The 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, December 8, 2022.

Ms. Nadia Guerriero called the meeting to order at 10:30 a.m. Erin Jarvis 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  
Phil Metz                 Brian Nolan  
Tim Maher                John Dawsy  
Jim Donohue              Peter Dann  
Bob Boselli

Representing the Company were Jim Clancy via Zoom, Executive Director; Karen Braden-Butz, Treasurer; Erin Jarvis, Secretary.

Attendance in Public Session:
Clint Huber - Beaver Creek Resort Company  
Krista DeHerrera - Beaver Creek Resort Company  
Sam Hearn - Design Review Board  
Bill Simmons - Beaver Creek Metro District  
Dave Eickholt - Beaver Creek Metro District  
Owen Hutchinson - VPAC  
Lee Hoover - Beaver Creek Village Operations  
Paul Gorbold - Beaver Creek Transportation  
Krista DeHerrera-Beaver Creek Resort Company  
Matt Titet – Vail Resorts Retail  
Scott Poupopre - Eye Pieces

Attending via Zoom:
Marco Valenti – Vail Resorts Retail

1. **Public Comment.** None

2. **Minutes of the Beaver Creek Resort Company Board Meeting September 22, 2022.** Ms. Guerriero noted a name spelling change to Mr. Kenny on pg. 6, second paragraph. Upon motion made by Mr. Boselli and seconded by Mr. Maher, the Board unanimously

   **RESOLVED** to approve the minutes of the September 22, 2022 meeting with noted change.

   The minutes are attached as **Exhibit A**.

3. **FY22Year End Financial Report.** Ms. Braden-Butz reviewed the financial statements for the fiscal year ending September 30, 2022, which are attached as **Exhibit B**.
Changes in prior forecast presented in September resulted in a positive variance in revenues of $142k, which ends the fiscal year with a positive variance to budget of $6,336,329. Expenses were positive from the September forecast by $31k, resulting in a $1,512,000 positive variance to budget.

- Civic and Lodging Civic Assessments revenues resulted in a positive variance of $2,991,082 or 39% above budget. Beaver Creek Proper average winter occupancy resulted in an average 50.8% up 11% to same time last year’s average of 39.5%. The average daily rate of $757.54 up $215 to same time last year’s average of $542.45. Summer occupancy resulted in an average 42.8% compared to 36.2% same time last year and an ADR of $290.56 compared to $275.78 same time last year.
- Mountain Recreation Assessments resulted in positive variance of $2,479,541, of which $2,100,000 was collected for Fiscal Year 2021, and therefore the adjusted result is 7% above budget.
- Real Estate Transfer Assessments results were a positive variance of $1,914,336 or 35% above budget. Intervals and Condo sales results were strong with 94 condo sales averaging a sales price of $2,365,017 vs. budget of 84 condos with an average sales price of $1,675,118 and 152 interval sales averaging a sales price of $59,860 vs. 115 budgeted at an average sales price of $31,737. 15 single family homes sold at an average price of $5,049,143 vs. a budget of 16 with an average sales price of $5,491,850.
- Special Event and Activities resulted in a negative variance of $311,172 mainly due to the canceling Grand Tasting at the Winter Culinary and Wine and Spirit Events and canceling Family Challenge and Speak Easy Events.

Expenses results compared to prior month forecast.

- Administration resulted in a positive variance of $318,701 directly related to open positions.
- Activities and Events ended with a positive variance of $940,473 mainly due to canceling Grand Tasting at the Winter Culinary and Wine and Spirit Events and canceling Family Challenge and Speak Easy Events.
- Vilar Center contributions negative variance of $95,717 is directly related to remitting 5% on all collected Real Estate Transfer Assessments.
- Marketing and Public Relations positive variance of $228,376 was related to the Special Event Marketing savings.
- Transportation resulted in a positive variance of $231,724 related to Village Connect operation savings of $148,639 and Parking Lot Bus operations of $26,926, plus $24,032 savings in repairs and maintenance.
- Property Maintenance ended with a negative variance to budget by $151,745, of which $90,146 negative variance in the management fee for village property maintenance, ice rink operations and parking lot maintenance, of which in May village operations management fee re-forecast was approved by the finance committee. Other negative variances included $48,904 for Village WiFi due to the new provider, which was budgeted at the reduced cost, could not switch the service as planned, snowmelt operations exceeded budget by $30,900 mainly due to natural gas prices, and $18,676 for escalators expenses. This was offset by reducing the number of escalator stairs purchase totaling $29,900.
- Public Safety resulted in a negative variance to budget by $95,469 directly related to the management fee of which village operations management fee re-forecast was approved
by the finance committee.

- Design Review Board positive variance of $43,694 was the result of a summer position that was never filled and the Director being out on short term disability.

Fiscal Year End Net Operating resulted in a positive $7,770,465 on a budget of $70,010.

Capital spend update:

- $1,649,065 was been spent on capital for this fiscal year. Expenditures include:
  - $647,728 village lighting project – multi-year project
  - $228,473 Beaver Creek sports deck – multi-year project
  - $175 Ford Hall garage door – completion in FY23
  - $7,000 Creekside Park – multi-year project
  - $187,148 for the escalators 1 & 2 rebuild
  - $139,034 plaza furnishings
  - $10,810 Wifi upgrades
  - $30,500 Beaver Creek App phase III development
  - $48,768 deposits for the ice rink compressor and motor replacement – completion in FY23
  - $21,130 eight computer replacements
  - $15,605 holiday lights
  - $15,642 special event equipment
  - $292,097 wildland fire mitigation
  - $4,956 audio visual upgrades for BCRC conference room

The ending year cash balance is $25,499,730, compared to the budgeted year-end balance of 14,491,011.

There was discussion of occupancy comparisons of Summers FY14-19 to current year and F&B reports without group business that Ms. Braden-Butz will work on providing to the Board. The Board discussed the assessments not being paid by Art and Jewelry Galleries and that the Finance Committee needs to do more research on this matter. Mr. Donohue reported on the historical actions of the BCRC board which tried to implement a phased approach upon lease renewals for Galleries to pay the assessments and that these types of stores do not drive activity to the village. Mr. Nolan said this should be an agenda item on the next Merchants Meeting.

5. FY23 Budget Ratification. Ms. Braden-Butz presented the FY23 Budget that had no changes since the September presentation. Budgeting a net income of $68k and reserve balance of $9M

Mr. Luker discussed the importance of the Day Camp summer program and that BCRC staff needs to work on this program’s success with the new leadership. Mr. Maher mentioned that there had been feedback on fire mitigation, paid parking, attorney fees, etc. that need to be addressed at the next Finance Committee Meeting.

Upon discussion and motion made by Mr. Donohue and seconded Mr. Nolan, it was unanimously

RESOLVED to ratify the FY23 Budget as presented.
6. **Election and Legislative Updated.** Mr. Clancy presented an update on the results of the recent elections that will impact Beaver Creek and retailers.

**Regional Transit Authority**
The RTA will be funded by a 0.5% additional sales tax which goes into effect on January 1, 2023. Estimated sales increase will raise up to $15M in the first year and Beaver Creek’s contribution is estimated at $800,000.

Mr. Boselli commented that the hope is that this additional RTA tax will help decrease BCRC’s transportation expenses in the future. It is important to the retailers to try and keep taxes and assessments below 10%. The Board had conversations about all these taxes and future taxes which all have a goal in funding housing initiatives and other benefits to the county. Direction was given to BCRC to help get this new tax increase information and rollout to all the retailers to change their tax forms.

**Eagle County Lodging Tax**
Eagle County voters approved the new Lodging tax of 2% in unincorporated Eagle County as well as Gypsum. Beaver Creek currently has a 0.96% lodging assessment. Initially, it was not believed that this tax would apply to Beaver Creek, but the County Attorney’s office provided clarity that Beaver Creek is not exempt because it is not a municipality defined by the State. The 2% tax will be applied to hotels, lodges and short term rentals starting January 1, 2023.

Mr. Luker asked about who was allowed to vote on this tax. Mr. Nolan stated that it was all owners of unincorporated Eagle County. Beaver Creek has about 350 of these votes.

**Colorado Carry Out Bag Fee**
In 2021 the Colorado Assembly enacted House Bill 21-1163 which prohibits stores and retail food establishments from providing single use plastic carry out bags. The full law goes into effect on January 1, 2024, but starting January 1, 2023 stores must charge a 10 cent fee for bags which would be collected by Eagle County.

Mr. Boselli stated that the Town of Vail will actually be charging a 25 cent bag fee in order to try and get rid of bag usage. The goal is to change the narrative and having a conversation about, “do you need a bag for that?” to help reduce the usage. Mr. Luker is concerned about how this will impact the high-end guest experience and how retailers will handle this guest interaction. Ms. Guerriero reiterated that the goal of this legislation is the reduction of bag usage and it can only be applied to the bill for those who use a bag. There should be signage about the fee provided by the county.

7. **Strategic Initiative Support Staff Ratification.** Mr. Clancy presented the ratification of the Board of Directors November 17th work session approval to add a head count.

Upon a motion made by Mr. Maher and seconded Mr. Donohue, the Project Manager position was unanimously approved.

**RESOLVED** to ratify the additional headcount of a Strategic Initiatives Project Manager.

8. **Donation Policy.** Mr. Clancy presented information on research he’s done at the direction of the November 2, 2022 BCRC Event Committee meeting for partnership and donation policies. He is looking for more dialog on where the BOD would like to stand donations.
Mr. Nolan asked about the 2008/2009 board decision to stop any and all donations. In Mr. Clancy’s research he didn’t find that specific language. Mr. Maher suggest that we stick with only 501c3 organizations with events and not any runaway donations to whomever asks. Ms. Guerriero says that there are two cases of donations of which one; organizations can come and ask for funding for their events and two; where there are partnership opportunities that makes sense to align contributions. She doesn’t believe in the first, but supports the second when it aligns with BCRC’s priorities.

Mr. Maher mentioned Bright Futures Foundations as an example of how they’ve benefited from ticketed meals during historical events. The Events and Finance Committees need to be involved in event contracts to see what specifically will be donated to the charity groups. Mr. Luker stated that there needs to be a process for this holistic policy with guidelines and an approval process. Mr. Clancy will work on a draft for the Events Committee to review then be presentment to the Finance Committee before it is formally brought to the Board.

9. Delivery Regulations. Mr. Clancy presented an update to the Board on the Delivery Regulations. The Delivery Regulation has different delivery times between Ford Hall and Avondale/Offerson Lane but during the pandemic, it was temporarily changed to allow all village core deliveries to be permitted from 5:00am to 6:00pm. The ask is to allow this changed time to continue through the winter season with the Rules and Regulations Committee keeping a close monitor of activity and feedback with the help of BC Public Safety. There was no objection from the Board to continue with the delivery time for the winter.

10. Marketing Committee Update. Mr. Clancy reviewed the Marketing Committee update from their previous two meetings in September and October. Mr. Metz said the reengagement with the Vail Resorts Marketing Team has provided a positive interaction in terms of information getting back to the Board on their processes. There is now more transparency with the Summer Marketing vendor with their results and vision. Mr. Metz is glad that the committee is back up and running with proven results from more regularly schedule meetings.

11. Design Review Update. Mr. Hearn presented the DRB Activities report for November 2022. He stated that Mr. Nusbaum has returned since October and doing well. They are still short one professional board member, but they have identified a new candidate. Now that Mr. Nusbaum is back, they can review the final candidate for recommendation to BCRC. The goal is to have the recommendation letter by the January meeting. 2022 was another busy year with 185 new applications and the new houses and duplexes being developed.

12. Public Safety Report. Mr. Hoover presented the Public Safety Summary for November. He mentioned that with Cookie Competition, Tree Lighting and Birds of Prey, Public Safety was very focused on having a strong presence in the village. The team is fully staffed. Mr. Hoover, Jim Clancy and Jerry Hensel have started to do more village walks on a regular cadence. Mr. Nolan says that after 6pm walks would be beneficial to see the difference in the village at night. The Village Ops team is aware of the snowmelt that isn’t working around Centennial Station. Mr. Luker suggests that the entrance to Ford Hall Garage at the bridge be addressed with snowmelt and that Mr. Simmons had previously received some bids for that area.

Mr. Nolan asked if the CCA application has been submitted which it will be in a few weeks and if the staffing can pivot on the hours of operations. There’s no need for CCA patrol in the 4-6weeks
of off-season or until 11pm during the off-peak dates and that should be updated in the application for transparency. There is too much oversite without the need for it in the village. Mr. Hoover stated that regardless of the CCA hours, the patrol should be engaging with guests for any of their needs and provide an attention to detail on village amenities. Ms. Deherrera mentioned that there has been initial CCA renewal conversation with the County and that they initially don’t see an issue with generic blank CCA cups that could have a sticker of the restaurant to allow for variable cup sizes.

Mr. Luker stated that with the heavy snow, Public Safety needs to be aware of local plow drivers moving snow off of one property to another.

13. New Business. Mr. Boselli brought up how great the Beaver Creek Village App is but that it needs to be marketed more with additional signage. Regular updates need to happen to remove old information. QR codes are used regularly for downloads and reports for how many downloads are available.

Mr. Luker would like for the Rules and Regulations Committee to get back to looking at store operating hours and updating the regulations. Stores have been under construction during season and not open all summer. There should be obligations for property owners to have lessees be in compliance. The rules should be reviewed to ensure they are fair and being abided by. Mr. Donohue says that if there are regulations, then they have to be enforced. If no enforcement, then remove the regulations. There is not a culture of compliance. Process should be to enforce rules with a clear “time to cure”.

Mr. Dann mentioned the Eye Pieces proposal for a temporary tent outside of the storefront since construction completion has been delayed. Mr. Clancy will circulate it with the Board to review.

Next meeting is January 26th in the May Gallery at 9:00am.

14. Adjourn. With no further business to come before the board and upon motion made by Mr. Maher, seconded by Mr. Luker and the Board unanimously

RESOLVED to adjourn the Annual Meeting of the Beaver Creek Resort Company Board of Directors held Thursday, December 8, 2022 at 12:15pm.

Respectfully submitted,

Erin Jarvis
Beaver Creek Resort Company
Secretary
LIST OF EXHIBITS
BOARD OF DIRECTORS MEETING
BEAVER CREEK RESORT COMPANY OF COLORADO
December 8, 2022

A. Minutes of the BCRC Board of Directors Meeting September 22, 2022

B. Year-End Financial Report September 30, 2022