

VAIL RACQUET CLUB
BOARD OF DIRECTORS MEETING
Thursday – August 10, 2023

Attendees:

Fred Bradford	President
Hal Naiman	Secretary
Molly Daniels	Member
Paul DeLauro	Member
Greg Grotke	Member
Rhonda Salinsky	Member
Kathy Summers	Member
Peter Koclanes	Member

Kim Rediker	General Manager
Keith Chamberlain	Director of Finance
Matt Ivy	Special Projects Manager
Lindsay Stadler	Taking Minutes

Absent:

Greg Simpson	Member
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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 April 20, 2023 Meeting Minutes:

Mr. Naiman made a motion to approve the April 20, 2023, Board of Director Meeting Minutes. Ms. Summers seconded, and the motion passed unanimously.

President's Report:

Mr. Bradford introduced Mr. Chamberlain, the new Director of Finance. Mr. Chamberlain joined the VRC in the beginning of July.

Treasurer's Report:

Mr. Chamberlain shared FY23 Income statements by department. The VRC had a very good FY23 overall. The HOA ended the year slightly behind budget, but still with year-end projected net income of ~\$54,000. The Club was ahead of budget by \$80K (9%) and the Rental Operation ended at almost 18% over budget.

Mr. Chamberlain noted that utility fees are up and there was a one-time large gas bill event in January. Ms. Rediker noted that the VRC has locked in a contracted price with the gas company for the next year with an option to renew, so the VRC should not see any spikes moving forward.

Mr. Chamberlain noted that Repair and Maintenance expenses are up due to difficulty getting repair people and the cost of supplies have increased.

Mr. Naiman asked what comprises miscellaneous income, as it was significantly higher in FY22 vs FY23. Mr. Chamberlain noted FY22 included PPP loans.

Manager's Report:

Staffing –

Ms. Rediker said the employee shortage in Eagle County continues, with 8 jobs available for every jobseeker in the area. She said the VRC needs to hire people for all departments - maintenance, front desk, and housekeeping – to be fully staffed.

Property Improvements -

Ms. Rediker reported that the new washers and dryers have been installed in all the common area laundry rooms. All machines are app-enabled to allow for online payments. The laundry room at Building 1 was renovated.

Ms. Rediker confirmed the painting at building 3 is complete. The new asphalt at certain areas of the townhomes is complete and maintenance is now striping parking. New high quality Adirondak chairs were added to areas along the creek, and new branded merchandise is being ordered for the Mountain Shoppe.

Après Café –

Ms. Rediker reported that Après Café has been wildly successful at the VRC, and the owners/operators wish they could be open 7 days a week. Unfortunately, due to staffing challenges they continue to operate just 5 days each week, closed Tuesdays and Wednesdays.

Club Usage –

Ms. Rediker reported from May to July, over 110,000 individuals signed into the Club (not including tennis). About 40% are VRC owners and rental guests and 60% are outside Club members. The average daily usage was 168 people, with the busiest day on July 4th with 428 people using the Club that day.

Homeowner Dinner –

Ms. Rediker was pleased to see that 93 owners were signed up so far for the Homeowner Dinner on Saturday August 12th.

Garden Level Rental –

She said they are holding one unit in hopes of hiring another maintenance technician.

Package Acceptance Fee –

Ms. Rediker reviewed the challenges with packages piling up at the front desk and there is not space to store extra packages. She said UPS and FedEx will deliver to the buildings, but USPS will not. She is looking to implement a new policy that will allow the VRC to accept packages and hold them up to 3 days.

Real Estate –

Ms. Rediker reported that 22 units have sold since the Board meeting in August 2022.

- 11 One-bedroom condos sold \$611,000 - \$725,000
- 5 Two-bedroom condos sold \$965,000 - \$1,100,000

- 0 Three-bedroom condos
- 6 Townhomes sold \$1,215,000 - \$2,195,000

Year over year, sales prices of one-bedroom condos increased 15%, two-bedroom condos increased 21% and townhomes increased 40%.

Insurance –

The VRC should plan to see an increase with renewal in November 2023, per Mountain West Insurance and based upon market factors and not individual VRC factors.

Flood –

Ms. Rediker reported that the lowest level of the Club building flooded in July after an unusually powerful rainstorm. The team handled it early in the morning and will keep an eye on the club floor as the water extraction team noted that it may see some lasting damage.

Homeowners Meeting –

Ms. Rediker reviewed the Zoom Homeowner Meeting procedure. There will be a 20-minute Q&A for homeowner participation.

Committee Reports:

Building and Grounds Planning Committee –

Tree Removal Campaign-

Mr. Loftus reviewed the recent tree removal campaign of those close to VRC buildings in response to feedback received from the local fire department and insurance company. He said they removed 30 trees so far using cranes and excavators as necessary.

Landscaping Plan –

Mr. Loftus reviewed landscaping improvements and plans at the VRC which includes replacing small areas of sod with cobbles, large boulders, small evergreens, and red feather grasses. The new design uses just a fraction of the water. The VRC has stepped up sod removal projects in response to pressure from Eagle River Water & Sanitation District to reduce water usage.

