

CORDILLERA METROPOLITAN DISTRICT
REGULAR BOARD MEETING MINUTES
FRIDAY, SEPTEMBER 22, 2017
360 CARTERVILLE ROAD, CORDILLERA, COLORADO

The Special Meeting of the Board of Directors of the Cordillera Metropolitan District (CMD) was called and held Friday, September 22, 2017 in accordance with the applicable statutes of the State of Colorado.

ATTENDANCE

Present: Judith McBride, President
Robert Egan, Treasurer
Kitty George, Assistant Treasurer & Assistant Secretary
David Bentley, Secretary

By phone David Davies, Vice President

ALSO PRESENT

CPOA Board Members: Ed Shriner, Rick Smith, Mike Grier, Jerri More (via telephone) and Larry Brooks.

OTHERS PRESENT

Alan Pogue, legal counsel; Rachel Oys, general manager; Tracy Stowell, executive coordinator; Jaime Walker, communications manager; Trevor Broersma, community operations director; Joe Helminski, recreation director; Kirk Pliske, public safety director and 13 members of the public.

CALL TO ORDER

Director McBride called to order the Regular Meeting of the Cordillera Metropolitan District at 8:45 a.m.

DECLARATION OF QUORUM/DIRECTOR QUALIFICATION

Director McBride noted for the record a quorum was present for the purpose of doing the business of the Cordillera Metropolitan District.

ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF MEETING AT LEAST 72 HOURS IN ADVANCE OF THE MEETING

All board members acknowledged receiving notice of the regular meeting at least 72 hours in advance. No conflicts of interest were noted.

APPROVAL OF AGENDA

September 22, 2017 Regular Meeting Agenda

Director McBride moved to modify the agenda to move the lot consolidations to after the Management Team Report. Seconded by Director Bentley.

Upon motion duly made and seconded, the Board voted unanimously.

Approved the September 22, 2017 Regular Meeting Agenda.

APPROVAL OF CONSENT AGENDA ITEMS

Approval of August 3 Special Meeting Minutes

Approval of August 3 Special Meeting Minutes and Community Center Planning Input

Director Davies moved to approve the August 3, 2017, Special Meeting Minutes and the August 3 Special Meeting Minutes and Community Center Planning Input. Seconded by Director Egan.

Upon motion duly made and seconded, the Board voted unanimously.

Approved the August 3, 2017, Special Meeting Minutes and the August 3, 2017 Special Meeting Minutes and Community Center Planning Input

Approval of September 1, 2017 Special Meeting Minutes

Director Egan moved to approve the September 1, 2017, Special Meeting Minutes. Seconded by Director George.

Upon motion duly made and seconded, the Board voted unanimously.

Approved the September 1, 2017, Special Meeting Minutes.

Directors McBride and Bentley thanked Lois Bruce and Nanette Kuich for their services to the community.

PUBLIC INPUT

Lois Van Deusen, 82 Rodeo Drive, thanked Director Shriner for returning to the Board and thanked both Boards for their service through a difficult summer. Regarding the survey and the athletic center, Van Deusen urged the Board to do nothing until more is known about the Lodge outcome, believing it is premature to do long-term planning with so much uncertainty; to do so would be fiscally irresponsible. She suggested reconfiguring the general store for more classroom space since the athletic center classes are crowded. She also expressed that she felt strongly that nothing should impair the historic collaboration of the two Boards.

Steve Houk, 94 Eagles Glen, has a home on the Short Course. He shared that the course is in the best condition it has been in the last five years, crediting Troon for the great condition. He also mentioned that it is easy to walk and play. He urged the Board to keep the course as a waking course when renegotiating with Troon. He thinks the short course is fine without the water features

Hauk continued with his thoughts regarding the proposed amendment. The Community Center was alarming because bonds would be issued without a vote by a majority of the owners. He prefers higher taxes versus higher homeowner association assessments. He believes the CPOA needs to protect the owners from the CMD incurring sizable debt. He concluded with thanking the Boards for their service and volunteered for any subcommittee focused on the Short Course.

Director Shriner recognized that the comments from Hauk were the first time he heard comments about the easy of play at the course.

He explained that the facilities were given to the community, and it will take the Boards some time and effort to address the short coming of the facilities. The Boards will not make hasty decisions, but want to keep the long-range planning conversation going in the community.

Cindy Moran, 26 Pikes Way, announced that she was the elected representative to Eagle River Fire Protection District (ERFPD), and thanked the Board for volunteering.

JOINT ITEMS

Management Team Report

General Manager Rachel Oys started the conversation about the management team report, reminding the audience and Boards that the management team report captures staff's work on a quarterly basis.

CFO systems was retained because of an unsuccessful finance director recruitment process. General Manager Oys introduced Andrew Larson from CFO Systems which is tasked with improving processes and bringing accounting up to date. A decision will be made later as to how long they will be retained.

Director Shriner and Director Grier questioned the use of CFO Systems to manage the finance director responsibilities. Director Shriner had questions about the CFO System consultants' resumes and client list to which Larson responded. Director Grier believes that financial functions are best served in-house.

Director Shriner and Director Smith addressed the Short Course water feature leak. Noting that the repair cost is still undetermined and the risk to nearby residents and to the course is a concern.

Director George praised the look of the upper pond and the skillful work completed by the community operations team. She noted that the ponds are important to the value and enjoyment of the Kensington neighborhood.

Director Grier asked about using a contractor from Nevada for the repair work. Operations Director Broersma explained that quotes from local companies were higher. Troon used the Alliance Golf (from Nevada) with the Summit pond. The water feature repair is a capital item in the budget.

Directory McBride spoke about shared driveways and access roads. Snowplowing and/or access in some cases requires staff to enter private property. The District will be working with owners to formally allow access. General manager Oys noted that staff will be approaching property owners to finalize details.

Director Shriner and Director Smith talked about the post office operational changes that adhered to federal guidelines. Part time residents need to pay close attention to the forwarding requirements and all property owners need to pick up their parcels promptly, especially during the holiday season. Director Egan mentioned that with Amazon using the post office as the drop location, parcel volume has already increased.

General manager Oys announced that Shay Cahill has returned from medical leave, so she will help with the post office changes. In July staff was contacted by the mail carriers about the lack of compliance with several regulations. Staff held a meeting August 31 with the carriers and the Edwards postmaster when documentation was requested. Oys is now working with the Denver office to clarify regulations. She has also contacted Amazon which has indicated that delivery is a local decision which depends on vendor, timeframe, etc. Information regarding the changes will not be sent to the community until more is known.

The conversation continued with Director Brooks noting that an option to the Amazon and parcel delivery challenges could be alleviated by us putting mail boxes at each driveway; this would require the post office to deliver to each residence. The carrier's priority is not the parcels and therefore some get left at the Edwards post office which are returned to sender after a specified time. If residents complain to Amazon, Amazon will have the package delivered to the residence. The post office has strict rules on how parcels are handled and secured.

Director Brooks asked about the progress on the assessment collection process. Oys responded that a certified, return receipt letter was prepared and being mailed. Director Shriner mentioned that the CPOA is considering litigation and foreclosure on delinquent accounts.

Director McBride raised her concerns about the online community directory, noting that she finds it difficult to use. She asked if the directory could be made more efficient to use by including name, phone, address and email address. Legal Counsel Alan Pogue clarified that state statutes do not allow the inclusion of phone number and email address unless people opt-in.

It was shocking to her how many people claim that they did not know about the Cordillera Community Center planning process. Director Smith noted that communications is always difficult and the Boards and staff should go to reasonable lengths to make sure people are informed.

Communications Manager Jaime Walker explained that the directory and the email service are two different programs and databases. To be included in the email service, at present, people must contract the administration office to be added to the list. This will be changing this fall when the email service, Notify Me, on the website is implemented. Community members can then self-subscribe to several topic-specific lists. The online directory was implemented for security, accuracy and access: being password protected for only property owners increases the security; it is updated as properties are bought and sold, and property owners can add or change their contact information; and, access is through the online portal or by an app.

Director Bentley asked about the inclusion of the Air Alliance in the Management Team report and if the Alliance is soliciting funds from the community.

Director Shriner gave a brief history of the Air Alliance funding requests. The decision not to donate was made two years ago when it was made clear that the Air Alliance was a 501(c)(3). The Board holds the position that it should not give away other people's money.

Director Grier noted that flights drive visitors and tax revenue to the county. However, Cordillera does not have outlets for tax collection so it does not enjoy the direct benefit, so therefore he does not support donating.

Director More confirmed that would be a donation but believes that it may influence people to buy in Cordillera. Director Bentley agreed. There is a benefit to direct flights and volunteered to be a liaison.

Director Shriner raised the topic of reverting the name of the Vail Gondola Club to Cordillera Gondola Club. He explained the history of the name change during The Club at Cordillera bankruptcy and the perception of being associated with The Club. Lois Van Deusen, 82 Rodeo Drive, further elaborated on the history of the name change and encourages changing it back. Director More echoed this sentiment.

Several gates were hit and damaged over the summer. Director Shriner asked staff if people were charged when they damaged a gate. Public Safety Director Kirk Pliske explained the various scenarios that resulted in damage and that the new gate housing units costs as much as \$1500.

Director Egan believes that the District should charge for damaged gates.

Director Egan moved to charge property owners for damage to any gate. Seconded by Director George. Upon motion duly made and seconded, the Board voted unanimously.

Approved charging property owners from damage to gates.

Lot Combining Requests

There were two lot combining requests before the Boards: one from Enrique Grisoni and one from Eric Jung. The Boards' discussion started with the Grisoni request to purchase 1-acre of open space from the Metro District which is the first step in seeking lot combination of three parcels, his current residence and two adjoining lots, from Eagle County. He is seeking the combination to protect his view corridor and is offering \$20,000 as compensation for the acre.

DRB Administrator Millie Aldrich shared a brief history of DRB approving requests to combine; the DRB previously did not realize that lot combining was the authority of the Boards. The Grisoni properties have not been vetted by DRB, and she confirmed the area between the lots is open space.

The Board discussion included conversation on determining the value of an acre, effect on neighbors, the precedence of selling CMD property, community density, original plat, the ability to build on steep lots, and the impact to dues and tax collection.

Decision on the Grisoni lot combination was postponed until the Board members had an opportunity to walk the site.

The conversation shifted to the Jung lot combination request to join 1562 Red Draw and the adjacent property. Issues raised included the existing road, a sewer line and deed restriction for access.

Hardscrabble Ranch Open Space and Cordillera Connection/Access

Director McBride advanced the Hardscrabble Open Space topic on the agenda, so that the Board could focus on staff items and budget after.

Alan Pogue, legal counsel, gave a brief history of the topic from the August 3 meeting. A group of home owners are seeking an improved back-road from Cordillera on BLM and County parcels to Brush Creek Road. The land in question is in the process of being placed in a conservation easement to be managed by Eagle County Open Space. Counsel was instructed at the August 3 meeting to conduct title research on the parcels. Research demonstrated that a road has existed since 1922 and there are utility easements that will not be vacated when the parcel is placed in a conservation easement.

Further research will be needed to determine if the dirt road has historically been a public road. Eagle County and BLM have both expressed a willingness to provide emergency egress but not necessarily a public road. Pogue requested authorization to conduct further research and meet with the BLM representatives. Thus far about \$10,000 to \$11,000 has been spent.

Ron Haynes, 712 Webb Peak, made the point that the property owners seeking the improved road are interested in increasing property values at the Summit. He and others believe that the distance from the airport and other services is a drawback to Summit residents.

