

ARROWHEAD IMPROVEMENT ASSOCIATION

BOARD MEETING

March 10, 2012

The March 10, 2012 meeting of the AIA Board of Directors was called to order at 2:00 P.M. on Saturday, March 10th at the Arrowhead Inn with President Bob Hernandez presiding. The following board members were present: Al Hale, Carol Flick, Bob Hernandez, Don Koeltzow, Rich Ostrom, Sharon Pugh and over Skype: Larry Bruestle. Approximately 25 association members attended the meeting. President Hernandez determined a quorum was present.

Order of Business:

1. Approval of January 21, 2012 Minutes: **Bob Hernandez** stated that the draft of the January 21, 2012 minutes was distributed and asked if there were any questions, corrections or additions. Linda Squirrel found an omission of the word "said" which Carol Flick noted and hearing no other corrections, Bob moved that these minutes be approved. The motion was seconded by Rich Ostrom and the motion carried.

Financial Reports: **Al Hale** stated that our January budget had shown a surplus of \$22,164 of which \$13,000 was put into Acct 361 (Equipment Reserve) with the remainder going into Acc 363 (Undesignated Surplus). He further stated that the Income balance was above what would be projected since many property owners pay their Membership Lot Assessments and their Waste Disposal Fees in one lump sum at the beginning of the year. On Expenses, he stated that Acc 550 (Legal) was high due to collection efforts and needed legal guidance to the Board of Directors on several issues that have arisen so far this year. Also, under utilities, our electric and propane have been high due to the cold weather this winter, but utilities should level off as we move into the warmer months. Finally, he noted that Acct 660 (Security Snowmobile) had a new snowmobile purchase at \$9,131.45, Acct 696 (Wildfire Mitigation) was high due to the purchase of MCH Packs, and Acct 835 (Property Taxes) were high since annual taxes were paid during the month. Al Hale moved that the January and February 2012 financial reports be approved. The motion was seconded by Don Koeltzow and passed.

2. Management Reports:

- a. **Communications:** **Melissa Hernandez**, Communications Manager, reported that the new Facebook page has shown great success and has received many visits not only from Arrowhead residents but also from people out-of-state and out-of-country who are interested in knowing more about our community. She further reported that the Mountain Living was published for this month and is on the website and the new Smoke Signals will be published in April. She reminded the audience that the services page has been discontinued on the website. Melissa stated that the board had approved a new posting for the website which will be called "Marketplace" as she has heard from many residents that we still need to have a place in which to list such things as personal items for sale, births and deaths, and other items of interest to the community. She reminded us that this is not meant to be used for airing our opinions about issues but as a marketplace only, and read a letter received from Kevin Stilley regarding his thoughts about having such a marketplace which reiterated the thoughts of the many people Melissa has heard from regarding such a site. Lucia Lebon asked if the businesses such as real-estate could use this site and Melissa said it was meant for personal sales not for businesses. Bob Hernandez reminded the audience that if they wanted to visit past issues of Smoke Signals as reminders of property service, etc. they are archived on the web page for two full years.
- b. **Design Review:** **Joyce Boulter** stated that the committee had only received one request for approval so far this year and it was for a deck remodel.

- c. **Forest Management: Bob Rosenbaum** stated that the MCH Packs would be available the 1st of May and would need to be up by the week before Memorial Day. He further said that property owners need to watch for signs of bark beetle infestations, and he could still use help with putting up MCH Packs on the common areas of Arrowhead.
- d. **Maintenance and Facilities: Don Koeltzow** was asked to report on the bathroom situation in the parking lot. He stated that he has talked with Pete Nauyokas who installed this project about the problems with the lines freezing. He explained that the reason this didn't happen the first year after the bathroom was installed was probably due to the fact that the tank didn't fill up that first year but in the second year, it was filled and the baffles in the junction box froze. They did insulate the junction box, but because this box is designed for a large flow and the box is only allowing for a trickle to flow, it is freezing. Therefore, the plan is to remove the junction box and use a T-connection if that is a possibility since it is their belief that this will work. However, more investigating needs to be done before they do anything. Steve questioned who the bathroom was meant for as he thought it was for AIA working personnel only. Don assured him that it is for everyone's use and told him what the code was to get into the bathroom. Along with the bathroom issue, Don addressed the cost to the Association should we need to trade in our Snowmobile Club Groomer for another one. He stated that our current groomer is valued at approximately \$25,000 and to purchase a new groomer, it would cost in the neighborhood of \$285,000. Since the Snowmobile Club does not believe it will receive a grant towards the payment of a new groomer, when the time comes to trade the groomer in on a newer model, the AIA will be liable for this purchase. That would mean the need to raise the dues. Since there is no other grant money available to us, it would be fully our cost; however, the Department of Agriculture would give us a loan so that we could make monthly payments on a new groomer. After much discussion on this issue, Don highly recommended that everyone join the Arrowhead Snowmobile Club since our dues money will help support our groomer needs and will help us to keep our dues down for the association.
- e. **Security: Reinie Masanetz:** Reinie addressed the problems we have been having with parking lot vandalism. Several items of value were taken from unlocked cars in our parking lot. It was done overnight and the vandals were not seen by anyone. One preventative suggested by Reinie was to be sure that everything was kept locked up including our homes. He suggested that we could have the sheriff come and address the property owners, but Craig Pugh suggested that we put in surveillance cameras. Bob Hernandez then explained to the audience that we had discussed this at our workshop yesterday and decided as a board that we would have a sign made and put up letting people know that this parking lot is under surveillance and we will put cameras in: one over the maintenance shed and wireless cameras on the light posts in the parking lot. This can also help us to see who is using the trash compactor so we can collect the fee from those who haven't paid. Reinie again reminded everyone to lock everything up and make ourselves aware of who is in the parking lot and security will be checking all cars parked in the lot for the AIA yellow sticker. If the car doesn't have one, it will be towed. Don Koeltzow stated that his yellow sticker is no longer yellow and is deteriorating. Reinie told everyone to just call for a new one if we should need to have a replacement. Reinie also reminded everyone not to bring packages up to the warming house from the mailboxes for UPS and Fed Ex since the warming house is not locked up. It was suggested by Craig Pugh that we might want to consider putting a lock on the warming house. Bridget Isles also reminded everyone who opens the locks on the UPS or Fed Ex box to re-lock them and turn the dial so they stay locked up. She said she has found them unlocked several times. Bob Hernandez suggested that we might want to change the combinations to these locks since it has not been done in quite a long time and would make the locks more secure. Finally, Reinie Masanetz let the audience know that the used security snowmobile is for sale. He stated that the bluebook value on it is \$2,000 and it is a 2002, 800, 4-stroke Ski Doo with 11,000 miles on it. Bob Hernandez said that we would ask \$1500 or make a bid if you are interested in purchasing this snowmobile. It will also be advertised on the website. Rich Ostrom asked if the cell phone booster is working in areas that generally don't get a signal, and Jim Gelsomini said that he thinks it is working fine and it works really well when they are out in the vehicle.

3. Committee Reports:

- a. **Hazel Lake:** Linda Dysart had no report for this month but said she is waiting to see how the fish are doing after the winter freeze.

4. **Review of Workshop:** Bob Hernandez stated that though it is open to anyone who would like to be there, the meeting does last for approximately 5 to 6 hours but that everyone is welcome to attend. He said that following the open meeting the board recessed to a closed executive session to address confidential items. He also stated that Patty Greeves, Bobbie Kerns and Jim and Barb Darnell did attend yesterday's workshop session. He told the audience that the board does want to have another vote on the proposed Amendment 1 to the Covenants since it did not pass this last time. With community input, we are hoping to be able to send the amendment out for a vote again in October. Much of what came back to the board centered on what was considered a complete change to Article 4, so Bob created a chart to show how the newly proposed amendment corresponded with the current Covenants, and he made that available to everyone to look over. He stated that we really need to get this information out to the community so they understand that this isn't really a change. Steve Isle asked if this chart could be put into a PDF file and put onto the website so everyone could look at it. Bob Hernandez stated that he thought he might be able to do that. Bob further discussed the RV and time on site regulation, stating that it was also discussed at the workshop. He explained that a clarification of this regulation will be posted on the website and in Smoke Signals so that everyone who brings a guest RV to Arrowhead will know to stop at the check-in and fill out the card asking for an RV permit. Security will also check on RV's to be sure they have a permit and, if not, give the owners a copy of the regulation clarification letter and a card to fill out requesting the required permit. Bob then asked Bobbie Kerns and Patty Greeves if they would like to make a presentation regarding their input to the board during the workshop. They declined. We need to have this election at the same time as the election for the new board members so we can save on mailing costs, and we need to do what we can to inform the public to both give input and vote. If this amendment doesn't pass this time around, it may have to go to court for a decision so that we have Covenants that are up to date with our community needs, but this is not the choice of the board.

