



MEETING MINUTES

DATE: December 9, 2022

TIME: 9:01 am

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

REGULAR BOARD MEETING

ATTENDANCE

Board Members Present in person: Cheryl Foley, President; Richard Saxby, Treasurer; Harry Jasper, Secretary, Rob Meyers, Assistant Secretary/Assistant Treasurer.

CMD Staff Present in person: Trevor Broersma, General Manager; Paula Kurtz, HR, and Finance Administrator,

Panelists via webinar: Alan Pogue, CMD Legal Counsel, Greg Schroeder of McDowell Engineering

Members of public present in person: none

Members of the public present via webinar: Suzanne Becker, Dan Roberts, Chuck Jackson, Mary Jackson, Suzy Smith, Ed Smith, Mike Autera, Melissa Murphy, Brooke Ferris, Bill Farley, Crystal Wilson, Lois Bruce, Jane Roberts, Nukhet Saxby, Jon Seltzer,

CMD Staff present via webinar: Sam Lazar, Community Operations Manager

CALL TO ORDER/DECLARATION OF QUORUM

Director Foley called the meeting to order at 9:01 a.m., noting a quorum was present.

ADEQUATE NOTICE/CONFLICT DISCLOSURE

Board members acknowledged receiving notice of the regular meeting no less than 24 hours in advance. No conflicts with items on the agenda were cited. Proper publication and notice were sent to Homeowners for the opportunity to participate in the 2023 annual budget discussions and approvals.

APPROVAL OF AGENDA

Director Meyers moved to approve the agenda for December 9, 2022. Director Saxby seconded the motion, the vote to approve was unanimous.

APPOVAL OF CONSENT AGENDA *(Please note draft minutes for the April 8, 2022, the August 12, 2022, the October 17, 2022, the October 27, 2022, and the November 18, 2022 in the Board Packet)*

Director Foley asked for board approval of the Consent Agenda, consisting of the minutes from the Board meetings of April 8, August 12, October 17, October 27, and the November 18, 2022. The Consent Agenda also included the election resolution, and the annual administrative and meetings resolutions, all being typical end of year efforts that need to be approved. The election resolution directs that two board seats will be up for election as of May 23, 2023, for the seats that had been formerly occupied by former Director Roberts and the other seat currently occupied by Director Meyers.

Director Meyers moved to approve the three resolutions and collective meeting minutes. Director Saxby seconded the motion, the vote to approve was unanimous.

Director Foley asked CMD legal counsel Alan Pogue if the Administrative Resolution needs to be changed or discontinued for the next year as the bond funds will now be paid off and closed. Mr. Pogue did not believe it needed to be changed at this time. It will be reviewed next year to determine if it is still needed in some form, if at all.

FINANCIAL UPDATE

Director Saxby gave the financial report noting that, as of Oct. 31, 2022, we are still on track to meet our 2022 budget in both the Operating and Capital funds. Saxby reported that all of Cordillera's long-term bonds were paid off in late November. After payment in full, each of the bond funds held small amounts of overcollections which will be refunded, in one instance to the CPOA (as payor into that fund) and the remainder to the community via a one-time mill levy decrease in our 2023 budget. CMD is now essentially debt free. Director Saxby thanked Mr. Broersma and his team for a great job managing expenses this year.

Director Foley asked for a motion to terminate the Debt Reserve Fund and the other remaining bond service funds.

Director Saxby moved that the CMD close out the Debt Reserve Fund and refund the surplus of approximately \$332K to the CPOA, and close each of the CMD debt service fund and the CMMD debt service funds and refund the combined excess of approximately \$396K to Cordillera property owners by way of a one-time negative mill rate levy against 2023 taxes. Director Meyers seconded the motion and the motion passed unanimously.

DISCUSSION ITEMS

BOARD RESIGNATION/VACANCY

Director Foley reported that Director Dan Roberts has resigned from the board due to the fact that he is establishing a Florida residency. Director Foley expressed her thanks on behalf of the board and the community for his expertise, dedication, and hard work in the past. The departure of Director Roberts creates a board vacancy that will need to be filled/appointed by January 27, 2023. The preferred and needed skillset for the new board member were discussed by the board, considering skills that would complement those of the existing board members. The board discussed a schedule for the identification and nomination of the new board member. The deadline for expressions of interest will be Friday, January 6, with a special meeting to be held in January for the appointment. As noted, a regularly scheduled CMD election will be held on May 2, 2023, to fill two open director positions for new four-year terms.

TRAFFIC CALMING INITIATIVES 2023

Mr. Broersma introduced Greg Schroeder of McDowell Engineering. Mr. Schroeder has been working with the management team on traffic, road, and speed studies, while working towards solutions to solving the excessive speeding issues. The average speed is approximately 10 mph above the posted speed limit, but speeds are often clocked much higher. Past and future evaluation efforts include the addition of radar speed signs, striping additions, speed bumps at crossing areas, supplemental signs, multi-use paths, bike lanes and more. Mr. Schroeder's team experimented with a temporary round-about with mixed success, as it is difficult to implement these types of artificial efforts. The issue of the very high speeds by some drivers was discussed as a major problem to remedy. Identifying and addressing the excessive speeders was discussed as an issue that should be on the table for discussion in 2023.

