
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT October 28, 2009

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., October 28 2009 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Robert Gary (via phone)
- James Power
- Louis Kreig

The following directors were absent and excused:

- Mike Balk
- Ernie Elsner

Also in Attendance were:

- Clyde Hanks, General Manager
- Jim Collins, Esq. District Counsel (via phone)
- Ken Marchetti, CPA, Robertson & Marchetti, PC
- Kathy Lewensten, Recording Secretary
- Jennie Fancher, Administrative Assistant
- Tony O'Rourke, BCRC
- Bill Simmons, BC Operations
- Alana Hanks, Municipal Recoveries
- Sam Parker, BC Public Safety

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Kreig, Acting Chairman of the Board, noting that a quorum was present. Director Kreig 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

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

Minutes

The Board reviewed the minutes of the September 23, 2009 Regular Meeting and October 7, 2009 Special Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the September 23, 2009 Regular Meeting and October 7, 2009 Special Meeting as presented.

Future Meetings

The Board reviewed the 2009 meeting dates. The next regular meeting is scheduled for Wednesday, November 18, 2009 at the same time and location.

Agenda

Mr. Hanks reported Chief Moore had requested the discussion regarding a wild land mini-pumper be moved to the November meeting.

Public Input

No public comment was offered.

Village Road

Mr. Hanks referred to the memo provided by Schmuesser Gordon Meyer (SGM) regarding Village Road which had been included in the packet. He stated staff will be meeting with Elam and B & B prior to the November meeting to obtain their input on the options presented for consideration. The Board tabled further discussion until the November meeting.

General Manager Update

490 Holden Skiway: Mr. Hanks reported the work on the skiway located at 490 Holden Road has been completed. The Encroachment agreement has been provided to the property owner

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for signature but has not been received back. Mr. Hanks will be sending a letter to the property owner which addresses the time restrictions for sprinkling in that area.

Snowmelt System: Mr. Hanks reported the leak in the snowmelt system that was mentioned in prior meetings has been located. The repairs will take place in the next few days. The system will then be retested to see if any other leaks are present.

Municipal Recoveries

Miss Hanks addressed the Board concerning renewal of the agreement with Municipal Recoveries for the coming year. She reported Municipal Recoveries has been successful in recovering \$10,554.30 for the District over the past year and referred to the information included in the packet. She noted two claims were currently open. She expressed interest in continuing Municipal Recoveries relationship with the District and requested the Board consider renewing the agreement for another year. Director Gary pointed out it had cost the District approximately \$9,000 to use Municipal Recoveries to collect the claims. He suggested the District consider collecting the claims in-house noting the District would then recover the full amount. Mr. Hanks noted the District had tried to collect such claims in the past without much success. Miss Hanks explained the steps she takes to collect the claims and the follow up that has been involved noting it can take more time than expected. The Board tabled the discussion to executive session.

Transportation Agreements:

Mr. Hanks reported the transportation agreements related to the Inter-Village service, the Parking Lot service and the Dial-A-Ride service have been finalized. The terms of the agreements will be through October 31, 2010. The cost of the services will be the same as presented at the October 7th meeting. Director Power asked whether redirecting the responsibility of the Dial-A-Ride service to the District had been considered for this renewal term. It was explained these agreements do not address that matter noting the transportation committee will be reviewing alternatives such as this in the coming months. Director Kreig expressed his objection to discontinuing the Holden Road Dial-A-Ride Route. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the Restated and Amended Inter-Village Transportation System Agreement, and

FURTHER RESOLVED to approve the Restated and Amended Transportation System Agreement (Parking Lot), and

FURTHER RESOLVED to approve the Second Restated and Amended Transportation Service Agreement (Dial-A-Ride Agreement).

Town of Avon
Service Agreement
(Maintenance)

Mr. Hanks referred to the Service Agreement for the parking lot transportation vehicles with the Town of Avon which had been included in the packet. This agreement covers maintenance for the hourly service rate of \$105 per hour which is the same rate as last year. Mr. O'Rourke suggested adding language in the agreement which would require the TOA to notify the District if the total aggregate repair costs for a month would exceed \$40,000. It was suggested Mr. Lubbers could be directed to check with the TOA on the 20th of each month to review the aggregate monthly costs to help meet this additional reporting requirement. Mr. Collins will add the requested language. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Service Agreement for the Districts Parking Lot Transportation Vehicles with the addition of the terms as discussed and direct Mr. Hanks to execute the revised agreement.

Transportation
Leases

Mr. Marchetti referred to the transportation lease proposal from Wells Fargo which had been included in the packet. He reported RFP's had been sent out and that Wells Fargo had the best rates. Director Elsner has reviewed the results of the RFP prior to today's meeting and recommended approving the proposal from Wells Fargo. The rates proposed are 3.125% for the 7 year lease and 2.35% for the 4 year lease for Parking Lot vehicles and 2.10% for the 3 year lease for DAR vehicles. The District has taken delivery

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of the related vehicles. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve authorizing entering into the lease purchase financing proposals with Wells Fargo as described on the attached resolutions, and

FURTHER RESOLVED to authorize the execution of the related lease purchase documents by Mr. Clyde Hanks, General Manager and Mr. Ken Marchetti, Secretary on behalf of the District.

2009 Budget Amendment

Mr. Marchetti explained it was necessary to amend the 2009 budget to allow for additional expenditures for services and equipment in the transportation budget and for additional expenditures related to the bond refunding done earlier this year in the debt service fund. This meeting had been published and noticed as the public hearing for the 2009 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

RESOLVED to approve the 2009 Budget Amendment and appropriations as amended.

2010 Budget

This meeting had been published for the 2010 budget hearing. The public hearing was opened. Mr. Marchetti noted the 2010 preliminary budget was included in the September 2009 financial statements in the packet. The Board tabled further discussion on the 2010 budget and continued the public hearing to the November 18, 2009 meeting.

Mr. Marchetti referred to the memo in the packet about different types of mill levies. He explained the basic differences between an operating, capital expense and debt service mill levy. A capital expenditures mill levy is restricted for use on capital expenditures only; an operating mill levy offers more flexibility and can be used for operating or capital expenditures; voter debt authorization can be done with a limited debt service mill levy or an unlimited mill levy. This information was presented for future reference as the

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District further determines the funding needs for larger capital projects such as Village Road and future operating expenditures.

Legal

UERWA: Mr. Collins and Director Power reported the new UERWA rate increase will take effect as all related parties have approved the increase.

Financial Statements

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

RESOLVED to approve the September 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.

Other Business

Director Power asked if there was any progress has been made in determining potential alternate locations for a fire station. Mr. Hanks stated there was nothing new to report at this time. He noted the Town of Vail was not successful in their request for stimulus funds for their new fire station in West Vail.

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. for the purpose of determining positions subject to negotiations related to the Municipal Recoveries agreement. The Board entered into executive session at 9:25 a.m. and adjourned the executive session at 9:40 a.m.

Upon returning from executive session the Board took no action to renew the Municipal Recoveries Agreement at the present time.

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 October 28, 2009.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the meeting