

**Minutes of the  
Bachelor Gulch Village Association  
Board of Directors Meeting held  
March 29, 2018**

A meeting of the Bachelor Gulch Village Association (the “Association”) Board of Directors was held on March 29, 2018. In attendance were Board members Beth Howard, Brian Kushner, George Bigley, and Gary Shimanowitz. In attendance by phone were Nick Nichols, Board member, and Lisa Mayers, Attorney for the Association. Also in attendance were Tim Baker, Association Manager, Paul Jardis, representing Bachelor Gulch Metro District, Steve Janicek, General Manager of The Ritz-Carlton, Erin McCauley, Accounting Manager, Jerry Hensel, Director of Base Area Operations, Jim Clancy, Director of Public Safety, Paul Gorbold, Sr. Manager of Village Transportation, and Carol Floyd, Secretary to the Meeting. The meeting was called to order at 1:01 p.m., and it was noted a quorum was present. Introductions were made.

**Minutes**

**George Bigley moved to approve the September 11, 2017 meeting minutes as presented. The motion was seconded by Brian Kushner and unanimously approved.**

One correction to the December 20, 2017 Annual Meeting Minutes was requested. It was noted, these minutes will be approved by the members at the next Annual Meeting

**Election of Officers**

It was recommended that the slate of officers of the Board continue forward for 2018 in the same positions held in 2017.

**Motion was made by Brian Kushner to reelect Beth Howard as President and all other Board members as Vice Presidents of the Board for 2018. George Bigley seconded the motion and it was unanimously approved.**

**Transportation**

Paul Gorbold presented the Transportation Report, a year-over-year comparison, broken out by Dial-a-ride, Ritz loop, Ritz to Beaver Creek Express, and the evening Ritz shuttle. Passengers were up 7.5% opening day through March 18<sup>th</sup>. The completion rate for 20 minutes or less went from 90% of the time to 96%. The average response time from call to pick-up dropped from 12 minutes to nine and a half minutes. The Ritz evening shuttle was added to augment service to Beaver Creek Village Thursday through Saturday with 15 minute service from 5:30 to 10:30 p.m. Tim Baker commented there was more dependence on Dial-a-ride to get to ski portals with the early season snow conditions. He added that the evening Ritz shuttle had a significant impact by reducing ridership on Dial-a-ride. Tim said as the service plan is built for 2018/19, recommendations may be made to continue or expand that service. Brian Kushner commended the Dial-a-ride team for the service they provided during the most challenging periods of this season. Steve Janicek asked about summer evening service from the Ritz. Paul answered the evening shuttle to Beaver Creek is not currently in the summer service plan, noting data will be studied to determine demand. Tim added if areas of need are identified, any plans for supplementation would be brought before the Board for approval. Steve suggested the Ritz employee shuttle be minimized during the off-season to reduce expense. Paul introduced Travis Gleason, COO for Downtowner. Paul spoke about the success of a live onsite demo of Downtowner’s ride booking platform which took place two weeks ago. The two main goals of the live trial were to assess the communities’ sentiment for utilizing technology to request a ride and the drivers’ sentiment toward using technology in vehicles. Paul reported the response by both was overwhelmingly positive with the guest and community having more information from call to pick up, and the driver experience with reduced radio noise in the vehicle, more detailed information on pick-up, and ease of navigation through the workflow on the device. Paul asked for the Board’s support to pursue a service contract with Downtowner for implementation late spring or early summer of 2018. Tim clarified the Board is not being asked for approval of a specific investment at this time. Tim further explained because the Association is in the middle of their budget year, based on when the program goes live he would come back to the Board for approval on an amount to fund the service investment for the remainder of the fiscal year which ends September 31<sup>st</sup>. From that point forward, it would be a part of the normal budgeting process.

The contract would be with Vail Resorts, and the costs shared between Beaver Creek (60%), Bachelor Gulch (34%), and Arrowhead (6%) based on total amount of service hours. Consensus among the Board was to move forward with negotiation of a service agreement. Travis shared information about the company having launched six years ago, focused on high-volume short-range transportation, working with private and public clients. He said their clients are selected strategically because of the smaller size of their team. When asked if there is marketing opportunity for advertising on their app, Travis answered there is that capability.

### **Design Review**

Tim Baker reported one new home on Lot 68 went through final plan approval last week. Three remodels are in progress. Lisa Mayers has been representing the Design Review Board relating to a violation for tree clearing that occurred on one lot. The Association has placed a lien on the property for protection in the event of change of ownership. Lisa said there have been discussions with the property owner's legal counsel in regard to options for landscaping to potentially reduce the fines being imposed. Tim will keep the Board updated on this matter.

### **Public Safety**

Jim Clancy referred to a memo in the Board package regarding open fires in Bachelor Gulch. The Bachelor Gulch Metro District ("BGMD") Board has asked that Public Safety explore a regulation restricting open fires within the community. A regulation exists within the DRB Design Guidelines. Jim stated Public Safety would always enforce any staged restrictions from the Sheriff Department and fire districts. The memo includes a range of possibilities for additions to the existing regulation. Jim suggested reminding the community of this regulation, adding definition to what wood burning means, addressing charcoal burning grills, and creating criteria around commercial wood burning fires. The most extreme option would be to ban any open fires in the community. Paul Jardis said BGMD receives the monthly Public Safety report, and last year there were many instances of unattended open wood fires. Steve Janicek requested clear direction from Public Safety on what is or is not allowable at Anderson's Cabin. Jim suggested putting a process in place for Anderson's Cabin to follow requiring all active fires be manned, and notifying Public Safety when they are out. Jim stated Public Safety can increase their attention to fires on private property, but cautioned backyards are often protected from sight and it is not always possible to discern a gas from wood fire. Jim recommended including a reminder of these regulations with a communication being sent in regard to an opportunity for free Wildfire Hazard Assessments offered by Eagle River Fire Protection District and Eagle County. The DRB would waive the application fee associated with work being done in accordance with such report. Jim added the scope of work would have to be reviewed by the DRB and may be extensive enough to require a compliance deposit.

**Motion was made by Brian Kushner to waive the DRB application fee for wildfire hazard remediation in accordance with an evaluation conducted by Eagle River Fire Protection District or Eagle County, noting a compliance deposit may be required. Gary Shimanowitz seconded the motion and it was unanimously approved.**

Discussion took place in regard to effective means of communicating this information. In addition to email, suggestions were made to hand out flyers at the gatehouse, construct temporary signage, and engage fire specialists to speak at a homeowners meeting.

### **Financial Update**

Tim Baker reviewed the financials as of February 28, 2018. On the Balance Sheet, the only material change was the \$1.5m payment to BGMD for pay down of debt. He explained the cash flow year over year is different based upon the timing of income from assessments. Real Estate Transfer Assessments ("RETA") have been very strong, ending February with \$1.071m. Tim noted as of a few days ago, that number is nearing \$1.5m on a year-end budget of just over \$2m. He said if RETA continues at this pace, there could be additional resources added to the Reserve Balance. Civic Assessments are also tracking ahead of budget. Tim stated there has been success with Host Compliance and the collection of fees for short-term rentals. Tim will report back to the Board on that incremental revenue. Miscellaneous revenue has been forecasted down \$5,210 for disposition of vehicles because less were disposed of than budgeted. Expenses are right on budget. Tim noted labor savings from Public Safety for open positions throughout the winter season. A fiscal year-end operating surplus of \$117K is anticipated. Tim noted if the Civic

Assessment and RETA budget are exceeded and expenses stay equal, the surplus will increase. Tim gave an overview of Capital projects. The \$1.5m contribution to BGMD took place earlier in the year. Lift terminal design will be deferred to the future. \$25K is allocated to pedestrian trails and bike paths. \$25K is budgeted for refurbishment of bus shelters. \$30K for landscaping is discretionary and not attached to a specific project. Quotes have been received for the camera system upgrade project for all areas that are not currently covered at the Ritz employee drop-off, group circle, front yard, and deck. Tim will come back to the Board with cost and recommendations when that investment is ready to be made. \$7,500 is budgeted for tennis equipment, and \$20K for tennis court re-leveling which is performed on two courts each spring. This work will be completed in late April/early May, depending on weather, for play to commence by late May. The \$50K budgeted for signage will be used to identify, refresh, and enhance trail and way-finding signage. \$40K will complete the perennial landscaping on both sides of the road past the gate. Taking into account the aforementioned projects and the current operating surplus, a year-end Improvement Reserve balance of \$1.435 is reflected. In addition, the Association maintains a \$1m Operating Reserve. Tim asked for the Board's approval to look into investment options for the Operating Reserve, noting the CDs for which those funds were held over the past couple years have matured.

### **Summer Hiking Trail**

Arrowhead of Vail Association ("AVA") has pursued a project to put trails on the hillside to the skiers' right next to the drainage below Horizon Pass with a connection to the Village-to-Village Trail. It is on Vail Resorts property. On behalf of AVA, Tim Baker asked if there would be interest in participating financially in the construction of trails. Tim noted AVA intends to assume all responsibility for the ongoing cost of operation. Vail Resorts would do the work and enter into an access agreement with AVA. The cost estimate is in the range of \$30K to \$50K. Trail placement was discussed, and Tim assured flexibility if any Bachelor Gulch resident were to feel the trails unreasonably interrupt their property.

**Subject to trail placement location suitable to the Association Board, motion was made by Beth Howard to contribute up to \$10,000 for the cost of constructing a connecting trail to the Village-to-Village Trail. George Bigley recused himself from the motion. Gary Shimanowitz seconded the motion and it was unanimously approved 4-0.**

### **Technology Infrastructure**

Brian Kushner gave an update on the Comcast proposal to provide 1 GB service. They have proposed 1 GB service plus video services for \$110 to \$120 per household. They would need 100% participation including all condos, HOAs, and single-family residences, and would require a counterparty. Paul Jardis spoke about an opportunity to work with a private company who contracts with municipal entities to use their rights-of-way and easements for the property to build cell towers. They are currently in Central and South America and want to bring their business model to the United States to develop 5G. The placement of miniature 5G towers would be every 150 – 200 meters. This company has approached BGMD to be the model municipality in the middle of the country. There would be no cost to BGMD. They would set up and own the cell system, and lease the towers to various carriers. The first step would be a drive test to measure the signal in all locations. Paul said they intend to have a system design to BGMD by late May. Once the design is reviewed, legal agreements would be prepared and put in place. Paul added there is capability to add security cameras, heat sensing for wildfire detection, and 1 GB internet service on cell towers, light poles, and manhole covers. Brian Kushner commented American Towers has previously done a drive test and concluded there was no substantive interest in Bachelor Gulch by the carriers. Brian contemplated whether this could provide a solution for cell service at Zach's Cabin and added it may impact plans for the camera system upgrade. With details yet to be determined, Paul and Brian wanted to make the Board and Vail Resorts aware of these negotiations.

### **Black Hills Energy**

Brian Kushner spoke about a division of natural gas service providers between Bachelor Gulch core by Black Hills Energy ("Black Hills") and Bachelor Gulch upper Daybreak by Excel. Brian stated the cost of the service from Black Hills is 70% higher than that of Excel. Rates for per unit gas are the same and the difference is transportation cost. The question lies with why transportation of gas up Daybreak Ridge to a higher elevation would be less expensive using the same pipes. Brian requested the Board's approval to work with legal counsel on a letter or other

form of communication to the PUC to investigate this issue on behalf of the Association. Lisa Mayers advised pursuing answers from the PUC before making a strategy for remedy. The Board was in agreement.

### **Other Business**

Steve Janicek estimated the expense of operating the Ritz pool to be \$30K per summer for towels and staffing, which does not include energy or chemicals. He noted the entire community has access to the pool. He asked the Board to consider contributing toward the operation to make it a better experience. The Board requested Steve come back with a measurable plan for a service level adjustment, supplies, or a combination of both for their consideration.

Steve Janicek stated the lawn area has been a huge enhancement to the Bachelor Gulch community. He proposed improving the lawn at Anderson's Cabin, noting the Ritz does not own the cabin but has a partnership for use. He obtained a bid from Ceres previously to flatten the land and put in irrigation for approximately \$30K. He would like to improve this asset to hold weekly events for the community. He asked for support from the Association to partner in this project. The Board requested Steve provide the Board with a formal proposal for their consideration.

Brian Kushner asked about the status of running Chair 16 in conjunction with events over the summer. Beth answered the plan is to choose three dates after July as a pilot. She noted there is elk closure until July and lift maintenance must be performed. Steve Janicek proposed three Saturday day and evening events from the base village to the top, depending on what facilities are open. When asked about whether Hike to the Mic will return this year, Beth said it is not scheduled and the plan being to elevate Beaver Creek's current signature events.

Steve Janicek announced Vail Jazz in the hotel Ballroom tomorrow evening will be funded through Bachelor Gulch Marketing Association. Steve said they are talking to Bravo and looking for a partner to do concerts on the lawn, noting the Ballroom must be available as backup.

The Ritz will be holding Forbes 5-star training in June and will invite Vail Resorts leaders and supervisors. Next December the program will be offered to all employees within Bachelor Gulch who interface with guests including Transportation, Beaver Creek Sports, the hotel, and Lift Ops. This will be funded through the Bachelor Gulch Marketing Association.

**Beth Howard moved to enter into Executive Session for the purpose of obtaining privileged legal counsel from Ms. Mayers. Brian Kushner seconded the motion and the Board entered into Executive Session at 2:45 p.m.**

**Beth Howard moved to exit Executive Session. Gary Shimanowitz seconded the motion and the Board returned to the Regular Meeting.**

**Brian Kushner moved to adjourn the meeting. George Bigley seconded the motion and the meeting was adjourned at 3:00 p.m.**

Respectfully submitted,

Carol Floyd  
Secretary to the Meeting