

BOARD OF DIRECTORS MEETING

Thursday November 16, 2023

Minutes

Attendees:

Fred Bradford	President
Greg Grotke	Vice President
Hal Naiman	Secretary
James Coope	Member
Molly Daniels	Member
Paul DeLauro	Member
Rhonda Salinsky	Member
Kathy Summers	Member
Peter Koclanes	Member
Kim Rediker	General Manager
Keith Chamberlain	Director of Finance
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 August 10, 2023 and August 16, 2023 Meeting Minutes:

Mr. DeLauro made a motion to approve the minutes of the August 10, 2023 and August 16, 2023 meetings of the Board of Directors. Mr. Coope seconded, and the motion passed unanimously.

President's Report:

Mr. Bradford reported that the Club and Rental Committees met this week and things are going very well. The chairpersons will report and provide detailed updates later in the meeting.

Treasurer's Report:

Mr. Chamberlain reviewed the new Association software. He said AppFolio went live October 1st. The VRC is also replacing the existing Short-term Rental Software, V1 Agilysys and is also negotiating for a new Club software. The three new software solutions will provide owners, members, and guests with better data and information and will make operations more efficient and effective.

Once AppFolio is completely set up, Mr. Chamberlain will share monthly financials with the Board members, and he can also add custom reports that may be useful. The VRC can also easily send HOA mass owner emails by building or rental program. The new software offers several reporting options and flexibility.

Ms. Rediker confirmed Mr. Chamberlain really is the right person for the difficult job of software migration and he has kept the VRC on track and made certain all new software deadlines are met. Mr. Chamberlain said about 78% of owners are already signed up and 77% are paying electronically and most engagement has come without questions.

Mr. Coope asked if it integrates with other systems for payroll and rentals. Mr. Chamberlain said the Long-Term Rental program is in AppFolio and the VRC uses ADP for payroll. Mr. Grotke noted that some owners are apprehensive about no longer having one monthly statement for HOA and Rental. Mr. Chamberlain said he has only talked to a few owners who are concerned, and he's been able to help them through the process.

Mr. Chamberlan updated the Board on how funds have been invested in higher-interest-rate accounts, and the VRC is now earning approximately \$7500/month because of the change.

Manager's Report:

Ms. Rediker reported that after reaching out to several insurance brokers this year to get competitive bids on property insurance, we chose to again work with Mountain West as they have been very responsible and were able to secure a favorable renewal for the VRC with Cincinnati Insurance and Philadelphia Insurance.

Ms. Wilson with Mountain West reviewed the current difficult insurance market conditions.

Ms. Wilson noted that the building limit increased from \$106 million to \$112 million. Insurance continues to provide a blanket limit for one property claim. The deductible remains \$25,000, but we have a deductible 'buy back' policy that takes the deductible down to \$10,000.

Ms. Wilson said there were some insurance property recommendations resulting from an audit last year, and she submitted all VRC responses and Cincinnati did not ask for any additional information or work. Ms. Wilson suggested that our insurer, and most, will soon require a formalized Reserve Study for continuing coverage.

Ms. Wilson said the price per unit went from \$1,009.50 to \$1,162.73. Ms. Rediker noted that the increased cost for 2024 is about a \$100 per unit, with continuing good coverage. Ms. Wilson added that the underwriter seems to be looking for a long-term partner and did not want to lose the VRC account. They have given the VRC a grace period for replacing the wood roof on the Club Building.

Mr. Naiman asked if any exclusions are being removed. Ms. Wilson said no, the exclusions for flood, earthquake, avalanche, and mudslide remain, but that is standard in our region.

Staffing -

Ms. Rediker reported that the VRC is still slightly understaffed even with an increase in salaries. All but one of the GLR units are being used for employee housing. She noted Ms. Ortega is retiring from 3E Cleaning and Mr. Cruz will be looking for a housekeeping supervisor for his days off.

Vail Mountain -

Ms. Rediker reported that Vail Mountain opened last Friday, November 10th with two runs and pretty good snow conditions.

Après Café -

Ms. Rediker reported that Après Cafe closed for the season on October 22nd and will reopen December 1st. They will continue to be closed Tuesdays and Wednesday this winter. The business is very popular and successful.

Homeowner Events -

Small groups have attended the monthly homeowner events, and those that did have really enjoyed them.

Real Estate Update -

Ms. Rediker provided the Board with a detailed East Vail unit sales report. She noted that Courtside Townhomes and Timberfalls are the best comps. VRC values continue to grow with an average price per square foot (\$1,211), over \$200/sq. ft. higher than the East Vail average (\$993).

Governing Docs update -

Ms. Rediker reported that to change the HOA governing documents the Board would be required to send two notices to the ownership, have one meeting and then the owners would vote on the changes. The new documents would only pass if a 67% owner approval rate is received. Mrs. Rediker said the HOA docs are pre CCIOA and are antiquated and confusing.

Ms. Rediker suggested a Board committee first review the changes. Mr. Bradford asked Ms. Summers and Ms. Daniels to join him on the committee. Mr. Grotke can help, Mr. Koclanes could help after February and Ms. Salinsky will be a backup. Ms. Rediker will find out the timeline from Mr. Ivy who just started the questionnaire.

Tennis courts/Area Across the Street -

Ms. Rediker reported that Mr. Ivy has found that the land across the street from the Club building allows for accessory and recreation use only. The area is in a red and blue avalanche zone, high to moderate mudslide zone, and a high rock fall zone. Habitable structures are not allowed in a red avalanche zone, and there is a lot of ground water in the area, so the likelihood of building something permanent there is unlikely to get approval and would be cost prohibitive. The VRC is already considered "overbuilt" according to Town of Vail zoning, so any permanent habitable development on the parcel would require a Special Development District.

Ms. Rediker said changes can be made within same types of use. Concrete pads for tents, a new park area and maybe a gazebo could be allowed. She believes gas or electricity could be added. The next step is for a Board committee to brainstorm possibilities.

CO Legislature -

Ms. Rediker reported on a new bill that has been introduced which may increase taxes for short term rental owners. It proposes that anyone who rents on a short-term basis for more than 90 days/year would no longer pay the residential property tax rate of 6.675% but would pay the commercial property tax rate of 28%. It would be very detrimental to resort communities but does currently have support of the Governor and some in the State House. Ms. Rediker wanted to put it on the Board's radar because we will be working closely with local organizations to be sure our opposition is noted.

Club Committee Report:

Ms. Salinsky reported there are currently 309 outside members which has dropped since the summer, but it typically increases around February. She said between August 1st and November 9th a total of 12,098 people visited the Club.

The Club financial outlook is solid and is \$40K favorable to budget. The larger expenses include utilities, pool chemicals and clay court repairs and maintenance. The increase in income is due to additional monthly dues and Club use. She noted that Malin, a long term VRC Pilates instructor, has moved away and her replacement has been hired and the Pilates equipment will stay at the VRC. Ms. Salinsky said relocation of the fitness machines in the Elk meeting room to the Yoga studio is still a consideration, but some electrical work is required before the move can occur.

Mr. Grotke mentioned the VRC might consider a partnership with other athletic clubs such as Denver Athletic Club.

Building and Grounds Planning Committee Report:

Mr. Loftus reviewed the adult hot renovated project that was completed one year ago. He provided an update on the building 7 deck replacement project: the copper roofs and stairwell glass will be installed soon.

Mr. Loftus upgraded two of the older Pool boilers, 5 of the townhome light posts and installed new mailbox banks (provided by USPS). The VRC is still working with the Vail Post office on implementing the new boxes.

Gary Siegel joined meeting @ 4:07pm**Rental Committee Report:**

Ms. Daniels provided an update from the November 9th Rental Owner Meeting which she hopes will be an annual meeting. She felt owners walked away feeling very good about the program and there was some great conversation. There were about 30 owners that attended; mostly STR participants, but a few that are interested in the program as well. Ms. Rediker, Ms. Stadler, Ms. Martin and Mr. Stephens all gave presentations.

Ms. Daniels announced that a 5.5% rebate has been given to all Short-Term Rental owner participants for FY2023.

Ms. Daniels also announced that the new rental software, RDP, will go live on December 1st and the new owner online portal will now allow owners to see past reservations. The VRC offers owners a lot of flexibility and not all properties can do that.

Ms. Daniels reported that the VRC is doing great and already \$19K ahead of budget. Mr. Chamberlain noted that January will be a record month, but the VRC could lose some of the military business if they are deployed. Ms. Daniels said the winter is looking fantastic and the Austrian Ski Team is currently in house. Ms. Rediker added that last year was one of the best years in the travel industry, particularly in ski towns.

Compensation Committee Report:

Mr. Koclanes reviewed the FY23 manager bonus plans. The plans are based on each manager's performance, customer service as well recommendations from Ms. Rediker. He said the full compensation package, which was built into the budget, was awarded to each manager.

Unfinished Business:

There was no unfinished business.

New Business:**Personal Surveillance Cameras - Gary Siegel (VRC homeowner B3) 4:21pm**

Mr. Rediker reviewed the current VRC rule which does not permit personal surveillance cameras. Colorado privacy law prohibits visually recording another where there is a reasonable expectation of privacy. The Board has discussed this topic in the past and the Association's legal counsel has advised that the VRC can regulate personal surveillance cameras. She noted that cameras have never been a permitted item and some owners are not comfortable being surveilled.

Mr. Siegel, the owner of B3, has been an owner at the VRC since 2010 and guests of the VRC since 2005. His primary residence is 1600 miles away and Mr. Siegel would like to be able to monitor the security of his home. He explained that his camera is pointed only on his own porch, and it records only if someone comes on the front porch. He understands the deck is a limited common area, but that since it is his home, he would like to be able to monitor access. He said he was able to identify a short-term renter this summer who brought a pet into his home, against the rules. Mr. Siegel would like to understand why the rule is in place and what the Board can do to secure his property while also allowing privacy. He added that the camera has been there for years, and it was just noticed by the VRC. He would like to find a way to solve this in some way that makes sense.

Mr. Bradford said the Board has received this same request before and they have been consistent in upholding the rule as written.

Ms. Rediker informed the Board that the VRC rental program has reinstated the practice of mid-stay cleaning service so that our team has eyes inside units during a guest's stay. The VRC provides guests with lots of communication ahead of their stay and at check-in informing them that pets are not allowed.

Mr. Siegel said he would like the Board to have a conversation about allowing cameras, as times have changed. Mr. Siegel is not asking for a variance at this time. Mr. Grotke said common area cameras have been considered in the past. Mr. Naiman added that there have been very few complaints from owners about the prohibition of cameras in common entry areas.

Mr. DeLauro said the Board will consider what Mr. Siegel has asked. Ms. Rediker said that the appropriate venue for a discussion about changing the rule would first be at a Building and Grounds committee meeting, and if it is determined a rule change is warranted, that committee would make a recommendation to the entire Board.

Homeowner Survey:

Ms. Rediker reviewed the VRC Homeowner Survey results and noted that 219 homeowners participated, the best participation rate yet. Every employee whose name was mentioned as providing great service received a \$5 bonus for each mention. Ms. Iris Nelson and Ms. Lindsay Stadler were the most recognized employees.

Mr. Bradford said the survey questions were very good this year. Ms. Summers suggested adding the results to the resource center on the website and share it in the owner newsletter.

Upcoming Board of Director Meetings:

- Thursday, February 15th
- Thursday, April 25th
- Thursday, August 8th
- Friday, August 9th – Annual Homeowner Meeting

Executive Session:

A motion was made and seconded to enter Executive Session at 5:17PM

Adjournment:

After returning from Executive Session, the meeting was adjourned at 5:25PM