DRAFT

GL7OA Board and Advisory Committee

4/9/22 Meeting Minutes

**Attendance:**

**Board:** Roger Lemmon, Nick Doran, Linda Cole, Mike Hedensten, and Blake Davis

**Advisory Committee:** In person: Bill Regehr, Jamie Keiffer, Peter Strom. GoToMeeting: Rob Balson

**Management Company:** Lindsay Reinwand, Amie Yoder, Kimberly Tramontana, Joanni Linton, Peggy Helfrich, Joe Clark-Fulcher, Mary Kay Perrotti

**Call to Order**

By: Linda Cole Time: 9:04am

**Changes to Agenda**

* *Updated motion to include acknowledgment of E-vote in the 10/21/21 minutes.*

**Approval of 10-21-21 Meeting Minutes**

**Motion:** To approve the October 21, 2021, meeting minutes including 5/26/22 E-vote.

Made by: Roger Lemmon

Seconded by: Mike Hedensten

Discussion: None

In favor: All

Opposed: None

**Financials**

**Review and Accept Unaudited February 2022 Financials**

* Overall, the Operating Budget is experiencing a favorable variance of $170,496 YTD.
* Operating Revenue shows an unfavorable variance of $8,948 YTD.
* Operating Expense shows a favorable variance of $179,444 YTD.

**Motion:** To accept the GL7OA February 2022 YTD Unaudited Financials

Made by: Mike Hedensten

Seconded by: Blake Davis

Discussion: None

In favor: All

Opposed: None

**Approve the FY2021 Audited Financials**

GL7OA 2022 Audited Financial Statement Summary\*

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

Operating Fund Budget to Actual Variances (pages 5 & 14):

 2021 Budget 2021 Actuals Variance

Operating Fund Balance, 12/31/20 $ 1,252,286 $ 1,252,286 $ 0

Total Revenues 9,391,292 9,415,403 24,111

Total Expenses (10,016,292) (9,615,819) 400,473

Excess (Deficiency) Revenues over Expenses (625,000) (200,416) 424,584

Operating Fund Balance, 12/31/21 $ 627,286 $ 1,051,870 $424,584

Reserve Fund Balances, 12/31/21 (pages 15 & 16):

Common Reserve Fund $1,215,592 (6.6% of Est. Future Replacement Costs)

Unit Reserve Fund 1,722,210 (7.0% of Est. Future Replacement Costs)

Combined Reserve Funds $2,937,802 (6.8% of Est. Future Replacement Costs)

\*Please note that the developer and HOA audits are conducted simultaneously and there is a possibility for final audit adjustments to the HOA Financial Statement draft even after the Board approves the draft version. The Board will be made aware of any material adjustment to the Board approved version.

**Motion:** To approve the GL7OA FY2021 Audited Financials

Made by: Roger Lemmon

Seconded by: Nick Doran

Discussion: None

In favor: All

Opposed: None

**Accounts Receivable Performance Update**

*Discussion:*

* *Linda brought up that we’ve been able to operate with lower wage expenses and questioned if this is something we should look at in case we’ve found permanent efficiencies. Consensus is no, this is not a long-term solution, as these savings are attributed to managers stepping in to cover gaps in schedules with hiring problems, and this is not manageable permanently.*
* *Negative variance on trash removal is due to timing of bills.*

**General Manager Report**

Grand Lodge on Peak 7 General Manager Report

April 2022

I am excited to share my first General Manager report with the Board and Advisory Committee. The past six months at the Grand Lodge on Peak 7 have proven to be an exciting time. We have had the opportunity to promote several tenured employees into new leadership roles. We have enhanced the Grand Lodge on Peak 7 owner and guest experience by elevating common areas and creating new amenities.

Below are several exciting operational and resort enhancements that we are pleased to share:

Property Improvements:

* The “Trapped in the 80’s!” Escape Room recently opened. The new amenity has received wonderful reviews from owners and guests and is becoming more popular with those staying on property.
* The new Day Use Locker Room has had an overwhelmingly positive response. Owners are enjoying the proximity to the Day Use Lunchroom and ease of access to the slopes.
* This fall we opened the new Activities Center. This new location has given the team a dedicated, permanent space to host activities for families to enjoy while staying at the Grand Lodge on Peak 7.

Room Improvements

* We recently opened a new 2-bedroom unit where the former pop-up Activities Center was located. This renovation was completed at the developer's expense.
* New coffee tables, end tables and living room lamps were installed in the South Building.
* Owners and guests can now stream while enjoying their vacation at the Grand Lodge on Peak 7. In response to several survey comments, the Front Desk has started offering Roku’s for in-house owners and guests to use free of charge.

Sustainability Efforts:

* The Grand Essentials Market has begun selling reusable aluminum water bottles. This effort helps to eliminate plastic water bottles on property.
* BGV has recently partnered with Pivot Energy. Pivot Energy is a solar-based company that helps support Xcel Energy’s sustainability goals. This partnership will allow for the Grand Lodge on Peak 7 to recognize energy savings and will reduce the cost of electricity on property.
* Effective April 1, we will begin charging $.25 per kilowatt hour for electric vehicle charging.

Looking Ahead:

There are several improvements scheduled in 2022. Some of these exciting enhancements include:

* New unit televisions
* Improved television service
* Window treatments in the North Building
* New key system with mobile key technology
* Common area carpet
* Lobby, Library, and Day Use furniture
* Electric vehicle charging stations

As a reminder, there will be a resort closure this fall instead of the typical multi-week block season. This resort-wide closure will occur from Sunday, October 23 to Friday, October 28. During this closure, we are looking forward to implementing many resort improvements.

Leadership Updates:

We have had several recent promotions within the Grand Lodge on Peak 7 leadership team, all of which have been internal BGV promotions. The new leaders have provided a fresh new perspective with several great ideas to continue to grow and improve the owner experience at the Grand Lodge on Peak 7.

* Amie Yoder is the Assistant General Manager and brings a wealth of knowledge and experience to her new role, having previously worked in several departments at BGV including Owner Relations, the Grand Lodge on Peak 7 Front Desk and most recently as the Guest Services Manager at the Grand Colorado on Peak 8.
* Patty Palermo is the Night Operations Manager. She is an experienced leader who has brought a keen eye and enthusiasm to this position at the Grand Lodge on Peak 7.
* Michelle Hair is the Soothe Spa Assistant Manager. During her career at BGV, she has also worked at the Grand Timber Lodge and in Owner Relations. Her vast company knowledge has been extremely valuable.
* Madison Syer is the Assistant Guest Services Manager. She has held multiple supervisory positions in Breckenridge prior to being promoted, including Front Desk Supervisor.
* Delano Neil is the Assistant Engineering Manager and has been a valuable member of the Engineering team for several years. Delano was instrumental in creating the Escape Room.
* Jack Harvey is the Front Desk Supervisor and has been a wonderful asset to the team.

*Discussion:*

* *Mobile key option will not eliminate wristbands, but rather will give owners/guests the option.*
* *Electric vehicle charging, the trend is going towards charging users, with the new standard being “pay to play”.*

**New Business / Updates**

**Reserve Update**

We have reviewed the third-party Reserve Study that was completed by OAC Management last fall. We will use the study provided by OAC as well as bids and proposals from preferred vendors in late spring/early summer to help formulate the next round of annual updates to the Grand Lodge on Peak 7 Reserve Study. During this process, we will also determine if it is in the best interest of the GL7OA to increase the rate of inflation used on the Reserve Study from 3% to 3.5%.

**Town of Breckenridge Accommodation Unit Regulatory Fee**

On November 23rd, 2021, the Breckenridge Town Council passed a new ordinance, No. 35, amending Chapter 1, Title 4 of the Breckenridge Town Code concerning the annual accommodation unit regulatory fee.  This occurred after the Board approved the FY2022 budget. The 2022 regulatory fee is $400 per studio/bedroom, in addition to the current business and occupational license tax (BOLT.)  All dollars generated by this regulatory fee will be used to support the Town’s workforce housing policies and programs, including buy downs, lease to locals, acquisition of deed restricted units, and/or construction of new units. More info on how these funds will be used was featured in a recent Summit Daily News article, which can be found here: <https://www.summitdaily.com/news/breckenridge-commits-50-million-to-ambitious-workforce-housing-plan/>

In order to meet the payment deadline of 1/27/22 and avoid the risk of losing the existing short term rental licenses, Peak Resort Management (BGV) paid this fee on behalf of GL7OA.  Therefore, GL7OA will incur this unbudgeted expense in FY2022, and the ratification of this expense is noted below, requiring Board approval.

As always, staff will do what we can to help drive a favorable outcome by the end of the fiscal year.  In addition, GL7OA also has some retained earnings, and the 2022 insurance premiums did not increase as substantially as expected.

Lastly, since this ordinance passed, BGV has been engaged in discussions with the Town of Breckenridge regarding the specifics of this fee and the substantial financial impacts to all BGV owners. These discussions are still ongoing, and we will keep the Board apprised of any new developments.

*Discussion:*

* *Nick added that BGV will continue to have conversations with the Town and be an advocate for GL7OA with this new fee moving forward. We will continue to find ways to avoid costs and appreciate the Board’s understanding.*

**Motion:** To ratify the payment of the Annual Accommodation Unit Regulatory Fee paid by Peak Resorts Management on the behalf of GL7OA in the amount of $91,200.

Made by: Mike Hedensten

Seconded by: Roger Lemmon

Discussion: none

In favor: All

Opposed: none

ABSTAIN: none

**Annual Meeting Review**

**GRAND LODGE ON PEAK 7 OWNERS’ ASSOCIATION**

**2022 ANNUAL MEETING AGENDA**

1. Call to Order – Establish Quorum of 10% – Linda Cole, GL7OA Board President
2. Call for Changes to the Agenda – Linda Cole, GL7OA Board President
3. Introductions – Lindsay Reinwand, GL7 General Manager
4. Board of Directors and Advisory Committee
5. Affiliate Representatives
6. Management Company
7. Board Election and Advisory Committee Appointment Results – Peggy Helfrich, BGV HOA Operations Manager
8. Call for the Approval of 2021 Annual Meeting Minutes – Linda Cole, GL7OA Board President – *owner vote required*
9. Audited Financial Statement Review for the Fiscal Year Ending December 31, 2021 – McMahan & Associates

VII. General Manager Report – Lindsay Reinwand, GL7 General Manager

1. Interval International Update – Alve Campbell, Interval International
2. Questions & Comments – Joanni Linton, Director of Resort Operations
3. Adjournment – Linda Cole, GL7OA Board President

**Board Officer Election**

Current Board President – Linda Cole

Current Vice President – Roger Lemmon

Current Secretary/Treasurer – Mike Hedensten

2022 Officers:

President – Linda Cole

Vice President – Roger Lemmon

Secretary/Treasurer – Mike Hedensten

**Miscellaneous**

**Comments to/from Staff**

On Mar 22, 2022 2:07 PM, Nancy B. wrote:

Dear Grand Lodge Peak 7 BOD and Staff,

I own a Winter Floating timeshare at Grand Lodge and love being able to ski in Colorado in the winter (being from NH your conditions and mountains are amazing). I’ve also been lucky enough to be able to travel to Whistler, Lake Tahoe and Park City on the Interval exchange program.

What I find very frustrating is calling on a Tuesday morning 11 AM (east coast time) to book my yearly vacation; and when nothing is available I must call many weeks in a row until something pops up. I call at exactly 11 AM/9 AM mountain time and I’m 35th in line. This is so VERY frustrating and calling week after week and getting nothing - makes me really sad. I’m thinking that in today’s technology era a computer program could handle such requests made by owners like me.

So today when I spoke with the rep they said to write to the Board and share my frustration - and thus this email. They also said that the technology does exist and is in use at the Grand Timber Lodge! WOW! I’m so excited and hopeful that you might consider moving to such a program!

Thanks for listening and enjoy your spring!

