

**ARROWHEAD IMPROVEMENTS ASSOCIATION, INC.**  
**BOARD OF DIRECTORS MEETING**  
**Arrowhead Firehouse**  
**October 19, 2013**

**Pledge of Allegiance:** Mike Wigent called for a show of hands of veterans in the audience and asked veteran Patrick Byrnes to lead the pledge of allegiance to the U.S. Flag.

**Call to Order and Determination of a Quorum:** The meeting was called to order at 2:00 p.m. at the Arrowhead Firehouse and a quorum of the Board was determined to be present. Board members in attendance were: Mike Wigent, Al Hale, John Moseman, Bobbie Kerns, Barrie Riddoch (electronically), and Linda Squirrel. Excused absence: Sharon Pugh

**Adoption of Agenda:** The following items were added to the agenda: Introduction of new Communications Manager, Motion on Oren Request, Maturing CD, Presentation on Audit vs Review of Approved Financial Procedures & Selection of CPA for said review.

**Approval of September Minutes:** Two revisions were made to the September Workshop Minutes; Barrie will make those revisions and get them to Linda for posting. One revision was made to the September Board Meeting Minutes. Linda will make that correction before posting. John moved to approve the minutes with a second by Barrie and motion carried.

**Review of Financials (including Maturing CD, Retaining Surplus Cash and the Investment Policy):** John made a presentation on Review of Agreed Upon Procedures vs an Audit as well as the difference in cost. Our Association normally uses the Review of Agreed Upon Procedures performed by a CPA firm and has never had any contrary findings. Government agencies typically use an audit because they can get better loan rates with that. Under the Review of Agreed Upon Procedures, any weaknesses or major concerns in accounting practices are revealed. AIA has a CPA handling our accounting and financials, which is unusual for a property owners' association. All accounting records are available for review in the Association office.

Al also reviewed the current Financial statements with the Board.

Al moved to hire Chadwick, Steinkirchner, Davis & Company, P.C., as the CPA firm to perform AIA's review of agreed upon procedures of the financial data at a cost not to exceed \$1,700. John seconded the motion which passed unanimously.

Regarding the maturing CD, Al moved to allow the Board of Directors to direct the AIA Treasurer to move all maturing Certificates of Deposit into the current AIA Money Market account at Montrose Bank. All transactions will be reported and documented in the monthly financials. Bobbie seconded the motion which carried unanimously.

Al moved to allow the Board of Directors, in compliance with CCIOA, to redefine any surplus funds (currently referred to as Undesignated Surplus) after common expenses and after regular reserve contributions have been paid, as "Members Contributions". This will be reported on the Association's Balance Sheet and any surplus cash at the end of each fiscal year shall be retained and applied to the reserve account named "Members Contributions". John seconded this motion which passed

unanimously.

Al also moved to allow the Board of Directors to adopt the Investment Policy to help facilitate in the organization of the Arrowhead Improvements Association, Inc. no risk investment strategies and management of such funds. At any time deemed necessary, a financial planner may be consulted with to achieve the greatest investment results. Bobbie seconded this motion which carried unanimously.

**Introduction of New Communications Manager:** Mike introduced Cappi Castro whom the Board has hired as the new Communications Manager.

**Appointment of Additional Member to Elections Committee:** Mike explained that the Elections Committee only has 2 members now due to a resignation. The Bylaws provide for 2 or more members and the Handbook provides for 3. The existing 2 members have requested that the Board appoint a 3<sup>rd</sup> member and this will also help to have more people experienced in handling an election in the future. Linda Squirrell moved to appoint Kathy Koeltzow as the 3<sup>rd</sup> member of the committee and Al seconded the motion which carried unanimously.

**Motion on Oren Request:** A building setback restriction was imposed on a lot owned by the Orens at the time the Ridges was approved by Gunnison County. The Orens have asked Gunnison County to remove that restriction now that the property owner across the road from the lot, who had objected to the possibility of seeing a home in the meadow on the lot in the future, no longer lives there, and the new owner has no objection. The AIA attorney has advised the Board that they can offer a letter of no objection or a letter of no position on the matter. Mike moved to allow the Board of Directors to engage legal counsel to be paid by the existing property owners and draft a letter for the sole purpose of demonstrating that the Arrowhead Improvements Association has no objection to the removal of the existing building restriction on Lot 7, Block 2 of Ridges at Arrowhead provided the Orens contact the owners of the other 2 lots from which the Oren lot can be seen and get their consent. Mike will consult with David Masters to be sure he is aware of these additional 2 lots. The motion was seconded by Bobbie and carried unanimously.

**Lease Renewals:** The Snowmobile Club Grooming Agreement, Robb Robbins' Lease at the Winter Parking Lot and the Lease of the Firehouse to the Arrowhead Fire Protection District will all be renewed for another year under the same terms on motion by Linda, with John's second. This motion passed unanimously. (The Robbins Lease was signed yesterday but ratified via this motion.) The free Recreation Lease for the cross country ski trail behind the Inn was extended for another year on Bobbie' motion and John's second. This carried (Linda abstained from this action.).

**Adoption and Posting of Disclaimer:** Mike read the Disclaimer language approved by AIA's attorney for posting to our website, Smoke Signals, Facebook and the AIA bulletin boards. John moved to approve this language and the posting. This was seconded by Al and passed unanimously.

**Adoption of Collections Policy:** HB 1376 required some changes to our existing Collections Policy to go into effect by January 1, 2014. This has been posted and the only changes made were to some dates. Al moved that the Board of Directors Handbook Sections called Dues Collection Policy and Late Fees/Interest be revised per the draft submitted and the changes noted. This motion was seconded by Bobbie and passed unanimously.

**Discussion of Revised Reserve Study Draft:** John described the additional work done on the Reserve Study. The 2014 budget is in good shape but serious budget management will be required over the next

5 years. There is time to work on this in future budgets and the Balance Sheet will be expanded to reflect allocations of items in reserves. Due to the changes made in the Reserve Study Draft, it will be posed once again on the website.

**Manager Reports:** Manager Reports were presented by Linda Squirrell for Communications, Joyce Boulter for Design Review, Mike Wigent for Forest Management, Log Hauling and Montrose Forest Products Proposal, Heavy Equipment and Maintenance by Linda Squirrell, Security by Reinie Masanetz, and Becky Stilley (unwritten) for our Fire Department. The written reports will all be attached to the minutes.

Bill Conway, our Forest Manager, had sent Winter Driving Tips in regard to logging that were distributed at this meeting and will be posted on our various media.

**Any Committee Reports:** There were no committee reports.

**Announcements from the Audience:** Kathy Koeltzow announced that the Christmas Party will be held at the Inn on December 10<sup>th</sup>, making it easily accessible for all owners. Happy hour will be at 5:00 p.m., followed by our usual potluck (please sign up for the food you will bring). There will be a cash bar and this year's event will honor Bob Rosenbaum (therefore, we will not have the white elephant gifts).

Patrick Amie gave an update on repairs and changes to the Inn. He reminded the members of the \$65 per night rate being offered to owners who make reservations for their family or friends. He also announced free rooms for veterans on Veterans Day (including continental breakfast).

**Announcements from the Board:** Mike Wigent announced that John Moseman had made a personal contribution toward weed spraying at Arrowhead and thanked him for that. He also announced that the 2014 meeting dates would be posted and that the January 18<sup>th</sup> Workshop and January 19<sup>th</sup> Board Meeting will be held at the Inn, making them easily accessible to all owners.

The meeting was adjourned at 4:05 p.m. and was immediately followed by the Winter Owners Meeting.

Linda Squirrell, Secretary