

## **Minutes of the**

### **Arrowhead at Vail Association**

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

**September 24, 2018**

A meeting of the Board of Directors of Arrowhead at Vail Association (the "Association") was held on Monday, September 24, 2018. In attendance were Board members George Bigley, Randy Smith, Tim Gropp, Cathie Bennett, and Dan Gallagher. In attendance by phone was Board member, George Coleman. Also in attendance were Jerry Hensel, Association Manager, Jim Clancy, Director of Resort Services, Sid Schultz and Tim Thompson with Design Review Administration, Bob Shafer representing Arrowhead Metro District, Diane Loosbrock, Craig Heaydon, and Madonna Saxton, property owners, Erin McCauley, Financial Analyst, and Carol Floyd, Secretary for the Meeting. 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 informed the Board the Arrowhead local sales tax initiative is in process. Election ballots will go out on October 15<sup>th</sup> and will be due back by 7:00 p.m. on November 6<sup>th</sup>. Final results will follow in a week to 10 days. The Arrowhead Metro District ("AMD") 2019 budgeting process is in progress and will be completed by year end. Bob thanked Jerry Hensel and his team for their completion of the safety project on Cresta Road including markers for hikers and bikers, and more visible signage. Bob Rosen will resign his seat on the AMD Board because he is moving. Dan Gallagher asked if the local sales tax would apply to new vehicle purchases. Bob answered it would not apply unless the vehicle was purchased from a dealership within Arrowhead.

#### **Financials**

Cathie Bennett reported there has been a consistent shortfall in real estate transfer assessments ("RETA") throughout the year. Three annual assessments remain outstanding. She referenced the Association's Declaration requirement of approving a tentative budget for 2019 prior to October 1<sup>st</sup>. Jerry Hensel added RETA is currently \$350K behind budget. He said there are 17 sales pending and if all close, RETA would end the year \$60K under \$1m. Jerry explained the budget for RETA was re-forecasted to \$1,050,000 last month and a few items were removed from capital and expense to mitigate the \$100K projected shortfall. Jerry confirmed George Coleman's statement that monies Bachelor Gulch Village Association ("BGVA") is putting toward the trails will be paid directly by BGVA to the trail builders and will not reduce any expense item in the Association's budget. George stated, in a worst case scenario, the Association will end the year close to budget and any shortfall would come out of reserves. Jerry noted a \$1m reserve balance will be maintained.

#### **2019 Proposed Budget**

Discussion took place regarding a preliminary budget for 2019. Jerry Hensel explained the proposed budget for RETA of \$1,115,599 is based on a three-year average. George Coleman recommended a more conservative approach by budgeting RETA at \$1m and if the Association exceeds that amount making adjustments mid-year in regard to how the money is used or placed in reserves. Jerry answered questions in regard to proposed capital projects. The gate system feasibility study would explore technology for the operating mechanisms of the gate system. Tree removal at the front gate would be funded through the landscaping budget. Dan Gallagher suggested everyone review the strategic objectives that were adopted in April for consideration in capital planning. Randy Smith noted the Inter-community Council will determine in their next meeting if funds are needed for marketing. George Coleman appointed a finance committee to work under Cathie Bennet's chairmanship including Erin

McCauley, Jerry Hensel, Diane Loosbrock, Chad Hollingsworth, and Tim Gropp to review the budget in detail for further discussion and modification at the next Board meeting. George will sit in ex officio.

**Dan Gallagher moved to adopt the preliminary 2019 budget as presented. Tim Gropp seconded the motion and it was unanimously approved.**

### **Design Review**

Sid Schultz introduced Tim Thompson, the new Design Review Administration code enforcement officer. Sid reported the final edition of the revised Design Guidelines has been received and will be posted on the Design Review website. George asked Carol Floyd to verify the link from the Association website to the Design Review website is updated. When asked if there is renewed interest and activity as a result of the revised Guidelines, Sid

answered one spec duplex under construction is checking their building coverage, impervious coverage and height requirement to allow for expanding the garages. In addition, a couple properties have been approved for more modern, frosted glass garage doors.

### **Public Safety**

Jim Clancy addressed the community's perception of Public Safety's performance and responsiveness. Going forward, Public Safety will focus on consistency in regard to taking calls, responding, and following up with the person who made the call. Every step will be documented in a dispatch log to ensure action is taken in a timely manner, giving the entire team the same parameters to work within. Emphasis is being placed on the need to follow process and proper documentation. Randy Smith asked if the new gate access system is functioning as a convenience or restrictive access, and whether it is being enforced. Jim Clancy replied the intent is to provide convenience for residents and Public Safety, and more control of who is accessing when, where, and why. Jim will provide the Board with further data at their next meeting. Jim recommended resending a communication closer to the holidays regarding the new access system and policy.

### **Committees**

**Image/Landscaping/Beautification:** Jerry Hensel reported the second phase of the Cresta Road project is complete with landscaping beyond the path that leads to the hiking trail. Native shrub mitigation has been done near the creek. Jerry said he received a proposal in the amount of \$4,000 for removal of trees at the front entrance if and when a decision is made to move forward.

**Hiking:** Dan Gallagher reported the satisfaction and appreciation of all who have used the new trail, anticipating it will be one of the most used amenities in the community. 2.1 miles of new trail is complete, with a goal of connecting to the Village-to-Village trail this year. Jerry Hensel said with 25 working days remaining, barring any foreseen circumstances, he is optimistic that portion of trail will be finished. George Coleman asked Dan and Jerry to submit cost estimates for next year's trail work to the Finance Committee for budgetary consideration. Dan suggested installing a sign at the entrance to the trail indicating construction by the Association. George asked Dan to draft language for the sign for the Board's review.

**Snow:** Jerry Hensel gave an update on the McCoy Park expansion stating the USFS 30-day objection period has begun and is going well. Jerry informed the Board 20 snowmaking guns have been replaced on Arrowhead Mountain along with another section of the main snowmaking line toward the bottom of Little Brave. He explained this would not increase snowmaking, but will be more reliable when temperatures are suitable. Some regrading has

been done at the hairpin turn on Little Brave and the entrance to the Village-to-Village trail. The Board asked Jerry Hensel to extend their thanks to Vail Resorts for their investment on the mountain.

Strategic Planning: Dan Gallagher summarized the vetting process conducted in regard to short-term rentals. He stated the Strategic Planning Committee has accepted all of the Short-term Rental Subcommittee recommendations with the exception of a minimum stay requirement outside the village core. If, over one or two years, collection of data illustrates rental guest disturbance is a more significant problem than anticipated for the overall community, this matter will be revisited. The Committee recommends moving forward with legal counsel to prepare a short-term regulation for the Board's adoption and implementation in the spring of 2019. He further suggested the Association's and AMD's legal counsel have a dialogue to determine the proper licensing authority. George Coleman pointed out that state and local, Association and AMD regulations will be evenhandedly applied to property owners and short-term renters. If a license is issued and can be revoked, renters will be more responsive to address complaints. Craig Heydon commented that individual homeowners associations within the community have the ability to institute a minimum stay requirement by amending their governing documents.

**Motion was made by Dan Gallagher to send the short-term rental recommendations to the Association's legal counsel for review and preparation for the Board's adoption. Randy Smith seconded the motion and it was unanimously approved.**

#### **Annual Meeting Date**

George Coleman asked Jerry Hensel to inquire with Vista Restaurant in regard to holding the Annual Meeting on Saturday, December 22<sup>nd</sup>, at 3:00 or 4:00 p.m.

#### **Record Date for Voting**

Jerry Hensel proposed setting a record date of November 15, 2018 to determine property ownership and eligibility to vote in the Annual Meeting election.

**Dan Gallagher moved to set the record date for November 15, 2018. Tim Gropp seconded the motion and it was unanimously approved.**

There being no further business, the meeting was adjourned at 10:13 a.m.

Respectfully submitted,

Carol Floyd

Secretary for the Meeting