



June 7, 2023

Dear Homeowner,

Winter is why we came, summer is why we stayed! It is absolutely beautiful here in East Vail, with the above-average snowfall from this winter resulting in the greenest spring/summer in many years. I hope you all have a chance to enjoy the gorgeous weather here soon.

Assessor Property Value Notification

Some homeowners have contacted us with questions about the 2023 Property Valuation recently received from the Eagle County Assessor. Below is a link for an exceptional article from a local realtor that is chock full of useful information about the determination of valuation, recent results, and the appeals process. It really is one of the best summaries I've seen with helpful links regarding this subject. Please note that any appeal to the Assessor can only be filed by the property owner, so unfortunately VRC management is unable to advocate on your behalf in this regard.

[EAGLE COUNTY ASSESSOR RELEASES SOARING 2023 PROPERTY VALUATIONS - VailLuxuryGroup.com](https://www.vailluxurygroup.com/eagle-county-assessor-releases-soaring-2023-property-valuations)

While it can be of concern to see increased property valuation when considering possible tax implications, we are fortunate that Town of Vail property taxes are among the lowest in Eagle County. Please see below an analysis of the 2022 mill levy for Vail Racquet Club as compared to other areas in Eagle County.

<u>Area</u>	<u>Mill Levy</u>
Intermountain (Town of Vail)	45.47
Vail Racquet Club (Town of Vail)	51.38
Town of Avon	63.48
Town of Eagle	60.61
Town of Gypsum	63.07
Singletree	67.82
Town of Minturn	72.91
Eagle Vail	74.00
Wildridge (Town of Avon)	79.55
Eagle Ranch (Eagle)	91.00
Cotton Ranch (Gypsum)	98.42
Cordillera Summit (Edwards)	103.64
Solaris (Town of Vail)	140.99



Be Bear Aware

Bears have come out of hibernation and are anxious to find easy food sources. The bears we've seen recently in our neighborhood (see the big guy below) are moving about even during daylight hours and while there is obvious human activity. Please be mindful that wild animals are dangerous and can cause property damage and harm. Let's work together to be sure that our property is of little interest to them – remember to always close the doors to the VRC trash enclosures, clean your grill after each use, and do not leave trash, coolers, or food outside your unit.



Apres Café

Ahmad and Jennifer, the owners of Apres Café, are excited to welcome everyone back for the summer season. They will be open with court-view patio seating from 1 pm – 9 pm Thursday through Monday with delicious salads, sandwiches, and pizza. You can even pick up your favorites, including beverages, for a pool side picnic. For more information, follow them on Instagram @aprescafevail; call them at 970-688-05437; or email to hello@aprescafevail.com.

Rental Operation Participants

We are pleased to remind rental operation participants that you will see a credit on this month's statement for spring cleaning. Due to a surplus in the rental operation, the Board voted to provide this service at no charge to participants. The charge for spring cleaning is posted when the cleaning is completed, and cleanings will continue into June, so you may not see the offsetting charge on this statement.

Rules and Regulations – Deck and Patio Rules

As we all have the wonderful opportunity to spend even more quality time outdoors with the change in weather, this is just a quick reminder of items that are permitted on decks and patios during the summer months.

- Deck furniture consisting of chairs and tables suitable for decks/patios, not to exceed one table and four chairs.
- A grill
- One name plate or small entrance decoration (no larger than 12" x 12")
- One entrance mat
- Appropriate flags
- Operable bicycles (not hanging)
- Patio umbrellas
- Hummingbird feeders
- Flower boxes and hanging flower baskets (no artificial plants)

Anything that is not on this list is not permitted without prior written approval from the Board of Directors. Requests for a variance can be emailed to maintenance@vrcmr.com.

Budget Ratification

The VRC Board President, Fred Bradford, recently provided a recap of the Board's April meeting which included adoption of the 23/24 Budget. The State of Colorado requires that HOA members are given an opportunity to consider the adopted budget. According to state law, the budget is not required to be approved by the owners of an Association and the budget is deemed approved in the absence of a veto vote by a majority of owners at a budget review meeting. Please find a budget summary following this letter. A budget meeting has been scheduled for Tuesday, June 20, 2023 at 2:00 PM MT and will be held remotely via Zoom. To register for the meeting and receive access instructions, please email: VRC.HOA@VRCMR.COM. Registration for the meeting will close at 5 pm on Monday, June 19th.

Best regards,



Kim Rediker
General Manager
Krediker@vrcmr.com



Racquet Club Owners Association

FISCAL YEAR 2023/2024

BUDGET

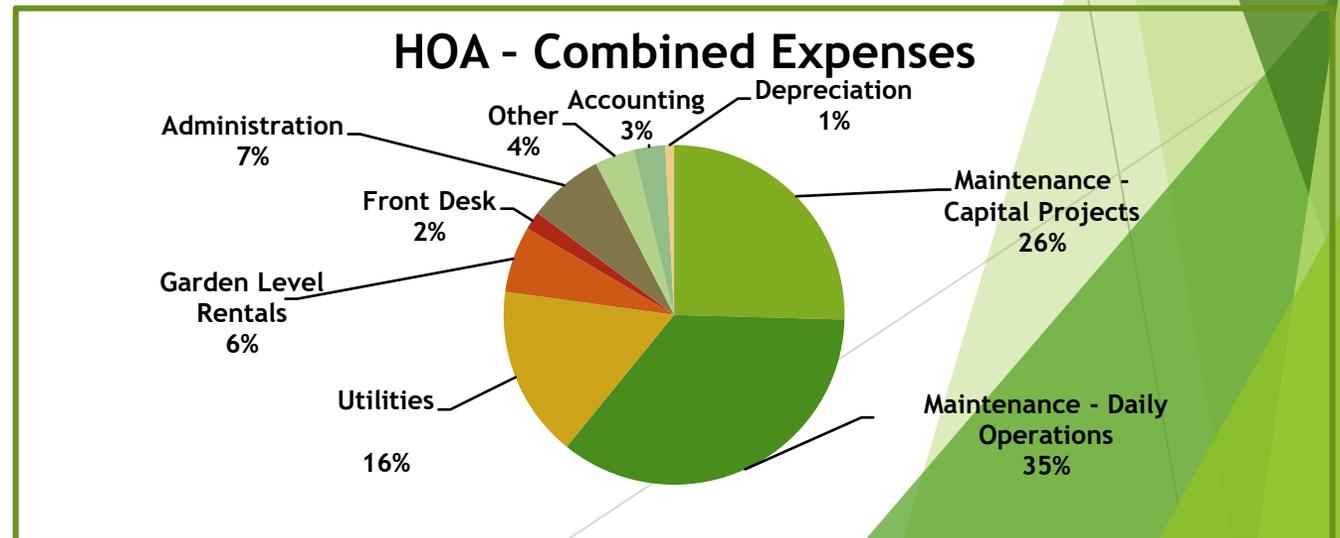
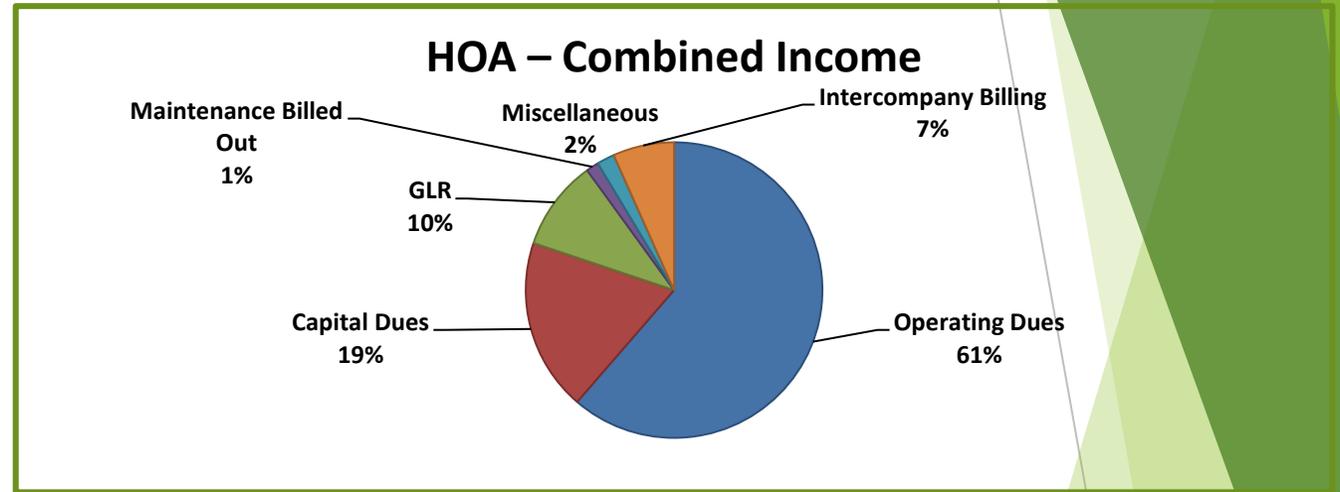
(Approved by Board of Directors April 20, 2023)

Budget Plan for Fiscal Year 2023/2024

- ▶ The Fiscal Year for the Association begins on June 1, 2023 and ends on May 31, 2024. The Association creates and manages the budgets for 3 operations: The Homeowners Association (including Garden Level Rentals), the Athletic Club, and the Rental Operation.
- ▶ In preparing, finalizing, and adopting the budgets for next fiscal year, the Finance Committee and Board paid close attention to continued significant inflationary pressures across all expense line items, which greatly affect each of the Association's operations.
- ▶ The Board had to carefully weigh growing costs of services with work required to maintain the property with the appropriate standard of care. Considerations include the increasing difficulty securing outside skilled services (elevator maintenance, plumbing, contract snow removal, vehicle repair, electrical, carpentry, etc.) due to resource and labor constraints in the mountain region, supply costs that continue to rise, as well as the cost of VRC labor & the associated expenses of payroll taxes, state mandated programs, benefits, etc.
- ▶ The budget reflects a significant rise in utility costs, as we have already seen large escalations in monthly electric, water, and (especially) natural gas. We have been notified by utility providers to expect additional increases.
- ▶ To address the inflationary pressures, the budget has been prepared with a 10% increase in monthly assessments.
- ▶ The Club operation is forecasted to have a surplus in FY 22/23 due to an increase in outside member dues and increased fees from property guests. This surplus will roll into the overall HOA capital reserve. With the surplus roll, the Board was able to keep the split in contribution to the operating and capital funds at 76% to operating and 24% to capital - the same as last year - and in doing so the overall increase in assessments is lower than otherwise may have been needed.
- ▶ The financial health of the Association is sound, and reserve funding is currently on track to meet the anticipated needs of the property according to the 10-year capital plan. The Board remains focused on keeping the capital account well funded to maintain value and to help avoid future special assessments.

Racquet Club Owners Association HOA - Including Garden Level Rentals

Income	
Operating Dues	\$1,777,404
Capital Dues	\$545,484
GLR Rents	\$285,969
Maintenance Billed Out	\$40,000
Other Misc	\$55,571
Intercompany Billing	\$193,283
Total Income	\$2,897,711
Expenses	
Maintenance - Capital Projects	\$545,484
Maintenance - Daily Operations	\$1,097,000
Utilities	\$506,000
GLR	\$196,000
Front Desk	\$54,000
Administration	\$223,000
Other Operating (IT, Legal, Taxes, etc.)	\$90,080
Accounting	\$93,000
Depreciation	<u>\$75,383</u>
Total Expenses	\$2,879,947
Net Profit/(Loss)	\$ 17,764
Add Back Depreciation	\$75,383
Net W/O Depreciation	\$93,147



Racquet Club Owners Association HOA - 10 Year Capital Plan

Major Projects Capital - 10 year plan	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	Total
Deck Replacement (includes patios & stairtowers)	\$ 450,000	\$ 280,000	\$ 300,000	\$ 350,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 3,180,000
Condo Roof Replacement		\$ 90,000			\$ 120,000			\$ 120,000			\$ 330,000
Condo Built-in Wood-burning Fireplace Conversion to Gas Units											\$ -
Condo Bldgs 9-12 Fireplace Upgrade Contribution/Incentive	\$ 12,000	\$ 9,000									\$ 21,000
Major Asphalt Replacement	\$ 100,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 600,000
Main Sidewalk Replacement			\$ 150,000	\$ 40,000			\$ 40,000			\$ 60,000	\$ 290,000
Landscaping & Other Grounds Major Projects	\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 300,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 560,000
Vehicles & Equipment Replacement		\$ 16,000		\$ 50,000		\$ 50,000			\$ 50,000	\$ 50,000	\$ 216,000
Hot Tub & Pool (re-plaster, tile, boilers...)			\$ 50,000					\$ 30,000			\$ 80,000
Other Major Club Refurbishment Projects		\$ 300,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 300,000	\$ 30,000	\$ 810,000
Other Major Condo & Townhome Projects		\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 350,000
GLR Refurbishment	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 300,000
Major Projects Capital	\$ 612,000	\$ 850,000	\$ 695,000	\$ 610,000	\$ 590,000	\$ 800,000	\$ 530,000	\$ 640,000	\$ 810,000	\$ 600,000	\$ 6,737,000
Annual Maintenance Capital	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 1,920,000
Total Capital Expenditures	\$ 804,000	\$ 1,042,000	\$ 887,000	\$ 802,000	\$ 782,000	\$ 992,000	\$ 722,000	\$ 832,000	\$ 1,002,000	\$ 792,000	\$ 8,657,000

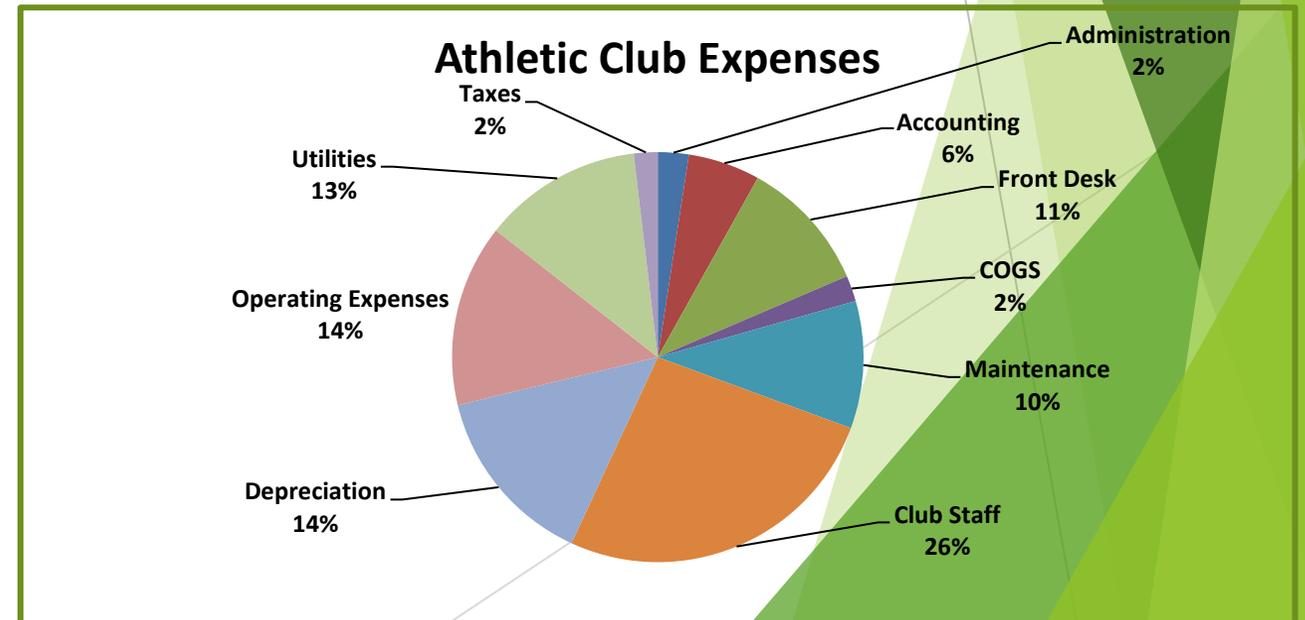
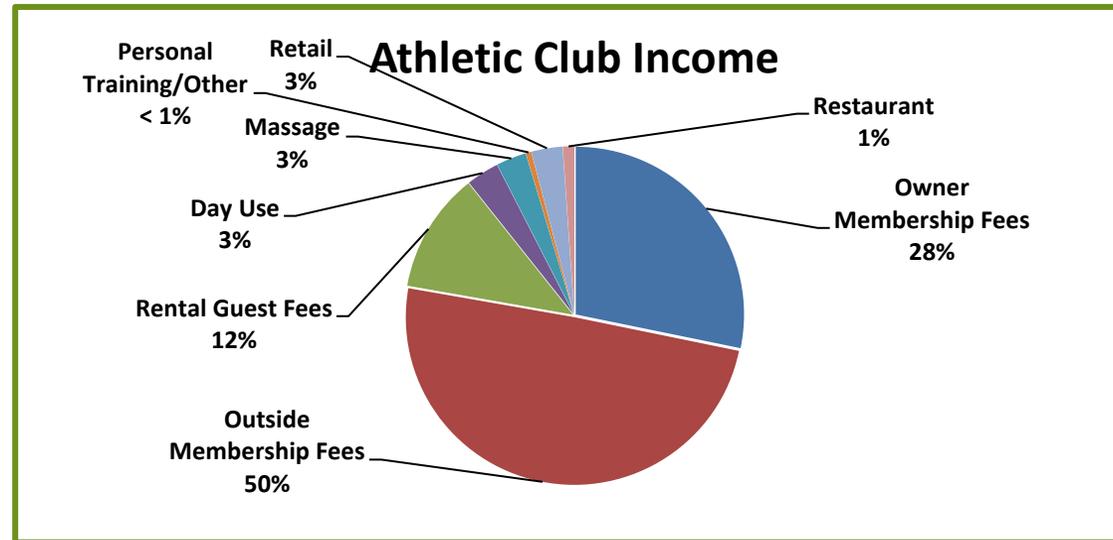
Racquet Club Owners Association

