
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT January 28, 2015

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., January 28, 2015 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Louis Kreig
- Stephen Friedman
- Jim Fraser
- Pam Elsner
- Jim Power (on phone)

Also in Attendance were:

- Bill Simmons, General Manager, BCMD
- Ken Marchetti, Marchetti & Weaver, LLC
- Jim Collins, ESQ, Collins Cockrel & Cole
- Jennie Fancher, BC Admin Assistant, BCMD
- Jim Clancy, BC Public Safety
- Glenn Palmer, Alpine Engineering
- Jeff Luker, BCRC
- Dave Eickholt, BCPOA
- Dominic Mauriello, Mauriello Planning Group LLC.

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Lou Kreig, 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.

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: Dr. Louis Kreig is a member of the Board of Directors for Beaver Creek Property Owners Association; Mr. James Fraser is a Director of the Beaver Creek Property Owners Association; Mr. James Power is a member of the Board of Directors for the Upper Eagle River Water Authority; Mr. Stephen Friedman is a member of the Board of Directors for the Vail Valley Foundation and

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the Eagle River Water and Sanitation District. Ms. Pamela Elsner is a member of the Board of Directors for Vilar Guild Executive Board; and.

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 December 3, 2014, Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the December 3, 2014 Regular Meeting.

Agenda

Director Fraser requested an item be added to the Executive Session.

Future Meetings

The next regular meeting for the District is scheduled for February 25, 2015, at the same time and location.

Public Input

There was no public participation.

Fire Station

Design Process

Chairman Kreig updated the Board of the Fire Station design process, noting the selection of the architecture group has been finalized, the Fennell Group. An Owner's Representative has also been selected, Todd Goulding, to watch over the design and construction of the project. The project is moving forward quickly, with a cost conscious message being relayed. There is an effort to use LEED technology including an examination of solar and geo thermal systems. Director Friedman noted the rest of the Board should be kept apprised and not left entirely out of the process.

General Manager

Update

Mr. Simmons updated the Board on the Owners Representative, referring to the contract in the packet, noting four were considered with Todd Goulding being chosen for his professionalism. There is currently \$25,000 budgeted for the Owner's Representative position and this will be low. Mr. Marchetti will review with the Board during his financial presentation. A cap on the fee, section 4.2 of the contract, was discussed, with the range of \$120,000 to \$150,000 considered acceptable. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the owner's representative contract with Todd Goulding as amended with a not to exceed maximum of \$150,000.

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Fire Station Road: Mr. Simmons informed the Board bid opening occurred yesterday with six (6) bids having been received. The bids were competitive and ranged from \$1.1 million to \$1.6 million. Ewing was the lowest bidder. The road is over budget but costs can be cut a little, up to \$100,000. Upon motion duly made and seconded, it was unanimously

RESOLVED to authorize Mr. Simmons to execute the Fire Station Road Contract with Ewing when completed.

Fire Station Sale: The negotiation of the Purchase and Sales Agreement with Gore Creek Partners, LLC. was discussed. There is a leaseback clause in the agreement to cover the time period until the new station is completed. It is expected the new station will be completed by the end of 2016. There is a fee of 1% that has been negotiated for the buyer's broker, Gary Pessa. The net sale proceeds are expected to be \$7.5 million if the real estate transfer tax is waived. A new inspection of the property will take place in the spring, the Alta Survey is required by the lender. Discussion ensued related to concern over the lease cost going up in six month increments and the expense incurred should the project not be completed on time. Leasing the property cannot be separated from the Purchase and Sale Agreement. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the broker fee agreement of 1% for Gary Pessa, not payable until closing has occurred.

Upon motion duly made and seconded, it was with a vote of four (4) ayes and one (1) nay, (Director Elsner)

RESOLVED to approve the Purchase and Sale/Leaseback Agreement, with a clause being added to the contractor's agreement stressing the importance of completing the project on time.

