

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

HELD:	6PM Monday, January 23 rd , 2012
LOCATION:	8 th Floor Scotia Bank Building 650 West Georgia St. Vancouver, BC
PRESENT:	Cora Salvador, Paul Lermite, Larry Arabski, Mickey Patryluk, Kristin McCahon, Carl Van Noort, Nancy Cavin, Ron Crawford (alternate), & Rob Moore (WRM)
LODGE STAFF:	David Mackenzie & Laura Arnold

The meeting was called to order at 6:05PM.

- 1.0 **Approval of agenda:** The Council directed the agent to note on the agenda that items 5.2 and 5.3 were “in camera” items to be discussed at the conclusion of the meeting business. It was then moved, seconded, and **carried** to approve the agenda amended.
- 2.0 **Approval of the Council Meeting Minutes from November 30th, 2011:** It was moved, seconded, and **carried** to approve the minutes.
- 3.0 **Approval of the Council Meeting Minutes from January 5th, 2012:** It was moved, seconded, and **carried** to approve the minutes.
- 4.0 **Business Arising:**
 - 4.1 **Lodge Operations Update**
 - **Sales & Marketing:** Laura distributed the monthly sales report for January. Laura reported that there were a few contracts pending. Definite bookings include the School District and the revenue for this will be indicated on the next pace report. Laura reported that they were looking at doing another sale in February. There have been some last minute bookings recently due to fresh snow. Laura reported that there has been an increase in corporate bookings and that the split between Corporate and Leisure at this time is approximately 50 / 50.
 - **Staffing:** David reported that Darryl, the lead maintenance man, is still out recovering from his injury and is receiving physiotherapy. There is a meeting with a specialist pending but Darryl is expected to still be out for approximately an additional 30 days. David reported that they have been looking for a casual labor replacement in the interim but larger issues have required bringing in a general contractor.
 - **Operations:** David reported that recently Pemberton has been very cold and there has been lots of snow. Ice damming has been a concern due to the

build up of icicles on the roof line. David reported that the top guest comment reflected the lack of food offered in the Lodge. The “Fresh Start” breakfast service was introduced last Sunday. It started slow with a dozen or so orders so far but has been received very well. The program has been designed to be low maintenance and easy to perform. The night auditor collects the request cards from the room doors around 3am. If the program picks up speed, considerations for HR and earlier shift starts will need to be considered. This program has a good return margin.

- **Maintenance & Equipment:** David reported that there continued to be problems with the pool and hot tub equipment. The pool pump shut down during the cold spell and was not able to start up again for a couple of days. A couple of the hot tub jets froze and needed to be repaired. The project to water-proof the elevator was completed within the 5K budget and there is a 5 year warranty on the work.

4.2 **Bellstar Legal Update:** Mickey reported that the issue at hand remains that Bellstar has charged the PVL for Laura’s salary which was never agreed to by the Strata Council in advance. Laura, David, and any Board members will forward any more relevant correspondence to Mickey for review and ultimately a decision by the Strata Council as to how to proceed.

4.3 **Pemberton Valley Lodge Management Co. Update:**

- **Braidwood Report:** The Council members reviewed the report submitted by John from Braidwood. Mickey questioned the Braidwood statement that the Lodge was not “market ready” last June. David and Laura argued that the report is fairly insulting and is not at all consistent with the original evaluation report about the Lodge received from Braidwood in 2009 when it was being considered as a replacement management company. Larry noted that they have been aggressive about wanting to work with the PVL and seem to have been critical about the current marketing plan. Laura reported that they did not receive the monthly reports from Braidwood for November or December and that John has not followed the PVL Management Co.’s request to forward the report directly to David and Laura. Larry will follow up with all the concerns raised about the report with John from Braidwood.
- **Sick Leave Expenditures:** Larry reported that over the Christmas period when David took some sick leave, the main issue and expenditure was a lack of a shuttle driver. The Lodge expensed approximately \$1,300.00 for 13 or 14 Pemberton Taxi trips. The husband of the Guest Services Manager offered some casual labor to drive the property van as he has a class 4 license at \$30 / hour. Total costs for this period are estimated to lie just under \$5K. Larry will provide the hard numbers when calculated.
- **Non-Resident Liability Update:** The PVL Mgt Co reviewed this issue with the accountant and has determined that there is no liability for the PVL and that the Lodge does not owe the CRA any monies.

- **Management Agreement:** It was confirmed that there currently exists a Hotel Management and Rental Pool Agreement for the purpose of binding the registered owners into a revenue pool agreement.
- **Wage Policy Draft:** The Mgt. Co. has requested that David draft a template regarding the Lodge wages because it was noted that the base wages have not moved up over the course of time. David commented about annual increment increases and the possibility of creating a wage ceiling. This item will be reviewed and revisited. It was also requested to investigate how the PVL compares to other hotels as far as wage is concerned. David is to forward this information by the end of the month.
- **Employee Satisfaction Survey:** David noted that there is a web based service that is inexpensive and confidential.

5.0 New Business:

- 5.1 **Lodge Operating Budget 2012 Finalization:** David and Laura reported that there were some inconsistencies in the budget line item reporting due to the differing coding practices of the previous management companies. The accountant, Robyn has been working with David and Laura to create a consistent coding method from now on. After reviewing the draft budget, the Council members directed David and Laura to make a few amendments. It was then unanimously carried to approve the budget as amended.
- 5.2 **2012 Contract for the General Manager:** An “in camera” discussion regarding the contract was held by the Council after the meeting business had concluded.
- 5.3 **2012 Contract for the Sales Director:** An “in camera” discussion regarding the contract was held by the Council after the meeting business had concluded.
- 5.4 **Capital Projects Audit 3 to 10 Years:** David and Laura submitted a report highlighting the Capital Needs Audit including the room furnishings. After a recent visit to the Lodge, Larry and Kristin’s assessment was that some of the furnishings are becoming due for replacement. David also reported that the upholstery will require some refurbishment as well. The report is broken down in categories of potential suggested rotations. David recommended that the Council review the report to determine the FF&E expenditures over the next few years. The Council requested some additional information and will review this item ongoing.
- 5.5 **Custom Fit Analysis for Year End:** Laura presented a year end analysis report for return vs. expense on Custom Fit web marketing. Larry reported that as a general rule approx. 10% of rental revenue is spent on marketing. Paul requested a 2012 Performa projecting monthly costs as was requested 7 months prior. More discussion on this item will be required as per the Budget.
- 5.6 **GIC:** Paul reported that the Lodge has a one-year GIC at a 1.6% fixed rate in the amount of \$102,000.00 and an additional \$101,250.00 at 1.2% fixed rate redeemable any time. There are also funds in an account at the Scotia Bank

that Paul suggested should be transferred to Squamish Savings for a 30-day redeemable GIC at 1.2%.

- 6.0 **Review of the Strata Financial Statements for the Fiscal Year Ending December 31st, 2011:** The agent reviewed the Balance Sheet as well as the Income and Expense Statement. It was noted that the Strata Corporation reported an Operating deficit of \$2,744.19 at Year End. Over the course of the fiscal year, the owners have replenished the Retained Operating Fund deficit by \$12K and there is still approximately \$11K left in the deficit. After discussions regarding specific line items, it was moved, seconded, and carried to accept the financial statements as presented.
- 7.0 **Review of the Strata Draft Budget for the Fiscal Year Ending December 31st, 2012:** The agent reviewed the submitted draft budget line by line. After discussions, the Council directed the agent to amend the submitted budget so that approximately \$5K would remain outstanding to the Retained Operating Fund deficit by the end of the fiscal year. The agent noted that this would be a contravention of the Strata Property Act as all deficits are to be abolished in the following fiscal year.
- 8.0 **Review of the Draft Notice of Meeting Package for the AGM to be held on February 13th, 2012:**
- 8.1 **Special Resolution – Rental Pool Agreement:** Paul reported that Mike Walker from Miller Thompson will have the final wording forwarded by the next day so that the notice of meeting package can be sent out to the ownership in a timely fashion.
- 8.2 **WRM Proxy:** Mickey moved to amend the wording of the WRM proxy template to omit the default assigning of the proxy to the Council Chair. The motion was not seconded and therefore defeated.

There being no further Lodge operations or Strata Corp business, the meeting was terminated at 10PM. The members of Council remained to discuss items 5.2 and 5.3.

Whistler Resort Management Ltd. 604 932 2972

Rob Moore ext. 232

Strata Property Agent

rob@wrm.bc.ca

Post Meeting Note

The week following the meeting held on January 23rd, an explanation was received as to why Braidwood made the comment that the marketing plan in their opinion was incomplete. Larry Arabski from the PVL Mgt. Co. and John from Braidwood sent each other correspondence on this item. It was determined that there had been an error in transmitting the relevant details to Braidwood due to missing information. Braidwood will reevaluate now that all of the pertinent information has been obtained.