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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  
February 23, 2017

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on February 23, 2017 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, Kevin Foley, Roland Kjesbo, Kim Newbury Rediker

2. MEMBERS ABSENT AND EXCUSED

2.1. None

3. STAFF PRESENT

3.1. Mike Ortiz, Jessie Klehfoth, Scott O'Connell

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 5:04 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 February 9, 2017 meeting as amended.

9. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA

9.1. None.

10. EXECUTIVE SESSION

10.1. By motion duly made and seconded it was RESOLVED to move into Executive Session for the purpose(s):

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1. §24-6-402(4) (b), C.R.S., "Conferences with an attorney for the public entity for the purposes of receiving legal advice on specific legal questions." - Nordic Center Operations

10.2. By motion duly made and seconded it was RESOLVED to move out of Executive Session.

#### 11. REPORT ON TOWN OF VAIL/VAIL RECREATION DISTRICT JOINT SESSION-VRD HISTORY AND FINANCIAL BACKGROUND

- 11.1. Mr. Ortiz reported that the VRD Board and Town Council had a joint session on Feb. 21. Mr. Ortiz shared the presentation that was given, which talked through the history of the VRD and how it was formed as a special District. The VRD started as the Vail Metropolitan Recreation District in 1966 to develop the golf course and tennis courts. In 1976 the Town formed a recreation department, and in 1989 they transferred all program management to the VMRD. In 1991 the VRMD changed its name to VRD and 1993 saw VRD enter into a lease of the town-owned facilities. In 1994 there was an election to transfer 2.76 mills from the Town to VRD for operations expenses. Mr. Ortiz spoke about the various recreational facilities that VRD leases from the Town.
- 11.2. Mr. Weaver explained how under the current leases that were entered in 2008, the Town is responsible for the building exteriors, mechanical, tennis fencing and retaining walls and half of the irrigation systems, tee box retaining walls and bridges, which come to an estimated \$4 million dollars of upcoming capital projects over the next 10 years. Under the current lease, VRD is responsible for the building interiors, golf holes and driving range, starter house and the other half of the irrigation systems, tee box retaining walls and bridges, plus an annual lease payment of \$137,000. Upcoming capital projects over the next 10 years that VRD is responsible for come to an estimated \$8 million.
- 11.3. Mr. Weaver then reminded the Board that VRD entered into these new leases at the peak of the property tax boom, right before the real estate market crashed. He explained how the VRD has since been putting off capital projects year after year because of funding shortfalls. Because of the Gallagher Amendment that was explained at the last Board meeting, VRD expects a \$350,000 loss to what was projected for 2018. This means that VRD expects to only have \$1.5 million over the next ten years for the \$8 million needed for town-owned VRD facility responsibilities. Mr. Weaver talked through a combination of possible solutions, which could include a reduction in programs offered, an increase in user fees, the Town taking on additional responsibility or asking voters for a mill levy increase. He explained that there is a very strong possibility VRD would need to ask for a mill levy increase at the November 2017 election.
- 11.4. Director Suarez stated that he has had a number of constituents approach him stating that the Town should take on more financial responsibilities.

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- 11.5. Director Saalfeld thanked Mr. Weaver and Mr. Ortiz for the presentations both tonight and on Tuesday. He thought the presentation was well received by the Town and it was helpful to explain the situations past and present.
- 11.6. Director Foley also thought the discussion was well-received by the Town Council and they were very receptive to using TIF funds for improvements to Dobson Ice Arena. He felt that with the current council, now is the time to keep working with them on these issues.
- 11.7. Director Kjesbo stated that he learned at the Tuesday meeting that the original mill levy was only intended to be used for operations, and that back then the golf course was funding the subsidies for other programming. Because of the decline in the golf industry and the competition in this valley, this is no longer sustainable.
  - 11.7.1. Mr. Ortiz explained that in the 1990s VRD was doing 30,000 rounds of golf annually, whereas 2016 saw just over 19,000 rounds. Golf has now become a subsidized program as well.

### 12. JANUARY 2017 FINANCIALS

- 12.1. Mr. Weaver spoke about financials for the start of the year, and how January is not a big revenue or expense month for VRD, except for making our annual insurance payment at the beginning of the year. There have been some increases in workers' compensation fees that were unexpected, and are now being accounted for. Mr. Weaver stated that overall revenue is on track and so are operating expenses. On a preliminary basis, VRD started this year almost \$300,000 ahead of what was projected. Mr. Weaver explained that this will help with some of the unfunded capital, but is a small amount of the overall total of what is needed.
  - 12.1.1. Director Saalfeld thanked Mr. Weaver for his guidance and hard work.
  - 12.1.2. Mr. Weaver stated that the annual audit will be starting in March.

### 13. EXECUTIVE DIRECTOR INPUT

- 13.1. Mr. Ortiz stated that the golf course has booked a number of large groups already for the golf course for 2017. He is excited to host a U.S. Women's Mid-Am Qualifier, and is working with Ms. Plain on a new golf camp with the coach from the University of Louisville for an elite coed camp to prepare kids for college-level golf.
- 13.2. Mr. Ortiz explained that there is a lot happening in the sports department, including sports leagues and getting ready to start the High Country Hoops youth basketball program. The sports team produced the Vail Mountain Uphill Race and Hike last weekend, which was very successful. Part of the proceeds from this event go to the U.S. Mountain Running Team. He explained the event was the first part of the new Vail Grail series, with a winter bike race up next on March 4 at 4 p.m., followed by Krueger Family Shamrock Shuffle on March 18.

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- 13.3. Mr. Ortiz stated that Dobson has a very busy schedule for the next two months with several dances, a Burton US Open event, the Project Funway school district fundraiser, an FBLA conference and a roller derby event.
  - 13.4. Mr. Ortiz talked about how the marketing department is really busy, and received constant mentions in the Vail Daily, including Mr. Chad Young's Nordic program on the front cover, an article on AcroYoga and the Winter Uphill, calendar events, town talks, paid advertising, weekly interview with KZYR, and he's excited about the social media marketing being done through Facebook to targeted audiences.
  - 13.5. Mr. Ortiz said the clubhouse has a lengthy list of punch list items remaining and will be closed from April 1-May 15 for construction. The VRD and Town will have an owner's representative to coordinate the efforts there. The Vail Nordic Center will close on April 1 for the construction, and the golf maintenance staff will plow the driving range at that time to begin building the artificial tee and a new social area. He expects this should be able to be done quickly, weather dependent.
  - 13.6. Mr. Ortiz stated that Mr. Scott O'Connell, Mr. Dave Root, Mrs. Emmy Cardoza and Chef David Sanchez have been working hard on clubhouse events. They also recently expanded the F&B service at Dobson Ice Arena during Yeti games.
  - 13.7. Mr. Ortiz said that staff is working hard on capital items, and complimented them on putting their lists together. He thanked Mrs. April Heredia and Mr. Weaver for their hard work.
  - 13.8. Director Foley stated that he will mention to Council the punch list to make them aware as well.
14. BOARD MEMBER INPUT
- 14.1. Director Foley thanked all the staff for their work at the Winter Uphill and thanked Mr. John Bailey, Vail Resorts and US Foods for the great breakfast. He stated the idea of using TIF money for Dobson capital projects was well received with the Town Council, and stated we should bring this to recreational subcommittee to look to making Dobson a Vail-worthy facility for the next 40-50 years. He also stated that one of the council members feels the Nature Center is underserved with the VRD agreement with Walking Mountains.
  - 14.2. Director Suarez stated he was sorry to not make the joint session with the Town, but was impressed with the presentation.
  - 14.3. Mr. Ortiz reminded the Board and viewers that the VRD operating mill levy has never been increased since its inception.
  - 14.4. Director Rediker thanked the staff for putting together the directors' reports for each meeting, she said this is so helpful to know what is going on. She also asked if there are events on the books at the clubhouse for 2018, to which Mrs. Klehfoth responded that yes there are, and Mrs. Cardoza is in the process of

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- updating the online availability calendar.
- 14.5. Director Kjesbo stated that he thought the presentation to Council was very well done, well received and informative.
- 14.5.1. Director Foley added that the food from the clubhouse F&B staff was very delicious as well.
- 14.6. Director Saalfeld sent his thoughts out to one of the Vail Gymnastics families whose matriarch was injured and hopes for a speedy recovery. He also remembered Joyce Wilson, a frequent user of VRD sports programs who recently passed away, and whose husband was a longtime VRD board member instrumental in a lot of the work done by VRD over the years. He informed the public that her memorial will be on Sat, March 11 at 2 p.m. at the Vail Interfaith Chapel.
15. ADJOURNMENT
- 15.1. 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