

# BOARD OF DIRECTORS MEETING

Thursday, February 13, 2025 @ 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 2:04PM and a quorum was established.

### II. **Proof of Meeting Notice** –

Notice of the meeting was proven.

### III. **Reading of the Minutes of November 14, 2024** –

The November 14, 2024 Board of Director Meeting Minutes were approved unanimously.

### IV. **Reports of Officers** -

#### A. **Building & Grounds Committee** - Mr. Loftus

- Mr. Loftus reviewed the HOA Capital Plan FY25/26 and Projects including the building 10 Deck and Patio Replacement Project, Townhome Asphalt Renovation, Club Walkway Renovation and the Club Building Roof Replacement.
- Presented the 10-year Capital Plan which at this time assumes a 5% increase in capital reserve funding this year and a 3% increase other years.
- Ms. Novey asked if the Club Walkway Renovation is a necessity. Mr. Loftus confirmed it is needed to tie in the snowmelt in the sidewalk renovation around the park.
- Mr. Loftus discussed the impacts that the roof replacement project will have on the pool area and VRC summer experience. They plan to start with the roof

section closer to the pool area to try and have that part finished before the summer.

- Mr. Grotke asked if it would make sense to add some coverage to the new walkway between the Club building and tennis courts. Discussion continued.
- Mr. Loftus will improve drainage issues on the walkways as well.
- Ms. Rediker and Mr. Coope will organize a Building & Grounds Committee Meeting soon to further review future capital projects.
- There have been steam room generator maintenance concerns and several parts have required replacement regularly including the elements and control boards etc. People are putting cold washcloths on the steam room thermostat tricking the system into making more steam. Maintenance is starting to stock more parts and keep replacements on hand.

**B. Strategic Planning for the property across the street** – Mr. Ric Fields of Fieldscape Designs

- Mr. Fields presented the recent survey of the VRC property across the street which includes topographic lines, identifies hazards, property lines etc.
- Initially Mr. Fields brainstormed potential ideas with the help of Ms. Rediker and Mr. Holst that could add value to the VRC. The property really does lend itself to have both active and passive zones. Property elements may include a nature trail connecting to the waterfall hike, passive seating and firepit, pickleball center, sculptures, community garden, gazebo, bike racks, welcome area, path lighting, volleyball etc.
- Ms. Rediker reviewed why a wedding venue may not be the best use of the space considering the VRC is not allowed to build anything occupiable, and it may not be in the best interest of our neighbors. Also, Apres Café is not interested in catering for outside events.
- Adding 6 or more pickleball courts would be a great investment and source of income for the VRC. Currently, the pickleball courts are rented at \$60 / hour.
- Mr. Fields will prepare conceptual plans based on the board's feedback today which will be presented at the next meeting and then the next step will focus on the cost and budget etc.

**Club Committee** - Ms. Summers

- Ms. Summers reported an all-time high for outside club membership; currently 479 (last year 425 at this time) plus 311 homeowner family memberships.
- Reviewed Club use by membership type since November - 45% outside Family, 20% outside Individual, 18% Owner and 17% Rental Guests.
- An additional \$20K was earned through guest passes and gift cards.
- The member/owner survey shows that members and owners are comfortable with current club usage.
- Looking to hire a new part-time personal trainer.

- The Mountain Shoppe got a facelift and is now featuring artwork, books and pottery created by multiple VRC owners.
- The survey shows complaints regarding the steam room which seems to have been addressed by Mr. Loftus.
- Mr. Holst has taken over the hot tub/pool maintenance and is working to find a better solution. He is still working with the maintenance team on this as well.
- The Club amenities will be upgraded in phases based on priority/need and what makes financial sense. Phase I may include replacing cardio equipment (except Peloton), kettle bells/free weights, installing new flooring in Pilates/Yoga room and adding a cold plunge (most popular request on the survey).
- Will research leasing the cardio equipment instead of purchasing as a lot of money is spent on maintaining the equipment.
- Overall, the survey showed owners and members are thankful and appreciative of our facility, amenities and staff, but they would like some things to be updated and add more pickleball and a cold plunge.

#### **C. Rental Committee – Ms. Daniels**

- Ms. Daniels reported that rentals have been pretty good from June – January but are pacing a little behind. December was down, but January was good. Booking window has shortened. Direct bookings are up.
- Reviewed gross rental income averages which overall looks great, but the lofted units are tracking behind. Average daily rate continues to increase, but room nights slightly down.
- With the help of a marketing group, the VRC Google business interactions have increased dramatically (ie. profile views, searches, website clicks etc.)
- Owners have been walking into their occupied units without notifying the VRC which has caused several conflicts. This is a security concern and liability. Board Members voted unanimously to implement a new Owner Key Policy that requires short term rental owners to get time/date specific key cards for each entry to their home. Owner keycards were previously issued for 2 year periods. The most recently issued owner keycards expire in April 2025 and will not be reissued to short term rental owners.
- Ms. Rediker was commended for her leadership and outstanding advocacy for standing up for the VRC regarding the proposed \$1200/bedroom Town of Vail Short Term Rental fee.
- Entry fees to the short-term rental program will increase about 10% in fiscal year 2025/2026.
- White comforters have been purchased by the program and will be added to the foot of each rental bed this winter. New pillows are purchased and older, less fluffy pillows will be replaced in all units.

### **TOV Short Term Rental Ordinance – Ms. Rediker**

- Ms. Rediker reviewed the proposed Town of Vail short term rental \$1200/bedroom fee which could have had a detrimental effect on the VRC and short-term rental homeowners.
- The proposed ordinance failed. The Vail Town Council plans to bring an excise tax to the voters this fall.
- Ms. Rediker has offered to be a part of the Vail focus groups and feels an excise tax is a fairer option.

### **Long Term Rental Program – Mr. Chamberlain**

- Mr. Chamberlain reported that the long-term rental program has had some challenges and is full of pitfalls. Tenants' rights have changed a lot since COVID and more legislation went into effect this January.
- AppFolio is a good software for the long-term rental program, but the VRC easily receives 75 applications per listing which takes a lot of time to sort through.
- There were 2 units with mold issues this year as well, which was challenging and disruptive.
- The program generates only about \$60K gross and in return opens up the HOA to exposure and liabilities.
- One option is to continue to grow the program and add a staff specialist. Another option is to partner a different company that would adhere to the VRC rules.
- There are currently 17 long term rental units including the seasonal 6-month rentals.
- All agreed, it makes sense for Mr. Chamberlain to research possible long term rental partners available in Eagle County.

## **V. Reports of Officers**

### **A. President's Report – Mr. Grotke**

- Mr. Grotke thanked the Board members for their engagement, and they are fortunate to have highly qualified managers on staff.
- He reviewed some allocation cost changes that are being considered. More information is now available to the Board /Management with the new software and there is more opportunity to review costs.

## **B. Manager's Report – Ms. Rediker**

### **Apres Café -**

- Apres Café is very happy with their winter so far and the upstairs bar is open on the weekends.
- Their lease does require them to be open 7 days/week, but they prefer 5 nights a week due to staffing concerns. There were quite a few comments on the survey requesting Apres Café be open every day and it is a source of frustration for rental guests on nights when Apres Café is closed.
- Discussion continued regarding options including the possibility of a limited menu offering on the two days they are closed or grab and go options.
- Mr. Coope suggested the Board request Apres Café be open additional days during certain peak times. Ms. Rediker will follow up with Apres Café.

### **Staffing -**

- The VRC is currently fully staffed with about 20 employees (does not include 3E Housekeeping)

### **Elevator -**

- The Club elevator was in disrepair and no longer was passing inspection. The required modifications are expected to begin the end of February/ early March and will continue for several weeks.

### **Health Insurance -**

- Health Insurance is a benefit offered to full-time VRC employees and open enrollment is currently in process. United HealthCare proposed a 17% increase to the current plan. Our insurance broker Mountain West found a comparable Aetna plan with a 7% decrease in cost. There are 13 full time employees who have signed up for the VRC health insurance plan and 17 who take advantage of the life, dental and vision insurance at no cost to the employee. Those that do not participate typically have another option or are on a spouse plan.

### **VRC Homeowner Ski/Snowboard Day -**

- The VRC Homeowner Ski/Snowboard Day is planned for next Thursday February 20<sup>th</sup> and Ms. Rediker encouraged all to join if they can.

Mr. Bradford commended Ms. Rediker for stepping in and finding a way to do anything and everything at the VRC.

## C. Treasurer's Report – Mr. Chamberlain

### Financial Highlights

- Mr. Chamberlain reviewed the HOA Financial Summaries compared to budget through January 2025. The projected Fiscal Year End Net Operating Income is expected to be about \$28k profit, which is \$23K favorable to budget. The VRC is on track to be cash flow positive for the year.
- The VRC is now making some money off the new CD accounts. Mr. Delauro suggested Mr. Chamberlain also look into ETF options as well.
- The reserve expense vs budget is \$218K down, but that is due to timing of expenses for the deck/patio replacement project at building 11. The project came in under budget.
- The Club is doing well and favorable to budget as memberships are up.
- The Club committee and management are considering eliminating the “annual initiation fee” and rolling the cost into the monthly club dues. The one-time enrollment fee will still apply.
- Personal training fees are down.
- The Mountain Shoppe is on budget. A full inventory count was recently completed and most of the items missing were low dollar items. The team is looking to relocate the sale section so it is closer to the front desk where agents can better keep an eye on items.
- The elevator redesign was not a budgeted item but was necessary.
- The Rental Operation is tracking slightly behind budget, but ADR has increased 10%. This is similar to all other lodging properties in Vail.
- Mr. Chamberlain and a few Board members recently completed a deep dive and analysis of account allocations.
- Reviewed a new budget worksheet with the Board members which they have access to and can make notes. He is hoping to see the Board review incentives and review ways to better leverage VRC assets.
- Ms. Novey thanked Mr. Chamberlain and Ms. Rediker for the recent work session.
- The Accounting team would like to consolidate the HOA dues to one total amount on the monthly statement instead of listing operating dues, capital assessments, club dues and Comcast fees separately. He reminded the members that common area insurance will be billed monthly beginning in June 2025.
- The Reserve Study is complete and will be shared with all Board members.

## **VI. Unfinished Business – Ms. Rediker**

### **Restated Governing Documents**

- Ms. Rediker said the Board members asked management to review with legal counsel ways to modernize the Right of First Refusal process. In addition to sending contracts via email, the Right of First Offer is an option which requires an owner to list their unit for 20 days to all VRC owners in the same building and then they can go to open market.
- Discussion continued regarding if the owner is required to accept the first offer as long as the offer meets or exceeds the term of the listing. Discussion continued regarding unintended consequences.
- Mr. Koclanes suggested shortening the ROFR current 20-day requirement. He noted the Right of First Refusal is very different than the Right of First Offer and does not suggest changing it. Most courts are going to 14 days for ROFR.
- It was suggested that adding the word “equivalent” to line 5.
- Mr. Delauro made a motion to keep the Right of First Refusal in the governing documents, and begin the process of homeowner education/review. Mr. Bradford seconded, and the motion passed 8 in favor, 1 against.
- There will be at least 2 informational homeowner meetings with Mr. Hunt (legal counsel) which will allow owners to review the proposed changes and ask questions. Following the education process, the amended documents will be presented to homeowners for approval.

## **VII. New Business – Ms. Rediker**

### **Future Meeting Dates:**

- BOD Meeting - Thursday, April 24, 2025 @ 2PM MT
- BOD Meeting - Tuesday, August 5, 2025 @ 2PM MT
- Annual Meeting - Thursday, August 7, 2025 @ 5PM MT
- Annual Homeowner Dinner - Saturday, August 9, 2025 @ 5PM MT
- BOD Meeting – Monday, August 11, 2025 @ 4PM MT

VIII. **Executive Session** - A motion was made to enter executive session at 4:47 pm.

IX. **Adjourn** - The Board returned from executive session at 5:13 pm and the meeting was adjourned.