
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District November 8, 2012

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on November 8, 2012, at 5 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. Jeff Wiles, Bill Suarez, Rick Sackbauer and Ken Wilson
 - 1.2. Joe Hanlon attended via conference call.
2. MEMBERS ABSENT AND EXCUSED
 - 2.1. None
3. STAFF PRESENT
 - 3.1. Mike Ortiz, Jamie Gunion
4. OTHERS PRESENT
 - 4.1. None
5. CONSULTANTS PRESENT
 - Eric Weaver, Robertson & Marchetti, P.C.
 - Jim Collins, Collins, Cockrel & Cole, and Patrick Wilson, Murray, Dahl, Kuechenmeister, Renaud attended via conference call.
6. CALL TO ORDER
 - 6.1. Director Hanlon called the meeting to order.
7. EXECUTIVE SESSION
 - 7.1. Upon a motion duly made and seconded it was unanimously RESOLVED to enter into executive session for the purpose(s) of: §24-6-402(4)(b), C.R.S., “Conferences with an attorney for the public entity for the purposes of receiving legal advice on specific legal questions.”
 - 7.2. Upon returning from executive session, Mr. Collins and Mr. Wilson exited the conference call.
8. APPROVAL OF MEETING MINUTES

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8.1. By motion duly made and seconded it was unanimously RESOLVED to approve the minutes of the October 11 Regular Board meeting and October 25, 2012 Special meeting as presented.

9. PUBLIC INPUT OF ITEMS NOT ON THE AGENDA

9.1. None

10. 2012 AUDIT ENGAGEMENT LETTER

10.1. Mr. Eric Weaver reviewed an audit engagement letter from McMahan and Associates, to perform the VRD's 2012 audit. The fee has increased a minor amount of \$100.

10.2. Director Wilson asked if it is standard for entities to work with the same auditor annually. Mr. Weaver stated that some entities do rotate but there is no requirement to rotate and recommended continuing with the same firm.

10.3. By motion duly made and seconded it was unanimously RESOLVED to accept the engagement letter for McMahan and Associations to perform the 2012 audit.

11. REVIEW AND APPROVAL OF 2013 PROGRAM FEES

1.1. Mr. Mike Ortiz reviewed the change of fees included in the board packet, plus explanations for changing or not changing fees. He said Mr. Weaver and himself agree with the changes and asked if the board had questions.

1.2. Mr. Suarez questioned tennis rates from last year to this year. Ms. Jamie Gunion said it was \$115 for VRD residents in 2012.

1.3. Mr. Weaver explained the fees are not part of the budget hearing.

1.4. Upon a motion duly made and seconded it was unanimously RESOLVED to approve the 2013 program fees.

2. CONTINUED PUBLIC HEARING TO REVIEW AND APPROVE PROPOSED 2013 BUDGET

2.1. Upon a motion duly made and seconded it was unanimously RESOLVED to reopen the public hearing to review and approve the 2013 budget.

2.2. Director Wilson explained there was no public comment on the budget.

2.3. Mr. Ortiz reviewed the operations budget and explained some changes.

2.4. Mr. Ortiz reviewed the capital budget, explaining the VRD will invest \$1.15 million on the clubhouse renovation as well as an additional funds in other items in 2013, bringing the ending fund balance to \$1.5 million.

2.5. Director Sackbauer considers the \$1.15 million for the clubhouse renovation as an investment. He asked for an anticipated ROI.

2.5.1. Mr. Weaver responded that the funds could be recouped through the operation of the banquet room in as little as sever years

2.6. Mr. Ortiz reviewed the fund balance, which is recommended to remain at \$1.5 million. \$300,000 of this is for the Dobson Bond repayment, \$150,000 is for

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emergency required by TABOR, leaving just over \$1 million in operating and capital reserves. Regarding property tax revenues, for 2013 they will remain similar to 2012 as it is not a revaluation year. 2014 is when the VRD will see another roughly \$250,000 decrease in collections, bringing the total decline to \$750,000 annually. Debt service to the town for Gymnastics and Dobson will be paid off in 2014 and will give the VRD a savings of \$50,000 annually.

- 2.7. Mr. Ortiz explained capital needs through 2017 are expected to total \$4.5 million. Currently, the VRD has projected only \$2.5 million in available funds, resulting in a lack of appropriate funds for more than half of the projects. These projects include routine replacement of department vehicles and machinery; continued work on the Vail Golf Course Master Plan; required golf course work including remodel of the starter facility, cart paths, bridges and Gore Creek restoration; ongoing maintenance at Dobson Ice Arena and other capital needs throughout the VRD.
- 2.8. Director Wilson questioned ongoing maintenance to Dobson Ice Arena at \$600,000 over the upcoming years. Mr. Weaver explained it is the VRD's asset upkeep for interior components, including the ice surface and systems as part of the operations agreement with the Town of Vail.
- 2.9. Mr. Ortiz stated that in order to fund the shortfall, in a four year period, the district will need to consider several options, including: a November 2013 ballot measure to increase the operating mill levy by approximately 0.7 mills, which, as an example, would result in an annual tax increase of \$81 dollars on an average home value of \$1.5 million; increase the average user fees by 18 percent across all departments; leave projects unfunded; or decrease programming.
 - 2.9.1. Mr. Weaver said November 2013 will be the earliest the VRD can look at going to the voters for a mill increase. Mr. Weaver also said that in 2004 the VRD asked for a mill levy increase to rebuild the clubhouse and for Dobson debt payments. Dobson passed and the clubhouse mill levy increase was narrowly defeated.
 - 2.9.2. Director Wiles questioned how a combination of solutions would work. Director Suarez said that \$81 for a house valued at \$1.5 million seems reasonable but is there a need to do a combination.
 - 2.9.3. Director Sackbauer commented that the VRD needs to do the research and share the message with the constituents. He said, as a board, the VRD needs to sit down and discuss the options and get a good grasp on what is feasible. He said it is certainly a discussion item for upcoming board meetings so that in the spring the VRD is ready to discuss the options with the community.
 - 2.9.4. Mr. Weaver explained that there is more research and fine tuning to be done within departmental and asset needs. Currently 0.7 mills is an assumption, it may need to be more or less.
 - 2.9.5. Director Wilson agreed with Director Sackbauer and a need for more information and what happens with an increase in fees, decrease in

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programming and upcoming projects that can or cannot go unfunded. The scenarios need to be very detailed so the board can come to a consensus.

- 2.9.6. Mr. Ortiz suggested the board approve the budget with the capital budget as a contingency to allow staff to work on how the shortfall can be addressed within each department. The community needs to know what has been done to date to keep programs operating and what needs to be done to keep these programs operating in the future.
 - 2.9.7. Director Wilson commented that before the VRD asks voters for a mill levy increase, there needs to be more information.
 - 2.9.8. Director Sackbauer questioned whether outreach dollars are included in the 2013 budget. Mr. Weaver said there are funds for an election, but not for outreach. There is a \$125,000 contingency fund that could be utilized.
 - 2.9.9. Director Sackbauer questioned how much capital contingency is allocated. Mr. Weaver explained none, but there is room to prioritize as the VRD moves forward.
 - 2.9.10. Hearing no comment from the public the hearing was closed.
 - 2.9.11. Upon a motion duly made and seconded it was unanimously RESOLVED approve the resolution to adopt the 2013 budget as presented, to approve the resolution to certify the mill levy at 2.760 mills for operations and 0.327 mills for a special mill levy approved at the 2004 election, and to approve the resolution to appropriate funds for spending in 2013, all of which are subject to minor adjustments which may result from the final certification of assessed values.
3. EXECUTIVE DIRECTOR INPUT
 - 3.1. Mr. Ortiz shared that Battle Mountain High School soccer team will be playing at Dick's Sporting Goods Park in Denver for the state championships this week.
 - 3.2. The Coal Bucket Classic is set for Friday, Nov. 9 at 2 p.m.
4. BOARD MEMBER INPUT
 - 4.1. Director Sackbauer questioned if the VRD has funds to appropriate the annual Thanksgiving bonus of \$100 for VRD employees. Secondly, the Battle Mountain High School Girl's Cross Country team is looking for funding assistant opportunities to make it to an invitational meet in Arizona. Mr. Ortiz explained the team has volunteered at many of the races and programs the VRD offers. Director Sackbauer questioned a dollar amount need? Mr. Ortiz explained the VRD has seven running races that included volunteers at each race and a commitment to do so in the future.
 - 4.1.1. Upon a motion duly made and seconded it was unanimously RESOLVED to fund \$1,000 to the Battle Mountain High School Cross Country team for volunteer efforts at VRD events in 2012 with commitment from the team to volunteer in 2013.

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- 4.2. Director Wilson requested the VRD meet with Walking Mountains to discuss partnerships with Nature Center programming.
 - 4.3. Director Suarez thanked everyone at Dobson for the efforts with the Hockey Tournament following a snafu with the Zamboni. The staff worked hard to maintain the ice by hand.
 - 4.4. Director Wilson said the Trick or Treat Trot was hugely successfully.
5. ADJOURNAMENT
- 5.1. 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