

RECORD OF PROCEEDINGS
FIVETREES METROPOLITAN DISTRICT

Held: 5:30 p.m. on Thursday, October 15, 2009, at the FiveTrees Metropolitan District Office, 0133 Prospector Road, Suite 4210, Aspen, Colorado.

Call to Order The meeting and first 2010 budget hearing of the Board of Directors for the FiveTrees Metropolitan District, in the County of Pitkin, State of Colorado, was called to order by President Conarroe at 5:35 pm with the following persons present:

Dave Conarroe, President
Jason Gregg, Treasurer
Steve Buettow, Assistant Secretary
David Parker, Director

Jim Aresty was absent but excused

Also present: Jim Korpela, District Manager, and
Landis Greathouse, Assistant Manager/Recording Secretary

Approval of Agenda Dir. Parker moved to approve the agenda as written, and Dir. Buettow seconded the motion, which passed unanimously by voice vote.

Approval of June 10, 2009 Minutes A motion was made by Dir. Gregg and seconded by Dir. Buettow to approve the June 10, 2009, meeting minutes as presented. The motion passed unanimously by voice vote.

First Budget Hearing –
Proposed 2010 Budget

Mr. Korpela opened the budget meeting by explaining that this meeting is the 1st of 2 public hearings on the proposed 2010 budget. The 2nd hearing will be set at this meeting as the adopted levy must be conveyed to the County before December 15th. The Board entered into public hearing at 5:40 pm. It was noted that there were no members of the public present and the budget discussions commenced. Mr. Korpela began by asking the Board if they would like to discuss the budget line by line or discuss exemptions. Dir. Conarroe asked to discuss the levy, can it be rolled back or should it be held this year? Mr. Korpela replied that management is proposing to reduce the levy for 2010. Dir. Conarroe added that he is in favor of a proposed reduction. Dir. Gregg agreed. Mr. Korpela continued by saying that a reduction in mill levy is a nice message to homeowners

and provides a nice balance between costs and revenues. Dir. Conarro asked what other highlights or increases were on the budget? Mr. Korpela stated that the proposed property tax receipts will likely change by December as final figures are expected to come in from County and as homeowners may protest their assessed values. Will have a full audit of 2009 financials this year based on Board recommendation. Have been exempt from required audits and Board has not requested full audit since 2006. Discussion ensued over merits of contracting Chadwick, Steinkirchner, Davis & Co. to perform 2009 financials audit. Will add as agenda item for 2nd budget hearing to discuss again and approve. A full election is required this year. Need to confirm who is up for reelection. If there are no opposing nominees then there will be significant savings on this line item.

The discussion jumped to the Lift Budget where the Board discussed ASD and AVSC share in operations costs. Mr. Korpela pointed out that the 6% share per entity cost with no reserve participation is not representative of usage and perhaps it is time for review and renegotiation by the Board. Dir. Conarro asked whether these entities should be subsidizing the District in other ways, maybe through publicity. Mr. Korpela pointed out the ongoing issue of insurance and liability with non-authorized guest ridership. Dir. Parker stated that perhaps the District should be asking for contributions for capital reserves for unforeseen issues. Dir. Buettow pointed out that the current condition went with Moore's ideals when agreement was formed and the idea was to see how things went. Mr. Korpela stated that now the District has 6 years of data to work from to move forward. Dir. Buettow asked if the lift was weathering well? Mr. Korpela replied that it has passed inspections every year. Dir. Parker asked if the District is accumulating lift reserves? Mr. Korpela replied yes but that if the lift was to be replaced, ASD and AVSC would be out of the loop for future ridership for not participating in reserves. Dir. Conarro pointed out that it has always been viewed as the "good neighbor" philosophy. Mr. Korpela added that there is always room for the Board to renegotiate. Dir. Conarro suggested we ask SkiCo. if we are in the ballpark in terms of capital reserves. Mr. Korpela pointed out the need to be more vigilant with riders related to insurance and liability. Dir. Gregg suggested looking into electronic gates which would be a cost up front but would cut operational costs in the long run.

Being no further discussion on the operational budget, the discussion

turned to the capital projects budget. Mr. Korpela reported that capital funds have been spent on speed tables, beetle and fuels reductions and landscaping. The sidewalks budget is still in play and up for discussion. The proposed area is from High School Road to Grey Talon. Could be combined with solar lighting project which could be pulled into 2009 projects. The solar light at the post office was brought up and the Board agreed that it was unattractive and should be replaced, maybe with rope lights. A discussion ensued regarding the sidewalk project and whether it should be colored concrete or asphalt and on which side of the road it should be installed. There were also questions about whether the proposed curb and grass strip should be installed. Dir. Conarroe suggested the topic be pushed to other business to be discussed further and then voted on. Mr. Korpela explained the funds allocated to Beetle Mitigation and Fuels Reduction for 2010 and that a 1 to 1 grant would be applied for in the Spring to offset costs. The Board questioned why the District decided to use solar lighting. Mr. Korpela explained that to trench and run wiring for electric, plus the cost of electricity would result in a jump in cost. Dir. Gregg added that the lights project would be more valid if doing in conjunction with the sidewalks.

Being no further discussion on the budget, the Board entered out of public hearing at 6:34 pm.

Manager's Report

Beetle Mitigation/Fuels Reduction: Mr. Korpela reported that there were two main action days over the summer where staff and volunteers placed pheromone packets and cleared deadfall with good success. The remaining work was contracted out to Western Timber. Of the \$33,000.00 spent, \$12,000.00 was spent on beetle mitigation and the remaining \$21,000.00 was spent on fuels reduction. Approximately 93 acres in the District have been targeted for management: 1,200 packets were placed this summer. Plan will be evaluated next year. A discussion ensued amongst the Board as to which method, packets or thinning, was most effective as there was much conflicting data. Board agreed as long as something was being done, that was positive.

Parking: Parking enforcement has been increased, especially since beginning of fall with increase of students parking in and around Sievers Circle. There is an issue with students parking in residents driveways

which is difficult to enforce. Try to enforce regularly as well as on an on call basis. Enforcement also applicable to other neighborhoods in District.

Trail Clearing: Mr. Korpela reported that he walked the easements to prepare them for weeding and clearing in preparation for ski season. One area that needs attention is the “old” easement up by Lots 4, 5 and 7. Dir. Gregg expressed an interest and concern about having better signage and barriers at the top of the easement to deter non-homeowners from venturing in. Dir. Gregg also suggested seeking legal opinion as there is a liability concern.

Aspen School District Negotiations: Mr. Korpela recommended a position on the part of the District to trade Open Spaces 10 & 2, which are currently being used and encroached upon by ASD, for OS 3 and a parcel by Sievers. The District has no current or future need or use for Open Spaces and could benefit from 3 and the Sievers parcel by improving the High School Road intersection and providing Sievers residents with a “buffer.” Mr. Korpela met with Elizabeth Parker, representative for ASD, and proposed trade of parcels but have not received a formal response back. Dir. Conarro suggested we have feedback from ASD by the 2nd budget hearing in order to have a vote.

Other Business

A motion was made to proceed with budget fund for the sidewalk project.

A discussion ensued over the merits of concrete versus asphalt and whether the sidewalk would actually be used by pedestrians. Concern was also expressed over drainage and which side of the road the sidewalk should be placed. A decision was made to either approve project or remove it from budget.

Being no further discussion, Dir. Parker moved and Dir. Gregg seconded to approve the sidewalk project with: 5’ sidewalk; 3’ grass strip; dark asphalt; 6” curb; and gutter. If the final bid comes in higher than current bid than will oppose project. The motion passed with Directors Conarro, Parker and Gregg in favor and Director Buettow opposed.

Dir. Parker moved and Dir. Gregg seconded to direct management to install solar lights along the sidewalk after installation. The motion passed unanimously by voice vote.

- Motion Dir. Gregg moved, and Dir. Conarroe seconded, to direct management to prepare the final 2010 budget with input from the first budget hearing. The motion passed unanimously by voice vote.
- Set Future Meeting An email will be sent to the Board of Directors to set the next meeting and 2nd budget hearing.
- Motion to Adjourn Given there was no further business to discuss, Dir. Conarroe moved to adjourn the meeting at 7:30 pm. The motion was seconded by Dir. Parker and 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 FiveTrees Metropolitan District.

James T. Korpela, Manager
FiveTrees Metropolitan District

Seal:

Date of Approval