Vail Resorts Newsroom

Letter to Employees: A New Direction

The following email was sent by Vail Resorts CEO, Kirsten Lynch, to employees on March 14, 2022.

Team,

I have been in my new role as CEO of Vail Resorts for just over 100 days, and the challenges we have faced together this season have given me an opportunity to reflect on what is important, and what our company must focus on as we move forward. Today, I want to share some of my thoughts, and important news for our company.

One of my biggest takeaways from these past 100 days is the**importance of each of you - our team** We have a mission that we all know and love: *Experience of a Lifetime*. You are the core of this mission. We cannot create an*Experience of a Lifetime* for our guests without first creating an Experience of a Lifetime for you - unfortunately, we have fallen short on that.

Addressing this requires a pivotal shift in our company's direction with a new strategic focus on all of you – year-round and seasonal, hourly and salaried, mountain resorts and corporate. We are focused on providing each of you the resources and support you need to have an *Experience of a Lifetime*, and staying out front by making the necessary investments in you.

Today, we are taking some important first steps in this new direction with an incremental annual $175 million investment in our employees, which includes the following:

- **New $20 Per Hour Minimum Wage for All Employees at all 37 North American Mountain Resorts for the 2022/23 Winter Season* and increases for Hourly Employees with Compression Adjustments based on Career Stage and Leadership Differentials**
  To deliver on our mission, we must invest in you and your experience with our company – that starts with competitive compensation.
  - **New $20 per hour minimum wage at all 37 North American mountain resorts and corporate.**
  - New $21 per hour minimum for Patrol, Maintenance Technicians and Certified Commercial Vehicle Drivers.
  - New CAD $20 per hour minimum wage at Whistler Blackcomb, from current CAD $15.20.
  - Guaranteed minimum of $20 per hour for tipped roles.
  - Hourly employee wages will increase with compression adjustments based on leadership and career stage differentials.
  - This represents an average wage increase of nearly 30% across hourly employees in North America.

- **New Seasonal Frontline Leadership Development**
  Our company is passionate about leadership development. Starting next winter, we will be launching new Seasonal Frontline Leadership Development programming. **If you come for a season, we want you to have the opportunity to build a career**. One of the benefits of being a part of the Vail Resorts family is that our employees have the opportunity to grow within their mountain resort, or move across our mountain resorts and company for new opportunities. You might start in Lift Operations like Chris Sorensen, and grow to become the GM of Keystone Ski Resort, or you might be like Beth Howard, starting as an hourly intern in F&B and then growing to become the COO of Vail Mountain. In the past two years, over 600 employees have moved from one mountain resort to another for new career growth opportunities. My goal is to create many more of these opportunities for you. Leadership development is a passion of mine and I look forward to sharing more with you as we head into next season**.**

- **New 40% Employee Discount at all Vail Resorts Retail for the 22/23 Winter Season**
  We are a mountain company with team members who are passionate about enjoying the outdoors every season of the year. While we know wages are the top priority, we also want to make it easier for our employees to enjoy our core business – the outdoors. **Starting this fall, all employees will get a discount of 40% off retail MSRP for all gear at all Vail Resorts Retail locations**, including Vail Resorts' partner branded stores such as Helly Hansen, Patagonia, Burton, The North Face, Salomon, Smartwool, and others. This new benefit is in addition to the free season passes for you and dependents; discounts on food and beverage; discounts on lodging; discounts on Helly Hansen; ski and ride school benefits; access to health insurance, sick pay and free mental health resources; and more.

- **Our Commitment to Affordable Employee Housing in Our Mountain Communities**

Affordable housing in our mountain communities is essential for so many of our employees. We know this has become harder for you as those mountain communities have grown. **We plan to aggressively pursue building new affordable housing on the land we own, and pursue company leases in existing affordable housing developments, so we can make housing more accessible and affordable for our employees**. Our company currently provides about 7,000 affordable housing beds across all our mountain resorts, and GTLC, and we ensure that the rental rates remain affordable for our employees. We plan to expand affordable housing further. This is not easy to do. It requires mountain communities to be fully committed to affordable housing, and the approvals needed to allow us to build on the land we own. While we understand that some of our mountain communities have concerns about new developments, we believe it's time for us, and our communities, to make affordable housing a top priority and accelerate the processes to ensure we collectively make progress. We are actively working on several key projects to achieve this, and look forward to sharing more on this soon.

- **A New $4 Million Investment in HR**
  I would like to express my gratitude for our HR team, as they navigated through many challenges this season related to staffing and the COVID-19 Omicron acceleration in December. Unfortunately, those challenges meant that your experience with payroll and HR support was not what we wanted it to be – or what you deserve. It is our responsibility to provide you with the support you need. To make that possible we are taking additional steps to enable the HR team to better serve you. **We are investing an additional $4 million per year in HR immediately.**This will add 66 more people to the central People Connect and Payroll teams. This represents an almost 50% increase in central HR Services staff, dedicated to the resorts in each region, with the goal to provide you with faster, more direct support in hiring, onboarding, payroll and case management, and a more personalized experience. We are also committed to initiating the work to upgrade HR technology systems and simplifying HR processes.

- **New Flexible Remote Work for our Corporate Office**
  It is hard to believe that it has been two years, almost to the day, since we closed our Broomfield office due to the pandemic. I miss seeing all of you in person every day. I also recognize that during this time, we have proven that we can be effective working remotely. Today, we are announcing a significant change in how we will return to the office – Flexible Remote Work. **When our Broomfield office reopens on May 16, corporate employees will not be required to work in the office a specific number of days, nor need to be based in Colorado.** This allows corporate employees to live and work in any of the states in which Vail Resorts currently operates.** While this provides the flexibility many of you have asked for, I also know that personal connection is important to you, as it is for me. I am committed to fostering a strong culture - in person and virtually. More details on these engagement plans will be shared ahead of May.

- **Merit Increase for Salaried Employees**
  To reflect the changing dynamics in today's labor market, **we are doubling our merit increases for year-end, from an average of 3% to an average of 6%,** effective October 2022 for salaried employees. Each team member's merit will continue to be differentiated based on their performance. We will continue to assess market compensation to determine further adjustments as appropriate.

Our mission of *Experience of a Lifetime* **must start with you.** These announcements are the **first steps in a new direction for Vail Resorts**. Does this solve every concern and piece of feedback you have shared over the past 100 Days? No, but I hope they demonstrate our commitment to continued improvements and progress.

You have all worked tirelessly to welcome all skiers and riders back to the mountains this season, despite the challenges. I want to thank each of you for your passion and commitment to our mountains, our company, and our guests.

You will have an opportunity to discuss these changes in more detail in upcoming Town Hall meetings with your leaders in late March and early April.

Kirsten



Kirsten Lynch
Chief Executive Officer

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