
RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT June 17, 2009

The Special Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., June 17, 2009 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Mike Balk
- Robert Gary (via phone)
- Ernie Elsner
- James Power
- Louis Kreig

Also in Attendance were:

- Clyde Hanks, General Manager
- Jim Collins, Esq. District Counsel
- Ken Marchetti, CPA, Robertson & Marchetti, PC
- Kathy Lewensten, Recording Secretary
- Jennie Fancher, Administrative Assistant
- Tony O'Rourke, BCRC
- Sam Parker, BC Public Safety
- Dawn Friedman, BCPOA
- Kris Sable, Vilar Center

Call to Order

The Special 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. Director Balk 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 Directors for Beaver Creek Property Owners Association and a director of the Vilar Center for the Arts; Mr. Robert Gary is a

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member of the Board of Directors for Beaver Creek Property Owners Association 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 May 27, 2009 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the May 27, 2009 Regular Meeting as presented.

Future Meetings

The Board reviewed the 2009 meeting dates. The next regular meeting is scheduled for Wednesday, July 22, 2009 at the same time and location.

Mr. Hanks requested a date be set for a long range plan work session. After discussion the Board determined the long range planning work session would be scheduled for Thursday, July 9, 2009 at 9:00 a.m.

Agenda

No changes were made to the agenda.

Public Input

No public input was offered.

Vilar Capital Projects Annual Report

The Board turned its attention to the Vilar Center for the Arts Annual Report which had been included in the Packet. Mr. Sable was in attendance to present the information. Mr. Sable noted the contributions from the District have allowed the Vilar to complete upgrades in a timely manner and thanked the District for its continued support.

Mr. Sable reviewed the expenditures and status of the projects made over the last year while referring to the report. He pointed out the request for capital projects for the coming year exceed the \$250,000 budget in part due to remaining funds from prior years.

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He explained the Vilar would appreciate having flexibility in choosing and scheduling projects with the understanding the expenditures for the chosen projects will not exceed available funds.

Mr. Sable expressed the desire of the Vilar to continue receiving support from the District after 2010. The Board was receptive to discussing the possibility of extending the support. The Board noted the District would need to ask voters for approval to continue the mill levy. The Board requested Mr. Sable consider attending a meeting later this year to discuss the future needs of the Center such as the remodel of the lobby area. Upon motion duly made and seconded it was unanimously

RESOLVED to authorize the release of \$250,000 to the Vilar Center for use on capital projects as outlined in the annual report and ratification of chosen capital projects from the prior year.

Beaver Creek
Beautification
"Project Legacy"

Mr. Hanks reported three bids were received for Sub-Project No. 1 for Project Legacy. The bids ranged from \$654,000 to \$832,000. The bids are now being reviewed and compared. Mr. Hanks explained the bids will be value engineered to meet the budget of \$500,000. Once more details are known he will provide further information.

Mr. Hanks requested consideration of Sub-Project No. 2, the Comprehensive Signage, Wayfinding and Design Guidelines. A detailed description of the project was included in the packet. Mr. Hanks explained staff replaces signage on an ongoing basis and suggested it would be beneficial to have the guidelines for reference so the new signs could conform. The project cost is \$46,500; the District's portion would be \$23,250. Mr. Hanks explained this is not included in the 2009 adopted budget. Mr. Marchetti noted there were contingency funds available to fund the District's portion of the costs. Mr. O'Rourke stated he will ask the BCRC board about the project at the next meeting and if approved would place one half of the cost into the BCRC budget. The Board supported Sub-Project No. 2 moving forward.

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Mr. Hanks stated Mr. Hensel has requested permission to paint all of the street light poles and bollards black to conform to the expected project legacy sign guidelines. He noted instead of changing the color of the poles in a piecemeal basis it would be more aesthetically pleasing to change all of the poles at one time. The District's cost for its portion of the repainting is not expected to exceed \$20,000.

The Board asked Mr. O'Rourke if BCRC expects to have any funding available for Project Legacy in the next budget year. Mr. O'Rourke responded BCRC is projecting a flat year compared to 2009. The Board discussed whether any portion of the project related directly to District responsibilities, such as road safety improvements. The potential need for an additional pedestrian path along lower Prater Road was mentioned. It was noted the lower portion of Prater Road to Highway 6 is now being maintained by Bachelor Gulch Metro District (BGMD). The Board requested Mr. Parker ask Bachelor Gulch Metro District about a pedestrian path along the lower portion of Prater Road towards Highway 6. The intersection of Prater and Village Roads was mentioned. The Board will continue to review potential projects as part of the long range planning discussions.

Public Safety

Incidents of long boarders and skate boarders using Village Road as a downhill ramp were reported at the meeting. It was pointed out how dangerous this is for them to be mixed in with traffic. The Board asked if any regulations currently exist to prevent this and what type of enforcement is being used. Mr. Parker explained there was not a specific resolution addressing this type of use but noted public safety stops the behavior when possible. Both BCRC and the District would need to approve any regulation. The Board directed Mr. Parker to work with Mr. Hanks and Mr. Collins to address the matter. Mr. Parker will also bring the matter up to BGMD. The Board expressed its intent to pass a joint resolution which would prohibit skate boarding/long boarding along District roadways.

General Manager Update

Strawberry Park Construction Access: Mr. Hanks referred to the letter included in the packet from Vail Resorts regarding the restricted use of the construction roadway from Bachelor Gulch (BG) into Strawberry Park. It was reported the construction access

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road has been gated and closed from the Bachelor Gulch side. It was not known how the closure has been communicated by Bachelor Gulch to those who may have been affected by the closure other than the letter the District received. It was reported the litigation related to BG Roadways is ongoing.

Mill Levy and Property Valuations: Mr. Hanks handed out revised worksheets with the history of the District mill levy and property valuations. He stated this was provided as background and reference material in preparation of the long range plan discussions. The Board asked Mr. Marchetti to prepare an analysis which reflected the property tax effect on an average priced home and commercial property within the District. The Board discussed the possibility of a temporary mill levy credit for the 2010 budget in response to the expected increase in the assessed valuation. It was noted the District has voluntarily complied with the 5.5% limitation and intends to continue to do so. It is anticipated assessed valuation may decrease during the revaluation in 2011 which is why a temporary mill levy credit is being considered. If a temporary mill levy credit is used the District would maintain the flexibility to restore the mill levy to the original level if needed.

Fire Station: Mr. Hanks referred to the site maps included in the packet which reflect the sites which may work for an alternate location for the fire station. The zoning at the various sites would need to be changed to allow a fire station. Vail Resorts is the owner of the parcels. Ms. Friedman asked if any consideration is being given to leaving the fire station at the current site. The Board explained all options are being considered.

Long Range Plan: Mr. Hanks noted the various planning items that will be discussed at the long range plan work session on July 9th. These items will include future funding for Project Legacy, the fire station, Vilar Center funding and anticipated future property tax collections.

2008 Audit

Mr. Marchetti reported the draft of the Districts 2008 Audit, which has been prepared by McMahan & Associates, is ready for review by the audit committee. A meeting of the committee will be set up in the next few weeks. The 2008 Audit will be presented at the July Board meeting for consideration.

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Financial Statements

The Board reviewed the May 2009 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the May 2009 preliminary financials as presented.

Accounts Payable

The Accounts Payable listing was reviewed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve 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) (b) C.R.S. for the purpose of receiving legal advice. The Board entered into executive session at 10:00 a.m. and adjourned the executive session at 10:35 a.m.

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

RESOLVED that as the Board received the latest report from the drainage consultant dated June 12, 2009; and heard that the consultants for the District and Rosenbaum were in agreement as of yesterday morning on a compromise solution to the protection of Wayne Creek drainage; and the Board finds this compromise is in the best interest of all parties and approves the conditions contained in the Encroachment License Agreement presented by Counsel, and

FURTHER RESOLVED as the Board further discussed the reimbursement of District costs and approved \$3,000 if further costs are not incurred. If this does not settle this matter then full costs will be assessed.

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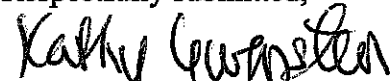
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Adjournment

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

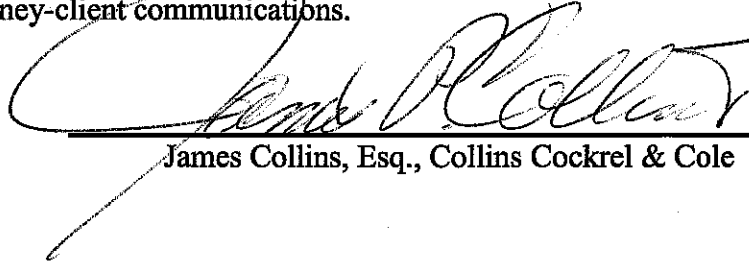
RESOLVED to adjourn the Special Meeting of the Beaver Creek Metropolitan District Board of Directors held on June 17, 2009.

Respectfully submitted,



Kathy Lewensten
Secretary for the meeting

I hereby affirm that all of the discussion concerning Wayne Creek Lot 9 in Executive Session constituted attorney-client communications.



James Collins, Esq., Collins Cockrel & Cole