

RECORD OF PROCEEDINGS
COMBINED REGULAR MEETING
OF THE
ASPEN HIGHLANDS COMMERCIAL & RESIDENTIAL METROPOLITAN DISTRICTS
MINUTES
December 3, 2009

A combined regular meeting of the Board of Directors of the Aspen Highlands Commercial Metropolitan District and the Aspen Highlands Residential Metropolitan District, in the County of Pitkin, State of Colorado, was held on Thursday, December 3, 2009, at 12:00 pm at 0197 Prospector Rd., Suite 2105, Aspen Highlands Village, Aspen, CO with the following people present:

Directors

Present: Jim Laing, President
Ron Chauner, Director
Ed Foran, Director

Absent: Nicholas DiMeglio, Director
Jennifer Causing, Director

Members

of the Public: Gary Beach, District Manager
Landis Greathouse, Assistant Manager, Recording Secretary
Kerrington Hing
Kristin Pride

Call to Order President Laing called the meeting to order at 12:25 p.m.

Approval of
Agenda

Dir. Chauner moved to approve the agenda as presented. Dir. Foran seconded the motion, and it was approved unanimously by voice vote.

Approval of
Minutes

Dir. Foran moved to approve the October 8, 2009, meeting minutes as presented. Dir. Chauner seconded the motion. Mr. Beach added that meeting minutes are usually emailed to the Board for review within a week of the meeting, while the details of the meeting are still fresh. Then at the next meeting the minutes can be approved without a lot of discussion. The directors agreed and being no further discussion, the motion was approved unanimously by voice vote.

Appointment of
Kerry Hing to
Board of Directors

Conveyance documents were signed by the Board Members who were present and by Mr. Hing. The executed documents will enable Mr. Hing to take over Dir. DiMeglio's seat on the Districts' Boards of Directors.

Motion

Dir. Foran moved and Dir. Chauner seconded a motion nominating Mr. Kerrington Hing to the Aspen Highlands Commercial Metropolitan District and

the Aspen Highlands Residential District Boards of Directors contingent upon execution of all documents required to secure Mr. Hing's qualifications. Being no further discussion, the motion was approved unanimously by voice vote.

Final Budget Hearing for

Proposed 2010 Budget Mr. Beach opened the 2010 Budget Hearing at 12:25, explaining that first the Board of Directors discusses and asks questions regarding the budget, and then the budget discussion is opened up to the public. After public discussion is closed, the Board will act on the budget, appropriates the funds necessary to operate in conformance with the adopted budget for 2010, and then if the final assessed values have been received by the County, the Board will certify an appropriate mill levy to generate the taxes required by the District.

Mr. Beach reported that the proposed 2010 numbers have not changed since the last budget hearing. The actual costs to date have changed to reflect costs through October and this will have an impact on the projected carry-forward. Due to the exceptional level of property value protests this year, Management has not yet received the final assessed values for properties within the District. Therefore, this year will require a departure from the District's normal procedure and process and a specific mill levy amount will not be requested to be set by the Board. Instead, management requests that the Board make any necessary changes to the proposed budget, adopt a level of appropriations to meet budget funding requirements, and then direct management to set the mill levy based on that appropriation. This will not provide management with any discretion on the mill levy to be set since it will need to generate only those funds approved by the Board.

Mr. Beach explained further that per the Intergovernmental Agreement between the Districts, the Commercial District is responsible for all operations, and all costs, while the Residential District was organized to assist in the raising of revenues, mostly through taxes, to support the costs associated with debt service and all operations for the entire village.

Mr. Beach reviewed some of the line item expenses stating that the District is looking at ways to contain if not reduce costs. One example was re-lamping the street lights which resulted in an approximate \$9,000.00 per year savings. Overall, management has squeezed everything possible out of the budget. Mr. Beach pointed out that in 2000 the mill levy was 30.0 and with a proposed mill today of 30.85, and when compared to the cost of living increases experienced in this valley and the slow appreciation of assessed values, the District has been very fortunate to keep the mill levy stable for so long.

Motion Dir. Foran moved and Dir. Chauner seconded a motion to adopt the 2010 AHCMD budget with the revenues adjusted to \$192,005.00. Being no further discussion, the motion was approved unanimously by voice vote.

Motion Dir. Foran moved and Dir. Chauner seconded to appropriate funds for the 2010 fiscal year as presented in the 2010 AHCMD budget. Being no further discussion, the motion was approved unanimously by voice vote.

- Motion Dir. Foran moved and Dir. Chauner seconded to direct management to certify a mill levy commensurate to generate the property tax revenues approved in the final 2010 AHCMD and certify to Pitkin County by December 15, 2009. Being no further discussion, the motion was approved unanimously by voice vote.
- Motion Dir. Foran moved and Dir. Chauner seconded to adopt the 2010 AHRMD budget with the revenues adjusted to \$1,814,830.00. Being no further discussion, the motion was approved unanimously by voice vote.
- Motion Dir. Foran moved and Dir. Chauner seconded to appropriate funds for the 2010 fiscal year as presented in the 2010 AHRMD budget. Being no further discussion, the motion was approved unanimously by voice vote.
- Motion Dir. Foran moved and Dir. Chauner seconded to direct management to certify a mill levy commensurate to generate the property tax revenues approved in the final 2010 AHRMD and certify to Pitkin County by December 15, 2009. Being no further discussion, the motion was approved unanimously by voice vote.
- Executive Session A motion was made by Dir. Foran and seconded by Dir. Chauner to enter into Executive Session at 12:50 for the purposes of discussing the GE Johnson litigation. The Board returned to open and public session at 1:00. No actions were taken during executive session.
- Manager's Report Mr. Beach reported that the Ritz Carlton Club would like to use part of Founder's Square for grill and snack food service. At a prior meeting between the Ritz, Management and Eastwood Development, concerns were raised that the grill would compete with the new ZG Grill restaurant. Mr. Beach pointed out that many businesses frequently use District property and the District tries to be equally supportive of all businesses. Mr. Hing explained that the idea is to enhance the Village experience and create more energy. There will be one grill, a vending cart and a couple of picnic tables. An ice bar will be made but will sit on Ritz property. Dir. Laing asked about these services sitting on the snow at Plaza. Dir. Chauner responded that snowcats are not allowed on Plaza and efforts should be made to keep that area level by hand. Mr. Beach added that the District stopped snowmelting that area 2-3 years ago and if there is sufficient snow cover on the plaza that there should be no problem with weight displacement for a snowcat to groom. Dir. Chauner asked if the kiosk could be removed as he feels it is unnecessary and unattractive. Mr. Beach replied that he will look into removing it.
- Future Meeting The next Board meeting, scheduled to occur after the first of the year, will be set via email. The meeting will be held at the Aspen Highlands Village Association Office located at 0197 Prospector Rd., Suite 2105, Aspen Highlands Village, Aspen, CO.
- Adjournment Dir. Foran moved, and Dir. Chauner seconded, to adjourn the meeting at 1:20 pm. The motion was approved unanimously by voice vote. The foregoing minutes constitute a true and correct copy of the minutes of the above-referenced meeting and were approved by the Board of Directors of the combined Aspen Highlands Metropolitan Districts.

Gary Beach, Manager
Aspen Highlands Commercial Metropolitan District
Aspen Highlands Residential Metropolitan District

Date of Approval

Seal:

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