

BOARD MEETING

January 10, 2022



CORDILLERA

Metro District



MEETING AGENDA

DATE: MONDAY, January 10, 2022

TIME: 9:00AM

LOCATION: Video Conference Only
STATE OF COLORADO) COUNTY OF
EAGLE) SS.

SPECIAL BOARD MEETING

Due to the threat of health and safety posed by the COVID pandemic, this meeting is being held via Zoom. To register for the meeting click [here](#). Once registration is complete, you will an email with instructions on how join the call.

BOARD OF DIRECTORS

David Bentley, President – May 2022 | Gene McGuire, Vice President – May 2022

Cheryl Foley, Treasurer – May 2022 | John Van Deusen, Secretary – May 2023

Dan Roberts, Asst Secretary/Asst Treasurer – May 2023

CALL TO ORDER - 9:00AM

- Call to Order
- Declaration of Quorum/Director Qualifications/Disclosure
- Approval of Agenda
- Approval of Consent Agenda
 - July 9th Approved Meeting Minutes – Corrected
 - September 10th Meeting Minutes, October 13th Meeting Minutes, November 12th Meeting Minutes, December 10th Meeting Minutes

DISCUSSION ITEMS – 9:15 AM

- Election Resolution – Alan Pogue, CMD Legal Counsel
- Annual Administrative Matters Resolution– Alan Pogue, CMD Legal Counsel

PUBLIC COMMENTS – 10:00 AM

CMD welcomes public comment.

ADJOURN – 10:30AM

NOTICE IS HEREBY GIVEN that the Board of Directors of the Cordillera Metropolitan District will hold a meeting. CMD is required to meet a 24-hour posting requirement unless in the event of an emergency. By Order of the District, David Bentley.



(CORRECTED) APPROVED MEETING MINUTES

DATE: July 9, 2021

TIME: 9:00AM

LOCATION: Video Conference Only STATE
OF COLORADO)

COUNTY OF EAGLE) SS.

REGULAR BOARD MEETING

Due to Governor Polis' declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

ATTENDANCE

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

Others Present via Webinar: Trevor Broersma, acting general manager; Alan Pogue, general counsel for CMD; Ron Hoppner, information technology administrator; Claudia Wells, finance manager; Paula Kurtz, executive assistant to gm; Cliff Simonton, community planning manager; Samuel Lazar, operations manager; Brian Beven, legal counsel to Keith Tucker, Petitioner; Matt Stovell, legal counsel to Keith Tucker, Petitioner, Iris, court reporter and 36 members of the public.

CALL TO ORDER

Director Bentley called to order the Regular Board Meeting of the Cordillera Metropolitan District at 9:23 a.m.

DECLARATION OF QUORUM/CONFLICT OF INTEREST DISCLOSURE

Board members acknowledged receiving notice of the meeting at least 24 hours in advance. No conflicts of interest were noted.

APPROVAL OF AGENDA

Motion: Director Foley moved to approve the Meeting Agenda for July 9, 2021. The motion was seconded by Director Van Deusen. Motion duly made and seconded, the Board approved the agenda for July 9, 2021.

APPROVAL OF MINUTES

Director Foley moved to approve the minutes for the regular meeting of May 14, 2021, and the minutes for the special meetings held on June 9, 2021, and June 25, 2021. The motion was seconded by Director Van Deusen.

Motion duly made and seconded, the Board approved the minutes for the regular meeting of May 14, 2021, and the minutes for the special meetings held June 9, 2021, and June 25, 2021.

PUBLIC HEARING ON PETITION TO EXCLUDE REAL PROPERTY

Pursuant to CRS Section 32-1-501, a public hearing was opened by Director Bentley at 9:24am to consider a Petition to Exclude Real Property (Lots 1 and 2, Filing 33) from Cordillera Metropolitan District boundaries. The property is

owned by Starview Reality Investments LP, Mr. Keith Tucker, president. It was confirmed that statutory requirements for the Exclusion hearing had been met. Alan Pogue presented rules and protocols for the hearing.

Brian Bevan, Counsel for the Petitioner, presented the background, history and details supporting his client's request, including a review of the eight (8) statutory criteria that must be considered for Exclusion. In summary, it was asserted that the owner does not utilize or enjoy CMD amenities and does not require CMD services commensurate to the taxes he pays on the property. The findings for each of the eight Exclusion criteria were outlined in a manner that supported the Petitioner's request. Examples were also provided of previous requests for exclusion from the CMD, one involving the Rothkopf property, which was denied, and one involving properties on Timber Springs Road which was accepted. In closing, Mr. Bevan noted that no written comments or objections from Cordillera property owners had been received at the time of the hearing.

Representing the District, Mr. Pogue and Mr. Boersma then presented, providing additional information and detail on CMD services rendered, a history of previous litigation involving the property, and resulting contractual arrangements surrounding the issue of access, services, and taxes. Mr. Pogue also reviewed the eight required Exclusion criteria, offering findings contrary to those of the partitioner on most points.

Both presentations are available upon request through the CMD.

Public comment was opened. A resident asked whether exclusion from CMD would impact the affiliation of the property to the Cordillera Property Owners Association. Assurance was if it would not, and that in the event of exclusion CPOA assessments would still be required.

Board Comment was opened. Director Bentley confirmed the deadline for written comments/objections to the Exclusion as the day of the hearing. He noted that, if allowed, the removal of the property from The District's boundary would be permanent, running with the land and not ownership of the land. He confirmed that if excluded the Petitioner would still be responsible to pay 063 taxes (District debt) until the bonds were retired. Director Bentley finished by noting that numerous outstanding visual attributes of the Cordillera Subdivision are enjoyed by travelers on Squaw Creek Road for its entire length.

Director McGuire reiterated that the Exclusion, if allowed, would be permanent. He asked about the potential for density increases on the subject property post Exclusion, noting that any new density would likely also be excluded. Director McGuire questioned why the Board was being asked to consider this Exclusion again, when past litigation had essentially determined an outcome.

Director Roberts reiterated the fact that the owner was fully aware of access issues and ownership/tax responsibilities when he purchased the property, and that CMD had provided many improvements to the property including a paved road and utilities. Mr. Bevan offered his view that the property was purchased by the Petitioner from the District, and improvements made to the property by The District at that time were part of purchase negotiations.

Director Foley asked if the owner of Lots 1 and 2 had access to District owned open space located north of the property. She confirmed that The District was responsible for plowing the access road to Lots 1 and 2 (Sendero Verde) for a fee of \$1 per year per a previous settlement, and that this plowing agreement could not be terminated by the CMD unless the property was sold. She noted that contrary to previous statements by the Petitioner, CMD Public Safety personnel have responded to the property. Director Foley also questioned the price of a home in Cordillera quoted by Mr. Bevan as "average" in his presentation of financial impacts to Cordillera homeowners was accurate. Finally, Director Foley confirmed that CMD plows the entire length of Squaw Creek Road, a benefit to the Petitioner.

Mr. Bevan noted that many properties outside District boundaries benefit from the plowing of Squaw Creek Road. Closing comments and clarifications were provided by Mr. Bevan and Mr. Pogue.

Motion was made by Director Van Deusen to take the matter under advisement until the regularly scheduled CMD Board Meeting of September 10, 2021. Director Foley seconded the motion. Motion duly made and seconded, the Board approved forwarding the Hearing for Petition to 9:30 am on September 10, 2021.

AGENDA ITEMS

FINANCIAL REVIEW

Noting exceptional work by staff to produce a current set of financial statements, CMD Treasurer Cheryl Foley presented a review of April 2021 and May 2021 financials. She indicated that The District was on track to meet the approved budget. No Board action was required.

CMD AUDIT

Director Foley indicated that draft audit statements had been received, and that the audit is moving toward final documentation. A final report should be available by the next CMD Board meeting. No Board action was required.

PUBLIC COMMENT

Director Bentley opened public comment, requesting that comments be directed specifically at the four resolutions being considered. Comments included a request for greater detail and a summary of the resolutions. After a summary and explanation of the four resolutions was provided public comment resumed. Public comment consisted of support of resolutions designed to get Water Fund monies back to the property owners as the board's first consideration should be giving the monies back. Feedback was split in support of CMD buying the Grouse property and leasing back to the CPOA, as well as a one-time abatement of the mill levy.

WATER FUND MOVE RESOLUTION

Director Foley introduced the Water Fund Move Resolution, which reads as follows:

WHEREAS, the Cordillera Metropolitan District ("District") entered into the Amended and Restated Water Service Agreement, dated March 25, 2004 between the District, the Edwards Metropolitan District, and the Upper Eagle Regional Water Authority (the "Water Service Agreement") that, among other things, required the District to fund specified capital improvements ("Required Capital Improvements") to the Cordillera water infrastructure that provided water services to property owners and properties located within the District's boundaries; and

WHEREAS, the District imposed an \$18.50 per month surcharge on the water bills of all property owners in the District to fund such Required Capital Improvements and established a dedicated capital fund on its books and accounts (the "Water Enterprise Fund") to record the collection and disbursement of the amounts necessary to fulfill its obligations to fund the Required Capital Improvements; and

WHEREAS, the District terminated the monthly surcharge as of May 1, 2017 after the District determined that it had fully funded the Required Capital Improvements and thus had fulfilled all of its infrastructure funding obligations under the Water Service Agreement; and

WHEREAS, as of June 30, 2021, the unaudited Water Enterprise Fund balance was \$2,270,627.82; and

WHEREAS, the District has the discretion to transfer the monies in the Water Enterprise Fund to other funds for use for other public benefits; and

WHEREAS, the District desires to transfer such balance into the General Operating Fund to provide greater flexibility for its use in the future;

NOW THEREFORE, the District hereby resolves to transfer the entire balance of the Water Enterprise Fund as of July 9, 2021 into its General Operating Fund and to terminate the existing Water Enterprise Fund and remove it from its books and accounts.

Director Foley further provided a brief history of the Water Fund and explained that it needed to be transferred to the General Fund to allow access to the money for use by the CMD on projects of public benefit.

Director Foley moved the Water Fund Move Resolution be approved as presented. *The motion passed unanimously.*

WATER FUND “GROUSE” PURCHASE RESOLUTION

Director Foley introduced the Water Fund “Grouse” Purchase Resolution, which reads as follows:

WHEREAS, the Cordillera Metropolitan District (“District”) has, on July 9, 2021, transferred all of the funds from its Water Enterprise Fund (approximately \$2,270,627.82) into its General Operating Fund, creating a balance in the General Operating Fund of approximately [\$_____]; and

WHEREAS, the Cordillera Property Owners Association (“CPOA”) is undertaking a large capital improvement plan that includes, among other things, a potential \$2,200,000 purchase of the real estate, building, and parking lot commonly known as the Grouse-on-the-Green (the “Grouse”), which is immediately adjacent to the CPOA’s Short Course golf amenity; and

WHEREAS, the CPOA will hold a proxy vote on July 20, 2021 in which property owners will be asked to approve and ratify the Grouse real estate purchase contract, authorize annexation of the Grouse property, and authorize potential assessments in financial support of the purchase; and

WHEREAS, the CPOA has requested that, if the community votes to approve the proposed ballot measure, the District provide financial support to either: (i) reduce the amount of any assessment the CPOA may otherwise levy to fund the purchase or (ii) provide a temporary tax reduction to compensate residents for all or part of the assessment to be levied; and

WHEREAS, the District believes that ownership of the Grouse, if approved by Cordillera property owners in the CPOA ballot initiative, would provide an important public recreational benefit to the Cordillera community; and

WHEREAS, the District has determined that its General Operating Fund balance, including the \$2,270,627.82, referenced above, is at a robust level, and that \$2.2 million could be released to support, either directly or indirectly, a purchase of the Grouse; and

WHEREAS, the District has identified two funding options (the “Funding Options”) that it would be willing to use to provide financial support to aid in the Grouse purchase, if approved by Cordillera property owners in the CPOA vote: (i) a “Sale/Leaseback” under which it would purchase the Grouse from the CPOA and immediately enter into a long-term, low cost lease with the CPOA, with an option for the CPOA to repurchase the property at any time during the term of the lease, thus allowing the CPOA to reduce dollar-for-dollar any proposed assessment on property owners; or (ii) a one-time or multi-year tax refund to property owners through a mill levy reduction that would reduce real property taxes by a total of \$2.2 million and thus free up money from each individual resident’s tax burden to fully or partially compensate them for the CPOA special assessment; and

WHEREAS, the District desires to explore the pros and cons of each of the Funding Options with the CPOA and the Cordillera community over the next few weeks, so that it will be able to make a final decision as to which Funding Option would be most beneficial to the overall community in the event that property owners vote to approve the proposed purchase of the Grouse.

NOW THEREFORE, in the event that the Cordillera property owners vote to approve the proposed purchase of the Grouse, the District hereby commits \$2.2 million from its General Operating Fund to financially aid the community to fund such purchase using one of the Funding Options described above.

