

**Arrowhead Improvements Association  
Board Meeting Workshop  
Inn at Arrowhead / Fire Station  
Friday, 9 March 2012  
11:15 AM**

11:15 Lunch at the Inn at Arrowhead

Board Members Present: Bob Hernandez, Don Koeltzow, Carol Flick, Al Hale, Rich Ostrom, Sharon Pugh, and via Skype: Larry Bruestle

Office Manager: Dave Tobler

Committee Managers: Bob Rosenbaum, Reinie Masanetz, Melissa Hernandez, and Joyce Boulter

Audience: Bobbie Kerns and Patty Greeves

**Call to Order**—Bob Hernandez called the March 9, 2012 Board Workshop meeting to order at 11:15 A.M. at the Inn at Arrowhead.

**Determination of Quorum**—Bob Hernandez determined that a quorum of the board was present.

**2012 and 2013 Fire Mitigation plan** – Bob Rosenbaum stated that the Ute Project encompasses about 49 acres of which 30 acres are private lots and the remaining 19 acres are common land. 7 of the private lots have been mitigated, and the area has been divided between “easy” and “hard”. The contractor’s price for the “easy” area is \$2380/acre, and his price for the “hard” area is \$2840/acre. The contractor will cut his price in half for those lots that have everything cut that needs to be cut AND is piled according to his specifications.

Money available:

Grant: Up to \$50,000 (50:50 match)

AIA: \$20,000 budgeted

Need: \$30,000 minimum in cash or in-kind to satisfy the grant.

In terms of acreage, we will be able to count the 7 acres already mitigated as well as any other completed work done prior to September 1, 2013 toward the grant acreage. This would include the 7 lots cited above, any work done by owners in 2012, work done by the contractor and work done by volunteers. The contractor must be paid in cash for work done. In terms of filling the \$30,000 hole: Bob Hernandez has proposed that property owners who prepay by December 1, 2012, receive a \$1000 discount. Assuming 100% compliance, that would generate \$38,180. Bob further proposed that those who prepaid by Mar. 1, 2013, receive a \$750 discount.

Breakdown of Costs:

Private lots (assuming contractor does all 23)

1. Hard = \$39760
2. Easy = 21420
- Total+ \$ 61,180

1. If all owners get money in by Dec.1, 2012, this would generate \$38,180, giving a total of \$108,180 for the project. With \$61,180 going to the private lots, this leaves \$47,000 for the common land. Assuming an average of \$2660/acre for the common, this would pay for 17.7 acres for a total of 47.7 acres done (23 plus 7 plus 17.7)
2. If half the owners pay by 12/01/2012 and half by 03/01/2013) this would generate \$41830. The additional \$3650 would pay for another 1.4 acres of common.
3. If only 75% compliance, under the first example only \$28,635 would be generated leaving us \$1365 short for the grant match. Under example #2, \$31,372.50 would be generated.

Other factors:

- 1 If owners want to do the work themselves, it must be completed by Oct. 15, 2012. This is so lot owners won't be getting in the way of the contractor's crew.
- 2 If lot owners do a partial cleanup before Oct. 15, (all material cut and stacked according to contractor's specs) this will reduce the contractor's price by 50%.

NOTE: Work done by owners can count toward the grant match as can money they pay their own contractor.

NOTE: In-kind work done by volunteers can count toward the match.

For the Board to decide, (with more than deliberate speed so that a letter to the appropriate lot owners can be included in the next dues billing. The deadline for inclusion is March 29<sup>th</sup>):

1. The amount and dates of any discounts for lots done completely by contractor.
2. If there should be discounts for lots partially done by owners.
3. If the seven property owners who have already cleaned lots satisfactorily should receive any compensation.
4. What to do about property owners who neither pay nor work.

The Board needs to decide how they want to go about taking this risk. If they decide by July that this will be too much of a risk for AIA, perhaps they can re-allocate the money. Bob Rosenbaum isn't sure if we can move this money toward doing another area. It was decided after much discussion, that this is too good a price to pass up, so we need to go ahead with the proposed plan.

**Security Report & Parking Lot Security – Reinie Masanetz** --- Reinie stated that we had vandalism in our parking lot but it was not considered break-in since nothing was locked up that had been taken. He suggested that we all get into the habit of locking everything up, even our houses. It is not something that we are used to doing up here, but there is nothing the sheriff's department can do about our losses if things are not kept locked up. Reinie suggested that we do a community awareness program and let security know if we see people or cars that don't seem to belong up here. Security will ask anyone who has a vehicle up here either in the parking lot or on the filing roads without a yellow sticker what their nature of business is here in Arrowhead. He also suggested the possibility of having the sheriff come up here to hold a community meeting if we thought that might make a difference. It was decided that we need to have Reinie have a sign made stating that our parking lot is under surveillance. Further, Bob Hernandez will look into the cost of getting a camera to put on the maintenance shed and wireless cameras to put on the light posts in the parking lot. We will go as inexpensively as we can and if cameras aren't able to give us the quality of surveillance we need, we will revisit this and determine what is to be done at that time. Reinie also stated that since security has purchased a new snowmobile, they have a Tundra Ski Doo for sale with a blue book listing of \$2,000. The snowmobile has had heavy use and does have 11,000 miles on it. Bob Hernandez determined that we might just let interested parties bid on it and sell it to the highest bidder with no starting bid.

**Communications Report - Melissa Hernandez** - Melissa stated that the Facebook page is very successful with 82 Facebook users reading it this past month. She also said that the March Mountain Living is out and available to everyone to read and the next Smoke Signals will be out the 1<sup>st</sup> of April. She further stated that she has had a lot of requests for some form of marketplace where property owners could post items for sale or special events that might be occurring. She read a letter she received from Kevin Stilley that she said was representative of the needs of everyone who has talked with her. The letter reads as follows:

We NEED a marketplace board on our website. I used to look at the website every other day or so to see if anyone was wanting to sell anything such as snowmobiles, cargo sleds, chain saws and what not. I have also sold items on the old board. I (as well as most people) am not willing to sift through face book to see if anyone has anything to sell. I'd be looking forever and the history doesn't stay very long. I prefer to buy on the mountain because I generally know the history of the product and trust the people I'd be buying it from. As it is we have lost that and now I have no reason to even follow the web site.

I see the Arrowhead website as a promotional tool for the community and a way for the residents to feel proud of our community. I hated to see the bickering going on this past year. I am very non political and I will not share with you my beliefs because this is not

what this note is about. This is America and everyone has an opinion which is wonderful - however, the web site is not the place for it. The web site should be run as if it were run by a community's Chamber of Commerce. This should not be a place to voice opinions no matter which side of the road your beliefs are.

Therefore, I'd like to see a "Market Place" or something to that effect added to the web site. The calendar can be used to remind people of meetings. I think it would help the Inn if they were allowed to publish a menu or reminder of Homeowners night as well on the market place site.

These are my thoughts and I hope that you present my note to the board and they take it with serious consideration. Thanks, Kevin

The board was in full agreement of having such a tool on the website, and it was decided that we would have Melissa get this put up by April 1 if possible. Larry Bruestle complimented all of Melissa's efforts with Facebook and the website.

**DRC Report – Joyce Boulter** stated that only one person put in for a deck remodel so far this year. With nothing further to report, Joyce said that the next DRC meeting would be held in April.

#### **12:40 The Board adjourned to the firehouse.**

1:00: The board workshop reconvened. Jim and Barb Darnell joined the board at the firehouse, along with Bobbie Kerns, Patty Greeves and committee managers Melissa Hernandez and Joyce Boulter

#### **Discussion items**

**Review of January Minutes – Carol Flick** asked if there were any further corrections or additions to the minutes from the board. With no further comments the draft of the January 20, 2012 minutes will be disseminated at the Board meeting tomorrow for final approval.

