

BC Hotel A Residences Owners Association, Inc.

Board of Directors Meeting

September 13, 2024

A regular meeting of BC Hotel A Residences Owners Association, Inc., Board of Directors was held on September 13, 2024, at The 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; Sean Buchholtz, Secretary and Treasurer; Kristen Padberg, Director and Tammy Conner, Director

Absent from the Board of Directors was: Jonathan Burke, Vice President

Present from the Management Company were: Samantha Barry, Director of Operations; Jami Champagne, Market Vice President, Resort Operations; Jonathan Barkett, Regional Director, Finance; Mio Kim, Manager, Financial Analysis; Todd Lebow, Director, 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 10:08 a.m. Mountain time.

APPOINTMENT OF CHAIRPERSON

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

ESTABLISHMENT OF QUORUM

Mr. Swartz announced with four of five 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 Sean Buchholtz to approve the Agenda as presented. The motion was seconded by Eric Swartz and unanimously carried.

APPROVAL OF PREVIOUS BOARD OF DIRECTORS MEETING MINUTES

A motion was made by Kristen Padberg to approve the meeting minutes for the May 09, 2024 Board of Directors and June 04, 2024 Board of Directors Special Meeting Minutes as presented. The motion was seconded by Sean Buchholtz and unanimously carried.

RESORT OPERATIONS UPDATE

Samantha Barry presented the resort operations update. Highlights included:

- Park Hyatt Updates:
 - New Executive Chef, Jonah Friedman at the 8100 Restaurant
 - 8100 Kitchen Remodel – expanding into old café space, moving towards an open kitchen concept, anticipated to be done by Thanksgiving
 - 15 hotel rooms to be renovated in the fall
 - Beginning September 2024, the hotel started installing stay cast on all televisions in the residences and hotel rooms
 - Elevator anticipated date of conversion is 2025
- Forecasted 2024 occupancy is 78.3%
- Year to date occupancy is 80.1%
 - August Actual: 87%

- September Forecast: 89.5%
- Year-to Date Owner and Guest satisfaction scores were reviewed:
 - Overall Satisfaction: 94.6%
 - Villa Assignment: 96.4%
 - Resort Cleanliness: 98.2%
 - Villa Cleanliness: 99.1%
 - Everything Worked: 85.7%

Brandon Weilenmann joined the meeting at 10:11 a.m.

FINANCIAL REPORT

Jonathan Barkett presented a financial update. Highlights included:

- 2024 estimated year-to-date operating fund balance is (\$132,646)
- As of July 31, 2024, year to date deficit is \$91,869
- Key variances include:
 - Club Rental Revenue: unfavorable due to lack of rental availability, specifically during Precious Metals week being booked by owners which they then rent out (\$63,603)
 - Income Tax Expense: unfavorable due to increased investment income on reserves (\$31,399)
 - Housekeeping: unfavorable due to overage in linen costs, overage in 3rd party cleaning costs due to an increase in occupancy for the first 7 months of the year (\$12,430)
 - Hotel A Dues: unfavorable due to higher than anticipated dues to recover from their 2023 operating loss (\$9,566)
 - Administrative & General: favorable variance in wages and benefits due to the elimination of the General Manager allocation
- As of July 31, 2024, forecasted financials, year to date deficit is \$70,966
- Key variances include:
 - Unfavorable variances in Club Rental Revenue (\$55,603), Income Tax Expense (\$47,798) and Master Association Dues (\$13,406) and favorable variances in Administrative & General \$35,030 and Housekeeping \$11,268

Accounts Receivable

- Unpaid maintenance fees as of August 31, 2024 is 0.69%
- Two foreclosed units were reviewed:

Week	Unit	Delinquent Amount	Days Delinquent	Status
47	2055	\$87,276.41	2,445	Lien File Date: March 4, 2024
48	2052	\$8,136.04	224	Lien File Date: May 30, 2024

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

- Total rental revenue year to date is \$13,325
- For 2025, the association owned inventory is booked during the Precious Metal Conference time period to allow for maximum revenue to offset the carrying cost.

RESERVES

Mr. Barkett, Todd Lebow and Ms. Barry presented the reserves update. Highlights included:

- 2024 Reserve Projects updates

2024 Reserve Projects	Approved Budget	Forecast	Variance	Update
Travertine Tile Floor repairs	\$51,500	\$15,000	\$36,500	Will be completed in conjunction with renovation.
Wi-Fi Equipment	\$34,479	\$34,479	\$0	Awaiting invoices from the hotel.
Showerheads & Sink Faucets replacements.	\$21,630	\$21,630	\$0	Shower heads completed, 14 sink faucets completed, final sink faucet to be completed during renovation due to challenges with shut off valve replacement
Mock Unit Renovation & Design Fees	\$66,028	\$66,028	\$0	
D'Amore - Design Fees	\$25,450	\$25,450	\$0	Additional \$5985 spent for design renderings, this can be absorbed in other design fee line
Soft Goods Renovation and appliances (15 Units)	\$2,363,833	\$2,538,095	(\$174,262)	Board approved the additional \$174,262 on 07/19/24 via email.
Corridor Renovation	\$124,823	\$0	\$124,823	No approval or design to proceed at this time
Replacement Refrigerator - 2053	\$3,075	\$3,075	\$0	Project complete
Mixing Valve replacement	\$2,341	\$2,341	\$0	All but one completed, awaiting replacement of shutoff valve.
Pets and Pans replacement	\$1,882	\$1,882	\$0	Project complete
Total	\$2,695,041	\$2,707,980	(\$12,939)	

A motion was made by Sean Buchholtz to affirm the approval of an additional \$174,262 from the 2024 Reserve Fund for the soft-good renovation project, as presented. The motion was seconded by Kristen Padberg and unanimously carried.

- Mr. Lebow provided a Renovation update. Highlights included:
 - Appliances – planned to be installed during renovation
 - Boxsprings and Mattresses – mattresses increased from 12" to 14", order on track
 - Televisions – Park Hyatt standard screen is 65", some locations within the Residences cannot accommodate 65" and will keep the 55" tv's currently in place. Mr. Lebow will have 65" tv's placed in a residence for the November meeting so that Board can see the size in person
 - Travertine Tile Repairs – will be completed during renovation
 - D'Amore Furniture Planning – continuing to communicate with Marilyn D'Amore
- Anticipated 2025 Reserve projects were highlighted; these will be reviewed in additional detail in the November meeting for approval:
 - Property Management System - \$102,765
 - Reserve Study - \$10,036

PROPOSED 2025 BUDGET & MAINTENANCE FEE

Mr. Barkett presented the proposed 2025 budget and maintenance fees. Highlights included:

Key Drivers

- Occupancy budgeted 84%
- Occupancy by year: 2023 Actual: 87.12% | 2024 Year-to-Date: 80.1% | 2024 Forecast: 78.3%

Inflation

- 3% inflation applied for most line items.
- 2024 expense trend carried into 2025, except for specific items under contractual terms

Wages/Benefits

- Merit: 3% increase in April for both positions
- Dissolved General Manager position in 2024 and promoted the Director of Room Operations to Director of Operations
- Benefit Run Rate budgeted flat to forecast at 32% (excluding contract labor)

Insurance

- Insurance mainly comprised of Property, General Liability, D&O with some other categories
- Budgeted rate increase of 10% on property and all other types after each policy renewal
- Overall insurance is decreasing due to current actuals coming in under budget

Utilities

- Cable: budgeted increase of 3.5% over 2024 actuals per 2025 billback from Park Hyatt Hotel
- Internet: budgeted increase of 3% over 2024 actuals

Bad Debt Expense

- Bad debt reduced to \$0 in anticipation of a sale of one of the four units the COA owns
- Secured float inventory reservations during Precious Metals week, for rental, for any unsold association owned units

Prior Year Surplus / (Deficit)

- Forecasting an Operating Fund Deficit at Year-End 2024 of (\$133K) resulting from a (\$290K) deficit in 2023
- Budgeted a \$90K deficit recovery in 2025 budget

Reserves

- Proposed 2025 Maintenance Fee of \$1,269/u.w., up by \$180/u.w. or 16.5% from the 2024 billing of \$1,089/u.w.

Credit Card Expense

- Budgeted to charge 1.79% to owners that pay their Maintenance Fee via credit card

Action Item: A detailed Financial Statement is to be sent to the Board of Directors monthly going forward.

Action Item: Management company to provide alternate cash flow scenarios for Reserves in November Meeting.

A motion was made by Sean Buchholtz to approve the 2025 BC Hotel A Residences Owners Association, Inc. budget, as presented, 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 and attach to the minutes of the record as Exhibit A, which budget includes total Operating Fees of \$2,344,947 and Reserve Fees of \$380,556 for a total budget of \$2,725,503. The motion was seconded by Eric Swartz and unanimously carried.

Maintenance Fee Billing

Jami Champagne reviewed the maintenance fee billing timeline with the Board.

A motion was made by Sean Buchholtz to set the 2025 Maintenance Fee due date as January 01, 2025. The motion was seconded by Tammy Conner and unanimously carried.

UNFINISHED BUSINESS

Expense Policy

Brandon Elliott led discussion on the current Expense Policy.

A motion was made by Eric Swartz to approve the Expense Policy, as amended, and to be attached to the minutes of record as Exhibit B. The motion was seconded by Sean Buchholtz and unanimously carried.

NEW BUSINESS

Record Date

A motion was made by Sean Buchholtz to set the record date for 2024 on behalf of BC Hotel A Residences Owners Association, Inc. to September 16, 2024. The motion was seconded by Kristen Padberg and unanimously carried.

ARDA PAC Letter

Mr. Elliott reviewed the ARDA PAC Letter that will be sent with the Maintenance Fee billing statement, a copy of which was provided to the Board of Directors.

Corporate Transparency Act

Ms. Champagne reviewed the Corporate Transparency Act. Additional information is expected mid-November 2024.

Collections Policy & House Bill 24-1233

Brandon Elliott reviewed the current Collections Policy & House Bill 24-1233.

A motion was made by Eric Swartz to engage association counsel to review and draft an amendment to the Collection of Assessments and Delinquency policy, based on changes to House Bill 24-1233 and to align with planned maintenance fee billing timeline. The motion was seconded by Kristen Padberg and unanimously carried.


Announcement of Next Meeting Dates

- November 14, 2024 at 10:00 a.m. Mountain time – Annual and Organizational Meetings
- November 14, 2024 at 12:00 p.m. Mountain time – Board of Directors Meeting

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Tammy Conner to adjourn the meeting at 11:48 a.m. The motion was seconded by Sean Buchholtz and unanimously carried.

Submitted by:


 Colleen Keane
 Recording Secretary

11/14/2024
 Date

Approved by:


 Eric Swartz
 President

11/24/2024
 Date

2025 Estimated Operating Budget

For The Period Beginning January 1, 2025 And Ending December 31, 2025

	2024 BUDGETED EXPENSES 300 INTERVALS (PER INTERVAL)	2025 PROPOSED BUDGET 300 INTERVALS (PER INTERVAL)	2024 BUDGET VS 2025 BUDGET INCREASE/(DECREASE)		2025 PROPOSED BUDGET TOTAL
			\$	%	

Revenue					
Maintenance Fee (excluding Club Dues)	8,346.40	8,771.00	424.60	5.1%	2,631,303
Assessment- Club Dues	314.00	314.00	0.00	0.0%	94,200
Bank/Investment Interest	161.00	161.00	0.00	0.0%	48,300
Club Rental Revenue	217.50	100.00	(117.50)	(54.0%)	30,000
Late Fees	9.36	9.36	0.00	0.0%	2,808
Maintenance Fee Interest Income	3.02	3.02	0.00	0.0%	907
Miscellaneous Income	7.57	0.00	(7.57)	(100.0%)	0
Parking Income	0.00	10.60	10.60	100.0%	3,180
Resort Fee	0.00	8.83	8.83	100.0%	2,650
Surplus Return	0.00	0.00	0.00	0.0%	0
Total Maintenance Fee Revenue	9,058.85	9,377.81	318.96	3.5%	2,813,348

Expenses					
Accounting	28.74	35.21	6.47	22.5%	10,564
Administration	359.44	154.01	(205.43)	(57.2%)	46,204
Audit Fee	31.98	35.66	3.68	11.5%	10,697
Billing and Collections	24.50	24.50	0.00	0.0%	7,351
Board of Directors	50.00	50.00	0.00	0.0%	15,000
Cable Television	7.84	8.11	0.27	3.4%	2,434
Club Dues	314.00	314.00	0.00	0.0%	94,200
Credit Card Fee	162.31	82.62	(79.69)	(49.1%)	24,786
Front Desk	936.20	1,014.82	78.62	8.4%	304,445
High Speed Internet	12.77	13.16	0.39	3.1%	3,948
Hotel A Dues	650.42	746.20	95.78	14.7%	223,860
Housekeeping	2,757.37	2,795.02	37.65	1.4%	838,506
Human Resources	5.77	5.77	0.00	0.0%	1,732
Income Tax	92.38	103.80	11.42	12.4%	31,141
Insurance	119.99	105.67	(14.32)	(11.9%)	31,702
Legal	0.00	0.00	0.00	0.0%	0
Loss Prevention / Security	6.49	6.50	0.01	0.2%	1,951
Maintenance	313.47	360.74	47.27	15.1%	108,221
Management Fee	922.26	919.69	(2.57)	(0.3%)	275,906
Operating Capital	199.77	300.00	100.23	50.2%	90,000
Parking Lease	140.00	156.03	16.03	11.5%	46,809
Pool Maintenance	273.74	274.24	0.50	0.2%	82,273
Postage and Printing	0.00	0.00	0.00	0.0%	0
Property Taxes	559.55	602.34	42.79	7.6%	180,702
Telephone	1.00	1.20	0.20	20.0%	360
Operating Fee	7,969.99	8,109.29	139.30	1.7%	2,432,792

