

## **Minutes of the**

### **Arrowhead at Vail Association**

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

**September 26, 2017**

A meeting of the Board of Directors of Arrowhead at Vail Association (the “Association”) was held on Tuesday, September 26, 2017. In attendance were Board members Rick Bross, Cathie Bennett, Patty Strunk, George Coleman, Dan Gallagher, and Cynthia Bell. Also in attendance were Jerry Hensel, Association Manager, Tim Baker, Sr. Director of Beaver Creek Village Operations, Jim Clancy, Director of Public Safety, Sid Schultz and Steve Nusbaum with Design Review Administration, Bob Shafer, representing the Arrowhead Metro District, and Carol Floyd, Secretary to the Meeting. The meeting was called to order at 9:01 a.m., and it was noted a quorum was present. Introductions were made.

#### **Public Comment**

JoAnn Carhart Levy joined the meeting to speak about her negative experience with regard to short-term rentals in the duplex unit adjoining her property at 361 Aspen Ridge Lane. She explained the unit is often rented two to three times per week to large groups of people creating a disturbance. Ms. Levy stated Singletree does not allow short-term rentals and requires a six-month minimum, and Wildridge has a policy of one month minimum. She asked about the Association’s plan for managing short-term rentals. Rick Bross stated he would consult with the Association’s legal counsel on this issue. The Board noted the existing noise regulation in place and advised Ms. Levy to contact Public Safety in such situations.

#### **Metro District Update**

Bob Shafer said the Arrowhead Metro District (“AMD”) has been working jointly with the Association on several matters. AMD is expecting to receive their attorney’s opinion on road restrictions pertaining to bicyclists, a resort fee for rentals, and the use of drones, and will share this information following their Board meeting.

#### **Town Hall Meeting Notes**

George Coleman noted two corrections to the Town Hall meeting notes. Rick Bross stated, of all improvements, most interest was shown in the addition of a pool. A location must be found before the cost can be determined and proposed to the community. Rick announced a touch pad will be installed on the existing pool with the same access code as the restrooms. A request for lap swimming was discussed. The Association will consider the extra cost if the Alpine Club is willing to open earlier for this purpose. Pertaining to Public Safety, closing of the east and west gates from midnight to 6:00 or 7:00 a.m. is being considered. It was noted an override would need to be installed for emergency vehicle access. In addition, Rick asked Jim Clancy to bring a proposal next month to secure the process for guest entry. Dan Gallagher added this might involve a permanent list of family and friends. Jim said he will add this topic to the Public Safety Committee agenda.

#### **Minutes**

**Patty Strunk moved to approve the August 22, 2017 Board of Director Meeting minutes as presented. George Coleman seconded the motion and it was unanimously approved.**

George Coleman proposed electronic approval of the Board of Director Meeting minutes to expedite posting on the website. Jerry Hensel noted this process would necessitate all Board members' approval. The Board was in agreement and requested the monthly 'To Do' list accompany the minutes for their review.

### **Public Safety**

Rod Moraga with Anchor Point joined the meeting to present Firewise. He explained the purpose of this program is to inform the community why fire mitigation is necessary, what the risk is, and show it is relatively easy to maintain a fire safe environment. He informed the Board a plan has been submitted, along with the action which has been taken, to Firewise and the State Forest Service. He further described the required yearly commitment of a community day which could be a presentation to all members about fire prevention or a clean-up day. He said the benefits are recognition and may also help with insurance. Rod spoke about fire mitigation efforts thus far including taking out overgrown brush at the Terrell and Ford ditch, and removal of hazardous and pine beetle trees on Cresta. The importance of maintenance was discussed. Jim Clancy clarified much of what Anchor Point is proposing is on common Arrowhead land. He noted Eagle County and the Fire District offer evaluations of individual properties. Jerry noted there is a budget line for mitigation. Jim agreed to follow-up with Eagle County on Homestead's fire mitigation efforts near the border of Arrowhead. Once the Firewise certification is complete, Jim recommended publicizing to the community to generate interest.

Jim Clancy referred to a document he previously emailed to the Board with layout and verbiage for signage. Rick Bross advised Jim to hold off until AMD's attorney's opinion is received. A philosophical discussion took place pertaining to exclusivity vs. privacy. Bob Shafer is going to propose AMD purchase additional speed control signs. Patty Strunk will Chair the Public Safety Committee and limit it to four additional members.

### **Design Review**

Steve Nusbaum referred to the proposal from Shepard Resources for updating the Design Guidelines. George Coleman spoke of the advisory committee being formed to assist the Design Review Committee ("DRC") in this process. When the number of participants were discussed, Steve cautioned the more people outside of the core group will likely lengthen the process. The Board was in agreement to accept the proposal from Shepard Resources in the amount of \$109,000. Jerry Hensel recommended budgeting and additional 10 – 15% for this project. Cathie Bennett suggested requiring a monthly count of hours.

**George Coleman made a motion to approve the September 15, 2017 proposal from Shepard Resources up to the amount of \$109,000 with the stipulation they provide a monthly count of hours. Dan Gallagher seconded the motion and it was unanimously approved.**

### **Committees**

**Activities:** George Coleman reported approximately 100 people came by for the Summer Salute. Very few people grilled. 30 children were kept engaged. George asked for the Board's opinion whether to continue the event next year. Cathie Bennett suggested charging a fee to provide food. Tennis is finishing up. Jerry Hensel is awaiting a proposal for repair to the courts. George met with a potential candidate for the Activities Director position. After reviewing the budget, George proposed to strengthen the Activities Committee rather than hire for this position. Rick Bross said there is cracking on the southwest court. Jerry Hensel will inspect it. Dan Gallagher stated Doug Sewell has done an incredible job of staking out a new eastern trail. Dan suggested asking Bachelor Gulch to participate and the possibility of Vail Resorts constructing the trail at a lower cost since it would be an asset for all three communities. Tim Baker said trails are currently a big focus for Bachelor Gulch, and he agreed to discuss the proposition with the Bachelor Gulch Village Association Board.

Strategic Planning: George Coleman spoke about the upcoming committee meeting and said they will look into whatever the Board charges them with which may include the pool, hot tub, and trails.

Communication: Cynthia Bell appealed to the Board for content for the winter newsletter by the October Board meeting, including committee updates or any other relevant information. Cynthia presented seasonal email templates that have been set up through the MailChimp application for all future email communication. Cynthia said the committee is working on a template for the annual report. This would not be distributed until after the first of the year when financial results for 2017 are final. Discussion took place in regard to the frequency of email communications to property owners. The Board was in agreement, absent an emergency, all communication will be consolidated into one communication per month. Rick Bross requested adding a section to the newsletter entitled “Neighborly Courtesy.” The Board agreed to use WebEx at the next meeting.

Nominating: Dan Gallagher announced nominees for the At-Large and High Density Board positions and gave a brief account of their background.

**Dan Gallagher moved to nominate Chad Hollingsworth as the At-Large candidate and Tim Gropp as the High Density candidate for the upcoming Board election. Rick Bross seconded the motion and it was unanimously approved.**

Snow: The first meeting is scheduled for this Thursday. Rick shared his view of the committee being to work with Vail Resorts to ensure Arrowhead ski conditions are as good as possible. Jerry Hensel noted the purpose is to keep the community informed.

Transportation: Dan Gallagher said this committee has not yet been formed. Its focus will be the bus element and exploring options for additional service. Bob Shafer cautioned the difference between wants and needs, and referenced low ridership on the shuttles to Vail. Dan commented on adding value.

## **Financials**

Cathie Bennett reported, according to pending sales, real estate transfer assessments (“RETA”) are going to meet budget in September with a modest overage. The assumption is the Association will come in on budget across the board at yearend.

## **2018 Budget Planning**

Cathie Bennett stated, in the preliminary budget, RETA and annual assessments are budgeted flat, \$1.150M and \$1.200M respectively. She said if expenditures were made for everything requested, the end balance would be just over \$500K and the preferred amount to maintain in this account is \$1M. Jerry explained the truck lease to AMD under Municipal Services represents trucks and equipment owned by AMD and leased to the Association. Dan Gallagher suggested looking at a system where expenses which can be legally paid by AMD are done so to provide efficiencies and tax deductions. With concurrence of the Board, George Coleman proposed fortifying a presentation for Bob Shafer to make a formal request on behalf of the Association Board that certain expenditures belong in the AMD budget and the Association’s appeal to have them included accordingly. Cathie reviewed the major budget categories. Public Safety includes a 3% labor increase over 2017. In Common Area Expenses, with the exception of trash removal, there is a very modest 5% increase. The most significant increase in Operating Expense is for the Design Review guideline update, additional community functions, management fees, and capital improvements. Budget detail was further discussed. Pertaining to property owner functions, the Labor Day party, part-time Activities employee, and \$5K for marketing were eliminated. Capital projects were discussed. Jerry noted a typo in the amount for the main entry east side monument which should be \$62,500. Consensus among the Board was to lower Village landscape to \$30K and postpone the irrigation line replacement, main entry east side monument, and upgrade of cameras at internal gates. The amount to construct the east end hiking trail was reduced to \$30K with the expectation of Bachelor Gulch contributing half toward the project. Capital projects will be revisited at the

next meeting. The Board was in agreement to raise the annual assessment. Jerry asked for direction on a specific amount. He also suggested a percentage increase each year thereafter.

### **Other Business**

Bachelor Springs Annexation with Arrowhead: Rick Bross updated the Board saying he notified Bachelor Springs that the Association would consider annexation, but it would require an upfront contribution. He has not heard anything further.

Annual Meeting Date and Time: The Board decided on Friday, December 29<sup>th</sup>, at 6:00 p.m. for the annual meeting. It will take place at the Broken Arrow Restaurant.

Monday Meeting Date and Time: Beginning in October, the Association Board meetings will move back to the fourth Monday of each month.

AMD Budget: The Board concurred with Cathie's suggestion that AMD representative Bob Shafer be requested to present to the AMD Board at its meeting tomorrow, on behalf of the Association, its request that the following expenditures be more properly included in the AMD budget for 2018: \$66,100 for the AH/BC Express Shuttle and vehicle lease, and \$9,371 for the truck lease.

Golf Cart Traffic: Jerry Hensel suggested the golf cart traffic matter be turned over to the Public Safety Committee. Bob Shafer said there is a joint resolution proposed for discussion at tomorrow's AMD meeting. The amended resolution stipulates a certain age, timing it can be used (May – October), parking compliance, only to be operated by persons with a valid driver's license, and indemnifies AMD and the Association. Dan Gallagher advised transponders will be required for access through internal gates.

**There being no further business, Dan Gallagher moved to adjourn the meeting. The motion was seconded by Rick Bross and the meeting was adjourned at 12:09 p.m.**

Respectively submitted,

Carol Floyd

Secretary to the Meeting