

**MINUTES OF THE 2018 ANNUAL MEETING
OF THE MEMBERS**

BACHELOR GULCH VILLAGE ASSOCIATION

The 2018 Annual Member Meeting of Bachelor Gulch Village Association (the “Association”) was held on December 19, 2018, at the Ritz-Carlton Hotel, Bachelor Gulch Village, Avon, Colorado. Board Members present were Beth Howard, Gary Shimanowitz and George Bigley. Nick Nichols and Brian Kushner attended by telephone. Mike Trueblood, Manager, and Lisa Mayers, acting attorney for the Association, were also present.

Call to Order. Beth Howard called the meeting to order at 4:02 p.m.

Verification of Proper Notice and Quorum. Proper Notice and a Quorum were met.

Introductions. Ms. Howard introduced the Board Members, Manager and other staff.

Association Description. Lisa Mayers provided a description of the Association.

Appointment of Directors. Lisa Mayers stated that two Class D (Open Space Rec) director positions were expiring and that the Class D member reappointed Beth Howard and appointed Gary Shimanowitz to these positions on the Board.

Approval of Minutes. Upon motion made and seconded, the minutes of the 2017 Annual Meeting were approved with the following correction: the reference to McCoy Park was corrected to reflect that the area would likely open in the 2020-2021 season.

Financial Report.

a. 2018 Financials. Mr. Trueblood gave the financial report for 2018. He reported that transfer fee assessments were slightly below budget for 2018, totaling approximately \$1.885 million. Civic assessments were consistent with the budget at \$2.24 million. The significant budget issues for 2018, included a small savings in public safety expenses resulting from open staff positions, an additional transportation expense of \$29,000 related to implementation of the Downtowner app, and an additional unanticipated legal expense related to the retention of special counsel to advise on the Black Hills Energy issues. The Improvements and Replacements Fund was substantially under budget because of the deferral of projects related to planned improvements which included the lift terminal, bus shelter, security gates/cameras, community signage and tennis court releveling. Many of these projects will proceed in 2019. In response to a question regarding the repaving of Little Bear lot, the Board responded that the Association uses the lot for parking of the transportation vehicles, and based on this use, agreed to work with Vail Resorts to repave the lot.

b. 2019 Budget. Mr. Trueblood reported on the 2019 budget. The 2019 anticipated revenues have been conservatively estimated based on a three year average, with a lowered estimate for real estate transfer assessments since 2018 was slower than expected with respect to property sales. The civic assessment estimate is based on a three year average which was relatively accurate for 2018. The amount budgeted for transportation has been increased with the expectation that a full staff will be employed and the Downtowner app will be fully activated. For FY2019, three people mover vehicles are budgeted for purchase. The 2019 budget is expected to have an ending balance of \$4,356,000, a reduction of \$139,000 compared to 2018.

Community Tennis. Mr. Trueblood reminded the community that there will be a meeting on December 27, 2018, in a conference room at the Ritz-Carlton, to solicit community input for the future direction of the Tennis Program and retained professionals.

Other Business. Ms. Howard called for other business. Paul Jardis provided an update on the Bachelor Gulch Metropolitan District's discussions with Comcast regarding negotiation of a bulk service agreement for the single family homes in Bachelor Gulch and regarding the District's communication to Comcast that it will be expected to provide services throughout Bachelor Gulch Village on a non-discriminatory pricing schedule. Mr. Jardis also stated that the District was actively working to enhance cell service throughout Bachelor Gulch, improving infrastructure to prepare for 5G in late 2019. Finally, Mr. Jardis projected a table which showed a comparison of the mill levy rates of Districts in the region and confirmed that Bachelor Gulch Metropolitan District's mill levy of 13 was dramatically less than other comparable communities.

The newest proposal for use of the tunnel area is to convert it to employee housing. The interested parties are presently in discussions about converting this space to communal (dorm-style) housing for employees. It would likely be designed for small housing units with shared kitchens and baths.

Mr. Trueblood then reported on the status of the Black Hills Energy investigation into the rate disparity as compared to the other energy provider, Xcel Energy. Mr. Trueblood reported that the parties were attempting to schedule a meeting after the first of the year to discuss the disparate rates and what Black Hills Energy can do about them.

There was a question regarding the lack of WIFI service at Zach's Cabin. Staff reported that the location of Zach's is in a hole such that it has not had fiber run to it. It is unknown when this might be remedied, although cell service works fine in the area.

Adjournment. There being no further business, Ms. Howard adjourned the meeting at 4:45 p.m. The mountain report followed.

Mountain Report. Gary Shimanowitz reported on ski mountain conditions. Mr. Shimanowitz provided a comparison of snow depths and percentage of the mountain open from this year to last year and commented that this year's snow and temperatures have enabled significantly more of the mountain to be opened earlier with more natural snow. By the week of Christmas, the entire snow mountain will be open and they will be wrapping up the snow making.

Ms. Howard thanked the residents in attendance for their support of the McCoy Park project and advised that detailed construction planning will likely start in the Spring of 2019 with a target of opening the area in the 2020-21 season.

The Mountain Report concluded at 4:50 p.m.