
RECORD OF PROCEEDINGS

Minutes of the Meeting of the Board of Directors Arrowhead Metropolitan District September 7, 2022

A work session of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on September 7, 2022 at 1:00 p.m. at the offices of Marchetti and Weaver, 28 2nd St, Unit 213, Edwards, with an option to attend via electronic Zoom meeting <https://us06web.zoom.us/j/89687485158?pwd=Z2ZVTEZOZnNtOGFtaEErMTBaWS8yQT09>, Phone Only US 1 253 215 8782, Meeting ID: 896 8748 5158 passcode 943017, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Michelle Horton
- Bill Roe
- Vincent Riggio (Zoom)

The following Directors were absent and excused:

- Bob Shafer
- Steve McPhetridge

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts (Zoom)
- Ken Marchetti, Marchetti & Weaver, District Administrator
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary

Call To Order

The work session of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Roe on September 7, 2022, at 1:00 p.m. noting a quorum was present.

Disclosure of Potential Conflict

Of Interest The Board noted that it has received certain written disclosures of potential conflict of interest statements from Director Riggio more than seventy-two hours prior to the meeting, indicating that Director Riggio is affiliated with Trinity Development Group, Inc. (“Trinity”), a real estate development company. Trinity is evaluating possible alternative uses of the Skier Parking Lot owned by the District and Trinity may bid on the purchase or some other form of development of the Skier Parking Lot, within the confines of applicable law. Director Riggio’s activities in evaluating possible alternative uses of the Skier Parking Lot could be considered by some to constitute a potential conflict of interest. The Board noted, for the record, that this disclosure is restated at this time with the intent of fully complying with laws pertaining to potential conflicts of interest.

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Consideration

Of Agenda There were no changes to the agenda.

Public Input There was no public input.

Budget Work

Session The budget committee, consisting of Directors Horton and Roe, and Director Riggio reviewed the 2023 preliminary budget and workpapers. Mr. Marchetti reviewed working with Director Riggio on the Roundabout projections and gave an overview of the combined funds report. The projection assumes construction of the roundabout in 2024 using grant funds and available District cash instead of issuing additional bonds and the effect on the ending fund balance through 2026. The projection also assumes continuance of the accelerated road overlay schedule and retaining the 14.5 mill levy for 2023. There was general discussion on having a less aggressive road overlay schedule to build up the reserve fund balance more quickly, reducing the mill levy and at what point the Debt Service mill levy could be eliminated. Discussion on issuing debt for the project while conserving cash was also discussed with Mr. Marchetti projecting that option would probably result in a higher mill levy rate than funding the project from the available cash reserves. There would need to be discussions with McDowell Engineering and CDOT on how to preserve the permit approval.

The committee then reviewed the detailed line items and requested the following:

- Roundabout project for 2023 should be \$50,000 with placeholders for 2024 in Grant funds of \$1.5 million and construction at \$4 million
- Add evening shuttle hours for Thurs-Sun, 5 hours per day for 22 weeks
- Set vehicle R&M to \$10k and miscellaneous special projects to \$5,000 to cover extra sales tax projects and converting old records to electronic
- Operation contingency was set at \$75,000 and Capital Contingency at \$50,000
- Eagle Vally Trail contribution suggestion is \$50,000 for 2023 and 2024 contingent on applying for certain grant funds

The committee requested that the three mill levy options presented on the preliminary budget should be presented to the entire Board for review along with the 2024 through 2026 projections.

Future

Meetings Additional budget work sessions would be scheduled if necessary.

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

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RESOLVED to adjourn the work session of the Arrowhead Metropolitan District Board of Directors this 7th day of September 2022.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting