

BOARD OF DIRECTORS MEETING

Thursday, November 14, 2024 @ 2:00pm

Attendees:

Greg Grotke	President
Molly Daniels	Vice President
James Coope	Secretary
Fred Bradford	Member
Paul Delauro	Member
Peter Koclanes	Member
Katie Novey	Member
Kathy Summers	Member
Jim Zurcher	Member
Kim Rediker	General Manager
Keith Chamberlain	Director of Finance

I. Call to Order, Roll Call and Proof of Meeting Notice – Mr. Grotke

The meeting was called to order at 2:05PM and a quorum was established. Notice of the meeting was proven.

II. Reading of the Minutes of April 25, 2024

The August 7, 2024 and August 11, 2024 Board of Director Meeting Minutes were approved unanimously.

III. Reports of Officers

A. President’s Report - Mr. Grotke

- Thanked VRC management for all of the recent changes and wonderful improvements.
- Request that management not hesitate to get the Board members involved as needed but it looks like all is in good order.

B. Treasurer’s Report - Mr. Chamberlain

Property Insurance Review – (Ms. Wilson, Mountain West Brokers)

- The Board received an email from Ms. Wilson with the new insurance proposal.
- Overall the rate increase is only 19% which is amazing in this marketplace especially for frame, non-sprinkler properties.
- Many frame, non-sprinkler properties are ending up in a non-admitted market.

- Initially, Ms. Wilson was concerned what the delay in the replacing the Club roof would do to renewal options. However, the HOA confirmed the roof would be replaced next year (2025) and Cincinnati was able to offer the renewal.
- The market continues to be a challenging due to wildfires, D&O liability, umbrella excess liability etc.
- The HOA was also able to secure a deductible buyback.
- Discuss continued regarding sprinkler systems. Ms. Wilson is hopeful that in the next few years, insurance companies will accept an exterior sprinkler system as a reliable defense against wildfires. At this time, retrofitting sprinklers may not open up the market for the VRC and would be expensive.
- Ms. Wilson anticipates a smooth renewal for next year.

FY 2024/2025 YTD Financials –

- Reviewed recent allocation changes and showed how revenue has decreased in the income and expense sections. As of July 2025, we are no longer accounting for work orders on the Profit and Loss statement since it's not "real money" i.e. not work the HOA is charging for. The Club and Rental workorders are still being accounted for, but in an easier way and are charged at the end of the month in one lump sum (with the back up in AppFolio if needed). The old way created a lot of extra work and gummed up the financials with extra information that was not necessary.
- The owner work order requests are tracked on the P&L.
- Reviewed the possibility of charging owners a percentage markup fee and tiered options for coordinating work. No matter what, there is a cost associated with coordinating upgrades. He does not feel that is something the HOA should be covering.
- Demonstrated the new maintenance work order system which allows the techs to track their time, add photos, details, close a work order immediately all from their phones and more.
- The Board Members now have access to accounting financials anytime on the AppFolio portal which some have already used.
- Combined all entities are \$213K favorable to budget YTD.
- Reviewed the capital projects budget vs expenses and demonstrated how the budget/expense details for each project can be viewed easily on AppFolio.
- Ms. Rediker noted that the elevator went down a few months ago and to get it working again, modernization was necessary. The software, hardware and interior will be upgraded which was an unbudgeted item.

Capital Reserve Study Update –

- Proposed an in person work study group between the Finance and Buildings & Grounds Committee to go over the reserve study and review some day-to-day operations. It would benefit Mr. Chamberlain and Ms. Rediker to have more Board members understand where they are coming from and where they want to go.

IV. Reports of Committees

A. Club Committee - (Ms. Summers)

- The Club is doing great, and Mr. Holst and the management are fantastic.
- Current Club hours are 6am – 9pm daily.
- All owners receive 10 free guest passes to the Club annually and can purchase 10-pass punch cards for only \$200.
- There are currently 376 outside memberships plus the 311 homeowner memberships. This is down from 432 in August but typical for this time of year. The majority of those did not actually cancel but froze their membership for the winter and paid a \$100 fee to do so. They expect the memberships to increase for the winter season.
- About 100 memberships are corporate and the initiation fee is waived. Corporate memberships are offered to the Town of Vail, Vail Resorts, teachers, fire & police departments etc. which is appreciated by the community.
- The Club is comfortably active, and the busiest time is from 4-6pm.
- Outside guest court fees are currently \$20/ hard court, \$30/clay court and \$40/ pickleball court.
- On the homeowner survey, about 56% of owners said they are not using the Club Automation App to sign in for the Club. Mr. Holst said that is mostly due to owners not using the gym or have chosen to use the fob instead. Rental guests use the fobs as well for their time at the VRC.
- New stretching mats, a back machine and a new stationary bike have been added. Mr. Holst will pull the skiers edge machine out of storage and add it to the cardio room.
- The pool pump was replaced this summer, and the in-house team is doing a good job on maintaining the hot tub/pool chemicals.
- Massages continue to be offered and will be available every day of the week this winter. The fitness class schedule (including Pilates, yoga, master's swim and ski conditioning) will jump from 14 classes to 20 per week.
- The Mountain Shoppe remains profitable and 60% of owners report shopping there. Owners would like more food and logo options.
- Apres Café will be reopening December 5th for the winter season and continue to be closed Tuesdays and Wednesdays. They will still host football nights and live music.

- The Club is currently up \$151K YTD.
- The committee is thinking longer term and are considering a facelift in the fitness center and possibly upgrading the equipment as well as looking at other opportunities to grow and attract more personal trainers.
- A landscape architect is working with Ms. Rediker on usage options for the tennis court area across the street and will provide a survey, drawings, options and pricing.
- They are planning to survey the outside Club Members soon.

B. Building and Grounds Committee – Mr. Loftus

- Reviewed the building 11 deck and patio replacement project including the final scope of work and before/after photos. The new patio is snow melted and working great.
- Mr. Loftus received great feedback from homeowners regarding the new look of the building 11 patio.
- The deck and patio replacement project at building 10 will begin April 2025. It will be very similar to building 11, but the landscaping will be different due to larger trees close to the patio and the grade is different.
- The walkway between buildings 10 and 11 will be replaced with snowmelt and pavers.
- The pool pump was replaced this summer.
- The 500' walkway around the park area was replaced this fall and the lighting was improved. Old debris from the old concrete walkway and an old foundation wall was found underneath which created uneven areas.
- In 2025, the walkway between the clay and hard tennis courts, the walkway along the hard tennis courts and maintenance office and then around to the front of the club building will be replaced. The snowmelt system will be tied into the pool boiler room. A new drainage system will be added, and snowmelt system will be downsized to save on heating expenses.
- The Club building roof replacement is planned for May 2025
- Reviewed possible projects for the FY25/26 capital plan:
 1. Building 10 Deck and Patio Replacement Project
 2. Townhome Asphalt (buildings E/F to the end)
 3. Club Walkway Renovation
 4. Club Roof Replacement
 5. South Side Tennis Court Renovation
- Ms. Rediker confirmed the VRC will continue to work with the landscape architect on conceptual designs for the land across the street which will include some preliminary estimates which will be shared with the membership for review. Discussion continued regarding possible paybacks and revenue that could be generated.

