
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT August 28, 2013

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., August 28, 2013 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
- Mike Balk
- Bob Gary
- Ernie Elsner

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
- Sam Parker, BC Public Safety
- Chad Thompson, Superintendent, BC Golf Course
- Tim Maher, BCPOA President
- Barry Parker, BCPOA Vice President
- Terry Lowe, BC Resident
- Mike Lowe, BC Resident
- Mike Myers, BC Resident
- Sammye Myers, BC Resident
- John Mobley, BC Resident

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

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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 restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

Minutes

The Board reviewed the minutes of the July 24, 2013, Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the July 24, 2013 Regular Meeting.

Agenda

No changes were made to the agenda.

Future Meetings

The next regular meeting is scheduled for Wednesday, September 25, 2013 at the same time and location. Director Power noted he will be absent for the next meeting.

Public Input

Chad Thompson, the superintendent of the Beaver Creek Golf Course requested ongoing cost sharing support from the Board for the maintenance of trees along Village Road. The annual tree care program will be shared three ways between the Golf Course, BCMD and the BCRC. Upon motion duly made and seconded, it was unanimously

RESOLVED to contribute up to \$10,000 for one third of the cost of caring for trees along Village Road to be reviewed in three years, subject to annual appropriations.

Beaver Creek homeowner Terry Lowe approached the Board about the plans for a new fire station, stressing her concerns that a financial decision not outweigh the concern for safety and response timing. The new fire station is supposed to be one quarter of a mile further up hill from the current station, adding 90 seconds to the response time. The current response time within the resort averages just under three minutes. Ms. Lowe also noted her estimated cost to remodel or rebuild at the current site would be \$3 million, which averages out to cost homeowners an additional \$30 a year in property taxes. If the cost were \$50 per homeowner per year it would be a small cost compared with sacrificing safety. Sam Parker (Beaver Creek Public Safety) noted Public Safety is responsible for initial

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emergency response. All Public Safety personnel are trained EMTs and respond from different areas within the resort. Ms. Lowe also pointed out that in four (4) minutes time fires can get out of control in a home, her worry is for insurance rates to go up for homeowners throughout Beaver Creek. Beaver Creek homeowners noted the fear of escalating costs mounting from lawsuits should BCMD build a new station on the supposed site above Elk Track as well as a connector road to Dally from the existing site. BC homeowner Mr. Lowe brought up the issue of homeowner indemnification. Mr. Collins noted the District's willingness to cooperate should a viable legal case be presented. It was mentioned that Beaver Creek has the quickest response times in the valley. ERFPD has stated it has an average response time of eight (8) minutes. The Beaver Creek homeowners in the audience requested firm bids on improving the current station, noting their belief that a decision is being made on insufficient facts. Director Power recommended spending up to \$10,000 to examine the facts and costs of remodeling at the current site in addition to reviewing the safety concerns related to relocating the station. Director Gary noted there would be no harm in getting estimates as well as an independent evaluation of how response times would affect insurance premiums. Director Elsner the length of time it takes for the ladder truck to reach Beaver Creek from its current station in Cordillera, 22 minutes, and the response time from Vail, 18 minutes. He also noted his belief the District is better off building a new station. The professional appraisal on the land where the station sits currently would cover the costs of building a new station as well as the purchase of a new ladder truck. Director Kreig noted renovating the current station will require a bond issue on the ballot. President Balk questioned who would conduct the analysis and inquired who would be suing the District. The Board continued the discussion later in the meeting.

General Manager Update

ERFPD Contract Renewal: Mr. Hanks reported he, Director Power and Director Gary continue to work with ERFPD toward reaching an agreement. The three issues being worked on involve allocated costs related to salaries, contributing costs toward the ladder truck, and funds toward the maintenance of other stations. There does not appear to be a rationale backing up the percentages ERFPD chose. The negotiations have been amicable and the gap has narrowed.

Fire Station: Discussion took place related to obtaining a cost estimate for replacing the fire station in its current location, a cost estimate for building a new station and conducting a safety evaluation related to relocating the station ¼ mile up the road. The Board directed Mr. Hanks to look into the

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cost of conducting a study to evaluate the cost of improving the current station, building a new station and an evaluation of response times.

Guardrails: Castleton has been awarded the stone work for the guardrails. The project is expected to be \$430,000, which is \$30,000 above the \$400,000 originally budgeted. The work will start in mid September.

Skier Bridges: Mr. Hanks reported to the Board on issues with two skier bridges, Centennial Station and Oxford Court. The bridges are owned by the District and are in need of repair. The bridges have received temporary fixes but will need long term solutions. An estimate of repair costs will be prepared for the 2014 budget discussions. Mr. Maher inquired as to whether the District owns the Strawberry Park bridges. The bridges have missing stonework.

Insurance Claim Recovery: The Board referred to the report included in the packet. Mr. Hanks noted no new claims have been filed but a bicyclist hit a lamp post last week and did some damage.

Legal

Mr. Collins noted there is nothing to report other than items for Executive Session.

Financial Statements

Mr. Marchetti noted the District is expected to end the year with \$4.826 million. At the October meeting Mr. Marchetti expects to know which properties are protesting assessments. He expects property valuations to move up from here on. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the July 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.

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

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station; The Board entered into executive session at 10:30 a.m. and adjourned the executive session at 11:28 a.m.

After returning from executive session, discussion ensued related to construction of the new fire station. The Board determined that it remains willing to consider rebuilding on the current site, and will consider all of the factors related to public safety prior to making a final decision. The Board did express extreme concern over the one-year period required to house some sort of temporary fire station, possibly located in a tent in a lower parking lot, while the reconstruction is taking place on the current site. Accordingly, concurrent with that reconsideration, the Board determined that it was necessary to move forward on the alternative site owned by Vail Resorts, and that the only viable remaining option was to at least begin the eminent domain process. Accordingly, upon motion duly made, seconded and unanimously carried the attached Resolution was approved.

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 August 28, 2013

Respectfully submitted,



Jennie Fancher

Secretary for the meeting