

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Friday – August 14, 2020
Minutes
COVID-19 - Zoom Conference

Attendees:

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

Absent:

Greg Simpson	Member
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Audience:

Becky Kennedy Owner (5-10)
Kathy Summers Owner (1-12)

Joe Adams	Association CPA – Plante Moran
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 1:05 PM. A quorum was established and notice of the meeting was proven.

Approval of the June 24, 2020 Meeting Minutes:

Mr. Cole made a motion to approve the June 24, 2020 Board of Director Meeting Minutes with one change, *Pool will not be open by July 4th* (change has been reflected in the minutes). Ms. Bortz seconded, and the motion passed unanimously.

President's Report:

Mr. Bradford thanked the Board and management for stepping up and for their hard work. Mr. Adams, the Association CPA and Mr. Hunt, the Association Attorney were introduced.

Treasurer's Report:

CPA Review:

Mr. Adams (CPA) said his company, Plante Moran (the Association's independent auditing firm), conducted a review this year and reported it was a clean review and the books and records are in great shape. He conveyed that Mr. Cannava and his staff have done an outstanding job.

Mr. Adams reviewed the FY20 Financials including the Balance Sheets, Statements of Operating Revenue and Expenses, Statement of Changes in the Funds Balances, Statement of Cash Flows and the Notes to the Financial Statements. He noted Mr. Ivy and his team did a great job of matching the revenue decrease with expense decreases and reviewed the excess of revenue over expenses for FY20. Mr. Adams concluded that the books look great and it's a strong balance sheet despite the COVID outbreak.

Manager's report –

Mr. Ivy reported that 25 units have sold from August 10, 2019 to August 15, 2020 compared to 21 units sold last year. He said it's really encouraging to see the strong sales activity and prices.

Units sold from August 10, 2019 – August 15, 2020

- 10 – One bedroom condos \$350,000 - \$429,000
- 8 – Two bedroom condos \$569,000 - \$680,000 *In 2007, the newly remodeled building 15 units (which were owned by the HOA) sold for about \$600K each which were benchmark prices at the time.
- 0 – Three bedroom condos
- 7 - Townhomes \$772,500 - \$1,325,000 *The creek side townhomes have brought in really strong prices, lower priced were generally in original condition.

Mr. Ivy said there are currently 8 units listed for sale and reviewed the appreciation report. He concluded that the new amenities and property improvements from the special assessment appear to be having a positive effect on the sales prices.

COVID-19 / Vail Health -

Mr. Ivy provided an update on the past and current situation with COVID cases in Eagle County and the requirements, noting that a mask order is now in effect. Mr. Ivy reported on action being taken by the County and the Town of Vail and noted that Vail Resorts has said they plan to open the mountain with the priority of operating safely and the goal of continuing operations from the beginning to the end of the ski season without interruption.

Club –

Mr. Ivy said all operations have their own protocols and the owners/Club members must sign a liability waiver and membership pledge. Mr. Hunt, Legal Counsel, cautioned that it was good to have the waiver and pledge, but it does not absolve the Association if someone wishes to sue. Mr. Ivy reviewed the cleaning and disinfecting procedures used in the Club and pool area. He explained the pool reservation system and reported that the pool use was at capacity, and overall feedback had been positive.

Rental Operation –

Mr. Ivy noted there are 24 hours between each rental to allow for proper cleaning/sanitizing and to give guests a comfort level when booking. He reviewed the Rental Revenue Pace report, which is better than expected, but down significantly from last year.

Bike Storage -

Mr. Ivy said the staff is implementing the bike storage plan and are in the process of registering all of the bikes. He reviewed the past homeowner survey which indicated a need to store 118 bikes and said the bike storage building allows for 186 bikes and currently 216 bikes have been

allowed into the space. There are currently 38 owners on the waitlist and Mr. Loftus is looking at options for adding more capacity, but it will be expensive. Mr. Ivy said even with added capacity, it may be necessary to charge a fee similar to the lockers which could offset additional costs and help reduce demand.

Heirloom –

Mr. Ivy said per Mr. Dennis, Heirloom Restaurant is doing pretty good. They are currently open Wednesday – Saturday evenings. They are following proper distancing protocols and have tables inside and on the patio, as well as, offering To Go options. Mr. Ivy hopes they can continue to encourage homeowners to frequent Heirloom and help keep it in business.

Building and Grounds –

Mr. Loftus reviewed the completed Major Capital Projects and said some of these were accelerated.

- Building 12 decks, patios, walkways, retaining walls, bridge
- Two new regulation size tennis courts and pickle ball court and landscaping
- Building 3 decks, patios, stair towers, pavers
- Bike Storage Building
- Building 5 decks, patios, walkways and stair towers
- Building 13 decks, patios, walkways and stair towers
- Playground – timber retaining wall was replaced with a boulder wall
- Women’s and Men’s Locker Room Renovation
- Building 14 decks, patios, walkways and stair towers (in progress)
- Townhome exterior renovations - (last phase of the Townhomes in progress)

Mr. Loftus reviewed the current projects and their status stating that they are all moving forward on schedule.

