

BC Hotel A Residences Owners Association, Inc.

Board of Directors Meeting

May 9, 2024

A regular meeting of BC Hotel A Residences Owners Association, Inc., Board of Directors was held on May 9, 2024, at Residences at Park Hyatt Beaver Creek, 136 East Thomas Place, Avon Colorado, 81620 and via Microsoft Teams.

Present from the Board of Directors were: Eric Swartz, President; Jonathan Burke, Vice President; Sean Buchholtz, Secretary and Treasurer; Kristen Padberg, Director; and Tammy Conner, Director

Present from the Management Company were: Samantha Barry, Director of Operations; Jami Champagne, Market Vice President, Resort Operations; Jonathan Barket, Regional Director, Finance; Mio Kim, Manager, Financial Analysis; Todd Lebow, Director, Architecture and Construction; John Torchiana, Assistant Vice President, Architecture and Construction; Jesse Bales, Design Manager, Architecture and Construction; Brandon Elliott, Associate Director, Association Management and Colleen Keane, Board Relations Specialist, Association Management

CALL TO ORDER

Eric Swartz, President, called the meeting to order at 10:00a.m. Mountain time.

APPOINTMENT OF CHAIRPERSON

A motion was made by Eric Swartz to appoint himself as meeting chairperson. The motion was seconded by Jonathan Burke and unanimously carried.

ESTABLISHMENT OF QUORUM

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

APPOINTMENT OF RECORDING SECRETARY

Mr. Swartz appointed Colleen Keane 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 14, 2023, as required by the Association documents.

APPROVAL OF AGENDA

A motion was made by Kristen Padberg to approve the Agenda as presented. The motion was seconded by Jonathan Burke and unanimously carried.

APPROVAL OF PREVIOUS BOARD OF DIRECTORS MEETING MINUTES

A motion was made by Eric Swartz to approve the February 19, 2024 Board of Directors Special Meeting Minutes, the February 23, 2024 Board of Directors Meeting Minutes and the April 12, 2024 Board of Directors Special Meeting Minutes as presented. The motion was seconded by Jonathan Burke and unanimously carried.

RESIDENCE & CORRIDOR RENOVATION

Jami Champagne presented a residence & corridor renovation update. Highlights included:

- Review of sofa sleeper options, ottomans versus coffee table, dining bench seat and chairs set, powder room and sleeping bear photo

A motion was made by Eric Swartz to approve the following selections to move forward with design: the color Soft Saddle for the sofa sleeper, provide both Brindle Tan and Brindle Chocolate options for ottomans, move forward with the color Sedona Aztec for the dining bench seat and chairs, include both lighting options in design presentation, 2-way light and single upward light, for the powder room and proceed with the bear picture in the location of the designers choosing. The motion was seconded by Tammy Conner. Eric Swartz, Jonathan Burke, Sean Buchholtz and Tammy Conner voted in favor of the motion. Kristen Padberg abstained from voting. The motion carried.

RESERVES

Jami Champagne, Jonathan Barkett and Todd Lebow presented the reserves update. Highlights included:

- The history of the design and renovation project was reviewed.
- The 2024 Renovation scope as of January 2022 include:
 - Kitchen remodel - \$554,340
 - Bathroom remodel - \$773,651
 - Appliance replacement - \$276,842
 - Television & mount replacement - \$78,676
 - Reupholster furniture - \$139,760
 - Mattress & bedding replacement - \$119,053
 - Carpets & rugs - \$208,219
 - Wallpaper replacement - \$54,636
 - Bathroom floor replacement - \$220,840
 - Paint - \$88,893
 - Wood floor replacement - \$266,352
 - Total Project Cost: \$2,781,263
- The 2024 Renovation scope was modified by the Board of Directors in May 2022 to include:
 - Villa lamp shades / lighting replacements - \$11,500
 - Lounge chair and sofa replacement - \$122,573
 - Televisions and mounts replacement - \$78,676
 - Reupholster bar stools, dining chair, and bench - \$55,183
 - Mattress and bedding replacement - \$119,053
 - Carpet & Rugs - \$208,219
 - Wallpaper replacement - \$54,636
 - Window covering replacement - \$300,000
 - Paint - \$88,893
 - TV niche millwork changes and adjustments - \$15,000
 - Installation of recessed lights at bar - \$11,250
 - Coffee table replacement - \$20,000
 - Total Project Cost: \$1,084,983
- The D'Amore Proposal was reviewed:
 - The D'Amore quote is higher than the budgeted renovation and includes some case-good items, that were not part of the initial soft-good renovation plan.
 - The previous furniture, fixtures, and equipment estimate was \$927,000, the total from D'Amore is \$1,215,359, resulting in a \$288,359 variance.
 - Soft Goods - \$516,492
 - Window Treatments - \$221,763
 - Bedding Collections - \$75,390
 - Lighting replacements - \$121,149
 - Vinyl wall coverings - \$24,825
 - Artwork - \$85,230
 - Case Goods - \$354,078
 - 10% Discount – (\$139,893)
 - Tax - \$61,693
 - Deliveries & Drapery/Furniture Installation: \$34,585
 - D'Amore Total: \$1,355,312
 - Additional Items: Mirrors, Televisions, Carpet Pad, Mattress: \$270,096
 - Furniture, Fixtures, and Equipment Total: \$1,625,408
- The additional construction estimates outside of the D'Amore scope was reviewed:
 - General Conditions - \$100,000
 - Demolition - \$11,250
 - Modify TV Cabinet, Niche, and Gypsum Repairs - \$37,500
 - Carpet Install - \$17,790
 - Paint - \$116,400
 - Wall preparations and covering installation - \$30,600

- Furniture – Liquidation and warehouse allowance - \$50,250
- Lighting and mirror installation - \$34,200
- Construction subtotal - \$397,990
- OH&P - \$39,799
- Tax - \$19,502
- Rough order of magnitude construction total: \$457,291
- Multiple reserve cash flow scenarios were reviewed to accommodate increased scope of renovation project and changes requested by the Board of Directors.

Multiple scenarios were discussed for renovation scope. The 2024 Renovation scope was updated to include:

Reserve/Renovation Projects

Entry – Entry Console

Living Room – Area Rug, Sleeper Sofa/Sectional, Lounge Chair, End Table, Coffee Table/Ottoman, Console Table & Modified Television Millwork

Dining Room – Area Rug, Dining Bench, Dining Chairs

Primary Bedroom – Carpet, Mattress & Box Spring, Lounge Chair/Bench/Chaise Lounge & Vinyl Wall Covering

Secondary Bedrooms – Carpet, Mattress & Box Spring, Lounge Chair/Bench & Headboard-Third Bedroom

Throughout Residences – Paint, Window Treatments, Lighting, Artwork, Televisions

Kitchen – Barstools & Appliances

Bathroom – Illuminated Mirrors and Vinyl Wall Covering – Powder Room

Per Villa Cost **\$157.6K**

Project Total **\$2.3M**

A motion was made by Tammy Conner to approve \$2,363,833 from the 2024 Reserve Fund for completion of the renovation of 15 residences, including the replacement of appliances, as presented. The motion was seconded by Sean Buchholtz and unanimously carried.

<u>Reserve/Renovation Projects</u>	<u>Funding</u>	<u>Status</u>
Corridor Renovation: Hallway Art, Lights, Hallway Furnishings, Baseboard Trim Repair, Exit/Emergency Fixtures	\$124,823	2024

A motion was made by Sean Buchholtz to approve funding in the amount of \$124,823 from the 2024 Reserve Fund for the completion of the corridor renovation, as presented. The motion was seconded by Eric Swartz and unanimously carried.

A motion was made by Tammy Conner to move \$2,340.62 for mixing valve replacement from the 2024 Operating Fund to the 2024 Reserve Fund and approve the project as presented. The motion was seconded by Sean Buchholtz and unanimously carried.

A motion was made by Eric Swartz to move \$1,881.96 for replacement of pots and pans from the 2024 Operating Fund to the 2024 Reserve Fund and approve the project as presented. The motion was seconded by Jonathan Burke and unanimously carried.

Todd Lebow exited the meeting at 12:14 p.m.

RESORT OPERATIONS UPDATE

Samantha Barry presented the resort operations update. Highlights included:

- Staffing update:
 - Welcome to Ash as the new Front Office Supervisor. She will begin training in May.
 - Kate will be moving to Mountain Lodge as Front Office Manager.
- Forecasted 2024 occupancy is 82.3%. Year-End 2023 was 87%.
- Q2 Occupancy was reviewed:
 - April: 95.6% Actual

- May: 81.2% Forecasted
- June: 71.3% Forecasted
- Year-to Date Owner and Guest satisfaction scores were reviewed:
 - Overall Satisfaction: 89.4%
 - Villa Assignment: 100%
 - Resort Cleanliness: 95.7%
 - Villa Cleanliness: 100%
 - Everything Worked: 80.9%
 - 47 surveys have been received YTD.

ACTION ITEMS

Samantha Barry provided an update on Action Items. Highlights include:

- Colorado Governance Policies have been uploaded to the association website.
- The Financials & Abbreviation explanations were sent to the Board of Directors of February 26, 2024 as requested.

FINANCIAL REPORT

Jonathan Barkett presented a financial update. Highlights included:

- 2024 estimated year-to-date fund balance is (\$68,882)
- March 31, 2024 year-to-date financial deficit is (\$64,653), driven by unfavorable variance in Club Rental Revenue, Housekeeping, and Master Association expenses.
- The club rental revenue will likely not actualize as budgeted due to higher owner usage and key dates unavailable to rent this year, compared to prior years.
- 2023 year-end unpaid maintenance fee percentage was 0.8%; unpaid maintenance fee percentage as of April 2024 is 2.66%, compared to 1.24% at the same time last year.
- The delinquent accounts as of April 30, 2024 were reviewed:

Week	Unit	Delinquent Maintenance Fee	Days Delinquent	Status
1	4051	\$7,339.41	90	Lien Notice sent – 4/12
48	2052	\$7,367.20	90	Lien Notice sent – 4/12
49	3054	\$10,765.60	90	Lien Notice sent – 4/12
1	3052	\$640.73	90	Lien Notice sent – 4/12
47	2055	\$57,473.86	2311	In Foreclosure

Association Owned Inventory

- The association currently owns four units:

Weeks Owned	Units	List Price
47	2053	\$22,000
47	2054	\$38,000
3	2054	\$114,000
13	4052	\$74,000

- Additional inventory is being offered for rent – anticipate some additional rentals actualizing to help offset maintenance fee expense.

A motion was made by Sean Buchholtz to list Association Owned Inventory on the owner website and offer available inventory to current owners at a discounted rate. The motion was seconded by Tammy Conner and unanimously carried.

Action Item: Management company to draft a communication to Owners on behalf of the Board of Directors with discount offer on association resales. A draft will be sent for review and approval of discount amounts and verbiage.

John Torchiana exited the meeting at 12:51 p.m.

EXECUTIVE SESSION

A motion was made by Eric Swartz to enter Executive Session. The motion was seconded by Sean Buchholtz and unanimously carried.

Executive Session began at 12:52 p.m.

The Board of Directors discussed a foreclosure.

Executive Session concluded at 12:59 p.m.

UNFINISHED BUSINESS

In Room Amenities

Ms. Barry led the discussion on in-room amenities.

A motion was made by Sean Buchholtz to approve aligning with the Park Hyatt Hotel and providing Residential-sized Le Labo Bath Amenities in the residences utilizing brackets, as presented. The motion was seconded by Kristen Padberg and unanimously carried.

NEW BUSINESS

2023 Financial Audit

Brandon Weilenmann provided a financial audit update. Highlights included:

- Audit is underway and will be provided to the Board upon receipt.
- Board will have seven days to review and comment.
- If the Board has no comments or concerns the draft audit will be marked final.

Investment Policy

Mr. Swartz called for any discussion regarding the Board Reimbursement policy. Mr. Elliott stated a copy of the policy was provided in the Board book and noted if there were no changes, the Board may choose to move forward and reaffirm the investment policy as presented.

A motion was made by Eric Swartz to re-affirm the Investment Policy, as presented and attached to the minutes of record as Exhibit A. The motion was seconded by Sean Buchholtz and unanimously carried.


Announcement of Next Meeting Dates

- September 13, 2024 at 10:00 a.m. Mountain time – Board Meeting
- November 14, 2024 at 10:00 a.m. Mountain time – Annual Meeting

ADJOURNMENT


There being no further business to come before the Board, a motion was made by Tammy Conner to adjourn the meeting at 1:15 p.m. The motion was seconded by Jonathan Burke and unanimously carried.

Submitted by:


Eric Swartz (Sep 25, 2024 23:21 EDT)

 Colleen Keane Date
 Recording Secretary

Approved by:


Eric Swartz (Sep 25, 2024 23:21 EDT)

 Eric Swartz Date
 President

Signature: 
Colleen Keane (Sep 27, 2024 12:29 EDT)

Email: Colleen.keane@vacationclub.com