

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

**NOTICE IS HEREBY GIVEN that a Regular meeting of the Board of Directors of the Vail Park & Recreation District, Eagle County, Colorado, has been scheduled for Thursday, January 28, 2021 beginning at 5:00 p.m.**

***Due to the State of Emergency declared by Governor Polis and Public Health Order 20-23 Implementing Social Distancing Measures, and the threat posed by the COVID-19 coronavirus, this meeting will be held via teleconferencing and can be joined through the following link and/or number:***

Join on a computer or smart device: <http://bit.ly/VRDJanMeeting>

Password: VRDBoard

Or Telephone:

253-215-8782 or 346-248-7799

Webinar ID: 816 9869 7450

Passcode: 35600580

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**Agenda**

1. Call to Order
2. Changes to Agenda;
3. Approval of Minutes;
  - a. December 10, 2020
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. Introduction of April Childress-F&B Director Mr. Scott O'Connell
  - b. Gore Range Room Event Fees Mr. Scott O'Connell
  - c. Dobson Ice Arena Update Mr. Jared Biniecki
  - d. 2021 Meeting Dates Mr. Eric Weaver
  - e. 2021 Resolution Designating Posting Locations Mr. Eric Weaver
  - f. Audit Engagement Letter Mr. Eric Weaver
  - g. Nordic Update Mr. Dan Timm
  - h. Outdoor Ice Skating Planning Proposal for Winter Season 2021-22 Mr. Mike Ortiz
6. Unfinished Business;
  - a. Update on Cost Sharing with the Town of Vail- Greens Renovations at the Vail Golf Club Mr. Mike Ortiz
7. Officers, Committees, Staff, and Professional Consultants;
  - a. December 2020 Financial Mr. Eric Weaver
  - b. Executive Director Input
  - c. Board Member Input
8. Adjournment

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## RECORD OF PROCEEDINGS

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### Minutes of the Regular Meeting Of the Board of Directors

Vail Park and Recreation District  
dba Vail Recreation District  
December 10, 2020

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on December 10, 2020 at 5:00 p.m. via virtual meeting, in accordance with the applicable statutes of the State of Colorado.

#### 1. MEMBERS PRESENT

- 1.1. Tom Saalfeld, Jason Plante, Kim Newbury Rediker, Kirk Hansen, Roland Kjesbo

#### 2. MEMBERS ABSENT AND EXCUSED

- 2.1. None

#### 3. STAFF PRESENT

- 3.1. Mike Ortiz, Jessie Klehfoth, April Heredia, Courtney Herner, Jerry Stevens, Jared Biniecki

#### 4. OTHERS PRESENT

- 4.1. None

#### 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. Mike Ortiz asked to add the section of New Business-Proposal from Vail Mountain and Trail Alliance.

#### 8. APPROVAL OF MEETING MINUTES

- 8.1. By motion duly made and seconded it was unanimously RESOLVED to approve the minutes of the October 22, 2020 regular meeting.

#### 9. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA

- 9.1. None

#### 10. INTRODUCTION OF COURTNEY HERNER- GROUP SALES DIRECTOR

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## RECORD OF PROCEEDINGS

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### Vail Recreation District December 10, 2020 Meeting Minutes

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- 10.1. Mr. Ortiz introduced Courtney Herner to the board. She gave a brief introduction of herself and expressed how excited she is to get started.

#### 11. PUBLIC HEALTH AND PROGRAMMING UPDATE

- 11.1. Jared Biniacki, Director of Dobson shared how his facility is coping with the status of orange in the county. He shared how his in-house activities have been affected and all the precautions he and his staff are taking.
- 11.2. Jerry Stevens, Director of Pickleball shared that he has been able to extend his outdoor play using three of the six courts due to the unusually warmer weather for this time of year. He also shared they will begin playing indoors starting on the 16<sup>th</sup> using two of the three courts and a reservation system for booking time.
- 11.3. Mr. Ortiz provided updates on some of the other departments and what their current programs are looking like during this orange phase.

#### 12. RECREATION SUB-COMMITTEE REPORT

- 12.1. Mr. Ortiz provided an update from Rec Sub Committee. Related to Aria, a committee made up of Town and District staff and board members will meet to continue to investigate the different possibilities of generating revenue and review financials to see if we can make an informed decision to see if pursuing a lease is a viable option for the parties.
- 12.2. Director Hansen shared that many fitness facilities are currently struggling and that you cannot really operate a recreation facility in the current status of COVID so we need to be thinking at least six months in the future. He shared he was pressing the brokers on financials and asked about the potential of using the old tennis courts for winter.
- 12.3. Both Director Rediker and Director Saalfeld shared that they are grateful for all the work that has and continues to go into this topic and both feel this needs to be done to make sure a good decision is made when the time comes.
- 12.4. Director Kjesbo expressed his concern about parking at the Aria.
- 12.5. Mr. Ortiz shared that the Vail Recreation District has approached the Town of Vail seeking rent abatement or funding half of the projects of the renovations of the six greens. He shared we asked for a three-year commitment of 50% of the costs. Mr. Ortiz stated that he sent a letter in regard to all of this and initially got a positive response from the Town Manager, but some town employees questioned if this fell within the definition of the use of the Recreation Enhancement funds described in the lease. Our attorney feels it is within the definition.
- 12.6. Mr. Ortiz shared that some trees were recently removed from the golf course. The District asked for twelve trees to come out and fourteen to get put back in to replace those taken out. The type of tree will not be as tall, this will help keep shade off the greens.
- 12.7. Mr. Ortiz shared a summary of other capital projects that are in discussion and have a plan for the upcoming year.

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## RECORD OF PROCEEDINGS

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### Vail Recreation District December 10, 2020 Meeting Minutes

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- 12.8. Mr. Ortiz shared that the foundation has brought in an outside group to put up lights at Ford Park. They plan on doing tours around the park. More information can be found by calling the Town of Vail or the Vail Valley Foundation.
- 12.9. Mr. Ortiz also shared that the lease for Gymnastics will be revised as the District seeks a longer term.

#### 13. PROPOSAL FROM VAIL MOUNTAIN AND TRAIL ALLIANCE

- 13.1. Mr. Ortiz shared a proposal from the Vail Mountain and Trail Alliance asking for support of \$2,500. It is a program that we have supported in the past. It is helping to maintain trails throughout Vail. The board agreed to support in this amount.

#### 14. OCTOBER 2020 FINANCIALS

- 14.1. Mr. Weaver gave a review of the October financials noting that the outdoor facilities finished strong and that the District received a \$50K grant to help with the unforeseen cost of COVID.
- 14.2. Mr. Ortiz gave kudos to staff for having saved \$800K in operating expenses.
- 14.3. Director Redicker shared how great it was that the Vail Recreation District was the leader in the county and across the state in figuring out how to work through a pandemic, save money and still putting on quality events in our community. She gave credit to Mr. Ortiz and his staff for being able to get this done.

#### 15. EXECUTIVE DIRECTOR INPUT

- 15.1. Mr. Ortiz thanked the board for everything they have done to support him and staff and for believing in all that we have presented to get through this difficult year.
- 15.2. Ms. Klehfoth shared that we would be having a virtual Santa visit.

#### 16. BOARD MEMBER INPUT

- 16.1. Director Kjesbo shared that the lights at Ford Park were awesome and he recently visited the Nordic center and it all looked great.
- 16.2. Director Plante wanted to thank all staff for their creative ways of dealing with COVID, especially the Sports department.
- 16.3. Director Hansen shared his appreciation to the finance team and expressed that he was happy to have Pickleball going right now.
- 16.4. Director Saalfeld thanked both Mr. Ortiz and the board for all their work.

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## RECORD OF PROCEEDINGS

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### Vail Recreation District December 10, 2020 Meeting Minutes

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#### 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,  
April Heredia  
Secretary to the Meeting



VAIL  
GOLF &  
NORDIC  
CLUBHOUSE

## 2020/21 Rental Rates

### **GORE RANGE ROOM**

The Gore Range Room can be booked in four, six and eight-hour time blocks depending on the type of event being hosted. Four-hour time blocks are not available for the Gore Range Room during peak weekends. The Wedding Island can be booked in four-hour time blocks. A time block represents the actual number of hours the venue will be available to the party contracting for the event. Set-up, event, breakdown and cleaning time must be included in the allotted block of time.

Events must be over, broken down and cleaned no later than midnight (cleaning is included in time block pricing).

**Time blocks include the following amenities:**

- Use of the banquet room, pre-function room, banquet patio and banquet lawn
- Use of tables, chairs and table linens
- Use of catering kitchen and all equipment

- Use of built-in audio/visual equipment
- Use of green room/bridal suite
- Eight on-site parking spots

## Peak Season & Off-Peak Season Dates:

### WEEKDAY RATES

Valid Monday Through Friday

### 2020 PEAK SEASON

**SUMMER/FALL** May 23 – September 27, 2020

### WEEKEND RATES

Apply on Saturdays and Sundays

### 2021 PEAK SEASON

**SUMMER/FALL** May 29 – October 2, 2021

Timeframes not listed above are considered off-peak seasons. \*Prices and peak dates are subject to change.

## 2020 & 2021 Gore Range Room Buyout Fees

SEASON	FOUR-HOUR BLOCK	SIX-HOUR BLOCK	EIGHT-HOUR BLOCK
Peak Weekend			
Peak Weekday	N/A	\$4,000	\$4,500
Off-Peak Weekend	\$2,250	\$2,750	\$3,250
Off-Peak Weekday	\$1,500	\$2,000	\$2,500
	\$1,000	\$1,500	\$2,000

## 2020 & 2021 Wedding Island Buyout Fees

The Wedding Island can be booked in four-hour time blocks. A time block represents the actual number of hours the venue will be available to the party contracting for the event. Set-up, event and breakdown time must be included in the allotted block of time.

SEASON	FOUR-HOUR BLOCK
Peak Season	\$1,750
Off-Peak Season	\$1,000

## 2020 & 2021 Wedding Island Ceremony + Gore Range Room Packages

Our wedding packages include the use of the Wedding Island for ceremonies and the Gore Range Room for receptions.

SEASON	EIGHT-HOUR BLOCK
Peak Weekend	\$5,200
Peak Weekday	\$4,000
Off-Peak Weekend	\$2,750
Off-Peak Weekday	\$2,250

## Policies & Information

### ADDITIONAL FEE INFORMATION:

- Additional time can be purchased in two-hour blocks for \$500 per block.
- A \$500 cleaning fee will be assessed to any buyout of the Gore Range Room utilizing outside caterers.
- New Year's Eve and national holidays may be assessed additional fees.
- Prices are subject to a 8.4% Town of Vail sales tax.
- All published rates are non-negotiable.

### PARKING & TRANSPORTATION:



Parking is limited to eight parking spaces. Alternative transportation needs to be arranged to and from the Vail Golf & Nordic Clubhouse.

There are several local transportation providers, as well as many local hospitality properties that include free access to a shuttle for hotel guests

#### **GOLF AND NORDIC PACKAGES:**

We offer discounted pricing to any guests who want to take advantage of our 18-hole golf course or over 35 kilometers of cross-country and snowshoeing trails. Please ask our Group Sales Manager for additional information.

#### **DEPOSIT POLICY:**

Reservation deposit is 50% of the usage fee (will be applied toward the buyout fee and is non-refundable). Final payment is due in full 30 days prior to the event.

Damage deposit for the Gore Range Room is \$500 (refundable 30 days following the event). A credit card number will be kept on file and will be charged in the event that damages to the venue exceed \$500. Final payment is due in full 30 days prior to the event.

The Vail Nordic Center pro shop is open daily from 9 a.m. to 5 p.m. The Grill on the Gore restaurant is open daily from 11 a.m. to 3 p.m. The Vail Golf Club is now closed for the 2020 season.

Vail Golf & Nordic Clubhouse | 1775 Sunburst Drive | Vail, CO 81657 | Operated by Vail Recreation District (<http://www.vailrec.com>)

Vail Golf Club - 970-479-2260 | Weddings & Events - 970-477-5278 | Vail Nordic Center - 970-476-8366

## Gore Range Room Proposed Pricing for 2022 / 2023

Season	Gore Range Room	Wedding Package
Peak Fri-Sun	\$8,000.00	\$9,500.00
Peak Mon-Thurs	\$3,500.00	\$5,000.00
Off Peak Fri- Sun	\$3,500.00	\$5,000.00
Off Peak Mon -Thurs	\$2,500.00	N/A- no wedding deck in the winter
	(Includes Use of the banquet room, Krueger reception room, banquet patio and patio furniture, ceremony lawn, set up and use of banquet tables & chairs, white table linens and white napkins, Use of built-in audio/visual equipment, Use of green room/bridal suite, Eight on-site parking spots) 12 hour access	(Includes Gore Range Room amenities and Wedding Island, Golf cart transportation) 15 hour access
<b>Additional Information</b>		
<p>\$10,000 F&amp;B minimum on Peak Saturdays                      22% Service Charge on all F&amp;B                      25% discount on buyout fee for Vail Locals (Event Host must provide proof of residency)</p>		

## Vail Recreation District 2021 Proposed Meeting Schedule

**Month**

January  
February  
March  
April  
May  
June  
July  
August  
September  
October  
November  
December

**Meeting**

Regular Meeting  
Regular Meeting  
Regular Meeting  
Regular Meeting  
Regular Meeting  
Regular Meeting  
Regular Meeting  
Regular Meeting  
Regular Meeting  
Regular Meeting  
Regular Meeting  
Regular Meeting

**Date**

January 28, 2021  
February 25, 2021  
March 25, 2021  
April 22, 2021  
May 27, 2021  
June 24, 2021  
July 22, 2021  
August 26, 2021  
September 23, 2021  
October 28, 2021  
November 11, 2021  
December 9, 2021

Jan-21						
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31						

Feb-21						
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28						

Mar-21						
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Apr-21						
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May-21						
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Jun-21						
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Aug-21						
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Sep-21						
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Oct-21						
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Nov-21						
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Dec-21						
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26	27	28	29	30	31	

DO NOT REMOVE  
TO REMAIN IN VIEW THROUGHOUT 2021

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](http://www.vailrec.com)).

By   /s/    
Kim Rediker, 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.)

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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.

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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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P.O. Box 5850 AVON, CO 81620

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October 27, 2020

## **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, 2020. 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, 2020. 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 to 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 \$12,900 for year ending December 31, 2020. 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.

Sincerely,

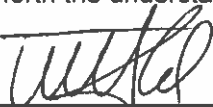
*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**

**RESPONSE:**

This letter correctly sets forth the understanding of Vail Recreation District.

By:



Title:

CHARLES PEARSON

Date:

11/6/2020



**VAIL RECREATION DISTRICT  
COMBINED BALANCE SHEET  
FOR THE PERIODS INDICATED BELOW**

	12/31/19					12/31/20				
	General Fund	Enterprise Fund	General Fixed Assets & LTD	Ent. Fund Fixed Assets & LTD	Total	General Fund	Enterprise Fund	General Fixed Assets & LTD	Ent. Fund Fixed Assets & LTD	Total
<b>ASSETS</b>										
CASH- UNRESTRICTED	4,073,870	11,900			4,085,770	6,104,977	1,100			6,106,077
INVESTMENTS- RESTRICTED		304,803			304,803		-			0
ACCOUNTS RECEIVABLE	153,157	22,883			176,040	191,427	3,800			195,227
PROPERTY TAXES RECEIVABLE	4,656,289	288,334			4,944,623	44,146	(19,276)			24,870
PREPAIDS, DEPOSITS & INVENTORY	166,330	305,927			472,257	110,607	86,027			196,634
DUE (TO) FROM OTHER FUND	53,011	(53,011)			0	(61,336)	61,336			0
LOAN DUE (TO) FROM OTHER FUND	9,412	(9,412)			0	0	0			0
BUILDINGS			552,671	13,340,515	13,893,186			552,671	13,340,515	13,893,186
EQUIPMENT			940,511	1,587,309	2,527,820			940,511	1,587,309	2,527,820
ACCUM DEPR			(840,534)	(8,520,526)	(9,361,060)			(840,534)	(8,520,526)	(9,361,060)
<b>TOTAL ASSETS</b>	<b>9,112,069</b>	<b>871,424</b>	<b>652,648</b>	<b>6,407,298</b>	<b>17,043,439</b>	<b>6,389,821</b>	<b>132,986</b>	<b>652,648</b>	<b>6,407,298</b>	<b>13,582,753</b>
<b>LIABILITIES AND FUND EQUITY</b>										
ACCOUNTS PAYABLE	190,016	161,584			351,599	66,681	12,704			79,385
DEFERRED PROPERTY TAXES	4,656,289	288,334			4,944,623	44,158	(19,276)			24,882
DEFERRED REVENUE	16,767	85,089			101,856	26,447	130,146			156,593
ACCRUED COMPENSATED ABSENCES			72,242	43,131	115,373			72,242	43,131	115,373
ACCRUED INTEREST PAYABLE				4,637	4,637				4,637	4,637
DOBSON BONDS PAYABLE				265,000	265,000				0	0
<b>TOTAL LIABILITIES</b>	<b>4,863,071</b>	<b>535,006</b>	<b>72,242</b>	<b>312,768</b>	<b>5,783,088</b>	<b>137,286</b>	<b>123,574</b>	<b>72,242</b>	<b>47,768</b>	<b>380,870</b>
<b>NET ASSETS</b>										
INV IN FIXED ASSETS, NET OF DEBT RESTRICTED	472,284	271,956	580,406	6,094,530	6,674,936	413,545	-	580,406	6,359,530	6,939,936
COMMITTED & ASSIGNED FOR CAPITAL UNASSIGNED	2,340,000	-			2,340,000	4,350,000	-			4,350,000
	1,436,713	64,462			1,501,175	1,488,990	9,412			1,498,402
<b>TOTAL NET ASSETS</b>	<b>4,248,997</b>	<b>336,418</b>	<b>580,406</b>	<b>6,094,530</b>	<b>11,260,351</b>	<b>6,252,535</b>	<b>9,412</b>	<b>580,406</b>	<b>6,359,530</b>	<b>13,201,883</b>
<b>TOTAL LIAB &amp; NET ASSETS</b>	<b>9,112,069</b>	<b>871,424</b>	<b>652,648</b>	<b>6,407,298</b>	<b>17,043,439</b>	<b>6,389,821</b>	<b>132,986</b>	<b>652,648</b>	<b>6,407,298</b>	<b>13,582,753</b>

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VAIL RECREATION DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED

Printed: 01/22/21  
 Modified Accrual Basis

	2019 Audited Actual	2020 Forecast	2020 Adopted Budget	Variance Favorable (Unfavor)	Percentage Variance Favorable (Unfavor)	12 Months Ended 12/31/20 Actual	12 Months Ended 12/31/20 Budget	Variance Favorable (Unfavor)	Percentage Variance Favorable (Unfavor)	2021 Adopted Budget
<b>COMBINED REVENUES</b>										
PROPERTY AND OTHER TAXES, NET OF FEES	4,527,346	5,054,195	4,724,665	329,530	7%	4,999,993	4,724,665	275,328	6%	4,743,685
OTHER NON-DEPARTMENTALIZED REVENUES	175,510	68,418	114,000	(45,582)	-40%	139,159	114,000	25,159	22%	43,000
SPORTS	412,112	233,816	423,890	(190,074)	-45%	240,653	423,890	(183,237)	-43%	243,670
GYMNASTICS	244,162	190,213	282,620	(92,407)	-33%	179,525	282,620	(103,095)	-36%	244,720
COMMUNITY PROGRAMMING	403,861	304,914	431,200	(126,286)	-29%	311,928	431,200	(119,272)	-28%	373,500
NATURE CENTER	-	-	-	-	0%	-	-	-	0%	-
NORDIC CENTER	468,403	439,050	472,050	(33,000)	-7%	608,914	472,050	136,864	29%	475,935
GOLF COURSE	1,381,314	1,519,625	1,377,600	142,025	10%	1,606,558	1,377,600	228,958	17%	1,463,650
TENNIS	41,685	65,989	41,854	24,135	58%	67,008	41,854	25,154	60%	58,000
PICKLEBALL	126,827	96,377	98,720	(2,343)	-2%	120,656	98,720	21,936	22%	97,335
DOBSON	882,654	491,382	911,435	(420,053)	-46%	535,864	911,435	(375,571)	-41%	512,419
GOLF F&B / BANQUET ROOM, NET OF COGS	712,240	267,858	777,961	(510,103)	-66%	288,108	777,961	(489,853)	-63%	299,148
<b>TOTAL REVENUES</b>	<b>9,376,112</b>	<b>8,731,836</b>	<b>9,655,994</b>	<b>(924,158)</b>	<b>-10%</b>	<b>9,098,366</b>	<b>9,655,994</b>	<b>(557,629)</b>	<b>-6%</b>	<b>8,555,062</b>
<b>OPERATING EXPENSES</b>										
ADMINISTRATION	(739,169)	(856,284)	(907,102)	50,818	6%	(824,066)	(907,102)	83,036	9%	(876,351)
PUBLIC RELATIONS/MARKETING	(374,457)	(360,897)	(398,588)	37,691	9%	(292,576)	(398,588)	106,011	27%	(407,619)
PARK MAINTENANCE	(226,558)	(303,044)	(295,677)	(7,367)	-2%	(283,930)	(295,677)	11,746	4%	(291,399)
FACILITIES MAINTENANCE	(141,521)	(139,463)	(141,899)	2,436	2%	(139,078)	(141,899)	2,821	2%	(142,001)
SPORTS	(521,874)	(460,964)	(559,204)	98,241	18%	(428,210)	(559,204)	130,995	23%	(471,699)
GYMNASTICS	(331,728)	(316,940)	(359,010)	42,070	12%	(302,527)	(359,010)	56,483	16%	(355,365)
COMMUNITY PROGRAMMING	(532,390)	(519,182)	(605,956)	86,774	14%	(470,564)	(605,956)	135,393	22%	(573,880)
NATURE CENTER	(480)	-	-	-	0%	-	-	-	0%	-
NORDIC CENTER	(394,633)	(368,792)	(374,618)	5,826	2%	(350,219)	(374,618)	24,399	7%	(416,987)
GOLF OPERATIONS	(681,015)	(729,611)	(765,094)	35,483	5%	(747,436)	(765,094)	17,658	2%	(831,857)
GOLF MAINTENANCE	(881,242)	(931,795)	(951,986)	20,191	2%	(891,879)	(951,986)	60,107	6%	(986,369)
TENNIS	(102,399)	(115,336)	(112,133)	(3,204)	-3%	(111,854)	(112,133)	279	0%	(112,922)
PICKLEBALL	(142,623)	(81,807)	(114,684)	32,878	29%	(79,589)	(114,684)	35,096	31%	(96,772)
DOBSON	(959,547)	(756,909)	(985,351)	228,442	23%	(705,271)	(985,351)	280,080	28%	(732,743)
GOLF F&B / BANQUET ROOM	(782,681)	(652,915)	(820,825)	167,910	20%	(631,701)	(820,825)	189,124	23%	(712,105)
<b>TOTAL EXPENSES</b>	<b>(6,812,317)</b>	<b>(6,593,941)</b>	<b>(7,392,128)</b>	<b>798,187</b>	<b>11%</b>	<b>(6,258,899)</b>	<b>(7,392,128)</b>	<b>1,133,228</b>	<b>15%</b>	<b>(7,008,069)</b>
<b>CHANGE IN FUND BAL BEFORE DS &amp; CAP</b>	<b>2,563,795</b>	<b>2,137,896</b>	<b>2,263,867</b>	<b>(125,971)</b>		<b>2,839,466</b>	<b>2,263,867</b>	<b>575,600</b>		<b>1,546,993</b>
DEBT SERVICE	(270,975)	(272,456)	(272,456)	-	0%	(271,956)	(272,456)	500	0%	-
DONATIONS, LOANS, & SALE OF ASSETS	122,000	-	-	-	0%	11,000	-	11,000	0%	-
CAPITAL EXPENDITURES	(1,941,173)	(939,178)	(1,695,755)	756,577	45%	(901,978)	(1,695,755)	793,776	47%	(1,407,513)
LESS UNFUNDED CAPITAL PROJECTS	-	-	-	-		-	-	-		-
CONTINGENCY	-	(300,000)	(200,000)	(100,000)	-50%	-	(200,000)	200,000	100%	(300,000)
<b>TOTAL NET CAPITAL EXPENSES</b>	<b>(2,090,148)</b>	<b>(1,511,634)</b>	<b>(2,168,211)</b>	<b>656,577</b>	<b>30%</b>	<b>(1,162,934)</b>	<b>(2,168,211)</b>	<b>1,005,276</b>	<b>46%</b>	<b>(1,707,513)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>473,648</b>	<b>626,262</b>	<b>95,656</b>	<b>530,606</b>		<b>1,676,532</b>	<b>95,656</b>	<b>1,580,876</b>		<b>(160,521)</b>
<b>BEGINNING FUND BALANCES</b>	<b>4,111,768</b>	<b>4,585,415</b>	<b>4,296,338</b>	<b>289,077</b>		<b>4,585,415</b>	<b>4,296,338</b>	<b>289,077</b>		<b>5,211,677</b>
<b>ENDING FUND BALANCES</b>	<b>4,585,415</b>	<b>5,211,677</b>	<b>4,391,994</b>	<b>819,684</b>		<b>6,261,947</b>	<b>4,391,994</b>	<b>1,869,953</b>		<b>5,051,156</b>

**SUMMARY OF SIGNIFICANT VARIANCES:**

PROPERTY TAX REVENUES- Hotel protests largely resolved, remaining assumed to be resolved in 2021.

DEPARTMENT REVENUES- Most departments, especially Nordic finished the year ahead of forecast. The District also received a \$50,000 COVID grant.

OPERATING EXPENSES- Most departments finished the year ahead of forecast.

CAPITAL- Many projects were deferred to next year. New fleet of golf carts and starting on 6 additional greens the majority for 2020.

CONTINGENCY- Increased from \$200K to \$300K for additional unknowns due to COVID19, but not needed as both revenues and expenses were favorable to forecast.

FUND BALANCE- Savings at end of 2019 rolled forward to 2020.

## **VAIL RECREATION DISTRICT DIRECTOR REPORTS**

**January 28, 2021**

### **MARKETING**

- Jessie and Nell are well into their busiest time of year, working on three big projects – the 2020 Year in Review, the all-VRD summer programming brochure and the new VRD website – with a goal of publishing and launching all three in February and March.
- We continue our thrice-weekly Vail Daily ads, locals radio ads and social media promotions in support of all VRD programming, in addition to all our other advertising avenues.
- We're already gearing up for summer by working on creating posters, postcards and t-shirt designs for the trail running series, plus new rack cards for tennis and golf, while continuing to drive winter business to the Nordic center and restaurant, Dobson, gymnastics, pickleball, youth sports and community programming.
- With the recent announcement of the Vail Grail winter race series dates, we've also created a poster, email newsletters, ads and social media marketing surrounding the first event next week.
- Jessie has been working on wrapping up 2020 financials and planning ahead on 2021 advertising contracts and marketing plans.

### **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.
- The PGA Merchandise Show in Orlando (week of January 25) is a virtual format this year. Staff will take advantage of some of the education offered through the virtual format.
- Because the show is not taking place in Orlando, our local sales representatives will be meeting with Alice in February at the Vail Golf Club.
- We have hired five PGM interns for the upcoming summer. We have three from UNLV and two from Campbell University. We are currently looking for an additional PGA assistant professional for the summer.
- The Vail Golf Club professional staff has been nominated for several PGA West Chapter Awards. Nathan Mead was nominated for the Player Development Award. Trey Johnson was nominated for the Youth Development Award and the Warren Smith Award. Alice was nominated for Golf Professional of the Year, Merchandiser of the Year, and the Warren 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 virtual Spring PGA Chapter Meeting. George Hart and Nathan Mead won awards in 2020.
- 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 in the fall. We have two state junior tournaments scheduled this summer. Typically, the junior events have 100 participants.

### **SPORTS**

- We just got all necessary approvals to move ahead with three winter races. All the races will be run in waves with a capped entry of 75 people. The Meadow Mountain race will be our first winter race that will take place off the groomed trails of the ski resorts and Nordic Center.
  - January 30, Arrowhead Uphill and Skimo
  - February 20, Meadow Mountain Skimo
  - March 13, Shamrock Shuffle Snowshoe/Running
- We have posted the full-time sports coordinator position and are excited to complete the sports team.
- We just finished up with two youth futsal programs and High Country Hoops starts next week for grades 1-2 and on March 8 for grades 3-5. We expect to sell out each session based on COVID-19 capacity in the Homestake Peak School gym.
- All sports summer camp registrations are live. We have added a track and field camp to our wide array of offerings.
- Dynafit Trail Running Series dates were announced, and registration is live.
- We continue to meet with land managers, resort staff, sponsors, and partners in preparation for the summer race series and other programming.

## **PARKS**

- Justin has completed continuing education to renew his pesticide license.

## **COMMUNITY PROGRAMMING**

- KidZone After School is open and busy Monday, Tuesday, Thursday and Friday.
- KidZone Wednesday 5th Day Camp is open and has been successful from the beginning. We continue to be busy with 20 to 25 participants every week. We have alternating trips to Maloit Park for Nordic skiing or snowshoeing and trips to Bighorn Park for sledding and playground play. The school district is providing transportation.
- KidZone hosted 10 days of School's Out Camp from December 18 to January 4. We had low 40's every day except a few. The schedule was fun for the children and staff. We got off campus by hiring school district transportation.
- KidZone also hosted School's Out Camp on Martin Luther King Jr. Day.

## **GOLF/NORDIC MAINTENANCE**

- The golf course closed for the season following the final day of play on October 18.
- Aerating and deep-tining of the greens was completed October 19-21.
- Application of snow mold fungicides and sand topdressing to put the greens to bed for the winter was completed on October 23.
- Tees and fairways were treated with snow mold fungicides on October 22 and 23. We also applied sand topdressing to fairways 9 and 16 in a start to a new program that will be expanded in 2021. The topdressing will smoothen the fairways, as well as help protect the turf from winter damage.
- Winterization of the irrigation system was completed on October 27 and 28.
- The safety net at 5 tee complex was replaced following closing of the golf course. A new lower net on the south side of the driving range will be installed this spring.
- Per Town of Vail DRB approval, trees were removed from southern perimeters of greens 3, 13, 16, 19, and the practice green in late November. Trees at 7 green will be removed this

spring. These were trees at each of the greens that were providing overly abundant shade in the spring and fall resulting in extended frost delays, greater winter damage potential, and overall weaker turf susceptible to a variety of stresses. These 50-60' trees that were removed will be replaced by shorter, similar species of trees that grow to a lower height at maturity, still providing screening and aesthetics, but without the shading issues.

