



May 7, 2021

Dear Homeowners,

The Board of Directors held our spring meeting on April 30<sup>th</sup>, and we would like to share with you an update from the meeting.

### **Fiscal Year End Projections**

The Board is pleased to offer some good news. In looking back over the past year, we have all experienced many hardships; fortunately, our Homeowner Association has weathered the COVID crisis much better than expected.

The Board is pleased to report that the Fiscal Year End projections well exceed the budget and significant financial losses were avoided. As this fiscal year winds down on May 31<sup>st</sup>, there are anticipated surpluses from each of the operations which will be designated to the respective reserve funds. In a year ravaged by the pandemic, this achievement is extraordinary, and the Association is on a sound foundation as we enter our next fiscal year.

### **Real Estate Sales**

The Board reviewed the real estate sales activity and over the last year (April to April) there have been an astonishing 39 sales. In the past three months new benchmark highs have been set in each unit category with a one bedroom reaching a high sales price of \$495,000, a two bedroom at \$694,000, a three bedroom at \$826,000 and a townhome for \$1,350,000.

In addition to the new benchmark prices, we're seeing average sales prices continue to increase and unit sales often occurring within days of a listing. It's encouraging to see the culmination of our Major Capital Projects have been so well received in the real estate marketplace. Our property's enhancements over the years have brought a transformation that current owners enjoy and one that attracts buyers to our wonderful mountain resort.

### **Lodging Operation Surplus**

The Lodging Operation had expected to have a deficit this year which would have been covered by the Rental Reserve Fund. However, as the year progressed, we saw continued interest in guests seeking refuge and coming to the Vail Racquet Club Mountain Resort. With reservations being much better than expected (only about 25% down from a normal year) along with a tightly managed reduction in expenses the operation will end the year with projected surpluses.

As a benefit to those who currently participate in the Association's Lodging Operation, the Board approved giving back surpluses in the form of complimentary Spring Deep Cleaning (which include carpet and window cleaning) and Preventive Maintenance. More information will be coming regarding these programs and they are planned to be accomplished over the coming months.

### **HOA Budget for Fiscal Year 2021/22: Increase in Monthly Assessments by 4.6% to Offset the Reallocation of Operating/Capital Split**

Last year, amid the pandemic and the related hardships, the Board felt it was not appropriate to increase HOA fees to homeowners even though there were fixed expenses, mainly in utilities, which increased significantly. As you may recall, last year to offset inflationary expense increases, painting, and anticipated bad debt, the Board shifted the allocation between the operating budget and the capital budget for fiscal year 2020/21 (previously this allocation was set at 71% operating/29% capital and was changed to 77% operating/23% capital).

At that time, we reminded owners that we should anticipate our monthly assessments would increase in future years to restore the capital funding and keep up with inflationary pressures.

For the coming fiscal year, the Board has approved a budget that partially restores the allocation between the operating and capital budget and comes with a 4.6% increase in monthly assessments. This incremental increase will shift the allocation to 74% operating/26% capital which is a good step toward re-funding the capital plan. While this percent is larger than more recent increases, please keep in mind that it covers two years of increases that have been lumped into one. Also, your statement this month will reflect the second half of the common area insurance.

Additionally, it is important to be prepared for operational increases in the future primarily due to base and tier rate increases from Eagle River Water and Sanitation District. Over the past two years increases are the equivalent of over \$50,000 in fixed expenses, which alone amount to an approximate 3% increase in our monthly assessments.

### **Budget Ratification**

The state of Colorado requires a budget ratification process which provides homeowners an opportunity to consider the budget. According to the State's process, the budget is not required to be approved by the owners and will be deemed approved at the budget meeting in the absence of a veto vote by a majority of all owners. A budget meeting will be scheduled, and it is anticipated that under the circumstances this meeting will be held remotely. More information will follow in the coming weeks.

### **Capital Plan 2021/22**

At the February Board meeting we reviewed and approved the preliminary capital plan for this year and moved forward on several projects this spring which include the back deck replacement, deck surface replacement and stair tower refurbishment at Building 15, and the natural gas fireplace conversions at the condominiums. At this meeting we formally approved the capital plan and the 10 Year Capital Funding Plan.

### **Conversion of Building 7 Dumpster to Recycling**

We're pleased to confirm that this conversion has taken place, new signage is installed at the dumpster enclosures and new plastic bag disposal cans have been added so those recycling can easily throw away the non-recyclable bags that are sometimes used to transport recyclables.

### **Electric Vehicle Charging Stations**

Exciting news, a nice new benefit of ownership! We've been awarded a grant for 4 dual port charging stations. The chargers come with a point of payment system and users will be charged for the electricity they use plus a premium, as recommended by the Charge Ahead Colorado program, to cover the costs for maintaining the equipment.

The locations for the EV chargers will be two in the Club parking lot (in front of the pool fence closer to Building 15) and two in the overflow lot by the park (across from Building 5). The infrastructure work will begin this spring and the installations should be operational by July.

### **Restore the Gore Campaign**

The Association received the creek improvement plan from the designer for the area from Building 7 down to Building 2. The plan creates a creek restoration design that will improve fish and aquatic habitat, and also enhances view corridors and the creek's esthetics. The Board asked management to tour the area with the designer, and to speak with our creek neighbor and the Town of Vail regarding shared funding for the project.

### **Bike Storage Plan**

It is great to see that so many owners are interested in using the Bike Barn storage area. Before it was constructed, the owner survey indicated that owners were interested in storing only 118 bikes and today the facility has over 200 bikes. As you'll recall from past letters, the Board has reviewed concerns that the bike storage is now oversubscribed. Last year in hopes of addressing this situation, a registration and bike tag system was implemented. This has been effective in helping to identify bikes but has not addressed the fundamental capacity problem which has become increasingly concerning with 40 homeowners now on the waitlist.

The Board feels it's now time to take the next step and a fee-based bike storage plan with strict enforcement will be implemented beginning July 1<sup>st</sup>. The following outlines the updated plan:

- All bikes must be registered and display a bike tag
- Bikes that are in storage without a bike tag will be removed and stored for 30 days. If not retrieved, then they will be donated
- Owners would be allowed to initially store up to 2 bikes at an annual rate of \$80 for the first bike and \$150 for the second the bike
- Based on demand, owners may store additional bikes if there is availability at an annual fee of \$180 per bike (ongoing demand will be periodically reviewed and the additional bikes may be renewed annually based on availability)



For those currently using the bike storage or those who are on the waitlist, more information will follow explaining the new plan and procedures.

### **Club and Rental Operations**

Eagle County has announced that the current restrictions will remain in place until May 27<sup>th</sup>, they hope at that time to reduce restrictions if the COVID numbers are favorable. Both the Club and Rental Committees plan to meet following Memorial Day to review what changes the County may have made and how best to proceed with our summer operations. More information will follow in early June.

### **Heirloom Restaurant**

Mike and Jenn Dennis, the owners of Heirloom, joined the meeting and reviewed their plan to host a Farmers Market this summer. Their goal is to create a fun weekend event that becomes a neighborhood gathering point for residents of the VRC and East Vail. They envision a small market offering fresh produce and having a few local vendors with handmade goods. The market would be held on Sunday beginning in July and would be located in a portion of the tennis court parking lot across the street from the Club. The Board thought this sounded like a wonderful opportunity for owners, members and guests and we supported Heirloom's plan.

We also received feedback regarding their operations over the winter and plans for the summer. The Board has received very favorable feedback on both service and food quality, and we wish them much success. Thank you to all owners who supported this important amenity, our patronage is key to their survival in East Vail.

### **Annual Meeting**

Please note that the Annual Homeowners Meeting will be Friday, August 13<sup>th</sup> at 2:00 PM. The meeting will be held remotely, similar to last summer, and more information will follow in the coming months.

### **Conclusion**

During this year of unprecedented challenges, the VRCMR is fortunate to have proceeded with our property enhancements and to have continued operations in a safe and successful manner.

Thank you all for your support.

Sincerely,

A handwritten signature in black ink that reads "Fred Bradford". The signature is written in a cursive, flowing style.

Fred Bradford  
President