MINUTES OF THE

BOARD OF DIRECTORS MEETING OF

BEAVER CREEK RESORT COMPANY OF COLORADO

February 22, 2024

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, February 22, 2024.

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

Phil Metz Jeff Luker

Mike Trueblood Peter Dann

Jim Donohue Brian Nolan

Representing the Company were Jim Clancy, Executive Director and Erin Jarvis, Secretary.

Attendance in Public Session:

|  |  |
| --- | --- |
| Clint Huber - BCRCKrista DeHerrera - BCRCInno Martino- BCRC – zoomLaura Dziadosz – BCRC - zoomJerry Hensel - Village Operations Amy Bamford - Vail Resorts RetailKoby Kenny – BC Public SafetyDave Eickholt - BC Metro DistrictPaul Gorbold - BC TransportationScott Sailor - EW Hospitality Christ Romer - VVP  | Cameron Morgan - VPACBill Simmons - BC Metro DistrictLee Hoover – Resort OperationsCameron Morgan - VPACRobin Nash - BCRC-zoomMatt Tetef - VRRStacy Thibedeau - BCRC Owen Hutchinson - VPAC-zoomJack Bentley - VR Ski SchoolJen Oberlohr - BC Public SafetyDarwin McCutcheon - zoom |

1. Public Comment. Jim Clancy introduced Stacy Thibedeau, the new BCRC Admin Specialist

2. Minutes of the Beaver Creek Resort Company Board Meeting January 25, 2024. Mr. Trueblood offered to review minutes prior to board book and asked for clarity on the parking. Upon motion made by Mr. Dawsey and seconded by Mr. Nolan, it was unanimous.

 **RESOLVED** to approve the minutes of the January 25, 2024.

These minutes are attached as Exhibit A.

3. Colorado STR Legislation Mr. Romer updated the BOD on the CO State Legislation where consideration of SB24-33 has been postponed to late March due to amendments being introduced. Anticipated amendments would increase the maximum allowable number of rental nights to keep a residential property tax designation from 90 to 180 days. A second short term rental bill has been introduced, HB24-1299, which was sponsored by Senator Mullica, who is the chair of the Finance Committee reviewing these two bills. 1299 would exempt primary and secondary residences from being taxed at the commercial rate but even one rental night in a third property would be. There are many issues with this bill as well with these types of properties not being fully defined. Mr. Romer will keep BCRC staff up to date with any updates and movement on these bills.

The CLARA Report, Colorado Lodging and Resort Alliance, showed that 89% of owners would pull their listings from a rental program and that the workforce housing needs would not be solved with this type of bill. There is a lot of unified opposition to both of these bills by East West, Vail Resorts, Colorado Lodging and Hotel Association and other organizations. The one-click campaign requesting stakeholder input generated over ten thousand emails. It was noted that County Assessors have commented that at their current staffing levels, they are not equipped to handle bills like this. The Eagle County Assessor estimated it would require at least three new staff to handle expected compliance and reporting requirements of the proposed legislation.

There has been no update from Eagle County on the status of their short-term rental business license process.

4. Public Safety Report. Mr. Kenny presented the public safety report which saw a very busy month assisting with skier drop-off in the village. He stated the new system parking payment system is working very well. The columns at parking lot entry gates will be extended out this summer for guests to reach the credit card reader easier and help to eliminate delays. Overflow parking to Avon Elementary has only been necessary five times this year which is half of prior year total. Additionally, Prater Ln has only been used once to handle parking demand. Capture rate of vehicles parking in the surface lots is up by 12% and growing. Construction violations were up YOY with contractors trying to work over holidays. There are no radar guns for speeding but public safety officers can utilize alternate methods to determine when drivers are over the limits and driving recklessly. It was also noted that Village Connect bus drivers do a great job at setting the speed limits.

6. Transportation Report. Mr. Gorbold presented the transportation report. There was not a committee meeting in January. Service standards were met with 97% of On Demand rides being completed in 20 minutes or less. Service hours were slightly down to budget. Parking lot passengers were up compared to PY due to more drive traffic and fewer Vail Pass closures. President’s Weekend was very successful and staff is geared up for Talons Challenge and Spring Break in March. Mr. Trueblood asked how maintenance of shuttles is handled. Mr. Gorbold was able to provide an in-depth overview of the preventative maintenance process noting that the team utilizes a mix of in house and external vendors for maintenance, both in Eagle County and as far west as Rifle. Mr. Luker suggested there be data about total guest ride time on the shuttles in addition to time required for pickups. The team has received feedback about guests being on the bus for multiple pickups and backtracking before getting dropped off at their destination. Mr. Gorbold will work with the app company to further assess and work to find a solution.

Mr. Clancy reported the Town of Avon ridership has slightly decreased from 90k passengers to 84k. The partnership is very strong. Mr. Eicholt, from RTA reported there was 38k rides on the new free BC to Vail express bus.

7. Event Report. Ms. Deherrera gave a report on the event department. Winter Culinary saw declines in ticket sales compared to prior years. Mr. Huber and the Event Committee will be researching the best approach to rejuvenate the culinary events and pausing anything upcoming until that strategy is complete for a full relaunch. The culinary event of pop up après in the village was a big hit and activated the stores and village core. Talons Challenge Master of the Mountain is sold out. Vail Resorts team is handling everything on mountain while the BCRC Event team activates the village and handles registration. Village Activations is being handed over to Director of Activities. Everything has been contracted for March and summer is in full planning mode.

Blues Brews & BBQ website is live for sales. Jim Kellen will have a plan for the spring marketing plan. Mr. Donohue advocated for music/live entertainment in the village every day of the winter, similar to European resorts. Mr. Nolan mentioned there should be coordination with the restaurants to help minimize overlap. There was encouragement for a standard of having live music every day of the week and not just during the peak times and that utilizing the App and This Week @ Beaver Creek for marketing could bring additional awareness to events and activities.

8. Marketing Update. Mr. Clancy provided a marketing report. The committee met and was provided updates from Vail Resorts and Open Space. The VR creative platform was presented with strategic territories for content focus. The VR partnership remains very strong and the advertising agency two day resort tour was very helpful. Beaver Creek has top net promotor scores even with the new parking system and lower snowfall this season.

Open Space summer marketing plan was reviewed for event promotion since the music lineup. New creative material from drone footage and summer village shots was presented to the committee. There is a change from the marketing strategy to a social media/PR strategy that has more geo targeting. Ms. Deherrera will work on the talent contract to have earlier announcement dates.

9. Financial Report. Mr. Clancy provided the operating results ending December 31st which can be found attached as Exhibit B.

* Assessment revenues saw a positive variance of 14% to budget, largely coming from Mountain Rec Assessments. RETA exceeded budget by $200,000.
* Year to date, revenues are positive to budget by $337,500 or 6.9%
* Expenses Year to Date are positive $307,312 to budget due to some savings in Events, Transportation Labor and Professional Services.
* Capital project spend has been $606k on a budget of $690k which has been re-spread for upcoming projects.
* Year End Forecast is a positive variance of $368k with Mountain Assessments exceeding budget with strong ski school and mountain dining numbers. RETA is favorable to budget.

Mr. Luker asked if staff could look at apparel assessment historical numbers and if the change of a retail store to rental store has contributed to the deficit. Mr. Nolan mentioned that Vail retailers are seeing a decline this year and this is consistent with a broader industry trend. Destimetrics shows a strong occupancy trend for March with very few days below the four year average.

Mr. Clancy acknowledged Audit Review and that BCRC received a clean audit with an unqualified opinion issued on the annual financial statements.

11. Strategic Initiatives Update. Mr. Huber reviewed the Creekside Park updates. RFP responses have been received and budget numbers scrubbed. Communication efforts are ongoing with meetings scheduled with the Creekside HOA BOD and BCPOA Visioning Committees. Construction access agreements and further construction communication plans and fencing are well underway. Mr. Donohue wanted to make sure that the budget is not compromising the Beaver Creek Resort pillar of Legendary Attention to Detail. Mr. Metz mentioned that the staff time and resources needed to potentially take on initiatives with in house resources needs to be taken into consideration when assessing the budget and financial forecast for expense reductions. Mr. Luker mentioned the construction screening to be placed around the Creekside project needs to be high end and proactively screened all summer with coordination with DRB and other projects.

Hawks Nest Cabin saw decreased attendance from the holiday period which was expected. The paid marketing/social media targeting pilot program tracked 14 additional attendees. Closing hours are moved back to 9pm for President’s weekend and will remain for the rest of the season. Mr. Donohue mentioned there still needs to be work done to get the word out about HNC to visiting families with kids. There needs to be a push with comp tickets to be handed out at restaurants, BC Club, Ice Rink, Ski School and more.

Mr. Nolan commented on how successful the scavenger hunt has been with not only children but adults as well. The events team will continue to have a scavenger hunt booths during their activations.

The lighting projects are in contract negotiations with multiple designers for the 2024 projects. BCMD has two Bollard prototypes on display. BCRC is obligated to pay 40% of the costs which was not originally in the FY24 capital budget. Alison Buhler, the Strategic Initiatives Manager will start next week. BCRC leadership is excited to have her on the team to execute the upcoming capital projects.

12. Escalator Contract Update. Mr. Clancy updated the BOD on the work done for the contract negotiations with Schindler Elevators which should provide opportunities to be more proactive with maintenance which should reduce down times. Increasing the on-site parts inventory and reserve dollars for replacement components have been included for the next three years. Mr. Hensel mentioned the computer systems have been updated and the structural integrity of the units are in good shape. There is no optimization gained by starting and stopping the escalators when they aren’t in use, but reducing the speed in the shoulder season could be beneficial. Installing monitoring mother boards for remote monitoring of escalators will allow assessment of needed maintenance and report prior to technicians’ arrival will be included in the proposal.

13. Merchant Display Dates. Ms. Jarvis presented the proposed merchant display date calendar which would allow for racks or tables out in front of retail establishments. There was a proposed change to December with the added Women’s World Cub race and an increased number of dates in September due to planned maintenance after Labor Day on the Centennial chairlift after Labor Day. Discussion about the appropriateness of racks and alignment with the Beaver Creek brand ensued. The racks and tables are required to be of highest quality with the proper BC branding. The dates as proposed were not approved and the Rules and Regs Committee will further review the dates and get merchant feedback in order to come back to the BOD with a new recommendation at a further date.

14. New Business. Mr. Nolan mentioned that the Town of Avon parking situation is getting out of control and being escalated to the Town Council. Mr. Luker thanked Samantha Fairchild, Executive Assistant to Bobby Murphy, for all her time and effort at the resort and wished her luck in her new job.

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

**RESOLVED** to adjourn the public session of the meeting of the Beaver Creek Resort Company Board of Directors held Thursday, February 22, 2024 at 10:41am.

Respectfully submitted,

Erin Jarvis

 Beaver Creek Resort Company

 Secretary

LIST OF EXHIBITS

BOARD OF DIRECTORS MEETING

BEAVER CREEK RESORT COMPANY OF COLORADO

February 22, 2024

1. Minutes of the Beaver Creek Resort Company Board Meeting January 25, 2024
2. Financial Report December 31, 2023