
RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT October 17, 2012

The Special Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., October 17, 2012 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

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

Absent and excused were Directors:

- Jim Power

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Ken Marchetti, Robertson & Marchetti, PC
- Kathy Lewensten, Robertson & Marchetti, PC
- James Collins, ESQ, Collins Cockrel & Cole
- Jennie Fancher, BC Admin Assistant, BCMD
- Tim Baker, Beaver Creek Resort Company
- Sam Parker, Director of Beaver Creek Public Safety
- Bill Simmons, BC Village Operations
- Dominic Mauriello, Land Planner
- Tim Maher, BCPOA President
- Jeff Luker, Beaver Creek homeowner

Call to Order

The Special Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Mike Balk, 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: 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

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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 September 26, 2012 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the September 26, 2012 Regular Meeting.

Agenda

Mr. Hanks requested the Condemnation Resolution related to the acquisition of land for a new fire station be added to the agenda.

Future Meetings

Discussion took place related to changing the November meeting to November 28 and holding a December meeting only if necessary. Upon motion duly made and seconded, it was unanimously

RESOLVED to change the meeting date for the November meeting to November 28, 2012 at the same time and location.

Public Input

There was no public input.

General Manager Update

Fire Station PUD: Mr. Hanks noted the Planning and Zoning Commission meeting is being held at 3 pm today reviewing the District's request to change the zoning of the property where the current fire station sits to residential. The next step is to solidify a deal with Vail Resorts for land by the water tower or to move forward with condemnation and arranging a fair compensation for land on which to build a new fire station.

Dominic Mauriello informed the board of the afternoon's process. The planning commission will make a decision related to the PUD change to Lot A and pass its recommendation along to the County Commissioners. The staff of the planning and zoning department has written a favorable report and the matter will be open for public input. The process should take no more than an hour. The application is

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complete and a letter of support from Village Walk has been received by the County. There has been no word from Elk Track.

Fire Department Contract Renewal: Chairman Balk sent a letter to the chairperson for the Eagle River Fire Protection District, Jennifer Cartmell-Hayes, acknowledging the desire to put off contract discussions until after the November election but stating the importance of focus thereafter. The letter received from ERFPD noted finances can be looked at in terms of the allocation of overhead for each station or in the spirit of looking at the Fire District as a whole, one collective shared overhead. Director Gary will get in touch with ERFPD representatives when he returns to Beaver Creek in late November. It was discussed to reiterate to ERFPD that Directors Gary and Power are the sub committee for ERFPD negotiations and that the financial data requests need to be addressed.

Project Legacy: The front entry signs will be in place by the end of next week. The guardrail is on order.

New Fire Station: Mr. Collins referred to the resolution authorizing acquisition noting after a thorough examination of all possible locations it has been determined the best site for a new fire station is the Vail Resorts property located by the water tower, off the end of Elk Track. This has been thoroughly discussed in prior meetings. Per the direction of the Board an appraisal has been arranged and is close to being completed. The end of Elk Track has been maintained by the District for a number of years, represented by Exhibit A. Exhibit B in the document is a driveway, an access and utility easement. Exhibit C represents the fire station site for which the District will be seeking fee title. Special Counsel Doug Widlund has been hired and a resolution has been created to move forward with the process. The first step is negotiating a value for the 3 types of property. If unable to agree to a value with Vail Resorts the District can move forward with condemnation.

The condemnation process involves 9 steps:

1. Title work completed October 12, 2012, under review. Review will be completed by October 19, 2012.
2. District consideration of resolution to acquire necessary property October 17, 2012.
3. Appraisal work.
4. Offer to purchase and notice of intent to acquire hand-delivered.
5. Deadline to accept offer.

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6. File condemnation action.
7. Service and service by publication.
8. Hearing for possession of subject property, or secure stipulation for possession if no contest.
9. Valuation or other compensation trial to be scheduled at a later date if necessary.

Chairman Balk inquired as to when it is appropriate to approach developers about purchasing the property where the current fire station sits. Mr. Collins noted this process can start now. It was discussed to wait for approval of the zoning change before approaching developers. Discussion took place regarding the need for Vail Resorts approval for 5 additional units on Lot A. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Acquisition Resolution as prepared; authorize granting the easement across Lot A in exchange for 5 density units; and contingent upon county approval of the PUD amendment Mr. Hanks has authority to begin working with brokers to sell Lot A.

