

**MINUTES OF THE  
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF  
BEAVER CREEK RESORT COMPANY OF COLORADO  
January 26, 2017**

A Special Meeting of the Board of Directors of the Beaver Creek Resort Company of Colorado, a Colorado non-profit corporation (the "Company") was held on Thursday, January 26, 2017, in the Juniper Room of the Beaver Creek Lodge, Beaver Creek Subdivision, Eagle County, Colorado.

Ms. Howard called the meeting to order at 8:01 am and Ms. Jones verified Notice of Meeting Sent and a quorum established for the purposes of the meeting. The following members of the Board of Directors were present in person or by conference telephone:

Beth Howard  
Tim Maher  
Bob Boselli  
Phil Metz  
Brian Nolan

Kristin Williams  
Ross Bowker via conference phone  
Jim Donohue  
Jeff Luker

Representing the Company were Jen Brown, Managing Director, Tom Allen, Treasurer, and Elizabeth Jones, Secretary. Also present were Kathy Calton, Sarah Stutman and Mitzi Forrester from BCRC; Steve Nusbaum from Design Review Administration; Lou Kreig, Larry Graveel, Alexia Jurschak, Toby and Mort Mower, and Dave Eickholt from BCPOA; Rob Prescott and Darwin McCutcheon from BC businesses; Duncan Horner, Mike Imhoff and Bob Ford from Vilar Performing Arts Center; Paul Gorbold from Transportation; Tim Baker and Jerry Hensel from Village Operations; and Paul Backus and Matthew Miller from McMahan and Associates Accounting.

1. Public Comment. Dave Eickholt spoke on behalf of a BC homeowner that had an issue with a renter using his private driveway. Board directed staff to send a letter to the owners that renters must adhere to rules and regulations. Mr. Luker commented that many properties with renters are breaking rules by leaving trash cans out for days and parking on the street. Board directed staff to send a letter to all property management companies reminding them of the rules and regulations that apply to renters.

Rob Prescott spoke on his continued desire to have mannequins, easels and increased outdoor displays in the village as well as inclusion in Village events.

Ms. Brown introduced Mitzi Forrester, the new BCRC Director of Village Wide Group Sales. She began her position early January and has leads on three groups for 2018.

2. Election of Board President. Upon motion made by Mr. Nolan, seconded by Mr. Boselli and unanimously approved, Ms. Beth Howard was elected as President of the Beaver Creek Resort Company Board of Directors.

3. Minutes of the Beaver Creek Resort Company Annual Board Meeting November 26, 2016. Upon motion made by Mr. Luker and seconded by Mr. Maher, the minutes of the Annual Board Meeting held November 26, 2016 were unanimously approved as presented; Ms. Howard abstained as she was not a member of the Board in November. The approved minutes are attached as Exhibit A.

4. Vilar Presentation. Mike Imhoff, Duncan Horner and Bob Ford presented the annual VCAF and VPAC financial report for 2016 and capital improvement plans for 2017. Mr. Imhoff stated a continued effort in 2016 towards open and consistent transparency with collaboration and communication. Two

members from the BCRC Board were added to the Vilar Board to continue the collaborative work. The Vilar wishes to improve visibility and marketing to destination guests and would like BCRC support in adding digital signage in the village and possibly a new escalator roof and entry that would highlight the Vilar presence. Mr. Nolan commented the Wheeler House in Aspen used to have facility tours during rehearsals that were very popular. He also suggested check presenters as a marketing tool. Some concern was voiced about the digital signage proposed and more information will be needed for approval.

Mr. Ford presented the financial report for 2016. He explained that the Vail Valley Foundation tracks the Vilar as two separate entities. VCAF is a separate 501(c) 3 that is responsible for the assets such as the building and capital projects, and the VPAC is responsible for the operations and activities; the two operating together create the full operation. The financial summary of both entities was reviewed and is attached as Exhibit B.

5. Financial Report December 31<sup>st</sup>, 2016. Mr. Allen reviewed the Financial Report ending December 31<sup>st</sup>, 2016, attached as Exhibit C, as follows:

Year-to-Date Revenues - Through December revenues had a positive variance to budget of \$223,754. Civic, Lodging Civic and Mountain/Recreation Assessments had a combined negative variance of \$267,763. The negative variance in assessments is being offset with RETA having a positive variance of \$361,567 and special event revenues having a positive variance of \$118,991.

Year-to-Date Expenses - Expenses had a positive variance of \$589,728. Activities and Events had a positive variance of \$325,699 with the majority of the variance due to the cancellation of the World Cup races. Professional services had a positive variance of \$86,188. This is due to the timing of invoices for the design guidelines project. Marketing had a positive variance of \$510,247. This variance is due to the timing of production, media buys and high net worth marketing and is not a permanent variance. BCMD transportation funding had a negative variance of \$60,360 due to the true up actual payments versus estimated payments. Dial-a-Ride operations had a negative variance of \$7,251. The variance was due to the sale of used vehicles (net proceeds from the sales were \$59,020) and increases in vehicle leases (\$79,400). Parking lot operations had a negative variance of \$245,617 due to increases in vehicle leases. The negative variance in property maintenance was due to the timing of the skiway maintenance payment.

