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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  
October 25, 2018

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on October 25, 2018 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, Jason Plante, Roland Kjesbo
2. MEMBERS ABSENT AND EXCUSED
  - 2.1. None
3. STAFF PRESENT
  - 3.1. Mike Ortiz, Jessie Klehfoth, Joel Rabinowitz, Jared Biniecki, Alice Plain
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 5:03 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 September 27, 2018 regular meeting.
9. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA
  - 9.1. None
10. PUBLIC HEARING AND ADOPTION OF PROPOSED 2018 AMENDED BUDGET

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- 10.1. Mr. Weaver stated that the Board should review the proposed 2018 amended budget tonight and open the public hearing, but not adopt the budget until next meeting. He said the same would apply to the next two agenda items – the 2019 fees and budget. In terms of the 2018 budget amendment, Mr. Weaver referred the board to the resolution in the packet that stated three changes, the main one related to the enterprise fund (golf, tennis, Dobson and pickleball) where operating expenses were increased by \$100K – mainly due to F&B, pickleball and Dobson expense overages, although most were offset by increased revenues. Capital was adjusted by about \$400K, due to construction overages and the addition of the number 15 tee box, moved up from 2019. Because of those overages, Mr. Weaver explained that an amendment to the general fund was necessary. He said it is a formality with the state, there are no new expenses of which the Board was unaware.
- 10.2. The Board had no questions and took no action. The amended budget will be adopted at the next Board meeting.

#### 11. REVIEW AND ADOPTION OF 2019 PROGRAM FEES

- 11.1. Mr. Ortiz stated that fee changes are highlighted in yellow in the Board packet. Mr. Biniecki, Mrs. Plain and Mr. Rabinowitz each presented parts of their fees for 2019.
- 11.2. Mr. Biniecki proposed increases to some ice rental fees at Dobson Ice Arena.
- 11.3. Mrs. Plain proposed a discounted afternoon fee in the summer to attract golfers between 1:10 p.m. and 3:20 p.m. She also proposed a punch card with fewer restrictions. There is also a small increase to the young adult pass, the golf club's largest growing pass.
- 11.4. Mr. Ortiz highlighted some small increases in gymnastics fees to cover the cost of additional coaching staff for popular programs.
- 11.5. Mr. Rabinowitz stated he increased adult sports slightly to be competitive with other local districts and cover referee wages. He also highlighted small increases to camp fees that are set by the contractors and small adjustments to the trail running series.
- 11.6. Mr. Ortiz stated that tennis pass prices were increased, but it's in lieu of charging \$1 per passholder each time they participate in a program. Most programs will now be included with the pass and there will no longer be the \$1 fee each time. He said that Ms. Collins also proposed differentiating between a prime-time and a slow-time rate to encourage afternoon play.
- 11.7. Mr. Ortiz also stated the proposed pickleball increase in court rental fees for non-VRD residents.
- 11.8. Finally, youth services proposed small increases of \$1 or \$2 for a few camps and programs to keep pace with CPI and keep labor rates competitive.
- 11.9. Director Newbury-Rediker reminded the public that when VRD asked for the mill levy increase last year, it was to avoid significant increases to fees, which

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the VRD is committed to avoiding. The small fees mentioned are to keep up with CPI and not the significant increases that would have had to be implemented without the mill levy increase.

- 11.10. Mr. Ortiz reminded the Board that passes are all about opportunities. When the opportunities increase, the pass prices need to keep up to cover costs yet remain a great value. It's up to the passholder to make the most of the opportunity.
- 11.11. 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 2019 BUDGET

- 12.1. Mr. Weaver presented the 2019 budget and directed the Board to the summary in the packet. He expects tax revenues to increase but is waiting on some hotel and commercial valuations and disputes to be finalized. The VRD is expecting to transfer the Nature Center operations to the Town of Vail, so the budget shows no revenue or expenses for the Nature Center next year. Golf revenues have also been returned to 2018 levels. Mr. Weaver is forecasting the total revenues to be \$9M.
- 12.2. Mr. Weaver said on the expense side they're forecasting an average 2% increase in wages for personnel. He expects higher increases for hourly rates and lower salary increase as some staff have reached salary caps. Wages at the golf course and pickleball are proposed to increase to attract and retain quality staff. Mr. Weaver stated they are still working on the F&B budget and it's hard to compare to other local course as the operations are so varied in scope.
- 12.3. Mr. Weaver spoke to the proposed debt service and capital budgets and reminded the Board there are two years left on the Dobson bonds, at which time the mill levy to taxpayers will go away. Mr. Weaver stated 2019 will be a huge year for capital expenses with multiple projects underway, and it's hard to gauge how much will be finished this year versus what will need to be finished in the spring. Other projects in the 2019 budget are minor remodels to the golf maintenance and tennis center buildings, and updates to the golf course path overlays on several holes. VRD is also looking at golf ball mitigation at the athletic field and has a consultant making recommendations there. Dobson will need an overhaul of the rink chiller system, and the budget includes a 15% contingency for construction costs. Mr. Weaver stated he expects \$2.3M in fund balance at end of year, and he tries to keep \$1.5M for operations as tax revenues don't come in until March/April and the VRD needs enough cash in the bank to float revenues until taxes come in. VRD is also required to keep some emergency funds and also has pre-paid expenses (insurance, inventory, etc.) Mr. Weaver said there is basically \$30K in the capital reserve, which will start to build, but VRD is spending the money now to finally address backlogged capital projects.