Parking Lot Striper –

Mr. Loftus reported that the VRC recently invested in a new parking lot striper which allows the striping to now be done in-house.

Future Major Capital Projects –

Mr. Loftus reviewed the upcoming Major Capital Projects:

Fall 2023

- Finish Building 7 Replacement Deck Project
- Remodel unit 1403 VRC Employee Housing Unit

Spring 2024

- Building 11 Creekside Patio & Deck Improvements
- Club Building Re-roof

Patio Furniture –

Ms. Rediker reviewed an update to the Patio and Deck Furniture Rules and Regulations which expands allowable personal items on decks and patios. The recommendation includes patio and deck furniture must be proportional to the space and can't impede walkways. Determination of whether furniture conforms with the specifications is up to the discretion of management. Discussion continued regarding grills and clearance guidelines.

Ms. Daniels made a motion to adopt the new Patio Furniture Rules and Regulations as presented and Mr. Naiman seconded, the motion was approved unanimously.

Rental Committee –

Ms. Daniels reported that there are currently 91 Short Term Rental Units (55 Platinum, 34 Gold & 2 Silver). She added that the Vail Valley Partnership Lodging Quality Assurance Manager will be at the VRC this fall to inspect 20 units and verify the VRC is following the rating program guidelines.

Ms. Daniels reviewed summer revenue year over year and reported that July was a record month. She was excited to report that direct bookings are higher than last summer.

She continued and said that VRC guests are booking further in advance and the stays tend to be longer than other Vail condo properties. She reviewed that the winter outlook is looking good.

Ms. Daniels reported that the VRC guest book rewards program has increased VRC website generated income and brought in \$690k this year in direct bookings vs \$330K previously. Also, the \$29 non-refundable damage fee per reservation has been a success. It was implemented June 1st and has brought in \$18K YTD and will be used to help cover accidental damage up to \$1000. Ms. Rediker added that this program helps protect guests and owners from costs related to accidental damage. Also, soon, guests will be able to opt into a fee based deposit preservation program.

Ms. Daniels reported that a \$256K surplus is expected and will pay for the annual deep cleanings, preventative maintenance inspections and box fans for all units. In addition, the rental committee recommends rental owner participants receive a rebate of up to 5.5%.

Mr. Grotke made a motion to approve the up to 5.5% rental owner rebate, Ms. Summers seconded, and the motion passed unanimously.

Club Committee –

Ms. Salinsky reported that currently there are approximately 360 outside club memberships plus 311 VRC owners.

The Club achieved a surplus of \$80K due to higher outside guest fees and an increase in rental guests, this surplus will go into the HOA capital reserve fund.

Ms. Salinsky said the summer staff included a full-time lifeguard mid-June to mid-July and a full-time massage therapist was hired as well. More fitness classes have been added and master's swim continues to meet early morning every Monday, Wednesday, and Friday.

An owner recently brought up concerns with the Owner Family Club Membership and eligibility of certain family members. The Club Committee recommends leaving the owner membership as is without change.

Ms. Salinsky confirmed all fitness equipment has received annual maintenance. New bumper plates, a squat rack, weights, a ski machine, pool furniture, lobby chairs and club artwork have all been added this year.

Beginning in September, owner social events will occur and will be announced in the monthly newsletters.

Finance Committee -

Mr. Grotke said the fiscal year finished May 31st. The VRC has decided to end the years-long relationship with CPA firm Plante Moran (previously EKS&H) and has engaged local firm McMahan & Associates for future accounting services.

He reminded the group that despite good budget management, HOA dues were increased for this fiscal year by 10%. Over time the average HOA dues increase has been 3% per year, and there were several recent years when dues were not increased.

The cost of HOA property insurance is expected to increase with renewal in November, not due to VRC claims or conditions but because of market forces.

Mr. Chamberland said the VRC should consider investing in 6-month CDs to take advantage of more favorable interest rates (4 – 5%), as current investments have earned an average of only 1.15%.

Special Projects Update:

The Board adjourned into Executive Session at 4:40 pm. The executive session ended at 5:07 pm.

Mr. Ivy provided an update on the tennis court property across Meadow Drive. The Town of Vail will allow continued use of the area for recreational purposes. Mr. Ivy plans to continue research into zoning and use possibilities with the Town of Vail and will create a Board special committee for planning and visioning - part of the work may be to revisit the avalanche plan.

Mr. Ivy suggest moving forward with restating HOA docs and upon discussion of the Board was given permission to begin the process with HOA Attorney Jonah Hunt.

Unfinished Business:

There was no unfinished business.

New Business:

Ms. Rediker reviewed the proposed dates for the Board of Director Meetings.

- Wednesday, August 16th
- Thursday, November 16th
- Thursday, February 15th

- Thursday, April 25th
- Thursday, August 8th
- Friday, August 9th – Annual Homeowner Meeting

Adjournment:

The meeting was adjourned at 5:29PM