

**Arrowhead at Vail Association
Annual Meeting of Members
Saturday, December 21, 2019 – 6:00 p.m.
One Arrowhead Place – Broken Arrow Restaurant**

A G E N D A

- 1. Call to Order**
- 2. Confirmation of Quorum**
- 3. Introduction of Board Members/Staff**
- 4. Approval of Minutes of December 26, 2018 Annual Meeting**
- 5. Election of Board Members**
- 6. Mountain Update**
- 7. Financials**
- 8. Metro District Update**
- 9. Community Update**
- 10. Capital Project Update**
- 11. Election Results Other Business**
- 12. Adjourn**

Arrowhead at Vail Association Summary of 2020 Proposed Budget



	2020 PROPOSED Budget	2019 Budget	2019 Forecast	Variance 20 Bud to 19 FC	Notes
Revenue					
Assessments	1,169,600	1,166,400	1,166,400	3,200	Increased # of units to 731 from 729
Transfer Fees	1,136,065	1,136,065	1,136,065	-	
Design Review Fees	57,619	60,000	57,619	-	
Interest Income	21,832	9,720	21,832	-	
Other Income	7,000	7,000	7,000	-	
Design Review Fines	2,000	2,000	2,000	-	
Tennis Comm & Mbrship	3,350	3,350	3,350	-	
Short Term Rental Fees	30,000	-	30,000	-	
Total Revenue	2,427,466	2,384,535	2,424,266	\$3,200	
Operating Expense					
Public Safety	(842,650)	(817,665)	(820,765)	(21,884)	
Common Area Utilities	(46,948)	(46,448)	(46,448)	(500)	
Landscaping	(316,829)	(316,829)	(316,829)	-	
Common Area Maintenance	(42,700)	(42,700)	(42,700)	-	
Municipal Services	(202,742)	(196,122)	(196,122)	(6,620)	
Recreational Amenities	(101,116)	(81,616)	(81,616)	(19,500)	Nordic Tr (\$10k), Ute Tr (\$5k), Mud Springs Tr (\$10k), Tennis Activ (\$2k), Tennis Pro (\$20k)
Trash Removal	(159,040)	(151,040)	(155,609)	(3,431)	Homeowner pickups increased by \$.50
Insurance	(15,679)	(14,444)	(12,993)	(2,686)	Based on current pricing
HOA Functions	(124,089)	(107,500)	(107,500)	(16,589)	Host Comp (\$15k), Movie Nights (\$2k)
Design Review Expense	(160,766)	(157,804)	(157,804)	(2,962)	
Admin, Manager, Accounting & Legal	(279,741)	(279,556)	(279,556)	(185)	
Income Tax	(1,700)	(1,700)	(1,700)	-	
Total Expense	(\$2,294,000)	(\$2,213,424)	(2,219,642)	(\$74,357)	
Surplus/(Deficit)	\$133,467	\$171,112	\$204,624	(\$71,157)	
Capital Projects (From Proposed Improvements and Replacements Schedule)					
Landscaping	-	(25,000)	(11,000)		
Tennis Center Ball Machine	-	(5,000)	(6,795)		
Gate System Feasibility Study	-	(20,000)	-		
Security Vehicles	-	(35,000)	(30,209)		
Hiking Trail Improvements	(\$20,000)	(20,000)	(10,000)		
Lighting Phase 1	(\$50,000)	(5,000)	(7,500)		
Landscaping	(\$20,000)	(33,000)	(13,000)		
Village Landscaping	(\$5,000)	-	-		
Wildland Fire Mitigation	(\$10,000)	-	-		
Highway 6 Crossing Study	(\$5,000)	-	-		
Improvements Total	(110,000)	(\$143,000)	(\$78,503)	(\$31,497)	
Operating Fund					
Beginning Balance	1,698,536	1,572,415	1,572,415	126,121	
Surplus/(Deficit)	\$23,467	\$28,112	\$126,121	(\$102,654)	
Ending Fund Balance	\$ 1,722,002	\$ 1,600,527	\$ 1,698,536	\$ 23,467	
Investments (CDs)	\$ 744,000.00		\$ 744,000.00		
Total Funds and Investments	\$ 2,466,002		\$ 2,442,536		

Arrowhead, October 27, 2019

Dear Neighbors,

Thank you for the opportunity to introduce myself. My family and I have lived in Arrowhead since 2004 when we purchased a unit in Arrowhead Village (upstairs in the Bridger building). In 2007 we moved into our current home on Aspen Ridge Lane. For 15 years we lived overseas as my career required home bases in China, Hong Kong and Switzerland. During those times we used Arrowhead as a touchstone, a place to visit family and friends and to soak up doses of our home culture. In 2016, we were able to make our dream come true—becoming full time Arrowhead residents.

