

**GC80A BOARD AND ADVISORY COMMITTEE
MEETING MINUTES
10/24/2024**

Attendance:

GC80A Board Members: Barry Chasnoff, Emily Lutke, Blake Davis, Marissa Frutchev, Kimberly Tramontana, Nick Doran, Skip Klenk

Advisory Committee Members: Judith Lacy, Butch Shoup

BGV Staff: Joanni Linton, Peggy Helfrich, Joe Clark-Fulcher, Jason Bretz, Stephanie Bristley, Kari Sommers, Faren McDonald, Dave Reinwand

Call to Order

By: Barry Chasnoff Time: 10:03am

MOTION: TO APPROVE THE APRIL 27, 2024 MEETING MINUTES.

MADE BY: JUDITH LACY

SECONDED BY: KIMBERLY TRAMONTANA

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

FINANCIALS

Unaudited Financials

**GC80A UNAUDITED FINANCIALS
AUGUST 2024**

Following is the summary of the August YTD operating and reserve income and expenses.

Grand Colorado on Peak 8	Financial Summary August 31, 2024			
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>\$ Variance Fav (Unfav)</u>	<u>% Variance Fav (Unfav)</u>
Operating:				
Income	\$ 9,956,609	\$ 9,934,239	\$ 22,370	0%
Expenses	9,842,573	10,032,289	189,715	2%
Operating Surplus (Deficit)	114,036	(98,050)	212,086	216%
Reserves: (Unit and Common)				
Income	1,555,693	1,309,085	246,608	19%
Expenses	1,323,277	1,273,400	(49,877)	-4%
Reserve Surplus (Deficit)	232,416	35,685	196,731	551%
Operating and Reserve Surplus (Deficit)	\$ 346,452	\$ (62,365)	\$ 408,817	-656%

The GC80A August Unaudited Financials were also shared in the 9/25/24 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 GC80A AUGUST 2024 UNAUDITED FINANCIALS.

MADE BY: BLAKE DAVIS

SECONDED BY: MARISSA FRUTCHEY

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

GC80A
Accounts Receivable Update
Fall 2024

97% dues paid as of 10/1/24 (97% paid as of 10/1/23)

EOY 2023:

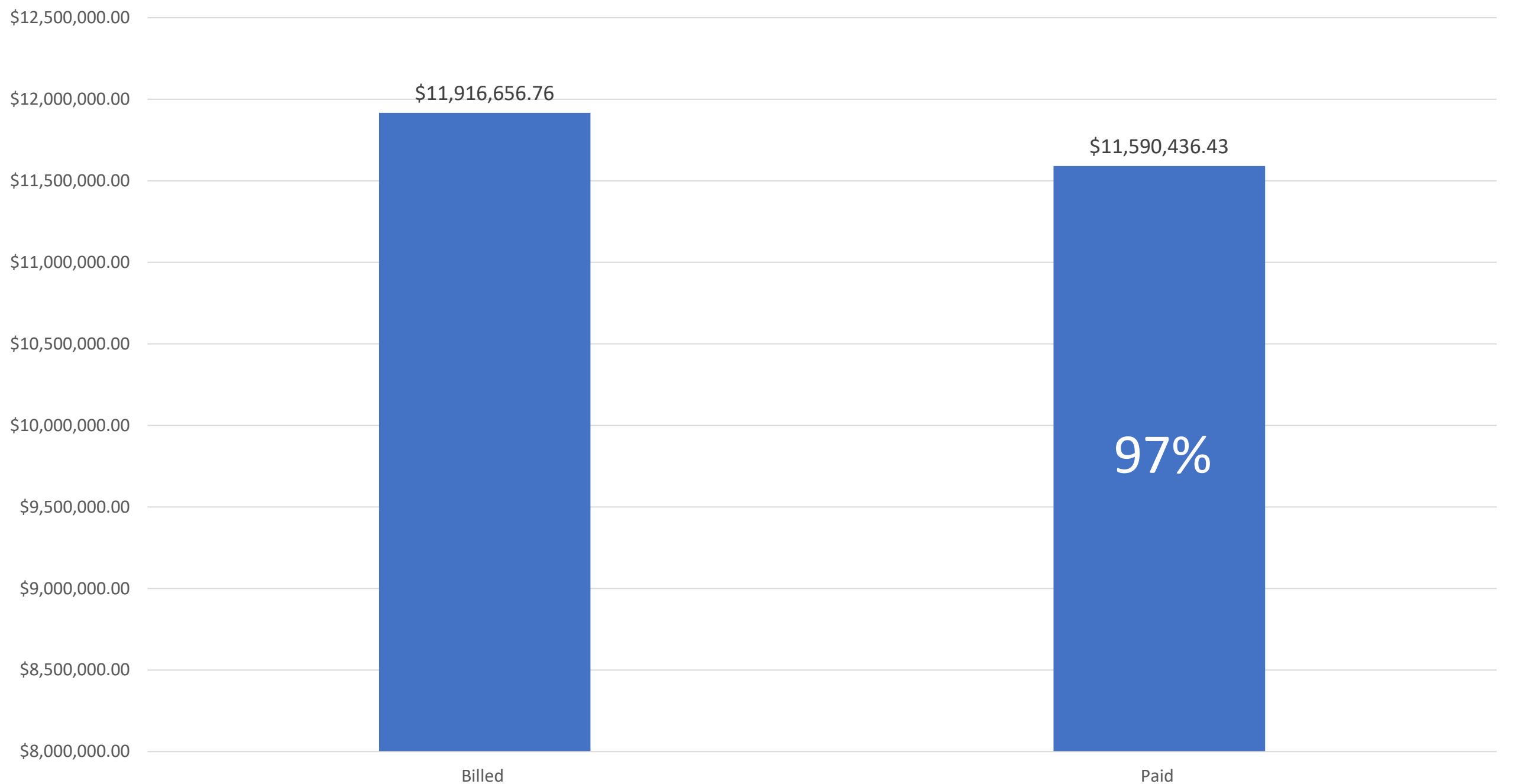
99% of dues paid

- 14 deeds recovered via BGVARM:
 - \$22,793 in bad debt (7 accounts with past due balance when canceled)
 - \$ 3,233 gained in deed in lieu income (2 accounts)

