

APPROVED MINUTES
ARROWHEAD IMPROVEMENTS ASSOCIATION
REGULAR BOARD MEETING
SATURDAY, JANUARY 19, 2019
ARROWHEAD MOUNTAIN LODGE

STATEMENT BY LEGAL COUNSEL - Jacob With, Law of the Rockies, prefaced the opening of the meeting by addressing all owners in attendance. The open session the day before had been disrupted by a verbal altercation. J. With reminded everyone that all persons in attendance, whether Board Member, AIA staff, or owner, should be treated with respect. Order should be maintained at all times. J. With had advised the Board President, in the future, to first gavel for order should a similar disruption occur. If order is not restored immediately, any disruptive individual(s) would be asked to leave the meeting. If they do not comply, the meeting will be adjourned.

INTRODUCTION OF 2019 BOARD OFFICERS – Newly elected 2019 Board President Patty Greeves introduced the other newly elected Board Officers and described the Board Liaison responsibilities for each Board Member.

2019 Board Officers & Members

President - Patty Greeves

Vice President - Dick Bloss

Secretary - Keith Dalton

Treasurer - Lowell Kindschy

Member - Larry Kontz

Member - Kim Norwood

Member - Jim Matteson

Board Liaisons 2019

Greeves – Design Review Committee, Weed Control and Horse Corrals

Bloss – Forestry and Patrol.

Dalton – Communications and Election Committee

Kontz – Lakes, Governance and Real Estate

Norwood – Governance and Patrol

Jim Matteson – Maintenance & Improvements, Forest Refuse Site, Alpine Plateau Road/Hwy 50 projects

Kindschy – Treasurer duties only. No liaison responsibilities

PLEDGE OF ALLEGIANCE - Greeves led the owners in the Pledge of Allegiance.

CALL TO ORDER- Greeves called the meeting to order.

DETERMINATION OF QUORUM:

Present were: President Patty Greeves, Vice President Dick Bloss, Secretary Keith Dalton, Treasurer Lowell Kindschy and Board Member Kim Norwood. Absent (excused) were Board Members Jim Matteson and Larry Kontz. A quorum was determined sufficient to conduct business.

ADDITIONS AND/OR DELETIONS TO THE POSTED AGENDA: Greeves announced that one item needed to be added to “New Business” as Item #6. Curt Strange would give a snow grooming report. Discussion and report on proposed restated and amended Arrowhead Regulations would be moved to Item #7.

APPROVAL OF THE MINUTES OF SPECIAL AND REGULAR BOARD MEETINGS AND BUDGET MEETING HELD FOR THE MONTH OF OCTOBER 2018:

- 1) The posted draft minutes for the AIA Special Board Meeting held on Friday, October 19, 2018, were approved as posted.
- 2) The posted draft minutes for the AIA Regular Board Meeting held on Saturday, October 20, 2018, were approved as posted.
- 3) The posted draft minutes for the AIA Special Budget Meeting held on Saturday, October 20, 2018, were approved as posted.

Motion by Norwood, seconded by Bloss. Unanimous.

Greeves reported on the Executive Session and Special Meeting held on Friday, October 19, 2018, between 9:00AM and 12:00PM. EXECUTIVE SESSION: *Covers issues involving personnel, delinquencies/collections, legal disputes with owners, and legal advice from counsel under CCIOA (C.R.S. Section 38.33.3.308) (a), (e) and (f).]*

Greeves reported that the agenda driven Special Meeting was open to the public and began at 1:00 PM. The meeting adjourned at 3:35 PM. After owner comments, the following issues were covered: 1) Report by Jessica Amie on Hwy 50 Highway Construction project in Little Blue Canyon, 2) Discussion on Sections of the General Regulations. Several Arrowhead property owners were present in the audience and participated in the discussion.

Legal Counsel Jacob With spoke about the primary issue of contention in the proposed restated and amended regulations; the proposal to increase storage shed maximum square footage from 200 to 500 square feet. He suggested that during further review and owner input, the proposed Regulations be broken into segments that will allow those that are unchanged or unopposed to advance and those that are subject to opposition to be further discussed.

