
RECORD OF PROCEEDINGS

**Minutes of the Joint Regular Meeting of the
Boards of Directors of
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District
August 22, 2019**

The Joint Regular Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held August 22, 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

Breckenridge Mountain:

Jeff Zimmerman
Norm Helm
Chris Gersbach
Jeff Lifgren

The following Director was excused:

Alpine:

John Dawsey

Breckenridge Mountain:

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
- Matt Lewis, OAC Management (via telephone, arrived 9:25 a.m.)
- Kimberly Tramontana, Breckenridge Grand Vacations
- Graham Frank, Breckenridge Grand Vacations
- Deb Norton, Breckenridge Grand Vacations

Call to Order

Director Zimmerman called roll at 9:03 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

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts August 22, 2019 Meeting Minutes

Ski Company, a subsidiary of the Vail Corporation and an indirect 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 June 27, 2019, minutes with the following change under Ice Rink, Escalator, & ADA Lift Update, 5th sentence to read: “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.”

**Ski Hill Road
Project Update**

Ms. Johnston reviewed the meeting with Mr. Meryhew with OAC Management to discuss the owner contingency schedule. Director Zimmerman reported that a walk-through of the project was done with Town of Breckenridge and that no corrections were requested and the Town confirmed they were ready to take over maintenance of the improvements. During the walk-through, warranty and punch list items were discussed and all changes were completed by PCL construction.

Mr. Lewis reported that all as-builts were completed and awaiting final comment from Mr. Leinweber with Civil Insight and that OAC was working on the final pay application for the project. The few remaining warranty items were scheduled to be completed within two weeks.

**Ice Rink, Escalator,
& ADA Lift Update**

The board reviewed the Field Observation Report for the project included in the packet. Mr. Frank said that the escalators were complete and would be submitted for reimbursement. Mr. Frank reported that the Ice Rink and ADA lift were anticipated to be complete within a month and would be submitted for reimbursement at the Districts’ next meeting.

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts August 22, 2019 Meeting Minutes

Mr. Lewis confirmed that the escalators were complete and passed state inspection. The stairs by the ADA lift needed to be completed before the lift could be installed and the ice rink concrete needed to cure until mid-September before the ice rink could be charged and prepared for startup.

Master Easement Agreement and Assignment

Ms. Harris reviewed the Master Easement Agreement and the Assignment and Assumption of Master Easement Agreement explaining how they worked together to grant necessary access to the new improvement areas for maintenance and repair. Ms. Harris reported that both Agreements had been vetted by all entities. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to accept the Master Easement Agreement by and among Peak 8 Properties, Breckenridge Mountain Master Association and Vail Resorts regarding the Ice Rink, Escalators and ADA Lift, contingent on all construction being completed and improvements accepted by the District and upon final acceptance by all named parties; and

FURHTER RESOLVED to approve the Assignment and Assumption of Master Easement Agreement from Breckenridge Mountain Master Association to Alpine Metropolitan District regarding the Ice Rink, Escalators and ADA Lift, contingent on all construction being completed and the improvements accepted by the District.

Ice Rink Management Agreement

Ms. Harris reviewed the Management Agreement giving background of the agreement and confirming that changes to the agreement discussed at the previous meeting were completed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Management Agreement with Breck Blades LLC regarding management of the ice rink/activity court, contingent on all construction being completed and the improvements accepted by the District.

Discussion continued on procedures and timing for ordering and payment of startup supplies and inventory tracking since the Management Agreement specifies that the District is to purchase and supply funds for these items. Ms. Harris noted that the District was not able to spend funds on the ice rink until the improvements were accepted which would cause a

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts August 22, 2019 Meeting Minutes

delay in receiving items in time for the anticipated opening date. Following discussion, it was agreed between the Board and Breck Blades that Breck Blades would identify and order large items such as the skate sharpener and Ice Resurfacers and then submit the invoices to the District for payment. It was further agreed that Breck Blades would order and directly purchase smaller items such as helmets and grippers then submit for reimbursement from the District once the improvements were accepted.

The Board reviewed the proposed 2020 Budget for the Ice Rink/Activity Court submitted by Breck Blades, LLC noting it seemed to be consistent with similar operations in Keystone and that no revisions were required. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the proposed 2020 Budget for the Ice Rink/Activity Court as submitted by Breck Blades, LLC, contingent on all construction being completed and the improvements accepted by the District.

Rules and Regulations

Ms. Harris reviewed the Ice Rink/Sport Court Rules and Assumption of Risk statement submitted by Breck Blades LLC. Ms. Tramontana verified that Breck Blades would have a liability waiver that would be required to be signed by anyone using the facility. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Rules and Assumption of Risk statement for the Ice Rink/Sport Court as submitted by Breck Blades, LLC, contingent on all construction being completed and improvements accepted by the District.

Mr. Lewis, Ms. Norton, Mr. Frank, and Ms. Tramontana left at 9:52 a.m.

Maintenance Agreement with Vail Resorts

Ms. Harris reviewed the background and confirmed that changes to the Agreement were made based on discussion at the previous meeting. Discussion turned to supply and payment responsibility for electricity for the escalator and lift noting that the escalators were powered by a separate sub-meter and the lift was powered from the gondola transformer. Ms. Harris confirmed that the Agreement allowed for the District to transfer the expense to another entity. Ms. Harris reported that the agreement had been reviewed by Vail Summit Resorts' counsel and that any suggested revisions were reviewed and accepted by District counsel. Discussion on

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts August 22, 2019 Meeting Minutes

the agreement continued and, following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the License and Maintenance Agreement with Vail Summit Resorts regarding maintenance of the escalators and ADA lift, contingent on construction being completed and the improvements accepted by the District, and successful startup of the improvements.

First Amendment to Independent Contractor Agreement

Ms. Harris reviewed the background of the independent contractor agreement with OAC Management for a replacement reserve study and the discussion at the last meeting regarding the reserve study. Ms. Harris said that this amendment would add a reserve study component for the escalators, ADA lift and ice rink to the scope of work of the quality assurance agreement with OAC Management with no additional compensation to the original agreement. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the First Amendment to Independent Contractor Agreement with OAC Management for Quality Assurance – Ice Rink/Escalators/ADA Lift.

Online Posting of Public Meetings

Ms. Harris reviewed the state legislation and resolutions for online posting of meeting notices. Ms. Harris noted that some of the items on the resolutions as distributed in the packets required clarification or correction including the website address and 24-hour posting location. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Concerning Online Notice of Regular and Special Meetings for Alpine Metropolitan District subject to the following changes:

Website address should be

<https://colo-communities.org/alpine%2Fbreck-metro>; the 24 hour posting location will be “a fence in the northeast corner of the District, which is located at the top of the Freeway Terrain Park and Pipe, Breckenridge, Colorado”, and the effective date of resolution is August 22, 2019; and

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts August 22, 2019 Meeting Minutes

FURTHER RESOLVED to approve the Resolution Concerning Online Notice of Regular and Special Meetings for Breckenridge Mountain Metropolitan District subject to the following changes:

Website address should be

<https://colo-communities.org/alpine%2Fbreck-metro>; the 24 hour posting location will be “the entrance to Timber Trail, Breckenridge, Colorado”, and the effective date of resolution is August 22, 2019.

Financial Statements and 2020 Budgets

Mr. Marchetti reported the meeting had been published as the public hearing to adopt the 2020 budgets for Breckenridge Mountain and Alpine Metropolitan Districts and the public hearing was opened to take comments on the proposed 2020 budgets.

Mr. Marchetti reviewed the Breckenridge Mountain Metro District financial statements included in the packet and the 2020 proposed budget, noting the remaining bond funds were expected to be transferred to Alpine for the remainder of the improvements and the ending fund balance could be used for future capital maintenance repairs. Mr. Marchetti reviewed the assessed valuation for 2020 explaining the anticipated increase is the result of new construction and higher than anticipated residential assessment rate thereby allowing the District to potentially lower the debt service mill levy rate for 2020. Discussion on the potential for new expenses continued with Mr. Marchetti explaining to the Board any unknown expenses would most likely arise on the operations side through Alpine and would affect the IGA services mill levy rate which is budgeted to stay at 1.5 mills in 2020.

Mr. Marchetti then reviewed the Alpine Metro District financial statements included in the packet and the 2020 proposed budget noting the cash reserve funds that could be used for future expenditures. Mr. Marchetti explained that all projects were expected to be completed in 2019 and no capital projects anticipated for 2020. Mr. Marchetti suggested to the Board that an additional fund be created to reflect the ice rink operations.

Following discussion and pending creation of the new fund, the 2020 Budget hearings for Breckenridge Mountain and Alpine Metropolitan Districts were continued to the next meeting.

Accounts Payable

Ms. Johnston reviewed the Accounts Payable list included in the packet and upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the accounts payable list as presented.

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts August 22, 2019 Meeting Minutes

Future Meetings The Board confirmed that the next meeting would be held 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 22nd day of August, 2019.

Respectfully submitted,



Beth Johnston
Recording Secretary