



**MONTROSE RECREATION DISTRICT
BOARD OF DIRECTORS
2012 APPROVED MEETING MINUTES**

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**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, January 5, 2012
(Approved unanimously at the 2.23.12 board meeting)**

Board Members

Rob Omer
Kevin Davis-excused
John Kuijvenhoven
Urban Walker
Bob Cooling
Tisha McCombs
John Pope

Staff Members

Ken Sherbenou
Cosme Sisneros
Vicki Lucero
Gary Shearer
Melissa Lords
Tracie Rief

Guests

Jim Cary
Jason Ullmann
Troy Bernberg
Michael Persichitte
Paul Schultz
Dee Laird
Jim Brockman
Bill Ramsey

Board President Rob Omer called the January 5, 2012 Board of Directors meeting to order at 7:00p.m. Rob took roll call; all board members were present with the exception of board member Kevin Davis, who was excused.

Interview of Municipal Finance Firm #1 Stifel Nicholas

Troy Bernberg, Vice President of Stifel Nicolaus was the presenter for Stifel Nicolaus. Via tele-conference were Vicki Mattox, Managing Director, and Rick Reiter, Reiter & Associates, and Jessica Holcombe, Director of Communications. Troy gave us a brief background of Stifel Nicolaus.

They outlined how they would work to finalize a finance plan. The firm detailed many of the value added services that they could offer. They also explained their strategy to secure the best possible financing plan and lowest possible interest rate.

Rob recessed the meeting at 8:00 and resumed at 8:08p.m.

Interview of Municipal Finance Firm #2 GK Baum

Michael Perichitte, Assistant Vice President of GK Baum was the presenter for GK Baum this evening. Via tele-conference were Paul Hanley, Public Affairs Professional, and Robyn Moore, First Vice President. After a brief intro, Michael handed out their presentation of Public Policy/Financing packet, which coincided with the power point.

The group stated that GKB will customize the financial analysis. This will enable the ability to structure a transaction that allows for the highest credit and lowest overall cost of borrowing. MRD is in an enviable financial position compared to other recreation districts. MRD should receive a strong rating based on MRD's preliminary analysis and that we could expect an A1 rating. GKB will be sure to have MRD Certificates of Participation (COP) selling at the lowest possible interest rates. They would also work aggressively to market COPs to local retail investors. For the 2009 through 2011, GKB has been the #1 underwriter in Colorado with over 107 separate bond issues.

Open Forum

Jason Ullmann commented on his preference for Stifel, a position another leader of the Citizen's group holds, Barbara Bynum. This is partly based in their support and financial consultation provided to RE-1J school district during their 2002 financing effort. Barbara wrote a letter to the board encouraging the selection of Stifel. Ken requested and recommended that the board make a decision that evening.

The Fair Campaign Practices Act was also discussed. Ken will review this with all staff members, full and part time.

At 9:30p.m., Rob moved the meeting into executive session. Under C.R.S. Section 24-6-402 (4)(4)(a), executive session is permitted to discuss property acquisitions and specific legal questions relating to CRC efforts and statement of purpose/service plan.

At 11:16p.m., the board came out of executive session and resumed regular session. Rob stated that the board did not deviate from the stated purposes of the executive session.

The board returned to discussing the selection of a municipal finance firm. Rob made a motion to engage Stifel-Nicolaus as MRD's municipal finance firm pending review and approval of the letter of engagement by an attorney. Bob seconded the motion, which was passed unanimously.

At 11:20pm, John K. moved to adjourn, seconded by Bob, which passed unanimously.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, January 26, 2012
(Approved unanimously at the 2.23.12 board meeting)**

Board Members

Rob Omer-Phone
Kevin Davis
John Kuijvenhoven
Urban Walker
John Pope
Bob Cooling
Tisha McCombs

Staff Members

Ken Sherbenou
Cos Sisneros
Justin Mashburn
Tracie Rief
Vicki Lucero

Guests

David Reed
Jim Cary

Board Vice President Kevin Davis called the January 26, 2012 Board of Directors meeting to order at 5:37 p.m. Roll was taken, all board members were present with the exception of board member John Pope, who was running late and board President Rob Omer who is traveling and will be on the conference telephone for the meeting.

Open Forum:

Kevin asked if anyone had anything for the open forum. There was no response.

Financials for the Board:

Gary Shearer, Finance Manager, was not in attendance; therefore Executive Director Ken Sherbenou, went over the financial reports and answered questions. Ken asked the board to refer to their packet for the financial documents and explained the unaudited report showed MRD cost recovery at 33.75%. He also pointed out all the hard work exerted by staff to cut expenses and increase revenues. From 2009 to 2011, there has been a pretty drastic reduction in expenses as well as an increase in both service and revenues. Ken and the board discussed the resolution that was previously adopted pertaining to metrics that had to be met for staff salary increases to be available. 2012 would be the 4th year in a row that salaries were frozen. Board member John Kuijvenhoven requested a discussion with the finance committee prior to board meetings to review the financials before they were presented to the board.

Board member John Pope arrived at 5:50 p.m.

May 8th Board of Director's Election Resolution:

Enclosed in the board packet was a copy of the Self-Nomination and Acceptance form and a copy of the BOD Resolution to conduct an MRD Board election. After a quick review, a motion was made by John K. to accept the resolution. The motion was seconded by board member Bob Cooling, which passed unanimously without further discussion.

BOD Draft Resolution Supporting the grant application for a Local Parks and Outdoor Recreation Grant from the State Board of the Great Outdoors Colorado Trust Fund and the completion of the Ute/McNeil Renovation Project:

Cos Sisneros, Recreation Programming Manager, and Justin Mashburn, Youth Recreation Coordinator provided the board a presentation about the plans they, along with Tom Thomas, Dennis O'Connor and Ken Sherbenou, have been working on for a renovation at Ute/McNeil parks. Cos gave a short history about how the parks began in 1985. With this project renovation, Ute and McNeil would be connected as one larger park with enhanced facilities. This includes a sensory playground, adult fitness stations, and a completion of the river trail along Ute and McNeil as specified in the City's Riverway Master Plan. Ken explained to the Board more about the project and its anticipated benefits. He also said the deadline for the Spring GOCO Grant is March 1st. MRD will be holding a public meeting on February 8th in the MRD Community Rooms and also have a survey available online for the citizens to fill out. The renovation will not take place if we are not awarded the GOCO Grant. This project would be funded almost entirely from proceeds from the Colorado lottery.

Committee Updates:

Outreach: No update.

Administrative: John P. said the group had a meeting last week and continued their effort to review the Personnel Manual.

Finance: No update.

Growth: No update.

Community Recreation Center Update:

Ken gave a brief update on the CRC process. Former CRC task force member and current friend of the Montrose CRC Jim Cary asked for our take on the article in the Daily Press. The article concerned the City of Montrose considering placing another ballot measure during the 4.3.12 election to provide a dedicated funding source for capital improvements. Ken went on to inform everyone about his conversation with Kathy Ellis, Mayor of Montrose. She indicated that Councilwoman Gail Marvel had wanted this on the agenda, which did not mean everyone was in favor.

Further discussion about the CRC involved MRD efforts to not be seen as advocates and to ensure compliance with the Fair Campaign Practices Act. Ken stated that the campaign and the advocacy for Measure A is in the hands of the citizen committee, the Friends of the Montrose Community Recreation Center. This citizen's group conducted the petition drive to put it on the ballot in the 1st place and now the group is campaigning for passage.

Ken brought up one example of MRD staying clear of the campaign, the factual summary on Measure A that drafted. It was decided to not print and distribute this summary. Although it was legal and received the blessing of MRD's attorney David Reed, MRD did not want to give off any impression that MRD was advocating or improperly using public resources. The board also discussed GreenPlay and Barker Rinker Seacat completing the scenario of breaking the Recreation Center into a two steps. Some board members indicated they would like to see this again and Ken said he would email it to them.

John K. made a motion under C.R.S. Section 24-6-402 (4)(a) matters relative to the acquisition of real property, 24-6-402 (4)(b) for the purpose of receiving legal advice on a specific legal question, and 24-6-402 (4)(e) for determining positions relative to matters that may be subject to negotiations to move into executive session. The motion was seconded by John P., and passed unanimously without further discussion.

Regular Session resumed at 7:51 p.m.

Kevin stated the board did not deviate from the stated purpose of the executive session. Kevin asked for a motion; Bob made a motion to table the adoption of the statement of purpose until a meeting in the near future. The motion was seconded by John P. After a discussion of meeting dates, the board decided it would call a special meeting on either February 2nd or 6th, depending on space availability. The motion passed unanimously.

Executive Director Update:

Ken went through his list of priorities and projects. One item was that we need a short letter from a board member for the Spring Activity Guide, which has a Monday deadline. Kevin volunteered to write the letter. Another item was a grant received from the State Internet Portal Authority to enable a greater online presence through regular newsletters and email marketing. Ken praised Justin for his work on this grant. Ken went through the rest of his list and asked if there were any questions.

Kevin asked for a motion to be made to table the approval of the following meeting minutes, 12.1.11, 12.6.11, 12.8.11, 12.15.11 and 1.5.12 until the next regularly scheduled board meeting. The motion was made by John K. and seconded by Bob. The motion passed unanimously.

Kevin asked for a motion to be made to adjourn. The motion was made by John P. and seconded by Urban, which passed unanimously without further discussion. The meeting was adjourned at 8:05 p.m.

**Special Meeting of Montrose Recreation District
Board of Directors Meeting Minutes
Thursday February 2nd, 2012
Held at MACT Board Room
1519 East Main Street
Montrose CO
(Approved unanimously at the 2.23.12 board meeting)**

Board Members

Rob Omer
John Kuijvenhoven
Urban Walker
Bob Cooling
Tisha McCombs
Kevin Davis-telephone
John Pope-excused

Staff Members

Ken Sherbenou

Guests

David Reed

Call to order, Roll Call:

Board President Rob Omer called the February 2, 2011 special meeting of the Board of Directors to order at 5:40 p.m. Roll call was taken with all board members present with the exception of John Pope, who was excused. Board member Kevin Davis joined via telephone.

Open Forum: There was nothing brought up in open forum.

Community Recreation Center Update: Executive Director Ken Sherbenou stated he put this on the agenda to make sure the Board stayed updated on this project. He asked if there were any questions. Board Member Tisha McCombs asked David Reed a question. She asked what level of participation a member of the board may have in the Rec Center campaign, financial and otherwise. David Reed said a board member is free to participate in promoting the issue, both financially and with a donation of their time. This includes attending public meetings and speaking as an individual in favor of Measure A. This would include if the board wanted to adopt a resolution endorsing the issue. This is allowed. The bottom line is that MRD cannot have any expenditure of any public funds for the promotion of a political issue such as Measure A. With that said, the Fair Campaign Act does not trump 1st amendment's rights of free speech.

Request for Executive Session:

Board member Bob Cooling made a motion to go into executive session. Under C.R.S. Section 24-6-402 (4)(a) for matters relative to the acquisition of real property, 24-6-402(4)(b) for the purpose of receiving legal advice on a specific legal question, and 24-6-402(4)(e) for determining positions relative to matters that may be subject to negotiations. This was seconded by Board Member John Kuijvenhoven, which passed unanimously without further discussion.

Return to open session at 7:19 p.m.

Statement of Purposes:

Board member Tisha McCombs made a motion to adopt the proposed Statement of Purposes as presented. The motion was seconded by Board Member Urban Walker. John K. submitted a written statement for the record which voiced his concerns regarding this action.

Board member John Kuijvenhoven read as follows:

*Prepared by John Kuijvenhoven
Director, Montrose Recreation District, Board of Directors*

*Submitted to Montrose Recreation District Board of Directors
Special Meeting, February 2, 2012*

We are being strongly urged to approve a specially prepared "Statement of Purpose", which arguably expands our authority, and to my knowledge this board has not publicly discussed or explored this topic adequately.

I see no benefit to be served by this approval at this time, and my wish is to persuade the board to consider both the need and the appropriateness of what has been written, and presented for our approval.

Given our original founding 56 years ago, I acknowledge that MRD operates without any form of founding document in the form of a charter. The result is that this board is frequently asked to act on matters that might more rightly belong to the voters.

This is therefore an added responsibility, as a board member I am reminded that I should not just be acting for what's good for citizen's groups, employees, or other board members, my primary goal is to represent the interests of ALL 20,000 district constituents, especially because we have the power to tax, and we collect a lot of money every year.

Our not having a governing document should be an unwelcome burden to each board member. It should not be taken as an opportunity for us to overreach, and act with authority that is not clear but that we may ultimately be able to convince a court to allow. As Mr. Reed points out, perhaps the most compelling reason that a court would agree with Mr. Reed's argument is because of the extortionate position in which our 30 years of unauthorized expansion puts the court and our community. The right to decide what to spend tax dollars on belongs to the taxpayers. It does not belong to you and I or the employees of this governmental district and not to an especially interested segment of the taxpayer base.

Regarding purpose. This Board now has conflicting legal opinions before it. The lawyers seem to agree that no Court has decided this question and so it remains open. Please do not assume that after two informal emails and a handful of discussions this question has been fully explored and litigated. As one who has unfortunately gained a fair degree of experience with civil litigation, I can assure you, it has not been fully explored and we do not know how a court would rule. Nevertheless, it remains for this Board to determine how the Board will proceed now.

We know that in 1953 the legislature enacted a statutory scheme whereby things called Metropolitan Recreational Districts could be created for any purpose so long as that purpose was related to recreation and recreational facilities. In order to determine whether the proposed purpose of the proposed District qualified under the statute, the legislature required the Petitioners to state, in a Petition submitted to the District Court, what they were going to do and what they were going to build. The MMRD Petition stated: swimming pool. There were no protests from the community and in 1956 the District Court approved the Petition as stating an acceptable purpose, created the District and the matter was closed. No further review by the courts or the voters. No further oversight of the activities of the MMRD. The pool was built.

The lawyers ask and argue the question: What would a court say about the legal effect of the statement in the 1956 Petition that the MMRD was being organized to build and run a public swimming pool? Mr. Reed says that statement is meaningless and has no effect at all. Ms. McIntosh says that it is what it appears to be: the only statement of original purpose of the MRD. That is relevant because in 1982, the legislature said that MRD could continue to operate without filing a Service Plan but only "for the purpose for which it was created".

While that question might be the correct question for the Court, perhaps a better question for each of us to ask ourselves as a taxing authority in the small rural community of Montrose County tonight is what did the Montrose County taxpayers believe they were creating 56 years ago and have they ever been asked to spend their tax dollars on anything else? In 1956, the voters said they wanted to build a public swimming pool. Several years later, the voters said they still agreed with that and approved financing to build a new swimming pool. Nobody ever asked the voters if they wanted tax dollars diverted for an undefined range of future governmental services including a fitness center, racquetball courts and a lazy river.

For our first 25 years we operated according to our stated purpose; for the past 30 years we exceeded that mandate without ever seeking voter approval. In other words, without voter approval previous boards diverted taxpayer money to programs and services unrelated to our stated purpose, and now we are left with a worn out swimming center, instead of a fully paid for and modern one.

Now, this District seeks to take the extraordinary step of imposing a new sales tax to enlarge its facilities and services even further to the most modern limits using the most sophisticated modern financing tools all supported by taxpayer dollars. Yet this District is afraid to allow the same level of educated voter approval and then scrutiny and oversight of its operations and financial decisions to which any

other district created today would be subjected.

MRD operates today without any guiding charter and without any effective oversight. As I said, that is a burden not an advantage. What is it about this Board and this District that enables us to run the same complex and sophisticated range and level of services that many modern parks and recreation district do in the same fiscal and operational manner without a charter and in the absence of any accountability and oversight? Why did the legislature require those things in 1982?

Before today, I have said that MRD was up to the challenge to move forward, and serve the community with new services and opportunity for all. I no longer feel that way.

The proposed Statement of Purpose, and what it represents amounts to nothing more than an unjustified and improper grab of additional power and authority, made without regard or respect for our voter's consent or approval.

I am now convinced that that MRD cannot be entrusted with the responsibility to operate or expand services, unless or until we seek and receive voter approval that sets reasonable limits on our purpose, power and authority, and which provides for proper oversight and review by our constituents and Board of County Commissioners, as would be the case if the district were to be formed today.

Respectfully

John Kuijvenhoven

The motion passed 6 to 1, with John K. dissenting. Ken stated that he will take care of the necessary filing of the statement of purposes with the City, County and DOLA.

Rob adjourned the meeting at 7:23 p.m.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, February 23, 2012
(Approved unanimously at the 3.21.12 board meeting)**

Board Members

Kevin Davis
John Kuijvenhoven
Urban Walker
John Pope
Bob Cooling
Tisha McCombs-excused
Rob Omer-excused

Staff Members

Ken Sherbenou
Vicki Lucero
Cosme Sisneros
Justin Mashburn
Tracie Rief

Board Vice President Kevin Davis called the February 23, 2012 Board of Directors meeting to order at 5:35 p.m. Director Davis took roll call; board members present were Director Kuijvenhoven, Director Walker, Director Pope and Director Cooling. Excused absences were Director Omer and Director McCombs.

Open Forum

No business was brought up in the open forum.

Director Davis, presiding over the meeting, decided to drop down to number five on the agenda and return to number three, board financials, when Gary Shearer, Finance Manager arrived at the meeting.

BOD Draft Resolution Supporting the grant application for a Local Parks and Outdoor Recreation Grant from the State Board of the Great Outdoors Colorado Trust Fund and the completion of the Ute/McNeil Renovation Project

Executive Director Ken Sherbenou presented a power point regarding the GOCO application to renovate Ute-McNeil parks. Working with Ken on this project were staff members Justin Mashburn, Wade Ploussard, Cosme Sisneros, Tom Thomas, Dennis O'Connor, Joe Cruz and Miguel Lopez. The group did extensive research and planning for the past 6 months. Ken referred Directors to the draft of the resolution in their board packet. Ken stated that the application is due next week so if the board is going to approve, it must take action at this meeting. MRD held a public meeting and circulated a citizen survey. 87 responses were collected. The results indicated strong support for the project on the part of the public.

The proposed project ties Ute and McNeil to one another as well as the larger system of parks in the river corridor including Riverbottom and Cerise. Ute and McNeil have not had renovations since their initial construction, 30 and 20 years ago respectively. MRD is requesting GOCO support so that proceeds from the Colorado Lottery may support the project. The project proposed in the application involves no tax dollars and the renovation will only happen if GOCO funding is secured.

Highlights of the project include completion of the riverway trail along Ute/McNeil as specified in the City of Montrose master plan, building a sensory playground, installing new infield fencing at Ute, providing new infield material at all four ball fields, constructing adult outdoor fitness stations along the river trail and connecting Ute and McNeil and much of the surrounding areas with soft surface trails. The application addresses several key priorities laid out in the GOCO strategic plan. Additionally, GOCO likes to see the sort of collaboration as is evident with MRD following the City's river master plan. Finally, Dan Paradis has committed to raising \$4000 to pay for the majority of the cost of the adult fitness stations.

The playground would be build between Ute and McNeil in an area of cleared Russian Olives, an invasive species. Wade Ploussard came up with the unique playground based on research. This sensory playground, original to Montrose, would provide a hands-on experience for children, which is particularly good for youth with special needs. This area will be shaded and protected by a canopy. Picnic tables will also be installed under the canopy. After the softball season, the canopy will be removed and stored to extend the lifespan.

MRD obtained numerous quotes for the project and selected those that provided the best value. The total budget is \$174,000. The project would enlist the support of a Youth Corp to complete the clearing of the Russian Olives. The application request \$108,000 from GOCO in this grant. MRD will provide a cash match of \$62,000 of MRD Lottery dollars from the Conservation Trust Fund. Additional cash match includes \$4,000 from the fundraising effort of Mr. Paradis. This would achieve an approximate match of 40%. GOCO requires at least a 30% match.

Generally speaking, the higher percent of match that an agency secures, the greater its chance with earning approval from GOCO. COPMOBA (Colorado Plateau Mountain Biking Association) has pledged to provide design expertise, with a value of \$1,500. The City of Montrose has pledged \$2,500 in-kind for prepping the river way trail, with equipment and labor. Finally, the Youth Corp expense was reduced by \$1200, which will be counted towards the in-kind match.

The question of usage of MRD employees for in-kind was addressed; Ken asked to refer to his ED update. He stated the application says staff time cannot be counted as in-kind and used towards match requirements. Director Kuijvenhoven requested Ken to verify this with GOCO directly, which he said he would do. The board went over the language of the Board resolution. After some discussion, a few lines were revised. Director Kuijvenhoven made a motion to accept the Resolution for a GOCO Grant with the described changes. The motion was seconded by Director Pope. With no further discussion, it was passed unanimously.

Financials for the Board

Director Davis returned to item 3 on the agenda. Gary Shearer, Finance Manager, gave his report. Gary said it was previously stated that we had a little over 1.3 million in all of funds. MRD January operations came in a bit below what we had projected, but still higher than 2011. It appears that even though it is a little early to make a projection on what our cost recovery is going to be for the year, MRD is on pace to equal or exceed the cost recovery from previous years. There were no large expenditures or variations that need to be reported. Ken referred the Board to the 2009-2011 cost recovery summary. He pointed out that operational revenues have increased and expenses have decreased as an organization as a whole and nearly across all departments. Ken credited staff for their diligence in responding to the board directives to increase cost recovery and be even stronger stewards of the public resources MRD manages.

May 8th Board of Director's Election

Gary Shearer, Designated Election Official, stated he had received a self-nomination form from Director Pope. In this election, five seats for the board are up for election. Any board member wishing to run again for the board must submit a declaration of candidacy to Gary by the March 2nd deadline, except for Directors Walker and Davis, whose terms run until May of 2014. This form is available on the MRD website and has also been published in the newspaper as legally required.

Community Recreation center (CRC) Update

Ken briefed the board on developments regarding the CRC. There was a short discussion about site selection and Ken stated that, to his knowledge, there has not been any organized opposition against the Measure A.

RE-1J and MRD Shared Use MOU discussion

Ken discussed the renewal of the MOU with RE-1J for upcoming year. Ken referred board members to the summary found in the board packet. Ken presented a short history of the usage between MRD and RE-1J, and described the benefits this MOU has brought to the community. This benefit is widely recognized in the community and appreciated. Ken also stated that there has been an improvement in their communications and scheduling. Ken recommended that this MOU be renewed for another year. On a staff level, MRD will work on a few changes on the MOU to expand use and reduce cost. The board stated their general approval and guided Ken to pursue renewal of this MOU. Ken was complimented on the improved relations and for his efforts.

Approval of BOD Meeting Minutes for 12.1.11, 12.6.11, 12.8.11, 12.15.11, 1.5.12, 1.26.12, 2.2.12

Director Davis asked for a motion to approve the meeting minutes listed above. Director Pope made a motion to approve the meeting minutes from the following meetings: 12.1.11, 12.6.11, 12.8.11, 12.15.11, 1.5.12, 1.26.12, 2.2.12. The motion was seconded by Director Cooling. Without further discussion, the motion was passed unanimously.

Executive Director Update

Ken briefly went over the enclosed list of current projects/priorities.

Adjournment

Director Davis asked for a motion to adjourn. Director Pope made a motion to adjourn the meeting, which was seconded by Director Walker. Without further discussion, the motion passed unanimously at 7:25 p.m.

**Montrose Recreation District
Board of Directors Meeting Minutes
Wednesday March 21st, 2012
(Approved Unanimously at the 5.24.12 Board Meeting)**

Board Members

Rob Omer
John Kuijvenhoven
Urban Walker
John Pope
Bob Cooling-late arrival
Tisha McCombs
Kevin Davis

Staff Members

Ken Sherbenou
Gary Shearer
Cosme Sisneros
Justin Mashburn
Liz Gracesun
Vicki Lucero
Tracie Rief

Guest

County Commissioner Gary Ellis

Board President Rob Omer called the March 21st, 2012 Board of Directors meeting to order at 12:04 p.m. Roll call was taken; all board members were present with the exception of Director Cooling who was set to arrive shortly.

Open Forum

Director Omer wanted to bring up some information that has become public as of late: the number of children that are living in Montrose County in poverty. Director Omer would like to see that we take some sort of action to do our part to reach these children. Director Omer also stated that he is going to a Main In Motion organizational meeting and he asked for input. Director Davis, Outreach Committee member, expressed that last summer MRD participated every week. He stated it was effective but that it seemed a little overkill in participating every single week.

At 12:10pm, Director Cooling arrived.

Executive Director Ken Sherbenou stated that Scott Shine of the Downtown Development Authority DDA had to cancel. Mr. Shine asked to come back in April or May to do his presentation and converse with the board.

Financial for the Board

Gary Shearer, Finance Manager, referred to the board packet financial documents. Since MRD built the addition to the Aquatic center, MRD has been accumulating capital reserves. Director Kuijvenhoven, financial committee member, requested that before the April Board Meeting, the finance committee meet, and during the April meeting, have an executive session before the new board members are sworn in.

Committee Updates:

Outreach Committee: Director Davis stated they have not met. Administrative Services Specialist Vicki Lucero added they will meet after the election.

Administrative Committee: Coz Sisneros, Rec. Program Manager, stated the group has a meeting scheduled for Monday, March 26th at 10:00 a.m. at the McNeil office

Finance Committee: Director Kuijvenhoven stated there was nothing to report.

Growth Committee: Director Kuijvenhoven stated they have not held any meetings. He did state that he recommends no action be taken, as far as decisions to go forward with a new Recreation Center, until MRD goes through a financial review. He feels that a CRC is close to being within reach utilizing existing resources, with the reserve and cushion to do it reliably. He would also like to ask the Board to consider tasking the Growth Committee to be a Planning Committee, and come up with a 3 to 5 year plan. This effort would go hand in hand with the Service Plan that he will be addressing later in the Board Meeting.

Community Recreation Center Update

Ken includes this agenda item to keep the board updated on what has been going on each month. Much of the highlights are included in his executive director update page included in the board packet. The Friends of the Montrose

Community Recreation Center (FMCRC), in their running the campaign for measure A, are doing presentations throughout the community. Additionally, they did reach their \$11,000 fundraising goal to cover campaign costs.

Ken is working on the final project report with GreenPlay and Barker/Rinker/Seacat. This will be brought to the board upon completion for their consideration. A 2nd draft will be completed soon. This is documentation of what the Rec District and the citizens group have done over the past year. Ken is also recommending to the board to do an update to the Master Plan.

The newspaper article written on the Montrose Economic Development Corporation (MEDC) report on the anticipated economic impact of the CRC led to phone calls to board members and they would like more information as to how this report came about. Ken and Sandy Head, Executive Director of the MEDC, worked on the study since January. Ken provided inputs based on numbers from the feasibility study that came from the objective 3rd party experts at GreenPlay and Barker/Rinker/Seacat. MEDC then input these numbers into an instrument to measure economic impact used by the Colorado State's Office of Economic Development.

Board members expressed concern about the study and how it was received by the community. Director McCombs expressed concern that the public does not differentiate between MRD, the FMCRC and members of the Board. She further described the need to emphasize that it was the citizen's group that was conducting the campaign. Director Omer felt, as Board members, they have done a good job of separating themselves from the citizen led effort in support of Measure A.

