
RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts February 27, 2020 Meeting Minutes

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 There were no changes to the agenda.

Public Input There was no public input.

Reserve Study Reports

Mr. Peterson reviewed the Storm Sewer Reserve Study included in the meeting packet. Mr. Peterson noted that the report included a beginning fund balance in error but that did not affect the overall study. Mr. Peterson gave an overview of the financial funding explaining the differences in the funding options. He then reviewed the maintenance section explaining the costs and recommended schedule. General discussion on funding balances and a reserve baseline was discussed as well as assumptions used in the study. Mr. Marchetti reviewed the Component and Maintenance Expense Summaries noting that Breckenridge Mountain Master Association completes the maintenance on the Storm Sewer system and the District is responsible for capital replacement. Mr. Peterson said a revised report noting the corrections would be distributed

Mr. Peterson then reviewed the Ice Rink Reserve Study noting that the same format, funding and assumptions were used. Ms. Harris added that although the District was ultimately responsible for the ice rink maintenance, the maintenance during the first two years was the responsibility of Breck Blades, LLC via the Management Agreement. Mr. Peterson reviewed the funding plan and recommended that the ending fund balance be based on the anticipated annual expenses. General discussion continued on how the maintenance schedule was prepared and who provided the information. Mr. Bretz reported that Breck Blades was performing an internal reserve study and would provide recommended suggestions on day to day items not included in the OAC Study such as the ice re-surfacer and other equipment.

Mr. Peterson and Mr. Lewis left the meeting.

Minutes The Board reviewed the minutes included in the packet and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the November 21, 2019, minutes as presented.

Ice Rink/Escalator Project

Ms. Johnston reported that the reimbursements had been released.

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts February 27, 2020 Meeting Minutes

Sales Tax Exemption

Application

Mr. Marchetti reported that he was working with PCL Construction and the State to get a sales tax exemption certificate issued, however the application is being held up by the Colorado Department of Revenue for a reason as yet to be disclosed. Mr. Marchetti recommended that PCL Construction bill the District for sales tax on the materials used for the projects, the District pay the sales tax and then apply for a refund with Colorado Department of Revenue for the sales taxes paid. General discussion continued on the procurement contract obligations and the risk of not being refunded by the State. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve for Alpine Metropolitan District to pay PCL Construction any sales taxes identified on submitted invoices and to then apply for a sales tax exemption from the State.

Ice Rink Operations

Report

Mr. Bretz reviewed the Ice Rink Management Report included in the packet:

- 1) Visits dropped off with increases in snow
- 2) Operations were going well
- 3) The utilities submeter was not working properly but has since been fixed. Utility bills will be adjusted as necessary
- 4) There is a protocol for injuries sustained at the rink with several trained first responders on staff. Appropriate safety forms are in place as well as video surveillance for security
- 5) Specials are being run to encourage skating, a shuttle service is in place, and marketing is underway to increase awareness of the rink.

Election Update

Ms. Johnston and Ms. Harris gave an update on the director election reporting that five self-nomination forms had been received for each district. Deadlines for submitting the forms and the probability of going to election was also reviewed and discussed.

First Amendment to Ice Rink Management Agreement

Ms. Harris reviewed the background of the Management Agreement and explained that Breck Blades requested an extension for submitting the monthly Operations Report from the 10th to the 20th of each month. Following discussion and, upon motion duly made and seconded, it was unanimously

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts February 27, 2020 Meeting Minutes

RESOLVED to approve the First Amendment to the Management Agreement between Alpine Metropolitan District and Breck Blades, LLC.

Mr. Bretz left the meeting

Master Easement Agreement

Ms. Harris reviewed the Master Easement Agreement explaining that although the District is not a party to the Agreement, the Agreement has been assigned to the District. Ms. Harris reported that there was a minor change to extend the scope of the Easement to include additional parties. Ms. Harris reported that the District's counsel had reviewed the changes and were not opposed to them. Following discussion and, upon motion duly made and seconded, it was unanimously

RESOLVED to acknowledge the minor change to the Master Easement Agreement (Grand Colorado on Peak 8 Skating Rink – Sport Court) between Peak 8 Properties LLC, Breckenridge Mountain Master Association, and Vail Summit Resorts Inc and to ratify the District's acceptance of the assignment and assumption of the Master Easement Agreement with this change.

24-Hour Posting Resolution

Ms. Harris reviewed the 24-hour posting locations for Alpine and Breckenridge Mountain Metro Districts. After discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution designating the Alpine Metropolitan District 24-hour posting location as the District website and the alternative location to be a fence in the northeast corner of the District; and

FURTHER RESOLVED to approve the Resolution designating the Breckenridge Mountain Metropolitan District 24-hour posting location as the District website and the alternative location as the entrance to Timber Trail, Breckenridge.

Financial Statements

Mr. Marchetti noted the year-end financial statements included in the packet were preliminary and were subject to change based on any findings of the audits currently in progress. Mr. Marchetti gave an overview of the financial statements calling attention that the outstanding 2010 Bonds were callable on December 1, 2020. Mr. Marchetti explained that the Board could initiate an advance refunding of the Bonds to be closed on or after September 1, 2020 to take advantage of the historic low interest rates

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts February 27, 2020 Meeting Minutes

thereby saving the District money on the repayment. Mr. Marchetti recommended that the Board direct the bond team to proceed with refunding documents for consideration by the Board at the May meeting if interest rates are still low. If interest rates go up, then the refunding can be deferred until December. General discussion continued on the advantages and disadvantages of an advance refunding with discussion then turning to costs of the refunding. Following discussion, the Board requested that the bond team move forward with researching the advanced refunding of the 2010 Bonds.

Accounts Payable Ms. Johnston reviewed the Accounts Payable process, the remaining ice rink start up costs, and the Accounts Payable list included in the packet. 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 regular meeting would be held May 28, 2020.

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 February, 2020.

Respectfully submitted,



Beth Johnston
Recording Secretary