

MINUTES OF THE
BOARD OF DIRECTORS MEETING OF
BEAVER CREEK RESORT COMPANY OF COLORADO
September 26, 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, September 26, 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	Peter Dann
John Dawsey	Bob Boselli
Phil Metz	Jeff Luker
Jim Donohue	Brian Nolan

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

Attendance in Public Session:

Clint Huber-BCRC	Dave Eicholt-BCMD
Krista Deherrera-BCRC	Stacy Thibedeau-BCRC-zoom
Koby Kenny-BC Public Safety	Casey Wydra- BCRC-zoom
Lee Hoover- BC Director Resort Ops	Olivia Lyda-BCRC-zoom
Cameron Morgan-VPAC	Michael Simon-Creekside Condo-zoom
Sam Hearn-DRB	Scott Sailer-East West-zoom
Jerry Hensel-BC Village Ops	Laura Dziadosz-BCRC-zoom

1. Public Comment. None

2. Minutes of the Beaver Creek Resort Company Board Meeting August 22, 2024. Upon motion made by Mr. Dawsey and seconded by Mr. Luker, it was unanimously

RESOLVED to approve the minutes of the August 22, 2024.

These minutes are attached as Exhibit A.

3. DRB Report. Mr. Hearn presented the September DRB report along with an update about a serial replacement roof project with cedar shake materials and the requirements within the regulations.

4. Public Safety Report. Mr. Kenny reviewed the August report. There were no bear disturbances in August. He reviewed the fire incident which occurred behind the Meadows Townhomes in early September. An illegal camper caused a small fire on National Forest land. Thanks to the prompt response of Public Safety, the fire was put out immediately. An investigation from Eagle River Fire District ensued, however no evidence was found to identify the individual who started the fire.

5. Financial Report. Mr. Osborn provided the operating results ending July 31 which can be found attached as Exhibit B. There are no significant changes to the financial position through July with the exception of a \$2M transfer to Alpine Bank from Fidelity to fund the summer operations.

Non-RETA assessments for the month were in line with Prior Month and YOY results. RETA for the month was above budget. August and September are looking strong with additional significant sales projected for these months.

Year to date, assessment revenues are exceeding budget by \$2M and expenses have a positive variance of \$450k. There are no significant changes to the Year End Forecast.

Mr. Osborn reviewed the interim budget which has a few significant changes from the previous draft based on Finance Committee discussion.

- Non-RETA Assessment revenue assumptions are remaining flat to FY24 Forecast.
- RETA Assessment revenue budgeted down 20% to FY24 forecast.
- Department Structure- three new departments are being formed in FY25 budget: Village Support, Economic Development, and Activations.
- Expenses have been updated with two significant increases.
 - Economic development is a new department with an increased budget of \$500k.
 - Marketing is increased by \$451k to support continued social media strategies and new initiatives supporting culinary, family features evening vibrancy and group sales.
- Reporting Structure- Investment revenues and non-operating activities are now being shown separately to better identify the core operating performance.

The FY25 interim budget shows that even with the conservative revenue assumptions, the budget can support the increased expenses without dipping into any holding accounts. The budget also incorporates \$3.3M of capital projects. Discussion about cash flow and budgeted spending for activations and maintenance ensued. The event budget based on quality and culinary offerings was discussed and if there needs to be an increase, after the expert analysis, the Finance Committee would need review an increase for BOD approval.

Upon motion made by Mr. Luker and seconded by Mr. Murphy, it was unanimously

RESOLVED to approve the FY25 Interim Budget as presented.

Mr. Clancy reviewed the four changes to the Capital Plan from August.

- The FY24 lighting rollover increased from \$168k to \$269k.
- Ice Rink Drainage and lighting was reduced from \$2M to \$50k for planning in FY25 and then the scope of work would be included in FY26.
- The Village Camera project increased scope after a thorough walk of the village. Previous budget was not to exceed \$200k, however budget will be increased to \$230k.
- The Helmut Fricker statue will have a committee formed with an initial concept budgeted of \$50k with an additional \$150k in FY26.

Mr. Luker suggested more cameras on Village Rd. The Village lighting expenses will be charged back to VR Commercial Leasing. In reviewing the loading dock project, he suggested it might be worth looking at all public entry points and loading docks and creation of guidelines around the upkeep requirements. Further discussion about other partnership and subsidized village projects that BCRC can assist with ensued.

Upon motion made by Mr. Boselli and seconded by Mr. Luker, it was unanimously

RESOLVED to approve the FY25 Capital plan, with an increase to the budget for the Village Cameras project not to exceed \$250k

Mr. Clancy reviewed the Investment Memo with a US Treasury Note maturing on 9/15/24. The Finance Committee reviewed the portfolio with Alpine Wealth Management and recommends investing this

money into a long-term Treasury Note maturing in December 2028 at 3.45%. This investment is consistent with the laddering investment strategy. After further discussion about potential cash flow needs, upon motion made by Mr. Boselli and seconded by Mr. Dann, it was unanimously

RESOLVED to approve the investment of \$3,000,000 in a US Treasury Note maturing in December 2026 at 3.5%.

6. Event Committee. Ms. DeHerrera gave an update of the remaining event schedule including a new Vail Rec District race for kids in the village. She recognized her two event managers for all their hard work this summer. The next Event Committee will review a strategic plan for the department. Work has started to book summer 2025 music talent. Mr. Donohue stated that there needs to be more intentionality behind the winter events and activations during off-peak periods and not just focus on high occupancy holidays.

7. Economic Development and Marketing. Mr. Huber reviewed the status of Creekside Park. The project is on track with landscaping, restroom refurbishment and punch list items remaining. A skier boundary closure fencing will be installed along with a closure of the Nest feature for winter safety. The Wonders fixtures are getting refurbished this off season along with upgraded lighting. The parking lot light fixtures and ice rink lighting upgrades are also on track for completion this fall.

The Vail Resorts Marketing team provided BCRC with the new creative guidelines for the Not Exactly Roughing It platform with deployment to start in October and commercials beginning early November. There is an exciting plan for a culinary event series at the Signature Cabins on three weekends which supports BCRC's goal of culinary awareness and differentiation. The Beavercreek.com website analytics showed positive visitation from the Social Media campaigns. Mr. Huber reviewed the prioritization of four FY25 Marketing initiatives which focus on culinary, new family features, evening vibrancy and group sales.

The Summer Marketing update was provided by Jim Kellen with OpenSpaces. Lodging indicators only go through July 31st which show positive YOY growth. The full summer campaign for Marketing and PR efforts will not be ready until October.

The budget impacts for these initiatives are \$135k for onetime costs for research and consulting, \$143k of recurring costs including additional Marketing headcount, and \$225k for deployment of initiatives.

Discussion about the Not Exactly Roughing It rollout and how it can be leveraged in the merchant community ensued. There is still an opportunity to leverage this tag line as a Beaver Creek identity that maintenance, capital, and strategic initiative projects can align with. Discussion about upgrading the flowers in the village to the next level with real flowers on the balconies and even more attention in the village ensued. The Real Estate analysis needs to be moved to a two year cycle of review instead of the proposed five year cycle in the recurring budget costs.

8. 2025 Board of Directors Meeting Dates. Upon motion made by Mr. Boselli and seconded by Mr. Nolan, it was unanimously

RESOLVED to approve the 2025 Board of Directors Meeting Dates.

9. Design Review Board Appointments FY25. Mr. Clancy thanked Ms. Bonnie Vogt for her 20 years of service as a Director of the Design Review Board. In accordance with the 1997 Modification Agreement, the BCPOA formally recommends Heidi Trueblood as Ms. Vogt's replacement. Upon motion made by Mr. Donohue and seconded by Mr. Luker, it was 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, 2025 or until their successors have been duly qualified and appointed: Tom Borbone, Heidi Trueblood, Ludwig Kurz, Brent Alm and Michael Rodenak

10. New Business. Erin Jarvis reviewed the Corporate Transparency Act impact on HOA Board of Directors in which BCRC directors will be required to provide basic information to FinCen by January 1, 2025.

11. Executive Session. With no further business to come before the board and upon motion made and seconded, it was unanimously

RESOLVED suspend the public session of the meeting and enter into Executive Session to discuss legal matters with the BCRC Attorney at 10:26am and adjourned at 11:15am to re-enter into public session.

12. Adjourn. With no further business to come to before the board and upon motion made and seconded, it was unanimously

RESOLVED to adjourn the BCRC Board of Directors Meeting held on Thursday, September 26, 2024 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 26, 2024

- A. Minutes of the Beaver Creek Resort Company Board Meeting August 22, 2024
- B. Financial Report July 31, 2024