

RACQUET CLUB OWNERS' ASSOCIATION
BOARD OF DIRECTORS MEETING
February 15, 2024 Meeting Minutes

Attendees:

Fred Bradford	President
Greg Grotke	Vice President
James Coope	Board Member
Molly Daniels	Board Member
Peter Koclanes	Board Member
Rhonda Salinsky	Board Member
Kathy Summers	Board Member

Kim Rediker	General Manager
Keith Chamberlain	Director of Finance
Lindsay Stadler	Taking Minutes

Absent (excused):

Hal Naiman	Secretary
Paul DeLauro	Board Member

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 16, 2023 Meeting Minutes:

The November 16, 2023 Board of Director Meeting Minutes were approved unanimously.

President's Report:

Mr. Bradford reported that several Board committees convened this week, with reports to be presented at this meeting. Mr. Bradford noted that operations are in good order, with thanks to Ms. Rediker and Mr. Chamberlain for continued improvements with all three VRC entities.

Treasurer's Report:

Mr. Chamberlain said he has been finalizing financials for all entities for FY23/24 through January. The HOA net operating income is tracking with budget, while Club net operating income is ahead of budget and Rental net operating income is also ahead. Mr. Chamberlain reported that overall, the VRC net operating income is approximately \$45K favorable to budget for all three entities. With financial information now fully available in AppFolio, he will begin to review performance compared to last year.

He reviewed the consolidated balance sheet and said he will be working McMahan & Associates on taxes soon. Now that he is catching up, he will also review how the VRC is performing compared to last year. The VRC has \$3.6M in cash.

Mr. Chamberlain concluded that the business is in a good position and thanked everyone for their patience during software conversions.

Manager's Report:

Real Estate Update –

Ms. Rediker reported there have only been 33 sales in all of Vail since the last Board of Directors meeting in November and no sales in East Vail. There are currently two VRC units under contract:

1. 0705 - \$745K (one-bedroom condo \$1,293/square foot)
2. 1510 - \$1.31M (two-bedroom loft condo \$1,139/ square foot)

The average sales price in the November report was \$1,181 per square foot for a one-bedroom condominium and \$1,157 per square foot for a two-bedroom condominium (no loft).

Ms. Rediker said there is an expectation that sales prices will likely increase when the spring flurry hits the real estate market. Ms. Salinsky add that unit 1510 is not Platinum and received multiple offers.

Short Term Rental Bill –

Ms. Rediker reviewed a Short-Term Rental bill under consideration by the Colorado Senate to increase the property tax rate on units that rent short-term for more than 90 nights from the residential rate of 6.7% to the commercial rate of 29%. The Senate has received thousands of comments in opposition to this proposed bill, and there may be a competing bill introduced that will allow for no property tax change for up to 2 homes per owner. Several VRC owners have contacted senators and legislators. Most VRC short-term rental owners use their condos 55 nights/year and rent it 147 nights/year. If the bill is passed as presented, per the VRC STR Bill Survey, 83% of owners would remain in the program but limit rental nights to less than 90. Ms. Rediker noted Short Term Rentals are a significant source of revenue for VRC operations, with potential losses to the operation of up to \$600k. This bill would decimate our mountain resort economies and would not solve the shortage of long-term rentals. Ms. Rediker thanked Board Member Molly Daniels for lending her expertise in messaging to VRC owners, and thanks to the many VRC owners who have been engaged and have communicated to the elected officials.

Packages -

Ms. Rediker said the front desk is now using a software called Package Zen to help manage deliveries to the VRC. The new system has dramatically helped with the workload related to package acceptance and notification, so we do not plan to implement a package acceptance or delivery fee at this time.

Staffing –

Ms. Rediker reported that the VRC is close to being fulling staffed in maintenance, but the front desk is extremely understaffed as 3 agents moved away in December. She, along with Mr. Stephens, Mr. Holst and Mr. Chamberlain have been helping to cover front desk shifts. New staff has been hired and will start soon. Housekeeping is close to being fully staffed and though Ms. Ortega retired at the end of the year, Mr. Cruz's wife, Janet, is assisting him. Mr. Cruz is currently looking for an additional inspector, supervisor and cleaner.

Special Projects –

Ms. Rediker reported that Mr. Ivy is working on restating the HOA governing documents and is working on a questionnaire with Mr. Hunt (the Association's attorney). He received the first draft this week and after some review will present a draft to the Board.

Monthly Homeowner Activities –

Ms. Rediker reported that the monthly homeowner events were not as well attended as hoped, so they will be scheduled quarterly instead.

Owner Reservation Portal –

Ms. Rediker reviewed the new Owner Reservation Portal for those owners in the Short-Term Rental Program. Participants can now see past bookings, better manage their personal reservations, and review monthly STR statements. Ms. Summers said she loves the new portal and it's easy to use. She asked if the VRC will still be sending out owner calendars. Ms. Rediker said they no longer plan to send out the calendars but will send reminders that owner reservations should be booked by a certain date to avoid conflicts with paying guests.

Apres Café –

Mr. Bradford said the restaurant was discussed at the Club committee meeting and asked for an update. Ms. Rediker reported that Apres Café is going gangbusters and continues to be open Thursday – Monday 3PM – 9PM. They currently pay a base monthly rent and an additional amount based on sales tax revenue collected over a threshold amount. The VRC continues to receive the additional amount during the busier months. Ms. Rediker noted that the lease currently goes through 2027 and she does not have any concerns that they will not stay through that time. The VRC has recently assisted with some smaller capital repairs in the restaurant.

Garden Level Rental Units -

The Board inquired if housing is available to attract new staff members, and Ms. Rediker confirmed that 1 GLR unit is currently held in hopes of hiring one additional front desk agent. She noted it is of utmost importance to have the Front Desk staff living on-site since they are also the overnight on-call managers. The one-bedroom JR STR unit is also being used for VRC staff at this moment.

Ms. Rediker said 19 of the 23 GLR units are being used for VRC, Apres Café or 3E Cleaning (Housekeeping) staff members. 3 GLR units are leased by tenants that work for Vail-area employers and have lived at the VRC for dozens of years. She noted that those tenants have been notified that their lease may not be renewed or may only be extended on a month-to-month basis.

Club Committee:

Ms. Salinsky had great news and announced there are currently 425 outside Club members, the largest number ever. Last summer, the high was 385 outside members. Ms. Rediker and Mr. Holst continue to be comfortable with this number and Mr. Holst said he is adding members daily. The new Club Automation software allows the team to monitor check-ins on an hourly basis, and even with so many outside memberships there is no specific 'crush' during the day.

The Club is doing very well financially. Ms. Salinsky said the winter class schedule is available on the app, website and at the front desk. Mr. Holst has done a great job filling in the schedule with yoga, Pilates, strength training and many AM & PM classes. The app will allow members to reserve pickleball and tennis courts this summer and they are considering charging rentals guests a fee for fitness classes.

Ms. Salinsky said this year the owner appreciation guest passes are automated. Ms. Rediker confirmed owners can still purchase discounted club 10 punch passes. Ms. Salinsky said the Club Committee is considering raising member rates, but the VRC is the preferred Club choice for locals and the VRC wants to stay in game. She confirmed, they are still planning to move the fitness cardio equipment to the current Yoga studio and the Maintenance Department is in the process of adding electrical and cable outlets to the space in preparation.

Rental Committee –

Ms. Daniels reported that there are 94 Short Term Rental units and many rate at the Platinum level. They received a request from another homeowner to reconsider the current seasonal rental split which is 65% to the owner. The committee feels that they need to know the outcome of the proposed short-term rental senate bill before deciding how to respond.

Ms. Daniels noted that more in-room supplies have been added. Ms. Rediker said foil, saranwrap, additional hangers, coffee filters, coffee and more detergent have been added to the STR units. Shovels have also been added to each condo stair tower and each STR. She said they are looking at ways to improve the member, guest, and owner experience and have also added mouthwash and deodorant wipes to the locker rooms.

Building and Grounds Planning Committee:

Capital Plan -

Mr. Loftus reviewed the FY24/25 HOA Capital Plan

Major Capital Projects:

1. Building 11 Deck Project
2. Townhome Asphalt Renovation
3. Condo Buildings 9-12 Fireplace Incentives
4. Club Walkway Renovation - skinny up snowmelt pavers
5. Club Roof Replacement - replace cedar shake roof with asphalt shingles and super insulate.

Mr. Loftus said the plan is a little more robust compared to normal. He noted that the building 11 deck project includes replacing creekside decks, patios and stairs and regrading, boulder work, and installing a new paver patio. He noted that the plan includes a snowmelt system which may or may not get tied in.

Mr. Loftus reviewed the 10-year capital reserve plan and mentioned that Mr. Chamberlain found some money that should have been in the reserve that wasn't previously allocated properly.

Bike Wash Station -

Ms. Summers asked if a wash station near the bike barn could be added. Mr. Loftus agreed he would look into it and it may be logical to run the water line under the heated walkway.

Recycling and Trash -

Mr. Loftus said the VRC appears to be sorting the recycling and trash in the correct bins.

Video Surveillance System –

Ms. Rediker reminded the Board members that an owner requested they reconsider the current rule regarding video cameras. Mr. Coope and the Building and Grounds Committee recommend that the Board keep the current policy in place, with a minor change which should clarify the current rule 2d: *Individual homeowner video and/or audio surveillance systems, such as video doorbells, wi-fi cameras, wired cameras or any other electronic monitoring devices are not permitted on limited common elements, or common areas including individual entryways, decks and patios.*

A motion was made, seconded and all agreed to amend Rule 2.d. as presented.

Unfinished Business:

There was no unfinished business.

New Business:**Upcoming Board of Director Meetings:**

- Thursday, April 25th @ 2PM
- Thursday, August 8th @ 2PM
- Friday, August 9th – Annual Homeowner Meeting (time to be determined)
- Saturday, August 10th @ 5PM – Annual Homeowner Dinner

Mr. Bradford asked if future Board of Director meetings or the Annual Homeowner meeting should be Zoom or in person. Ms. Rediker suggested a decision be made at the April Board meeting for the upcoming August meetings.

Executive Session:

A motion was made and seconded to enter Executive Session @ 3:56PM

Adjournment:

After returning from Executive Session, the meeting was adjourned at 4:00PM.