Greeves described a two year collaborative effort with former Board Member Becky Stilley in which owner input was sought but almost none received. Special Meetings were poorly attended. As sections were discussed and amendments proposed they were posted to the AIA website.

J. With offered that disagreement regarding the process was not productive, especially in light of the fact the proposed changes would not be voted on that day. The Board had heard the voices of owners in opposition and would consider their further input before moving forward.

Mary Cockes restated her complaint made the day before that the notice to owners regarding the proposed restated and amended regulations did not make it clear that some regulations would be changed. Pat Grosvenor agreed.

Linda Squirrell stated that most owners live outside of the area, and even when in Arrowhead seasonally, choose not to participate in meetings or stay current on AIA business. She felt the board must find a better way to notify all owners of proposed changes to the Regulations. She suggested a mailing.

J. With responded that an ownership mailing had been proposed at the Friday meeting and described the discussion regarding the potential format. Doug Cockes had offered to pay the postage. J. With and Greeves would be working on the mailing.

Carla Vavrik suggested an email or web-based survey of all owners regarding the matters of contention. Lisa Ditmore said that once the new AIA website was fully operational such a survey would be possible.

Lucia Lebon asked about the method of posting changes as the process continues.

REVIEW OF FINANCIAL STATEMENTS: Kindschy summarized his review of the newly approved budget with emphasis on line item overages from the previous year. Excess legal fees were mostly the result of delinquency, foreclosure and sales of several lots. The development of an AIA owned forest refuse site was another significant expense. A full audit will be conducted in the immediate future. Major owner assessment delinquencies (in excess of \$1000) have been reduced from 15 to 9 lots. Treasurer's Report attached to these minutes for details.

OWNER COMMENTS: None

BOARD COMMENTS: None

OLD BUSINESS: Items held over for discussion/updating from the October 2018 meeting:

1. **Update on the Arrowhead forest refuse site relocation and related issues** - With the absence of Project Lead Matteson, Bloss provided the board and attendees with an update on the Arrowhead forest refuse site. The length and severity of the winter will determine when work can continue on the site. Gravel must be brought in and additional grading conducted. All efforts to complete the site as early as possible will be made. Bloss thanked owners for their patience. The BOD will keep the community fully informed as to the date of final completion.

2. **Foreclosed lots, recap of expenses** – J. With gave a brief overview of the process involved in the foreclosure of delinquent lots. The cost of foreclosure often exceeds the value of the delinquent lot. As a result, only lots delinquent in excess of \$1000 are being considered for foreclosure. J. With asked for input. Lebon reported that the low sales price of foreclosed lots and one privately owned lot drove the average sales price of lots lower by several thousand dollars compared to the previous year.

Greeves suggested having foreclosed lots included in clean up days to facilitate mitigation which will make them more marketable. Vavrik (Forestry Committee) supported the idea.

J. With finished by describing how expenses resulting from foreclosed lots are recorded in the budget. Currently, only one foreclosed lot remains in AIA ownership.

3. **Overview of insurance audit** – Greeves and Bloss reported on the progress of their insurance audit. Their 10-month effort had disclosed many discrepancies in classifications for the underwriting of multiple types of policies including Workers Compensation. AIA spends in excess of \$34,000 annually on insurance.

NEW BUSINESS:

1. **Review of Action Without Meetings (AWM).** 2018 President Norwood reported that the following AWM were held between the October 2018 AIA Regular Meeting and today's meeting:
 - a) AWM held October 22, 2018, to consider offer on 620 Crest Drive/AIA owned property.
 - b) AWM held October 24, 2018, to consider counteroffer on 620 Crest Drive /AIA owned property.
 - c) AWM held December 12, 2018, to extend open meeting and vote dates on the proposed restated and amended regulations.

Norwood explained that this action was prompted by owner input received that identified some of the proposed regulation changes as an issue of contention. He added that he appreciated input from all owners regardless of opinion, but asked that in the future, comments be limited to a rational discussion of the subject and not as a vehicle with which to deliver personal attacks.

2. **Update/information on FedEx and UPS drop boxes at Hwy. 50** – Bloss described his efforts to resolve an issue involving FedEx and UPS. The amount of packages in the small building played a role, and owners could help the matter by retrieving delivered packages promptly. UPS drivers stopped delivering packages after they were told they could not use the drop box at Hwy 50 by FedEx. Apparently the dispute also involved co-use of other drop boxes near Montrose. It was determined that the drop box had been originally installed by FedEx many years before and had since been used by both

companies. UPS has reported it will be moving a dedicated UPS drop box to the site soon. It is hoped the additional drop box will eliminate any future problem.

- 3. Discussion and possible vote on AIA hiring a CPA firm** –Greeves spoke of the desire of the board to hire a consulting CPA to work alongside the AIA Business Manager. The intention is to hire a CPA for a yet-to-be determined period of time in order to bring accounting practices up to current industry standards. The CPA would not be the same firm that will be conducting an audit of finances. J. With described the necessity of having the services of an auditor, CPA and legal counsel. He said that current business management expenses are about \$10,000 per year less than before Law of the Rockies assumed management.

Kindschy noted that the expenditure is not included in the 2019 Budget. Further discussion of the term and maximum expenditure resulted in a cap of \$8500 for the year with a reassessment in 6 months.

- a) Vote - hiring CPA with cap and reassessment:** Motion by Kindschy, seconded by Dalton. Unanimously approved.

- 4. Resolution for banking signatures** – Greeves reported on the required update of banking signature cards required by the election of new board officers. Collective personal appearance at each bank is required as well as approved board meeting minutes. Due to the desire to expedite completion of signature cards, J. With had prepared a Board Resolution to be utilized instead of the meeting minutes.

- a) Vote - Resolution for banking signatures:** Motion by Norwood, seconded by Bloss. Unanimously approved.

- 5. Appointment of 2019 Election Committee** - Greeves explained that the resignation of four of five members of the election committee has resulted in open positions. She asked that anyone interested send her an email. Bridget Isle described the duties of committee members. Information at; <https://www.arrowhead1.org/election-committee>

- 6. Filing road snow grooming report** – Curt Strange gave a presentation on snow grooming of the filing roads and addressed complaints of the condition of same. He reminded owners not to exceed the posted speed limit and to ride seated rather than standing. Both actions are the greatest contributors to poor surface condition, especially the formation of “moguls”. Strange attributed condition of the filing roads primarily to lack/spacing/quality of snowfall and traffic volume. Bloss had contacted the manufacturer of the groomer and arranged for a trainer to respond to Arrowhead and provide instruction particular to use of the groomer on filing roads. Strange found the training beneficial and has already incorporated the learned techniques into his grooming. He asked anyone with concerns about condition of the filing roads to contact him.

- 7. Discussion and report on proposed restated and amended Regulations** – Jeri Rau asked that the storage shed size issue be prioritized as she and two neighbors are considering building garages this summer. J. With said he was suggesting that after additional opportunities are allowed for comments, the Board could vote on the matter at the May Board Meeting. This would hopefully allow owners wishing to build to be ready for the summer building season.

Linda Squirrell read a letter she had presented to the Board. She emphasized that the Board is required to enforce the Covenants and the Regulations. However, the Board is not required to change either at the request of any owner or group of owners. She stated that allowing multiple types and sizes of accessory buildings before building a home will cause Arrowhead to look like a “hodgepodge” rather than a single family residential community.

Mary Cockes asked if a vote would, in fact, occur at the May meeting. J. With replied that he had spoken “off the cuff” earlier and no decision had been made regarding a vote but hoped to have that discussion immediately. Cockes felt that the decision should be a community rather than Board decision. Rau felt it only fair that owners wishing to develop this summer know what the Regulations would be before then.

After calling for addition comments about the regulations and none received, J. With discussed the further review of the proposed changes. He suggested holding open meetings allowing for owner input about a month apart, and potentially completing the process by the end of April. Additional notice to owners and/or a survey could also be conducted.

Cockes asked if a garage being constructed before a house would be submitted as a Covenant change. J. With replied that the proposal had been withdrawn. Only the storage shed size increase from a maximum 200 to 500 square feet and a wood shed (maximum 250 square feet) were still proposed. Cockes expressed her concern that owners might occupy accessory structures as dwellings. J. With said that the current regulations already address that issue, but should be discussed since enforcement by AIA is very difficult.

Greeves explained that most of the proposed changes are legal/regulatory driven and are not controversial. She asked J. With if he considered it necessary to further review these as opposed to simply concentrating on the obviously controversial ones. J. With felt that time should be provided for a complete review and that the Design Guidelines be the last reviewed which, would allow more time for owners to review the changes. A quorum would not be required if organized as a meeting of a committee of the Board versus a Board Meeting.

Greeves requested constructive input and stressed the value of the same to the Board. Kindschy asked for owner input whether positive, negative or even non-committal.

Lisa Ditmore suggested the creation of a single email address so that all members would receive all owner input from once source in a much more efficient manner.

Greeves asked that owners contact Board members with questions or comment but to please be respectful as to time of day, holidays, etc.. She suggested an example of keeping calls to business hours (9AM-4PM). Norwood said that he and Bloss had both received calls on Christmas Day.

Vavrik also asked that community events such as the owner potluck should not be used as an opportunity to confront others. It only causes owners to avoid attending AIA events.

Further discussion was held about the timing of the pending mailed notification and additional notice via the AIA Website of the additional meetings to be held. Dalton asked for any method of notice to owners not already attempted other than the pending direct mailing of notice to owners. None were suggested.

Joanie Aufderheide also asked owners to respond to the notice regardless of opinion.

Lebon reminded the Board that not all owners correspond by email, and that any notice should include an option to submit input by mail.

Vavrik asked if significant changes to the regulations could be identified, collected and provided to owners in a single page format. J. With replied that he had advised the Board against publication of a strike-through or similar modified document since any error or oversight could become a contentious issue. The risk of publishing an inaccurate document outweighs any potential benefit.

COMMITTEE REPORTS:

- 1. Communications** – Ditmore reminded owners of the Smoke Signals due dates. All articles are due the 25th of the month, and advertisements are due by the 20th of the month before they are to be published. Lisa and Robb Pennie will continue their work on the website conversion.
- 2. Design Review Committee** – Earl Fay reported no plans had yet been submitted to DRC. He believed some owners are waiting for the outcome of the proposed restated and amended regulations. As a result, he expects his committee to be very busy early in the summer. DRC will be looking for more board members for 2019. If interested, please contact Earl.
- 3. Fire Protection District/AIA Fire Department** – No Report. However, Bloss reported that he and Norwood attended the last Fire Protection District Board Meeting and answered questions at that meeting regarding grooming. Vavrik asked for new volunteers to please consider joining the Fire Department. Younger new residents are especially encouraged to join. Arrowhead Fire Protection Board Meetings are open to all Arrowhead Residents.

4. **Forest Management** – Bloss, in the absence of Bill Conway, reminded owners that the deadline to order MCH Packs was approaching. Numbers so far ordered is down from last year. Information on how to do so is posted on the Forest page on our website. If you have any questions, Conway welcomes calls and emails.
5. **Heavy Equipment/Maintenance** – Bloss, in the absence of Matteson, reported that the Association has not done any unscheduled equipment maintenance or repair work recently. The only thing pending was a block heater installation in the loader. He recognized Will Hobson and Strange for repairing filing road signs.
6. **Patrol** – Dave Reddish reported on staffing, fugitive cows frequenting the Spruce Road area, running driveways, road closure, increased parking lot congestion during holidays and computer issues. He reminded owners with driveways that need to be run, need to have a current waiver on file and have previously marked an appropriate path to be run. Don't wait until February to request a driveway to be run; plan ahead.

BOARD ANNOUNCEMENTS: Norwood encouraged all owners to support the Arrowhead Mountain Lodge.

J. With described the process that resulted in the approval granted to an Arrowhead Mountain Lodge-sponsored one day dog sled team event to be conducted on filing roads on January 27th. Norwood and Bloss had been approached to seek permission for the event. After deciding an Action Without a Meeting, was not required and not perceiving any opposition to the event granted permission. It is now recognized that notification to other board members and potentially affected owners should be considered in the future.

OWNER ANNOUNCEMENTS AND COMMENTS: Isle responded to J. With's above comments regarding the dog sledding event as it related to insurance, posting of the route and Patrol monitoring the event. Jessica Amie described the route, timing and cost of rides.

Jeri Rau expressed her concern that undesignated or "ghost trails" have increased and asked about the ability to enforce the regulation regarding them. Several owners note that signage does help. Additional signs will be posted.

Vavrik encouraged owners to attend exercise class at the Arrowhead Fire House on Monday, Wednesday and Fridays between 10:00-11:00AM.

Bill Bensley asked about an extension of the winter parking lot. The Board recognizes that additional space is needed. Cost is the major issued the project faces. Matteson has done preliminary research into an expansion and he will be consulted.

ADJOURNMENT: Vote – adjourn meeting: Motion by Bloss, seconded by Norwood.

Unanimously approved.

The meeting adjourned at 3:50 PM.

Submitted by Keith Dalton, Secretary/Member, AIA Board of Directors.

KEITH DALTON
Secretary/Member
AIA Board of Directors

02/02/2019

During the DRAFT phase of the Meeting Minutes, some reports, letters and/or correspondences presented by employees, committee members or BOD members may not be available for posting. They will be attached upon receipt if received before the DRAFT has been approved by the Board of Directors.

Attachments:

- 1) Communications Report**

Communications – January 2018 Report:

SMOKE SIGNALS:

- All articles for the upcoming **February/March 2019 edition of Smoke Signals** is **due no later than Friday, January 25th. Advertisers ads are due by Sunday, January 20th.**

(AIA) Facebook Page:

- Our page has gone over **1K “Likes”** and we are now **“Followed” by 984 people!**

AIA WEBSITE:

- **Starting on Sunday, January 27th, we will be performing our website upgrade.** Please be aware there will be minor interruptions over a 2 to 3-day period. Thank you in advance for your patience during this conversion process. For urgent information, you can always visit our Facebook page.
- Our webmaster, Robb Pennie will be **unavailable the last week of January.**

BLAST EMAIL LIST:

- As always, if you want to stay up-to-date with important information related to our community, please sign up for our Arrowhead Blast Email Listing: arrowheadblast@gmail.com

Lisa Ditmore

AIA Communication Manager

AIA Website: www.arrowhead1.org

Smoke Signals: aiasmokesignals@gmail.com

 AIA Facebook page: aiafacebook1@gmail.com or <https://www.facebook.com/ArrowheadinColorado.AIA/>

AIA Blast Email: arrowheadblast@gmail.com

Treasurer Talking Points

For the month of December we had \$5,330 of income and total expenditures of \$21,484 for a net deficit of \$16,154.

For the past year we had a total income \$428,589 and total expenditures of \$385,497. The net income for 2017 was \$43,192, leaving us with a surplus of \$1,192 after making our contribution of \$42,000 to our reserve study fund to fund future expenses.

Some significant factors contributing to ending the year with a surplus were the payment of the grant of \$10,000 from the Forest Service for removal of beetle kill trees, not having to conduct an election for directors which saved us \$5,000 and the mild winter with no snow which reduced costs for heating, grooming and snow removal.

The association currently has \$499,248 in our reserve study fund and with our 2017 contribution of \$42,000 will bring us up to \$541,248. According to our reserve study, which is currently under review, our association should have at least \$413,659 in the reserve fund and our reserve is more than fully funded.

Delinquencies in Dues as of January 17, 2017

There are 15 lots more than 180 days overdue in paying dues for a total amount due of \$17,313. This is 2 lots and \$2,224 more than in October.

Monetary Assets as of December 31, 2017

Checking/Savings

101 - Checking	\$90,560
106 - Money Market Funds	\$564,692

Total	\$664,260