

MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF  
BEAVER CREEK RESORT COMPANY OF COLORADO  
SEPTEMBER 28, 2023

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, September 28, 2023.

Mr. Bobby Murphy called the meeting to order at 8:00 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:

Bobby Murphy	Jeff Luker
Phil Metz	Bob Boselli -zoom
Tim Maher	Peter Dann -zoom
Jim Donohue	Brian Nolan
John Dawsey	

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

Attendance in Public Session:

Clint Huber - BCRC	Sam Hearn – BC DRB -zoom
Krista DeHerrera - BCRC	Dave Eicholt-BC Metro District
Inno Martino- BCRC – zoom	Alexia Jurschak-BCPOA
Laura Dziadosz - BCRC	Scott Sailer-EW Property Manager-zoom
Owen Hutchinson, VPAC Artistic Director	Michael Calpakis - BCRC-zoom
Justin Brown - VPAC Director of Operations	Bill Simmons-BC Metro District
Cameron Morgan – VPAC Executive Director	Bruce Kiely – BCPOA -zoom
Jerry Hensel- Village Operations	Frank Hall- Avalon Clothing Owner -zoom
Amy Bamford- Vail Resorts Retail	Michael Paderewski-Paderewski Fine Art –zoom
Koby Kenny – Base Area Operations	Tony Newlin- Newlin Gallery- zoom
Sally January – Alpine Kind Owner	Paul Gorbald- Transportation- zoom
Michael Simmons – Creekside GM	Mark Miscio – BC Metro District – Zoom
Michael Dunahay – Townsend Place Owner	Janet Boeser – zoom
Matt Tetef- VRR- zoom	Chris Gersbach – zoom
Robin Nash- BCRC- zoom	Dr. Smith- zoom
Darwin McCutcheon- zoom	Dave Dressman- VVF- zoom
Mike Imhof- VVF Executive Director- zoom	Jeanie Kearney- BC Homeowner
Sarah Frank- VVF- zoom	Lou Kreig- BC Homeowner
McKain Brown- Paderewski Fine Art	

1. Public Comment. Mr. Clancy introduced Laura Dziadosz to the BCRC team as the newly hired Director of Activities.

Mr. Hutchinson of VPAC introduced new Executive Director, Cameron Morgan.

Sally January: Merchant Association hosting two Beaver Creek Gives days where % of purchases will go to local charity for each event.

Michael Simmons: Creekside General Manager. Certain maintenance has been neglected, with gap by Townsend bridge needing to be addressed. Creekside Park has always been a great neighbor but the new

park and process is not in the best interest of residences. Don't feel like homeowner representatives on the board have advocated for their residences.

Michael Dunahay: Townsend Place Owner. Doesn't believe that Beaver Creek needs these upgrades. Would like to keep all the open space and that the amphitheater is not needed.

Bruce Keily: BCPOA sent letters to Eagle County, DRB and BCRC about housing project on Beaver Creek Drive which the property owners are against.

Frank Hall: Avalon Clothing Owner. Civic Assessment amendment would have a negative impact on the stores sales. There needs to be more dialog about impacts to merchants.

Michael Paderewski: Paderewski Fine Art. Large art sales are always shipped out and adding a civic assessment would de-incentivize shopping in Beaver Creek and hurt small business owners.

Tony Newlin: Tony Newlin Gallery. Shipping within Colorado stores are required to collect destination sales tax. Adding the civic assessment would bring certain areas up to 14-15%. This is like a tariff that will hurt business.

2. Minutes of the Beaver Creek Resort Company Board Meeting August 24, 2023. Upon motion made by Mr. Nolan and seconded by Mr. Maher, the Board unanimously

**RESOLVED** to approve the minutes of the August 24, 2023.

These minutes are attached as Exhibit A.

3. Birds of Prey Sponsorship Agreement. Dave Dressman and Sarah Franke of Vail Valley Foundation proposed the 2023 funding request of \$315,000 which is flat YOY. The event creates over \$3.4M of economic impact and 2600+ total room nights. There is a strong push to bring women's races back to Beaver Creek in 2024. Upon motion made by Mr. Luker and seconded by Mr. Nolan, the Board unanimously

**RESOLVED** to approve the Birds of Prey Sponsorship Agreement.

4. Event Update. Ms. Deherrera presented the summer events review. Epicurean Adventure saw lower ticket sales than anticipated and looking at date changes for 2024. BC Unplugged was very successful and offers are being drafted for next summer's artist lineup. Oktoberfest was one of the largest in event history. A big thanks to all the merchants who partnered with all the events. Mr. Nolan praised the success of the events but wanted to make sure there is coordination with VPAC and their summer shows. Mr. Luker commented on the success of the Stiegl sponsorship and accessibility to beer with shorter lines.

5. DRB Report. Mr. Hearn reported on the DRB projects. Fire Mitigation applications for defensible space at residences are fewer than years past. Will work with BCRC on getting the word back out to the community. Holiday lighting rules were sent out to the community.

6. Transportation Report. Mr. Gorbald presented the September report with success around the large event capacity. Employee recruiting has been successful with many new hires which is helped by the BCRC driver incentive program. Pacing is higher YOY with applicants and hiring. Still waiting on confirmation of the new buses but should be here prior to the 23/24 season.

7. Public Safety Report. Mr. Kenny covered the PS report. Boot/Tow orders increased YOY mainly due to the Tennis/Pickleball courts. Resort violation increased YOY due to trash violations of which the owners get warning letters from BCRC.

8. Parking System Update. Mr. Kenny covered the changes to the parking solutions for parking lots and garages. Will convert to pay on entry with a tap of credit card. Pay increase from \$10 to \$13 at surface

lots, remaining free after 1pm. Garage rates \$15, \$25, \$35 moves to \$25, \$35, \$50 with free 3hrs after 3pm and validation for VPAC shows. Employee lots will remove the keypad system and add a credential for access to eliminate abuse. Discussion about capabilities for upgrades, reservation systems, and guest communication ensued.

9. Proposed Civic Assessment Collection Bylaw Language. Mr. Clancy and Ms. Jarvis presented the proposed amendment language with background on the topic. Rules and Regulations directed staff to research the possibility of this amendment and the process for this change. This has been a topic since 2001 when the exemption language was added to mimic sales tax exemptions. A robust discussion was had about how the civic assessment collection should be fairly collected from all retailers yet it also has to be fair to the business operation. Beaver Creek Resort Company provides a lot to the community and they need to look at what's best for Beaver Creek. Civic Assessments on sales are fairly unique to Beaver Creek with very few areas having similar structures that effect the merchants.

There was consensus to not make a decision at the meeting. There needs to be more conversations with the merchant community about the greater impact to their business, yet BCRC needs to keep pushing forward with efforts to drive vitality and increase improvements in the resort.

Conversation ensued about the difference of tax verses fees, the history of this assessment and also the Vail Resorts Commercial Leasing department aware and supportive of this change.

Upon motion made by Mr. Luker and seconded by Mr. Nolan, the Board unanimously

**RESOLVED** to table this decision and have the Rules and Regulations Committee get more data through conversations with the merchant community and research in order to present a recommendation to the BOD at a later date.

10. Financial Report July 31, 2023. Ms. Braden-Butz presented the results of July financials, which are attached as Exhibit B.

For the month of July revenues came it at a positive variance of \$324k to budget with YTD revenues positive to budget by \$4.1M or 21%. Expenses for the month of July resulted in a negative variance of \$11k which includes the \$162,000 contribution to the VPAC's 25<sup>th</sup> Anniversary. YTD expenses have a positive variance to budge of \$321k.

Yearend forecast shows all Assessment Revenues have a positive variance of 12.2% to budget with RETA at a positive variance of 36.9%. The change from prior forecast was a positive increase to revenues of \$352k. Expense change from prior month forecast is a negative variance of \$2,300 resulting in a re-forecasted year-end positive variance of \$121k to budget. \$120k will be put back in to the transportation budget due to an error from FY vs. Calendar year.

Net Excess Revenues will now be forecasted at an increase \$350k to prior month forecast. Strategic Projects total budget forecast is now \$3.3M and Maintenance Capital forecasted budget at \$672k for a total spent of \$3,988,000. Ending cash balance is forecasted at an increase of \$830,323 compared to prior month forecast.

Mr. Maher asked if there was any anticipated change for August and Ms. Braden-Butz said she would scrub the next forecast with operation expenses but not anticipating anything material since all big ticket items are already forecasted. Timing of assessment collection causes delayed financial due to reporting on reconciled actuals vs estimates. Mr. Maher raised the concern of Market Square not appropriately monitoring energy costs resulting in a large variance in snowmelt budget. Ms. Jarvis is a commercial board member who explained the situation and changes to fixed rate natural gas costs. There will be a special assessment for the overage but BCRC will not be paying until FY23 financials are reconciled.

11. Approval of FY24 Interim Budget. Ms. Braden-Butz presented the interim FY24 Budget. Mid-September the Finance Committee met to review and approve version two as the proposed interim budget. The budget will be ratified at the Annual Meeting. Keeping in mind changes could be made, but will keep the Finance Committee up to date.

A few highlighted changes from version one are:

- Investment income from the US Treasury Notes held with Alpine Wealth Mgmt is not used in our operating budget. You will see that this budgeted interest income is subtracted from the Net Excess Revenues/(Expenditures) leaving us with a positive net excess revenue of \$17,513.
- Revisions to assessment revenues in the amount of \$105,932 is the result of July assessments exceeding forecast and the decision to increase the FY24 budget to keep the (5%) variance flat to FY23 Forecast.
- RETA was determined earlier on that we wanted to be at 32-35% below FY2023's forecast, thus resulting in an increase in version 2 of \$194,827.
- Hawk's Nest operating budget assumptions at the time of presenting version two to the Finance Committee reflected an increase in revenues by \$185,000 and expense increase of \$191,000; for a total of \$308K Revenues and \$287K in expense resulting in a positive \$20,601.
- Public Safety Budget has an increase of \$100,000 for wildland fire maintenance expense.

Version two results are a Net Excess Revenues of \$17,513 and a Cash Balance End of Year at \$27,182,615

Mr. Metz said he was expecting version two of the budget to have more resources added in from the August workshop. Mr. Clancy explained that recommendations will be coming after meeting with the Finance Committee and Comp Committee and his ability to quantify these additions. Mr. Metz says the Marketing budget is still too low. Mr. Donohue stated headcount needs to be prioritized for maintenance and project completion. Mr. Maher stated the transportation budget had increase drastically over the years and BCRC is coving the increase and not the BCMD. He suggested there needs to be increased tax collection from BCMD.

Upon motion made by Mr. Maher and seconded by Mr. Dawsey, the Board unanimously

**RESOLVED** to approve the FY24 Interim Budget.

12. FY24 Preliminary Capital Plan. Mr. Clancy reviewed the memo highlighting:

- Lighting project of \$1.56M which includes upgrades to ice rink, plaza, Wonder projects and covered bridge lighting. Increases may be seen in bollard lighting around the village.
- Creekside Park Playground remains in FY24 for construction.
- Hawks Nest Cabin budget of 353k with final installations prior to Nov opening.
- Lawn and Base Area Activation upgrades of \$100,000 for planning.
- Accessibility/ADA planning budget of \$15k for proposed improvements in FY25.

Maintenance Capital Projects has \$225k for remaining wildfire mitigation. Proposed maintenance capital for replacement of a Public Safety Vehicle, Plaza furnishings, and other amenities.

Mr. Donohue asked if the \$25k is enough for escalator maintenance and Mr. Clancy stated most of that budget is in operating but this amount is in addition to that. There is a \$50k discretionary capital for one-off projects. Mr. Metz inquired about the event sound system and whether that upgraded equipment might

be able to be purchased in-house instead of rented. Mr. Maher stated the escalators need to have an engineering study to evaluate proper functioning.

Upon motion made by Mr. Donohue and seconded by Mr. Maher, the Board unanimously

**RESOLVED** to approve the FY24 Capital Plan.

13. Strategic Initiatives Update. Mr. Huber presented an update on the Strategic Initiatives.

Creekside Park playground design was unanimously approved by DRB at their September meeting. Next steps are the development, review and approval of the upper park gathering space design which will require a Committee Meeting in October and Special BOD Meeting in November in order to submit to DRB for review.

Lighting Projects received funding from the BCPOA for upgrades to the Children's Fountain lighting which has been completed and looks great. The 140 BCRC lamp posts fixture replacements are all installed except the few at the Hyatt which is waiting HOA approval. There will be a phase 2 of BCRC replacements which include surface lots and bus stops. BCRC has been working on lighting optimization with maintenance teams in the village with fewer than 100 deficiencies left. October 1<sup>st</sup> is the deadline for compliance. There has been collaboration with BCMD to focus on bollard solution around the village which are entry statements to the village. There is a process to get these fixed or replaced within 48hr of becoming non-functional. Mr. Maher brought up the concern about dark store windows and that this should be included in the lighting projects in the future.

Hawks Nest Cabin is well underway with construction. Ms. Dziadosz, the new Activities Director, has helped develop an operating plan. The age range target will be 14-18 with operating hours from 2pm – 9pm. Ages 10-13 will be allowed with adult supervision from 2pm to 6pm. Admission will be \$10 for capacity control. This operating model will be in place until January for data collection prior to any changes. The net impact from the P&L is an operating loss at \$130k. Mr. Nolan suggested there has to be some sort of survey in order to gather data for improved operating models. Mr. Luker suggested reaching out to University of Denver Hospitality School for peak winter employees. Mr. Donohue stated there needs to be major marketing efforts through ski school and other resources. Mr. Maher is concerned about the lack of restrooms at the venue and adults allowed in during certain times.

14. Rules and Regulations Update. Ms. Jarvis presented the Beautification Policy created by the Rules and Regulations Committee. In order for BCRC to consider funding for requested projects the policy criteria must be met.

Upon motion made by Mr. Luker and seconded by Mr. Metz, the Board unanimously

**RESOLVED** to approve Beautification Policy.

Lighting Enforcement Regulations were presented which outlined the DRB lighting guideline with an October 1<sup>st</sup> start date.

Upon motion made by Mr. Donohue and seconded by Mr. Luker the Board unanimously

**RESOLVED** to approve the Lighting Enforcement Rules and Regulation.

15. Elk Track Court Cul-de-sac Request. Mr. Clancy presented the Elk Track Court beautification funding request from the project they completed this summer. Discussion on whether this met the regulation by

having significant visibility to the community ensued. There was mention that not all of the owners on the road funded the project.

Upon motion made by Mr. Luker and seconded by Mr. Donohue, the Board unanimously

**RESOLVED** to deny the request for funding based on it not meeting the requirements of the Beautification Policy.

16. 2024 Board of Directors Meeting Dates. Upon motion made by Mr. Nola and seconded by Mr. Metz, the Board unanimously

**RESOLVED** to approve the 2024 Board of Director's Meeting Dates

17. Design Review Board Appointments. Upon motion made by Mr. Nolan and seconded by Mr. Metz, 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, 2024 or until their successors have been duly qualified and appointed: Tom Borbone, Bonnie Vogt, Ludwig Kurtz and Brent Alm.

18. Electric Car Charging Station Funding. Mr. Clancy presented the funding request for partial funding of eight electric charging station in the Elk Lot. Vail Resorts has obtained a grant to cover \$36k of the \$125k project. The remaining balance of \$59k would be split by VR and BCRC.

Upon motion made by Mr. Luker and seconded by Mr. Metz, the Board unanimously

**RESOLVED** to approve up to \$30,000 for charging stations without any involvement, ownership or liability of the operation of the charging stations. Authorize the Executive Director to work on agreement to recover the investment from charging fees collected.

19. New Business. Mr. Nolan suggested that a courteous 30 second time warning be provided to public session comments. When people want to speak to an agenda item in public session they should to speak when that agenda item comes up.

Mr. Luker stated that Horton Gallery will closing at the end of October and recognize their contribution to Beaver Creek over the last 30yrs.

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

**RESOLVED** to adjourn the meeting of the Beaver Creek Resort Company Board of Directors held Thursday, September 28, 2023 at 11:16am.

Respectfully submitted,

Erin Jarvis  
Beaver Creek Resort Company  
Secretary

LIST OF EXHIBITS  
BOARD OF DIRECTORS MEETING  
BEAVER CREEK RESORT COMPANY OF COLORADO  
September 28, 2023

- A. Minutes of the BCRC Board of Directors Meeting August 24, 2023
- B. Financial Report July 31, 2023