

## **Minutes of the**

### **Arrowhead at Vail Association**

#### **Board of Directors Meeting held**

**July 23, 2018**

A meeting of the Board of Directors of Arrowhead at Vail Association (the “Association”) was held on Monday, July 23, 2018. In attendance were Board members Cathie Bennett, Randy Smith, Patty Strunk, Dan Gallagher, Tim Gropp, and George Bigley. Also in attendance was Jerry Hensel, Association Manager, Jim Clancy, Director of Public Safety, Sid Schultz with Design Review Administration, Bob Shafer representing Arrowhead Metro District, Rick Bross on behalf of the Short-term Rentals Subcommittee, Craig Heydon, President of the Dakotas Homeowners Association, and Carol Floyd, Secretary for the Meeting. In attendance by phone were George Coleman, Board member, and Erin McCauley, Financial Analyst. The meeting was called to order at 9:00 a.m., and it was noted a quorum was present. Introductions were made.

#### **Public Comment**

Bob Shafer reported the Arrowhead Metro District (“AMD”) financial audit has been completed and indicates they are in an excellent financial position. The lighting issue on Cresta Road is being partially resolved with the installation of one new large light. Letters are being resent to residents requesting lights they are responsible for are operational, including recommendations from Jerry Hensel and Public Safety. Bob said AMD intends to move forward with the sales tax initiative. The number of Colorado residents in Arrowhead was discussed. Randy Smith clarified if the tax is passed, anyone renting their property short-term, or less than 30 days, would be obligated to collect 5.5% sales tax, regardless of any changes to the declaration and covenants of the Association. All were in agreement that a simplified fact sheet would be beneficial to help property owners better understand what is being proposed and why.

#### **Approval of July 12, 2018 Special Board Meeting Minutes**

**Dan Gallagher moved to approve the July 12, 2018 Special Board Meeting minutes. Randy Smith seconded the motion and it was unanimously approved.**

#### **Design Review**

Sid Schultz stated the Design Guideline revisions have been approved and ratified. A pdf of the revised guidelines is expected within the next couple of weeks for posting on the Design Review Administration (“DRA”) website. At the last Design Review Committee (“DRC”) meeting, approval was granted for the new residence at 30 Riverbend Drive. Correspondence with one property owner in regard to the requirement of a deposit for the removal of trees was discussed. George Coleman shared his response explaining the rationale behind a deposit is to ensure the property is properly secured and neighboring properties are not infringed upon. A determination must be made that removal of a certain tree is appropriate, and this can often be staff approved. George Coleman asked if a property owner started the DRC process prior to July 5<sup>th</sup>, would they have the option to choose which set of guidelines they follow. Sid answered anything approved previously would likely be approved under the new guidelines which allow more flexibility.

## **Public Safety**

As a follow-up to the Town Hall meeting, Jim Clancy clarified guest access. On the north side of Highway 6, guests must access through the remote gates. On the south side, the intent was to have guests access through the main gate and Wildflower or Greens gates to get to Sawatch Road or Arrowhead Drive to better maintain control. The key pads are operational at the east and west gate, but with more traffic through those gates, the likelihood of people tailgating increases. The Board was in agreement to keep the new protocol in place through the ski season and revisit after one year in operation. Jim Clancy will draft a simplified letter regarding access for roll-out in advance of the next Town Hall meeting. Jim agreed to provide statistics around guest access at the next Board meeting. Dan Gallagher followed up on his request for Public Safety to add a category to their activity report for rental guest disturbance. Dan said he has observed owner golf carts entering the Greens gate via the sidewalk rather than through the gate. Jim confirmed golf carts are issued a fob or code and should be entering through the gates. A question was raised in regard to why the speed sign exiting the main entrance is never moved. Jim explained this is a problem area and the sign serves as a deterrent. Data is collected from this and other signs which are moved throughout the community to determine where they are most effective. The capabilities of data collection was discussed.

## **Committees**

Activities: George Coleman spoke about the many community events – 4<sup>th</sup> of July breakfast, Friday Afternoon Club, pickle ball and tennis, Bravo! Vail shuttle, and Cliff Drysdale coming in.

Hiking: Dan Gallagher thanked Jerry for arranging for maintenance around the exercise stations on the Cherokee trail. He further requested side trimming on the side trails with emphasis on the children's trail. Jerry gave an update on the new trails construction. The crew is currently building three days per week on the existing trail in heavy timber on the eastern hillside. In three or four weeks, they will be turning the corner to return. Completion of this trail and the interconnect trail to the Village-to-Village trail is anticipated by Labor Day. Jerry will keep the Board apprised of their progress.

Landscaping: Additional landscaping and irrigation for the Cresta project was discussed. At George Coleman's request, Jerry Hensel will obtain a sketch of what is planned for this project and going forward for future projects for the Committee's review. Jerry said the project has been completed as planned, and the transition from native to manicured areas will be enhancements. Patty Strunk suggested removing the final seven trees at the main entrance. Jerry will get a proposal for removal of the trees next spring for consideration in next year's budget.

HOA Presidents Council: Tim Gropp said the second Council meeting was well received and everyone agreed it is a great way to communicate. They will be sharing updated email addresses for each association for comparison with the Association's master list. Short-term rentals is a topic of great interest.

Public Safety: The committee recommended pavement markings for cyclists and pedestrians to address safety concerns. These recommendations will be reviewed for consideration at this week's AMD Board meeting. When asked about the mountain bike trail descending onto Cresta Road, Jerry Hensel said Vail Resorts will be installing new snowmaking across this trail this fall and have committed to improvements on the trail to soften the grade, corner and surface.

## **Financials**

Erin McCauley confirmed the financial audit is not yet complete. Cathie Bennett reported eight annual assessments remain outstanding and past due notices have been sent. \$313K in Real Estate Transfer Assessments ("RETA") has been received compared to \$500K at this time last year. There is approximately \$80K in RETA pending which should be recognized in July. Expenses have been tracking close to budget. Cathie, Jerry, and Erin will meet to analyze the budget for cost saving opportunities to bring before the Board.

## **Town Hall Meeting Recap**

George Coleman summarized the topics which were discussed at the Town Hall Meeting. Randy Smith mentioned one area of debate regarding notification of neighbors for exterior design changes. Jerry Hensel clarified that only easement encroachments require notification and sign-off of all neighbors and AMD. George Coleman noted notification is not required in the Design Review Guidelines and suggested the DRC recommend applicants share this information with neighbors as a courtesy. He further noted, the DRC is the ultimate arbiter to decide what is going to fit into the community and with neighboring properties. Rick Bross stated the Short-term Rental subcommittee recommendations have not changed based on feedback at the Town Hall meeting. Jerry Hensel defined the core to include Aspenwood, Pinecone, Spruce Tree, Village Townhomes I, II, III, One Arrowhead Place, Alpine Club and Seasons. Discussion took place in regard to various options for determining minimum stay rules within and outside the core area. It was noted, separate from the issue of minimum stay, there will be an overarching set of regulations governing all short-term rentals to include licensing, an appointed property agent, good neighbor guidelines, and an evacuation plan. George Coleman asked the Short-term Rental subcommittee and Strategic Planning Committee to finalize regulations for the Board's consideration at their next meeting. These regulations and potential minimum stay rules will be presented for discussion at the next Town Hall meeting. Jerry Hensel commented that the existing rules and regulations are applicable to homeowners, long and short-term renters, and guests. He asked the Board to consider whether minimum stay rules would have a positive or negative effect on real estate sales. Randy Smith stressed the importance of addressing the rules for non-associations. He suggested Tim Gropp reach out to the HOA Council for input on a sub-association approach. Pending legal counsel, general consensus among the Board was to allow homeowner associations to make their own determination of minimum stay requirements, if any, and the Association Board to make the determination for properties outside the core. Additionally, the Board was in favor of grandfathering in existing property owners. George Coleman asked Rick Bross to submit the Short-term Rentals sub-committee's final recommendation for the Strategic Planning Committee's review before submission to the Board and review by legal counsel.

### **Other Business**

Pool Agreement: George Coleman spoke about the Alpine Club Pool Shared Use and Cost Share Agreement that the Alpine Club, the Association, and the Village at Arrowhead Association are signators of. According to the Agreement an Alpine Club Pool Advisory comprised of one representative from each entity shall "provide the parties with input into the programs, plans, activities, and policies of the Alpine Club Pool, and recommend standards and hours of operation and propose budgetary matters related solely to the Alpine Club Pool." The matter of guest pool privileges was raised, and George Coleman suggested this matter be referred to the Pool Advisory Committee. Rick Bross thanked George Bigley for accomplishing installation of a lock system at the pool.

Dakotas Fire Mitigation: Craig Heydon asked about maintenance of the common area between the Dakotas and the Vail Resorts pathway. Jerry explained they have been waiting for a consistent rainfall cycle, to avoid what is cut from dying and creating a bigger hazard.

Annual Meeting Date: George Coleman asked for preferred dates for the Annual Meeting. There being none, he will work with Jerry Hensel and Carol Floyd to propose a date for the Board's approval.

George Bigley thanked George Coleman for flying out for one day to hold the Town Hall Meeting, and on behalf of the Board expressed appreciation for his passion and dedication to Arrowhead.

There being no further business, motion was made by Cathie Bennett adjourn the meeting. Dan Gallagher seconded the motion and the meeting was adjourned at 10:47 a.m.

George Coleman moved to enter an Executive Session at 10:48 a.m. to discuss matters which would constitute an unwarranted invasion of privacy. The Board exited Executive Session at 10:56 a.m.

Respectfully submitted,

Carol Floyd

Secretary for the Meeting