
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT October 26, 2011

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., October 26, 2011 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
- Bob Gary (on phone)

Directors Absent and Excused:

- Jim Power

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Jim Collins, Esq, District Counsel
- Ken Marchetti, Robertson & Marchetti, PC
- Jennie Fancher, BC Admin Assistant, BCMD
- Kathy Lewensten, Robertson & Marchetti, PC
- Bill Simmons, Director of Operations, Vail Resorts Village Operations
- Dawn Friedman, BCPOA
- Tim Baker, BCRC Executive Director
- Sam Parker, Director of Public Safety, BC

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director 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

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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 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 28, 2011 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the September 28, 2011 Regular Meeting.

Agenda

An item was added to the agenda under the General Manager's report to discuss a request from the Vail Valley Foundation for logistical support for the Birds of Prey ski races in Beaver Creek Nov. 30 through Dec. 4.

Future Meetings

After discussion, the next meeting was scheduled for Wednesday December 7, 2011 at the same time and location.

Public Input

TOA Bus Service: Mr. Tim Baker, BCRC, presented an agreement between the Town of Avon and BCRC regarding express shuttle service between the town and the resort. The expense of the service will be 100% funded by BCRC and the TOA. The TOA buses will use the bus turn-around in Beaver Creek, requiring an acknowledgement from the BCMD Board. Upon motion duly made and seconded, it was unanimously

RESOLVED to acknowledge the TOA shuttle bus service may use the bus turn-around at the Beaver Creek covered bridge area at no cost.

General Manager

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Update

Eagle River Fire Protection District: Mr. Hanks reported Chief Moore had submitted his resignation from his position as fire chief for ERFPD. Assistant Chief Karl Bauer has been appointed acting Chief.

Fire Station: Mr. Hanks reported Mr. Alex Iskenderian (Sr. Vice President & COO Vail Resorts Development Company) informed him a memo is being drafted by VR's legal department regarding the parcel of land by the water tank which is being considered as a location for a new fire house. The memo is expected to contain a reverter clause which would return the parcel to VR's possession if nothing is constructed upon the land within a five year time frame. Director Elsner questioned whether steps toward the development process could begin. After discussion the Board directed Mr. Hanks to obtain a list of architectural firms and a detailed script of the zoning process for review at the next board meeting.

Fall Overlays & Patching: Mr. Hanks reported the re-vegetation related to the Village Road drainage work will occur in the Spring. Striping is being held up by the company's schedule. They are trying to coordinate with a concurrent job in Avon and weather conditions. Mr. Hanks was directed to look at inconsistencies existing around manhole covers where road overlays were recently completed. The 2012 budget has \$50,000 for patching and \$55,000 for drainage work, as best guess estimates, reached with the assistance of the engineers who examined the condition of the roads this year.

Insurance Claims: The Board referred to the report included in the packet. There are no new claims reported.

Birds of Prey World Cup Transportation: Mr. Hanks referred to a memo received regarding the VVF request for District support for the 2011 Birds of Prey World Cup Races. There is no cost to the District. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the request for transportation support and snow removal services in the same manner as past years for the World Cup Races.

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Project Legacy Update: Mr. Hanks presented a brief update on the implementation of new road signs along Village Road and the village core. Some signs fonts have been adjusted for visibility. Secondary road signs were not budgeted for this year. Danger and height signs for bridges that cross Village Road need to be put back up. The response regarding the new signs has been positive thus far. Director Balk suggested a budget number be produced for replacing the secondary road signs within the resort for consideration. The front entry monument is on order and will be made of granite.

Guardrails were discussed. The Board expressed interest in replacing a section of guardrail in the new design. It was estimated the section being considered would be approximately \$15,000. The Board asked if BCRC would be able to provide funds for one-half the cost of the test section in the spring. Mr. Baker will bring the matter up to BCRC in the next meeting but was optimistic. Mr. Baker offered to take the lead in obtaining a design and pricing for the new guardrail.

Agreement Renewals:

Five 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 Mr. Simmons that he had asked for ridership numbers to support the percentage last year and had not yet seen them. Mr. Simmons responded he will provide the information based on surveys that were taken in the last year. The Village to Village agreement was tabled until the next meeting to allow time for review of ridership data for this route.

Dial-A-Ride Agreement: Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Dial a Ride Transportation Agreement.

Parking Lot Agreement: Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the Parking Lot Transportation Agreement.

BCMD Vehicle Maintenance Agreement: The BCMD Vehicle 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.

Parking Lot Bus Maintenance Agreement: 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.

Legal

State of Colorado legislation: Mr. Collins reported Special District legislation is quiet at the moment.

ERFPD: Mr. Collins confirmed Chief Moore has resigned effective the end of the year and Assistant Chief Karl Bauer is acting Chief.

Financial Statements

The Board reviewed the September 2011 preliminary financial statement included in the packet. Mr. Hanks noted the F350 in the 2011 budget will be purchased in 2012, as the state program the vehicle is being purchased through is behind schedule. The reserves at the end of 2011 are expected to be a little more than \$5 million, and roughly \$4.6 million at the end of 2012, dropping roughly \$500,000 between the end of 2011 and the end of 2012. Two road projects are being pushed out to 2015, taking \$250,000 out of the budget for next year. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the September 2011 preliminary financials as presented.

2012 Budget

The public hearing for the 2012 budget was opened. Beaver Creek resident Dawn Friedman inquired how BC property owners would

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be notified of the increase in the transportation and debt service mill levies. The Board directed a letter be drafted and sent by mailing. The public hearing was closed. Information had been included in the packet regarding the transportation agreements as requested at the budget work session. The Board reviewed the 2012 budget in detail at a work session held on October 5, 2011. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the 2012 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.

2011 Audit

Engagement Letter

Mr. Marchetti referred to an engagement letter received from McMahan and Associates for the 2011 Audit. Their fee will be lower than the 2010 audit, \$10,900 for the 2011 audit compared with \$11,500 for the 2010 audit. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Engagement Letter with McMahan and Associates for the 2011 Audit.

Accounts Payable

The Board reviewed the Accounts Payable listing that had been included in the packet. Director Elsner inquired about a check made out for payment of the Hotsy. Mr. Hanks informed the board the District upgraded its vehicle washing system in July and Hotsy is the company which made the equipment. The B & B expenses were discussed, the actual charges of asphalt are used in billing, as opposed to expected quantities. 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

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RESOLVED to enter into executive session citing §24-6-402(4) (e) C.R.S. for the purpose of discussing UERWA and fire station matters. The Board entered into executive session at 9:40 a.m. and adjourned the executive session at 10:08 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 26, 2011.

Respectfully submitted,

Jennie Fancher
Secretary for the meeting