
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting
Of the Board of Directors

Vail Park and Recreation District
dba Vail Recreation District
July 26, 2018

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on July 26, 2018 at 5:00 p.m. at the Vail Town Council Chambers, Town of Vail, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

1. MEMBERS PRESENT

- 1.1. Tom Saalfeld, Kim Newbury Rediker, Bill Suarez, Roland Kjesbo, Jason Plante

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 5:03 p.m.

7. CHANGES TO AGENDA

- 7.1. None

8. APPROVAL OF MEETING MINUTES

- 8.1. By motion duly made and seconded it was unanimously RESOLVED to approve the minutes of the June 28, 2018 regular meeting, with Directors Saalfeld and Kjesbo abstaining due to absence.

9. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA

- 9.1. None

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10. DESIGN REVIEW BOARD APPROVAL OF STARTER FACILITY AT VAIL GOLF CLUB

- 10.1. Mr. Scott O'Connell presented plans for the new Vail Golf Club starter building that were approved by the Town of Vail Design Review Board last week. The new construction would have a similar layout to the current building, with more space in certain areas. The new building was designed to take advantage of the Gore Range Mountain views, and a slight change of orientation for safety purposes. Mr. O'Connell stated the new building will use the same finishes, colors and textures as the clubhouse, and some architectural highlights as well. The new building will be ADA compliant and will increase restroom capacity, as well as have an enclosed area for the starter to work within. Mr. O'Connell said the golf operations and F&B staff were very helpful in designing the new building for better flow and employee operations. The new building will also include a slightly larger kitchen and seating area, with additional main-level storage space. The ball machine and washing equipment for the driving range will also be moved inside for improved aesthetics. A reconfigured exterior patio will allow for more social activity. After some discussion, the Board thanked Mr. O'Connell for his work on this project.

11. 2018 CAPITAL PROJECT BUDGET FORECAST

- 11.1. Mr. Weaver talked about upcoming capital projects. He discussed the delegation of costs for the projects between the Town of Vail and the VRD, and explained that based on estimates from pre-construction services, the starter building is estimated to cost \$1.35 million, which is \$100K over the original budget, even with a number of cuts to the original building design and scope. The Vail Golf Club maintenance building is 100 percent on the town to fund, and right now is over budget by about \$92K. Mr. Weaver explained that the biggest overage currently is the driving range project, which is currently being estimated at three times what was originally budgeted. They are still working with the pre-construction contractor to evaluate options on this project, which is fully funded by the VRD. Both the 15th tee box and 14th and 15th bridge projects are estimated to come in under budget, which helps to partially offset some of the overages for both the Town and VRD. Overall, the town's responsibilities are on track to budget, but the VRD is over by \$250K due to the driving range costs. Mr. Weaver is looking to manage this overage and try to bring it closer to budget. He will meet with staff to figure out priorities and will know more by the next board meeting. After some discussion, there was no action taken on this item.

12. REVIEW OF PROPOSED GOLF COURSE LEASE

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12.1. Mr. Ortiz talked about the proposed golf course lease and how not all of the punch list items have yet been completed at the clubhouse, but that they are getting close to being finished. He stated that town staff have asked the VRD to look at the lease, so they are ready to sign it when the clubhouse is complete. The new lease has an increase in the annual rent of \$21K the first year, and a cost of living increase each year after. The fiscal responsibilities under the lease haven't changed, the town will still be responsible for mechanical and exterior maintenance on the clubhouse building and the VRD is responsible for interior maintenance, the full starter building and the golf course maintenance. The town and VRD share half the cost of course irrigation, bridges and tee boxes. The rent is paid into a recreation enhancement fund that is then put back into the course but was depleted to build the clubhouse. The originally proposed lease had a net provision, however the VRD attorneys were concerned about this language and it has since been removed. After some discussion, the Board asked to wait until everything on the building is complete before signing the new lease.

13. EVALUATION OF GOLF COURSE 2018 FEES

13.1. Mr. Ortiz stated the condition of the golf course greens have made a lot of improvement recently, but he doesn't feel like the conditions have improved enough to warrant a raise in fees and recommended that the fees stay the same. He did state there has been an increase in the percentage of guest play to pass/punch play. After some discussion, Mr. Ortiz stated the next evaluation of the fees will be on August 9.

14. JUNE 2018 FINANCIALS

14.1. Mr. Weaver talked about June financials. He stated that golf course rounds are down however the percentage of paid rounds are up in comparison to the usual mix of daily fee versus passholder/punchholder play. He stated that fewer people are buying punch card this year, instead choosing to pay the discounted daily fees. He does believe new guests are coming to the course because of the discounted price point. So far, golf revenues are down \$263K year over year and losing a little additional ground each week, but not nearly as bad as it could be when taking into consideration the discounted greens fees. The conditions have had a bigger impact to budget than initially thought because they had hoped to get back to peak season rates sooner, but the new plan of discounted rates is paying off to minimize losses by driving increased visitation.

14.2. Mr. Weaver said that overall, VRD revenues are down about \$78K to budget, mainly because the golf course is down \$200K, but Dobson is doing very well and helping to offset some of that decrease. On the expense side, the District is \$48K favorable to budget, and operations are only \$30K off of budget. Mr.

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Weaver does expect this deficit to grow as the golf course continues to struggle to budget. The capital budget is showing as favorable because of deferred spring projects moving to the fall or next year.

- 14.3. Mr. Weaver stated that overall the VRD started off the year ahead of budget, but by the end of the year he is forecasting about \$150K negative to budget but not as bad as expected with current golf conditions and capital project cost overages. After some discussion, the Board thanked Mr. Weaver for his report.

15. EXECUTIVE DIRECTOR INPUT

- 15.1. Mr. Ortiz mentioned that pro shop sales at the Vail Golf Club have actually been up over last year with more guests playing. The F&B budget numbers have also been strong and encouraging in July.
- 15.2. Mr. Ortiz said the Vail Golf Club PGA junior league is doing well with a 4-1 record across valley competitions. Lots of kids are in junior golf camps and the course is also hosting a nine-hole stroke play tournament this week. Kristin Glesne won the Colorado stroke play amateur tournament. Mr. Ortiz also said that Mrs. Alice Plain's staff numbers are down, and she'll need more staff in August when some employees go back to school. She has been intentionally understaffing to reduce labor costs.
- 15.3. Mr. Ortiz stated that golf maintenance needs more rain. They are still not under water restrictions; however, the water district did call and ask for voluntary reductions. The maintenance staff was already doing that, they've been watering at 75% rate and the water district was happy to hear that.
- 15.4. Mr. Ortiz said the maintenance department hired a second assistant superintendent named Jacob Tillman. He was a former intern at the Vail Golf Club and has worked at Cordillera and in Michigan and California. He is already familiar with the course and staff, so he can hit the ground running.
- 15.5. Mr. Ortiz commended Mrs. Klehfoth who worked really hard on the Lake Christine Fire communications, she was down at the Eagle County building working with them. He said it was a big community service.
- 15.6. Mr. Ortiz stated that the sports department has been busy they had the Camp Hale bike race last night and the Kids Adventure Games is coming up. He asked the Board to please let people know they are looking for volunteers, and can call the sports department to sign up. He said it is a lot of fun and really rewarding. The Games are sold out with a waiting list.
- 15.7. Mr. Ortiz said thank you to the town for agreeing to pay \$4K to maintain the EagleVail fields.
- 15.8. Mr. Ortiz said he is working with the school district to split costs at Red Sandstone Elementary School for new gym padding and new basketball hoops. The cost is roughly \$21K and VRD will pay half. VRD will also be

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- painting lines in the gym for pickleball at the Ski & Snowboard Academy for fall indoor open gym.
- 15.9. Mr. Ortiz talked about how gymnastics has two coaches coming the week of Aug. 13-17 – one from Texas to help with vault and bars, and Toni Blout is coming back as well. He also talked about how last week, six new team gymnasts joined the VRD program from Summit County.
- 15.10. Mr. Ortiz said that at community programming they are seeing about 8-15 families daily at the Imagination Station. All day camps are sold out through August.
- 15.11. Mr. Ortiz talked about how the pickleball tournament is scheduled for the same time as the upcoming Colorado Classic, but they can't move the date because it was sanctioned before the bike race dates were announced. Mr. Jerry Stevens will need to do a lot of education regarding parking and transportation. Pickleball sill has two public drop-in sessions a day. They sold 64 winter and annual passes this year and 40 summer passes.
- 15.12. Mr. Ortiz also reminded the Board that the bike race will have an impact on the golf course on Aug. 16 because the road will be closed from 9 a.m. to 3 p.m. In exchange for that, the Vail Valley Foundation had agreed to buy out the course that day. VRD will reopen the course to the public as soon as the bike race ends, and the driving range and restaurant will be open to the public all day. Mr. Ortiz has been coordinating with police to keep spectators away from holes 4 and 6 for their safety.

16. BOARD MEMBER INPUT

- 16.1. Director Plante commended the Vail Golf Club staff and said every time he's been in there they are friendly, selling merchandise and doing a great job. He also thanked the parks maintenance staff who have been doing a great job taking care of the parks after all the tournaments, he said they are in unbelievable shape for the amount of people coming through.
- 16.2. Director Suarez memorialized Doc Tulgan who he said was a great guy and he was shocked to see that he had passed away. He also asked about the Bill Wright Clay Court Tennis Championships, and Mr. Ortiz said they are happening next weekend.
- 16.3. Director Newbury Rediker thanked the local lodges who host coaches for different sports camps. She said it's a big deal for them to donate rooms and she's thankful for their support.
- 16.4. Director Kjesbo stated that he's been playing golf and that the course is playing well, he said that staff is doing a great job. He said the course is coming back, but it is taking time and he's glad the rates are staying discounted.
- 16.5. Director Saalfeld congratulated Mrs. Beth Pappas on the birth of her daughter. He also congratulated Mr. Ortiz for being named the 2018 Manager of the

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Year by the Colorado Special District Association. He will be recognized at an awards luncheon this fall at the SDA annual conference in Keystone. He also asked if the Board could schedule another retreat to talk about 2019 capital projects. Mr. Ortiz asked the Board to send him upcoming vacation dates to avoid.

17. ADJOURNMENT

- 17.1. 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