

**MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS OF
BEAVER CREEK RESORT COMPANY OF COLORADO**
August 23, 2018

The Annual 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, August 23, 2018, in the Juniper Room of the Beaver Creek Lodge, Beaver Creek Subdivision, Eagle County, Colorado.

Ms. Howard called the meeting to order at 8:00 a.m. and Ms. Jones verified the Notice of Meeting sent and a quorum established for the purposes of the meeting. The following members of the Board of Directors were present:

Beth Howard	Jim Donohue
Tim Maher	Jeff Luker
Bob Boselli	Kristin Williams
Ross Bowker via conference phone	Phil Metz

Representing the Company were Jen Brown, Managing Director; Tom Allen, Treasurer; and Elizabeth Jones, Secretary. Also present were Sarah Stutman, Kathy Calton, and Angie Busby from BCRC; Jerry Hensel, Paul Gorbald and Jim Clancy from Village Operations; Bill Simmons, Larry Graveel and Jim Fraser from Beaver Creek Metro District; Dave Eickholt from BCPOA; and Steve Nusbaum from Design Review Administration.

1. Public Comment: None.
2. Minutes of the Beaver Creek Resort Company Board Meeting July 26, 2018. Upon motion made by Mr. Luker and seconded by Mr. Boselli, the minutes of the Board Meeting held July 26, 2018, were unanimously approved as presented. The approved minutes are attached as Exhibit A.
3. Financial Report July 31, 2018. Mr. Allen reviewed the financial report ending July 31, 2018, attached as Exhibit B:

Year-to-Date Revenues – Total revenues had a positive variance of \$1,124,171 through July 31st.

- Civic, Lodging Civic and Mountain/Recreation Assessment had a combined negative variance of \$1,103,146.
- RETA had a year-to-date positive variance of \$2,188,174. The average sales price for single family homes was 8.8% above expectations.

Year-to-Date Expenses - Expenses had a negative year-to-date variance of \$179,775.

- Activities & Events had a positive variance of \$37,724.
- Professional Services had a positive variance of \$78,326 due to savings in consulting services and the short-term rental compliance contract being less than budgeted.
- Marketing had a positive variance of \$277,752. The majority of this is the timing between when invoices were budgeted to occur and when then actual invoices are being received. Currently only a savings of \$14,628 is being forecast.
- Transportation was the major negative variance with a variance of \$574,654. As previously reported this variance is due to lease costs and parking lot bus maintenance.

Year-End Revenues - Year-end revenues are forecast to have a positive variance of \$344,635.

- Civic Lodging Civic and Mountain/Recreation Assessments for forecast to have a negative variance of \$1,148,764 by year-end.
- Real Estate Transfer Assessments are forecast to have a positive variance of \$1,731,584.
- Activities & Events revenues are forecast to have a negative variance of \$276,863.

Year-End Expenses – The current forecast for expenses shows a negative variance of \$294,989.

- Activities & Events is forecast to have a positive variance of \$659,144.
- Transportation has a negative variance of \$525,253 due to parking lot bus maintenance and lease costs.

Capital Expenditures: Thus far \$575,637 has been spent on capital projects. Major capital expenditures through May include \$27,000 to remodel the ice rink rental shop; \$62,600 for the digital kiosks; \$17,257 to expand the LED lighting to Creekside Park and the entrance flag wall; \$31,720 for LED lighting in the highway 6 parking lots; \$38,737 for new recycling containers; \$65,812 to replace one of the ice rink compressors; \$76,992 on the One Beaver Creek escalator landscaping; \$36,650 on pedestrian path landscaping; \$16,900 on creek landscaping; \$22,556 on silk flowers for the plaza; \$47,004 for plaza furnishings; \$18,300 on ski and bike racks, \$17,117 on the new fire pit and \$75,567 on the village activation project by Cirque.

Cash Balance: The ending cash balance for June was \$9,946,723 compared to a budgeted cash balance of \$8,465,159. The year-end forecasted cash balance is \$8,218,444.

4. FY19 Draft Budget Version 1. Mr. Allen reviewed the first FY19 Draft Budget as prepared and proposed by the Budget Committee of the Board. The first draft of the budget shows net operating income of \$480,617. RETA has a negative variance of \$634,360, which is due to using a three-year average for sales volume. Civic, Lodging Civic and Mountain/Recreation Assessments have a positive variance to the FY 2018 forecast of \$565,092. All other revenues have small increases. The exception is in other Revenues. In FY 2018 the Arrowhead at Vail Design Review Board paid a one-time \$40,000 license fee to use BCRC's design review guidelines format. Total expenses have a negative variance of \$1,068,590 to the FY 2018 Forecast. The variances will be explained in the expense section. Ms. Brown thanked the Budget Committee for their work in preparing the Draft Budget.

5. Annual Meeting Dates Resolution. Ms. Jones proposed dates for the Annual Meeting and the Record Date to Determine Members Entitled to Vote. Upon motion made by Mr. Maher and seconded by Mr. Boselli, the Board unanimously RESOLVED:

**BEAVER CREEK RESORT COMPANY OF COLORADO
RESOLUTIONS OF THE BOARD OF DIRECTORS
ESTABLISHING 2018 ANNUAL MEMBER MEETING DATE AND
RECORD DATE TO DETERMINE MEMBERS ENTITLED TO VOTE
Board of Directors Meeting August 23, 2018**

RESOLVED, that the 2018 Annual Meeting of Members shall be held at 8:00 a.m. on Saturday, November 24, 2018, with the Annual Meeting of the Board of Directors to follow immediately thereafter;

FURTHER RESOLVED, that October 8, 2018 is hereby established as the record date for the purpose of determining members entitled to notice of or to vote at the Annual Meeting of Members of the Company set for November 24, 2018;

FURTHER RESOLVED, that October 8, 2018 be the date by which all nominations for directors seats must be received; and

FURTHER RESOLVED, that the Company deliver notice of such nomination deadline date to the members as soon as practical after September 10, 2018.

6. DRB Survey Results Review. Mr. Nusbaum presented the results of the Design Review Satisfaction Survey results gathered over the previous year. The Survey was sent out after each Certificate of Occupancy was approved; the surveys are sent to the individuals that initiated the project which is not necessarily the property owner. There was an 18% return rate of the survey, which demonstrated an overall satisfaction level with the service offered by the Design Review Administration. An area of opportunity for improvement is in the assistance of overlapping entity information that should be offered clearly and early to customers in the Design Review process.

7. Beaver Creek Marketing Update. Mr. Metz offered an update from the Marketing department as they plan for the 2018-19 ski season. Retail promotions with 96 hour sales are being offered with an incremental success rate. Promotional packages will be offered for winter events such as Birds of Prey and the grand opening of Haymeadow Park. Mr. Metz will present the full marketing plan for the season at the September Board meeting.

8. Regulation Direction: Tent, Village Design. Ms. Brown requested Board direction as to which regulations are desired for updating and reviewing now that the Commercial Regulation update is complete. She recommended the Tent Regulation and the Village Guidelines as next on the slate for revisions. After discussion, Board approved and directed staff to set a meeting for these Regulations to be reviewed and updated.

9. Group Report. Ms. Busby had a group sales report for review in the Board book which demonstrated growth year over year and an 85% increase in sales leads since July. She will change the reporting formats in the future to show benchmarks of sales progress year over year. Ms. Busby is currently bidding for a high net worth and well known group in February 2019 that would be the ideal Beaver Creek client.

10. New Business. Mr. Luker asked why there is such a high occurrence of fire alarms on the Public Safety report. Mr. Clancy answered that the brief power outages added to the false alarms.

11. Executive Session. With no further business Ms. Howard motioned to adjourn to Executive Session at 8:45 am.

At 9:37 am, upon motion made by Mr. Luker and seconded by Mr. Maher, the Executive Session ended and returned to regular session.

Upon motion made by Mr. Donohue and seconded by Mr. Maher, the Transportation Contract Agreement terms were unanimously approved.

With no further business to come before the board and upon motion by Mr. Luker duly made, seconded by Mr. Boselli and unanimously approved, the meeting adjourned at 9:48 am.

Respectfully submitted,

Elizabeth Jones
Secretary

LIST OF EXHIBITS
SPECIAL MEETING OF THE BOARD OF DIRECTORS
BEAVER CREEK RESORT COMPANY OF COLORADO
August 23, 2018

- A. Minutes of the BCRC Board of Directors Meeting July 26, 2018
- B. BCRC Financial Report ending July 31, 2018