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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 October 23, 2008**

A Regular Meeting of the Board of Directors of the Vail Recreation District, Town of Vail, Eagle County, Colorado, was held on October 23, 2008, 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. Michelle Hall, Joe Hanlon, Jeff Wiles, Rick Sackbauer

2. MEMBERS ABSENT AND EXCUSED

2.1. Ken Wilson

3. STAFF PRESENT

3.1. Mike Ortiz, Jamie Gunion, Lori Gordon, Alice Plain

4. TOV MEMBERS PRESENT

4.1. Dick Cleveland

5. OTHERS PRESENT

5.1. Megan Raica

6. CONSULTANTS PRESENT

6.1. Eric Weaver, Robertson & Marchetti, P.C.

7. CALL TO ORDER

7.1. Director Hall called the meeting to order at 5:05 p.m.

8. APPROVAL OF 10/2/08 MEETING MINUTES

8.1. Director Wiles moved to approve the October 2, 2008 Special Board meeting minutes with the request to add the pre-meeting memo prepared by the staff, Director Hanlon seconded. Approved unanimously

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## RECORD OF PROCEEDINGS

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### Vail Recreation District October 23, 2008 Meeting Minutes

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#### 9. PUBLIC INPUT OF ITEMS NOT ON AGENDA

9.1. None

#### 10. INTRODUCTION TO EAGLE COUNTY SCHOOLS SUPERINTENDENT- DR. SANDRA SMYSER

10.1. Dr. Sandra Smyser wanted to introduce herself to everyone at the VRD and see if anyone had any questions or concerns. Dr. Smyser is focusing on each individual student and preparing the students for the 21<sup>st</sup> century. The construction at the new Battle Mountain High School looks like it will be done and ready for move in for at Winter Break 2009. Dr. Smyser is going to see if there is any way to move that date to September of 2009, before the school year begins rather than moving during the winter break. There have been no decisions made for the old High School as of yet. There will be a meeting planned as a group then recommendations made to the school board before the New Year.

10.2. The Board thanked Dr. Smyser for attending and Director Hall added that it would be beneficial to add her to the e-mail correspondence put out by the District.

#### 11. SEPTEMBER 2008 FINANCIAL REPORT- MR. ERIC WEAVER

11.1. Mr. Eric Weaver stated that as the economy continues to struggle the VRD is in a good position to weather the storm due to conservative budgeting the past several year which has allowed the District to increase its cash reserves.. He continued by going over the financial report noting that operations are going well despite the slow economy and late season start. He also reported that he had received documentation from the assessor stating that the County treasurer will be abating roughly \$150,000 in taxes which will be a direct reduction of the taxes collected in 2009. Fortunately savings in operations are enough to cover this loss. Lastly, he reported that golf course revenues are running very close to budget, even with a late opening.

11.2. Director Hanlon stated that we have had such a great year at the golf course due to the wonderful staff running the golf course.

#### 12. PUBLIC HEARING ON PROPOSED 2009 BUDGET

12.1. Director Hanlon motioned to open the public hearing for the 2009 budget. Director Wiles seconded. Approved unanimously

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## RECORD OF PROCEEDINGS

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### Vail Recreation District October 23, 2008 Meeting Minutes

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- 12.2. Mr. Dick Cleveland wanted to come before the board and say that the Town Council had removed the rebuild of the Ford Park restroom from their budget due to the slow economic times. He is hopeful that the Town of Vail is not going to cut anything else from the capital budget but the budget has not yet been approved. There will be a special workshop on Tuesday, October 28, 2008 to go over some of the ideas that the citizens have had such as a recreation center. The idea of using the 9 million dollars that was originally allocated for the conference center, and could possibly be used to build a new Recreation center. That is one of the ideas that will be discussed on October 28, 2008. This is all discussion at this point, there is nothing in writing and this would have to go to the voters to decide.
- 12.3. Mr. Weaver stated that we would like to continue the budget hearing to next meeting to allow additional public input.
- 12.4. Director Hanlon motioned to continue the public hearing for the 2009 budget to the regular meeting to be held on November 13, 2008. Director Wiles seconded. Approved unanimously

### 13. PROPOSED 2009 BUDGET- MR. ERIC WEAVER

Mr. Weaver went over the following summary of the proposed budget:

#### **General Fund**

- 13.1. **Tax Revenues-** The assessed valuation of the District has actually decreased slightly over last year which is likely due to property owners winning drawn out protests. The District will not collect approximately \$150,000 of the budgeted taxes in 2008 due the abatements required to be made by the treasurer. 2009 revenues come from the 2.76 mills levied for operations as well as Specific Ownership taxes on motor vehicles, which is estimated to be 4.5% of property taxes.
- 13.2. **Miscellaneous Revenues-** Interest revenues which are budgeted to be roughly 5% of our cash balances.
- 13.3. **Administration Operating Expenses-** The 2009 budget shows a decrease of \$37,000 over the 2008 forecast as a result of savings in legal and consulting fees, no election on 2009, and no additional payments for wind energy credits.
- 13.4. **Marketing Expenses-** Increase primarily due to design costs of a new District website.

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## RECORD OF PROCEEDINGS

---

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### Vail Recreation District October 23, 2008 Meeting Minutes

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- 13.5. **Park Maintenance Expenses-** Increases predominately related to merit pay increase for staff and increased fertilizer, chemical, and utility costs.
- 13.6. **Facilities Maintenance Expenses-** Minimal change.
- 13.7. **Tax Expenses-** The Eagle County Treasurers office withholds 3% of the property taxes collected as their fee for collecting the taxes on our behalf.
- 13.8. **Administration and General Capital Expenses-** Computers
- 13.9. **Parks Maintenance Capital Expenses-** \$25K sand for volley ball courts, \$20K equipment replacements, \$23K for bleachers (deferred from 2008)
- 13.10. **Lease-Purchase Financing-** In order to allow for contingency, the financing for the snow cat purchased in 2008 is being moved forward to 2009. If contingency funds are needed to cover capital or other budget overages the District can obtain cash through financing and pay the amount back as a loan over time
- 13.11. **Sports Revenues-** Most items consistent with 2008 forecast.
- 13.12. **Sports Expenses-** Primary increases relate to increased pay for staff.
- 13.13. **Sports Capital-** Emergency radios, volley ball nets at Red Sandstone, and Forest Service impact study (required)
- 13.14. **Gymnastics Revenues-** Large increase in program revenues due to additional classes being offered which is offset by lost revenues from Blue Valley and State meet.
- 13.15. **Gymnastics Expenses-** Operating expenses are expected to stay relatively level with the exception of no costs related to the hosting of the State meet.
- 13.16. **Gymnastics Debt Service-** This is the \$40,000 yearly payment to the Town of Vail for the VRD's portion of the costs related to the construction of the Vail Gymnastics Center.
- 13.17. **Gymnastics Capital-** Landscaping and computers.
- 13.18. **Youth Services Revenues-** Decrease due to excess funds received from Eagle County grant in 2008 that are not anticipated in 2009.
- 13.19. **Youth Service Expenses-** Majority of increases related to increased costs of doing business, including higher staff wages.
- 13.20. **Youth Services Capital-** \$50K for ADA enhancements, also emergency radios, computers, and kitchen enhancements.

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## RECORD OF PROCEEDINGS

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### Vail Recreation District October 23, 2008 Meeting Minutes

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- 13.21. **Outdoor Branch Revenues-** Nature Center expected to stay consistent with 2008, Nordic center fee increases expected to generate additional \$5,000 in revenues.
- 13.22. **Outdoor Branch Expenses-** Expenses are also expected to increase, primarily due to being understaffed in 2008.
- 13.23. **Outdoor Program Debt Service Expenses-** Interest and fees on snowcat financing.
- 13.24. **Outdoor Branch Capital Expenses-** \$5K for Nordic Ginsu and \$1,000 greenhouse enhancements.

#### **Enterprise Fund**

- 13.25. **Golf Revenues-** Major decline in revenues is expected due to irrigation system construction. Overall decreases compared to 2008 of 10% in pass and punch cards, 25% in greens fees, and 20% in carts.
- 13.26. **Pro Shop Revenues-** Reduction of 20% for soft goods expected due to decreased rounds. Hard good will drop considerably as the shop moves from stocking clubs which has been unsuccessful to stocking demo clubs and doing special orders.
- 13.27. **Pro Shop Cost of Goods Sold-** Historic percentage of 55% on soft goods and 65% on hard goods (clubs).
- 13.28. **Golf Operations Expenses-** No significant changes are expected for 2009.
- 13.29. **Golf Maintenance-** Increase due primarily to increased staffing during construction and additional funds for fertilizer for re-growth of damaged areas.
- 13.30. **Golf Loan Proceeds-** \$1.4 Million Financing proceeds from Town of Vail for ½ of irrigation costs.
- 13.31. **Golf Capital Expenses-** \$66K maintenance equipment replacements, \$24K for 2nd half of master plan, \$177K for ½ of minimal ADA at clubhouse, \$70K for course restroom ADA and other improvements, \$295K for ½ of retaining walls, \$1.4 Million for ½ of irrigation system.
- 13.32. **Golf Capital Contingency-** \$200K of contingency for capital projects which would allow the District to remain at a goal of \$1,250,000 in fund balance.

