

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

**Board of Directors Meeting**

**September 15, 2023**

A special meeting of BC Hotel A Residences Owners Association, Inc., Board of Directors was held on September 15, 2023, at Residences at Park Hyatt Beaver Creek, 136 East Thomas Place, Avon Colorado, 81620.

**Present from the Board of Directors were:** Eric Swartz, President; Brian Sbrocco, Vice President; Hans d'Orville, Secretary and Treasurer; and Ron Bernard, Director

**Present from the Management Company were:** Chris Gersbach, General Manager; Samantha Barry, Rooms Operations Manager; Jami Champagne, Market Vice President, Resort Operations; Brandon Weilenmann, Assistant Vice President; Jonathan Barkett, Regional Director of Finance; Chris Colantonio, Director of Market Finance; Todd Lebow, Director Architecture and Construction; Brandon Elliott, Associate Director, Association Governance and Lisa Bythwood, Board Relations Specialist, Association Governance.

**Guest present was:** Genae Affrunti, Senior Financial Consultant, Comerica Wealth Management

**CALL TO ORDER**

Eric Swartz, Vice President, called the meeting to order at 9:00 a.m. Mountain time.

**APPOINTMENT OF CHAIRPERSON**

Eric Swartz was selected as meeting chairperson.

**ESTABLISHMENT OF QUORUM**

Mr. Swartz announced with all Board Members present, quorum was met.

**APPOINTMENT OF RECORDING SECRETARY**

Mr. Swartz appointed Lisa Bythwood to serve as Recording Secretary.

**PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING**

Notice of the Board Meeting was emailed to all Board Members on December 29, 2022, as required by the Association documents.

**APPROVAL OF AGENDA**

**A motion was made by Brian Sbrocco 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 Ron Bernard to approve the April 19, 2023, May 12, 2023, and the May 19, 2023 Board of Directors Meeting Minutes as presented. The motion was seconded by Brian Sbrocco and unanimously carried.**

**RESORT OPERATIONS REPORT**

Samantha Barry and Chris Gersbach presented the resort operations report. Highlights included:

- 2023 Year to date occupancy is 84.3%
- The Residences At Park Hyatt is ranked number 1 in total customer services
- Guest satisfaction scores were reviewed
- Park Hyatt Hotel projects and amenities update provided

**New Action Item**

Chris Gersbach will obtain up to date hotel occupancy and a forecast for projected occupancy and follow up with the Board.

## FINANCIAL REPORT

### Investment Report

Genae Affrunti presented the investment portfolio update as of August 31, 2023, a copy of which was presented to the Board.

Ms. Affrunti exited the meeting at 9:34 a.m.

### Year to Date Financials and Forecasted Year End Results

Jonathan Barkett presented the year-to-date financials and forecasted year end results. Highlights included:

- 2023 Beginning Year Fund Balance \$168,520
- 2023 Year to Date Deficit as of July 2023 (\$58,365)
- Surplus Return (\$90,000)
- 2023 Forecast Deficit August - December 2023 (\$80,085)
- 2023 Estimated Year End Balance (\$59,930)
  
- Chris Colantonio provided an overview of the Association's surplus return history and impact of the Board approved 2023 budget on the deficit.
  
- 2023 Forecasted Deficit (\$138,450)
- Key variances contributing to (\$138,450) 2023 forecasted deficit
  - Housekeeping (\$67,185)
  - Income tax (\$52,985)
  - Front desk (\$17,750)
  - Bad debt (\$12,334)
  - Investment interest income \$37,603
  
- Housekeeping expenses are primarily driven by increased occupancy and cost for contract labor
- Income tax expenses are driven by additional investment interest in reserve accounts and operating accounts
- Front desk expenses are driven by increases in wages and benefits
- Bad debt due to an increase in estimate of uncollectible accounts
- Investment interest is driven by higher than anticipated yields resulting in increased interest and dividend income

### Accounts Receivable

- As of July 31, 2023 99.2% of maintenance fees were collected compared to 97.9% for the same time last year
- Mr. Gersbach provided an overview of delinquent accounts

### 2023 Reserve Updates

Mr. Gersbach provided the 2023 reserve update and cash flow overview. Highlights included:

- Travertine tile floor replacement as needed in bathrooms in the Fall 2023
  - Mr. Lebow stated he is working to locate specialist to repair tiles in all units versus replacing floor
- Wi-Fi equipment project deferred to 2024 when the hotel performs full Wi-Fi upgrade
- Shower heads and faucets will be installed in the Fall 2023
- Mock unit renovation will be installed in the Fall 2023

**A motion was made by Ron Bernard to approve the rain showerhead as presented. The motion was seconded by Brian Sbrocco and unanimously carried.**

### 2024 Proposed Reserve Projects

#### Common Area Renovation

- Carpeting replacement \$42,087
- Hallway art \$11,864

▪ Interior lights replacement	\$32,653
▪ Hallway furnishings update	\$2,373
▪ Hallway baseboard trim repair	\$32,909
▪ Exit/emergence fixtures replacement	\$2,938
<b>Project Total</b>	<b>\$124,823</b>

Unit Interior Renovation

▪ Full soft goods renovation (14 units)	\$1,287,993
<b>Project Total</b>	<b>\$1,412,816</b>

2024 Proposed Budget

Jonathan Barkett presented the 2024 proposed budget. Highlights included:

- They Key influences impacting the 2023 Budget Proposal
  - Surplus return 70% increase
  - Housekeeping 32% increase
  - Income tax 8% increase
  - Front desk 7% increase
  - Hotel A Dues 5% increase
- The Management Company proposed a 2024 budget increase of \$769.35 or 9.7%
- Ms. Champagne clarified the proposed budget assumes the sale of at least one unit for \$44,000 to cover the expense the Association would carry due to Association owned units
- Mr. Sbrocco expressed concern regarding credit card expense and desire to reduce association expenditure.
- Mr. d'Orville stated that he would not vote in favor of the current proposed budget of 9.7% and is interested in a budget increase of approximately 5%. Mr. Bernard stated that he would like to see a budget under 9.7% and would like to hear how it can be reduced.
- Mr. Gersbach stated Management worked on two scenarios to reduce the budget increase, a (-5%) reserve contribution this year or cut housekeeping service
- Ms. Champagne stated these scenarios to reduce the budget increase are not Management Company recommendations, various Board members asked Management to run these scenarios

Mr. d'Orville exited the meeting at 11:22 a.m.

- Scenario 1: 9.1% Budget increase:
  - Move renovation 2032 to 2033, reduce funding to (-5%) rather than flat
- Scenario 2: 7.1% Budget increase
  - Eliminate turndown service

**Mr. Bernard proposed moving the renovation to 2033 and a maintenance fee increase of 9.1%. There was no second; the proposal failed.**

- Mr. Sbrocco stated his willingness to move forward with the proposed budget and noted Management's proposed increase could be higher to reflect actual operations cost
- Mr. Swartz requested the Management Company provide future year maintenance fee assumptions with average unit dues

Management will schedule a Board meeting for next week, the Board will review additional information requested and vote on the Budget.

New Action Item

Management Company will provide a copy of Insurance policies to the Board.

**UNFINISHED BUSINESS**

No unfinished business was discussed.

**NEW BUSINESS**

2023 Board Meeting Dates

- November 6, 2023 – Board Meeting (Model Renovation Unit Review)
- November 7, 2023 – Annual Meeting

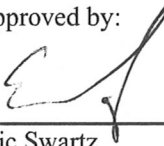
**ADJOURNMENT**

There being no further business to come before the Board, a motion was made by Eric Swartz to adjourn the meeting at 12:03 p.m. The motion was seconded by Brian Sbrocco and unanimously carried.

Submitted by:

*Lisa Bythwood*      1/30/24  
Lisa Bythwood      Date  
Recording Secretary

Approved by:

      11-10-23  
Eric Swartz      Date  
President