

MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF  
BEAVER CREEK RESORT COMPANY OF COLORADO  
February 25, 2021

A 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, February 25, 2021 via Zoom internet visual platform as required by the social distancing restrictions set in place by Eagle County Public Health officials due to COVID-19.

Ms. Guerriero called the meeting to order at 8:02 a.m. on the Zoom platform. 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 via Zoom:

Nadia Guerriero	Tim Maher
Jeff Luker	Jim Donohue
Brian Nolan	Bob Boselli
Phil Metz	Ross Bowker
Greg Willis	

Representing the Company were Jen Brown, Managing Director; Tom Allen, Treasurer; and Elizabeth Jones, Secretary.

Also in attendance:

Laura Waniuk, Karen Braden-Butz and Sarah Innerarity from Beaver Creek Resort Company  
Mike Trueblood, Paul Gorbald, Koby Kenny and Jerry Hensel from Village Operations  
Bill Simmons from Beaver Creek Metro District  
Dave Eickholt from Beaver Creek Metro District and Beaver Creek Property Owners Association  
Bruce Kiely from Beaver Creek Property Owners Association  
Alexia Jurschak from the Vilar Performing Arts Center and Beaver Creek Property Owners Association  
Owen Hutchinson from Vilar Performing Arts Center  
Steve Nusbaum from Design Review Administration  
Jeff Werkheiser from Vail Resorts Marketing  
Angelo Fernandez from Eagle County

1. Public Comment. Mr. Eickholt, newly appointed Beaver Creek Metro District Chairperson, spoke about the one-way Avondale Lane discussion that has begun. The BCMD will review all opinions and feedback sent to BCRC as part of their analysis of considering a permanent change to one-way traffic on Avondale Lane. The BCMD will hire a traffic engineering firm to study the feasibility of overall traffic flow and skier drop off areas. Mr. Eickholt looks forward to collaborating with BCRC on such an initiative.

Mr. Bruce Kiely, newly elected Board President of the Beaver Creek Property Owners Association, introduced himself and expressed a desire to work with BCRC on future projects.

Ms. Brown introduced Ms. Karen Braden-Butz, the new Finance Manager on the BCRC staff. Ms. Braden-Butz has 17 years of experience with Vail Resorts and is excited to learn her new role.

2. Minutes of the Beaver Creek Resort Company Board Meeting January 28, 2021. Upon motion made by Mr. Luker and seconded by Mr. Boselli, the Board unanimously approved the minutes of the Board Meeting held January 28, 2021 as presented. The minutes are attached as Exhibit A.

3. Financial Report January 31, 2021. Mr. Allen reviewed the financial statements from January 31, 2021, which are attached as Exhibit B:

Year to Date Revenues: Through January 31<sup>st</sup> year-to-date (“YTD”) revenues had a positive variance of \$2,075,620.

- Civic and Lodging Civic Assessments were ahead of budget \$618,810 while Mountain/Recreation Assessments had a negative variance of \$126,624. YTD Civic and Lodging Civic Assessments were budgeted to be 41% below the prior year but ended only 22% below. Mountain/Recreation Assessments were budgeted to be 37% below the prior year but ended at 42% below.
- YTD RETA had a positive variance of \$1,484,721. Real estate sales have continued to be stronger than anticipated.

Year to Date Expenses: Expenses had a positive year-to-date variance of \$645,160.

- Administration had a positive variance of \$68,751. The savings to budget is due to the restaurant tent rental being lower than budgeted and the timing of the Beaver Creek Lodge special assessment.
- Activities & Events had a positive variance of \$234,639. Due to COVID protocols the winter activities and activations had to be scaled back.
- Vilar RETA contribution has a negative variance of \$148,172 due to the \$73,936 increase to the January operating contribution approved by the Board and increased real estate sales.
- Transportation operations had a positive variance of \$381,629. Village Connect had a savings in operating costs of \$205,010 and Parking Lot Service had a saving of \$53,258. In addition there was \$56,001 in savings of bus maintenance. The \$51,353 positive variance in overhead is due to year-end true-up between BCMD and BCRC.
- Public Safety had a positive variance of \$47,320. This variance is due to savings in the management fee. Management fees are now being calculated on actual expenses plus 10%.
- Insurance has a positive variance of \$21,717. BCRC received a refund of \$20,717 of prior year premiums.

Year End Revenues: Revenues are forecast to have a positive variance of \$2,069,075.

- Civic, Lodging Civic and Mountain/Recreation Assessments are forecast to have a positive variance of \$748,848. The booking pace from the January 31<sup>st</sup> DestiMetrics reports is tracking fairly close to our budget. The budget for February and March are 65% of normal. Current booking pace has February and March occupancies pacing at 64% of prior year.
- RETA is forecast to have a positive variance of \$1,795,768. February RETA is forecast to be ahead of budget \$311,047. The remaining months are assumed to meet budget. Currently there are 28 condos and townhomes, 8 single family homes and duplexes and 1 lot under contract with an estimated RETA value of \$2,616,993.

Year End Expenses: Total expenses are anticipated to have a positive variance of \$902,742 by year-end.

- Activities and Events are anticipated to have a savings of \$706,372. At the recommendation of the Events Committee, Blues, Brews and BBQ, Family Challenge, July 4<sup>th</sup> and Wine & Spirits festivals have been canceled. A portion of the savings is being allocated to enhance the summer village activation.
- Vilar contribution has a negative variance of \$222,108. The operating contribution’s negative variance is \$147,872. This increase in the contribution was approved by the Board at the January meeting. The RETA contribution is forecast to have a negative variance of \$89,798.

