

**Minutes of the
Arrowhead at Vail Association
Board of Directors Meeting held
May 26, 2020
via Videoconference**

A meeting of the Board of Directors of Arrowhead at Vail Association (the “Association”) was held on Tuesday, May 26, 2020 via videoconference. Board members present were Randy Smith, Diane Loosbrock, Mary Pat Rapp, Mark Noble, Tim Gropp, Chad Hollingsworth, and George Bigley. Also present were Jerry Hensel, Association Manager, Steve Nusbaum, Sr. Manager of Design Review Administration, Dan Gallagher, Ex Officio, Kevin Hopkins, Financial Analyst, Rob Hanson, Manager of HOAs, and Carol Floyd, Secretary to the Meeting. In attendance by phone were George Coleman, property owner, and Sid Schultz with Design Review Administration. The meeting was called to order at 10:09 a.m.

Public Comment

Jerry Hensel gave an Arrowhead Metro District (“AMD”) update. The skier parking lot was milled and overlaid this spring. The District’s engineer recently did a drive around to assess winter road damage. Those areas identified as needing attention will be presented at tomorrow’s AMD Board meeting. Crack sealing will commence soon. Spring cleanup is nearly complete. On June 6th, biking decals will be repainted on Cresta Road adding a center line on three switchbacks. Randy Smith spoke about the new sales tax that will take effect on July 1st, noting communication was sent to all homeowners, short-term rental properties, and commercial businesses.

Design Review

Steve Nusbaum stated submittals for March through June are trending near the same levels as this time period in previous years. Steve said the Design Review Administration staff are working remotely with systems in place to receive electronic applications. They are moving toward collecting all fees and deposits electronically. The compliance officer is doing daily community checks. Steve will provide a report at the next Board meeting comparing fees collected last year vs. this year.

Committees

Operations: Jerry Hensel reported the transition to the new black, gold and white color scheme for poles, signage, and pilasters is in progress and will be ongoing through the summer. He has done a drive around with Kathy Aalto to identify landscaping concerns and she will submit a proposal for the Board’s consideration. Jerry will send the Board a lighting color diagram for review.

HOA Presidents Council: Mary Pat Rapp said the next Council meeting will be held toward the end of June.

Strategic Planning: Mark Noble spoke about the revision of the Vision and Mission Statement. He asked if there were any questions before asking the Board for approval to publish. Dan Gallagher commented in regard to wording in the brand manual; in particular, the usage of gated and safe together. Diane Loosbrock and Mark Noble will address and resolve this matter. Mark referenced the real estate pricing benchmark report he has created with the assistance of Jim Flaum and Land Title noting he will present it at the next Board meeting after further analysis.

Motion was made by Diane Loosbrock to approve the Vision and Mission Statement as presented for publication. Tim Gropp seconded the motion and it was unanimously approved.

Marketing and Communications: Diane Loosbrock explained there will likely be no Arrowhead transportation this summer because of the number of people that would be allowed on a bus. Diane informed the Board that Amy Kisielica is going to sign a nondisclosure agreement permitting her to distribute the Association newsletter. The website is being updated with new colors and script. Once complete, Diane will request feedback from the Board. She asked if there were any further comments pertaining to the brand manual. Randy Smith asked if there were any objections. Hearing none, Diane will proceed with the design elements as described in the manual.

Hiking: Mary Pat Rapp spoke about trail priorities. For winter, the focus will be on removing some trees on Cresta glade, and moving ropes to expand the yurt glade. For summer, the priority will be a connector from Mud Springs trail to the Village to Village trail. She added this would alleviate some bicycle and pedestrian traffic on Cresta Road. Mary Pat noted maintenance of the Navaho and Cherokee trails is the responsibility of the Association. The committee is going to ask members of the Alpine Club and community to volunteer in this effort. She talked about the importance of maintaining the Ute trail for bikers and hikers. Future hiking trails under consideration would include a connector from the Ute to Dakota trail, and Ute to Castle Peak homes. Jerry Hensel said he is going to meet with Gary Shimanowitz, VP of Mountain Operations, next week to discuss what may be accomplished this fall. Jerry clarified, none of the Arrowhead trails are on USFS property. Randy Smith asked Jerry to obtain cost estimates for the Ute trail improvements for long-term planning purposes. Mark Noble mentioned the need for signage at the bottom of the Ute trail.

Intercommunity Council: Randy Smith said George Bigley did a terrific job of updating everyone about the process of reopening the Alpine Club. Country Club of the Rockies requested linking their website with the Association's and vice versa.

Financials:

Kevin Hopkins gave a brief overview of his background. He has been working in mountain resort finance since 2004, and started with Vail Resorts Development Company in 2008. He sits on a number of HOA Boards including the Ritz in Vail, Poste Montane, Beaver Creek Landing, and Seasons at Avon. Robert Hanson introduced himself. He started with Vail Resorts in 2015 and is located in the Broomfield corporate office. He has been the Manager of HOAs for the last four years and will be providing Kevin support. Randy Smith noted there will be a change in the accounting system as a part of this transition.

Tim Gropp reviewed the Income Statement as of April 30, 2020. Tim said there are a few outstanding annual assessments. RETA was ahead of budget by \$18K. There have been no closing in May. Tim said he anticipates being behind budget at the end of the second quarter. An unfavorable variance of \$447K is forecasted for year end, based on a 25% achievement of budget May through August, 50% for September, and at budget for the remainder of the year.

Tim explained the Finance Committee's conservative approach during these unprecedented set of circumstances. They have looked at real estate statistics and spoke with experts throughout the valley. There has been little activity in Arrowhead. The Committee was able to reduce expenses by 10%. Some of the service contracts were renegotiated for savings. Assumptions include \$0 for RETA for the rest of this year, cancelation of the July 4th breakfast and most activities. The homeowner BBQ and Thursday Afternoon Club event at the end of summer remain budgeted for a best case scenario. These assumptions result in a \$590K shortfall. Randy Smith discussed the reasoning behind cancelation of the July 4th breakfast and other events, including health safety and financial responsibility. Kevin Hopkins offered assistance with real time tracking of new listings and contracts, and longer term historical data. Tim Gropp suggested implementing 12-month rolling budget forecasts. Randy said a letter is being prepared to send to homeowners explaining the rationale behind core decisions being made by the Board. There was no opposition to the financial operating plan presented by Tim Gropp, including cancelation of the July 4th breakfast.

Tim Gropp shared a template created for future Treasurers to use as a guide for long-term planning and to align with the Strategic Plan. He asked for any comments prior to requesting Board approval in June. The Committee has been exploring investment options for brokered CDs and Money Market funds. They intend to invest \$2.3M in short-term vehicles for three to six months. Dan Gallagher and Randy Smith thanked Tim for his hard work in the Treasurer's role and help with revising the Management Agreement.

Old Business:

Short-term Rentals: Jerry Hensel said he is negotiating renewal of the Host Compliance (“Host”) contract on June 28th. They will remove the complaint line/call in service because only three calls were received the first year. Most calls have gone through Public Safety. Host will add services for AMD related to the sales tax which they will be responsible for. They will also contribute toward address identification.

Transportation: Jerry Hensel reported evening ridership was strong with 1,500 riders through mid-March.

Tennis: Michael Torres, Assistant Pro, arrived Thursday. The clay courts were successfully opened on Friday. Michael had a call with Eagle County this morning in regard to camp structure for this summer. He is finalizing the tennis booking app which should be available within 48 hours. Han Le, Director of Tennis, is expected to be on site the first of next week.

Map Update: Diane Loosbrock suggested putting the Skier Safety Code on the face of the winter trail map, and a Hiker’s Code and Biker’s Code on the face of the summer trail map. She will circulate language for the hiker and biker codes for the Board’s review and comment. She asked Jerry Hensel if it would be possible to list the distance of each trail on the back of the map and he affirmed. Jerry added that Gary Shimanowitz is currently working on further content for the back of the maps. Jerry noted both maps are posted on the website.

Vail Recreation District Trail Running Series: Randy Smith informed the Board the trail run event has been passed up for this year because of the social health environment and concern of large numbers of people coming into the community. Diane asked for guidance in regard to inclusion of people from outside the neighborhood participating in Arrowhead activities. Randy Smith recommended this topic be discussed jointly between the Marketing and Communications and Strategic Planning Committees.

Summer Town Hall Meeting: Randy Smith stated the Town Hall meeting previously planned in conjunction with a Thursday Afternoon Club event around the 4th of July weekend will likely be held virtually at a later date.

New Business

Arrowhead Bicycle Safety: Randy Smith spoke about discussions taking place at AMD and extreme safety concern about cyclists on Cresta Road. They are looking for a way to educate nonresidents on the limitations and hazards. Adding more mirrors and a center stripe, and establishing rules is under consideration. Diane Loosbrock pointed out that Cordillera requires bikers to register before entering their community. Randy added cyclists are given stickers to wear on their person or handlebars and are informed of the rules when registering. Dan Gallagher commented in favor of a registration process. Mary Pat Rapp suggested any rules and regulations be consistent with other communities.

Randy Smith moved to enter an Executive Session at 11:52 a.m. for the purpose of discussing the Association’s Management Agreement with The Vail Corporation.

After discussion of the proposed Management Agreement with The Vail Corporation, motion was made by Diane Loosbrock that the Board of Directors of the Arrowhead at Vail Association do hereby approve, for execution, the document entitled “Second Amended and Restated Management Agreement between Arrowhead at Vail Association and The Vail Corporation” to be effective December 31, 2019, as presented at this meeting. The President and Treasurer may make and agree to modifications to the presented Agreement for purposes of its signing with The Vail Corporation. Mark Noble seconded the motion and it was unanimously approved.

Randy Smith moved to exit the Executive Session and adjourn the meeting at 12:05 p.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting