

BACHELOR GULCH VILLAGE ASSOCIATION
Board of Directors Meeting
via Videoconference
June 23, 2020

A regular meeting of the Bachelor Gulch Village Association (“the Association”) Board of Directors was held on June 23, 2020. In attendance via videoconference were Board members Brian Kushner, Nick Nichols, Gary Shimanowitz, and Nadia Guerriero. Also in attendance by videoconference were Mike Trueblood, Association Manager; Kevin Hopkins, Financial Analyst; Koby Kenny, Director of Public Safety; Dan Dickhart, The Ritz-Carlton Bachelor Gulch General Manager; Lisa Mayers, Association Attorney; Blair Hayes, property owner; and Carol Floyd, Secretary for the Meeting.

The meeting was called to order at 2:04 p.m. Mike Trueblood confirmed proper meeting notice was given and a quorum was present.

Nadia Guerriero informed the Board that George Bigley resigned from Vail Resorts effective yesterday. They will replace his role of Director of Signature Clubs, and appoint a replacement for the Class C position on the Association Board.

Approval of Special Board Meeting Minutes

Brian Kushner moved to approve the April 21, 2020, Special Board Meeting Minutes as presented. Gary Shimanowitz seconded the motion and it was unanimously approved.

Summer Operational Update

The Ritz-Carlton, Bachelor Gulch: Mike Trueblood reported The Ritz-Carlton (“Ritz”) is on track to make the deferred Civic Assessment payments for February through May in July. Dan Dickhart said the Ritz reopened on May 29th, and is expected to exceed their June forecast by 30% to 40%. The hotel has met their 50% capacity every weekend. Food and Beverage is doing extremely well. They continue to practice social distancing. Reduced capacity at the pool has presented a challenge. Sakaba sushi restaurant is scheduled to open on July 1st, with a more approachable and less expensive menu. Fitness center hours will expand and outside hot tubs are going to be opened. Inside hot tubs will remain closed. 50% of staff has been recalled. Dan clarified the maximum pool capacity is currently 50.

BG Village Transportation: Mike Trueblood gave an update on transportation following suspension the first week of April. Buses will begin running on June 26th with an on-demand and parking lot bus in Beaver Creek, and a Ritz employee shuttle and on-demand bus in Bachelor Gulch. The employee shuttle will run from 5:00 a.m. to midnight, and the on-demand bus from 7:30 a.m. to 11:00 p.m. Rides can only be booked through the Village Connect app or Ritz kiosk. Safety protocols include limiting passengers to 50% of seating capacity, a face covering requirement, and a specific boarding and exiting plan. A communication of the schedule will be sent to Bachelor Gulch property owners. Mike asked the Board to consider authorization to add vehicles if demand necessitates. Brian Kushner asked what criteria is used to determine when buses would be added. Mike answered if the service levels decline to where riders must wait for more than one shuttle or on-demand wait times are significantly out of the norm. Brian Kushner expressed his hope that riders could be more patient in these times of COVID, and suggested gauging service by the percentage of rides completed in under 30 minutes. To set the expectation, Brian recommended Mike include anticipated wait times in his messaging to the community. Mike asked the Board to consider approval of a Vail Resorts modified billing for May using the same calculation used for March and April. They are proposing a \$66,536 reimbursement to the Association, comprised of cost savings as calculated by transportation service hours, multiplied by the agreed upon hourly rate, passed on at a level of 60% for all lines of transportation. The Association’s net payment due would be \$44,537.

Brian Kushner moved to approve the amended transportation billing for May 2020. Nick Nichols seconded the motion and it was unanimously approved.

Design Review

256 Tall Timber: Mike Trueblood gave an update on the 256 Tall Timber settlement agreement. Lisa Mayers added that Design Review Administration is currently meeting with the property owner's legal counsel at the property to explain their position on the settlement agreement and status of the property, in an effort to avoid a further dispute. Brian Kushner asked if the Association could file a mechanics lien. Lisa explained a Notice of Noncompliance has been recorded against the property. The Association can claim a lien for any amounts the Association is incurring in enforcement under the Colorado Common Ownership Interest Act. Discussion took place in regard to further remedies if needed.

Escheated Funds: As a follow-up from the last Board meeting, Mike Trueblood said Steve Nusbaum conducted a final search for certificates of compliance with various parties involved in previous construction projects. He found no evidence of such certificates. Mike noted this was the assurance the Board requested before voting to transfer the funds from the Design Review Board account to the Association's account. Lisa Mayers explained the funds would be applied to fines and interest that were imposed when the construction was near complete. A calculation of the fines and interest over this time period shows the monies would be insufficient to pay those amounts outstanding.

Brian Kushner moved to apply the funds that have been held by the Design Review Board to fines and interest that were outstanding and owed by parties that made the deposits. The funds are to be transferred to the Association in payment of those fines and interest. Nick Nichols seconded the motion and it was unanimously approved.

Public Safety

Koby Kenny referenced the Fire Patrol Watch category on the Public Safety Activity Report and explained the variance from last year is due to the County initiating Stage 1 fire restrictions early this year. Brian Kushner asked what the Hazardous Circumstance category represents. Koby will review the dispatch log and follow-up with this information.

Financial Update

Financial Report through May 31, 2020: Real estate transfer assessment ("RETA") revenue YTD of \$1.5M is near the annual budgeted amount of \$1.58M. Kevin Hopkins has forecasted \$1.8M in RETA by fiscal yearend, assuming properties currently under contract close at 95% of asking price. This would make up the unfavorable variance in Civic Assessments, and bring total revenue to \$7,600 favorable. In regard to expense, savings are forecasted in Transportation and Public Safety. Legal expenses are running slightly over budget. Mike noted \$3,842 for internet service at Zach's Cabin was not budgeted and will be included next year. Overall, expenses are \$400K favorable at this time, indicating a healthy operating surplus. Mike asked for input on proceeding with bus orders this year. Consensus among the Board was to hold off on the purchase of buses. Mike covered planned expenditures for the remainder of the fiscal year. The Tennis Center roof is complete at a cost of \$44K, and there is work to be done in the office. Koby will coordinate wildland fire mitigation with Bachelor Gulch Metro District. Additional trail signage is planned for August and September. Half of the bus shelter amount will be used for maintenance. No bike trail projects will occur this year.

2019 Audit Update: Mike Trueblood said the audit field work has concluded and draft financial statements are available. Brian Kushner has reviewed and determined one follow-up item. On the Balance Sheet, the cash balance consists of \$2.3M in the Operating Account, \$147K in the Operating Reserve, and \$1.347M in

Investments. Kevin Hopkins and Mike will ensure the account has sufficient FDIC insurance to comply with the Association Bylaws. Mike will circulate the financial statements for Board approval.

Other Business

Event Proposal: Brian Kushner presented a plan, in its formative stage, for a group of Bachelor Gulch residents to bring in and pay for a music entertainer on a Sunday or Monday night, three or four times over the summer. Seating would be on the lawn by the chairlift, socially distanced apart. These events would be for Ritz hotel guests and Bachelor Gulch residents, and communicated by word of mouth. Discussion took place in regard to approvals needed and Eagle County Health Order requirements. Gary Shimanowitz mentioned a summer operational agreement in place with the Ritz for use of the lawn area. Brian said he will work with Mike Trueblood on the tactical items before bringing a proposal to the Board for consideration.

Cell Service: Brian Kushner expressed concern related to cell phone service in Bachelor Gulch, noting it is the number one complaint he has received. He spoke about options of putting in additional cells or fiber. Gary Shimanowitz explained cell phone providers pay for use of artificial tree towers. American Tower leases space to place the tree on the mountain. Gary said cell phone companies have not shown interest in utilizing additional towers, and suggested property owners call their providers to make a complaint. Brian mentioned an app available to rate coverage. Mike Trueblood suggested the Association and Bachelor Gulch Metro District work together to find a solution.

There being no further business, Brian Kushner moved to adjourn the meeting. Nick Nichols seconded the motion and the meeting was adjourned at 3:19 p.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting