
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District December 12, 2013

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on December 12, 2013 at 5 p.m. at the Vail Town Council Chambers, Town of Vail, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

1. MEMBERS PRESENT
 - 1.1. Jeff Wiles, Joe Hanlon, Rick Sackbauer, Ken Wilson and Billy Suarez
2. MEMBERS ABSENT AND EXCUSED
 - 2.1. None
3. STAFF PRESENT
 - 3.1. Mike Ortiz, Jamie Gunion
4. OTHERS PRESENT
 - 4.1. Members and coaches of the Battle Mountain High School Cross Country Team
 - 4.2. Dale Bugby, Vail Town Council
5. CONSULTANTS PRESENT
 - 5.1. Eric Weaver, Robertson & Marchetti, P.C.
6. CALL TO ORDER
 - 6.1. Director Hanlon called the meeting to order at 5 p.m.
7. APPROVAL OF MEETING MINUTES
 - 7.1. Director Sackbauer questioned a section of the meeting meetings regarding the collections. Mr. Weaver clarified that the VRD is down \$500,000 annually and cumulatively the VRD will be down by \$2 million in property tax collections over four years from 2012 to 2015.
 - 7.2. By motion duly made and seconded it was RESOLVED approve with corrections to section 11.2 of the November 14, 2013 Regular Meeting.
8. PUBLIC INPUT OF ITEMS NOT ON THE AGENDA
 - 8.1. Members of the Battle Mountain Cross Country Team thanked the VRD for their support and funding to assist the team in travel expenses to the regional meet in

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Mesa, AZ. There were 23 members of the team that traveled to the high school meet. The team presented the Board with a signed group picture and expressed their gratitude. Coaches Rob Parish explained how fortunate the team was to travel to the meet, representing the valley. There were over 2,000 competitors at the meet and boy's team finished 12th and the girl's team finished 7th.

8.1.1. The Board thanked the team and congratulated them for finishing strong at the meet. Director Hanlon encouraged the team members to share their stories via their social media with the VRD.

9. REVIEW OF DISTRICT REVENUES, SUBSIDIES AND EXPENSES

9.1. Mr. Ortiz provided a review of the district's revenue, subsidies and expenses:

9.1.1. Approximately 49 percent of the VRD's revenues are collected from program fees, while 51 percent is from tax collections.

9.1.2. Expenses are similar to revenues. Mr. Ortiz noted the Vail Golf Club operates at a subsidy of a \$100,000 per year, not including any capital costs, with the exception of 2011 when the season began early and ended late.

9.1.3. The VRD will operate at a deficit in both 2013 and 2014. Total revenues in 2013 are \$5.6 million with expenses at \$6.8 million. All departments operate at a subsidy.

9.1.4. The subsidies for Administration, Public Relations Parks, and Facilities Maintenance are high since these departments do not have any program fees to partially offset their costs.

9.1.5. Mr. Ortiz explained the field rentals are affordable, allowing business owners and the town to benefit from the incremental lodging and sales tax that occurs from the large tournaments taking place.

9.1.6. For 2014 and 2015, Mr. Weaver and Mr. Ortiz are budgeting for the valuations to remain similar to 2013 while the property tax valuations continue to move forward through the protest period.

9.2. Director Wilson questioned whether insurance costs are lumped within the administration budget. Mr. Weaver explained general fees such as insurance, accounting, legal counsel, IT support, and other costs are included in the administration budget. Health insurance for each employee is however budgeted within his or her department.

9.3. Mr. Weaver also explained the Vail Golf Club is the largest expenditure item due to staffing, maintenance and capital needs to operate it.

9.4. Director Wilson requested an explanation of which projects are under the town's TIF District that the VRD does not collect its levy. Mr. Ortiz explained that the VRD's valuation from the TIF project froze at the 1999 level for a 25 year period, which includes an area from Dobson Ice Arena to the Vail Resort Corporate Offices at the west end of Lionshead.

9.5. Mr. Ortiz explained the VRD's largest unfunded projects are improvements for Dobson Ice Arena, master plan projects for the Vail Golf Club and a storage

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- facility for the Sports Department. Mr. Ortiz encouraged working with its partners at the town and the recreation subcommittee to seek solutions to assist with the unfunded projects.
- 9.6. Director Wilson questioned what other opportunities there are to make up the \$2 million-plus shortfall. He encouraged the board have an agenda item that creates a “road map” for the new board members and options that can be considered in May.
- 9.7. Mr. Ortiz explained the Borne Report was a good guide for the board to work with, but there are several items that are not included such as the Booth Creek and Golden Peak tennis courts and Vail Golf Club Master Plan. Mr. Ortiz said several options are available including raising taxes, decreasing programming, raising fees, researching the Dobson Debt, reducing staff, or seeking additional financial help from the Town. He explained the VRD can have an election every November or even numbered Mays.
- 9.8. Director Suarez commented that the board needs to move forward and look at raising a mill levy. He expressed his concerns about being at a shortfall even with a mill levy increase.
- 9.9. Director Sackbauer encouraged the board to move forward with a request for proposal that would update and enhance the Borne Report and include missing facilities and items that cannot be funded. This would guide the VRD to work with its partners at the Town of Vail and would be a guide of what an increase in the mill levy would need to be to fund projects.
- 9.10. Director Sackbauer requested each department begin quantifying its events and what people spend in the town of Vail. Then share that information with the town.
- 9.11. Upon a motion duly made and seconded it was RESOLVED to approve funding for an update to the study- similar to the Borne Report- to review capital needs of the VRD.
- 9.12. Vail Town Councilmember Dale Bugby encouraged communicating the VRD’s special election will take place May 6 and voters will elect three directors to the board. The board seats up for election are held by incumbents Joe Hanlon, Rick Sackbauer and Ken Wilson who are all term-limited.
10. REVIEW AND ADOPTION OF 2014 PROGRAM FEES
- 10.1. Director Suarez questioned why there is no change to the golf course fees for 2014. He stated small incremental increases in fees are necessary. Mr. Ortiz responded that the price was not increased since #18 will not be pen in the early part of the season.
- 10.1.1. Director Wilson questioned if there was a need for pass price reductions because the official “18th hole” will not be available for play until later in the golf season. He encouraged being cognizant of the golf community and public relations associated with the 18th hole.

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- 10.1.2. Director Sackbauer urged the board to wait for weather and course conditions before reducing pass prices.
- 10.1.3. Mr. Ortiz explained the average play is \$22 per round for paying pass holders when considering rounds played per price of the pass.
- 10.2. Upon motion duly made and seconded it was RESOLVED to approve the Vail Recreation District's 2014 Program Fees.
11. EXECUTIVE DIRECTOR REPORT
- 11.1. Mr. Ortiz highlighted that Santa's Workshop is taking place at the Community Programming Room from 3 to 6 p.m. tomorrow, Dec. 13.
12. BOARD MEMBER INPUT
- 12.1. Director Suarez asked about the four spruce trees on the mound in the softball fields. Mr. Ortiz explained they would be planted in the spring.
- 12.2. Director Suarez said the Nordic Center is in excellent condition and on peak days and weekends there is no skier parking available.
- 12.3. Director Hanlon congratulated Dale Bugby for being elected to the Vail Town Council. He also said the Vail Yeti, semi-pro hockey team, is playing at Dobson Ice Arena on most Friday and Saturday nights. He thanked the BMHS Cross Country Team for coming to the board meeting and thanked VRD staff for a successful 2013.
- 12.4. Mr. Ortiz said he is proud he works for an organization that is supportive of its local kids and community members, such as the BMHS Cross Country Team and U.S. Olympic hopeful Sylvan Ellefson.
13. ADJOURNMENT
- 13.1. Upon a motion duly made and seconded it was unanimously RESOLVED to adjourn the Regular Meeting of the Vail Recreation District Board of Directors.

Respectfully Submitted,

Jamie Gunion
Secretary to the Meeting