**Grand COLORADO ON PEAK 8 OWNER’S Association
Board of Directors and advisory committee Meeting**

**Meeting Minutes 10/29/20**

**ATTENDANCE**

**Board Present:** Barry Chasnoff, Nick Doran, Blake Davis

**Advisory Committee Present:** Roger Lemmon, Skip Klenk, Debby Tennyson-Feinstein,

 Jennifer Gilligan, Kurt Cane

**Management Present:** Kimberly Tramontana, Jason Bretz, Stephanie Bristley,

 Joe Clark-Fulcher, Christine Britton, Mary Kay Perrotti

**CALL TO ORDER**

Barry Chasnoff, President of the Grand Colorado on Peak 8 Owners Association, called the meeting to order at 3:06pm.

**CHANGES TO THE AGENDA**

There were no changes to the agenda.

**INTRODUCTIONS**

**APPROVAL OF MEETING MINUTES**

**Motion was made by Blake to approve the June 6th, 2020 meeting minutes and Barry seconded the motion.**

*No discussion.*

**All in favor. Motion passed.**

**UNAUDITED FINANCIALS**

GC8OA UNAUDITED FINANCIALS AUGUST 2020

Please find the summary for the attached GC8OA August 2020 financials.

* Overall, the Operating budget is experiencing a favorable variance of $762,132 YTD.
* Operating Revenue is showing an unfavorable variance of $307,290.
* The Operating Expenses show a favorable variance of $1,069,422 YTD.

Please keep in mind that adjustments made at year’s end may affect the total fiscal year budget outcome.

**Motion was made by Barry to accept the unaudited financials for August 2019 and seconded by Nick.**

 No d*iscussion*

**All in favor. Motion passed.**

**AR REPORT**

* As of 10/1/2020:
	+ 97% of 2020 dues paid
	+ 2 deeds recovered
	+ all via deed recovery by BGVARM:
		- $980 in bad debt
			* only 1 account with past due balances when canceled
		- no foreclosures

*Discussion:*

* + *Discussed GC8OA’s great standing during these hard times as well as the other resorts doing well.*
	+ *COVID-19 leniency; payment plans, waiving late fees, etc.*

**RESERVE REVIEW**

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| --- |
| **Grand Colorado on Peak 8 2020 Common Area Expenditures** |
| **Description** | **Budget** | **Expenditures** | **Variance** | **Notes** |
| Bell Carts | $20,608 | $20,608 | $0 | Purchasing bell carts for ski season |
| Building 2 - Trash Chute | $12,365 | $0 | $12,365 | Found alternative solution. Postponingindefinitely |
| Carpet - Bldg 1 Terrace Level Robbies Hall | $12,365 | $12,365 | ($0) | Replaced carpet |
| Carpet/ Floor Cleaner | $6,690 | $6,690 | ($0) | Purchased floor cleaner |
| Common Area Furnishing - Grotto | $25,760 | $25,000 | $760 | Purchased Grotto furniture |
| Common Area Furnishings - Day Use Roo | $18,547 | $0 | $18,547 | Deferred to 2021 |
| Fitness Center - Cardio | $7,728 | $6,528 | $1,200 | Purchased two Pelotons |
| Foosball Table | $2,061 | $1,515 | $546 | Purchased foosball table |
| Heat Tape Additions | $0 | $75,000 | ($75,000) | Installing necessary heat tape and snowspikes |
| Heaters - Pool Deck | $24,000 | $3,091 | $20,909 | Purchasing for winter |
| Housekeeping Carts | $4,019 | $4,019 | ($0) | Purchased housekeeping carts |
| Housekeeping Office - A/C | $10,304 | $10,304 | $0 | Installing A/C |
| Paint- Exterior | $309,125 | $0 | $309,125 | Deferred to 2021 |
| Play Feature - Playground | $61,825 | $0 | $61,825 | Deferred to 2021 |
| Pool Slide | $20,608 | $0 | $20,608 | Deferred to 2021 |
| Tile - Grand Staircase | $25,760 | $0 | $25,760 | Deferred indefinitely |
| Wireless Access Points | $3,710 | $0 | $3,710 | Not needed at this time |
| Contingency | $30,000 | $30,000 | $0 | As needed |
| **Totals** | $595,476 | $195,120 | $400,356 |  |
|  |
| **Grand Colorado on Peak 8 2020 Unit Expenditures** |
| **Description** | **Budget** | **Actual Expenditure** | **Variance** | **Notes** |
| Bedroom - Pillows Decorative | $5,871 | $0 | $5,871 | Deferred purchase until post-COVID |
| Breck Master - Coffee & End Tables (One | $10,300 | $22,461 | ($12,161) | Purchased extra furniture for back stock |
| CO Master - Coffee & End Tables (One Tim | $18,341 | $18,341 | $0 | Purchased extra furniture for back stock |
| Suite - Coffee & End Table (One Time) | $21,045 | $21,045 | ($0) | Purchased extra furniture for back stock |
| Wireless Access Points/Appliances | $56,573 | $26,341 | $30,232 | Not all funds needed at this time |
| Contingency | $25,000 | $25,000 | $0 | As needed |
| Totals | $137,130 | $113,188 | $23,942 |  |

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| **Grand Colorado on Peak 8 2021 Common Area Expenditures** |
| **Description** | **Budget** | **Timeline for Competition** |
| Bell Carts | $20,608 | Winter |
| Benches | $7,728 | Winter |
| Building 2 - Trash Chute | $12,365 | TBD |
| Carpet - Bldg 1 Plaza Level Ski Area Entrance | $12,365 | Spring |
| Carpet - Cleaner | $2,568 | Winter |
| Carpet- Bldg 1 Plaza Level Common | $20,093 | Spring |
| Carpet- Bldg 1 Terrace Level Common | $22,999 | Spring |
| Common Area Furnishings - Day Use Room | $18,547 | TBD |
| Contingency | $30,000 | As needed |
| Escape Room | $30,912 | Fall |
| Grills- Outdoor Aquatics | $3,091 | Winter |
| Heat Tape - Replacements | $32,458 | TBD |
| Housekeeping Carts | $4,019 | Spring |
| I-Mop | $5,152 | Winter |
| Luggage Carts - Par | $5,152 | As needed |
| Paint- Exterior | $309,125 | Spring |
| Play Feature - Playground | $61,825 | TBD |
| Tile- Fitness Center | $18,218 | Spring |
| TV- Conference Room | $1,546 | Winter |
| Water Slide (One Time) | $20,608 | TBD |
| **Totals:** | **$639,380** |  |
|  |
| **Grand Colorado on Peak 8 2021 Unit Expenditures** |
| **Description** | **Budget** | **Notes** |
| Breck Master - Balcony Furniture | $29,046 | Spring |
| Breck Master - Coffee & End Tables (One Time) | $10,300 | Spring |
| Breck Master- Washer/Dryer - Par | $6,180 | As needed |
| CO Master - Balcony Furniture | $26,780 | Spring |
| CO Master - Washer/Dryer - Par | $3,090 | As needed |
| CO Master- Sofa Sleeper | $75,087 | Spring |
| Contingency | $25,000 | As needed |
| Kitchen- Microwave - Par | $1,288 | As needed |
| Kitchen- Oven - Par | $6,180 | As needed |
| Master- Dishwasher - Par | $3,605 | As needed |
| Master- Refrigerator - Par | $6,695 | As needed |
| Suite - Balcony Furniture | $11,742 | Spring |
| Suite - Coffee & End Table (One Time) | $8,884 | Spring |
| Suite- Cook Top - Par | $2,318 | As needed |
| Suite- Dishwasher - Par | $2,575 | As needed |
| Suite- Refrigerator - Par | $2,575 | As needed |
| **Totals:** | **$221,344** |  |

*Discussion:*

* + *Quick review of the Escape Room.*

**CLUB RULES AND REGULATIONS UPDATE**

 **BONUS TIME INCREASE**

**Rate Increase to the Grand Colorado on Peak 8 Bonus Time Program**

Bonus Time rates were increased in 2018. Since that time, operating costs have increased, while Bonus Time rates have remained unchanged.

