VAIL PARK AND RECREATION DISTRICT d/b/a VAIL RECREATION DISTRICT BOARD OF DIRECTORS

5:00 P.M. Thursday, December 10, 2015 Town of Vail, Council Chambers AGENDA REGULAR MEETING

- 1. Call to Order
- 2. Approval of Minutes
 - a. November 12, 2015
- 3. Public Input of Items not on the Agenda.
- 4. Approval of VRD Amended and Restated Employees' Pension Plan-Mr. Eric Weaver
- 5. October 2015 Financial Report Mr. Eric Weaver
- 6. Executive Director Input
- 7. Board Member Input
- 8. Adjournment

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Minutes of the Regular Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District November 12, 2015

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on November 12, 2015 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. Jeff Wiles, Tom Saalfeld, Kim Newbury, Kevin Foley, Bill Suarez

2. MEMBERS ABSENT AND EXCUSED

2.1. None

3. STAFF PRESENT

3.1. Mike Ortiz, April Heredia, Jessie Klefoth, Chad Young, Joel Rabinowitz, Beth Pappas, Scott O'Connell, Scott Todd

4. OTHERS PRESENT

4.1. Michael Cacioppo

5. CONSULTANTS PRESENT

5.1. Eric Weaver, Marchetti & Weaver, LLC

6. CALL TO ORDER

6.1. Director Wiles called the meeting to order at 5:04 p.m.

7. APPROVAL OF MEETING MINUTES

- 7.1. Mr. Ortiz stated that there was a correction to the payment amount that was approved at last meeting for the VRD's portion of the new Golf Course Clubhouse to the Town of Vail from 1.165 million to 1.15 million.
- 7.2. By motion duly made and seconded it was RESOLVED to approve the minutes of the November 5, 2015 meeting.

8. PUBLIC INPUT OF ITEMS NOT ON THE AGENDA

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8.1. Robert Amour, a West Vail resident and current employee of the Golf Maintenance Facility expressed what a great job the Board was doing and wanted the Board to know it is a pleasure to work with everyone at VRD.

9. ELECTION OF VAIL RECREATION BOARD OF DIRECTORS OFFICERS

- 9.1. Director Wiles explained that his time with the Board would be ending in May and therefore wanted to elect a new Chairman of the Board. He nominated Director Tom Saalfeld.
- 9.2. By motion duly made and seconded it was RESOLVED to appoint Director Tom Saalfeld as the new Chairman of the Board.
- 9.3. Director Suarez will continue as the Secretary/Treasurer for the Board.

10. CONTINUATION OF THE REVIEW AND ADOPTION OF 2016 PROGRAM FEES

- 10.1 Mr. Ortiz stated that there were no other fees to discuss. He acknowledged that all department managers did a good job at comparing their fees to other recreation districts in the area.
 - 10.1.1 Director Suarez asked how our Nordic fees were compared to Frisco's
 - 10.1.2 Mr. Ortiz stated that we were lower because we have less terrain.
- 10.1.3 Director Newbury wanted the public to know that the fee increases that did occur were nominal. They are done to help maintain staff and help with operating costs.
- 10.1.4 Director Foley inquired how we make public aware that we do offer financial assistance for some of our programs.
- 10.4.5 Mr. Ortiz said that we have information on our website but that we can look into marketing it more aggressively.
- 10.2 By motion duly made and seconded it was RESOLVED to approve the 2016 Program Fees.

11. CONTINUATION OF THE PUBLIC HEARING AND ADOPTION OF PROPOSED 2016 BUDGET

11.1. Mr. Weaver gave a brief overview of the overall budget. He stated there will be roughly 6 million in revenues, \$3 million from property taxes and \$3 million coming from programming and other miscellaneous incomes. Operating and debt service expenses will be roughly \$5.4 million, with \$300,000 of that for the Dobson Bonds. This will leave about \$645,000 for capital. Since the District is rolling forward fund balances dedicated to upcoming capital projects, the capital budget of \$1.1M will cause the District to run a deficit of about \$675,000. We will finish the year with \$2.25 million left in fund balance, \$750,000 of which is assigned for 2017 capital projects, which will not be nearly enough to cover all of the upcoming capital needs.

Vail Recreation District November 12, 2015 Meeting Minutes

- 11.2. Director Suarez asked if there was a change in property tax values.
- 11.3. Mr. Weaver stated that there was a 14% increase in the assessed values therefore we will see a 14% increase in property tax revenues for operational purposes.
- 11.4. Director Foley wanted to thank both Mike Ortiz and Eric Weaver for all their work with staff to get the 2016 budget complete.
- 11.5. Upon a motion duly made and seconded it was unanimously RESOLVED to open the public hearing for the adoption of the 2016 proposed budget.
 - 11.5.1. Hearing no public comment, upon a motion duly made and seconded it was unanimously RESOLVED to close the public hearing for the adoption of the 2016 proposed budget.
 - 11.5.2. Upon a motion duly made and seconded it was unanimously RESOLVED to approve the resolution to adopt the 2016 budget as presented, to approve the resolution to certify the mill levy at 2.760 mills for operations and 0.279 mills for a special mill levy approved at the 2004 election, and to approve the resolution to appropriate funds for spending in 2016, all of which are subject to minor adjustments which may result from the final certification of assessed values.

12. EXECUTIVE DIRECTOR INPUT

- 12.1 Mr. Ortiz gave a Clubhouse update stating the building is almost out of the ground. The parking lot is poured and stripped. We currently have 83 spaces available for parking. Nordic is open and all is going well.
- 12.2 Director Saalfeld asked if they have set track at the Nordic Center.
- 12.3 Mr. Ortiz stated that they have set track.
- 12.4 Director Foley asked how the close down of the Golf Course went.
- 12.5 Mr. Scott Todd shared that all crucial preventative items had been done. He said the track for Nordic has been all set from east to west. He shared that the snow was a little thin but another storm will be hitting end of next week.

13. BOARD MEMBER INPUT

- 13.1 Director Suarez wanted to inform the Board of the Vail Town Councils decision to go forward with pickleball. He wanted the public to know that the Vail Recreation District did their best to listen to the public and to make the courts user friendly for all.
- 13.2 Director Wiles said that he was approached about the possibility of setting track for the use of fat tire bikes. He shared that there are currently these types of trial in Leadville.
- 13.3 Mr. Ortiz stated that he will be having a Nordic meeting tomorrow and that he would inquire about the possibility.

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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,

April Heredia Secretary to the Meeting

VAIL RECREATION DISTRICT

AMENDED AND RESTATED EMPLOYEES' PENSION PLAN

Effective January 1, 2016

VAIL RECREATION DISTRICT

AMENDED AND RESTATED EMPLOYEES' PENSION PLAN

THIS AMENDED AND RESTATED PENSION PLAN is adopted by the Vail Park & Recreation District d/b/a Vail Recreation District (hereinafter referred to as the "Employer").

ARTICLE I. NAME AND PURPOSE OF PLAN

The Employer sponsors a qualified money purchase pension plan for its Employees who qualify as Participants and their Beneficiaries known as the Vail Recreation District Amended and Restated Employees' Pension Plan (hereinafter referred to as the "Plan"), for the purpose of providing retirement benefits for certain of its Employees. The Plan was created and is maintained for the exclusive benefit of the Employer's eligible Employees who qualify as Participants and their Beneficiaries. The Plan was initially adopted November 27, 1989 effective January 1, 1989 and has been amended from time to time since that date. The Employer by this document restates the Plan to incorporate all prior amendments and other changes required by law. Unless governed by Section 2.7, the provisions of the Plan as amended and restated are effective January 1, 2016, shall supersede any and all provisions of the Plan in effect prior to December 31, 2015. Participants who terminate employment prior to January 1, 2016\ shall have their benefit under the Plan determined in accordance with the provisions of the Plan in effect on the date of termination of employment. Any Participant who was a Participant in the Plan on December 31, 2015 shall continue as a Participant in the Plan under this amended and restated Plan. The Plan is intended to qualify under the applicable provisions of Section 401(a) of the Internal Revenue Code and the Trust created in conjunction with the Plan is intended to be exempt under Section 501(a) of such Code and all provisions of this Plan shall be construed in accordance with this intention. Since this is a governmental plan, it is not intended that the Plan or Trust comply with any provision of the Employee Retirement Income Security Act of 1974, as amended, except to the extent the requirements of such Act are specifically applicable to governmental plans.

ARTICLE II. DEFINITIONS

When used herein, the following words shall have the following meanings, unless the context clearly indicates otherwise:

- Section 2.1 "Administrator" means the Retirement Board as defined at Section 2.12.
- Section 2.2 "<u>Anniversary Date</u>" means the last day of the Plan Year, which is currently December 31.

- Section 2.3 "<u>Beneficiary</u>" means the person or entity who, pursuant to Article VI of this Plan, becomes entitled to receive a Participant's interest upon the Participant's death.
- Section 2.4 "<u>Break in Service</u>" means any twelve (12) consecutive months of service ending on the Employment Anniversary Date during which an Employee fails to earn a Year of Service for vesting purposes.
- Section 2.5 "<u>Code</u>" means the Internal Revenue Code of 1986, as amended. References to a section of the Code shall mean the section in effect at the date of adoption of the Plan, or the corresponding provision, or the provision that is equivalent in purpose and effect, of any subsequent federal tax law.
- Section 2.6 "Compensation" means the base salary paid by the Employer to a Participant for services rendered to the Employer, excluding bonuses, overtime pay, severance pay, shift differentials, longevity pay, and any other form of compensation. Compensation shall be determined prior to any reduction for employee pre-tax contributions to a Code §125 cafeteria plan, a §132(f)(4) transportation expense plan, a §457 deferred compensation plan, any other elective deferrals referred to in Code §402(g)(3), and prior to any reduction for voluntary Participant contributions described in Article IV.

The annual compensation of any Participant taken into account under the terms of the Plan for any Plan Year shall not exceed Two Hundred Thousand Dollars (\$200,000), as adjusted for changes in the cost of living pursuant to Code § 401(a)(17) (which adjusted amount is \$265,000 for 2015 and 2016).

- Section 2.7 "<u>Effective Date</u>" of this Plan is January 1, 2016, provided that each change to this Plan which is required for compliance with any legislation or regulations shall be effective as of the required date of such provision if before January 1, 2016.
- Section 2.8 "Employee" means any person now or hereafter in the employ of the Employer including officers of the Employer, but excluding all directors and Employees who are not in the Employer's employ in any other capacity, and independent contractors. In addition, a leased Employee within the meaning of Code Section 414(n)(2) shall be considered an Employee of the Employer, provided that if such leased Employee constitutes less than twenty percent (20%) of the Employer's non-highly compensated work force within the meaning of Code Section 414(n), the term "Employee" shall not include any leased Employees covered by a Plan described in Code Section 414(n)(5).
- Section 2.9 "<u>Employer</u>" means the Vail Recreation District, a Special District within the State of Colorado. Any action to be taken or determination to be made by the Employer shall be by action of the Board of Directors of the Vail Recreation District except to the extent such authority is delegated by the Board of Directors of the Vail Recreation District.
- Section 2.10 "<u>Employment Anniversary Date</u>" means the last day of the twelve (12) month period beginning on an Employee's date of hire and the same date in subsequent years.

For this purpose, an Employee's date of hire is the first day on which an Employee completes an hour of employment.

- Section 2.11 "<u>Full-Time Regular Employee</u>" means a salaried Employee who is classified on the records of the Employer as a full-time, year-round Employee.
 - Section 2.12 "Retirement Board" means the Trustees appointed pursuant to this Plan.
- Section 2.13 "Spouse" or "Surviving Spouse" means the person who is legally married, as determined under the Code, to the Participant, or an individual with whom the Participant has entered into a "civil union" as that term is defined in the Colorado Civil Union Act
- Section 2.14 "<u>Total Disability</u>" means a disability which permanently renders a Participant unable to perform satisfactorily the usual duties of the Participant's employment with the Employer, as determined by a physician selected by the Retirement Board, and which results in the Participant's termination of service with the Employer. A finding of disability by the Federal Social Security Administration shall be conclusive evidence of disability.
- Section 2.15 "<u>Trustee</u>" means the Trustee or Trustees of the Trust Fund established in conjunction with this Plan and any duly appointed and qualified successor or additional Trustees; additionally referred to as Retirement Board.
- Section 2.16 "<u>Trust Fund</u>" means the assets of the Trust established in conjunction with this Plan out of which the benefits of this Plan shall be paid and shall include all income of whatever nature earned by the Fund and all increases in fair market value.
- Section 2.17 "<u>Year</u>" and "<u>Plan Year</u>" mean the fiscal year of the Trust established pursuant to this Plan. The Plan Year begins on January 1 and ends on December 31.
- Section 2.18 "<u>Year of Service</u>" means a twelve (12) consecutive month period ending on an Employment Anniversary Date during which the Employee is a Full-Time Regular Employee throughout such period.

ARTICLE III. PARTICIPATION OF EMPLOYEES

- Section 3.1 <u>Eligibility</u>. Each Full-Time Regular Employee of the Employer shall become a Participant in the Plan on the date of employment or, if later, the date on which the Employee becomes a Full-Time Regular Employee.
- Section 3.2 <u>Employer to Determine Participants</u>. The Employer shall have the duty and responsibility of determining when an Employee becomes a Participant and when a Participant is eligible to share in the Employer's contribution. The determination of the Employer as to the identity of the respective Participants and as to their respective interests shall be binding upon all Employees, all Participants and all Beneficiaries of the Participants.

ARTICLE IV. CONTRIBUTIONS AND LIMITATIONS ON ALLOCATIONS

Section 4.1 <u>Contributions by the Employer for Full-Time Regular Employees.</u>

(a) <u>Employer Contributions for Full-Time Regular Employees</u>. For all Participants who commenced employment as Full-Time Regular Employees prior to January 1, 2003, the Employer shall contribute and pay into the Trust Fund to the credit of the Employer Contributions Account of each such Participant, for each pay period commencing on or after January 1, 2005, an amount equal to 12.5% of each such Participant's Compensation for such pay period.

For all Participants whose employment commencement date is on or after January 1, 2003, the Employer shall contribute and pay into the Trust Fund for each pay period to the credit of the Employer Contributions Account of each such Participant who is a Full-Time Regular Employee an amount equal to 7.5% of each such Participant's Compensation for such pay period.

The Employer shall make payment of its contribution for each pay period in one sum as soon as practical after the end of such pay period. Such contribution shall be made in cash.

(b) Employer Matching Contributions With Respect to Voluntary Contributions by Participants. The Employer shall contribute and pay into the Trust Fund for each Plan Year, to the credit of the Employer Contributions Account of each Participant, an amount equal to 100% of the total Voluntary Participant Contributions contributed by each Participant for that Plan Year pursuant to Section 4.2, up to a maximum Employer Matching Contribution for each Participant of 5% of such Participant's Compensation.

In addition, for the two Participants who hold the titles of Executive Director and Director of Sports as of January 1, 2016 ("Grandfathered Participants"), the Employer shall contribute and pay into the Trust Fund for each pay period a 5% Employer Matching Contribution under this paragraph regardless of the amount of Voluntary Participant Contributions contributed by the Grandfathered Participants.

Section 4.2 Voluntary Contributions by Participants.

Each Participant may make voluntary non-deductible contributions to the Trust Fund for each year in which he or she is a Participant in such amounts as the Participant may elect in the Participant's sole discretion, provided that the total of such amounts, when combined with the Participant's nondeductible Employee contributions to any other qualified retirement plan maintained by the Employer, subject to the lesser of 100% of Compensation or \$40,000 (as adjusted for cost of living increases) limitation as set forth in Section 4.4 below, may not exceed the following percentages of the Participant's Compensation for such year. If Employer contribution is:

17.6%, then 82.4%; 16.15%, then 83.5%; 11.15%, then 88.85%.

A Participant may make a contribution for any year at any time or times during such year, provided such contributions shall be made via payroll deduction and will be credited to the Participant's account within a reasonable period of time after each payroll deduction. The amount, if any, which a Participant contributes to the Trust Fund may vary from year to year and may be contributed in one sum or in installments, provided, that no contribution in any amount less than ten dollars (\$10.00) may be made by the Participant at any one time. All contributions shall be made to the Trustee. No Participant shall have any obligation to make any contribution. Deductible voluntary contributions are not permitted.

Section 4.3 <u>Return of Employer Contributions</u>. Notwithstanding the provisions of Article IX below, a contribution made by the Employer may be returned to the Employer if the contribution is made by reason of a mistake of fact. The amount which may be returned to the Employer is the excess of (i) the amount contributed over (ii) the amount that would have been contributed had there not occurred a mistake of fact. The return to the Employer of the amount involved must be made within one year of the mistaken payment of the contribution or disallowance of the deduction as the case may be.

Section 4.4 <u>Limitations on Allocations.</u>

- (a) General Rule. In no event may a Participant receive an allocation for any year which, when combined with the Participant's allocation under any other defined contribution plan established by the Employer, exceeds the lesser of one hundred percent (100%) of the Participant's Compensation for such year or Forty Thousand Dollars (\$40,000), as adjusted for cost of living increases under Code Section 415(d). For the purpose of applying the foregoing limitation, the limitation year shall be the Plan Year. If a short limitation year is created as a result of a change in the limitation year, the dollar limitation for such short limitation year shall be the dollar limitation set forth in this subsection multiplied by a fraction, the numerator of which is the number of months in such short limitation year and the denominator of which is twelve (12).
- (b) <u>Allocations</u>. For the purpose of applying the limitations of this section, the allocation to the Participant shall include the following amounts allocated to the account of a Participant for a limitation year: (i) Employer contributions, (ii) forfeitures, and (iii) contributions made by the Participant. For the purpose of applying limitations of this Section, Compensation from and allocations received under any retirement plan maintained by any other employer which is a common member with the Employer of either a controlled group of businesses or an affiliated service group, as prescribed by law or regulation, shall be counted.
- (c) <u>Excluded Amounts</u>. Allocations shall <u>not</u> include (i) restorative payments made to restore losses to the Plan resulting from actions by a fiduciary for which there is a reasonable risk of liability for breach of fiduciary duty under applicable Colorado law, where

participants who are similarly situated are treated similarly with respect to the payments; (ii) the direct transfer of a benefit or employee contributions from a qualified plan to this Plan; (iii) rollover contributions as described in Code Sections 401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d)(3), and 457(e)(16); (iv) repayments of loans made to a participant from the Plan; or any other amount not mentioned in subparagraph (b) shall not be considered an allocation.

