
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors

Vail Park and Recreation District dba Vail Recreation District October 11, 2007

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on October 11, 2007, at 5:00 p.m., at the Town of Vail, Council Chambers Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

1. MEMBERS PRESENT

1.1. Scott Proper, Michelle Hall, Rick Sackbauer, Ken Wilson, Joe Hanlon

2. MEMBERS ABSENT AND EXCUSED

2.1. N/A

3. STAFF PRESENT

3.1. Mike Ortiz, John Monson, Amy Ludke

4. TOV MEMBERS PRESENT

4.1. Pam Brandmeyer, Judy Camp

5. OTHERS PRESENT

5.1. Kaye Ferry

6. CONSULTANTS PRESENT

6.1. Jim Collins, Collins, Cockrel and Cole, Eric Weaver and Ken Marchetti, Robertson & Marchetti, P.C.

7. CALL TO ORDER

7.1. Scott Proper called the meeting to order at 5:00 p.m.

8. APPROVAL OF 8/23/07 MEETING MINUTES

8.1. Director Sackbauer moved to approve the August 23, 2007 Board meeting minutes including minor changes with one addition, describing the the need to include discussion regarding the survey index. Director Hanlon seconded. Approved unanimously.

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9. PUBLIC INPUT OF ITEMS NOT ON AGENDA

9.1. None

10. CONSTRUCTION USE TAX – MS. JUDY CAMP, FINANCE DIRECTOR, TOV

10.1. TOWN OF VAIL BALLOT QUESTION 1:

10.2. A RESOLUTION UNANIMOUSLY SUPPORTING BALLOT QUESTION 1 CONCERNING THE PASSAGE OF THE TOWN OF VAIL'S TAXES TO BE INCREASED BY \$4,000,000 IN FISCAL YEAR 2008 AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER THROUGH THE ADOPTION OF A USE TAX ON THE PRIVILEGE OF STORING, USING AND/OR CONSUMING IN THE TOWN OF VAIL ANY CONSTRUCTION AND/OR BUILDING MATERIALS PURCHASED AT RETAIL INSIDE OR OUTSIDE THE TOWN, AT THE RATE OF FOUR PERCENT (4%) OF THE RETAIL COST OF SUCH MATERIALS AND SHALL THE TOWN BE AUTHORIZED TO COLLECT AND SPEND SUCH REVENUES, INCLUDING ANY INTEREST AND INVESTMENT INCOME THEREON, EXCLUSIVELY FOR CAPITAL ACQUISITIONS AND CAPITAL PROJECTS IN THE TOWN OF VAIL AS A VOTER APPROVED REVENUE CHANGE NOTWITHSTANDING ANY REVENUE OR EXPENDITURE LIMITATION, INCLUDING THOSE CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

10.3. Ms. Judy Camp, noting that she was attending the meeting on her own time and not as an employee of the Town, presented information on the subject of the Use Tax on Building and Construction Materials. If a majority of the votes cast in the November 6, 2007 election are in favor of the use tax, the Town Council will be authorized to adopt an ordinance levying the tax and providing for the administration and collection of the tax. The Taxpayers Bill of Rights (TABOR) requires voter approval for any new tax including the proposed construction use tax.

10.4. Ms. Judy Camp provided the following information for the Board's consideration.

10.5. BACKGROUND AND RATIONALE

10.6. During the past three budget cycles, a 15-year capital plan has been included in addition to the five-year projections for the Capital Projects and Real Estate

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Transfer Tax (RETT) Funds. These planning processes are designed: to maintain the town's valuable existing facilities; and to identify projects needed to keep pace with private development and other community needs. Each year we have concluded existing sources of revenue are not sufficient to support the town's critical capital needs.

- 10.7.** The Vail 20/20 Strategic Plan, which included input on this topic from the community and the Vail Economic Advisory Council, also supports this conclusion. The vision for Vail's economy in 2020 includes, "Through prudent cost management and balancing of diversified revenue sources, the municipality has sustainable funding for its capital and operational needs. One goal of the plan is to identify and implement additional revenue sources to support Vail's capital needs.
- 10.8.** The 2007 Community Survey also included the following capital-related items in the top 10 issues facing the town: workforce housing; construction and/or maintenance of public infrastructure; improving recreational facilities; and improving fire response time (e.g. through a third fire station).
- 10.9.** The primary sources of revenue for capital projects include: sales tax; real estate transfer tax (RETT); federal transportation grants; rental income; investment income, and tax increment financing (TIF). Two revenue categories, sales tax and RETT, support operations as well as capital projects. RETT is restricted in its use to parks, recreation, open space, and environmental sustainability. TIF is restricted to projects within an established TIF district. The LionsHead TIF district is the only one established at this point; however, consideration was given to other TIF districts in the five and 15-year plans.
- 10.10.** A use tax on construction and building materials was discussed as early as 1998. In 2002, use tax was again discussed as a potential ballot issue, but a property tax question was chosen instead. The proposed 4 mil property tax increase for the purposes of "increasing fire protection and suppression resources and the construction, acquisition, or maintenance of capital projects" was narrowly defeated (48% for / 52% against).
- 10.11.** Currently, building and construction materials are exempted from the 4% sales tax applied to all other tangible personal property purchased in town or delivered into town. And since the town does not have a construction use tax, no municipal tax is collected on building and construction material purchased and/or used in Vail for any project with a building permit. A 4% tax on