Nancy

**BGV Response:**

Hi Nancy,

Thank you for reaching out with your questions and concerns.  I can appreciate any frustration you’ve had with not being able to book your desired week. Although your purchase of a floating week provides ample flexibility, it also means that there is no guarantee of reserving a specific high demand week. This floating week reservation system has been in place since the resort opened, and it is the system that all GL7 floating week owners participate in. That being said, a fixed week ownership guarantees the specific week that you want, and if you are interested in exploring that option, we are happy to direct you to our Sales department.  In regards to technology, the reservation system that Grand Timber Lodge uses works quite differently as it is based on an algorithm designed specifically for that property. It is not a first come, first served platform. We are happy to share that now that our property management software upgrade was implemented on 12/1/21, we are getting closer to offering floating owners the ability to book their week online, which will hopefully eliminate the need to call in. More details on this future ownership enhancement will be shared as the technology progresses, so please stay tuned!

Thanks again for reaching out and please let me know if you have any more questions or wish to discuss further.

*Discussion:*

* + *BGV owner week booking systems. TSW upgrade will allow us to look at more options for booking owner weeks online. Comparing our process to the GTL booking system: lottery/algorithm, decision was made by their board to change from first come, first served. There are benefits and disadvantages to both systems, and overall BGV does not recommend BiGVARS system. We are looking towards a system that still allows the first-come, first-served access online.*

**GL7OA Snapshot**

* Currently at #4 of 23 properties in the “Hotel” category on TripAdvisor and have 4.5 out of 5 stars! For more detailed information regarding TripAdvisor and to see the most recent reviews please visit TripAdvisor.com and search Grand Lodge on Peak 7.
* Improved several owner and guest service scores YOY:

|  |  |  |
| --- | --- | --- |
|  **GL7 Service Score Comparison**  | **Last Year’s Avg** **03/15/2020- 03/14/2021**  | **This Year’s Avg** **03/15/2021 – 03/14/2022**  |
| **Front Desk**  | 9.13 | 9.22 |
| **Room Engineering**  | 8.88 | 8.92 |
| **Housekeeping- Room Cleanliness**  | 9.51 | 9.50 |
| **Housekeeping- Staff**  | 9.17 | 9.17 |
| **Activities**  | 8.98 | 8.85 |
| **Soothe Spa**  | 9.11 | 9.38 |
| **Sevens**  | 7.27 | 7.44 |
| **Shuttle**  | 9.43 | 9.10 |
| **Overall Accommodations**  | 8.89 | 8.94 |
| **GNPS**  | 66.50% | 66.31% |
| **GONPS**  | 68.42% | 68.85% |

* **Reserve Studies:**
	+ GL7 unit – 7.1%, per 2021 Reserve Study
	+ GL7 common – 6.4%, per 2021 Reserve Study
* Percent of dues allocated to reserves in 2022 for a 2 bedroom:
	+ 17.14%

**Grand Lodge on Peak 7 2022 Dues Comparison**

Valdoro Mountain Lodge Breckenridge 2 Bedroom $2,900 (2021)

The Ranahan by Welk Breckenridge 2 Bedroom $2,540 (540,000 points)

Grand Colorado on Peak 8 (Colorado) Breckenridge 2 Bedroom $2,345 (2022)

Grand Colorado on Peak 8 (Breckenridge) Breckenridge 2 Bedroom $2,039 (2022)

**Grand Lodge on Peak 7 Breckenridge 2 Bedroom $1,874 (2022)**

Marriott Mountain Valley Lodge Breckenridge 1 Bedroom $1,800 (2021)

Grand Timber Lodge Breckenridge 2 Bedroom $1,460 (2022)

* GL7 Annual Dues Increases:

|  |
| --- |
| **Grand Lodge on Peak 7 Owners Assoc.** |
| **Annual HOA Dues Analysis** |
|   | 2 Bedroom |  |   |
|   | Annual | Annual | Annual |
| Year | Dues | $ Incr | % Incr |
| (Decr) | (Decr) |
| 2022 | $1,874.13  | $130.93  | 7.51% |
| 2021 | $1,743.20  | $126.38  | 7.10% |
| 2020 | $1,616.81  | $55.44  | 3.60% |
| 2019 | $1,561.37  | $98.29  | 6.70% |
| 2018 | $1,463.08  | $61.27  | 4.40% |
| 2017 | $1,401.81  | $88.80  | 6.80% |
| 2016 | $1,313.01  | $38.22  | 3.00% |
| 2015 | $1,274.79  | $94.01  | 8.00% |
| 2014 | $1,180.78  | $31.37  | 2.70% |
| 2013 | $1,149.41  |   |   |

* Increase to dues comparison:
	+ 2014 – 2022 GL7 annualized dues increase – 5.9%
* Budget to Actual variance comparison:
	+ 2016 Total Budget $8,036,665
		- 2016 End of Year Op Fund Excess $57,277 - .7% of the total budget
	+ 2017 Total Budget $8,644,223
		- 2017 End of Year Op Fund Excess $159,567 – 1.8% of the total budget
	+ 2018 Total Budget $9,023,685
		- 2018 End of Year Op Fund Excess $81,677 – 0.9% of the total budget
	+ 2019 Total Budget $9,539,605
		- 2019 End of Year Op Fund Excess $374,333 – 3.9% of the total budget
	+ 2020 Total Budget $9,891,579
		- 2020 End of Year Op Fund Excess $579,426 – 5.9% of the total budget
	+ 2021 Total Budget $10,422,694
		- 2021 End of Year Op Fund Deficit ($200,416) – 1.9% of the total budget
	+ 2022 Total Budget $11,373,122
* Six-year average budget to actual variance is 2.5%

*Discussion:*

* *Lindsay recommended that to avoid redundancy and streamline the board packet, we remove TripAdvisor reviews and NPS scores. Board agreed that if we see an accurate sampling of scores, we can keep this format moving forward.*
* *Food options. Seven’s contract: lease is up in 2024, but Vail Resorts has two 5-year lease options, so it’s actually 12 more years. Amie and Lindsay will continue to work with Seven’s management to offer better owner specials with more consistency. Look at improving options in The Market.*
* *Shuttle issues/compared to GTL. Location is part of the problem, and if we were to add our own shuttle, we’d just be adding more traffic. In addition, we have to pay into the BMMA no matter what. That said, there is room for improvement for the service and Lindsay and Amie are working with BMMA to reduce these challenges. AC also asked about promoting gratuity, and if there is a possibility to tip on the shuttle app.*

**Important Dates**

**Proposed Date for Next Board Meeting**

* Tuesday 10/11 2022 5-8pm. This is the budget review meeting.

**Agreement Dates**

Management Agreement:

* Initial term from 1/1/2020 – 12/31/2029
* Auto-renews for successive periods of 5 years
* Action for change required 180 days prior to renewal

Interval International Agreement:

* 12/31/2024
* No auto-renewal

Resale Agreement:

* 1/1/2018 and auto renews annually
* Auto-renews with 90 days written notice for change

External Reserve Study Update Due:

* 2026

Sevens Restaurant Lease:

* 2/4/2024 end of initial term with two 5-year tenant options to renew
* Action for change required no earlier than 365 days and no later than 180 days

**Action Items**

**Review Current Action Items**

#80 - Investigate adding an Escape Room at GL7 – Completed and opened 2/2/22. Closed 4/9/22.

#81 - Updated G&A Expenses, along with an updated Illustrative Example of Management Fees will be shared with the Board and Advisory Committee at the fall Board meeting.  Additionally, the resulting MOU will be created and shared with the Board and Advisory Committee once fully executed.  The 2022 information was sent to the Board and AC on 11/2/21. This will be an ongoing action item. In process.

#82 – Notify the board and AC of the TSW upgrade date prior to all owner communication. This information was sent to Board and AC on 11/29/21. Closed 4/9/22.

**Action Item Summary**

*#83 – Look into Shuttle app gratuity options*

*#84 - Investigate having fresher items in The Market*

*#85 – Update the Agreements section to show Sevens lease amendments to include two 5-year renewals*

**Adjournment**

Motion to adjourn at 11:05am

Made by Linda Cole