides.

i. Other Business

7. Financial Matters

a. Financial Statements

b. Accounts Payable

Mr. Timilsina reported positive financials for November. He mentioned that the Eagle facility had favorable results due to ice rental revenue. Director Cowles acknowledged the strong cost recovery of 94% at Edwards Field House.

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

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RESOLVED to approve the financial statements and accounts payable report.

8. Staff Reports

a. Administration

Mr. Nycum welcomed the new People and Culture Manager, Ms. Leach. Ms. Leach introduced herself and expressed her excitement to be part of Mountain Recreation. Mr. Campos gave an update on the Marketing and Events Coordinator candidate search.

b. Facilities Division

Mr. Johnson gave an update on the outdoor ice rink in Edwards and recognized the efforts of the volunteers.

c. Recreation Programs Division

Ms. Englehart gave an update on the New Years Eve event at the Gypsum Rec Center.

9. Reports & Board Communication

10. Executive Session

Director Pohl moved to go into executive session pursuant to CRS 24-6-402(4)(e) to develop negotiating positions regarding the potential of an outside recreation district providing a hockey rink within Mountain Rec and executive session pursuant to CRS 24-6-402 (4)(e) relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators and CRS 24-6-402(4)(f) concerning personal matters – Executive Director performance review. Director Cowles seconded the motion. It was unanimously

RESOLVED to enter executive session pursuant to CRS 24-6-402(4)(e) to develop negotiating positions regarding the potential of an outside recreation district providing a hockey rink within Mountain Rec and executive session pursuant to CRS 24-6-402 (4)(e) relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators and CRS 24-6-402(4)(f) concerning personal matters – Executive Director performance review at 7:30 pm.

11. Adjournment

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

RESOLVED to adjourn the meeting at 9:36 pm.