



MEETING MINUTES

DATE: Friday, December 10, 2022

TIME: 9:00 a.m.

LOCATION: 0408 Carterville Road
State of Colorado, County of Eagle.

REGULAR BOARD MEETING

ATTENDANCE

Present: David Bentley, President; Treasurer; Eugene McGuire, Vice President; John Van Deusen, Secretary; Trevor Broersma, General Manager.

Board Members via webinar: Cheryl Foley, Dan Roberts, Assistant Treasurer/Assistant Secretary.

Other panelists via webinar: Alan Pogue, CMD Legal Counsel.

Members of the public via webinar: Nancy Alexander, Dennis Moran, Chuck Jackson, Suzy Smith, Melissa Murphy, Lainie Edinburg, Annette Irion, Richard Hogg, Steve Houk.

CMD Staff via webinar: Paula Kurtz, Executive Assistant to the GM; Cliff Simonton, Planning Manager; Sam Lazar, Operations Manager.

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 for December 10, 2021, Director Roberts seconded. The vote to approve was unanimous.

APPROVAL OF CONSENT AGENDA *(note minutes for three meetings and three separate resolutions detailed in Board Packet)*

Prior to a motion, Director Roberts requested that more time be provided to review consent items, as they are substantive in nature. Director Foley agreed, citing changes to several resolutions that may be necessary. Upon request, Attorney Early summarized the Meetings Resolution, which reflects legislative changes regarding how the Board can meet and how meetings must be noticed given realities of the pandemic. The Board determined that the Meeting Resolution could be approved, but that the minutes from September, October and November, the Election Resolution, and the Annual Administrative Matters Resolution should be forwarded to the next scheduled meeting. With these changes, Director Foley moved to approve the consent agenda, Director Roberts seconded. The vote to approve was unanimous. The Board then set the date for the next meeting as Monday, January 10 at 9:00 a.m.

DISCUSSION ITEMS

FINANCIAL UPDATE

Director Foley presented a financial update, highlighting the following:

- Draft financial statements for September, October and November have been received from CLA but have not been finalized. The quality of the reports is very good. A year-to-date statement for December has also been provided. This information is necessary to fully inform and understand the proposed 2021 Budget Amendment.
- The President and Treasurer recently met with a representative of Hays Financial Group to review the status of the District's retirement account investments, and to discuss options and best practices moving forward.

REQUEST BY CORDILLERA VALLEY CLUB TO SUPPORT SPEED REDUCTION ON I-70

Director Bentley presented a request by the Cordillera Valley Club Metropolitan District asking that the Cordillera Metro District sign a letter that will be sent to CDOT requesting a speed reduction on that portion of I-70 from Avon to Wilmore Lake to lessen noise impacts.

Board comments included the following:

- The relationship between noise and highway speed, and the degree to which a reduction by 10 mph would have positive impact, has not been clearly demonstrated.
- While we understand and should be sympathetic to the concerns of CVC residents, highway noise is not a significant issue for Cordillera (although homes in Alcazar and Kensington Green are affected by noise from the valley floor).
- Highway noise has always been present for CVC, a "given" to those that have purchased property there.
- On good authority, the chance that CDOT would implement speed reduction from Avon to Wilmore Lake is low to non-existent.
- Alternatively, the fact that there would be negligible impact to Cordillera is a reason Cordillera should support this effort by the CVC, acting as a good neighbor.

At the close of discussion, Director Bentley indicated that unless otherwise directed by a majority of the Board he would decline the request by the CVC Metro District.

EMPLOYEE HOUSING EXPLORATION

Director Bentley proposed that staff be directed to investigate possibilities of the District participating as a partner in an employee housing effort. He cited the frequently publicized issue of employee housing shortages in the Vail Valley and provided examples of employee housing shortage and affordability impacts to hiring efforts at the Cordillera Club, at All Points North, and even with Cordillera Metro District staffing. He further expressed his belief that housing should be considered part of the necessary infrastructure provided by the District to the community. Director Bentley emphasized that there are many unknowns, and that this would be an investigation only, with the understanding that any housing would need to be located out of sight from Cordillera residents and that the Cordillera community would need to benefit directly from such a project. The dog park and community garden area above the maintenance facility on Carterville Road, as example, might accommodate an eight-unit structure.

General Manager Broersma indicated support of an investigation, given difficulties he has had in filling positions.