Reserve Fee	1,088.86	1,268.52	179.66	16.5%	380,556
Operating And Reserve Fee	9,058.85	9,377.81	318.96	3.5%	2,813,348

Average Maintenance Fee Including Club Dues	8,660.40	9,085.00	424.60	4.9%	2,725,503
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Certain insurance services and insurance products may be procured or provided by an affiliate of the management company. Such insurance services and insurance products are provided on substantially similar terms and conditions as are provided to other associations, with terms and conditions which are reasonably obtainable in the market. The reimbursable expenses associated with such insurance services and products include costs for employees of the management company. The affiliate of the management company may incur profits or losses associated with such insurance services and products.

Certain expenses incurred by the Management Company and its affiliates in connection with the operation and management of the Association, including but not limited to expenses associated with utilization of its corporate or administrative infrastructure, have been allocated to the Association and other resort properties operated by the Management Company and its affiliates on a basis determined by the Management Company in a commercially reasonable manner. This may include an allocation of certain costs and expenses on a fixed-rate basis, and actual costs and expenses incurred may be higher or lower than the amount allocated to the Association and reflected in this budget for the referenced fiscal year.

BC HOTEL A RESIDENCES OWNERS ASSOCIATION, INC.
Assessments per Unit (Share)
Fiscal Year 2025

Unit Number	Bedrooms	Total Assessed						Per 1/20th Share						
		Operating Fee	Reserve Fee	Hyatt Vacation Club Dues	Beaver Creek Hotel A Dues	Property Taxes	Total Assessed	Operating Fee	Reserve Fee	Hyatt Vacation Club Dues	Beaver Creek Hotel A Dues	Property Taxes	Total Assessed	
1	H-2051	2	\$ 102,566	\$ 21,142	\$ 6,280	\$ 13,210	\$ 10,822	\$ 154,020	\$ 5,128.29	\$ 1,057.10	\$ 314.00	\$ 660.51	\$ 541.09	\$ 7,701.00
2	H-2052	2	\$ 102,566	\$ 21,142	\$ 6,280	\$ 13,567	\$ 11,085	\$ 154,640	\$ 5,128.29	\$ 1,057.10	\$ 314.00	\$ 678.36	\$ 554.26	\$ 7,732.01
3	H-2053	2	\$ 102,566	\$ 21,142	\$ 6,280	\$ 12,139	\$ 9,769	\$ 151,896	\$ 5,128.29	\$ 1,057.10	\$ 314.00	\$ 606.96	\$ 488.44	\$ 7,594.79
4	H-2054	3	\$ 153,849	\$ 31,713	\$ 6,280	\$ 18,923	\$ 15,207	\$ 225,972	\$ 7,692.44	\$ 1,585.65	\$ 314.00	\$ 946.14	\$ 760.37	\$ 11,298.60
5	H-2055	3	\$ 153,849	\$ 31,713	\$ 6,280	\$ 16,781	\$ 13,351	\$ 221,973	\$ 7,692.44	\$ 1,585.65	\$ 314.00	\$ 839.03	\$ 667.53	\$ 11,098.65
6	H-3051	2	\$ 102,566	\$ 21,142	\$ 6,280	\$ 13,210	\$ 10,822	\$ 154,020	\$ 5,128.29	\$ 1,057.10	\$ 314.00	\$ 660.51	\$ 541.09	\$ 7,701.00
7	H-3052	2	\$ 102,566	\$ 21,142	\$ 6,280	\$ 13,567	\$ 11,085	\$ 154,640	\$ 5,128.29	\$ 1,057.10	\$ 314.00	\$ 678.36	\$ 554.26	\$ 7,732.01
8	H-3053	2	\$ 102,566	\$ 21,142	\$ 6,280	\$ 12,139	\$ 9,769	\$ 151,896	\$ 5,128.29	\$ 1,057.10	\$ 314.00	\$ 606.96	\$ 488.44	\$ 7,594.79
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11	H-4051	2	\$ 102,566	\$ 21,142	\$ 6,280	\$ 13,210	\$ 10,822	\$ 154,020	\$ 5,128.29	\$ 1,057.10	\$ 314.00	\$ 660.51	\$ 541.09	\$ 7,701.00
12	H-4052	2	\$ 102,566	\$ 21,142	\$ 6,280	\$ 13,567	\$ 11,085	\$ 154,640	\$ 5,128.29	\$ 1,057.10	\$ 314.00	\$ 678.36	\$ 554.26	\$ 7,732.01
13	H-4053	2	\$ 102,566	\$ 21,142	\$ 6,280	\$ 12,139	\$ 9,769	\$ 151,896	\$ 5,128.29	\$ 1,057.10	\$ 314.00	\$ 606.96	\$ 488.44	\$ 7,594.79
14	H-4054	3	\$ 153,849	\$ 31,713	\$ 6,280	\$ 18,923	\$ 15,207	\$ 225,972	\$ 7,692.44	\$ 1,585.65	\$ 314.00	\$ 946.14	\$ 760.37	\$ 11,298.60
15	H-4055	3	\$ 153,849	\$ 31,713	\$ 6,280	\$ 16,781	\$ 13,351	\$ 221,973	\$ 7,692.44	\$ 1,585.65	\$ 314.00	\$ 839.03	\$ 667.53	\$ 11,098.65
		36	\$ 1,846,185	\$ 380,556	\$ 94,200	\$ 223,860	\$ 180,702	\$ 2,725,503	\$ 92,309.25	\$ 19,027.80	\$ 4,710.00	\$ 11,193.00	\$ 9,035.10	\$ 136,275.15

