

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

Beginning at 8:30 A.M.  
Thursday, August 27, 2020  
Vail Golf & Nordic Clubhouse  
AGENDA  
WORK SESSION

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1. Call to Order
2. Eagle County School District Programming
  - a. After School
  - b. Wednesday School's Out
  - c. Sports
3. Dobson Arena Operations-Scheduling, Events & COVID-19 Protocols
4. Golf Course Greens Renovation
5. Food & Beverage Operations-Winter 2020-21
6. Renewal of Gymnastics Lease
7. Board of Directors Priorities for Capital Projects
8. July 2020 Financials
9. Others Matters
10. Adjournment





# Dobson Ice Arena

## Week At A Glance

Facility Name(s) :Ice Rink

Event Types :Selected

Ice Rink	Mon, Jan 21	Tue, Jan 22	Wed, Jan 23	Thu, Jan 24	Fri, Jan 25	Sat, Jan 26	Sun, Jan 27	1/21/2019-1/27/2019
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To: Mike Ortiz  
From: Scott O'Connell  
Date: 08/12/2020  
RE: Winter F&B operations

Hello Mike,

I wanted to share with you some of the options I have come up with regarding our Food and Beverage operation at the Vail Golf and Nordic Clubhouse. As you know we provide a Soup Buffet for guests that ran from 11am until 3pm, 7 days per week while the Nordic Center was open. This ended abruptly with the onset of Covid-19. As we look toward the upcoming winter season and what impact the pandemic may have on our operation at the Nordic Center, we would like to find a way to continue to enhance our guests experience by providing some F&B. We also currently have 3 full time, rear round, salaried F&B managers that we need to determine how to best utilize should we decide to continue with their employment. Our F&B at the Clubhouse is currently subsidized and although we have made significant strides in minimizing this subsidy, with the absence of events in the summer and fall of 2020 the F&B subsidy is forecast to increase. Here are some options to consider:

Soup Service in the Grill on the Gore, 7 days per week – The F&B department can provide soup menu via a URL delivery method and provide the service necessary to serve soup to guests. We would have limited seating (24 seats total) available in the Grill on the Gore Restaurant due to Covid-19 Social Distancing protocols. We would need to hire additional staff to provide this service as well as increase our prices to cover the added labor expense. Guest would be given a choice of 3 options: Buffalo Chile, vegetarian soup and a protein-based soup or stew. We would provide complimentary bread service and have a full bar available for guests to purchase beverages. I would expect that this option would add to our current subsidy.

Soup Service in the Grill on the Gore, Friday / Saturday / Sunday only – The F&B department can provide soup menu via a URL delivery method and provide the service necessary to serve soup to guests. We could provide this service without having to bring on additional staff and would be run by managers only. Guests would have the same options as above: Buffalo Chile, vegetarian soup and a protein-based soup or stew. We would provide complimentary bread service and have a full bar available for guests to purchase beverages. This option would not increase our current subsidy.

Soup and Mountain Melt Menu in the Grill on the Gore, 7 days per week – This would follow the same format as the 7-day soup service however we would offer a selection of sandwiches in addition to soups. This would add additional labor above the proposed 7-day soup service as we would need additional kitchen personnel to with only minimal increase in revenue. This may be the most expensive with least value and carry a large subsidy.

#### Gore Range Room Option

The Food and Beverage department has the opportunity to move its winter operations into the Gore Range Room (Banquet room) to accommodate additional guests. We would not operate in the Grill on

the Gore Restaurant and be exclusively in the Banquet room. We could offer any of the above options with no change in staffing proposed in each option. We could host up to 72 guests at a time and maintain social distancing. We could also transition to this option and begin in the Grill restaurant. If we experience guest volumes that consistently exceed our capacity, we could make the call to move operations over to the banquet room.

A final option would be to close the F&B operations and place salaried staff on furlough or lay them off for the winter. We run the risk of losing our staff as they would probably take new jobs and not return for the summer season. Although there may be savings associated to this option it will create additional challenges for the golf season in 2021.

We would welcome the opportunity to discuss options in greater detail and happy to evaluate other options.

Thank you,

Scott O'Connell  
Director of Operations  
Vail Recreation District.

2020/2021

Grill on the Gore

Winter Restaurant Operation Options

### Labor Costs

**Year Round Salaried Managers(3):** No additional Labor Costs during winter months.

**Dishwasher :** \$16.00 per hour x 42 hours a week= \$672.00 per week. (Dishwasher 6 hours a day x 7 days a week)

**Cook :** \$19.00 per hour x 35 hours per week= \$665.00 per week. (Cook 7 hours a day x 5 days a week)

### Food Costs

**Soup/ Chili:** 12oz. Bowl on average, costs = \$3.15 - \$3.28 per bowl.

**Bread Service:** Piece of Corn bread, Crackers, Sourdough = .52 per basket.

**Al Fresco Toppings:** 2 ounce ramekin of one, sour cream, cheese, pico = .17 per 2 ounces.

Roughly \$3.97 per person is our Cost of Goods at a \$12.00 per person menu price. (33%) Food Cost.

Due to COVID 19, we would not be able to operate a buffet type of service. It would have to be plated in the kitchen for each guest. This does allow for more control over food costs. More precise portion control than a buffet. But it would mean a minimum of two employees working the Grill each day.

## **Scenario's**

### 3 Day Operation

Grill on the Gore only; operating Friday, Saturday and Sunday would only require 2 people each day. One front of house employee and one back of house employee each day. If salaried managers only operated this scenario, we would not need any additional hourly staff/labor. But, with only three days operating we cut our revenue opportunities significantly, which could result in incremental loss to adopted budget. There is also the risk of food spoilage or quality compromise, because we are closed 4 days of the week, fresh foods may not last, week to week. There is also a risk of guest frustration, by not being open consistently.

### **5 Day Operation**

Grill on the Gore Only; Wednesday thru Sunday, closed Monday and Tuesday. It is possible to operate the Grill, provided all salaried managers are available all winter long without vacation or time off, to operate the Grill 5 days a week. If we want to use only Salaried Managers and no hourly employees. But if one of the three salaried managers is absent, then hourly employees would be needed to cover those shifts. Food costs would be much more controllable and less likely to spoil in this scenario. There could be a hybrid of this scenario, using both salaried managers and only part time hourly staff to supplement. Part time hourly may be difficult to find this time of year. In a hybrid though, we could control our labor costs and keep those costs to a minimum. Obviously business volume will affect how much we gain or lose each day. We could run both Soup/Chili Menu and Mountain Melts in this scenario increasing revenue potential.

If we used hourly staff only two days out of the week the labor cost would be roughly \$192 for Dishwasher. \$266 for a Cook. \$108 per server. These are estimates for two days of hourly staff.

### **7 Day Operation**

Grill on the Gore Only; Open 7 days a week, 11am-3pm. This scenario would require us to have some hourly staff. It would be very difficult for only three salaried managers to run a 7 day a week operation. We would at this point possibly require, a dishwasher, a cook, and or a server to cover salaried employees time off. The advantage of 7 day a week operation is the ability to increase revenues, consistency in food and service, consistency in guest expectation. However, without a guarantee of business volume, we risk higher labor costs.

### **7 Day Pro Shop Only**

In this scenario, we offer an enhanced selection of vending type foods; ie.. energy bars, chews, chips, snacks in the Pro Shop Only. Requires one food and beverage manager to order, and stock the items. This would minimize labor costs across the board. Could allow VRD to keep valued manager for next summer season. Opportunity to reset F&B. We could also set up Enhanced Vending in the Grill and keep the Bar open for cocktails without kitchen food. This would certainly affect revenue adversely, but at same time cutting food and labor costs. This scenario would also create many difficulties for the upcoming summer food and beverage operation. Another item to consider is all of the food waste from food stored in freezers over the winter, may not be usable in the following summer.

### A Perfect Scenario

I feel the best scenario could be a flexible and progressive operation. Ramp up; operating hours from Thanksgiving into December, only 3 days a week until mid December, using Managers only. Dec. 18 we go to a full 7 day a week operation until Late March. Back down to 3 days after March 28<sup>th</sup> until April 4<sup>th</sup>. We use hourly staff from Dec. 18<sup>th</sup> until March 28<sup>th</sup>.

But what we really need is a comprehensive marketing strategy for our Winter operation. We need to get people in the door that are not just Nordic skiers.

The way we become a profitable operation, is by using the Starter Shack, Ford Park Model, which is a simple manageable menu that very few staff are needed to execute. Very little preparation. In fact if we could do some of what we do at Starter House with the addition of Soup and Chili, it could be a winning model.

### Game Changer

All of the above scenarios are viable options if we only had to worry about the Grill operation. There are a couple of factors not being discussed as of yet, that need to be considered. Every year for the last 4 years we try to cut our winter labor down as low as possible and we always scramble to find employees to work Banquets. We need to consider the event calendar and when we expect to host events again. This factor could offset the hourly labor we need to supplement 7 day a week winter grill operations. The other factor is what is the rest of the Vail Valley going to do this winter? Is the valley going to have full occupancy? Will we have trouble drawing guests, if the mountain or hotels are restricted?

### REVENUES

\*The following revenue averages come from the Arma/Focus P.O.S. system.

November 2019 averages = \$150 to \$300 per day

December 2019 averages = \$200 to \$500 per day

Christmas 2019 averages = \$400 to \$1200 per day

January 2020 averages = \$ 400 to \$1000 per day

February 2020 averages = \$350 to \$1000 per day

March 2020 averages = \$400 to \$900 per day

Saturdays are the busiest days of the week by revenue. Fridays also are consistent.



## LEASE AGREEMENT

### TOWN OF VAIL AND VAIL PARK AND RECREATION DISTRICT

THIS LEASE AGREEMENT (this "Agreement"), is made and entered into to be effective this 27<sup>th</sup> day of March, 2005, by and between the TOWN OF VAIL, a Colorado municipal corporation (the "Town" or "Lessor"), and the VAIL PARK AND RECREATION DISTRICT, d/b/a the VAIL RECREATION DISTRICT a quasi-municipal corporation and political subdivision of the State of Colorado (the "District" or "Lessee"). The Town and the District are collectively referred to as the "Parties."

#### RECITALS

WHEREAS, the Town is the owner of certain real property in the Town of Vail and the improvements thereon, located at 545 N. Frontage Road Vail, Colorado, and commonly known as the Town of Vail Gymnastics Center (the "VGC"). The VGC was constructed as a cooperative effort for the purpose of providing gymnastics programs, and other suitable recreation activities and services, to the Town of Vail's residents and guests; and

WHEREAS, the District, through agreements with the Town and utilizing Town owned real property and buildings, has been providing such recreation services since its formation; and

WHEREAS, it is the desire of the Parties for the District to continue to provide these services; and

WHEREAS, Section 18(2)(a), Article XIV of the Colorado Constitution, Section 29-1-203, C.R.S., Section 31-15-101, C.R.S., and Section 32-1-1001, C.R.S., empower the Town and the District to enter into intergovernmental agreements with one another to provide intergovernmental services and facilities (including the sharing of costs) and the incurring of debt, when so authorized by their respective governing bodies and as lawfully authorized by each Party to govern the provision of such services and facilities to the inhabitants and visitors of the Town and the District; and

WHEREAS, the Town and the District now wish to enter into this Lease Agreement pursuant to the terms set forth herein.

NOW THEREFORE, in consideration of the covenants, premises and agreements herein contained, and the payment of monies as hereinafter set forth, the Parties agree as follows:

1. Premises

The Town hereby agrees to lease to the District and the District agrees to lease from the Town, that portion of property located at 545 N. Frontage Road and as legally described and generally shown on the attached Exhibit A, which is attached hereto and made a part hereof by reference, for use as a gymnastics training center and for other suitable recreation activities. The entire VGC, together with all of the other realty legally described on Exhibit A is hereby referred to as the "Premises."

2. Term of Agreement

The term of this Agreement shall commence on March 27, 2005, and shall be for five (5) years, terminating on March 27, 2015. This Agreement may then be renewed for an additional five (5) year term (a "Renewal Period") upon written notice to the Town by the District of its intent to renew this Agreement at the end of any term, provided, however, that the District is not in default and/or breach of this Agreement at the time of commencement of the Renewal Period. If the Town believes that the District is in default and/or breach of the terms of this Agreement at the time of commencement of the Renewal Period, the Town will give the District written notice thereof and thirty (30) days to cure such default and/or breach prior to taking any action to deny the renewal. The District shall give notice of its intent to renew at least six (6) months prior to and no more than nine (9) months prior to the expiration of the first term.

3. Rental Fee

For the first five (5) year period, and for the first Renewal Period, that this Agreement is in effect, the District shall pay as rent to the Town the sum of ten dollars (\$10.00) per year. The parties hereby acknowledge and agree that the rental fee is separate from and not included in the monthly payment due in connection with the Capital Maintenance Fund pursuant to Section Four (4) below, or the annual sum due to the Town from the District pursuant to the subject promissory note between the Town and the District for construction of the VGC. Rental payments shall be made, subject to the appropriation annually by District Board of funds necessary to make the payments as provided herein. The District further agrees that the necessary annual appropriations and approvals will be obtained and that the payments provided for herein shall be made without the need for any additional written authorization.

4. Capital Maintenance Fund

During the term of this Agreement, and any Renewal Period, the District shall pay on the 15<sup>th</sup> of each month and beginning on January 15, 2005, five hundred dollars (\$500) per month to the Town for a Capital Maintenance Fund to help offset the cost of Major Capital Improvements for the VGC as set forth in Section Nine (9) below. The parties hereby acknowledge and agree that the monthly payment required by this Section Four (4) is separate from and not meant to offset the District's obligation under the promissory note between the parties concerning the construction of the VGC or the District's obligations towards maintenance of the VGC and/or the Premises as set forth herein. This fund shall be administered by the Town. Capital Maintenance Fund payments shall be made, subject to the appropriation annually by District Board of funds necessary to make the payments as provided herein. The District agrees that the necessary annual appropriations and approvals will be obtained and that the payments provided for herein shall be made without the need for any additional written authorization.

5. Use of Premises

The District hereby agrees and covenants that the use of the Premises shall comply with the following:

(a) For the operation of a gymnastics training center and other suitable recreation activities.

(b) The Premises shall not be used for any illegal or improper purpose or other use that would create a nuisance.

(c) No commercial or other operation for profit shall be conducted on the Premises.

6. District Covenants

The District further agrees as follows:

(a) To ensure compliance with the following covenants and agreements the District shall, upon request, provide to the Town a current waiting list and an enrollment list for students and/or other users of the VGC within ten (10) days of the request.

(b) The District agrees to manage the VGC for the accommodation of the public and to operate the facility in a responsible and safe manner. The District shall be responsible for the supervision and care of the VGC and the Premises and shall have on the Premises during the hours of operation sufficient qualified personnel to provide appropriate supervision and care.

(c) The District must offer sufficient programming and fully staff the VGC to meet the community expectation and need, based upon demand and to maximize the use of the VGC.

(d) The District agrees that upon reasonable request of the Town or Eagle County School District RE-50J, the VGC may be used for appropriate public or governmental functions that would not interfere with the recreation purpose of the facility on such days and during such hours as the facility is not being used for gymnastics or other programs. A separate Use Agreement has been entered into between the Town, the District and the Eagle County School District specifying the times, uses and responsibilities of the parties for joint use of the VGC.

(e) The District agrees that the Town shall not be responsible or liable for any costs or obligations for the operation of the VGC other than what is agreed to herein.

7. Building

(a) The District shall be responsible for all costs associated with the maintenance, repair and upkeep up the Premises during any term of this Agreement, including without limitation, doors, windows, heating systems, plumbing, pipes, electrical, painting, flooring, hardware, elevator, and at its sole cost and expense perform maintenance and repairs, restorations, or replacements as and when needed to preserve them in good working order and first class condition, and shall at all times keep the Premises in good condition and repair. The Town will conduct an annual maintenance inspection of the Premises to ensure compliance with this maintenance obligation. In addition, the District shall pay all utility charges, including but not limited to water, electricity, heat, gas, sewer, telephone, interior maintenance including janitorial services, and trash removal promptly after the same are incurred. The District shall be responsible for paying property taxes associated with its personal property on the Premises; the Town shall be responsible for paying property tax associated with its land or improvements comprising the Premises, if any.

(b) Should the District fail to pay any such charges set forth herein, or to maintain the Premises, or to make or commence to make any repair or replacement required by Agreement for a period of thirty (30) days after receipt of written notice of the necessity for same by the Town to the District, the Town may, at its option, pay any such

charges or make any such repair or replacement. In such event, the District shall reimburse the Town within ten (10) days of receiving a written request from the Town describing such costs.

8. Maintenance Responsibility

In addition to the general maintenance responsibilities described above, the Parties hereby agree to provide additional maintenance services as follows:

(a) The District's obligation for repair and maintenance shall include all interior, exterior, nonstructural, ordinary and extraordinary, and unforeseen and foreseen repair.

(b) The District shall be responsible for maintenance of all shrubs, trees and landscaping associated with the VGC. The irrigation lines shall be maintained by District employees and annually winterized.

(c) The Town shall be responsible for removing snow from the parking area, the lower sidewalk adjacent to the Frontage Road, and the access road to the School and the VGC on a priority basis. The District shall be responsible for removing snow from the sidewalk and stairs in front of the VGC.

(d) The District shall, on an annual basis, hire an outside, qualified company to inspect and test the VGC's fire suppression systems, to include alarms, smoke detectors, sprinklers, and fire extinguishers. A copy of the inspection reports shall be sent to the Town of Vail Facility Manager.

(e) The District shall, on an annual basis, hire an outside, qualified company to inspect and service the VGC's heating systems and associated components to ensure proper working condition. A copy of the work performed shall be sent to the Town of Vail Facility Manager.

(f) The District shall obtain a service maintenance agreement from an outside, qualified elevator company, to regularly service and inspect the VGC's elevator and system components. A copy of the work performed shall be sent to the Town of Vail Facility Manager.

(g) The Town of Vail Facility Manager, along with a representative of the Town's insurance provider, shall on an annual basis perform a thorough inspection of all interior and exterior components associated with the VGC. The Facility Manager will provide the District with a written report of the inspection, and if applicable, a listing of required maintenance necessary or desirable for the safety, improvement, or preservation of the premises. The work is to be scheduled and funded by the District within thirty (30) days of receipt of the report as set forth in Section 8(b) above.

(h) The District shall, on an annual basis, hire an outside, qualified company to inspect and service the VGC's backflow prevention devices and associated components to ensure proper working condition. A copy of the work performed shall be sent to the Town of Vail Facility Manager.

(i) The District shall make no major alterations or additions to the VGC without the Town's prior written consent. All such work shall be performed in a good and workmanlike manner and all alterations and/or additions upon the premises shall, upon termination of this Agreement unless otherwise agreed at the time the Town's consent is

obtained or unless the Town requests removal thereof, become the property of the Town.

9. Future Improvements

The parties hereby acknowledge and agree that, in consideration of the maintenance responsibility assumed by the District herein, the Town's sole maintenance responsibility for the VGC shall include only Major Capital Improvements. For purposes of this agreement, Major Capital Improvements shall mean replacement of major systems and structural components of the VGC, including elevators, air handling systems, heating systems, roofing and the core and shell of the building, as agreed upon by the Town of Vail public works director, the Town Manager and District Manager. The Capital Maintenance Fund outlined in Section Five (5) above shall be used for this purpose. The Town shall not be responsible for the replacement of any equipment or building components damaged by the willful acts or negligence of the District.

10. Parking

Parking spaces for the VGC shall be designated as follows:

(a) The spaces directly in front of the VGC will be signed and used as VGC parking only at all times. The Northwest space in this row, will be designated as handicap parking and will be jointly used by the VGC and Red Sandstone Elementary School.

(b) When school is in session, the spaces across from the VGC shall be signed and used for school staff parking Monday - Friday, 7:00a.m. - 5:00p.m., and school staff and VGC parking on Saturday and Sunday.

(c) When school is in session, the middle bench parking will be signed and used as school staff parking Monday - Friday, 7:00a.m. - 5:00p.m.

(d) The lower parking spaces adjacent to the N. Frontage Road, will be signed and used as school/VGC parking, Monday - Friday, 7:00a.m. - 5:00p.m.

11. Assignment and Sale

This Agreement may not be assigned or sublet by the District without the prior written consent of the Town.

12. Damages by Fire or Casualty

(a) If the Premises shall be damaged by fire or any other cause and the Town shall elect to repair the damage, this Agreement shall continue in full force and effect and, if such damage shall render all or part of the Premises untenable, the minimum rent due hereunder shall be proportionally abated (based on the proportion of the Premises rendered untenable) from the date of such damage until such time as the Premises have been made tenable. However, there shall be no abatement of the Capital Maintenance Fund or the promissory note payment responsibility of the District.

(b) If the Premises are damaged or destroyed by fire or other cause and the Town shall elect not to repair such damage, then this Agreement shall automatically terminate upon and effective as of the giving of notice by the Town of such election. Thereupon within thirty (30) days of the receipt of such notice, the District shall surrender to the Town the Premises and all interest under this Agreement and the Town may

reenter and take possession of the Premises and remove the District therefrom. The District shall pay rent duly apportioned as of the date of such termination of this Agreement, and the Town and the District shall be free and discharged from all obligations arising hereunder after the date of such termination. However, the District's responsibility pursuant to the applicable promissory note between the parties for construction of the VGC shall not be discharged under any circumstances.

(c) The Town shall notify the District of the decision of the Town to repair any damage to the Premises promptly after making such decision but in any case within ninety (90) days of the damage or destruction. If the Town elects to repair, reconstruct or restore the Premises or the building after any such damage, the Town shall promptly commence and with due diligence complete the repair, reconstruction and restoration of the Premises so far as practical to the condition in which the Premises or the building were immediately prior to such damage. In no event shall the Town be required to make any repairs or replacements to or of any of the District's lease hold improvements, fixtures, equipment, furniture, furnishings and personal property.

13. Expiration of the Agreement and Surrender of Premises

Upon the expiration or other termination of this Agreement, the District shall promptly quit and surrender to the Town the Premises, broom cleaned, in good order and first class condition, ordinary wear excepted. If the District is not then in Default hereunder, the District may remove from the Premises any trade fixtures, equipment, and movable furniture and exhibits stored therein by the District, provided however, that under no circumstances shall any trade fixture or equipment be removed that was provided with the building or if such fixture or equipment, provided by the Town is used in the operation of the building or improvements or the removal of such fixture or equipment will result in impairing the structural strength of the building or improvements. Whether or not the District is in Default hereunder, the District shall remove such alterations, additions, improvements, trade fixtures, equipment and furniture as the Town shall require. The District shall fully repair any damage occasioned by the removal of any trade fixtures, equipment, furniture, alterations, additions and improvements. All trade fixtures, equipment, furniture, inventory, effects, alterations, additions and improvements not so removed shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by the Town without notice to the District or any other person and without obligation to account therefor; and the District shall pay the Town for all expenses incurred in connection with such property, including, but not limited to, the reasonable cost of repairing any damage to the building or Premises caused by removal of such property. The District's obligation to observe and perform this covenant shall survive the expiration or other termination of this Agreement.

14. Termination

(a) Either party may terminate this Agreement by providing thirty (30) days written notice to the other party if: 1) the other party is in Default under any term or condition of this lease, and the Default continues to the date of termination; 2) the Premises have been abandoned as described in Section 22 hereof; 3) either party is bankrupt or insolvent; or 4) the District fails to use the Premises as a gymnastics center for a period longer than ninety (90) consecutive days for reasons within the District's control. Should this Agreement be terminated by the Town because of an uncured Default by the District, the Town at its option and without formal notice or demand of any kind may enter the leased Premises by any means including force and remove the District therefrom. The District shall remain liable for all its applicable obligations under

this Agreement and the applicable promissory note between the parties despite the termination of this Agreement by the Town.

(b) No waiver of default by one of the parties of any of the terms, covenants, or conditions of this Agreement to be kept by the other party shall be construed as a waiver of any other or subsequent breach or default as set forth herein.

(c) The parties agree and recognize that this Agreement is entered into because of the public service being offered by the District. Because the function is being carried out on Town property and with the Town's encouragement and approval, the public may look to the Town for accountability. Therefore, the parties agree that, upon request of the Town, representatives of the District will meet with the Town Manager, and a complete review of the program, operation, and staff of the VGC will take place. If the Town Manager in his/her discretion believes that the VGC is not being carried on in accordance with the best interest of the public as described in this Agreement, he shall inform the District and the Town Council of those concerns in writing with detailed findings of the faults of District. The District shall then have a period of thirty (30) days to correct the faults. If the District fails to adequately correct the faults as found by the Town Manager, the Town Council may then terminate this Agreement as set forth in Section 14(a) above.

15. Liens and Obligations

It is agreed that the District shall not cause any mechanic's lien, materialman's lien or any other lien to be foreclosed upon the Premises or any equipment or personal property located thereon. The District further agrees to pay promptly when due all bills, debts, and obligations incurred by it in connection with the operation of the VGC, and not to permit the same to become delinquent; and to suffer no lien, mortgage, judgment, execution, or other adjudication in bankruptcy which will in any way impair the rights of the Town under this Agreement.

16. Covenant of Quiet Enjoyment

The Town is the true and lawful owner of the Premises and has good right and full power to let and lease the same. Town agrees that District shall quietly and peaceably hold, possess, and enjoy the Premises, without any hindrance or molestation by the agents or employees of Town.

17. Indemnification and Release

To the extent permitted by law and subject to the immunities, protections and defenses afforded Tenant by the Colorado Governmental Immunity Act, §24-10-101, et.seq., C.R.S., the District agrees that it will indemnify, release, and save harmless the Town, its officers, directors, shareholders, members, partners, principals, agents, attorneys, employees, and subsidiaries, from any and all loss of, or damage to, property or injuries to, or death of, any person, and from any and all claims, costs, suits, and judgments including reasonable attorneys fees and expenses, of anyone, resulting from District's operation of the VGC and/or the Premises, or negligent acts or omissions of the District, its officers, agents or employees.

18. Insurance

(a) The District, at its sole expense and at all times, shall keep the Premises insured with All-Risk Property insurance, which shall apply to the Premises, including but not limited to the building including completed additions, fixtures, permanently installed machinery, equipment, and personal property, for the full replacement cost thereof.

(b) The District shall place and maintain at all times, at its sole expense, a liability insurance policy with respect to the use of the Premises which policy shall be issued by an insurer with a Best's Rating of at least A-VII and in which the limits of liability shall be not less than one million dollars (\$1,000,000) for one person and two million dollars (\$2,000,000) for more than one person in any single incident or such greater amounts as may be provided by the Colorado Governmental Immunity Act, Section 24-10-101 et seq. The District shall also maintain a five million dollars (\$5,000,000) umbrella liability policy.

(c) All insurance required of the District pursuant to this Agreement shall include (i) the Town as an additional insured (or, in the case of property insurance, the Town as loss payee); (ii) a clause or endorsement denying the insurer any right of subrogation against the Town; and (iii) a provision requiring the insurer to give the Town thirty (30) days' notice prior to cancellation. The District waives any rights of recovery against the Town for injury or loss due to hazards covered by insurance.

(d) Each policy required by the District shall be primary insurance, and any insurance carried by the Town, its officers, or its employees, shall be excess and not contributory insurance to that provided by District. The District shall be solely responsible for any deductible losses under each policy.

(e) Prior to this Lease Agreement becoming effective the District shall furnish the Town with certificates of insurance or other acceptable evidence that the insurance described in this Section 18 is in force.

(f) The Town shall maintain Insurance in appropriate amounts and as required by law to insure the Premises and property owned by the Town.

19. Notices

All notices required to be given to the parties shall be given by certified mail, postage prepaid, addressed as follows:

Town Manager  
Town of Vail  
75 South Frontage Road  
Vail, Colorado 81657  
(with a copy to the Town Attorney)

Executive Director  
Vail Park and Recreation District  
d/b/a Vail Recreation District  
292 West Meadow Drive  
Vail, Colorado 81657

With copy to:

James P. Collins, Esq.  
Collins Cockrel & Cole, P.C.  
390 Union Blvd., Suite 400  
Lakewood, CO 80228



The location or appropriate party to contact may be changed by written notice from time to time delivered to all parties.

20. Holdover

If the District shall remain or continue to be in possession of the Premises or any part thereof after the end of the term of this Agreement, at the Town's option, the District shall be deemed to be illegally retaining possession or shall be deemed to be a month-to-month tenant of the Premises on all the terms and conditions of this Agreement except that monthly rent equal to the fair market value shall be charged. In the event of any unauthorized holding over, the District shall indemnify the Town against all claims for damages by any person to whom the Town may have leased all or any part of the Premises effective after the termination of this Agreement. Nothing herein contained shall be construed to limit the Town's right to obtain possession of the Premises upon termination of this Agreement by unlawful detainer proceedings or otherwise in the event that the Town does not exercise its option to treat the continued possession by the District as a month-to-month tenancy.

21. Default

The occurrence or existence of any one or more of the following events or circumstances shall constitute a "Default" hereunder.

(a) The District shall fail to pay when due any installment of rent, contribution to the Capital Maintenance Fund, payment pursuant to the applicable promissory note between the parties, or any other sum payable by the District to the Town under the terms of this Agreement;

(c) A party shall neglect or fail to perform or observe any of the covenants herein contained on its part to be performed or observed.

(d) This Agreement or the Premises or any part thereof shall be taken upon execution of foreclosure or by other similar processes of law directed against the District or shall be taken upon or subject to any attachment at the instance of any creditor or of claimant against the District, and such attachment shall not be discharged or disposed of within thirty (30) days after the levy thereof;

(e) The District shall vacate or abandon the Premises (which shall be defined to include, but not be limited to, any absence by the District from the Premises for thirty (30) or more days while otherwise in Default under this Agreement) or lock them so as to intentionally prevent entry therein of the Town or its representatives as permitted by the terms of this Agreement;

(e) The District shall:

- i. Admit in writing its inability to pay its debts generally as they become due; or
- ii. Make an assignment of all or a substantial part of its property for the benefit of creditors; or
- iii. Apply for or consent to or acquiesce in the appointment of a receiver, trustee or liquidator of all or a substantial part of District's property or of the Premises or of District's interest in this Agreement; or
- iv. File a voluntary petition in bankruptcy or a petition or an answer seeking reorganization under any bankruptcy or insolvency law or

any arrangement with creditors, or take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against the District in any bankruptcy, reorganization or insolvency proceedings; or

(f) The entry of a court order, judgment or decree without the application, approval or consent of District, approving a petition seeking dissolution of the District, and such order, judgment or decree shall not be vacated, set aside within thirty (30) days from the date of entry.

22. No Implied Waiver

The failure of the Town to seek redress for violation of or to insist upon the strict performance of, any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. If it should be necessary or proper for the Town to bring any action under this Agreement or to place this Agreement with any attorney for the enforcement of any of the Town's rights hereunder, then District agrees to pay the Town's reasonable attorney's fees and all expenses and court costs. The receipt by the Town of any rent with knowledge of the breach of any covenant of this Agreement shall not be deemed a waiver of such breach. No provision of this Agreement shall be deemed to have been waived by the Town unless such waiver is in writing signed by the Town. No act or thing done by the Town or the Town's agents during the term of this Agreement shall be deemed an acceptance or a surrender of the Premises and no agreement to accept such surrender shall be valid unless in writing signed by the Town.

23. No Representations; Entire Agreement

The Town and the Town's agents have made no representations, warranties, agreements or promises with respect to the Premises except such as are expressed herein.

24. No Partnership

Notwithstanding anything contained in this Agreement to the contrary, the Town shall not in any way or for any purposes become principal or partner of the District in the conduct of its business, or otherwise, or a joint venturer or member of a joint enterprise with the District.

25. Miscellaneous

(a) If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Agreement shall be valid and enforced to the fullest extent permitted by law.

(b) Except as provided herein, no amendment, alteration, modification or addition to this Agreement shall be valid or binding unless in writing and signed by the party or parties to be bound thereby.

(c) The caption of each section is added as a matter of convenience only, and to be considered of no effect in the construction of any provisions of this Agreement.

(d) The covenants, conditions and agreements contained herein shall bind and

inure to the benefit of the Town, the District, the respective heirs, distributives, executors, administrators, successors, and subject to the terms of this Agreement, their assigns.

(e) District and Town acknowledge and agree that all financial obligations of District under this Lease Agreement, including but not limited to the payment of Rental Payments, are subject to annual budget and appropriation by District. District's financial obligations under this Lease Agreement shall be from year to year only and shall not constitute a multiple fiscal year debt or indirect debt or other financial obligation of the District or an obligation of the District payable in any fiscal year beyond the fiscal year for which funds are budgeted and appropriated for the payment thereof, or payable from any funds of District other than the funds budgeted and appropriated for the payment of current expenditures. In the event non-appropriation occurs, however, District shall be liable for all Rental Payments allocable to any period during which the District shall continue or shall have been in possession of the Premises.

(f) This Agreement shall be governed and interpreted in accordance with the laws of the State of Colorado.

26. Inspection

The Town shall have the right to enter the Premises for the purpose of inspecting or protecting the Premises and doing all things which the Town may deem necessary for the protection of the Premises, provided, however, such shall be done so as to not unreasonably interfere with the operation of the VGC.

27. Compliance with Laws and Regulations

The District agrees not to use or permit the Premises to be used for any purpose prohibited by the laws of the United States or the State of Colorado or ordinances of the Town of Vail, and it further agrees that it will use the roadways and other areas of the Premises in accordance with all general rules and regulations adopted by the Town or its Parking Superintendent for the governing and operation of the Premises, either reasonably promulgated by the Town or said Superintendent on its or his own initiative. The District further agrees to comply in all respects with Section 5-4-2 of the Town of Vail Town Code prohibiting smoking in Town owned facilities.

28. Attorney's Fees

Should either party bring suit to enforce this Agreement, it is agreed that the prevailing party shall be entitled to recover its costs, expenses, and reasonable attorney's fees. A prevailing party is a party that shall have obtained a final judgment or order no longer subject to appeal. In the event of a settlement before final adjudication, both parties shall bear their own respective costs, expenses, and reasonable attorney's fees, unless otherwise agreed.

29. Additional Assurances

The parties agree to reasonably cooperate to execute any additional documents and to take any additional action as may be reasonably necessary to carry out the purposes of this Agreement.

30. No Third Party Beneficiary

No third party is intended to or shall be a beneficiary of this Agreement, nor shall any such third party have any rights to enforce this Agreement in any respect.

31. Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original, and which together shall constitute one and the same agreement.

32. Recording

This Agreement shall be recorded in the real property records for Eagle County, Colorado.

33. Venue

It is agreed that any action brought by either party to enforce this Agreement shall be brought in Eagle County, Colorado.

**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be made the day and year first above written.

TOWN OF VAIL, a Colorado municipal corporation

By: Pamela A. Brandmeyer  
Stan Zermier, Town Manager  
Pamela A. Brandmeyer, Acting



ATTEST:

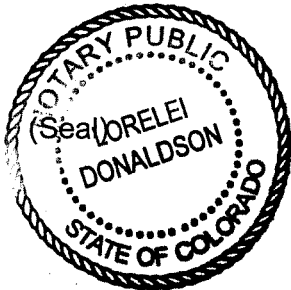
Lorelei Donaldson  
Lorelei Donaldson, Town Clerk

State of Colorado )  
                                  ) ss:  
County of Eagle )

On the 3<sup>RD</sup> day of May, 2006 Pamela A. Brandmeyer personally appeared before me, whose identity I proved on the basis of Acting Town Manager to be the signer of the above instrument, and he acknowledged that he signed it.

Lorelei Donaldson  
Notary Public

My commission expires July 5, 2006



LORELEI DONALDSON, Notary Public  
Commission Expires July 5, 2006  
1000 S. Frontage Road Vail, CO 81057

[Signature blocks continue on following page]

VAIL PARK AND RECREATION DISTRICT,  
d/b/a VAIL RECREATION DISTRICT,  
a quasi-municipal corporation and  
political subdivision of the State of Colorado

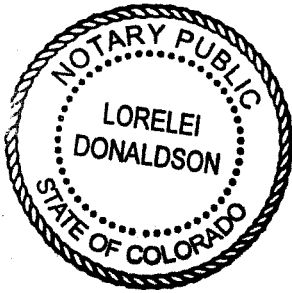
By: *Michael D. Ortiz*  
Its: EXECUTIVE DIRECTOR

State of Colorado     )  
                                  ) ss:  
County of Eagle     )

On the 3<sup>RD</sup> day of May, 2006 Michael D. Ortiz personally  
appeared before me, whose identity I proved on the basis of Executive Director  
to be the signer of the above instrument, and he acknowledged that he signed it.

*Lorelei Donaldson*  
Notary Public

My commission expires July 5, 2006



LORELEI DONALDSON, Notary Public  
Commission Expires July 5, 2006  
100 S. Frontage Road Vail, CO 81057

**EXHIBIT A**

PARCEL DESCRIPTION

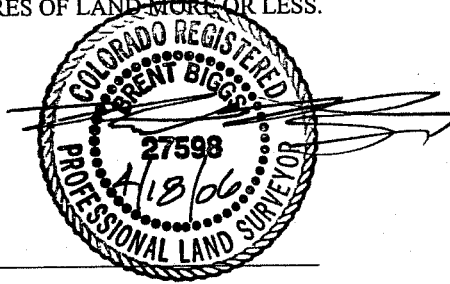
A PARCEL OF LAND LOCATED WITHIN LOT 8, BLOCK 2, VAIL/POTATO PATCH ACCORDING TO THE PLAT RECORDED MARCH 5, 1974 IN BOOK 233 AT PAGE 629, AND THE LEASE AGREEMENT RECORDED SEPTEMBER 29, 1975 IN BOOK 242 AT PAGE 51, TOWN OF VAIL, EAGLE COUNTY, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 8 THENCE N 86°16'09" W ALONG THE NORTH LINE OF SAID LOT 8 A DISTANCE OF 42.84 FEET TO THE TRUE POINT OF BEGINNING.

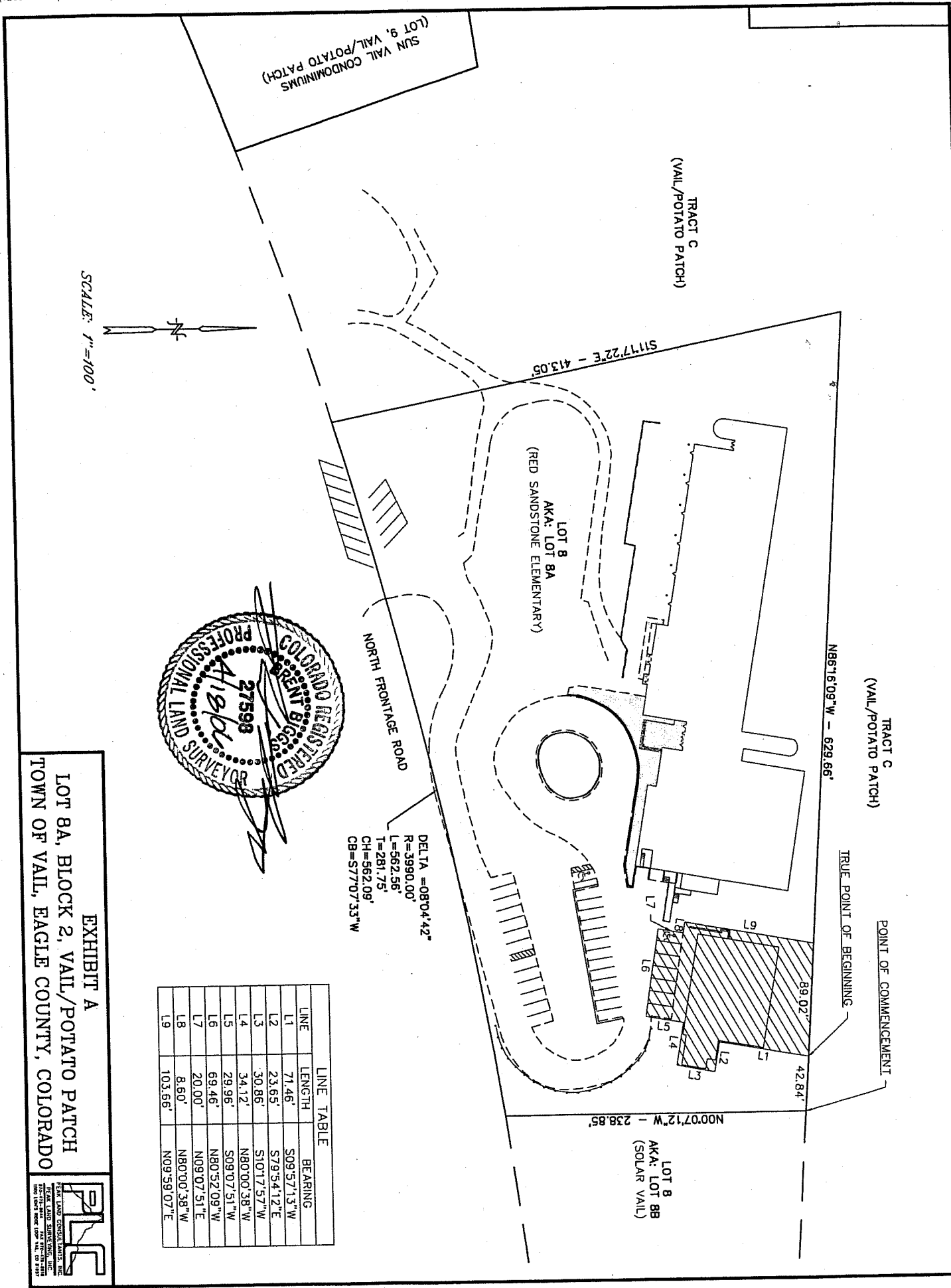
THENCE DEPARTING SAID NORTH LINE OF SAID LOT 8 THE FOLLOWING SEVEN (7) COURSES:

- 1) THENCE S 09°57'13" W A DISTANCE OF 71.46 FEET;
- 2) THENCE S 79°54'12" E A DISTANCE OF 23.65 FEET;
- 3) THENCE S 10°17'57" W A DISTANCE OF 30.86 FEET;
- 4) THENCE N 80°00'38" W A DISTANCE OF 34.12 FEET;
- 5) THENCE S 09°07'51" W A DISTANCE OF 29.96 FEET;
- 6) THENCE N 80°52'09" W A DISTANCE OF 69.46 FEET;
- 7) THENCE N 09°07'51" E A DISTANCE OF 20.00 FEET;
- 8) THENCE N 80°00'38" W A DISTANCE OF 8.60 FEET
- 9) THENCE N 09°59'07" E A DISTANCE OF 103.66 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 8; THENCE S 86°16'09" E ALONG THE NORTH LINE OF SAID LOT 8 A DISTANCE OF 89.02 FEET TO THE TRUE POINT OF BEGINNING.

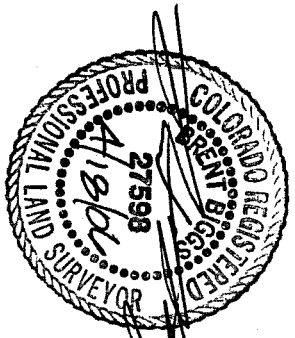
SAID PARCEL CONTAINS 0.266 ACRES OF LAND MORE OR LESS.



BRENT BIGGS PLS No. 27598  
PREPARED FOR AND ON BEHALF OF  
PEAK LAND SURVEYING, INC

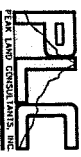


DELTA = 08°04'42"  
 R = 3990.00'  
 L = 562.56'  
 T = 281.75'  
 CH = 562.09'  
 CB = S77°07'33"W



LINE	LENGTH	BEARING
L1	71.46'	S09°57'13"W
L2	23.65'	S79°54'12"E
L3	30.86'	S10°17'57"W
L4	34.12'	N80°00'38"W
L5	29.96'	S09°07'51"W
L6	69.46'	N80°52'09"W
L7	20.00'	N09°07'51"E
L8	8.60'	N80°00'38"W
L9	103.66'	N09°59'07"E

**EXHIBIT A**  
**LOT 8A, BLOCK 2, VAIL/POTATO PATCH**  
**TOWN OF VAIL, EAGLE COUNTY, COLORADO**







**VAIL RECREATION  
DISTRICT**

700 S. Frontage Road East  
Vail, Colorado 81657  
970.479.2279  
f 970.479.2197  
www.vailrec.com

VAIL GOLF CLUB  
1778 Vail Valley Drive  
479.2260  
f 479.2355

GOLF MAINTENANCE  
1278 Vail Valley Drive  
479.2262  
f 479.3451

PARK MAINTENANCE  
700 S. Frontage Road East  
479.2457  
f 479.2197

VAIL TENNIS CENTER  
700 S. Frontage Road East  
479.2294  
f 479.2197

JOHN A. DOBSON ARENA  
321 Lionshead Circle  
479.2271  
f 479.2267

VAIL YOUTH SERVICES  
395 E. Lionshead Circle  
479.2292  
f 479.2835

VAIL NATURE CENTER  
841 Vail Valley Drive  
479.2291  
f 479.3459

VAIL GYMNASTICS  
545 N. Frontage Road West  
479.2287  
f 479.2286

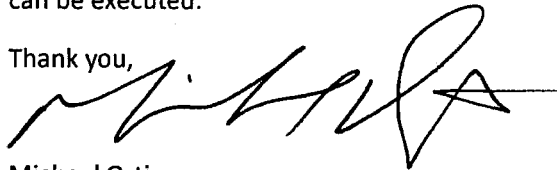
ADULT & YOUTH SPORTS  
700 S. Frontage Road East  
479.2280

March 2, 2015

Ms. Tammy Nagel  
Town of Vail  
75 South Frontage Road  
Vail, Colorado 81657

Dear Ms. Nagel,

The Vail Recreation District Board of Directors in their first meeting in January of 2015 approved the pursuit of a renewal of the Gymnastics Facility Agreement with the Town of Vail. We have submitted the lease to Town Manager, Stan Zemler and are hopeful that a renewal of the lease for another five year period can be executed.

Thank you,  


Michael Ortiz  
Executive Director

*Received March 15, 2015  
Emelia A. Brandmeyer  
Acting Town Manager*

**VAIL RECREATION DISTRICT  
COMBINED BALANCE SHEET  
December 31, 2019 and July 31, 2020**

	12/31/19					07/31/20				
	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	6,722,100	2,500			6,724,600
INVESTMENTS- RESTRICTED		304,803			304,803		-			0
ACCOUNTS RECEIVABLE	153,157	22,883			176,040	381,115	1,700			382,815
PROPERTY TAXES RECEIVABLE	4,656,289	288,334			4,944,623	217,471	(7,744)			209,728
PREPAIDS, DEPOSITS & INVENTORY	166,330	305,927			472,257	86,907	165,719			252,626
DUE (TO) FROM OTHER FUND	53,011	(53,011)			0	365,686	(365,686)			0
LOAN DUE (TO) FROM OTHER FUND	9,412	(9,412)			0	9,412	(9,412)			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>7,782,691</b>	<b>(212,924)</b>	<b>652,648</b>	<b>6,407,298</b>	<b>14,629,714</b>
<b>LIABILITIES AND FUND EQUITY</b>										
ACCOUNTS PAYABLE	190,016	161,584			351,599	25,760	9,769			35,529
DEFERRED PROPERTY TAXES	4,656,289	288,334			4,944,623	217,483	(7,744)			209,740
DEFERRED REVENUE	16,767	85,089			101,856	1,747	122,836			124,583
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>244,991</b>	<b>124,862</b>	<b>72,242</b>	<b>47,768</b>	<b>489,862</b>
<b>NET ASSETS</b>										
INV IN FIXED ASSETS, NET OF DEBT			580,406	6,094,530	6,674,936			580,406	6,359,530	6,939,936
RESTRICTED	472,284	271,956			744,240	390,773	-			390,773
COMMITTED & ASSIGNED FOR CAPITAL	2,340,000	-			2,340,000	3,400,000	-			3,400,000
UNASSIGNED	1,436,713	64,462			1,501,175	3,746,927	(337,785)			3,409,142
<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>7,537,701</b>	<b>(337,785)</b>	<b>580,406</b>	<b>6,359,530</b>	<b>14,139,852</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>7,782,691</b>	<b>(212,924)</b>	<b>652,648</b>	<b>6,407,298</b>	<b>14,629,714</b>
	=	=	=	=	=	=	=	=	=	=

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

Printed: 08/21/20  
 Modified Accrual Basis

	2019 Audited Actual	2020 Forecast	2020 Adopted Budget	Variance Favorable (Unfavor)	7 Months Ended 07/31/20 Actual	7 Months Ended 07/31/20 Budget	Variance Favorable (Unfavor)
<b>COMBINED REVENUES</b>							
PROPERTY AND OTHER TAXES, NET OF FEES	4,527,346	5,022,143	4,724,665	297,478	4,717,920	4,626,338	91,582
OTHER NON-DEPARTMENTALIZED REVENUES	175,510	68,418	114,000	(45,582)	49,713	65,551	(15,838)
SPORTS	412,112	229,881	423,890	(194,009)	183,046	341,842	(158,797)
GYMNASTICS	244,162	201,423	282,620	(81,197)	102,083	136,414	(34,332)
COMMUNITY PROGRAMMING	403,861	310,413	431,200	(120,788)	234,338	320,542	(86,203)
NATURE CENTER	-	-	-	-	-	-	-
NORDIC CENTER	468,403	419,283	472,050	(52,767)	245,058	242,388	2,669
GOLF COURSE	1,381,314	1,456,650	1,377,600	79,050	949,620	831,234	118,385
TENNIS	41,685	54,050	41,854	12,196	41,581	26,586	14,995
PICKLEBALL	126,827	83,242	98,720	(15,478)	80,985	62,985	17,999
DOBSON	882,654	461,734	911,435	(449,701)	349,393	612,065	(262,672)
GOLF F&B / BANQUET ROOM, NET OF COGS	712,240	303,691	777,961	(474,270)	164,125	253,617	(89,492)
<b>TOTAL REVENUES</b>	<b>9,376,112</b>	<b>8,610,927</b>	<b>9,655,994</b>	<b>(1,045,067)</b>	<b>7,117,861</b>	<b>7,519,564</b>	<b>(401,703)</b>
<b>OPERATING EXPENSES</b>							
ADMINISTRATION	(739,169)	(847,484)	(907,102)	59,618	(549,974)	(605,982)	56,008
PUBLIC RELATIONS/MARKETING	(374,457)	(358,625)	(398,588)	39,963	(163,262)	(223,544)	60,282
PARK MAINTENANCE	(226,558)	(291,040)	(295,677)	4,637	(161,305)	(163,861)	2,556
FACILITIES MAINTENANCE	(141,521)	(139,463)	(141,899)	2,436	(80,391)	(82,541)	2,150
SPORTS	(521,874)	(451,961)	(559,204)	107,244	(259,932)	(334,601)	74,669
GYMNASTICS	(331,728)	(325,823)	(359,010)	33,187	(172,082)	(195,448)	23,366
COMMUNITY PROGRAMMING	(532,390)	(505,850)	(605,956)	100,106	(276,887)	(344,194)	67,307
NATURE CENTER	(480)	-	-	-	-	-	-
NORDIC CENTER	(394,633)	(369,534)	(374,618)	5,084	(212,640)	(227,588)	14,949
GOLF OPERATIONS	(681,015)	(742,400)	(765,094)	22,694	(282,617)	(323,994)	41,377
GOLF MAINTENANCE	(881,242)	(929,933)	(951,986)	22,053	(465,814)	(523,884)	58,071
TENNIS	(102,399)	(113,523)	(112,133)	(1,391)	(74,242)	(78,299)	4,057
PICKLEBALL	(142,623)	(85,157)	(114,684)	29,528	(35,161)	(49,649)	14,488
DOBSON	(959,547)	(754,709)	(985,351)	230,642	(451,498)	(604,373)	152,874
GOLF F&B / BANQUET ROOM	(782,681)	(650,619)	(820,825)	170,206	(338,258)	(422,872)	84,615
<b>TOTAL EXPENSES</b>	<b>(6,812,317)</b>	<b>(6,566,120)</b>	<b>(7,392,128)</b>	<b>826,007</b>	<b>(3,524,063)</b>	<b>(4,180,830)</b>	<b>656,768</b>
<b>CHANGE IN FUND BAL BEFORE DS &amp; CAP</b>	<b>2,563,795</b>	<b>2,044,807</b>	<b>2,263,867</b>	<b>(219,060)</b>	<b>3,593,799</b>	<b>3,338,734</b>	<b>255,065</b>
DEBT SERVICE	(270,975)	(272,456)	(272,456)	-	(271,956)	(271,956)	(0)
DONATIONS, LOANS, & SALE OF ASSETS	122,000	-	-	-	-	-	-
CAPITAL EXPENDITURES	(1,941,173)	(834,712)	(1,695,755)	861,043	(707,342)	(1,334,646)	627,304
LESS UNFUNDED CAPITAL PROJECTS	-	-	-	-	-	-	-
CONTINGENCY	-	(300,000)	(200,000)	(100,000)	-	(100,000)	100,000
<b>TOTAL NET CAPITAL EXPENSES</b>	<b>(2,090,148)</b>	<b>(1,407,168)</b>	<b>(2,168,211)</b>	<b>761,043</b>	<b>(979,298)</b>	<b>(1,706,602)</b>	<b>727,304</b>
<b>CHANGE IN FUND BALANCE</b>	<b>473,648</b>	<b>637,639</b>	<b>95,656</b>	<b>541,983</b>	<b>2,614,500</b>	<b>1,632,132</b>	<b>982,368</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>ENDING FUND BALANCES</b>	<b>4,585,415</b>	<b>5,223,054</b>	<b>4,391,994</b>	<b>831,060</b>	<b>7,199,916</b>	<b>5,928,470</b>	<b>1,271,446</b>

**SUMMARY OF SIGNIFICANT VARIANCES:**

PROPERTY TAX REVENUES- Hotel protest still continue (4 years now)- Assume abatements will be paid in 2021 instead of 2020 as budgeted  
 SPORTS REVENUES- Facility rental and some summer programs hit hard by COVID19.  
 COMMUNITY PROGRAMMING REV- After school stopped in the Spring and Summer Camps at reduced capacity  
 GOLF REVENUES- Record pass sales and daily fees still holding up. Pro shop will be down due to reduced inventory.  
 DOBSON REVENUES- Lots of unknowns here going into the winter season. Now forecasting Ski Swap as the only remaining event to be held in 2020.  
 GOLF F&B/ BANQUET REVENUES- Golf F&B doing well, but summer and fall events expected to minimal.  
 ADMINISTRATION EXPENSES- Savings in delayed hiring HR position, no election, insurance, and other costs where possible.  
 PUBLIC RELATIONS EXPENSES- Savings while facilities closed and delays in marketing due to phased reopening timeline unknown.  
 COMMUNITY PROGRAMMING EXPENSES- Savings from temporary closures and reductions in programming.  
 DOBSON EXPENSES- Savings in utilities, cost of goods, and other areas. Not reflected is that Dobson staff worked at the golf course, which saved in golf maintenance labor.  
 GOLF BANQUET/ F&B EXPENSES- Savings in labor, cost of goods, and other areas with Gore Range Room revenues expected to be down significantly.  
 CAPITAL- Most projects that can be deferred pushed to next year. More than half of the remaining forecast for capital was the new fleet of golf carts with GPS units.  
 CONTINGENCY- Increased from \$200K to \$300K for additional unknowns due to COVID19.  
 FUND BALANCE- Savings at end of 2019 rolled forward to 2020.