Fireplace Gas Conversion Project –

Mr. Loftus reminded the board that the fireplace conversion project was delayed due to finding the right size to fit the firebox which turned out to be an epic problem. He was pleased to say that the conversion has begun at building 4. He explained that they have reached out to the building 3 owners who have been very slow to respond, and they’ve sent numerous reminders. In order to move forward, a whole building stack must commit and so far 1 out 4 stacks have approved the conversion. He said they will continue to remind owners, but the delay makes the permitting process tricky as approval is needed to get a permit.

Electric Vehicle Charging Station –

Mr. Loftus reported that the VRC did not get approved for the EV charging station grant, but they can try again. Mr. Loftus said he has been proactive during the existing construction and buried a conduit behind Building G where a dual port charge could be installed. Also, the panel at building 14 has been upgraded to accommodate a charging station and he would also like to see a dual port near the Recycle dumpster. Discussion followed.

Design Review Applications –

Mr. Loftus reviewed a design review application from some of the building 12 owners. They would like to find a solution for the water that drips on the decks when it rains, and they have proposed adding a roofing system/shield. Discussion followed and there was concern with the

product, long term maintenance and ice buildup. The Building and Grounds Planning Committee recommends the proposed roofing system/shield at building 12 not be approved and the board unanimously agreed.

Mr. Ivy said the owners of building 11, unit 24 requested permission to hang artwork in the common area hallway. The Building and Grounds Planning Committee recommends allowing the artwork to the common area hallway. Mr. Bradford seconded, and all agreed.

Mr. Ivy reported that the owner of building 4, unit 16 requested the addition of a Ring video doorbell. Discussion followed. The Building and Grounds Planning committee recommends denying the Ring video doorbell as it is a privacy issue and one shouldn't be able to spy on this area. Mr. Bradford seconded, and all agreed.

Club Committee:

Ms. Salinsky reported that there are currently 224 outside Club members which is better than expected. The Club is currently open from 7 AM – 7 PM and the locker room showers and towels are not available as they cannot be managed safely, and the sauna and steam rooms are not allowed to be open. She confirmed that masks are required in the Club building and reviewed the cleaning and disinfecting schedule. There is a new sign-in procedure and members/owners are required to sign a liability waiver and membership pledge.

Ms. Salinsky said the pool reopened and has a reservation system to control the allowable capacity. There is ½ hour between reservations to clean and disinfect and no towels are provided and said a pool attendant was added to help monitor the pool area.

Due to capacity concerns, currently no outside guests are allowed unless they are staying in an owner's unit and accompanied by the owner, otherwise only owners, members and rental guests are allowed to use the club facilities. Discussion followed. Mr. Cole recommends continuing the policy of no outside guests due to capacity concerns under the COVID restrictions. All agreed.

Rental Committee:

Ms. Bortz said the Rental Operation is doing better than budgeted and explained the Rental Reserve is an insurance policy for all those that participate since the rental owners are responsible to fund a loss should the VRCMR fall short.

Ms. Bortz said most of the group business was cancelled and noted that there are 24 hours between reservations and trash/towel service is only by request. She said the marketing message is the VRCMR is a perfect place to visit and social distance with plenty of open space, close proximity to hiking and biking trails, and other outdoor family activities.

Ms. Bortz said the mandatory spring cleaning was waived and they will revisit the program for the fall season. Also, some rental expenses including the larger shampoo/conditioner bottles in the rental units, a washer/dryer and new software are shelved for now.

Finance Committee:

Mr. Cole reviewed the Budget Summary which was set last April when the COVID situation remained uncertain. He reviewed the planning factors and reserve balances and added that there has been very good expense control.

He continued that if the PPP loan is forgiven, which the odds are high, the amount taken from reserves to offset losses will be much less. The HOA is performing a bit better than budget and should continue to use best judgement. He said, the HOA is financially sound and management is doing a really good job controlling costs and minimizing risks.

Mr. Bradford asked if there were any recommendations to adjust the base case budget. Mr. Cole confirmed the Finance Committee does not suggest making any adjustments at this time. Discussion followed and Mr. Bradford reiterated the group needs to be nimble and ready to act based on changing circumstances. Mr. Cole thanked the Board members for their due diligence.

Unfinished Business:

There was no unfinished business.

New Business:

Mr. Ivy reviewed the proposed dates for the future anticipated remote Board of Director Meetings:

- Friday November 20, 2020
- Friday, February 12, 2021
- Friday, April 30, 2021
- Thursday, August 12, 2021
- Friday, August 13, 2021 – Annual Homeowner Meeting

Executive Session 3:25 PM to discuss compensation.

The Executive Session ended, and the meeting was adjourned at 5:06 PM

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Friday – November 20, 2020
Minutes
COVID-19 - Zoom Conference

Attendees:

Fred Bradford	President
Patty Bortz	Vice President
Hal Naiman	Secretary
Molly Daniels	Member
Greg Grotke	Member
Peter Koclanes	Member
Rhonda Salinsky	Member
Greg Simpson	Member
Kathy Summers	Member

Audience:

Craig Gleaton	C3 Owner
Matt Ivy	General Manager
James Cannava	Association Controller
Lindsay Stadler	Taking Minutes

Call to Order:

The meeting was called to order at 1:11 PM. A quorum was established and notice of the meeting was proven.

Approval of the August 14, 2020 Meeting Minutes:

Mr. Naiman made a motion to approve the August 14, 2020 Board of Director Meeting Minutes and Ms. Bortz seconded. The minutes were approved unanimously.

President's Report:

Mr. Bradford reported that he and Mr. Ivy have been in constant communication. A VRC homeowner survey was sent out this fall and focused more on the Association's response to COVID and the remote Annual Meeting. He confirmed the VRC is complying with all of the rules and regulations and Mr. Ivy has kept up with all of the Town of Vail, Eagle County and Governor's policy changes.

Mr. Bradford reported that in general the VRC is doing better than anticipated, but under the circumstances of COVID, tomorrow the operations could all be doing worse. Mr. Bradford thanked both the old and new board members for being so helpful and engaged.

Election of Officers -

Mr. Bradford said he has been encouraged to run for President again and noted that Ms. Bortz has done a terrific job as Vice President and Mr. Naiman is a great Secretary. Mr. Grotke made a motion that Mr. Bradford continue to serve as President, Ms. Bortz seconded and all agreed. Mr. Bradford made a motion that Ms. Bortz serve as Vice President. Ms. Daniels seconded and

all agreed. Mr. Bradford made a motion that Mr. Naiman serve as secretary, Ms. Bortz seconded and all agreed.

Committee Sign ups –

Mr. Bradford said typically each member would sign up for the Board of Director committee that they are most interested in and discussion followed. All the members agreed to serve on the committees suggested by Mr. Bradford.

Treasurer's Report:

Mr. Cannava reviewed the year-to-date financial summary and said all entities are tracking better than the conservative budget. Mr. Cannava reviewed the combined net income for FY2021 and said if the operations continue to perform at this pace, the anticipated FYE losses would be much less than budgeted. However, if operations were again drastically affected by COVID that could easily change. Therefore, Mr. Cannava felt it was best to continue on the conservative path and not make any budget adjustments at this time. Mr. Grotke reiterated they should stay the course and revisit the budget as needed; all agreed.

PPP Update –

Mr. Cannava informed the members that they have submitted the forgiveness application and it is under review with First Bank, then it will go to the SBA. He has consulted with the CPAs who felt that we stand a good chance of receiving forgiveness and said the forgiveness would have a significant impact on the anticipated losses and contribution to Reserves.

Insurance –

Mr. Cannava reviewed the HOA Insurance coverages and reported that the renewal is only a 2% increase which includes a 3% property value increase. Mr. Naiman said he has heard agents say property insurance will go up 25%, Mr. Cannava noted the extreme fires all summer and confirmed he has heard the same, but fortunately renewal was on 11/12/20 and is good for the next year. Discussion followed. The owners will be billed half of the common area insurance on the next statement and the other half in April.

Ms. Bortz asked for an update on the fire in townhome E3. Mr. Cannava provided a status update and discussion followed. Mr. Simpson pointed out that if you have property damage caused by another unit, the affected owner is going to pay for it. Also, the 10K deductible is the responsibility of the owner so if the repairs are less than 10K the owner is responsible. Mr. Ivy said homeowners should have an HO-6 Policy as recommended in the VRC Insurance Guidelines so the owner is protected and should have the deductible covered by their insurance.

Manager's Report:

Mr. Ivy reported that the real estate transactions have been incredible with most bringing strong prices:

32 Units Sold January 1, 2020 - November 20, 2020

- 15 One Bedroom Condos - \$325,000 - \$442,000 *new benchmark price
- 11 Two Bedroom Condos - \$560,000 - \$680,000
- 6 Townhomes - \$772,5000 – \$1,325,000 *new benchmark price

Mr. Bradford said the Special Assessment Projects have really made a difference in sales prices.

Vail COVID Report -

Eagle County moved to the Orange level this past Monday. COVID cases went from about 4/day to 50/day. Mr. Ivy reported that the Town of Vail has implemented an outdoor mask order. Also, no more than 10 people from two households can be together. Gyms are allowed to operate at 25% occupancy, but if Vail moves to the Red phase then that number changes to 10 people. Mr. Ivy noted that there are currently no restrictions on rental capacity. Discussion followed. He then reviewed the COVID protocols for each operation and said the VRC has a new electrostatic fogger that is used in the club building and elsewhere, and they are prepared for further action should the County move to a level Red.

Homeowner Survey –

Mr. Ivy said it was refreshing to change up the Homeowner Survey this year and the feedback was useful. He reported that when you take out the “don’t know” category, then 80% of the results are excellent and very good. Mr. Bradford thanked Ms. Daniels for starting the Homeowner Survey process and the Board was pleased with the feedback they received.

Restore the Gore –

Mr. Ivy recently met with VRC neighbor Dr. Fred Distelhorst, Pete Wadden from the Town and a stream health consultant, and discussed options for improving the health of Gore Creek and fish habitat. Mr. Ivy said there is a possibility of a public/private partnership and a bid was received from the consultant to prepare a plan. The Board desires to be good stewards of the creek and will revisit the plan at the next Board of Directors Meeting after reviewing the finances.

Bike Storage –

Mr. Ivy reviewed the Bike Storage is oversubscribed and has a waitlist. He reported that 26 owners still do not have decals on their bikes in the storage building and they will continue to get all the bikes registered. He mentioned that capacity concerns will continue and suggested that the Board review charging similarly to the locker room lockers.

Committee Reports:

Club –

Ms. Salinsky reported on club memberships and said that membership sales will go on hold due to capacity concerns. She also confirmed that the policy of not allowing outside guests to use the club will continue, and owners must accompany their guests in order for them to have access. She then reviewed operations, enhanced cleaning procedures including an electrostatic fogger, sign-in/liability waiver and masks are required. She noted locker rooms are open, but the sauna, steam room and showers are closed, and towels are not offered. She also said the future of the fitness classes is uncertain at this time. Discussion followed and the Board agreed to support Mr. Ivy and that he will implement the best plan as things change.

Rental Operation –

Ms. Bortz reported that the Rental Operation is performing much better than budgeted which has been a surprise. Seasonal rentals have been an ongoing, reliable source of income and are busier than ever before. Ms. Bortz said the cancellation and change policies are very flexible right now and the hope is the guests will rebook down the road. Ms. Bortz reminded the members that the Rental Operation currently has a Reserve to help offset any losses.

She added that staffing is very minimal, and Mr. Ivy is working to cross train staff. Contract housekeeping is struggling to find staff, but so far that is not affecting the Rental Operation. In response to COVID, the Rental Operation is not offering trash and towel service, but the units are cleaned and also sanitized with a spray and there are 24 hour blocks between each reservation.

Ms. Bortz reviewed the new Guest Book program which is a frequent flyer type program and VRC guests can receive 5% back, donate to charity or use 15% of what they paid towards a future stay. The VRC pays only an 8% commission on this program and it appears to be working well.

Ms. Bortz noted that the owner of 13-17 would like to see the VRC charge more for lofts. After discussion it was concluded that the policy should not change, but if the owner wanted their loft unit could be marketed on RBO sites for a higher nightly rate and also allow guests to guarantee a loft by paying an extra fee per night. All agreed.

Heirloom –

Mr. Bradford asked for an update on Heirloom and Mr. Ivy responded that Heirloom is doing well under the circumstances and was open Friday and Saturday nights this fall and hoped to expand to 5 nights this winter.

Building and Grounds -

Mr. Loftus presented the old Alpine Renewal Plan Packet which was shared with VRC homeowners in 2009. That plan got sidetracked by the recession and was then later revised; he noted that 11 years later we're finally wrapping it all up. This project has been epic from every perspective and Mr. Loftus reviewed the entire scope of the 2016 Special Assessment Projects and budget vs actuals including:

- Building 12 decks, patios, walkways, retaining walls, bridge
- Two new regulation size tennis courts and pickle ball court
- Building 3 decks, patios, stair towers, pavers
- Bike Storage Building
- Building 5 decks, patios, walkways and stair towers
- Building 13 decks, patios, walkways and stair towers
- Building 14 decks, patios, walkways and stair towers – *(In progress: waiting on copper roof & stair tower windows)*
- Townhome exterior renovations
- Playground – timber retaining wall was replaced with a boulder wall
- Women's and Men's Locker Room Renovation
- Natural gas fireplace conversion (in progress)

Mr. Loftus provided an update on the Riverbend property fence. He also reviewed the pool re-plaster and natural gas fireplace project which is underway. He then reviewed options for adding additional storage to the Bike Storage Building as there is much more demand. He said they are looking at adding second tier slide outs which would add 44 additional spots and they will propose this at the April Board meeting based on financial results.

Mr. Loftus recapped the over/under Special Assessment project costs and he expects the project to come in \$52K under budget total (.5%). Mr. Bradford congratulated Mr. Loftus on this

impressive accomplishment. Mr. Ivy commended Mr. Loftus on an excellent job and his ability to complete the projects, including all the changes, on time and within budget. He does not think there is another person in the Valley who could have pulled off this feat. Mr. Naiman agreed and said Mr. Loftus has added so much to the curb appeal, value and function to the property, and really appreciates what has been accomplished. Mr. Loftus thanked the Board of Directors and said his measure of success is that he didn't have to ask for more money and the result is a superior end product.

Building 15 Deck Project –

Mr. Loftus reviewed that the highest risk decks were replaced during the Major Capital Project Special Assessment except for the back side of building 15. He reviewed that in 2010 during the recession, the front half of building 15 was replaced and now he would like to maintain momentum and finish the deck project on building 15, replace the (older) Trex decking on the front deck and upgrade the stair towers. He reviewed the 10 year capital funding plan and discussion followed. Mr. Bradford made a motion to move forward with the deck replacement project at building 15, Mr. Grotke seconded and the motion was approved unanimously.

