

Arrowhead Improvements Association

Board of Directors' Workshop Meeting

Saturday, January 19, 2013

9:00 AM

AIA Firehouse

- Prior to the start of the meeting outgoing president Bob Hernandez addressed the Board and owners in attendance and thanked everyone for their support over the past two plus years. Bob announced the resignations of Forest Manager Bob Rosenbaum and Carol Flick as Board Secretary. Carol will continue to serve her term on the Board.
- AI Hale, presiding officer, called the meeting to order at 9:27 AM. A quorum was established.
- Board members:
 - AI Hale
 - Mike Wigent
 - Linda Squirrell
 - Bobbie Kerns
 - Barrie Riddoch
 - Sharon Pugh (via conference call)
 - Carol Flick (ill but participated for parts of meeting via conference call)
- Dave Tobler from the AIA office was also present.
- Meeting minutes from Sept., Oct., and Dec. need to be reviewed and approved. Some issues still need to be corrected for each set of minutes. Revisions will be completed and the minutes will be submitted for approval at the March meeting.
- Mike Wigent started a discussion regarding the use of email to conduct Board business. New state law HB 1237 allows owners to request Board emails relative to specified topics. This allows owners more transparency into the Board decisions and discussions. Sharon commented that each Board member should establish a separate email account exclusively for Board business in case these emails need to be provided to owners. Mike pointed out that situations will arise where decisions need to be made before an upcoming Board meeting. It was decided that using email was not only necessary, but required, to conduct Board business promptly.
- AI reviewed the Dec. 2012 financials. Key points were:
 - The checking and savings account was split into another account and bank to keep each account balance under the \$250,000.00 limit on FDIC insurance.
 - Forest Mitigation Grant for \$30,000 was received (line 422).
 - A new office copier was bought using \$2500 from the 2012 surplus and \$1300 from the \$2013 budget (line 530).
 - \$1473 of fuel was bought (line 612)
 - Final lease payment on the grader was made. Arrowhead now owns the grader budget line (line 613).

- The Snowmobile Club received their additional grant money and is in the process of ordering the new groomer. The Association is funding the modification of the new groomer for \$8000. The modification will reduce the width of the groomer from 16 feet to 14 feet to accommodate grooming of the filing roads. The additional \$2366 was spent on groomer maintenance and grooming of the filing roads. (line 699)
- The year end balance was a surplus of \$25294.35.
- There was some discussion of reporting of member dues and delinquent dues. Dave explained that this information is in the report and no changes are needed.
- Al reviewed the 2013 Proposed Budget. He received questions from four owners and discussed a few of the questions. The majority of questions concerned:
 - Lot assessments- The question was whether these might be overestimated. Al felt the number was reasonable because there had been a significant reduction in delinquent accounts over the past year.
 - Office education- This provides education regarding updates to tax and payroll and software training.
 - Telephone costs- The Association pays for several phones. The Board will look into these costs and see if they can be reduced.
 - Reserves- Al stated that the current policy has been to fund reserve accounts from year end surpluses. Al has been reviewing Reserve policies and studies. He believes that a policy can be established and the reserve study conducted by using volunteers. The reserve study is expected to take 2-3 months to complete. Results of the reserve study will be factored into a five year financial plan.
 - It was noted that a requirement to have at least a six month operations reserve resulted in moving some monies into that item (line #357) to increase the amount to \$200,000 to be in compliance.
 - The other area discussed was mitigation. New laws no longer allow HOAs to force mitigation; hence, no applications for grant money has been submitted. A new line item, Forest Health, will be added to include items such as MCH packs and plastic wrap.
 - The reporting of the budget during the year was discussed. It was decided to continue with the year to date (ytd) format.
- The proposed Bylaws changes were discussed. The decision was made to bring this item up again during the March Board working session. Many comments were made but the consensus was:
 - The wording of the changes needed further consideration.
 - The proposed changes had not been discussed in any board meeting.
 - The owners and the two new Board members were not able to provide input into the discussions regarding these changes.
 - Some owners had submitted email comments that none of the Board members have seen.
 - Comments were also made about the communications with owners. There are several ways to get the messages out but many owners aren't getting the

information in time. During this discussion Melissa Hernandez, Communications Manager, resigned her position.

- The next topic of business discussed was Rob Robbins and his Master Motor Sports business being conducted at the Association winter parking lot. A requirement for Rob to conduct business on AIA property was that he provide the Board with proof of proper insurance. Rob provided a copy of his policy. Linda noted that there needed to be a modification to indemnify the AIA on the policy. Rob will work with Dave Tobler and the Association Insurance Agent to correct the endorsement on the policy so that Rob can conduct work on Association parking lot.
- Rob also raised some concerns about consistent treatment from Security and the Board regarding some complaints lodged against him. His points were noted and the Board and Security agreed to collaborate so that any future incidents are handled by proper procedures.
- The new Board Officers were selected (volunteered). Al Hale volunteered to continue as Treasurer. Mike Wigent volunteered to be Vice-President. Barrie Riddoch volunteered to be Secretary. Bobbie Kerns agreed to be President
- The meeting closed with some discussion about the Workshop-Board meeting structure. The Board discussed a more structured approach for the working session and there was a consensus to try to do both meetings on the same day rather than over two days which has been the past practice.
- The meeting was adjourned to Executive Session.
- During Executive Session the following topics were discussed:
 - Personnel issues and actions
 - Delinquent accounts were reviewed
 - Manager vacancies were discussed

Barrie Riddoch - Secretary