5. Action Items:

- a. **Board of Directors Handbook:** Bob Hernandez stated that the board realized that the handbook currently on the website is not the most up-to-date handbook. "The redline version that was updated in 2006 was approved by the board in August 2006 but was not posted. This will be the one that is used as a guide for any changes that might need to be made and will be posted on the website
- b. **Enforce / Revise current Regulations:** Bob Hernandez stated that we need to have stronger enforcement of the current regulations. With the way the board is instructed to handle enforcing the regulations, people can easily ignore what they are asked to do because there is too much time for them to respond to conforming to the regulation. Reinie Masanetz has a copy of the recommendations that came from the committee that was formed to address this issue, and that is what the board will use as a starting place for creating stronger enforcement.
- c. **Design Review:** Bob Hernandez announced that there had been two vacancies left on the Design Review Committee and the board appointed Wayne Flick and Tim Carlson to fill these vacancies. He stated that Larry Shuler and Craig Pugh had also expressed an interest, and he thanked them for their interest in serving on the committee.

6. **Announcements from the Board of Directors:**

- a. Reminder of Board Meeting dates for 2012: The next meeting will be held on May 19 at the firehouse. Following meetings will be held at the Inn (unless otherwise noted) on June 16, July 21 (at the firehouse), August 18, September 15, and October 20. The Annual Owners' Meeting being held on August 18th after the Board Meeting, the New Owners Reception being held on July 21st after the Board Meeting (at the firehouse). And, finally, that the Winter Residents Meeting be held on October 20th after the regular Board meeting. All regular Board Meetings will begin at 2:00 P.M.
- b. 5 Year Financial Review: **Al Hale** put together a 5 year review of where our finances are headed and how we will be affected by over time so that the board can use it as a guide for future budget planning.
- c. Don Koeltzow reminded everyone to join the Snowmobile Club so that dues don't have to go up to replace a groomer in the future. Lucia Lebon added that if we do get a grant opportunity in the future, they would probably ask for matching funds, so we need to be prepared for that, too.
- d. Delinquencies: Bridget Isles asked how we have been progressing on dues in arrears. **Al Hale** responded that he did an analysis of the delinquent list which shows that we are currently showing a \$43,000 in dues in arrears which represents 89 lots. Al stated that legal fees to collect delinquencies and the money owed from 26 lot owners was the bulk of the money owed but this is moving along as expected. Bridget further questioned the possibility of the AIA to foreclose on these lots, and Bob Hernandez explained that there is a protocol the board must follow in collecting dues that is outlined in the Board of Directors' Handbook, and we are following these guidelines. Bridget then asked if it would be possible for AIA to buy these lots, and Bob did say that could be a possibility since we already own a foreclosed lot on Crest that we need to put up for sale. Craig Pugh wanted to know how these delinquencies affect our budget as compared to 5 or 10 years ago. Bob stated that it has gone up because of economics, but stated that much of the delinquent amount comes from owners who still have not paid last quarter's dues but most of those will pay. He explained that our attorney uses all possible avenues for collection. Lucia Lebon was asked how many homes are currently in foreclosure, and she stated that there are currently three and have only been six to eight in the last three years. Craig Pugh wanted to know if these properties were for sale to which Bob replied that he didn't know at this time. Joyce Boulter stated that eight lots had been foreclosed on in 2011 and they went back to the bank. She said that some of these lots were vacant while others had homes on them.
- e. Operating Expense Reserves: **Al Hale** explained that our Operating Expense Reserves should be able to cover a 6 months period of time and we have a shortfall of approximately \$50,000 in that account. He made a motion that we move \$50,000 from Acct 363 (Undesignated Reserves) and move it to Acct 357 (Operating Expenses). Don Koeltzow seconded the motion and with no further discussion, the motion passed.

7. **Announcements from the audience:**

- a. **Paul Grosvenor** had no announcements from the fire department. However, Lucia Lebon stated that an AED was not working so had to be removed for repair.
- b. **Rich Ostrom** announced that the forest service would be up to do their annual ride to make sure that we are doing what is needed in order to have a 10 year permit on the use of the Alpine Road for the Arrowhead Snowmobile Club.
- c. **Joyce Boulter** reminded everyone to sign up for food for the chili supper following the Annual Snowshoe Golf Tournament to be held on Saturday, March 17th beginning at 1 P.M. at the firehouse. She has the sign-up sheet with her, so you can sign up today if you haven't already.

8. **Adjournment:** Hearing no further comments, Don Koeltzow moved to adjourn the meeting. Sharon Pugh seconded the motion and with all in favor, the meeting was adjourned at 3:15 P.M. The next Board meeting will be held at 2:00 P.M. on May 19, 2012 at the Inn at Arrowhead.