***Executive Session* 3:45PM – 4:05PM - Compensation Committee**

Unfinished Business:

There was no unfinished business.

New Business:

Mr. Ivy reviewed the dates for the future Board of Director Meetings:

- Friday, February 12, 2021 at 2:00 PM
- Friday, April 30, 2021 at 1:00 PM
- Thursday, August 12, 2021 at 1:00 PM
- Friday, August 13, 2021 at 2:00PM – Annual Homeowner Meeting

The Meeting was adjourned at 4:07 PM.

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Friday – February 12, 2021
Minutes
COVID-19 - Zoom Conference

Attendees:

Fred Bradford	President
Patty Bortz	Vice President
Hal Naiman	Secretary
Molly Daniels	Member
Greg Grotke	Member
Peter Koclanes	Member
Rhonda Salinsky	Member
Greg Simpson	Member
Kathy Summers	Member

Audience:

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

Call to Order:

The meeting was called to order at 2:02 pm. A quorum was established and notice of the meeting was proven.

Approval of the November 20, 2020 Meeting Minutes:

Mr. Naiman made a motion to approve the November 20, 2020 Board of Director Meeting Minutes and Ms. Bortz seconded. The minutes were approved unanimously.

President's Report:

Mr. Bradford thanked the Board members for attending committee meetings all week. He said the Building and Grounds Planning Committee Meeting was particularly interesting and the Electric-Vehicle (EV) charging stations survey responses were positive.

Treasurer's Report:

Mr. Cannava reviewed the YTD Financials as of January 2021 and all entities are better than the conservative base budget set in April. Mr. Cannava reviewed the YTD FY21 Financials compared to last year. He added much of the reduced income was offset by reduced variable expenses including staffing due to closures and reduced hours, club classes, housekeeping services, and advertising among others. Mr. Cannava reported that fortunately no owners are past due on their accounts.

Mr. Grotke thanked Mr. Cannava and Mr. Ivy for being open to the potential opportunity of breaking even. The VRC had no idea what to expect this past year and it's great to see a better-than-expected performance in some areas and managing well through the uncertainty.

Manager's Report:

Unit Sales –

Mr. Ivy reported that since the last board meeting, the real estate inventory is lower and only 3 one bedroom condos have sold with a high of \$445k and a low of \$415k.

Mr. Ivy said that overall, it's been a great year in real estate with 33 units sold in 2020 and two years ago, 21 units sold and then the last year 24 units sold which both had stronger than normal sales (the typical average year sees 12-15 total unit sales). Mr. Ivy said it's great to see so many sales with new benchmark prices.

Mr. Bradford asked Mr. Ivy to speak to ROFR fee. Mr. Ivy responded that a \$500 ROFR fee is charged for every real estate transaction and the purpose is to help cover the time and expense it takes to oversee the ROFR process and answer the many questions potential buyers have when considering a property.

Mr. Simpson made the point that the real estate sales prices increased with the completion of the special assessment projects and contributed to the strong market and return on investment. All agreed. Mr. Bradford noted that the new building signs look great and said the ongoing improvements have allowed the Association to stay relevant and now the board will consider EV charging stations.

COVID –

Mr. Ivy updated the board on the COVID situation in Eagle County and said Vail Health has vaccinated 11,500 people and they are still in the Orange level. Discussion followed.

Vail Updates -

The Vail Mountain reservation system has had an effect on the VRC Rental Operation during times when guests can't be assured of a ski reservation, they aren't coming up last minute for the night. Even so, the Rental Operation is doing much better than expected and as good as it can during COVID.

Comcast –

Mr. Ivy reviewed the original Comcast bulk rate agreement and said Comcast has proposed another 5-year agreement. Discussion followed and the board agreed to move ahead with another agreement which offers increased internet speeds at the current rate with an up to a 5% increase in annual fees with no increase until 2023.

Ms. Summers asked if individual owners could upgrade their Comcast services. Mr. Ivy said yes, the bulk account includes the base services and owners can add to it if they would like by setting up an individual account.

Gore Creek –

Mr. Ivy reviewed Dr. Distelhorst's (VRC neighbor who shares the creek across from Building 6) request for the VRC to split the cost of a professional Gore Creek improvement plan which was tabled at the last Board meeting. Mr. Ivy said that the VRC has been a part of the Town of Vail's Restore the Gore campaign and has been used as an example of good creek stewardship. Discussion followed. Mr. Naiman made a motion to approve splitting the plan cost with Dr. Distelhorst (approximately \$2,500), Mr. Simpson seconded and all agreed.

Bike Storage –

Mr. Ivy reviewed the bike storage situation and after discussion the board directed Mr. Ivy to present an updated management plan at the next board meeting which included stricter management and usage fee options.

Committee Reports:

Finance Committee –

Mr. Cannava reviewed the FY22 preliminary budget planning factors. In addition to general inflationary pressures of expenses, the Water and Sewer expense is expected to increase 8-10% through 2023 and this year Vail experienced an 11% increase in water and 7.4% in sewer. Since 2020 when the monthly assessments were last increased, this expense alone will be equivalent to about a 3% increase in homeowner monthly assessments.

