



MEETING MINUTES

DATE: WEDNESDAY, OCTOBER 13, 2021

TIME: 9:00 AM

LOCATION: 408 CARTERVILLE ROAD
STATE OF COLORADO) COUNTY OF
EAGLE) SS.

SPECIAL BOARD MEETING

ATTENDANCE

Present: David Bentley, President; Cheryl Foley, Treasurer; Trevor Broersma, Acting General Manager.

Board Members via webinar: Eugene McGuire, Vice President; John Van Deusen, Secretary; Dan Roberts, Assistant Treasurer/Assistant Secretary.

Other panelists via webinar: Alan Pogue, CMD Legal Counsel

Members of the Public via webinar: Dennis Moran, Chuck Jackson, Mike Autera, Jerri More, Melissa Murphy, Susie Cunningham, Lainie Edinburg, S. Seltzer, Margo Boyle.

CMD Staff via webinar: Paula Kurtz, Cliff Simonton, Sam Lazar.

CALL TO ORDER/DECLARATION OF QUORUM

Director Bentley called the meeting to order at 9:00 a.m., noting a quorum was present.

ADEQUATE NOTICE/CONFLICT DISCLOSURE

Board members acknowledged receiving notice of the meeting no less than 24 hours in advance and cited no conflicts of interest with items on the agenda.

APPROVAL OF AGENDA

Director Foley moved to approve the agenda as presented, Director Roberts seconded. The vote to approve was unanimous.

APPOVAL OF CONSENT AGENDA

Director Foley moved to approve the consent agenda consisting of the minutes from the meeting of August 6, 2021, Director Roberts seconded. There being no discussion, the vote to approve was unanimous.

AGENDA ITEMS

APPROVAL OF SELECTION OF A GENERAL MANAGER

Director Bentley announced the selection of Trevor Broersma to serve as General Manager for the Cordillera Metropolitan District, pending agreement on the terms of an employment contract. Many applications were received, and three excellent candidates were interviewed. The Board expressed gratitude and enthusiastic endorsement of Trevor as the finalist. Director Foley moved to memorialize the Board's selection of Trevor as General Manager; Director McGuire seconded the motion. The vote to approve was unanimous.

CPOA PROPOSED TOLLING AGREEMENT *See draft resolution in 10/13/21 Board Packet*

Director Bentley presented a proposed Tolling Agreement provided by the CPOA that would suspend the statute of limitations, effectively extending the period of time during which a lawsuit could be filed regarding the disposition of the Water Enterprise Fund, which was moved to and made part of the CMD general fund in July. Citing advice from legal counsel, Director Bentley provided his opinion that the agreement had no legal basis, and that a tolling agreement would imply a lack of good faith. It is not necessary, and as an agenda item should not be considered by the Board.

Discussion that followed showed general alignment with this position. No motion was made regarding the proposed tolling agreement.

RESOLUTION REGARDING USE OF WATER FUND MONIES FOR BUDGETARY PURPOSES

Director Roberts presented and moved to approve the following Resolution:

WHEREAS, the Cordillera Metropolitan District (“District”) has an average of at least \$2.2 million (as a result of the “Water Fund”) in its General Fund for the year 2021; and

WHEREAS, the District’s reserve funds are deemed adequate;

NOW THEREFORE, the District resolves and commits to the residents of Cordillera to utilize these excess funds to reduce budgetary needs for 2022 by at least \$1.1 million, which will result in a one-time reduction in the mill levy for 2022 while using the remainder of the \$2.1 million to:

- 1) off-set budgetary charges normally paid by the CPOA for 2022 and 2023 and*
- 2) purchase capital goods for the CMD in 2022.*

Director Foley seconded the motion to approve.

Discussion disclosed a lack of majority support, although it was determined that the resolution could be presented again later in the meeting following the budget presentation, at which time greater insight might be available. A vote was called and the measure failed, three voting against and two voting for.

PRELIMINARY 2022 BUDGET *See supporting documents in 10/13/21 Board Packet.*

General Manager Broersma presented the preliminary Operations Budget for 2022, highlighting the following:

- 2019 was used as the pre-pandemic comparable in constructing relevant line items for 2022.
- Proposed wages and benefits are understandably way down, reflecting the loss of positions once necessary to provide CPOA programming support. The staff structure now in place is stable and considered core to the operation.
- Numbers are still being finalized for workers comp, insurance, and benefits overall, as significant increases are forecast.
- Significant staff positions have been lost in the transition, coinciding with and reflecting reduced administrative responsibilities, revised operational philosophies and the decision to outsource IT and financial services.
- The flowers budget for 2022 has been restored to the 2019 level, however, flower beds are being redesigned to include a new philosophy and focus on water and maintenance efficiency, as well as beauty.
- Overall, the draft 2022 Operations Budget is only slightly above the equivalent 2019 budget.

In discussion the Board called attention to the fact that the budget presented shows no contribution from a service agreement with CPOA. Revenue over operational expenditures will be approximately \$1.133 million, which is not sufficient to cover the \$1.4 contribution to the capital fund reflected in the current reserve study. This is not sustainable in the long term and highlights the need for some sharing of operational costs with the CPOA.

The reduction in labor and benefits cost reflects work force shrinkage and must be rationalized with the fact that higher wages and competitive benefits packages will continue to be necessary to compete for skilled personnel. CMD's bargaining power for benefits is not as strong as it was when the organization was larger. Options should continue to be studied to reduce costs while maintaining quality pay and benefits. The lack of affordable housing was also noted as a significant issue affecting workforce availability.

General Manager Broersma presented the preliminary Capital Budget for 2022, highlighting the following:

- The list of projects responds to infrastructure and facilities needs consistent with the current Reserve Study
- Other projects also listed include several proposed in previous years that while important were not approved, and several new initiatives determined desirable to improve the sense of arrival, to improve consistency in wayfinding, and to improve appearances and efficiency in landscaping.
- Each project on the list has been ranked by the the General Manager in terms of priority, with 1 the highest and essential, 2 desirable and previously delayed, and 3 aspirational to maintain/provide the highest standard of facilities.
- The cost at \$2.4 million is significantly above budgets approved in previous years which were based on the Reserve Study. The budget reflects careful analysis of needs and the opportunity provided by a healthy budget to keep the function and aesthetic quality of Cordillera at the highest level.
- The Reserve Study will be updated in 2022, which may change projected costs for infrastructure upkeep for the year 2023 and beyond.
- Preliminary schematics of the Ranch Gate House improvement project, including the new entrance sign, new landscaping, and an addition of a roof to cover the guest entrance lane were provided to the Directors. The guest lane roof has not been priced and is not a part of the presented budget.
- Plans and intents for the Bearden Pond enhancement project.

Discussion by the Board included the following:

- The numbers assigned to projects indicating a 1, 2, or 3 priority are not final and can and should be changed at the discretion of the Board.
- The \$40K for Healthy Forest should be moved from the Capital budget to the Operational budget.
- The Website redesign is a top priority and may be underfunded on the projects list.
- The construction estimate to add the guest lane cover at the Ranch Gate House should be provided at the next meeting.
- The door lock replacement project and the 3 new shelters at the Equestrian Center should be delayed for consideration in 2023.
- Equestrian Center revenues do not and have never covered operational or capital improvement costs. Better management and the introduction of riding lessons should help to close the gap in 2022.
- Every effort should be made to separate the path surface of the proposed Summit Trail multi-use path from the road travel lanes to provide greater safety for pedestrians and cyclists.

- The Bearden Ponds are an important amenity and have declined in their utility and visual quality. They should be repaired and updated to meet Cordillera standards.
- Operations Bearcat Stables are an outstanding community amenity, but the lease agreement should reflect a reasonable sharing of operational costs. The esthetics of the site can be improved, the necessity of a new barn remains to be determined.
- Community appearances and aesthetics should continue to be a high priority for operations and capital projects.
- Community operations should continue to evaluate the benefits/detriments of leasing vs purchasing of equipment.
- The General Manger has the discretion to not move forward on a given project if construction or material costs are too high.
- Regarding reserve monies in the general fund, holding cash is not a good strategy at this time. The best use of available money is to spend it on worthy projects.
- Even with the capital outlay proposed for 2022, the general fund reserve will be significantly more than that required or recommended. The Board should continue to look for ways to return monies to the community, especially considering the on-going water fund discussion, which would be nice to put to rest. Assigning water fund monies to specific projects on the list for 2022 should be considered, as should a mill levy adjustment to reduce property taxes to Cordillera residents for one year.

No action was taken by the Board regarding the preliminary Budget. The Final Budget will be presented for the Board's consideration at the November meeting.

PUBLIC INPUT

Director Bentley opened the meeting to public input. Comments received included:

- Support and congratulations to the Board and to Trevor for his selection as the new General Manager.
- Support of the proposed upgrades to the Ranch entrance gate, landscaping and signage throughout the community, and the upgrades at Bearcat.
- Support for an updated web site that will serve as a single source of information for residents, realtors and other interested parties.
- A suggestion that designs for proposed capital improvements at the Ranch Gate should be provided to the community for review and comment.
- Clarification that negotiations regarding the purchase of the Grouse on the Green by the CPOA, while difficult, are still on-going.
- Operating budgets should have adequate funds allocated for road repair over and above the norm given the extraordinary number of construction vehicles in Cordillera these days.

ADJOURNMENT

The day and time for the next CMD Board meeting was set as Friday, November 12, 2021 at 9:00 am. There being no further business before the Board, the meeting was adjourned at 11:48 am, motion by McGuire, second by Roberts.