
RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT October 7, 2009

The Special Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., October 7, 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
- Ken Marchetti, CPA, Robertson & Marchetti, PC
- Kathy Lewensten, Recording Secretary

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 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

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District October 7, 2009 Meeting Minutes

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

Agenda

Director Balk requested an item be added to the agenda for discussion of the Dial A Ride transportation services. Director Power requested an item be added for discussion of the work being performed on the skiway at 490 Holden Road.

Future Meetings

The Board reviewed the 2009 meeting dates. The next regular meeting is scheduled for Wednesday, October 28, 2009 at the same time and location.

Public Input

No public comment was offered.

UERWA Rates

Director Power made a motion in favor of the proposed UERWA rate increase. He referred to the memo that had been included in the packet which described the proposed change. The Board had been provided information regarding the capital plans of UERWA prior to the meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the UERWA rate increase as proposed.

490 Holden Skiway

Director Power expressed his dissatisfaction with the work being performed on the 490 Holden Road skiway. He explained the trail was not 36 inches wide as described in the drawings and in certain areas is partially blocked by foliage. He expressed the opinion that the overall aesthetics of the improvements are not up to Beaver Creek standards. Director Kreig noted he had seen the work and agreed with Director Power. Mr. Hanks stated the operations staff was still working on the improvements that had been agreed to by Mr. Unicum, Mr. Smith and the District at a previous meeting. He will instruct staff to increase the path width to 36 inches and to cut back any overhanging foliage. Director Power explained there have been times the water sprinklers have been on during the day, which discourages use of the pathway. He suggested consideration be given to imposing limitations on the times the sprinklers could be used so any subsequent homeowner was aware of the restrictions. Mr. Hanks noted the District has not used the

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District October 7, 2009 Meeting Minutes

encroachment agreement as a tool to limit watering on other properties within the District and questioned whether it would be appropriate. The Board directed Mr. Hanks to consult with Mr. Collins to see if the encroachment agreement could include language which states the property owner is not allowed to infringe on the intended usage of the skiway.

2010 Budget

Mr. Marchetti drew the Boards attention to the memo, the 2010 budget and related work papers that had been included in the packet. He noted the County had refunded and abated approximately \$96,000 in property taxes in 2009 which can be levied for collection in 2010. The Board directed a mill levy for recapture of the abated taxes be included in the 2010 budget. He noted in 2010 after capital expenditures the District will spend approximately \$500,000 from the reserves in the general fund. Mr. Marchetti noted the debt service mill levy will drop, from 4.1 mills in 2009 to 1.3 mills in 2010 due to the 2001 bonds being fully repaid in 2009.

Mr. Hanks and Mr. Marchetti pointed out expenditures related to major repairs on Village Road have not been included in the 2010 budget. The Board discussed potential future repairs to Village Road. Mr. Hanks explained he will have better information and timelines related to any major repair work for the October 28th meeting. He stated no catastrophic failures are expected on the roadway in the next year and noted the 2010 budget will include additional funding for patching. The funding source for any major repair work will likely be bonds which will require voter authorization. There are portions of Project Legacy which should be considered for inclusion if Village Road is rebuilt since they affect intersections with Village Road such as Prater and Offerson. Director Balk stated he had notified BCRC of the possibility of portions of Project Legacy being considered if Village Road is rebuilt requesting acknowledgement of a future obligation for reimbursement of 50% of the costs related to Project Legacy.

Mr. Hanks reviewed details of the capital expenditures included in the budget. Equipment budgets were reviewed. Road overlays for Elk Track, Red Spruce Lane, Scott Hill Road and Strawberry Park Road have been budgeted. It was pointed out there may be some opposition regarding the Strawberry Park portion of the overlays. There have been some comments from property owners related to

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District October 7, 2009 Meeting Minutes

access through the gates into that portion of Beaver Creek and whether tax payers should fund improvements on roadways that are not accessible to them. Upgrades for the bathroom and kitchen spaces in the Fire Station have been budgeted for. The Board asked if preliminary plans or drawings related to a new fire station had been budgeted and requested \$25,000 be included if they had not. Upgrades to the snowmelt system controls or boilers have been delayed from 2009. Mr. Hanks explained they are working on detecting the location of a leak which exists in the system so it can be repaired prior to the beginning of the winter season. He noted natural gas prices have decreased which will extend the payback for any snowmelt equipment replacement but will revisit the replacement of the boilers or controls after the repair is complete.

Mr. Marchetti provided hand outs of the recent sales in Beaver Creek and a preliminary long range plan. The Board discussed the trend in the prices of homes being sold. Mr. Marchetti stated the long range plan currently assumes a 15% decrease in the assessed valuation in the next revaluation year. After discussion the Board requested the long range forecasts be looked at using assumptions of either a 5% or a 10% decrease in assessed valuations. Mr. Hanks pointed in order to maintain the level of service the District now provides in future years the District will need to consider alternatives for funding these services such as an increase in the operating mill levy.

Director Balk began discussions of the transportation fund. He suggested the District may want to consider operating the Dial A Ride system directly in the future, splitting the Parking Lot service off to BCRC. The Dial A Ride service directly benefits the constituents of the District and can be supported by the property taxes that are generated. Currently BCRC funds any shortfalls in the transportation fund. The Board generally agreed this should be reviewed and suggested the transportation committee follow up on the matter.

Transportation Vehicles Purchase/Lease

Mr. Marchetti reported the District has taken delivery of two of the transportation vehicles that were budgeted for 2009. He requested the Board consider approval of a Reimbursement Resolution which

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District October 7, 2009 Meeting Minutes

would allow the District to pay cash for the vehicles now but reserve the right to reimburse itself from lease proceeds. He explained the District did not expect delivery of the vehicles until November and is in the process of obtaining proposals for leases. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve payment for the two Transportation vehicles from cash reserves, and

FURTHER RESOLVED to approve a Reimbursement Resolution related to the purchase, the resolution is hereby attached to become part of the minutes.

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 October 7, 2009.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the meeting