Director McBride does not want to reduce the chance of obtaining egress for all Cordillera for the benefit of a few at the summit. She also stated the cost of a potential road would fall to CMD.

Cindy Moran, 26 Pikes Way, ERFPD representative, noted that the fire district has limited number of trucks. The road could allow ingress for emergency personnel from Eagle/Gypsum when ERFPD trucks are responding up valley.

Kirk Pliske, public safety director, noted that if the road was to be built, emergency equipment access would be limited by topography; there are creeks and a cliff which could prevent fire engines and pumper trucks from using the road.

Director Bentley motioned to proceed with further research on the historical use of the road and instructed counsel to meet with BLM. Director Davies clarified the motion to recognize that emergency egress is first priority and that continuing negotiations should not reduce the ability to gain egress. Seconded by Director Egan.

Upon motion duly made and seconded, the Board voted unanimously. **Approved** instructing counsel to conduct further research, stressing the importance of gaining emergency egress.

2018 Budget Planning and Discussion

General manager Oys shared a presentation on the 2018 budget, attached following the minutes. The budget was designed as a cafeteria plan for discussion. After the Boards provide guidance, staff will make necessary revisions. There are department worksheets that support each item.

CMD and CPOA is integrated as a team during day to day work to enhance and provide service to community. The department workplan are key highlight and provide a road map for work, the majority of which remains the same with the addition of special projects each year. From the work plans, the budget is formulated.

Steve Thompson, financial consultant, described the valuation and assessments for 2017. Cordillera's assessed rates are from 7.96 percent to 7.2 percent; reassessment rates went up county wide about 15 percent. CMD's combined assessed valuation went down 3.3 percent; there was a 9 percent increase in values.

Director McBride questioned if the Lodge and Spa assessment would change. Thompson and Legal Counsel Pogue pointed out that the assessment was based off 2016 sales; therefore, the closing occurred after the valuation period. The protest period for this cycle is over.

A discussion ensued over the reserve fund. Thompson explained that the Association is subject to taxes and has two funds: operating fund and capital/debt fund. RETA goes into the debt fund; association dues go into operating fund. The Association can collect extra revenue in the operating fund but then transfer the money to the debt fund to avoid paying taxes on income. The fund balance is in the reserve fund. The operating fund usually has a yearly deficit which is offset by RETA.

Director Grier asked if the reserve fund is sufficient to cover the needs of capital improvements. Thompson explained that a reserve study showed that there are enough funds based on projected expenses. Currently the Association does not have a reserve assessment; the \$2800 yearly assessment is for current operating costs with any shortfall being offset by RETA. Director Grier requested that the Association communicate the allocation of the assessment and any reserve assessment to property owners.

General Manager Oys highlighted CMD Administrative expenses. Wages reflects the removal of the finance director to a contract position and the addition of a temporary, full-time seasonal employee. Utilities incorporates a 3 percent, across the board increase; Operating Expenses includes miscellaneous computer and technology fees and expenses, board meeting increases, election increases and increases in employee recruitment.

General Manager Oys continued with an explanation of some line item expenses for CPOA including community enrichment expenses and healthy forests wildfire mitigation.

Public Safety Director Kirk Pliske addressed the healthy forest item related to the Douglas Fir Beetle. The beetle has already impacted the community by infesting several old growth trees which needed to be removed from the Trailhead. This is the first year of the infestation, so staff is trying to attack it forcefully with help from the Forest Service. This spring the following strategies are recommended for implementations: trap trees with pheromones, then removal of the tree, pheromone packets put on trees for deterrence and spraying the trees. Douglas Fir trees are much bigger and therefore more expense to remove than the Lodge Pole Pines.

For the Cordillera Equestrian Center, General Manager Oys explained the intent behind purchasing three horses which include lessons for property owners and increasing property owner interaction with the equestrian center. It was confirmed that this proposal does not conflict with Bearcat operations. Property and liability pool information will be forthcoming. Director Grier and Director McBride questioned getting into the "horse business" just to be revenue positive. Director Grier believes it will be a financial loss. Director Egan pointed out that capital expenses are not included in this line item, so the Equestrian Center comes close to breaking even. Director George offered the idea of including the concept in the community survey, pointing out that during the community center planning process the community held a positive opinion of the equestrian center.

Director George initiated a conversation on a ski shuttle; she believes that it could be a good marketing tool for the community and potentially add to property values; other board members shared the belief that it would be an added amenity. General Manager Oys requested a quote from CME and Peak One Express for two shuttles, one to Vail and one to Beaver Creek and then an afternoon pick up. Directors More said it would be important to consider potential usage and test it through a rental service before purchasing a van. Director Grier agreed that it would be a nice amenity but was skeptic that it would increase property values. The initial request for a quote did not include consideration of the logistics. To this Director Smith noted that it would need to be easy for people to participate.

Operations Director Broersma answered some questions regarding the Short Course water feature and irrigation pond construction. The contractor will be viewing the site in October. The lower pond waters the course through a series of pumps. This project consists of relining, re-rocking and revegetation; the pipes and pumps are mechanically sound.

Conversation ensued over the automatic coffee machine. Recreation Director Helminski answered questions and pointed out this is a cafeteria line item for board discussion. Vail Gondola Club members have requested the additional service that this machine offers which include a variety of drink options; other clubs in the valley offer this type of coffee service. Director Grier argued that this is unnecessary for the Cordillera Café. Director Shriner pointed out that many non-property owner groups already use the Café for free.

Director Shriner asked about the Trailhead conceptual design and estimates for the pool remodel. He indicated that repair estimates have increased since last year and this line item in the budget is for experts to provide direction on how to proceed. Community operations director Broersma explained that the pool has a residential system that experiences commercial use; therefore, all repair and maintenance expenses are more expensive. Additionally, the Trailhead pool has significant mechanical and structural problems and is not up to code in several areas. At some point soon, the problems will need to be addressed. Director Grier argued that it does not make sense to spend money on a design, but to make sure that the infrastructure functions properly as a commercial facility. He further urged the Board to identify what the community wants before asking a consultant to provide a design. Both Directors Grier and Shriner noted this line item is earmarked in the budget for further direction from the Board. Director McBride clarified that there is nothing new in the CPOA capital improvement projects in the budget; line items are for improvements or repairs.

Director Shriner is open to considering Lois Van Deusen's, 82 Rodeo, suggestion to utilize the General Store as athletic classroom space. Director Brooks questioned if every class is full urging the creation of additional class times rather than building new classroom space

Lois Bruce, 350 Kensington, shared her experience that during peak times throughout the year people cannot get into the classes. At other times of the year, the classes are reasonably full which limits movement during the class. Van Deusen remarked that the ACC location for yoga is abominable; the general store would be a good solution for classes.

EXECUTIVE SESSION

2:15 p.m. Director Egan and Director George moved to enter into Executive Session pursuant to Section 24-6-402(4)(b), C.R.S. for the purpose of receiving legal advice regarding the Rule 106 Judicial Appeal.

3:53 p.m. Director Egan and Director George move to conclude Executive Session

Present: Ed Shriner, Michael Grier, Larry Brooks, Rick Smith Jerri More (via telephone), Rachel Oys, Alan Pogue and Lew Harstead (via telephone).

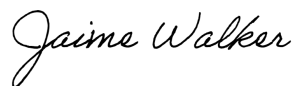
No action was taken in executive session.

CONTINUE MEETING

Director Egan moved to continue the Regular Meeting of the Cordillera Property Owners Association on Friday, September 29, 2017. Seconded by Director George.

Upon motion duly made and seconded, the Board unanimously agreed to **Continue** the Regular Meeting of the Cordillera Property Owners Association on September 29, 2017 at 3:54 p.m. on Friday, September 22, 2017.

Respectfully submitted,



Jaime Walker
Communications Manager