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building materials used in the town would have generated an estimated \$2 million in 2005; \$4 million in 2006; and \$7 million in 2007. In 2008, a 4% use tax has the potential to generate an estimated \$4 million. This revenue is lost forever if the ballot issue is delayed to a future year.

- 10.12. A use tax would address, at least in part, the ever-widening gap for funding of capital projects. The Capital Project Fund projection presented to you on August 7th included a \$25.8 million shortfall over five years after giving consideration to existing revenue sources, including TIF. A use tax on construction material generating \$4 to \$5 million annually would essentially close the gap. Bonding against \$4 million of annual use tax revenue could provide an estimated \$40 million of funding for capital projects.
- 10.13. A construction use tax would also provide diversification of the town's revenue as described in the Vail 20/20 Vision. For example, sales tax revenue represents an estimated 38% of the town's revenue from existing sources in 2008. Addition of \$4.1 million from a construction use tax reduces reliance on sales tax to 35% of total revenue from all sources. Use tax may also offset a loss of sales tax revenue from construction activity.
- 10.14. Building and construction materials are the only major category of tangible personal property specifically exempted from the Town of Vail's sales tax ordinance. A use tax would be complementary to the sales tax and provide consistent treatment among all categories of tangible personal property purchased or used in Vail.
- 10.15. Mr. Jim Collins asked Ms. Judy Camp if the construction use tax does pass what portion would be allocated to park and recreation capital facilities. Ms. Camp did state that there would be a strong possibility of "sharing the wealth" for park and recreation Capital facilities.
- 10.16. Director Sackbauer inquired if the Town of Vail considered other alternative funding sources. Ms. Camp stated that other credible funding sources have been looked at (TIF and the Urban Renewal Authority) and we agreed that this would be the route taken.

Information provided by:
Ms. Judy Camp, Finance Manager
Town of Vail

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11. RECREATION MASTER PLAN UPDATE

- 11.1. Next scheduled sub-committee meeting is October 16, 2007 6:00 PM, Town Council Chambers. This will be a Joint Session between the Vail Town Council and the Vail Recreation District Board.
- 11.2. Mr. Ortiz, stated that the sub-committee has had several discussions and met with Mr. Odis Odell, O'Dell Architects regarding the design and cost estimates of new facilities. He stated that Mr. O'Dell had done many engineering studies on areas most concentrated in recreation in Vail, from that he has designed new ideas for the area.
- 11.3. Director Hall, sub-committee member stated that the meetings have been very productive; currently Mr. O'Dell is focusing on where the most concentrated activity and recreation lies in town from there a conceptual design is created. She requested that the sub-committee meetings be advertised in order to get more Vail community members to attend the meetings.

12. EXECUTIVE DIRECTOR INPUT

- 12.1. ESTIMATE VALIDATION AND SYSTEMS ANALYSIS REPORT FOR THE VAIL GOLF COURSE CLUBHOUSE
 - 12.1.1. Mr. Ortiz requested that the information be discussed at a future Board Meeting.
- 12.2. INFORMATION ONLY. NO BOARD ACTION REQUESTED
 - 12.2.1. Stated that both he and Mr. Chad Young will be meeting with Eagle County School District to discuss the Red Sandstone Elementry School location for Camp Vail 2008.
 - 12.2.2. Stated that a grant writer for the Vail Recreation District has been chosen by Mr. John Monson. The Grant Writer has requested a \$1000 proposal, and has requested Mr. Monson to gather VRD information for her research.
 - 12.2.3. Mr. Monson developed and released VRD newsletter. VRD newsletter will be included on VRD website and will be sent out via e-mail to community members included on the online .distribution list.
 - 12.2.4. Director Sackbauer inquired when the Systems Analysis report for the Vail Golf Course Clubhouse would be discussed. Mr. Ortiz responded by stating that all Capital Building Maintenance needs have been included in the 2008 Budget and is currently speaking with the Town of Vail regarding these Capital Maintenance concerns.

