

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

CASCADE VILLAGE METROPOLITAN DISTRICT

Held: Friday, November 4, 2022, at 11:00 a.m. at 1300
Westhaven Drive, Vail, Colorado.

Attendance

The regular meeting of the Board of Directors of the Cascade Village Metropolitan District was called and held as shown above in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

Douglas Kirkpatrick
Joan Kirkpatrick
Peter Dunning

Also present were Kim J. Seter, Esq., Seter & Vander Wall, P.C.; Ken Marchetti and John D'Angelo, General Manager of the Grand Hyatt Vail. Julie Grimm-Reeves and Erin McCauley attending by phone.

Call to Order

Director J Kirkpatrick opened the meeting, noted that a quorum of the Board was present and called the meeting of the Board of Directors of the Cascade Village Metropolitan District to order at 11:08 a.m.

Disclosure Matters

Mr. Seter confirmed that no changes have occurred to any of the Directors' interests that warrant amending the written disclosures on file with the Secretary of State's Office with regard to any potential conflicts of interest. Pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Board member disclosed their conflicts of interest, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting.

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Minutes of May 13, 2022

Director D Kirkpatrick moved to approve the minutes with one change to the last page. The motion was seconded and unanimously carried and the minutes of May 13, 2022 were approved.

Director Matters/Vacancies

Mr. Seter noted that there are two positions open on the Board. Mr. D'Angelo is working on obtaining property and will then be qualified to serve. Ms. Ramsey Flowers was going to come to the Board meeting for discussion but apparently was not available. Director J Kirkpatrick will contact her to see when the Board might be able to meet her. Mr. Seter was directed to have Ms. Barrasso send out any phone numbers that might be available for the people on the list of potentially qualified residents to all of the Directors.

2022 Budget Amendment
and 2023 Proposed Budget

There is no need for a 2022 budget amendment. Director J Kirkpatrick opened the public hearing on the proposed 2023 budget at 11:40 a.m.

Mr. Marchetti presented the budget and comparisons for 2023 noting that assessed values were down a little bit and he is projecting it to go down again. He is projecting a 50% increase in reassessment year 2024. Part of the slight reduction this year is due to the legislature's reduction in the residential assessment ratios.

We have a voter approved levy of 9.18 but have provided a temporary credit to reduce the levy to 6.18 through 2022. Prior to the credit the District had accumulated reserves to hedge against a potentially large abatement on a tax protest. The credit was intended to help reduce some of the reserves. The District is also projected to have significant increases in interest income in 2023 and will receive the \$100,000.00 agreed upon payment from VAI and the Hyatt.

Mr. Marchetti recommends the general fund levy be 9.18 as authorized with a temporary credit of 4.18 mills for a final levy of 5 mills.

There being no further public or Board comment, the public hearing was closed at 11:58 a.m.

Director Dunning moved to approve the Resolutions to Adopt 2023 Budget, Set Mill Levies and Appropriate Sums of Money. Director D Kirkpatrick seconded the motion and it was passed

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Financial Report and
payment of claims

unanimously.

Mr. Marchetti presented the claims for ratification and approval as noted in his report. The Board discussed the “Vail Residences” entry and the areas of responsibility of the District including the path, lift, skier plaza, lift access easement, skier bridge and Westhaven road bridge. The District contracts with Vail Residence for the maintenance work. Director Dunning noted that he wanted to be sure the District was not paying expenses of the hotel.

Upon motion made, seconded and unanimously carried, the payables were ratified and approved.

The Board continued to its discussion of the District history and areas of responsibility. Mr. Seter noted the section in the legal status report concerning his plan to prepare a comprehensive memo regarding the history, the areas of responsibility and the operations of the agreements with VAI and others as he is concerned the District could soon lose all of its historical memory as Directors change and he and Mr. Marchetti are getting older.

Project Updates

Ms. Grimm-Reeves noted that the contingency for the repair of the skier stairs was not spent in 2022. We have not been able to acquire the materials so the project is moved to the spring of 2023. The project will be completed in 2023 unless the planned construction at Cornerstone occurs, but that is unlikely and may take many years just to obtain approvals.

Mr. D’Angelo stated that the project is at least three years out. East/West Partners has pulled out. Director Dunning noted that he learned at his physical therapist’s office that there is now nothing on the horizon.

The Board directed Ms. Grimm-Reeves to obtain pricing on a longer lasting stair product since it looks like they could remain in place for a long time. The Board will decide on the appropriate materials at the May, 2023 meeting.

Ms. Grimm-Reeves has not received projections of 2023 costs from VAI. There has been a lot of turn-over on their staff and information is slow. She has been advised that little change is anticipated. The Board discussed the presentation of VAI to the Board which confirmed that the need for major replacements or

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repairs is not imminent.

Legal Matters

Mr. Seter presented his written report noting the section concerning the planned memorandum to be used as an introduction for new Directors.

Director J Kirkpatrick inquired about the discussion of a website at the last meeting. Mr. Seter noted his belief that Mr. Marchetti's office might be building and maintaining sites and would be the best option. Upon Motion made, seconded and unanimously carried the Board approved up to \$1,500.00 for Ms. Barrasso and Ms. McCauley to coordinate to create the website to be maintained by Mr. Marchetti's office.

Mr. Seter noted that he is holding off on advising VAI of the District's intent to renew the lift operations agreement until spring just in case something happens between now and June 1, 2024 that would cause any changes.

Mr. Seter discussed the May, 2023 elections. Upon motion made, seconded and unanimously carried, the Board approved the proposed 2023 election resolution and the appointment of Michele "Mitch" Barrasso as the designated election official.

Other Business

Director Dunning enquired whether the District should audit VAI's books to ensure the District is being treated fairly under the various agreements. Mr. Marchetti noted that another district did so and VAI was very cooperative. The cost would be about \$10,000.00. The Board determined to consider this again in the spring.

Mr. Marchetti discussed the 2022 audit or exemption. The Board determined not to do a 2022 audit because of the difficulty of obtaining auditors at the present time. Upon motion made, seconded and unanimously carried Directors Dunning and D Kirkpatrick were authorized to sign documents prepared by Mr. Marchetti to secure a 2022 audit exemption from the state.

Mr. D'Angelo gave a report on the status of the hotel and its operations including many new hires, improvements in food services, new restaurants and chefs and new amenities.

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Adjournment

There being no further business, the meeting was adjourned at 1:08 p.m.

Doug Kirkpatrick

Secretary for the Meeting






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Final Audit Report

2023-05-19

Created:	2023-05-19
By:	Michele Barrasso (mbarrasso@svwpc.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAT9oA4Q6m_Sr7gRQvRQ_DS4MWbPcqxxz

"00662642" History

-  Document created by Michele Barrasso (mbarrasso@svwpc.com)
2023-05-19 - 2:06:02 PM GMT- IP address: 50.242.130.193
-  Document emailed to Doug Kirkpatrick (dhkirkpc@aol.com) for signature
2023-05-19 - 2:06:20 PM GMT
-  Email viewed by Doug Kirkpatrick (dhkirkpc@aol.com)
2023-05-19 - 4:12:09 PM GMT- IP address: 38.34.96.248
-  Document e-signed by Doug Kirkpatrick (dhkirkpc@aol.com)
Signature Date: 2023-05-19 - 4:12:39 PM GMT - Time Source: server- IP address: 38.34.96.248
-  Agreement completed.
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