
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District November 5, 2015

A Special Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on November 5, 2015 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. Jeff Wiles, Tom Saalfeld, Kim Newbury, Kevin Foley
2. MEMBERS ABSENT AND EXCUSED
 - 2.1. Bill Suarez
3. STAFF PRESENT
 - 3.1. Mike Ortiz, April Heredia, Jessie Klefoth, Chad Young, Joel Rabinowitz
4. OTHERS PRESENT
 - 4.1. None
5. CONSULTANTS PRESENT
 - 5.1. Eric Weaver, Marchetti & Weaver, LLC
6. CALL TO ORDER
 - 6.1. Director Wiles called the meeting to order at 5:00 p.m.
7. APPROVAL OF MEETING MINUTES
 - 7.1. By motion duly made and seconded it was RESOLVED to approve the minutes of the October 22, 2015 meeting.
8. PUBLIC INPUT OF ITEMS NOT ON THE AGENDA
 - 8.1. Mr. Ortiz introduced the new marketing director Jessie Klefoth to the board.
9. ELECTION OF VAIL RECREATION BOARD OF DIRECTORS OFFICERS
 - 9.1. The board decided to wait until next meeting to have all directors present before electing new officers.

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10. RESOLUTION TO APPROVE PAYMENT OF CLUBHOUSE FUNDS TO TOWN OF VAIL

10.1. Mr. Ortiz explained that both the District and the Town have budgeted for the VRD's contribution towards the clubhouse project to happen in 2015 and with construction commenced he recommended making the contribution yet this year. As the Board had previously voted to place a commitment on those funds another resolution is required for their release.

10.2. By motion duly made and seconded it was RESOLVED to approve payment to Town of Vail for \$1.165 million for the Vail Golf Course Clubhouse construction project.

11. REVIEW OF 2016 PROGRAM FEES

11.1 Mr. Ortiz reviewed the proposed programming fees for 2016, to include:

11.1.1 The Vail Nordic Center and Vail Nature Center rates will remain the same.

Mr. Ortiz explained that rates for the Vail Nordic Center are equitable with the terrain available. The Vail Nature Center is being operated by Walking Mountain Science Center and the fees are being suggested by the Science Center.

11.1.1.1 Director Saalfed would like fees to be obtained from other Nordic Centers in the area.

11.1.1.2 Mr. Ortiz shared that the Vail Recreation District has discussed the possibility of bringing back the VRD Residence Card to help identify true residents. This is something that would not take place until the completion of the Vail Golf Course Clubhouse.

11.1.2 Vail Golf Club fees will not see an increase in 2016 due to construction.

11.1.2.1 Director Foley wanted clarification on the price difference with the 10-Punch Pass and the 20- Punch Pass. He also wanted clarification on if there will be golf club storage available in 2016.

11.1.2.2 Mr. Ortiz explained that the 20-Punch Pass was 9 holes whereas the 10 punch pass is for 18 holes, he also clarified that there will not be club storage, lockers or pull cart storage in 2016.

11.2.3 The Vail Gymnastic Center will include a minimal price increases.

11.2.3.1 Mr. Ortiz explained that the increase to team classes will keep pricing near the low end in comparison to other organization. Also the recreation fees remain near the middle as compared to other gyms in the area.

11.2.3.2 Director Newbury questioned the decrease in boy's fees.

11.2.3.3 Mr. Ortiz explained that the boy's team program is now going down to Evergreen for part of their training. The time in our gym has decreased with this change.

11.2.4 Dobson fees will see a slight increase.

11.2.4.1 Mr. Ortiz explained that Dobson has not seen any increases in quite a while and he believes other rinks will follow suit.

11.2.4.2 Director Saalfeld inquired how long the season is for Dobson.

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11.2.4.3 Mr. Ortiz stated the season for Dobson starts in Aug-Sept and ends at the end of ski season.

11.2.5 Sports Department will have some fee increases. Mr. Rabinowitz reported that he did research across the state and have decided to make a change to the fees in the running series to a 3-tier pricing structure offering lower fees for signing up earlier. He also explained there will be a 3% increase to facility rental.

11.2.5.1 Director Saalfeld asked Mr. Rabinowitz who was contacted for his research.

11.2.5.2 Mr. Rabinowitz stated he contacted WECMRD, Summit County and the Front Range-Evergreen area.

11.2.5.3 Director Foley expressed that he likes the idea of a 3-tier pricing for the running series. He also inquired if we were charging enough for the timing of races.

11.2.5.4 Mr. Rabinowitz explained that what is listed in the fees is a good base to start. After learning all the services that are being asked of the VRD the final fee is negotiated based on those services.

11.2.6 The Vail Tennis Center will not see any increases in 2016.

11.2.6.1 Mr. Ortiz explained that our fees have been on the high end in the country for clay courts. He also explained that our fees for stringing were very affordable and are in the middle when compared to others. Mr. Ortiz also explained that the tournament date is still being considered due to a tournament that was added by the USGA down in the Front Range close to the date that our tournament usually takes place. Mr. Bob Seward is working on this and we will update information when a date has been selected.

11.2.6.2 Mr. Ortiz stated that the Pickle Ball rate has stayed the same as 2015 but may need to be reviewed if the courts are under construction in 2016.

11.2.6.3 Director Wiles asked what court fees were for Pickle Ball.

11.2.6.4 Mr. Ortiz said it was a five dollar per person fee not a court fee.

11.2.7 Community Programming will see some fee increases in 2016.

11.2.7.1 Mr. Chad Young stated there would be no increase to Imagination Station and Paint Your Own Pottery but that there would be an incremental fee increase to the After School and School's Out Camp. He also stated that that the Fitness Program will have the same rates as 2015 and that a lot of promotion was currently happening to increase numbers in classes. Mr. Young said there will be no increases to summer programs but that discounts previously offered for early registration were no longer going to be given.

11.2.8 Director Newbury stated that she wanted to commend the managers for diligently looking at fees and increasing where they felt increases could be made.

12. PUBLIC HEARING AND REVIEW OF PROPOSED 2016 BUDGET

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- 12.1. Mr. Weaver noted that the meeting had been published as the public hearing on the budget. The public hearing was opened and since there were no public present the hearing was then continued to the November 12th meeting.
- 12.2. Mr. Weaver provided the board with a summary of the proposed budget. He explained that 2016 will be a re-evaluation year and is anticipating a 14% increase in assessed valuations use for calculating property taxes. He also stated that almost all appeals have been resolved and he is more confident with the projected property tax this year. He also explained that the operation mill levy of the District cannot increase without voter approval so it will remain at 2.76 mills and the mill dedicated to the Dobson bonds will automatically fluctuate down from 0.288 mills to an estimated 0.275 mills for 2016.
- 12.3. Mr. Weaver explained the Other Departmentalized Revenue is from interest income and from lottery tickets sales. Also Mr. Weaver explained that \$30,000 of the \$150,000 of funds available from the forfeiture of non-vested former employee retirement contributions made to them from the District will be used to cover a portion of the Districts 2016 contributions to current employees.
- 12.4. Sports revenues should be relatively close to those in 2015.
- 12.5. Gymnastics is on a rebound after a few years of ups and downs. Adding another full time staff member and some changes to fees in programming 2016 should have revenues in the middle of 2014 and 2015.
- 12.6. Both Nature and Nordic should stay fairly consistent to 2015.
- 12.7. Golf has been budgeted with a decrease as compared to the 2015 forecast. With Construction of the Clubhouse through August 15 this decrease will affect operation but will most affect food and beverage. The District is planning to operate a minimal food and beverage out of the starter house during construction and to re-open the Grill on the Gore on August 15.
- 12.8. Tennis is expected to remain consistent.
- 12.9. Dobson will not have Volvo in 2016 so it is projected they will have revenues closer to 2014.
- 12.10. Banquet Room will be new revenue to the Vail Recreation District. The plan is to have a budget of 5 events to be held in the fall of 2016 once Clubhouse construction is complete.
- 12.11. Expenses for operations will show that with a tough labor market Vail Recreation is trying to raise the wages for the employees who are in the middle of its organization. There is a 3% increase built in for all salary positions. Legal has been decreased but elections has been increased to conduct a TABOR election in May 2016.
- 12.12. Sports will show an increase in expenses in 2016 driven by the desire to restructure staffing to have a co-managers as well as additional summer staff to keep up with programming.
- 12.13. Parks Maintenance expenses should be consistent to those in 2015.
- 12.14. Facility Maintenance expenses also should be consistent to those in 2015.