- (d) <u>Treatment of Excess</u>. If the annual additions (within the meaning of Code Section 415) are exceeded for any Participant, then the Plan may only correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2006-27 or any superseding guidance, including, but not limited to, the preamble of the final Treasury Regulations under Code Section 415.
- (e) <u>Compensation</u>. For the purposes of this Section 4.4, "Compensation" shall mean Compensation as defined in Section 2.6, provided that any taxable compensation excluded under such Section shall be included as Compensation under this Section. In addition, the following amounts shall be included in "Compensation":
- (i) wages and other regular pay, including overtime or shift differentials, commissions, bonuses, or other similar payments, received by a Participant within the later of 2 ½ months after the Participant's termination of employment or the end of the limitation year in which the Participant's termination of employment occurs, but only to the extent such wages and other regular pay represents payment for services performed prior to termination of employment and would have been paid to the Participant if he or she continued employment with the Employer; and
- (ii) vacation and sick leave payments received by a Participant within the later of 2 ½ months after the Participant's termination of employment or the end of the limitation year in which the Participant's termination of employment occurs, but only to the extent such vacation and sick leave payments are for unused bona fide sick, vacation or other leave and the Participant would have been able to use the leave if he or she continued employment with the Employer; and
- (iii) amounts received pursuant to a nonqualified deferred compensation plan, but only if the payment would have been paid such amounts at the same time if the Participant had continued in employment with the Employer and only to the extent the payment is included in the Participant's gross income.

Further, for the purposes of applying the limitations of this Section 4.4, "Compensation" shall not include:

(i) payments to a Participant who does not currently perform services for the Employer by reason of qualified military service;

- (ii) amounts paid to a Participant who is permanently and totally disabled; or
- (iii) any amounts earned by a Participant but not paid during the limitation year solely because of the timing of pay periods and pay dates.

In addition, any "differential wage payments" made by an Employer to an Employee with respect to the Employee's qualified military service, as defined in Code Section 3401(h)(2), shall be included in the Employee's "Compensation" for purposes of this Section 4.4.

ARTICLE V. <u>DETERMINATION AND VESTING OF PARTICIPANTS' INTERESTS</u>

Section 5.1 <u>Allocation of Employer Contributions</u>. The contributions made by the Employer to the credit of the accounts of Participants eligible to participate in the allocation of the Employer Contributions shall be allocated to the Employer Contributions Accounts of Participants not less frequently than monthly, subject to the limitations set forth in Section 4.4 above.

Section 5.2 <u>Allocation of Earnings, Losses and Changes in Fair Market Value of the Net Assets of the Trust Fund.</u>

- (a) <u>General Rule</u>. Earnings and losses of the Trust Fund and changes in the fair market value of the net assets of the Trust Fund shall be allocated to the Participants as of each regular valuation date and at such other dates as determined by the Retirement Board in the ratio which the total dollar value of the interest of each such Participant in the Trust fund bears to the aggregate dollar value of all of such interests of all such Participants as of the last previous regular valuation date.
- (b) Special Rule When There Are Segregated Accounts. For the purpose of the foregoing allocations, the amount of each Participant's interest in the fund, if any, that is held in a segregated account pending distribution pursuant to Article VII below, and the earnings and losses resulting thereto, shall be excluded. The segregated account of a Participant shall alone participate in the income, gains or losses of the property so segregated and alone be liable upon contracts made for its benefit or liabilities arising from such investment. Any extraordinary expenses resulting from the investments made at the direction of the Participant shall be borne solely by such Participant's segregated account.
- (c) Special Rule When Invested in Daily Valuation Accounts. Notwithstanding anything in the Plan to the contrary, if a Participant directs investment of his funds pursuant to Section 5.5, and the Participant directs the investment of the funds into funds which are suitable for daily valuation and represented and approved by the Retirement Board as being valued daily, then daily valuation shall apply. If daily valuation applies, on each business day of the Plan Year, a daily determination of unrealized and realized gains and losses, interest,

dividends and capital gain distributions will be calculated and allocated based on the actual activity in each Participant's account rather than the method described in Section 5.2(a). Activity includes, but is not limited to, allocation of contributions, forfeitures and distributions. A Participant's transfers from other qualified plans and voluntary contributions in the general Trust Fund shall share in any earnings and losses (net appreciation or net depreciation) of the Trust Fund in the same manner provided in this Section 5.2(c) if the transfers or voluntary contributions are invested as required by this Section 5.2(c).

- Section 5.3 <u>Participant Accounts</u>. The following accounts shall be maintained for the Participants in the Plan:
- (a) <u>Employer Contributions Account</u>. The account maintained for a Participant to record his share of the contributions of the Employer, including Employer Matching Contributions, and all amounts transferred (if any) from the Participant's account in the Town of Vail Pension Plan, and adjustments relating thereto.
- (b) <u>Participant Contributions Account</u>. The account maintained for a Participant to record his current interest in the Trust Fund resulting from all Voluntary Participant Contributions made by the Participant on or before December 31, 2015, and adjustments relating thereto.
- (c) <u>Participant Rollover Account</u>. The account established to hold and account for the contributions rolled over from another qualified plan.

The term "Aggregate Account" means the value of all accounts maintained on behalf of a Participant. The maintenance of individual accounts is only for accounting purposes, and a segregation of the assets of the Trust Fund to each account shall not be required.

Section 5.4 <u>Valuation of Accounts</u>.

(a) Regular Valuation. The regular valuation dates of the Trust Fund shall be the last day of each calendar quarter (March 31, June 30, September 30 and December 31) at which time the Retirement Board shall determine the value of the net assets of the Trust Fund, i.e., the value of all of the assets of the Trust Fund at fair market thereof, less all liabilities, both as known to the Trustee, and the value of contributions by the Employer for such year. In the event that distribution is made to a Participant, the valuation of such Participant's account shall occur as of the end of the quarter prior to such distribution. Notwithstanding the foregoing, if the Participant's account or a portion of the Participant's account is invested in accordance with Section 5.2(c), then the valuation of such Participant's account or portion of the Participant's account shall occur as of the date of the distribution. For a Participant's account that is not invested in accordance with Section 5.2(c) or for the remainder of a Participant's account that is not invested in accordance with Section 5.2(c), in no event shall valuation take place prior to the end of the quarter in which distribution is requested by the Participant.

Section 5.5 <u>Participant Direction of Investment</u>. The Plan Administrator may establish rules, regulations and policies to permit each Full-Time Regular Employee who is a Participant to direct the investment of funds allocated to that Participant's Aggregate Accounts. The Plan Administrator shall select and make available several investment vehicles which Participants may elect to invest the funds allocated to their Aggregate Accounts. The Plan Administrator shall adopt and establish rules, regulations and policies concerning Participant direction of investment, options available, election forms, limitations on the type or mix of investment vehicles and procedures for Participants to change their investments.

Section 5.6 <u>Vesting of Participants' Interests.</u>

- (a) <u>Participant's Contributions</u>. A Participant's interest in his or her Voluntary Participant Contributions made pursuant to Section 4.2, and the earnings, losses and changes in fair market value thereof, shall be fully vested at all times.
- (b) <u>Contributions for Full-Time Regular Employees Hired Before July 1, 1986</u>. In the case of a Participant who is a Full- Time Regular Employee whose date of employment with the Employer is prior to July 1, 1986, such Participant's vested percentage in Employer contributions made on the Participant's behalf pursuant to Section 4.1 at any time shall be determined according to the following schedule, based upon Years of Service:

Years of Service	<u>Vested Percentage</u>					
Less than 1	0%					
1	77.5%					
2	85%					
3	92.5%					
4 or more	100%					

(c) <u>Contributions for Full-Time Regular Employees Whose Date of Employment is After June 30, 1986</u>. In the case of a Participant who is a Full-Time Regular Employee whose date of employment with the Employer or the Town of Vail is after June 30, 1986, such Participant's vested percentage in Employer contributions made on the Participant's behalf pursuant to Section 4.1 at any time shall be determined according to the following schedule, based upon the Participant's Years of Service:

Years of Service	<u>Vested Percentage</u>				
Less than 1	0%				
1	20%				
2	40%				
3	60%				
4	80%				
5 or more	100%				

- (d) <u>Lay-Off</u>. Notwithstanding the schedules of vesting set forth in paragraphs (b) and (c) above, any Employee who is laid off by the Employer prior to the time at which he has completed at least one Year of Service, such Employee shall be considered to have one Year of Service for vesting purposes at the time he terminates employment as a result of such lay off.
- (e) <u>Death or Attainment of Normal Retirement Age</u>. A Participant shall be 100% vested in the event the Participant dies, becomes Totally Disabled, attains his or her normal retirement age while still employed by the Employer, or has terminated employment because of a Total Disability but has not commenced receiving a disability benefit.
- (f) <u>Forfeitable Interests</u>. Any portion of the interest of a Participant which shall not have become vested shall be a forfeitable interest. A forfeiture shall occur on the earlier of the distribution of the vested account balance of the Employer Contributions Account or a Break in Service. All forfeitures, including earnings thereon, shall be applied to pay the expenses of the Plan and Trust, or be applied to reduce the contribution of the Employer, in the discretion of the Retirement Board.
- Section 5.7 <u>Determination of Years of Service for Vesting Purposes.</u> In determining a Participant's Years of Service for vesting purposes, all of the Participant's service with the Employer and Town of Vail shall be taken into account subject to the following limitations:
- (a) A Year of Service for vesting purposes means a twelve (12) consecutive monthly period ending on an Employment Anniversary Date during which the Employee is a Full-Time Regular Employee throughout such twelve-month period and is employed on the Employment Anniversary Date. Notwithstanding the foregoing, any Employee who is laid off or is terminated by the Employer prior to the time at which he has completed at least one Year of Service, such Employee shall be considered to have one Year of Service for vesting purposes at the time he terminates employment as a result of such lay off or termination.
- (b) If a Participant incurs a Break in Service, service prior to such Break in Service shall be counted in determining the Participant's vested interest in Employer contributions made after he returns to the employ of the Employer.
- (c) All service with the Town of Vail shall be counted for vesting purposes as if it were service with the Employer.
- Section 5.8 <u>Leaves of Absence; Military Service</u>. A leave of absence not in excess of one year granted by the Employer for purposes other than military service shall not be considered as a Break in Service or a termination of employment. The Employer may, from time to time, extend such leave of absence for additional periods of not in excess of one year each in accordance with the personnel rules and regulations of the Employer.