- Greens renovation on holes 1, 5, 6, 7, 11 and 14 commenced October 21 and continued through November 12. Total Turf Golf Services is the contractor. Phase 1 includes excavation, drainage and gravel installation, and sand rootzone installation to rough final grade. This was completed on greens 1, 5, 6, and 7. Greens 11 and 14 were not started before inclement weather forced demobilization for the winter. Phase 1 will be done to greens 11 and 14 in the spring, and all six greens will be worked to final grades to match the old contours before renovation (except for removing "bird baths" and collar dams that hinder surface drainage). Once final grades are achieved, sodding will be completed with Creeping Bentgrass, the same variety used to re-surface the damaged greens in the spring of 2020. Once sodded we hope to open the greens to play within 3-4 weeks (the greens sodded in spring of 2020 were opened after three weeks). That timeline for opening is weather dependent.
- Some of the excavated material from 5 green was taken to the existing blue and gold/green tee sites on hole 6 for us to reorient the blue tee and expand the gold/green tee. An entirely new forward blue/back gold tee was created, and rough shaped behind the existing gold/green tee. These tee boxes will be final shaped, graded, sand-capped, sodded in the spring, and opened for play once the sod is rooted.
- After completion of all pre-winter procedures to the golf course, we then experienced a long period of winter limbo that lasted until almost Christmas. In between each snow event in November and December, we experienced warm temperatures and snow melt cycles. As a result, poor snowpack and ice removal from every green with turf was undertaken on at least one occasion, and on some greens as many as three different occasions. 17 green ended up with areas of ice coverage. We aerated the ice patches multiple times but were not able to completely remove it. Eventually, we decided to try using a ground thaw/heater unit for curing concrete in cold temperatures to remove the ice patches. We started on December 16, pulled the heated glycol hoses from the green on December 18, and pulled the blankets and tarps off the green on December 19. This process was entirely experimental, and I have no knowledge of it being undertaken at any other golf course that I know of. I want to thank Director Ortiz for suggesting this procedure, and I want to thank board director Rollie Kjesbo for the use of his insulating blankets to aid in this successful, unanticipated project. Once the ice was removed, additional snow mold fungicides were applied, in granular form.
- On December 23, we received 3-4" of new snow and have been experiencing more traditional cold temperatures since then and after each successive snow, allowing us to finally call the golf maintenance season finalized, and were able to fully transition to Nordic trail grooming and maintenance.
- Greens have been pot-holed on multiple occasions since mid-December to assess the snowpack and make sure they are free of ice, most recently on January 20. As of today, all greens are covered with a light, airy, sugary snowpack, ideal for insulating them over the course of the winter, now we just need more of it.
- Despite the low snowpack, 16" at our monitoring station as of January 21, Nordic trails are in good condition. It's been a relatively short period of time since we were able to transition from light equipment grooming to using the snowcat for the ski trails. As a result of the low

snowfall totals to date, the fat bike trails are in the best riding condition since we added that additional trail grooming to our program a few years ago.

- Looking at our weather records for the property, there have been three other years in the last eleven in which we were struggling with a similar low snowpack in mid-January. From here on, let's all hope for a strong next three months of snowfall through mid-April or we will likely see irrigation restrictions by July on the golf course.

## **PICKLEBALL**

- VRD indoor pickleball continues to be offered on three courts at Red Sandstone Elementary School, with most sessions at full capacity. Indoor play is allowed by reservation only and with strict adherence to COVID-19 guidelines, including face coverings and social distancing requirements. Court reservations can be made on the hour from 6:15 to 10:15 p.m. on Wednesday and Thursday and from 10:15 a.m. to 3:15 a.m. on Saturday and Sunday.
- The reservation system has accommodated 45 individual indoor court reservations per day for 12 days of play during the first 21 days of January. A considerable number of players new to the sport have started to play pickleball, which is a further indication that we will have another busy summer season in 2021.
- Annual and winter VRD pickleball passes are currently on sale and can be purchased online at the VRD website. So far, we have sold 88 new 2020/21 annual passes for the season that began October 1, 2020 and ends September 30, 2021. Players without season passes are allowed to pay court fees to play pickleball at RSES.

## **DOBSON**

- Youth hockey games are starting back up Jan. 23. Battle Mountain starts Jan. 29 with their first home game.
- We hope to get adult league going as soon as we have clear guidance from Eagle County Public Health. We have 7 teams in our C division waiting for the green light along with a couple private rental groups.
- We were able to put our U6 and U8 hockey players back together in one large group. COVID capacities kept us to 25 at one time until recently.
- Bob Johnson Hockey School sold out in Jan. 2 with 90 skaters. We will probably open a few spots as we get closer that may bring our number to 100 skaters. We still have room for goalies.
- Our summer is filling up quickly with a high demand for hockey camps.
- Bumper cars have been going well. We did well over the holidays as we did over 500 rides. 2021 is off to a good start as we are trying to offer bumper cars on Saturday nights when available.