As a result, Breckenridge Grand Vacations (BGV) intends to implement a rate increase to the current Grand Colorado on Peak 8 Bonus Time rates.

Current rates are listed below, in addition to the highlighted increased rates.

**Current Bonus Time Rates:**

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| **GC8 Bonus Time****Available Inside 14 days** |
|  | **Spring/Summer/Fall** | **Winter** |
| **Weekday** | **Weekend** | **Weekday** | **Weekend** |
| Suite | $89 | $109 | $109 | $139 |
| Breckenridge Master | $109 | $129 | $129 | $179 |
| Colorado Master | $119 | $139 | $139 | $199 |
| Two Bedroom Breckenridge | $139 | $169 | $169 | $259 |
| Two Bedroom Colorado | $169 | $189 | $189 | $279 |

**Bonus Time Rate Increase:**

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| --- |
| **GC8 Bonus Time Available Inside 14 days** |
|  | **Spring/Summer/Fall** | **Winter** |
| **Weekday** | **Weekend** | **Weekday** | **Weekend** |
| Suite | $109 | $119 | $129 | $159 |
| Breckenridge Master | $149 | $159 | $169 | $199 |
| Colorado Master | $169 | $179 | $179 | $219 |
| Two Bedroom Breckenridge | $209 | $219 | $229 | $279 |
| Two Bedroom Colorado | $229 | $249 | $269 | $299 |

Bonus Time remains a part of the Grand Colorado on Peak 8 Club program and BGV is committed to maintaining Club benefits for our Grand Colorado on Peak 8 owners who belong to the Club.

BGV will educate owners about this rate change through a variety of communication channels.

***No discussion***

 **ADMINISTRATIVE FEE**

GC8 Point Stays administrative fee has not increased since the property opened in 2016. Since that time, operating costs have increased, while the administrative fee has remained unchanged. This fee helps cover the additional administrative expenses of configuring a Point Stay, as well as any additional cleaning.

As a result, Breckenridge Grand Vacations (BGV) intends to implement a rate increase to the current administrative fee.

The GC8 Club Membership Plan & Rules and Regulations currently includes a $75 fee, which we intend to increase to a $100 fee as highlighted below:

***CLUB MEMBERSHIP BENEFITS***

1. All Club Points reservations will be charged an administrative fee of $75.00 ($100).

***No discussion***

**INTERVAL INTERNATIONAL AGREEMENT UPDATE**

**Highlights:**

* 4-year term with no auto-renewal
* Exclusive agreement
* An Interval representative will attend the annual HOA meeting
* All confirmations to the resort booked on or after October 1, 2020 are subject to a Vacation Experience Fee. The fee will be the following: studios/suites & one- bedroom units $15/night, two-bedroom units $30/night, three-bedroom units $45/night & four-bedroom units $60/night. This is an increased revenue stream for Grand Colorado on Peak 8 and is valued as follows:
	+ GC8OA value for 2021 = $84,950
* Interval will provide a rebate to offset the Owner Relations expense to GC8OA due to BGV having its own exchange support department and is valued as follows:
	+ GC8OA value for 2021 = $12,019
* Interval will contribute $2,000 towards the Grand Colorado on Peak 8 Annual HOA Meeting Reception
* Interval and BGV IT will work together on launching single sign on functionality so that when owners are logged into Grand Central they will enjoy seamless authentication when connecting to [www.intervalworld.com](http://www.intervalworld.com/)
* Interval will enhance BGV’s Exchange Support Department software access, allowing for more and better ownership support
* For internal exchanges (i.e. Grand Colorado summer week to Grand Colorado winter week) Interval will discount the exchange fee by $20 for Grand Colorado on Peak 8 owners

**Motion was made by Blake to approve the new Interval International Affiliation Agreement and seconded by Nick.**

No d*iscussion*

**All in favor. Motion passed.**

**APPROVAL OF PROPOSED 2021 GC8 BUDGET**

**2021 Proposed Budget Summary**

The 2021 budget was created under the assumption that existing COVID-19 safety and cleanliness protocols will need to be maintained throughout the entire year, based on what we currently know. Please be advised that adjustments will be made, if necessary.

