
RECORD OF PROCEEDINGS

**Minutes of the Joint Special Meeting of the
Boards of Directors of
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District
October 17, 2019**

The Joint Special Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held October 17, 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

Breckenridge Mountain:

Jeff Zimmerman
Norm Helm

The following director was excused:

Chris Gersbach

Chris Gersbach

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver LLC (via telephone)
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Erik Peterson, OAC Management (via telephone)
- Matt Lewis, OAC Management (via telephone)
- Jesse Meryhew, OAC Management (via telephone)
- Kimberly Tramontana, Breckenridge Grand Vacations
- Graham Frank, Breckenridge Grand Vacations
- Deb Norton, Breckenridge Grand Vacations
- Chris Blackwell, Vail Resorts
- Dustin Stokes, Vail Resorts

Call to Order

Director Zimmerman called roll at 9:00 a.m. for the joint special 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; Chris Gersbach is General Manager of

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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.

Agenda Mr. Marchetti requested that sales tax exemption for the ice rink project be added to the discussion and that the financial items be moved up on 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 August 22, 2019, minutes as presented.

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

Mr. Meryhew reported that the ADA Lift was mostly complete with some railing needed to be finished. The escalator was completed and has been in operation for one week without traffic. The ice rink was mostly complete with a few items to be corrected or finished by Arena Services by early next week including pipes that were switched and piping from the skid to the building. Mr. Meryhew suggested that the District request an extended warranty on the ice rink to ensure a full one and one-half seasons of run time would be under warranty. Mr. Frank told the Board that the warranty with PCL was for one year from acceptance by the District. General discussion continued on the benefits of obtaining an extended warranty. Mr. Frank agreed to follow up with PCL and report back to the Board.

Mr. Meryhew expressed that the overall Ice Rink and Access projects were successful. Director Zimmerman noted that the escalator and lift improvements were functional and emergency protocols were being researched and put into place.

Mr. Lewis cautioned the Board that snow from the gondola roof would slide and fall onto the ADA lift walkway and should be addressed. Directors Helm and Zimmerman relayed that Breckenridge Mountain Master Association and Vail Resorts were developing a snow mitigation plan for the area and that they were looking at installing signage to warn people of the hazard.

**Ski Hill Road
Project Update**

Mr. Peterson reviewed the change orders, budget adjustment summary and project contingency log included in the board packet noting the balance to finish items to close out the project Mr. Meryhew reported that approval

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had been received from Town of Breckenridge and notice of completion would be submitted to PCL to start the warranty on the project. Ms. Harris reported that the final bus stop condition had been completed as planned and accepted by the Town of Breckenridge so the next step would be formal acceptance of the final completed project by the Town. General discussion continued and, following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the following as presented:

Baseline Survey	Change Order #1	\$1,601.50
Civil Insight	Change Order #5	\$991.50
Good Karma	Change Order #1	\$500
Kumar & Associates	Budget Adjust #1	\$0
Kumar Associates	Change Order #2	<\$7,884.50>
Marchetti & Weaver	Budget Adjust #1	\$2,205
OAC Management	Budget Adjust #1	\$12,771
OAC Management	Change Order #4	<\$6,703.20>
Town of Breckenridge	Budget Adjust #1	<\$1,455>
White Bear Ankele	Budget Adjust #1	\$14,034.27

Mr. Peterson, Mr. Meryhew, and Mr. Lewis left the meeting 9:20 am.

Acceptance of Improvements

Ms. Harris reviewed the Resolution of Acceptance of Improvements as well as costs that are District eligible for reimbursement. Ms. Harris explained that a draft accountant's certification was issued by Marchetti & Weaver and OAC Management issued the engineering certification and letters of completion. Ms. Harris further explained that once the Resolution of Acceptance of Improvements was approved, it would trigger previously approved agreements that were contingent on the acceptance of the improvements. General discussion continued on the escalator maintenance agreement and status with Vail Resorts' legal team.

Mr. Marchetti and Ms. Johnston reviewed the District cash and project bonds reconciliation included in the packet explaining that the total capital expenditures on the Ski Hill Road and Ice Rink and Access projects exceeded the bond funds and original District cash set aside for the projects. Ms. Johnston reviewed the total cost of the Ice rink and Access improvements to the Developer, the amounts available for reimbursement per the acceptance agreement, and confirmed that the Developer advance funds were included in the reimbursement amounts requested. Ms. Johnston also explained that the accountant's certification was a preliminary draft as the Developer still needed to produce several required items such as subcontractor lien waivers. General discussion on the extended warranty resumed with the Board discussing options available to

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the District for obtaining an extended warranty. Mr. Frank agreed to ask PCL to add the extended warranty to the project but if they would not, the Board requested that OAC pursue pricing for an extended one year warranty. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution of the Board of Directors of Alpine Metropolitan District regarding Acceptance of District Eligible Costs and Public Improvements of the Escalators, ADA Lift, and Ice Rink, contingent on receiving the final accounting certification.

The Board authorized that each portion of the Ice Rink and Access project could be reimbursed separately once it was completed and finalized and did not have to be a lump sum reimbursement.

Ms. Harris confirmed that now that the improvements were accepted, the Management Agreement for the Ice Rink was in effect. Ms. Tramontana explained that several items had already been ordered so that the ice rink could be opened by the scheduled start date. Ms. Johnston reviewed the ordering process and the start up budget that was submitted with the Management Agreement noting that any overages to the budget amount would need to be covered by the Manager or require Board review and approval.

Tax Exempt Application

Mr. Marchetti gave background on the tax exempt application filed with the State at the beginning of the projects and the issues that caused it to be rejected. Mr. Marchetti explained that the application needed to be resubmitted with several issues corrected, including updating the construction start date to November 1, 2018, to coincide with the Agreement date and amending the Procurement Agreement. Following discussion and upon motion duly made and seconded, it was unanimously

RESOVLED to approve an Amended and Restated Procurement Agreement with PCL Construction for obtaining necessary project materials and to give authorization to Directors Zimmerman and Helm to sign such amended and restated agreement.

The Board requested that once the issues were corrected that the tax exempt application be resubmitted to the State by the contractor.

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

Financial

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Statements and 2020 Budgets

Mr. Marchetti opened the continued public hearing to adopt the 2020 budgets for Breckenridge Mountain and Alpine Metropolitan Districts. Mr. Marchetti also announced that the meeting had been published as the public hearing to Amend the 2019 Budgets for Breckenridge Mountain and Alpine Metropolitan Districts and opened the meeting to take comments on the amended 2019 budgets.

Mr. Marchetti explained that the pro forma financial statements included in the packet included anticipated payments and revenues through October 31 to give history and forecast of the funds used and the funds available for future projects. Mr. Marchetti explained that the bond funds would be fully expended by Breckenridge Mountain Metro at project completion and that minimal capital fund expenditures were anticipated for Alpine Metro District for 2020. General discussion on reserve funding for the District assets and mill levy rate continued. Following discussion, the public hearings were closed. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the Resolutions to Amend the 2019 Budgets for Breckenridge Mountain and Alpine Metropolitan Districts; and

FURTHER RESOLVED to approve the Resolutions to Adopt the 2020 Budgets for Breckenridge Mountain and Alpine Metropolitan Districts, subject to minor adjustments; and

FURTHER RESOLVED to set the mill levy for Breckenridge Mountain Metropolitan District to 22.50 mills and Alpine Metropolitan District at 0 mills; and

FURTHER RESOLVED to appropriate funds for Breckenridge Mountain and Alpine Metropolitan Districts, subject to minor adjustments.

Ms. Norton left the meeting at 10:15 a.m.

2019 Audit

Mr. Marchetti reviewed the engagement letters included in the packet explaining that Chadwick, Steinkirchner, and Davis preformed the audits for 2018 after the Districts went to RFP. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to engage Chadwick, Steinkirchner, and Davis to conduct the 2019 audits for Breckenridge Mountain and Alpine Metropolitan Districts.

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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.

Future Meetings The Board reviewed the November 21 meeting and requested that Ms. Johnston monitor the agenda and cancel it if there is no pressing business. The Board reviewed the 2020 Proposed meeting calendar included in the packet and upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the 2020 Meeting Calendar as presented.

Appointment of Directors

Ms. Harris stated that notice of the two Board seat vacancies had been published following the resignation of Directors Dawsey and Lifgren in October 2019. There being no other interested candidates, Mr. Blackwell was nominated to fill the position vacated by Director Lifgren and Mr. Stokes was nominated to fill the position vacated by Director Dawsey until the next regular election of the Districts to be held in May 2020. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Christopher Blackwell and Dustin Stokes to fill the vacancies on the Alpine and Breckenridge Mountain Metropolitan Districts Boards.

Director Zimmerman, President of the Boards of the Alpine and Breckenridge Mountain Metropolitan Districts, administered the Oaths of Office to Directors Blackwell and Stokes.

Joint Administration

Resolution for 2020 Ms. Harris reviewed the Joint Annual Administration Resolution for 2020 included in the packet including the online posting of notices, 24 hour posting locations and directors and officers, including those of the newly appointed directors. Following discussion, and upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the Alpine and Breckenridge Metropolitan Districts Joint Annual Administrative Resolution for 2020 with changes to include the new Directors and list their offices as Vice President/Assistant Secretary/Assistant Treasurer.

2020 Election Resolution

Ms. Harris explained that the election resolution included in the packet calls the regular May 5, 2020 election and reviewed the directors up for election

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and the terms for each director. Following discussion, and upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the Joint Resolution Calling Election for the Alpine and Breckenridge Mountain Metropolitan Districts in May 2020 as presented.

Adjournment

Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Joint Special Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 17th day of October, 2019.

Respectfully submitted,



Beth Johnston
Recording Secretary