
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT

May 27, 2015

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., May 27, 2015 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
- Jim Fraser
- Stephen Friedman
- Pam Elsner

Also in Attendance were:

- Bill Simmons, General Manager, BCMD
- Ken Marchetti, Marchetti & Weaver, LLC
- Eric Jorgenson, Collins Cockrel & Cole
- Jennie Fancher, BC Admin Assistant, BCMD
- Jim Clancy, BCPS
- Tim Kelley, BC homeowner
- Jeff Luker, BCRC
- Elizabeth Jones, BCRC
- Jen Brown, Executive Director, BCRC
- 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

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District May 27, 2015 Meeting Minutes

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 Regional Water Authority; Mr. Stephen Friedman is a member of the Board of Directors for the Vail Valley Foundation and 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 April 22, 2015, Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the April 22, 2015 Regular Meeting.

Agenda

No changes were made to the agenda.

Future Meetings

The next regular meeting for the District is scheduled for June 24, 2015, at the same time and location.

Public Input

No public input was received.

General Manager Update

Fire Station: Mr. Simmons informed the Board progress is being made in value engineering. The original estimate for construction was over budget. A couple of major changes, including opting for an overhead door as opposed to a bifold door (savings of \$100,000), and a few minor changes have been made, knocking \$300,000 off of the estimate and putting the project within \$100,000 over budget. The plans were well received by DRB. Construction is still slated to start mid-July. The Architect and the builder have been working well together and have shown a commitment to value engineering.

Fire Station Road: The weather has put road construction slightly behind schedule. The waterline is being installed and Mr. Simmons is working with VR for final agreements for connecting to the pump station.

Fire Station Sale Update: Mr. Simmons informed the Board that Dominic Mauriello is attending the Executive Session to discuss a marketing strategies for the fire station site at 185 Elk Track Road.

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District May 27, 2015 Meeting Minutes

Project Legacy: The Project Legacy improvements begin work today. The water feature project will commence on June 1.

Incident Report: Mr. Simmons referred to the information in the packet noting no new incidents have been reported.

Legal

Mr. Jorgenson presented the Second Amended and Restated Connector Easement Agreement with The Vail Corporation for approval, referring to the redline version that was emailed to the Board prior to this meeting. The agreement was first recorded in April 2014 and amended last November. Changes include two edits requested by The Vail Corporation in paragraph number 5, as well as edits to paragraph 5 made by the District that conform it to the 2013 PUD Amendment; the District's deletion of paragraph 6; and edits to language about the grantee in the former paragraph number 7, now paragraph number 6. Language edits requested by The Vail Corporation clarify that it is not required to build the Connector Road. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Second Amended and Restated Connector Easement Agreement as presented and to authorize its execution for the District.

Long Range Financial Plan

Mr. Marchetti discussed the long range financial plan for the District, including discussion of a mill levy increase versus implementation of a sales tax. An increase of 4.5 mills would bring the total mill rate for BCMD to between 13 and 13.5 mills. One mill generates approximately \$328,000 in property taxes for the District that translates into \$80 per million in value for a property owner. Director Friedman requested the language on the sample ballot question be clarified to explain why the increase is necessary and exactly what is being proposed. There is an option to do a mill levy increase, implement a sales tax, or a combination of both. The property tax distribution is 77% residential, 22% commercial. Once a method to increase revenue for the District is decided the plan will be to get BCPOA support. More data needs to be collected.

2014 Audit

Mr. Marchetti discussed the 2014 Audit. The Audit Committee, comprised of Directors Kreig and Fraser, met with the auditors, Ken, and Kathy to go over the audit. Only one audit finding was discovered, related to the transportation funding CPI calculation that resulted in an increase of \$13,472. No other findings or adjustments were presented. The Committee recommends acceptance of the 2014 Audit. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2014 Audit.

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District May 27, 2015 Meeting Minutes

RFP Review

Mr. Marchetti reviewed the proposals received for COP funding. The two best proposals were received from UMB and Compass. It is anticipated the COPs will be paid off by the end of 2016. The two proposals were very close but discussion led the Board to lean toward the fixed rate from UMB, although they acknowledged that they don't expect LIBOR to move much in the next year. The

Board directed Mr. Marchetti to pursue UMB for the COP funding, with formal approval of loan documents is expected at the June meeting.

Financial Statements

Mr. Marchetti referred to the April 2015 preliminary financial statements in the packet, noting nothing additional to report. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the April 2015 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.

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 9:48 a.m. and adjourned the executive session at 10:54 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 May 27, 2015.

Respectfully submitted,



Jennie Fancher

Secretary for the meeting