Year-End Revenues - Year-end revenues are forecast to have a negative variance of \$243,285. This variance is due to the combination of the World Cup races being cancelled and poor snow conditions during November and early December. No variance is being forecast for the remainder of the winter season. Advanced bookings for February and March are trending above the prior year so for these months we anticipate that revenues should come in close to or above budget. No increase in RETA revenues is being forecast at this time. If real estate sales continue to be strong the revenue forecast for RETA will be increased in later months.

Year-End Expenses – We are currently forecasting a negative variance of \$99,108 in expenses. The variance is due to:

- \$281,305 savings from the World Cup races
- \$32,000 savings in Winter Culinary Weekend and Snowshoe Series expenses
- \$2,000 savings in the TV8 contract
- \$60,360 negative variance due to the true up of BCMD transportation funding
- \$416,359 negative variance in transportation vehicle leases
- \$1,000 savings in village Wi-Fi service, and
- \$5,000 in additional design review legal fees

Capital Expenditures: \$136,939 has been spent on capital projects through November. Expenditures on capital include \$83,322 for variable message signs, \$9,545 for special event tables, \$4,911 on new tent tops and \$7,122 on the second phase of the village lighting project.

Cash Balance: The ending cash balance for November was \$1,667,089 compared to a budgeted cash balance of \$712,164. Year-end forecasted cash balance is \$2,197,603.

6. Bank Resolution. Upon motion made by Mr. Nolan and seconded by Mr. Luker, the Board unanimously

**RESOLVED**, that Doug Lovell's name be removed and Beth Howard's name added to the BCRC Alpine Bank accounts as President of the Beaver Creek Resort Company Board of Directors.

7. Design Review Residential Regulations Approval. Ms. Brown reviewed the second draft of the Design Review Residential Regulations. Counsel advised that the Design Review Board must adopt the Regulations before BCRC ratifies them, so BCRC will ratify in the March Board meeting. Mr. Maher reiterated his concern with restriction on irrigation water and landscaping in the regulations. Mr. Luker stated a desire to amend the tree regulation that is in the Declarations at some point in the future. Board gave full consensus to move the second draft forward for Design Review Board adoption.

The Construction Activities Regulation updates will be presented to the Board for approval in March.

8. Visioning Project. Ms. Brown reminded the Board of the work day scheduled with the Board members for the Beaver Creek Visioning project on Wednesday, February 1, 2017. Adam Ducker with Robert Charles Lesser Co. (RCLCO) will be talking with Board members about their desires for the Visioning project moving forward and will create an internal four part process with a review and analysis. It is expected following the work day with the Board, the project will continue to move forward.

9. Paid Parking Review. Mr. Baker gave an interim update on the paid parking lots this season. Village Operations has learned a lot about parking behaviors of the guests and non-resort vehicles. Parking lots have not filled at all this season. The initial assumption was that 70 percent of parking would be captured. Thus far into the season, there are fewer resort visitors parking and the number of non-resort vehicles that used the lower lots was much higher than originally anticipated. The Town of Avon has not reported any parking issues. Mr. Baker stated the Guest Service scores regarding parking originally dropped at the beginning of the season but have since recovered. A conservative reforecast for assumptions of parking fees are 30 percent of capture rate for this season, and repayment to BCRC is anticipated to occur over year six, versus two per the initial pro forma. The Board requested the paid parking initiative reconciliation to be added to the budget as a separate line item.

10. Office Remodel. Ms. Brown reviewed the plan to remodel the BCRC offices to improve efficiency and add additional work desks for employees. This remodel has been budgeted for five years. Board gave consensus to staff to move forward with remodel plans.

11. New Business. Mr. Luker expressed a desire to amend the newly approved Flag Regulation to include all U.S. state and military flags. Upon motion by Mr. Donohue and seconded by Mr. Maher, the Flag Regulation amendment was unanimously approved.

Mr. Luker suggested that a sponsorship with Audi be sought out for a large mural in the parking garages much like the one he saw in Munich a week ago. He is interested in improving the aesthetics of the parking garages. Board agreed to discuss further.

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Upon motion made by Mr. Luker and seconded by Mr. Metz, the Board unanimously adjourned into Executive Session at 10:01 am.

Upon motion made by Mr. Maher and seconded by Mr. Nolan, the Board unanimously adjourned the Executive Session at 10:48 am.

With no further business to come before the board and upon motion by Mr. Maher duly made, seconded by Mr. Nolan and unanimously approved, the meeting adjourned at 10:49 am.

Respectfully submitted,

Elizabeth Jones  
Secretary

**LIST OF EXHIBITS**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**BEAVER CREEK RESORT COMPANY OF COLORADO**  
**January 26, 2017**

- A. Minutes of the BCRC Board of Directors Meeting November 26, 2016
- B. FY16 Budget Final Results of Vilar Performing Arts Center
- C. BCRC Financial Report ending December 31<sup>st</sup>, 2016