Board members indicated reservation at this time given the many questions that would have to be answered; Director Roberts reasserted his position that the Metro District should not be in the housing business. The majority agreed, however, that an investigation was warranted, and staff was directed to look at possibilities. The meeting of April 2022 was targeted for an update.

2021 BUDGET AMENDMENT PRESENTATION *(see the 12/10/21 Board Packet for information)*

General Manager Broersma welcomed financial advisor Jason Carroll to the meeting.

Director Foley provided a summary overview regarding the proposed amendment to the 2021 budget:

- The Metro District is required by law to have a budget amendment when expenses exceed the approved budget.
- An evaluation of draft financial reports for September, October and November and the year-to-date estimate for December provides the factual basis on which to make projections for 2021 expenses and confirms that the District is over budget. A budget amendment is required.
- There are expenses yet to be paid in 2021. In terms of actual numbers, approximately \$410,000 will hit the books at the end of the year. Financials also indicate a savings of approximately \$75,000. The District will therefore be approximately \$335,000 in the red.
- In addition to the \$335,000, the financial committee is asking for \$125,000 to cover unknown expenses. This money would be restricted to cover only unanticipated operating expenses; the added cushion would avoid the need for another budget amendment in January.
- Altogether, a budget increase in expenses of \$460,000 is being requested. Referencing the proposed Budget Amendment Resolution provided in the Board Packet, this increases the 2021 budget from \$5,738,642 to \$6,200,000.
- Impacts to the budget for 2021 have been very complex, and it has taken an extraordinary effort on the part of Trevor and his staff to reach this place of understanding, and to compensate as much as possible for projected overruns. Department operating costs in the latter part of 2021 were reduced significantly.

PUBLIC COMMENT

Counselor Pogue explained that the resolution amending the budget details the supplemental appropriations, as provided earlier by Director Foley and as described in the Board Packet. Jason Carroll with CLA noted that the resolution also addresses the appropriation of the Water Fund to close out that account. Director Bentley opened the hearing on the proposed Budget Amendment to public comment

Comments received from the public included:

- Frustration with the format of on-line meetings that do not allow participants to see who is in attendance, and that do not offer a chat room option.
- Trevor has numerous deferred maintenance issues to address and a very large budget to handle. He should not be tasked to doing research for employee housing.
- Frustration with the lack of transparency regarding facts behind the need for a budget amendment, and the use of the Water Fund Monies.

- Concern for ongoing financial reconciliation “discoveries”, and a request that reports be provided at future meetings regarding any additional adjustments required.

Director Foley responded that many of the issues being uncovered by CLA are allocation discrepancies between various accounts, and when reconciled do not impact or require adjustments to the bottom line.

- Hiring an outside firm to handle District finances was a superb decision; the District should also look to hire a new auditor.
- The community should be informed of the total cost of severance packages paid by the District in the recent transition.
- A summary of the history and proposed use of the Water Fund Monies should be provided to property owners in the form of a memorandum from the Board.
- Community input should be sought regarding major capital improvements like those proposed for the Ranch Gate entrance.
- Highway noise is a factor in Cordillera on the Divide and is certainly impactful on the fishing parcel. CVC shares our name, they support us, slower speeds improve safety, and we should be good partners and support their letter to CDOT, regardless of its potential for implementation.
- Roads have not been plowed to previous standards, is the Metro District fully staffed?

General Manager Broersma acknowledged that staff is somewhat short, and there are new faces on the plowing team that are going through training, but the standard for plowing and road maintenance in Cordillera remains the same. Staff will double efforts to provide the best service possible.

- Issues requiring a budget amendment should have been realized months ago, and the community should have been informed. Budget amendments should precede related expenditures.

Director Foley responded that while the Board was aware of budget discrepancies early on in 2021 it is the Board’s practice to wait till years end, requesting an amendment when actual amounts are known. The Board prefers to amend the budget just once, if possible. The community was made aware of budget discrepancies in September.

Seeing no other hands raised, Director Bentley closed public comment.

Director Foley moved to approve the 2021 Budget Amendment Resolution as presented, Director McGuire seconded. The vote was called, and the measure passed unanimously.

ADJOURNMENT

General Manager Broersma confirmed that the minutes from September, October and November, the Election Resolution, and the Annual Administrative Matters Resolution will be addressed at the meeting of January 10, 2022. There being no further business before the Board, the meeting was adjourned at 10:04 a.m., motion by Foley, second by Van Deusen.