**Covenants Revisions and Options: Don Koeltzow** stated that he checked with Brent Mims regarding the current authority of the fire department with the old Covenants still in place, and Brent explained that he, as fire chief is the highest authority for the AIA Fire District, which means the property owners have nothing to worry about with how the Covenants read regarding the fire protection at Arrowhead. However, Don stated that there are still discrepancies in the Covenants with regards to the community. Bob Hernandez stated that as a board we could 1) do nothing, 2) send out the proposed Amendment 1 with no further changes another time for a vote since we didn't have the required # of affirmative votes or 3) --- we could fine tune it and resend it for a vote. Since we don't know why the people who voted against it did so, we could make some additional modifications with community input. We need to do what we can go get people to vote. At a minimum, we might need to make a phone call to potential voters (those who did not vote initially). The board wants to move forward with trying to get these passed. Bob asked the board members to look over Amendment 1 before the next meeting and determine if we see places that might need to be changed and bring those ideas to our next meeting to be discussed. We can use the summer to bring this up at board meetings then send it out for a vote at the same time we send out for voting on the new board members Larry Bruestle thought this would be a good idea since we don't, as a Board, have a good handle on the way property owners feel about the amendment proposal. Our desire is not to have to take this to court. Bob asked the attendees why they voted no on Amendment 1, and they stated that Article 4, Use of Sites, had become too restrictive. They further stated that a lot of people didn't want the Regulations put into the Covenants. Bobbie suggested that in deciding where to go from here, the board needs to look at what really has to be in the covenants. She further suggested that the board could make a two column list of the changes being looked at as amendments to the current Covenants and in one column list the items that must go into the Covenants and in column two list the items that aren't necessary to the Covenants but that we feel need to be regulated. Then, the board can decide why it is on the list, and if it is not needed in the Covenants to leave it out for compromise. She further stated that whatever we send out has to be in the scope of the meaning of the Covenants, and that we should not send anything out that is more restrictive than the current covenants. Patty Greeves asked how many of us have seen the original Covenants of 1973. It states that camping on the sight is for a 4 week stay. It is very broad in its scope, and doesn't say whether that on-site camping is in an RV, tent, or other accommodations. Building on sites is restricted to high quality homes. For 17 years, people bought properties based on the Covenants of 1973. Having restrictions in the regulations is one thing, but trying to restrict the property owners more than they are in the Covenants is a problem for owners. She cautioned that the board along with property owners try to work together to make the Covenants reasonable. Bob reminded Patty that the board did what they did in good faith and was not trying to further restrict residents. He agreed that we need to try to make this work for all property owners. Bob stated to Patty that everyone has our pledge to do that. The board was further asked how many lot owners are eligible to vote. Bob stated that the numbers of people who are really eligible to vote changes with eligibility. There is one vote per lot, and there are 835 lots. The board has to look at delinquencies and eligibilities at the time.

**Board Handbook Update – All---** The “redlined” handbook was the one that was approved. Dave emailed the board members a copy of the current handbook and asked if AIA has the one that is redlined on the website. Since the handbook on the website is not the updated one, the board needs to get the redlined one on the website so they can look at revisions made. John Moseman authored the updated handbook. Paul McDermott sent that copy to Dave who sent it on to Bob Hernandez. Bob stated that that the updated handbook would be put on the website to replace the one that is there. Rich Ostrom said he would take the lead in going through the handbook, and since the entire board needs to go through it, Rich recommended that the board review the handbook together. Bob Hernandez suggested that the entire board look through the handbook and bring their thoughts to the next board meeting. According to the bylaws, the board has the authority to make changes to the handbook. Bob will make the announcement tomorrow at the board meeting and request that this goes onto the website.

**Regulation & Enforcement Update – All---** The board is waiting to update the Regulations until the revised Covenants have passed. The board needs to look at the Regulations in relation to the current Covenants, and they need to look at how to go about enforcing them. There appears to be no consistency in how the Regulations are enforced. Reinie will send a copy of the Security Regulations updates to Bob Hernandez. Larry Bruestle offered to assess the Regulations and enforcements and see if the board could make them more workable for all. Larry would also like to find out what property owners are wanting. The board discussed how they might better enforce the current Regulations. Bob Hernandez passed out the Clarification for Regulations regarding the use of RV’s. The board looked over this clarification and discussed making sure that all lot owners have a copy and understand the Regulation. Along with that, the board will to compile a list of lots available for rent to put an RV on along with amenities and rental costs listed. Melissa Hernandez will put this list on the Marketplace and in Smoke Signals. Also, security will have this list available to hand out to those wanting to have more time in an RV on Arrowhead land. The board will also put this information into the April billing along with the fire mitigation information.

**Trash roll- offs for 2012 – Al Hale ---** Al suggested that the board wait until we get close to the time frame of needing the trash roll-offs, then look at the budget to see if AIA can really afford them. It was discussed that the board might have the roll-offs monitored for the time they are here to assure that they are being used according to policy. Further discussion on this item will be tabled until later in spring or early summer.

**Review of Financials to include 6 Months Operating Reserves—Al Hale ---** Al figured the costs of a full year’s operating budget and determined that there was a shortfall in the current reserves by approximately \$50,000 in the required 6 month reserve amount according to the AIA Board of Directors Handbook. The board will make a motion at tomorrow’s meeting to move this amount from Acct 363 – Undesignated Surplus into Acct 357 – Operations Reserve which will bring this account up to the 6 months reserve required.

**5 Year Budget Analysis – Al Hale --** Al has created a 5 year budget so that the board can analyze the AIA future budget. It appears that during this 5 year period, the expenses will continue to go up by about 3% per year which could mean the possibility of raising property fees. This will be discussed further by the board.

**Diesel Parking – Carol Flick ---** Carol wanted to know how the cost for the electrical use for the diesel parking hook-ups is figured, and why the annual fee doubled in just one year. Bob Hernandez explained that diesel parking went in just four years ago. At that time a fee for using diesel parking was arbitrarily set. The electrical usage soared in that same year, and the board set a higher fee hoping to collect all that was needed to cover the higher usage. That was still too low, and the board realized it needed to double the fee in the diesel parking to cover the high electrical charges. The board members discussed what could be done to keep these costs down in the future and what guidelines might be put in place for the diesel parking hook-up usage. A diesel engine only needs to plug into electricity for approximately 3 hours prior to use. After much discussion, it was decided that AIA could possibly put the diesel parking on a separate monitor to see how much electricity it was actually using since other changes had been made in the maintenance shed which could also be driving the electrical charges higher. It might be that the board could bring the fee down if it is determined that the diesel parking is actually using less electricity than has been determined.

**3:00 Executive Session ---** the board moved into executive session to discuss confidential items at which time the meeting was closed to the public.

**AIA Personnel Discussion**

## Design Review Actions

## Delinquent Accounts

## Closing Comments

1. **Rich Ostrom** suggested that whatever is discussed at the board workshop meetings including public concerns such as those that were presented today, be stated at the Board Meeting. He stated that if the community members need to address the board, they should present it to the entire audience at the regular board meeting. The board agreed that this should be done, and Bob Hernandez stated that he would ask the presenters if they would like to present their concerns to the audience at tomorrow's board meeting.
2. **Sharon Pugh** had a concern regarding the firehouse use by the community. Bob Hernandez stated that currently the only community groups other than the fire department to use the building are the Pot Luck Suppers on Tuesday nights and the board for monthly workshop meetings. As far as is known, no other groups have asked to use the building.
3. **Don Koeltzow** reported that the parking lot bathroom is again out of commission with frozen pipes. He has talked with Pete Nauyokas regarding what else can be done. They have looked for any possible dips in the line that might freeze up but see none. They will look into this further to see what they can do to fix the problem.

**Adjournment:** With business completed and no further discussion on items, Bob Hernandez asked for a motion to adjourn the meeting. Rich Ostrom moved that we adjourn the meeting, Sharon Pugh seconded the motion, and the meeting was adjourned at 4:55 P.M.

The next Board of Directors workshop meeting will be held on Friday, May 18, 2012 beginning at 11:15 at the Inn at Arrowhead.