HOA Assessment Increase & Split Ratio - Historical

Year	Assessment Increase	% to Reserve	% to Operating
07/08	5.9%	21%	79%
08/09	6.0%	25%	75%
09/10	6.0%	29%	71%
10/11	6.0%	33%	67%
11/12	0.0%	32%	68%
12/13	3.1%	29%	71%
13/14	3.7%	30%	70%
14/15	3.9%	30%	70%
15/16	2.1%	30%	70%
16/17	1.8%	29%	71%
17/18	1.4%	29%	71%
18/19	1.5%	28%	72%
19/20	2.8%	28%	72%
20/21	0.0%	23%	77%
21/22	4.6%	26%	74%
22/23	7.0%	24%	76%
23/24	10.0%	24%	76%
Average	3.1%	26%	74%

Racquet Club Owners Association Athletic Club

Income	
Owner Membership Fees	\$ 358,272
Outside Membership Fees	\$ 628,830
Rental Guest Fees	\$ 146,800
Day Use Fees	\$ 39,980
Massage	\$ 36,770
Personal Training/Other	\$ 6,678
Retail	\$ 38,000
Restaurant	\$ 14,000
Total Income	\$ 1,269,330
Expenses	
Administration	\$ 30,726
Accounting	\$ 71,699
Front Desk	\$ 132,863
COGS	\$ 25,840
Maintenance	\$ 127,373
Club Staff	\$ 333,146
Depreciation	\$ 182,000
Operating Expenses	\$ 182,284
Utilities	\$ 158,852
Taxes	\$ 23,755
Total Expenses	\$ 1,268,539
Net Profit/(Loss)	\$ 791
Add Back: Depreciation	\$ 182,000
NET W/O DEPRECIATION	\$ 182,791



Racquet Club Owners Association

Rental Operation

Income	
Short Term Rental Commission	\$ 1,229,091
Long Term Rental Commission	\$ 60,000
Civic Assessment	\$ 141,500
Housekeeping Service	\$ 143,296
Cancellation Fees	\$ 48,500
Other	\$ 8,900
Total Income	\$ 1,631,287
Expense	
Utilities	\$ 24,713
Administration	\$ 61,757
Accounting	\$ 93,095
Maintenance	\$ 44,044
Depreciation	\$ 26,640
Other	\$ 71,217
Front Desk	\$ 287,803
Sales & Reservations	\$ 307,305
Credit Cards	\$ 88,249
Housekeeping	\$ 614,078
Total Expenses	\$ 1,618,901
Net Profit/(Loss)	\$ 12,386
Add Back Depreciation	\$ 26,640
NET W/O DEPRECIATION	\$ 39,026