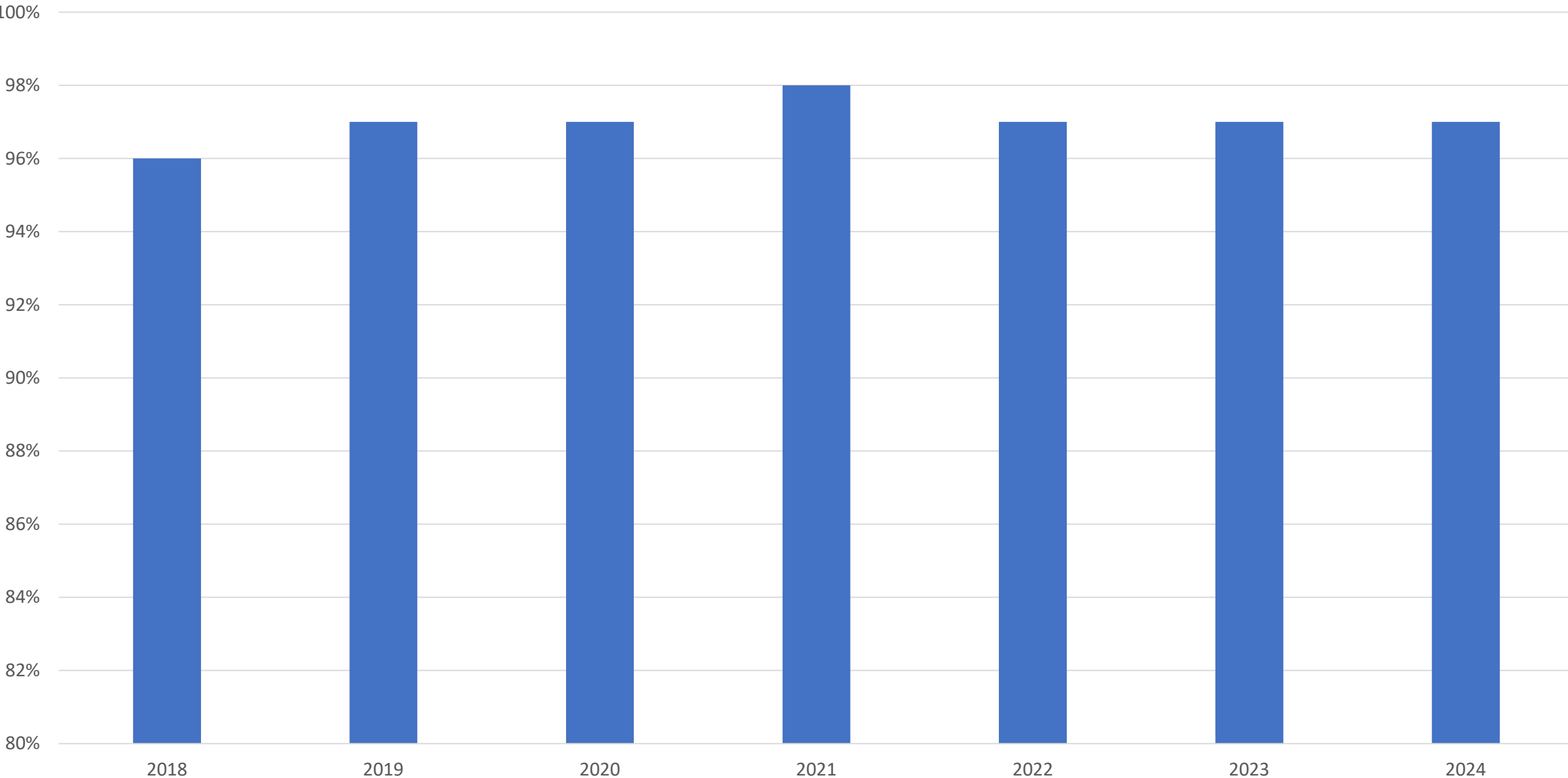
As of 10/1/24:

- 6 deeds recovered via BGVARM:
 - \$17,319 past due balance at the time of charge-off (5 accounts)

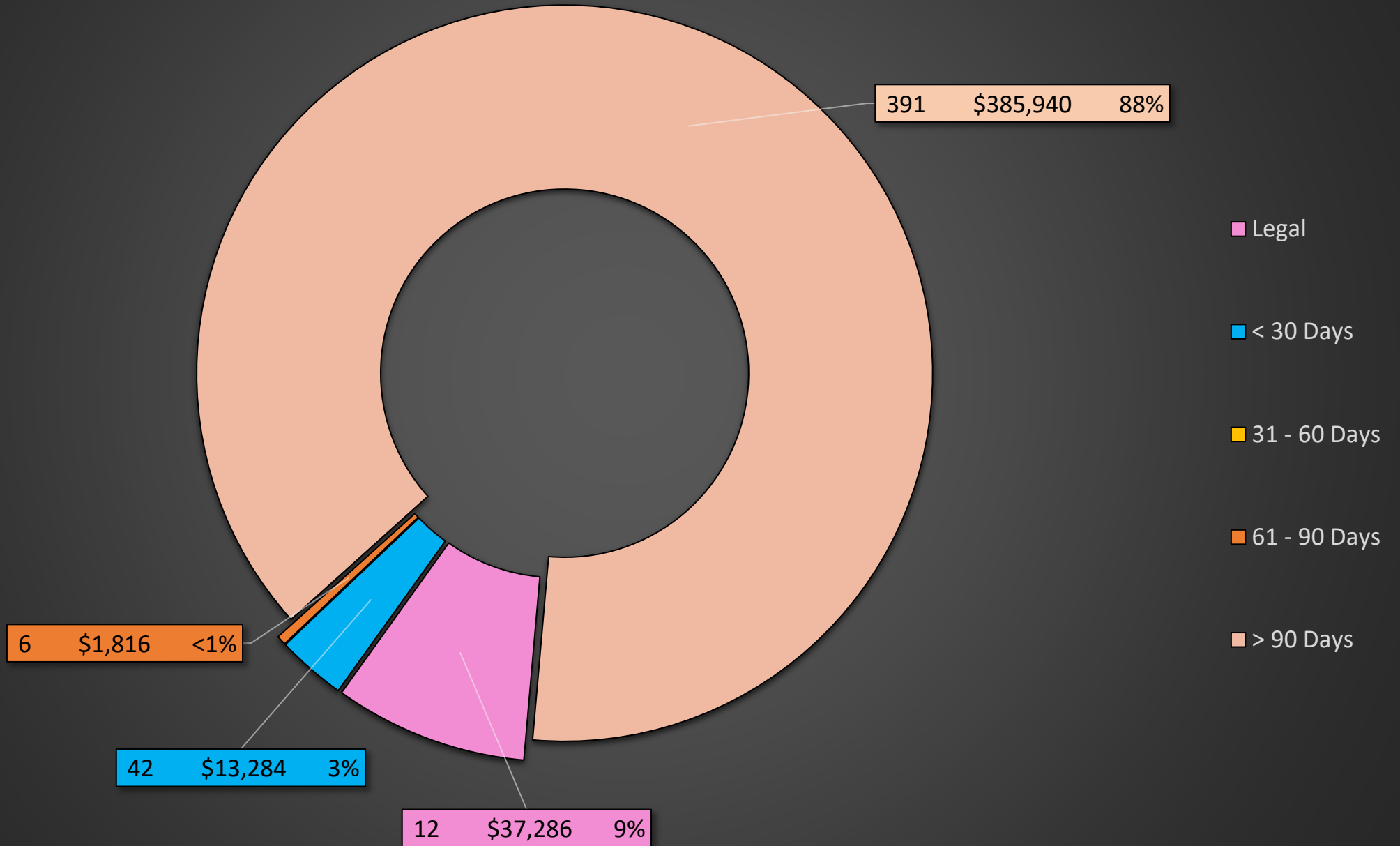
Grand Colorado Dues Paid as of 10/1/24



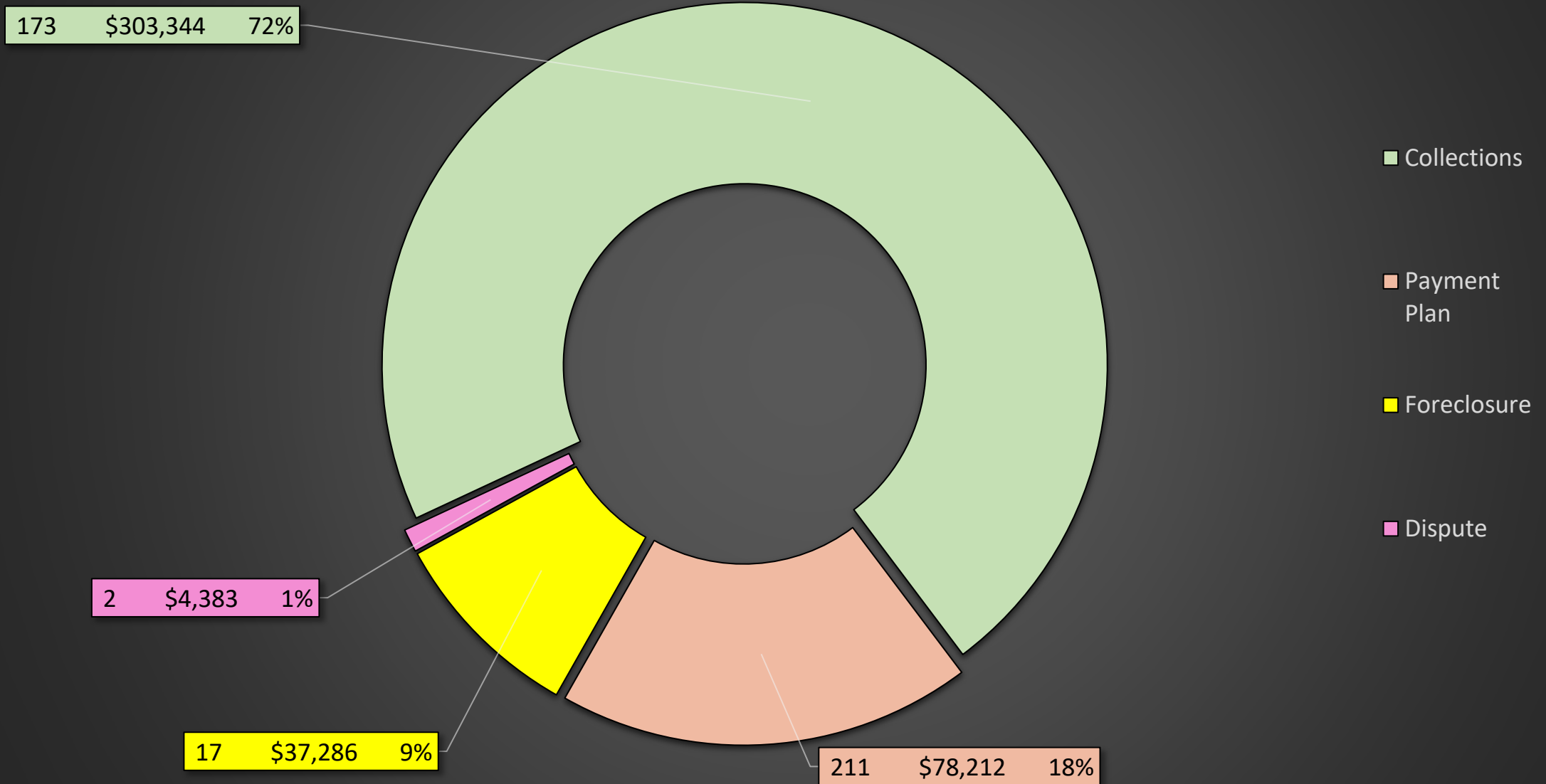
GC80A Dues Paid as of 10/1 (Year over Year)



10/1/24 GC8OA Total AR Portfolio Aging Composition



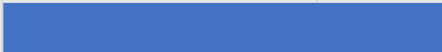
4/1/24 GC80A Greater Than 90 Days Past Due Composition



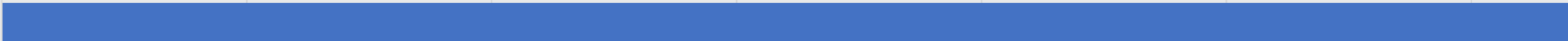


Reasons for Delinquency

Refusal to Pay



Paying Online



Medical



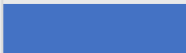
Loss of Income



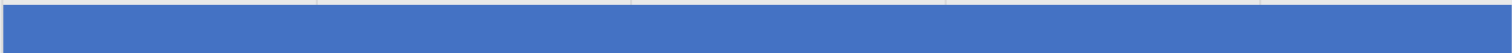
Divorce



Dispute with Resort



Customer Oversight



Bankruptcy



Foreclosure List Approval

Per HB 22-1137, Board approval is required for the list of foreclosures below.

EXHIBIT 1

Inventory/Interval	Past Due Amount
1421AB/4/E	\$1,139.89 (Deceased)
1424H/18/A	\$4,174.60
1022B/34/O	\$1,192.52
1522G/24/E	\$1,135.29
1022A/22/E	\$1,374.58
2135AB/23/A	\$4,781.02
1224H/40/A	\$3,065.27

BOARD ACTION REQUIRED

MOTION: TO APPROVE THE FORECLOSURE LIST AS PRESENTED.

MADE BY: NICK DORAN

SECONDED BY: KIMBERLY TRAMONTANA

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

GC80A Reserves Review

Reserve Study Review
October 2024
2024

Grand Colorado on Peak 8 2024 Common Area Expenditures					
Description	Budget	Expenditure	Variance	Variance Notes	Status
Snowmelt Heat Exchanger	\$ 180,000	\$ 75,000	\$ 105,000	Deposit in 2023 and completed in the spring	Complete
Building 3 Aquatics Furniture	\$ 150,000	\$ -	\$ 150,000	Completed in 2023	Complete
Lobby Furniture	\$ 125,000	\$ 140,000	\$ (15,000)	Increased furniture and design cost	In Progress
Hallway Trim	\$ 120,000	\$ 100,000	\$ 20,000	Reduced quantities needed and purchased	In Progress
Carpet	\$ 100,040	\$ 40,000	\$ 60,040	Lobby carpet fall project	In Progress
Elev8 Lounge Re-Model & Furniture	\$ 80,000	\$ -	\$ 80,000	Postponed to 2025	Postponed
Garage Sealing	\$ 73,192	\$ 73,192	\$ -	Completed in the fall	Complete
Courtyard Grilling Area Furniture	\$ 50,000	\$ 53,231	\$ (3,231)	Completed in the spring	Complete
In Room Entertainment System	\$ 50,000	\$ 55,752	\$ (5,752)	Completed in the spring	Complete
Contingency	\$ 34,800	\$ 34,243	\$ 557	Purchased ski locker doors and new amenities brackets/bottles for showers	Complete
Interior Paint	\$ 30,000	\$ 30,000	\$ -	Completed in the spring/summer	Complete
Circulation Jet Pumps	\$ 30,000	\$ 20,000	\$ 10,000	Deposit in spring and final payment in fall	In Progress
Chemical Metering System	\$ 27,000	\$ -	\$ 27,000	Postponed to 2025	Postponed
Grotto Furniture	\$ 25,000	\$ 16,332	\$ 8,668	Completed in the spring	Complete
Electric Vehicle Charger	\$ 25,000	\$ 24,231	\$ 769	Completed in the spring	Complete
Timer Boards - Aquatics	\$ 18,000	\$ 10,000	\$ 8,000	Decreased costs and quantity	In Progress
Heat Pumps	\$ 18,000	\$ 16,000	\$ 2,000	Reduced quantities needed and purchased	Complete
Auto Water Level Control	\$ 15,029	\$ -	\$ 15,029	Postponed to 2025	Postponed
Bell Carts	\$ 7,500	\$ 7,864	\$ (364)	Purchased	Complete
Floor Cleaning Machines	\$ 7,492	\$ 7,500	\$ (8)	Purchased	Complete
Radio Repeater	\$ 6,500	\$ -	\$ 6,500	Postponed to 2025	Postponed
Housekeeping Carts	\$ 5,000	\$ 5,000	\$ -	Purchased	Complete
Screen Doors	\$ 4,585	\$ 4,500	\$ 85	Purchased	Complete
Roll Away Beds	\$ 4,250	\$ -	\$ 4,250	Purchased	Complete
Washer & Dryer for Housekeeping	\$ 4,000	\$ 3,606	\$ 394	Purchased	Complete
Water Fountains	\$ 4,000	\$ 2,290	\$ 1,710	Purchased	Complete
Pool Deck Heaters	\$ 3,000	\$ -	\$ 3,000	Postponed to 2025	Postponed
CO Sensors - Garage	\$ 2,500	\$ -	\$ 2,500	Postponed to 2025	Postponed
TV for Day Use Room	\$ 2,000	\$ -	\$ 2,000	Postponed to 2025	Postponed
Grotto Tile/Drain Replacements	\$ -	\$ 3,500	\$ (3,500)	Purchased with savings from other projects	Complete
E-Bike Lockers	\$ -	\$ 3,472	\$ (3,472)	Purchased with savings from other projects	Complete
Grill Replacement Parts	\$ -	\$ 3,959	\$ (3,959)	Purchased with savings from other projects	Complete
Stables HX Replacement	\$ -	\$ 6,461	\$ (6,461)	Purchased with savings from other projects	Complete
Benches/Large Door Mats	\$ -	\$ 20,647	\$ (20,647)	Purchased with savings from other projects	Complete
Entrance Signage	\$ -	\$ 23,770	\$ (23,770)	Purchased with savings from other projects	Complete
Pool Area & Locker Room Enhancements	\$ -	\$ 27,921	\$ (27,921)	Purchased with savings from other projects	Complete
B1 Heat System Glycol	\$ -	\$ 29,415	\$ (29,415)	Purchased with savings from other projects	Complete
Boiler Filter Install	\$ -	\$ 40,000	\$ (40,000)	Purchased with savings from other projects	In Progress
Pump Room & Closet Waterproofing	\$ -	\$ 48,020	\$ (48,020)	Purchased with savings from other projects	Complete
Boiler & Heat Exchanger Parts	\$ -	\$ 121,611	\$ (121,611)	Purchased with savings from other projects	Complete
	\$ 1,201,888	\$ 1,047,517	\$ 154,370		

Grand Colorado on Peak 8 2024 Unit Expenditures					
Description	Budget	2024 Expenditure	Cost Variance	Variance Notes	Status
Barstools	\$ 211,000	\$ 116,997	\$ 94,003	Decreased material cost	Complete
Coffee & End Tables	\$ 163,300	\$ 201,758	\$ (38,458)	Increased quantity. Completed in spring	Complete
Dining Room Tables	\$ 163,000	\$ 148,380	\$ 14,620	Decreased material cost	Complete
Decorative Pillows	\$ 111,700	\$ 113,500	\$ (1,800)	Increased cost and quantity purchased	In Progress
Cubbies for Suites	\$ 95,000	\$ -	\$ 95,000	Postponed to 2025	Postponed
Entry Way Benches	\$ 31,000	\$ 35,403	\$ (4,403)	Increased material cost	Complete
Contingency	\$ 20,000	\$ 28,851	\$ (8,851)	Corner guards, amenity bottles & brackets	In Progress
Ottomans	\$ 11,475	\$ -	\$ 11,475	Postponed to 2025	Postponed
Appliances	\$ 48,050	\$ 46,513	\$ 1,537	Completed in spring	Complete
Bedroom Alarm Clocks	\$ 5,135	\$ -	\$ 5,135	Postponed to 2025	Postponed
End of Bed Benches	\$ 4,000	\$ 2,666	\$ 1,334	Decreased material cost	Complete
Sofa Sleeper Replacement Parts	\$ -	\$ 2,400	\$ (2,400)	Purchased with savings from other projects	Complete
Mattresses	\$ -	\$ 4,500	\$ (4,500)	Purchased with savings from other projects	In Progress
Lamps	\$ -	\$ 56,505	\$ (56,505)	Purchased with savings from other projects	In Progress
Cabinet Doors	\$ -	\$ 150,000	\$ (150,000)	Unplanned expense due to wear and visual appearance of cabinets	In Progress
	\$ 863,660	\$ 757,473	\$ 106,187		

Grand Colorado on Peak 8 2025 Common Area Expenditures	
Description	Budget
Wi-Fi	\$ 350,000
Boilers	\$ 240,000
Carpet	\$ 238,647
Elevator Cabin Refurbishment and Phones	\$ 180,000
Lockers and Locks	\$ 169,840
Aquatics Hot Water Heater, Caulking, Circ/Jet Pumps, Heat Exchangers	\$ 120,200
Dehumidification Unit	\$ 80,000
Escape Room or Game Simulator	\$ 50,000
Music System	\$ 50,000
Contingency	\$ 35,000
Security System	\$ 32,000
Interior Paint	\$ 30,000
HVAC Air Curtains	\$ 27,000
Balcony Screens Doors	\$ 25,000
EV Chargers	\$ 25,000
Stone Wall Replacements	\$ 25,000
Bell Carts, Benches, Digital Signage	\$ 15,250
Theater Seating	\$ 15,000
Pelotons Exercise Equipment	\$ 11,250
Housekeeping Carts, Recycling Carts & Rollaway Beds	\$ 10,750
Appliances & Electronics	\$ 10,530
Heat Tape & Roof Mats	\$ 10,400
Hallway Trim	\$ 10,005
Fire Extinguishers	\$ 10,000
Snow Melt Controls	\$ 8,000
Lighting	\$ 6,800
Sauna Heater	\$ 4,000
Water Fountains	\$ 4,000
	\$ 1,793,672

Grand Colorado on Peak 8 2025 Unit Expenditures	
Description	Budget
Televisions	\$ 386,000
Sofa Sleepers	\$ 355,600
Entry Way Benches, Coffee Tables, and End Tables	\$ 322,800
Carpet	\$ 273,000
Lamps	\$ 198,250
Chairs	\$ 128,000
Mattresses	\$ 111,300
HVAC Parts	\$ 60,000
Appliances	\$ 48,050
Contingency	\$ 25,000
Balcony Doormats	\$ 23,600
TV Trays, Make Up Mirrors, Light Fixtures	\$ 12,620
Ottomans	\$ 8,100
	\$ 1,952,320

FINANCIALS

GC8 Bonus Time Update

In the 2023 Fall Board Meeting Packet, there was a minor error in the cost listed for a CO two-bedroom Bonus Time Rate. The rate was mistakenly entered as the same amount as a Breck two-bedroom, when it should have been higher. Therefore, this led to 13 bookings at the reduced rate, resulting in a revenue shortfall of \$390. Please find the corrected rate below.

Current

GC8 Bonus Time				
	Spring/Fall Weekday	Spring/Fall Weekend	Winter/Summer Weekday	Winter/Summer Weekend
Suite	\$139.00	\$149.00	\$159.00	\$189.00
One Bed Breck	\$179.00	\$199.00	\$209.00	\$229.00
One Bed Colorado	\$199.00	\$209.00	\$219.00	\$259.00
Two Bed Breck	\$259.00	\$269.00	\$269.00	\$329.00
Two Bed Colorado	\$269.00	\$299.00	\$299.00	\$329.00

Corrected

GC8 Bonus Time				
	Spring/Fall Weekday	Spring/Fall Weekend	Winter/Summer Weekday	Winter/Summer Weekend
Suite	\$139.00	\$149.00	\$159.00	\$189.00
One Bed Breck	\$179.00	\$199.00	\$209.00	\$229.00
One Bed Colorado	\$199.00	\$209.00	\$219.00	\$259.00
Two Bed Breck	\$259.00	\$269.00	\$269.00	\$329.00
Two Bed Colorado	\$269.00	\$299.00	\$299.00	\$359.00

The March Group

350 Tenth Ave. – Suite 1000
San Diego, CA 92101



THE MARCH GROUP

"Helping You Build A Firm Financial Foundation For Your Future"

Nico F. March

Managing Director

CA Insurance License OA62786

T 888-811-6501 | F 619-704-3099

Nico@themarchgroup.com

Dear GC8OA Board and Advisory Committee,

We are writing to provide an update on the current economic environment and how your investment portfolio is positioned in light of recent developments. As we move through the end of 2024, the U.S. economy continues to face a complex mix of challenges and opportunities. Inflation remains a central concern, driven by lingering supply chain disruptions, fluctuating energy prices, and strong consumer demand. Policymakers, including the Federal Reserve, are carefully managing these dynamics, with the Fed forecasting additional interest rate cuts this year to help stabilize growth.

Given the Fed's rate outlook, we have positioned the portfolio to take advantage of the current interest rate environment by exploring longer-duration investment vehicles.

