MINUTES OF THE

BOARD OF DIRECTORS MEETING OF

BEAVER CREEK RESORT COMPANY OF COLORADO

May 23, 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, May 23, 2024.

Mr. Bobby Murphy called the meeting to order at 8:02am. 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-zoom Jeff Luker

Mike Trueblood-zoom Peter Dann-zoom

Jim Donohue Brian Nolan

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

Attendance in Public Session:

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| Clint Huber-BCRCKrista DeHerrera-BCRCLaura Dziadosz- BCRC - zoomJerry Hensel - Village Operations Nick Osborn - BCRCKoby Kenny – BC Public SafetyDave Eickholt - BC Metro DistrictSam Hearn-BC DRB | Steve Nusbaum-DRBLee Hoover-Resort OperationsBill Simmons-BCMD -zoomAlison Buhler - BCRC-zoomPaul Gorbold-TransportationBrian Frederick-zoomGayle McDonald-zoomScott Sailor-zoom |

1. Public Comment. Jim Clancy introduced Nick Osborn, the new Director of Finance who is replacing Karen Braden-Butz upon her retirement. Mr. Clancy and the BOD thanked Ms. Braden-Butz for all of her service to the Resort Company and filling in the gaps while Mr. Osborn gets adjusted to the job.

Dave Eickholt, representing Eagle Valley Transit Authority, gave an update on the ridership for the Vail-BC express bus. 22/23 season saw 11,271 riders and 23/24 increased to over 160,000 riders due to increased frequency and zero cost. The ridership is 37% fulltime EC Residents, 26% part-time Residents, 33% Tourist and 4% unknown. Cost per rider to operate is between $2-3. Net promotor score is 53% with an 8.5/10 rating. Tanya Allen, EVTA Executive Director, is going around with a road show to local towns, metro districts and other entities wanting more information. EVTA needs to know if there is an appetite to run the Vail-BC shuttle in the off-season and through the summer.

The BOD suggested there be more communication around the fare free buses within the resorts. It was noted that the fare free zone does not currently include the Town of Gypsum, and in order for the town to be included in this program, it has to go back on the ballot.

2. Minutes of the Beaver Creek Resort Company Board Meeting March 28, 2024. Upon motion made by Mr. Dawsey and seconded by Mr. Luker, it was unanimously

 **RESOLVED** to approve the minutes of the March 28, 2024.

These minutes are attached as Exhibit A.

3. DRB Mr. Hearn updated the BOD on DRB submittals which are back to an average level from the high volume the last three years. Mr. Luker asked if the Lot A development applications can be coordinated with Mr. Clancy once they get submitted.

4. Public Safety Report. Mr. Kenny highlighted that boot and tow orders have increased due to more focus from Public Safety staff. Criminal Activity saw an increase from prior year which have been handled in conjunctions with Eagle County Sheriffs. Detailed information on medical reports will be less descriptive moving forward to protect the privacy of individuals. Mr. Clancy thanked Mr. Kenny for the work done to proactively staff the garage gates for this summer to help with event parking.

5. Transportation Report. Mr. Gorbold presented the transportation report. April saw decreased ridership from prior year due to Easter falling in March. Village Connect was within 1% of budgeted service hours. 98% of On Demand rides were picked up in 20 mins or less. Parking lot service hour monthly budget spread will be adjusted for next year in order to more closely align the budgeted hours with expected activity level. A focus area for next year will be on-ride time to ensure routes limit any backtracking. Discussion about the utilization of the Avon Restaurant shuttle ridership and cost per passenger ensued.

6. Event Report. Ms. Deherrera gave a report on the event department. Blues Brews and BBQ is coming together for the Memorial Day weekend. Colorado Showcase is fully booked for the Saturday lineups. Communication between fireworks operations and fire department are underway.

Mr. Donohue asked about how much live music will be in the village this year. There are musicians in the village seven days a week this year. To increase awareness, BOD directed staff to create more signage in the village and brochures with both the Unplugged and CO Showcase lineups to hand out to hotels and retailers. Board direction was provided that a communication plan should be integrated into the event plans to self-promote future events more.

7. Economic Development and Marketing Committee. Mr. Huber provided the BOD with an update on the new Economic Development department. The oversight of marketing has transitioned to this area. The goal is to work with the Marketing Committee and BOD to establish the Economic Development Department Strategic Plan and present the goals and priorities for this department at the June 27 BOD meeting.

The Marketing Committee met on May 8 with the Vail Resorts team present. They provided a full overview of the winter performance on skier visitation and net promotor scores. The status of the updated creative platform for Beaver Creek was reviewed. The agency is currently performing testing on creative concepts and will present final results in June.

Open Space presented the Summer Marketing plan. The campaign has adjusted part of the demographic focus to Chicago for increased advertising exposure. The Marketing Committee approved the increased media spend by redirecting funds from Epicurean Adventure that will not be utilized.

Culinary Marketing and Strategy is actively in progress to create an identity, story, logo, etc. Engagement with a research consultant has provided a macro report of the comp set that the Marketing Committee will synthesize.

Mr. Luker suggested there be a measurement scorecard for all the active initiatives to track progress against the goals. Mr. Donohue mentioned that there is a difference in value from a local guest versus a destination guest for the dollars spent in the village, and destination guests drive more economic value to Beaver Creek. To be a culinary destination, there needs to be a more conscious focus on what the destination guest wants. Mr. Metz stated that the Beaver Creek brand is only being developed for the destination guest which aligns with goals of this department. BCRC needs to further look into the marketing dollars from the new lodging tax since 80% of the funds are generated from Beaver Creek.

8. Rules and Regulations. Ms. Jarvis reviewed the items that were discussed at the Rules & Regulations meeting on May 16th. She presented the edits to the listed holidays, construction hour variance language, and approval process by BCRC in the Construction Activity Rules and Regulations. This will help DRB and Public Safety in enforcement and reduce abuse. Upon motion made by Mr. Luker and seconded by Mr. Nolan, it was unanimously

 **RESOLVED** approved the redline edits to Section 3.10, 6.02, 7.02 and addition Exhibit A, Village Core in the Beaver Creek Construction Activities Rules and Regulation.

The first draft of the Responsible Governing Documents was reviewed by the committee with direction to staff for a few edits and clarification. These will be reviewed at the next committee meeting for final approval at the June BOD meeting.

The Civic Assessment Committee met for the first time on May 21st. Representation included members from homeowners, galleries, retail and restaurants. History and impact of the civic assessment bylaw and potential removal of the exemption for deliveries was discussed. The next meeting will focus on brainstorming equitable solutions for civic assessment collections.

Discussion about who was in attendance and who might further be engaged was discussed. The committee met with an open mind and shared perspectives.

9. Financial Report. Ms. Braden-Butz provided the operating results ending March 31st which can be found attached as Exhibit B.

Total assessment revenues exceeded budget by $4,084 with Mtn. Rec and RETA resulting in a negative variance to budget. All other revenues resulted in a negative variance to budget by $91,403 with Design Review and Business Licenses at a negative variance, as well as Hawk’s Nest Cabin, which had previously been forecasted to be below budget. Surface pay parking revenue was a negative $76,884. This is due to booking the YTD SP+ Fee in March.

March expenses resulted in a positive variance of $202.

YTD Revenues results are positive to budget by $1,168,212 primarily from Civic and Mtn. Rec Assessments.

YTD Expense results are positive to budget by $498,734 where we are seeing expense savings in Activities and Events as well as Public Safety Management Fee which includes the upper parking garages.

Year End Forecast projects a positive variance in revenues by $1,570,037. Primarily all assessment revenues are forecasted to have a positive $1,771,827 while Event and Activities and Hawk’s Nest Cabin forecasted at a negative variance to budget. Year End forecast for Expenses is a favorable $453,275 to budget.

Ending cash balance is favorable to budget by $1,041,000.

Mr. Clancy mentioned that the reserve study is 95% complete which will help with the capital project five year cash flow analysis. Mr. Nolan stated that restaurants saw a great winter season financially, even with a slower start but it ended on a high. Mr. Dann stated that the budgeting process was realistic and that RETA remains the wild card and continues to exceed the conservative budget. Mr. Dawsey mentioned that the investment activity has been disciplined, and due to great interest rates, the Finance Committee will look to keep investing to further support capital projects even when rates decline.

10. Vail Valley Foundation-Birds of Prey. Ms. Franke thanked BCRC for their ongoing support to the Birds of Prey races. She reviewed the preliminary schedule for December 2023. There has been preliminary approval for Women to race in Beaver Creek next year for two scheduled races to be held on the BOP course. The Men will race three races and Giant Slalom is set to come back. Sponsorship support is very strong for the extra weekend of races and increased race expenses means a bigger ask this year. Most are looking at 60-70% increase for the addition weekend of races. The sponsorship request for BCRC will come after the official announcement by FIS.

Marketing will push this as a ten day festival and not just two weekends of events. Bib draws and team signings will be in the village. Large music acts will be scheduled on both Saturdays.

Currently this addition is a one-time event, but if successful, FIS could look at implementing future races with men and women. VVF is working with FIS to build in weather contingencies to shift races around to optimize racing days and prevent cancellations.

Mr. Luker commented that as a Class A representative, there is frustration from some residents about lack of skiable areas open due to the races taking terrain and resources away. Mr. Murphy stated there is a strategy to get both the mountain open as much as possible and the race course. There are separate race crews brought in to focus on the race areas. Discussion about aggressive strategies to get the most early season terrain open, Mikaela Shiffrin’s obligations, and Town of Vail sponsorship, ensued.

11. Lech Review. Mr. Clancy reviewed the Sister City trip to Lech from April. BCRC members that went were Jim Clancy, Brian Nolan, Bob Boselli and John Dawsey. Ludwig Kurtz attended as host and liaison. The Sister City Party was represented with Riley from Hooked and Joel from Coyote. The partnership is very strong and much more visible in Lech than in Beaver Creek. There’s opportunity to increase awareness about the partnership in Beaver Creek. Lech is similar to Beaver Creek with their high net worth guests and their legendary attention to detail. Further discussion about the relationship and trip review ensued. There will be a formal business meeting with the Lech contingency in Beaver Creek during Oktoberfest.

12. Strategic Initiatives. Mr. Huber and Ms. Buhler presented the Strategic Initiatives updates. Creekside Park broke ground in April on schedule with demo, snowmaking line install and playground equipment pod site preparation. BCPOA is looking at a sponsorship opportunity to enhance an area of the park. Weekly and monthly updates are occurring with information overviews being posted on the BCRC website. The pedestrian walkway is open with custom *Beaver Creek Inspire* fencing. The project is on budget with a few minor change orders not impacting the overall budget.

The lighting phase two upgrade around the ice rink is in the design phase. Structural Engineers have been engaged to support the additional lighting needs. Electrical upgrades are being reviewed to support further load capacity and upgraded CCTV. The phase one design for wash lighting of the ice rink will be accomplished this fall.

Mr. Huber reviewed the design concepts for the Covered Bridge lighting. The goal is to refresh the bridge with maintenance items and improve the lighting features for a sophisticated entrance to Beaver Creek. The BOD reviewed the two designs prepared by AKLD and gave staff direction on the option rendering most preferred to be installed this fall.

Ms. Buhler reviewed the status of the Village Road Entrance Flagpole Lighting upgrade, Wonder Lighting Enhancements, and Phase 2 of the Lamp Post Fixture Replacements.

Mr. Huber presented the Bollard Replacement project. The FY24 budget assumed BCMD would cover all the costs, however, and an easement agreement was found that supports a 40% cost share with BCRC. As such, $50,000 of additional FY24 capital is being request to cover Phase 1 of the project to replace 41 bollards along Avondale Ln, and both sides of the Creekside pedestrian path between BC Lodge and Park Plaza. Upon motion made by Mr. Donohue and seconded by Mr. Nolan, it was unanimously

**RESOLVED** to approve $50,000 in incremental FY24 capital funding for Phase 1 of the bollard project.

Phase two of the Bollard project will review removal of bollards along the bus drop-off area with a lower profile post-and chain solution and the installation of 4 new full-size lamp posts at the bus drop-off.

13. New Business. Mr. Nolan asked about the burn piles on Strawberry Park. Mr. Hoover said they will be burned in the fall in accordance with the Fire District’s schedule.

There is still confusion about the fall lift closures and the next level of employees down from Managers and supervisors need to be made aware.

The next meeting on June 27th will not be in the May Gallery due to Suzuki. Most likely it will be at the BC Lodge, and will be confirmed prior to the June meeting.

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

**RESOLVED** to adjourn the public session of the meeting of the Beaver Creek Resort Company Board of Directors held Thursday, May 23, 2024 at 11:00am.

Respectfully submitted,

Erin Jarvis

 Beaver Creek Resort Company

 Secretary

LIST OF EXHIBITS

BOARD OF DIRECTORS MEETING

BEAVER CREEK RESORT COMPANY OF COLORADO

May 23, 2024

1. Minutes of the Beaver Creek Resort Company Board Meeting March 28, 2024
2. Financial Report March 31, 2024