

**Minutes of the
Arrowhead at Vail Association
Board of Directors Meeting
held January 25, 2021
via Videoconference**

A meeting of the Board of Directors of Arrowhead at Vail Association (the “Association”) was held on Monday, January 25, 2021, via videoconference. Board members present were Diane Loosbrock, Mark Noble, Tim Muffley, George Coleman, Phil Metz, Mary Pat Rapp, and Chad Hollingsworth. Also present were Jerry Hensel, Association Manager, Sid Schultz, Sr. Analyst for Design Review Administration, Randy Smith, Ex Officio, Bob Shafer representing Arrowhead Metro District, Tom Lee, property owner, and Carol Floyd, Secretary for the Meeting. The meeting was called to order at 10:03 a.m.

Public Comment

Bob Shafer gave a brief update on the Highway 6 roundabout project. A meeting was held on January 14th with Colorado Department of Transportation (“CDOT”). The access permit was approved with changes. The next step will be presenting a design plan to CDOT. Surveys and drawings are taking place. In approximately two months, a Notice to Proceed is anticipated, allowing for three years to complete the project. This notice will prompt meetings with Eagle County and Edwards Metro District in regard to funding. Randy Smith noted right-of-ways must be obtained from Vail Resorts and Country Club of the Rockies. Bob recommended presenting the project to the community in more detail in the summer. Bob reported sales tax revenue from July 1, 2020 to year end was \$170K vs. a budget of \$235K. Shortages were related to fewer short-term rentals, Vista’s closure, and Zach’s and Broken Arrow’s decreased sales because of the pandemic. \$375K in sales tax revenue is budgeted for 2021. The mill rate will remain 17 mills for 2021. The capital budget for 2021 is approximately \$700K to include paving Cresta Road from Mud Springs to the top, lighting, and six smaller projects.

Annual Meeting Minutes

Diane Loosbrock referenced the December 16, 2020 Annual Meeting Minutes in draft form for the Board’s review, noting they will be approved by the members at the next Annual Meeting. She requested any suggested revisions be sent to Carol Floyd.

Approval of the December 23, 2020 Board Meeting Minutes

George Coleman moved to approve the December 23, 2020 Board Meeting Minutes as presented. Mark Noble seconded the motion. Motion approved.

Design Review

Sid Schultz requested the Board reappoint Design Review Committee members for 2021. He confirmed all current members indicated a desire to remain on the committee. Diane Loosbrock mentioned one person interested in serving on the committee, should a position become available.

Chad Hollingsworth moved to reappoint the existing Design Review Committee members for a one-year term. George Coleman seconded the motion. Motion approved.

Jerry Hensel asked about the status of 201 Aspen Meadow Drive. Sid said they will finish their landscaping when the snow melts this spring and DRC will do an inspection. Discussion took place in regard to enforcement of the Design Guidelines and the Board’s support of DRC.

Public Safety

Diane Loosbrock asked the reason behind the significant variance for Public Safety Services on the Activity Report year over year. Jerry Hensel presumed it is COVID related. He will follow up with Koby Kenny and John Herbert to confirm. Tim Muffley spoke about a recent incident involving drinking and impolite behavior at the fire pit at approximately 4:00 p.m. Public Safety addressed the matter. Jerry Hensel explained people are allowed to bring their own alcohol providing it is outside of Broken Arrow’s operating hours and the perimeter of their deck. He will alert Jeannie Adams, Manager of Broken Arrow, who can assist with enforcement. Public Safety should be notified for noise concerns, and they may call the Sheriff if needed. Bob Shafer commented on the noticeable stepped up enforcement in the skier parking lot.

Committees

Operations:

Lighting: Jerry Hensel talked about the prototype lamp post on Sawatch Drive, noting the top three lights have been turned off using downlight only until filtering devices are received. A bollard has been ordered for that location. The lamp post will be relocated to a street setting. A pilaster being redone at the corner of Sawatch Drive and Wildflower will be unveiled this evening. The plaster has been replaced with stonework and will be washed with down lighting. Jerry explained the lighting project expense will be shared in varying amounts between the Association, Village at Arrowhead Association (“VAA”), Arrowhead Metro District (“AMD”), and Vail Resorts.