Director Elsner voted no stating her opinion that the projected net proceeds are significantly below the appraised value of \$10 million and a higher price could be obtained after completion of the fire station. Significant delays have occurred in the construction of fire stations evaluated prior to this vote, one at least a year late. Director Elsner's concern is that delays, if they occur, would result in a high penalty in the lease causing a substantial reduction in sale proceeds. That is not in the taxpayers best interest.

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Other Business Director Elsner requested details of car accidents that occur be reported each month.

Resolution for 2015 Meeting Dates The Board reviewed the calendar for 2015 meetings and discussed a change of day to accommodate Men's Ski Day in Beaver Creek. The length of time between meetings as a result of the holidays was also discussed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the meeting schedule with the addition of a November 18 meeting and a December 16 meeting.

Resolution for Posting Places

The Board reviewed the resolution to set posting places for notices. The posting places currently used are the Kiosk in Beaver Creek Plaza, the Beaver Creek Club, and the District Office. Upon motion duly made and seconded, it was unanimously

RESOLVED to post notices of the District's 2015 meetings as follows:

Notices of meetings of the District's Board of Directors required pursuant to Section 24-6-401, et. seq., C.R.S., shall be posted at least 24 hours prior to each meeting at the following location:

BCMD Administration Facility

Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk and Recorder at least 3 days prior to said meeting shall continue to be made pursuant to Section 32-1-903(2), C.R.S.

UERWA

Appointments

The Board updated the appointments to the UERWA keeping Director Power as the delegate with Mr. Simmons as the first alternate and Director Elsner as the second alternate. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Director Power as the delegate to the UERWA, with Mr. Simmons as the first alternate and Director Elsner as the second alternate.

Architect Contract Approval

The Board reviewed the contract for hiring the architectural firm, the Fennell Group. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the contract for the design of the new fire station with the Fennell Group.

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Legal

Mr. Collins referred to the legal update in the board packet. Mr. Collins introduced the Board to the Document Retention Policy adopted by the State of Colorado. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Document Retention Policy as presented.

Mr. Collins opened discussion on the Integrated Project Delivery Resolution. There was discussion about work on the fire station being timely, if not completed in 18 months there could be a penalty clause. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Integrated Project Delivery Resolution as presented.

Tap Fees

Mr. Collins presented the resolution terminating Tap Fees. He explained there is very little new construction taking place in the resort and the water utilities and infrastructure are already in place, eliminating the need for a fee. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Terminating Water Fees which eliminates the need for Beaver Creek Metro District to collect a tap fee.

Marchetti & Weaver

Engagement Letter

Mr. Marchetti introduced new requirements by the American Institute of CPAs for CPAs and the level of service required which necessitated the need for a new engagement letter with his firm. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the engagement letter with Marchetti and Weaver, LLC.

Financial Statements

Mr. Marchetti referred to the December 2014 preliminary financial statements in the packet, going into detail on the Capital Improvement Fund and 2015 budget related to the construction of the fire station. The 2015 budget accounts for nine (9) months of lease payments and the 2016 budget accounts for 12 months of lease payments. Mr. Marchetti noted the

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possibility of a May 2016 ballot issue for increasing the operating fund revenue. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the December 2014 preliminary financials as presented.

Accounts Payable The Board reviewed the Accounts Payable listing. Upon motion duly made and seconded, it was unanimously

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

Other Business The subject of approaching the BCRC for a waiver of the real estate transfer tax related to the sale of the fire station was discussed.

Executive Session Upon motion duly made and seconded, it was unanimously

RESOLVED to enter into executive session citing §24-6-402(4)(a) for the purpose of determining positions subject to negotiations related to the sale of property where the current fire station is located. The Board entered into executive session at 10:20 a.m. and adjourned the executive session at 10:40 a.m.

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

RESOLVED to adjourn the Regular Meeting of the Beaver Creek Metropolitan District Board of Directors held on January 28, 2015.

Respectfully submitted,



Jennie Fancher

Secretary for the meeting