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- 12.4. Upon a motion duly made and seconded it was unanimously RESOLVED to open the public hearings for the adoptions of the 2018 amended budget, 2019 fees and proposed 2019 budget.
- 12.5. Hearing no public comment, the Board continued the public hearing to the next Board meeting, to be held on November 15 at 5 p.m.

#### 13. CONSTRUCTION UPDATE

- 13.1. Mr. Ortiz gave an overview of the capital construction projects at the Vail Golf Club. He said staff had talked to the golf course contractor today to ask them to speed up and said that RA Nelson is on schedule with the starter building construction. After some discussion, the Board thanked Mr. Ortiz for the update.

#### 14. SEPTEMBER 2018 FINANCIALS

- 14.1. Mr. Weaver said there was not much of significance to report. VRD is down \$90K in revenue, with much of the golf losses offset by pickleball, Dobson and interest revenues. Expenses are only \$10K off of budget with \$5M spent in total. The capital budget will be over budget by the end of the year, hence the need to amend the budget. He expects to finish the year in good shape.
- 14.2. After some discussion, the Board thanked Mr. Weaver for his work.

#### 15. REC SUB UPDATE

- 15.1. Mr. Ortiz said a few VRD Board members and staff met with Mr. Greg Moffet, Mr. Greg Clifton, Mr. Greg Hall and Mr. Todd Oppenheimer with the Town of Vail in a recent recreation subcommittee meeting. Mr. Ortiz said the town has selected contractors for the civic area plan, and they are looking at the whole area including the Lionshead RV parking, library, Dobson and parking site east of Dobson. They expect to have lots of public comment time, and the VRD has a place at the planning table for input.
- 15.2. Mr. Ortiz gave the group a similar construction update to what was just presented, and said they also talked about parking at Ford Park. With the F&B operations growing and the VRD taking on Nordic operations, VRD is proposing to add a person in the financial department to help Mrs. April Heredia. This means VRD needs to find another office in the Tennis Center. By permit, there is not a lot of parking, so Mr. Ortiz asked the town to work with him on parking. Mr. Ortiz said the VRD will look to reconfigure offices in the Tennis Center in next year's Tennis Center building update. He said the VRD should be looking to the future and adding offices in Lionshead within the civic plan update.
- 15.3. Mr. Ortiz said they also talked about the golf course lease, and the biggest thing he is trying to make the town aware of is increases to the cost of running the building, in addition to the increase in sales tax that it is generating to the

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town. With more events at the clubhouse comes increases in town sales tax through lodging, transportation rental, meals, etc. Mr. Ortiz is hoping he can talk to the town and is looking to get more help on the R&M side of the agreement.

#### 16. EXECUTIVE DIRECTOR INPUT

- 16.1. Mr. Ortiz thanked the staff for a smooth budget process and said everyone did a really good job this year even with the challenging golf year. He thanked Mrs. Plain and her staff for doing a great job of keeping people happy and informed. He said there was also a significant increase in first-time guests and hopes we can entice them to come back.
- 16.2. Mr. Ortiz stated that many departments are finishing up programming, and that the sports department gets a little break and then starts in with kids' programs.
- 16.3. Mr. Ortiz said Mr. Biniecki is going full blast with programs at Dobson. He encouraged everyone to check out the new girls' youth hockey program. He also said the mite and mini mite youth hockey programs are the biggest in the valley and speaks to the quality of the programming being done.
- 16.4. Mr. Ortiz thanked Ms. Caitlin Collins for a good job this summer at the Vail Tennis Center.
- 16.5. Mr. Ortiz said Mr. Dan Timm has started getting the clubhouse ready for Nordic season and they anticipate opening the pro shop on Nov. 5.

#### 17. BOARD MEMBER INPUT

- 17.1. Director Plante said he thinks all the fee numbers look very fair. He said they were very small increases compared to the costs to run the programs and thanked the staff for keeping the fees relatively the same. He also thought the new flexible golf punch passes were a good idea and thanked Mr. Biniecki for a great job at Dobson.
- 17.2. Director Suarez asked about putting together a study or presentation for the town to show how VRD programs bring revenue to the Town of Vail.
  - 17.2.1. Mr. Ortiz said this was probably doable on the F&B and events side but harder to quantify for day-to-day programming.
- 17.3. Director Newbury Rediker said she received an email from a citizen regarding golf ball mitigation at the athletic field. Mr. Ortiz said that Director Saalfeld has responded to the citizen and that the VRD is working with Mr. Dave Tanner on a ball flight study and consultant recommendations for that area. There was also discussion about adding signs to the area warning field users about the vicinity to the golf course. Mr. Ortiz reminded the Board that errant balls are the golfer's responsibility. He agreed a sign is a good idea and will look to see what Mr. Tanner's recommendations are.

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- 17.4. Director Newbury Rediker also mentioned that she is a member of the Commission on Special Events and thinks events that use VRD facilities should provide the VRD with economic impact survey results. She thanked Mr. Rabinowitz for how helpful he is to CSE for providing field and event information during their annual event review process. She also mentioned that Vail Holidays is looking for a new event producer and thought the VRD might be a good fit in the future.
- 17.5. Director Kjesbo asked about redoing the restrooms at the soccer field. Mr. Ortiz said the town is looking at it in their five-year plan, but he will try and get that moved up, at least replacing the roof.
- 17.6. Director Saalfeld gave an update on the pickleball program and indoor and outdoor drop-in hours.
18. ADJOURNMENT
- 18.1. 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