
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT January 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., January 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
- James Power
- Ernie Elsner
- Robert Gary (via phone)

Also in Attendance were:

- Clyde Hanks, General Manager
- James Collins, Esq, Collins Cockrel & Cole
- Ken Marchetti, CPA, Robertson & Marchetti, PC
- Jennie Fancher, BC Admin Assistant,
- Kathy Lewensten, Recording Secretary
- Sam Parker, BC Public Safety
- Bill Simmons, Director of Operations
- Dawn Friedman, BCPOA
- Ceil Folz, Vail Valley Foundation
- Tim Baker, BCRC Executive Director
- Larry Brooks, Town of Avon Manager
- Jennie Strahler, Town of Avon

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 Association; Mr. Michael Balk is a member of the Board of

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Directors for Beaver Creek Property Owners Association and a director of the Vilar Center for the Arts; 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 November 16, 2010 Special Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the November 16, 2010 Special Meeting.

Agenda

Mr. Hanks stated revised Town of Avon Maintenance Agreements had been included in the packet, he requested time in regular session for Mr. Brooks and Ms. Strahler to present the revised agreements and time in executive session for discussion related to the agreements. He requested time for Ms. Folz to update the Board on the 2015 World Championships.

Public Input

Ms. Folz addressed the Board concerning the 2015 World Championships. She wished to begin a dialogue as to the type of support they might request from the District. The Board had received information she had provided via e-mail prior to today's meeting.

She reviewed the details that are known so far; the race venues have all been set in Beaver Creek; the overall budget is expected to be approximately \$50 million; and Vail will be the festival site for the event. She explained they have formed committees for the various aspects of the planning. She stated one aspect they will be looking for input and support for will be transportation to get people to the race stadiums and into Beaver Creek. This will include items such as drop off locations and parking areas.

Ms. Folz reported VR has begun the process of obtaining approvals from the forest service regarding other modifications it

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is looking at for the race courses and the relocation of Red Tail camp. So far the feedback to the forest service has been positive. A general discussion of the possible relocation of Dally Road followed. The relocation has been previously discussed in relation to the potential relocation of the fire station. A relocated road may provide a better route to the race venues and the new Red Tail Camp location.

The Board asked Ms. Folz to include Mr. Hanks on any committees that may relate to the District interests. The Board stated it is good with the concept and intends to cooperate with the planning process. Director Balk asked if there was a point person that will be coordinating all of the various projects to prepare an integrated plan for review. Mr. Simmons responded that would likely be Mr. Allander. He offered to work with Mr. Hanks to bring a more comprehensive overview back to a future meeting.

TOA Maintenance Agreements

Mr. Brooks addressed the Board concerning the revised TOA Maintenance Agreements. After the original agreements had been approved by the District the TOA had requested revisions which restricted the District to use TOA as the sole provider of maintenance services and adding an additional charge for service calls. Mr. Hanks had responded that the District would not accept those changes and began making arrangements to have the maintenance work done by other providers. He reported the fueling and washing of the transportation vehicles is now done at the District facility and some of the preventative maintenance for the operations equipment and vehicles will be done in-house.

Mr. Brooks acknowledged the TOA had “misplayed their hand” in asking for the revisions after the agreement had been approved. He stated the other entities the TOA contracts with also had a negative reaction to the revisions. He reported the TOA Board has reviewed the matter and would like to offer the new agreements which lower the hourly rates, remove any reference to being a sole provider and do not charge a fee for service calls. Mr. Hanks agreed the revisions were favorable. Ms. Strahler explained the mark up on parts will remain at 15% due to the overhead required to maintain the inventory of parts necessary for a quick turnaround on repairs on the vehicles and equipment. She noted they had done a survey of shop rates and set the TOA rate to be

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competitive. The Board asked if the rate would be retroactive to the original agreement dates, Mr. Brooks stated it would. The Board stated it expects to be treated like a customer not a captive audience. Mr. Brooks reiterated the TOA values the relationship with the District. The Board tabled the matter to executive session.

General Manager Update

Prater Road Parking: Mr. Hanks referred to the memo in the packet which reviewed the request for parking along Prater Road for the current ski season. He reported there have been no issues related to the parking. He stated the Town of Avon will be holding a three day concert March 4th, 5th and 6th which may have some impact. Mr. Baker stated he has asked for a formal request from the TOA regarding parking needs during the concerts. The Board directed him and Mr. Simmons to work with Mr. Hanks regarding any additional needs. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the request for Parking along Prater Roadway subject to the guidelines as presented in the January 10, 2011 memo.

Fire Station: During the discussion of the plans for 2015 earlier in the meeting the Board had referred to the relocation of Dally Road. The Board directed the fire station committee to meet with VR to determine the feasibility of the potential site by the maintenance center for a fire station and to review options related to the sale of the current fire station site. The funding for the roadway improvements was discussed. The Board proposed that at the relevant time efforts be made to secure interim funds for the road improvements and fire station construction without the necessity of a bond issue. One possibility could be to sell an option on the property. The Board asked if there may be funds available from VVF that could be used as a bridge loan to fund the road improvements. Ms. Folz was open to discussing the potential of such an arrangement. This information would help determine the need for the relocation of the roadway and the timeframe. The current fire station is showing its age and will need major work if it is not being replaced.

Reserve Fund Study: Mr. Hanks reported BCRC has commissioned a reserve fund study. He suggested the District may

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want to consider having one also. He met with the company hired by BCRC and obtained a proposal for a study for the District. The estimated cost was approximately \$13,000 plus expenses. The Board questioned the value of hiring an outside firm noting the Board reviews the long range capital plans during the budget work session each year to anticipate and plan for such expenditures. Mr. Baker explained BCRC was looking for a third party opinion as BCRC does not have appropriate in-house staffing to do a formal study. The Board asked Mr. Hanks to provide the company's information to the Board for review and tabled the discussion to a future meeting.

TIGA Agreement: Mr. Hanks reported he has renegotiated the agreement with TIGA for advertising space on the parking lot buses. Over the past few years TIGA has not paid the District in a timely manner which precipitated the renegotiation. The original agreement was between BCRC and TIGA, it was assigned to the District after the District took over transportation several years back. Mr. Hanks reported the new agreement requires TIGA to prepay the District a portion of the fees it collects at the beginning of the season instead of at the end of the season. He also requested a reconciliation of fees paid for last season. The reconciliation resulted in the District receiving additional funds that had originally been deducted from the District portion of the revenues for payment to the Town of Avon. It was reported Mr. O'Rourke had agreed to this split without the Districts knowledge. The new agreement will provide the District with 33% of the revenue generated. A prepayment of \$10,000 is due to the District in November with the balance due being paid no later than April 15th. The Board asked Clyde to provide a copy of the agreement to them for review.

Turtle Bus: Mr. Hanks reported the "Turtle Bus" providers have signed and returned an agreement to continue their service this year. They will be paying the District the agreed upon fee of \$1,000 per month based on current service levels. If the service levels increase the amount due the District will increase. No complaints have been received regarding the service.

Insurance Claims: There are no claims currently outstanding.

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Future Meetings

The Board reviewed the 2011 meeting dates schedule included in the packet. The regular meeting day will be the fourth Wednesday of the month except for November and December which will be the third Wednesday. The next regular meeting is scheduled for Wednesday, February 23, 2011 at the same time and location. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the 2011 meeting schedule as presented.

Resolution for Posting Places

The Board reviewed the resolution to set posting places for notices. The posting places currently used are the First Bank in Beaver Creek, 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 2011 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 within the boundaries of the District at least 24 hours prior to each meeting at the following location:

First Bank, 0026 Avondale Lane, Beaver Creek.

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.

2010 Budget Amendment

Mr. Marchetti explained it was necessary to amend the 2010 budget to allow for additional expenditures related to the re-financing of the transportation leases and the transfer of funds out of the transportation fund. This meeting had been published and noticed as the public hearing for the 2010 budget amendment. The public hearing was opened. No public comment was offered and the hearing was closed. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the 2010 Budget Amendment and appropriations as amended.

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.

Financial Statements

The Board reviewed the December 2010 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the December 2010 preliminary financials as presented.

Executive Session Upon motion duly made and seconded, it was unanimously

RESOLVED to enter into executive session citing §24-6-402(4) (e) C.R.S. and 402(4) (f) C.R.S. for the purpose of determining positions subject to negotiations related to the Town of Avon Maintenance Agreements and personnel matters. The Board entered into executive session at 10:10 a.m. and adjourned the executive session at 11:30 a.m.

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

RESOLVED to authorize Mr. Hanks to execute the Town of Avon Maintenance Agreements as discussed, and

FURTHER RESOLVED to renew the annual employment contract of Mr. Hanks.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

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RESOLVED to adjourn the Regular Meeting of the Beaver Creek Metropolitan District Board of Directors held on January 26, 2011.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the meeting