For the Association's finances, our priorities remain clear: first, the safety of principal; second, liquidity; and third, return on investment. As the cowboy philosopher Will Rogers famously said in the 1930s, "I am more concerned today about the return of my money than the return on my money." In our view, this approach aligns with the fiduciary responsibility of the Board, which must manage Other People's Money (OPM) conservatively to safeguard assets.

As your fiduciary partner, we remain committed to following the investment policy developed at the outset of our relationship, ensuring that all funds are FDIC-insured or government-backed at all times. This conservative strategy helps protect your portfolio, regardless of market conditions.

As of now, Grand Colorado on Peak 8's portfolio is well-positioned for the end of the year and going into 2025. Approximately 79% of the portfolio is allocated to short-term Treasury Bills, yielding approximately 4.65%. The remaining 21% is invested in intermediate-term Market Linked CDs (MLCDs). These Market Linked CDs, which are FDIC-insured up to \$250,000 per issuer, provide a hedge against inflation, as their returns are tied to the performance of market indices such as the S&P 500 or Dow Jones Industrial Average. While these positions may fluctuate in value with the markets, they are designed to protect principal if held to maturity. Should we see significant gains in these positions, we will consider locking in profits at no additional cost or fees to the Association. Below is a breakdown of the current investments held as of 9/23/24:

\$1,465,000 US Treasury – 4.796% maturing 12/10/24
\$223,000 US Treasury – 4.340% maturing 3/13/25
\$1,388,000 US Treasury – 4.351% maturing 3/13/25
\$1,718,000 US Treasury – 4.796% maturing 12/10/24
\$250,000 Market Linked CD – 0.00% maturing 5/1/28

\$250,000 Market Linked CD – 0.00% maturing 6/29/28
\$250,000 Market Linked CD – 0.00% maturing 6/30/28
\$250,000 Market Linked CD – 0.00% maturing 6/5/29
\$250,000 Market Linked CD – 0.00% maturing 1/31/29
\$50,000 Market Linked CD – 0.00% maturing 5/2/28

Please feel free to reach out to us with any questions at 888-811-6501.

Very truly yours,

Nico F. March
Managing Director

Grand Colorado on Peak 8 Owners’ Association

Proposed 2025 Budget Summary

General Summary

Total Proposed 2025 GC8OA Owner Assessment: \$17,193,923 (8.3% increase worth \$1,356,175)

GC8OA began the current year with an audited Operating Fund Balance of approximately \$1.27M. GC8OA is forecasting an Operating Fund deficit of \$352K. A \$470K loss was approved in the 2024 budget which is expected to result in a year-end 2024 Operating Fund Balance of approximately \$919K. The 2025 budget not include the utilization of the Operating Fund Surplus reduction. Additionally, BGV recommends transferring a portion of the surplus to fund the Reserves. We look forward to further discussion at our meeting.

Grand Colorado on Peak 8 Owners Association				Operating Fund		
Operating Fund Rollforward:				Budget	Forecast	Variance
2023 Ending Operating Fund - audited				\$ 1,271,483	\$ 1,271,483	\$ -
Fund Surplus Reduction - budgeted 2024				(470,000)	(352,315)	117,685
Excess (Deficiency) of Revenues						
Over Expenses - forecasted 2024				-	-	-
2024 Estimated Ending Operating Fund				\$ 801,483	\$ 919,168	117,685

The primary reasons for the budget expense increases are due to the line items listed below:

- Insurance- The forecasted insurance expense for 2024 is approximately \$80K or 27.5% increase over 2024 budget and the premium is expected to increase again in 2025. The proposed 2025 insurance expense reflects a \$298K increase or 28% from the 2024 budget, which is a 15% increase from the 2024 policy. However, there is a potential for an even higher increase. The consultant has indicated that premiums could increase by as much as 30% in certain segments of the association’s insurance package.
- Natural Gas- The current five-year contract for natural gas at all three of BGV’s managed resorts concludes at the end of 2024. The available fixed pricing for 2025 reflects a \$120K or 38% increase over 2024 budget.
- Housekeeping Cleaning- For the 2025 budget, we are projecting an increase of \$180K, or 8.3%, compared to the 2024 budget. This increase is primarily due to a shift in occupancy patterns, with more owner weeks and fewer rental reservations. As a result, we expect cleaning revenue

to decrease by approximately \$200K. Despite the decline in revenue, expenses are remaining flat year over year due to staff merit increases and annual vendor cost adjustments.

New this year, an Income Tax line has been added to the budget. This association is forecasting an income tax liability of around \$90K for 2024 based on 2023 actuals. Due to increased interest income from both operating and reserve cash accounts, as well as gains realized from investments, the association is now including this line item in the 2025 budget. This reflects the new reality of taxable income due to increased financial returns. The interest income has far exceeded expectations, which has been a benefit to the 2024 forecast and 2025 budget.

Please refer to the table on the next page for material variances over \$20K and 10%.

Dues Comparison

<u>Unit Size</u>	<u>2024 Dues</u>	<u>2025 Proposed</u>	<u>Dues Increase</u>	<u>Dues % Increase</u>
Two Bedroom Breckenridge Annual	\$ 2,268.43	\$ 2,456.15	\$ 187.72	8.3%
Two Bedroom Colorado Annual	\$ 2,608.69	\$ 2,824.57	\$ 215.88	8.3%
Total Commercial Dues	\$ 801,032.18	\$ 912,841.13	\$ 111,808.95	14.0%

BOARD ACTION REQUIRED

MOTION: Approve the proposed 2025 Grand Colorado on Peak 8 Owners’ Association budget utilizing \$340K of operating fund surplus towards the 2025 budget to decrease the fractional owner’s dues to 6.02%.

MADE BY: BARRY CHASNOFF

SECONDED BY: SKIP KLENK

Discussion: The board discussed a proposed 8% dues increase for the upcoming year, focusing on minimizing the financial impact to owners. BGV shared the current Operating Fund Balance and options for its use. Recommendations from our auditor suggested using Retained Earnings strategically to support the future needs of our Reserve account. The board considered options for utilizing Retained Earnings, including either moving funds to Reserves to bolster long-term funding or applying a portion directly to reduce the dues increase. BGV Accounting provided impact projections, showing how incremental adjustments (in \$100,000 increments) could help decrease the dues increase. After careful review, the board approved allocating \$340,000 to lower the dues increase from 8% to 6.02%, making the dues increase the same as the increase in 2024.

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

	12/31/2024		Favorable	
	YTD Forecast	YTD Budget	(Unfav) from Budget	Var %
Revenue				
5010-00 Owner Assessment Inc	\$ 15,833,978	\$ 15,837,748	(3,770)	0.0%
5011-00 Cash Discount	(367,674)	(380,106)	12,432	-3.3%
5040-00 Late Fee Income	140,918	119,193	21,725	18.2%
5065-00 Vacation Experience Fee Income	82,870	79,810	3,060	3.8%
5066-00 Rental Resort Fee Income	872,400	1,012,311	(139,911)	-13.8%
5070-00 Misc. Income	94,914	81,284	13,630	16.8%
5071-00 Ski Locker Income	58,500	68,500	(10,000)	-14.6%
5072-00 BMMA Natural Gas Reimbursement	41,167	51,000	(9,833)	-19.3%
5075-00 Deed in Lieu Income	2,602	6,000	(3,398)	-56.6%
5090-00 Interest Income	236,933	13,476	223,457	1658.2%
5089-00 Gain/Loss Investment	(1,616)	-	(1,616)	0.0%
Total Revenue	16,994,994	16,889,216	105,778	0.6%

	12/31/2024		Favorable	
	YTD Forecast	YTD Budget	(Unfav) from Budget	Var %
Expenses				
7245-00 Income Taxes	90,000	-	(90,000)	0.0%
7030-00 Common Area Amenities	155,273	134,313	(20,960)	-15.6%
7031-00 Dues & Subscriptions	50,739	55,836	5,100	9.1%
7040-00 Water and Sanitation	259,575	242,536	(17,040)	-7.0%
7050-00 Satellite / Cable TV	59,397	45,600	(13,800)	-30.3%
7055-00 Elevator Maintenance	82,547	83,761	1,210	1.4%
7060-00 Trash Removal	42,603	42,000	(600)	-1.4%
7065-00 Recycling	38,575	41,034	2,460	6.0%
7070-00 Hot Tub / Pool Supplies	100,634	101,000	370	0.4%
7090-00 Snow Removal	24,746	25,000	250	1.0%
7100-00 Fire Alarm Service	30,137	27,074	(3,060)	-11.3%
7120-00 Management Fee	1,815,580	1,815,582	-	0.0%
7135-00 Dues Payment Servicing	80,512	55,471	(25,040)	-45.1%
7141-00 Owner Relations Fee	1,309,165	1,309,166	-	0.0%
7142-00 Guest Services	1,163,731	1,225,811	62,080	5.1%
7146-00 GC8 Ops	519,059	532,056	13,000	2.4%
7147-00 BGV Ops	201,561	201,560	-	0.0%
7148-00 Activities	13,448	(15,272)	(28,720)	188.1%
7160-00 HOA Meetings & Receptions	5,275	7,420	2,140	28.8%
7175-00 Stables Lot Rent	214,164	226,957	12,790	5.6%
7190-00 Insurance	1,164,069	1,084,309	(79,760)	-7.4%
7200-00 Professional Fees	4,228	13,282	9,050	68.1%
7201-00 Audit & Tax Preparation	17,000	-	(17,000)	0.0%
7202-00 Bank Service Charge	2,999	-	(3,000)	0.0%
7220-00 Credit Card Fees	110,073	95,026	(15,050)	-15.8%
7240-00 Property Tax	1,017,719	1,007,178	(10,540)	-1.0%

2025 Budget vs. 2024 Budget & 2024 Forecast

	Proposed 2025 Budget	% of Total Dues	2024 Budget	Incr (Decr) 2025 Budget To 2024 Budget		2024 Forecast	Incr (Decr) 2025 Budget To 2024 Forecast	
				\$'s	%'s		\$'s	%'s
	17,193,923	100%	15,837,748	1,356,175	8.6%	15,833,978	1,359,944	8.6%
	(386,057)	2.2%	(380,106)	(5,951)	-1.6%	(367,674)	(18,384)	-5.0%
	145,146	-0.8%	119,193	25,953	21.8%	140,918	4,228	3.0%
	101,742	-0.6%	79,810	21,932	27.5%	82,870	18,872	22.8%
	913,058	-5.3%	1,012,311	(99,253)	-9.8%	872,400	40,658	4.7%
	101,255	-0.6%	81,284	19,971	24.6%	94,914	6,341	6.7%
	58,000	-0.3%	68,500	(10,500)	-15.3%	58,500	(500)	-0.9%
	63,892	-0.4%	51,000	12,892	25.3%	41,167	22,725	55.2%
	4,000	0.0%	6,000	(2,000)	-33.3%	2,602	1,398	53.7%
	234,564	-1.4%	13,476	221,088	1640.6%	236,933	(2,369)	-1.0%
	60	0.0%	-	60	100.0%	(1,616)	1,676	-103.7%
Total Revenue	18,429,583		16,889,216	1,540,366	9.1%	16,994,994	1,434,589	8.4%

NOTES - Incr/Decr vs Budget/Fcst for all variances over 20K or 10% (whichever is greater)

The budget increase is the net aggregate of income and expenses, explained in detail below.

This 2024 forecast and 2025 budget are favorable to 2024 budget due to increased enforcement of late fee policies.

The 2024 forecast is favorable to 2024 budget due to exchange occupancy trends. The 2025 budget to 2024 budget is increasing due to anticipated new terms with Interval International.

The 2024 forecast is unfavorable to 2024 budget due to rental occupancy trends. The 2025 budget increase to 2024 budget is due to increased rental rates.

The 2024 forecast favorable variance to 2024 budget is due additional arcade revenue and a grant reimbursement for expenses. The 2025 budget increase to 2024 budget is due to an increase in arcade revenue as a result of additional games and increased EV charging income.

The 2024 forecast unfavorable variance to 2024 budget is due to more locker sales budgeted vs actual sales.

The 2024 forecast unfavorable variance to 2024 budget is due to savings in Natural Gas usage. The 2025 budget increase to 2024 budget is based on projections from our natural gas supplier as a result of price increases.

This unfavorable variance to forecast and budget is related to less DIL activity year over year.

The 2024 forecast favorable variance to 2024 budget is due to the increase in interest income on operating accounts as well as additional investment gains. The 2025 budget increase to 2024 budget is based on 2024 projection with an additional 3.5% increase for increase in 2025 dues collected.

There was no budget line for this account for 2024. There was a small investment loss in early 2024, reflected in the 2024 forecast. The 2025 budget increase to 2024 forecast is a function to the total dues increase.

There was no budget line for this account for 2024. Due to the volume of interest income earned in 2024, income tax expense will be paid in December 2024.

The 2024 forecast unfavorable variance and 2025 budget increase to 2024 budget is due to vendor increases.

The 2024 forecast unfavorable variance to 2024 budget is due to a higher annual increase than budgeted. The 2025 budget increase to 2024 budget is due to a recommended 10% increase in water and a 4% increase in sanitation.

The 2024 forecast unfavorable variance and 2025 budget increase to 2024 budget is due to expenses for new in-room entertainment system.

The 2024 forecast unfavorable variance to 2024 budget is due to additional sprinkler repairs needed. The 2025 budget increase to 2024 budget is based on our contract and anticipated repairs.

Calculation of total budgeted dues per management agreement, not including the management fee itself.

The 2024 forecast unfavorable variance to 2024 budget is due to increased past due owner activity. The 2025 budget increase to 2024 budget is due to the combination of the collection expense account below with the dues payment servicing account.

The 2024 forecast favorable variance and 2025 budget decrease to 2024 budget is due to savings in labor.

The 2024 forecast unfavorable variance to 2024 budget is due to reduced activity revenue as a result of attrition. The 2025 budget increase to 2024 budget is due to reduced revenue projections.

The 2024 forecast favorable variance and 2025 budget decrease to 2024 budget is due to switching to Teams platform for meetings, which is a cost savings and less Board and AC stays needed. In addition, Interval International is providing \$2500 per year to use towards HOA expenses.

The 2024 forecast unfavorable variance to 2024 budget is due to budgeting lower than expected insurance rates. The 2025 budget increase to 2024 budget is due to estimates of up to 30% increases in certain insurance lines while others may remain flat, per the insurance carrier. The 2025 budget is currently at a 15% increase to the 2024 policy.

The 2024 forecast favorable variance and 2025 budget decrease to 2024 budget is due to moving the Audit and Tax Prep to a new line item for accurate allocation purposes.

This expense was budgeted in Professional Fees in 2024 and has been moved for accurate allocation purposes.

The 2024 forecast unfavorable variance to 2024 budget is based on this new expense line mid-2024 from Chase bank. The 2025 budget increase has been added appropriately to reflect this expense for the entire year.

The 2024 forecast unfavorable variance to 2024 budget is based on actual CC fee expenses YTD. Estimating 5% increase for 2025 to forecast with total assessments going up.

	12/31/2024	12/31/2024	Favorable	
	YTD	YTD	(Unfav)	Var %
	Forecast	Budget	Budget	
7260-00 Keys/Postage/Printing/Production	76,523	62,580	(13,940)	-22.3%
7360-00 Common Area Cleans	2,070,503	2,106,463	35,960	1.7%
7370-00 Landscaping	30,650	27,750	(2,900)	-10.5%
7390-00 Bad Debt	87,000	87,000	-	0.0%
7391-00 Employee Housing Reimbursement	54,924	54,923	-	0.0%
7400-00 Collection Expense	13,863	31,712	17,850	56.3%
7415-00 Wi-Fi Services	40,067	37,800	(2,270)	-6.0%
7416-00 Cell Booster	37,958	40,740	2,780	6.8%
7420-00 Unit Phones	8,506	6,900	(1,610)	-23.3%
7430-00 Unit Electric	394,931	486,000	91,070	18.7%
7431-00 Unit Gas	269,001	316,234	47,230	14.9%
7440-00 Housekeeping Cleaning	2,090,514	2,190,200	99,690	4.6%
7446-00 Engineering	1,427,543	1,376,967	(50,580)	-3.7%
7460-00 BMMA Dues	10,251	10,251	-	0.0%
7462-00 TOB BOLT & AURF Fee	204,345	203,368	(980)	-0.5%
8010-00 Unit Reserve Fund Assessment	908,482	911,176	2,690	0.3%
8110-00 Common Reserve Fund Assessment	1,049,441	1,052,452	3,010	0.3%
1000-00 Operating Fund Surplus Reduction	(352,315)	(470,000)	(117,685)	25.0%
Total Expense	16,994,994	16,889,216	(105,805)	-0.6%
Net Income / (Loss)	\$ -	\$ -	\$ -	0.0%

2025 Budget vs. 2024 Budget & 2024 Forecast								
Proposed	% of	2024	Incr (Decr)		2024	Incr (Decr)		
			2025 Budget	To 2024 Budget		2025 Budget	To 2024 Forecast	
Budget	Dues	Budget	\$'s	%'s	Forecast	\$'s	%'s	
64,250	0.4%	62,580	1,670	2.7%	76,523	(12,273)	-16.0%	The 2024 forecast unfavorable variance to 2024 budget is due to increased key costs. The 2025 budget increase to 2024 budget is due to vendor increases.
2,191,007	12.7%	2,106,463	84,544	4.0%	2,070,503	120,504	5.8%	The 2024 forecast favorable variance to 2024 budget is due to savings in benefits and cleaning supply costs. The 2025 budget increase to 2024 budget is due to annual merit increases and increased cost of laundry and cleaning supplies.
30,500	0.2%	27,750	2,750	9.9%	30,650	(150)	-0.5%	
91,350	0.5%	87,000	4,350	5.0%	87,000	4,350	5.0%	
46,109	0.3%	54,923	(8,814)	-16.0%	54,924	(8,815)	-16.0%	The 2024 forecast is flat to 2024 budget. The 2025 budget is decreasing to 2024 budget due to HR annual analysis of total GC8 employees using employee housing.
-	0.0%	31,712	(31,712)	-100.0%	13,863	(13,863)	-100.0%	The favorable variance is due to the consolidation of accounts to the Dues Servicing line item.
39,300	0.2%	37,800	1,500	4.0%	40,067	(767)	-1.9%	
39,240	0.2%	40,740	(1,500)	-3.7%	37,958	1,282	3.4%	
6,900	0.0%	6,900	-	0.0%	8,506	(1,606)	-18.9%	The 2024 forecast unfavorable variance to 2024 budget is due to an upgrade of the 911 system enhancements. The 2025 budget is based on 2024 budget.
390,982	2.3%	486,000	(95,018)	-19.6%	394,931	(3,949)	-1.0%	The 2024 forecast favorable variance to 2024 budget and 2025 budget decrease to 2024 budget is due to savings from solar panel initiatives.
436,246	2.5%	316,234	120,012	38.0%	269,001	167,245	62.2%	The 2024 forecast favorable variance to 2024 budget is based on increased efficiencies with the snowmelt system. The 2025 increase to 2024 budget is due to the expiration of the current natural gas contract and the subsequent need to secure new pricing at a higher rate.
2,370,938	13.8%	2,190,200	180,739	8.3%	2,090,514	280,425	13.4%	The 2024 forecast favorable variance to 2024 budget is due to savings primarily in labor and other expenses. The 2025 budget increase to 2024 budget is due to increased owner week occupancy and decreased rental reservations, resulting in lower income.
1,467,113	8.5%	1,376,967	90,146	6.5%	1,427,543	39,571	2.8%	The 2024 forecast unfavorable variance and 2025 budget increase to 2024 budget is due to increased labor expenses and vendor services.
10,764	0.1%	10,251	513	5.0%	10,251	513	5.0%	The 2024 forecast is flat to 2024 budget. The 2025 budget includes a 5% increase for potential BMMA increases to their budget.
204,345	1.2%	203,368	977	0.5%	204,345	0	0.0%	
938,511	5.5%	911,176	27,336	3.0%	908,482	30,029	3.3%	The budget increase is due to the necessary contribution to maintain the reserve funding.
1,084,026	6.3%	1,052,452	31,573	3.0%	1,049,441	34,584	3.3%	The budget increase is due to the necessary contribution to maintain the reserve funding.
-	0.0%	(470,000)	470,000	-100.0%	(352,315)	352,315	0.0%	No Operating Fund Surplus Reduction budgeted for 2025
18,429,583	100%	16,889,216	1,540,367	9.1%	16,994,994	1,434,588	8.4%	
-	-	-	-	-	(0)	0	0.0%	

FINANCIALS

GC8OA Financial Snapshot

Grand Colorado on Peak 8 Owners Assoc.			
Annual HOA Dues Analysis			
2 Bedroom Breckenridge			
Year	Annual Dues	Annual \$ Incr (Decr)	Annual % Incr (Decr)
2025	\$ 2,456.15	\$ 187.72	8.3%
2024	\$ 2,268.43	\$ 128.61	6.0%
2023	\$ 2,139.82	\$ 100.99	5.0%
2022	\$ 2,038.83	\$ 47.89	2.4%
2021	\$ 1,990.94	\$ 42.81	2.2%
2020	\$ 1,948.13	\$ 54.20	2.9%
2019	\$ 1,893.93	\$ 186.53	10.9%
2018	\$ 1,707.40	\$ 83.22	5.1%

Please note that due to the above discussion of the proposed 2025 budget and the Board's decision to use retained earnings to lower the dues, the accurate numbers for 2025 are a 6% dues increase, resulting in the dues of a 2 Bedroom Breckenridge being \$2404.86 for 2025, which is an increase of \$136.43.

- 2025 % Increase to the Dues Breakdown (2BR Annual Breckenridge Master):
 - Operating Fund – 7.3% of total increase
 - Total Reserve – 1.0%
 - Unit Reserve – .5% of total increase
 - Common Reserve – .5% of total increase

Grand Colorado on Peak 8 Assoc.						
Operating Fund Budget to Actual Analysis						
	Total	Budgeted	Actual	\$ Favorable	% Favorable	
	Budgeted	Surplus	Surplus	(Unfavorable)	(Unfavorable)	
<u>Year</u>	<u>Assessments</u>	<u>(Deficit), net</u>	<u>(Deficit), net</u>	<u>Variance</u>	<u>Variance</u>	
2017	\$ 4,840,812	\$ -	\$ 212,396	\$ 212,396	4.4%	
2018	6,206,791	(100,000)	(250,540)	(150,540)	-2.4%	
2019	7,205,133	-	415,956	415,956	5.8%	
2020	12,336,573	-	1,390,715	1,390,715	11.3%	
2021	13,243,982	-	603,802	603,802	4.6%	
2022	13,694,002	(500,000)	(37,875)	462,125	3.4%	
2023	14,612,134	(750,000)	(911,742)	(161,742)	-1.1%	
2024	15,457,642	(470,000)	(352,315)	117,685	0.8%	
Totals	\$ 87,597,069	\$ (1,820,000)	\$ 1,422,712	\$ 3,242,712	3.7%	
General Note: Excludes depreciation expense and gain (loss) on disposal of assets.						

- Reserve studies % funded based on projected fund balances as of 12/31/23 30-year forecast:
 - Unit – 7.8%
 - Common – 8.5%

GC8 General Manager Report

Grand Colorado on Peak 8 General Manager Report October 2024

Fall in Breckenridge is simply stunning, and just as quickly as the leaves change, snow will soon be in our forecast. This ski season, owners visiting the Grand Colorado on Peak 8 (GC8) will see many changes within the residences and common areas, ranging from cozy upgrades to new features. The GC8 Team has been diligently working to ensure every stay is memorable. Here are some highlights of the upgrades and replacements completed during the spring and summer:

- Dining room tables and chairs in Building 2 one bedroom residences have been replaced to provide an updated and more comfortable dining experience.
- Entryway benches in Building 2 residences now feature padded seat tops upholstered in a modern fabric, offering both comfort and a stylish look.
- Coffee tables and end tables in all Building 2 residences have been replaced with a lightweight, classic handmade design.
- Composite outdoor tables and chairs, matching other locations around the resort, were added to the Courtyard Grilling Area.

- The Grotto furniture has been replaced with high-quality composite chaise lounges, chairs, and end tables. This upgraded material is designed to withstand the elements and provide lasting durability.
- Barstools for Buildings 1 and 2 one bedroom residences have been replaced to match the newly updated dining room chairs, ensuring a cohesive look.
- Sleek new end-of-bed benches have been added to Building 2 Colorado one bedroom residences, enhancing both design and functionality in the rooms.
- An in-room entertainment system has been installed on all residence televisions, allowing owners and guests to cast from their devices, log into personal viewing apps, and enjoy a variety of additional features.

Sustainability Efforts

Breckenridge Grand Vacations (BGV) and GC8 remain committed to sustainability and continuously seek opportunities to minimize our environmental footprint. Below is a list of initiatives successfully implemented as part of our ongoing efforts:

- Breckenridge Grand Vacations and the Grand Colorado on Peak 8 were recipients of the Environmental Protection Agency (EPA) Region 8 Pollution Prevention Recognition Award. This award was given for modifications made to the GC8 snowmelt system, which lowered natural gas usage, resulting in fewer greenhouse gas emissions and energy cost savings for the GC8OA.
- The snowmelt changes have saved the GC8OA approximately \$25K or 16% through May 2024, even with more snow and colder winter temperatures.
- Electric bike charging racks and lockers have been installed to comply with GC8OA's Rules and Regulations and address safety concerns with lithium batteries.
- Single-use plastic cups have been replaced with reusable options at the Lobby Bar and Elev8 Lounge. GC8OA received a \$15K grant from a local sustainability organization to install a dishwasher and purchase reusable cups to help cover the expenses related to this initiative.

Staffing Updates

BGV is proud to be the employer of choice in Summit County, offering competitive pay and exceptional benefits. In addition, BGV remains committed to providing ongoing coaching and training for all employees, which enables staff to excel in delivering exceptional service. Recognizing employees for going above and beyond is also a priority. Here are a few shining examples of outstanding service:

- Graham Bangert and Brian Jansen, the GC8 Engineering Leadership Team, were awarded the Stormy Seas Award at the BGV Leadership Summit. Their outstanding management of a complex boiler system project—despite high pressure—ensured minimal disruption to our owners, guests, and staff. Their skill and dedication exemplify excellence in leadership during challenging times.
- Julianna Nopson, GC8 Guest Services Manager, was honored with the Lead from the Bottom Award at the BGV Leadership Summit. This award recognizes Julianna's unwavering dedication to customer service and her exceptional leadership in training our outstanding Guest Services Team.

- Owners who have experienced outstanding service from any employee are encouraged to share their feedback. Throughout the resort, QR codes are available for both owners and guests to easily recognize and nominate employees for their exceptional contributions. Nominated employees will have the opportunity to be honored at a monthly company-wide Smile Award Luncheon, celebrating their hard work and dedication.

Looking Ahead

Plans are underway to continue with reserve replacements in the residences of Buildings 1, 2, and 3 , along with exciting upgrades throughout the common areas of GC8:

- The Grand Lobby will undergo a significant refresh this fall, with most of the furniture being replaced while still embracing a mountain modern look. Additionally, the carpet will be replaced to complement the new furnishings, ensuring that the property continues to provide a welcoming and comfortable environment.
- To enhance the aesthetic and comfort of the residences for owners and guests, decorative pillows are being replaced in the living rooms and bedrooms of all GC8 residences.
- Floor lamps are being replaced in select rooms due to normal wear and tear, ensuring a consistently high standard of comfort and ambiance.

GC8 Trip Advisor Stats:

- Currently ranked #3 of 25 properties under “Hotel” category
- 4.5 out of 5 stars
- To read our reviews, please click [here](#)

GC8 Service Score Comparison	Last Year’s Avg 5/1/23 – 9/30/23	This Year’s Avg 5/1/24-9/30/24
Amenities	9.23	9.35
Room Accommodations	8.64	9.14
Resort Staff	9.12	9.36
GNPS	64.24	70.48
GONPS	71.77	76.96

NEW BUSINESS

GC8OA Governance Policy – Collection Policy (attachment)

To align with the update to HB 22-1137 with the passage of HB 24-1233 and HB 24-1337 regarding the Collections Policy, please see the summary of the changes required by the 2024 legislation:

HB24-1233:

1. Removes the requirement that a notice of delinquency be physically posted on the lot/unit of the non-paying owner.
2. Adds the Association must attempt to contact a delinquent owner in two of the following ways, in addition to sending a notice of delinquency by certified mail: by telephone, by email or by text message.

3. Clarifies that the Association can charge the actual cost of certified mail or other expenses incurred in sending a notice of delinquency.

HB24-1337:

1. Clarifies that an Association can collect attorney's fees from an owner who has not paid assessments without pursuing legal action, but the new law limits the amount of attorneys' fees that can be collected to the lesser of \$5000 or half of the unpaid assessment/amount being collected.
2. Clarifies that an Association collect attorney's fees from an owner who has violated the Declaration or Rules without pursuing legal action but limits the amount of attorneys' fees that can be collected to the lesser of \$5000 or half of the actual costs the Association incurred as a result of the violation.
3. Added a number of requirements an Association must satisfy before proceeding with a foreclosure action.

BOARD ACTION REQUIRED

MOTION: To approve the proposed update to the GC8OA Governance Policy - Collections Policy as provided in the attachment by legal counsel.

MADE BY: BARRY CHASNOFF

SECONDED BY: BLAKE DAVIS

DISCUSSION: NONE

IN FAVOR: ALL

OPPOSED: NONE

ABSTAIN: NONE

NEW BUSINESS

Interval International Agreements Update

Discussions are in process for the new Interval International 4-year term. Two updates pertaining to the Vacation Experience Fee have been discussed and will result in increased income for the GC8OA. The proposed 2025 budget reflects these changes:

- The rate will increase to \$20 per night, up from \$15 per night.
- The Vacation Experience Fee will be applied for nights reserved rather than nights occupied.

Miscellaneous

Comments to/from Staff

None at this time

Important Dates

- Proposed GC8OA Board and Annual Meetings:
Saturday, April 12, 2025
 - In person with remote option
 - Property Tour – start time and location TBD
 - Board Meeting – 9-11am (in-person and Microsoft Teams participation options available)
 - Lunch – 11:30am-12:30pm (for all in-person Board Meeting attendees)
 - Annual Meeting – 1pm via Microsoft Teams Webinar 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:
 - Due next in 2026
- Stables Lot Lease:
 - First renewal exercised on 12/31/22
 - 5-year option to renew with a 5% increase
 - 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

Adjournment:

Motion to Adjourn:

By: Barry Chasnoff

Time: 11:05 am