
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District October 23, 2014

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on October 23, 2014 at 5:00 p.m. at the Vail Town Council Chambers, Town of Vail, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

1. MEMBERS PRESENT
 - 1.1. Tom Saalfeld, Jeff Wiles, Bill Suarez, Kim Newbury, Kevin Foley
2. MEMBERS ABSENT AND EXCUSED
 - 2.1. None
3. STAFF PRESENT
 - 3.1. Mike Ortiz, Scott O'Connell, Jamie Gunion
4. OTHERS PRESENT
 - 4.1. Stephen Connolly
5. CONSULTANTS PRESENT
 - 5.1. Eric Weaver, Marchetti and Weaver, LLC
6. CALL TO ORDER
 - 6.1. Director Wiles called the meeting to order at 5:00 p.m.
7. APPROVAL OF MEETING MINUTES
 - 7.1. By motion duly made and seconded it was RESOLVED to approve the minutes of the September 25, 2014 meeting. Directors Foley and Newbury abstained from the vote.
8. PUBLIC INPUT OF ITEMS NOT ON THE AGENDA
 - 8.1. Mr. Stephen Connolly, Vail homeowner and District taxpayer, spoke about his history with the VRD. He requested setting up a meeting with Directors Foley and Wiles regarding concerns he has with the District operations.
9. 2014 AUDIT ENGAGEMENT LETTER

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- 9.1. Mr. Weaver explained McMahan and Associates, LLC has been the VRD's auditor for the past several years. They are responsible for auditing the financial statements of the governmental activities, business-type activities and individual fund statements of the District from January 1 through December 31, 2014. The audit process will begin in March 2015.
- 9.2. By motion duly made and seconded it was RESOLVED to engage with McMahan and Associates, LLC. to be the outside auditor for the District for the year ended December 31, 2014.

10. SEPTEMBER 2014 FINANCIAL REPORT

- 10.1. Mr. Weaver reviewed information for the District's 2014 financial status through September.
 - 10.1.1. Weaver explained that the majority of the properties that were under protest a year ago have made it through the process and the abatements have been less than budgeted by the District, resulting in tax collections being favorable to budget by approximately \$100,000.
 - 10.1.2. The Sports Department continues to show a large positive variance due to the Kids Adventure Games with some invoices still to be paid. Golf is down, but has made up ground in the past month.
 - 10.1.3. Most departments are favorable with expenses. Overall, the VRD should finish the year favorable, with the VRD not spending all capital dollars as the town and VRD plan for the golf clubhouse renovation.
- 10.2. Director Wiles questioned where the \$100,000 in additional property tax collections would be allocated. Mr. Weaver explained the majority of the \$100,000 would be moved into the 2015 capital budget.

11. REVIEW OF THE PROPOSED 2015 PRELIMINARY BUDGET

- 11.1. Mr. Weaver provided the board with a summary of the budget and details surrounding the budgets, including funded and unfunded capital projects. The budget committee has met twice as staff plans for 2015. He explained 2015 is not a reevaluation year so property tax collections should remain relatively similar to 2014. The operations mill levy will be at 2.76 mills and can only change via a vote by District taxpayers.
- 11.2. Sports revenue and expenses are expected to decrease to accommodate the restructuring of the Kids Adventure Games.
- 11.3. Golf revenues are expected to decrease due to construction for the renovation of the clubhouse in September and October. The District will take over the food and beverage operations at the clubhouse and this should help offset a decrease in golf revenues from the construction.
 - 11.3.1. Mr. Ortiz clarified the temporary structures will be installed in mid-September 2015.

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- 11.3.2. Director Foley questioned planning for timing of the renovation. Mr. Ortiz explained staff has been meeting with the town, architects, etc. on all aspects including inventory, carts, food and beverage. There are a variety of plans in place for the construction and discussions continue to take place.
- 11.3.3. Director Wiles requested an information update on the planning at a future meeting.
- 11.4. Mr. Weaver explained as the economy rebounds, the VRD continues to be at the bottom of the economic downturn in terms of property tax funding. Property tax collections do not coincide with the current economic upturn.
- 11.5. The VRD has built into the budget an overall approximately 4 percent wage increase for salaried and hourly staff.
- 11.5.1. Director Foley requested a review of the salaries and past increases for positions.
- 11.6. Public Relations is requesting an increase to accommodate a full-time, hourly staff member to bring some contracted duties in-house. The increase is also for surveys for the programs.
- 11.7. Overall many of the departmental budgets will remain similar to 2014.
- 11.7.1. Golf operations is expected to remain consistent with 2014, however the addition of staffing and operating costs of the food and beverage operations will result in a sizeable increase in expenses. The food and beverage operation is anticipated to operate at a \$50,000 deficit, although it is hoped that actual results will be favorable to this.
- 11.7.1.1. Ms. Gunion explained that staff is meeting regarding marketing of the grill and events, meetings at the golf club for 2015 and beyond.
- 11.7.2. Golf maintenance department ran short staffed in 2014, the 2015 budget reflects the need for a return of a year-round second superintendent. This would be a full-time, hourly position, with a lower level compensation program. This position would also have Nordic responsibilities during the winter.
- 11.7.3. There are plans to laser re-level the tennis courts this year at Ford Park. Except for the reduction in operating expenses related to this project, the expenses and operations are to remain relatively similar to 2014.
- 11.7.4. Dobson will also remain consistent with 2014. The concessions program has been a positive addition to the budget.
- 11.8. Regarding Debt Service, 2014 was the final year of making payments to the Town of Vail for loans of Gymnastics and Dobson facilities.
- 11.9. For Capital, 2015 will be higher than normal as the district intends to fund \$1.15 million for the renovation of the golf clubhouse.
- 11.10. The 2015 budget calls for an ending fund balance of approximately \$2.075 million with \$575,000 being assigned to future capital spending and to allow the District to maintain a \$1.5 million balance. \$300,000 of this is restricted for