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13. AUGUST 2007 FINANCIALS

- 13.1. Most departments favorable to budget, with the only major exception being golf operations, primarily due to additional staff in the pro shop as well as the costs to repair the clubhouse from an unanticipated sewer backup and several other unanticipated operating costs. Overall, the financials look very positive at this time. Mr. Weaver also stated that we did get \$160,000 approved from the Town of Vail which will be used to fix the tennis court retaining walls and fences as well as perform a detailed engineering analysis of the retaining walls and bridges on the golf course.

14. BOARD MEMBER INPUT

- 14.1. Director Sackbauer reported on the following:
 - 14.1.1. Would like staff to look into getting unused dirt from the various Vail Construction projects to use to set up a berm between Frontage Road/I-70 and the Vail Golf Course to mitigate highway noise.
- 14.2. Director Wilson reported on the following:
 - 14.2.1. Stated that he enjoyed receiving the VRD Newsletter from Mr. Monson via-mail, very good marketing tool. Requested that we get a list of Colorado registered voters and compare the list with our user groups to see if an election would be the appropriate route for the District to take.
- 14.3. Director Hall reported on the following:
 - 14.3.1. Would like to see Recreation Master Plan Sub-Committee meetings advertised to get Vail Community members involved.
 - 14.3.2. Impressed with all the new additions and revisions made to the VRD website.
- 14.4. Director Hanlon reported on the following:
 - 14.4.1. Very impressed with the Vail Recreation District newsletter that Mr. Monson has created.
- 14.5. Directed Proper reported on the following:
 - 14.5.1. Inquired when the Golf Course was closing. Mr. Ortiz stated that the golf course close will be determined by what the weather does.
 - 14.5.2. Mr. Ortiz asked for the Board's approval that Dobson Arena be closed on Christmas Day. Director Proper requested Christmas Day numbers from prior years to have as clarification.

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- 14.5.3. Director Proper asked when the roof would be replaced at Dobson Arena and if the replacement would be during an off season time at Dobson Arena? Mr. Ortiz could not state an exact date but did say that it would not take place during a busy time at Dobson Arena.
- 14.5.4. Director Proper inquired how website improvements were going. Mr. Monson stated that progress has been made but he still has work to do on it, but stated that the website is much better now then when it used to be.

15. EXECUTIVE SESSION

- 15.1. Director Hall made a motion to adjourn into Executive Session for the purpose(s) of: §24-6-402(4)(e), C.R.S., “Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.” Director Hanlon seconded. Approved unanimously.

16. UPON RETURNING FROM EXECUTIVE SESSION THE FOLLOWING APPROVALS WERE MADE:

- 16.1. A motion was made and duly seconded to approve a resolution showing the District’s support of the construction use tax, a copy of which is attached hereto. The Board voted 4 in favor of the resolution and 1 against the resolution (Director Proper) and the resolution therefore passed.
- 16.2. A motion was made, seconded, and unaminiously approved to enter into a new Dobson concession lease subject to changes discussed in executive session
- 16.3. A motion was made, seconded, and unaminiously approved to enter into a new Nordic Lease subject to changes discussed in executive session
- 16.4. After discussion in executive session, direction was given to staff to keep moving forward with Town staff regarding memorandum of Understanding between VRD and TOV.

17. ADJOURNMENT

- 17.1. Director Hanlon motioned to adjourn at 8:00 PM. Director Sackbauer seconded. Approved unanimously.

Michelle Hall, Secretary

Amy Ludke, Assistant Finance Manager

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RESOLUTION OF SUPPORT FOR
BALLOT QUESTION
VAIL PARK AND RECREATION DISTRICT

WHEREAS, the Town of Vail has proposed the adoption of a CONSTRUCTION USE TAX, the proceeds of which are dedicated solely to Capital facilities in the Vail Valley; and

WHEREAS, the Vail Park and Recreation District that passage of such a ballot issue will result in additional funds being available for desperately needed park and recreation capital facilities, the District believes that passage of such ballot issue will be to the benefit of the District, its residents, and guests; and

WHEREAS, the Colorado Fair Campaign Practices Act authorizes special district Boards to adopt resolutions regarding ballot issues, and it is the District Board's desire to express such support for this proposed ballot issue; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vail Park and Recreation District that the voters of the District are encouraged to vote "YES" on Ballot Question # 1 November 6th, 2007, 2007 general election;

ADOPTED AND APPROVED this 11th day of October, 2007 by a vote of 4 in favor and 1 opposed.

VAIL PARK AND RECREATION DISTRICT

By _____
President

ATTEST:

By _____
Secretary

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