Any Employee or Participant who has entered or enters the Armed Forces of the United States shall be presumed to be on a leave of absence, regardless of the length of such service, and such leave of absence shall not be considered as a Break in Service or a termination

of employment, provided such leave is in compliance with the personnel rules and regulations of the Employer.

A Participant shall not be credited with service during any period during which he is on a leave of absence or in military service, as provided above unless he receives or is entitled to receive Compensation from the Employer for such period.

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

If a Participant's death occurs while the Participant is performing qualified military service (as defined in Code Section 414(u)), the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.

Section 5.9 <u>Vesting Upon Termination of Plan or Discontinuance of Contributions to the Plan</u>. Upon the termination, or partial termination, of the Plan or the complete discontinuance of contributions under the Plan to the Trust, the interests of all affected Employees shall become fully and completely vested and non-forfeitable for all purposes.

ARTICLE VI. RETIREMENT DATE -- DETERMINATION OF BENEFICIARY

Section 6.1 <u>Retirement Date</u>. The normal retirement age for each Participant shall be sixty (60) years. An Employee may elect to retire voluntarily for purposes of this Plan after attaining the age of fifty (50) years, provided the Participant has completed four (4) Years of Service (as determined pursuant to Section 2.17) prior to such retirement. A Participant shall be entitled to retire voluntarily on or after the Participant's normal retirement date, which is the date upon which the Participant attains normal retirement age. Until actual retirement, a Participant shall continue to participate in the Plan.

Section 6.2 Determination of Beneficiary.

(a) <u>Designation of Beneficiaries</u>. A Participant shall have the right to designate a Beneficiary or Beneficiaries and one or more contingent Beneficiaries to receive the Participant's interest in the Trust Fund upon his death, such designation to be made on the form prescribed by and delivered to the Retirement Board. The Participant shall have the right to change or revoke any such designation from time to time by filing a new designation or notice of revocation with the Retirement Board, and no notice to any Beneficiary nor consent by any Beneficiary shall be required to effect any such change or revocation.

(b) Determination of Beneficiary When There is no Designated Beneficiary. If a Participant shall fail to designate a Beneficiary before the Participant's death, or if all designated Beneficiaries or contingent Beneficiaries should die, cease to exist or disclaim their interests prior to distribution, the Retirement Board shall pay the Participant's interest in the Trust Fund to the Participant's surviving Spouse or Civil Union Partner (as determined under Colorado law), if any, or if none, then to the personal representative of the Participant's estate. If, however, no personal representative shall have been appointed, and the actual notice thereof given to the Retirement Board within one hundred twenty (120) days after the Participant's death, the Retirement Board may pay the Participant's interest to such person or persons as may be entitled thereto under the laws of the state where such Participant resides at the date of the Participant's death, and in such case, the Retirement Board may require such proof of right or indemnity from such person or persons as the Retirement Board may deem necessary.

ARTICLE VII. DISTRIBUTION FROM TRUST FUND

- Section 7.1 When Interests Become Distributable and Effect Thereof. When a Participant dies, suffers total disability, retires or terminates his or her employment for any other reason, or attains normal retirement age while remaining an Employee of the Employer, the Participant's vested interest in the Trust Fund shall thereupon become distributable as hereinafter provided in this Article. Distribution shall not be permitted prior to the occurrence of one of the foregoing events other than to comply with the distribution commencement date requirements of Section 7.4 or to comply with a domestic relations order pursuant to Section 7.9(b).
- Section 7.2 <u>Notification of Trustee</u>. As soon as possible after a Participant's vested interest shall have become distributable, the Retirement Board will determine the Participant's address, the amount of the Participant's vested interest which has become distributable, the reason for its having become distributable and the manner of distribution in accordance with the Plan.

Section 7.3 <u>Time of Distribution</u>.

- (a) <u>Distribution Upon Retirement or Disability</u>. If a Participant retires on or after the Participant attaints normal retirement age or becomes totally disabled, his interest shall be distributable commencing no later than the earlier of sixty (60) days after the close of the Plan Year in which the Participant's termination of employment occurs, or the required distribution commencement date set forth in Section 7.4, subject to the consent requirements of subsection (e) of this Section.
- (b) <u>Distribution Upon Death</u>. If a Participant dies, the Participant's interest shall be distributable commencing no later than sixty (60) days after the close of the Plan Year in which the Participant's death occurs.
- (c) <u>Distribution Upon Other Termination of Employment</u>. If a Participant terminates his or her employment for any reason other than retirement, disability or death, and

the Participant's Aggregate Account, determined under Section 5.3, is less than \$1,000, such interest shall be distributed without the consent of the Participant commencing no later than the last day of the Plan Year after the Participant incurs a Break in Service.

- (d) <u>Distribution of Participant's Interest in Employer's Contribution for Year of Termination</u>. The vested interest of the Participant in the Employer's contribution for the year of termination shall be distributed to the Participant or his or her Beneficiary as soon as practicable after the end of such year by the allocation of such interest to the Participant's account.
- (e) Participant Consent and Deferral Election. No distribution under this Plan may be made to a Participant whose Aggregate Account, determined under Section 5.3, exceeds \$1,000 prior to the later of the Participant's normal retirement age, or the Participant's sixty-second (62nd) birthday, without the Participant's written consent. A Participant may elect, with the consent of the Retirement Board, to have the commencement of the Participant's benefit deferred until a date later than the date specified in subsection (a), (b) or (c) of this Section 7.3, but in no event shall the commencement of distribution be later than the required distribution commencement date specified in Section 7.4. Any election under this subsection shall be made by submitting to the Retirement Board a written request, signed by the Participant which describes the benefit and the date on which the payment of such benefit shall commence.
- (f) <u>Distribution of a Participant's Contributions</u>. Any other provision of this Section 7.3 to the contrary notwithstanding, a Participant, in the event of the termination of his or her employment for any reason, shall be entitled to receive payment in one lump sum of his or her interest in the Trust Fund represented by his or her Voluntary Participant Contributions, provided he makes written demand therefor upon the Retirement Board. The earnings, gains and increases in fair market value of the Participant's Voluntary Contributions Account shall be distributed at the same time and in the same manner as the Participant's interest attributable to Employer Contributions.
- (g) <u>Distribution After Attainment of Normal Retirement Age</u>. If a Participant attains normal retirement age while remaining an Employee of the Employer, his or her interest shall be distributed in whole or in part upon his or her election, subject to the consent requirements of subsection (e) of this Section.
- Section 7.4 <u>Required Distribution Commencement Date</u>. Distribution of a Participant's interest must begin no later than April 1 of the calendar year following the calendar year in which takes place the later of the date the Participant attains the age of seventy and one-half (70-1/2) or the date the Participant retires.
- Section 7.5 <u>Manner of Distribution</u>. When a Participant's interest shall become distributable, the Participant shall elect the form and timing of the distribution. The Participant shall determine the form of distribution by filing a written election with the Retirement Board. Distribution may be made in one or more of the following methods:

- (a) <u>Lump Sum Distribution</u>. The Participant's interest may be paid to the Participant or his or her Beneficiary by the distribution of the total vested balance of the Participant's account in one lump sum.
- (b) <u>Installments</u>. The Participant's interest may be paid to the Participant or his or her Beneficiary in substantially equal periodic installments (not more frequently than monthly). Such installments shall not extend over a period exceeding the Participant's or Beneficiary's life expectancy.
- Section 7.6 <u>Limitation on Duration of Payments</u>. Whenever an amount becomes distributable to a Participant, such amount shall be distributed over a period not exceeding the longer of (i) the longer of the life or the life expectancy of the Participant, or (ii) the longer of the joint lives or the joint life expectancies of the Participant and an individual designated as a Beneficiary by the Participant. To the extent distribution is made after the Participant attains the age of seventy and one-half (70-1/2), if not paid in a lump sum, the distribution must be made in accordance with the "required minimum distribution" rules in Section 7.7. The present value of the benefits payable solely to the Participant under any elected method must exceed fifty percent (50%) of the total benefits payable to the Participant and his or her beneficiaries, unless distribution is in the form of a qualified joint and survivor annuity.

Section 7.7 Required Minimum Distributions.

(a) General Rules.

- (i) <u>Precedence</u>. The requirements of this Section 7.7 will take precedence over any inconsistent provisions of the plan.
- (ii) <u>Requirements of Treasury Regulations Incorporated.</u> All distributions required under this Section 7.7 will be determined and made in accordance with the Treasury Regulations under Code Section 401(a)(9).
- (iii) <u>Death of Participant Before Distributions Begin</u>. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
- (A) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.
- (B) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

- (C) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (D) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 7.7(b), other than Section 7.7(b)(1), will apply as if the surviving spouse were the Participant.
- (iv) For purposes of this Section 7.7(b) and Section 7.7(d), unless Section 7.7(b)(4) applies, distributions are considered to begin on the Participant's required beginning date. If Section 7.7(b)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 7.7(b)(1).

Section 7.8 Required Minimum Distributions During Participant's Lifetime.

- (a) Amount of Required Minimum Distribution For Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:
- (i) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
- (ii) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

Required minimum distributions will be determined under this Section 7.7(c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

Section 7.9 Required Minimum Distributions After Participant's Death.

- (a) Death On or After Date Distributions Begin.
- (i) <u>Participant Survived by Designated Beneficiary</u>. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the

longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:

- (A) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (B) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
- (C) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (ii) <u>No Designated Beneficiary</u>. If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(b) Death Before Date Distributions Begin.

- (i) <u>Participant Survived by Designated Beneficiary</u>. If the Participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Section 7.7(d)(1).
- (ii) <u>No Designated Beneficiary</u>. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iii) <u>Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.</u> If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving

spouse dies before distributions are required to begin to the surviving spouse under Section 7.7(b)(1), this Section 7.7(d)(2) will apply as if the surviving spouse were the Participant.

Section 7.10 Definitions. The following definitions apply to this Section 7.7.

- (a) <u>Designated Beneficiary</u>. The individual who is designated as the Beneficiary by a Participant, or by the Plan, who is a "designated beneficiary" under Code Section 401(a)(9) and Section 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.
- (b) <u>Distribution Calendar Year</u>. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 7.7(b). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.
- (c) <u>Life Expectancy</u>. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.
- (d) Participant's Account Balance. The balance of all of the Participant's Accounts as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.
- (e) <u>Required Beginning Date</u>. The latest date for commencement of distributions for a Participant, as determined under Section 7.4 of the Plan.

Section 7.11 Withdrawals.

- (a) <u>Employer and Contributions</u>. A Participant may not at any time withdraw any part of his or her interest in his or her Employer Contributions and the earnings, losses and changes in the fair market value thereof, except as provided in Section 7.1.
- (b) <u>Participant's Voluntary Contributions</u>. A Participant may request the withdrawal from his or her voluntary non-deductible contributions account of any amount in such account, including earnings and funds in such account. A Participant desiring such a

withdrawal shall file a written request with the Retirement Board stating the amount to be withdrawn. The Retirement Board shall then distribute the amount requested to the Participant. The right to withdraw such contributions shall be available to all Participants in a non-discriminatory manner.

Section 7.12 Spendthrift Provisions.

- (a) Nonalienation of Benefits. Except as otherwise provided hereunder, all amounts payable hereunder by the Retirement Board shall be paid only to the person or persons entitled thereto, and all such payments shall be paid directly into the hands of such person or persons and not into the hands of any other person or corporation whatsoever except for transfers to other qualified retirement plans or individual retirement accounts at the written direction of a Participant, and such payments shall not be liable for the debts, contracts or engagements of any such person or persons, or taken in execution by attachment or garnishment or by any other legal or equitable proceedings; nor shall any such person or persons have any right to alienate, anticipate, commute, pledge, encumber or assign any such payments or the benefits, proceeds or avails thereof; provided that nothing herein shall affect, restrict or abridge any right of setoff, lien or security interest which the Trust may have in the Participant's interest as a result of its use as security for a Participant loan to such Participant.
- (b) <u>Domestic Relations Order</u>. Notwithstanding any other provision of this Plan, the Trustee, in accordance with the direction of the Plan Administrator, must comply with the provisions of a DRO, as provided in Colorado Revised Statutes Section 14-10-113(6), which is issued with respect to the Plan. This Plan specifically permits distribution to an alternate payee under a DRO at any time, irrespective of whether the Participant has attained his/her earliest retirement age (as defined under Code Section414(p)) under the Plan. A distribution to an alternate payee prior to the Participant's attainment of earliest retirement age is available only if: (1) the DRO specifies distribution at that time or permits an agreement between the Plan and the alternate payee to authorize an earlier distribution; and (2) if the present value of the alternate payee's benefits under the Plan exceeds \$1,000, and the DRO requires, the alternate payee consents to any distribution occurring prior to the Participant's attainment of earliest retirement age. Nothing in this Section 7.9(b) gives a Participant a right to receive distribution at a time the Plan otherwise does not permit nor does Section 7.9(b) authorize the alternate payee to receive a form of payment the Plan does not permit.

The Plan Administrator must establish reasonable procedures to determine the qualified status of a domestic relations order. Upon receiving a domestic relations order, the Plan Administrator promptly will notify the Participant and any alternate payee named in the order, in writing, of the receipt of the order and the Plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the Plan Administrator must determine the qualified status of the order and must notify the Participant and each alternate payee, in writing, of the Plan Administrator's determination. The Plan Administrator must provide notice under this paragraph by mailing to the individual's address specified in the domestic relations order, or in a manner consistent with Colorado law.

If any portion of the Participant's interest is payable under the domestic relations order during the period the Plan Administrator is making its determination of the qualified status of the domestic relations order, the Plan Administrator must maintain a separate accounting of the amounts payable. If the Plan Administrator determines the order is a DRO within 18 months of the date amounts first are payable following receipt of the domestic relations order, the Plan Administrator will direct the Trustee to distribute the payable amounts in accordance with the DRO. If the Plan Administrator does not make its determination of the qualified status of the order within the 18-month determination period, the Plan Administrator will direct the Trustee to distribute the payable amounts in the manner the Plan would distribute if the order did not exist and will apply the order prospectively if the Plan Administrator later determines the order fulfills the requirements applicable to a DRO.

To the extent it is not inconsistent with the provisions of the DRO, the Plan Administrator may direct the Trustee to segregate the DRO amount in a segregated investment account. The Trustee will make any payments or distributions required under this Section 7.9(b) by separate benefit checks or other separate distribution to the alternate payee(s).

Section 7.13 <u>Authorization of Loans to Participants.</u>

- (a) Availability of Loans. The Employer may permit Participant loans. Any such loan shall be made at the request of the Participant or Beneficiary and shall be subject to the requirements set forth in this Section. To the extent loans are made available, such loans shall be available to all Participants or Beneficiaries on a reasonably equivalent and non-discriminatory basis. The Retirement Board may maintain a Participant Loan Policy, which may impose additional limitations, restrictions and requirements which the Retirement Board determines are necessary or appropriate provided such loans remain available on an equal, non-discriminatory basis to all Participants.
- (b) <u>Limitation on Amount of Loans</u>. Any loan, when combined with the principal balance due on all other loans made to the Participant by any qualified retirement plan maintained by the Employer, shall not exceed the lesser of Fifty Thousand Dollars (\$50,000), reduced by the highest outstanding balance of such loans to the Participant during the one year period ending on the day before the date a loan is made, or fifty percent (50%) of such Participant's vested interest.
- (c) <u>Repayment of Loans</u>. Any loan must be repaid in substantially level amortized installments of principal and interest, payable at least quarterly over the term of the loan. Any loan shall be repaid within five (5) years unless such loan is for the purpose of the acquisition of a principal residence for the Participant. Such a loan for a residence must be repaid over a reasonable period of time.
- (d) <u>Interest Rate</u>. Participant loans shall bear a reasonable rate of interest, as determined under the Participant Loan Policy.

- (e) <u>Security</u>. All Participant loans shall be adequately secured. Fifty percent (50%) of the vested interest of the Participant in the Trust Fund shall be security for the repayment of such loan and the Retirement Board may require security in addition to the Participant's vested interest if it deems it necessary or if the Participant fails to consent to the use of his or her vested interest as security.
- (f) <u>Default</u>. Notwithstanding any other provision of this Section, if a Participant loan made pursuant to this Section is not in default if a Participant fails to make two months scheduled loan repayments, provided that by the last day of the following month such delinquency is cured. A loan shall be deemed to be in default if the Participant misses three consecutive months of scheduled loan repayments. Once the loan is in default, it shall become immediately due and payable as of the last day of the month in which it is deemed in default. The Retirement Board may take any action it considers appropriate to collect the unpaid balance and accrued interest of the loan in default pursuant to the Participant Loan Policy. Until a loan in default is satisfied, it shall continue to bear interest at the rate provided in the note plus additional interest of two percent (2%) per annum.

Section 7.14 <u>Claims Procedures</u>. Upon a Participant's termination of service with the Employer for any reason, the Participant or the Participant's Beneficiary will be advised by the Retirement Board of his or her rights to benefits under the Plan. If at any time the Participant or the Participant's Beneficiary feels that he or she is entitled to benefits, he or she may make a claim for benefits by writing a letter to the Retirement Board requesting the benefits and stating why he or she feels he or she is entitled to them.

If the claim for benefits under the Plan of any Participant or Beneficiary has been denied, the Retirement Board shall provide adequate notice, in writing, to such Participant or Beneficiary within ninety (90) days after the claim is filed. Such notice shall set forth the specific reasons for such denial, specific reference to pertinent Plan provisions on which the denial is based, a description of any additional material or information necessary for the claimant to perfect his or her claims, if any, and an explanation of why such material or information is necessary, and appropriate information as to the steps to be taken if the Participant or Beneficiary wishes to submit his or her claim for review. If a notice of the denial of a claim is not furnished within ninety (90) days, the claim shall be deemed to be denied and the claimant shall be permitted to submit his or her claim for review at that time. Each claim submitted for review shall be entitled to a full and fair review by the Retirement Board (or by a person designated by the Retirement Board) of all the facts and circumstances and the preliminary decision denying such claim. The Participant or Beneficiary may request such a review upon written application, he or she may review pertinent documents and he or she may submit issues and comments in writing. Any such review must be requested within seventy-five (75) days of the original claim denial, and a decision on such claim shall be made not later than sixty (60) days after the Plan's receipt of such request. The decision on review shall be in writing and shall include the specific reasons for the decision, written in a manner calculated to be understood by the claimant as well as specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE VIII. CONTINUANCE, TERMINATION AND AMENDMENT OF PLAN AND TRUST

- Section 8.1 <u>Continuance of Plan by Successor Government</u>. A successor government may continue this Plan by proper action of its legislative body by executing a proper supplemental agreement to this Plan and by executing a proper supplemental agreement to the Trust Agreement established in conjunction with this Plan with the Trustee. All Participants in this Plan shall have those rights and obligations they had under the previous government.
- Section 8.2 <u>Distribution of Trust Fund on Termination of Plan</u>. If the Plan shall, at any time, be terminated by the terms of this Article, the value of the Aggregate Account of each respective Participant or Beneficiary in the Trust Fund shall be vested in its entirety and nonforfeitable as of the date of the termination of the Plan. Upon the termination of the Plan, the Employer in its discretion may either terminate the Trust or continue the Trust in existence. If the Trust is then terminated, the assets of the Trust Fund shall be immediately distributed to the Participants or their Beneficiaries in cash or in kind. If the Trust is continued, the assets shall be distributed to the Participants or their Beneficiaries in accordance with the provisions of Article VII above.

Section 8.3 <u>Amendment or Termination of Plan and Trust Agreement.</u>

- (a) <u>In General</u>. The Employer may at any time and from time to time amend this Plan and the Trust Agreement established pursuant to this Plan, or terminate this Plan and the Trust Agreement established pursuant to this Plan. In addition, no amendment may be made at any time which diverts the Trust Fund to purposes other than for the exclusive benefit of the Participants and their Beneficiaries, and provided further that no amendment shall discriminate in favor of Employees who are partners, officers or Highly Compensated Employees. All amendments shall be in writing.
- (b) <u>Legal Requirements</u>. Notwithstanding anything herein to the contrary, however, the Plan and Trust Agreement may be amended at any time and from time to time, if necessary, to conform to the provisions and requirements of the federal Internal Revenue Code or any amendments thereto, or regulations or rulings issued pursuant thereto, and no such amendment shall be considered prejudicial to the interest of any Participant or Beneficiary hereunder.
- (c) <u>Vesting Schedule</u>. No amendment shall decrease the percentage of the interest of any Participant which shall theretofore have become vested.

ARTICLE IX. MISCELLANEOUS

Section 9.1 Direct Rollovers of Eligible Rollover Distributions.

- (a) <u>In General</u>. The Retirement Board is authorized to receive and add to the interest of any Participant, the Participant's vested interest in the assets held under any Eligible Retirement Plan if such transfer satisfies the requirements under law for transfers between retirement plans. In such event the assets so received shall be fully vested and shall be held in a separate account and shall be administered and distributed pursuant to the provisions of this Plan and Trust concerning Employer contributions. The Retirement Board is also authorized at the request of the Participant to transfer such Participant's vested interest which has become distributable under Article VII hereof, directly to an Eligible Retirement Plan for the benefit of such Participant, provided such transfer satisfies the requirements under law for such transfers.
- (b) <u>Rules For Distributions From the Plan</u>. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Retirement Board, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the distributee in a direct rollover.

(c) Definitions.

(i) <u>Eligible Rollover Distribution</u>. An Eligible Rollover Distribution is any distribution of all or any portion of the balance of a qualified trust to the credit of the distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal period payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any hardship distribution described in Code Section 401(k)(2)(B)(i)(IV).

For purposes of the direct rollover provisions in this Section 9.1, a portion of a distribution shall not fail to be an Eligible Rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b), or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(ii) <u>Eligible Retirement Plan</u>. An Eligible Retirement Plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity

described in Code Section 408(b), a "Roth" individual retirement annuity described in Code Section 408A (subject to certain additional Code requirements), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a), that accepts the distributee's Eligible Rollover Distribution.

For purposes of the direct rollover provisions in this Section 9.1, an Eligible Retirement Plan shall also mean an annuity contract described in Code Section 403(b) and an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a domestic relation order, as provided in Section 7.9(b). In the case of a distribution to a non-spouse Beneficiary, an Eligible Retirement Plan means an "inherited individual retirement account or annuity" described in Code Sections 408(a) or (b), or a Roth IRA described in Code Section 408A.

- (iii) <u>Distributee</u>. A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a domestic relations order, as provided in Section 7.9(b), are distributees with regard to the interest of the spouse or former spouse. Distributee also includes a non-spouse beneficiary.
- (iv) <u>Direct Rollover</u>. A direct rollover is a payment by the plan to the Eligible Retirement Plan specified by the distributee.
- Section 9.2 <u>Benefits to be Provided Solely from the Trust Fund</u>. All benefits payable under this Plan shall be paid or provided for solely from the Trust Fund, and the Employer assumes no liability or responsibility therefor.
- Section 9.3 <u>Notices from Participants to be Filed with Retirement Board</u>. Whenever provision is made herein that a Participant may exercise any option or election or designate any Beneficiary, the action of each Participant shall be evidenced by a written notice thereof signed by the Participant on a form, if any, furnished by the Retirement Board for such purpose and filed with the Retirement Board, which shall not be effective until received by the Retirement Board.
- Section 9.4 <u>Agent for Service of Process</u>. The agent for service of process for the Plan shall be the Retirement Board unless a different agent shall be designated by the Employer. The agent and the agent's address shall be set forth in the Summary Plan Description distributed to the Participants.

Section 9.5 <u>Text to Control</u>. The headings of Articles and Sections are included solely for convenience of reference. If there shall be any conflict between such headings and the text of this Plan, the text shall control.

Section 9.6 <u>Law Governing and Severability</u>. This Plan shall be construed, regulated and administered under the laws of the State of Colorado. All contributions received by the Trustee hereunder shall be deemed to have been received in that state. In the event any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions hereof. On the contrary, such remaining provisions shall be fully severable and this Plan shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein.

Section 9.7 <u>Employer's Obligations</u>. The adoption and continuance of the Plan shall not be deemed to constitute a contract between the Employer and any Employee or Participant, nor to be a consideration for, or an inducement or condition of, the employment of any person. Nothing herein contained shall be deemed to give any Employee or Participant the right to be retained in the employ of the Employer or to interfere with the right of the Employer to discharge any Employee or Participant at any time, nor shall it be deemed to give the Employer the right to require the Employee or Participant to remain in its employ nor shall it interfere with the right of any Employee or Participant to terminate his or her employment at any time.

The Employer shall not incur any liability whatsoever to the Trust Fund, or any Participants or their Beneficiaries, or the Trustee, or any other person for anything done or omitted by the Trustee or for the loss or depreciation, in whole or in part, of the Trust Fund.

Section 9.8 <u>Plan for Exclusive Benefit of Participants; Reversion Prohibited.</u> This Plan has been entered into for the exclusive benefit of the Participants and their Beneficiaries. Under no circumstances shall any funds contributed to or held by the Trustee hereunder at any time revert to or be used by or enjoyed by the Employer nor shall any such funds or assets at any time be used other than for the exclusive benefit of the Participants or their Beneficiaries, subject to the provisions concerning the return of certain Employer contributions.

IN WITNESS WHEREOF, the Emplo be executed by its authorized representative th	yer has caused this Amended and Restated Plan to its day of,
	"EMPLOYER" Vail Park & Recreation District d/b/a Vail Recreation District
	By: Title:



Accountant's Compilation Report

December 7, 2015

Board of Directors Vail Recreation District Vail, Colorado

We have compiled the accompanying balance sheet of Vail Recreation District as of October 31, 2015 and the related statement of revenues, expenditures and changes in fund balance with budgets for the ten month period then ended. We also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2015 and the preliminary 2016 budget, in accordance with standards established by the American Institute of Certified Public Accountants.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, we participate in the financial management of the District. Management (with our participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. We have prepared these financial statements in our capacity as consulting financial managers for the District.

Our responsibilities include conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with our participation) has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for calendar year 2014 is presented for comparative purposes only. Such information is taken from the financial statements for the District for the year ended December 31, 2014, which have been audited by McMahan and Associates, L.L.C. and upon which they expressed an unqualified opinion in their report dated June 9, 2015.

We are not independent from an accounting and auditing perspective with respect to Vail Recreation District because we perform certain accounting services that impair our independence.

VAIL RECREATION DISTRICT COMBINED BALANCE SHEET

December 31, 2014 and October 31, 2015

	12/31/14				10/31/15					
		Enter-	General	Ent. Fund			Enter-	General	Ent. Fund	
	General	prise	Fixed Assets	Fixed Assets		General	prise	Fixed Assets	Fixed Assets	
	<u>Fund</u>	<u>Fund</u>	<u>& LTD</u>	<u>& LTD</u>	<u>Total</u>	<u>Fund</u>	<u>Fund</u>	<u>& LTD</u>	<u>& LTD</u>	<u>Total</u>
<u>ASSETS</u>										
CASH- UNRESTRICTED	3,695,221	400			3,695,621	4,634,148	465			4,634,613
INVESTMENTS- RESTRICTED		293,074			293,074		293,579			293,579
ACCOUNTS RECEIVABLE	135,037	12,895			147,932	56,758	9,693			66,451
PROPERTY TAXES RECEIVABLE	2,457,073	256,390			2,713,464	13,320	2,827			16,147
PREPAIDS, DEPOSITS & INVENTORY	476	59,474			59,950	1,884	34,545			36,429
DUE (TO) FROM OTHER FUND	(1,205,900)	1,205,900			0	(763,518)	763,518			0
LOAN DUE (TO) FROM OTHER FUND	17,223	(17,223)			0	17,223	(17,223)			0
LAND & BUILDINGS			736,190	12,236,839	12,973,029			736,190	12,236,839	12,973,029
EQUIPMENT			732,063	1,599,604	2,331,667			732,063	1,599,604	2,331,667
ACCUM DEPR			(688,157)	(8,339,030)	(9,027,187)			(688,157)	(8,339,030)	(9,027,187)
TOTAL ASSETS	5,099,130	1,810,911	780,096	5,497,413	13,187,550	3,959,815	1,087,404	780,096	5,497,413	11,324,728
LIABILITIES AND EUND EQUITY										
LIABILITIES AND FUND EQUITY ACCOUNTS PAYABLE	FC 740	00.507			00.000	CE 0C0	CO 000			400.004
DEFERRED PROPERTY TAXES	56,712	29,527			86,239	65,968	60,233			126,201
DEFERRED PROPERTY TAXES DEFERRED REVENUE	2,457,073	256,390			2,713,464	13,320	1,390			14,710 47,674
DEFERRED REVENUE	31,042	12,280			43,322	22,509	25,165			47,074
ACCRUED COMPENSATED ABSENCES			34,390	23,236	57,626			34,390	23,236	57,626
ACCRUED INTEREST PAYABLE			0	24,675	24,675			0	24,675	24,675
DUE TO TOV- DOBSON IMPROVEMENTS				0	0				0	0
DUE TO TOV-GYMNASTICS			0		0			0		0
DOBSON BONDS PAYABLE				1,410,000	1,410,000				1,205,000	1,205,000
IMPUTED INTEREST			0	0	0			0	0	0
TOTAL LIABILITIES	2,544,827	298,197	34,390	1,457,911	4,335,325	101,797	86,788	34,390	1,252,911	1,475,886
NET ASSETS										
INV IN FIXED ASSETS, NET OF DEBT			745,706	4,039,502	4,785,208			745,706	4,244,502	4,990,208
RESTRICTED	110,705	278,913	, 10,, 00	1,000,002	389,618	107,777	278,913	7 10,700	1,211,002	386,690
COMMITTED & ASSIGNED FOR CAPITAL	1,350,000	1,200,000			2,550,000	1,450,000	1,200,000			2,650,000
UNASSIGNED	1,093,598	33,800			1,127,399	2,300,241	(478,297)			1,821,945
TOTAL NET ASSETS	2,554,303	1,512,713	745,706	4,039,502	8,852,224	3,858,018	1,000,616	745,706	4,244,502	9,848,842
TOTAL LIAB & NET ASSETS	5,099,130	1,810,911	780.096	5,497,413	13,187,550	3,959,815	1,087,404	780.096	5,497,413	11,324,728
TOTAL LIAD & NET ASSETS	=	=	780,096	5,497,413	13,167,550	=	=	760,096	5,497,413	11,324,720

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Printed: 12/07/15

Modified Accrual Basis

					10 Months	10 Months		
	2014		2015	Variance	Ended	Ended	Variance	2016
	Audited	2015	Adopted	Favorable	10/31/15	10/31/15	Favorable	Prelim
	Actual	Forecast	Budget	(Unfavor)	Actual	Budget	(Unfavor)	Budget
COMBINED REVENUES				(011101)		g	(0111111)	g
PROPERTY AND OTHER TAXES, NET OF FEES	2,821,839	2,761,074	2,740,695	20,379	2,732,996	2,694,941	38,055	3,111,370
OTHER NON-DEPARTMENTALIZED REVENUES	61,871	61,950	63,750	(1,800)	48,042	55,228	(7,186)	61,995
SPORTS	411,980	375,660	376,349	(1,600)	368,027	373,696	(5,669)	395,075
GYMNASTICS		173,618	215,638	` '	,	198,170		184,031
COMMUNITY PROGRAMMING	193,439 362,270	352,011	345,400	(42,020) 6,611	149,411 332,801	325,732	(48,759) 7,069	373,189
NATURE CENTER & NORDIC	97,767	83,311	83,000	311	37,043	39,239	(2,197)	84,750
GOLF COURSE	1,287,260	1,401,258	1,236,894	164,364	1,400,499	1,236,693	163,805	1,152,530
TENNIS	37,354	43,260	37,965	5,295	43,214	37,684	5,530	44,671
DOBSON	555,582	648,810	575,555	73,255	561,700	471,603	90,097	584,895
BANQUET ROOM	555,562	750	373,333	75,255	750	471,003	90,097 750	36,185
								,
TOTAL REVENUES	5,829,362	5,901,703	5,675,246	226,457	5,674,483	5,432,987	241,495	6,028,690
OPERATING EXPENSES								
ADMINISTRATION	(641,973)	(638,262)	(640,917)	2,655	(540,531)	(557,834)	17,303	(659,190)
PUBLIC RELATIONS/MARKETING	(220,207)	(243,683)	(249,045)	5,362	(200,398)	(218,135)	17,737	(256,861)
PARK MAINTENANCE	(161,553)	(202,856)	(195,634)	(7,222)	(174,409)	(168,422)	(5,987)	(211,298)
FACILITIES MAINTENANCE	(119,689)	(123,212)	(121,746)	(1,466)	(98,573)	(99,719)	1,147	(129,404)
SPORTS	(510,750)	(472,586)	(482,199)	9,613	(405,917)	(431,303)	25,386	(520,137)
GYMNASTICS	(212,015)	(220,951)	(231,307)	10,356	(158,853)	(177,597)	18,745	(236,387)
COMMUNITY PROGRAMMING	(415,404)	(440,811)	(435,429)	(5,381)	(378,115)	(386,023)	7,908	(477,216)
NATURE CENTER & NORDIC	(71,069)	(84,649)	(78,000)	(6,649)	(69,815)	(67,387)	(2,428)	(77,490)
GOLF OPERATIONS	(657,681)	(825,583)	(776,418)	(49,165)	(781,832)	(737,214)	(44,619)	(881,874)
GOLF MAINTENANCE	(771,021)	(767,156)	(776,479)	9,324	(669,445)	(686,487)	17,041	(823,432)
TENNIS	(80,140)	(66,785)	(67,389)	605	(66,473)	(67,079)	606	(87,585)
DOBSON	(618,089)	(636,678)	(669,996)	33,318	(505,504)	(554,886)	49,381	(688,787)
BANQUET ROOM	-	-	-	-	-	-	-	(65,711)
ADDITIONAL OPERATING COSTS								-
TOTAL EXPENSES	(4,479,591)	(4,723,212)	(4,724,560)	1,348	(4,049,865)	(4,152,086)	102,220	(5,115,370)
CHANGE IN FUND BAL BEFORE DS & CAP	1,349,770	1,178,491	950,686	227,804	1,624,617	1,280,901	343,716	913,320
DEBT SERVICE	(324,582)	(274,145)	(274,145)	-	(274,144)	(274,145)	1	(277,989)
CHANGE IN FUND BAL BEFORE CAP	1,025,189	904,346	676,541	227,804	1,350,473	1,006,756	343,717	635,331
DONATIONS, LOANS, & SALE OF ASSETS	-	-	-	-	-	-	-	-
CAPITAL EXPENDITURES	(478,027)	(1,823,938)	(2,374,484)	550,546	(558,856)	(1,212,567)	653,711	(1,159,704)
LESS UNFUNDED CAPITAL PROJECTS	, , ,	- 1	- 1	-	, , ,		•	- 1
CONTINGENCY	-	(25,000)	(100,000)	75,000	-	(100,000)	100,000	(200,000)
TOTAL NET CAPITAL EXPENSES	(478,027)	(1,848,938)	(2,474,484)	625,546	(558,856)	(1,312,567)	753,711	(1,359,704)
CHANGE IN FUND BALANCE	547,162	(944,592)	(1,797,942)	853,350	791,618	(305,810)	1,097,428	(724,373)
BEGINNING FUND BALANCES	3,519,855	4,067,016	3,903,965	163,051	4,067,016	3,903,965	163,051	2,971,868
ENDING FUND BALANCES	4,067,016	3.122.424	2,106,023	1,016,401	4,858,634	3,598,155	1,260,480	2,247,495
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SUMMARY OF SIGNIFICANT VARIANCES:

GYMNASTICS REVENUES- Numbers are down but are coming back with program and staff rebuilding

GOLF REVENUES- Positive variances at Grill on the Gore and great late season weather produced positive variances

DOBSON REVENUES- The Volvo event was huge for the arena, both in facility rental and concessions. Bob Johnson had another successful year as well.

PUBLIC RELATIONS EXPENSES-Timing variances, will even out in future months as new staff person gets up to speed

GYMNASTICS EXPENSES- Able to make up a portion of the decrease in revenue with savings in expenses.

GOLF OPERATIONS EXPENSES- Food and Beverage Revenues are up, so are expenTotal Mill Levy with Increase

DOBSON EXPENSES- Savings from being down a staff member for multiple months.

CAPITAL- Bridges likely not to happen until 2016, most projects coming in on track with overall budget.

FUND BALANCE- Savings at end of 2014 rolled forward to 2015.

VAIL RECREATION DISTRICT DIRECTOR REPORTS November 12, 2015

GOLF MAINTENANCE

- Snowcat now grooming ski trails as of November 30th. Prior to this we were utilizing our tracked John Deere UV, pulling our roller, and then the Ginzu unit.
 - We received 25" of snow on the course in November, with a settled base of 15" as of November 30th.
 - Currently we are not grooming every day, only because conditions are very good and the snowpack is still a little thin on the east end of the trail system.
- In late November, Bill Walton of Links Land was able to finish the rerouting and backfilling of the section of 16" mainline on the right side of hole #10.
- Clubhouse site storm water drainage line, from the parking lot across the
 driving range is yet to be initiated, but the drainage lines running from
 hole #18 north to their exit point on #10 were completed in November.
 The new sewer line from the clubhouse location to the vault by the
 chipping green was also completed.
- I will be giving a presentation to the Town of Vail P.E.C.A. on December 14th, covering the subject of Water Quality Management BMP's, with regards to maintenance of the golf course.
- We got large quantity of old skis from the Ski/Snowboard Academy to use for replacing old, beat up 150 yardage markers next year. As a thanks to them, we (Alice) donated a round of golf plus cart for four next season, for SSCV to auction off on December 12th to help them in their fundraising.
- Our certificate and notification letter arrived from Audubon International in late October, declaring Vail Golf Club as a recertified "Cooperative Golf Course Sanctuary". Vail Golf Club has been following practices and completing projected approved and recommended by Audubon International since initial certification in 1998, and we're proud to keep this distinction in place.

GOLF OPERATIONS

- Alice was asked by the Colorado PGA Section President to apply for the National Committee of the PGA Lead Program. 14 PGA Professionals will be elected to the committee.
 - The PGA LEAD was created by the PGA of America and its National Diversity & Inclusion Committee in an effort to identify, mentor and progress a dedicated group of PGA members from diverse backgrounds, who aspire to leadership roles within the Association, along a guided path. Integrating diversity and its vast array of personal dimensions into our leadership ranks will help position the PGA for success, as we embark on our next 100 years. The ultimate goal of PGA LEAD is to establish a deep bench of diverse PGA members who are prepared to ascend to and through

the volunteer leadership ranks of the Association. In addition, PGA LEAD will assist in developing PGA members who desire to serve and make an impact on nonprofit boards within the communities where they work and live.

- We are looking at new Point of Sale Systems for the golf course. We are looking to improve online booking capabilities, efficiency in golfer check-in, and reporting. There have been significant improvements in the world of golf pos's.
- Golf staff plans to attend the PGA Merchandise show in January in Orlando. We
 are looking at artificial turf for the new range tee, pos systems and place orders
 for the 2016 season. Working on the buying plan for 2016 with being in the temp
 building to start the season and finish in the new building. We are setting up
 appointments already for the show.
- We plan to bring in a minimum of three PGM Interns for the summer. Ethan Neumann plans to return for his third summer at the Vail GC. Trey Johnson interned with us in 2014 from UNLV and is also planning to return next year.

SPORTS REPORT

- Commission on Special Events allocated \$6000 towards the Whitewater Series for next summer's events an increase of \$1000 over 2015
- Beth re-signed Anthem Blue Cross and Blue shield as presenting sponsors for the Trail Running and Mountain Bike Series as well as Youth Sports, with a slight increase in dollars. They were so happy with 2015 they wanted to get this done before the end of the year, so they could possibly look at some other VRD programs in 2016.
- Sports is ringing the salvation army bell at City Market in Vail on 12/4
- Sports department presented to the Town Eagle event committee for continued funding to cover some of our BLM Fees for the Trail Running race and Mtn Bike events that take place on the trails there.
- Registration is now open for our winter youth sports offerings: Youth Volleyball and Futsal start in the beginning of January and Youth Basketball starts in the beginning of March.
- Adult Volleyball League is close to their early winter championship and registration is now open for Winter Adult Basketball (Sunday Nights) and Volleyball (Wednesday Nights).
- Working on a plan for the Shamrock Shuffle snowshoe race now that the Clubhouse is being rebuilt
- Finalizing summer calendars for races, camps and field rentals

MARKETING

- Marketing, with the help of Sports and Community Programming, did concierge outreach, delivering marketing collateral to hotels and businesses on Thursday, Nov 18. It was good to revisit with the concierges and meet new frontline employees.
- Jessie has been meeting with each of the facility directors to discuss marketing successes and opportunities, plans and goals for 2016 and upcoming programming, plus getting to know each of the directors and facilities better. She has also been

- meeting with local media and community partners to discuss collaboration and advertising opportunities.
- Jessie applied and interviewed for a position on the VLMDAC and was appointed to the advisory council by the Town Council on Tuesday, Dec 1.
- Coordinating the annual Year in Review report with departments.
- Collateral created and distributed for open gym and winter sports leagues, Santa's workshop and winter fitness. Press releases sent out for open gym, winter youth sports registration and Santa's workshop.
- Worked with Vail Daily to have open gym information included in recent article about best places to meet people (for new valley residents).
- Working on media plan and collateral to promote new Vail Golf Club clubhouse as a meetings and wedding venue
- Exploring opportunities to reorganize and revamp VRD website.

DOBSON

- We had 48 kids in our first session of Learn to Skate. 16 of them are participating
 in the holiday ice skating show. This is a high number for us for the fall and we
 hope to increase this for our January session.
- We have 75 U8 hockey players with 65 of them skating in our Mini Mite and Mite Program. The other 10 are in our girls program as we hope to increase our girls participation for January.
- We have 12 teams playing adult hockey for our winter season. 6 in each the B and C divisions. This fills our ice time up on those particular nights.
- The first weekend of the Yeti went well with just under 300 people for Friday's game and another 100 for Saturday. Concession business was good.
- The Vail Sportsmanship filled the first 3 weekends of November with hockey.
 Teams came from as far as Utah and Wyoming to play. The Vail Squirt B team was the only Vail team to make a championship game and came up 1 goal short to Littleton.

PARKS MAINTENANCE

 Not much happening on the parks. We are in the winter mode, setting track and snow removal.

COMMUNITY PROGRAMMING

Community Programming

- Traffic is steady at Imagination Station. We are seeing 3 to 6 families per day, with some days of 10 or more. We have many children/families participating in art, Paint Your Own Pottery, and we have an occasional drop-off.
- Our fitness promotion was a big success! Quite a few folks that tried free classes in November have decided to become permanent customers. We have new customers in all of the old classes, and a nice following to AcroYoga and Zumba.
- Winter weather is driving more people to us for birthday parties.

KidZone

- We hosted three days of School's Out Camp 11/23-25. We had 25 to 30 children each day. As always, Jerrica has a fun schedule including active play, art and cooking.
- The VRD is proud to coordinate with the Youth Foundation on their Power Hours at RSES. Chad and Dan Weiland worked hard to coordinate Nordic for the children

beginning in January. The Youth Foundation will fund this program and Chad will be one of the Nordic coaches. We may also help with active enrichment at the school. The VRD will invoice the Youth Foundation for staff hours and for transportation costs. Coordinating gym space this winter will be a challenge.

We will host ten days of School's Out Camp over the Christmas Holidays.

<u>Oth</u>er

- Construction is near complete on the Skatepark. The skate features are complete; there is still significant work to do on safety netting to protect vehicles and pedestrians. This work is scheduled for June, followed by an inspection and certificate of occupancy. We will plan a Grand Opening once we have a better idea of when to expect the park to be open. Todd Oppenheimer and Chad will work out a management agreement over the winter.
- We will have Santa's Workshop on Friday, December 11.
- We will host (with TOV AIPP) Cocktails & Canvas: Lantern Making on December 18

BUILDING MAITENANCE/F&B

Vail Golf & Nordic Club House Construction

- Sewer line install nearing completion
- Concrete pours nearing completion
- Final Electrical and Lighting plan under review for owner / operator approval
- Parking lot is paved, striped and signed. This is for Nordic Center use only

Vail Golf & Nordic Temporary Structure

- Temp Structures are working well, minor work continues
- Working through several challenges with slippery decking and snow shedding.
- All gutter and heat tape complete
- Sanitary sewer is now installed, waiting for pump manufacturer to complete start up
- A heated restroom trailer is now in place until we can begin using the toilets in both starter and proshop
- Maintenance of pedestrian access is still a work in progress, equipment is in place and lighting has been installed.

Dobson

- Re-visiting and pricing plans for Dobson F&B renovations
- F&B concessions supervisor to operate Dobson F&B will be hired after the 1st of the new year

Youth Services Lions Head

• Small repairs at GP and punch lists at Lionhead

GYMNASTICS

- A total of 10 girls on the Vail Compulsory Team will be representing Vail
 Gymnastics at the State Championship Competition this year. One of our Level
 5 gymnasts, Morgan Petrowski placed 8th overall in the state last weekend in
 Denver. The level 4 team competes Saturday December 5th in Loveland, CO.
 The level 3 team will compete in Longmont, CO on December 12th and 13th.
- Vail Gymnastics successfully completed its first holiday recreational camp over the thanksgiving break. Tumblin' Turkey Camp totaled 41 recreational gymnasts over the two day session.
- New classes have been added to the recreational class schedule and enrollment is increasing.