

---

# RECORD OF PROCEEDINGS

---

## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT January 22, 2014

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., January 22, 2014 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

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Ken Marchetti, Robertson & Marchetti, PC
- Jim Collins, ESQ, Collins Cockrel & Cole (by phone)
- Jennie Fancher, BC Admin Assistant, BCMD
- Tim Baker, Beaver Creek Resort Company
- Bill Simmons, Vail Resorts
- Alex Iskenderian, Vail Resorts
- Kristin Williams, Vail Resorts
- Jonathan Heroux, Piper Jaffray
- Barry Parker, BCPOA President
- Tim Kelley, BC homeowner
- Jim Lee, BC homeowner
- Jerry Reardon, BC homeowner
- Tim Maher, BCPOA & BCRC
- Jeff Luker, BCRC
- Jim Fraser, BCPOA

### 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

---

# RECORD OF PROCEEDINGS

---

---

## Beaver Creek Metropolitan District January 22, 2014 Meeting Minutes

---

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

### Minutes

The Board reviewed the minutes of the December 11, 2013, Special Meeting. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the December 11, 2013 Special Meeting.

### Agenda

No changes were made to the agenda.

### Future Meetings

The Board reviewed the meeting schedule for 2014, and briefly discussed changing the meeting dates to accommodate the Beaver Creek Club Men's Ski Day. Citing scheduling conflicts it was decided to keep the 2014 meeting schedule as presented. The next regular meeting is scheduled for Wednesday, February 26, 2014 at the same time and location. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the 2014 meeting schedule as presented.

### General Manager Update

**Fire Station Update:** Mr. Hanks updated the Board on progress related to acquiring land for a new fire station. February 18, 2014, is the scheduled date for the condemnation hearing. Mr. Hanks noted he is meeting with the condemnation attorney on Friday to discuss prepping for the hearing. A proposal has been received from VR offering an alternative site, 400 feet further south of the current site. Initial issues with the proposed site include a new telecomm tower being installed and its possible interference with fire truck traffic and an existing hiking path that would need to be rerouted. The positive perspective on the alternate site is that the lot is flatter and more buildable, needing less of a retaining wall which could prove more cost effective. The site will be surveyed and examined to determine whether it is workable. The question arose as to whether an agreement with VR could be reached prior to the February 18 hearing. Drafting a memo of understanding acknowledging resolved issues and unresolved issues was discussed. The Board directed Mr. Hanks to work

---

# RECORD OF PROCEEDINGS

---

---

## Beaver Creek Metropolitan District January 22, 2014 Meeting Minutes

---

with Tom Allender of VR to negotiate an agreement or memorandum of understanding prior to February 18. The alternative would be to take immediate possession of the original site through the condemnation process and trade the lot after the fact. A friendly deal is preferred to fighting in court. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to authorize the condemnation attorneys to postpone the immediate possession hearing scheduled for February 18, 2014 to a date further down the road if an acceptable memo of understanding is reached by February 7<sup>th</sup> and both parties mutually agree to postpone.

**Fire Contract Renewal:** Mr. Hanks informed the Board that negotiations continue and progress is being made. The current issue involves mutual aid, response and support, how often ERFPD responds to call in Beaver Creek and how often Beaver Creek responds to calls in Avon. An acceptable contract is getting closer as the gap has narrowed. The contract renewal will be for a period of 10 years which will require voter authorization.

**Road Crew Update:** A replacement for Clyde Schlegel has been hired. Four candidates applied for the job and Mark Miscio, the new supervisor, was the most qualified. The crew is still short staffed. One new employee has been hired and is scheduled to start Sunday.

**Insurance Claim Recovery:** The Board referred to the report included in the packet. Mr. Hanks noted a lamp post was knocked over at the Kiva and a report for the incident is being tracked down.

### Resolution for Posting Places

The Board reviewed the resolution to set posting places for notices. The posting places currently used are the Kiosk in Beaver Creek Plaza, the Beaver Creek Club, and the District Office. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to post notices of the District's 2014 meetings as follows:

Notices of meetings of the District's Board of Directors required pursuant to Section 24-6-401, et. seq., C.R.S., shall be posted at least 24 hours prior to each meeting at the following location:

---

# RECORD OF PROCEEDINGS

---

---

## Beaver Creek Metropolitan District January 22, 2014 Meeting Minutes

---

BCMD Administration Facility

Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk and Recorder at least 3 days prior to said meeting shall continue to be made pursuant to Section 32-1-903(2), C.R.S.

### May 2014 Election

The Board discussed the upcoming May 6, 2014 Election. There are three (3) four-year terms on the Board of Directors up for election. The election will be a mail ballot election. Ms. Lewensten was appointed the designated election official. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the attached resolution regarding conducting a May 6, 2014 Election.

In addition to the Board of Directors election, the May 6<sup>th</sup> election ballot may also include questions related to a bond issue and a request for voter authorization for a multi-year fire services contract. A formal request has been received to place a bond issue on the May ballot to purchase a restrictive covenant for the Haymeadow area on the face of Beaver Creek Mountain. The basics of the agreement will need to be available to the public in order to market the bond issue. The restrictive covenant and related bond issue will be discussed in Executive Session. Director Gary noted a few years ago VR approached BCPOA for support for building amusement rides on USFS land. The original promise has VR building rides up at Spruce Saddle and now VR is asking \$5 million in exchange for a restrictive covenant and the ability to place rides at Spruce Saddle. Tim Maher noted the prior agreement is denied by VR and the current agreement allows for a restrictive covenant that will protect the Haymeadow area into the future so that no amusement activities can be built on the face of the mountain. Mr. Maher requested the agreement for the protective covenant require a public hearing if future changes to the covenant are to occur. The election would remain a mail ballot election, with the ballots being mailed in April. If there is a Tabor question, as expected, a Tabor notice will be required and will be mailed prior to the ballot mailing. The deadline for pro and con statements for a Tabor Notice is March 21, 2014. Tim Maher discussed his concern related to the voter list and whether it contains people who have sold property, noting his belief there are errors on the voter list. Mr. Marchetti recommended advising the County of errors.

**Bond Information** Mr. Marchetti noted the bonds could cost up to \$6 million, depending on rates, fees, and associated issuance costs. Mr. Hereoux referred to the current bonds in place, possibly securing bond insurance, and setting up a capitalized interest account. There are three points associated with

---

# RECORD OF PROCEEDINGS

---

---

## Beaver Creek Metropolitan District January 22, 2014 Meeting Minutes

---

the ballot issue. BCMD would ask voters for a maximum amount at borrowing rates which would allow some flexibility so as to avoid having to return to voters if rates go up. Jonathan Hereoux of Piper Jaffray provided the Board with related materials. The bonds would be available to property owners to purchase a day before they hit the open market. Bond counsel should be engaged prior to the election.

### Legal

Director Power inquired about the Authority Agreement. Mr. Collins noted language is being finalized.

### 2013 Audit

The Board was presented with a 2013 Audit Engagement letter from McMahan and Associates. Mr. Marchetti informed the Board the terms and costs are the same as for 2012. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to engage McMahan and Associates for the 2013 BCMD audit.

### Financial Statements

Mr. Marchetti presented the Board with the preliminary financials for December 2013, noting the year closed better than forecasted with \$5.3 million for the ending fund balance. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the December 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

Director Kreig noted February 7 was a date set for an agreed upon memo of understanding with VR. In addition the financials for the bond issue need to be set. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to hold a Special Meeting on Friday, February 7, 2014, at the same time and place to discuss ongoing negotiations related to acquiring land for a new fire station and matters related to the May 6, 2014 election.

### Executive Session

Upon motion duly made and seconded, it was unanimously

---

## RECORD OF PROCEEDINGS

---

Beaver Creek Metropolitan District January 22, 2014 Meeting Minutes

---

**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 and the bond issue related to the restrictive covenant; The Board entered into executive session at 10:35 a.m. and adjourned the executive session at 12:13 p.m.

Upon returning from executive session the Board took the following action. Upon motion duly made and seconded, it was unanimously

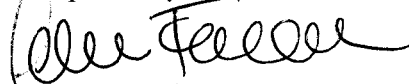
**RESOLVED** to engage Piper Jaffray for bond negotiations subject to fee negotiations.

### 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 January 22, 2014

Respectfully submitted,



Jennie Fancher

Secretary for the meeting