
RECORD OF PROCEEDINGS

**Minutes of the Joint Meeting of the
Boards of Directors of
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District
March 22, 2022**

The Joint Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held March 22, 2022 at 9:00 a.m. via electronic Zoom meeting <https://zoom.us/join>, Phone Only US 1 253 215 8782, Meeting ID: 899 0768 0446.

Attendance

The following Directors were present and acting:

Alpine:

Trevor Maring
Dustin Stokes
Jim Testin
Martin Allen

Breckenridge Mountain:

Trevor Maring
Dustin Stokes
Jim Testin
Martin Allen

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver LLC
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Jason Bretz, Breck Blades, LLC
- Jonathan Heroux, Piper Sandler
- Akio Ohtake-Gordon, Piper Sandler
- Graham Frank, Breckenridge Grand Vacations
- Deb Norton, Breckenridge Grand Vacations
- Ryan Thomas, Vail Resorts

Call to Order

Director Maring called roll at 9:02 am for the joint meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present for each district.

**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: Dustin Stokes is General Manager of Keystone Lodge and Spa 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; Trevor Maring is Director of Base Area Operations at Breckenridge Ski Resort a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; James Testin is Director of Mountain Planning at Breckenridge and Keystone Ski Resorts, Vail Summit Resorts Inc, a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts March 22, 2022 Meeting Minutes

the Districts. Martin Allen is Director of Resort Services Keystone Ski Resort, Vail Summit Resorts Inc, 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 Discussion on the Ice Resurfacer quote was added to the agenda under Ice Rink Operations.

Public Input There was no public input.

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

RESOLVED to approve the February 24, 2022, minutes as presented.

Ice Rink Operations Report

Mr. Bretz reviewed the following for the Ice Rink:

- Operating hours were changed to 3-8pm daily due to the ice being unsafe in the morning.
- February expenses and losses included with the Management Report.
- There were no accidents to report.
- Still trying to increase sales via marketing efforts.
- Tarp is helping to keep ice from melting but hours still need to be adjusted. There was general discussion on how to mitigate sun exposure from making the ice unsafe.
- Closing day has been moved up to April 3 due to ice conditions.
- General discussion was had on Ice Rink expenses and revenues and how other rinks, such as Solaris in Vail, compare. The Board requested Management check for comparisons for review at the next meeting.

Mr. Bretz reviewed the Arena Products Quote for replacement of an infrared sensor and oil changes for two compressors. The freon sensor that was installed also picks up CO2 fumes from cars and since it is installed near the garage, the sensor keeps setting off false alarms. It is recommended that the sensor be replaced by an infrared sensor that only alerts to freon to avoid triggering false alarms. Discussion continued on replacing the sensor, if the correct sensor was originally installed, and if the sensor should be covered by the construction warranty. Mr. Frank agreed to contact PCL Construction to inquire on the sensor and warranty. Ms. Johnston told the Board that the oil changes for the compressors were included in the Ice Rink Reserve Maintenance schedule although at a lower amount than quoted. The Board approved the two oil changes included in the quote at a cost not to exceed \$2,400.

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts March 22, 2022 Meeting Minutes

Mr. Bretz reviewed the Complete Ice Arena quote for maintenance and replacement of the Olympia Ice Resurfacer. The quote was prepared to add the maintenance and replacement costs to the Ice Rink Reserve Study. The Ice Resurfacer is expected to last 20 years if properly maintained and replacement is expected to be around \$105,000. The quote includes pricing for a preventative maintenance program as well as parts that are recommended to have on hand due to long lead times and difficulty getting if they should fail. General discussion on the Ice Resurfacer continued on the life of the batteries, timing, and storage of parts. Following discussion, the Board requested that Mr. Bretz research the cost to replace the Ice Resurfacer versus life cycle cost to maintain and report back to the Board at the next meeting.

Mr. Bretz left the meeting at 9:32 a.m.

North Gondola/ Gold Rush Lots Project

Mr. Heroux reviewed the bond projections revised per the requests at the last meeting. An interest rate of 5.5% was used for the projections however current market volatility could lead to increased interest rates which would result in less bond proceeds available for the project therefore a funding agreement to cover potential shortfalls was recommended. There will be an operating and maintenance (O&M) cost shortfall due to the low assessed valuation during initial years of the project and development. A funding agreement or arrangement would be needed to cover the shortfalls. It was noted that the inflation rate used for expense increases in the projection typically would be mirrored in the assessed valuation increases and it was requested that this be updated in future projections. Mr. Marchetti explained there would be about a two year delay between construction and the increase in assessed valuation. Discussion continued on how to cover the anticipated deficits until the property tax collections caught up since O&M costs cannot be covered by bond funds. Discussion turned to the anticipated mill levy rates for the Subdistrict required to cover the O&M costs and disclosure of those rates by the Developer to potential buyers. Following discussion, it was agreed that the District and the Developer would prepare a Developer Reimbursement Agreement to cover the anticipated funding shortfalls.

Subdistrict Formation

Mr. Marchetti reviewed the Subdistrict Revenue schedule with the Board. There was general discussion on the timeline to issue the Bonds with a December closing and the impacts of accelerating the timeline for a September closing including potential lower issuing interest rates versus paying out capitalized interest if issued earlier. Mr. Heroux confirmed they will keep moving forward pending receipt of the Subdistrict election questions, reimbursement agreement, and bond funds timeline.

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts March 22, 2022 Meeting Minutes

Ms. Harris reported that the Subdistrict's May election was on track and that the ballot language was certified. The BGV attorney had reviewed the funding agreement and did not have any changes. Remaining outstanding items included amounts for the Funding agreement and owner consent for the Formation Resolution.

Mr. Frank, Ms. Norton, Mr. Heroux and Mr. Ohtake-Gordon left the meeting at 10:15 am.

Election Update Ms. Johnston reported that the regular director elections were cancelled due to no more self-nomination forms being submitted than seats available. Discussion turned to oaths and most of the Board members agreed to take their oaths on Thursday May 5 between 9 and 10 am.

Financial Statements Mr. Marchetti reviewed the financial statements explaining that when the Subdistrict is formed a separate financial report will be prepared for it. Discussion turned to the Ice Rink showing revenues under budget and projecting a \$4,000 loss, year to date. Mr. Marchetti noted that due to inflation and other factors, the Service Mill levy rate collected by Breckenridge Mountain for Alpine may need to be increased slightly with a corresponding decrease in the Debt Service Mill Levy rate. The mill levy rate for collection in 2023 will be reviewed in further detail this fall in conjunction with budget preparation.

Audits Ms. Johnston gave an update on the District audits. The audit fieldwork was completed and the drafts were anticipated in mid-April for review. The audits were expected to be presented to the Board for approval at the meeting in May.

Accounts Payable The Board reviewed 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 except for the \$2,354 to Arena Products and Services for the freon sensor replacement.

Future Meetings The next meeting was confirmed for May 26 at 9:00 via electronic meeting.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Joint Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 22nd day of March 2022.

RECORD OF PROCEEDINGS

Alpine and Breckenridge Mountain Metropolitan Districts March 22, 2022 Meeting Minutes

Respectfully submitted,

A handwritten signature in blue ink that reads "Beth Johnston". The signature is written in a cursive style with a large initial "B".

Beth Johnston
Recording Secretary