

BACHELOR GULCH VILLAGE ASSOCIATION
Board of Directors Meeting
via Videoconference
April 11, 2024

A meeting of the Bachelor Gulch Village Association ("the Association") Board of Directors was held on April 11, 2024. In attendance via videoconference were Board members Bobby Murphy, Brian Kushner, Kristi Kennedy, Dan Ramker, and Paul Gorbald. Also in attendance were Lee Hoover, Association Manager; Dana Miller, Sr. Financial Analyst; Brenden Desmond, Association legal counsel; Koby Kenny, Director of Public Safety; Sam Hearn, Sr. Analyst for Design Review Administration; Dan Dickhart, General Manager of The Ritz-Carlton, Bachelor Gulch; several property owners; and Carol Floyd, Secretary for the meeting.

Bobby Murphy called the meeting to order at 2:32 p.m. and passed the meeting to Lee Hoover to lead. Lee confirmed proper notice was given and a quorum was present.

Review of the December 29, 2023 Annual Meeting Minutes

No changes or corrections were suggested for the December 29, 2023 Annual Meeting Minutes. Lee Hoover noted the minutes will be approved in the 2024 Annual Meeting.

Approval of the December 29, 2023 Board Meeting Minutes

Brian Kushner requested a correction to the location of the December 29, 2023 board meeting.

Brian Kushner moved to approve the December 29, 2023, Board of Director Meeting Minutes with one correction. Dan Ramker seconded the motion and it was unanimously approved.

Public Input

There was no public comment.

Nick Nichols Remembrance

Brian Kushner announced the passing of Nick Nichols. Nick had served on the Association board for nine years until he became ill last year. Brian proposed a plaque to be placed in Bachelor Gulch honoring Nick's positive contributions to the Association. Brian will come back to the board with a proposal after speaking with Nick's family.

Design Review

Sam Hearn reported volume of construction activity is down slightly compared to the COVID-19 timespan.

Public Safety

Koby Kenny referenced a motor vehicle accident on the February Public Safety Activity Summary. In this incident, a truck was driven up onto a guardrail. Public Safety provided traffic control while a tow truck and medical services responded. Kristi Kennedy brought up the need for support from The Ritz-Carlton ("The Ritz") to manage Village Connect volume following après ski during spring break. Lee Hoover said Paul Gorbald brought this matter to his attention and he spoke with Jasen Brown at the Ritz. Their Loss Prevention team began providing support. Koby Kenny added Bachelor Gulch Public Safety also assisted. Dan Dickhart and Lee have flagged this issue for next season.

Financials

Dana Miller reviewed the second-quarter financials as of March 31, 2024. The bulk of \$15.4M in assets is in investment accounts. \$3.8M is invested with First Western Trust ("First Western") in checking and separate operating and money market accounts yielding just over 2%. \$10.3M is invested in 11 Treasury Bills ("T-Bills") that are ladder to mature this month through February of 2027. \$736K is invested between Alpine Bank, Pacific Western, and Wells Fargo to diversify the institutions the Association is invested with. Other assets of \$880K are accrued expenses for civic and real estate transfer assessments ("RETA") paid the following month. The asset of vehicles on the Balance Sheet will increase next quarter with the purchase of three new buses for \$465K. Liabilities are paid to Vail Resorts for expenses incurred in March that are paid the following month. Of the \$3.2M in operating equity, \$2.5M is brought in from prior years. The board previously decided to retain \$1M in operating equity. Dana noted last year's surplus is also included and will be discussed following the audit report. The year-to-date operating surplus is \$495K. Capital equity for the second quarter is \$11.9M. On the Income Statement, \$3.4M in revenue is

favorable to budget by over \$700K. Dana noted civic assessments and RETA are both favorable to budget but down from last year. There were 25 real estate sales through March compared to 27 at higher value last year. Operating expenses of \$2.9M are \$307K favorable to budget with the biggest factor being transportation which is \$181M favorable. This favorability is not based on service hours. The board chose to budget an additional \$150K for the 2024 winter months in case there was a need for contract labor. Although Transportation utilized contract labor, it was not used solely for Bachelor Gulch or paid for by the Association. The savings shown for income taxes will be eliminated when the return is complete. The positive variance for depreciation will decline with the purchase of the new buses. One sizeable negative variance is expected to carry forward throughout the year for quarterly fees paid on T-Bills to First Western. Dana said there has been little activity on improvements with most planned for spring and summer. \$200K has been paid for fire mitigation; \$100K was approved in the budget and an additional \$100K that was contributed from board-directed capital.

Financial Audit

Dana Miller said the financial audit will be posted on the website for homeowners to have access. One recommendation noted was a new Federal requirement to file a Beneficial Ownership Information Report in January 2025. Minimal audit adjustments increased the net income by \$35K. Dana stated the audited surplus from 2023 was a little over \$1.6M. Historically, the Board has voted to transfer the surplus to the reserve fund, leaving \$1M in operating equity. Brian Kushner suggested transferring the surplus to the reserve and then to the investment account. Dana advised sufficient liquid funds are currently in the reserve account to cover all improvement projects this summer. Kristi Kennedy recommended the interest on T-Bills of \$146K also be invested in T-Bills.

Brian Kushner moved to transfer the 2023 audited operating surplus of \$1.6 million to the reserve fund. The \$1.6 million plus any additional interest earned from the treasury investments will be invested in new treasuries. Kristi Kennedy seconded the motion and it was unanimously approved.

Summer Trail Update

Dan Ramker provided an update on the summer trail project. An agreement has been executed with Progressive Trail Design to commence with the design phase for new trails in Bachelor Gulch. Progressive did a site visit April 1st through 4th and Dan has shared line art data showing the area's topography in great detail. They are now putting together a projected plan. Dan anticipates presenting to the Board in four to six weeks to determine what will have the largest impact and where to start once the wildlife closure is lifted in July. Lee Hoover said a board working session could be arranged when Dan receives the proposed plan. Kristi Kennedy added a visual map would be helpful to share at the Bachelor Gulch Residents Association ("BGRA") summer meeting as an update.

Bridge and Tunnel Update

Dan Ramker spoke about six bridges and eight tunnels over and around the ski trails in Bachelor Gulch in need of restoration. The Association, Vail Resorts, and Bachelor Gulch Metro District ("BGMD") have worked together to compile a list prioritizing the bridges and tunnels by their condition. A contractor has been hired to restore the two Evercrisp tunnels to their original condition this summer. Dan noted funding is approximately \$90K to \$100K short to repair both tunnels. Discussion took place regarding the importance of determining ownership of the bridges and tunnels and the various parties' financial obligations for budgeting purposes going forward. The board agreed to make a contribution from board-directed capital with a Memorandum of Understanding ("MOU") with BGMD.

Brian Kushner moved to contribute from board-directed capital an amount not to exceed \$50,000 for additional bridge and tunnel repairs, contingent upon a Memorandum of Understanding between Bachelor Gulch Metro District and the Association. Dan Ramker seconded the motion and it was unanimously approved.

Pickleball Update

Lee Hoover stated arrangements have been made for the Association to make payment for any Bachelor Gulch residents who book and play pickleball at the Beaver Creek facility. They will bill the Association monthly. Quiet paddles will now be provided and required for all pickleball players. The current fence will be replaced with a much higher fence to deter play after hours. Bobby Murphy added Vail Resorts has worked closely with the Beaver Creek Club governance board on recommendations to quiet noise in the area, be good neighbors, and create a great experience in Beaver Creek. This change is expected to be a successful one for the community. Kristi Kennedy requested information to distribute to the community when it is available. Bobby stated a communication plan about

the quiet paddle piece is currently being developed and he asked Kristi to work together on the timing of disseminating the information. Dana Miller confirmed a new line item under Recreation of \$25K was budgeted for pickleball contribution in FY24. Lee will coordinate the timing of communication.

Other Business:

Cellular Service Improvements: Brian Kushner revisited the topic of cell service improvements. Dan Ramker agreed to investigate where towers can be added to enhance coverage.

Eagle Valley Trail Update

Robin Thompson and Kevin Sharkey joined the call to provide an update on the Eagle Valley Trail project. Kevin referenced sections of the trail that were completed over the past couple of years in Dotsero, Eagle-Vail, Dowd Junction, and Minturn. Seven and a half miles in the middle of the County remain to complete the project. The project began in 1996 to connect the eastern boundary of Vail Pass to the western boundary of Glenwood Canyon. Robin noted there will be 143 miles of off-highway riding from Breckenridge to Aspen. The goal for funding to complete the project is \$38M. \$22M was received from certificates of participation from the County Commissioners and \$13M is anticipated from grants. \$3M is needed from the community. Robin spoke about naming opportunities for benches, picnic tables, pet stations, and kiosks. The section from Horn Ranch toward Wolcott will be finished this summer. Eastward to Edwards will be done in 2025 to complete the project if funding is generated. Kevin asked if there was any capacity for the Association to support this initiative or assist with communication with property owners. Kristi Kennedy suggested that Robin and Kevin present to BGRA members at their summer meeting. Brian Kushner complimented all of the work done on the trail.

There being no further business, Brian Kushner moved to adjourn the meeting. Paul Gorbould seconded the motion and the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting