
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting
Of the Board of Directors

Vail Park and Recreation District
dba Vail Recreation District
June 28, 2018

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on June 28, 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. Kim Newbury Rediker, Bill Suarez, Jason Plante
2. MEMBERS ABSENT AND EXCUSED
 - 2.1. Tom Saalfeld, Roland Kjesbo
3. STAFF PRESENT
 - 3.1. Mike Ortiz, Jessie Klehfoth, Scott Todd, Alice Plain
4. OTHERS PRESENT
 - 4.1. None
5. CONSULTANTS PRESENT
 - 5.1. Eric Weaver, Daniel Cudahy, Ashley Findley
6. CALL TO ORDER
 - 6.1. Director Suarez called the meeting to order at 5:00 p.m.
7. CHANGES TO AGENDA
 - 7.1. None
8. APPROVAL OF MEETING MINUTES
 - 8.1. By motion duly made and seconded it was unanimously RESOLVED to approve the minutes of the May 24, 2018 regular meeting.
9. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA
 - 9.1. None
10. PRESENTATION AND ACCEPTANCE OF 2017 AUDIT
 - 10.1. Mr. Daniel Cudahy of McMahan & Associates, the District's independent auditor, stated the 2017 audit went very well and the District received a clean

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opinion. Ms. Ashley Findley gave additional background and reiterated that the District was in a reasonable/good financial opinion. Mr. Weaver added that roughly \$1.5M of the \$3.6M in fund balance at the end of 2017 was being held for capital projects in 2018. He expects the balance to be largely spent this year, down to almost \$100K.

- 10.2. By motion duly made and seconded it was unanimously RESOLVED to accept the 2017 audit as presented.

11. APPROVAL OF PRECONSTRUCTION SERVICES AGREEMENT WITH LINKS LAND LLC AND RA NELSON FOR VAIL GOLF FEATURES PROJECT

- 11.1. Mr. Ortiz asked the Board to approve the preconstruction services agreements for Links Land LLC in the amount of \$18,120 for the golf course preconstruction services for hole 14 and 15 bridges, the driving range and 15 tee box and RA Nelson in the amount of \$20,000 for preconstruction services on the new golf club starter building and golf maintenance storage facility. These are due diligence efforts to ensure the projects come in as expected and on budget with subcontractors.
- 11.2. After some discussion, and by motion duly made and seconded, it was unanimously RESOLVED to approve the preconstruction services agreement with RA Nelson in the amount of \$20,000 and Links Land LLC in the amount of \$18,120.

12. VAIL GOLF CLUB COURSE CONDITION REPORT

- 12.1. Golf course superintendent Scott Todd gave an update on the course conditions of the Vail Golf Club. He started by thanking Mr. Ortiz and the Board for their support and patience with challenging conditions through the spring. He also thanked Mrs. Alice Plain and her staff for their support and getting the front-line message out. The 13 greens that were covered since May 4 have been uncovered in a progression over the week and can now be maintained daily. All regulation greens will open on Monday, July 2. Mr. Todd stated that they are not perfect, some are further along than others, and some are thin, however they will continue to improve throughout the remainder of the summer. Mr. Todd said guests who have been playing temporary greens should be excited to play on the newly opened greens but know that they are not at typical July conditions. One of the benefits to this process is that the greens are now primarily bentgrass, which should help to withstand the environmental stresses better into the future. With such a high degree of bentgrass in the greens, by the end of the summer the majority of the greens may not have to be re-sodded. Mr. Todd explained the focus for the newly-opened greens will be to get them smooth first, and then get the height of the cut dropped to match the better greens. He also explained that some sod had been procured for some small areas on the edges of the greens, and some

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of the approaches. Mr. Todd also explained how the recent weather and water conditions have impacted to growing season, and the different types of golf course grasses.

- 12.2. Mr. Todd also relayed the news that Mr. Logan Grant, second assistant golf course superintendent has taken a position in Oregon and will be leaving the golf course maintenance staff.
- 12.3. After some discussion, the Board thanked Mr. Todd and his staff for their diligence and hard work.

13. EVALUATION OF GOLF COURSE 2018 FEES

- 13.1. Mrs. Alice Plain started by thanking Mr. Todd for all his hard work. Normally, the golf course would be going into peak season golf rates tomorrow, but with the status of the greens, Mrs. Plain recommended a discounted customer appreciation rate until July 20. She is confident the course will still improve daily. She recommended rates of \$50 walking and \$69 with cart for Vail residents and \$60 walking and \$79 with cart for 18 holes for guests and Eagle County residents. The rates will be re-evaluated after July 20.
- 13.2. Mr. Ortiz explained that these rates are the normal early season rates, so it seemed fair with the current conditions comparable to early season conditions. He said the course is getting better and better and would like latitude from the Board to adjust the rates after July 20 as course conditions warrant. He said once the course starts seeing demand with a full tee sheet, they will consider raising the rates. He is also offering each golfer a free beer or soft drink in the Grill on the Gore restaurant to encourage restaurant patronage. This deal applies to season passholders as well, and he thanked them for their support.
- 13.3. Director Newbury Rediker stated that she had no issues with dynamic pricing, and just asked Mr. Ortiz to let the Board know when it changes so they can advocate on the course's behalf.
- 13.4. Director Plante stated that the proposed prices were good and fair.

14. MAY 2018 FINANCIALS

- 14.1. Mr. Weaver talked about golf financials and the impact of the conditions on the budget. Overall, rounds were down about 60% - down evenly between pass and daily fee rounds. On the revenue side, greens fees are down about 67%. Season passes and punch cards sales are comparable to last year, but selling at a discounted rate so revenue is down about 47% from the season start to June. Mr. Weaver is unable to estimate where the budget will end up for the year but will continue to monitor closely and says the decrease is survivable for the VRD with other departments tightening belts in other areas.

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- 14.2. So far, Mr. Weaver stated that VRD revenues are overall doing well and property taxes are favorable due to many homeowners choosing to prepay for the year. Dobson revenues are also up \$80K.
- 14.3. On the operations expense side, Mr. Weaver stated the District budget is \$25K favorable. Dobson expenses are over because with their extra concessions sales also comes additional cost of goods. Mr. Weaver says that the District chose to switch out some capital projects and may defer some others. He said they are still early in the cost estimating process on the capital projects that are proceeding but staff is working to find ways to bring them in close to budget. He thought capital expenses should come in okay since there is a 15% contingency built in that is helping with some of the overages being seen. Overall, he said the big picture is pretty in line with the adopted budget.

15. INVESTMENT OF DISTRICT FUNDS

- 15.1. Mr. Weaver explained that right now the District has about \$4.2M invested with ColoTrust. ColoTrust has about \$7.6B of Colorado investments from other districts, towns, etc. and offers two investment pools, the Prime Fund and the Plus+ Fund, with the vast majority of the funds being invested in the Plus+ Fund due to slightly higher returns from it being allowed to invest in commercial paper. The District has historically been in the Prime Fund and Mr. Weaver thought that the Board should consider changing to the Plus+ Fund to take advantage of the higher rate of return for very minimal increase in risk.
- 15.1.1. After discussion and upon a motion duly made and seconded, it was unanimously RESOLVED to move the investments with ColoTrust from the Prime account to the Plus+ account.
- 15.2. Mr. Weaver then stated that historically the District has tried to keep some funds invested locally. In the past, ColoTrust and the local banks were similar in rate. Now, local banks aren't offering rates competitive to ColoTrust so Mr. Weaver recommended opening a Brokered CD account with UMB Bank which would allow the District is invest in CDs offered by banks throughout the county, keeping all of the funds under the FDIC threshold, with greater ability to obtain competitive rates.
- 15.2.1. After discussion and upon a motion duly made and seconded, it was unanimously RESOLVED to open a broker CD account with UMB Bank.

16. DIRECTORS REPORT

- 16.1. Mr. Ortiz restated that VRD is opening the whole golf course with all regulation greens in play starting on Monday, July 2. He encouraged everyone to come out and thanked Mr. Todd for his hard work. He also said everyone who plays will get a free beer or soft drink until July 20.

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- 16.2. Mr. Ortiz commended Ms. Kristin Glesne, an intern at Vail Golf Club, who won the Colorado stroke play amateur event in Denver last week. He said the last day she was leading by three, got caught, then went to playoff and won in three holes.
- 16.3. Mr. Ortiz said the Vail Golf Club will start men's league and seniors league after July 4 with the full course open. He also said there's a group of 30 players who come to the course every year.
- 16.4. Mr. Ortiz thanked Mr. Todd and his staff for all the hard work to get the golf course to where it is.
- 16.5. Mr. Ortiz thanked the marketing department for the new signs in the Tennis Center display case, he said they add a lot to the pro shop.
- 16.6. Mr. Ortiz also commented that the marketing department is very busy with creating photos, ads, radio spots, and new advertising with the Vail Daily.
- 16.7. Mr. Ortiz talked about the sports department who have been going full speed for a long time. They've hosted a number of sports camps and last night was the fourth mountain bike race - with about 200 riders even though it was hot. Last week sports produced a running race for the Colorado Municipal League annual conference. Mr. Ortiz also passed along some kudos from the Vail Valley Foundation to the sports team for producing the races at the GoPro Mountain Games.
- 16.8. Mr. Ortiz said that gymnastics had their first team camp with 21 ladies participating. He also added that two high-profile visiting coaches will be coming to a later summer camp. The Vail Gymnastics Center also participated in the 4th of July parade.
- 16.9. Mr. Ortiz stated that Mr. Dan Timm has been working on Nordic projects, even during the summer. He's been meeting with sales representatives and prepping orders for the winter season.
- 16.10. Mr. Ortiz commended Mr. Jim Sanders for doing a great job with parks maintenance, especially with tournaments back to back and careful water management.
- 16.11. Mr. Ortiz said Mr. Chad Young is very busy with camps and seeing good participation numbers. He also did a great job with permitting and licensing for the facilities. Mr. Ortiz updated the Board that the construction is a little behind on the new Red Sandstone Elementary School parking structure, but the contractor has brought in an extra crew to catch back up on the timeline. He said there has been great communication with the construction company there, and the VRD staff is meeting with them weekly.
- 16.12. Mr. Ortiz said Dobson had a great turnout at a recent dance, it was very successful with over 1,600 people in attendance there to see some of the top bands in Mexico. Mr. Ortiz thinks the town council is looking to see how those concerts can be promoted even better and serve Mexican guests and second homeowners. Mr. Ortiz stated that they have finished with the new

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bleachers at Dobson and the ice arena received a good facelift with a new coat of paint. He finished by stated that the Bob Johnson hockey camp is sold out with a waiting list.

17. BOARD MEMBER INPUT

- 17.1. Director Plante commended Mrs. Klehfoth for her hard work with all the marketing, including the new tennis passes, working with Vail Resorts and the Vail Daily.
- 17.2. Mr. Suarez stated that the Tennis Center has been going strong, and if a player buys a season pass to the tennis center, it now comes with free parking at Ford Park on paid parking days, based on space available.

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