Mr. Ivy reviewed the 10-year capital plan funding and monthly assessment allocation chart. He said to avoid an increase in monthly assessments this past year, the Association took from one pot and put it into another. In the past, 29% of HOA dues were allocated to capital reserve and this year only 23% went to capital and the rest went toward operating which covered the water and sewer increase and the anticipated foreclosures expense. Mr. Ivy said the board will need to think about changing it back in order to properly fund capital improvements and to expect a recommendation for a monthly assessment increase. Mr. Cannava reported that the PPP loan has been forgiven which improves the outlook and projections.

Mr. Cannava reviewed the annual CPA review and audit schedule, and the Finance Committee recommends a review this year and then a full audit next year. All agreed.

Building and Grounds Planning Committee –

EV Charging Stations –

Mr. Loftus reviewed the results from the VRC Homeowner EV Survey:

- 157 owners responded
- 17% already have an EV (most are Teslas)
- 63% plan to get an EV
- 2/3 said having a charging station on property will influence their decision to purchase
- Overwhelmingly rates should cover the cost of power

Mr. Loftus said the results show that the VRC population is thinking hard about EVs. Mr. Loftus and Mr. Ivy were coached on the application process and the VRC has applied for seven Level 2 Dual Port charging stations. Mr. Loftus reviewed the grant and installation costs. The EV charging stations would be open to the public which was necessary in order to be considered for the grant. Mr. Loftus reviewed potential EV charging station locations which is mostly driven by where there is electricity already. Discussion followed and the board agreed to move forward with the grant process and is committed to adding the charging stations if the grant is awarded.

Recycling –

Mr. Loftus said there was a lot of talk in December about the need for more recycling containers and less trash. He suggested converting the dumpster enclosure at building 7 to recycling only and remove the 96 gallon cans from each enclosure as they overflow quickly and are an eye sore. Discussion followed and Mr. Loftus noted that currently only one out of seven dumpsters is dedicated to recycling which does not adequately meet the current needs. Discussion

followed and the Board agreed that the dumpster at building 7 should be converted to recycling only and the 96 gallon recycle cans in the other dumpster enclosures at the condominiums should be abandoned, but they will remain at the townhomes.

New building signs –

Mr. Loftus presented the new condo building signs and the board was pleased with the improvement.

Bike Storage -

Mr. Loftus reviewed upper tier racks that would add additional storage for 44 bikes and said he has not added the racks to the budget, and he is looking for Board feedback. Mr. Naiman said he would like to see the bike storage building concerns addressed and then charge a fee before adding another tier for bikes. Discussion followed and the Board concluded that it was best to implement a stronger management plan and hold off on the expense of new racks at this time.

Proposed Capital Plan FY21/22 and the HOA 10 Year Capital Plan -

Mr. Loftus reviewed the proposed Capital Plan FY 21/22 and said the VRC is in the last phase of the Special Assessment with only the condo wood fireplace gas conversions left to complete. The deck project at building 15 starts in April and noted the EV charging stations on the plan which may be scaled back depending on how much is awarded. Additionally, building 9-12 fireplace incentives, ERW&S PRV compliance, tennis court maintenance, and townhome landscaping are all included. Mr. Loftus said he will ask the Board members for approval of the capital plan at the next meeting.

He reminded the board that the deck projects will continue for the next 10 years and said this plan assumes restoring the monthly capital contributions to get the VRC back to where it was and preferably grow each year to meet the property's needs.

Mr. Bradford moved to accept Mr. Loftus' report and recommendations, Mr. Naiman seconded and all agreed.

Club Committee –

Ms. Salinsky reviewed the club operations, memberships and COVID club procedures including no outside guests are allowed to use the facilities which is helping with capacity concerns and keeping things more manageable. Also, guests of owners must still be accompanied by an owner to use the club and this plan may continue through the summer. Members and owners must wear a mask and sign a waiver to use the facilities. The showers, saunas and steam rooms are closed. She added that massages are now being offered and the staff is able to alternate using the two treatment rooms which gives time to keep the rooms properly sanitized, and there are also air filtration systems in place. Also, the hot tub reservation system is working and allows for 6 persons max in a hot tub at one time. Ms. Salinsky expects the reservation system will be used into the summer for the pool area.

Mr. Koclanes suggested adding clocks to the outdoor hot tub areas. Mr. Ivy agreed it was a good idea and clocks will be added. Mr. Grotke asked if masks are made available for guests. Mr. Ivy responded that reusable masks are available for a fee and paper ones are offered if a guest does not have one.

Ms. Salinsky said a few swimmers requested to have the family room open in the mornings so they can shower, but the committee determined this cannot be safely managed and could not be approved.

Ms. Salinsky reviewed budget planning factors, clay court maintenance, stripping for pickleball and holding off on purchasing new fitness equipment in order to save on expenses.

Rental Committee –

Ms. Bortz reported that an Annual Rental Operation Report was sent in December to all Short Term Rental owner participants and expects next year the rental meeting will be held remotely.

Ms. Bortz said the Rental Operation is hanging in there and down 25% year over year. Also, VRC has not had the usual last minute rental reservations when ski reservations on Vail Mountain are sold out.

Ms. Bortz noted that deep cleans and preventative maintenance inspections have not been completed since the Fall of 2019 and has resulted in some guest complaints that could affect the VRC reputation and reviews. She said the committee plans to do those programs and they are thinking that due to COVID, travel will still be down so they are planning on an 80% revenue budget and will also be discussing bring staffing levels back to normal.

Mr. Bradford said the VRC will apply for the second round of PPP which will be about the same amount, and the budget will be reviewed at the next board meeting.

Unfinished Business:

There was no unfinished business.

New Business:

Mr. Ivy reviewed the dates for the future Board of Director Virtual Meetings:

- Friday, April 30, 2021 at 1:00 PM
- Thursday, August 12, 2021 at 1:00 PM
- Friday, August 13, 2021 at 2:00PM – Annual Homeowner Meeting

Mr. Bradford concluded that it has been a tough year and management should be commended and he thanked the Board members for serving.

The Meeting was adjourned at 4:30 PM.

BOARD OF DIRECTORS MEETING

Friday April 30, 2021

Minutes

Zoom Teleconference – COVID-19

Attendees:

Fred Bradford	President
Patty Bortz	Vice President
Hal Naiman	Secretary
Greg Grotke	Member
Peter Koclanes	Member
Kathy Summers	Member
Rhonda Salinsky	Member
Molly Daniels	Member

Absent:

Greg Simpson	Member
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Audience:

Kevan O'Connor	Owner 8-4
Gwen O'Connor	Owner 8-4

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

Call to Order:

The meeting was called to order at 1:05pm. A quorum was established and notice of the meeting was proven.

Approval of the February 12, 2021 Meeting Minutes:

Mr. Naiman made a motion to approve the February 12, 2021 meeting minutes as presented. Mr. Koclanes seconded and the motion passed unanimously.

President's Report:

Mr. Bradford thanked the Board of Directors and management for their accomplishments during a challenging year and said the VRC weathered the crisis much better than expected and is in good shape.

Treasurer's Report:

Mr. Cannava reported on the 2020/21 Fiscal Year End Estimates, the projected surpluses, the annual CPA Review and he said that the PPP loan had been forgiven. Discussion followed. Mr. Grotke made a motion to transfer the surpluses to the

respective reserve funds for the HOA Capital and the Rental Operation. Mr. Koclanes seconded and the motion was approved unanimously.

Manager's Report:

Unit Sales-

Mr. Ivy reported that 9 units have sold at the VRC since the Board meeting in February and all the high sales prices are new benchmarks. The units sold all went under contract quickly and noted there are currently 0 units listed for sale. Mr. Ivy continued and said 39 units have sold since the Board meeting in April 2020. He said the Vail market is hot anyway, but it is very exciting to see the high sales prices coincide with the Special Assessment Project finishing up and it shows the VRC is attractive to buyers.

COVID –

Mr. Ivy said the Governor has turned over COVID public orders to the counties and at this time Eagle County expects to stay in the orange phase until May 27th at which time they hope to lessen restrictions.

Bike Storage –

Mr. Ivy presented the management plan options for the Bike Storage Building. He noted that according to the homeowner survey, there was a need to store only 118 bikes and the capacity is for 186 bikes. Currently 207 bikes have been allowed in and there are over 40 owners on the waitlist. The Board reviewed the Bike Storage management plan options and discussion followed.

Mr. Koclanes made a motion to charge 56% of the \$150 (\$85) as the Special Assessment only paid for 44% of the building for the 1st bike and then charge \$150 for the 2nd bike. If there is capacity, then owners should be put on the waitlist for additional bikes. Mr. Naiman seconded and the motion passed unanimously.

Heirloom – Mike and Jenn Dennis

Mr. Dennis reported their winter outcome, and he reviewed their plans for hosting a Sunday Farmer's Market in the parking lot adjacent to the tennis courts this summer. Discussion followed and the Board members were all in support of his plan.

Mr. Dennis reviewed his plan to purchase a new gas deck style pizza oven and requested that the VRC fund the hood and install since it is a fixed item. Discussion followed and Mr. Ivy asked if the Board is okay with Mr. Dennis verifying the quote and once they confirm the final numbers, the VRC can move forward. All agreed.

Building & Grounds Planning Committee:

Maintenance Safety Program –

Mr. Loftus presented the workman's comp history at the VRC and reviewed the Maintenance Safety Program he created which has been incredibly successful; it has

saved the Association a considerable amount of expense and they haven't had a loss time accident in 15 years.

Recycling –

Mr. Loftus reported that the conversion of the dumpster by building 7 to a recycling center has been a success. He noted that larger signage was added, the 96 gallon bins removal completed and "Plastic Bag Only" bins have been added to the recycling centers to assist with contamination concerns.

Building 8, Unit 4 Owner Concern –

Mr. Loftus addressed a concern raised by the new homeowners in Building 8, Unit 4 regarding springtime ice developing in front of the unit. He explained the warm temperatures cause snow to quickly melt followed by a freeze when the sun sets and said these freeze/thaw cycles are for a brief period and are unavoidable this time of year in our mountain climate. He said the snow has since melted and it is evident that the patio has good grade with no obvious defect and looks like everywhere else on property. Mr. Loftus explained that cinders are used to give good traction in the area and are really the only effective and most practical solution in our environment.

Mr. O'Connor (owner 8-4) shared his perspective and Mr. Bradford said he feels this is not a Board issue and should be addressed directly with management.

Capital Plan Budget-

Mr. Loftus reviewed the 2021/2022 Capital Project Plan and provided a progress report. He then reviewed the HOA 10-year Capital Plan. Mr. Grotke made a motion to approve the 2021/2022 Capital Budget as presented, Ms. Daniels seconded and the budget was approved unanimously. Mr. Bradford thanked Mr. Loftus for continuing to keep within the budget in a time when lumber, labor and other costs are increasing.

Manager's Report continued:

Gore Creek Restoration Plan –

Mr. Ivy reviewed the Board's approval at the last meeting to split the cost of the Restore the Gore Restoration Concept Plan with VRC neighbor, Dr. Distelhorst. The planner said in their opinion the creek in this area is currently a mess and the proposed plan would provide better fish habitat, enhance views and add lower shrubs which would bring more color in the spring and fall seasons.

Mr. Ivy said he understands the general concept of the plan, but does want to walk the creek with the planner. If Dr. Distelhorst and the VRC were to split this cost it is an inexpensive way to protect and enhance the VRC's best asset. The Board directed Mr. Ivy to meet with the planner and report back to the Building and Grounds Planning Committee. With B&G Planning Committee approval, the Board agreed the VRC would proceed with the plan in the fall.

Conversion from wood to gas fireplaces –

Mr. Ivy said typically the VRC pays for annual fireplace inspections of the wood burning fireplaces which were installed from 1974 – 1981. In order to move forward with the condo wood fireplace conversions to gas, owners are required to sign an affidavit stating they approve the conversion as the owners of the firebox. Mr. Ivy said the Association's counsel, recommended an affidavit acknowledging that owners who do not convert are responsible to pay for future fireplace inspections, cleanings and repairs. The HOA would still arrange the inspections, cleanings and any repairs and bill back the owner. The Board agreed with the recommendation and directed Mr. Ivy to proceed with Mr. Hunt's assistance to draw up this affidavit.

I-70 –

Mr. Ivy stated that the addition of a third lane on I-70 will begin this summer. Unfortunately, there will not be any sound mitigation for almost all of East Vail as the noise levels did not meet the criteria.

Club Committee:

Ms. Salinsky thanked Mr. Ivy and Mr. Holst for helping the VRC stay compliant with all orders and regulations this year and for helping to keep the Club operations running. She reported that they will stay with the current operating plan and at the end of May, after Eagle County reviews the current COVID public health orders, they will consider modifying the operating plan.

Ms. Salinsky said the committee will review the future outside member rate increase timeline at the August meeting. Discussion followed and it was noted that the VRC is currently charging a higher rate for new members and it's a great way to test out a new rate and see if there is price resistance.

Rental Committee –

Ms. Bortz said the committee will be meeting again after Eagle County announces an update to COVID public health orders. She said fortunately the revenue is down only 25% and happily reported that the Rental Operation ended up with a surplus. The Rental Committee recommends using the surplus to cover the Spring Deep Cleans and Preventative Maintenance Inspections in the Short-Term Rental units and all agreed.

Ms. Bortz noted that in the future, the VRC needs new property management software which would allow for remote check-in and an upgrade to the entry door locks to allow for Bluetooth compatibility.

Finance –

Mr. Grotke said management has done a great job during so much uncertainty and the VRC is headed into a transitional year of recovery. It's important to remain flexible and know where to make adjustments and he feels that there is a possibility to not lose

money and to break even. He said the Finance Committee has reviewed the proposed budget and recommends it for approval.

Mr. Cannava reviewed the 2021/22 operating budget and noted that it has been reviewed and is recommended by the Finance Committee and all of the Committees Chairs prior to today. Mr. Cannava reported that the proposed budget partially restores the allocation between the operating and capital budget and includes a 4.6% increase to monthly assessments. This increase will shift the allocation to 74% operation/ 26% capital, and they hope to continue incrementally restoring the previous funding allocation.

Mr. Ivy noted the HOA monthly assessment increase would be closer to 8% if they took into account the inflationary increases, especially in water which alone amounts to a 3% increase, plus the return to previous operating/capital allocation. Discussion followed.

Ms. Bortz recommended the Board approve the 2021/2022 budget as presented. Mr. Naiman seconded and the budget was approved unanimously.

Executive session – 3:58 – 4:35 PM - to discuss compensation and employee matters

Unfinished Business:

There was no unfinished business

New Business:

There was no new business.

Board Meeting dates -

The upcoming Board meetings are scheduled for:

- August 12, 2021– Thursday, 1:00 PM
- Annual Meeting August 13, 2021 – Friday, 2:00 PM

The meeting was adjourned at 4:45pm