

**STRATA COUNCIL MEETING MINUTES FOR  
STRATA CORPORATION KAS 2662  
“Pemberton Valley Lodge”**

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**HELD:** 6:30PM Wednesday, May 10<sup>th</sup>, 2011

**LOCATION:** 8<sup>th</sup> Floor Scotia Bank Building  
650 West Georgia St. Vancouver, BC

**PRESENT:** Carl Van Noort,, Cora Salvador, Paul Lermite, Larry  
Arabski, Ron Crawford, & Rob Moore (WRM)

**LODGE STAFF:** David Mackenzie & Laura Arnold

**REGRETS:** Mickey Patryluk, Nancy Cavin, and Kristin McCahon

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The meeting was called to order at 6:30PM.

- 1.0 **Approval of agenda:** It was moved, seconded, and **carried** to approve the agenda.
- 2.0 **Approval of the Council Meeting Minutes from January 20<sup>th</sup>, 2011:** It was moved, seconded, and **carried** to approve the minutes as presented.
- 3.0 **Election of Strata Council Officers: The following members were elected:**  
**President – Paul Lermite                      Vice President – Carl Van Noort**  
**Treasurer – Kristin McCahon**
- 4.0 **Business Arising:**
  - 4.1 **Lodge Operations Update**
    - **1<sup>st</sup> Quarter Sales / Marketing / Budget:** David and Laura noted that sales were currently 50% below budget and that this past winter has been the hardest on business to date. As it stands, it looks as though April is going to be behind budget as well. David and Laura reported that they are always looking for new opportunities and that competing for leisure business needs to be balanced with the corporate relationships who have maintained their loyalty. Golf packages are already showing success. Other packages will be listed on the website like horse

riding, soaring, romance and adventure packages, and spa treatments. A partnership with BC motor races in Pemberton is being nurtured and opportunities at the local stock car racing and motocross events are being explored. There is also focus on groups of enthusiasts that are travelling by motorcycle and specialty auto as well as fishing and hunting groups.

- **Trash Compactor Cage:** David reported that the compactor cage project has not been completed yet due to cash flow. The project will be addressed at a more appropriate time. The estimated cost of the project is \$3K.
- **Website:** It was reported that the new website is up and running. So far, the response has been good. Viewers of the site have recognized the changes and the feedback regarding the content and surfing has been good. There are still some minor changes to come. Modules will need to be created for changing items at a moment's notice. The process of loading the interface for making reservations and updating promotions is being fine tuned. Key search words for content and to drive traffic are being implemented. The PVL "blue branding" on the site has been reintroduced and the look is fresh and modern. The staff will be trained on updating the content. There was a \$3,900 charge from Custom Fit for beginning the new sites. It was noted that the photographs on the site need to be updated.
- **PTAC Units:** David reported that some of the package thermal air conditioning units were in need of replacement parts. Many of the boards have been replaced with LED displays. So far, 3 units have been replaced completely and a 4<sup>th</sup> is coming. The cost for each unit is approximately \$700. Availability of parts makes it much easier and more cost effective than replacing the whole unit when possible. The plan is to keep a few of the units in storage for replacement when necessary and the replacement can be performed by the Lodge staff. It only takes about 5 minutes to switch out a unit. The room attendants can check the condition of a room's unit during changeover.
- **Massage Studio:** Larry reported that when he had met David for an on site tour, to try to increase market exposure, an idea to use the Meagher Suite as an option to host 2 massage tables had been discussed. David reported that the owner of the room is in favor of this use

and it creates a “spa” feel to the Lodge services. It also allows an expansion of the activity base of the Lodge and provides added value to the guests. The Masseurs were also pleased with the response to date.

- **Pub / Restaurant:** David reported that it doesn't look like anything is going to happen soon as far as the opening of a pub or restaurant but it was noted that the area has been very convenient for overflow parking. David and Laura are currently investigating whether it would be possible to develop that land for on site functions / services such as weddings or a farmers' market. This would create a much better curb appeal to the grounds from the highway sightline. The Council noted that it would require a solid revenue return for any initial investment. David reported that there is also a developing relationship with owners of the land adjacent to the Lodge under the power lines.
- **Utilities (Propane):** David reported that he had found a mistake on the billing from before Christmas and stopped payments to Superior Propane. The invoicing included fluctuating litre rates when the price was originally negotiated at a fixed price. David has corresponded with Superior and has insisted that the pro-rate amount be honored. The Council directed that David go back to Superior to confirm that the correct invoicing and charges have been forwarded and that any resulting credits have been applied. Ron and Cora volunteered to assist with this.
- **Custom Fit:** David and Laura reported that they had talked with Custom Fit about improving the search engine optimization and upgrading the website. So far 3 months worth of the internet marketing service has been paid for at \$2,800 per month. There were \$5,400 for other services and linkages as well. Services to date include an enhanced Facebook page, a PVL Twitter account, and staff training for marketing (relevancy, timing, broadcasting). The new website always lists the 4 most recent Twitter feeds at the very bottom of the page. David and Laura reported that the advertising for events was much better and getting more and more hits everyday. The relationship so far with Custom Fit has been very collaborative and positive. They have been very gracious with time logged for help, training, and reporting. The Lodge now actually has control of the website with

access to the Google analytics. The Council directed David and Laura to obtain a report from Custom Fit detailing the actual results to confirm return on the investment so far in their services. The Council noted that Custom Fit had “guaranteed” results or there would be no cost to the Lodge. The Council also directed David and Laura to determine how to measure the results versus the amount invested in the service. The Council directed David to acquire a cost benefit analysis from Custom Fit.

- **Water Softening System:** It was noted that because of the high mineral content of the Pemberton water supply, deterioration to the plumbing fixtures should be budgeted for on an ongoing basis in the capital budget for possible future expenses.
- **Pool Deck:** David reported that due to new regulations, flow meters are required to be installed on the jet lines for the hot tub. The new regulations will also require some attention in the pool / hot tub mechanical room and there may be some attributed costs to come. These new regulations are due to changes in the Swimming Pool Act. The current wording for the time period to meet the required modifications and codes are “as soon as possible”. Some upgrades to the pool deck lighting will be required and the crack in the pool deck is “non compliant”. A temporary fix of the crack is being planned for this spring.
- **Insurance / D&O:** The Council and David noted that the Directors and Officers liability insurance policy will need to include an addendum for the Pemberton Valley Lodge Owners’ Management Corporation. The Council directed David to make sure that Larry, Carl, and Kristin were named in the policy for this purpose.

- 5.0 **Review of the Financial Statements for the fiscal period ending March 31<sup>st</sup>, 2011:** The agent reviewed the Balance Sheet as well as the Income and Expense Statement. It was noted that the Strata Corporation was reporting a Retained Operating Fund deficit of \$17,999.01 but that the amount was being paid down as per the monthly contribution through the strata operating budget from a deficit of over \$23K at the beginning of the fiscal year. The agent reported that the operating budget at the end of March reported a minor surplus of \$529.62. After discussions regarding specific line items, it was moved, seconded, and carried to accept the financial statements as presented.

## 6.0 New Business:

- 6.1 **New Accountant – Robyn Browes:** The Council reported that they were happy with Robyn's hire and that she had come with high qualifications. There seems to be a good working relationship so far with David and the Lodge staff.
- 6.2 **Pemberton Valley Lodge Owners Company / Adara Relationship:** The PVLOC and the Adara have been meeting jointly to discuss how and when invoices and staff are getting paid. It was agreed that record keeping will be needed for billing on time spent on each specific property. Some legal items will need to be split evenly but the original formula for David's salary was 60 % PVL and 40 % Adara. A specific determination needs to be made as to how Laura's time is being charged to both hotels. David reported that Bellstar's coding for administration wages was inconsistent. Laura believes that a 50 / 50 split for marketing and sales would be reality between the two hotels. It was agreed that by autumn, any adjustments should be figured out. Laura noted that more time is spent on Tourism Whistler for the Adara. The Council directed David and Laura to keep track of the staffing split between the two properties. This will be brought up with Dennis Hilton from the Adara to work out details at the next joint meeting.
- 6.3 **Bellstar Transfer Agreement:** The Council reported that Bellstar has put their feet in the sand and there will need to be more legal expenses in the interim before the matter is settled. The Council agreed with Michael Walker from Miller Thomson that Bellstar is to hand over all the data and money immediately. In June, there will be another meeting to determine whether or not to continue action against Bellstar. Bellstar has informed Dennis Hilton that they will not lay down on the disputed charge amounts against the two hotels.
- 6.4 **Braidwood Marketing / Sales Proposal:** The Council noted that the initial proposal from Braidwood does not address the specific items that were being requested. Dennis Hilton followed up with their representatives and arranged a face to face meeting. The desired positions were eventually ironed out. Specifically, the hotels are looking for a modular aspect for the fee structure on specific services. Braidwood then

came back with another proposal. It was agreed that there needs to be a separate agreement for each hotel and Braidwood would have to be able to work with David, Laura, and staff to build a sales plan for 2012. The proposal should be explored and reviewed after 12 months at which time the option to amend or terminate would be examined. This proposal is still in a development stage and the Council has requested David and Laura's feedback.

- 6.5 **Legal Fees:** The Council reported that required legal expenses continue to accrue and will be reviewed as required.
- 6.6 **Owner Promotional Campaign:** Ron Crawford detailed a proposal for an owner distributed coupon for a two night stay at a discounted rate. Ron reported that roughly \$200 for printing and mailing would be the essential hard costs for the promotion. Laura and David will consider and investigate the options.
- 6.7 **Revised Budget / Operating Budget:** David and Laura noted that it was not ideal drafting or revising a budget during the year that the budget is in. David reported that they had adjusted the marketing figures and entered the actual numbers for the first 4 months. This has affected the bottom line. David and Laura will complete the revisions to the budget in the next week. It was agreed that the group should meet again in June.

There being no further business, the meeting was terminated at 9:45 PM.

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