We were first attracted to Colorado for winter skiing and were lucky to have met a friend who steered us away from Summit county and introduced us to Arrowhead. Since then we have fallen in love with the active, outdoor, Colorado lifestyle, enjoying all the opportunities offered throughout the four seasons and believe that Arrowhead offers the best location for a home to enjoy this lifestyle. We are completely spoiled with the easy access to the mountain, the social network of the Alpine Club, proximity to Eagle County schools and the villages of Edwards and Avon. It is the perfect environment to raise our two teenagers, Kendall and Brigitte.

I am now retired. My wife, Claire, is the program manager at the Vail Symposium. I spent my career in business management, holding a variety of senior positions in locations around the world, including CEO of Schindler China (Shanghai) and Executive VP at Alimak (Stockholm), Sika (Lyndhurst, NJ) and Schindler Management (Luzern). I managed to ski over 150 days last year (most of those days beginning on the Arrowhead lift) and almost as many days hiking and biking in our mountains this summer. I am on the board of Small Champions, a local nonprofit. We provide summer and winter sports programs for Eagle County youth with a variety of cognitive and physical disabilities.

I am looking forward to serving on the Arrowhead at Vail Board of Directors. I am committed to helping the organization make progress towards our vision: to create an environment that ensures Arrowhead is the Vail Valley's most desirable, private residence. I currently serve on the strategic planning committee and hope that my previous experience will be a benefit. I am also passionate about improving the unique nature of Arrowhead's mountain access through continued smart development of hiking, biking, skiing and all the other outdoor activities that excite our residents. I hope to help Arrowhead communicate the amazing advantages we have for younger families with children, as we have experienced firsthand.

I am eager to get to work on your behalf!

Best Regards,

Mark F Noble

To the Arrowhead Community

I am Mary Pat Rapp and like many of the Arrowhead residents, my husband Keith and I arrived here from a distant state. We have long been Colorado summer and winter enthusiasts and in 2012 we purchased a condo in the Lariat building. As our social network expanded and family and friends discovered the recreation and entertainment opportunities here, we sold the condo and moved to a larger property in the Pinions on Arrowhead Drive.

Arrowhead is a residential/resort community surrounded by world class outdoor recreation and easy access to entertainment. Key assets in the neighborhood include the year around social hub of the Alpine Club and the summer Country Club of the Rockies community. Health, wellbeing, and longevity are closely tied to the quality of an individual's social network. Arrowhead is an ideal community for both retirees and younger families who recognize the benefit of strong and stable friendships.

I am a retired registered nurse, gerontological nurse practitioner, and associate professor for clinical nursing. I earned my PhD at the University of Texas Health Science Center at Houston, Cizik School of Nursing. I was president of my national professional organization and served on various committees for other organizations focused on the health and wellbeing of older adults. I am on the board of the Vail Valley Symposium serving on the program committee.

I am excited about the opportunity to serve on the Arrowhead at Vail Association Board of Directors. A vibrant future for Arrowhead depends on attracting retirees, younger families, and sports enthusiasts. As a board member I will work to stay attuned to the needs of current and potential homeowners.

Respectfully,
Mary Pat Rapp

**Minutes of the
ARROWHEAD AT VAIL ASSOCIATION
Annual Meeting of Members held
December 26, 2018**

The 2018 Annual Member Meeting of Arrowhead at Vail Association (the “Association”) was held on December 26, 2018 at the Broken Arrow in Edwards, Colorado. Board members present were George Coleman, George Bigley, Randy Smith, and Catherine Bennett. Also present were Jerry Hensel, Association Manager, Tim Baker, Sr. Director of Base Area Operations, Beth Howard, Vice President and COO of Beaver Creek Resort, Gary Shimanowitz, Vice President of Mountain Operations, Jim Clancy, Director of Public Safety, John Herbert, Manager of Public Safety, Paul Gorbald, Sr. Manager of Transportation, Sid Schultz with Design Review Administration, Greg Perkins, acting Attorney for the Association, Carol Floyd, Secretary to the Meeting, and a number of property owners.

Call to Order

The meeting was called to order at 5:32 p.m. George Coleman welcomed members and introduced himself noting his privilege of serving as the Association’s Board President for the past year.

Confirmation of Quorum

Greg Perkins stated, based on confirmation from management, sufficient proxies were received to constitute a quorum, and those in attendance were in addition.

Introductions

George Coleman introduced Board members Cathy Bennett, George Bigley, and Randy Smith who were present. Other Board members include Tim Gropp, Dan Gallagher, and Patty Strunk. George commended the Board for their exceptional job in promoting, advancing, and securing the Association. George introduced Beth Howard, Chief Operating Officer for Beaver Creek Resort and expressed appreciation for the partnership between Beaver Creek/Vail Resorts and the Association.

Mountain Update

Beth Howard commented on the pleasure of leading a team of 3,500 talented individuals. She said the resort is committed to providing an incredible product in drought or plentiful snow years. Beth shared Beaver Creek Resort’s vision statement – World’s Best Luxury Family Resort – and three brand spires that are executed each day to fulfill the vision and differentiate the brand: 1) legendary attending to detail 2) being perpetual hosts 3) providing rarified experiences. As Beth described, similar to Red Buffalo Park which was reimaged last year, the same model was applied to the base beginner area and branded as Haymeadow Park. She explained its three components including smart terrain, an old fashioned ice cream parlor in the upper level of the Ranch restaurant, and table service at Saddle Ridge seven days per week with ski in and Sherpa out. Beth noted the gondola to the ice cream parlor does not require a lift ticket for foot passengers and offers blankets and a great viewing area at the top. Beth announced the McCoy Park terrain expansion has been approved. She thanked the Arrowhead community for their support. Construction planning is underway for opening the 20/21 ski season. She further noted there will be a Nordic component around the perimeter of the bowl. George Coleman asked how long the approval process took and Beth answered two years. Another question was raised regarding how the McCoy Park terrain will be accessed and Beth responded there will be three entry points including a skiway from the top of Larkspur, top of Strawberry, and top of Beaver Creek Express. Gary Shimanowitz reported the mountain has 1,500 acres open and has received 112” of snow compared to 400 acres and 35” of snow at this time last year. Gary informed members of snowmaking improvements. A significant snowmaking pipe replacement took place over the summer on lower Little Brave and a number of energy efficient towers were added. He emphasized the importance of Arrowhead in the Village-to-Village-to-Village experience. Inquiries were made pertaining to the absence of the tubing hill and rodeo terrain park. Gary said it was a business decision based on utilization and reallocating those resources to areas where they will be used by a wider variety of guests. When asked about the terrain in McCoy Park, Gary stated it will be 75% beginner and 25% intermediate. The policy of uphill access was discussed and Gary explained it is allowed with a lift ticket required for ski down. He advised calling the winch cat hotline for the location of afterhours grooming activity. George Coleman introduced Mike Trueblood, the new Sr. Director of Beaver Creek Village Operations. Mike gave a brief overview of his finance and operational background, most recently the Sr. Director of Finance for Vail Mountain for two years and, prior to that, fourteen years in operations with Comcast.

Transportation

Paul Gorbald spoke about roll-out of the Village Connect mobile device app, an enhancement to the transportation offerings that brings an Uber-like experience to residents of the communities of Beaver Creek Resort. The app allows for

booking transport from a residence to the Alpine Club, and the ability to track progress of the Arrowhead to Beaver Creek Express service. He encouraged property owners to download the app.

Approval of Minutes of December 29, 2017 Annual Meeting

Dianne Leeb moved to approve the December 29, 2017 Annual Meeting Minutes as presented. Cathie Bennett seconded the motion and it was unanimously approved.

Election of Board Members

Greg Perkins announced Diane Loosbrock and Chad Hollingsworth as candidates for the At Large Director and Medium Density Director positions, respectively. He noted the Board is comprised of seven members, three which are designated by low, medium and high density community type, one commercial, and three are elected at large. Greg explained those who sent in proxies have voted. He offered ballots to those who were present and had not voted. Greg advised there were several proxies received with a write-in name making it a contested election and, under Colorado law, will require a secret ballot.

Financials

Cathie Bennett explained the Association's primary sources of revenue are the annual assessments and real estate transfer assessments ("RETA"). In 2018, \$1.66m was budgeted for annual assessments and \$1.15m for RETA. Cathie spoke about concern amongst the Board when RETA was behind budget in September, and action taken to cut any feasible expenditures. Sales then increased in the last quarter and RETA ended the year \$193K over budget. George Coleman noted the surplus will go into the Reserve Fund bringing it to approximately \$1.4m. The 2019 budget was discussed. RETA is budgeted conservatively based on a three-year average. Operating expenses are budgeted based on projected income, keeping priorities consistent with amenities members of the community have indicated are important. \$2.3m has been budgeted for income and \$2.1m in operating expense. Some of the excess will be used for capital improvements. Greg Perkins advised a vote is not required by membership to approve the budget. It is ratified unless there is a motion from the floor to disapprove it. Hearing none, the budget was declared ratified.

Metro District Update

George Coleman thanked Dick Bourret for his previous service on the Metro Board. Current members are Bob Shafer, Tom Svoboda, Vince Riggio, and Tom Howard. There is one vacant seat. George explained to vote on Metro District matters requires being a resident in Arrowhead and registered voter in Colorado. Jerry Hensel reported the Metro District paid down \$730K in debt and maintained a cash reserve of over \$2m this year. In 2020, the Gallagher Amendment will reduce property taxes. To offset the reduced revenue to the Metro District, implementation of a sales tax remains under consideration. Jerry said Metro continues to upgrade bus fleet. The Tuesday skier bus to Vail will continue from January through March. The skier parking lot will be managed the same as last year with spaces reserved for homeowners and employees. Jerry noted, overnight parking is not allowed in the homeowner spaces. Overnight parking on the west end of the lot is allowed. The ten-year road maintenance schedule will be finalized in the spring.

Community Update

George Coleman expressed appreciation for the 100+ community members who have served on AVA committees this year. George recognized the Design Review Committee chaired by David Cooper, the Design Review Guideline Revision Committee, Sid Schultz and Steve Nusbaum for their efforts in modifying the Design Guidelines. David added the purpose was to update the quality of architecture and landscape in the community, allowing more flexibility. He noted the revised guidelines are published and available on the website. George said Friday Afternoon Club was reintroduced this summer. George highlighted other improvements including a new code access system, upgrade to the camera system providing the capability to read license plates and capture images of drivers, safety signage, landscaping, and nuisance tree mitigation. George talked about the Board's emphasis on communication and transparency.

Randy Smith gave an update on the Inter-community Council made up of two representative from Country Club of the Rockies, Alpine Club, Arrowhead Metro District ("AMD"), and AVA. He explained their main focus is to raise awareness of Arrowhead to reach those who might be the target market for buying property. The Council has chosen to go with a social media strategy, particularly Instagram and Facebook, and have received a proposal to execute this strategy. Activity levels will be tracked by number of clicks and followers. Randy said information will be sent to property owners to encourage participation. George Coleman added this initiative is being funded in partnership with AMD.

George Coleman spoke about the proposal to build an owners and owner-guest swimming pool. Eight potential sites were selected, an engineering firm drafted various concepts, and a property owner with experience in building pools consulted. With estimates in the range of \$6m, it was deemed cost prohibitive. When asked why the Alpine Club pool now closes at 7:00 p.m. in the winter months, George said the decision was made by the Alpine Club at the request of neighboring properties.

Capital Project Update

Jerry Hensel reported \$143K in capital projects are planned for 2019 including \$30K for a new ball machine and windscreens at the clay courts, a lighting study throughout the community, continuation of the hiking trails, replacement of one security vehicle, mechanical upgrades to the gate system, and landscaping improvements to be determined.

Short-term Rental Regulation

George Coleman gave a brief overview of the Short-term Rental Regulation drafted by the Board and committees, in conjunction with legal counsel. He reiterated there will be no minimum stay requirement in the proposal. Renters will be held to the same level of expectation as owners. The regulation does not require a vote. Board Resolution requires a 30-day comment period which will occur after the first of the year.

Election Results

Greg Perkins asked Carol Floyd if the ballots received at the meeting had changed the overall outcome of the election results. She stated no. Greg affirmed Diane Loosbrock was elected to the At Large position, and Chad Hollingsworth was elected to the Medium Density position.

Other Business

George shared a comment received via email in regard to consideration of changing the Annual Meeting date to another time of year when more people could attend. On behalf of the Board, George mentioned the challenge of presenting a meaningful budget if done before the end of the year. He asked for suggestions from those in attendance. Hearing none, he confirmed the Annual Meeting will remain in December.

Discussion took place in regard to licensing requirements for short-term rentals, and fines for violations up to and including revocation of such license. A question was asked if the Association is able to tax short-term rentals. George Coleman explained the Association does not have the authority to implement a tax. If a Metro District sales tax is approved, they will support regulating the process. George added, taxes raised could lower the mill levy rate. A suggestion was made to allocate license fees back to each condominium association.

George thanked everyone for their attention and participation. He said the Board will continue to seek and respect the community's input.

There being no further business, Fred Kushner moved to adjourn the meeting. The motion was seconded and the meeting was adjourned at 6:52 p.m.

Respectfully submitted,

Carol Floyd
Secretary to the Meeting