

BACHELOR GULCH VILLAGE ASSOCIATION
Special Board of Directors Meeting
via Videoconference
April 21, 2020

A Special Meeting of the Bachelor Gulch Village Association (“the Association”) Board of Directors was held on April 21, 2020. In attendance via videoconference were Board members Brian Kushner, Nick Nichols, George Bigley, Gary Shimanowitz, and Nadia Guerriero. Also in attendance by videoconference were Mike Trueblood, Association Manager, Erin McCauley, Financial Analyst, Kevin Hopkins, Financial Analyst, Steve Nusbaum, DRB Sr. Manager and Lisa Mayers, Association Attorney.

The meeting was called to order at 2:00 p.m. Mike Trueblood confirmed proper meeting notice was given and a quorum was present.

Approval of Meeting Minutes

Nick Nichols moved to approve the March 13, 2020, Board of Director Meeting Minutes as presented. Brian Kushner seconded the motion and it was unanimously approved.

Consideration of Appeal – 256 Tall Timber

Mike Trueblood referenced a memo from Steve Nusbaum containing background on the DRB’s decision related to the property located at 256 Tall Timber. Steve gave a brief overview for the Board’s consideration. The original application for a pool and home site addition was submitted and denied in April of 2017. They resubmitted a similar plan in 2018 which was tabled throughout 2019. Because no revisions or appeal were received since the original filing, the applicant was given notice that action would be taken at the March 2020 DRB meeting if no new information was provided. Brian Kushner asked if detailed feedback was given to the applicant. Steve explained the denial letter stated the findings for the basis of the denial. He said there are five criteria that a home site amendment must meet which are discussed in depth. Steve referenced Exhibit 2 that provides specific findings for why the application was denied in 2018. It was noted this information would have gone to the homeowner’s representative. Lisa Mayers indicated the appeal received from the homeowner’s legal counsel in March making arguments for their appeal was forwarded to the Board at that time and is not included in the current Board package. She offered to recirculate the document. She advised, per the Declaration, the Board must confirm, modify, or reverse the decision of the DRB. If the Board upholds the denial, they must give a written explanation for why the project does not comply with the Design Guidelines and Rules. In this instance, based on the Board’s comments, they would adopt the same reasoning as the DRB. Brian Kushner suggested also communicating the option of submitting a new application.

Brian Kushner moved to uphold the decision of the DRB Board to deny the appeal for 256 Tall Timber, and directed Lisa Mayers and Mike Trueblood to provide written communication to the applicant. Gary Shimanowitz seconded the motion and it was unanimously approved.

Financial Report through March 31, 2020

Mike Trueblood reviewed the Income Statement. Current fiscal year-to-date revenue is \$2.1M vs. a budget of \$1.99M. Civic Assessment is favorable by \$88K, transfer fee revenue is favorable by \$34K, and Design Review fees and miscellaneous revenue are on budget. Mike noted this includes the February Civic Assessment and not the March assessment due in April. The Ritz-Carlton (“Ritz”) currently owes \$364K for the February assessment due in March and \$165K for the March assessment due in April. As part of the challenge everyone is going through with CV-19, the Ritz has asked to defer submittal of their March through June assessments until July. Their projections for the next few months include zero revenue for April, a 90% reduction in May, and 75% reduction in June. The Ritz’ General Manager has said their group business has been largely rescheduled for the fall or next year. Mike said assumptions for transfer assessments are to be determined. Lisa

Mayers commented she favors deferral vs. a discount or write off of the Civic Assessment because it is based on a percentage of actual sales and monies collected.

Expenses are holding at budget. Mike Trueblood stated transportation services were stopped toward the end of March and have not resumed in April. Vail Resorts has been in discussion with the Beaver Creek Metro District to discuss potential reimbursement of a portion of Transportation Fees due to suspension of service. There is a Beaver Creek Metro District meeting tomorrow to discuss how to address compensation related to the suspension of bus service. For Bachelor Gulch, in March there were approximately 2,300 service hours that were not provided, and the same number for April. Mike suggested a follow-up videoconference to discuss transportation following the Metro District meeting. In answer to a question raised by Nick Nichols, Mike explained there are two agreements, one for the fixed routes and one for on demand service. The annual fee is based on the estimated number of hours provided. It is a fixed annual contract, allocated and paid throughout the year. Mike noted the agreements are silent with respect to stoppage of service.

Further discussion took place regarding the Civic Assessment classification. Lisa Mayers clarified the Civic Assessment arises out of the Bylaws and is not in the Declaration recorded against the property. It is based on civic sales within the community, and the commercial organizations being members of the Association and subject to the Bylaws.

Mike Trueblood recommended updating the financial forecast including transfer fees in mid-May, following the close of April results, and to share the information with the board.

Brian Kushner moved to grant the request from Dan Dickhart on behalf of The Ritz-Carlton to defer the due date for Civic Assessment payments for February, March, April and May until July. Gary Shimanowitz seconded the motion and it was unanimously approved.

Gary Shimanowitz informed the Board that Vail Resorts will not contribute toward running the Bachelor Gulch chairlift on scheduled weekends this summer. Mike Trueblood will update the forecast for this line item.

Mike Trueblood reviewed capital expenditures. \$306K is budgeted for the purchase of three 21 passenger people movers. The replacement schedule calls for retirement of buses after seven years. There are three 2013 buses that are due to be replaced. Mike recommended, based on evaluation with Paul Gorbald, deferring purchase of two buses and the replacement of one. The one recommended to be replaced is in need of repair. Consensus among the Board was to hold off on the replacement of vehicles until more is known about the economic climate.

Brian Kushner moved to defer the planned purchase of three buses indefinitely. Nick Nichols seconded the motion and it was unanimously approved.

Other Business

Mike Trueblood gave an update on the sound matter at the Ritz. The Ritz is currently making very little noise since operations are shut down. Once operations resume, it is understood that the burden of proof will be upon the Ritz to come up with a plan that meets the State statute. Steve Sinacore sent out the results of his sound survey to the Board. Brian Kushner commented on the methodology used for measuring background noise.

Mike Trueblood spoke about the status of the Black Hills Energy (“Black Hills”) rate case. Per Jim Tarpey, the PUC is preparing their written decision. It seems the PUC is going to rule that Black Hills customers will not see an increase to their rates or have rates stay the same. Customers are likely to see a 4% decrease in their rates in the next couple of months. The PUC ruled against rate consolidation.

Mike Trueblood introduced Kevin Hopkins. Beginning in June, Kevin will provide financial support to the Association, taking Erin McCauley's position. There has been a reorganization in the VR financial organization with additional duties being performed at the corporate office, and Erin has accepted a position outside of the company beginning in June. She will provide support in the transition. Mike expressed gratitude to Erin for her contributions.

There being no further business, Brian Kushner moved to adjourn the meeting. Nick Nichols seconded the motion which was unanimously approved and the meeting was adjourned at 2:56 p.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting