

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Thursday – August 12, 2021
Minutes

Attendees:

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

Absent:

Peter Koclanes	Member
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Audience:

Jim Cowgill	Association CPA – Plante Moran
Jonah Hunt	Association Attorney – Orten, Cavanagh, Holmes and Hunt
Matt Ivy	General Manager
John Russell	Association Controller
Lindsay Stadler	Taking Minutes

Call to Order:

The meeting was called to order at 1:04 PM. A quorum was established, and notice of the meeting was proven.

Approval of the April 30, 2021 Meeting Minutes:

Ms. Daniels made a motion to approve the April 30, 2021 Board of Director Meeting Minutes. Mr. Naiman seconded, and the motion passed unanimously.

President's Report:

Mr. Bradford welcomed the Board members and noted the committees met this week leading up to the meeting. He reported that the property values are up, but it is a paradox as there are other problems to address and it's been extremely challenging to staff the HOA, front desk, housekeeping and marketing departments as well as Heirloom Restaurant which is very important to the VRC. Mr. Bradford concluded that overall, it has been a very successful year, though we are not through the virus yet.

Treasurer's Report:

Mr. Ivy introduced Mr. Russell who had previously been the VRC controller for seven years and was the person who initially trained Jim Cannava. By good fortune, Mr. Russell was available after Mr. Cannava gave notice and he accepted the job and was able to start immediately.

Mr. Russell gave a YTD financial update which is tracking better than budget due to increased business and some expense savings especially in labor for unfilled positions. Mr. Russell

concluded by saying that since leaving the VRC he has worked at 3-4 similar places and has walked into some real nightmares, but Mr. Cannava has done a fantastic job, and the books are in great condition and are well organized.

CPA Review:

Mr. Ivy introduced Mr. Cowgill with Plante Moran (the Association's independent CPA firm). He reported there have been changes in the general accounting procedures which became effective this year and FY21 Financial Report that will be reviewed today is a draft only and they are in the final stages of completing the report and didn't expect any significant changes. He reviewed the FY21 Financials including the Balance Sheets and Statement Income and Expenses. He said the VRC has performed better than anticipated during COVID and did a great job of keeping expenses under control.

Mr. Cowgill confirmed the first PPP loan was forgiven and from his perspective there is a high likelihood that the second PPP loan will be forgiven as well.

Manager's report:

Mr. Ivy reported that 40 units have sold from August 14, 2020 - August 12, 2021 which is the most ever since he's been here and nearly twice what was sold last year.

- 27 - One bedrooms sold \$325,000 - \$550,000
- 7 - Two bedroom condos sold \$560,000 - \$809,000
- 1 - Three bedroom condo sold for \$826,300
- 5 - Townhomes sold for \$810,000 - \$1,350,000*

*The creek side townhomes have brought in really strong prices.

Mr. Bradford reviewed the past property improvements and said the Board members should be very proud. Mr. Ivy noted only 1 unit listed for sale and he reviewed the appreciation report.

Staffing –

Mr. Ivy said that business is back and was pleased to report that Club Memberships are high, Rental Operation income is higher than anticipated, but Vail is not ready for the influx of business and the lack of staffing is crippling businesses included the VRC. He said all of Vail is looking for employees and businesses are either adjusting hours or closing; even Walmart closed a day due to a lack of staff.

COVID –

Mr. Ivy reported that there has been an uptick in COVID rates, especially the Delta variant, in Eagle County and is ranked into the State's highest level. Mr. Ivy said Eagle County does not plan to issue any new mandates at this time and said the VRC is prepared if more restrictions are required and in the future vaccination cards might be checked.

Bike Storage –

Mr. Ivy reviewed the new Bike Storage plan which charges \$80 for the first bike and \$150 for the second bike and \$180 for any additional. He said the new plan has been met with both ends of the spectrum and he reviewed a few examples owner positive and negative feedback. Mr. Grotke added that the profane language used in the negative letter from an owner is inappropriate, and Iris and the staff need to be supported.

The biggest question from owners is where the money will go. Mr. Ivy said it could flow into capital reserve or go towards adding more storage in the future. Mr. Bradford said he would want to see the money put back into more bike storage and discussion followed regarding a bike wash and pump being added in the future.

Building and Grounds Planning Committee:

EV Charging Stations –

Mr. Loftus reported the new 4 dual port EV charges (2 in the Club parking lot, 2 in the overflow lot) went live mid-July.

Recycling –

Mr. Loftus reviewed the conversion in May of the dumpster at building 7 to an additional recycling center and added signage being added.

Landscaping –

Mr. Loftus reported on landscaping at the townhomes this summer including adding bushes, sod, greenery and trimming to the cobbled areas. In some places, sprinklers have been eliminated and they are letting some areas near the creek go native which helps support the Restore the Gore campaign. Mr. Loftus reviewed a photo of how the landscaping around the tennis courts has begun to fill in and Ms. Bortz commented that the results are incredible.

Gas Fireplace Conversion Project at the Condos–

Mr. Loftus reported that 34 gas fireplaces were converted in 2020, they will have 66 installed through August, then have 45 more which he expects will be done before Christmas. Mr. Loftus noted that once the gas fireplaces are all installed, they will focus on finishing the ski lockers.

Building 15 Deck Project –

Mr. Loftus said the deck replacement project at building 15 is moving forward again, but he did have to pull staff off it temporarily to do a fireplaces. Mr. Loftus expects the major work to be done by the end of August, however the project will continue through the fall.

Manager's Report Continued:

Gore Creek -

Mr. Ivy reviewed that he had talked to the Building and Grounds Planning Committee about moving forward with the proposed Gore Creek plan this fall. Unfortunately, after meeting with the designer recently, the neighbor who was partnering with the VRC, decided he does not like the plan and could not support it. Mr. Ivy said the project is stalled out for now and is not sure if it will move forward but hopes they can overcome the concerns and still proceed.

RBO –

Mr. Ivy explained that a VRC owner leased their unit as a Long-Term Rental and their tenant then listed the unit on VRBO as a Short Term Rental. The HOA gave a violation notice and the listing was taken down. In another RBO case, the front desk has been verbally abused and harassed by a RBO Long Term tenant. Mr. Ivy suggested two changes be made to the RBO Rules. The first is to better clarify that lessees cannot rent or sublet their unit and the second is that renters may not receive mail and packages at the desk, they need to get a PO box. The Board agreed and asked Mr. Ivy to make the adjustments to the RBO rules.

Annual Homeowner Survey –

Mr. Ivy said the Annual Homeowner Survey will be sent out and asked the Board to consider what information would be useful for them to know. Mr. Bradford added that the VRC is struggling with a real employment problem. There are 311 VRC owners who have unique experiences and asking them for ideas is a very good way to approach them. He added that what a difference 4 or 5 more employees would make.

Club –

Ms. Salinsky reported on outside Club memberships and said the Club is currently better than budget, but we'll see how the year plays out and what the VRC may or may not face with COVID. Ms. Salinsky said the current operating hours are 7am -7pm during the week and 7am – 9pm Friday and Saturday. She expects they will cut weekend hours in the fall season. Ms. Salinsky reviewed the COVID Club procedures and said these will continue. Ms. Salinsky hopes to not go backwards, but if there are any changes the Club wants to be proactive and not reactive.

Ms. Salinsky brought up allowing punch cards only for owners to purchase at a reduced rate for their guests. The Board agreed and asked Mr. Ivy to reinstitute the punch cards for owners.

Rental –

Ms. Bortz reported that business is back, and summer reservations have been strong. She said that short term rental reservations are broken down into 4 categories; direct, group, wholesale and seasonal rentals. She was very pleased to report that 46% of all rentals this summer were direct which is great news for the VRC since they do not pay commission on this type of rental. The VRC could be doing even better if they had more units, but a lot of owners are using their condos and townhomes.

The fall deep cleaning and preventative maintenance will happen this fall and the participants will cover the fall deep cleaning costs.

Ms. Bortz said in the future the VRC is going to have to bite the bullet and spend money on capital expenditures such as new software that offers remote check ins and mobile communications, new upgraded Ving keyless entry locks and a new commercial washer/dryer.

Compensation Committee –

Mr. Ivy confirmed a lot of brainstorming was done yesterday regarding how to attract and retain employees and it's really not clear how to solve the problem. Interviews are set up and no one shows, Mr. Dennis at Heirloom hired a new chef who left the same day. The employee shortage situation has never been this extreme.

Mr. Bradford asked if there is anything else the Board can do to support the Front Desk, Housekeeping and Restaurant, and suggested management speak with colleges or high schools to recruit and mentor. Discussion and brainstorming session followed. Mr. Russell said he has experience with a employee appreciation fund which was very motivating for the staff. The Board was in support of this idea and ask Mr. Ivy to add this question on the homeowner survey and Mr. Bradford asked to also include a employee recruiting question.

Executive Session – 4:06pm – 4:20pm for employee related issues and compensation

Unfinished Business:

There was no unfinished business.

New Business:

Mr. Ivy reviewed the proposed dates for the Board of Director Meetings which he anticipates will be held remotely, the Board said they preferred meeting on a Friday instead of Saturday and the schedule was set at:

- Friday, November 19th at 2:00 PM
- Friday, February 11th
- Friday, April 22rd
- August Board and Annual Homeowner Meeting either August 11th, 12th and/or 13th

Mr. Ivy reviewed the Annual Homeowner Meeting agenda. He noted that owners have been asked to submit their questions ahead of time.

Adjournment:

The meeting was adjourned at 4:27PM

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Friday – November 19, 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
John Russell	Association Controller
Lindsay Stadler	Taking Minutes

Call to Order:

The meeting was called to order 2:03PM. A quorum was established and notice of the meeting was proven.

Approval of the August 12, 2021 Meeting Minutes:

Ms. Bortz made a motion to approve the August 12, 2021 Board of Director Meeting Minutes and Ms. Daniels seconded. The minutes were approved unanimously.

Ms. Bortz asked Mr. Ivy to confirm that the Preventative Maintenance Inspections and Spring Deep Cleans were paid for by the Rental Operation this year. Mr. Ivy confirmed that was correct and it was approved by the Board at the spring meeting.

President's Report:

Mr. Bradford said that the Board didn't know what to anticipate with the COVID situation and what effect it would have on the VRC, but it's remarkable to see that property values have continued to increase, and business is strong. Though, he noted that labor shortages continue to be an ongoing issue.

Election of Officers -

The Board members unanimously agreed that Mr. Bradford will continue to serve as President, Ms. Bortz will continue to serve as Vice President and Mr. Naiman will continue to serve as secretary.

Committee Sign ups/ Contact Information -

Mr. Bradford suggested the Board Committees remain the same and all the members agreed.

Treasurer's Report:

Mr. Russell reviewed the YTD Financial Summary and reported that overall, each operation is ahead of budget mostly due to increased revenue and savings in some expenses. He confirmed that forgiveness for the second PPP loan has been submitted and they are waiting on the SBA at this point. Mr. Russell said the VRC is in a strong cash position and is returning to pre- Special Assessment levels.

Mr. Bradford added that the budget was adopted expecting a transitional year due to COVID and said expenses and services have been less than normal and owners/non-owners have been understanding, but the Board should expect expenses to return to normal levels in the future.

Manager's Report:**Real Estate –**

Mr. Ivy reported that 9 units have sold since the last Board of Director's Meeting in August.

- 6 - One bedroom Condos (\$495,000 - \$575,000)
- 1 - Two bedroom Condo (\$640,000)
- 2 - Townhomes (\$1,000,000 - \$1,620,000)

Mr. Ivy said 33 total units sold this calendar year.

- 23 - One bedroom condos (\$400,000 - \$575,000)
- 4 - Two bedroom condos (\$640,000 - \$809,000)
- 1 - Three bedroom condo (\$826,300)
- 5 – Townhomes (\$920,000 - \$1,620,000)

He said overall there has been strong real estate activity with 19 units selling since last June and last year 40 units sold August '20 – August '21.

Insurance –

Mr. Ivy introduced Ms. Wilson from Mountain West Insurance. Ms. Wilson reviewed the HOA insurance coverages (Package Policy, Umbrella Policy, Directors and Officers Liability, Worker's Compensation Policy, Professional Liability Policy and Fidelity). Discussion followed.

Mr. Koclanes asked if new building codes are accounted for, and Ms. Wilson said yes under ordinance/law C and she confirmed that upgrading the wood fireplaces to gas does expand the number of carriers that will be available to bid.

Building & Grounds Planning Committee –**Fireplace Conversion Project –**

Mr. Loftus reviewed the fireplace project and said feedback has been very positive and ski closet restoration is now underway. He said the project has been impacted by the high price of materials and very short supply. In some cases, he is seeing prices more than double, but believes the total project cost will come in better than budget.

EV Chargers –

Mr. Loftus reported on the charger usage and costs and said that activity has picked up with most users charging for about 3 ½ hours. He reviewed the dashboard which displays the number of sessions, number of unique drivers and amount of emission avoided.

Pool Update –

Mr. Loftus reviewed the pool boiler conversion project.

Ms. Summers thanked Mr. Loftus and said there was a lot of positive feedback regarding maintenance and the grounds. Mr. Loftus was encouraged to hear that, and the Board thanked him for his hard work.

Manager's Report Continued...

Heirloom –

Mr. Ivy reported that Heirloom had to close for a few weeks in September due to lack of employees. Fortunately, they were able to re-open for most of the off season and discussion continued regarding Heirloom and their challenges and Mr. Ivy suggests owners and members call ahead and make dinner reservations.

Real-estate Benchmark Analysis -

Mr. Ivy reviewed real estate report showing how the VRC compares to similar East Vail Properties in 2020 vs 2019. Overall, it showed that the VRC property values (price per square foot) has increased at a higher rate than neighboring properties.

Operating Hours –

Mr. Ivy said they now have 5 out of 6 front desk positions filled which is trending better and they hope to extend the operating hours for the winter season.

COVID –

Mr. Ivy reported that Eagle County COVID rates are high. The COVID risk is currently at the orange level, but the incident rate is at the red level. Eagle County encourages people to get vaccinated and wear masks indoors.

LQA –

The VRC has once again maintained a high Gold Lodging Quality Assurance (LQA) rating. This is great news and thank you to Ms. Stadler & Mr. Cruz for their hard work.

Signs and Flags –

Mr. Ivy reviewed proposed changes to the Rules and Regulations regarding signs and flag as recommended by the Association's counsel. He also reviewed a few changes to the RBO Rules which notes lessees cannot sublet and cannot get mail delivered. The Board agreed to move forward with adopting the new rule changes.

Committee Reports:

Club Committee –

Ms. Salinsky said that the Club Committee recommends moving forward with the planned outside Club membership dues increase on the first of the year; all agreed. The new rates will be:

- **Individual Membership**
Currently \$90/month and will increase to \$115/ month, annual initiation \$120
- **Family Membership**
Currently \$120/month and will increase to \$160/month, annual initiation \$200

Ms. Salinsky reminded the Board that in comparison, the owner's membership fees are much less and are a valuable homeowner benefit.

Ms. Salinsky reported that the carpet in the yoga room was upgraded and replaced with new LVT flooring. Ms. Stadler, Mr. Ivy and Mr. Holst did a great job, and it looks really nice. She also said that the \$200, 10-punch Club cards will continue to be available for purchase at the front desk for homeowners only. She reviewed pool concerns and said fortunately, Mr. Loftus was able to dovetail in the installation of the new pool boilers.

Rental Committee –

Ms. Bortz said the Rental Operation is tracking way better than budget because expenses have been kept low and management has done extraordinary well bringing in revenue. The Rental Committee recommended that as a benefit to participants, the Rental Operation pay for the mini deep fall cleans which will cost about \$23K; all agreed. She reminded the Board members that upcoming significant expenditures will be necessary such as new software and electronic locks that allow for remote check ins and also new commercial washer and dryers.

Executive session 4:18PM – 4:30PM to review employee compensation

Unfinished Business:

There was no unfinished business.

New Business:

2021 Homeowner Survey Results -

The Board members reviewed the 2021 Homeowner Survey results. Discussion followed.

Mr. Bradford said the survey results were interesting and the Board appears to be more appreciated than in years past. Mr. Ivy pointed out a few highlights and said it's interesting that the majority of owners have dogs, most felt the Wi-Fi speed met their needs, the adjusted Club hours were satisfactory, and a majority of owners were also more likely to attend the Annual Homeowner Meeting through Zoom. He reviewed more of the results and said the survey ended up positive and provide very useful information.

Board of Directors Meeting Dates -

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

- Friday, February 11, 2022 at 2:00 PM
- Friday, April 22, 2022 at 2:00 PM
- Thursday, August 11, 2022 at 2:00 PM
- Friday, August 12, 2022 at 2:00PM – *Annual Homeowner Meeting*

The Meeting was adjourned at 4:58 PM.

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Friday – February 11, 2022
Minutes

Attendees:

Fred Bradford	President
Patty Bortz	Vice President
Hal Naiman	Secretary
Molly Daniels	Member
Peter Koclanes	Member
Rhonda Salinsky	Member
Greg Simpson	Member
Kathy Summers	Member
Greg Grotke	Member - joined at 2:13PM

Audience:

Matt Ivy	General Manager
John Russell	Association Controller
Lindsay Stadler	Taking Minutes

Call to Order:

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

Approval of the November 11, 2021 Meeting Minutes:

Ms. Bortz made a motion to approve the November 11, 2021 Board of Director Meeting Minutes and Mr. Naiman seconded. The minutes were approved unanimously.

President's Report:

Mr. Bradford said things at the VRC are going very well. He was pleased to see that the employee situation is more favorable than it was, but still not fully staffed. Mr. Bradford congratulated the board on doing a wonderful job during the difficult times and it appears the VRC is getting back to whatever is "normal" again.

Treasurer's Report:

Mr. Russell reviewed the YTD Financial report and reviewed the preliminary fiscal year-end projections. Discussion followed. Mr. Russell reminded the Board that an Audit is planned for June 20th -24th.

Manager's Report:

Real Estate –

Mr. Ivy said the VRC real estate market has continued at a strong pace. For the year, January 1, 2021, to December 31, 2021, there have been 33 sales which Mr. Ivy noted is remarkable to see and he reviewed the high and low prices.

- 23 - One Bedroom Condos (\$400,000 - \$575,000)

- 4 - Two Bedroom Condo (\$640,000 - \$809,000)
- 1 – Three Bedroom Condo (\$826,300)
- 5 - Townhomes (\$920,000 - \$1,620,000)

Mr. Ivy continued and said that the average sales prices by unit size have all appreciated.

- One Bedroom Condos at 21%
- Two Bedroom Condos at \$17%
- Townhomes at 18%

Financial Outlook –

Mr. Ivy said the financial outlook is extremely favorable and he anticipates a surplus in all operations (HOA, Club, Rental Operation). Business is back and on steroids and he wonders if this is due to pent up demand or if this rate is sustainable.

Homeowner Engagement –

Mr. Ivy said that Ms. Stadler is working on a homeowner community message board on the HOA website. They hope to have an example ready at the next Board meeting.

Recycling -

Mr. Ivy said the VRC is currently getting charged for contaminated recycling every week and Waste Management is taking photos of the contamination now. It was agreed Mr. Ivy will add a reminder in the next homeowner letter and discussion continued. Mr. Ivy said a RBO housekeeper was caught recently dumping trash bags into the recycling.

Employee Shortage –

Mr. Ivy explained that the employee shortage is still a major concern and resulting in wage pressures. The GLRs make all the difference in attracting employees.

COVID –

Mr. Ivy reported that there is currently no mask mandate in effect in Eagle County, but they are strongly suggested inside and VRC employees are still wearing masks.

Heirloom –

Mr. Ivy said Heirloom is currently open only 4 days a week and they are suffering from being short staffed; they need cooks and servers.

Management vs Board issue –

The Board reviewed a recent situation in which a dissatisfied owner concerning an operational issue emailed the Board without reaching out to management first. The owner had previously been told to work with management first but continues to email the Board. Mr. Bradford reviewed the solid line that he feels exists between a Management vs a Board issue. He does not want the Board to get into the nitty-gritty day to day operations and they are lucky to have good management. If managers are not doing their job, then they can be replaced and that is when the Board would step in. Managers are hired to take care of the day-to-day business and the Board makes policies and procedures.

Building & Grounds Planning Committee:

EV Chargers-

Mr. Loftus reported on the usage and added that initially the EV charges were set up to give the first 3 hours free and then users were being charged higher rates for overstay fees. They have recently changed the charging structure based on Mr. Loftus' analysis who closely reviewed the charge vs power being used and adjusted the rates accordingly.

Adult hot tub Renovation-

Mr. Loftus reviewed a preliminary plan for replacing the adult hot and better utilizing the space. The proposed plan includes 2 smaller hot tubs which would allow for more privacy and is more similar to what is found at newer resorts. Discussion followed and Mr. Ivy noted they will continue to gather more information and ask for final approval at the April Board Meeting.

HOA Capital Plan FY 2022/23 –

Mr. Loftus reviewed the preliminary capital plan for 2022/23 and related 10-year funding projections. Mr. Loftus noted that the Building 8 front side deck replacement project is underway with materials ordered and construction will begin this spring. Discussion followed.

Committee Reports:

Club Committee –

Ms. Salinsky reported that the Club operation financial outlook is great and feels this is a good time for Mr. Loftus to move forward with the adult hot tub renovations. Ms. Salinsky reminded the Board that outside club membership dues were increased and \$200 ten punch Club cards are available for owners only. She said that they plan to keep cardio machines in the Elk room.

Ms. Salinsky reviewed future Club capital and maintenance plans which include adding a squat rack to the fitness center and new carpet in the stretching area, clay court maintenance, painting 2 pickle ball courts across the street and a new adult hot tub renovation project. She was pleased to hear that everyone is supportive of the hot tub project.

Rental Committee –

Ms. Bortz reported that the VRC once again achieved a high Gold LQA rating. She added that so many owners are using their units and the rental operation could be selling more if there was more unit availability. Ms. Bortz provided a revenue update which anticipates strong surpluses and said the committee hopes to give rental participants a rebate this year. Ms. Bortz added that the rental committee agreed to phase out in-unit humidifiers and Housekeeping (3E Cleaning) has increased their full clean rates.

Finance Committee –

Mr. Ivy reviewed the Fiscal Year 2023 Planning Factors:

- Plan to return budgets to “normal” pre-COVID levels.
- Revenues increase in Rental Operation based on recent demand
- Revenues increase in Club Operation due to increased outside member dues
- Plan to adjust expenses in each operation for inflationary pressures
- Wage and Salary increases due to employee shortage and high inflation
- Anticipate utilities will increase at a higher than normal rate

Mr. Bradford commented that the Board needs to be nimble with changes in future fees and salaries. He noted that the new gas fireplaces are working so well, and they are very pleased. Mr. Bradford congratulated Mr. Loftus on overseeing this project and Ms. Daniels asked Mr. Ivy to thank the staff for their hard work.

Unfinished Business:

There was no unfinished business.

New Business:

Board of Directors Meeting Dates -

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

- Friday, April 22, 2022 at 2:00 PM
- Thursday, August 11, 2022 at 2:00 PM
- Friday, August 12, 2022 at 2:00PM – *Annual Homeowner Meeting*

The Meeting was adjourned at 4:10 pm

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Friday – April 22, 2022
Meeting Minutes

Attendees:

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

Audience:

Matt Ivy	General Manager
John Russell	Association Controller
Ahmad Almadhoun	Après Cafe
Jennifer Lewis	Après Cafe

Call to Order:

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

Approval of the February 11, 2022 Meeting Minutes:

Mr. Fred Bradford made a motion to approve the February 11, 2022 Board of Directors Meeting Minutes it was seconded and the minutes were approved unanimously.

President's Report:

Mr. Bradford said things at the VRC are going very well. He appreciated everyone's hard work recently regarding the next fiscal year's budget.

Treasurer's Report:

Mr. Russell said the February results were sent to the Board on March 19th and Mr. Grotke had suggested the gross revenue be included on the report so the Board will see that going forward. Mr. Russell reviewed the fiscal year-end projections and anticipated surpluses in each operation. Mr. Bradford made a motion to move the operating surpluses to their respective reserves and it was seconded, and the motion was approved unanimously.

Mr. Russell continued that this year there will be a CPA Audit scheduled for the 3rd week in June.

Manager's Report:

Real Estate –

Mr. Ivy said the VRC real estate market has continued at a strong pace. Mr. Ivy noted it is remarkable to see and he reviewed the high and low prices.

- 2 – One Bedroom Condos \$650,000 - \$750,000
- 1 – Townhome \$1,050,000

The highest price for a townhome was \$1,620,000 which was K2 in August of 2021. Mr. Ivy mentioned the price per square foot now exceeded \$1,000 and Mr. Bradford added that the renovations to the property added to the increased value as well.

Restaurant Apres Café -

Mr. Ivy reviewed the lease assignment and said the new owners would be introduced later in the meeting.

Homeowner Engagement –

Mr. Ivy showed an example of the new Community Message Board that will be on the Homeowners website. There are four categories, Activity Partners for finding others to play pickle ball, go hiking etc., a Classifieds section, Announcements, and an Event Calendars. They hope to launch the new site in June and a special thank you to Lindsay for helping with this project.

Rules and Regulations –

Mr. Ivy noted that personal video surveillance cameras on common areas have become an issue. Some of the cameras are positioned and can see into units causing a potential invasion of privacy concern. The Board had discussed this in the past and these cameras are not currently allowed on the decks and patios. Mr. Ivy said it would be best if this was specified in the Rules and Regulations. Mr. Simpson made a motion to add to the Rules and Regulations that no personal surveillance equipment is allowed on common or limited common areas, it was seconded by Mr. Naiman and the motion was passed unanimously. Mr. Ivy will have the language reviewed by counsel and then send out the updated Rules.

Restore the Gore Creek Campaign -

Mr. Ivy reported that the Town of Vail has adopted further regulations regarding Gore Creek which will require a 10-foot buffer from the edge of Gore Creek, and it will be a no mow zone to allow better filtration before runoff goes into the creek.

Fire Free Five –

The Town is looking at implementing a program called Fire Free Five which requires all properties to create a 5-foot-wide area of non-combustible landscaping around the perimeter of all buildings. The Racquet Club may have to remove some trees in order to comply.

Town of Vail's Short Term Rental Ordinance –

The Town of Vail may be increasing the Short Term Rental Fee to \$150 per unit and up to \$2,000 per bedroom. This is a substantial increase and could jeopardize the rental program. The additional funds the Town of Vail would receive will be used to fund employee housing. Mr. Ivy said he would be fighting against it on the basis that the

Association already has a large number of employee housing units and that this fee is excessive, and it is not fair for condominium lodging properties to cover the cost of administering RBO short term rentals.

Affordable Housing in East Vail –

Mr. Koclanes asked about an affordable housing project in East Vail that he read about in the Vail Daily. Mr. Ivy explained the history of the project and that it had been approved by a previous council, but the new council is opposed to it based on protecting a bighorn sheep herd in the area. Vail Resorts got a court ruling to proceed and now the council is moving toward condemnation of the property.

Compensation Committee

3:00pm to 3:15pm Executive Session to review employee related matters.

2023 Budget –

Mr. Grotke introduced the budget discussion and asked Mr. Russell to review the Budget presentation for the Board. Mr. Russell reviewed the planning factors and then presented the budget. Discussion followed. For the HOA the budget reflects a 7% increase to monthly assessments and a change from 26% to 24% of the monthly assessments allocated to reserve. Based on the increased membership numbers and dues, the Club's contribution to the Reserve Fund will make up for this change. It is important to note that the 78% of HOA budgeted expenses are for Maintenance and Utilities.

Discussion followed and the Finance Committee recommended the budget be adopted for FY 23 as presented and the motion passed unanimously.

Next, the Board reviewed the requirement to have a budget meeting for the Owners to consider the budget and the budget is deemed approve unless a majority of owners veto the budget. This will be scheduled in June for those who would like to attend.

Rental Committee –

Ms. Bortz reported that the Rental Operation had an outstanding year with the highest revenues ever. This will enable the operation to increase the owner split to 61% after funding of the rental reserve.

Ms. Bortz added that the Rental Operation is good for the Racquet Club as a whole, not just the Rental Participants. There are additional Club revenues generated and additional services such as extended Front Desk hours.

The Rental Committee motioned to distribute operational surpluses as an additional 6% of an owner's revenue to active homeowner short term rental participants (bringing the effective split to 61% to the Rental participants, 34% to the Lodging Operation and 5% to the Club) and also cover the annual expenses for deep cleans, preventative maintenance, carpet cleans and reserve the potential annual fee that the new Town ordinance may require, and the motion carried unanimously.

Club Committee –

Ms. Salinsky reported that the Club's financial outlook is great, and the surplus will help with the hot tub replacement. There is a new squat rack that has been ordered and there is new carpet in the fitness area. Also, there will be some carpet replacement in the entryway and stairs. The courts across the street will be repaired and dual painted for playing either tennis or pickleball.

Recycling –

Ms. Bortz brought the recycling issue up for discussion, mentioned the fines the Racquet Club is receiving due to plastic bags being used. Mr. Ivy mentioned there is adequate signage regarding the rule of not throwing bags in with the recycle bins, but some people are not paying attention.

Apres Café –

Mr. Ivy introduced Jennifer Lewis and Ahmad Almadhoun who joined the meeting at 3:45pm. They discussed their experience in the restaurant business and plans for their new restaurant. They were very grateful for the opportunity and the Board liked their concept; they left the meeting at 4:06 pm.

Building and Grounds Committee –

Adult hot tub Renovation–

Mr. Ivy reviewed the updated plan for replacing the adult hot tub and better utilizing the space. The proposed plan includes 2 smaller hot tubs which would allow for more privacy and greater capacity. The project is planned to start this fall and be completed before the busy winter season.

2023 Capital Budget –

Mr. Ivy reviewed the 2023 Capital Budget and 10-year capital plan. Discussion followed. The Building and Grounds Committee recommended approval of the Capital plans and it was unanimously approved.

The owner of Townhome O-3 submitted a Design Review request to add a ground level patio similar to other townhome improvements. Discussion followed and Mr. Grotke motioned to approve the project based on working with Steve Loftus on finalizing details, obtaining TOV approval and signing the standard Indemnity Agreement and the motion carried unanimously.

Unfinished Business:

There was no unfinished business.

New Business:

Board of Directors Meeting Dates -

BOD meeting Thursday August 11th at 2:00 pm

Annual Homeowners Meeting Friday August 12th at 2:00 pm.

The Meeting was adjourned at 4:50 pm