

**BC Hotel A Residences Owners Association, Inc.**

**Board of Directors Meeting**

**September 9, 2022**

A regular meeting of BC Hotel A Residences Owners Association, Inc., Board of Directors was held on September 9, 2022 via Microsoft Teams, hosted at Residences at Park Hyatt Beaver Creek, 136 East Thomas Place, Avon CO, 81620.

**Present from the Board of Directors were:** Dr. Pamela Triolo, President; Brian Sbrocco, Vice President; Hans d’Orville, Secretary/Treasurer; Ron Bernard, Director; and Eric Swartz, Director

**Present from the Management Company were:** Chris Gersbach, General Manager; Samantha Barry, Operations Manager; Jami Champagne, Market Vice President, Resort Operations-West; Lisa Trosset, Vice President of Asset Management; Chris Colantonio, Market Director of Finance; Jennifer Kammerer, Assistant Vice President, Finance, West Region; Carolina Vidal, Multi-Site Financial Analyst; Herb Rackliff, General Manager at Park Hyatt Beaver Creek; Kyle Nichols, Director of Finance at Park Hyatt Beaver Creek; Andrew Carter, Associate Director, Association Governance and Lisa Bythwood, Specialist, Board Relations, Association Governance.

**CALL TO ORDER**

Dr. Pamela Triolo, President, called the meeting to order at 9:02 a.m. MT.

**ESTABLISHMENT OF QUORUM**

Dr. Triolo announced with all Board Members present, quorum was met.

**APPOINTMENT OF RECORDING SECRETARY**

Dr. Triolo appointed Lisa Bythwood to serve as Recording Secretary.

**PROOF OF NOTICE OF BOARD MEETING**

Notice of the Board Meeting was emailed to all Board Members on November 26, 2021, as required by the Association documents.

**APPROVAL OF AGENDA**

**A motion was made by Ron Bernard to approve the Agenda as presented. The motion was seconded by Hans d’Orville and unanimously carried.**

**APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES**

**A motion was made by Hans d’Orville to approve the June 8, 2022 Board of Directors Special Meeting Minutes as presented. The motion was seconded by Brian Sbrocco and unanimously carried.**

**New Action Item**

- Provide minutes to the Board earlier for approval through UWC

**ACTION ITEM REVIEW**

Chris Gersbach presented the Action Item review. Highlights included:

- How long are the board terms? Who is up for election in the Fall of 2022? - Update provided: All Board members serve two-year terms, and all are up for election at the same time. At the 2021 Annual Meeting, the entire current Board was elected, and new Board member joined the Board. There is no election at this year’s Annual Meeting - *Complete*
- Sleeper Sofas – Update provided: David Fugett is working with the current sofa manufacturing company on a temporary replacement. - *Fall 2022*
- Berkshire Hathaway becoming an authorized resale agent. - Update provided: HVO is working with Berkshire Hathaway on reaching an agreement – (*Jami Champagne will follow up with the Board*) - *TBD*
- Obtain information regarding comparable maintenance fees of other similar luxury properties – Update provided: Able to receive comparable Maintenance Fees of three Eagle County properties, Four Seasons, Timbers and Sebastian. Dues breakdown will be presented in 2023 Budget presentation. - *Complete*

**RESORT OPERATIONS UPDATE**

Mr. Gersbach presented the Resort Operations Update. Highlights included:

- Introduction of new leaders: Samantha Barry, Director of Room Operations and Kate Williams, Front Desk Supervisor
- Residences office is fully staffed
- Completion of the 8100 outdoor patio
- New Spa Director Jennifer Elia, Exhale Spa. All services and amenities are fully open
- No COVID orders, Eagle County is currently in Medium Level
- Pools and hot tubs are open
- Daily housekeeping/turndown services are provided
- Occupancy as of August was 75% on the books

## **FINANCIAL REPORT**

Chris Colantonio presented the Financial update. Highlights included:

### **YTD Financials and Forecasted Year End Results**

▪ Audited Operating Fund Balance 2021	\$449,914
▪ Forecasted Year End Variance 2022	\$(95,676)
▪ Committed Surplus Return 2022	\$(90,000)
▪ Forecasted Year End Fund Balance 2022	\$264,238
▪ Key variances:	
○ Housekeeping	\$(48,005)
○ Administrative and General	\$(26,846)
○ Board of Directors	\$(12,873)
○ Property Tax	\$(11,410)

### **Audit Firm Engagement**

**A motion was made by Hans d’Orville to engage Aldrich to conduct the 2022 financial audit for BC Hotel A Residences Owners Association, Inc. The motion was seconded by Brian Sbrocco and unanimously carried.**

**A motion was made by Hans d’Orville to allow the Board Treasurer to accept the 2022 audit financials on behalf of the Board of Directors of BC Hotel A Residences Owners Association, Inc. The motion was seconded by Brian Sbrocco and unanimously carried.**

### **Accounts Receivables**

- As of July 31, 2022 the uncollected maintenance fees balance was \$45,000, representing 2.1%
- Mr. Gersbach provided an overview of delinquent accounts

### **Action Item**

Ms. Kammerer will provide the Board with a more comprehensive overview of the outstanding balances

### **Reserves Review**

2023 Proposed Projects for Review

▪ Travertine Tile Floors	\$51,500
▪ Model Room	\$117,442
▪ Showerheads & Kitchen Faucets (move to Fall 2022)	\$21,630
<b>Subtotal Requested for 2023</b>	<b>\$190,572</b>
▪ Wi-Fi Equipment (under further review)	\$34,479
▪ Replace Smoke Monitors	\$87,524
▪ Inflation contingency (not formally requested for approval)	\$17,192
<b>Total 2023 Projects Aligned with Cash Flow</b>	<b>\$329,767</b>

Mr. Colantonio reviewed the cash flow progression over the last year and presented proposed reserve cash flow. Highlights included:

- Prior year, the Management Recommendation had 12% increases to Reserve Contribution starting in 2022 and going through the 2032 Renovation
- Board opted to remove the 12% increase to contribution but did approve a transfer of operating surplus of \$35K into the reserve account
- In April we had a full-day, on-site board meeting that included a full unit walkthrough and feedback via an owner survey to align assets into a replacement cycle in either 2024 or 2032
- Updated cash flow includes assumptions to both short-term and long-term inflationary factors as well as incorporates the latest data on underlying asset replacement costs

**A motion was made by Brian Sbrocco to approve \$21,630 from the BC Hotel A Residences Owners Association, Inc. 2022 Reserves projects, for showerhead replacement. The motion was seconded by Ron Bernard and unanimously carried.**

**A motion was made by Eric Swartz to approve \$168,942 from the BC Hotel A Residences Owners Association, Inc. 2023 Reserves projects, including each project and item thereof, as presented. The motion was seconded by Ron Bernard and unanimously carried.**

#### 2023 Proposed Budget

Chris Colantonio presented the 2023 Proposed Budget. Highlights included:

- They Key influences impacting the 2023 Budget Proposal
  - Laundry and Supplies 4% increase
  - Labor (wages and benefits) 1.9% increase
  - Reserves 1.8% increase
  - Hotel A Dues 1.4% increase
- Management proposed a 2023 budget increase of 10.2%
- Maintenance Fee comparison of Park Hyatt, Timbers, Sebastian and Four Seasons presented
- Alternate Budget Scenarios presented
  - Scenario 1: (14.7% increase) Remove \$90,000 Surplus Return and transfer \$160,000 Surplus to Reserves, Reserve fee increase of 10.5%
  - Scenario 2: (10.0% increase) Reserve fee increase of 10%
  - Scenario 3: (5.2% increase) Bad Debt Expense at \$10,000, Board of Directors at \$1,600, No Turndown Service (\$53,000), Property Tax at Forecast \$29,821
  - Scenario 4 (12.3% increase) Reserve fee increase of 24.8%
- After a lengthy discussion the Board agreed to move forward with a vote for the 2023 budget
- Mr. Sbrocco expressed that it is his point of view that any surplus over the next 10 year is used for reserves
- Mr. d'Orville stated that his preference for the 2023 budget is scenario 3

**A motion was made by Ron Bernard to approve the 2023 BC Hotel A Residences Owners Association assessment budget, as presented by the Management Company, in the total amount of 2,464,932 (14.7%) including each line item of such budget, and move to direct the Secretary of the Association to include such budget in the records of the Association as Exhibit A and attach to the minutes of record which budget includes total Operating Fees of 2,141,194 and Reserve Fees of 323,738. The motion was seconded by Brian Sbrocco. The motion carried (3-2).**

Mr. Swartz and Mr. d'Orville voted in opposition of the 14.7% increase, Mr. Bernard, Mr. Sbrocco and Dr. Triolo voted in favor of the 14.7% increase.

The Board would like an explanation of the increase included in a letter to the Owners

**NEW BUSINESS**

Float Booking Review

The Board agreed to move the float booking review to a future meeting to discuss due to time constraints

House Bill 22-1137-Collections and Enforcement Policy

Mr. Gersbach reviewed House Bill 22-1137 Collections Enforcement Policy. Highlights included:

- Amended and Restated Enforcement Policy
- Amended and Restated Collection Policy
- Addendum, to Conduct of Meetings Policy
- Resolution of the Board to adopt the foregoing

Appoint HOA Attorney

**A motion was made by Brian Sbrocco to engage Goodman and Wallace P.C. as local counsel to address these topics at an estimated fee of \$800.00. The motion was seconded by Ron Bernard and unanimously carried.**

2022 Annual Meeting Date

November 2, 2022 at 9:00 a.m. MT

Proposed 2023 Meeting Dates

January 12, 2023

November 6, 2023 & November 7, 2023

**ADJOURNMENT**

**There being no further business to come before the Board, a motion was made by Brian Sbrocco to adjourn the meeting at 11:47 a.m. The motion was seconded by Ron Bernard and unanimously carried.**

Submitted by:

Approved by:

*Lisa Bythwood* 11/29/22

Lisa Bythwood Date  
Recording Secretary

\_\_\_\_\_  
Brian Sbrocco Date  
Vice President