

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

A meeting of the Board of Directors of Arrowhead at Vail Association (the “Association”) was held on Monday, October 25, 2021, virtually via Zoom videoconference. Board members present were Diane Loosbrock, Mark Noble, George Coleman, Cynthia Bell, Phil Metz, Chad Hollingsworth, Randy Smith, Ex Officio, and Richard Jensen, Director Emeritus. Also present were Tim Gropp and Janet Cooper, Board nominees; Jerry Hensel, Association Manager; Val Ropes, Administrative Assistant to the Board; Sid Schultz, Sr. Analyst for Design Review Administration; Bob Shafer, President of Arrowhead Metro District; and Carol Floyd, Secretary for the Meeting. Diane Loosbrock called the meeting to order at 10:12 a.m. Jerry Hensel confirmed a quorum was present.

**Public Comment**

Bob Shafer gave an update on the Route 6 safety project. Approval has been received from Colorado Department of Transportation (“CDOT”), and design and cost estimates determined for a roundabout. The next step will be to seek funding from Eagle County. Alternatively, a sidewalk from the east gate to the Miller Ranch crosswalk is under consideration. This would require a crosswalk at the east gate. Bob stated CDOT will not allow a crossing in a 40 mph speed zone. A letter on behalf of Arrowhead Metro District (“AMD”), Edwards Metro District (“EMD”), and ECO Transit will be sent to CDOT requesting the speed limit be lowered to 35 mph. Bob spoke about transportation staffing challenges and the anticipation of service levels similar to 2020 with Village-to-Village transportation and the internal shuttle to Arrowhead Circle. He noted shuttles can now be filled to 100% capacity. AMD approved their 2022 budget at last week’s meeting with a reduction of the mill rate. Refinancing of one bond in the amount of \$1.7M at the end of this year will reduce the interest rate from 4% to 2.5%. Mark Noble asked if there is any support the Board can provide AMD to advance the roundabout project. Bob answered they are going to need a representative from the Association Board to replace Randy Smith on the working committee. Mark clarified the Board is supporting the roundabout project based upon a specific solution and funding approach detailed in the AMD survey that went to property owners a few months ago. Mark and Bob were in agreement on the importance of getting further input from property owners if the safety project plans change.

**Design Review**

Sid Schultz reported construction activity has exceeded years past. The new single-family residence at 308 Arrowhead Drive is scheduled for conceptual review at the next Design Review Committee (“DRC”) meeting. Diane Loosbrock asked about the status of the roof project at 67 St. Andrews Place. Sid said he not heard from the property owners since his meeting with them a month ago. Sid further stated he has not heard from the owner of 201 Aspen Meadow Drive regarding plans for wrapping the outdoor fireplace. Jerry Hensel commented, as of two weeks ago, the property owner was looking for a design consultant. Discussion took place with regard to ensuring compliance. Mark Noble recommended DRC keep those projects in the minutes for tracking purposes. George Coleman suggested DRC memorialize the process to date, to analyze what the next step(s) will be.

**Public Safety**

George Coleman inquired about the status of updating gate codes on a regular basis to minimize abuse. Jerry Hensel said he and Koby Kenny have met and will be looking for guidance from the Board on a timeline to implement new gate codes. George Coleman offered to participate in future conversations as the Board’s representative. Diane Loosbrock will add this topic to next month’s agenda.

**Financials**

Mark Noble reviewed financials as of September 30, 2021. The Balance Sheet is unchanged and shows the Association to be in a very good position. Real estate inventory for sale is low but real estate transfer assessments (“RETA”) remain strong. \$170K in RETA was received in September and there are 20 units under contract in the amount of \$60M scheduled to close before the end of the year. The annual budget of \$1.4M in RETA was met in September. RETA is forecasted to end the year at approximately \$2.5M. Operating expenses remain in line with budget. Savings were related to first quarter labor in Public Safety. Jerry Hensel stated he has made contact with the two property owners who are delinquent on the annual assessment and payment is expected soon.

## **2022 Proposed Budget**

Mark Noble presented the 2022 proposed budget as approved by the Finance Committee. RETA is budgeted conservatively at \$1.4M based on a five-year average. There will be no increase to the annual assessment. Once the investment policy is approved, the Investment Committee will begin investing funds at the beginning of the year and will likely generate revenue. The revenue budget does not reflect any impact from the policy. Mark explained the philosophy to fund the basic operating expenses out of the revenues. Areas of increase to expense for 2022 include Public Safety labor, HOA Functions to include a new media admin position, extra staff and increased office rent for Design Review Administration, and trash removal and landscaping labor inflation. The key project in Improvements and Replacements will be to complete the landscaping project that began this year. This project accounts for \$450K of the \$606K in improvements. In summary, the budget for 2022 is \$2.6M in revenue and \$2.5M in expense for operations, leaving \$153K for reserves. Reserves will be used to fund the \$606K in improvements. If there is no additional revenue, assets will drop by \$450K. Mark said he has received one additional request from the marketing team for \$10K to be used to fund a promotional video for Arrowhead. Jerry Hensel noted a 15% increase in services to complete the landscaping improvements at the east gate and all north side gates with a revised total of \$480K for the landscaping entrances project. Mark provided updated numbers. Revenue will remain at \$2.6M, operating expenses of \$2.533M, leaving \$143K for reserves. Improvements will increase to \$676K requiring \$523K from reserves. Diane requested Mark send all Board members a revised budget reflecting the aforementioned changes.

**Mark Noble moved to approve the Arrowhead at Vail Association 2022 Budget as reflected in version 5, as presented by the Finance Committee, with two changes including \$10K for an Arrowhead marketing video from operating expense, and an additional \$70K for the landscaping entrance project reflecting bids received. George Coleman seconded the motion and it was unanimously approved.**

## **Committees**

**Investment Committee:** Randy Smith spoke about the diligent approach of the Investment Committee. The committee will interview two external unaffiliated advisors on November 4<sup>th</sup> who are independent and in the top tier of advisors that manage portfolios for not for profit organizations across the country. Both advisors have indicated a willingness to provide input on wrapping up the investment policy statement and developing the investment plan. Randy said the expectation is to have this complete by the November Board meeting.

**Operations:** Jerry Hensel informed the Board all AMD lighting for the parking lot and Cresta Road has been received as well as Village at Arrowhead Association lighting, and installation will begin today. The Arrowhead at Vail Association shipment was rerouted and delayed. Jerry will arrange for installation when a delivery date is set. Lighting for the monument inside the McCoy gate will be operational next week.

**Strategic Planning:** Mark Noble said the committee has been occupied with the budgeting process. He talked about a project Dan Gallagher has been working on with Carol Floyd to pull together a list of key documents. The best way to make these documents available to the Directors and property owners will be determined. Mark also said, based upon the results of the owners' survey, there is lack of clarity pertaining to what amenities owners want. The committee has established a smaller working group to dive deeper into this matter.

**Preview of Winter Activities:** Val Ropes spoke about activities tentatively proposed for this winter including Kid's Snow Games and Family Snow Games, FirstTracks for homeowners, Bingo Night in collaboration with the Arrowhead Alpine Club or Country Club of the Rockies, and an Adult (non-animated) Movie Night.

**Arrowhead Alpine Club Pool Agreement:** George Coleman reported the pool agreement remains with Vail Resorts. He and Phil Metz anticipate a final version before the end of the year.

**Work in Progress:** Val Ropes spoke about a new homeowner binder number two. It started out as a guide for fun things to do in Arrowhead and has morphed into a new homeowner's manual with information on trash service, pets, short-term rental registration, parking, etc. She shared her opinion that this information should also be posted on the website. Depending on the Board's guidance, a member portal may be needed or it may be posted as public information. Val informed the Board of issues with the mobile website. She will ask the web host for a proposal to fix and improve that experience.

Tennis: Jerry Hensel said he and Kathy Roe have had numerous phone conversations with Cliff Drysdale Management (“CDM”) over the past week with regard to the Director of Tennis position. These conversations will continue in preparation for next tennis season.

Landscape Committee: Jerry Hensel confirmed plans and pricing have been received from Ceres Landcare for the landscaping entrance project. He will obtain additional bids. It will be crucial to schedule the project very soon. Randy Smith said the design concepts for the north entrances follow the theme relative to the east entrance. Randy recommended the Committee continue working on the west entrance and interior landscaping next year. It will be up to the Board whether to keep the committee in place to work on the new main entrance, assuming there is a decision about a roundabout between now and December 2022. Diane Loosbrock asked Randy to communicate the expectations to the committee.

### **New Business**

Agenda for Annual Meeting: Diane Loosbrock reviewed topics and who will present each at the Annual Meeting. A draft of materials and run through of the presentation will occur at the next Board meeting. An Annual Board Meeting will be scheduled for 9:00 a.m. the day after the Annual Members Meeting to elect officers.

Contractor’s License: Diane Loosbrock spoke about proceeding with implementing a contractor licensing process to relieve backup at the main gate and reduce piggybacking through the other gates. Mark Noble and Val Ropes will work on this initiative. Jerry Hensel will obtain information from Beaver Creek Resort Company regarding their licensing procedures in Beaver Creek.

### **Front Gate:**

Jerry Hensel talked about improvements to the gatehouse under consideration. He proposed expanding the window opening to a doorway for better presentation at the greeting portal. This would involve design work and Jerry asked for the Board’s input. Janet Cooper will have David Cooper look at the design aspects. She offered to join the Strategic Planning Committee and Mark Noble welcomed her participation.

Next Meeting: Diane Loosbrock stated the next Board meeting is scheduled for November 15<sup>th</sup> at 10:00 a.m. She noted materials for the Board package will need to be submitted a week earlier than usual. Jerry Hensel noted the closing of financials will not occur in time for inclusion in the package, but should be available for presentation at the meeting.

**There being no further business, Mark Noble moved to adjourn the meeting. Phil Metz seconded the motion and the meeting was adjourned at 11:53 a.m.**

Respectfully submitted,

Carol Floyd  
Secretary for the Meeting