

BOARD OF DIRECTORS' MEETING

Thursday, April 24, 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 2:02PM and a quorum was established.

II. Approval of the Minutes of the February 23, 2025 –

The February 23, 2025 Board of Director Meeting Minutes were approved unanimously.

III. Reports of Officers

A. President's Report – Mr. Grotke

- Mr. Grotke is thankful that the management team asked the BOD committee chairperson to meet in person and tour the property with Mr. Loftus.
- He noted it's hard to believe the last major special assessment was almost 10 years ago which raised \$8.6 million in funding for a 10-year property improvement plan.
- The VRC is in a transition period and with new eyes looking at potential major future projects, there are a lot of opportunities and potential improvements that could be made. It will be important to determine priorities.
- Thanked management and the Board members for their work in the committee meetings leading up to this meeting.

B. Manager's Report – Ms. Rediker

• Apres Café

The owners of Apres Café, Jen & Ahmad, will be transferring ownership to Josh Monopoli and Melissa McGoniagle due to personal health issues. The new owners have many years of experience in the Vail restaurant business, and they

look forward to joining the VRC and continuing to grow Apres Café. They plan to open for the summer on May 30th.

- **Court Property Renovation – Ric Fields, Landscape Architect**
 - Mr. Fields reviewed the current conditions of the property across the street, which is in significant disrepair due to the types of courts installed and groundwater. He presented 3 proposed concept plans, all adding pickleball courts, some include broader designs to incorporate both passive (community garden, shade area, stargazing area) and active (pickleball, tennis, and/or sand volleyball).
 - The concept plans all include more of a sense of arrival and “entrance” to the area, which is currently lacking.
 - Mr. Grotke said the Board will solicit owner feedback.
 - Mr. Fields will sketch one more scheme that includes tennis/pickleball courts on the areas nearest the street and then drawing the upper section as native area.
 - Ms. Rediker noted the property is zoned for recreation. The plan includes sound muffling wind screens and additional landscaping to mitigate sound impacts from pickleball. She is not aware of any pickleball sound complaints from neighbors.

- **STR Owner Key Policy**
 - Ms. Rediker reviewed an email sent to the Board in opposition to the new STR owner key policy. After communicating with management and some Board members, these owners were still dissatisfied and sent a letter to all homeowners. They submitted a records request, and the HOA provided the names and mailing addresses of the membership per their request.
 - These homeowners also have concerns about the HOA policies for acquiring a general list of owners and feel the ability for owners to communicate is limited. They want to create an independent owner directory.
 - The VRC is in full compliance CCIOA, which was confirmed by Mr. Hunt, legal counsel, and the HOA can only share the names of current homeowners and their physical address on file. The HOA is prohibited by law to share email addresses.

- **Real Estate Update**
 - Ms. Rediker reported that 6 Units have sold in 2025
 - 4 One bedroom - average price \$685,437
 - 2 Two bedroom - average price \$1,125,000
 - There are 7 units listed for sale (2 are under contract)
 - The price per square foot is slightly down and the real estate market has seen a little drop-in activity.

- **Elevator**

The Elevator is scheduled for inspection this Monday and she assumes it will pass and be back open for operation soon.

- **Year Recap**

It's been a busy and successful year at the VRC. The fiscal year will end at or ahead of budget for each of the operations. Some big changes have been made, and the maintenance department was split into two distinct teams. The STR housekeeping standards have been raised, an improved front desk experience has been created through staffing of a full-time club attendant, and the VRC continues to work on transparency, communication and improving the quality of services.

C. Treasurer's Report – Mr. Chamberlain

- **Fiscal Year End Financial Summary**

- The 2024/2025 HOA fiscal year end projections are favorable to budget.
- Garden Level Rental income is a little behind due to cyclical occupancy.
- Accounting is no longer billing from one entity to another for HOA in-house labor workorders as the information is now available in reports.
- Payroll is below budget as the VRC lost a few employees that have not yet been replaced.
- The Club has consistently performed very well since COVID in 2020.
- The Rental Operation is favorable to budget and direct bookings are more frequent than in the past.
- Rental Repairs and Maintenance are up but that is expected with higher sales and most of that increase is offset by the guest damage waiver.
- The Association is in a good financial position.
- A motion was made to move any surplus to the respective reserve funds (Rental surplus to the Rental Reserve and Club /HOA surplus to the HOA Capital Reserve) and it was approved unanimously.

IV. Reports of the Committees

A. Building & Grounds Committee - Mr. Coope

- The Club Roof Replacement project is on track to be completed this spring/summer. The plan is to prioritize areas closer to the pool to minimize the impact on summer activities. Then they will move to less utilized areas.
- The creekside deck and patio replacement project at building 10 started last week.

- The committee reviewed the paver project in depth with Mr. Loftus. This is essentially a continuation of the walkway project that upgraded around the park area last fall. The original paver path from the Club boiler to the new park walkway will be replaced in order to connect to the snowmelt system, which is the priority for Mr. Loftus.
- The asphalt replacement project at the townhomes will continue this spring.
- A recent property tour with the Building and Grounds Committee and Mr. Loftus was very helpful.
- The proposed plans for the property across the street are all good options that will add value to the VRC. There seems to be demand but the next step is to make financial decisions and review the costs association with the different options.
- There are 186 owners using the Bike Barn and there are some spots available.
- Mr. Loftus confirmed the VRC has received Town of Vail DRB approval for the new club building roof. He presented photos of the current capital projects in progress.
- Mr. Loftus reviewed a potential lighting plan along the creekside walkway, but the committee determined that there is enough lighting coming from the exterior unit lights and the plan has been abandoned. Mr. Loftus suggested adding one lamp post where the walkways between the buildings meet the creekside walkway.
- A motion to approve the proposed 2025/26 HOA Capital Plan including the building 10 Patio & Deck Project, Townhome Asphalt Renovation, Club Walkway Renovation and the Club Roof Replacement was approved unanimously. Wasn't clear if this is needed?

B. Rental Committee – Ms. Daniels

- The STR program bedding upgrade project is complete and new pillows and warmer, washable comforters have been added to each bed. The VRC is encouraging any owners that are interested to add a small, decorative pillow to each bed.
- The in-unit and guest experience upgrades have been well received.
- The loft units will no longer be sold as separate unit type as they were underperforming. There is concern from the Town of Vail that there are beds in the lofts which are considered storage areas. STR lofts will be reviewed further with the individual loft owners in the fall.
- The Canary app was added last fall in hopes of being able to upsell and improve guest communication. Guests are taking advantage of upselling and purchasing early check in or late checkout. They are also able to add gratuity virtually for the staff.
- Vail rental revenue was down this winter (except for February). The VRC nightly rates were down but revenue paced ahead and ended up only slightly behind last year.

- The damage waiver fee is still in effect and has been very useful.
- The VRC will pay for spring deep cleans and carpet cleans in all STR units.
- June revenue is lagging but looking great for July – August.
- The new STR owner key policy is going into effect at the end of April and the staff are working hard to make the process as easy as possible.
- Going forward, STR owners must participate in the program a minimum of 100 nights during the summer (June – August) and winter peak (December – March) season.
- The goal is to have just one company clean and inspect. The VRC has put out an RFP and is looking for a cleaning company for the next 3 years. We know the current housekeeping contractor, 3E Cleaning, plans to submit a proposal in addition to a few other companies.

C. Club Committee – Ms. Summers

- Ms. Summers reported that the Club income surplus will be reinvested in Club facilities this year.
- Outside membership is currently at 404 (down from 479 last February) but it is expected to increase at the start of summer. Club memberships were at 350 this time last year.
- The steam room issues have been resolved.
- The VRC has purchased 3 new TRX portable suspension systems which will be installed in the Yoga/ Pilates studio.
- The Yoga/ Pilates studio flooring is due for replacement but that improvement has been put on hold for more immediate needs.
- Research is underway to determine the feasibility of adding a cold plunge glass wall and adult hot tubs.
- The tennis hard courts are clear of snow and almost ready to go for the summer. Clay court resurfacing is scheduled to be done mid-May, and the pickleball court will be resurfaced this spring also. The lower court across the street will be resurfaced and striped for one tennis and 2 pickleball courts. The other court across the street will not be resurfaced, only striped for tennis.
- Additional income earned by the Club will be reinvested in the fitness center this year. All the fitness equipment will be upgraded and replaced with new Technogym equipment. Technogym is used in all luxury gyms and is used in other local fitness centers. The app integrates with Club Automation and can be used with other Technogym fitness centers.
- The new equipment should arrive 6-8 weeks after the order is placed and should only take 2-3 days to set up.
- The Club dues for outside members will increase in 2025 to eliminate the annual re-enrollment fee. Individual memberships will increase from \$115 to \$125 and family membership will increase from \$160 to \$200. Outside members will continue to pay a one-time initiation fee (\$120 individual, \$200 family). The cost to “freeze” a membership is \$100.

- VRC owner family memberships will increase from \$96 to \$100 per month.
- Discussion continued regarding marketing opportunities for the Club.

D. Finance Committee – Ms. Novey

- Ms. Novey reviewed the budgeting process and how the finance committee prioritizes and works with each committee chair to ensure the VRC is getting the right return on investment.
- The overall net operating income for all 3 entities (HOA, Rental and Club) is expected to be \$400k at the end of the fiscal year. The Club contributed the most financially (\$218k) and that is why it makes sense to protect and reinvest in the Club equipment and facilities.
- The current reserve budget is \$1.95M and the VRC should start 2026 at \$2.15M of reserves.
- The recently completed Reserve Study has been useful in reviewing a long-term plan and helping to determine if there is enough of a balance sheet reserve for a property as big as the VRC. Other factors should be considered as well as economic conditions and expected insurance increases and challenges.
- Mr. Chamberlain reviewed the proposed 2025/2026 budget and capital funding plan. He noted that the common area insurance fee will be billed monthly instead of bi-annually in the new fiscal year.
- Mr. Zurcher made a motion to adopt the proposed 25/26 budget as presented, including an overall 3.9% increase in HOA dues. The Assessment Split ratio will be 27.7% to Capital (and increase from 25% in 24-25), 72.3% to Operating. Mr. Bradford seconded, and the motion passed unanimously.
- A Homeowner Budget Ratification Meeting is required, and a date will be set at the end of May.

V. Old Business – Ms. Rediker

The proposed amended and restated Governing Documents are complete, and owners will get the opportunity to join 1 of 3 informational meetings with Mr. Hunt (Legal Counsel). The meetings will be held in May, June & July and Ms. Rediker asked that a couple of Board members be available at each. The final approval vote will take place at the Annual Homeowner Meeting on August 7th.

VI. New Business – Ms. Rediker

Future Meeting Dates:

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

VII. Adjourn @ 5:43PM