

## CAC Discussion: Facility Manager

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A number of Fairway Villas (“FV”) residents do not understand the reasons for the recent replacement of WTS as the manager of the Clubhouse and the Lodge, now that it is open. They have asked the Community Advisory Committee (“CAC”) for more background information. This newsletter describes some of the concerns that the CAC and the Facility Manager Task Force had with the past performance of WTS.

Most of the following issues relate to the recurring inefficient use of the residents’ taxes and the excessive cost for managing the Clubhouse. These issues include:

- Monthly Management Fee: In 2020, WTS was charging the FV community about \$15,000 per month to manage just the Clubhouse. Contractually, this amount had been increasing about 10% each year with not corresponding increase in service. During the request for proposal process, WTS let us know that they planned to increase their fee by \$3,000 to \$5,000 per month to add management of the Lodge to their scope of services. The Task Force reviewed three other proposals to do the same scope of work for less than that amount. The bid from the YMCA was among the lower cost bidders, which is one of the reasons Town Center hired them to replace WTS.
- High Management Cost During Shutdown: Despite the fact that the Clubhouse was shut down following the outbreak of the Covid-19 virus and that WTS laid off Patti and John, WTS only reduced its monthly fee by about \$2,800. It was still charging over \$12,000 per month while the building was closed and the Leisure Director was working from home.
- WTS Failed to Properly Manage the Staff: For the last several years, WTS failed to closely manage the daily activities of the staff. As a result, the FV community paid the District Manager (Timberline) to perform that function. Timberline spent an extra 10-12 hours per month at its hourly rate (currently \$105) to do much of what FV was already paying WTS to do.
- WTS Did Not Replace Staff Vacancies: Although WTS was contracted to supply staff and replace any vacancies that arose, again, the District Manager filled that role, spending a significant number of hours replacing the previous Leisure Director and one of the staff.

- WTS Failed One of its Contractual Obligations: In its initial contract to manage the Clubhouse, one of the duties WTS was to perform was to inform the District Manager of any licenses required by the City/County of Denver to operate the Clubhouse. After four years of operations, residents and the District Manager learned that the Clubhouse never received the proper licenses to operate the pools and spa, something WTS was supposed to do based on its knowledge from managing other facilities. This delay may have added extra expenses to comply with local regulations.
- “Bogus” Non-Disclosure Agreements: WTS forced its staff to sign non-compete agreements, whereby they would not be able to work for another “competitor” or company in a similar business for one year after their termination for any reason. This provision alarmed a number of FV residents, who were concerned about the staff’s ability to either find another job or to work for a new manager of the Clubhouse. The CAC investigated these provisions and learned that in Colorado, they were not enforceable for anyone but senior management of a corporation. Enforcing this provision on part-time staff or even the former Leisure Director would not be legal.
- Duplicate and Wasted Services: The CAC found a number of examples of wasted services within the Clubhouse for communications and other services, an amount totaling \$3,000-\$4,000 per month. Examples include rented equipment that was not even hooked up, multiple long distance lines (separate from the staff’s cell phones), CATV services that were rarely if ever used by residents, etc.
- Failure to Share Information: Upon the transfer of duties from WTS to YMCA, the District Manager discovered that WTS had completely erased the data stored on the Clubhouse computer. This erasure meant that the YMCA lost all the information in the Clubhouse related to past social and fitness events, survey results, vendor details, newsletters and monthly reports, etc. No one had backed up this data.

Until now, FV residents have been unaware of most of these concerns. The CAC fostered the good relationship between residents and staff, not wanting to disclose the undesirable background on the corporate entity, WTS. We, like everyone else, enjoy living here and participating in the activities that the prior staff organized and facilitated. We regret the departure of the individuals and wish them well. But the rising costs of the monthly fees and duplicate management would soon put a significant strain on the FV budgets. Someone had to do something to corral those costs. Otherwise, our tax rates would have needed to be raised sooner rather than later.