

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

**SPECIAL BOARD MEETING MINUTES
November 19, 2024**

CALL TO ORDER The Canon City Area Metropolitan Recreation and Park District Board meeting was called to order at 7:00 p.m. by Board President, Nick Sartori, in the board meeting room located at 575 Ash Street.

ROLL CALL

Board Members:

Present: Nick Sartori
Joel Dudley
Andrew Palmasano
Melissa Smeins
Cooper Trahern

Staff: Kyle Horne Executive Director
Dawn Green Finance Director (*via Teams*)

Attorney: Dan Slater

Public Comment on the Pool

Board member Nick Sartori began the meeting by thanking the members of the public who came to the meeting and stating that it would have been easier if all three ballot questions for the pool passed. The public comment section opened.

Pat Grette questioned whether the proposed indoor pool would serve the whole community and spoke about pool depth, water temperature and year-round use for different age groups. Board member Nick Sartori stated that having both pools with all the proposed features was projected to cost \$30 million. Kyle Horne stated that what was presented to the voters was a concept. The District would have to go out to bid for design and engineering if the project moves forward. This will involve public input with focus and user groups.

Jerry Davis stated that he has lived in the community for over 25 years. Since two of the questions passed, not to build it “will be crazy.” In conversations he had with others, there was an impression that the District mill levy question would mean that the money was going to the general fund and the District could use it however they wanted. He went on to state that there is three years to figure out how to man it.

Kari Hitner explained that the lap pool is not just for the swim team. It is a multi-purpose pool. She referenced the City and the Royal Gorge Bridge. Kyle stated that the reason the mill levy for the City is so small is due to the bridge. The money generated from the bridge is used by the City and can't easily be used for the pool. The pool is projected to have an annual operating budget of \$700,000, with an annual subsidy of between \$320,000 and \$360,000.

Della Rieger said the City has the first reading of the ordinance to change the tax code to allow for the collection of the sales tax. The passage of 6B allows the District to go into debt to sell the bonds.

Janelle Valladares gave kudos to those that worked on the campaign. There was clear communication and consistency to get these questions passed. Our community has spoken, and it wants to build the pool. She mentioned possibly using the lodging tax. Kyle responded that one percent of the lodging tax generates \$88,000 and it must go back into tourism.

Adam Arnold stated that he is very pro pool. An increase in the lodging tax would have to go back to the voters. The lodging tax is to increase lodging and tourism, and it can't be used outside of the bylaws. In went on to state that we need families to come here and live here so it is important to show that we invest in our community. We need to build the pool today and not be held down by those who want to restrict this community. Board member Cooper Trahern stated that the community demographics are changing and spoke about the likelihood of getting the mill levy increase.

The next speaker stated that building the pool will take a while and suggested increasing the fees needed to use the pool.

Board member Melissa Smeins has major reservations about building the pool when the District only has one million in the budget (for property tax revenue). The District runs on a shoestring budget and the pool subsidy would be a third of that. We need to offer things for kids that are affordable. We also need to make the facility affordable for the community. She questioned if it is responsible to jump in and build it right now.

Victoria Dugger stated that the voters have spoken, and the pool should be built. We have to start construction and will have a year to figure out how to run it.

It was commented that there is inherent risk with this decision and that maybe the District should ask for a lower mill levy as an option. The community needs to see progress, and holding is the wrong decision.

Della Rieger suggesting trying not to run the mill levy question in a heavy election year. She suggested starting to build and taking it back to the voters when they see progress on the project.

Kyle responded that construction may not start until October or November of next year. Also, an aquatics facility only has 55-60% cost recovery per benchmarking with other facilities. The fees to use the facility must also meet the socioeconomics of our community. The pool is a service. Kyle emphasized the District's mission statement by reading it aloud. Board member Andy Palmasano commented that even \$5 matters to people in our community.

Patty Witkowsky supports aquatics and believes having a pool would improve the quality of life. The costs of building it are only going to increase and attracting new residents is key to the City's growth.

