

VAIL PARK AND RECREATION DISTRICT
d/b/a VAIL RECREATION DISTRICT
BOARD OF DIRECTORS

Beginning at 4:00 p.m.to 5:00 p.m.
Thursday, January 14, 2016
Town of Vail Council Chamber
AGENDA
WORK SESSION MEETING

1. Discussion of Potential Mill Levy Election May 2016

*I: / Agenda & Notices/1-14-16
agenda.doc*

Scenario 1 Projections If No Changes are Made to the Mill Levy of the District

The Future- No Levy Increase

| (In Millions) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | |
| Property Taxes | 2.8 | 3.0 | 3.0 | 3.1 | 3.1 | 3.3 |
| Program Fees/ Other | <u>3.0</u> | <u>2.6</u> | <u>3.1</u> | <u>3.2</u> | <u>3.3</u> | <u>3.4</u> |
| Total Revenue | 5.8 | 5.6 | 6.1 | 6.3 | 6.4 | 6.7 |
| Expenses | | | | | | |
| Operating | 4.8 | 5.0 | 5.2 | 5.3 | 5.5 | 5.6 |
| Debt Service | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Capital | <u>2.5</u> | <u>1.2</u> | <u>1.0</u> | <u>0.7</u> | <u>0.6</u> | <u>0.8</u> |
| Total Expenses | <u>7.6</u> | <u>6.5</u> | <u>6.5</u> | <u>6.3</u> | <u>6.4</u> | <u>6.7</u> |
| Change In Fund Bal | (1.8) | (0.8) | (0.3) | - | - | - |
| Unfunded Capital | 0.4 | 1.2 | .7 | 0.2 | - | 0.6 |

The Future- No Levy Increase

| Year | Unfunded Capital |
|-------|------------------|
| 2015 | 400,000 |
| 2016 | 1,225,000 |
| 2017 | 675,000 |
| 2018 | 150,000 |
| 2019 | - |
| 2020 | 600,000 |
| 2021 | 75,000 |
| 2022 | 175,000 |
| 2023 | 175,000 |
| 2024 | 375,000 |
| 2025 | - |
| 2026 | <u>100,000</u> |
| Total | 3,950,000 |

Major Unfunded Projects

- Dobson Bleachers, Stage, Concessions, & Offices- \$550,000
- Golf Course Tee Boxes, Bunkers, Trees, Drainage, Creek Restoration, Hole #13, Starter House Value Engineering, & Other-\$1,500,000
- Athletic Field Storage Facility- \$350,000
- Nature Center Master Plan Projects- \$175,000
- Other Projects-\$1,375,000

Removed Master Plan Items

- Staff reviewed the Golf Course Master Plan in great detail and removed a significant portion of the projects including:
- Expansion and replacement of greens
- Moving of cart paths
- New tree installations along creek
- Realignment of golf holes 12-16
- Total cost of removed items-\$2,400,000
- If added back in, these would be an increase to the the unfunded capital

Scenario 2 Projections If Voters Approve a Mill Levy Increase To Cover Capital Costs

The Future- Capital Mill Levy Increase

- Increase Mill Levy By 0.63 Mills (21% Increase)
- Generates Additional \$600,000 Annually
- \$50 Per Year for a \$500,000 home
- Defer \$2.1M in Capital During 2015-2017 that would be funded in 2018-2021
- Between 2020 and 2026, after covering projected costs, fund balance increases from \$1.1 Million to \$5.1 Million
- Additional Funds used to build a capital reserve and not just “maintain what we have”

Scenario 3
Projections If Voters Approve a Mill Levy Increase To Cover Capital AND Additional Operating Costs

Scenario 3- Capital AND Operations Mill Levy Increase

- Due to the decrease in property taxes over the past years, staffing levels have decreased while programming have been maintained or even increased.

Scenario 3- Capital AND Operations Mill Levy Increase

Additional Staffing Considerations Include:

- Community Programming Programmer (Cut in 2012)
- Gymnastics Head Coach (Cut in 2011)
- Golf Pro/ Nordic Operations (Cut in 2011)
- Golf Maintenance 2nd Asst. Superintendent (Cut in 2011)
- Dobson Food & Beverage Supervisor (Additional Need For Increase Programming)
- Marketing- Social Media (Additional Need For Increase Needs)
- Sports Program Coordinator(Additional Need For Increase Programming)
- Sports Event Staff (Less Reliant on Volunteers as Needs Grow)
- Community Program Event Staff (Less Reliant on Volunteers as Needs Grow)
- Golf Maintenance- 3 Additional Seasonal Staff (Staff Recommendation)

Annual Cost- \$490,000

Scenario 3- Capital AND Operations Mill Levy Increase

Additional Operational Considerations Include:

- More frequent updates to Imagination Station Exhibits
- Additional Marketing & Branding
- Annual Intercept Studies
- Many Others (depending on feedback from the Board)

Assumed Additional Annual Cost- \$100,000

Scenario 3- Capital AND Operations Mill Levy Increase

- Increase Mill Levy By 0.63 Mills (21% Increase) for capital
- Increase Mill Levy By 0.60 Mills (20% Increase) for operations
- Generates Additional \$1,200,000 Annually
- \$98 Per Year for a \$500,000 home
- Defer \$2.1M in Capital During 2015-2017 that would be funded in 2018-2021 (Same As Capital Only)
- Between 2020 and 2026, after covering projected costs, fund balance increases from \$1.1 Million to \$5.1 Million(Same As Capital Only)
- Additional Funds used to cover additional operating costs and build a capital reserve and not just “maintain what we have”

Scenario Summaries

| | Scenario 1 | Scenario 2 | Scenario 3 |
|----------------------------------|-------------------|-------------------|---------------------------|
| | Currently | Capital Levy | Capital & Operations Levy |
| Ops Levy | 2.760 | 2.760 | 2.760 |
| Debt Levy | 0.288 | 0.288 | 0.288 |
| Capital Levy | - | 0.630 | 0.630 |
| Add'l Ops Levy | - | | 0.600 |
| Total Levy | 5.64 | 6.27 | 6.87 |
| % Increase | | 21% | 41% |
| Additional Rev | | 600,000 | 1,200,000 |
| Additional Tax for a \$500K Home | | \$50 | \$98 |