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# RECORD OF PROCEEDINGS

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## Minutes of the Joint Regular Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District June 27, 2019

The Joint Regular Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held June 27, 2019 at 9:00 a.m., in the Crystal Peak Lodge located at 1891 Ski Hill Rd, Breckenridge, Summit County, Colorado.

### Attendance

**The following Directors were present and acting:**

**Alpine:**

Jeff Zimmerman  
Norm Helm  
Chris Gersbach  
Jeff Lifgren  
John Dawsey

**Breckenridge Mountain:**

Jeff Zimmerman  
Norm Helm  
Chris Gersbach  
Jeff Lifgren  
John Dawsey

**Also in attendance were:**

- Ken Marchetti, Marchetti & Weaver LLC (via telephone)
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Bill Ankele, White Bear Ankele Tanaka & Waldron PC (via telephone)
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Erik Peterson, OAC Management
- Kimberly Tramontana, Breckenridge Grand Vacations
- Nick Doran, Breckenridge Grand Vacations
- John Palmquist, Breckenridge Grand Vacations
- Graham Frank, Breckenridge Grand Vacations
- Deb Norton, Breckenridge Grand Vacations

### Call to Order

Director Zimmerman called roll at 9:00 a.m. for the joint Regular meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present.

### Potential Conflicts

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Jeff Zimmerman is Senior Director of Mountain Operations for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Norm Helm is Director of Association Management for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc. which all have significant business interests within the Districts; Jeff Lifgren is Director of Ski Services for Breckenridge Ski Company, a subsidiary of the Vail Corporation and an indirect

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts June 27, 2019 Meeting Minutes

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operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Chris Gersbach is General Manager of One Ski Hill Pace and Crystal Peak Lodge for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; John Dawsey is Vice President of Hospitality for Vail Resorts, Inc., which has a significant business interest within the Districts.

- Agenda** There were no changes to the agenda.
- Public Input** There was no public input.
- Minutes** The Board reviewed the minutes included in the packet and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the May 23, 2019, minutes

- Ski Hill Road Project Update** Mr. Peterson reviewed the warranty items completed earlier in the week. The as-builts were in progress as were the remaining warranty items and everything was expected to be completed by mid-July.

- Ice Rink, Escalator, & ADA Lift Update** Mr. Peterson reported that the projects were progressing as expected and OAC was monitoring the progress. The escalators were expected to be completed by early July with startup and inspection immediately after. The Ice Rink was expected to be completed in July and construction was progressing as expected. Mr. Frank reviewed the Field Observation Report action list and said the items would be completed. Mr. Peterson reported that the ADA lift has been fabricated and the prefabricated lift would be installed once the gondola was shut down in the fall.

- Ice Rink Management Agreement** Ms. Harris introduced the management agreement for the Peak 8 Ice Rink giving background and overview of the conceptual ideas of the agreement's intent. Ms. Tramontana with Breckenridge Grand Vacations (BGV) gave a brief introduction and explained the reasons for attending the meeting. The Board and representatives from BGV reviewed several areas of the Agreement as outlined in an email from Ms. Tramontana that was included in the board packet with the Agreement. Several sections were discussed including District approval of the budget scope of work, how funds would flow through District, if the manager would have access to District funds, the requirement for the District to remain transparent to

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts June 27, 2019 Meeting Minutes

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the public, insurance considerations, and that minor, as used in section 7, should be more concretely defined. Mr. Ankele suggested that the District draft Rules and Regulations incorporating the Manager's business points. Ms. Tramontana said BGV would send the initial budgets to insert as Exhibit B in the agreement.

Mr. Frank broached the reimbursement process. General discussion continued on what needed to be submitted to have the assets accepted by the District and reimbursement to BGV as quickly as possible. Ms. Harris noted that any acceptance was contingent on OAC signing off on the completion of all of the projects, accounting certification of the costs, and the completion of the bus-turn-around. Ms. Harris said she would prepare a summary of the requirements and send to the group for review.

Ms. Norton, Mr. Frank, Mr. Doran, Ms. Tramontana, and Mr. Palmquist left at 10:15 a.m.