BOARD OF DIRECTORS REIMBURSEMENT POLICY FOR TRAVEL

It is the policy of BC hotel A Residences Owners Association, Inc. Board of Directors (BOD) to reimburse its members for the reasonable expenses which they incur to fulfill their duties and responsibilities as members in attending the Board of Directors or Annual meetings. Meetings outside the scope of board of director meetings that a board member attends as a representative of the Board of Directors or on Board business are reimbursable if approved by the board.

<p>Association & Property</p>	<p>BC Hotel A Residences Owners Association, Inc. The Residences at Park Hyatt, Beaver Creek</p>
<p>Transportation – Air/Driving</p>	<p>Air - Reasonable airfare (excluding 1st Class) including baggage fees is reimbursed from Board members residence to resort. Airfare is to be purchased 21 days prior to board meeting to obtain reasonable market rate. If meeting dates change, the cost of a new flight and/or change fees will be reimbursed.</p> <p>If travel arrangements are interrupted due to weather or airlines cancellations, any incurred costs will be reimbursed to Board member.</p> <p>Drive - to and from home to specified meetings, reimbursement is at current IRS approved mileage rate not to exceed reasonable airfare from home to resort.</p>
<p>Car Rental / Shuttle / Taxi / Rideshare</p>	<p>Reimbursement of travel to resort via airport shuttle or rental car will be reimbursed.</p> <p>Taxi or Rideshare fares are reimbursed when appropriate.</p> <p>Each member will be reimbursed their actual costs for a rental car in (local market) not to exceed three days for a one-day meeting.</p>
<p>Lodging</p>	<p>Each member will be reimbursed their actual lodging costs not to exceed three nights lodging for a one-day meeting at the home resort. The best available Board of rate will be offered for a board member stay. Management Company makes lodging arrangements on Board members behalf. Board member responsible for payment and folio receipt must accompany expense reimbursement. Alternatively, direct billing of a room rate may be arranged with the General Manager, in advance.</p>
<p>Meals</p>	<p>Up to \$200/per day may be expensed for meals.</p>
<p>Meetings Per Year</p>	<p>Up to a maximum of attendance at 2 meetings per year will be paid by Association.</p>
<p>Miscellaneous</p>	<p>Receipts will be required for reimbursement of airfare, lodging and car rental reimbursements.</p> <p>Reimbursement of expenses (with receipts where applicable) must be submitted to the Management Company via email within thirty (30) days following attended meeting.</p> <p>Exceptions to the above policy must be approved in advance by the President and Treasurer of the Association.</p>

*Reviewed and Approved by the Board of Directors on:
09.13.24*