Mr. Luker inquired about traffic up Elk Track Road. Traffic up Elk Track will be limited to Fire Station and water tank traffic only. There will be no access to the Service Station on Elk Track. Current access to the Service Station is through Village Walk. Traffic will not go on Dally.

Snowmelt System: The replacement of one of the 3 burners currently exists in the 2012 budget. The manufacturer of the current system is no longer in business and it was decided to remove and replace one of the burners and set it aside for parts for the other two. Another issue has arisen related to the control system. The current control system has not been made in years and is seen as a more important piece of the snowmelt system. Mr. Hanks inquired as to whether it may be more prudent to use the money budgeted for burner replacement toward the control system replacement. The question arose as to whether timing is an issue. Getting rid of the old system so close to a time when it is needed could be problematic. It was decided to replace the burner as budgeted and gather information related to price and timing for the control system.

Speed Sign: A new speed sign has been ordered for the requested spot on Village Road near the Offerson Road crosswalk. Mr. Maher

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pointed out the speed sign on Village Road does not work in the early hours of the day. The issue will be looked into.

Vehicle Maintenance Contracts: Two maintenance contracts were presented to the Board related to BCMD vehicle and equipment maintenance and Bus maintenance with the Town of Avon. Mr. Hanks noted the only difference in the contracts compared with 2011 involves the Town of Avon lowering the fuel surcharge and a few immaterial word changes.

The Vehicle and Equipment Maintenance Agreement with the Town of Avon was discussed. Mr. Hanks stated the rates will remain the same as last year. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the BCMD Vehicle Maintenance Agreement with the Town of Avon.

The Parking Lot Bus Maintenance Agreement with the Town of Avon was discussed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Parking Lot Bus Maintenance Agreement with the Town of Avon.

2015 World Cup Championship Requests: An initial estimate for paving the road up to Red Tail from B & B has been received revealing a cost of \$475,000. There has been discussion related to splitting the costs between BCRC, BCMD, and VR. A tighter estimate is needed from B & B. The road does not belong to BCMD and does not require maintenance from the District. The wrapping of buses will be discussed when a design is presented. BCMD can handle the plowing requests.

Insurance Claims: The Board referred to the report included in the packet. Mr. Hanks noted the District has received payment from the Vail Valley Foundation for paint removal from Village Road and a lamp post that was damaged. There are no outstanding claims at this time.

Legal

Mr. Collins noted nothing more to report on the legal front in open session.

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Bus Leases

Mr. Marchetti presented the Board with rate information from US bank and Wells Fargo related to the leasing of buses, recommending US Bank as their rates are significantly lower at 1.29% and 1.65% for the two leases. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve financing the 2012 bus purchases through US Bank and authorizing Ken Marchetti and Clyde Hanks to sign the documents related to such leases.

2013 Budget

The public hearing for the 2013 budget was opened. The Board reviewed the 2013 budget in detail at a work session held on October 2, 2012. It was noted revisions to the 2013 budget from the work session reflected \$152,000 more will be spent next year. There is expected to be \$4.3 million in reserves at the end of 2013. The lease/purchase of a sweeper will be put off one more year. It was decided to postpone capital equipment purchases but not postpone road work. Overlays were budgeted for 2013. Jeff Luker, a Beaver Creek homeowner, inquired about the budget for transportation. The District will provide \$2.85 million from property tax revenue moving forward using the Denver/Boulder index for the CPI. The public hearing was closed. Information had been included in the packet regarding the transportation agreements as requested at the budget work session. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the 2013 budget subject to receipt of the final assessed valuation and

FURTHER RESOLVED to appropriate the sums of money for Beaver Creek Metropolitan District, and

FURTHER RESOLVED to certify the mill levy for Beaver Creek Metropolitan District.

Financial Statements

Mr. Marchetti referred to the September 2012 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the September 2012 preliminary financials as presented.

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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.

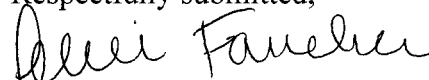
Executive Session Upon motion duly made and seconded, it was unanimously

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. The Board entered into executive session at 10:15 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 Special Meeting of the Beaver Creek Metropolitan District Board of Directors held on October 17, 2012.

Respectfully submitted,



Jennie Fancher
Secretary for the meeting