

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS ANTLERS AT VAIL ASSOCIATION Saturday, December 8, 2018

Catherine Michela called the meeting to order at 3:00 pm. Other board members present were Jeff Brundage, Scott Chapman, Joe Forish, Susan Hagy Humphrey, Lori Radcliffe and Jim Taylor (via conference call). Also, in attendance were owner Rich Buckley (via conference call) and staff members Magda King, Chase Simmons, Kim Rediker, Ryan Kelsey and Consultant Rob LeVine. Magda King introduced the new Front Desk Manager, Keaton Luke.

Minutes

The minutes of the September 3, 2018 meeting were reviewed and approved unanimously as presented.

Audit Report

Mike Jenkins and Taisha Woodyard of McMahan & Associates reviewed the draft of the audited 2017-2018 financials. Total assets grew from \$1.7 Million to \$1.887 Million. The Association has equity in both the Operating and Reserve funds, as both have positive balances. Revenue was up from \$4.3 Million to \$4.8 Million. There is no tax liability for Fiscal Year 2018. A few of our bank accounts were deposited in excess of FDIC limits, so it is recommended that the Association review the accounts periodically to be sure that we keep funds in each under the FDIC limits. The Auditors noted that the accounting policies of the Association are conservative, consistent, and compliant. Recommendations from the Audit team include: continuing to focus on segregation of duties and management oversight; ceasing to allow owners/guests to make checks to the Association in return for cash; taking inventory quarterly; researching and implementing process for tracking PTO in the payroll system. The Board unanimously accepted the Audit as presented.

Financial Report

Reviewing adjusted totals for 2017-2018, the Association ended the year with a surplus of about \$170,000, up \$18,000 from the original surplus forecast. The Board directed staff to keep that surplus in the operating fund for anticipated expenses in the 2018-2019 budget cycle. Ryan Kelsey presented a review of booking revenue. Winter is pacing well, but December is slightly behind last year. Looking at the past few years we are showing growth of approximately 3-5% over the 5-year average. The team is working imaginatively to create business through packages and discounts, including the Snow Stake Spectacular that brought in \$70,000 in the past week. With specials and promotions, we are able to capture about 75% of incoming business directly, with partner channels sending about 25% of our business.

Regarding the Capital fund, 16 owners have paid the Antlers 2020 Capital Project's Special Assessment in full. This is sincerely appreciated, as the Association may now have the opportunity to negotiate some purchases for the project at a discounted rate. In reviewing the specific projects in the reserve analysis, none that currently show "zero" remaining life are critical.

Elevator Project Update/Milestone Schedule

The Antlers 2020 Capital Project received final approval from the Town of Vail Design Review Board. A preliminary budget from Hyder will be received by December 14. The interior design subcommittee is awaiting proposals from five firms. Susan Hagy Humphrey reviewed the process for choosing an interior designer and noted that the subcommittee will likely utilize an architectural consultant to assist with reviewing the design proposals. Once Management selects the Interior Design firm, Management will retain an independent interior design consultant to represent management and owner interests to Management in order to review and make helpful recommendations during the design process, as a check and balance, regarding choice of materials and other interior design options to optimize cost effectiveness, wearability, etc.

Real Estate Update & Development Activity

Rob Levine reviewed real estate data with the Board, specifically as it relates to the new North Tower condominium. Comp set sales are currently averaging about \$1,230/sq. ft., but two recent offers for Antlers units have been at about \$1,330/sq. ft. Some attributes that might increase the possible value of the new unit include the space, windows, air conditioning, and interior hallway access to unit. Rob is starting to mention the new condominium to other realtors, and it seems brokers are excited for the new product. Rob expects to put the unit to market in February or March, with Antlers owners given the first opportunity for purchase.

Antlers Operational Practices

Magda King reviewed the guidelines that the Antlers has in place for Complimentary Use of Units and for Parking. The Board approved the existing processes and asked that the guidelines be published to owners with the next Newsletter.

Compensation Survey

After extensive work with Joe Forish, The Vail Valley Partnership conducted the compensation study for lodging partners. Only 9 properties responded to the survey. Joe will review the information and report back to the Board with any useful information resulting from further analysis of the data.

The next meeting of the Board of Directors will be June 22, 2019 at 1:00 pm. There being no further business, the meeting was adjourned at 5:40 pm.