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## RECORD OF PROCEEDINGS

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### Vail Recreation District October 23, 2008 Meeting Minutes

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- 13.33. **Golf Debt Service-** The District will continue to pay down the loan from Eagle River Water and Sanitation District for a portion of the weather station. Also includes 1/5 of note balance pay down of TOV irrigation note with interest.
- 13.34. **Tennis Revenues-** No significant changes are expected for 2009.
- 13.35. **Tennis Expenses-** No significant changes are expected for 2009.
- 13.36. **Tennis Capital Expenses-** Wind screens.
- 13.37. **Dobson Revenue-** Increase in revenues from increased hockey participation, including a broom ball league.
- 13.38. **Dobson Expenses-** Large increase due to fast-paced escalation in utilities and replacements of staffing shortages encountered in 2008.
- 13.39. **Dobson Capital Expenses-** Stage drapes and curtains for special events.
- 13.40. **Property Taxes-** The District is nearly repaid for the year when these taxes were mistakenly not collected. The mill levy rate is expected to decrease from 0.514 mills in 2008 to 0.340 in 2009 which will produce sufficient revenues to pay the Dobson bond payments. This also includes Specific Ownership taxes on motor vehicles, which is estimated to be 5% of property taxes.
- 13.41. **Tax Expenses-** The Eagle County Treasurers office withholds 3% of the property taxes collected as their fee for collecting the taxes on our behalf.
- 13.42. **Miscellaneous Revenues-** Consists of interest revenue on the funds required to be set aside for the Dobson bonds as well as proceeds received from Colorado lottery ticket sales.
- 13.43. **Dobson Debt Service-** Yearly payments on the Dobson Bonds as well as amounts owed to the Town of Vail for improvements made to Dobson in prior years.
- 13.44. **Interfund Transfers-** Budgeted to cover the losses of the Enterprise Fund with taxes received from the General Fund.

#### Components of Fund Balance

- 13.45. **Reserve for Emergencies-** TABOR requires governments to reserve 3% of their current year spending for emergencies.

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## RECORD OF PROCEEDINGS

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### Vail Recreation District October 23, 2008 Meeting Minutes

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- 13.46. **Bond Reserve Fund-** The Dobson bonds require the District to hold one years worth of debt service payments in an escrow account until the bonds are paid off.
- 13.47. **Unreserved-** Remaining fund which can be used for any purpose. This number continues to grow each year showing that the District is slowly improving its financial health and stability.
- 13.48. Director Sackbauer stated that he was satisfied with the budget but would like to see a contingent plan showing how budgeted expenses could be deferred if needed to free up \$200k in funds to pay for design costs of a new building to be constructed at the golf course if the District and the Town decide to pursue the option further. Mr. Weaver stated that he would prepare such a summary and present it at the next Board meeting prior to adopting the budget.

#### 14. EXECUTIVE DIRECTOR INPUT

- 14.1. Mr. Ortiz stated that he is very proud of the golf course staff as the numbers are the same as last year even though we opened 3 weeks later. Mr. Scott O'Connell has been a huge help with our capital items and related communication with the Town.

#### 15. BOARD MEMBER INPUT

- 15.1. Director Hanlon wanted to thank Mr. Ortiz and Mr. Weaver for their hard work on the budget, he also wanted to say great job at the Golf Course.
- 15.2. Director Hall wanted to thank Mr. Weaver for working on the budget.
- 15.3. Director Wiles thanked Mr. Weaver for making the budget so easy to read.

#### 16. ADJOURNMENT

- 16.1. Director Hanlon motioned to adjourn at 6:25 PM. Director Wiles seconded. Approved unanimously

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Michelle Hall, Secretary

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Lori Gordon, Assistant Finance Director