Discussion of Bonds vs. COPs and a Service Plan

A letter from Vicki Mattox of Stifel Nicolaus was distributed via email to the directors; Director Kuijvenhoven asked Ken if he had asked for this letter. Ken stated he called Ms. Mattox and told her that the board would be discussing Bonds versus COPs. She then composed the letter. Director Kuijvenhoven asked, what qualifications do they have, given they are a bonding company, on the cost of building materials referenced in the letter. Also, Director Kuijvenhoven expressed his feeling that Stifel has a huge conflict of interest on this topic to be giving this advice. Stifel would earn a larger commission if the CRC project happens and that doing COPs in the Spring rather than waiting until November 2012 to do a general obligation bond question will give them their commission sooner. Ken stated that they are experts in municipal finance and he thought the input from Stifel would provide guidance in making a decision.

Ms. Mattox stated in her letter that the voters will be confused if another general obligation bond question is asked of voters in November. Director Kuijvenhoven pointed out that MRD would be obligating Montrose Recreation District for years into the future for millions of dollars in debt. Director Kuijvenhoven stated his belief that the State of Colorado clearly indicated that it is a voter decision to borrow money. Then, in Director Kuijvenhoven's opinion, a bunch of lawyers got together to figure out a way to get around this. He further stated, 'shouldn't the people, the voters, be given the opportunity as the State Legislature intended, the chance to simply vote'. Doing COPs if measure A passes would put this financial sound rec district in huge debt for years to come. Director McCombs interjected that she has to leave shortly and would like Director Kuijvenhoven's explanation in short, why go with bonds instead of the COPs.

Director Kuijvenhoven stated that other than the fact that they are slightly cheaper, the real issue is, he is very uncomfortable that at this time the board does not have a Service Plan, does not have a charter, and, in his opinion, took unto itself to issue a sweeping claim of authority. Director McCombs feels the people perceive that they are giving us the authority to finance and build a CRC with Measure A. Several other Directors agreed with this sentiment. It was mentioned that Co-coordinator of the FMCRC Jason Ullmann has stated the people in Montrose believe a recreation center will be built if Measure A passes. The FMCRC have also been presenting the proposal to the community and indicating the financing would be set as a lease purchase agreement, which is what the COP financing mechanism is.

Director Kuijvenhoven said all they perceive is that they are going to pay extra tax; they do not perceive that MRD is going to go out there and borrow money. It was mentioned that this runs contrary to the information that the FMCRC have been circulating in the community during the campaign, that a lease purchase agreement will be pursued to finance the CRC and Measure A would provide the additional resources needed.

Director Kuijvenhoven read a motion he asked the board to consider:

“A policy for a public vote when incurring substantial debt: in recognition that the Montrose Recreation District has developed a plan to construct a new recreation facility for the benefit of the public, and in recognition that the district is not presently governed by a comprehensive service plan, as would be the case for newly formed districts in accordance with state law. And in recognition that in the absence of a voter approved service plan that would have addressed the board’s authority in borrowing either with or without voter approval, and in recognition that it is clearly the intent of the Colorado State Legislature that districts secure voter approval when borrowing large sums for long term repayment.”

“The Montrose Recreation District board of directors acknowledges that the voters of the MRD district should have the opportunity to approve any issuance of debts instruments that will obligate the district for any term greater than one fiscal year and in the case of the proposed new recreation center, which will be in the tens of millions of dollars, it is not satisfactory for the board to obligate the district without a complete disclosure to the district’s residents and voters, nor without voter consent and approval.”

This is what Director Kuijvenhoven is asking of the board to consider, also he is concerned that our own staff has not brought this to the Board’s attention. He also stated that the people that are trying to encourage continuing on the current route are the ones that will earn a large commission in the financing of the project: Stifel Nicholas.

Ken was asked if other districts use COPs to finance public projects in their communities. Ken provided a list of 264 projects over the last 10 years in Colorado that were financed using COPs. This included libraries, justice centers, rec centers as well as with other local entities, Montrose County and the School District. Ken also pointed out that every major recreation department or district in Colorado has used COPs as a financing mechanism at some point. Director Kuijvenhoven interjected, asking ‘would that be because they have Service Plans that already gave them that authority?’ Ken stated this was not the case with the ones he had knowledge of.

Director Kuijvenhoven stated further, ‘at the very least, this is the other recommendation I have for us, is that we direct that a service plan be developed in this district, enumerate all of MRD’s powers and let the voters decide what authority they want to give us. It is a simple thing to say, our voters own us, our voters are the people who have the right to make these decisions and have their voice.’

Director McCombs asked Director Kuijvenhoven, ‘do you prefer this is action to be taken before the election, and not after? I have presented a motion, what is the proper way for us to proceed?’ Director Davis stated that he felt were are good stewards of the recreations district’s funds and feels the people are aware that the Sales Tax is not going to pay for the whole recreation center. This taxing was the preferred way to fill the gap in funding, as reflected by the Citizen Task Force, in the public forums held on the CRC process and in several surveys over the years that documented the need.

Director Cooling asked if this motion was a broad statement. Director Kuijvenhoven said the policy applies not only to the current project but that it applies to all future projects.

Director Kuijvenhoven said a service plan would state how we conduct business. Director Kuijvenhoven said he could no longer support this effort to pass a sales tax, a position that needs to be on the record. He also stated his continued legal concerns about our legal position. He stated his belief that the board should commit to developing a service plan. If the board agreed to this, Director Kuijvenhoven stated he would no have a problem with going forward with our rec center. Not doing so would be disrespectful to voters in Director Kuijvenhoven’s opinion.

Director McCombs had to excuse herself due to work obligations.

Director Kuijvenhoven stated again that he believes we need more transparency and more accountability. He pointed out that the County has been criticized time and time again for using COPs to fund the airport; they could have put it to the voters. Director Cooling asked where you draw the line of decision making and going to the voters. Director Kuijvenhoven is asking the board to respect the voters and give them a chance to decide whether they want us to

borrow this money. He further stated that this Board of Directors should work on this and put it to a vote in November 2012.

Director Davis asked if Director Kuijvenhoven felt this is a realistic time line. Director Kuijvenhoven felt it is. Director Kuijvenhoven states he has read and re-read that document, the one stating all the finances pertaining to a new rec center, which will probably be presented to the new board from Ken. Director Kuijvenhoven stated he believed this should not go forward without an independent 3rd party reviewing this to be certain that it is good and solid. Sherbenou interject he did send the documents from he and Gary Shearer, Finance Director, to both Director McCombs and Director Kuijvenhoven. Also, GreenPlay was hired to project operational revenue, operational expense and capital construction costs. This constituted a 3rd party formulation of these budget numbers pertaining to the CRC.

Director Kuijvenhoven responded that MRD needs a 3rd party to review the numbers and Ken had said Stifel Nicolas can do this. With this huge plan of spending millions of dollars, with a revenue component and an expense component, and that plan has not been signed off on by any disinterested party; like a finance firm or CPA. Ken responded that GreenPlay is that legitimate 3rd party expert who has one of the most respected track records in projecting conservative numbers.

If Measure A is approved and if the rec. center issue is again up for vote in November and it does not go through, Director Pope asks were does this puts MRD. Director Kuijvenhoven says it puts us exactly where the voters want us to be, which is their right. Director Pope feels if there is the 2nd vote in November, it will confuse the process; half of the task force are not in the city limits and are also unable to vote, but they understand of the process, they know the vote is for tax to help the building of a new rec center.

Directors Pope and Davis both feel November is unrealistic. Director Cooling feels Directors need to process this and this discussion should be continued at the next board meeting. Director Omer agreed. Director Kuijvenhoven stated that both of these motions can be modified by the board going forward. Director Kuijvenhoven stated his intent was to promote open government conducting itself in a responsible manner. Director Kuijvenhoven believes this basic necessity is very supportive of Measure A.

A service plan is a very compressive document, not a simple Statement of Purpose, it lays out in great detail, not a broad statement, it is a charter, it would be something we are committed to, the rules of the road, it is a constitutional document for MRD Board Members. Everything is laid out in detail what MRD is to do in every circumstance.

Director Kuijvenhoven described that when he joined to board, MRD was not well run in his opinion. He then gave credit to this board and Ken Sherbenou for straightening out many things and making this organization move forward in a positive way even without the aid of a Service Plan. Director Kuijvenhoven stated that what he is seeing is this organization becoming more empowered, but that a Service Plan would ensure continued improvement and accountability.

The motion regarding district indebtedness and COPs was seconded by Director Walker. The board decided to grant a continuance of the motion regarding district indebtedness and COPs until the April 26, 2012 board meeting.

Director Kuijvenhoven then made a 2nd motion for a District Service Plan: "In recognition that the Montrose Recreation District is not presently governed or guided by a voter approved Service Plan, and in recognition that MRD's founding documents described the district's original purpose was to build and operate a swimming pool, and in recognition that since the founding of the recreation district the voters have never directed or approved any governing documents, nor have they ever been given the opportunity to approve any such charter or similar document. Whereas Montrose Recreation District wishes to adopt full service recreation facilities for the benefit of Montrose residents and taxpayers in the future. And in Recognition that the Board of Directors wishes to assure the public that the district is properly governed and accountable to the public."

“The Board of Directors entertains the following motion to direct that a comprehensive service plan that will detail the district’s operating parameters and responsibilities for the benefit of the public, and in accordance with the current state law governing recreation districts.”

“That MRD develop a Service Plan and that the Service Plan is presented to the Montrose Board of County Commissioners for approval, and subsequently to the district’s voters for approval, and subsequently to the district’s voters for approval at the upcoming 2012 November election.”

Director Walker seconded the motion. Director Pope suggested striking the last 12 words, eliminating the time frame. However, Director Pope expressed his support for this motion. Ken suggested having legal counsel provide us with input regarding this action and help us understand how this would interact with the board approved Statement of Purposes. Director Kuijvenhoven stated that two months ago MRD general counsel David Reed stated this is not a legal matter but a policy matter. The board could pursue a service plan as a matter of policy. Ken said special districts formed before 1965 are required by Colorado Revised Statutes to create and file a statement of purposes. Ken further said there is no legal prescription for a special district formed prior to 1965 to draft a service plan, let alone take it to a vote.

Director Omer asked, ‘so if the vote is no, we are business as usual?’.

Director Omer repeated the motion with the modification suggested by Director Pope in removing the timeframe. The motion passed unanimously.

Approval of BOD Meeting Minutes

Director Pope made a motion to approve the BOD Meeting Minutes of February 23, 2012. The motion was seconded Director Cooling. Without further discussion, it passed unanimously.

Executive Director Update

Ken referred members of the board to the enclosed list of current projects and priorities. Due to the fact the board meeting was running long, Ken asked if there were any questions. Ken also asked if there is anything board members would like to see him report differently in the future. Director Walker would like more information on participation numbers and how we are improving these numbers. Director Omer wanted to know if we have had feedback about the change of printing the activity guide four times per year instead of three times per year. Ken commented we have had positive feedback about saving money and increasing reach with the fourth guide, but at the cost of increased staff time and effort in producing a 4th guide.

A short discussion of MRD Board meeting locations then occurred. Director Pope made a motion to amend the agenda and add in a discussion of board meeting locations. The motion was seconded by Director Kuijvenhoven. The motion passed unanimously. Director Pope then made a motion to change all meeting locations to the MRD Aquatic center. Director Kuijvenhoven seconded the motion, which passed unanimously.

Adjournment:

Director Omer adjourned the meeting at 2:37 p.m.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, April 26, 2012
(Approved unanimously at the 5.24.12 board meeting)**

Board Members

Rob Omer
Kevin Davis
John Kuijvenhoven
Urban Walker
John Pope-late arrival
Bob Cooling
Tisha McCombs

Staff Members

Ken Sherbenou
Cos Sisneros
Justin Mashburn
Cindy Marino
Gary Shearer
Melissa Lords
Vicki Lucero
Tracie Rief

Guests

Barbara Bynum
Judy Lokey
Paul Paladino
Jason Ullmann

Board President Rob Omer called the April 26, 2012 Board of Directors meeting to order at 7:03 p.m. Roll call was taken. All board members were present with the exception of Director Pope who would arrive shortly.

Request for Executive Session

Under C.R.S. Section 24-6-402- (4), executive sessions are permitted. Director Omer resumed the regular session of the Board of Director's meeting at 7:21 p.m., and stated the board did not deviate from the stated purpose and intent of the executive session. No action was taken.

Financials for the Board

Gary Shearer, Finance Manager, presented to the Board the Board Balance Sheet. This first document, the board balance sheet, is a design from former Director Bruce Panter. MRD's 1st quarter cash position of 2012 is \$700,000 higher than it was in 1st quarter of 2011 and it is 1 million dollars higher than in 2010. This shows MRD has been an outstanding steward of public resources at the direction of the board, and it presumes we can increase our capital resource fund by \$550,000 each year. If MRD does a little bit more belt tightening and generates more operating revenue, MRD can potentially put \$650,000 to \$800,000 in capital reserves. Without additional resources, it will take up to 30 years for MRD to build a 23.5 million dollar CRC. The next document after board balance sheet is the Fund Balance Sheet, which illustrates how the different funds work together. The most important thing to take away from that document is that the general fund makes up pretty much all of our operational activity. If you look at the current year income or loss line, you should be able to tie the same number back to the board balance sheet in the summary budget comparison. If the number is different, there will be a list of discrepancies and an explanation of why. The next document is the Summary Budget Comparison, which shows that MRD's 2012 Revenue minus expenses was \$120,000 higher than 2011, and \$140,000 higher than what MRD had budgeted. This is primarily due to the actual 2012 property taxes MRD has received in the first quarter, which was \$132,000 higher than 2011 and \$84,000 higher than budgeted. MRD's specify ownership tax and lottery revenue was also \$5,000 higher than 2011 and what was budgeted. MRD's first quarter operating income was \$6,000 less in 2012 than 2011, and \$15,000 less than what MRD had budgeted. The actual 2012 1st quarter expenses is \$9,000 more than 2011 but \$66,000 less than what we had budgeted. Our cost recovery for 1st quarter 2011 is 33.23% and 1st quarter 2012 is 30.62 %, it seems we are going in the wrong direction, but since our budgeted costs recovery for that same period, well for the whole year was 35% and quarter 1 budgeted cost recovery was only 29.33% we are really 1.3% above our projections on an annual basis. It is a little early to tell accurately what MRD cost recovery will be at the end of the year because our operating results are highly weighted to our summer and fall programs. By keeping a close eye on those numbers going forward, MRD gains a better understanding of chances of getting our 35% cost recovery. One of the proactive budget changes pursued this year is to completely doing away with the old budget sheet, and compartmentalizing the budget on a month by month department by department basis. It will take a little bit more time for everyone to complete their budget, but they will get a better picture of where they are every month. It will be input on a monthly basis so our summary budget comparison report will actually print out automatically, instead of using a day and a half to update the old antiquated budget. Gary does believe all of the extra time everyone is taking this year, breaking down departmental budgets, month by month, will result in a much better feedback from accounting to the individual departments. In summary, MRD has gone through a couple of years

of focusing on cost recovery expense litigation and talking about revenue generation, MRD staff members have made great gains in this expense litigation and slow progress in cost recovery but it is progress none the less. Gary would like to commend staff to the attention to the details in the areas that have improved and challenge them to work harder on the operating revenue for the rest of 2012. Montrose Recreation District needs fresh outside of the box ideas to grow our revenue; MRD can reinvent and redesign ourselves, by building a new community rec center but in 2004 and 2005 our cost recovery was above 35%. In the future Gary would like to have an overhead projector so he could point to the areas he is reviewing so everyone can follow along better. Director Kuijvenhoven feels and has asked for a workshop in financing, and has offered to direct it.

Committee updates:

Outreach Committee: Director Walker/Davis; they have not held a meeting.

Administrative Committee: Director Omer reported that the committee has met, reviewed/revise the Employee Manual the past year; there are a couple of minor tweaks left and fine tuning.

Finance Committee: Director Kuijvenhoven/McCombs discussed the certain level of cost recovery. The tax revenue is used in part to underwrite the extent operational revenue does not cover operational expense, which is called operational subsidy. What's left over is tax surplus revenue. Traditionally, MRD has held that and used it for capital improvements. That number is approximately \$275,000/year that MRD budgets to go into our capital reserves. Then another \$300,000 to \$350,000, in any normal year is excess revenue over expense. This is defined as the around \$600,000 MRD has available for capital projects to repay bonds. So when you borrow and use that money to pay it back, that is essentially representing the opportunity MRD has as an organization to go out and grow with borrowed money, rather than from saved money. A very important aspect to the way this organization runs is that Montrose Rec District has this huge financial strength which is extremely reliable revenue that comes from the tax payers. The total tax revenue is allowed by the state constitution and because MRD is de-bruced to increase by 5.5% each year. With these monies, Director Kuijvenhoven feel this board needs to make a decision about in the same way MRD has made the decision about the 35% cost recovery. Despite the fact the staff is struggling with that and feels that it is hard to do and feels like they would like to spend more money and not have to meet those targets, management and the board agree that you have got to stick with that as it is a rather than lower expectations. Another thing Director Kuijvenhoven would like the new board to consider is to use continue working to increase capital savings for the recreation center Montrose needs and not be tempted to pursue incremental expansion as with Phase I or purchasing the Montrose Athletic Club.

Growth Committee: Director Kuijvenhoven still encourages this to be identified as the Planning Committee and create a 3 to 5 year plan. In that plan, look at that money mentioned previously and recommend how it will grow and how it can/will be used.

Community Recreation Center (CRC) Election De-brief Feasibility Study Report

Director Omer explains this is on the agenda as a 15 minute report/general discussion. This is because it was brought to his attention that this may not be the most appropriate board meeting for this as MRD will have new members in the next few weeks. This issue is really for the new board to tackle, as the question is 'what now', and part of the agenda is the Feasibility Study Report. Ken gave access the 150 page report and asked if there were any questions. Since this is the final meeting for three Directors whose terms end, Ken recommended the board consider adoption of this report that captures much of the work of this board. Ken wants to point out all the credit people that deserve and all the lessons learned from this process, all the hard work and volunteer hours. This report is a very good foundation for MRD to continue working to fill this, one of the largest gaps in the communities infrastructure. Ken recommended the board adopts this study. Director Kuijvenhoven referred back to a motion made at the 12.15.11 board meeting when this board established as policy to accept the Citizens Task Force recommendation for a community rec center as presented as being the community's legitimate expression as the most appropriate facility to serve the recreation needs of Montrose. The motion further stated that the board directs staff in an ongoing effort to present options in the furtherance of implementation to the proposed assigned plan. This board passed that motion and the outcome of Measure A doesn't have any bearing on that motion. Ken said this is still very much in force. Director Davis made a motion to adopt the Feasibility Study Report, which was seconded by Director Kuijvenhoven. With no further discussion, the motion passed unanimously.

Also included in the board packet is a memo from Rick Reiter, the political consultant that advised the Friends committee. Turnout in the election was considerably higher than expected and the memo outlined the demographic

details of voters. Mr. Reiter felt MRD had many obstacles, and that Measure A did quite well all things considered. Ken stated this information should help in moving forward, informing strategy in the next go around if that is the direction given by a future board.

Ken suggested asking if any members of the Friends of the Montrose Community Recreation Center that were present would like to comment at this point or wait until the next board meeting. Barbara Bynum thanked the board for their support. Jason Ullmann expressed disappointment regarding the vote, but stated that we will continue moving forward. Through the effort, the FMCRC have learned a lot and have gathered a big group of supporters. Mr. Ullmann stated that he wants to be sure to mobilize the supporters to attend the Volunteer Appreciation BBQ this summer. Director Omer, speaking for the board, stated that he simply could not thank the FMCRC enough for all of their hard work and for the great strides forward regarding support for a recreation center in Montrose.

Discussion of Bonds vs. COPs:

This motion pertained to setting a policy of always pursuing bonds as a financing instrument instead of COPs. Director Kuijvenhoven made this motion at the last meeting in March, but was put on continuance to the April meeting. Director McCombs would like a discussion/update as she had to leave before the comments at the last meeting. A summary from Director Kuijvenhoven followed. Director McCombs questioned if this needs to be voted in because a motion was made and passed to adopt a service plan and that policy would cover this sort of issue in the future. Director Kuijvenhoven stated his believe that no doubt without the adoption of a service plan, this policy should have been in place. Director Davis, recalling the discussion last month, as far as public input, there are a lot of boards in this community that control a lot of money, and I trust those board to be fiscally responsible.

8:10 p.m. Director John Pope arrived

Director Omer gave him a brief review of current discussion.

Jason Ullman, during public comment stated that, as a citizen and a future board member, he would hate to see this board take off the table and tie the hands of future boards and eliminate a legal instrument that boards in the state can and have extensively used to fund projects. When the FMCRC campaigned for measure A, the group stated that COPs would be used, a lease purchase agreement to finance the project. Jason did not bring the campaign flier with him, but if he had it, he could show the board how this was presented. It was very clear that there was an annual payment and that is what the increased tax revenues were going towards.

Barbara Bynum also shared her concern about this being a blanket motion that lays it out for all future boards. She stated her belief that this is a great discussion to have as boards move forward and look at how they might go back to voters. She said it should be on a specific issue in the future instead of this blanket statement you are putting forward to all future boards. Paul Paladino, member of the FMCRC, stated that it is not his experience, as the library has not used COPs. However, he was not supportive of the motion.

Director Kuijvenhoven said this motion specifies that when you indebt your organization beyond a year you will need voter approval to do it.

Jason Ullmann agrees with Barbara's statement and feels it should not pass; we need to work on case by case decisions.

Since the motions had been made at the 3.21.12 board meeting, the motion went to a vote. President Omer, asked for an individual count vote; Director Cooling: no, Director Davis: no Director Omer; no, Director Pope; no, Director Kuijvenhoven; yes, Director Walker; yes, Director McCombs; no. The motion failed, 5 to 2.

Director Omer has asked the future board to continue to be transparent and be good public servants and stewards of public resources.

Usage and Level of Service Report

Ken explained that in the past 2 years MRD has devised a plan for capturing MRD's level of service, a compressive effort to gather the numbers in all activities that MRD is providing. This level of service report is contained in the board packet. The participant visit worksheet that shows how MRD figures the number of times MRD serves the participants in the programs. There is also a summary of each listed program, from 2008 through 2011. Ken pointed out that MRD's numbers of participation are at the highest they have ever been since 2008. This will be conveyed to the community in MRD's State of Play presentations and annual report. This ensures transparency so the community knows the impact of its recreation district. Ken will also be using this information during staff evaluations to better gauge individual programs level of success. This information also enables comparisons to projection the degree of increased service with a recreation center. Essentially, service is projected to triple with a recreation center compared to MRD's current facilities.

Memo regarding staff compensation

Last year the board passed a resolution saying; MRD must meet a 35% metric for staff to receive raises. MRD financials reflect that this was not met, but progress was made. The enclosed memo is a recommendation reviewed by the Executive Committee of the Board, on how to handle staff compensation since it has now been four years since the last salary increase. Several reasons were listed to justify a recommendation of bonuses: #1 recognized that progress was made, that staff members really responded to board direction and working hard, #2 It is critical that staff morale is retained and they are recognized for their hard work and progress. Although not what the board had set as a goal, it is still good progress. #3 This route is consistent with what other public organizations in Montrose are doing: no raises but providing bonuses. Continuing salary freezes, but giving bonuses largely based on performance. Ken's recommendation to the board, approved by the Executive Committee of the Board, is to approve merit based bonuses dependant on the annual evaluation of each staff member. Ken spoke at length with Executive Committee of the Board, Directors Omer and Pope, on this issue.

Director Kuijvenhoven, as a matter of record, felt the recommendation should have come from the Directors on the Executive Committee and not Ken. Director Davis would like an explanation of the \$100 Bonus for an employee who's evaluation marked as 'a needs improvement'. Director Pope felt this is good for morale, as even though they need to improve, they are recognized for their efforts. The original memo was only recognizing top 2 of the 3 tiers, but the top was bonus number was dropped by \$100 and the 3rd tier then given that bonus. Director McCombs would have liked to have seen a salary increase, but will trust the judgment of the committee. Directors Pope and Omer agreed that would have been better but since the 35% metric was not met and due to budgetary factors, this bonus was the best answer. Director Cooling made a motion to approve the staff compensation recommendation of a bonus. The motion was seconded by Director McCombs. The motion was approved unanimously without further discussion.

Executive Director Update

Ken referred Directors to the enclosed a list of current projects/priorities. Ken went over it and took questions or comments are welcome. MRD is monitoring the maintenance vehicles more closely, as they may soon need to be replaced. Also, a patron expressed concern with charging entrance fees for military, active and veterans for use. MRD does have a Military Discount policy in effect but this patron feels there should be no charge. This discount was implemented about 2 months ago. Director Kuijvenhoven did say he did have someone who would pick up these fees and would be more than happy to look into this. This is a sensitive topic and we do need to have a solution to this. Providing a welcoming community to veterans is being promoted by the Welcome Home Montrose. MRD also changed the cell phone policy for employees, who will now be re-imbursed for a percentage of their cell phone use. Ken is also working on the State of Play for the next BOD meeting. Also, Ken suggested MRD apply for another GOCO grant this fall for a Master Plan update, something he'll discuss with the Growth or Outreach committee.

Last week, MRD was a part of a grant application to Livewell to promote active healthy living and eating in Montrose County. Our volunteer tracking for 2011, reports 6,539 volunteer hours, which also includes our board meetings. Our Summer activity guide will be in the mailbox by May 7th. For the fall guide, a Director is needed to write the note from the board. Ken asked Director McCombs and she happily agreed. Staff voted for Volunteer of the Quarter to be the Friends of the Montrose Community Rec Center. There will be a plaque and photo in the front lobby. MRD is also organizing a BBQ for volunteers this summer in an effort to recognize the efforts of our many volunteers. Staff

recognitions to Mike Lopez and Vicki Lucero, both having worked for MRD for 3 years as full time staff. In an effort to fill the needs of patrons and revenue generation, we are implementing more to our rental items plus selling the jerseys for soccer participants.

Also, the Election for board members was cancelled; next month Barbara Bynum and Jason Ullman will be sworn in as new members. This leaves one vacancy to be filled by a board appointed member within the 60 days time frame after May 8.

Approval of the 3.21.12

Director Davis made a motion to approve the 3.21.12 BOD Meeting Minutes, seconded by Director Pope. Director Kuijvenhoven felt the entire discussion about the motion he had brought to the board was not represented as per his request. Director Kuijvenhoven stated that the motion was seconded, the motion was not 'tabled' but rather 'continuance of a motion'. After discussion this will be reviewed and resubmitted on the agenda of the May 24, 2012 BOD meeting.

Recognition of Service: Rob Omer, John Kuijvenhoven and Bob Cooling for their years of service on the MRD Board of Directors.

Presentations of plaques by members Director Davis to Omer, Director McCombs to Kuijvenhoven and Ken to Director Cooling.

Open Forum

Nothing was brought up.

Director Omer adjourned the meeting at 9:07 p.m

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, May 24th, 2012
(Approved unanimously at the 06.28.12 board meeting)**

Board Members

Kevin Davis
Barbara Bynum
Tisha McCombs
Urban Walker
John Pope
Jason Ullmann

Staff Members

Ken Sherbenou
Cos Sisneros
Cindy Marino
Gary Shearer
Tracie Rief

Guests

Judy Lokey
Mike Brown
Heather Darbe

Call to order, Roll Call

Vice President Davis called the May 24th, 2012 BOD meeting to order at 5:32 p.m. Directors Davis, McCombs, Pope and Walker were present as well as soon to be Directors Ullmann and Bynum.

