

ARROWHEAD IMPROVEMENT ASSOCIATION
BOARD MEETING
October 17, 2009
DRAFT

The October 17, 2009 meeting of the AIA Board of Directors was called to order at 2:00 p.m. at the Arrowhead Inn with President Paul McDermott presiding. The following Board members were present: Paul McDermott, Randy Touslee, Bob Hernandez, Kathy Leary, and Diane Benson. Approximately 30 owners were in attendance. President McDermott determined that a quorum was present.

Order of Business:

1. Approval of Minutes: As acting secretary in the absence of Don Koeltzow, Diane Benson asked for any corrections or additions to the distributed minutes. There being none, she moved that these minutes be approved as recorded. The motion was seconded by Kathy Leary and the motion carried.

2. Financial Reports: The financial report for September was distributed and Randy Touslee reviewed the Balance Sheet, noting cash assets of \$183,448 which is down about \$60,000 from July. One CD matured and was put into the checking account. On the Income Statement he pointed out that lot assessments are essentially on track and we will see a significant increase next month as quarterly dues are received. One of the major expenditures was \$10,000 of gravel which has been put down on the filing roads. It is expected that we will be on budget for 2009. Randy moved acceptance of the financials as stated, Bob Hernandez seconded, and the motion carried.

3. Presentation of Budget: President Paul commented on the terrific job Randy has done on the preparation of next year's budget and copies of the proposed budget were distributed. Randy explained that 5 years of historical data is presented in order to see the growth and changes that have occurred. He noted that next year is the last year of the dues increase which will generate \$30,000 of additional income. The mitigation grant, budgeted at \$40,000, is not yet approved and that amount will be reduced by half if we do not receive a matching grant. The \$1000 income from the AFPD lease is a new source of revenue. Since AIA owns the firehouse building, we pay the insurance and are reimbursed by the AFPD. The total revenue projected for 2010 is \$455,000. Randy noted his motivation to set aside as much as possible in reserves. We have had an expensive 2 years with capital expenditures for items such as the front end loader blade, a new grader, and parking lot bathroom. He believes we need to rebuild our assets and the Board supports that effort. In reviewing the Administrative Expenses, Randy pointed out a \$2000 increase in Board Expenses which is intended to cover the anticipated covenant change election. He stated that the Board is proposing to leave unchanged the Office Manager's salary as well as the stipends for both the Design Review Manager and Communication Manager. In the Utilities category Mr. Touslee commented on the \$1000 increase in electricity and the fact that the diesel parking fees have been raised to partially offset that, although unfortunately we cannot differentiate the equipment building usage from the diesel parking usage. Under Operations, Randy pointed out the reduction in Heavy Equipment fuel, largely due to the price reduction. The Heavy Equipment payroll is reduced to \$45,000 as winter road grooming is in a separate category and will be paid through a contract with the Arrowhead Snowmobile Club. The Board is currently negotiating the grooming contract and a preliminary budget amount allows for 200 hours at \$40 per hour. The Heavy Equipment Operator's salary will remain unchanged. All Security Officers (subsequent to completion

of training) will be paid the same amount which is raised to \$13.50 per hour. The Security Manager's stipend is being raised to \$4200 per year. Maintenance Expenses show a reduction of \$1500 for weed spraying, thanks to the efforts this year of Linda Dysart. The budget for road materials remains the same as last year at \$20,000 and it is anticipated that some magnesium chloride may be required. The proposed increase in general maintenance will be used to cover upgrading signs, among other things. The Forest Refuse Expense of \$5,000 is new and a result of the Meldrums requiring payment in order to renew the lease. Both the association insurance and payroll taxes have increased. The bottom line is a Total Expense of \$426,500 which will allow us to set aside equipment reserves of \$28,000. Randy stated that the Board plans to put the proposed 2010 budget on the website. It will not be finalized until January, thus allowing time for questions or comments from property owners, and Randy said that anyone may contact him with their input.

There was a comment from Jim Squirrell regarding the Road Consultant fees, stating that he sees no reason to continue that expenditure and that he does not believe this person should become a permanent fixture. Paul McDermott responded, stating that he is not permanent, but that his work here is not yet done. Lucia LeBon noted that he did not always function as a consultant but often was doing physical work with Will. Paul replied that was true and it has been determined that it was sometimes more efficient for the two of them to work together to accomplish the desired goals. Randy Touslee noted that all of the hours are paid at the same rate and that the total budget for Mr. Caton is \$9,000. Jim Squirrell suggested there may be a conflict of interest since the consultant is a friend of Paul's. Paul refuted the accusation stating that Don Koeltzow supervises the consultant. Joanie Aufderheide recalled that we are in the midst of a 5 year plan to bring the roads up to an acceptable standard. Paul agreed and stated that the consultant's expertise is still be needed to fix some drainage problems and complete a section-by-section maintenance plan.

4. Management Reports:

a. Communications: Cheri Ratliff was not present at the meeting, but at the Friday workshop, she provided a Service Provider letter and address list which will be mailed out to potentially generate advertising revenue on the web site. The ads will be for services generally needed at Arrowhead.

b. Design Review: Joyce Boulter noted that "all is quiet on the western front" and her committee is doing work to update and clarify the Regulations. They are considering adding an Arrowhead reclamation standard for some of the smaller reclamation issues.

c. Forest Management: Bob Rosenbaum stated that there is no new information on our grant request and that the stump dump is still open and available for owner use.

d. Maintenance and Facilities: In Don Koeltzow's absence Paul asked Will Hobson for comments. He talked about the work being done on Columbine Drive to remove the trees necessary for the new (wider) groomer access and said they will hopefully finish up shortly. Then he will begin getting the winter equipment ready in preparation for snow and closing of the roads. Will asked that the Board consider what we want to do about the residue of ash in the forest refuse site as it will probably be time to deal with it in the next year or so. Paul McDermott said that topic has been discussed both with the landowner and the Board and asked that Will provide his recommendation.

e. Security: In Reinie Masanetz' absence, John Summers provided the Security report, indicating that the winter parking lot is open. He emphasized the fact that this year vehicles without the proper Arrowhead stickers will first receive a warning, secondly receive a ticket

accompanied by a \$50 fine, and thirdly will be impounded and/or towed. Lynda Dysart asked if windshield coverings would be a problem. Mr. Summers said they would not be and that the main problem will probably be non-owner snowmobilers who come as a result of the statewide Willow Trail advertising now being done. John also explained that "no motorized vehicle" signs have been made and will be posted at places such as the Beaver Slide and Hazel Lake. There will also be "no parking" signs designating the emergency helicopter landing zone, which will require residents to park further away when the parking lot is being plowed. Mr. Summers noted that there had been a wild party on Ponderosa during which the County Sheriff came to investigate and issue citations.

5. Committee Reports:

a. Contractor Equipment Storage: Bob Hernandez said that he and Diane Benson had been assigned to address the problem of storage of construction equipment on residential sites. A meeting was organized to address the concerns of the contractors and nearly all contractors attended. Possible solutions were discussed and work will be done over the winter to try to establish an area that can be used for this purpose. The next step will be to determine land use zoning requirements and define the project cost. Bob noted that the intent is to find a win/win solution which eliminates the problem for the contractors and saves money for those owners doing construction projects (by avoiding transport fees). He indicated that our goal is to be able to enforce the covenants but keep the equipment on the mountain.

b. Covenant and Regulation Exploration Committee: In the absence of Rich Ostrom, Paul McDermott said that the committee has completed a draft revision of the covenants which is now at the attorney's office for legal review.

c. Fire Department: In the absence of Chief Stilley, Bob Rosenbaum reported on the emergence call from the day before in which an 80 year old hunter rolled his ATV and cracked a few ribs. Bob indicated that the new AED cabinets will be put up in the next 2 weeks and that the Inn is now on the Fire Bar. The fire department has acquired another new snowmobile and the new fire truck is ready to be put into winter service. Kevin Stilley has requested nominations of kids to be Honorary Fire Chief for burning of the stump dump.

d. Snowmobile Club: Eric Johnson reminded everyone that there will be a club meeting following today's AIA meeting. Member applications will be available and new club t-shirts and hats will be on sale.

6. Action Items:

a. Designation of 2010 meeting dates: Kathy Leary moved to set the Board Meeting dates for the third Saturday in the months of January, March, May, July, September, and October, with the July meeting designated as the Annual Meeting. Paul asked for discussion and Diane Benson noted that the Board is not doing this to reduce its work load. In fact the Board will have workshops every month in order to spend more time resolving issues and solving problems. Paul pointed out that meetings are traditionally not held in November and December due to holiday conflicts. Randy Touslee then seconded the motion and the motion carried.

b. Filling in of a trench: Diane Benson moved to assess a fine of \$500 against Lot 22, Block 1, Filing 3, for failure to properly fill in a utility trench in a timely manner, and to direct the owner to fill in the trench with 14 days notice. The motion was seconded by Randy Touslee and the motion carried.

c. Notice regarding common land damage and unsafe motor vehicle operation: Randy Touslee moved to notify the owner of Lot 5, Block 11, Filing 1, that damage caused by motor vehicle travel on common land between the lot and filing roads must be reseeded with approved wild grass seed, and further documented complaints of unsafe motor vehicle operation by family members or guests will result in assessment fines. Kathy Leary seconded the motion and the motion carried.

d. Notice regarding loud partying: Bob Hernandez referenced John Summers' earlier explanation of a loud party and moved to notify the owner of Lot 7, Block 22, Filing 1, that any further documented complaints concerning loud noise from the property, or disruptive behavior by family members or guests will result in assessment fines. Randy seconded the motion and the motion carried.

e. Boundary line adjustment: In order to resolve an issue of encroachment by the Evergreen Lake access road upon the defined boundaries of Lot 2, Block 2, Filing 1 of Arrowhead in Gunnison County, Randy Touslee moved that the center pin of said lot be moved a distance of 100.29 feet in a direction of N34 degrees 28' 50" W from the original location, all movement having occurred on land owned by AIA, Inc. Paul asked for discussion and a member of the audience expressed concern about the extreme distance of 100 ft. and asked what degree of certainty the AIA has that it actually owns the property. Randy assured him about the criteria used and the large amount of common land in the vicinity and volunteered that the acetate map could be viewed at the close of the meeting. Bob Hernandez seconded the motion and the motion carried.

7. Announcements from the Board: President McDermott announced that the draft contract with the Meldrums for lease of the Forest Refuse Site has been drawn up by our attorney and reviewed by the Board. The new contract will be annually renewable at Meldrums insistence. The land is subdivided into 34 acre plots and should the Meldrums decide to sell a lot(s) some day they do not want to be constrained by a long term lease. Dee Sedgwick expressed the opinion that renting/leasing land for the forest refuse site is not advisable and AIA should make every effort to buy a piece of land for this purpose. President McDermott said the Board completely agrees but have not yet had any luck finding such a parcel.

8. Announcements from the Audience: Bob Rosenbaum announced that the AFPD proposed budget is posted at the firehouse and will be finalized at the November 21st meeting.

Mary Cockes announced that she has a supply of the new Arrowhead Awareness books.

Lucia LeBon stated that she believes we will miss having the cross country ski track near the Inn and a general discussion ensued. Jim Squirrel, Mary Cockes, Dee Sedgwick, Will Hobson, and Sally Burcher all spoke strongly in favor of retaining the Inn track. The Board explained the reasons for moving the track to Hazel Lake, but agreed to re-look at the possibility of grooming both tracks.

Bob Hernandez announced that the John Krall Award committee had received over 30 nominations with 8 different people being nominated for this year's award. The recipient has their name added to the plaque and receives a gift certificate for dinner at the Inn. The recipients of this year's award are Ron and Diane Benson.

9. Adjournment: Diane Benson moved that the meeting be adjourned. The motion was seconded by Kathy Leary and the motion carried. The next meeting will be held on January 16 at the Arrowhead Inn.