**The General Summary**

Total Proposed 2021 GC8OA Budget: $13,243,982

Based on the forecast for the remainder of 2020, GC8OA is expected to have a favorable Operating Fund variance of $874,586K (approx. 7.1% of total budget). This favorable variance is primarily due to utilities savings and savings from the closure, as well as increased cleaning revenue from strategic utilization of developer-owned inventory. Now that construction is complete and all phases of the resort are open, we will also be able to more accurately budget in the future. Additionally, GC8OA has $354,000 in operating retained earnings as of 12/31/2019. In the proposed 2021 budget, two new operational expense line items titled COVID Safety and COVID Equipment have been added.

Breckenridge Residences:

* Current Annual 2020 Dues: *$1,948.13* (per week in a Breck 2-bedroom lock off)
* Proposed Annual 2021 Dues: *$1,990.94* (per week in a Breck 2-bedroom lock off)
* Total increase to the annual dues from 2020 to 2021: *$42.81 (2.20%)*

Colorado Residences:

* Current Annual 2020 Dues: *$2,240.35* (per week in a CO 2-bedroom lock off)
* Proposed Annual 2021 Dues: *$2,289.58* (per week in a CO 2-bedroom lock off)
* Total increase to the annual dues from 2020 to 2021: $*49.23 (2.20%)*

*Discussion:*

* + *BGV was diligent about finding new revenue sources to keep the dues as low as possible.*
	+ *Dues increase for Breckenridge & Colorado are both 2.2% which will over the years cause the delta increase between the two. This is functioning correctly as a Colorado unit takes more time to clean, has more inventory to clean, etc.*
	+ *Management Fee increasing from 10% to 11% which is coving BGV expenses and is a breakeven for BGV.*
	+ *The new policy term for insurance will start 2/1/21, so BGV does not have exact numbers to budget from. BGV is using a 20-25% increase as the guideline provided by IMA for the proposed 2021 budget.*

**Motion was made by Nick to approve GC8OA 2021 Proposed Budget and seconded by Blake.**

*No discussion*

**All in favor. Motion passed.**

**GENERAL MANAGER REPORT**

**Welcome Home!**

It has been a fantastic summer at Grand Colorado on Peak 8 after re-opening in the beginning of June. Our staff was beyond excited to welcome back so many families to our beautiful resort for some much needed rest and relaxation. Upon our re-opening on June 1, we were also able to successfully open the final phase of construction at GC8, known as Phase 5. Now that the resort is fully open, we are even more excited to welcome home all of our valued owners!

With owners and guests coming from across the country, the BGV Shines program has raised the bar for cleanliness and resort operations to ensure the well-being of our employees, owners, and guests. We continue to evolve the BGV Shines program as we look to strike a balance between the financial impact of these protocols and providing everyone with a safe vacation experience. At Grand Colorado on Peak 8, this program includes:

* UV sanitation in each residence between departure and arrival
* UV sanitation, electrostatic sprayer, and chemical sanitation in all common areas
* Needlepoint bipolar ionization air treatment in selected common areas
* Reservation system for resort amenities, allowing for physical distancing and contact tracing
* Sanitation stations throughout the resort with masks, sanitizing wipes, and hand sanitizer
* Curbside check-in available for arriving owners and guests who prefer an alternative to the traditional check-in experience
* Offering mobile keys to owners and guests, in which one’s cell phone can be used as a room key via the “JustIN Mobile” app
* BGV Shines Promise, agreed to by each travel party prior to check-in, each employee at the beginning of their employment, and each vendor prior to beginning work on property
* On property texting software to provide open communication with the staff and in turn helping to reduce face-to-face interactions

**Updates and Enhancements:**

We are always looking to improve both the vacation experience and ownership experience. To accomplish this, we review suggestions and feedback we receive and make changes as needed. We are excited to share several property enhancements that have been completed this summer and fall. Here are some highlights:

* A pet relief area was created at the north end of building 2. We added some gravel and trees around the perimeter to establish an area and we will continue to look for ways to make this location even better for our furry guests
* The landscaping was completed under the sky bridge that connects Buildings 1 and 3, along the walkway between the buildings and around the main entry sign. The walkway between the buildings looks spectacular with blue spruce pines, aspens, and choke cherry trees.
* Ullr Café and The Lobby Bar are now offering online ordering. Owners and guests can scan QR codes that are posted throughout the resort to access our menus on any mobile device. Drinks ordered from The Lobby Bar will be delivered to the aquatics areas. Orders placed for Ullr Café will need to be picked up at Ullr Café. QR codes have also been created to access information such as the BGV Shines material as well as the list of movies offered in our theaters.
* We added a “pop up” fitness center in Building 3 next to the aquatics area to provide an additional workout location for owners and guests. This space currently features a Peloton bike, elliptical, treadmill and dumb bells.
* Colorful indoor and outdoor furniture has arrived for Elev8 Lounge. Planters have also been placed around the patio to liven up the area. We will also be adding additional furniture in the near future.
* A variety of outdoor games were placed on the GC8 Sport Court/Ice Rink in order to create a fun location over the summer months for families to spend some time playing games. Tables and chairs were also added, along with umbrellas to provide some shade around the perimeter of the rink.

**NEW BUSINESS/UPDATES**

The Second Amendment to the Management Agreement is proposed, which addresses an extension of the Initial Term as the result of BGV’s investment of approx. $1.3M in a software upgrade. Although we are not passing along the expense of this software upgrade to the HOAs, we are asking for this extension to the Initial Term to ensure our substantial capital investment is worthwhile. Additionally, there is an opportunity to better clarify the Termination and Limitations on Powers of Manager sections noted below and to ensure they are aligned with our other Management Agreements within the BGV Family of Resorts.

*Discussion:*

* + *BGV has been named a top workplace in Colorado many years.*
	+ *The Management Fee will keep the remaining cap of 15% for the remainder of the term.*

**Motion was made by Nick to approve the Second Amendment to the Management Agreement and seconded by Blake.**

*No discussion*

**All in favor. Motion passed.**

**COMMENTS TO/FROM STAFF**

None at this time

**NPS**

GNPS is currently 66% with 76% being promoters

GONPS is currently 69% with 78% being promoters

*Discussion:*

* + *Ski season will have a reservations system, you must wear a mask, ride with your party on the lifts, etc. That is all of the information that we have at this time.*
	+ *BGV will have occupancy limits on the ski locker rooms and will also utilize the year-round ski lockers that have not yet been sold. Every third locker will be utilized.*

**TRIP ADVISOR**

Grand Colorado is currently #5 of 23 Hotels in Breckenridge

**IMPORTANT DATES**

Proposed GC8OA Board and Annual Meetings:

* Saturday, May 15, 2021\*

\*Due to sparse information regarding typical annual meetings, such as ARDA World Conference, as well as other uncertainties, this meeting date is subject to change.

Interval International Contract:

* Expires on 12/5/2020

Resale Agreement:

* Took effect on 1/1/2018 - renews annually
* Action required for any change by written notice 90 days prior to renewal date

Management Agreement:

* Initial term began on 8/1/2015 and expires on 12/31/2024 – auto renews with 5-year terms
* Action required for any change by written notice 180 days prior to renewal date

External Reserve Study Review:

* Next review is in 2021

Robbie’s Tavern Lease:

* Expires on 4/30/2032 - option to renew the lease for two additional 5-year terms
* Notice to exercise renewal must be given between 365 and 180 days before the end of the lease

**CURRENT ACTION ITEMS**

No outstanding action items

**ACTION ITEM SUMMARY**

No action items added

**Barry made the motion to adjourn, seconded by Blake.**

**Adjournment 4:40pm**