Oath of Office for new Board Members

Director Davis welcomed our two new members, Barbara Bynum and Jason Ullmann. Barbara Bynum and Jason Ullmann proceeded to take their Oath of Office.

Open Forum

There was nothing brought up in open forum

Vacant seat on the MRD Board and Interviews of interested individuals

Director Davis asked each board member to ask a question to each candidate. Judy Lokey was the first candidate to be interviewed. Each board member read her application and is familiar with Ms Lokey.

Ms. Lokey stated her interest in joining the MRD Board began with her involvement in the campaign for Measure A. Although this did not pass, she has strong feelings of Montrose's needs for a recreation center. She served on many boards in our community and has a great deal of experience serving as a volunteer for the benefit of the community. Ms Lokey's passion resides in the importance of all aspects of a recreation center for this community. She stated that she has little background in financial matters but has been actively involved in all aspects on the boards she has served and is certainly more than willing to learn. She has raised her family in Montrose and utilized numerous programs in the past with Montrose Recreation District. She continues to be very physically active and feels she has a great deal to offer. Ms. Lokey is retired but very busy with part-time work and board commitments. However, she said that she still is very flexible and has enough time to devote to MRD responsibilities.

Election of New Officers

Director Davis moved to the election of new officers since the meeting was running ahead of schedule. Director Bynum made a motion to elect Kevin Davis as President. This was seconded by Director Walker. Without further discussion, this passed unanimously. Director Ullmann nominated John Pope to be Vice President. This was seconded by Director McCombs. Without further discussion, this passed unanimously.

Director Pope nominated Tisha McCombs to Secretary. This motion was seconded by Director Bynum. Without further discussion, this passed unanimously.

Vacant seat on the MRD Board and Interviews of interested individuals: continued

Director Davis introduced the next candidate to fill the board vacancy, Heather Darbe. Her interest in becoming a member of MRD Board is because of her passion for fitness and health as well as her desire to serve the community. Ms. Darbe has participated and helped to organize activities such as Girl Scouts, Breast Cancer Walk/Relay for Life. Her interest lies in the financial aspect of the recreation district. She feels she would be flexible to attend monthly meetings and help as needed.

Director Davis introduced the next candidate, Mike Brown. His interest in becoming a member of the MRD Board is his passion to help meet the needs of this community in health and fitness and the desire to have a Recreation Center. Mr. Brown is a new community member. On arriving to Montrose one year ago, he attended a public meeting to hear about the proposed recreation center. With his past experience as a teacher, coach, active retiree and a new resident to the community, he can bring to the table a new and different perspective on many issues. Mr. Brown stated that he has lots of energy and is still the young at heart and wants to channel his time and energy to MRD.

The executive committee will have a follow up interview with the candidates next week and bring a recommendation to the board.

Committee Updates and Assignments

Executive Director Ken Sherbenou explained the committee assignments and responsibilities, noting suggestions he made regarding new board members. Ken also thinks it would be better to have key staff on each committee, but not every member of the full time staff. The Outreach Committee will be Directors Walker and Davis, Administrative will be Directors Davis and Pope, Finance will be Director McCombs. MRD Finance Manager Gary Shearer also likes having a volunteer advisor. Gary gave the example of Bruce Panter, former Director and current banker at Wells Fargo, to refer to regarding finances. The Growth Committee Directors would be Bynum and Ullmann. At this time, the only committee discussion was with the Outreach Committee and plans for Main in Motion and supporting the Pro Cycling Tour coming to Montrose.

Discussion of Growth

Ken discussed some of the issues the committee will be tackling. He said there will be a meeting with the Growth Committee to help map out where we will be going from this day forward. This will then be presented to the board for ideas and recommendations.

Draft State of Play Report

Ken explained that this report is the 2nd Annual Report for MRD. A summary of the report is printed on a simple handout book marker, with key stats and issues relating to MRD. There is also a ten page report with great detail. This full report shows MRD's level of service, discusses MRD finances, mentions some accomplishments and describes some of the key challenges facing the district. We presented our 1st Annual Report last year to organizations throughout the community, on our website and in email database.

Presentations will likely be scaled back but other avenues for getting this information into the hands of the community will be pursued. This is an effort to encourage increased transparency, accountability and connection with the community. This is on the agenda for feedback from the Directors.

This will be converted to a power point presentation and take it on the road to organizations in an effort to increase transparency accountability and connection to the community. Director Pope asked if this is used in house for research to develop plans for the future of certain programs. Ken responded saying these numbers are used in annual evaluations, with each person's impact on cost recovery and level of service described.

Director Pope also suggested cleaning up the report by removing zeros and programs that are not offered any longer. Director Pope further inquired if MRD can find additional ways to market and tweak what we are offering. Recreation Coordinator Justin Mashburn responded he and other staff members search for different programs and ideas online and, during the CPRA meetings, there is the chance to visit with other coordinators and exchange ideas.

7:00 p.m. Director Davis excused himself.

Vice President Pope began presiding over the meeting.

Resolution 2012-3 supporting the continued allocation of lottery proceeds to Great Outdoors Colorado and the Conservation Trust Fund to support parks and recreation in Colorado

Ken referred the board the copy of this resolution in the board packet. This resolution is similar to what most Parks and Rec agencies are passing. During this year's legislative session, there were bills prescribing to divert lottery proceeds away resources from GOCO. This resolution provides support to the Colorado Parks and Recreation Association in their efforts to preserve the historic distribution of lottery proceeds. Director Bynum made a motion to pass this resolution, which was seconded by Director McCombs. With no further discussion, the motion passed unanimously.

Resolution 2012-4 regarding merit Based pay Incentives and Original merit Based Pay Incentives Resolution Passed 12.1.11

Ken said the board passed a resolution on 12.1.11 and is recommending this new Resolution 2012-4 replace the 12.1.11 resolution. That resolution stated a cost recovery level of 35% be met in order for staff to receive a pay increase. Full time staff members have not seen an increase in pay for four years. Since then, the board changed policy and began factoring in depreciation into the cost recovery equation. Consequently, the board passed a resolution to lower the mandatory cost-recovery level by 1%. The board mandated the cost recovery to be approved as it stands, 34%. In review of the 12.1.11 resolution regarding merit based pay, Ken realized this metric was left at 35%.

Resolution 2012-4 would move the cost recovery number to be in line with what the board mandated for budgets to be approved. Board members responded that there is a need for a work session; they need to research and evaluate to review the entire picture. Directors Bynum and Ullmann along with other stated their believe that we need to focus on other factors for staff evaluations, not just cost recovery. The board tabled this resolution.

Schedule of Board meetings, remainder of 2012

Staff members expressed concern about board meetings interfering with MRD programs and asked this be taken into consideration in scheduling board meetings. Director Pope expressed his recommendation to move to a lunch time board meeting schedule. Director McCombs also prefers moving to noon. Director Ullmann made a motion to move the BOD Meetings to happen from 11:30am to 1:00pm on the currently scheduled dates in the Omni Room, at the Aquatic Center. when conflicts with programs arise, the meeting date or location shall be changed. The motion was seconded by Director Bynum, which then passed unanimously. Additional discussion included if we do have a program or a day long rental, the meeting should be moved to either the McNeil Office or other available location.

Inter-Governmental Agreement (IGA) between the RE-1J Montrose County School District and the Montrose Rec District (MRD) regarding facility shared use 2012-2013

Ken went over the MOU included in the board packet and recommended board approval. Ken also referenced the document included in the board packet that summarized past usage between the school district and MRD. This MOU ensures shared use of the community's facilities.

This agreement was in effect for a full year and the relationship among the agencies improved and has been highly successful. RE-1J and MRD staff members worked well to accommodate and schedule usage of the pool, softball fields, gyms and class rooms. The differences from the original MOU involve in the inclusion of RE-1J facilities as the site for MRD's summer enrichment and indoor soccer. Additionally, MRD will pay RE-1J \$250 annually to help with equipment costs at the High School climbing wall. A motion was made by Director Bynum to approve the IGA, which was seconded by Director Ullmann. Without further discussion the motion passed unanimously.

Presentation on Youth Activities from Justin Mashburn, Recreation Coordinator

Justin discussed the highlights, both strengths and challenges, experienced in youth programs.

Financials for the Board

Gary discussed the board balance sheet and monthly report. Director Bynum would like to have a meeting so that the MRD budgeting procedure could be explained to the newer board members, so they will be able to understand the system.

Executive Director Update

Included in the board packet.

Approval of 3.21.12 and 4.26.12 BOD Meeting minutes

Director Bynum made a motion to approve the 4.26.12 meeting minutes, which was seconded by Director McCombs, with the exception of a misspelled name, Judy Lokey. Without further discussion, it was passed unanimously.

The board discussed format of the meeting minutes. Ken's recommendation was to focus on actions and not too much on detail, an approach that met with the approval of the board.

Director Bynum made a motion to approve the revised 3.21.12 BOD Meeting Minutes, which was seconded by Director Bynum. Without further discussion, it was passed unanimously.

Director Bynum made a motion to amend the agenda, to include an Executive Session. Under C.R.S. Section 24-6-402 (4) (4) (a) to discuss matters relative to the appointment of the 7th board member. The motion was seconded by Director Ullmann. Without further discussion, it passed unanimously.

Director Bynum made a motion to go into Executive Session, Under C.R.S. Section 24-6-402 (4) (4) (a) to discuss matters relative to the appointment of the 7th board member. The motion was seconded by Director McCombs. Without further discussion, it passed unanimously.

8:10 p.m. The board went into executive session.

At 8:40 p.m., regular session resumed. The board stated that it did not deviate from the stated purpose of the executive session.

The board meeting then adjourned.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, June 1, 2012, 7:30am
(Approved unanimously at the 06.28.12 board meeting)**

Board Members

Kevin Davis
Barbara Bynum
Tisha McCombs
John Pope
Jason Ullmann
Urban Walker-Excused

Staff Members

Ken Sherbenou

Guests

Board President Kevin Davis called the June 1st, 2012 Board of Directors meeting to order at 7:44 a.m. Roll was taken; Director Walker was excused and Director Ullmann joined later in the meeting.

Discussion of appointment of the vacancy on the Board of Directors

The Executive Committee of the Board conducted follow-up interviews and further discussed the candidates. This board committee then recommended to appoint Mike Brown. The board stated that they were fortunate to have three strong candidates who would all be good choices for filling the vacancy on the Board. However, the committee felt Mr. Brown would be the best fit at this time.

A motion was made to nominate and appoint Mike Brown to fill the current vacancy on the MRD Board of Directors by Director Pope. The motion was seconded by Director McCombs. Without further discussion, the motion passed unanimously.

Open Forum

A short discussion happened about the possibility of different entities in Montrose working to combine efforts to better the overall community. Topics discussed included Little League, IT Support, a joint Visitor and Recreation Center and field maintenance.

Director Davis adjourned the meeting at 8:03 a.m.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, June 28, 2012
(Approved unanimously at the 7.26.12 board meeting)**

Board Members

Kevin Davis
Barbara Bynum
Tisha McCombs
Urban Walker-excused
John Pope
Mike Brown
Jason Ullmann-excused

Staff Members

Ken Sherbenou
Cos Sisneros
Cindy Marino
Gary Shearer
Justin Mashburn
Tracie Rief
Liz Gracesun
Tom Thomas
Vicki Lucero

Guests

Steve Ness
Kerwin Jensen
Casey Jensen
Joel McReynolds
Don Moreland

Call to order, Roll Call

President Davis called the June 28, 2012 BOD meeting to order at 11:32 a.m.

Open Forum

There was nothing brought up in open forum.

Oath of Office for new Board Member.

Director Davis welcomed new member Mike Brown. He then proceeded to administer the Oath of Office.

Kerwin Jensen, City of Montrose, Community Planning Director, Growth Trends in Montrose

Mr. Jensen gave a short power point presentation to provide a snapshot of population and demographic trends. In attendance were two guests, Joel McReynolds and Casey Jensen. Mr. McReynolds is an undergraduate student from the University of Wisconsin. He is working this summer with the City for his internship.

The presentation gave an overview of the Montrose population from 1882, when Montrose was incorporated, to the present.

Executive Director Ken Sherbenou and Mr. Jensen have been in discussions regarding collaborating for a GOCO grant proposal to be submitted this fall. Both the City and MRD had applied individually and were denied. With feedback from the GOCO reviews, it was decided that combining applications would increase the chance for success.

The fall application is due August 29. However, staff will be working together to submit a draft for GOCO to review in advance of the deadline. Comments from GOCO will then allow the application to be further reformed. Director McCombs will attend the City work session and Council meeting with Sherbenou to help forge the partnership.

Facilities Proposal by Steve Ness, Montrose Athletic Club

Steve Ness asked to speak to the board. He proposed MRD purchase the property that was formerly the Montrose Athletic Club. Mr. Ness believed MRD should remodel the building and build an indoor soccer field on the property. Ken stated the idea was reviewed previously but that the growth committee would give it another look.

Don Moreland presentation of the MRD audit

Mr. Moreland handed out the Montrose Recreation District Financial Statements and Independent Auditor's Report, December 31, 2011, for the fiscal year of 2011. Mr. Moreland pointed out a few important facts including the overall strong growth in all MRD funds. He stated MRD has indeed been very fiscally responsible by cutting expenses, primarily, and increasing operating revenues, secondarily.

President Davis made a motion to amend the agenda to include a presentation from Tom Thomas, Recreation Coordinator. The motion was seconded by Director Pope. Without further discussion, the motion passed unanimously.

Adult Activities Presentation

Tom gave each BOD member a handout that outlined his responsibilities, reviewed his programs, described the challenges he is presented with and mentioned goals for the future. MRD has seen a drop in numbers for Adult participation. Mr. Thomas believes the District needs to invest in improvements of all facilities including the athletic fields.

Service Plan Motion

In March 2012, the Board passed a motion that the Montrose Recreation District adopt a voter approved Service Plan. Ken Sherbenou spoke with several attorneys including MRD's general council David Reed. Also, Director Pope pointed out it was mentioned at the Special District Association board member training he recently attended. At this workshop, James Collins, a preeminent special district attorney from Collins, Cockrel and Cole P.C., stated that special districts formed before 1965 do not need to have a service plan. MRD was formed in 1956.

Director Pope also mentioned concerns shared with MRD by Mr. Reed and Kim Crawford, bond council from Sherman and Howard, about being able to secure financing if this motion stands as policy.

For these reasons, Ken recommended the board rescind the motion. Director Bynum made a motion to rescind the March 21, 2012 motion in regards to a Service Plan. The motion was seconded by Director McCombs. Without further discussion, the motion passed unanimously.

MRD District Bylaws

Previously, the board and the director were working to create their own board member manual. This would basically serve as the MRD bylaws. At the SDA workshop, MRD received was a SDA recommended bylaws. Ken recommended the board approve the model bylaws, slightly reformed to fit MRD. This would provide a way to govern board meetings, define board responsibilities and staff responsibilities and give guidance for proper board and staff interaction.

Director Davis asked that the board review the manual to be voted on at a future meeting. Director Pope made a motion to table this discussion to the next scheduled meeting. The motion was seconded by Director Bynum. The motion passed unanimously without further discussion.

Committee Updates and Assignments:

Outreach: Director Davis stated that the next meeting is July 9th, 9a.m. at Coffee Trader. He described how the Rec District has a table at Main In Motion every week. Any board members who would like to help engage with the public, please contact Ken or Administrative Services Specialist Vicki Lucero.

Administrative: Director Pope did not have anything additional to add beyond what was already discussed.

Finance: Director McCombs stated there was nothing to report.

Growth: Director Bynum and Ullmann met with Ken. They came up with a couple items they felt the board should be focusing on in terms of growth. The forming of a non-profit foundation is a high priority to work hand in hand with the Rec District. This foundation can work towards raising scholarship dollars and capitol improvement funds. The second recommendation to the board is the board put a priority on the purchase of land for the future growth of MRD. Whether this land is used for fields or indoor facilities, the committee felt the need to acquire land to further growth objectives. The third is to pursue partnerships.

Financials for the Board

Gary Shearer, MRD Finance Director, went over the board financials packet. The board requested a work session to improve their knowledge and understanding of how MRD financial reports are made and what they need to be looking for when they are reading them. This was scheduled for July 12th at 7am.

Executive Director Update

Ken briefly reviewed his update, some of which had been touched on already. Ken concluded by presenting Recreation Program Manager Cos Sisneros with a certificate to commemorate his 37 years of service.

Director Bynum made a motion to approve the 5.24.12 and 6.1.12 BOD meeting minutes. The motion was seconded by Director Pope. Without further discussion, it was passed unanimously.

President Davis made a motion to adjourn the meeting. The motion was seconded by Director Pope. The motion passed unanimously without further discussion at 1:35 p.m. The meeting was adjourned.

**Montrose Recreation District
Special Meeting of the Board of Directors
Thursday, July 12, 2012, 7:00am
Meeting Minutes
(Approval to be considered at the 07.25.12 board meeting)**

Board Members

Kevin Davis
Barbara Bynum
Tisha McCombs
John Pope
Jason Ullmann
Mike Brown
Urban Walker-Excused

Staff Members

Ken Sherbenou
Gary Shearer

Guests

Board President Kevin Davis called the July 12th, 2012 Board of Directors meeting to order at 7:14 a.m. Roll was taken; Director Walker was excused and Director Ullmann joined later in the meeting.

Finance Work Session

Finance Manager Gary Shearer provided a general overview of MRD finances, taking questions from board members along the way. He also covered, line by line, the board monthly financial report.

Open Forum

A short discussion happened about a few topics, which Executive Director Ken Sherbenou brought up. These included Board member engagement on two projects: Livewell Montrose and the Energy Systems Retrofit. Barbara Bynum and John Pope will serve on the Livewell Montrose Coalition. Mike Brown and Jason Ullmann will work on the proposed retrofit of the energy systems at the Aquatic center.

The pool vacuum was also discussed and it was decided to move forward with purchasing the vacuum staff recommended.

Director Davis adjourned the meeting at 8:25 a.m.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, July 26th, 2012
(Approved unanimously at the 8.23.12 board meeting)**

Board Members

Kevin Davis
Jason Ullmann
John Pope
Urban Walker
Mike Brown
Barbara Bynum-excused
Tisha McCombs-excused

Staff Members

Ken Sherbenou
Cos Sisneros
Cindy Marino
Liz Gracesun
Joe Cruz
Miguel Lopez
Vicki Lucero
Tracie Rief

Guests

Cathryn Peterson
Paul Bony
Kirk Henwood
Buzz Johnson
Susan Bony
Kjersten Davis
Kern White

Call to order, Roll Call

Board President Kevin Davis called the July 26th, 2012 BOD meeting to order at 11:33 a.m. Roll was taken; Directors Bynum and McCombs were both excused.

Open Forum

There was nothing presented.

Director Davis made a motion to amend the agenda to have a presentation from Kjersten Davis and Kirk Henwood, REJ-1 State of the District. The motion was seconded by Director Pope; the motion passed unanimously without further discussion.

Davis and Henwood presented an informative PowerPoint about the challenges facing the Montrose County School District.

Aquatic Center Energy Systems Retrofit Presentation

Paul Bony, Director of Residential Market Development of Climate Master, gave a presentation in conjunction with Bright Leaf of Montrose. This was a proposal to complete a Geothermal, Solar Retrofit for the Aquatic Center.

Director Ullmann made the following motion:

To authorize an engineering study that will be paid for by Bright Leaf Technologies, to determine the estimated cost and size of the system needed for this energy services contract. The Montrose Recreation District agrees to move forward with the proposed project if the engineering study identifies that a project that can provide 10% savings on gas and electric utility bills at no capital cost to the Recreation District. And that a long term power purchase agreement with the corporation to be created for the purpose of this project that can be formulated that is acceptable to the MRD Board and that Corporation.

The motion was seconded by Director Brown. After a short discussion, the motion passed unanimously.

Director Davis declared a 5 minute break

City-MRD Joint GOCO (Great Outdoors Colorado) Grant proposal: Whitewater park, river trail and field renovation

Executive Director Ken Sherbenou explains the joint GOCO Grant and the reason to apply jointly with the City of Montrose. Enclosed in the packet is a draft of Intergovernmental Agreement; at this time Sherbenou is recommending a motion to approve moving forward. Director Davis made a motion to continue with the GOCO application and IGA with the City of Montrose. Director Pope seconded the motion; without further discussion the motion passed unanimously. Sherbenou making mention that Tuesday, July 31 there is a joint meeting of boards from City Council, County Commissioners and MRD Board of Directors to discuss GOCO partnerships.

Director Ullmann made a motion to amend the agenda to move the MRD Bylaws discussion to the August 2012 meeting. The motion was seconded by Director Davis. Without further discussion, the motion passed unanimously.

Presentation by Cindy Marino, 50+ and Fitness/Wellness Recreation Coordinator

Committee Updates and Assignments

Outreach: Director Davis, Director Walker and Vicki Lucero, Administrative Services Specialist for MRD had a meeting prior to the BOD meeting this a.m. Discussion of bettering their outreach to the community. Suggestions at the meeting included attending council meetings, board of county commission meetings and possibly the hospital board. Lucero also discussed MRD involvement in the upcoming Pro Cycle event coming to Montrose in August.

Administrative: Director Pope and Davis have met and discussed reevaluating the employee bonus/raise structure that is in place. They are hoping to finalize this in next few weeks and present to the board.

Finance: Nothing to report

Growth: Sherbenou reported they did have a meeting. Liz Gracesun, Aquatics Activities Coordinator and Justin Mashburn, Youth Recreation Coordinator are also involved with the Growth Committee. They met with a group that own 350 acres off of Niagara Road. They were presenting the building of a rec center as part of their multipurpose development; the committee did not believe this should be pursued. The committee discussed land acquisition and work on 501C3 foundation. The group is also looking into an opportunity for the Russell Stover's retail building being purchased and moved, which will be explored further.

Financials of the board:

The board had been given a budget workshop, which has been helpful with understanding MRD balance sheet and budgets. There were no further comments.

Executive Director Update

Sherbenou asked if there were any questions. Due to the time constraint he did not elaborate on his report.

Director Davis made a motion to approve the 6.28.12 and 7.12.12 BOD Meeting Minutes. Director Pope seconded the motion. Director Walker asked about Steve Ness, since no title was with his name. The motion was passed unanimously with the minutes as presented.

Director Davis made a presentation to Sherbenou, with a certification of appreciation. July 12 was his 2nd anniversary with MRD.

Director Pope made a motion to adjourn the meeting, which was seconded by Director Davis. Without further discussion, the motion passed unanimously at 1:55 p.m.

**Montrose Recreation District
Special Meeting of the Board of Directors
Thursday, July 31, 2012, 5:00pm
Meeting Minutes
(Approved unanimously at the 8.23.12 board meeting)**

Board Members

Kevin Davis
Tisha McCombs
John Pope
Mike Brown
Urban Walker-Excused
Barbara Bynum-Excused
Jason Ullmann-Excused

Staff Members

Guests

The City convened a joint work session with the MRD board of directors, the City Council and the County Commissioners at the City Council Building at 107 S. Cascade Ave. At the meeting, Great Outdoor Colorado grants were discussed generally. The joint application to be submitted by the City and the Montrose Recreation District was also discussed.

The full recording of the meeting is available from the City of Montrose.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, August 23rd, 2012
(Approved unanimously at the 10.25.12 board meeting)**

Board Members

Kevin Davis
John Pope
Barbara Bynum
Urban Walker-absent
Mike Brown
Jason Ullman
Tisha McCombs

Staff Members

Ken Sherbenou	Lorie Orme
Vicki Lucero	Joe Cruz
Justin Mashburn	Liz Gracesun
Miguel Lopez	Tom Thomas
Gary Shearer	Tracie Rief
Melissa Lords	

Board President, Director Davis called the August 23rd, 2012 Board of Directors meeting to order at 11:33am. Roll was taken. Director Walker was absent.

Open Forum

Executive Director Ken Sherbenou introduced staff members to ensure the Board knew members of staff.

MRD District Bylaws

A few years ago, the Executive Director and the Board were making their own version of the bylaws. They had the input from at least two attorneys in this process. Recently after attending a special district board member training, Director Pope and Ken obtained a copy of the Special District Association (SDA) model bylaws. This was written by the law firm of Collins Cockrel and Cole, experts in special district law.

MRD has inserted its information into this template and made a few additional changes to fit MRD. These bylaws are in direct compatibility with the board handbook, also produced by the SDA. Ken recommended Board approval with any changes they see fit. Director Ullmann suggested removing references to the Board treasurer. He further suggested a few other changes be inserted regarding how the board is run. Prior to the next board meeting, the bylaws will be reviewed and these changes made. This item was then tabled for future consideration.

Presentations by Liz Gracesun, Aquatics Activities Coordinator

Liz discussed her programs highlighting her participation numbers and also the facilities challenges faced with an aging Aquatic center. This led to the scheduling of a special meeting of the Board during the Annual Maintenance closure. This meeting would involve the Board touring the Aquatic center while the indoor pool is empty so that a closer look may happen as to the condition of the pool. The press and public will also be invited so the community can get a better understanding as to the reason the community is in need of a new facility.

Committee Updates

Outreach Committee: Director Davis noted the efforts of Administrative Services Specialist Vicki Lucero did for the Pro Cycle Tour. Director Davis further said they we will have representation at the Board of County Commissioners (BOCC) and/or City Council Meetings in the future. Director Davis and Ken recently attended the BOCC Meeting.

Executive Committee of the Board: Director Davis discussed the recent meeting that consisted of how to collaborate better with the city, updating the personal manual, discussing staff compensation, and issues in the Aquatic center.

Finance Committee: Director McCombs reminded the board about the special board meeting where the new board had a workshop specific on finance. She described that the whole board felt full responsibility for finance, rather than just two board members on a committee. Given this general feeling on the part of the Board, Director Ullmann made a motion to dissolve the Finance Committee. The motion was seconded by Director Bynum; the motion passed unanimously.

Growth Committee: Director Ullmann said they had a meeting to discuss next steps.

Energy Committee: Director Pope and Director Brown visited Bright Leaf. They recommended all Board members do this. Ken met with Energy Systems retrofit group and determined two potential sites for the solar-geothermal equipment.

Financials for the Board

Gary Shearer, Finance Manager, asked if anyone needed further clarifications of the enclosed balance sheet and monthly budget report.

Executive Director Update

Ken provided a list of current projects and priorities. Ken wanted to look at DOLA for potential funding. Director Ullmann would like us to reconsider; just because there is money out there does not mean we need to go after it. Ken did a quick run-down of his updated. Director Bynum volunteered to write the next letter for the next Activity Guide. Ken noted staff recognition for the quarter: full time was Lorie Orme, part time was Andy Gallegos and the volunteer of the quarter was Tom Lange. Anniversaries celebrated are Melissa Lords for three years, Justin Mashburn for seven years and Tom Thomas for twenty years of full time employment.

Approval of the 7.26.12 and 7.31.12 BOD Meeting Minutes

Director Pope made a motion to pass 7.26.12 and 7.31.12 meeting minutes. The motion was seconded by Director Ullmann. The motion passed unanimously without further discussion.

Resolution 2012-5 Regarding Merit Based Pay Incentives

Director Sherbenou recommended an Executive Session for this discussion. Director Davis made a motion to amend the agenda to include an executive Session for the discussion of Merit Based Pay Incentives. This motion was seconded by Director Pope. After a short discussion, the motion passed unanimously. Director Bynum made a motion under C.R.S. Section 24-6-402 (4)(f) matters relative to the discussion of merit Based Pay Incentives. The motion was seconded by Director Davis. Without further discussion the motion passed unanimously and the board entered executive session.

At 1:35pm, the board returned to open session. Director Davis stated the board did not deviate from the stated purposes of the executive session.

The Board then tabled Resolution 2012-5 Regarding Merit Based Pay Incentives until the next board meeting.

The Board meeting then adjourned at 1:38pm

**Montrose Recreation District
Board of Directors Meeting Minutes
Special Board Meeting
Thursday, September 5th, 2012 at 11:30am
Aquatic Center
25 Colorado Avenue
Montrose CO**

(Approved unanimously at the 10.25.12 board meeting)

Board Members

Kevin Davis
John Pope
Barbara Bynum
Tisha McCombs
Urban Walker
Mike Brown
Jason Ullmann

Staff Members

Ken Sherbenou
Liz Gracesun
Joe Cruz
Liz Gracesun
Miguel Lopez
Melissa Lords

Guests

Several members of the
public joined the tour

Board President, Director Davis called the September 5th, 2012 Board of Directors meeting to order at 11:35am.

The Board of Directors and Aquatic center staff members led attendees through the aquatic center during the annual maintenance closure. The tour highlighted the mechanical issues facing the community's pool including the estimated repair and replacement costs.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, September 20, 2012 at 9am
Cobble Creek
699 Cobble Drive
Montrose CO**

(Approved unanimously at the 10.25.12 board meeting)

Board Members

Kevin Davis
John Pope
Barbara Bynum
Urban Walker
Mike Brown
Jason Ullmann
Tisha McCombs

Staff Members

Ken Sherbenou Lorie Orme
Vicki Lucero Joe Cruz
Justin Mashburn Liz Gracesun
Miguel Lopez Tom Thomas
Gary Shearer Tracie Rief
Melissa Lords Wade Ploussard
Coz Sisneros Cindy Marino
Dennis O'Connor

Board President, Director Davis called the August 23rd, 2012 Board of Directors meeting to order at 9:00am, roll was taken. All board members were present with the exception of Director Ullmann who was set to arrive shortly. The board met in the morning to discuss objectives for the organization. The staff joined in the afternoon. Below are notes taken from the individual breakout sessions that discussed needs in different parts of the organization:

Adult Programming

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • New bathrooms at fields • Seating at gym and soccer field • Signage • Weight equipment • Money for marketing • Racquetball • Sponsor banners on fields • Softball field/lightening? • Indoor turf • Dance classes/dances • Indoor walking track • New logo-plan combined for better participation & revs • Pool | <ul style="list-style-type: none"> • Dry land classes/drop in • Transportation/host tournaments (have ability to haul the teams) • Hiking club for women • Expanded adult programs • All fields scoreboards • 3 tier adult programs (rate activities group 1 25yr-40, group 2 40-60, group 3 60+) • (Attract the younger baby boomer) • Combine facilities to attract families, adults, couples and friends • Early activities-am (need facility) • Add Daycare to activities • Match.com stuff-single mingle sports | <ul style="list-style-type: none"> • Allow beer at outdoor programs • Reinvest/upgrade outdoor facilities • Re-purpose/upgrade Holly park tennis courts /fields • Lighted multi-purpose fields • Increase collaboration with Chamber • Plan & market tournaments to other towns • New locations for outdoor adult activities, enough room to expand=will increase money and decrease fees • Fast pitch batting cages • Officials training through CMU • Bigger awards (more recognition) • Simulated golf and other sports |
|---|---|---|

Customer Service

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| <ul style="list-style-type: none"> • More friendly staff • Better communication between coordinators and front desk • Use of technology • More training • Better knowledge of activities within and outside Rec Programming • Leadership presence-internally & externally | <ul style="list-style-type: none"> • Internal cooperation • Updated computers & software (registration and online marketing) • Lobby with Wi-Fi, tables & chairs • Redesign website-user friendly, increased participation • Registration kiosk in lobby and around town • New locker rooms-bigger with more amenities & privacy | <ul style="list-style-type: none"> • Better registration software • Phone head sets • Slick page activity guide • Stat survey to determine community perception and priorities • Phone id on cards • More information on non MRD rec programs • Better front desk facilities • New lobby- with coffee bar |
|---|--|---|

Maintenance

- New Maintenance Shop, New maintenance shop, new maintenance shop (per Dennis)
- Currently shared with program storage
- Much equipment stored outside during winter
- Things stored in many different places
- Holly Park Tennis Courts total upgrade to Holly Park
- Holly Park new building
- New truck & mower-next 5 years
- Tennis courts and aquatic center resurfacing
- Another full time maintenance staff- could possibly eliminate 2 part time jobs
- Softball fields updated
- Soccer fields updated
- New sand filter or POOL
- New pumps @ fields-irrigation
- Storage facility @ pool
- PA system @ aquatic center/acoustic upgrades-increase customer satisfaction
- Commercial grade laundry facilities
- Capital equipment replacement plan-admin (expect high cost replacements)
- Additional full time/seasonal maintenance staff
- Develop & improve regular maintenance on equip & facility
- Training opportunities in care of outdoor facilities
- Maintenance manual /outline/checklists/scorecard

Youth Programs

- Ice rink-more program, i.e. hockey, skating lessons, more money and participation
- Rec Center with Gym
- More staff
- Drama program & facilities
- Improved amenities at fields—people enjoy going to games
- Batting cages (Holly renovation)
- More fields-spread out programs, increase participation
- Outdoor basketball & handball courts (Holly renovation)
- Water Park
- Equipment-lacrosse, sound equipment
- Indoor field hours, soccer, lacrosse, etc.
- Dedicated youth softball/baseball fields
- Youth program storage-dedicated teen space
- Pickle ball
- Foam pits, trampoline and bounce houses
- Game room (ping pong, foosball, etc.)
- Climbing wall
- Dedicated after school staff-guided activities=charge session fees
- Daycare
- Transportation
- All day summer programs
- Music program
- Full day program for teacher workdays

Aquatic Center (current)

- Add fitness equipment to balcony area
- Increases revenue
- New participation
- Walk in participation
- Increase community wellness
- Replace all aging equipment
- Decreases staff costs
- Increase life of pool
- Increase efficiency
- Increase safety
- More user friendly
- Open prime time to public not Marlin/MHS
- Increases revenue
- Increase customer service
- Increased community events (dog, Hispanic, summer kickoff, toddlers, dances, movie nights)
- Identifies new participants
- Increases community collaboration
- Enclose outdoor slide, splash pad etc.
- Year round use
- Increase revenues
- Increase winter participation
- Special needs amenities & hours
- Switch locker rooms
- Vacant land to east of aquatic center field house
- Outdoor amenities- Park, courts, picnic
- Full time pool maintenance staff
- Replaster & tile pool
- Fifty Plus Coordinator
- 3 tier adult programs (rate activities group 1 25yr-40, group 2 40-60, group 3 60+)
- (Attract the younger baby boomer)
- Savvy senior programs
- Increase age from 50 to be considered senior
- New Aquatic Pool
- Separate lap pool
- Zero depth entry
- Lazy River
- Therapy pool
- Indoor slide
- Warm water pool
- Salt water treatment
- Outdoor amenities, splash pad
- Sauna, steam room
- Diving well-separate
- Concession stand-seating for patrons-tables
- More shallow water or separate kids
- Bigger locker rooms
- More kid amenities
- Separate mechanicals for each pool
- Increase revenues
- Revamp schedule for Marlins/MHS
- Wave pool
- High diver
- Good ventilation
- Better reception area
- Climbing wall with drop into pool-Fruita

Admin

- Training liability prevention
- Software/computers improved employee relations, communication & collaboration
- Better furniture: happier and healthier staff members
- Duck \$\$ Community facility/MRD recognition
- Scholarship expand program participation
- Bilingual MRD Forms & info improve customer service & participation
- More full time CSR less turnover, improve customer service, less training cost
- Better pay, benefits
- Designated HR personnel increase efficiency when hiring
- Better distribution of management duties
- More time in specific areas
- New registration software
- Energy retro fit beyond solar/geothermal
- Bus for transportation
- Parks & rec specific training
- Mass mailing-newsletters in addition to online.

Responses to the question: What do you need from Ken?

Cos: I need more face to face communication. More one on one time.

Liz: I'd like more face time with Ken. We all want to be more involved. Delegate more.

Lorie: I'd like you to be more open-It felt like staff didn't count-we want a voice.

Joe: I'd like to get to know you better-let's talk about personal stuff sometimes.

Justin: I'd like to see you more at programs-more face time.

Melissa: More presence from you.

Tracie: I'd like to see you out of the office more. Say hello to all of us.

Dennis: I'd like to see you in the field sometimes, so you can see how we do things.

Wade: I'd like you to hold people accountable-stronger leadership

Tom: I'd like you to think things out better-I'd rather you not micro-manage my programs

Gary: I'd like you to control what you can-the budget is my deal-I know you're ultimately responsible but let me do my part.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, October 16th, 2012
(Approved unanimously at the 11.15.12 board meeting)**

Board Members

Kevin Davis
John Pope
Barbara Bynum
Urban Walker
Mike Brown
Tisha McCombs (joined later)

Staff Members

Ken Sherbenou
Cos Sisneros

Guests

David Reed
John Renfrow

Board President Davis called the October 25th Board of Directors meeting to order at 11:34 a.m.. Roll was taken and all board members except for Director Ullmann and Director McCombs. Director McCombs joined later in the meeting.

Open Forum

Director Davis offered open forum. Executive Director Ken Sherbenou provided a rubber duck to each board member as a part of the Recreation Center Capital Campaign. Ken also mentioned setting up individual meetings with board members.

REQUEST FOR EXECUTIVE SESSION

At 11:39am, a motion was made by Director Pope to go into Executive Session. Under C.R.S. Section 24-6-402 (4)(4)(a) matters relative to the acquisition of real property, 24-6-402(4)(b) for the purpose of receiving legal advice on a specific legal question, and 24-6-402(4)(e) for determining positions relative to matters that may be subject to negotiations. Director Bynum seconded the motion. Without further discussion the motion passed unanimously.

RETURN TO OPEN SESSION

At 12:25pm, the board returned to Open Session. Director Davis stated that the board did not deviate from the stated purposes of the Executive Session.

Property Acquisition Discussion

Director Pope made the following motion:

I, John Pope, hereby move that the MRD Board of Directors authorize the submittal of an offer to purchase the real property identified in the executive session, at the price and on the terms and conditions as discussed in the executive session. I further move that MRD General Counsel David Reed be authorized to draft and/or approve a Contract to Buy and Sell Real Estate and associated addendums in substantial conformity with the terms and conditions as discussed in the executive session and that President of the Board, Kevin Davis, be authorized to execute said contractual offer on behalf of MRD.

The motion was seconded by Director Brown. Without further discussion, the motion passed with all Directors present voting in the affirmative. Director Ullmann was absent and excused.

At 1:29pm, Director Davis made a motion to adjourn. Director Bynum seconded the motion. Without further discussion, the motion passed unanimously and the meeting adjourned.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, October 25th, 2012
(Approved unanimously at the 11.15.12 board meeting)**

Board Members

Kevin Davis
John Pope
Barbara Bynum
Urban Walker
Mike Brown
Jason Ullmann
Tisha McCombs

Staff Members

Ken Sherbenou
Cos Sisneros
Cindy Marino
Liz Gracesun
Tracie Rief

Guests

David Reed
Bill Bell
Virgil Turner

Board President Davis called the October 25th Board of Directors meeting to order at 11:32 a.m.. Roll was taken and all board members were present.

Open Forum

Director Davis offered open forum. Nothing was brought up.

Oaths of Office

Oaths of Office for Tisha McCombs and John Pope were administered.

2013 Preliminary Budget

Executive Director Ken Sherbenou described the budget process to the Board. He also added that included in their Board packet was bank statements that showed MRD account balances. Staff members have completed three revisions of the budget. The Board of Directors was given the latest revision and is asked to review the budget. The vote will take place at the regular December Board of Directors meeting.

Aquatic Center Energy Systems Retro-Fit

Ken updated the Board on the status of the project. The group working on the Retro-Fit proposal wants MRD to sign a non-disclosure/non-compete agreement before they continue. Attorneys David Reed and Bo Nerlin have reviewed the agreement and believe some changes are needed.

Director Ullmann met with Bright Leaf and some of the other collaborators on the project. He stated there are some costs associated with the project beyond what was previously described. They would like to propose some options to the Board. The first option would be they do the minimum amount of improvement by building geothermal and solar panels for the Phase 1 addition. This option would save us an estimated savings of 10%, approximately \$9,000/year, and there would be no upfront costs. The second option is MRD would be covering the costs of replacement of the major capital systems such as the boiler. They have stated they are not comfortable providing MRD the options without a disclosure signed. Director Ullmann made a motion to approve funds for legal review of the disclosure/non-competitive contract. Director Brown seconded the motion. The motion passed unanimously without further discussion.

Committee Updates

Outreach Committee: Director Davis stated they have not met since the past BOD Meeting. They will add a different staff member to this committee now that Vicki Lucero has resigned.

Executive Committee of the Board: Director Pope said there is nothing to report.

Non-Profit: Director McCombs stated they held their first meeting last night. Director McCombs stated it exceeded her expectations. There was a good turnout and people really want to be involved. There was excitement and a lot of interest and ideas. They have set a December meeting and are moving forward. Sherbenou added we are close to having the articles of incorporation and bylaws ready to be submitted.

Energy: This was covered earlier during Aquatic center Energy Systems Retro-fit discussion

Growth Committee: Director Bynum stated there is nothing at this time, but will have a discussion during the Executive Session of the Board meeting.

Financials for the Board

Finance Manager Gary Shearer included his narrative in the board packet. After a short discussion, there were no further questions.

Executive Director Update

Ken did a quick review of his enclosed document.

Approval of the 8.23.12, 9.5.12 and 9.20.12 BOD Meeting Minutes

Director Davis made a motion to pass 8.23.12, 9.5.12 and 9.20.12 meeting minutes. The motion was seconded by Director Pope and passed unanimously without further discussion.

REQUEST FOR EXECUTIVE SESSION

At 11:55am, a motion was made by Director Pope to go into Executive Session. Under C.R.S. Section 24-6-402 (4)(4)(a) matters relative to the acquisition of real property, 24-6-402(4)(b) for the purpose of receiving legal advice on a specific legal question, and 24-6-402(4)(e) for determining positions relative to matters that may be subject to negotiations. Director Ullmann seconded the motion. Without further discussion, the motion passed unanimously.

RETURN TO OPEN SESSION

At 1:25pm, the Board returned to Open Session. Director Davis stated that the board did not deviate from the stated purposes of the Executive Session.

Director Davis made a motion that the MRD Board of Directors to amend the property acquisition dated October 18th. I, Kevin Davis, move that the MRD Board of Directors ratify the offer to amended offer to purchase real property dated October 18, 2012 and accepted by the seller on October 18, 2012 which real property was identified in Executive Session at the October 6, 2012 Board meeting.

Director Bynum seconded the motion. Without further discussion, the motion passed unanimously.

Resolution 2012-5 Regarding Merit Based Pay Incentives

Director Bynum would like the wording changed in the resolution concerning merit based pay. After a short discussion, the Board decided salary increases should be associated with the performance rating and increases should be in accordance to the level. This revised resolution has five levels of rating.

A motion was made by Director Pope to adopt the Resolution 2012-5 Regarding Merit Based Pay Incentives if certain metrics are met in fiscal year 2012. The motion was seconded by Director McCombs. The motion passed unanimously without further discussion.

At 1:38pm, Director Bynum made a motion to adjourn. The motion was seconded by Director Davis. Without further discussion, the motion passed unanimously.

**Montrose Recreation District
Board of Directors Meeting Minutes
Tuesday, November 6th, 2012
(Approved unanimously at the 11.15.12 board meeting)**

Board Members

Kevin Davis
John Pope
Barbara Bynum
Urban Walker
Mike Brown
Jason Ullmann
Tisha McCombs

Staff Members

Ken Sherbenou

Guests

David Reed
Bill Bell
Virgil Turner

Board President Davis called the November 6th Board of Directors meeting to order at 11:34 a.m.. Roll was taken and all board members were present except Director Walker who was excused

Open Forum

Director Davis offered open forum. Ken discussed with the Board regarding fitness equipment in the pool balcony. The Board gave general direction to proceed with conducting a survey and continue refining what would work best in this area.

REQUEST FOR EXECUTIVE SESSION

At 11:50am, a motion was made by Director Pope to go into Executive Session. Under C.R.S. Section 24-6-402(4)(e) for determining positions relative to matters that may be subject to negotiations.

Director Ullmann seconded the motion. Without further discussion, the motion passed unanimously.

RETURN TO OPEN SESSION

At 12:06pm, the Board returned to Open Session. Director Davis stated that the board did not deviate from the stated purposes of the Executive Session.

Inter-Governmental Agreement (IGA) with the City of Montrose

Director Davis made a motion that the MRD Board of Directors adopts the Inter-Governmental Agreement (IGA) for Shared Services with the City of Montrose as written.

Director Bynum seconded the motion. Without further discussion, the motion passed unanimously. All Directors who were present voted in the affirmative. Director Walker was absent and excused.

At 12:08pm, Director Pope made a motion to adjourn. The motion was seconded by Director McCombs. Without further discussion, the motion passed unanimously.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, November 15, 2012
(Approved unanimously at the 12.6.12 board meeting)**

Board Members	Staff Members	Guests
Kevin Davis	Ken Sherbenou	Vicki Lucero
John Pope	Cos Sisneros	Joy Long
Barbara Bynum	Cindy Marino	Buzz Johnson
Urban Walker	Liz Gracesun	Susan Bony
Mike Brown	Tom Thomas	Kenneth Walter
Jason Ullmann	Justin Mashburn	
Tisha McCombs	Tracie Rief	

Board President, Director Davis called the November 15, 2012 Board of Directors meeting to order at 11:31 a.m. Roll was taken; all board members were present.

Open Forum

Director Davis stated there was nothing brought up in the Open Forum.

Recognition

Cindy Marino, 50+Activities Coordinator, introduced Joy Long as the Volunteer of the Quarter. Joy has donated hundreds of hours of time for many years. As a MRD volunteer, she has reached hundreds of seniors at the Senior Center by teaching ceramics for 11 years. Ken Sherbenou, Executive Director, introduced Vicki Lucero as the full-time Employee of the Quarter. Although Vicki has moved onto a different job in Montrose, she was a valued employee for four years. Nancy Lamar was not available. However, the Board recognized her as the Part-time Employee of the Quarter. Nancy teaches public and private lessons and manages the concession operations under the guidance of the Youth Coordinator/Concession Manager Justin Mashburn.

Director Davis made a motion to move the 2013 Preliminary Budget discussion to be held as item X. The motion was seconded by Director Pope. Without further discussion, the motion passed unanimously.

Committee Updates and Assignments

Outreach: Director Davis stated that now that they had assigned staff, there will be a scheduled meeting as there has not been one since the last board meeting.

Executive Committee of Board: Director Pope said there are no updates.

Administrative: Cos Sisneros, Recreation Program Manger, stated there are no updates.

Foundation: Director McCombs said they will have their next meeting on December 10th. Ken added the articles of incorporation and bylaws are being finalized. As for earning the 501c3 designation, this may take up to 12 months. Until this is accomplished, the group is investigating applying with the Montrose Community Foundation to serve as the foundation's fiscal sponsor.

Growth: Director Ullmann stated there has not been a meeting.

2013 Board Meeting and Holiday Schedule

Director Ullmann made a motion to adopt the 2013 Board Meeting Schedule as presented in the packet. The motion was seconded by Director Brown. Without further discussion, the motion passed unanimously.

Executive Director Update

Ken went over the enclosed list of updates he had since the last board meeting.

Approval of 10.6.12, 10.25.12 and 11.6.12 BOD Meeting Minutes

A motion was made by Director Pope to approve the meeting minutes. The motion was seconded by Director Bynum. Without further discussion, the motion passed unanimously.

Request for Executive Session

At 11:50a.m., Director Bynum made a motion to request an executive session under C.R.S. Section 24-6-402 (4)(4)(a) matters relative to the acquisition of real property and 24-6-402 (4)(e) for determining positions relative to matters that may be subject to negotiations. The motion stated that the following staff members be included in the discussion including: Sherbenou, Sisneros, Thomas, Gracesun, Marino and Rief as well as due diligence consultant Kenneth Walter, P.G. of Walter Environmental and Engineering Group Inc. Director Davis seconded the motion. Without further discussion, the motion passed unanimously.

RETURN TO OPEN SESSION

At 12:25pm, the board returned to Open Session. Director Davis stated that the board did not deviate from the stated purposes of the Executive Session.

Property Acquisition

A motion was made by Director Bynum that MRD does not move forward with Phase II environmental assessment regarding the Woodgate site. Director Pope seconded the motion. Without further discussion, the motion passed unanimously.

A motion was made by Director Ullmann that if there are additional costs to drill bore holes on the Riverwalk property beyond that which was stated in the initial scope of work, that MRD does not spend any more funds. The motion was seconded by Director Davis. The motion passed unanimously after a short discussion.

Aquatic Center Energy Systems Retro-fit

Susan Bony presented a power point to the Board. The presentation reviewed the Energy Systems Retro-fit design and options. After discussions and questions, Director Ullmann made a motion to express the interest of MRD in Option B as presented, subject to the review of the Power Purchase Agreement. The motion was seconded by Director Davis. Without further discussion, the motion passed unanimously.

2013 Preliminary Budget

Ken discussed the updated version of the 2013 budget. He explained most of the changes since the last budget presentation relate to shared services and the recently approved Inter-Governmental Agreement for Shared Services with the City of Montrose. Director Davis asked if there were any more questions on the budget, stating that the 2013 budget will be voted on at the December 6, 2012 meeting. A short discussion happened regarding the CIP (Capital Improvement Plan) budget. Ken stated that the capital budget is three times that of last year.

Director Pope made a motion to adjourn. The motion was seconded by Director Davis. Without further discussion, the motion passed unanimously.

**Montrose Recreation District
Special Meeting of the Board of Directors
Tuesday November 20, 2012, 7:00pm
Meeting Minutes
(Approved unanimously at the 12.6.12 board meeting)**

Board Members

Staff Members

Ken Sherbenou
Cos Sisneros

The City convened their regular City Council meeting. Included on the agenda was the Shared Services Inter-governmental agreement (IGA) between the City and the Montrose Recreation District. On November 6th, 2012 the MRD Board of Directors unanimously approved the IGA.

At this Council meeting, the City Council also unanimously approved the IGA.

The full recording of the meeting as well as meeting minutes is available from the City of Montrose.

**Montrose Recreation District
Board of Directors Meeting Minutes
Thursday, December 6th, 2012
(Approved unanimously at the 1.24.2013 board meeting)**

Board Members

Staff Members

Guests

Kevin Davis	Ken Sherbenou	Cathryn Saylor Peterson
John Pope-via Phone	Cos Sisneros	Laurie Brandt
Barbara Bynum	Tom Thomas	Dan Quigley
Urban Walker	Miguel Lopez	Joe Reese
Mike Brown	Tracie Rief	Chuck Musgrave
Jason Ullmann		Ken Walters
Tisha McCombs		

Board President Davis called the December 6, 2012 Board of Directors meeting to order at 11:32 a.m. Roll was taken. All board members were present with the exception of Director Pope. Director Pope attended via teleconference for some of the meeting.

Open Forum

Director Davis stated there was nothing brought up in the Open Forum.

Director Davis made a motion to amend the agenda to move item VI to item III. The motion was seconded by Director Ullmann. Without further discussion, the motion passed unanimously.

Aquatic Center Energy Systems Retro-fit

Director Davis introduced Cathryn Saylor Peterson, VP of Maxfield/Peterson P.C. She presented to the board a draft of their proposed energy services agreement contract. This would define the terms, the basis and how we would work together. The basic points were defined and Peterson explained her perspective on the contract. She then answered multiple questions during a lengthy discussion with board members. With the future use of this building uncertain, the board expressed serious doubt regarding entering into such a contract.

Request for Executive Session

At 11:55a.m., Director Bynum made a motion to request an executive session under C.R.S. Section 24-6-402 (4)(4)(a) to discuss matters relative to the acquisition of real property and 24-6-402 (4)(e) for determining positions relative to

matters that may be subject to negotiations. The motion stated that the following staff members be included in the discussion including: Sherbenou, Sisneros, Thomas, Lopez and Rief as well as due diligence consultants Kenneth Walter, P.G. of Walter Environmental and Engineering Group, Chuck Musgrave of Barker Rinker Seacat, and Buckhorn Geotech staff Dan Quigley, Joe Reese and Laurie Brandt. Director Davis seconded the motion. Without further discussion, the motion passed unanimously.

RETURN TO OPEN SESSION

At 2:06pm, the board returned to Open Session. Director Davis stated that the board did not deviate from the stated purposes of the Executive Session.

MRD Board Resolution 2012-6, Approving Property Acquisition

Director Ullmann made a motion that the Montrose Recreation District sign the contract approving the Acquisition of Real Property at 16350 Woodgate Road, Montrose Colorado and approve Resolution 2012-6. Director Brown seconded the motion. Without further discussion, the motion passed unanimously.

2013 Budget

Director Davis and Ken presented MRD Board Resolution 2012-7, Approving Budget Fiscal Year 2013, MRD Board Resolution 2012-8, Setting Mill Levy Fiscal Year 2013 and MRD Board Resolution 2012-9, Appropriating the Budget Fiscal Year 2013. Executive Director Sherbenou provided further explanation regarding the budget, He stated this budget is the same version that was presented on 11.15.2012. Concern was voiced about some CIP items. Ken clarified that staff will wait to move forward until the Board approves of these items.

Director Davis made a motion to approve MRD Board Resolutions 2012-7, 2012-8 and 2012-9. Director Brown seconded the motion. Without further discussion, the motion passed unanimously.

Committee updates:

Outreach Committee: Director Davis stated that they have not met but will schedule a meeting before the next board meeting.

Exec. Committee of the Board: Director Pope, Director Davis and Ken met last Friday to review documents pertaining to the property acquisition.

Administrative Committee: This committee will plan a meeting in December.

Foundation/Non-Profit: Director McCombs said there will be meeting on Dec 10 at 6:30 p.m.

Energy: The work of this committee was covered earlier during the Aquatic center Energy Systems Retro-fit discussion.

Growth Committee: Director McCombs felt our press release about our land purchase needs to be more strongly worded. Ken will make some adjustments and release this afternoon. Director Bynum also mentioned pursuing DOLA grants.

Executive Director Update

Ken did a quick review of his enclosed update.

Approval of the 11.15.12 and 11.20.2012 BOD Meeting Minutes:

Director Bynum made a motion to approve 11.15.2012 and 11.20.12 meeting minutes. The motion was seconded by Director Ullmann. The motion passed unanimously without further discussion.

At 2:50 p.m., Director Ullmann made a motion to adjourn. The motion was seconded by Director Davis. Without further discussion, the motion passed unanimously.