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## VAIL HOMEOWNERS ASSOCIATION

## The Coronavirus Crisis

## A Conflicts of Interest Law Is Still Needed

March 31, 2020

As you read this, VHA hopes that you are safe and healthy. In a virtual blink of the eye, everything has changed. None of us have ever experienced anything like this. It seems that now the only thing certain is that everything is uncertain. What was initially dismissed as a hoax and said to be something that would "disappear" raced across the county to the point that in just a few weeks the U.S. leaped past China to now have the most cases in the world. Many don't seem to have yet fully grasped the implications of this disease.

This can't be sugar-coated away. Experts say that due to a lack of testing the reported numbers are only the tip of an iceberg, and that the real number of cases in America is now somewhere in the 450,000 to 900,000 range and climbing; when mortality rates are applied to those numbers, the human loss is going to be devastating. Then there is the economic impact. The economy has ground to a halt, major health systems are on the verge of

collapse, the stock market has crashed, schools are closed, many businesses are shuttered and unemployment has surged to unimaginable levels.

In Vail valley, in a span of only a little more than a week, what appeared to be a seemingly positive spring season collapsed. Vail Resorts closed the mountain, local schools closed, many other businesses were forced to close, thousands of employees are out of a job, and Vail is shut down. Eagle County has the second most cases



Vail's 'lift line apocalypse' 2/14/20
Financial Times

in Colorado, and if the same calculus is applied, the real number of cases is somewhere in the range of 750 to 1,500. May and June events are now being cancelled, and it seems increasingly probable that there will not be a "summer season."



TOV Webcam - Gore Creek Drive - 2p.m, March, 27th.

Vail is now a ghost town but that is not all bad. It seems that the only way to stop the spread of coronavirus is to maintain "social distancing" and "shelter-in-place". It remains to be seen how bad the health care impacts will be in Vail. It does, however, seem clear that the economic impacts on all of Vail Valley will be huge. Budgets and plans that made perfect sense only a month ago have been trashed, and many of the Vail's most revered institutions are now in survival planning.

The peak of the pandemic is still weeks away, and there will probably not be just one peak but rather

a series of rolling peaks across the nation so there could be secondary impacts for months to come. Even when peaks are reached, recovery will take months, both economically and psychologically. Many businesses may not survive, and much of the economic impact will fall most heavily on those who can least afford it. No one knows when it will be over or what the new normal will look like, but the human loss is going to be heart breaking, and the economic impacts will be with us until there is country-wide vaccination which is probably at least a year away.



CDOT Webcam – Main Vail Exit 2p.m., March 27<sup>th</sup>.

The TOV is now largely operating remotely, and the <u>Council is holding weekly emergency meetings</u>. For the present, Boards and Commissions are still operating, albeit remotely. The Town Council in particular has been providing important, thoughtful leadership as the Town is bracing for significant revenue reductions. Prudence requires preparing for the long haul, and Vail is already well into planning for a revised 2020 recession budget to focus on critical and essential services. Fortunately, the Town is financially strong with reserves of \$36 million, although it seems clear that a substantial amount of its reserves is going to have to be used to respond to this crisis.

On the positive side, this crisis is bringing out the best in all of us. Valley NGOs are gearing up to help, and many others are demonstrating what it means to be a neighbor. To the TOV's and

Eagle County's credit, they have mobilized to set up community support funds (\$500K in the case of Vail and \$1.5M for Eagle County), and the TOV has announced a 30-day pay plan for its employees. The TOV is to be commended for its direct and forthright commitment to shelter and care for its citizens, but even with these programs and the new federal programs, the needs in the valley will probably far outstrip these amounts.

To that end, in these critical times, the VHA encourages all to be generous in supporting local efforts to feed, care for and help those in need. There are a number of organizations rallying to help, and all would be most appreciative of donations. Beyond that, the VHA believes that this is going to take a valley-wide effort to recover from this catastrophe. Even though the TOV already has much on its plate, it is in the Town's best

interest to lead that effort as many Vail employees live down valley, and it will take an all-out effort throughout the entire valley to come back.

In the coming weeks, the Town's attention will understandably be on the crisis and community needs. This is not a time to be pausing to deal with rezoning (as in the Avanti Lodge project), especially when the already attenuated public input is now even more compromised. The VHA is continuing to monitor that project and will report back as developments warrant. On the other hand, the Town should not ignore community priorities such as the protection of the East Vail bighorn sheep and the restoration of Gore Creek. These will be important features of the eventual recovery plan.

The VHA's commitment to promote the community and protect the quality of life in Vail remains steadfast. The new challenges brought about by this crisis will require collaboration, understanding and empathy, but working together, we can survive this crisis even stronger than before.

Vail still needs a new conflicts of interest law. The coronavirus crisis is also not a reason to ignore adopting a strong conflict of interest law. This is not rocket science. There are many good examples from other communities that show the way. We believed that efforts in that regard were in early stages when the virus broke out. The VHA urges that they not now be put on hold.

It has been 50 years since the TOV has addressed conflicts of interest. At the beginning of the TOV, when prohibitions were enacted to prevent Council members doing business with the Town and accepting gifts, the focus was on creating a firewall between the municipality and Vail Associates. Community leadership was concerned about making a transition from being a "company town" to an independently controlled municipal government free from corporate dominance. It was their intention to create an institutional arm's length between the TOV and Vail Associates that would preclude anyone who was a significant investor or an employee of Vail Associates from serving on the Town Council or from being employed by the Town. As a result, the focus of conflict prohibitions was upon the Town Council and Town Staff. Appointed boards and commissions were not regulated to the same extent.

The small size of the community in those days played a role in dampening the effort to more clearly define the scope of conflicts of interest. Officials were concerned with preventing "quid pro quo" bribery. Everyone, it was said, had a conflict in one way or another. The compromise that was subsequently adopted fell short of being a wide ranging prohibition against conflicts of interest, the effects of which has become increasingly evident in the intervening decades.

Since then, Vail has grown into a complex municipality in which the decision making process has been decentralized into a series of boards and commissions which possess significant power. Recent events have exposed the vulnerabilities caused by the lack of definition of what constitutes a conflict or the appearance of a conflict and the process by which an allegation of conflict is arbitrated. This is a situation that should be corrected. If this is an issue that concerns you, you should make your views known to the Town Council and the Town Manager at: <a href="mailto:towncouncil@vailgov.com">towncouncil@vailgov.com</a> and <a href="mailto:srobson@vailgov.com">srobson@vailgov.com</a>.

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If you value our reports, we invite you to join VHA or become a subscriber to our reports. Together we can make our voices heard and make a difference for the good and the future of our community. In the meantime, we wish you good health.

## VHA welcomes your participation and support. For further membership or subscriber information, please send an email to vailhomeownersassoc@gmail.com and specify if your interest is as a member or subscriber.

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