

Minturn Fitness Center Special Board Meeting
Tuesday, March 26, 2024
9:00 am Join Zoom Meeting:
Zoom Link: <https://us02web.zoom.us/j/82360615810>
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Meeting ID: 826 6061 5810

OFFICIAL MINUTES

1. Call to Order and Roll Call

The meeting was called to order at 9:05pm by Board President Bryan Rooney

Board Members: Bryan Rooney, President; Brian Rodine, Vice President; Michelle Metteer, Secretary; Tiffany Hoversten, Treasurer; Amy Roberts, and Terry Armistead.

Staff Present: Tom Priest

Minutes by: Jay Brunvand, Town of Minturn Clerk

2. APPROVAL OF AGENDA

Opportunity for amendments or deletions to the agenda.

This meeting did not have an advanced agenda and included only the two Discussion and Direction items.

3. APPROVAL OF MINUTES

A. Approval of Minutes from 01-24-2024

Tiffany requested a change on page 3 in business items to amend the identified line to a surplus of 19k not a cash surplus of \$19k.

Motion by Terry A., second by Brian Rodine., to approve the minutes of 01-24-2024 as amended. Motion passed 6-0.

6. DISCUSSION / DIRECTION ITEMS

A. Capital Reserve Schedule

Tiffany H. noted the capital reserve for 2024-25 budget is \$15,000.

Tiffany noted this would start now, in 2023, and also included in the 24-25 budget at \$15,000 for a total of \$30,000. Tiffany H. noted the 23-24 year would be funded at \$15,000 by the anticipated budget surplus.

Michelle M. confirmed that Tom P. was in support of the funding levels. Tom P. felt adding it to the 23-24 budget would be used to repair the snow gates and roof inspection as well as the lighting upgrades discussed.

Michelle M. supported the funding level of \$15k/annually as an attempt to get out of the Break/Fix mode currently utilized.

Motion by Brian Rodine, second Amy R., to approve funding the Capital Reserve fund at \$15k in 23-24 and \$15k for 2024-25 and then as a permanent allocation to fund the Capital Reserve at this level in future years. Motion passed 6-0.

B. Proposed payback plan to conform with the MFC Bylaws

This agenda item was a discussion of the following two SSVC proposals:

SSCV would like to put forth the following two proposals for consideration at the upcoming meeting of the Minturn Fitness Center board. The first proposal addresses the MFC board's requirement to create and fund the MFC Reserve fund as outlined in the bylaws. The second proposal suggests a payback scheme for SSCV and the Town of Minturn as outlined in the bylaws. For the payback proposal, we would start initially with payback of operational capital to SSCV and then move to capital expenses payback to SSCV and the town. This follows the order of payback outlined in the bylaws.

Establishment and Funding of the Reserve

In order to stay in accordance with Section 3.01 of the Minturn Fitness Center bylaws referenced below, SSCV would like to propose that the Minturn Fitness Center financials be amended in the 2023-2024 fiscal year to allow for a capital reserve contribution determined by the Minturn Fitness Center board. We believe consensus was reached at the January 24, 2024 meeting for that contribution to be \$15,000 annually.

Section 3.01 Annual Budget, Maintenance Reserves, and Insurance

The Board of Directors will, at its annual meeting, adopt a budget ("Budget") for the operation of the Center. The Budget will include an amount to be placed in a separate capital reserve account dedicated exclusively to the repair of the Center and maintenance, upgrade, and replacement of its equipment.

Expense Payback Proposal for Future Years

From 2014 through fiscal year end 2022, SSCV contributed \$377,000 in cash to support the cash needs of the Minturn Fitness Center to maintain its solvency. After that time, SSCV has paid a per athlete contribution of \$250 per full time athlete 14 years of age and older. The MFC has not needed additional cash to fund operations since that per athlete contribution began. SSCV agrees to amend the operating cash payback of \$377,000 to allow for annual SSCV athlete membership numbers since the inception of the facility, despite that not being stipulated in the Minturn Fitness Center bylaws. This additional calculation covering athlete use over the entire MFC operating period reduces the amount

owed to SSCV from \$377,000 to \$97,500. In regard to payback of the resulting \$97,500 in operating cash provided to the Minturn Fitness Center by Ski & Snowboard Club Vail to support the cash needs of the business, SSCV would like to propose that, starting in the 2024-2025 fiscal year, the financials include a \$5,000 expenditure for payback of the SSCV operating cash contributions. Furthermore, SSCV would like to propose that the Minturn Fitness Center bylaws be amended to allow for 50% of any operating surplus be returned to SSCV as payback towards the operating cash contribution. This contribution would be made after the fiscal year end financials are finalized and any potential surplus is known.

After the \$97,500 is recouped by SSCV, we would move to the capital payback outlined in Section 3.04 #2 of the Minturn Fitness Center bylaws, referenced below.

Section 3.04 Recovery of Costs

Club and Town shall be reimbursed for out-of-pocket costs absorbed by those entities related to land acquisition, design and construction of the Center. Club shall be reimbursed \$161,500 and Town shall be reimbursed \$45,000 of out-of-pocket costs related to the Center. Reimbursements of out-of-pocket costs shall be made pro-rata (78% to Club and 22% to Town).

Brian Rodine felt a line item in the budget was appropriate.

Amy R. noted by budgeting this annually, in the event funding levels were nonsufficient they could be trimmed.

Terry A. asked if funding this as a line item would be sacrificing programs?

Tom P. felt we were on a positive funding trajectory. He felt an allocation of budget surplus rather than a line item was more responsible.

Tiffany H. felt the payback goal was very long term. She felt \$5k was a start and then if the MFC was more profitable, 50% of that profit would be allocated to the payback. She felt a fixed cost not tied to the success of the facility was prudent.

Brian Rodine felt the accountability of covering the budget was important in that as the years progress we could see how the MFC is doing in relation of anticipated expenditures.

Terry A. discussed the operational expenses of the MFC and then how to show the payback and liked the base plus 50% as discussed. She felt it important to distinguish between MFC expenses and athlete expenses. Discussion ensued as how payrolls etc are accounted for. Tiffany H. noted the MFC has accounted for its expenses and noted in addition each entity does cover some expenses individually that are not included in the MFC accounting.

After discussion it was agreed this would be a policy not an amendment to the bylaws. This way we do not unduly modify the bylaws with something that might not be able to be committed to in the event of lower or unknown funding.

Tom P. asked and discussion ensued as to how this would be reduced or cut in the event we were not able to balance the budget especially in relation to the 50% portion. Concern was discussed as to this being cut first over program, etc. Payback is important but not at the expense of the well-being of the MFC itself. Amy R. noted the \$5k was a line item and the 50% should be an end of year allocation.

Motion by Terry A., second by Brian Rodine, to approve a payback provision of SSCV's historical operational contributions to the facility. Starting in fiscal year 2024-2025, the payback to SSCV will be \$5,000 per year plus 50% of any operating surplus. In years where there is not sufficient revenue to cover the \$5,000 expense, the payback would be 100% of any profits but not to create a deficit. There would be no payback in years of an operating loss. The payback would occur until SSCV has received its total contribution of \$97,500 at which point the facility would move to payback outlined in Section 3.04 #2 of the MFC bylaws. Motion passed 6-0.

Brian Rodine excused himself from the meeting 10:15am.

7. FUTURE AGENDA ITEMS

- Approve 2024-25 budget
- Review operations plan and progress thereon
- Review training staff and wages in the budget
- Request to schedule a Board Retreat to define goals and success
- Fund raising opportunities

Terry A. requested the agendas and packets be posted on the website.

8. ADJOURN

Thank you's were given to Terry A. for her work on the Board and her great contribution to the MFC.

Motion by Terry A., second Michelle M., to adjourn at 10:22am

These minutes were approved by motion on: _____