Director Foley noted the strength of CMD’s current financial condition and moved to approve the Water Fund “Grouse” Purchase Resolution as presented. Director Roberts seconded the motion.

Discussion disclosed two basic positions, one that information known is sufficient to approve funding the purchase of the Grouse, the other that additional information is needed.

The motion failed 3 to 2, with Directors Bentley, Van Deusen and McGuire voting against and Directors Foley and Roberts voting for.

TAX RELIEF RESOLUTION

Director Bentley requested this resolution be withdrawn from discussion given its direct association and reliance on approval of the Water Fund “Grouse” Purchase Resolution. The Board agreed.

COMMIT TO TAX RELIEF RESOLUTION

Director Roberts presented the Tax Relief resolution, which reads as follows:

WHEREAS, the Cordillera Metropolitan District (“District”) currently has an overage of greater than \$2.2 million in its General Fund for the year 2021; and

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

NOW THEREFORE, the District resolves and commits to the residents of Cordillera, except in the event of acts of God or other extraordinary events, to utilize these excess funds to reduce budgetary needs for 2022 by at least \$2.2 million, which will result in a one-time reduction in the mill levy for 2022.

Director Roberts emphasized the fact that the CMD has \$2.2 million in the general fund belongs to the community, regardless of situations surrounding the purchase of the Grouse, and that it should be returned to the property owners. He requested that CMD commit to returning \$2.2 million to the community and moved to approve the Tax Relief Resolution. Director Foley seconded the motion.

Discussion again disclosed two basic positions, one that information known is sufficient to approve returning these funds to the Community, the other that additional information is needed.

The motion failed 3 to 2, with Directors Bentley, Van Deusen and McGuire voting against and Directors Foley and Roberts voting for.

MANAGEMENT TEAM REPORT

The Board welcomed Trevor Broersma in his new position Acting General Manager.

Trevor presented the Management Team Report and answered board questions regarding:

- proposed new financial software; a meeting with Directors Bentley and Foley has been scheduled, with a decision on the new software coming very soon.
- the community gardens: The corrugated metal has finally arrived, and the beds will be completed and ready for planting soon.
- trailer parking, all 50 spaces have been rented and there is a waiting list. The spaces are available only to Cordillera owners.

PUBLIC COMMENTS

Director Bentley re-opened public comment. Comments included disappointment that the resolutions releasing the Water Fund were not approved, lack of action on water fund matter maintains uncertainty and may bias the upcoming CPOA vote, water fund money needs to be returned to the community, and that the board's actions/lack of actions are misleading.

EXECUTIVE SESSION

Motion: At 12:54, Director Foley moved, and Director Van Deusen seconded a motion to enter executive session pursuant to Section 24-6-402(4)(a), C.R.S. to discuss personnel matters (general manager). At 1:30 p.m. Director Foley moved, and Director Roberts seconded a motion to conclude executive session. No action was taken in executive session.

ADJOURNMENT

Motion: Director McGuire moved to adjourn the Regular Meeting of the Cordillera Metro District at 1:32 p.m. Seconded by Director Foley. Upon motion duly made and seconded, the Board adjourned the Regular Meeting of the Cordillera Metro District.



MEETING MINUTES

DATE: Friday, September 10, 2021

TIME: 9:00 a.m.

LOCATION: 408 Carterville Road
State of Colorado, County of Eagle

REGULAR BOARD MEETING

ATTENDANCE

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

Via webinar: Dan Roberts, Assistant Treasurer/Assistant Secretary

Not in attendance: Eugene McGuire, Vice President.

Other panelist via webinar: Alan Pogue, CMD Legal Counsel; Jason Carroll, Clifton Larson Allen; Bryan Bevin, Legal Counsel, Starview Realty Investment.

Members of public via webinar: Bill Farley, Dennis Moran, Kelly Keenan, Steve Houk, Lainie Edinburg, Melissa Murphy, Mike Autera, Pamela Horan-Kates, Mary Jackson, Chuck Jackson.

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 of the meeting and cited no conflict of interest with items on the agenda.

APPROVAL OF AGENDA

Director Foley moved to approve the agenda as presented, Director Van Deusen seconded. There being no discussion, 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 July 9, 2021, Director Van Deusen seconded. Director Roberts inquired about the minutes from the August meeting and was informed these will be presented in October. Director Bentley asked if the Resolution approved by the Board at the August meeting regarding monies available for the purchase of the Grouse on the Green had been formerly transmitted to the CPOA; Trevor indicated yes. There being no further discussion, the vote to approve was unanimous.

AGENDA ITEMS

PUBLIC HEARING TO EXCLUDE REAL PROPERTY, continued from the meeting of 7/9/21.

Director Bentley opened the hearing continued from the meeting of July 9th regarding a request from Starview Realty Investment to exclude that real property situated at 4852 Sendero Verde from the Cordillera Metropolitan District service boundary. Counselor Pogue presented a resolution prepared for the Board's signature (please reference Board Packet for 9/1/0/21) which detailed facts and events of the investigation, and which concludes that the Cordillera Metropolitan District, upon consideration of all statutory criteria and receipt of all evidence required, has determined that the property should not be excluded.

Director Roberts moved to approve the resolution; Director Van Deusen seconded the motion. Director Bentley opened the hearing to public comment. Seeing none, public comment was closed.

The Board moved to deliberation. There being no discussion, the vote was called, and the resolution was unanimously approved. Director Bentley formally closed the hearing on the matter of Starview Realty Investment.

FINANCIAL AND AUDIT REPORT *See full reports in 9/10/21 Board Packet*

Director Foley presented the Financial Report for the period ending June 30, 2021, providing the following highlights:

- Revenue and expenses are on target and consistent with budget and expectations. One exception is interest income, which will fall short of expectations (budget projections may have been unrealistic).
- The move of Water Fund monies to the General Fund is not reflected in this report, as that did not occur until July.

Director Bentley questioned the increase in accounting fees and was informed that the on-going reconciliations and corrections that have been required as the District moves to the new CLA accounting system were not anticipated by the budget.

- The 2020 Audit did identify significant deficiencies, most associated with accounts and balances that did not align, exacerbated by issues with (old) accounting software. Significant reconciliation and corrections were necessary. The future outsourcing of accounting and financial management to CLA should solve these problems.
- The auditors did find that, after reconciliation and corrections, year-end financial statements reflected an accurate picture in all material respects of each major fund and the aggregate remaining funds and government activities of the Cordillera Metropolitan District as of December 31, 2020.
- The Metro District is in very good financial shape. Additionally, all bond debt should be fully amortized by the end of 2022.

