**DRAFT**

**GC8OA Board of Directors Meeting**

**May 3rd, 2021**

**Minutes**

**Attendance**

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

**Advisory Committee:** Roger Lemmon, Jennifer Gilligan, Curt Kane, Debby Tennyson-Feinstein, Skip Klenk

**Management Company**: Jason Bretz, Stephanie Bristley, Kimberly Tramontana, Mary Kay Perrotti, Joe Clark-Fulcher, Peggy Helfrich, Stephanie Harding, Colin Timm

1. **Call to Order**
   1. Barry Chasnoff, the GC8OA Board President called the meeting to order at 3:03pm.
2. **Changes to the Agenda**
   1. There were no changes made to the agenda.
3. **Approval of 10/29/2020 Meeting Minutes**

**Motion was made by Blake to approve the October 29, 2020 meeting minutes and Nick seconded the motion.**

*No discussion.*

**All were in favor**. **Motion passed.**

1. **Financials** 
   1. GC8OA FY2020 Audited Financial Approval

On page 1, please note that the auditor’s report includes a clean opinion.

* The final phase, Phase 5, was completed at the end of March 2020, and opened to owners and guests as of June 1, 2020.

We are pleased to share that as of 12/31/20, the GC8OA ended FY2020 with an Operating Fund surplus of $1,360,011 (page 4).  Some highlights to consider:

* FY2019 ended with operating retained earnings of $353,856, and the ending Operating Fund balance as of 12/31/20 is $1,713,867 (page 4). These retained earnings cover the insurance variance to the board approved 2021 budget of approximately $535K.
* Operating Revenue showed an unfavorable variance compared to budget of $193,101 (page 14).
* Operating Expenses showed a favorable variance compared to budget of $1,384,020 (page 14).
* The Common Reserve Fund showed a fund balance of $1,458,270, which is 4.4% funded (page 15).
* The Unit Reserve Fund showed a fund balance of $1,985,872, which is 11.9% funded (page 16).
* Variances are noted on the second page of this summary (page 14).

**Motion was made by Nick to approve the FY2020 Audited Financials and Blake seconded the motion.**

*Discussion:*

* *The favorable variance was due to building 3 was fully opened, utilities were lower than expected, and we locked in some great natural gas rates.*

**All were in favor**. **Motion passed.**

* 1. Unaudited YTD March 2021 Financials
     + Overall, the Operating budget shows a favorable variance of $521,007 YTD.
     + Operating Revenue is showing a favorable variance of $346,549 YTD.
     + The Operating Expenses show a favorable variance of $174,458 YTD.

**Motion was made by Blake to accept the March 2021 Unaudited Financials and Nick seconded the motion.**

*Discussion:*

* *Rental resort fee includes daily services and checkout cleans where as owner week cleans are covered with dues.*
* *Rental resort fee is added revenue as it is not covered with the dues*
* *Request for a better explanation of the different options for renting our your unit*
  + *Owner Relations is more than happy to explain these options and the specifics at any time*

**All were in favor**. **Motion passed.**

* 1. Accounts Receivable Performance Update
     + EOY 2020:
       1. 98% of dues paid
     + As of 4/1/20 – 80% of dues paid
     + As of 4/1/21 - 86% of dues paid
     + No deeds recovered in 2020
     + no foreclosures currently in process

*Discussion:*

* + *ARM sent out two email blasts ahead of payment due dates with FAQ and resources.*

1. **General Manager Report**

**Grand Colorado on Peak 8 General Manager Report**

**May 2021**

It has been a fabulous ski season at Grand Colorado on Peak 8 with all residences and amenities open for an entire ski season for the very first time! Our wonderful staff has done a fantastic job of operating within the constantly changing COVID restrictions in order to provide much needed vacations to so many owners and guests since re-opening last June. We are also feeling a bit of comfort in knowing that our employees have started receiving COVID-19 vaccines. We are focused on a stronger tomorrow and look forward to an even brighter future!

BGV Shines, Health and Safety

* UV lights have been permanently mounted in all four theaters in Building 2 and all of the spa treatment rooms at Infinity Spa. This installation helps to improve efficiencies while still providing UV sanitization in these busy amenities.
* We have safely increased the number of people able to enjoy the property as Summit County continues to move into less restrictive levels. These amenities include the restaurant, café, bar, lounge, pools, hot tubs, grotto, ski locker rooms, and the Family Fun Center.
* A second phase of needlepoint bipolar ionization was installed at the resort. High traffic areas that received this additional technology include the department offices, breakrooms, ski locker rooms, grotto, and the Family Fun Center.
* We have received and maintained a county approved 5-Star Certification for the restaurant, café, bar, lounge, fitness center, pools, hot tubs, grotto, Family Fun Center, and Infinity Spa. This certification was awarded for following all standard protocols as well as implementing additional measures to help minimize the spread of COVID-19. The 5-Star Certification allows these amenities to operate at the next less restricted level on the Colorado COVID dial.
* Day Use owners are now able to reserve parking and then request amenity access. We have a limited number of “parking with amenities” spots available. This allows us to increase the number of Day Use parking spaces to better accommodate owners who only want to park and ski as well as say “yes” to owners who would like to enjoy the resort’s amenities.

Revenue

Many revenue streams were created, and some fees increased in 2020 to help offset the rising costs of operations. This additional revenue will benefit the GC8OA:

* Bonus Time nightly rates
* Administration fees for points stays increased from $75/stay to $100/stay.
* Exchange Fee, now named the Vacation Experience Fee, increased from $10 to $15/night per unit key.
* Resort Fee increased from 7.5% to 10%
* Lost and Found shipping increased from $20 to $25. Additional fees apply for oversized packages.
* Package storage fee is now $5/night per package. Additional charges apply for oversized packages.
* Rollaways are $10/stay.
* Robe charge is $100 for missing or unreturned robes.
* A late check-out at noon is $50.

Property Updates

During 2020, many property improvement projects were postponed due to the pandemic. However, we did complete the following projects that were either budgeted for as part of the reserve studies or were at the expense of the developer:

* Ullr Statue installed on the Ullr patio at the Peak 8 Base Area
* New tables and umbrellas for Ullr Café
* Giant blue Adirondack chairs for Ullr Café patio
* Created a 2nd pop up fitness center to accommodate more owners & guests
* Replaced the carpet on the plaza level in Building 1 near the exit to the ski area
* Added windows to the ski locker room doors and Elev8 Lounge door

Planned Projects and Enhancements

We are always looking to improve both the vacation experience and ownership experience. To accomplish this, we make changes based on the suggestions and feedback we receive. We are excited to share several property enhancements that are scheduled to be completed this year:

* Painting and staining for Buildings 1 & 2 will take place in May.
* Theater 1 is being converted into a theater/gaming room with a Sony PlayStation and Xbox gaming consoles, in addition to being able to watch movies. A large TV will replace the projector and screen to provide a better gaming experience.
* Additional tables, chairs and umbrellas have been ordered for around the ice rink.
* New rubber flooring will be installed in the Building 1 fitness center.
* Green artificial turf will be installed on the ice rink surface this summer, as well as fun outdoor games.
* Replacing Colorado master sofa sleepers in Buildings 1 & 2
* Selecting new coffee tables for Colorado master residences and replacing as needed
* New furniture for the Day Use Lunchroom in Building 1

**Discussion:**

* *Kudos to Stephanie on her being a finalist for the ARDA award.*
* *Reservations for amenities are being talked about in Brighter BGV working to meet the wants and needs for all owners and guests.*
* *Suggestion to put signage in the business center that there is a conference room available for rent if a private space is needed.*

1. **New Business/Updates**
   1. **Insurance Update**
      * BGV is working with IMA to research insurance agencies that keep the combined policy at the adequate insured amounts.
      * BGV is considering other options that include high deductibles.
      * BGV is also reaching out to other consultants.
      * Recommendations will be included in the proposed FY2022 GC8OA budget.

**Discussion:**

* *No discussion*
  1. **Acknowledge the Insurance Variance Approval Email Vote for the purpose of recording in the 5-3-21 Minutes**

IMA and BGV have been working to procure sufficient property insurance to meet the 2/1/21 renewal deadline.  The good news is that combined property insurance coverage for Grand Timber Lodge, the Grand Lodge on Peak 7 and the Grand Colorado on Peak 8 in the amount of $462M has been achieved through layering. These combined premiums are allocated with guidance from IMA based on individual resort insured values.  The 2021 approved GC8OA budgeted total insurance amount is $309,146 and the new anticipated amount for GC8OA insurance for the year is $844,530 which is a variance of $535,384 or 173%. Therefore, Board approval of this additional expense is required.

Motion:  To approve the additional 2021 property insurance expense to achieve sufficient property insurance coverage.  This creates a variance of $535,384.

Made By: Barry Chasnoff on 1/28/21

Second: Blake Davis on 1/28/21

Discussion:

From Barry Chasnoff:

I assume that is based on replacement costs and the higher value of the GC8 property.  Over to you, Peggy, et al.

From Roger Lemmon:

Just a question: why is GC8 more than the other properties? I know we have to deal with this because we absolutely MUST have insurance.  I think most owners will deal with this OK after they complain but we need to be prepared to deal with extremely disgruntled ones.

From Nick Doran:

Barry and Roger: Yes, the allocation of premium is based on the replacement cost and GC8 has higher replacement cost than the other properties.  Prior to this year the insurance companies would also allocate the premiums based on quality of construction, that is what kept the GC8 allocation lower.  With the extreme fire danger, the premium is only allocated based on replacement cost.

From Curt Kane:

Hi Roger.  I appreciate your point- even with a positive reserve now, it only helps for one year and for homeowners in Colorado outside of the metro area, this is becoming a huge issue myself included.  This will be a "bitter pill" for those of us affected with our personal properties and now this too so yes, I would agree owners will even be more disgruntled as you say.  We need to be very diligent in how we absorb this in the budget into yearly dues folks as we try to be both value and great experience oriented.  Respectfully to all thanks.

From Debby Tennyson-Feinstein:

I am a little behind on the discussions and votes, but I just wonder, how many fires have we had and how extensive the damage. Would it be a good idea at the cost of insurance premiums to be self-insured? Thank you for all your hard work. Debby

BGV Response:

Thank you for all of your thoughtful questions and comments.  Debby, to address your questions, IMA shared information that the national picture concerning wildfires and hurricanes, etc. affects us locally.  Regarding the self-insurance, that is an avenue BGV is investigating, along with any other options for future years.  We will be sharing recommendations as we approach the FY2022 budget cycle.

From Skip Klenk:

Not knowing what the premiums for the other two properties are yet based on the GC8OA premium it seems that IMA was spot on with their estimate of $2 - $2.5 million for the 3 properties to cover the $400 million replacement costs. It is a shame to be held hostage by insurance companies, especially since I’m confident BGV has been diligent assuring fire mitigation compliancy. An unfavorable variance of $535 million is a tough pill to swallow yet I don’t think we have another option. I predict that fire risk premiums won’t be dropping any time soon which doesn’t bode well for future assessments.

Thank you BGV for all the hard work accomplished to get us covered, in the nick of time.

From Jennifer Gilligan:

So sad to be held hostage by insurance companies. I have no words.  I think this trend might continue with the lack of snow and rainfall! Thanks for sharing and I will be following this email thread.

Thanks for your questions and comments.  We would also like to add that BGV is beginning to investigate ways to address the substantial increase in insurance premiums and creating an HOA funded insurance reserve is one of those options.  What our initial research into this strategy has revealed is that it would likely take a seven-figure deductible to really make a dent in the premiums. That being said, BGV will continue to explore and will be ready to discuss at a more actionable level as part of our FY2022 budget development process.

All In Favor: Barry Chasnoff, Nick Doran and Blake Davis

Opposed: none

Abstain: none

Therefore, with unanimous Board approval, as well as having received feedback from all members of the Advisory Committee, the motion to approve the additional 2021 property insurance expense to achieve sufficient property insurance coverage, is complete. This email vote will appear in the 5/3/21 Board packet for the purpose of recording in the meeting minutes.

**Discussion:**

* *No discussion*
  1. **Annual Meeting Review**

## GRAND COLORADO ON PEAK 8 OWNERS’ ASSOCIATION

2021 ANNUAL MEETING

5/15/21

AGENDA

1. Call to Order – Establish Quorum of 10% - Barry Chasnoff, GC8OA Board President
2. Call for Changes to Agenda – Barry Chasnoff, GC8OA Board President
3. Introductions – Jason Bretz, GC8 General Manager
4. Board of Directors and Advisory Committee
5. Affiliates
6. Management Company
7. Advisory Committee Appointment Announcement – Peggy Helfrich, BGV HOA Operations Manager
8. Approval of the 2020 Annual Meeting Minutes – Barry Chasnoff, GC8OA Board President

*Motion, second and vote by owners is required*

1. Audited Financial Statement Review for the Fiscal Year Ending December 31, 2020 – McMahan & Associates

Blake will share a brief insurance update after the Audited Financial review

1. Town of Breckenridge Update – Stephanie Bristley, GC8 Assistant General Manager
2. General Manager Report – Jason Bretz, GC8 General Manager
3. Interval International Update – Chris McGill, Interval International
4. General Questions & Comments– Kimberly Tramontana, BGV VP of Operations
5. Adjournment – Barry Chasnoff, GC8OA Board President
   1. **Board Officer Elections**

There are no GC8OA Board elections in 2021. Therefore, the GC8OA Board Officers can be elected at this time with votes from Board members.

**Current GC8OA Board Officers:**

President – Barry Chasnoff

Vice President – Nick Doran

Secretary/Treasurer – Blake Davis

**2021 GC8OA Board Officer Election**

President: Barry Chasnoff

Vice President: Nick Doran

Secretary/Treasurer: Blake Davis

1. **Miscellaneous** 
   1. Comments to/from Staff
      * None at this time.
   2. NPS Reports
      * GONPS is at 83 with 87% being promoters as of 3/31/2021
      * GNPS is at 74 with 82% being promoters as of 3/31/2021
   3. Trip Advisor
      * GC8 is currently #3 of 23 Hotels in Breckenridge

*Discussion:*

* *Working on getting more reviews on TripAdvisor so that we can continue moving up from 3rd to 1st.*

1. **Important Dates**

Proposed GC8OA Board Meeting:

Tuesday, October 26, 2021

2pm - 5pm

GoToMeeting

This meeting will include the proposed 2022 budget review.

*Discussion:*

* *BGV is recommending that the fall Board meeting be virtual via GoToMeeting. BGV is also recommending that the Board meeting in spring 2022 be in person with the Annual meeting being held via GoToWebinar.*

Interval International Contract:

* + - Expires on 12/31/2024. No auto renew

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 12/31/2030 – auto renews with 5-year terms
    - Action required for any change by written notice 180 days prior to renewal date

External Reserve Studies 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

*Discussion:*

* *Action Item: Look into changing hair conditioner*

1. **Action Item Review**

No current action items

* *Action Item: Look into changing hair conditioner*

1. **Adjournment** 
   1. The meeting was adjourned by Barry at 4:07pm.