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# RECORD OF PROCEEDINGS

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## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT October 23, 2013

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., October 23, 2013 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

### Attendance

In Attendance were Directors:

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

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Ken Marchetti, Robertson & Marchetti, PC
- Jim Collins, ESQ, Collins Cockrel & Cole
- Jennie Fancher, BC Admin Assistant, BCMD
- Tim Baker, Beaver Creek Resort Company
- Bill Simmons, Vail Resorts
- Tim Maher, BCPOA President
- Glenn Palmer, Alpine Engineering

### Call to Order

The Regular 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 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

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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 25, 2013, Regular Meeting. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the September 25, 2013 Regular Meeting.

### Agenda

Director Power requested a Water Authority update be added to the agenda.

### Future Meetings

Mr. Hanks suggested combining the November and December meetings into one meeting as has been done in past years. It was decided to cancel the November meeting and scheduled December meeting and hold the next BCMD board meeting on Wednesday, December 11, 2013.

### Public Input

**Water Authority Update:** Director Power updated the Board on the water tank project, noting the project is on schedule and should be back online between November 4 and 8. A new agreement is being negotiated between UERWA and its Member entities. Mr. Hanks and Director Power have been diligent in protecting Beaver Creek and its position in the Authority. An increase in user fees is anticipated. Both ERWSD and UERWA want to pay for repair and replacement with revenues as opposed to continuously bonding for these maintenance projects. Bonding will be left to larger, less frequent projects. A 6 to 7% increase is expected to cover capital projects. Steve Friedman is on the ERWSD Board and is expected to dive into the expenses.

**ECO Vail to BC Route:** Mr. Simmons presented the Board with a request from ECO to reinstall its direct Vail to Beaver Creek bus route. The service was traditionally for people to get from one location to the other for work, with a morning and a late afternoon service scheduled. When tax collections reduced the service was cut. The Turtle Bus has been operating a service from Beaver Creek to Vail for the past couple of years but is not seen as providing the level of service desired. Dependability is a factor. While it has not happened frequently, if a bus broke down the service did not occur. There has been a big push for ECO to re-implement service again. Now that sales tax revenues are up ECO is looking to get the service operating during the ski season. Ridership covers the expenses for the route but there is not enough ridership for both services. Mr. Hanks informed the Board that Turtle Bus pays \$4,000 for using the bus turnaround and inquired whether ECO should be charged as well.

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Discussion ensued related to charging one entity versus another. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve a contract with ECO allowing the reinstallation of service between Vail and Beaver Creek while at the same time eliminating the collection of fees from both ECO and the Turtle Bus.

### **General Manager Update**

**Fire Station Update:** Mr. Hanks updated the Board on progress related to acquiring land for a new fire station. The District has filed to use the power of eminent domain. In turn Vail Resorts hired a condemnation attorney and came back with a counter. The counter has issues to be worked out. With the new VR attorney there is immediate response and the communication has accelerated. The next step will be to file for immediate possession. Neither side is at great odds in value or in the details. The filing has brought out effective communication.

As requested the distance and additional response time associated with the lot by the water tanks was looked into. The new site is 698 feet further up the road from the current station and takes an additional 46 seconds driving at a speed of 25 miles an hour. Mr. Hanks contacted three major insurance carriers, all of whom noted the additional distance and time would have no specific impact on rates for homeowners. Individual rates are a determination of a number of factors. There is an ISO rating of 5 for Beaver Creek and ratings between 4 and 6 are weighed the same.

The cost estimates for the new site were examined. The cost for grading, paving, and installation of utilities is estimated to be \$625,000. The site preparation work is estimated to be \$940,000. The cost of constructing a new station is estimated to be \$4.5 million. Zehren and Associates, architects of the original station, estimate the construction costs of a new station on the current site to be between \$3.85 and 4.2 million; but the current site could not be sold.

Communicating the results of the analysis to the Lowes and the Myers is important. Mr. Maher questioned why hard numbers for renovating the current site were not thoroughly examined and why Zehren did not detail why remodeling the current station was not recommended. The age and physical limitations of the current site make remodeling it impractical. In addition, assuming a cost of around \$2-4 million for a remodel, no funding source for this amount has been identified other than asking the taxpayers

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for a tax increase, for which no support was expressed. There are additional costs associated with remodeling or rebuilding on the current site that involve relocating to a temporary station for approximately 18 months.

Pure economics make relocating the fire station to the new site more sensible. The subject of density was discussed. The land where the current station is more valuable if it can be divided for 3 single family homes or 4 duplexes. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to proceed with the negotiations with Vail Resorts toward the acquisition of property on which to build a new fire station.

**Fire Contract Renewal:** Mr. Hanks informed the Board that negotiations continue. The last meeting was rescheduled for October 31<sup>st</sup>. The issue left to work out remains the value of mutual aid and determining a number for this service.

**Guardrails:** The guardrail installation will be completed this week, they are currently finishing up at the Prater Road curve and the stonework continues. The project should come in just under \$400,000. Mr. Hanks informed the Board there is not enough width at the Prater Road curve to include the stone stanchions. Director Elsner noted his desire to see stonework added on the ends of this section of guardrail.

**Vail Mountain Rescue Request:** The Board acknowledged the request on behalf of Vail Mountain Rescue. Mr. Collins noted that local governments are not allowed to give to charities unless the entity receives some direct value. The Board acknowledged Vail Mountain Rescue is a great organization and directed Mr. Hanks to write a letter stating such but BCMD is not in the position to donate tax payer dollars.

**Insurance Claim Recovery:** The Board referred to the report included in the packet. Mr. Hanks noted repairs to the Kiva Bridge have been made and a check is expected.

### Legal

Mr. Collins presented the Board with the reimbursement resolution. The resolution is necessary for reimbursement for any hard costs that may be incurred related to the fire station and temporary financing. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the reimbursement resolution.

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### 2014 Budget

The public hearing for the 2014 budget was opened. The Board reviewed the 2014 budget in detail at a work session held on October 2, 2013. It was noted slurry seals for the roads in lieu of overlays will result in \$670,000 of savings. Mr. Hanks noted the lease/purchase of a sweeper has been put off for three years and is necessary for 2014. The public hearing was closed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adopt the 2014 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.

### Bus Leases

Mr. Marchetti presented the Board with rate information from US bank related to the leasing of buses, recommending option A with a rate of 1.83%. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve financing the 2013 bus purchase through US Bank and authorizing Ken Marchetti and Clyde Hanks to sign the documents related to such leases.

### Financial Statements

Mr. Marchetti presented the Board with the preliminary financials for September 2013. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the September 2013 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

Mr. Maher noted the American Flag on Village Road needs to be lit or taken down at night.

### Executive Session

Upon motion duly made and seconded, it was unanimously

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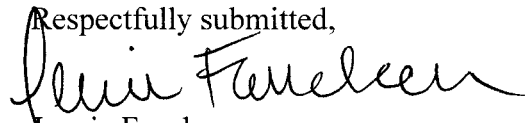
**RESOLVED** to enter into executive session citing §24-6-402(4) (a) C.R.S. for the purpose of determining positions subject to negotiations related to the acquisition of property for a new fire station; The Board entered into executive session at 10:02 a.m. and adjourned the executive session at 10:43 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 October 23, 2013

Respectfully submitted,



Jennie Fancher  
Secretary for the meeting