C. Rental Committee – Ms. Daniels

- Recognized Mr. Martin, Director of Sales & Marketing, for thinking of different ways to market the VRC and capture direct bookings.
- Ms. Rediker and the staff are looking into ways to upgrade the guest's experience. New VRC logo coffee mugs and Vail Mountain Coffee will be added to the rooms as well as washable comforters at the end of each bed.
- The booking pace is tracking a little behind, but there's confidence that it will pick up.
- Direct bookings and the length of stays continue to increase. VRC guests tend to book longer stays and ahead of time compared to other Vail lodging properties.
- Summer occupancy was very slightly down.
- Ms. Daniels would like to see 95-100 units participating in the STR program again. She encouraged the Board members to be ambassadors of the program.
- More airlines (Frontier, United etc.) are adding flights to the Eagle Airport which is such a benefit to the town of Vail and the VRC.
- Ms. Martin is working on revamping the Vail Racquet Club website.
- The committee all agrees that reinvestment in the STR program instead of offering owners a rebate this year is essential for the near term.
- In response to some negative comments on the survey regarding housekeeping, Quality Mountain Services has been hired to complete unit pre-arrival guest inspections. Ms. Rediker confirmed it has already stepped up the quality of cleans.
- Ms. Rediker said Mr. Saad has been hired as the new Lodging Operations Manager and comes from the Sebastian in Vail Village. He has a lot of experience with higher level customer service.
- The VRC has implemented Canary, a new guest communication program which allows for more direct communication with rentals guests prior to arrival, during their stay and at check out. Canary integrates with the STR software, RDP and sends reminders prior to check it, allows for online pre-arrival registration and the ability to upsell to guests. Guests can purchase a late check out, early arrival, a VRC water bottle, an additional parking pass, phone chargers etc. It also allows guests to provide feedback during their stay and at checkout.
- The Annual Rental Homeowner Meeting will be held the week of December 11th, and all homeowners are invited. This is an opportunity to share all the wonderful rental program improvements and benefits.

D. Compensation Committee - Mr. Koclanes

- The committee took a deep dive into management salaries and were all in consensus regarding what was recommended.
- The committee reviewed VRC Wage & Salary Guidelines, Compensation Philosophies, Summary Income Statements, National Hospitality Financial Professional Compensation Survey, Vail Real Estate Updates along with Ms. Rediker Manager evaluations prior to making any final recommendations.

V. Manager's Report - Ms. Rediker

Staffing -

- With the loss of Mr. Debarr, Ms. Nelson leaving and Mr. Stephen's being let go, there was an opportunity to restructure and see what could be done better. The biggest change was in the maintenance department and Mr. Webster was promoted to Manager of Interior Operations. His team is scheduled 7 days a week, 8am – 8pm and provides in unit assistance to short-term rental owners and guests and non-rental owners.
- Mr. Loftus' team is now in charge of all facilities and grounds i.e. snow removal, roofs, common area, club building etc.
- This does not affect the budget as it is more about realigning maintenance staff and how the team is structured and scheduled.

Survey –

- Reviewed the Annual Homeowner Survey Results.
- Interestingly, it says only 66% of owners have activated AppFolio but we know that 98% are active on AppFolio. It may be that the spouse is active on AppFolio and not necessarily the owner who filled out the survey.
- Reviewed owner Club member statistics and the average number of memberships association with VRC units is 3.54/unit. There are not that many units with a high number of memberships.
- All owners and members are now scanning in to use the club facilities.
- There were some comments regarding breakfast options and food items. Ms. Summers suggested a breakfast food truck on the weekends.
- Most owners are aware of the Short-Term Rental program and less are aware of the Long Term and Seasonal Rental options.
- The results show that 74% of owners prefer the virtual homeowner annual meeting.
- Most owners are aware of the Right of First Refusal and about 64% see it as a positive benefit. Discussion continued regarding possible modifications to the ROFR process.
- The Board reviewed options for a possible employee of the year award in memory of Mr. Debarr and also offering staff members a bigger incentive for being mentioned on the annual survey.

- Owners are generally very satisfied with their ownership and the communication has improved. Ms. Rediker will share the survey results with the owners minus the comments.

Common Area Insurance Billing –

- Mr. Grotke made a motion to change the common area insurance billing to monthly, Ms. Summers seconded, and the motion was approved unanimously. It will go into effect at the start of fiscal year.

VI. Unfinished Business – Mr. Grotke

A. Amended and Restated Governing Documents -

- Discussion regarding the proposed amended and restated documents. Ms. Rediker will connect with legal counsel regarding options available for modernizing the Right of First Refusal process before approving the draft.

VII. New Business – Ms. Rediker

Proposed Future Meeting Dates:

- Thursday, February 13, 2025 @ 2PM MT
- Thursday, April 24, 2025 @ 2PM MT
- Tuesday, August 5, 2025 @ 2PM MT
- Annual Meeting - Thursday, August 7, 2025 @5PM MT
- Annual Homeowner Dinner - Saturday, August 9, 2025 @ 5PM MT

VIII. Executive Session – 5:06PM

IX. Adjourn – 5:14PM