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- 12.15. Gymnastics will see an increase in expenses mostly due to adding a second coach. It should otherwise stay consistent to 2015.
- 12.16. Community Programming expenses are proposing to add one additional full-time hourly staff member. All other expenses should be consistent to 2015.
- 12.17. Nature and Nordic expenses should stay consistent to 2015.
- 12.18. Golf Operation expenses are expected to decrease slightly in 2016 due to construction of the clubhouse. Food and beverage will operate out of the starter house until August 15, at which time the Grill on the Gore will re-open.
- 12.19. Golf Maintenance had a tough year staffing and retaining qualified staff in 2015 and therefore in 2016 will show increases for compensation and staffing number increases. All other expenses are comparable to 2015 forecast.
- 12.20. Tennis will see an increase in expenses in 2016 due to spring court revitalization. Other expenses are consistent with 2015.
- 12.21. Dobson expenses will be consistent to 2015 except for removing the expenses involved with Volvo and less skating club ice that is offset by other programming. Also adding a dedicated food and beverage person to provide a consistent product for programming and events.
- 12.22. Banquet Room will entail hiring an event promotion and operation person in the spring who will be promoting and planning for the fall opening.
- 12.23. Director Wiles stated he thought it was a good idea for Sports to have the additional staff. He also inquired if storage for Parks Maintenance was built into the budget.
- 12.24. Mr. Ortiz said no solution for storage was built into the budget.
- 12.25. Director Saalfed asked if we were doing too much programming therefore resulting in staff being too thin.
- 12.26. Mr. Ortiz explained that he has addressed this with all managers. Explaining that new programming was not to be added if the result was a subsidy.
- 12.27. Director Wiles asked if the new skate park will add any new cost to the District. He also inquired what dates the skate park would be open.
- 12.28. Mr. Chand Young explained that the skate park belonged to the Town of Vail therefore all cost will be the towns. The skate park will be open during the summer and will close when the snow begins to fall.
- 12.29. Mr. Ortiz wanted the board to know that he is currently researching if the amount of mill levy that was transferred to the District from the Town of Vail was an operating mill levy or if it was meant to be both operating and capital.
- 12.30. Director Foley said the maybe Diane Donovan may be able to help out with this research.
- 12.31. Mr. Weaver explained that Capital for 2015 will be higher than normal as the District intends to fund the 1.165 million to the Town of Vail towards the clubhouse project as well as regular ongoing capital projects. Mr. Weaver then reviewed the capital expenses, noting that He also explained that many capital

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projects will once again be deferred to a future year. As the District is holding funds for capital projects in 2016 and 2017, the District will show an overall deficit for 2016.

- 12.32. Mr. Ortiz asked if the board would be interested in having a work session to discuss in more detail any questions the board may have regarding the budget.
- 12.33. The board agreed to meet at 4 pm on November 12 and asked Mr. Weaver to also provide a list showing the magnitude of the unfunded capital projects
- 12.34. Final approval is requested at the November 12 meeting.

13. EXECUTIVE DIRECTOR INPUT

13.1 Mr. Ortiz shared that the parking lot at the golf course is behind schedule. They are scheduled to pour Sunday/Monday and should be open on Wednesday. This has become a challenge in trying to get Nordic open and scheduling for the Coal Bucket.

13.1.1 Director Foley suggested with all the weather Vail is receiving that there should be no more golf.

13.1.2 Mr. Ortiz stated he did not want to make that decision yet. Everything is weather dependent.

13.2 Director Wiles asked if there were any updates on the Clubhouse.

13.3.1 Mr. Ortiz stated that currently they are not having construction update meetings but if anyone has questions they could contact Leonard Sandoval at the Town of Vail.

13.3 Director Foley asked if the appeal to the lawsuits were denied.

13.3.1 Mr. Ortiz confirmed that was correct.

14. BOARD MEMBER INPUT

14.1 Director Foley expressed that he was excited about the skate park in Lionshead.

14.1.1 Mr. Chad Young said that an artist has been chosen to paint the park. The artist will wait until full completion before the art work begins.

14.2 Director Newbury wanted to congratulate all the new people, one of which was Kevin Foley, that were elected to the Town of Vail council. She is looking forward to a good working relationship with the new council.

15. ADJOURNMENT

15.1. Upon a motion duly made and seconded it was unanimously RESOLVED to adjourn the Special Meeting of the Vail Recreation District Board of Directors.

Respectfully Submitted,

April Heredia
Secretary to the Meeting