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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  
June 22, 2017

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on June 22, 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, Dan Timm
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 5:05 p.m.
7. CHANGES TO AGENDA
  - 7.1. None
8. APPROVAL OF MEETING MINUTES
  - 8.1. By motion duly made and seconded it was RESOLVED to approve the minutes of the May 25, 2017 meeting, with Director Suarez not yet present to vote.
9. PUBLIC INPUT FOR MATTERS NOT OTHERWISE ON AGENDA
  - 9.1. None.
10. INTRODUCTION OF NORDIC DIRECTOR MR. DAN TIMM
  - 10.1. Mr. Ortiz introduced Mr. Dan Timm to the Board. Mr. Timm has been hired as the director for the Vail Nordic Center, now operated by the Vail Recreation

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District. Mr. Timm came to the VRD from the Aria Spa & Club at the Hotel Talisa (formerly Vail Cascade Resort) where he was the athletic director and general manager for the past 12 years. Mr. Ortiz stated that he has received many compliments from members of the community on his choice of Mr. Timm as Nordic director.

- 10.2. Mr. Timm spoke to the Board and said he was excited to take the position. Mr. Timm worked at the Vail Nordic Center for six years when he first moved to the Vail Valley, and was director of the facility for four of those years. Mr. Timm stated that he is very excited to work at the Nordic Center again this winter and has lots of ideas he wants to implement. He stated his priority is to offer a great product to the community, with great customer service and memorable experiences. In addition, Mr. Timm is hoping to host more events, including a local town race series, fat tire biking events and a winter triathlon.
- 10.3. Director Foley stated that he too has heard from community members who are very enthusiastic and positive about the hiring decision.
- 10.4. Director Rediker stated that the high school teams have had difficulty getting time at Maloit Park this year, and she's looking forward to having the teams back and welcome to the Vail Nordic Center.
  - 10.4.1. Mr. Timm said he looks forward to working closely with the schools, students and coaches.

#### 11. VAIL RECREATION DISTRICT ELECTION UPDATE

- 11.1. Mr. Ortiz gave an update on the possible TABOR ballot question election in November. He stated that he gave this same presentation to the Vail Town Council at their work session the past week and it was well received. He believes VRD has full support from the Council.
- 11.2. Over the next 10 years, the VRD will have \$12.5 million of capital funding obligations. Currently the VRD projects to only have \$4 million of that, leaving a \$8.5 million shortfall. Of that \$12.5 million capital need, \$8 million is specifically needed for town-owned facility projects. The VRD needs to get to a financial position where this is not a worry, as they can't keep delaying projects. One example is the golf course bridges that need addressing sooner than later. VRD also can't plan for new programs if they can't be financially stable.
- 11.3. Mr. Ortiz explained how the VRD's operating mill levy is 2.76 mills, which has never increased since 1993 when the District separated from the Town of Vail and became a Colorado Special District. The mill levy was originally intended for operating expenses only. Because the mill levy was intended for operating expenses only, the VRD is not able to keep up with capital expenses needed under the lease with the town.
- 11.4. Mr. Ortiz talked about how the VRD has also grown substantially in their programming since 1993, with new events like the Whitewater Race Series, the Kids Adventure Games, fitness classes, plus maintaining the new skatepark,

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- Donovan athletic field and the new Gymnastics Center. Mr. Ortiz remarked that it's pretty phenomenal the amount of programs the VRD has taken on without ever raising the mill levy. He said in July and August the VRD sees 380 kids a day in summer camps, plus hundreds more adults in programs like softball leagues, men's and ladies' golf leagues, tennis players, pickleball programs and more. The VRD also has other areas like fitness and art classes for seniors.
- 11.5. Mr. Ortiz explained that the reason for the financial challenge is the decline in property taxes during the downturn. While this has come back somewhat, it's not recovered all the way, and now the Gallagher Amendment, meant to keep residential and commercial tax rates in check with each other, is causing residential tax rates to drop lower than originally anticipated. Insurance costs are also creating a challenge for the VRD, as the District is now fully benefitting all full-time hourly staff in response to mandates of the affordable care act.
- 11.6. Mr. Ortiz talked about how under the VRD lease with the Town of Vail, the town is responsible for the building exteriors and mechanical systems, while the VRD is responsible for all the building interiors, as well as all the golf holes, (except in cases of life safety issues - like bridges - which are split with the town). VRD also has an annual lease payment of \$137,000, which has gone up from \$122,000.
- 11.7. Mr. Ortiz talked about upcoming projects that VRD will need to address, including the Dobson Ice Arena rink chiller system, the golf course starter house, lightening protection on the course, new exhibits at Imagination Station, and updates to the Nature Center.
- 11.8. Mr. Ortiz mentioned that possible solutions to raise money could be to raise user fees, although it was determined that the VRD would need to raise fees 35% across the board, and that's assuming there's no breakage and loss of participation. Another option would be that programs will need to be cut or facilities closed. However, while this takes away expenses, it also takes away revenues and is also not a good option. Mr. Ortiz also said that an option is the town could take on additional responsibilities in the lease, such as the possibility of using TIF funds for Dobson upgrades. The final option is a mill levy increase, which is what the VRD is currently considering. Mr. Ortiz explained that a 1 mill increase on a one million dollar house, would be an annual property tax increase of about \$72.
- 11.9. Mr. Ortiz then went on to talk about what the proposed mill levy increase would be used for. The VRD would use it to keep facilities safe and modern, preserve affordable fees and keep facilities environmentally friendly. VRD wants to be able to replace outdated equipment and update facilities, while increasing programming for seniors, and being ready for the next big thing in recreation (previous examples were adding mountain biking and pickleball). Finally, recruiting and retaining quality employees is also important.
- 11.10. Mr. Ortiz then talked about how the next step is to use a consultant to do a

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- community survey of voters to measure whether a tax increase could pass.
- 11.11. Director Foley said that after the Town Council presentation on Tuesday, the Council discussed and wants to add a topic about the TIF funding to their August budget retreat. Director Foley said the TIF money has to be spent by 2030 when the TIF District expires, and thought the Council seems amenable to talking with VRD about the age of the Dobson Ice Arena and what could happen there.
- 11.12. Director Kjesbo asked if we should prioritize the projects. Mr. Ortiz said he and Mr. Weaver will be putting together a list of projects and priorities for review by the Board.
- 11.12.1. Mr. Weaver explained that this prioritization is necessary even if the mill levy is approved, as VRD won't be able to do everything at once, it will still take years to get caught up and take care of the needs list.
- 11.13. Director Saalfeld wanted to stress that the VRD has been fiscally responsible, with operating budgets coming under budget or right on budget each of the three years he's been on the board. The shortfall is coming from capital needs and it's important for VRD to keep up with the times.
- 11.14. Director Suarez complimented Mr. Ortiz, Mr. Weaver and Mrs. Klehfoth for the tremendous presentation and thought the town council was very impressed. He also wanted to clarify that FF&E stands for furniture, fixtures and equipment, which is what the VRD's responsibility is for each of the facilities under the town lease.
- 11.14.1. Director Foley said there were suggestions to make the survey available via email as well, and getting the word out early about the election will be critical if it moves ahead.
12. VAIL RECREATION DISTRICT PROGRAM AND EVENT CALENDARS
- 12.1. Mrs. Klehfoth talked to the Board about the research process that went into putting the previous presentation together, and she spent some time learning about what programs the VRD ran in 1993 versus all the new programming being done today. She walked the Board through the online VRD calendar that shows a good snapshot of VRD for the day. The calendar was full of programming from 7 a.m. through 10 p.m. and is so wide across the monitor screen because at a few times throughout the day there are over 10 different programs going on at once. Programs that day included a figure skating class, day camps for all different ages, sports camps for gymnastics and pickleball, stick and puck drop-in hockey, fitness classes, paint your own pottery, plus a hockey practice and a rugby club rental by community partners.
- 12.2. She also showed the Board the monthly view, which is so intensive it's overwhelming on a small screen. Looking into the next week, she showed the Board upcoming events like the Vail Lacrosse Shootout tournament going on at Ford Park all week, and reminding the Board and public just how much the

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VRD has going on every day of the week.

- 12.3. Mrs. Klehfoth also brought samples of each of the VRD summer brochures that are currently being circulated in public.
  - 12.4. Director Saalfeld and Director Foley commented on how impressive the collateral was, especially for being produced in house at the VRD.
13. MAY 2017 FINANCIALS
- 13.1. Mr. Weaver stated that overall, revenue budgets are right on track. Operating expenses are showing over budget, but this is due to the purchase of the Vail Nordic Center and their supplies, inventory and rental fleet. With those expenses removed, the budget would be right on track. The capital budget is favorable with the deferral of driving range expenses for the year. Mr. Weaver said 2017 is off to a good start and he continues to monitor the financials daily, paying close attention to the golf revenues, which so far are good.
14. EXECUTIVE DIRECTOR INPUT
- 14.1. Mr. Ortiz spoke about the conditions at the golf course and said it is in very good shape.
  - 14.2. Mr. Ortiz stated that pickleball is going well with lots of participants, including 47 people at the court at 9 a.m. that morning. He also stated the tennis courts have been full, and ladies' day and men's events are well attended.
  - 14.3. Mr. Ortiz talked about Ford Park, and how the King of the Mountain volleyball tournament had just wrapped up, with over 600 teams participating. The fields got an afternoon's rest and then went right into the Warrior Lacrosse Tournament. Events on the field will start back up again this weekend with two more weeks of the Vail Lacrosse Shootout.
  - 14.4. Mr. Ortiz stated that rounds at the golf course are picking up. He also mentioned that Camp Vail is almost full this week, and will be full every day after July 4. Overall, he said everything is going well, and is right where it should be.
15. BOARD MEMBER INPUT
- 15.1. Director Foley stated we should start looking for alternate locations for Camp Vail next year with the construction slated at Red Sandstone Elementary School. He will also not be at the July 13 meeting due to a wedding. Finally, he said he managed to play nine holes earlier in the day and the course was in great shape. He thought the F&B operation was doing well.
  - 15.2. Director Suarez commented on how busy the Ford Park Fields have looked. He thought the King of the Mountain tournament was exceptionally strong, and spoke to the producer who was very happy with everything. He saw the concessions were going great all weekend, and joked that as a tennis player, it was driving him crazy with the delicious hamburger smell on the tennis courts. He said it was great to see the fields so busy.

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15.3. Director Newbury Rediker spoke about talking to the producer of the recent golf and yoga retreat, who was thrilled with the new clubhouse, the Vail Golf Club course and the food at the clubhouse. This year the program was for two or three nights, and she mentioned wanting to expand it to four or five nights. The program had gone somewhere else last year and was thrilled to be back in Vail.

#### 16. ADJOURNMENT

16.1. 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