MANAGEMENT TEAM UPDATE

CMD General Manager Trevor Broersma reviewed operations updates to include construction on the entry gate and related signage. The gate project is behind schedule due to the contractors being extremely busy, but work is proceeding slowly. The Bearcat Stables barn is now completed and looks great.

Mr. Broersma discussed staffing levels and mentioned that he continues to receive many great comments about the staff from homeowners. He is fully staffed at this time. Annie Morris at the Equestrian Center will be communicating updates and schedules on training, camps, and various kid's clinics soon. Boersma reported that we are currently fully staffed at the Equestrian Center. We have 31 horses boarded at this time with the potential to board another 20 horses with proper staffing. He reviewed Annie's impressive credentials with the board. Annie has personal resources to evaluate best practices to be more profitable as an equestrian center which Mr. Broersma intends to utilize.

FINANCIAL UPATE-2023 OPEN BUDGET REVIEW AND DISCUSSION

Director Foley opened the public hearing and discussion session regarding the 2023 budget.

CLA Principal Margaret Henderson reiterated that all bonds have been fully paid. Henderson reviewed details related to the payoff of the debt service bonds and reviewed the associated tax levy reductions. Mr. Broersma and Ms. Henderson identified a typo in the mill levy certification. It was pointed out that in the original packet in the general operating expenditures line 1 there was revenue identified as \$5,107,000 which should be \$5,017,132. This is the only change in this certification per Ms. Henderson. These numbers have been updated in the budget to properly reflect this change.

Mr. Broersma reviewed major expenditures including vehicles, road sanders, fencing, and other major items that will change in 2023. Broersma presented the 2023 Operating and Capital budgets, noting several line items that had been revised after the Board packet had been distributed earlier this week. Broersma explained that there is a deficit of approximately \$781,000 reflected in the 2023 Operating Budget, but this is, in reality a deficit of only approximately \$400,000. This difference is caused by the timing discrepancy of receiving the debt service overcollections of \$396,000 into our accounts in December of 2022 but using them to offset/fund the one-time negative mill levy reduction in 2023, as described earlier in the meeting.

Mr. Broersma was asked about the success of the safety incentive program for team members to bring awareness to the importance of working safely. The program has been a huge success to-date for all departments. This will be the first year in several years with no major claims. The staff will be rewarded for handling safety in a professional and efficient manner. This program has a strong financial payback with a positive impact on insurance premiums.

The board encouraged a sharing of best practice strategies regarding the efficient and profitable management of the equestrian center. Director Foley also stated that the board has much higher expectations for the performance of the equestrian center on many levels.

It was agreed by all that each CMD operation is now better defined and broken out within the 2023 budget to better track and identify expenses. In addition, health care costs for staff were reviewed and discussed as an important issue that needs to be continually evaluated towards a stability of the workforce.

After Board discussion of the proposed final budget, Director Foley noted that there is a real deficiency (to be made up with CMD reserve savings) between operating revenues and expenditures in the budget of nearly \$400,000, attributable to the fact that CPOA decided to no longer fund any public safety services and CMD is now paying for 100% of their costs. Foley explained that, originally, CPOA was responsible for 100% of our public safety service, but in 2003, CMD began contributing 50%. CMD's annual tax revenues are not and have never been sufficient to fund 100% of public safety.

Foley noted that these operating budget deficiencies are not sustainable long-term, and that there are only 3 realistic solutions: (1) increase taxes; (2) decrease CMD services; or (3) have CPOA resume its funding. CMD intends to begin a community outreach program in early 2023 to provide information to the public about the public safety function and its costs, to better understand what services the community wants to continue and how they can best be funded.

PUBLIC COMMENT

Director Foley asked for any public comment. Lois Bruce stated that the CPOA should contribute to the costs associated with Public Safety as it has in the past. Nukhet Saxby expressed her deep gratitude for the great work and expertise of Director Dan Roberts on behalf of the community over the years and lauded the contributions of Jane Roberts as well.

There being no further comments, Director Foley closed the public comment session and asked for a motion to approve the budget resolution. The motion was made by Director Saxby and seconded by Director Meyers. Motion passed unanimously.

EXECUTIVE SESSION

Director Foley then noted the need for Executive Sessions to discuss commercially sensitive issues and to receive advice on legal matters with counsel pursuant to Section 24-6-402(4)(b), C.R.S. and Section 24-6-404(4)(e), C.R.S. Director Foley asked for a motion to convene the executive session. The motion was made by Director Meyers seconded by Director Saxby and approved unanimously to convene an executive session to receive legal advice.

EXECUTIVE SESSION #1

The first executive session opened at 10:36 am.

Counselor Pogue discussed legal matters with the Board.

Director Foley asked for a motion to adjourn the executive session. Upon motion, seconded and approved, the executive session concluded at 11:17 am.

EXECUTIVE SESSION #2

Director Foley asked for a motion to begin the 2nd executive session to discuss commercially sensitive issues. Director Saxby made a motion to begin the meeting, seconded by Director Foley, and approved unanimously. The second executive meeting commenced at 11:21 am. Director Foley asked for a motion to close the second executive session. Director Saxby made a motion to close the executive session at 12:57 pm. The motion was seconded by Director Foley and approved unanimously.

ADJOURNMENT

Director Foley reported that the board had taken no action in its executive sessions and asked for a motion to close the Regular CMD Board meeting at 12:58 pm. Director Meyers made a motion to close the regular meeting, seconded by Director Saxby and approved unanimously.