
RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT November 28, 2012

The Special Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., November 28, 2012 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

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

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Ken Marchetti, Robertson & Marchetti, PC
- James Collins, ESQ, Collins Cockrel & Cole (on phone)
- Jennie Fancher, BC Admin Assistant, BCMD
- Tim Baker, Beaver Creek Resort Company
- Sam Parker, Director of Beaver Creek Public Safety
- Dominic Mauriello, Land Planner
- Tim Maher, BCPOA President

Call to Order

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

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

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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 October 17, 2012 Special Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the October 17, 2012 Special Meeting.

Agenda

Director Kreig requested discussion related to the new speed sign on Village Road be added to the agenda.

Future Meetings

Discussion took place related to canceling the December meeting. The next regular meeting will be scheduled for January 23, 2013. Upon motion duly made and seconded, it was unanimously

RESOLVED to cancel the meeting scheduled for December.

Public Input

There was no public input.

General Manager Update

Fire Station PUD: Mr. Hanks noted the District is moving forward on three parallel paths. One is the PUD issue in front of the Planning and Zoning Commission at the County. A preliminary meeting with the commission revealed some issues and the application was tabled. The PUD amendment will be back before the Planning and Zoning Commission on December 19, 2012. The PUD amendment will be passed along at this time to go in front of the County Commissioners sometime in early January. Second, BCMD continues to work on negotiations with Vail Resorts to purchase the property up by the water tank. The negotiations will be discussed in Executive Session. Third, a preliminary draft announcement has been created relating to the listing for the land where the current fire station sits. The property is expected to be listed for sale officially in the 1st quarter of 2013.

Director Elsner inquired what the issues are in the process. Mr. Hanks responded the issues are finalizing negotiations with Vail Resorts and getting over objections at the Planning and Zoning Commission meeting. The issue with Planning and Zoning at the County is the commission's concern related to construction of a new fire station and possible encroachments on open space. A presentation has been prepared demonstrating the planned location for a new fire house already exists in the PUD and may be planned by right, nothing will be

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done that is not already allowable. The other concern is the management of the process with concern there would still be fire protection for Beaver Creek while a new station is being built. Director Kreig noted the Planning and Zoning Commission's concern about not getting enough approval from the home owners. Only one homeowner spoke up in favor. Director Elsner inquired as to whether a BCPOA letter of support was on record. Mr. Maher noted that a resolution had not been passed at a BCPOA meeting. He relayed his concerns about reaction times and traffic issues that may arise with a new location. The traffic concerns are related to both a new station and a reputed spur connector road. Mr. Hanks relayed traffic information had been presented at the last BCMD meeting. Discussion took place related to BCPOA support of the PUD Amendment. As no formal resolution was passed by the BCPOA at the last meeting a formal vote would need to take place for the BCPOA to draft a letter of support.

Mr. Baker noted so many of the questions out there are separate issues from the PUD amendment. He added his recollection being part of the deal involves getting vehicle traffic out of Village Walk. Mr. Hanks noted that Vail Resorts would like to see vehicle traffic out of Village Walk and this desire has been made clear but negotiations at this point are confidential. Mr. Baker noted his frustration over the negotiations being confidential and held in Executive Session. Mr. Hanks responded the negotiations are constrained by the condemnation process which requires confidentiality. Mr. Baker noted he sees no reason for the process to take so long.

Director Kreig noted the official details would be discussed in Executive Session. And that the negotiations between VR and BCMD will be kept private until an agreement is made. Two meetings with Doug Lovell and Alex Iskenderian have resulted in a clear desire on Vail Resorts part to keep negotiations confidential. An offer will be made for the property, if accepted the deal will be done. If VR does not accept then a counter will be made. VR has been dragging its feet and a written offer is seen as needed to proceed.

Fire Department Contract Renewal: The Eagle River Fire Protection District was successful in securing a mill levy increase for funding in the November election. They are ready to move forward with negotiations. Mr. Hanks noted he is meeting Fire Chief Bauer this afternoon for lunch.

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Snowmelt: The two needs for the snowmelt system include a new burner and the control system replacement. The control system crashed 2 weeks ago and a new system has been ordered and will be here and installed by December 7th. The two items combined will not be more than the \$40,000 budgeted. For the time being the system will be controlled manually.

Project Legacy: The wood sections of the new guardrail at the intersection of South Holden and Village roads have been put in place and the stone work will be completed next week. All comments received about the new look have been positive. Replacing guardrails at the Prater Road curve is in the 2013 budget. All of the guardrails along Village Road can be replaced for \$400,000 to be split with BCRC. Discussion took place about cutting costs by only installing the wood sections and eliminating the stone from the design, which would bring the cost down to \$250,000. Director Power voiced his objection to any proposal to remove the stonework from the guardrail modifications. The idea of researching cultured stone was also brought up. The replacement of all of the guardrails within the resort will be placed on the January agenda.

Insurance Claim Recovery: There are no new claims to be reported.

Speed Sign: The new speed sign installed on Village Road heading south, before the Offerson Road crosswalk was discussed. The sign reads 15 MPH directly after a sign that reads 25 MPH. It was discussed to change the sign to 25 MPH. It was noted that parking lot buses never seem to go slower than 35 MPH on this section of the road. Mr. Parker noted he will speak with Village Transportation.

Transportation Agreements Renewal:

Three transportation agreements were presented for renewal. The agreements had been included in the packet. These were the standard agreements which need to be reviewed and approved annually. Director Elsner questioned the Village to Village transportation agreement, noting Beaver Creek pays for a large part of the total cost. He reminded the Board that he had asked for ridership numbers to support the percentage for the past three years and nothing substantial has been produced. Director Elsner noted each of the four entities involved in the Village to Village transportation agreement should pay 25% until an in-depth analysis occurs. Discussion regarding the agreements occurred noting there will be a slight adjustment to the

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figures for special events transportation related to the total hours for the year. It was decided to request a study defining the actual costs of operating buses for special events. Mr. Marchetti noted he would have information available for the January meeting. Upon motion duly made and seconded, it was by a vote of 3 ayes and 1 nay (Director Elsner)

RESOLVED to approve the Village to Village Transportation Agreement subject to revisions as discussed and,

FURTHER RESOLVED to approve the Dial-A-Ride Transportation Agreement subject to revisions as discussed and,

FURTHER RESOLVED to approve the Parking Lot Bus Transportation Agreement subject to revisions as discussed.

Director Elsner added his astonishment for the Board approving an agreement for the Village to Village service where there is no evidence to support the 40% contribution on behalf of BCMD, noting his opinion that it is not right for BCMD to be paying the lion's share of the cost.

Legal

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

Financial Statements

Mr. Marchetti referred to the October 2012 preliminary financial statement included in the packet. Director Kreig inquired as to where the District stands with one month left in the year. Mr. Marchetti responded BCMD is in the black, running favorable variances on the expense side and revenues are running very close to budget. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the October 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.

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Director Balk joined the meeting at 9:45 am by phone

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 9:40 a.m. and adjourned the executive session at 10:30 a.m.

Upon reentering public session, upon motion duly made and seconded, it was unanimously

RESOLVED to authorize Beaver Creek Metro District to move forward with the condemnation process for the parcel of land up by the water tower with all due recognition of the concerns and interests of Vail Resorts.

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 November 28, 2012.

Respectfully submitted,



Jennie Fancher
Secretary for the meeting