

**MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
BEAVER CREEK RESORT COMPANY OF COLORADO
Tuesday, January 26, 2016**

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 Tuesday, January 26, 2016, in the Juniper Room of the Beaver Creek Lodge, Beaver Creek Subdivision, Eagle County, Colorado. The meeting commenced at 8:03 a.m. The following members of the Board of Directors were present in person or by conference telephone:

Doug Lovell	Phillip Metz
Jeff Luker	Jim Donohue
Tim Maher	Orla Bannan
Brian Nolan	Ross Bowker, via conference phone
Bob Boselli, via conference phone	

Representing the Company were Jen Brown, Managing Director; Tom Allen, Treasurer; and Elizabeth Jones, Secretary. Also present were Kathy Calton from BCRC, Bill Simmons and Lou Kreig representing the Beaver Creek Metropolitan District (BCMD), Tim Baker and Jerry Hensel from Resort Operations, Steve Nusbaum from Design Review Administration, Dave Eickholt and Alexia Jurschak from Beaver Creek Property Owners Association (BCPOA), Robert Purdy from Beaver Creek Park Hyatt, and Kris Sabel, Mike Imhof and Bob Ford from the Vail Valley Foundation.

1. Public Comment. Mr. Eickholt requested that BCRC send a message to stakeholders regarding mountain lion safety and recommendations if mountain lions are seen in the area.
2. Minutes of the Beaver Creek Resort Company Board Meeting November 28, 2015. Upon motion made by Mr. Maher and seconded by Mr. Luker, the minutes of the Special Meeting held November 28, 2015 were unanimously approved as presented and are attached as Exhibit A.
3. Vilar Performing Arts Center. Mike Imhof, Kris Sable, and Bob Ford from the Vail Valley Foundation presented five years' worth of financial reports and a business activity update for the Vilar Performing Arts Center. VCAF updated their 501c(3) charitable status last year. The Metro District funding is specific to the VCAF capital expenses and BCRC contributions are specific to the programming and operating expenses. The contributions were rolling up under the Vail Valley Foundation balance sheet but have now been split out onto the VCAF balance sheet as a separate entity. New programming is planned for the upcoming year; Mr. Sable reviewed the programming and booking process. Board discussed the desire to bring destination guests utilizing the VPAC. VPAC will generate a report of activity twice a year for the BCRC Board. BCRC agreed to create a committee of Jen Brown, Doug Lovell, Jim Donohue and Jeff Luker to address the contracts between BCRC, VVF and VPAC in order to understand and enact the rights and responsibilities of all parties and utilize the asset to the fullest extent.

Mr. Lovell asked that all Vilar ticket requests by Board members be processed through Ms. Jones for tracking purposes.

3. Financial Report December 31, 2015. Mr. Allen reviewed the Financial Report for December 31, 2015, attached as Exhibit B, as follows:

Revenues Year-to-Date - Through December revenues have a negative variance to budget of \$116,190 or 2.8%. Compared to the prior year revenues are positive \$285,493 or 7.5%.

- Civic, Lodging Civic and Mountain/Recreation Assessments have a combined positive variance of \$148,486 compared to budget and are \$320,142 ahead of last year. Part of the positive variance includes collection of \$38,989 of assessment revenue from a property management company that has not paid for the past year.
- RETA has a negative variance of \$308,615 or 28.6%. Real Estate sales have been steady (17 sales this year vs. 21 last year), but we have not seen the high dollar sales that we saw last year at this time. Compared to last year RETA is behind \$71,804.
- Activities and special events revenues have a positive variance of \$49,792. The majority of this variance comes from Birds of Prey bar sales and New Year's Eve. The New Year's Eve event sold out this year for the first time ever.

Revenues Year-End – The current forecast shows a positive variance at year-end of \$79,539 or .4%.

- Civic and Lodging Civic has a positive variance of \$38,989 which is attributed to the unpaid assessments collected from the prior year.
- Special events revenues are forecast to have a positive variance of \$40,550. This variance is based upon the positive variances in Birds of Prey and New Year's Eve revenues.

Expenses Year-to-Date - Expenses had a positive variance of \$510,079 or 9.0%.

- Administration has a positive variance of \$23,026. This is due to the timing of invoices and not due to permanent savings.
- Activities and special events have a positive variance of \$27,449. There were expense savings in both Tree Lighting and Birds of Prey.
- Marketing had a positive variance of \$341,978. Since the 2015 Championships were completed per the Memorandum of Understanding, the auditors required that the full amount of the remaining contribution be recognized as an expense in FY 2015. Therefore, the \$350,000 expense budgeted for the 2015 contribution will not be recognized in FY 2016. This is an accounting entry only and will not affect the timing of the payments or our cash flows.
- Dial-a-Ride has a positive variance of \$57,946. Used Dial-a-Ride vehicles were sold in October amounting to \$73,684 in revenue that was not budgeted.
- The parking lot positive variance of \$28,244 is due to current savings in maintenance costs.
- Public safety has a positive variance of \$12,750 due to timing of off-site parking payments.
- Interest expense has a negative variance of \$17,243. When the 2015 Championship contribution was recorded in FY 2015 the amount of future payments had to be discounted at their present value. An entry to interest expense is made in order to increase the amount accrued to the amount paid. The interest expense entry has to be made per accounting principles but it will not affect the cash flows.

Expenses Year-End – The current year-end forecast for expenses shows a positive variance of \$430,111.

- Activities and special events forecasted positive variance of \$27,720 is due to savings in Tree Lighting and Birds of Prey expenses.
- Marketing's positive variance of \$350,000 is due to the accounting treatment of the 2015 Championships contribution.
- The Dial-a-Ride positive year end variance of \$73,684 is due to the sale of used vehicles.
- Parking lot service is forecast to have a negative variance of \$4,050 due to reduced number of hours for the Westin shuttle. This was partially offset by a reduction in the service hours.
- The negative variance in interest expense is due to the accounting treatment of the 2015 Championships contribution.

Capital Expenditures: \$140,897 has been spent on capital. Most of this has been spent on the village handrails, relocating the snowmelt manifold at the top of the Ford Hall escalators for a new fire pit and village landscape planning.

Reserves: The ending cash balance for November was \$549,208 compared to a budgeted cash balance of \$311,794. Year-end forecasted cash balance is \$2,440,087 compared to the budgeted cash balance of \$1,980,439.

4. Capital Projects Update. Ms. Brown reviewed the progress made on capital projects and reported a reallocation of capital monies because of bids obtained for village flower pots and estimates for the front gate software upgrades.

5. Village Road Landscaping Plan. Ms. Brown proposed a plan to remodel the landscaping at Village Road intersections in accordance with Project Legacy intent; the plans call for re-grading, flowers and some added stone, but no signage or lighting changes. Ms. Brown intends to ask Metro District to split the cost of the upgrades to Village Road intersections at their Board Meeting tomorrow (January 27, 2016).

6. Visioning initiative. Board discussed the possibility of hiring an outside consultant to lead a visioning project for Beaver Creek. Consultant would bring constituents together in order to align goals and ideas and build a strategy for success of the resort in the future. Board decided to host a one day workshop (date to be determined) to better understand the groups and Boards that would be involved and the facilitator will get an understanding of our collective goals.

7. DestiMetrics Reports. Ms. Brown reviewed the most recent DestiMetrics reports. Board requested Ms. Brown summarize such reports in the future into an executive summary to outline the content and intended take away. The summary is attached as Exhibit C.

8. New Business. Mr. Nolan asked if people who are renting out their homes through Air B&B or VRBCO pay Civic and Lodging assessments. Ms. Calton regularly searches for rental properties advertised to make sure they are paying correctly.

Mr. Luker asked if there is any plan in place to extend the ski way at Saddleridge past the Kiva building to allow lunch guests to ski down. The properties are discussing easement ideas now in order to facilitate.

9. Executive Session. At 10:51am, Mr. Nolan motioned to move into Executive Session; seconded by Mr. Luker. Motion passed unanimously.

Following the Executive Session and with no further business to come before the board and upon motion by Ms. Bannan duly made, seconded by Mr. Luker and unanimously approved, the meeting adjourned at 12:46 p.m.

Respectfully submitted,

Elizabeth Jones
Secretary

LIST OF EXHIBITS
SPECIAL MEETING OF THE BOARD OF DIRECTORS
BEAVER CREEK RESORT COMPANY OF COLORADO
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- A. Minutes of the BCRC Board of Directors Meeting November 28, 2015
- B. Financial Report December 31, 2015
- C. DestiMetrics Report Summary