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# RECORD OF PROCEEDINGS

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## MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT October 11, 2006

The Special Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., October 11, 2006 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

### Attendance

In Attendance were Directors:

- Stephen Friedman
- John Forstmann
- Mike Balk
- Ernie Elsner

Absent and excused were Directors:

- Robert Gary

Also in Attendance were:

- Clyde Hanks, General Manager
- Ken Marchetti, CPA, Secretary
- Kathy Lewensten, Recording Secretary
- Tony O'Rourke, BCRC
- Bill Simmons, Operations

### Call to Order

The Special Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Friedman, Chairman of the Board, noting that a quorum was present. Director Friedman 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. Stephen Friedman is a board member of the Beaver Creek Arts Foundation which operates the performing arts facilities within Beaver Creek; Mr. John Forstmann is a board member of the Beaver Creek Club; Mr. Ernest Elsner is a board member of the Beaver Creek Property Owners Association; and Mr. Michael Balk is a director of the Beaver Creek Property Owners Association and a director of the Vilar Center for the Arts. The Board noted for the record that these

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

### Agenda

Mr. Hanks asked for time to give a brief update on current projects.

### Future Meetings

The next regular meeting is scheduled for Wednesday, October 25, 2006, at 8:30 a.m. in the same location. There was a brief discussion regarding the November and December meeting dates, it was suggested these may be combined at a later date.

### Village Road Slope Failure

Mr. Hanks reported the Village Road Slope Failure project is on schedule. He informed the Board of a potential issue related to the bench portion of the project. It has been discovered the drill rig being used on the job is too big for the bench. Alternatives are being researched. The Board asked if it were possible to find a smaller rig. Mr. Hanks explained this was one option, with another being increasing the size of the bench. The Board noted it did not expect to see any increase in project cost associated with this matter. Mr. Hanks will continue monitoring the matter.

### BC Fire Station Roof

Mr. Hanks reported he had been notified the roofing material chosen for the fire station roof will not be available until November or December. He noted this is affecting the Village Walk project as well. He recommended delaying the installation of the roof until spring. Arapahoe Roofing has agreed to honor its bid price next spring with no increase. The roofing materials will be purchased as soon as available and stored over the winter for installation next spring.

### Firepit

Mr. Hanks explained the ceramic logs in the firepit located at the covered bridge bus stop need to be replaced. This replacement occurs approximately every year. The operations staff has recommended replacing the ceramic logs with steel fabricated logs that are expected to last four to five years. The Board asked whether this was a necessity noting the ongoing expense of replacing the ceramic logs yearly had not been sufficiently explained nor contemplated when the firepit had been installed. The Board suggested BCRC be approached to see if they are willing to take on the maintenance and operation costs for the fire

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pit. The Board tabled the matter until BCRC can be contacted regarding the matter.

### **Amendment 38**

Mr. Hanks briefly reviewed "Amendment 38" and the detrimental effects it would have on the District. Mr. Collins had provided a resolution in opposition to "Amendment 38" for consideration by the Board. The Board asked if more was being done to educate the public regarding the matter or if this was more of a symbolic gesture. Mr. Hanks will contact Mr. Collins to find out what steps are being taken to educate the public. He reported the Special District Association was working on this. He explained the resolution would allow the Board members to state the position taken as a member of the Board if asked. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolution in Opposition to "Amendment 38" which is hereby attached to become part of the minutes.

### **2007 Preliminary Budget**

The Board began discussing the 2007 preliminary budget as presented in the packet. They noted the preliminary budget reflected deficit spending of approximately \$750,000 for 2007. The Board expressed its preference for the District to strive for a balanced budget and began the process of reviewing the line items.

Mr. Marchetti drew the Boards attention to the analysis of village operations that was included in the packet. He explained this had been provided as requested by the Board at the last meeting. The analysis reflected the proposed VR budget compared to a budget which includes a salary adjustment for the operations staff. Director Friedman reported he had contacted Mr. Garnsey as directed at the last meeting to discuss the willingness of VR to consider a salary adjustment for the operations staff. He reported Mr. Garnsey was agreeable to presenting the matter to VR and was awaiting more information regarding the matter. Director Friedman stated he understood this to mean the District can assume VR will address the matter. Mr. Simmons stated he was prepared to present the request for the salary adjustment and was optimistic an understanding would be reached. Mr. Hanks will provide the pertinent information to Mr. Simmons and Mr. Garnsey. The next step will be for Mr. Simmons and Mr. Garnsey to return to the

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District with a proposal of the changes VR is willing to implement. Mr. Hanks reviewed the range of percentages for salary increases noting it may take several years to implement but wanted to begin the process as soon as possible. Director Friedman stressed the District is interested in having employees that are sufficiently compensated and motivated to do a good job. Mr. Hanks stated the benefit to the District of the combined experience of the current operations staffed. It was noted the District would be paying for the majority of the increase through its agreement. Mr. Marchetti noted the VR municipal budget in the 2007 preliminary budget presented used the numbers which included the proposed increased operations amount.

Mr. Marchetti continued the discussion of the 2007 preliminary budget. The Board inquired about the funding for the capital expenditures. Mr. Marchetti explained the expenditures would be funded from the fund balance as opposed to bond proceeds as has been the case in prior years. The Board discussed funding options such as leases or bonds. Mr. Marchetti reminded the Board of the unexpected expenses being incurred in 2006 for Village Rd slope repair, noting this had a carryover effect in 2007. The capital projects were reviewed in detail with suggestions for revisions being discussed. Several projects were moved out a year or so. The improvements to the snowmelt system were discussed. Mr. Hanks explained by improving the efficiency of the system with new technology it was anticipated there would be cost savings. The Board suggested manufacturers be contacted to present proposals of improvements with estimated savings. These proposals could then be reviewed by an independent professional who could provide a recommendation.

The Board asked for revisions as discussed to be incorporated into the 2007 preliminary budget for review at the next regular meeting on October 25<sup>th</sup>. The Board noted it intends to be good stewards of the District and wants to maintain the District improvements as needed but expects expenditures and contracts to be reviewed in detail by staff to help control costs.

### **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 Special Meeting of the Beaver Creek Metropolitan District Board of Directors held on October 11, 2006

Respectfully submitted,

Kathy Lewensten  
Secretary for the meeting