

RECORD OF PROCEEDINGS  
FIVETREES METROPOLITAN DISTRICT

- Held: 5:00 p.m. on Tuesday, December 7, 2010, at the FiveTrees Metropolitan District Office, 0133 Prospector Road, Suite 4210, Aspen, Colorado.
- Call to Order The meeting and second 2011 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 5:14 pm with the following persons present:
- Dave Conarroe, President  
Jason Gregg, Treasurer  
Steve Buettow, Assistant Secretary  
Jim Aresty, Director
- David Parker was absent
- Also present: Gary Beach and James Korpela of Beach Resource Management
- Approval of Agenda Dir. Conarroe moved to approve the agenda as written, and Dir. Buettow seconded the motion, which passed unanimously by voice vote.
- Approval of October 13, 2010 Minutes A motion was made by Dir. Conarroe and seconded by Dir. Buettow to approve the October 13, 2010, meeting minutes as presented. The motion passed unanimously by voice vote.
- Second Budget Hearing –  
Proposed 2011 Budget
- Director Conarroe opened the public hearing on the proposed 2011 budget at 5:15pm. Mr. Beach explained that this meeting is the 2<sup>nd</sup> of 2 public hearings on the proposed 2011 budget, that the meeting was properly noticed and published. This hearing is to discuss and approve a final budget in order to adopt and certify a ad valorem tax mill levy Pitkin County before December 15<sup>th</sup>.
- There were no members of the public present and budget discussions were commenced among the Board. Mr. Beach began by reviewing the budget notes and assumptions used to establish sound reasoning for various line items. A thorough discussion of the budget ensued. Mr. Beach explained to the board that a flat management fee was being proposed for 2011 is based on 10 years of experience and very stable management costs for the

past eight years. Mr. Beach explained that a flat fee structure would help keep operating costs stable by reducing accounting costs and the volume of detail currently provided in the monthly billing. Mr. Beach concluded the flat fee discussion by stressing that the level of detail currently provided would continue to be available upon request, but that the level of processing would be reduced. The flat fee is proposed on a one year trial basis to enable the board to evaluate.

A discussion of on-call service as provided by Beach Resource commenced. Mr. Beach and Mr. Korpela responded that FiveTrees has minimal need for this service and therefore would see no cost increase associated with this service. Mr. Beach concluded the on-call discussion by pointing out that the 2011 budget would not see an overall increase over 2010.

A discussion of cost containment ensued. Mr. Beach pointed out that through October 2010, 60% of the budget had been used. Mr. Beach stated that Beach Resource has come in under budget consistently, and that management has found ways to lower operating costs in many areas. While carry forwards have been declining, that is primarily due to reserve funding, where 2010 saw \$100,000 placed into reserves and 2011 is budgeted for \$50,000 in reserve funding.

A discussion of lift reserves began. Dir. Buettow commented that the reserve schedule for anticipated lift maintenance costs included in the manager's report was quite helpful. Mr. Beach reminded the Board that ASD and AVSC are not contributing to capital lift reserves.

A short discussion then began regarding the extensive irrigation repairs that were required this year. Mr. Beach and Mr. Korpela pointed out the age of the system and that certain parts were failing, particularly at the points of connection boxes for each neighborhood zone, and that more repairs were planned for 2011, though not as extensive as 2010.

Dir. Aresty began a discussion of lift operations and costs for 2010/2011, pointing out that he had been stranded on the lift previously and questioned whether the District was providing enough incentive to receive top service. Dir. Conarro reported a similar experience of being stranded on the lift. The board directed staff to meet with Ski Co staff to express their concern that these occurrences are unacceptable and that the FiveTrees lift operators must have the same level of training as all other lifts.

Dir. Buettow began a general discussion of the budget pointing out that cost containment was his primary concern, and that contract management of projects such as the sidewalk must include board involvement if cost increases are incurred. A general discussion on future capital projects was held and all Board members participated.

Being no further discussion on the budget, Dir. Gregg moved to adopt the proposed budget for 2011, and Dir. Aresty seconded the motion, which passed unanimously by voice vote.

Dir. Aresty moved to appropriate funds for the 2011 fiscal year, and Dir. Gregg seconded the motion, which passed unanimously by voice vote.

Dir. Aresty moved to certify the mill levy as appropriate to generate the property tax revenues approved in the 2011 budget, and Dir. Conarro seconded the motion, which passed unanimously by voice vote.

The Board closed the public hearing at 5:55 pm and returned to the open Board meeting.

Dir. Gregg began a discussion of the remaining lots left to build on and Mr. Beach replied that lots 1, 4, 5, 6, 7, 11, and 12 remained to be built on. A discussion of the Gildor remodel at 864 Moore ensued, with Mr. Korpela advising that parking enforcement was being pursued daily.

A general discussion of the departure of Landis Greathouse from the district staff ensued, and Mr. Beach reported that her duties would be assigned to other Beach employees, Micheal Kiernan and Roy Saba.

#### Manager's Report

Mr. Korpela reviewed the manager's report. A discussion ensued regarding beetle mitigation and fuels reduction, with the board concurring that no further funds would be spent on these capital projects without further board direction.

Regarding negotiations with ASD, the board reiterated its position that ASD should be responsible for the costs to write and file the easement for ASD to use Open Space 10.

A lengthy discussion ensued regarding the issue of dogs left unattended on Bus Barn lane and leaving their waste in other's yards. One of the residents has asked to be able to build a fence to prevent the dog waste. As fences are precluded in the covenants, the board wished to increase

awareness among neighbors first, then moving to enforcement by adopting increased fines for the dog violations. A motion was made by Dir. Aresty and seconded by Dir. Buettow for staff to send a letter as a warning and to outline the fine schedule, and to post a new dog waste baggie station at Bus Barn. The motion passed unanimously by voice vote.

Dir. Aresty reported that thistle along Shavano apparently was not sprayed this past year. Mr. Beach reported that a mixture of Milestone and another product had been used this year, and agreed that spraying along Shavano was not sufficient in 2010 but would be improved in 2011.

Set Future Meeting An email will be sent to the Board of Directors to set the next meeting.

Motion to Adjourn With no further business to discuss, Dir. Aresty moved to adjourn the meeting at 6:50 pm. The motion was seconded by Dir. Conarroe 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.

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Gary L. Beach, Manager  
FiveTrees Metropolitan District

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Date of Approval

Seal: