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

5:00 P.M.
Thursday, January 23, 2020
Town of Vail, Council Chambers
AGENDA
REGULAR MEETING

- 1. Call to Order
- 2. Changes to Agenda;
- 3. Approval of Minutes;
 - a. October 24, 2019
 - b. November 14, 2019
- 4. Public Input (for matters not otherwise on Agenda/3-minute time limit/no disrupting, pursuant to § 18-9-108, C.R.S.);
- 5. New Business and Special Orders;
 - a. BMHS Cross Country-Mr. Rob Parish
 - b. VMS Reunification Site-Ms. Melissa Metcalfe
 - c. Camp Vail Campus Improvements-Mr. Chad Young
 - d. 2020 Meeting Dates-Mr. Eric Weaver
 - e. 2020 Resolution Designating Posting Locations-Mr. Eric Weaver
 - f. Resolution of Election-Mr. Eric Weaver
 - g. Presentation of Bumper Cars at Dobson-Mr. Jared Biniecki
 - h. Audit Engagement Letter-Mr. Eric Weaver
- 6. Unfinished Business;
 - a. None
- 7. Officers, Committees, Staff, and Professional Consultants;
 - a. December 2019 Financials-Mr. Eric Weaver
 - b. Executive Director Input
 - c. Board Member Input
- 8. Adjournment

Minutes of the Regular Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District October 24, 2019

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on October 24, 2019 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

 Tom Saalfeld, Bill Suarez, Jason Plante, Roland Kjesbo, Kim Newbury Rediker

2. MEMBERS ABSENT AND EXCUSED

2.1. None

3. STAFF PRESENT

3.1. Mike Ortiz, Jessie Klehfoth, Alice Plain, Nathan Mead, Dan Timm

4. OTHERS PRESENT

4.1. Ernest Saeger

5. CONSULTANTS PRESENT

5.1. Eric Weaver

6. CALL TO ORDER

6.1. Director Saalfeld called the meeting to order at 5:00 p.m.

7. CHANGES TO AGENDA

7.1. None

8. APPROVAL OF MEETING MINUTES

8.1. By motion duly made and seconded it was unanimously RESOLVED to approve the minutes of the July 25, 2019 regular meeting.

9. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA

9.1. None

10. FUNDING REQUEST FOR MINTURN BIKE PARK

Vail Recreation District October 24, 2019 Meeting Minutes

- 10.1. Mr. Ernest Saeger of the Vail Valley Mountain Trail Association gave an overview of the proposed Minturn Bike Park. The Association is in the process of soliciting donations and grants to fund the bike park.
- 10.2. After some discussion, and by motion duly made and seconded it was unanimously RESOLVED to approve a \$2,500 donation toward the new Minturn Bike Park project.

11. REVIEW AND ADOPTION OF 2020 FEES

- 11.1. Mr. Ortiz gave an overview of the 2020 proposed fees. He also welcomed Mrs. Alice Plain and Mr. Nathan Mead from the Vail Golf Club staff who gave a short presentation on adding GPS units to the golf cart fleet and the proposed 2020 Vail Golf Club fees.
- 11.2. After some discussion, the Board took no action. The fee discussion will continue to the next Board meeting.

12. PUBLIC HEARING AND ADOPTION OF PROPOSED 2020 BUDGET

- 12.1. Mr. Weaver gave an overview of the 2020 budget by highlighting budget changes as presented in the Board packet.
- 12.2. After some discussion, and upon a motion duly made and seconded it was unanimously RESOLVED to open the public hearing for the adoption of the proposed 2020 budget.
- 12.3. Hearing no public comment, the Board continued the public hearing to the next Board meeting, to be held November 14 at 5 p.m.

13. VRD BOARD MEMBER COMMITTEE APPOINTMENT

13.1. Mr. Ortiz asked the Board for a volunteer to serve on a committee to study indoor racquet sports in town. Director Saalfeld volunteered to serve on this committee.

14. SEPTEMBER 2019 FINANCIALS

14.1. Mr. Weaver stated that most of the comments on the 2019 financials were covered during the 2020 proposed budget overview.

15. EXECUTIVE DIRECTOR INPUT

- 15.1. Mr. Ortiz talked about highlights from the Directors Report as presented in the Board packet.
- 15.2. Mrs. Klehfoth premiered a new Nordic Center video that the marketing department worked on.

16. BOARD MEMBER INPUT

16.1. Director Plante commended the golf department for their hiring and interns. He said all the staff were very friendly and helpful this summer. He also

Vail Recreation District October 24, 2019 Meeting Minutes

- thanked Mr. Scott Todd for the great golf course conditions. He said the pickleball tournament was a great success.
- 16.2. Director Suarez seconded what Director Plante said. He thanked Miss Caitlin Collins for a great tennis program and also said the pickleball program was great this summer.
- 16.3. Director Rediker mentioned that she attended the annual NRPA conference with Mr. Ortiz and Mrs. Klehfoth and found it to be very interesting and a good experience. She also asked a question about the new bumper cars coming to Dobson Ice Arena and said the Commission on Special Events (CSE) has been presented with a new event that also included bumper cars and would like to see Dobson host a grand opening when the cars arrive. She also said CSE had their funding meeting at the golf course and the food that was served was great. There were three VRD events that asked for funding gymnastics, pickleball and the whitewater races and all were funded. She also thanked Mr. Joel Rabinowitz for attending the funding meetings and being such a valuable resource to CSE regarding any sports events in town on the fields and in facilities.
- 16.4. Director Kjesbo said the transformation on the golf course from last year made everybody happy and that staff did a fantastic job.
- 16.5. Director Rediker also added that the 2019 Businesses, Bogeys & Bragging Rights tournament was a huge success this year.
- 16.6. Director Saalfeld said thank you to Mr. Weaver, Mr. Ortiz and Mrs. April Heredia for all their hard work on the budgets. He is amazed at the transition the District has made in the past six years, with huge gains. He also reminded everyone that the next regularly scheduled Board meeting is Thursday, Nov. 14 due to the holiday at the end of the month.

17. ADJOURNMENT

17.1. 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, Jessie Klehfoth Secretary to the Meeting

Minutes of the Regular Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District November 14, 2019

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on November 14, 2019 at 5:00 p.m. at the Vail Town Council Chambers, Town of Vail, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

1. MEMBERS PRESENT

1.1. Tom Saalfeld, Bill Suarez, Kim Newbury Rediker, Roland Kjesbo, Jason Plante

2. MEMBERS ABSENT AND EXCUSED

2.1. None

3. STAFF PRESENT

3.1. Mike Ortiz, Jessie Klehfoth, Alice Plain, Scott O'Connell

4. OTHERS PRESENT

4.1. Kevin Foley

5. CONSULTANTS PRESENT

5.1. Eric Weaver

6. CALL TO ORDER

6.1. Director Saalfeld called the meeting to order at 5:02 p.m.

7. CHANGES TO AGENDA

7.1. Mr. Ortiz added an agenda item to consider a BMHS funding request.

8. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA

8.1. Mr. Kevin Foley addressed the board during public input. He told the Board that he was newly re-elected to town council and would be volunteering to replace Greg Moffet on the joint Vail Recreation District/Vail Town Council Recreation Subcommittee. He looks forward to working with the Board to further recreation goals with the Town of Vail.

9. BMHS FUNDING REQUEST

Vail Recreation District November 14, 2019 Meeting Minutes

- 9.1. Mr. Ortiz said he was approached by two members of the Battle Mountain High School cross country team who are going back to the regional Nike event in Arizona. They usually take 20 to 30 of their team members to run a meet and visit colleges. He asked the Board if they would be interested in funding the trip at \$1,000 as they have in past years.
- 9.2. By motion duly made and seconded it was unanimously RESOLVED to approve a \$1,000 donation to the Battle Mountain High School cross country team to help fund this annual trip.

10. REVIEW AND ADOPTION OF 2020 FEES

- 10.1. Mr. Ortiz gave an overview of the 2020 proposed fees. At the past meeting, he was asked to look into the proposed increase to after-school program fees, and clarified that it was a three-dollar increase, not five dollars as previously stated. He also said the department had done a comparison with other local recreation providers and they are lower than Avon and competitive within the region.
- 10.2. Mr. Scott O'Connell reviewed pricing for the 2021 banquet room rentals at the Vail Golf & Nordic Clubhouse. He proposed instituting a \$10,000 food and beverage minimum for the banquet room on peak season Saturdays based on past data and demand. He also said the department would like to move away from selling the wedding island as a standalone facility and offer it as an additional amenity to events utilizing the banquet room.
- 10.3. After some discussion, Mr. O'Connell emphasized that VRD is one of the few local facilities that doesn't require a F&B minimum in general, and the only venue that allows outside catering.
- 10.4. After some discussion, the Board encouraged Mr. O'Connell to continue with this proposed change.
- 10.5. Hearing no public comment and by motion duly made and seconded it was unanimously RESOLVED to adopt the 2020 proposed fees as presented.

11. PUBLIC HEARING AND ADOPTION OF PROPOSED 2020 BUDGET

- 11.1. Mr. Weaver stated the team spent the past two weeks going over the F&B budgets to really understand the historical significance of the larger subsidy in 2019. He said that a few very large events and understaffing in 2018 contributed to the difference year over year. Through this effort, he said they were able to make a budget with a subsidy that falls between the 2018 and 2019 subsidies, with a future goal of this department breaking even. He said other changes were made in areas such as pickleball staffing. With these changes, the new proposed budget shows a \$180K profit, compared to \$100K at last review. Any profit realized will roll into the capital projects reserve.
- 11.2. Upon a motion duly made and seconded it was unanimously RESOLVED to re-open the public hearing for the adoption of the 2020 budget.

Vail Recreation District November 14, 2019 Meeting Minutes

- 11.3. 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 2020 proposed budget.
- 11.4. Upon a motion duly made and seconded it was unanimously RESOLVED to approve the resolution to adopt the 2020 budget as presented, to approve the resolution to certify the mill levy at 3.760 mills for operations, 0.017 mills for refunds/abatements, and 0.235 mills for a special mill levy approved at the 2004 election, and to approve the resolution to appropriate funds for spending in 2020, 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 an overview of the Directors Report as presented in the Board packet. He highlighted the challenges with recent weather on the golf course and encouraged the public to check out upcoming VRD holiday offerings.
- 12.2. He also spoke about upcoming plans to meet with new Town Manager Scott Robson.
 - 12.2.1. Director Saalfeld asked if it would be possible to schedule a VRD/Town of Vail Recreation Subcommittee meeting, possibly before the holidays. Mr. Ortiz will look into it, while being sensitive to Mr. Robson's new schedule.

13. BOARD MEMBER INPUT

- 13.1. Director Plante thanked staff for their hard work on budgets. He also passed along complements from the community about the recent gymnastics meet held at Dobson Ice Arena, he said it was very successful and a great partnership between the Gymnastics and Dobson staff.
 - 13.1.1. Mr. Ortiz added that the approved CSE funding for the 2020 event will help with the equipment rental cost and that Dobson worked great as a venue for this competition.
- 13.2. Director Suarez said the Nordic swap went really well and it was a record day in the Nordic retail shop. He also thought splitting the pickleball tournament into two weekends is a great idea. He asked about the status of the tennis staff for 2020 summer.
 - 13.2.1. Mr. Ortiz said that Miss Caitlin Collins will give the VRD an answer by Jan. 1 if she will be returning.
- 13.3. Director Kjesbo commended Mr. Dan Timm for setting the Nordic track as early as they did, he was very impressed with what staff did with the little snow they had.
- 13.4. Director Saalfeld mentioned the Vail Ugly Sweater 5K Fun Run scheduled for Dec. 14. He encouraged participation and that the entry fee is free with a

Vail Recreation District November 14, 2019 Meeting Minutes

donation of food or toy.

14. ADJOURNMENT

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, Jessie Klehfoth Secretary to the Meeting

Vail Recreation District

2020 Proposed Meeting Schedule

Meeting	Date
Regular Meeting	January 23, 2020
Regular Meeting	February 27, 2020
Regular Meeting	March 26, 2020
Regular Meeting	April 23, 2020
Regular Meeting	May 28, 2020
Regular Meeting	June 25, 2020
Regular Meeting	July 23, 2020
Regular Meeting	August 27, 2020
Regular Meeting	September 24, 2020
Regular Meeting	October 22, 2020
Regular Meeting	November 12, 2020
Regular Meeting	December 10, 2020
	Regular Meeting

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DO NOT REMOVE TO REMAIN IN VIEW THROUGHOUT 2020

NOTICE OF REGULAR MEETINGS VAIL PARK AND RECREATION DISTRICT

PUBLIC NOTICE is hereby given that regular meetings of the Board of Directors of Vail Park and Recreation District d/b/a Vail Recreation District, Eagle County, Colorado, will be held at the Vail Town Council Chambers 75 S. Frontage Road West, Vail, Colorado on the fourth Thursdays of each month except for November and December it will be the second Thursday at 5:00 p.m.; at which meeting the Board will take up regular business of the District and any other matters as may come before the Board. Anyone wishing items to be put on the agenda should contact Mike Ortiz at 479-2461. This meeting is open to the public. Meeting notices will be posted on the website (www.vailrec.com).

By__/s/__
Bill Suarez, Secretary

I hereby certify that a copy of the foregoing Notice of Regular Meetings was, by me personally, posted in three locations within the District's boundaries. (Town of Vail Municipal Building, Vail Golf Course, Vail Recreation District Administration Office.)

I hereby certify that a copy of the foregoing Notice of Regular

Meetings and Special Meeting/Work Sessions was, by me personally, forwarded to the Eagle County Clerk and Recorder's Office, P.O. Box 537,

Eagle, Colorado 81631.

VAIL PARK AND RECREATION DISTRICT

RESOLUTION NO. 2020-1

RESOLUTION DESIGNATING LOCATION TO POST NOTICE

WHEREAS, pursuant to §§24-6-402(2)(c) and 32-1-903(2) C.R.S., notice and, where possible, the agenda of the Vail Park and Recreation District ("District") Board of Directors ("Board") meetings at which the adoption of any formal action is to occur or at which a majority or quorum of the body is in attendance, or is expected to be in attendance, shall be posted at least 24 hours prior to each meeting at a location designated at the first regular meeting of each year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vail Park and Recreation District as follows:

Notices of meetings (regular, special and work/study session) of the Board required pursuant to §24-6-401, *et seq.*, C.R.S., shall be posted at least 24 hours prior to each meeting at:

https://www.vailrec.com/

In the event of an exigent or emergency circumstance such as a power outage or an interruption in internet service, the District will post notice of public meetings at least 24 hours prior to a meeting at the following physical location within the District:

700 S. Frontage Rd E, Vail, CO 81657

As a courtesy the District may, in addition, post at the following physical locations:

75 S. Frontage Rd West, Vail, CO 81657

Nothing herein shall preclude the District from posting at such physical locations, in addition to posting on the District's website designated above.

ADOPTED this 23rd day of January 2020.

	VAIL PARK AND RECREATION DISTRICT		
	Ву		
		Tom Saalfeld, Chairman	
ATTEST:			
Bill Suarez, Secretary/Treasurer	-		

VAIL PARK AND RECREATION DISTRICT

A RESOLUTION CALLING FOR THE 2020 REGULAR DISTRICT ELECTION AND APPOINTING A DESIGNATED ELECTION OFFICIAL

WHEREAS, the Vail Park and Recreation District (the "District") is a quasimunicipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, C.R.S.; and

WHEREAS, the terms of office of Directors Rolland Kjesbo and Bill Saurez shall expire after their successors are elected at the regular special district election to be held on May 5, 2020 ("Election") and have taken office; and

WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Colorado Local Government Election Code ("Code") (the Act and the Code being referred to jointly as the "Election Laws"), the Election must be conducted to elect two (2) Directors to serve for a term of three (3) years pursuant to Section 1-13.5-111, C.R.S. which moves the regular special district elections to May of each odd-numbered years commencing in May, 2023 and, in connection therewith, adjusts the length of terms served by Directors elected in 2020 and 2022 in order to implement the new election schedule.

NOW, THEREFORE, be it resolved by the Board of Directors of the Vail Park and Recreation District in the County of Eagle, State of Colorado that:

- 1. The regular election of the eligible electors of the District shall be held on May 5, 2020, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Election Laws, and other applicable laws. At that time, two (2) Directors will be elected to serve a three-year term.
- 2. There shall be one election precinct for the convenience of the eligible electors of the District, the boundaries of which shall be identical to the boundaries of the District, and there shall be one (1) polling place at the following location:

Grand View Community Room Lionshead Parking Structure 395 S. Frontage Rd W Vail, CO 81657

situate in the County of Eagle, State of Colorado, and which shall also be the polling place(s) for disabled electors and for eligible electors not residing within the District. If the Designated Election Official deems it to be more expedient for the convenience of the eligible electors of the District (who are also eligible electors in other special districts

with overlapping boundaries which are conducting elections on the Election day), the Election may be held jointly with such special districts in accordance with coordinated election procedures as set forth in an agreement between all participating special districts. In such event, the election precincts and polling places shall be as set forth in such agreement. The Designated Election Official is authorized to execute such agreement on behalf of the District, which agreement shall include provisions for the allocation of responsibilities for the conduct and reasonable sharing of costs of the coordinated Election.

- 3. The Board of Directors hereby designates April Heredia as the Designated Election Official for the conduct of the Election on behalf of the District and she is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Election Laws or other applicable laws. Among other matters, the Designated Election Official shall publish the call for nominations, appoint election judges as necessary, appoint the Canvass Board, arrange for the required notices of election, printing of ballots, and direct that all other appropriate actions be accomplished.
- 4. Self-Nomination and Acceptance forms are available at the Designated Election Official at 700 S. Frontage Rd E, Vail, CO 81657. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no earlier than January 1, 2020, nor later than the close of business on Friday, February 28, 2020.
- 5. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 3, 2020, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than March 2, 2020, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.
- 6. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.
- 7. Any and all actions previously taken by the Designated Election Official, the Secretary of the Board of Directors, or any other persons acting on their behalf pursuant to the Election Laws or other applicable laws, are hereby ratified and confirmed.
- 8. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.
 - 9. The provisions of this Resolution shall take effect immediately.

ADOPTED this day of	, 2020.
	VAIL PARK AND RECREATION DISTRICT
ATTEST:	ByChairman
BySecretary	

MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

245 CHAPEL PLACE, SUITE 300 P.O. Box 5850 Avon, CO 81620 WEB SITE: WWW.MCMAHANCPA.COM
TELEPHONE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

December 20, 2019

Board of Directors Vail Recreation District

We are pleased to confirm our understanding of the services we are to provide the Vail Recreation District (the "District") for the year ended December 31, 2019. We will audit the financial statements of the governmental activities, business-type activities, and the individual fund statements which collectively comprise the entity's basic financial statements, of the District as of and for the year ended December 31, 2019. Accounting standards generally accepted in the United States provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of the engagement, we will apply certain limited procedures to the MD&A in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

RSI other than MD&A, such as the budgetary schedule for the General Fund and supplementary information other than RSI, such as the budgetary schedule for the Enterprise Fund, also accompany the District's financial statements. We will subject the following RSI and supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Budgetary schedules for the General Fund (RSI)
- 2) Budgetary schedules for the Enterprise Fund (SI)

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of any additional information presented in supporting schedules when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with U.S. generally accepted auditing standards and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

Avon: (970) 845-8800 Aspen: (970) 544-3996 Frisco: (970) 668-3481

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of our engagement, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of the financial statements and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the individual fund statements, and the remaining fund information of the District, and the respective changes in financial position, and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Audit Procedures – General (continued)

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Compliance with Laws Regarding Illegal Aliens (Section 8-17.5-102(2)(a), C.R.S.)

We hereby certify to Vail Recreation District that as of the date of this engagement letter, we do not knowingly employ or contract with an illegal alien and we participate or are attempting to participate in the "E-Verify Program or Department Program" in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services.

Audit Administration, Fees, and Other Matters

We understand that your employees will prepare all account reconciliations and work papers requested, and will locate all invoices selected by our staff for testing. Our fees for these services will be based on the actual time spent at our standard hourly rates. Our standard hourly rates vary according the degree of responsibility involved and the experience level of the personnel assigned to your audit. We estimate that the audit fee will not exceed \$12,650 for year ending December 31, 2019. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Audit Administration, Fees, and Other Matters (continued)

Please note that our fee quotations represent all costs for completion of the audit of the District's financial statements; including all relevant telephone conferences or other such meetings as may be required to complete the audit and present the required reports within the agreed-upon time frame. It does not however, include account reconciliation or other requested financial statement work. If account reconciliation or other financial statement work is required, we will discuss the specific circumstances with you prior to performing such additional work.

We appreciate the opportunity to be of service to the Vail Recreation District and believe this letter accurately summarizes the significant terms of our engagement. We are committed to assisting you and providing to the District quality audited financial statements at a reasonable fee. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

questions, please let us know. If you agree with the terms of our engagement as described in please sign the enclosed copy and return it to us.

Sincerely,

Mc Mahen and Associate, L.L.C.

McMahan and Associates, L.L.C.

This letter correctly	sets forth the understanding of Vail Recreation District.
Ву:	
Title:	
Date:	

VAIL RECREATION DISTRICT DIRECTOR REPORTS January 23, 2020

COMMUNITY PROGRAMMING

- Imagination Station was busy throughout December with some very busy days over the holidays. We typically had 6 to 10 families, with up to 20 families on our busiest days.
- We hosted Santa's Workshop in early December. We took reservations this year (still free), and this system was perfect. We saw about 120 children, which was full. Nobody needed to wait long, and the crafting room was calm and enjoyable for all families and staff. Thanks to Jessie and Nell for taking photos and thanks to Scott O for connecting us with Santa!
- We hosted the second evening in the Cocktails & Canvas on Dec. 11 Chocolate Making with Felicia of Cornerstone Chocolates. We hosted the third evening in the Cocktails & Canvas on Dec. 20 Lantern Painting with Lauren of Alpine Arts Center. We have Chocolate Making in February followed by an exciting new woodworking project in March.
- After School has mid-twenties every day. Nordic skiing kicked off in December, and we are
 on snow with children every Thursday beginning Jan. 9. We will coordinate with PwrHrs
 once they get started on Jan. 23. We have a new group of "Gliders" that got season rentals
 of classic and skate gear from the Nordic center and will work to continuously progress their
 Nordic skills.
- We hosted ten days of School's Out Camp Dec. 20 through Jan. 6. These were full, well
 organized and we had good support from summer staff. We had another day of School's Out
 Camp Jan. 20 and will host five days over the February break.

MARKETING

- Jessie is hard at work on the new VRD website and expects to have it ready for a spring launch.
- Marketing is working on the 2020 summer brochure and Year in Review publication.
- We continue to have advertisements in the Vail Daily, on local radio stations, on social media and on the web. It has been fun having so many new winter activities to talk about including bumper cars and the new Beaver Creek Uphill race. Highlights include:
 - Hosting the Vail Daily on the bumper cars and having them produce a Facebook live video on the spot that was shared and watched by over 6,100 people. They also followed that up with a great article in the paper.
 - Producing a new video commercial for the Nordic Center that is now playing before every movie at Cinebistro.
 - Jessie made a social media video for the bumper cars as well, promoting the experience from a first-person point of view.

GOLF

- Nordic operations are going well. Business has been steady since the holidays. We have received many positive comments about the quality of our Nordic track as well as the friendly, helpful staff.
- Staff will be attending the PGA Merchandise Show in Orlando during the week of Jan. 20.
 Mike Ortiz will be joining us this year as well. We have several meetings with our sales representatives and education seminars planned during the week.

- We just heard today from Eamon Dwyer, a PGM, PGA student at UNLV and he has accepted our offer for a three-month summer internship. He will arrive mid-May. Eamon is a Level 1 PGM Student.
- The Vail Golf Club professional staff has been nominated for several PGA West Chapter Awards. Nathan Mead was nominated for four awards: Horton Smith Award, Warren Smith Award, Teacher of the Year, and Player Development. Trey Johnson was nominated for the Youth Development Award. Alice was nominated for Merchandiser of the Year, Bill Strausbaugh Award, and the Horton Smith Award. This is a huge honor to have so many award nominations coming from our staff at the Vail Golf Club. The announcement will take place in mid-April at our Spring PGA Chapter Meeting.
- We continue to plan for summer. Our calendar for junior camps, adult programs and clinics is coming together. We continue to reserve tee times for small groups and have four shotgun tournaments booked.
- This month, the USGA is unveiling the World Handicap System. Prior to this year, there
 were six different handicap systems in the world. Now, there is one. For more information on
 this, please check out this link https://www.usga.org/content/usga/home-page/handicapping/world-handicap-system/WHS-resources.html
- With the changes in the handicap system to the World Handicap System comes quite a few changes. For example, calculating a course handicap is different, as well as when you are able to post scores. Our PGA professional staff will be knowledgeable and ready to answer questions this spring.

GOLF MAINTENANCE

- Scott has been meeting with landscape contractors over the last two weeks, with a couple
 companies remaining to see before accepting a contract for maintenance of the landscape
 beds at the golf course, tennis center, and pickleball facility in 2020. Emphasis will be on
 maintenance of the beds and planting of annual flowers in focal locations for an addition of
 color to the facilities that will heighten and accentuate the guest experience.
- We posted our vacated Second Assistant Superintendent position with the GCSAA, Turfnet, and multiple horticulture/turf management schools around the country. The position is slated to begin April 1, depending on the status of our new hire with school (if a new graduate). We are seeking to fill this position as Jacob Tilmann moves into the First Assistant position at the golf club, as Justin Gompf moves into the fields/parks superintendent position when Jim Sanders retires at the end of April.
- So far this winter, we have had a couple significant snowfalls, but mostly it's been a little
 here and a little there to keep Nordic trail conditions in excellent shape and consistent in
 quality. Since acquiring a new John Deere Gator, and new snowmobile for grooming of
 snowshoe and fat bike trails, all equipment has been performing well, with no major issues.
- New signage, indicating Nordic trail names to match our trail maps, were produced and set
 out on the trail system in the past several days. This should help new users of our trails to
 better find their way around, as well as be able to describe their location should they need
 any aid or assistance.
- Current snowpack at our monitoring station next to 3 green is at 28" settled, with more storms in the forecast over the next day and week. The Vail snowpack is slightly above average for year-to-date, which is the case for the Upper Colorado River basin as well.
- Scott will be attending the Golf Industry Show in Orlando, Florida from January 26-31. I will
 be looking at new equipment options for our needs in 2020 and beyond, as well as meeting
 with and interviewing potential candidates for the Second Assistant and internship positions.

- I will also be taking seminars covering a variety of subjects, including employee recruiting/retention/training, accident/incident reduction strategies, and integrated pest management practices. In addition, I will be meeting with potential contractors for future renovation projects on the golf course.
- Greens 15, 16, 17 were potholed for inspection on January 2, all are looking good and free
 of any ice layers. We will inspect them again later in January or early February and begin
 our snow-clearing process and fungicide re-treatment in late February or the first week of
 March, weather dependent.

SPORTS

- We have had lots of meetings with key partners to recap 2019 and continue the planning process for summer 2020.
- The Bloch and Chapleau Winter Grail Series will evolve to a three-race series this year. For 2020 the race series will consist of a new Beaver Creek Uphill and Ski Mountaineering race on Jan. 19 in Arrowhead, the Vail Uphill on Feb. 16 and Shamrock Shuffle on March 14. The Beaver Creek Uphill at Arrowhead has opened up some exciting opportunities, as the Arrowhead homeowner's association is excited to have some events in their community.
- The Holiday Ugly Sweater Run was a success despite the weather. The event took place on Dec. 14 in the morning and ran a looped course starting and finishing at Bart & Yeti's. Both non-profits - Our Community Foundation's mobile food bank and Toys for Tots – were very happy with all the donations. A huge thanks to all the partners supported this endeavor, US Bank, Vail Daily, The Steadman Clinic and Bart and Yeti's.
- The adult sports open gym schedule is as follows:
 - Mondays Basketball at Red Sandstone, 6-9 p.m.
 - Tuesdays Soccer at Red Sandstone, 6-9 p.m.
 - o Fridays Volleyball at Red Sandstone, 6-9 p.m.
- Adult basketball (seven teams) and winter volleyball (11 teams) began right after the holidays.
- Youth volleyball and the first session of youth futsal are finishing up this week with great participation numbers. Up next is youth futsal for grades 3-5 and two sessions of highcountry hoops.
- Beth and Joel continue to investigate new chip timing products, we are learning a lot and are
 now looking at what system best meets our needs. With that goal in mind, we will be
 heading to the Running USA conference in February to attend their timer's portion of the
 conference to meet in person with several companies we have talked to and hear advice
 from attendees on the best technology.
- We will be attending SIA/Outdoor retailer in Denver to meet with existing and potential new partners for out events.
- All sports summer camps are scheduled, and registration is live for this coming summer. We
 are excited to bring back many professional coaches and have added a cheerleading camp
 for younger kids, plus we have partnered with Chris Bivona and 8150 Lacrosse to enhance
 our lacrosse camp offering.

GYMNASTICS

 The backhandspring day camp held on Jan. 3 hosted 20 children and emphasized tumbling for all levels.

- The competitive team levels 7 through 9 traveled to Loveland for the first competition of the season. One gymnast from each level took home gold medals in the floor exercise.
- Through January, the competitive team will travel to Gymtegrity in Denver followed by the Broadmoor in Colorado Springs for the Pikes Peak Cup.

NORDIC

- Nordic, snowshoe and fat bike trails are in great condition. We have received many compliments.
- Thanks to VRD maintenance staff for doing a great job with the grooming and trail maintenance.
- The Nordic Center Demo Day is scheduled for this Sunday, Jan. 19 from 10 a.m. to 2 p.m.
 Demo Day will have free skate, classic and wax clinics available.
- Sales, service and Nordic lessons have been busy.
- We will put skis and clothing on sale beginning this weekend at 20-25% off.

PICKLEBALL

- Winter indoor pickleball sessions are currently offered four days a week at Red Sandstone Elementary School in Vail. The schedule is Saturday from 9 a.m. to 2 p.m., Sunday from 10 a.m. to 3 p.m., and Wednesday and Thursday from 6 to 10 p.m. The first half of each session is normally set up for lower skill levels and the second half of each session for higher, more advanced skill levels. Attendance has been excellent at every session.
- Winter and annual VRD Pickleball Passes are currently on sale and can be purchased at drop-in sessions or online at the VRD website. We have sold 60 new winter and annual passes for the new season that began October 1. Forty are resident passes and 20 are nonresident passes.
- Jerry is working on the 2020 Vail Pickleball Open which will be held August 26-30, 2020. We opened registration for the tournament January 1st and more than 160 players from fifteen different states as well as Canada and Columbia have already registered. Many divisions in this popular VRD event are already full with substantial wait lists. Men's, women's and mixed doubles Pro Divisions are offered again with some of the top pro players in the world competing for a cash purse.