

# Westwind Board Meeting

July 15, 2015

3pm MST via telephone

Present:

Ron Peterson, President

Ed Davenport, Vice President

Lee Olch, Secretary

Mark Johnson

Don Meier

Steve MacDonald, Vail Management

Jeff Jacobs, General Manager Westwind at Vail

Ron Peterson opened the meeting with the roll call and asked for a motion to elect Don Meier as the new Board member. All in favor. Motion passed.

Ron asked for a motion to approve the minutes from the May 7<sup>th</sup> board meeting. All in favor. Motion passed.

Ron continued the discussion from the past meeting about phone lines in all rental units. Majority agreed that it is important to keep for safety.

Lee led a discussion about internet and HDTV. Lee summarized the research that he and Jeff did in a paper that was sent to all before the meeting and is attached to these minutes. Lee explained that the problems of inability to connect, disconnects, and slow speed are due primarily to significant capacity shortage. Ed and Mark pointed out that due to the internet shortcomings, they both bypass it and use alternative methods to access the internet. All board members favored improving the existing service except Mark who questioned the value of a higher cost service unless it would increase rental revenue. No evidence was offered. All but Mark agreed that good internet service is expected by the guests. Ron observed that when people have a bad meal at a restaurant they don't complain to management, they just don't go back. Ed asked if there were any other options and Lee cited satellite and telephone company offerings which he stated would not provide better service. Mark suggested that the problem

may be due to a need for a signal enhancer and he offered to have his IT guy advise us. Don made the motion to bring 4 options of various internet, HDTV and telephone bundles to the annual HOA meeting and Mark added a 5<sup>th</sup> option of signal enhancers. Motion passed.

Ron brought up for discussion Lee's request for a reserve analysis. Lee proposed a spreadsheet to replace the lists of maintenance and upgrade projects that are included in the handouts at the annual HOA meeting. The spreadsheet purpose would be to calculate total annual current and projected expenditures and reserve fund balances. This information would help to verify the adequacy of reserves and the current level of assessments. Opposition to this proposal included the cost, difficulty, and significant errors in reserve studies. Lee reiterated that he was not proposing that any reserve study be done. Steve said that he and Jeff will get some replacement cost data for major building repairs and equipment like painting, boilers, elevators, etc. before the annual meeting.

Ron asked Lee to have the revised Building Committee Report for the annual meeting.

Ron asked for approval of the budget for 2015-2016. All approved.

The agenda for the annual HOA meeting was discussed and the Board added to the agenda a video camera security system and the bylaw related to renewal of the management contract.

It was decided to not include a discussion of CCIOA at the annual HOA meeting. Ron said that the CCIOA provision for foreclosure would be an improvement over our existing rules but that the provision for changing the voting rule would unnecessarily create controversy. Ed suggested that there was no immediate future for redevelopment but that this issue should be dealt with at some point.

Ron discussed the requirement in the bylaws for the management company contract to be put out for competitive bid every 4 years. A discussion followed about whether there should be an amendment to change this rule, but no decision was reached. This topic will not be on the annual HOA agenda but Ron may bring up as new business.

There was a discussion on the bylaw provision for a Rental Board and on Lee's proposal to request Vail Management Company to provide rental metrics that are standard in the hospitality industry so that the Board can perform oversight of the rental program. This proposal was opposed on the basis of the difficulty of comparing condo unit results and statistics being skewed. Also, Mark said he was comfortable with the rental results because rental income is the major source of compensation for Vail Management and therefore they have an incentive to make rentals. Lee disagreed about the difficulties in understanding the data and statistics. He asked two questions about the performance of the rental program. How is the product performing that offers a fourth day free? Why haven't total rental revenues increased faster in the last few years since there has been a reduction in the number of units in the Lionshead market that were competitors of Westwind, i.e. the two buildings that are being

replaced by The Lion and the redeveloped and market repositioned Landmark? There were no answers to these questions. An alternative to Lee's metrics proposal was made: compare the trend in Westwind rental income to annual Lionshead lodging tax receipts. Steve and Jeff said they would try to obtain the tax receipt data from the Town of Vail.

Ron asked to schedule a Board lunch meeting after the annual HOA meeting.

Mark stated that he plans to leave the Board after the annual HOA meeting.

Meeting adjourned