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- Dobson Bonds and \$100,000 for emergencies as required by TABOR. The remaining \$1.1 million is roughly three months of operating expenses.
- 11.11. Proposed funded capital projects include:
- 11.11.1. Minor equipment, computers and vehicles for the Sports Department
 - 11.11.2. Gymnastics includes routine replacement of equipment and maintenance of the facility.
 - 11.11.3. Youth Services/Community Programming includes routine computer replacement and vehicles leases.
 - 11.11.4. The Nature Center (Outdoor Branch) includes routine maintenance and replacement including signage, path repairs, etc.
 - 11.11.5. The Parks Department includes new equipment to coincide with the new fields at the park, including bleachers, signage, ball field accessories, etc.
 - 11.11.6. Administration includes just general maintenance items.
 - 11.11.7. For Golf Operations and Maintenance, the budget includes new batteries for the carts and minor equipment needs; routine replacement of equipment, including a need for new mowers and other equipment; leveling of the tees as part of a three-year project; cart path repairs in specific areas as part of a yearly planning process; kitchen equipment for food and beverage operations, such as plates, utensils and cookware; and bridge replacements on holes 14 and 15. The bridge replacements are a shared cost with the town of Vail per the current contract, which also addresses items in the Borne Report.
 - 11.11.7.1. Mr. Ortiz clarified that working on the bridges during the clubhouse renovations makes sense so that golfers experience an amazing 2016-2017.
 - 11.11.8. Dobson's budget includes the interior floor replacement, as well as routine replacement of equipment and other items.
 - 11.11.9. The largest cost in the Tennis budget is for the laser, re-leveling at the Vail Tennis Center. This was deferred while construction was underway surrounding the courts this past summer.
- 11.12. Regarding Unfunded Capital:
- 11.12.1. Walking Mountains Science School has proposed creating an Interpretative Master Plan for the Nature Center, to be used for future planning. The VRD does not have the funds to do everything that is needed for upkeep of the Nature Center. The budget also includes a shade structure at the facility, as well as exhibit improvements within the center.
 - 11.12.1.1. Mr. Ortiz recommended the topic of the Interpretative Master Plan be discussed in the Recreation Subcommittee. The plan would include a land-use study.
 - 11.12.2. For Parks, sand and hardware are being deferred at the volleyball courts. Also being deferred is a Disc Golf Course while planning and discussions continue regarding what that project could look like. Additionally, deferred

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to 2016, an Athletic Field storage facility and restrooms improvements, as well as concessions interior finishes and equipment of the facility.

11.12.3. The hole 13 renovation per the master plan, as well as restrooms at hole 13 are being deferred. Other projects on the unfunded list include weather station maintenance.

11.12.3.1. Director Suarez expressed concerns with including hole 13 renovations, as they are not essential projects and could be alarming to the community. The board recommended moving the project farther out and have future discussions about the project.

11.12.3.2. Mr. Weaver clarified that it was currently an unfunded project.

11.12.4. For Dobson Ice Arena, the facility continues to age. Projects to look at in the future include concessions improvements, bleachers, event stage replacement and other items.

11.13. Total funded and unfunded capital projects are at approximately \$3.2 million for 2015 and \$2 million for 2016.

11.14. Director Foley, requested a special district comparison of what other districts mill levies are to operate.

11.15. Mr. Ortiz explained regarding elections, the District can go to the voters every November or even years in May.

11.16. Notifications will be in the paper for the hearing at the Nov. 13 meeting, which will include a review of proposed fees for 2015. Public comments are welcome and encouraged.

11.17. Full approval is requested at the Nov. 13 meeting

12. EXECUTIVE DIRECTOR'S INPUT

12.1. The Zombie Run is taking place on Saturday, Oct. 25 for the BMHS Future Business Leaders of America.

13. BOARD MEMBER INPUT

13.1. Director Saalfeld said the golf cart paths look great.

13.1.1. Mr. Ortiz also explained the wooden path areas are also being repaired.

13.2. Director Newbury questioned how the Businesses, Bogies and Bragging Rights Golf Tournament did. Ms. Gunion explained the scholarship fund will receive over \$6,000. Ms. Gunion and Ms. Alison Wadey, with the Vail Chamber and Business Association, are looking forward to growing the tournament in 2015. A discussion will be held to set down a date as the VRD plans for the renovation of the clubhouse.

13.3. Director Suarez said he attended the Vail Business and Chamber Association meeting on Oct. 23 provided kudos to the VRD for the work on the golf tournament.

13.4. Director Foley said the golf tournament was fun, everyone did a great job. He reminded the community that the golf course will close for the season on

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Sunday, Oct. 26. Director Foley will meet with Director Wiles to talk about Mr. Connolly's request for a meeting.

13.5. Mr. Ortiz clarified the Coal Bucket classic is scheduled to take place the first available day after Nov. 1, weather permitting.

14. ADJOURNAMENT

14.1. Upon a motion duly made and seconded it was unanimously RESOLVED to adjourn the Regular Meeting of the Vail Recreation District Board of Directors.

Respectfully Submitted,

Jamie Gunion
Secretary to the Meeting