
RECORD OF PROCEEDINGS

**Minutes of the Joint Special Meeting of the
Boards of Directors of
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District
August 27, 2020**

The Joint Special Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held August 27, 2020 at 9:00 a.m. via electronic Zoom meeting <https://us02web.zoom.us/j/86526093061>, Phone Only US 1 253 215 8782, Meeting ID: 865 2609 3061.

Attendance

The following Directors were present and acting:

Alpine:

Jeff Zimmerman
Chris Gersbach
Dustin Stokes
Norm Helm
Trevor Maring

Breckenridge Mountain:

Jeff Zimmerman
Chris Gersbach
Dustin Stokes
Norm Helm
Trevor Maring

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver LLC
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Bill Ankele, White Bear Ankele Tanaka & Waldron PC
- Jonathan Heroux, Piper Sandler
- America Murillo, Piper Sandler
- Jason Bretz, Breck Blades, LLC

Call to Order

Mr. Ankele called roll at 9:06 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 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: 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 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

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Districts; Dustin Stokes is General Manager of Mountain Thunder 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; 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.

Agenda It was requested that item 6a Update on Bonds be moved up on the agenda.

Bonds Mr. Ankele gave background on the 2020 Bonds issue and introduced Mr. Heroux. Mr. Heroux reviewed the pricing of the bonds and official statement explaining that the Bonds were set to close on September 2. Mr. Heroux reviewed the Draft Closing Memorandum, the Sources and Uses of the funds and payment of the cost of issuance. General discussion was had on the market timing of pricing the bonds early resulting in more favorable demand and interest rates for the bonds saving the District approximately an additional \$200,000. Mr. Marchetti also explained that the refinancing allowed the District to even out its debt service payments over the life of the bonds so the District was in a better long-term financial position. Discussion turned to the payment of cost of issuance and the Board reviewed Exhibit A of the Draft Closing Memorandum. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Cost of Issuance list as presented in the Draft Closing Memorandum Exhibit A; and

FURTHER RESOLVED to approve US Bank as Trustee to pay the Cost of Issuance.

Mr. Heroux and Ms. Murillo left at 9:25 a.m.

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 28, 2020, minutes as presented.

**Escalator Handrail
UV System**

Director Zimmerman reviewed the sanitizing procedures implemented by Vail Resorts for the escalators including signage, maintenance, extra cleaning and hand sanitizer stations. Director Zimmerman reported that the procedures were Covid-19 compliant and were consistent with the

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procedures being used and adopted at other resorts operated by Vail Associates. General discussion continued on the proposed UV system and its effectiveness. Following discussion, the Board decided to stay with the current procedures and tabled further discussion on the UV system until such time that the system is proven effective and deemed necessary.

Ice Rink Operations Report

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

- The sport court would not be installed and an artificial turf option is being researched.
- Summer activities are popular with people using the tables for outside meetings.
- COVID-19 protocols are in place with additional cleaning and sanitizing and hand sanitizing stations installed.

Mr. Bretz reported that the curb around the ice rink was failing and needed replaced. Mr., Bretz will send the engineer's report to the Board for review. PCL Construction was completing the repair under the construction warranty and no cost was expected for the District. The handrail was currently removed but would be reinstalled prior to ice being made for the winter.

Mr. Bretz reviewed the financial statements accompanying the Operations Report noting that the beginning of the season was much better than the end due to early closure and challenges with heavy snowfall and early morning sun melting the ice in spring. Mr. Bretz said they were planning to open the rink in November and acquired a tarp for covering the ice in the mornings. There was general discussion on the 2021 budget for the ice rink which is due to the District by October 1 for review and also the transition of management from Breck Blades to the District in April 2021. The Board requested that Mr. Bretz, Ms. Harris and Ms. Johnston meet to review the management transition details prior to the next meeting.

Board Vacancy

Director Zimmerman announced his retirement from Vail Resorts effective October 1, 2020. Ms. Harris confirmed that Director Zimmerman could continue on the Boards if he desired and reviewed a potential timeline for Director Zimmerman's resignation and appointment of a new director. Director Zimmerman has identified a potential candidate for the Boards and would keep Management and Counsel posted. Director Zimmerman said serving on the Boards was a great experience. Mr. Ankele and Mr. Marchetti thanked him for his service and dedication to the Districts over his many years on the Boards.

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Financial Statements

Mr. Marchetti reviewed the balance sheets explaining that it reflected the cash position of the Districts. He then reviewed the revenues and expenditures forecast noting items were tracking as anticipated and there were no unexpected variances in either District. It was noted that the UV Pro Sanitation system added to Alpine's 2020 forecast would be removed based on previous discussion in the meeting.

2021 Budgets

Mr. Marchetti stated that the meeting had been published as the public hearing for adopting the 2021 budgets and amending the 2020 budgets, if needed, for both Districts, and then opened the public hearing for comment. Mr. Marchetti reviewed the Breckenridge Mountain 2021 preliminary budget noting that although it was not a reassessment year, new construction was anticipated to increase the District's assessed valuation for 2021. Mr. Marchetti reviewed the mill levy for debt service stating that it was being increased to level out property tax revenue collections over the long term. Reviewing the Alpine 2021 preliminary budget and per discussion previously in the meeting, the ice rink operations and management budgets would be updated. Following discussion and pending receipt of further information, the budget hearings for both Districts were continued until the next meeting.

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.

Sales Tax Exemption

Mr. Marchetti gave background on the sales tax exemption on the Transportation and Recreation projects. Mr. Marchetti reported that the sales tax was paid to PCL Construction per direction at the May meeting and that the District had filed a claim for refund of sales tax with both the Colorado Department of Revenue and the Town of Breckenridge. To date, there has been no response from the Colorado Department of Revenue. The District was working with the Town of Breckenridge on questions on the claim for refund so it was in process. Management will continue to monitor the claims and update the Board as information comes in. There is no action required by the Board at this time.

Bank Accounts

Ms. Johnston reviewed the current bank signers and accounts payable process for the Districts explaining that bank signer information is usually updated after an election or a new director is appointed. Following discussion, the Board tabled this item until the next meeting.

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Legal Memo Ms. Harris reviewed the Legislative memo included in the packet, highlighting the following items:

- Repeal of Gallagher Amendment that will be on the ballot in November.
- Counties are able to reduce or waive interest on unpaid property tax. Mr. Marchetti noted that Summit County did waive the interest but it was not expected to impact the Districts.

Consolidated Annual Report Ms. Harris reviewed the 2019 joint annual report to the Town of Breckenridge noting that there was nothing out of the ordinary and that the report had been submitted to the Town of Breckenridge. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to ratify the 2019 Consolidated Annual Report.

Future Meetings The board confirmed that the next meeting would be held October 22, 2020.

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 27th day of August, 2020.

Respectfully submitted,



Beth Johnston
Recording Secretary