



MEETING MINUTES

DATE: Friday, November 12, 2021

TIME: 9:00 AM

LOCATION: 0408 Carterville Road, and by Video Conference, State of Colorado, County of Eagle.

REGULAR BOARD MEETING

ATTENDANCE

Via webinar: David Bentley, President; Eugene McGuire, Vice President; Cheryl Foley, Treasurer; John Van Deusen, Secretary; and Dan Roberts, Assistant Treasurer/Assistant Secretary; Trevor Broersma, Acting General Manager.

Others Present via Webinar: Alan Pogue, CMD Legal Counsel

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; Director Bentley seconded. During discussion it was determined that the item “Historical Fund Balances and Mill Impact” should be moved to follow the item “2022 Budget Presentation” With this change, the vote was called and the agenda was unanimously approved.

APPOVAL OF CONSENT AGENDA

No consent agenda was available. Minutes for the September and the October Board meetings will be presented for comment and approval at the next scheduled Board meeting.

DISCUSSION ITEMS

FINANCIAL UPDATE

Director Foley presented a financial update, highlighting the following:

- The conversion of financial responsibilities to Clifton Larson Allen (CLA) and Bill.Com is going well.
- The financial report for September is not yet available, as reconciliation of previous account discrepancies continues. It is hoped that full resolution of issues, which are largely due to mistakes in data input, will be achieved with assistance from CLA by December 1, 2021.
- The Board should be aware that final adjustments and corrections may disclose the need for an amendment to the 2022 budget.

- Accounting issues and discrepancies have been a concern of the Board for some time; it is good that the matter will soon be fully corrected with help from CLA. The Board acknowledged that original projection for full resolution of issues by CLA will take a month longer than anticipated.

AUTHORIZED SIGNATURE UPDATE FOR CITIWIDE BANK ACCOUNTS

General Manager Broersma explained the need to update the list of authorized signers for the District's Citywide Bank accounts, as previous signers no longer work for the organization. The Board authorized Trevor Broersma, Paul Kurtz and Cliff Simonton to sign for accounts held by Citywide Bank.

PUBLIC HEARING REGARDING APPROVAL OF THE 2022 BUDGET *See budget information provided in the Board packet for 11/12/21*

Director Bentley opened the Public Hearing regarding approval of the 2022 Cordillera Metropolitan District Budget.

General Manager Broersma presented the budget, referencing the detailed budget presentation provided at the meeting of October 13, 2021. No significant changes were made since the October 13 meeting. Director Foley provided the following highlights:

- Equestrian Center programming is being revamped to include riding lessons, resulting in increased revenue for 2022. However, this change may reduce revenue from boarding fees.
- The increase in IT and Computer Fees expenditures reflects the move by Ron Hoppner from an employee to an outsourced IT services provider. Ron will continue to provide computer services to the Cordillera Metro District.
- The increase indicated for Other Contract Services Administrative Expenses reflects the outsourcing of financial services to CLA, and also captures the contract with Vail Valley Anglers for fishing program management.
- The Flower Budget is back to the 2019 level. Flower beds will incorporate new designs and plants that will reduce water consumption.
- The budget indicates that health care costs have increased substantially.
- Capital spending is shown as significantly over that prescribed by Cordillera's 2019 Reserve Fund Study. \$2.6 million is proposed for capital projects in 2022, the Reserve Study calls for \$1.4 million per year.
- Proposed road improvements and equipment upgrades are based on a rotating schedule established by the District's approved Reserve Study.

Director Bentley added:

- Capital projects provide improvements that must be done to maintain infrastructure integrity and quality, to repair/replace aging facilities or equipment, to maintain Cordillera's competitive position in the market and to meet owner expectations for facilities and features that are the very best.
- The proposed budget covers all costs for Public Safety, which in the past have been jointly paid for by CMD and the CPOA. The money CPOA would normally contribute to public safety through a service agreement with CMD will now be available to the CPOA for other expenses.

From the list of proposed capital projects, the Board agreed unanimously that all items with a priority rating of one (1) were acceptable and should carry forward as presented. Further discussion was held regarding other projects, as follows:

- The Grenada Glen Pond and Red Draw Pond Pavilion projects replace dilapidated structures and are necessary for safety and functionality.
- The Bearden Ponds reconstruction project should be included in the 2022 budget to preserve the visual and functional quality of these important Cordillera features.
- The multi-use path adjacent to Summit Trail project fills a defined need, and is necessary for safety of pedestrians, bikers and golf course maintenance personnel.
- Director Foley moved to transfer funding proposed for Healthy Forests from the capital projects list into the operations budget. Director Bentley seconded the motion, the vote was unanimous.
- The Ranch Gate Entrance upgrade was discussed at length, with two board members opposed to the cost for the late addition of the roof cover over the guest lane and the widening of the owner's lane by 5 feet. Directors Foley and Roberts were concerned that not enough time had been allowed to fully study these additions, and that the community had not had time to review and comment on the same.

Director Bentley moved to approve the budget for capital projects as presented, with the stipulation that \$40,000 allocated for Healthy Forests be moved from capital projects to the operating account. Director Van Deusen seconded the motion.

Director Foley requested an amendment to the motion that would add a one-time mill levy reduction to the 2022 budget, returning approximately \$600,000 to Cordillera property owners, and indicated that she would be inclined to support the late additions to the Ranch Gate project if this amendment was accepted. Director Roberts supported the amendment.

Points offered in favor of a mill levy reduction included the very positive position and outlook for the District's budget, a current budget reserve considerably higher than that considered necessary, the recent addition of water fund monies to the general fund (impacting reserve excess), contention surrounding the water fund and the belief by many that money collected should be returned to property owners, and that a directed one-time mill levy decrease would help off-set this concern.

Points against the mill levy reduction included that fact that \$600,000 spread across the community would result in a relatively small savings for each property, that newer owners who did not contribute to the water fund would benefit disproportionately, and that money budgeted by the District for operations and capital improvements regardless of source benefitted all members of the community.

The vote was called and the requested amendment to the motion failed, two votes for and three votes against.

The vote was called on the original motion to approve the capitol budget as presented, moving Healthy Forest money from capital to operations. The motion passed, three votes for and two votes against.

PUBLIC COMMENT

Director Bentley opened the Budget Hearing to public comment. Comments received included:

- Accolades to the District securing an outside accounting and financial services agency, with suggestion that a new auditing firm should also be engaged.
- Continued frustration with the handling of the water fund monies.

Seeing no other hands, Director Bentley closed public comment

RESOLUTION ADOPTING THE 2022 BUDGET

Director Bentley moved to approve the Resolution Adopting the 2022 Budget, Setting the Level of Expenditure, Determining and Setting Mill Levies, and Appropriating Sums of Money as set forth in the budget. This includes the General Fund Budget, the Capital Fund Budget and Debt Levies. Director McGuire seconded the motion.

The vote was called and the motion passed, three voting for and two voting against. Director Foley indicated that her vote against was only with respect to the capital budget.

ADJOURNMENT

The day and time for the next CMD Board meeting was set as Friday, December 10, 2021 at 9:00 am. There being no further business before the Board, the meeting was adjourned at 11:51 am, motion by Van Deusen, second by McGuire.

Approved