The next speaker, Kristina Post, agreed. She stated that it feels like the community is at a crossroads. Having the facility will bring people into the community for growth and change. The community can figure out the logistics. Stating that "this opportunity cannot slip by."

Rolf Ventke stated that he has lived in Canon City since 1958, before the R.C. Icabone pool was built, and it is necessary to build this pool and \$350,000 is "a drop in the bucket". He also said a property tax increase is a poison pill.

There was mention of fees with the proposed fees for 2027 and having different rates for residents and non-residents.

Angela Evagash thanked those who worked on the campaign, and said this is progress. She reiterated that the indoor pool is multi-purpose and year-round. She stated that costs are constantly going up. It is important to focus now on one question, rather than three, and to concentrate on the Recreation District and the recreation it provides. She floated the idea of asking two mill levy questions: one for the pool and one for the Recreation District, although she only advocates for one.

Pat Grette spoke again, and suggested people read the full study, which is on the District's website.

Board member Nick Sartori thanked those who worked on the campaign. The Recreation District has done a lot in the last fifty years, but a \$350,000 shortfall is 33% of budgeted property tax revenue.

Discussion on Potential Pool Options Moving Forward

Kyle reviewed three potential options for the Board:

One-All three ballot questions did not pass. Ask the City not to collect the sales tax and walk away from the project.

Two- Authorize the building of the pool. Sell the bonds in June or July and move onto construction. This option is financially high risk for the District.

Three- The City would begin to collect the tax in January but hold on to it and place it in an interest-bearing account. The District would go to the voters in November, and if the ballot question is favorable move forward with the project. This would push back the project by six months but would have less risk. It would require another vote.

Kyle stated that part of his job as Executive Director is to ensure the financial stability of the District. It would be fiscally irresponsible to put it at risk by building the pool without securing a way to cover its operations.

The District did apply for a CPW grant, and received word that five of the thirteen applications will be funded. That the District was unable to pass all three ballot questions for the project will play into the score it receives. According to County Commissioner Dwayne McFall, the \$100,000 is still available but has to be under contract by December 2024 and expended by 2026. There has not been recent contact with Mr. Biggerstaff regarding his donation for the project. Kyle also stated

that it would be difficult to get GOCO funding without the operational piece. Pools aren't funded through grant dollars.

Kyle spoke to bond counsel, Tom Peltz, today, and if the District moves ahead with only 2A and 6B passing, the District runs the risk of litigation if we can't operate it. Once we go to general obligation bonds, the District is committed to the debt.

The District is trying to analyze all the options.

Direction on 2025 Budget Changes Regarding Pool Options

In October, the Board was provided with a pool replacement budget for the next year, assuming all three questions passed. Since one did not, staff need to know what direction the board would like to go.

Board member Andy Palmasano doesn't see the first option as the way to go.

Attorney Dan Slater pointed out that the District needs to decide if they are going to do something regarding the project, as it needs to go into the budget.

Copies of a proposed updated budget for the pool project were distributed to the board. The budget numbers are high estimates. The District will also have to add money to the election line for a November question.

Board Joel Dudley made a motion, seconded by board member Andy Palmasano to add the pool replacement budget and an additional \$20,000 to the election line to the 2025 budget.. Motion carried unanimously, all present voting aye.

Board member Cooper Trahern thanked the City for the sales tax question. Board member Andy Palmasano stated that this will mean going back to the voters in an off-year election. Kyle spoke about how this has worked for the school district in the past.

Kyle stated that work will need to be done with the City on the IGA (Intergovernmental Agreement).

ADJOURNMENT

There being no further business to conduct, Board Chairman, Nick Sartori adjourned the meeting at 8:33 p.m.

Submitted by:

Approved as written or amended:

/s/ Dawn Green

Dawn Green, Finance Director

/s/ Nick Sartori

Nick Sartori, Meeting Chair