
RECORD OF PROCEEDINGS

**Minutes of the Regular Meeting
of the Board of Directors of
Bachelor Gulch Metropolitan District
September 25, 2019**

A Regular Meeting of the Board of Directors of Bachelor Gulch Metropolitan District, Eagle County, Colorado, was held Wednesday, September 25, 2019 at 2:00 pm., in the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, Eagle County, Colorado.

Attendance The following Directors were present and acting:

- Paul Jardis
- Constance Irons-Malernee
- Dale (Dutch) Stortz (via telephone)
- Michael Mossman

The following Director was absent and excused:

- Jennifer Holzworth

Also in attendance were:

- Mike Trueblood, Beaver Creek Village Operations
- Kobe Kenney, Public Safety
- Maureen Crofton, Bachelor Gulch Public Safety
- Sean Sprague, Bachelor Gulch Metro, Ops Asst Manager
- Dave Berg, Bachelor Gulch Metro District, Manager
- Ken Marchetti, Marchetti & Weaver, LLC
- Debbie Braucht, Marchetti & Weaver, LLC, Secretary for the Meeting

Call to Order The Meeting of the Board of Directors of Bachelor Gulch Metropolitan District was called to order by Chairman Jardis, noting a quorum was present.

Consideration of Agenda
Upon review, additional discussions were added to the agenda.

Minutes
Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve the August 28, 2019 meeting minutes as amended.

Public Safety Report
Mr. Trueblood stated late this summer the fire danger went to High.

Director Mossman asked what the procedure was for contractors wanting to work on Saturdays? Director Jardis stated, in the past,

RECORD OF PROCEEDINGS

Bachelor Gulch Metropolitan District September 25, 2019 Meeting Minutes

Public Safety would contact Directors Jardis or Perozzi and unless it was an emergency the answer was, No. They've had only one exception to the rule of no work on Saturdays and that was when the chimney at Bear Paw Lodge was creating a safety hazard. Director Mossman asked if Ms. Crofton can make that judgement call and Director Jardis stated he would like to leave those decisions with the Board. The primary procedure is for Public Safety to contact Director Jardis then Director Stortz. After discussion it will now change to Director Jardis and Director Mossman. Ms. Crofton stated she will draft standard operating guidelines and submit for approval.

Director Jardis reported on an incident of littering he witnessed below his house on the road by the gate. The individual threw some trash behind the gate. He gave a description of the vehicle and time of the incident to Ms. Crofton to investigate.

Operations Report

Mr. Berg stated they will get confirmation on the concrete log order next week.

Director Irons-Malernee asked about options for the skiway gates. Most of the gates have been installed at this point.

There was discussion of the impact, on a small crew, with two employees either out for personal medical reasons or about to be.

Compost Dumpster

The project of a compost dumpster is on hold since concerns were raised that it was an extravagant expenditure with only two confirmed subscribers not to mention the possible smell. Possibly the Bachelor Gulch Club would allow homeowners to use their composting dumpster.

Update on Sale of Tunnel

There is an issue with the 300 square feet of space offered for a cell hub. They are offering air space and not floor space which won't work.

Tennis Court Parking Lot License

Mr. Trueblood and Director Jardis have been working on a License Agreement and just before the meeting Mr. Trueblood sent a revised draft to Director Jardis. The history behind this is that Vail Associates Inc leased the telecommunications room to CenturyLink and the lease stated the landlord would pay the utilities. Somehow, Smith Creek

RECORD OF PROCEEDINGS

Bachelor Gulch Metropolitan District September 25, 2019 Meeting Minutes

Metropolitan District ended up paying the utilities on the CenturyLink room even though Vail Arrowhead, Inc. had obligated themselves to pay the utilities. When Bachelor Gulch Metro District took over operations from Smith Creek Metro District the Operations Manager, at the time, told staff the District was obligated to pay those utilities. After research the District realized it had paid over \$22,000 (twenty-two thousand dollars) in utility bills over the years. To avoid a court battle a settlement will be negotiated in exchange for a license for the Tennis Center parking lot and driveway. They will continue to work on the details of the Agreement to reach a resolution.

Tennis Center Lease/Operations and Gatehouse Lease

Gatehouse Lease: BGMD has will provide BGVA with a proposed triple net lease at no base rent payment for the use of the Gatehouse.

Tennis Center Lease: Historically, BGVA has paid for operation and maintenance of the Tennis Center and related facilities. Recently, questions arose about BGVA continuing to maintain the Tennis Center and facilities. BGMD has given BGVA the option to either continue to operate and maintain the Tennis Center, subject to entering into a triple net lease with BGMD, or, turn over the operations and maintenance of the Tennis Center facilities to BGMD.

Upper Eagle Regional Water Authority

It would also be best to have a lease agreement with the Upper Eagle Regional Water Authority (UERWA) for the space they have in the tennis center building. It too would outline the responsibility each entity has. Director Jardis is working on the agreement with legal counsel and once completed will send to Mr. Jim Collins, attorney for UERWA.

Down Payment Assistance Program

Director Jardis has information on the Town of Vail's down payment assistance program which he will review. It does look like they go through a third party but he's not sure whose money they lend to the employee. Director Irons-Malernee asked if would be better for the District to buy a property and rent it to an employee. Director Jardis said that would tie up too much money and would be a potential liability to the District.

Mr. Berg stated he attended a session at the Special District Association conference where there were ideas about assisting with employee dependent costs as a means of attracting and retaining employees.

RECORD OF PROCEEDINGS

Bachelor Gulch Metropolitan District September 25, 2019 Meeting Minutes

Audit Engagement Letter

An engagement letter was included in the meeting packet from the auditors Chadwick Steinkirchner Davis & Co. Their proposal would be to perform the 2019 audit with no increase in cost. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Audit Engagement Letter with Chadwick Steinkirchner Davis & Co to perform the 2019 audit.

2020 Budget Hearing and 2019 Amended Budget Hearing

Mr. Marchetti stated today has been published as the public hearing for the 2020 budget and the 2019 Amended Budget. He opened the public hearing to public comment. There being no public comment he closed the public hearing. Mr. Marchetti stated the appeal by the Ritz Carlton will go to District court in early 2020. Because the appeal was not settled again this year he has budgeted for an abatement of three years in 2020. There was discussion of the 2020 draft budget, the budget committee meeting and deficit spending. Additional work on the budget brought the deficit spending down to what Director Jardis states is an acceptable level. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the resolution to adopt the 2020 budget, subject to minor adjustments which may result from the final certification of assessed values;

FURTHER RESOLVED to approve the resolution to certify the mill levy at 12 mills for operations and 0 mills for debt service;

FURTHER RESOLVED to approve the resolution to appropriate funds for spending in 2020;

FURTHER RESOLVED to approve the resolution to Amend the 2019 Budget.

Copies of the formal resolutions adopting and amending the budgets, certifying the mill levy and appropriating funds are incorporated herein by reference and shall be retained in the District's permanent records.

Mr. Marchetti stated sales tax revenues were down last month over last year's numbers which is counter to Eagle County as a whole. This shows the

RECORD OF PROCEEDINGS

Bachelor Gulch Metropolitan District September 25, 2019 Meeting Minutes

difference in the rest of the County and Bachelor Gulch which must be the short-term rentals.

Accounts Payable

An updated list was distributed to the Board. Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve and ratify the updated accounts payable list as presented.

Adjournment

There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Bachelor Gulch Metropolitan District Board of Directors held September 25, 2019.

Respectfully Submitted,



Secretary to the Meeting