

## **Minutes of the**

### **Arrowhead at Vail Association**

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

**November 29, 2018**

A meeting of the Board of Directors of Arrowhead at Vail Association (the “Association”) was held on Thursday, November 29, 2018. In attendance were Board members George Coleman, George Bigley, Tim Gropp and Dan Gallagher. In attendance by phone were Board members Randy Smith, Patty Strunk, and Cathie Bennett, and representing Arrowhead Metro District was Bob Shafer. Also in attendance were Jerry Hensel, Association Manager, Erin McCauley, Financial Analyst, Sid Schultz and Steve Nusbaum with Design Review Administration, Chad Hollingsworth and Diane Loosbrock, Board nominees, and Carol Floyd, Secretary for the Meeting. The meeting was called to order at 3:30 p.m., and it was noted a quorum was present. Introductions were made.

#### **Introduction of Mike Trueblood**

Mike Trueblood introduced himself and spoke about his new position as Sr. Director of Village Operations for Beaver Creek, replacing Tim Baker. He previously served as Sr. Director of Finance at Vail for two years. He referenced his financial and operational background prior to working for Vail Resorts with 14 years with Comcast and three years at Ski and Snowboard Club Vail. He said he is excited to work with the various associations and partner with stakeholders.

#### **Public Comment**

Bob Shafer explained a new directive issued by the Department of Revenue effective December 1<sup>st</sup> whereby anything delivered to Arrowhead by a supplier outside of Arrowhead would be subject to all taxes including local district taxes. Given these changes, the Arrowhead Metro District (“AMD”) decided to cancel the sales tax election and will revisit the matter next year. Bob informed the Board the skier parking lot will be managed similarly to last year with parking attendants and public safety monitoring. The Arrowhead shuttle and Village Connect bus will begin service on December 8<sup>th</sup>. Bob spoke about discussions Jerry Hensel had with Arrowhead Property Management in regard to sharing their weekend shuttle. They intend to evaluate how the service works for their guests before considering expansion. Bob reported that the AMD Board voted to confirm its \$20K contribution toward the Inter-community Council marketing initiatives. Bob noted AVA will enter into a contract with the marketing company, and AMD will enter an agreement with AVA in regard to payment details. Bob said he will provide an AMD update for the Association’s winter newsletter.

#### **Financial Update**

Cathie Bennett reported RETA is anticipated to end the year with \$100K revenue in excess of budgeted amount. Erin McCauley reviewed expenses pointing out Utilities are running over budget due to higher watering costs because of the landscape improvements along Cresta Road. That is offset by savings in Recreational Amenities and greater than budgeted Design Review fees revenue. Of the \$27K savings in Improvements, \$7K – \$8K will be charged to that line item for landscape improvements. Erin said the budget year’s Ending Fund Balance is expected to show approximately \$150K greater than projected. George Coleman requested Erin arrange to make payment in full to Vail Resorts for the trail project before the end of the year. Erin informed the Board that all annual assessments had been received.

## Design Review

Steve Nusbaum advised the Board that the Holiday and Winter Lighting regulation should not reside in the Design Guidelines. He recommended the Association adopt the existing language as a resolution.

**Steve Nusbaum made a motion on behalf of the Design Review Committee for the Association to adopt the Holiday and Winter Lighting regulation as a resolution. The motion was seconded by Tim Gropp and it was unanimously approved.**

Steve Nusbaum notified the Board of discrepancies and issues found in the revised Design Guidelines (“Guidelines”) that will need to be addressed. George Coleman noted there is a Design Review Committee meeting scheduled for next week to review and resolve these matters. He further noted, it is within the authority of the Design Review Committee to adopt revisions to the Guidelines. George suggested a future Board consider some form of compensation for the Design Review Committee.

## Public Safety

In regard to the Activity Report, George Coleman questioned the reason for the significant decline in gate duty and patrol numbers. In Jim Clancy’s absence, Jerry answered this reflects early season staffing. George also asked about the decrease in security checks. Jerry explained security checks are by request. Jerry agreed to investigate the variance in vehicle count from last year. George spoke about the complaint log and a couple of current instances where follow-up did not take place. Jerry will discuss the lack of response with Jim Clancy and John Herbert and report back to George. George commended Patty Strunk on Chairing the Public Safety and the nice amount of work that has been accomplished this year related to biker and hiker safety.

## Committees

Pool Advisory: George Coleman said this committee is currently gathering information related to the agreement in partnership with Vail Resorts, Village at Arrowhead Association and Arrowhead at Vail Association.

Hiking: Jerry Hensel reported two and one-quarter miles of trail were completed this year. Approximately 3/8 of a mile remains to reach the pump house and connect with the Village-to-Village trail. The completion is expected to take three to four weeks. From there, a one-half mile loop will be constructed to connect with the trail coming up. Jerry estimated completion before July 4<sup>th</sup>. Dan Gallagher and Jerry agreed to schedule a meeting with the committee and Travis in February or March to consider further expansion of trails. Discussion took place in regard to grooming and/or track packing the new trail.

Snow: George Coleman said the next committee meeting is scheduled for December 16<sup>th</sup>. He remarked favorably about the communication and engagement between Gary Shimanowitz, Director of Mountain Operations for Beaver Creek, and the committee chaired by Rick Bross.

Intercommunity Council: Randy Smith recapped the Council’s marketing endeavor to build awareness and define what is appealing to Arrowhead. He said he is satisfied with the direction of the Council to invest in social media activity, engagement, and a platform. The effectiveness will be evaluated by tracking people who become engaged on the social media sites, posting activity, and clicks to the website. A formal system for broker feedback will be developed. Randy noted he has distributed the Master Services Agreement and Scope of Work from Fresh Tape Media and Jared Harding for the Board’s review, noting he is waiting on revised language for section nine. He recommended Greg Perkins examine the agreements before they are executed. Dan Gallagher asked Chad Hollingsworth for his opinion on the termination clause. Chad said this is likely due to the size of project, the fact that it is freelance, and will provide flexibility. Ownership of content was discussed. Randy explained the companies are willing to recognize the Association will own the product they produce if it is used in a local market,

noting this language is being finalized. Tim Gropp questioned how target demographics and geographies are defined. George Bigley suggested inclusion of the Front Range, being the biggest market in Colorado.

**Dan Gallagher moved to submit the revised contract proposal to the Association's legal counsel for review. George Bigley seconded the motion and it was unanimously approved.**

Landscaping/Beautification: Jerry Hensel gave an update on screening near the east entrance to block view of the Country Club of the Rockies maintenance facility. There was consideration of heightening the existing fence with tennis screens that are no longer in use. Upon evaluation, there was concern related to the structural integrity of the existing fence to handle the wind load in that area. With funds remaining in the capital budget for landscaping, ten Spruce trees were planted on the berm at the east gate to interrupt the view corridor to the facility at a cost of \$8,600. George Coleman asked the committee to consider getting a proposal for setting new and stronger posts to support screening in the future.

Strategic Planning/Short-term Rentals: Dan Gallagher referred to the latest draft of the proposed policy concerning short-term rental licensing regulation and rules. He described the thorough process which has taken place with the involvement of the Strategic Planning Committee and the Short-term Rental Sub-committee, two Town Hall meetings, and attorney and Board review. Bob Shafer requested item number 11 pertaining to Metro District tax be deleted from the regulation. George Bigley questioned the definition of Short-term Rental in Section 2. b., particularly the language of "whether or not for consideration" which could impact use by family and friends. The Board was in agreement, this definition should be revised by legal counsel. A final version will be submitted to the Board for its approval. The document will then be shared with the community via email prior to adoption. Legal counsel will be consulted in regard to the formal adoption process to be followed. Monitoring and collection were discussed.

Communications: George Coleman stated the newsletter will be finalized next week, and asked for any submissions to be sent to him in a timely manner.

Nominating: Dan Gallagher thanked Diane Loosbrock and Chad Hollingsworth for agreeing to place their names in nomination and for their attendance at recent meetings so as to familiarize themselves with the Associations issues.

## **Other Business**

### Selection of Officers following Annual Meeting

A conference call was scheduled for January 3, 2019, at 3:00 p.m. (MST) to select officers of the 2019 Board.

### Past President Participation on Board

George Coleman proposed, with the exception of next year, the past President sit on the Board for one year ex officio without a vote for continuity of institutional memory. Dan Gallagher asked George, on behalf of the Board, if he would consider participating next year, and George agreed.

**Randy Smith moved that the composition of the Board, for purposes of Board's operations and practices, allow the immediate past President to serve as an ex officio member of the Association Board without a vote. Dan Gallagher seconded the motion, George Coleman abstained, and it was unanimously approved.**

### RETA Discussion

George Coleman asked the Board to consider whether or not to begin a discussion about increasing the Real Estate Transfer Assessment (“RETA”) from 1.5% to 2%, noting it is in the realm of what neighboring communities collect. He said this would assist in making budget each year and would have the potential of building a surplus and reserve to pay for future significant expenditures without requiring, or lessening, a special community approved assessment. The one-half percent increase would generate \$300K to \$400K of additional revenue per year. Cathie Bennett spoke in favor saying it is justifiable to provide additional amenities to the community. Randy Smith commented this is a very emotional issue and requires a community vote. He suggested designating a capital use for this adjustment such as funding a major community-wide project. The Board was in agreement to refer this matter to the Finance Committee for further consideration and preparation before it is presented to the community. Chad Hollingsworth raised the question of whether the community could approve a series of changes such as a five-year RETA escalation plan.

#### Board Meeting Schedule for January through April 2019

The Board was in agreement to schedule their meetings for 10:00 a.m. on the fourth Monday of each month.

**Motion was made by Dan Gallagher to schedule the Association Board meetings for 10:00 a.m. on the fourth Monday of each month. George Coleman seconded the motion and it was unanimously approved.**

#### Arrowhead Property Management Check-in Parking

Jerry Hensel notified the Board one ten-minute parking space will be designated for check-in at Arrowhead Property Management. Arrowhead Property Management check-in is being moved from the Beaver Creek Reception Center to Arrowhead for convenience.

#### Annual Meeting Agenda

George Coleman said he will work with Jerry Hensel and Carol Floyd on the Annual Meeting Agenda. He will reach out to fellow Board members to speak on various topics at the meeting.

**There being no further business, George Coleman moved to adjourn the meeting. George Bigley seconded the motion and the meeting was adjourned at 5:04 p.m.**

Respectfully submitted,

Carol Floyd, Secretary for the Meeting