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M E M O

TO: Crooks Recreational Facilities Committee

Daylan Davenport

Tracy Vogt

Erin Campbell

Todd Myhre

Eric Nebelsick

Noel Ahl

Jesse Davey

Angie Humpal

CC: City of Crooks
Jamison Rounds, Mayor
Jeffrey Nelson, AIA

FROM: David F. Burbach, P.E.
Burbach Aquatics, Inc.

DATE: April 18, 2019

RE: Crooks Recreational Facilities Committee

Please take this memo as follow up to Burbach Aquatics, Inc. (BAI)'s seventeenth Phase I, Step #2, Crooks Recreational Facilities Committee (RFC) meeting, held on Wednesday, April 17, 2019, regarding the proposed Recreational Facilities project, in Crooks, South Dakota. The meeting commenced at 7:00 p.m., at the Crooks Fire Department, and concluded at approximately 8:20 p.m. The meeting was well attended, with a sign-up sheet circulated. An Agenda was prepared and generally followed throughout the meeting, as follows:

1. Call meeting to order:

Comment: David Burbach called the meeting to order at 7:00 p.m.

2. Review of last meeting minutes (April 8, 2019):

Comment: Meeting minutes were reviewed and approved as submitted.

3. Review Summary Recommendations to date:

Comment: The purpose of this Agenda item was to review the major decisions that the RFC Committee had reached to date, as follows:

a. Facility will be a totally new construction;

- b. RFC has tentatively approved Conceptual Site/Facilities Floor Plan (CSFFP) Version #14;
- c. The new Recreation Center is first priority;
- d. A municipal pool will be second priority;
- e. The new Recreation Center will be located in Sunset addition south of Fourth Street.

The above decisions were reviewed and the RFC unanimously reaffirmed these earlier decisions.

4. Review Recent Interim Presentation to City Council:

Comment: Todd Myhre was asked to relate his presentation, City Council reaction and audience reaction. Todd reported that reaction to his presentation was literally minimal, even though a large audience was present because of other issues on the City Council Agenda.

5. Discuss Bond Sales/Repayment:

Comment: BAI reviewed the process that municipalities use to finance large capital improvement projects. One of the most common methods to raise capital to pay for these projects is issuance of Municipal Bonds. BAI explained that a \$1.0m bond issue with a 20-year term will have an approximate annual debt service of \$73k to \$75k. For a \$3.0m bond issue the 20-year term will have an approximate annual debt service three times as great as the \$1.0m bond issue. In BAI's opinion, the RFC is beginning to really grasp the financing issues associated with this project. This Agenda item was very successfully discussed.

The RFC announced the Tri-Valley School Districts intention to conduct a \$14.5m bond sale referendum in June of 2019. The RFC immediately gain consensus to not roll out their project until July, August, or possibly September 2019. This decision was based on their concern with effecting the Tri-Valley School bond issue and the impact a referendum victory would have on their project. They agreed to continue working out details of the project and not further discuss rolling out the project at this time.

6. Discuss Capital Campaign:

Comment: For this Agenda item, BAI explained that the main purpose of a Capital Campaign is to either reduce the bond sale or reduce the annual debt service.

7. Review and Discuss the first Opinion of Probable Operating Cost (OPOC):

Comment: The RFC completed their first review of the OPOC, with BAI receiving positive comments from the RFC regarding the layout and structuring of the OPOC. The RFC's homework will be to review unit cost of memberships, etc., and critique the number of sales, etc.

6. Assign homework:

Comment: The RFC's homework will be to review unit cost of memberships, etc. and critic number of sales, etc. BAI's homework is to locate a similar Community with a Recreation Center and acquire their financial model.

7. Set next meeting and time:

Comment: Given the information regarding Tri-Valley School District bond sale

referendum, the RFC will return to monthly meetings.

8. Adjourn:

Comment: Meeting adjourned at 8:20 p.m.

Should you have any questions, comments, or if your notes differ, please feel free to contact our Platteville office. As always, the men and women of BAI look forward to the continuing opportunity to serve your community on this very important project.

DFB:pat