Honeywagon Implementation: Jerry Hensel said there are 21 requests for single-stream recycling containers tomorrow bringing the number of exchanges to 271 out of 400. All exchanges are now by request and scheduled for a recycling day. Diane Loosbrock requested Tim Muffley include this with contact information in the next newsletter.

Mountain Camera: Jerry Hensel said he is meeting with IT and the cable installer this week to determine the best location for the mountain cam. He will provide an update with options at the next Board meeting. The topic of incorporating surveillance cameras in the village core was discussed. A question was raised about the length of time footage is stored from security cameras at Public Safety, and Jerry answered 30 days. Once the mountain cam is installed, Diane Loosbrock asked Tim Muffley to include information in the newsletter regarding how to view it.

Owner Payment Portal: Jerry Hensel informed the Board that the Owner Portal is now set up on the Association website for owners to pay their annual assessment. He confirmed paper statements are also being mailed.

Speed Monitor: Jerry Hensel said an additional speed monitoring sign has been installed, noting there are currently four active signs in the community.

Short-term Rental: Jerry Hensel reported there are presently 153 active short-term rental listings and 112 registrations. The capture rate is 80%, up 10% from last year at this time. The pay portal for short-term rental registrations has been moved to Alpine Bank. George Coleman suggested for consideration in the future, if AMD’s sales tax revenue derived by short-term rentals is significant, perhaps AMD could further mitigate or eliminate the annual fee paid by the Association.

SKIMO Race: Jerry Hensel announced the Vail Recreation District’s SKIMO race will take place on this Saturday with a 7:00 am start. There will be 75 participants in two waves and everything will take place outside. Grab and go food will be offered. Diane Loosbrock mentioned the plan to include a couple of questions regarding use of Arrowhead by outside groups in the homeowner survey, and Mark Noble confirmed two draft questions have been prepared. Randy Smith asked Jerry to coordinate a communication to VAA in regard to the race via Arrowhead Property Management.

Strategic Planning:

Mark Noble stated last year the committee polished and revised the Association’s Vision as follows: Arrowhead will be the most desirable luxury on-mountain resort community in the Vail Valley. He added this is the Board’s job description. The committee also developed a value proposition which is communicated in the Mission with five items to focus on including making high-quality amenities available to the ownership, ensuring the neighborhood stays contemporary and luxurious in design, developing pride in the community, developing a safe community, and having close cooperation with the multitude of stakeholders within the community. One value was added to ensure transparent governance. Mark referenced a list of 15 objectives and spoke about the intention to implement and track them. He shared his assessment that the Board has agreed to do too much unless there are more resources to assist. He asked those that have objectives assigned to them to breakdown key milestones and note the corresponding month on the spreadsheet to manage tracking and reporting. Mark proposed having conversations with each Board member to solidify a plan to be discussed at the next Board meeting.

HOA Presidents Council:

George Coleman said the meeting was well attended. The meeting notes are attached. There will be three meetings this year.

Landscaping:

Randy Smith spoke about two Landscaping Committee meetings that have been held. The December meeting was a review of the main entrance plan. Given the main entrance project will be delayed until a decision is made on the roundabout, focus was shifted to the secondary entrances on the south side of Highway 6 and centered around the east entrance. Key design elements included replacing the evergreen trees with what will be identified as the Arrowhead signature tree to be located at all of the entrances. The other design element being considered would level the swells and make the entrance more formal and manicured. Additional planted areas are included in the concept with minimal landscaping extending beyond the gates. The committee requested the gate extenders be removed allowing the Board to make decisions on privacy based on feedback received from the community in the upcoming survey. The committee

requested an alternative design option to add stonework to the edges of the landscaping creating a transition point to the native grasses creating a more defined appearance. The next steps will be to look at ornamental tree options and provide feedback to Kathy Aalto for Jerry Hensel to get preliminary budget estimates for execution. The Board will then determine timing based on cost and financial resources. If the Board decides to proceed, Jerry will complete design and the formal bid process to do work on the east and west entrances in late spring, with the goal of completion by July 4th. Randy relayed the committee's recommendation to present the landscaping plan at a Town Hall meeting in the spring. Mark Noble asked if there is a plan for public areas within the community. Randy described three phases of the project, noting they are not necessarily in sequential order. Phase 1 encompasses the secondary entrances on the north and south sides, Phase 2 is the main entrance, and Phase 3 is interior areas of the community. He further noted most of the interior areas are not irrigated and will need to be a native landscape solution. George Coleman inquired about whether the festive white lighting will remain at the east entrance. Jerry Hensel said this will be addressed. Randy added the existing pole lights will be replaced, and it has yet to be determined if the pilasters in the median area will stay in place. Diane Loosbrock asked if there are plans to prune walkways. Jerry Hensel said this will occur in the early spring.

Financials

Mark Noble explained the Finance Committee meets monthly to review every line item in the financials. He presented a summary of year-end results as of December 31, 2020. Real estate transfer assessments ("RETA") exceeded budget by a large margin due to an unprecedented surge in sales. Design Review fees doubled because of the increase in activity. Based on five and 10-year averages, \$1.46M in RETA is budgeted for 2021. This amount equates to 117K per month and will be monitored to ensure revenue is on track. In regard to operating expense, 2020 saw savings in Public Safety and HOA Functions. These expenses are budgeted at normal levels for 2021. 2020 improvement expense was budgeted conservatively and came in under budget. \$300K for lighting and \$150K for landscaping improvements are budgeted for this year. Mark said the Finance Committee will be looking at low risk investment options through their new banking relationship with Alpine Bank. He spoke about the Association's dissatisfaction with Vail Resorts' performance of financial support. He and Jerry Hensel are investigating alternatives. Jerry confirmed the 2019 financial audit is expected this week. Diane asked about the relevance of current real estate inventory on the market. Mark said he will provide a slide with this information at the next Board meeting.

Old Business

Map Update:

Jerry Hensel said he is expecting a final version of the map today. Mary Pat Rapp asked if there are plans to post large signage at the base of the mountain. Jerry answered that Gary Shimanowitz has approved a location on hardscape between the stairs and fire pit for a large map to be changed between winter and summer seasons.

Bylaws:

Diane Loosbrock informed the Board of a review of the Bylaws by Randy Smith, Dan Gallagher, and herself noting changes that need to be made. The document is currently with the Association's legal counsel waiting for a cost estimate to update.

New Business

Administrative Assistant Position:

Diane Loosbrock introduced Val Ropes who has agreed to take the administrative position to assist the Board. She has held different positions within the neighborhood including Country Club of the Rockies. She will begin with project based assignments such as putting together a photo cache, working with Carol Floyd to assemble pertinent documents for the Board, and helping with activities. Diane will manage any requests for Val's assistance.

Railway Developments – Colorado Midland Pacific Railway Company:

Diane Loosbrock referenced a link sent to the Board regarding reuse of the railroad that goes through Avon and north of Arrowhead. Randy Smith gave a brief overview of the four parties involved. Ground Transportation Board is the ultimate decision maker with broad authority. Union Pacific is the current owner of the railroad. Rio Grande Pacific Corp d/b/a Colorado Midland Pacific Railway Company plans to take over the railroad to ship oil or transport passengers. Colorado Pacific Railway would like to ship grain to the west coast. Randy said the question is whether the Association has an interest in this matter and the desire to get involved. Discussion took place in regard to the associated opportunities and challenges. Randy agreed to stay current and update the Board going forward.

Community Update:

Cross-Country Track: Diane Loosbrock relayed a request received from Country Club of the Rockies to prevent any fat tire bikes on the golf course track. An email blast will be sent to property owners today.

Poop Clean-up: Tim Muffley spoke about the issue of dog waste within the community, with the Village area most problematic. He asked the Board to consider hiring a clean-up service on a regular basis. Jerry Hensel shared his apprehension of pet owners not picking up after their pets if such a service were in place. Jerry agreed to explore clean-up services available. Diane Loosbrock asked Tim to include a reminder to pet owners regarding their responsibility in the next newsletter. George Coleman offered to volunteer a few hours per week to perform clean up, and said he will solicit friends to join him.

Mark Noble moved to enter Executive Session to discuss a contractual matter. Tim Muffley seconded the motion and the Board entered Executive Session at 12:09 p.m.

George Coleman moved to exit Executive Session and adjourn the regular meeting. Mark Noble seconded the motion and the Board exited Executive session and adjourned the meeting at 12:29 p.m.

Respectfully submitted,

Carol Floyd
Secretary for the Meeting