
RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT August 29, 2012

The Special Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., August 29, 2012 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Louis Kreig
- Jim Power
- Ernie Elsner
- Bob Gary
- Mike Balk (on phone)

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Ken Marchetti, Robertson & Marchetti, PC
- James Collins, ESQ, Collins Cockrel & Cole
- Jennie Fancher, BC Admin Assistant, BCMD
- Tim Baker, Beaver Creek Resort Company
- Kerry Wallace, Counsel for Village Walk HOA
- Greg McLaughlin, Co-Counsel for Village Walk HOA
- Dominic Mauriello, Planning Consultant
- Tim Maher, BCPOA President
- Barry Parker, BCPOA Vice President
- Tim Kelly, Beaver Creek homeowner
- Frank Flood, Beaver Creek homeowner
- Dave Eickholt, Beaver Creek homeowner
- Tom Schouten, Beaver Creek homeowner
- Dawn Friedman, Beaver Creek homeowner
- Steve Friedman, Beaver Creek homeowner
- Jim Kaylor, Beaver Creek homeowner

Call to Order

The Special Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Kreig, Acting Chairman of the Board, noting that a quorum was present. It was confirmed that prior to the meeting each of the Directors had been notified of the meeting and that written notice was duly posted at the Eagle County Clerk and Recorder's Office and at three public places within the District.

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Conflicts

The Board noted that it had received certain disclosures of potential conflict of interest statements more than seventy-two hours prior to the meeting for each of the following Directors, indicating the following conflicts: Mr. Ernest Elsner is a member of the Board of Directors for Beaver Creek Property Owners Association; Mr. Michael Balk is a member of the Board of Directors for Beaver Creek Property Owners Association; Mr. Robert Gary is a member of the Board of Directors for Beaver Creek Property Owners Association, Vail Valley Foundation Board and the Vilar Center for the Arts Committee; Dr. Louis Kreig is a member of the Board of Directors for Beaver Creek Property Owners Association; and Mr. James Power is a Director of the Beaver Creek Property Owners Association. The Board noted for the record that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

Minutes

The Board reviewed the minutes of the July 25, 2012 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the July 25, 2012 Regular Meeting.

Agenda

Director Power noted he wanted to add an update of UERWA matters to the agenda. Director Power asked whether the 2015 requests from the Vail Valley Foundation were set to be discussed at this meeting. Mr. Hanks replied he is still waiting on cost estimates so the topic will be discussed at the September meeting.

Future Meetings

The next regular meeting is scheduled for Wednesday, September 26, 2012 at the same time and location.

Public Input

Fire Station: Mr. Hanks preceded public input with an update on the fire station PUD amendment. A letter has been mailed to all property owners in Beaver Creek describing the request made by BCMD for an amended PUD on lot 1 of Tract M, the land where the existing fire station is located. The County has received comments from Village Walk. Mr. Hanks will set up discussions to address the group's concerns. There will be a hearing on the PUD amendment in late September or early October. If approved by the Planning and Zoning Commission the PUD amendment will

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be handed to the County Commissioners for approval. A decision is expected by the end of October. Homeowner Tim Kelly asked if he could have a copy of the Village Walk comments. Dominic Mauriello will get Mr. Kelly the comments.

Jim Kaylor asked what can be built on lots zoned as Resort Commercial 1. The intent is for the lot to be developed as residential. Kerry Wallace, counsel for the Village Walk HOA, noted the concerns of Village Walk homeowners are related to what might be built on the lot. He stated the classification of RC1 contains language offering a broad scope of uses with few restrictions. The Board is willing to offer restrictions that would limit development to residential. The current intent is to build no more than 6 dwelling units on the lot.

Steve Friedman directed three concerns/questions to the Board. Mr. Friedman asked the Board if the only reason to build a new station is to fit a ladder truck. The Board responded no, the main reason is the dilapidated condition of the current station and its inadequacies. Mr. Friedman asked if there is reason to believe enough money will be raised from the sale of the land to build a new station. The Board answered appraisals have been conducted that indicate enough money will come from the sale to cover the cost of a new station being built. Mr. Friedman asked how much it would cost to build a new road top the water station location. The Board responded a new road would cost roughly \$520,000.

The land by the water tower currently owned by Vail Resorts is expected to cost roughly \$500,000 but an appraisal has yet to be completed. The subject of widening the bridge by the VR service center was raised. Currently 10 feet wide, the bridge is not big enough to accommodate fire and ladder trucks. It would cost \$40,000 to \$50,000 to take out the current bridge and roughly \$514,000 to build a new one. The road to Dally is at a 14% grade and would need to be smoothed as well as widened in places. In addition fire trucks using Village Walk would involve taking up the entire width of the road. Another issue with using the Village Walk route would involve taking up the concrete apron at the Service center, which would be especially difficult during peak seasons when delivery trucks are in and out often. The turning radius of the large fire and ladder trucks makes use of this route

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difficult. There is also the issue of impact on 22 homes on Village Walk versus 7 homes up Elk Track.

Tom Schouten informed the Board the Elk Track homeowners would be supportive of the new location if traffic would continue to flow through Village Walk. Finding an alternate route could solve the issue with Elk Track homeowners. If road traffic is redirected through the current fire station site then funding falls apart as the value of the land is drastically diminished when no houses can be built.

Jim Kaylor brought up response time and the best route to the quickest response time is the most important. The new site is $\frac{1}{4}$ of a mile further up the road and the quickest route, Elk Track Road, would add 90 seconds to current response times. Access through Village Walk and Dally has not been studied yet.

Barry Parker brought up the idea of limiting Elk Track access to emergency vehicles only, no personnel vehicles. Easements would need to be granted by Village Walk and VR to allow any new traffic on their roads. In addition any grading or widening would need to be approved by the Forest Service as well. The Forest Service would want something as part of the negotiations.

Tim Maher noted the primary objection of traffic on Elk Track but wondered if any other objections were raised. It was also noted a best solution should be reached not a cheapest solution. Director Kreig noted the Metro District is looking to do what is best for the community. Mr. Schouten inquired about the cost to build in the current location. Mr. Marchetti noted the cost to tax payers would be 1 mill, which translates into \$80 per \$1 million value of a home, over 20 years. A homeowner with a home valued at \$4 million would pay \$320 per year for 20 years.

General Manager Update

ERFPD Contract: Mr. Hanks updated the Board on the ERFPD contract negotiations. The current request from ERFPD is 60% higher than what the Metro District currently pays. The current contract runs through the end of 2014. BCMD currently pays ERFPD roughly \$1 million per year. The amount being requested is \$1.6 million. BCMD has responded by raising questions related to different costs included in the analysis, requesting additional

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information, including the direct cost for manning the Beaver Creek station, and is waiting to receive the data. The new contract would be implemented in 2015. There is a CPI escalator in the current contract. Director Balk inquired as to when the effects of the next assessing period will kick in. Mr. Hanks responded data collected through June of this year will affect property taxes starting in January of 2014 and running through the end of 2015. The cost of fire operations could go up as a result of negotiations while property tax revenues go down. Director Balk noted he does not want to see BCMD digging deeper into the reserves to pay for fire protection. This should be part of the discussions for the 2014 budget.

Mr. Kelly asked the Board if everything went smoothly how long it would take to build a new fire station. Mr. Hanks responded the absolute fastest would involve starting road construction in Fall 2013 and construction of the station in 2014.

Bid Review: Mr. Hanks referred to the Board packet for bid information for patching and drainage. B & B was the only bidder and the bid came in higher than expected. The bid for ditch work is twice as much as a year ago. Mr. Hanks recommended to the Board to stick to one section for the ditch work and hold off on the other sections. This year overlays are being put off. The priority is patching and fixing necessary items only. The next overlay of Village Road will probably take place in 2014. Ditch work should be completed on the wettest section of Village Road. Base asphalt repairs on Holden Road and Village Rod and a 145 foot section of ditch on Village Road. The total cost will be \$238,000 dipping into the contingency fund for \$133,000.

Director Elsner inquired as to whether these repairs are critical and whether the ditch work is necessitated by run off. Mr. Hanks noted where ditch work has been completed road patches have been holding up. If the ditch work had been done prior to this past winter there would have been less ice in the road. The ditch work was underbid last year and bidder did not make any money. Mr. Hanks noted only the most critical section will be completed this year. Upon motion duly made and seconded, it was unanimously

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RESOLVED to accept Mr. Hanks' recommendation to make critical road repairs on Holden and Village Roads and complete ditch work on the wettest section of Village Road.

Paint on Village Road: Director Power asked how the paint from the Pro Cycling Challenge will come off Village Road. Mr. Hanks noted efforts are being made to remove the paint and the cost will be covered by the Vail Valley Foundation.

Project Legacy: There has been no change from last month. The stone for the monuments has been ordered and is expected to be delivered by October 10th. Prep work will begin in the next couple of weeks. The completion date for the new entry is set for November 9th. A bid request has gone out for the guardrail project. There should be final bids ready to go by next month's meeting.

Insurance Claims: The Board referred to the report included in the packet. One new claim has been reported since the last meeting and is resolved. A lamp post was knocked down on the day of the cycling event and the incident report has not yet been received.

Fire Station Location Analysis: Mr. Hanks referred to a document included in the Board packet related to the process of locating land for a new fire station, requesting comments or questions related to the process. Mr. Hanks noted the document lays the groundwork for the process to acquire new land and is reflective of what has transpired thus far. The Board acknowledged the analysis to be reflective of the process that has taken place over the past year and a half.

Legal

Mr. Collins noted nothing to report on the legal front

Financial Statements

Mr. Marchetti referred to page 1B in the Financial Statements section of the Board Packet, 2013 preliminary assessed values and projected assessed values for 2014. The assessed value is going down from \$318,950 to \$316,921, based on August 25 preliminary certification from the County Assessor's office, a result of protests filed this year, creating a 1% decrease. Mr. Marchetti is predicting a further 5% decrease for the 2014 budget based on sales data from Beaver Creek homes that have sold in the relevant time frame.

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The loss in property tax revenue is projected to be \$511,000 this year and \$1 million in 2014. The mill levy for transportation is flat for 2013 at 9.36 mills. Mr. Marchetti noted an increase of 3% for inflation/cost of living. The Board reviewed the July 2012 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the July 2012 preliminary financials as presented.

Accounts Payable

The Board reviewed the Accounts Payable listing that had been included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable list as presented.

UERWA

Director Power noted UERWA had set a prognostication earlier in the summer if September 1 could be reached without declaring a water emergency then a water emergency would not have to be called at all. Director Power noted the Water District has done a great job handling the water situation this summer. Water levels are currently higher than in 2002. Black Lake 1 and 2 are still full, Eagle Park Reservoir is at 90% capacity.

Other Business

Director Power noted the request from last month's meeting regarding painting manhole covers. There are 7 in question and Director Power noted reconsidering painting the covers to prevent bike accidents. Perhaps the ring could be painted in a reflective white. It was decided to paint one as a test.

Executive Session

Upon motion duly made and seconded, it was unanimously

RESOLVED to enter into executive session citing §24-6-402(4) (a) C.R.S. for the purpose of determining positions subject to negotiations related to the acquisition of property for a new fire station; and §24-6-402(4) (e) to discuss positions related to negotiations with BCRC related to Transportation matters. The Board entered into executive session at 9:52 a.m. and adjourned the executive session at 11:34 a.m.

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Further Business

Director Elsner inquired about the new Dial-A-Ride computer system. Mr. Hanks noted the new dispatching system has been implemented to track the buses, monitor times, and allow reservations. The changes have not been communicated well to the community. Director Elsner inquired as to whether this should have been approved by BCMD. Mr. Hanks noted the system is operational. Operational oversight belongs to BCRC.

Adjournment

There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Special Meeting of the Beaver Creek Metropolitan District Board of Directors held on August 29, 2012.

Respectfully submitted,



Jennie Fancher

Secretary for the meeting