**grand colorado on Peak 8
Owners’ Association

Board of Directors and Advisory Committee Meeting**

**Attendance:**

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

**Advisory Committee Members: Jennifer Gilligan, Skip Klenk**

**Staff: Peggy Helfrich, Kari Scarcelli, Joe Clark-Fulcher, Dave Reinwand, Mary Kay Perrotti, Kimberly Tramontana, Joanni Linton, Jason Bretz, Stephanie Bristley**

**Call to Order**

By: Barry Time: 2:06PM

**Changes to the Agenda**

**Approval of Minutes 4/30/2022 Board Meeting Minutes**

**MOTION:** To approve the 4/30/2022 GTLOA Board meeting minutes.

MADE BY: Nick Doran

SECONDED BY: Blake Davis

Discussion: None

IN FAVOR: All

OPPOSED: None

ABSTAIN: None

**FINANCIALS**

**GC8OA unaudited Financials**

**August 2022**

Please find the summary for the attached GC8OA August 2022 Unaudited Financials.

* Overall, the Operating budget shows a favorable variance of $601,664 YTD.
* Operating Revenue is showing a favorable variance of $8,878 YTD.
* The Operating Expenses show a favorable variance of $592,786 YTD.

The GC8OA August Unaudited Financials were also shared in the 10/13/22 Missive. Please keep in mind that adjustments made at year’s end may affect the total fiscal year budget outcome.

Board action required

**Motion: TO ACCEPT the GC8oa August 2022 UNAUDITED FINANCIALS.**

Made by: Blake Davis

seconded by: Nick Doran

Discussion: none

In favor: all

Opposed: none

Abstain: none

**Accounts Receivable Update**

EOY 2021: ​

* 99% of dues paid​
* 1 deed recovered ​

​

As of 10/1/2022:​

* 97% of 2022 dues paid​
* 3 deeds recovered​
* No past due balance owing at the time of cancellation

**HB 22 – 1137 Delinquency and Foreclosure Process Update**

**Major Highlights:**

* HOA’s are not able to charge as much in late fees as they could previously
* Late Notices must now be sent every month by First Class and sometimes Certified Mail
	+ Late Notices must also be emailed
* Board members, association/property management/law firm employees, or immediate family cannot buy a unit at foreclosure auction

**GC8OA Board Process Changes:**

* The Spring Board Meeting will include a motion to approve the number of accounts moving into foreclosure
* A special Executive Meeting will be called to approve specific foreclosure accounts when they are ready to be processed
* Motions to approve an update to the Governance Policy regarding Collections, as well as the addition of an Enforcement of Covenants to show compliance of HB 22 -1137 are shown on the following pages

**What is BGV doing to assist:**

* BGV has been in contact with Colorado Representatives and Senators, Legal Representation, and ARDA to create an exception for timeshares
	+ We will be vehemently working to have this law amended next year in recognition of how it unfairly affects Timeshare Associations
* Using the BGV internal platform to email late notices, so there are no additional costs to GC8OA

**HB 22 – 1137 Governance Policy Update**

**Enforcement of Covenants**

As shared in the 8/3/22 Missive, HB 22- 1137 caused changes to the Delinquency and Collections process. This is being relitigated in the first part of 2023 with hopeful considerations for Timeshares. If there are changes in the new legislative session, more permanent Rules and Regulations updates will be made. In the meantime, the Enforcements of Covenants shows compliance with this new law. This attached document, as prepared by legal counsel, will be posted on Grand Central once approved by the GC8OA Board and signed by Barry Chasnoff, Board president.

Board action required

**Motion:** To approve the Enforcement of Covenants to be in compliance with HB 22- 1137.

Made by: blake davis

seconded by: nick doran

Discussion: Action Item: Get clarification from legal counsel on how GC8OA would be able to have a determination on an Executive Board in order to be compliant with the provision stated in Section 2. Ask counsel to make it clear in this section that hearings do not have to be in person, that they can be conducted virtually. Update: Peggy reached out to legal counsel and in this instance, “Executive Board” and “Board” are interchangeable. Legal provided an updated version of the Enforcement of Covenants with that replacement.

In favor: all

Opposed: none

ABSTAIN: none

**Governance Policy Update**

Also being updated is the GC8OA Collections Governance Policy to remain in compliance with HB 22 – 1137. The redline and clean versions were attached to the Board material email for your review. This will also be updated on Grand Central once approved.

Board action required

**Motion:** To approve the Collections section of the Governance Policy to be in compliance with HB 22- 1137.

Made by: blake davis

seconded by: nick doran

Discussion: none

In favor: all

Opposed: none

ABSTAIN: none

**GC8OA General & Administrative Expenses Review**

**Grand Colorado on Peak 8 Owners’ Association**

**2023 Proposed Budget Summary**

**The General Summary**

Total Proposed 2023 GC8OA Budget: $14,612,134

GC8OA started the current year with an Operating Fund Balance of approximately $2.3M. GC8OA is forecasting an Operating Fund Surplus of $118K, when the ($500K) budgeted loss is taken into account. A ($500K) loss was approved in the 2022 budget, which is expected to result in a budgeted 2022 Operating Fund Balance of approximately $1.8M. The proposed 2023 Fund Surplus Reduction line item includes ($750K), leaving an ending 2023 Operating Fund balance of approximately $1M. The Board can choose to adjust the loss amount, if desired.

* Property Tax – 2023 is a valuation year and per the County Assessor preliminary estimates, residential valuations may increase as much as 62%.  BGV took a conservative approach and budgeted for a 50% valuation increase in the proposed 2023 budget. BGV will hire consultants to protest these valuation increases, if recommended.

* Collections Bill (HB 22-1137) - This bill will decrease late fee revenue and increase the number of dues payment servicing late notices as well as related postage expenses.

* The Accommodation Unit Regulatory Fee (AURF) is currently budgeted at $756/bedroom; $400/bedroom was charged in 2022. Per the Town of Breckenridge, this fee can be as high as $756/bedroom in 2023, which will be voted on as part of the Town’s annual budget process, to be completed by December 1st.

* As previously shared, the wage analysis determined that certain wage increases were necessary to ensure BGV continues to be the Employer of Choice in Summit County, which allows us to provide the quality and experience that our owners expect and deserve. These wage increases are reflected in the Housekeeping, Engineering, Guest Services, Activities, and Resort Operations line items as far as direct pass-through departments to the annual HOA operating budget as well as other indirect departments such as Owner Relations.

**Please refer to the next page for significant increases/decreases detail.** **We have provided explanations for any variances in excess of $88K or greater.**

**Dues Comparison**

Breckenridge Residences:

* Current Annual 2022 Dues: *$2,038.83* (per week in a Breck 2-bedroom lock off)
* Proposed Annual 2023 Dues: *$2,139.82* (per week in a Breck 2-bedroom lock off)
* Total increase to the annual dues from 2022 to 2023: *$100.99 (4.95%)*

Colorado Residences:

* Current Annual 2022 Dues: *$2,344.66* (per week in a CO 2-bedroom lock off)
* Proposed Annual 2023 Dues: *$2,460.79* (per week in a CO 2-bedroom lock off)
* Total increase to the annual dues from 2022 to 2023: *$116.13 (4.95%)*

Board action required

**Motion: Approve the proposed Grand Colorado on Peak 8 Owners’ Association 2023 budget**

Made by: blake davis

seconded by: nick doran

Discussion: none

iN fAVOR: all

oPPOSED: none

Abstain: none

**Operating Surplus**

Blake will lead a discussion regarding options involving how to best use the excess Operating Fund surplus.

Discussion: Consensus to leave surplus in retained earnings.

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

**October 2022**

Earlier this year, Breckenridge Grand Vacations made the decision to measure our success moving forward via a Triple Bottom Line approach, which allows us to divide our goals into three categories. The categories are people, planet, and prosperity. Each category is equally important and combined, they elevate the success of BGV and our family of resorts. Grand Colorado on Peak 8 has welcomed this model and is excited to share the following highlights:

Staff Recognition (People):

* Grand Colorado on Peak 8 employees were awarded pay increases following a comprehensive wage analysis that helped define BGV’s compensation philosophy and ensures a sustainable workforce.
* Employee engagement remains a focal point in the pursuit of retaining top talent. Gallup’s 12 Elements of Employee Engagement have helped leaders engage with their teams at a high level.
* Jeff Salquist, our Chief Engineer at GC8, was recognized as a Gold award winner by the American Resort Development Association (ARDA) in the category of Engineering Team Member during the annual conference in Hollywood, Florida.
* Grand Colorado on Peak 8 Assistant General Manager, Stephanie Bristley, was the recipient of the Coach of the Year award at BGV’s 2022 Leadership Summit. This award honors the BGV leader who has demonstrated the greatest commitment to the support and development of others.
* Julianna Nopson was promoted to Guest Services Manager.
* Tom Balarezo was promoted to Assistant Housekeeping Manager.
* Derek Schade has accepted the Night Operations Manager position.

Sustainability Efforts (Planet):

* We have partnered with EnergyPrint to provide a dashboard of electric and natural gas usage as well as suggestions to minimize and improve the property’s environmental impact.
* A partnership was created with Pivot Energy to offset electric expenses. The company develops, finances, builds, and manages community and commercial solar projects around the country which helps support Xcel Energy’s sustainability goals.
* We have implemented a pricing structure for all electric vehicle charging stations, including increased idle fees, which will help offset energy expenses and support purchasing future EV charging stations.
* A robust composting and recycling program has been implemented in partnership with Robbie’s Tavern to help with our goal of diverting as much waste as possible from the landfill.
* Breckenridge Grand Vacations is moving away from selling water in single use plastic bottles. We are now carrying water only in aluminum bottles that can be refilled at any of our refilling stations around the resort.

Property Improvements (Prosperity):

2022 enhancements include the following reserve projects:

* Furniture was added to the Building 3 first floor lounge to create a new space for our owners and guests to enjoy.
* New carpet was installed on the Sky Bridge and first floor in Building 3.
* The Activities Center located next to the Front Desk was updated with new flooring and a door that has a window.
* A new shuffleboard table was purchased.
* New composite coffee tables were purchased for Elev8 Lounge and The Lobby Bar patio.
* The aquatics areas have new composite furniture.
* Unit carpet is being replaced in Building 1 residences.
* Mattresses are being replaced in all Building 1 residences.
* Sofa sleepers are being replaced in Building 1 Breckenridge one bedrooms and suites.
* An upgraded heater was installed in the sauna.
* New reclining chairs are being installed in Theaters 1-4.
* New sitting chairs are being purchased for all Building 1 residences.
* We partnered with a different vendor for our Family Fun Center to bring in new arcade games.

The following projects are scheduled to take place in 2023:

* Hallway carpet replacement in the Building 1 and 2 hallways
* Unit carpet replacement in all Building 1 residences
* Lobby carpet replacement
* New cardio equipment for the Fitness Center
* New cushion furniture for the Aquatics Areas
* New dining room furniture for Building 1 Colorado and Breckenridge one bedroom residence
* Building 2 mattress replacements
* New benches for ski locker rooms
* New sitting chairs for Building 2 residences
* New entry benches
* New end of bed benches for Colorado one bedrooms
* New lamps
* New sofa sleepers for Building 2 Breckenridge one bedrooms and suites

**NEW BUSINESS**

**Stables Lot Lease Renewal**

GC8OA has the option to renew the Stables Parking Lot Lease Agreement for an additional five-year term commencing January 1, 2023. The motion below provides notice to Peak 8 Properties of the Association’s intent to renew the Stables Parking Lot Lease Agreement in accordance with the attached Second Amendment to Parking Lot Lease Agreement. The motion also authorizes the execution of the Second Amendment by the Board.

**MOTION:**  To provide notice to Peak 8 Properties that GC8OA intends to exercise its option to renew the Stables Parking Lot Lease Agreement pursuant to the terms of the Second Amendment to Parking Lot Lease Agreement, and to further authorize the subsequent execution of the Second Amendment to Parking Lot Lease Agreement by the Board.

Made by: blake davis

seconded by: nick doran

Discussion: day use demand has increased, more individual vehicles due to covid (less shuttle services used as a result)

iN fAVOR: all

oPPOSED: none

Abstain: none

**Miscellaneous**

**Comments to/from Staff**

None at this time

GC8OA October 2022 Snapshot

* GC8 Trip Advisor Stats:
	+ Currently ranked #4 of 23 properties under “Hotel” category
	+ 4.5 out of 5 stars
	+ To read our reviews, please click [here](https://www.tripadvisor.com/Hotel_Review-g33327-d11680322-Reviews-Grand_Colorado_On_Peak_8-Breckenridge_Colorado.html)
* Continued excellence in Housekeeping Dept. Slight decline in other areas of the resort.

|  |  |  |
| --- | --- | --- |
| **GC8 Service Score Comparison** | **Last Year’s Avg****10/1/2020-9/30/2021** | **This Year’s Avg****10/1/2021-9/30-2022** |
| **Front Desk** | **9.36** | **9.18** |
| **Engineering Staff** | **9.16** | **9.09** |
| **Room Engineering**  | **8.96** | **8.91** |
| **Housekeeping, Room Cleanliness** | **9.52** | **9.51** |
| **Housekeeping, Staff** | **9.23** | **9.26** |
| **Activities Staff** | **9.24** | **9.16** |
| **Amenities Cleanliness** | **9.63** | **9.53** |
| **Infinity Spa**  | **9.56** | **9.44** |
| **Robbie’s Tavern** | **8.67** | **8.56** |
| **Shuttle** | **9.30** | **8.57** |
| **Overall accommodations** | **9.20** | **9.05** |
| **GNPS** | **75%** | **70%** |
| **GONPS** | **78%** | **71%** |

* Reserve studies % funded based on the final FY21 audit report as of 12/31/21 for 30-year forecast:
	+ Combined – 6.7%
* 2023 4.95% Increase to the Dues Breakdown (2BR Annual Breckenridge Master):
	+ Operating Fund – 4.29% of total increase
	+ Unit Reserve – .32% of total increase
	+ Common Reserve – .35% of total increase
	+ Total Reserve – .66%

**Grand Colorado on Peak 8 2022 Dues Comparison**

Valdoro Mountain Lodge Breckenridge 2 Bedroom $3,366 (2022)

The Ranahan by Welk Breckenridge 2 Bedroom $2,958 (540,000 points)

Hyatt Main Street Station Breckenridge 2 Bedroom $2,600 (2022)

**Grand Colorado on Peak 8 (Colorado) Breckenridge 2 Bedroom $2,461 (proposed 2023)**

**Grand Colorado on Peak 8 (Breckenridge)Breckenridge 2 Bedroom $2,140 (proposed 2023)**

Marriott Mountain Valley Lodge Breckenridge 1 Bedroom $1,900 (2022)

|  |  |  |  |
| --- | --- | --- | --- |
| Grand Colorado on Peak 8 Owners Association | 2BRBreckMaster | Annual $ Incr(Decr) | Annual % Incr(Decr) |
| Year | Dues |  |  |
| 2017 | $1,624.18 |  |  |
| 2018 | $1,707.40 | $83.22 | 5.1% |
| 2019 | $1,893.93 | $186.53 | 10.9% |
| 2020 | $1,948.13 | $54.20 | 2.9% |
| 2021 | $1,990.94 | $42.81 | 2.2% |
| 2022 | $2,038.83 | $47.89 | 2.4% |
| 2023 | $2,139.82 | $100.99 | 4.9% |

* Annualized increase to dues:
	+ 2023 GC8 annualized dues increase – 4.7% (2BR Annual Breck Master)
* Total Budget to Actual variance comparison:
	+ 2018 Total Budget $6,206,791
		- 2018 End of Year Op Fund Deficit $(47,234) – 0.8% of the total budget
	+ 2019 Total Budget $7,205,133
		- 2019 End of Year Op Fund Surplus $401,090 – 5.6% of the total budget
	+ 2020 Total Budget $12,336,573
		- 2020 End of Year Op Fund Surplus $1,694,128 – 16.1% of the total budget
	+ 2021 Total Operating Budget $13,243,982
		- 2021 End of Year Op Fund Surplus $568,581 – 4.3% of the total budget
	+ 2022 Total Operating Budget $13,694,002
		- 2022 End of Year Op Fund Surplus $382,092 – 2.8% of the total budget
	+ 2023 Total Operating Budget $14,612,134

**Important Dates**

* Proposed GC8OA Board Meeting:

**Saturday, April 29, 2023**

* In person with remote option
* Property Tour – start time and location TBD
* Board Meeting – 9-11am (in-person and GoToMeeting participation options available)
* Lunch – 11:30am-12:30pm (for all in-person Board Meeting attendees)
* Annual Meeting – 1pm via GoToWebinar for all (no in-person participation)
* Interval International Contract:
	+ 12/31/2024
* 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
	+ Second Amendment extends expiration to 12/31/2030
	+ Action required for any change by written notice 180 days prior to renewal date
* External Reserve Study Review:
	+ 2026
* Stables Lot Lease:
	+ Expires on 12/31/22 – Renewal proposed at 10/26/22 Board meeting
	+ Two 5-year options to renew with a 5% increase for each renewal term
	+ Action required for any change by written notice 60 days prior to renewal date
* 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**

Action Item: Get clarification from legal counsel on how GC8OA would be able to have a determination on an Executive Board in order to be compliant with the provision stated in Section 2. Ask counsel to make it clear in this section that hearings do not have to be in person, that they can be conducted virtually.  Update: Peggy reached out to legal counsel and in this instance, “Executive Board” and “Board” are interchangeable. Legal provided an updated version of the Enforcement of Covenants with that replacement.

**Adjournment:**

Motion to Adjourn:

By: Barry Chasnoff

Time: 3:20 PM