- Transportation is expected to have a savings of \$385,765.
- The remaining expenses are expected to follow closely to the budget for the remainder of the year.

Capital Expenditures: \$185,516 has been spent on capital through January. Expenditures include \$33,804 on Beaver Creek Wonder; \$41,200 on the Beaver Creek App development; \$46,125 on village accent lighting and \$62,052 on fire pits.

Cash Balance: The ending cash balance for January was \$10,821,316, compared to a budgeted cash balance of \$11,056,314. \$11,881,870 is being forecast for the year-end cash balance.

Mr. Luker asked about the breakdown of the Mountain Civic collected to date; Mr. Allen responded he does not receive the skier or ski school numbers reported in the amount collected.

Mr. Nolan stated for the Board to be cautious because even though the financials are ahead of budget, the budget was extremely conservative and forecasted less than previous years. BCRC is down 22% over the prior year.

4. VPAC Funding. Ms. Brown reviewed the funding request from VPAC. Following the BCRC Board's approval in January to resume a portion of the VPAC funding obligation in FY21, staff learned of a significant misunderstanding between the entities. VVF/ VPAC was requesting resumption of funding to 75 percent annualized, versus only 75 percent for the 3<sup>rd</sup> and 4<sup>th</sup> quarters. The two parties agreed that the contracted amount of 100 percent funding in FY21 would not be recognized due to the pandemic. The total VPAC funding amount for FY21 at 75 percent is \$887,472.

Upon motion made by Mr. Nolan and seconded by Mr. Boselli, the Board unanimously approved the incremental VPAC funding in the amount of \$139,728 in addition to the January approval.

5. Charitable Contribution RETA Exemption Request. Mr. Allen reviewed a request from property owner Peter May who donated 42 Red Spruce Lane to The Philharmonic-Symphony Society of New York, Inc. aka: New York Philharmonic. Mr. May requested an exemption from the Real Estate Transfer Assessment under Section 4(c)(iii)(M) of the Resort Company Bylaws. This section states that exclusion from the Transfer Assessment can be granted if the transfer of the Site is to an organization which is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code, as amended (or any comparable statute), provided that the Board of Directors specifically approves such exemption in each particular case.

After reviewing the requirements of such a request and upon motion made by Mr. Bowker and seconded by Mr. Boselli, the Board unanimously agreed to a one-time Real Estate Transfer Assessment exemption for the property transfer from Peter May to The Philharmonic-Symphony Society of New York, Inc.; the exemption letter is attached as Exhibit C.

7. Eagle County Vista Vision Project. Angelo Fernandez, Chief Culture Officer for Eagle County, presented the Vista Vision Project, a visioning initiative of Eagle County. This new collaborative group of individuals made up of community partners will endeavor to define:

- Taking stock: A better understanding of where our communities want to be headed as we plan for the future, and make decisions that impact conditions today.
- Vision and Values: A clearer sense of what matters and where we're headed.
- Collaboration: Improved ability to work collaboratively, and with the larger community, to make decisions about difficult issues.

- Engagement: Improved ability to engage with - and address the needs of - people in our community who are marginalized & have less voice or power in policy & decision making.
- Practical Solutions: Make real progress in addressing key local and regional issues.
- Planning and Policy: Develop a Comprehensive Plan that offers a blueprint for future growth while responding to more effectively to the needs and wants of our community.

Mr. Fernandez encouraged any Board member who may be interested to join the group.

8. Winter Marketing Update. Jeffrey Werkheiser from Vail Resorts Marketing presented the Winter Marketing update. Guests have demonstrated a delay in planning vacations and booking at the last minute. Promotions are being offered now in market for lodging deals this spring. Travel trends on a larger scale are seeing a shift through the end of the season.

9. Design Review Board Report. Mr. Nusbaum stated the Design Review Administration anticipates a busy summer season. His department has adjusted staffing levels and job expectations to prepare.

10. Public Safety Report. Mr. Kenny reviewed the Public Safety reports. Tow and boot orders have increased recently. CCA foot patrol are preparing for the warmer weather which will increase CCA traffic throughout the resort. Staff are working on Guest Service training. Parking attendees have been extremely busy every weekend and they are managing overflow parking on Prater Road. Public Safety has seen an increase in guests driving up to the resort for drop off instead of using the transportation busing.

15. New Business. Mr. Donohue stated a desire to see Ice Skating offered free for the remainder of the ski season. The Events Committee and staff will vet the idea and the staffing levels needed for such an initiative.

Mr. Luker wished to publicly thank Barry Parker for his service and time on the Beaver Creek Metro District Board and the Beaver Creek Property Owner Association Board; Mr. Luker stated Mr. Parker was a great supporter and stabilizing leader for Beaver Creek. Mr. and Mrs. Parker are moving to Texas and will be missed in the community.

Mr. Nolan wished to report that Beaver Creek's sister resort, Lech, Austria, recently suffered a major fire in their biomass plant; responders were quick with a strategy that saved the town from major damage. No one was hurt.

16. Adjourn. With no further business to come before the board and upon motion by Mr. Boselli and seconded by Mr. Maher and unanimously approved, the meeting adjourned at 9:46 a.m.

Respectfully submitted,

Elizabeth Jones

LIST OF EXHIBITS  
BOARD OF DIRECTORS MEETING  
BEAVER CREEK RESORT COMPANY OF COLORADO  
February 25, 2021

- A. Minutes of the BCRC Board of Directors Meeting January 28, 2021.
- B. Financial Report January 31, 2021
- C. Charitable Contribution RETA Exemption Documentation for the Philharmonic-Symphony Society of New York, Inc.