

MINUTES OF THE
BOARD OF DIRECTORS MEETING OF
BEAVER CREEK RESORT COMPANY OF COLORADO
September 23, 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, September 23, 2021 via Zoom internet platform.

Ms. Guerriero called the meeting to order at 8:02 a.m. 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:

Nadia Guerriero	
Jeff Luker	Tim Maher
Phil Metz	Bob Boselli
Gary Shimanowitz	Ross Bowker
Brian Nolan	

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

Also in attendance:

Karen Braden-Butz and Clint Huber from Beaver Creek Resort Company
Jeff Werkheiser, Lauren Barotz and John Plack from Vail Resorts Marketing
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
Owen Hutchison from Vilar Performing Arts Center
Steve Nusbaum from Design Review Administration
Jerry Hensel from Village Operations
Jane Heller from Beaver Creek Property Owners Association
Paul Gorbald from Beaver Creek Transportation

1. Executive Session. Upon motion made by Mr. Boselli and seconded by Mr. Luker, the Board unanimously moved into Executive Session at 8:03 a.m.

Upon motion made by Mr. Boselli and seconded by Mr. Metz, the Board unanimously moved into Public Session at 8:48 a.m.

2. Public Comment. None.

3. Minutes of the Beaver Creek Resort Company Board Meeting August 26, 2021. Upon motion made by Mr. Maher and seconded by Mr. Shimanowitz, the Board unanimously approved the minutes of the Board Meeting held August 26, 2021 as presented. The minutes are attached as Exhibit A.

4. Financial Report August 31, 2021. Ms. Braden-Butz reviewed the financial statements from August 31, 2021, which are attached as Exhibit B:

Year-to-Date Revenues: Through August 31st year-to-date (“YTD”) revenues had a positive variance of \$5,936,333.

- Civic and Lodging Civic Assessments are ahead of budget by \$1,754,674. For August, Civic and Lodging Assessments are estimated at \$621,602. This is 76% ahead of budget. Compared to 2019, Civic and Lodging Civic Assessments are ahead 47%. YTD Mountain/Recreation Assessments are \$2,765,725, which is 33% below budget and 41% below prior year. For the month of August, Mountain/Recreation Assessments had a positive variance of \$29,025.
- YTD RETA had a positive variance of \$5,379,700. For August RETA was \$519,934 compared to a budget of \$767,597, resulting in a negative variance of \$247,663. Last month the forecast was decreased for August and September by \$495,949 in total.
- Other Income is \$169,294 ahead of budget YTD with a negative variance for canceled Special Events and the unbudgeted recognition of Public Safety Vehicles as a Capital Contribution.

Year-To-Date Expenses: Total Expenses had a positive year-to-date variance of \$1,259,603.

- Administration had a negative variance of \$70,657. Negative variances include Admin management fees of \$51,736 due to staffing changes; \$51,091 related to investment fees and unrealized gain/loss on investments; and COVID-19 signage of \$6,556. These negative variances are being partially offset with savings from the restaurant tent rental and timing of the Beaver Creek Lodge special assessment which is anticipated to be paid prior to year-end.
- Activities & Events had a positive variance of \$593,568. Due to Public Health orders, winter activities and activations had to be scaled back; Blues Brews & BBQ, Craft Beer Festival, Family Challenge, Wine & Spirits and Speak Easy Festival also were canceled in 2021.
- Vilar contribution has a negative variance of \$561,281 due to the increase in the operating contribution approved by the Board and increased real estate sales.
- Marketing had a positive variance of \$99,264 due to winter special event marketing, BC app savings, Free After 3 PM parking subsidy savings.
- Transportation operations had a positive variance of \$976,625. Village Connect, Village-to-Village and parking lots all had savings in operating costs through the winter. In addition there was savings in bus maintenance and the \$51,353 positive variance from the year-end true-up between BCMD and BCRC.
- Property Maintenance had a positive variance of \$70,987. Property maintenance management fees had positive variances due to shortage of staff and ice rink management fee had a positive variance due to the conversion of the ice rink for summer activation. The positive variance is being partially offset by increases in escalator maintenance and inspections and ice rink property taxes.
- Public Safety has a positive variance of \$117,523 due to savings in the management fees.
- Design Review Board had a negative variance of \$32,825 due to increased legal fees an additional summer employee.
- Insurance has a positive variance of \$79,956. BCRC received a refund on prior year premiums and savings on new policy year premiums.

Year-End Revenues: Revenues are forecast to have a positive variance of \$5,712,346.

- Civic and Lodging Civic had a positive variance to budget of \$1,063,738 at the end of the ski season and a positive variance of \$1,804,340 by the end of the summer. The forecast was adjusted down by \$371,750 based of DestiMetrics occupancy changes.
- Mountain/Recreation Assessments are forecasted to have a negative variance of \$1,386,083 which includes a positive change to this forecast of \$23,656.
- RETA is forecasted to have a positive variance of \$4,974,818. This is a slight increase of \$68,286 from the prior forecast based on July actuals. The volume of properties going under contract has slowed significantly in the past weeks and the August and September budgets were fairly aggressive.
- Other Revenues has a positive forecast change of \$46,573 for interest and investment income.

Year-End Expenses: Total expenses are anticipated to have a positive variance of \$1,086,814 by year-end.

- Administration is forecasted to have a negative variance of \$146,440 by year-end due mainly to staffing changes, investment fees and unrealized gains/losses on investments.
- Activities and Events are anticipated to have a savings of \$495,473 due to the reduced winter activations and cancellation of signature events.
- Vilar contribution has a negative variance of \$541,036. The operating contribution's negative variance is \$296,322, while the RETA contribution is forecasted to have a negative variance of \$244,714.
- Transportation is expected to have a savings of \$994,134. This forecast has not changed from last month.
- Property Maintenance has a positive variance of \$103,241, including savings for management fees of \$148,322; landscape maintenance of \$9,843; and skiway maintenance \$5,027. Savings are being offset by a negative variance for ice rink operations of \$30,587; escalator maintenance and inspections of \$17,110; and general maintenance of \$12,564. The Board approved \$100,000 maintenance funding has resulted in a total spend of \$27,440. \$45,000 was saved in the site work at the rodeo grounds and \$40,000 to fix the railings will now be spent in October due to contractor timing.
- Public Safety is anticipated to have a savings of \$108,749 related to savings in the management fees.
- DRB has a negative variance of \$38,415 as a result of increased legal fees and the addition of staff.

Capital Expenditures: \$779,781 has been spent on capital through July. Expenditures include \$260,361 on Beaver Creek Wonder; \$50,100 on the Beaver Creek App development; \$46,125 on village accent lighting, \$74,195 on fire pits, \$31,127 on plaza and ice rink furnishings; \$20,649 on ice rink flooring for drainage; \$106,400 on public safety vehicles; \$11,886 on village security cameras and \$178,938 on escalator rebuilds. The public safety vehicles received from BCMD were recorded at fair market value of \$106,400. The vehicles were transferred from BCMD at no cost to BCRC. Accounting principles require that they be recorded as assets with the offsetting account being capital contribution revenue. The year-end forecast for capital expenditures is \$875,913.

Cash Balance: The ending cash balance for August is \$15,748,573, compared to a budgeted cash balance of \$8,288,954. \$15,943,747 is being forecast for the year-end cash balance. \$10,000,000 was transferred to an investment account in August.

Mr. Boselli requested the detail and actual costs of the ice rink operating as a gathering space over the summer. Mr. Allen stated a savings of labor and utilities over the summer. Mr. Allen to provide an analysis of costs of summer ice skating vs. gathering space.

5. Approval of FY22 Interim Budget. Ms. Braden-Butz reviewed the FY22 Interim Budget and capital plan. The final FY22 budget will be ratified at the Annual Members Meeting. Notable changes from the August version of the budget include:

- Increased Assessments by \$89,810; true up in assessment revenues for the 21-22 ski season estimated at 1,000 skiers per day.
- Independence Day – removed drone show cost of \$150,000 and added in \$15,000 for fireworks.
- Winter Cookie Time increase of \$10,756 for wage increase and cookie price increase by \$.01.
- Birds of Prey contribution increase by \$6,000. VVF requested a CPI increase which was approved by the Events Committee.
- Parking lots decrease by \$16,156 for adjusting of 501 service hours May, July and September.

