

RECORD OF PROCEEDINGS  
FIVETREES METROPOLITAN DISTRICT

**Held** 5:00 p.m. on Wednesday, October 26, 2011, at the offices of Beach Resource Management, 0197 Prospector Rd, Suite 2105, Aspen, Colorado.

**Call to Order** The meeting of the Board of Directors of the FiveTrees Metropolitan District, in the County of Pitkin, State of Colorado, was called to order by President Conarro at 5:05 pm with the following persons present:

Dave Conarro, President  
David Parker, Vice-president  
Steven Buettow, Director via teleconference

Jim Aresty, was absent but excused

Also present:  
Gary Beach, District Manager  
Roy Saba, Assistant Manager

**Approval of  
Agenda**

President Conarro declared a quorum was present. Dir. Parker moved, and Dir. Buettow seconded, to approve the agenda as presented. The motion was approved unanimously by voice vote.

**Approval of  
9-8-2011  
Minutes**

A motion was made by Dir. Buettow and seconded by Dir. Parker to approve the September 8, 2011, meeting minutes as presented. The motion was approved unanimously by voice vote.

**First Public Hearing  
On 2012 Proposed  
Budget**

The First Public Hearing on the Proposed 2012 Budget was declared open by Dir. Conarro at 5:09 PM. Mr. Beach provided the Board with a detailed description of changes between the 2011 budget, current spending and the proposed 2012 revenues and expenditures. Mr. Beach clarified that the assessed value of the District had dropped by \$5,848,470 resulting in a reduction in tax revenues of approximately \$38,267 if the mill levy for operations remains the same as in 2011. The Board acknowledged this and questioned the impact on the District.

Mr. Beach stated that the impact would require spending down some of the District's savings from past years in order to maintain the same level of

operations, while also addressing several capital project needs. For example, he explained that the District roads are in need of sealing as they have been in place for eleven years and should be sealed to extend their useful life. Mr. Beach went through the Capital Projects Budget, the Reserve Budget, the Ski Lift Operations Budget, and the General District Operations Budget. He detailed changes to individual line items, and pointed out that the total revenues would decrease from \$397,123 (before reserve fund transfers) to \$350,518, and expenditures would decrease from \$335,879 to \$327,899 (not including capital projects).

The Board discussed the required increase in the Lift Operations Mill Levy to capture the projected costs of Lift Operations, and the unchanged General District Operations Mill Levy. After a thorough discussion it was determined that the Board would not increase the operations mill levy to make up for revenue reductions resulting from decreasing property values. Rather, it was decided that the District would spend down some of its prior operational savings. Mr. Beach stated that this action was in keeping with past actions where the Board lowered District mill levies when property values increased dramatically, and is in keeping with the Board's policy of generating only those revenues needed to safely and efficiently operate the District.

Dir. Conarro asked if there were any other questions or comments regarding the proposed 2012 budget and hearing none, declared the public hearing closed at 5:37 pm.

- Motion** Upon a motion made by Dir. Buettow and seconded by Dir. Parker, management was directed to prepare a final budget for presentation at the December meeting that is substantially based on the combined proposed budgets presented at this hearing.
- Manager's Report** Mr. Beach updated the Board on snowplowing and snow removal for 2011 and 2012 operations, on the results of the ski lift annual inspection, the response from Aspen School District to pursue the proposed land swap, and efforts being made by the District to clean up and restore some of the District's various open space parcels and ski easements.
- New Business** No new business was discussed.
- Set Future Meeting** Upon a motion made by Dir. Buettow and seconded by Dir. Conarro, the next meeting of the Board of Directors and the second hearing of the

proposed 2012 Budget will be held on December 7, 2011 at 5:00 pm at the offices of Beach Resource Management, 0197 Prospector Road, Suite 2105, Aspen Highlands, Aspen, Colorado.

**Motion to Adjourn** Given that there was no further business to discuss Dir. Buettow moved to adjourn the meeting at 5:58 pm. The motion was seconded by Dir. Conarro 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 are approved by the Board of Directors of the FiveTrees Metropolitan District.

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Gary L. Beach, Manager  
FiveTrees Metropolitan District

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Date of Approval

Seal: