

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Friday – August 10, 2018
Minutes

Attendees:

Fred Bradford	President
Patty Bortz	Vice President
Hal Naiman	Secretary
Michael Bloom	Member
Dave Cole	Member
Richard Moothart	Member
Rhonda Salinsky	Member
Greg Simpson	Member
Fred Witsell	Member

Becky Kennedy	Homeowner 0510
Tom Dubois	Homeowner 1424
Mark Christie	Homeowner 0313
Chris Barr	Homeowner 0918 (joined after the Executive Session)

Joe Adams	Association CPA – EKS&H
Jonah Hunt	Association Attorney – Orten Cavanagh and Holmes
Matt Ivy	General Manager
James Cannava	Association Controller
Lindsay Stadler	Taking Minutes

Call to Order:

The meeting was called to order at 1:09 pm. A quorum was established and notice of the meeting was proven.

Approval of the April 21, 2018 Meeting Minutes:

Dr. Moothart made a motion to approve the April 21, 2018 meeting minutes as presented. Mr. Naiman seconded and the motion passed unanimously.

President's Report:

Mr. Bradford reported the summer has been great for all entities and noted real estate sales prices are up. He said the Board of Directors have addressed two big issues the last few years; the Special Assessment and Rental by Owners. He thanked the Board on handling both matters very well and said they have been open, communicated well and gave owners a lot of opportunity to provide feedback on the topics.

Treasurer's Report:

Mr. Cannava reported on the fiscal year end results for 2018 and said they ended favorable to budget which allowed the transfer of funds from the operating fund to the reserve fund. Mr. Cannava reported that all entities are tracking with budget so far this summer.

CPA Review:

Mr. Adams explained that a review was conducted which is less in scope than an audit. He reported that the review was clean and the books and records are in great shape. He reviewed the Financials including the Balance Sheet, Statements of Operating Revenue and Expenses, Statement of Changes in Fund Balances, Statements of Cash Flows and the Notes to the Financial Statements.

Manager's Report:

Unit Sales-

Mr. Ivy reported that 20 units sold since the last annual meeting: 12 one bedrooms (\$290,000 - \$395,000), 7 two bedrooms (\$450,000 - \$596,000), 1 townhome (\$885,000) and noted that only 3 units were listed for sale right now. In addition, Mr. Ivy reported the average sales price appreciation since the Annual Meeting last year: one bedroom prices increased 7%, two bedrooms didn't change and townhome prices increased 8%.

Rental Operation -

Mr. Ivy was pleased to report that Lindsay Stadler has returned as the Owner Relations Manager part-time. He said summer revenue was up about 7% due and average Daily Rate (ADR) is up about 1%. Discussion continued.

Mr. Ivy reviewed the standard rental revenue split and said the split is actually on a sliding scale. He said the policy was to return surpluses to participants which makes the return greater to the participants. Mr. Bradford said that is important that they have a rental reserve and discussion followed.

Mr. Witsell added that properties either assess as they go or have a strong capital reserve. Mr. Cole added that properties that assess often negatively affect property sales. Mr. Bradford reminded everyone that a rental split analysis and discussion would occur at the next meeting.

Rental by Owner Update –

Mr. Ivy stated that the Rental by Owner rules have been updated and a notice was sent out to all owners in May. The Town of Vail is currently reaching out to those owners who are not compliant with the new Short Term Rental ordinance and there are only 11 out of 33 VRC RBOs that are compliant.

Colorado Classic Bike Race-

Mr. Ivy said the bike race this year is August 16th and 17th and noted Bighorn Road and exit 180 would be closed from 9am - 3pm with modified bus service. He said they would

again hold the race watching party at the East Townhome Entrance with a DJ and refreshments.

Committee Reports:

Building and Grounds Committee-

Mr. Loftus reviewed the capital projects completed and how they performed to budget and provided an update on the ongoing projects. He reminded the Board that the amount special assessed was not the total amount planned on being spent and that the regular capital reserve was used in conjunction with the special assessment funds. He noted that lumber prices and steel are going up and this is an overheated construction market. Mr. Bradford commented on how well everything was tracking.

Executive Session - legal consultation and contractor bids.

Executive Session concluded and the regular meeting resumed.

Club Committee

Ms. Salinsky reported on membership numbers, guest fee income, noted the Tennis Program is going very and listed the programs that are offered including the Nike Tennis Camps, Masters Swimming, Yoga, Dancing, Spin, SUP Yoga and Yoga Meditation among others. She said there is new carpet in the fitness center; new lane lines the new Peloton stationary bicycles. There was discussion regarding strong revenues from outside guest fees and membership dues rates, and rental operation contributions.

Rental Committee

Ms. Bortz reported that it was a terrible winter for snowfall, but the Rental Operation managed to end the year with a surplus. She said the Rental Committee discussed the various distribution options including a credit back to participants or paying for Deep Cleans, Carpet Cleans and Preventive Maintenance. She said the committee felt providing the services would be more appropriate since the services would be equal to a rebate so they have asked management to move forward with this plan.

Ms. Bortz said the Committee discussed changing the Lodging Rule that required telephone landlines adding a review by the Colorado Hotel and Lodging Association and our attorney reported that there is no requirement for land lines, but they are strongly recommended. Discussion followed. The Committee recommendation was to no longer require telephone landlines in order to participate in the Lodging Operation, but to still strongly recommend that owners continue to provide them and the recommendation was unanimously approved.

New Business-

Homeowner Survey

Fred Bradford began by saying how helpful the homeowner survey was to the Board. He remarked on feedback the Board had received from the survey and noted there were comments regarding Board elections. He said some owners have the misperception

that the Board is self-perpetuating and Mr. Cole noted there have been 34 Board members over the last 20 years. Mr. Bradford continued by describing the various options on the proxy form including assigning your proxy to the Board to vote as a majority of the individual Board members vote, provide it to another homeowner who will be in attendance or provide it for quorum purposes only. He noted that in most of the elections the Board proxy vote was the same as the vote of the homeowners in attendance.

Homeowner Letters -

Mr. Ivy reported on a letter from a homeowner that suggested the Board should consider a country club style of support for the restaurant by charging a "use it or lose it" contribution that would guarantee a certain income to the restaurant. Discussion followed.

Next Meeting Proposed -

Mr. Bradford reviewed the proposed meeting dates and after discussion, the Board meeting dates were decided to be December 8th, February 6th (telephone conference), April 27th and August 9th with the Annual Meeting scheduled for August 10th.

Other New Business

Mr. Barr (9-18) presented the Board a letter from an attorney and he noted the opinion of the attorney regarding the Town of Vail's required RBO use of a local agent and the Association's Bylaw is the opposite of the two opinions the Board had received. He said the two agents are dramatically different and that he manages his unit on his own and uses a local agent as required by the Town Ordinance and the local agent does not do anything. Mr. Bradford said the Board will give this opinion very serious consideration and provide it to the Association's attorneys for review and they will provide a response.

Mr. Ivy recognized Fred Witsell and thanked him for his service on the Board. He acknowledged his leadership and contributions over the years serving as President and serving as chair of several committees. Fred Witsell noted he was honored to work on the Board with many smart members and noted that the big decisions are never easy.

Mr. Witsell made a motion to adjourn, Mr. Naiman seconded the motion

Unfinished Business:

There was no unfinished business.

The meeting was adjourned at 4:47 pm.

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Saturday December 8, 2018
Minutes

Attendees:

Fred Bradford	President
Patty Bortz	Vice President
Hal Naiman	Secretary
Dave Cole	Member
Greg Grotke	Member
Richard Moothart	Member
Rhonda Salinsky	Member

Absent:

Michael Bloom	Member
Greg Simpson	Member

Audience:

Mark Scheel	Homeowner 9-10 & 9-11
Becky Kennedy	Homeowner 5-10

Matt Ivy	General Manager
James Cannava	Association Controller
Lindsay Stadler	Taking Minutes

Call to Order:

The meeting was called to order at 8:36 am. A quorum was established and notice of the meeting was proven.

Approval of the August 10, 2018 Meeting Minutes:

Mr. Naiman made a motion to approve the August 10, 2018 meeting minutes as presented. Dr. Moothart seconded and the motion passed unanimously.

President's Report:

Mr. Bradford thanked Mr. Ivy for finding a new restaurant operator so quickly this fall. Mr. Bradford was happy to report that the operations are all doing well. He also welcomed Greg Grotke to the Board of Directors and requested that the members confirm their contact information and sign up for two committees.

Election-

Mr. Bradford opened nominations for Board President, Vice President and Secretary. Mr. Cole made a motion that all three officers continue to serve: Mr. Bradford, President; Ms. Bortz; Vice President and Mr. Naiman; Secretary. Mr. Moothart seconded and the motion was approved unanimously.

Treasurer's Report:

Mr. Cannava reported on the details of the YTD financial summary and all entities are currently favorable to budget.

Mr. Cannava said the Association recently received a notice that gas reserves in Colorado are below the 5 year average low and they expected to see a 40- 50% increase over last year's gas rates for the winter months. This would be a \$2,500 bust for the HOA and \$8000 for the athletic facility as compared to budget. Discussion followed and Mr. Grotke said he will review the received notice and further discuss options with Mr. Cannava.

Mr. Cannava reviewed the renewal of HOA Insurance policy and rates and confirmed that the Association bound insurance with Cincinnati and the renewal is approximately 1% increase over last year's rates. Discussion followed.

Manager's Report:**Unit Sales-**

Mr. Ivy reported that the real estate market is brisk and 20 units have sold so far this year. Since the last Board of Directors Meeting in August two - 1 bedrooms sold (\$345,000 - \$390, 000), three – 2 bedrooms sold (\$580,500 - \$620,000) and two townhomes sold (\$674,500 - \$972,500). The lower priced townhome is in original condition and was owned by a motivated seller.

Mr. Ivy reported that appreciation for all unit types since the special assessment has gone up double digits or more and the average townhome sales prices have increased 30%. He feels that buyers are seeing the value at the VRC and the prices are attractive compared to other places in Vail. Mr. Bradford said it was really nice to see that the special assessment has increased property values.

Rental Operation –

Mr. Ivy informed the Board that the Rental Participants' Meeting was scheduled for today at 3:30 PM and that the VRC just had the best summer on record. Mr. Bradford asked if bookings are still last minute. Mr. Ivy responded yes, that is true for both the summer and winter seasons.

Mr. Ivy reported that this fall the VRC again achieved an 87% high gold Lodging Quality Assurance property rating. Mr. Ivy continued that there are currently 107 units in the Short Term Rental program.

Staffing-

Mr. Ivy said the valley continues to have staffing challenges which is driving higher wages. The front desk right now is down 1½ employees and most of the current staff are living on property. Discussion followed. Mr. Ivy added that he is currently talking with the owners of 3E cleaning regarding housekeeping cost adjustments for both the STR program and costs to homeowners. He said it has been very difficult to find and retain housekeepers so the rate adjustment is necessary which means housekeeping costs will be higher than budgeted.

Website-

Mr. Ivy continued that the website had been updated with reservation enhancements and a new homeowner site.

New Restaurant –

Mr. Ivy informed the Board that after the August Board and Annual Meetings his primary focus was on getting a new restaurant. He explained the process he used and that Mike Dennis heard about the opportunity and provided a proposal. He said the Association is very fortunate to have found such a good operator who is familiar with our market. He continued that the Executive Committee along with Mr. Bloom was very active and assisted with securing the new restaurant.

RBO Rules update-

Mr. Ivy said that the RBO rules were updated to include the new Town of Vail Short Term Rental ordinance. He reviewed the updates which included the following:

1. Owners must comply with the Town of Vail Short Term Rental Ordinance
2. Only “Local” owners may short term rent as a RBO.
3. Non-local owners desiring to rent on a short term basis must rent through the Association’s existing Lodging Program.
4. Owners must notify the Association of their long term guest/tenant as outlined by #13. Listings must note that the unit is only available for more than 30 consecutive days
5. Parking is better clarified

Discussion continued and the Board agreed to approve the RBO updates and distribute to all owners.

Club Committee-

Ms. Salinsky said that there are currently 246 members and she reported that there is a full winter class schedule which is posted on the website as well. Ms. Salinsky noted that the locker room renovations could begin as soon as Fall 2019.

Rental Committee-

Ms. Bortz reminded the Board that phone landlines are no longer required in rental units and it is up to each owner to decide whether or not they want to provide one. Ms.

Bortz said the Annual Rental Participant's Meeting was today at 3:30 PM and she planned to review the benefits of the Rental Operation.

Executive Session - 11:25 AM to discuss legal and compensation matters and the regular Board meeting reconvened at 11:50 AM -

The Board discussed employee related achievements and approved the incentive according to the program.

Building and Grounds Planning Committee -

Mr. Loftus updated the Board on the major capital projects and informed the Board that the projects were tracking well against budget. He said that they have moved forward with permitting the locker room remodel and the Town requires that a family room be provided. Mr. Loftus said they will decide at the April Board meeting whether to proceed with the locker room remodel next fall and that he plans to move forward on the family room this year.

Mr. Loftus and Mr. Ivy lead a restaurant and property tour with the Board members and audience. Mr. Dennis, Owner of Heirloom restaurant, updated the Board on remodel progress and described his vision for his new restaurant. The Board toured the restaurant and discussion followed.

The Board then toured and inspected all of the major capital improvements on property to assess the progress, completion and quality. Mr. Loftus described various aspects of the improvements and noted the next phase of the townhomes will not include an arched roofs on buildings D, H and I due to their configuration. Mr. Loftus reviewed the contractor for the townhomes and the Board agreed to continue with the same contractor that has been used on the first two phases. He also showed the Board the location for the new natural gas meters for the fireplaces. The Board confirmed that they are very pleased with the outcome and the continued enhancements to the property and they reconvened in the meeting room.

Unfinished Business:

There was no unfinished business.

New Business:

The upcoming Board meetings are scheduled for:

- February 6, 2019 – Wednesday; 2:00 PM Teleconference
- April 27, 2019 – Saturday; 8:30 AM
- August 9, 2019 – Friday; 1:00 PM
- Annual Meeting August 10, 2019 – Saturday, 2:00 PM

The meeting was adjourned at 1:30 pm.

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Wednesday February 6, 2019
Minutes

Attendees:

Fred Bradford	President
Patty Bortz	Vice President
Hal Naiman	Secretary
Dave Cole	Member
Greg Grotke	Member
Richard Moothart	Member
Rhonda Salinsky	Member
Michael Bloom	Member

Absent:

Greg Simpson	Member
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Audience:

Becky Kennedy	Homeowner 5-10
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Matt Ivy	General Manager
James Cannava	Association Controller
Lindsay Stadler	Taking Minutes

Call to Order:

The meeting was called to order at 2:05 pm. A quorum was established and notice of the meeting was proven.

Approval of the Dec 8, 2018 Meeting Minutes:

Ms. Bortz made a motion to approve the December 8, 2018 meeting minutes as presented. Dr. Moothart seconded and the motion passed unanimously.

President's Report:

Mr. Bradford was pleased to report that although the winter rental season started out slow, the current snow and ski conditions are great and business is good. He noted just how weather dependent the VRC operations all are.

Treasurer's Report:

Mr. Cannava provided the fiscal YTD financial report and all entities are currently favorable to budget. Discussion followed. He then reviewed the 2019 /2020 budget planning factors and noted various inflationary pressures. Mr. Cannava said he will send a draft budget schedule to the Finance Committee chairperson and will work with the committee on the proposed budget.

Manager's Report:**Unit Sales-**

Mr. Ivy reported that 20 units sold in 2018. Since the last Board of Directors Meeting in December, three units have sold including 1 - one bedroom unit for \$399,970; 1 - two bedroom unit for \$512,500 and 1 - townhome for \$693,000.

Winter Rental Outlook-

Mr. Ivy reported that the Rental Operation is busy right now as opposed to December when the snow hanger seemed to be taking effect. He said the last minute booking trend has continued with 25% of December's revenue and 16% of January's being booked within the month. He said that February is pacing ahead of budget and about half of March's budget is on the books. He was optimistic, but said if it turns 60 degrees and sunny in March, the reservations will slow down and there will be financial impact.

Staffing-

Mr. Ivy reminded the board members of the current valley-wide pressure on wages and employee shortages. Mr. Ivy said they are still looking for a Reservations Coordinator and the contract Housekeeping staffing has been extremely difficult. Mr. Ivy said that they are finalizing contracts with 3E Cleaning and he anticipates an increase in housekeeping charges. He said the increase is necessary in this labor market and these are very tough conditions for housekeepers to work in compared to indoor hotels.

Heirloom Restaurant-

Mr. Ivy said that in mid-December, Mike Dennis was concerned about losing construction momentum and opening during the height of Christmas week. It was decided that since the contractors were already in the space, it made the most sense to proceed with Phase II of the improvements. There have been some delays due to contractor timing, but Heirloom should be opening within the coming weeks.

Building and Grounds Planning Committee –

Mr. Bloom noted Mr. Loftus will review the HOA 10 year capital plan, preliminary 2019/20 capital plan and timelines. Mr. Loftus updated the Board on the major capital projects and said the projects were tracking well against budget. Mr. Loftus reviewed the 10 year capital plan and the highlighted key projects noting that the next two years concentrate on the major projects and most of the budget decisions already in place. Mr. Loftus reviewed the 2019/20 preliminary capital plan which included townhome exteriors, townhome roofs, deck projects, locker room upgrades, fireplace conversions, locker room renovation, building 11 hallways and landscaping. Discussion followed.

Fireplaces –

Mr. Loftus reviewed the fireplace conversion budget and said the project is proving to be a lot more complicated than originally planned. Mr. Loftus explained that running the gas lines is no longer an issue, but unlike in Building 15 where the conversion was relatively straight forward the remaining fireplaces vary greatly in their dimensions even

within the same building. He said finding a compatible natural gas unit continues to be difficult noting that all of the major fireplace manufacturers do not have units that will work.

Design Reviews:

Mr. Loftus reported that the owners of townhomes L1 and L2 are proposing a dining area and cantilevered deck extension. Their proposals are consistent with what has been approved at other Creek side unit. Discussion followed and all approved unanimously.

Mr. Loftus said the owner of I-1 is proposing a dining area extension and a first level deck addition off the master bedroom. Mr. Loftus reported that a similar improvement has not been submitted and approved before. Discussion followed. All agreed to deny the design review application at I-1.

Club Committee-

Ms. Salinsky said that there are currently 282 members and there were 279 members this time last year. She reported that there is a full winter class schedule and a new Barre class which is all posted on the website. There are new free weights in the fitness center and that with the popularity of the Peloton bikes, the club committee plans to recommend two additional Peloton Trainer Bikes at the April meeting.

Rental Committee-

Ms. Bortz noted the need to increase housekeeping cleaning fees by 20% and noted the current rates are low and it is time to make a change happen. Ms. Bortz said they are exploring cost savings and revenue generating ideas and Mr. Ivy will provide additional information about these potential changes.

Executive session: 4:07pm and concluded at 4:20pm

During the session, Ms. Bortz made a motion to approve the Compensation Committee's recommendation and Ms. Salinsky seconded and the motion was approved unanimously.

Unfinished Business:

There was no unfinished business.

New Business:

The upcoming Board meetings are scheduled for:

- April 27, 2019 – Saturday; 8:30 AM
- August 9, 2019 – Friday; 1:00 PM
- Annual Meeting August 10, 2019 – Saturday, 2:00 PM

The meeting was adjourned at 4:25pm

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Saturday April 27, 2019
Minutes

Attendees:

Fred Bradford	President
Patty Bortz	Vice President
Hal Naiman	Secretary
Dave Cole	Member - <i>teleconference</i>
Greg Grotke	Member
Richard Moothart	Member
Rhonda Salinsky	Member
Michael Bloom	Member
Greg Simpson	Member
Matt Ivy	General Manager
James Cannava	Association Controller
Lindsay Stadler	Taking Minutes

Call to Order:

The meeting was called to order at **8:41am**. A quorum was established and notice of the meeting was proven.

Approval of the February 6, 2019 Meeting Minutes:

Dr. Moothart made a motion to approve the February 6, 2019 meeting minutes as presented. Mr. Bloom seconded and the motion passed unanimously.

President's Report:

Mr. Bradford welcomed the members and said there would be a very full meeting today with lots of updates from management. He said the community has been active, the snow was very good this winter and the new restaurant, Heirloom, was now open.

Treasurer's Report:

Mr. Cannava reviewed the Financials, the HOA, GLR, Club and Lodging Operation Fiscal Year End Estimates, the FYE 18/19 Budget vs. projections and the estimated surpluses. Mr. Grotke made a motion to transfer the operational surpluses to their respective Reserves. Ms. Bortz seconded and the motion was approved unanimously.

Manager's Report:

Unit Sales-

Mr. Ivy reviewed recent sales and 22 units have sold since April 2018 including 9 one bedrooms ranging from \$399,990 to \$290,000, 9 two bedroom from \$635,000 to \$512,500 and 4 townhomes from \$972,500 to \$674,500.

Rental Outlook-

Mr. Ivy reported the VRC had a good winter season and noted that according to reports though, Vail actually had an average snow year. Mr. Ivy noted that everyone across the US had great snow this year and said last minute reservations were snow driven.

RBO Ordinance Update-

Mr. Ivy reported that the Town of Vail now requires all lodges to register each of their short term rental units. He said there are currently 16 local RBO owners who are renting short term and appear to be in compliance. The VRC staff will continue to monitor the RBO listings to make sure owners are in compliance with the bylaws and rules.

Wood Stove Conversion-

Mr. Ivy reviewed the proposed fireplace reimbursement program for buildings 9-12. Mr. Simpson made a motion to reimburse any owners in buildings 9 -12 beginning June 1, 2019 who have already upgraded or upgrade their original woodstoves to an EPA Phase II woodstove or a natural gas/electric fireplace by June 1, 2022 and Mr. Naiman second. The motion passed unanimously.

Colorado Law/ CCIOA -

Mr. Ivy reported that there's been a change to Colorado Law and the HOA now has to follow the CCIOA budget approval process. Possible dates for an owner budget meeting were reviewed and it was decided that it should be held on June 7, 2019 at 3:00 PM.

Heirloom-

Mr. Ivy noted that although the remodel took longer than expected, Heirloom opened the end of February and was very busy.

Building and Grounds Planning Committee:

Safety Program-

Mr. Loftus presented the workman's comp history at the VRC and reviewed the Maintenance safety program.

Special Assessment Projects –

Mr. Loftus reviewed the Special Assessments projects that have been accomplished so far: Building 12 patio, walkways and decks, tennis courts and patio, bike storage building, building 3 decks, building 5 decks, townhome exteriors at F, K, M, N, O, P, townhome roof replacements, and the common area hallways. The townhome exteriors at D, G, H, I, L and the deck replacement project at building 13 are in progress. Mr. Loftus reviewed the 2018/2019 completed capital plan which is under budget.

Proposed Capital Plan FY2019/2020-

Mr. Loftus presented the proposed Capital Plan FY2019/2020. He reviewed the fiscal year end reserve balance and HOA 10 year capital plan and noted there is 12 more years of deck work to do after the special assessment projects are complete. Mr. Loftus

presented the proposed locker room plans and noted the proposed start date of August 12, 2019 and should be completed by December 7, 2019. Mr. Loftus reviewed the special assessment construction timeline. Discussion followed. Ms. Bortz made a motion to approve the HOA Capital Plan for 2019/2020 as presented. Mr. Bloom seconded and the motion passed unanimously.

The Board members applauded and thanked Mr. Loftus for all of his hard work.

Finance Committee:

Mr. Cole said he worked with Mr. Ivy and Mr. Cannava closely on the 2019/2020 operating budget and felt the reserves were being underfunded. He reviewed the budget summary and concluded that the Board needs to take corrective action and target \$1MM in Reserves and the Finance Committee feels that the proposed budget is financially responsible and adjustments are needed.

Mr. Cannava reviewed the operating budget summary and said in the past the Board's policy was to increase monthly assessments by 6% annually to keep up with inflation and maintenance for an aging property. This budget reflects a 2.8% increase to monthly assessments; 1.8% to operating and 1% to capital. Mr. Cannava said the new budget reflects 29% to capital reserves and 71% to the operation. Mr. Cannava continued and reviewed the HOA Budget Summary with year-end projections and historical actuals and noted that inflation is increasing and there was a 3.7% increase in utilities alone.

Mr. Cannava reported on the club history and reviewed the club budget summary and year end projections. He said the proposed budget reflects an increase to the owner family membership by \$16 per month. The Board noted owner club dues haven't increased since 1997 and discussion followed.

Mr. Cannava reviewed the Capital Plan Funding. He said the property values have increased more than 100% since 1998 and the cumulative inflation has increased 57%. The Finance Committee recommended working towards maintaining a year-end Reserve funding balance of at least 1% of the property value while working toward 1MM. Mr. Bloom commented that is how the VRC has always been funded and there have only been 3 special assessments since 1973 and said the HOA is a hybrid having both a reserve funding plan and occasional special assessments.

Mr. Cannava added they are proposing to maintain the components of the capital funding plan which include 29% of the monthly assessments, and GLR and Club surpluses. Mr. Bloom said it should be recognized that the club dues increase won't avoid future special assessments completely.

Next, Mr. Cannava reviewed the proposed Rental Operation Budget and summary of revenue and expenses and said the Committees propose increasing the service fee from 3.8% to 4.8%. Discussion continued regarding the 2019/2020 proposed budget.

The Finance committee recommended the Board approve the 2019/2020 budget as presented and raise the club owner membership dues to \$96 per month, raise monthly assessments by 1.8% to operating and 1% to capital and raise the service fee to 4.8%. The recommendation was approved unanimously.

Compensation Committee:

Mr. Simpson said the Committee reviewed the wage and salary guidelines and the compensation philosophy which remain the same and recommended that they be approved and Mr. Bloom seconded and all approved.

Rental Committee:

Ms. Bortz reported that even with the slower start to the winter season, the Rental Operation should see \$37k in surpluses. The committee thinks it makes the most sense to give back the surpluses to the owners in the form of a free spring clean and all agreed.

Rental Operation Income Split Analysis:

Mr. Ivy presented an in-depth Rental Operation Income Split analysis. He reviewed the different rental models including a traditional Resort Model, Rental by Owner model and hybrid model. Discussion followed and it was concluded that the Resort Model is the best for the VRC and the current rental split with a sliding scale is the best option.

Club Committee:

Ms. Salinsky reported that there has been such great feedback on the Peloton bikes that they will be ordering 2 more. Ms. Salinsky said that the Club Committee recommends moving forward with both the men's and women's locker room this fall 2019, the \$16 owner club dues increase and approving the capital club expenditures. The recommendation was approved.

Unfinished Business:

Real Estate Benchmark Analysis-

Mr. Ivy reported that unit sales have been very impressive and there have been new high sales benchmarks.

New Business:

The upcoming Board and Annual meetings are scheduled for:

- BOD Meeting August 9, 2019 – Friday; 1:00 PM
- Annual Meeting August 10, 2019 – Saturday; 2:00 PM

Mr. Ivy reminded the Board members that the HOA survey and Board election was coming up. Ms. Bortz, Mr. Bradford and Mr. Bloom all have terms that are expiring this year.

The meeting was adjourned at 2:37pm.