- Village Connect decrease by \$27,707 adjustment to fixed costs and true up to actual exhibits provided.
- Town of Avon Ski Shuttle decrease by \$84,653.30 which includes \$17,124.50 credit from last year for eliminating the evening restaurant shuttle and last year running three additional buses and more service hours due to bus capacity restrictions as a result of COVID.
- DestiMetrics increase by \$5,600 to add Summer Group Business to the reporting.
- Ice Rink add \$1,500 fabric replacement under ice.
- Ice Rink add \$1,500 for winter signage updates.
- Village Ops Property Maintenance Management Fee increased by \$15,595 or 1% for extended ski season.
- Public Safety fire mitigation increase to \$71,000 per the Old Growth Proposal for FY22.
- Public Safety Labor increase for extended week \$38,097 or 2%; increase by \$11,008 between signs & uniforms; decrease of \$1,752 in communication equipment expense.
- Parking & Special Events labor increase of \$39,451 or 17%, and with the 2.5% budgeted reduction in labor for less than full staffing a 13% increase. The increases occurred in parking and guest attendants. In addition special events labor was reduced \$25,536 to take out bartenders for Blues Brews & BBQ and Oktoberfest.
- Vail Valley Partnership decreased group support by \$10,000 due to funding own initiative.
- Design Review Board increase \$8,020 true up using our forecast for August and September.
- The preliminary capital plan has \$2,564,100 in expenditures. The final capital plan will be presented at the January Board meeting.

In summary net income increased by \$87,838 from \$59,679 to \$147,517. The ending reserve balanced is budgeted to be \$13,482,780.

Board discussed the Mountain Rec Civic as possibly changing with the COVID-19 mandates in place for the season.

Mr. Luker noted a concern about the RETA inventory. He also asked about paid parking revenue; Mr. Maher commented that the parking lot investment is paid off and the income has changed.

Mr. Maher commented that COVID mandates should be factored into the budget.

Mr. Bowker moved to tentatively approve the FY22 Interim Budget taking into account adjustments may need to be made for COVID mandates that may affect ski school and Mountain Rec Civic; motion was seconded by Mr. Maher and unanimously approved by the Board.

6. FY22 Preliminary Capital Plan Review. Ms. Brown presented the FY22 Capital Plan and Strategic Capital projects that are a direct result of the Strategic Initiatives proposed at the July Board meeting, including:

- Village Lighting: Subsequent to the lighting consultant visit in September, a recommendation will be provided for the Board's consideration to install transformational lighting enhancing architecture, merchant and restaurant storefronts and interactive elements. This capital placeholder amount would be for design, engineering and Phase 1 installation by summer 2022. Final amount to be determined based upon approved scope. Mr. Maher asked to include walkway safety lighting in the lighting plan.
- BC Sports Deck: Bids have been obtained totaling \$150,000 to snowmelt the deck and replace the brick with pavers. Staff is researching feasibility and cost for the rock wall removal and work, estimated at \$200,000. For winter, staff plans to remove the awning and activate the area with a Birds of Prey themed photo window; estimated cost \$12,000.

- Upgraded Sound System: This stand-alone project would modernize and upgrade the village sound system in time for Memorial Day weekend. The estimated cost of \$90,000 includes design, engineering and installation.
- Family Public Space Concept: Based on upon summer comp resort visits, staff proposes consulting dollars to develop a modern complimentary kids/ teens activity.

Maintenance capital projects include ongoing investments into the community, such as completion of escalator rebuilds to upgrade electrical; village furniture replacements; silk flower replacements; holiday décor; ice rink matting replacement and drainage solution for summer activation; and replacement of event table linens. The BC App phase 3 development shall be based upon the user study completed this month. Recommendations will be considered by the Events Committee at the October meeting. Staff has been asked to research feasibility for DRB submittal automation and have a capital budget placeholder. The BCRC homeowner database program is obsolete and requires a rebuild.

There is \$50,000 proposed in capital contingency which would be utilized if needed and as directed by the managing director. Several other capital projects have been suggested for consideration and will be included in the Strategic Initiative framework for further exploration and discussion with the Board. These include:

- Shade Plan
- Ford Hall/ One Beaver Creek Garage Entrance improvements
- Creekside Park enhancements (playground, concert area, gazebo, meeting space)
- Ice Rink (shade or summer improvements)
- Covered Bridge Bus Turnaround Master Plan with BCMD
- Frost Flowers (more)
- Fire Pits (more)
- VPAC escalator roof modernization
- ADA Study and Improvements - Mr. Maher offered to send information
- Skier Drop Off Lane at Centennial bus drop off

Mr. Maher asked for replacement of the international flags on Village Road. Mr. Luker is not in favor of a sound system or a family public space. Mr. Maher asked for a full budget to be presented with potential capital projects. Mr. Nolan asked for the One Beaver Creek garage door to be added to the capital list. Mr. Bowker desires the sound system replacement to be integrated/programmed with the lighting system.

Ms. Brown and Mr. Huber will obtain detail and pricing for the capital projects to review with Board.

7. FY22 Board of Director's Meeting Dates. Ms. Jones presented proposed dates for BCRC Board Meetings. Mr. Maher suggested the Board should be ready to meet on non-meeting months if the circumstances call for a meeting and set contingency meetings. Upon motion made by Mr. Maher and seconded by Mr. Shimanowitz, the BCRC Meeting Dates for 2022 were approved as:

January 27, 2022
TBD: February 24, 2022
March 24, 2022
TBD: April 28, 2022
May 26, 2022
TBD: June 23, 2022
July 21, 2022
August 25, 2022
September 22, 2022

TBD: October 27, 2022

TBD: November 17, 2022

December 8, 2022 Annual Member meeting and Annual BOD meeting

8. Design Review Board FY22 Appointments. Ms. Brown presented the recommended appointments to the Design Review Board for FY22. Upon motion made by Mr. Luker and seconded by Mr. Maher, the Board unanimously:

RESOLVED, that the following individuals are appointed as members of the Company's Design Review Board to serve for a period expiring September 30, 2022 or until their successors have been duly qualified and appointed: Dawn Friedman, Bonnie Vogt, Ludwig Kurz, Brent Alm, and Stephanie Lord-Johnson.

9. Holiday Tree and Covered Bridge Lighting Approval. Ms. Jones presented a request for colored lights to be allowed on the Village Holiday Tree and Covered Bridge area for holiday décor. Currently the BCRC Seasonal Outdoor Lighting and Holiday Decoration Regulation restricts seasonal lighting in the village to white lights only. After intense discussion about the bridge lights, and upon motion made by Mr. Nolan and seconded by Mr. Luker, the Board unanimously:

RESOLVED, that the Holiday lighting of the official Beaver Creek Village Holiday Tree shall be decorated with programmable white and colored lights as may be activated during certain times in the ski season.

10. Winter Restaurant Tent Recommendation. Mr. Huber presented the recommendation for Winter Restaurant Tents this season. The options discussed were: 1) BCRC would provide a deposit to secure tent availability if conditions warrant, and if deposit is not used the deposit could be applied for BCRC event tent rentals in the future, or 2) a non-refundable deposit. Terms also would require a minimum 30-day notice before setup. Direction from the Board was given to follow staff's recommendation to not pursue a contingency agreement and react accordingly should capacity restrictions arise.

11. Strategic Initiatives Update. Mr. Huber updated the Board on the progress for strategic initiative priorities:

1. Village lighting
2. Village sound system
3. Off-mountain activities, i.e. sledding
4. Beaver Creek Sports deck utilization
5. A long-term winter restaurant tent solution

The proposed initiative for Summer Camps has been deprioritized from the top five projects to apply focus on the Competitive Landscape Studies:

1. Summer Competitor Set Analysis
2. Guest Conquesting Study

Board discussed re-prioritizing Summer Camps programming, and will discuss further during the upcoming Board work session when reviewing the Comp Resort Analysis.

12. Design Review Board Report. Mr. Nusbaum presented the update reports from Design Review Board. Mr. Shimanowitz asked for an update about the Red Pine project; Mr. Nusbaum stated they are waiting for a full set of permit plans.

13. Public Safety Report. Ms. Brown offered an update about the e-bikes traffic question on the recreation path; additional signage along bike path and striping the path for traffic management has been suggested to aid in traffic control. Regulations Committee was recommended to work with Mr. Kenny for a solution in the spring.

Mr. Nolan also suggested the Regulations Committee discuss the policy regarding dogs in the village during events.

14. New Business. Mr. Boselli would like to recognize and immortalize Helmut Fricker for his work for this resort and requests BCRC staff investigate the price of a bronze state. Board gave direction for Ms. Jones to investigate size and location of a statue.

Board requested the November 4th work session be moved to the afternoon and moved to the May Gallery.

15. Adjourn. With no further business to come before the board and upon motion made by Mr. Maher, seconded by Mr. Boselli and unanimously approved, the meeting adjourned at 11:04 a.m.

Respectfully submitted,

Elizabeth Jones

LIST OF EXHIBITS
BOARD OF DIRECTORS MEETING
BEAVER CREEK RESORT COMPANY OF COLORADO
September 23, 2021

- A. Minutes of the BCRC Board of Directors Meeting August 26, 2021
- B. Financial Report August 31, 2021