**Reserve Study** Director Zimmerman gave background on the Reserve Study proposal requested at the last meeting and reviewed the proposal scope. General discussion was had on the proposal, verifying all District assets were included and verified a timeline for completion. Following discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve Option 1 for a Full Reserve Fund Study as proposed to be completed by OAC Management for an amount not to exceed \$4350, contingent on verification that the reserve study for potential new assets (ice rink, escalators, ADA lift) was included in the existing contract or would be added to this proposal at a later date.

Mr. Peterson left at 10:30 a.m.

**Assignment & Assumption  
Of Master Easement  
Agreement**

Ms. Harris reviewed that the Agreement was to define the improvements that the District would maintain and provide access to those assets. General discussion on the easement agreement and who were the responsible parties to oversee the escalators, ADA lift and ice rink. Ms. Harris reviewed how the Assignment and Assumption of Master Easement Agreement would work with the other easement agreements to ensure the maintenance and capital improvements on the assets. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve, subject to minor revisions as approved by District counsel, the Assignment and Assumption of Master Easement Agreement between Breckenridge Mountain Master

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts June 27, 2019 Meeting Minutes

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Association, Peak 8 Properties, LLC, and Alpine Metropolitan District contingent on approval by Breckenridge Mountain Master Association and Peak 8 Properties, LLC.

### **Maintenance Agreement**

**with Vail Resorts** Ms. Harris reviewed the background of the Maintenance Agreement for the escalators and ADA lift reporting that the requested revisions were made to more clearly define capital expenses. General discussion continued and the Board requested that Ms. Harris send the Agreement to Vail Resorts legal for review. Further action on the Agreement was tabled pending comments from Vail Resorts legal counsel.

### **Addendum to Contractor Agreements for Ski Hill Road Project**

Ms. Harris reviewed that the contracts with both OAC and Civil Insight for the Ski Hill Road Project terminated in November 2018 and needed to be extended to capture the remaining work being done to complete the project. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Second Addendum to the Independent Contractor Agreement with OAC Management; and

**FURTHER RESOLVED** to approve the Third Addendum to the Independent Contractor Agreement with Civil Insight.

### **Joint Annual Report**

Ms. Harris reviewed the 2018 joint annual report to the Town of Breckenridge noting there was nothing out of the ordinary. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2018 Consolidated Annual Report.

### **Legislative Update**

Ms. Harris review the update, highlighting several bills that effect the Districts. Ms. Harris explained one new legislation that allowed Districts to post notice of meetings online on the District's website instead of within the District boundaries. Mr. Marchetti reported that Marchetti & Weaver was in the process of developing websites for clients that would satisfy the new posting requirements. The Board requested that Mr. Marchetti move forward with creating a website for the Districts and, following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve posting notice of meetings on the District's website, once created.

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# RECORD OF PROCEEDINGS

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## Alpine and Breckenridge Mountain Metropolitan Districts June 27, 2019 Meeting Minutes

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### **Financial Statements**

Mr. Marchetti reviewed the financial statements ending May 31, 2019, for Breckenridge Mountain and Alpine Metropolitan Districts reporting that nothing was out of the ordinary and items were tracking as expected per the budget. Mr. Marchetti gave a preliminary presentation of the 2020 budget noting that Breckenridge Mountain Metro District's assessed value is projected to increase from \$49 million to \$53 million and this increase will enable the District to lower its mill levy by approximately 2 mills unless funds will be needed for other projects. Each mill produces about \$50,000 in property taxes so lowering the mill levy rate by two mills will lower taxes by about \$100,000. No action is required on setting the mill levy for collection in 2020 at this time and discussion of this topic will continue until the 2020 budget is adopted later this fall.

### **Accounts Payable**

Ms. Johnston reviewed the Accounts Payable list included in the packet and Director Zimmerman gave an overview of the accounts payable process. Upon motion duly made and seconded, it was unanimously,

**RESOLVED** to approve the accounts payable list as presented.

### **Future Meetings**

The Board confirmed that the next meeting would be held August 22, 2019 at 9:00 as scheduled. After discussion, the Board requested to reschedule the October 24 meeting to October 17.

### **Adjournment**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the Joint Regular Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 27th day of June, 2019.

Respectfully submitted,



Beth Johnston  
Recording Secretary