Presentation of the Financial Report required no specific action by the Board.

RESOLUTION GOVERNING USE OF CMD ASSETS TO SEND POLITICAL OR PERSONAL MESSAGES TO THE CMD COMMUNITY

Director Roberts presented and moved to approve the following Resolution:

WHEREAS, on August 19, 2021 a letter was written by David Bentley, to the Cordillera Community on CMD letterhead using the personnel, mailing list, and other resources of the CMD and was signed by Mr. Bentley as President of the CMD. Mr. Bentley admits in the letter, that the letter was solely a personal message; and

WHEREAS, several residents have questioned the legality of using the CMD logo and letterhead, the CMD email distribution or mailing lists, and CMD facilities and personnel to enable such personal distributions; and

WHEREAS, to our knowledge CMD does not have any written policy governing use of its assets for political or personal purposes and the Board believes that such a policy is necessary and appropriate.

NOW THEREFORE, the CMD Board hereby adopts the following policy related to the use of its assets in the distribution of political or personal messages to Cordillera residents: No CMD Director may use the CMD logo or letterhead, its email or mailing distribution lists, or its facilities, personnel, or other assets to send messages of a political or personal nature to the Cordillera residents. Any CMD Director who wishes to send a written communication to Cordillera residents using CMD assets shall first send a copy to all other CMD Directors and solicit their comments. In the event that a question arises as to whether any communication is prohibited under this policy, the Board's attorney shall be consulted and shall make the final decision.

Director Foley seconded the motion to approve.

In discussion, those in favor stated that Director Bentley's letter raised the issue of Board members using taxpayer money to further their own personal or political views. This letter was of immediate concern to the community and necessitated a CMD policy which codified existing Colorado law.

Those opposed stated that it would be inappropriate to establish board policy through a resolution targeting a single isolated incident, and that the Board should instead work with appropriate stakeholders to establish bylaws to guide its protocols and activities, as provided in the Special Districts Handbook.

General support was voiced by Board members for the development of bylaws addressing Board activities, responsibilities, and protocols at some future time.

The vote was called, with Directors Roberts and Foley voting in favor of adoption of the resolution, and Director Bentley and Van Deusen voting against. The vote being tied, the measure failed.

INTRODUCTION OF CLIFTON LARSON ALLEN – NEW CMD FINANCIAL SERVICES TEAM

The Board welcomed Mr. Jason Carrol, managing partner of Clifton Larson Allan, who then presented his firm's qualifications and a summary of the financial and accounting services CLA would be providing to the District. In response to Board questions, Jason provided additional information regarding the timing and availability of monthly financial information, and the involvement of CLA in future audits and the budgeting process.

In discussing the transition to the new accounting software, the Board recognized the outstanding effort and work of Financial Manager Claudia Wells, as she has been instrumental in problem solving and providing advice through the transition effort. The Board wished her well in new endeavors as Claudia will be leaving the organization.

CLARIFICATION OF PROCESS FOR HIRING THE GENERAL MANAGER POSITION

Counselor Pogue presented a summary of the statutory requirements of postings and open meetings associated with the process of hiring a new General Manager. The Board confirmed the status of its hiring activities and scheduled a follow up meeting consistent with statutory requirements, setting October 13th as the day by which the process would be concluded.

MANAGEMENT TEAM REPORT *See full report included in 9/10/21 Board Packet*

Acting General Manager Trevor Broersma presented the September 10, 2021 Management Team Report, providing detail on topics including:

- Staff training, anniversaries, and recognitions. Trevor also presented the Metro District organizational chart.
- The financial software update project
- Information and Technology news. Ron Hoppner is starting his own business, but will continue to provide IT services to both the District and the CPOA.
- Equestrian Center news - enthusiastic welcome-back to manager Dominique Jones.
- Community Operations and the status of road, trail, and fleet projects
- The Fishing Program summary for 2021
- Public Safety operations, call boxes at gates, trailer parking and staffing shortage issues.

Discussion included a request for a video that would detail the use of call boxes at entry gates, acknowledgement regarding regional workforce and housing shortages, and a request for clarification regarding the position of Community Planning Manager on the organizational chart. It was confirmed that the District's two transport vans had been sold (CPOA was approached but did not have use for them), and greater detail was provided regarding this summer's road resurfacing projects, new bike lanes and the changes to the intersection of Squaw Creek Road and Cordillera Way. The Board acknowledged that a great deal of work had been accomplished this summer, with no increase in taxes.

Presentation of the Management Team Report required no specific action by the Board.

2022 BUDGET PLANNING DISCUSSION *See supporting documents in 9/10/21 Board Packet.*

Acting General Manager Trevor Broersma presented preliminary detail on the Budget proposed for 2022, including the timeline for its completion and approval. Forecasts for revenues, expenditures and the plan for capital projects were presented. Discussion included impacts from elevated construction costs, and an explanation of how the 20-year Reserve Study is used to determine capital budget amounts for each year. The reserve study is scheduled to be updated in 2022. Clarification of proposed costs associated with the Bearden Pond upgrade was also provided.

Working with CLA, a more refined draft budget will be available for the Board's consideration at the October 13 meeting.

The budget planning discussion required no specific action by the Board.

PUBLIC INPUT

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

- A request for periodic inspection and maintenance of intersection identification fences in the Summit.
- A request for flowers to be returned to select intersection and monument beds in the Summit. The 2022 budget brings funds allocated for flowers back to 2019 levels. Flower bed designs will be modified in response to the need for water conservation.
- Tim and Anita Asfazadour should be recognized for discovering and reporting a fire adjacent to the Big Park Trail this past summer that could have grown significantly.

ADJOURNMENT

The day and time for the next CMD Board meeting was set as Wednesday, October 13, 2021 at 9:00 am. There being no further business before the Board, the meeting was adjourned at 10:40am, motion by Foley, second by Van Deusen.

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MEETING MINUTES

DATE: Wednesday, October 13, 2021

TIME: 9:00 a.m.

LOCATION: 408 Carterville Road
State of Colorado, County of Eagle

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, Susan Seltzer, Margo Boyle.

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 as presented, Director Roberts seconded. The vote to approve was unanimous.

APPROVAL 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 million yearly average 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 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 capital improvement costs. Better management and the introduction of riding lessons should help to close the gap in 2022.
- Staff should examine how to separate or barricade the 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. They have declined in their utility and visual quality and have developed leaks. They should be repaired and updated to meet Cordillera standards.
- Operations at 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/costs of leasing vs purchasing of maintenance 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 a time when interest rates are low and construction costs are increasing dramatically.
- 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.



MEETING MINUTES

DATE: Friday, November 12, 2021

TIME: 9:00 AM

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

REGULAR BOARD MEETING

ATTENDANCE

Present: David Bentley, President; Cheryl Foley, Treasurer; Trevor Broersma, 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: Mike Grier, Margaret Henderson, Dennis Moran, Jerry Nichols, Chuck Jackson, Mike Autera, Melissa Murphy, Kelly Keenan, Harry Jasper, Robert Donovan, Lainie Edinburg, Annette Irion, Monte Irion, Lois Bruce, Richard Hogg, Bill Farley.

CMD Staff via webinar: 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, 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

There was no consent agenda. 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, Paula 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 to the budget 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. This change, however, 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 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 presented detailed information showing substantial amounts remain in the General Fund over and above foreseeable needs. Based on this information, she 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. In addition to keeping the water fund monies, the CMD in 2022 is proposing to tax Cordillera residents an additional 5.5%, which is the largest increase allowed by law.

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.



MEETING MINUTES

DATE: Friday, December 10, 2021

TIME: 9:00 a.m.

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

REGULAR BOARD MEETING

ATTENDANCE

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

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

Other panelists via webinar: Debora Early and Alan Pogue (joining late), CMD Legal Counsel; Jason Carroll, Clifton Larson Alan (CLA).

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.

**RESOLUTION OF
THE BOARD OF DIRECTORS OF
CORDILLERA METROPOLITAN DISTRICT
2022 REGULAR SPECIAL DISTRICT ELECTION RESOLUTION**

WHEREAS, Cordillera Metropolitan District (the “District”) was organized pursuant to the Special District Act, Article 1 of Title 32, C.R.S. (the “Act”), after approval of the eligible electors of the District, by order of the District Court in and for Eagle County, Colorado; and

WHEREAS, after organization, District elections to elect members to the Board of Directors (the “Board”) of the District and/or to present certain ballot questions to the eligible electors of the District are governed by the Act; the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S. (the “Uniform Code”); and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S. (the “Local Government Election Code”) (the Act, Uniform Code, and Local Government Election Code are collectively referred to herein as the “Election Laws”); and

WHEREAS, the Board currently includes five (5) members elected to serve on the Board; and

WHEREAS, the term of office for three (3) members of the Board shall expire after his or her successor is elected at the next regular election for the District scheduled to be held on the Tuesday succeeding the first Monday of May, which is May 3, 2022 (the “Election”), in accordance with § 1-13.5-111(1), C.R.S.; and

WHEREAS, except as otherwise provided below, the term of office for members of the Board elected in the Election are for three (3) years pursuant to § 32-1-305.5(3)(b), C.R.S.; and

WHEREAS, in accordance with the Election Laws, the Board desires to call the Election for purposes of electing three (3) directors to the Board to each serve a term of three years; and

WHEREAS, pursuant to Section 32-1-804(1), C.R.S., the Board shall govern the conduct of the Election and render all interpretations and make all decisions as to controversies or other matters arising in conducting the Election; and

WHEREAS, pursuant to Section 32-1-804(2), C.R.S., all powers granted by the Board by Part 8, Article 1 of Title 32, for the conduct of regular or special elections may be exercised in the absence of the Board by the secretary or by an assistant secretary appointed by the Board, and the person named by the Board who is responsible for the conducting of the election shall be the designated election official; and

WHEREAS, pursuant to Section 1-13.5-108(1), C.R.S., the designated election official named by the Board shall render all interpretations and shall make all initial decisions as to controversies or other matters arising in operation of the Code; and

WHEREAS, for purposes of the Election, the Board desires to appoint an assistant secretary, who shall be the designated election official for the Election and exercise all powers granted by the Board for the conduct of the Election; and

WHEREAS, §§ 1-13.5-501(1) & -(1.7), C.R.S., require that, between seventy-five (75) and one hundred (100) days before a regular election, the Designated Election Official shall provide public notice of a call for nominations for the election by: any one of the following means: publication, as defined in § 1-13.5-501(2), C.R.S.; including the notice as a prominent part of an informational mailing sent by the District to the eligible electors of the District; posting the information of the official website of the District; or, if permitted under § 1-13.5-501(1.7)(b)(IV), C.R.S., posting the notice in at least three public places within the boundaries of the metropolitan district and in the office of the Clerk and Recorder of Eagle County; and

WHEREAS, § 1-13.5-1104(2), C.R.S. requires the Designated Election Official to supervise the distributing, handling, and counting of ballots and the survey of returns, and to take the necessary steps to protect the confidentiality of the ballots cast and the integrity of the election; and

WHEREAS, §§ 1-11-103(3) & 32-1-104(1), C.R.S. require the District to certify to the Colorado Division of Local Government (the “Division”) the results of any elections held by the District and include the District’s business address, telephone number, and contact person; and

WHEREAS, § 1-13.5-513(1), C.R.S. provides that if the only matter before the electors in an election is the election of persons to office and if, at the close of business day on the sixty-third (63rd) day before the election or at any time thereafter, there are not more candidates than offices to be filled at the election, the Designated Election Official shall cancel the election and declare the candidates elected if so instructed by resolution of the governing body; and

WHEREAS, § 1-11-103(3), C.R.S. provides that if an election is cancelled pursuant to § 1-13.5-513(1), C.R.S., the District shall file notice and a copy of the resolution of such cancellation with the Division; and

WHEREAS, the Board desires to call an election and set forth herein the procedures for conducting such election as authorized by the Election Laws.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORDILLERA METROPOLITAN DISTRICT THAT:

1. The Board hereby calls a regular election of the eligible electors of the District to be held on May 3, 2022 between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Election Laws, for the purpose of electing three (3) directors to each serve a three-year term on the Board. Such numbers may change due to one or more vacancies arising on the Board after the adoption of this Resolution and prior to the Election. The Election shall be conducted as an independent mail ballot election pursuant to Part 11 of the Local Government Election Code and all other relevant provisions of the Code.

2. Pursuant to Section 32-1-804(2), C.R.S., the Board hereby names Stacie Pacheco of Icenogle Seaver Pogue, P.C. as Assistant Secretary to the District for purposes of the Election, who shall be the Designated Election Official for the Election. The Designated Election Official shall act as the primary contact with the Eagle County Clerk and Recorder's office and shall be primarily responsible for ensuring the proper conduct of the Election including, but not limited to, appointing election judges as necessary, appointing the Board of Canvassers, arranging for the required notices of the election and printing of ballots, and directing that all other appropriate actions be accomplished. The Board hereby directs the District's General Counsel to oversee the general conduct of the Election.

3. The Board hereby directs the Designated Election Official to provide public notice of a call for nominations for the Election in accordance with the requirements of § 1-13.5-501, C.R.S., which shall include information regarding the director offices to be voted upon at the Election, where a self-nomination and acceptance form or letter may be obtained, the deadline for submitting the self-nomination and acceptance form or letter to the Designated Election Official, and information on obtaining an absentee ballot. Public notice shall be provided by publication as defined in § 1-13.5-501(2), C.R.S.

4. Pursuant to Section 1-13.5-1002(1)(b), C.R.S., applications for absentee voter's ballots may be filed at the Designated Election Official's office (at such address noted in Paragraph 5 below), between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 26, 2022).

5. Pursuant to Section 1-13.5-303, C.R.S., any person who desires to be a candidate for the office of director in the District must file a self-nomination and acceptance form or letter, signed by the candidate and by an eligible elector of the State as a witness to the signature of the candidate, with the Designated Election Official no later than 5:00 P.M. on the day that is sixty-seven (67) days prior to the Election (February 25, 2022). On the date of signing the self-nomination and acceptance form or letter a candidate for director shall be an eligible elector of the District. Pursuant to Section 32-1-103(5), C.R.S., an "eligible elector" means a person who, at the designated time or event, is registered to vote in the State of Colorado and (i) who is a resident of the special district; or (ii) who, or whose spouse or civil union partner, owns taxable real or personal property situated within the boundaries of the special district, whether said person resides within the special district or not. A person who is obligated to pay taxes under a contract to purchase taxable property situated within the boundaries of the special district is considered an "owner" for purposes of this definition. Self-nomination and acceptance forms are available at the Designated Election Official's office located at 4725 S. Monaco St., Suite 360, Denver, Colorado 80237.

6. Pursuant to Sections 1-13.5-513(1)&(6), C.R.S., the Board hereby authorizes and directs the Designated Election Official to cancel the Election and declare the candidates elected if, at the close of business on the sixty-third (63rd) day before the Election (March 1, 2022), there are not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates, and so long as the only ballot questions are for the election of candidates. The Board further authorizes and directs the Designated Election Official to file cancellation notices with the Eagle County Clerk and Recorder's Office and with the

Division, to post notice of the cancellation in the office of the Designated Election Official, and to provide notice by publication of the cancellation of the election. The Designated Election Official also shall notify the candidates that the Election was cancelled and that they were elected by acclamation.

7. In accordance with §§ 1-11-103(3) & 32-1-104(1), C.R.S., the District directs the Designated Election Official to notify the Division of the results of any elections held by the District, including the District's business address, telephone number, and contact person within thirty (30) days after the Election (June 2, 2022).

8. The Designated Election Official and the officers, agents, consultants, and employees, if any, of the District are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

9. All actions consistent with the provisions of this Resolution heretofore taken by the members of the Board, the Designated Election Official, and the officers, agents, consultants, and employees, if any, of the District, and directed toward holding the Election for the purposes stated herein are hereby ratified, approved, and confirmed.

10. All prior acts, orders, or resolutions, or parts thereof, by the District in conflict with this Resolution are hereby repealed, except that this repealer shall not be construed to revive any act, order, or resolution, or part thereof, heretofore repealed.

11. If any section, paragraph, clause, or provision of this Resolution shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Resolution, it being the intention that the various parts hereof are severable.

12. The District shall be responsible for the payment of any and all costs associated with the conduct of the Election, including its cancellation, if necessary, and those costs incurred pursuant to the terms and conditions of an election agreement with the County, if any.

13. This Resolution shall take effect on the date and at the time of its adoption.

Signatures Begin on Next Page.

Whereupon, a motion was made and seconded, and upon a majority vote, this Resolution was approved by the Board.

ADOPTED AND APPROVED THIS 10TH DAY OF JANUARY, 2022.

CORDILLERA METROPOLITAN DISTRICT

By: David Bentley
Its: President

**CORDILLERA METROPOLITAN DISTRICT
2022 ANNUAL ADMINISTRATIVE MATTERS RESOLUTION**

WHEREAS, the Board of Directors (the “Board”) of Cordillera Metropolitan District (the “District”) is required to perform certain administrative obligations during each calendar year to comply with certain statutory requirements, as further described below, and to assure the efficient operations of the District; and

WHEREAS, the Board desires to set forth such obligations herein and to designate, where applicable, the appropriate person or persons to perform such obligations on behalf of the District; and

WHEREAS, the Board further desires to acknowledge and ratify herein certain actions and outstanding obligations of the District.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF CORDILLERA METROPOLITAN DISTRICT HEREBY RESOLVES AS FOLLOWS:

1. The Board directs legal counsel in coordination with the District Manager to prepare and file either an accurate map, as specified by the Colorado Division of Local Government (the “Division”), or a notice that the District’s boundaries have not changed since the filing of the last District map, with the Division, the Eagle County Clerk and Recorder and Eagle County Assessor on or before January 1, 2022, as required by Section 32-1-306, C.R.S.
2. Pursuant to Section 24-32-116(3)(b), C.R.S, the Board directs legal counsel to update the Division with any of the following information previously provided to the Division, in the event such information changes: (i) the official name of the District; (ii) the principal address and mailing address of the District; (iii) the name of the District’s agent; and (iv) the mailing address of the District’s agent.
3. The Board directs legal counsel to prepare, no more than sixty (60) days prior to and not later than January 15, 2022, the District’s annual transparency notice containing the information set forth in Section 32-1-809(1), C.R.S., and to provide such notice to the eligible electors of the District in one of the manners set forth in Section 32-1-809(2), C.R.S. In addition, legal counsel is directed to file a copy of the notice with the Eagle County Board of County Commissioners, the Eagle County Assessor, the Eagle County Treasurer, the Eagle County Clerk and Recorder’s Office, and the Division as set forth in Section 32-1-104(2), C.R.S. A copy of the notice shall be made available for public inspection at the principal business office of the District.
4. The Board directs the District’s designated accountant with the District Manager to submit a proposed 2023 budget for the District to the Board by October 15, 2022, to schedule a public hearing on the proposed budget, prepare a final budget, and budget resolution, including certification of mill levies and amendments to the budget if necessary; to certify the mill levies to Eagle County on or before December 15, 2022; and to file the approved budget and amendments

thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado, Sections 29-1-101 to 29-1-115, C.R.S.

5. In the event additional real property is included into the boundaries of the District in the future, the District authorizes legal counsel to record the special district public disclosure document and a map of the new boundaries of the District concurrently with the recording of the order for inclusion in the Eagle County Clerk and Recorder's office, in accordance with Section 32-1-104.8(2), C.R.S.

6. The Board directs legal counsel to notify the Eagle County Board of County Commissioners of any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan attached to the District's Service Plan, as required by Section 32-1-202(2)(b), C.R.S.

7. For any nonrated public securities issued by the District, the Board directs the District accountant to prepare and file with the Division on or before March 1, 2022, an annual information report with respect to any of the District's nonrated public securities which are outstanding as of the end of the District's fiscal year in accordance with Section 11-58-105, C.R.S.

8. The Board hereby authorizes the District's accountant to prepare and file an Audit Exemption and Resolution for approval of Audit Exemption with the Colorado State Auditor by March 31, 2022, as required by Section 29-1-604, C.R.S.; or, if required by Section 29-1-603, C.R.S., the Board authorizes that an audit of the financial statements be prepared and submitted to the Board before June 30, 2022 and filed with the State Auditor by July 31, 2022.

9. The Board directs its staff to prepare the Unclaimed Property Act report and forward the report to the Colorado State Treasurer by November 1, 2022 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with Section 38-13-110, C.R.S.

10. The Board directs District staff to prepare and submit any continuing annual disclosure report required to be filed pursuant to a continuing disclosure agreement, in accordance with the Securities Exchange Commission Rule 15c2-12.

11. The Board authorizes the District's legal counsel and accountant to take all actions required to comply with the terms and provisions of that certain Loan Agreement, dated December 3, 2012 (the "2012 Loan") between the District and U.S. Bank National Association including, but not limited to, the reporting requirements set forth in Section 5.07 therein. The Board also authorizes the District's legal counsel and accountant to take all actions required to comply with the Post-Issuance Compliance Procedures for the District's General Obligation Refunding Bonds, Series 2015. In addition, the Board authorizes the District's legal counsel and accountant to take all actions required to comply with the terms and provisions of that certain 2017A Loan Agreement dated September 12, 2017 ("2017A Loan") including, but not limited to, the reporting requirements set forth in Section 5.07 therein and that certain 2017B Loan

Agreement dated September 12, 2017 (“2017B Loan”) including, but not limited to, the reporting requirements set forth in Section 5.07 therein.

12. The Board designates the Secretary of the District as the official custodian of “public records,” as such term is used in Section 24-72-202(2), C.R.S. Public records may also be maintained at the office of Icenogle Seaver Pogue, P.C. and the District’s office.

13. The Board directs legal counsel to advise it on the requirements of the Fair Campaign Practices Act Section 1-45-101 *et seq.*, C.R.S., when applicable.

14. The Board directs that all legal notices shall be published in accordance with Section 32-1-103(15), C.R.S., in a paper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District including, but not limited to, the *Vail Daily* and the *Eagle Valley Enterprise*.

15. The Board determines that the directors shall not receive compensation for services as directors pursuant to Section 32-1-902(3)(a), C.R.S.

16. The Board hereby determines that each member of the Board shall execute an Affidavit of Qualification of Director at such time the member is either elected or appointed to the Board. Such forms shall be retained in the District’s files. Section 32-1-103(5), C.R.S. sets forth the qualifications required. Pursuant to Sections 32-1-901 and 24-12-101, C.R.S., the Board directs legal counsel to prepare, administer and file an oath of office and a certificate of appointment, if applicable, and procure a surety bond for each Director, and to file copies of each with the Clerk of the Court and with the Division.

17. The Board extends the current indemnification resolution, adopted by the Board on January 15, 2007, to allow the resolution to continue in effect as written.

18. Pursuant to Section 32-1-1101.5, C.R.S., the Board directs legal counsel to certify the results of special district ballot issue elections to incur general obligation indebtedness by certified mail to the Eagle County Board of County Commissioners and to file a copy of the certification with the Colorado Division of Securities within forty-five (45) days after the election. Furthermore, whenever the District authorizes or incurs a general obligation debt, the Board authorizes legal counsel to record notice of such action and a description of such debt, in a form prescribed by the Division, in the Eagle County Clerk and Recorder’s office within thirty (30) days after authorizing or incurring the debt in accordance with Section 32-1-1604, C.R.S. Furthermore, whenever the District incurs general obligation debt, the Board directs legal counsel to submit a copy of the recorded notice to the Eagle County Board of County Commissioners within thirty (30) days after incurring the debt in accordance with Section 32-1-1101.5(1), C.R.S.

19. The Board directs legal counsel to prepare and file an application for a quinquennial finding of reasonable diligence with the Eagle County Board of County Commissioners, if requested, in accordance with Section 32-1-1101.5(1.5)&(2), C.R.S.

20. If requested by the Eagle County Board of County Commissioners, the Board directs legal counsel to prepare and file a special district annual report in accordance with Section 32-1-207(3)(c), C.R.S.

21. The Board directs legal counsel to file, when applicable, with the Colorado Secretary of State and at least seventy-two (72) hours prior to a meeting of the Board, certain conflicts of interest disclosures at such times that said disclosures are provided to legal counsel by board members, in accordance with Sections 32-1-902(3)(b) and 18-8-308, C.R.S. Annually, legal counsel shall request that each Board member submit updated information regarding actual or potential conflicts of interest, if any. Additionally, at the beginning of every term, legal counsel shall request that each Board member submit information regarding actual or potential conflicts of interest, if any.

22. The District is currently a member of the Special District Association (“SDA”) and insured through the Colorado Special Districts Property and Liability Pool. The Board directs the District Manager to pay the annual SDA membership dues and insurance premiums in a timely manner. The Board and District staff will biannually review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained.

23. Pursuant to Section 24-6-402(2)(c), C.R.S. and the Meeting Resolution adopted by the Board on December 10, 2021, the Board hereby designates the District’s public website, <https://www.cordilleralive.com/>, as the twenty-four (24) hour posting location for all meeting notices and designates the Cordillera Post Office as the posting location for the notices if the District is unable to post a notice online in exigent or emergency circumstances.

24. The Board has reviewed the minutes from the December 11, 2020 through December 10, 2021 meetings of the Board, which minutes are attached hereto as Exhibit A. The Board, being fully advised of the premises, hereby ratifies and affirms each and every action of the Board taken at said meetings.

25. Pursuant to Section 24-6-402(2)(d.5)(II)(E), C.R.S., the Board hereby declares that all electronic recordings of executive sessions shall be retained for purposes of the Colorado Open Meetings Law for ninety (90) days after the date of the executive session. The Board further directs the custodian of the electronic recordings of the executive session to systematically delete all such recordings made for purposes of the Colorado Open Meetings Law at its earliest convenience after the ninetieth (90th) day after the date of the executive session.

26. The District hereby acknowledges, agrees and declares that the District’s policy for the deposit of public funds shall be made in accordance with the Public Deposit Protection Act (Section 11-10.5-101 *et seq.*, C.R.S.). As provided therein, the District’s official custodian may deposit public funds in any bank which has been designated by the Colorado Banking Board as an eligible public depository. For purposes of this paragraph, “official custodian” means a designee with plenary authority including control over public funds of a public unit which the official custodian is appointed to serve. The District hereby designates the District’s Manager as its official custodian over public deposits.

27. The Board hereby authorizes the District's Manager to execute, on behalf of the District, any and all easement agreements pursuant to which the District is accepting or acquiring easements in favor of the District, and any and all agreements for routine maintenance, emergency repairs, and other service-related agreements.

(Signatures Begin on the Next Page.)

ADOPTED AND APPROVED THIS 10th DAY OF JANUARY, 2022.

CORDILLERA METROPOLITAN DISTRICT

By: _____
David Bentley, President

*Signature Page to Cordillera Metropolitan District
2022 Annual Administrative Matters Resolution*

CERTIFICATION OF RESOLUTION

I, Alan D. Pogue, General Counsel to the Board of Directors of Cordillera Metropolitan District, do hereby certify that the annexed and foregoing Resolution is a true copy from the Records of the proceedings of the Board of said District, on file with Icenogle Seaver Pogue, P.C., general counsel to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District this 10th day of January, 2022.

Alan D. Pogue, General Counsel

(SEAL)

*Certification of Cordillera Metropolitan District
2022 Annual Administrative Matters Resolution*

EXHIBIT A

**Minutes from the
December 11, 2020 through December 10, 2021
Meetings of the Board**



MINUTES

APPROVED
Cordillera Metro District

Special Board Meeting

December 11, 2020

Due to Governor Polis' declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

In Attendance

Via webinar: David Bentley, President (Term to 2022); Eugene McGuire, Vice President (Term to 2022); Cheryl Foley, Treasurer, (Term to May 2022); John Van Deusen, Secretary (Term to 2023); Dan Roberts, Assistant Treasurer/Assistant Secretary (Term to May 2023).

Others Present via Webinar:

Rachel Oys, general manager; Alan Pogue, legal counsel; Tracy Stowell, office manager; Ron Hoppner, information technology administrator, Trevor Broersma, community operations director; Heather Hower, communications manager; Fernanda Bazani, human resources manager; Claudia Wells, finance manager; Barry Smith, director of public safety; Joe Helminski, recreation director; Cliff Simonton, community planning manager and 46 members of the public.

Call to Order

Director Bentley called to order the Special Meeting of the Cordillera Metropolitan District at 2:02 p.m.

Declaration of Quorum/Director Qualifications

CMD Board members acknowledged receiving notice of the special meeting at least 24 hours in advance. No conflicts of interest were noted.

Approval of Agenda

CMD Board of Directors

Director Foley moved to approve the December 11, 2020, Special Meeting Agenda. Seconded by Director McGuire. Upon motion duly made and seconded, the Board approved the December 11, 2020, Special Meeting Agenda.
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Approval of Minutes

Director Foley moved to approve the November 13, 2020, Board Meeting minutes; November 18, 2020, December 3, 2020, and December 8, 2020, Special Board Meetings minutes. Seconded by Director Van Deusen. Upon motion duly made and seconded, the Board approved the November 13, 2020, Board Meeting minutes; the November 18, 2020, December 3, 2020, and December 8, 2020, Special Board Meetings minutes.

Approval of Annual Administrative Matters Resolution

Approval of the 2021 Annual Administrative Matters Resolution which directs the staff and legal to make annual filings and reports in compliance with state and local regulation. Legal counsel Pogue noted the change in respect to notice requirements for Board meetings, effective August 2019. Notice of Board meetings must be posted 24 hours prior to a Board meeting on the CMD website with a backup physical location if the internet is down; less notice can be given in the instance of an emergency meeting. Oys noted meeting notices are also sent out to property owners via Constant Contact and website alerts.

Director Foley made a motion to approve the 2021 Administrative Matters Resolution. Director Roberts seconded. The motion passed unanimously.

Public Comment

Prior to public comment, Director Foley recognized the efforts of the stitchery, painters and crafters from the community in decorating the Christmas tree with handmade ornaments in the post office.

Public comment included CMD absorbing some CPOA employees and the restructuring; the change in CPOA management and the level of services going forward.

Budget Hearing

Director Roberts made the motion to open the 2021 Budget Hearing at 2:36 p.m. Director Foley seconded.

General manager Oys presented the budget, noting the continued goal of enhanced services, no property tax increase and healthy reserves. Included in the presentation was an explanation of reserves, revenues, expenditures, property tax comparison and scenarios with different mill levies. She presented the 2021 proposed revenues, expenditures and reserves. Oys also reported the results of the annual valley-wide work force survey and proposed capital improvements.

Discussion regarding employee compensation and benefits took place with Oys explaining CMD will absorb 2.65 FTE from CPOA without increasing debt through attrition, restructuring and cutting expenses

Director McGuire made a motion to create a 'bonus pool' of \$65,000 to provide employees merit-based bonuses in recognition for their efforts in 2020 that will impact the 2020 approved budget. Director Van Deusen seconded. The motion passed 4 to 1 with Director Roberts voting against.

Public comment included merit-based increases for staff in 2020.

Director Foley made the motion to approve the 2021 budget as presented. Director Van Deusen seconded. The motion passed unanimously.

Agenda Items

Management Team Report- Director Bentley inquired about any restrictions due to COVID-19 at the ice-skating rink. Trevor Broersma, operations director, stated that there will be signage asking skaters to keep their distance from non-household members.

2021 Board Meeting Schedule- The regularly scheduled CMD Board meetings for 2021 will be as follows:

- January 8
- March 12
- May 14
- July 9
- September 10
- November 12

All meetings are scheduled to begin at 9 a.m. in the large conference room of the Cordillera Administration Building at 408 Carterville Road, Cordillera, Colorado, 81632; unless a state of emergency resulting from the COVID-19 pandemic is extended; the meeting will be held via webinar. Meetings will be canceled when there are no time sensitive or substantive topics for Board discussion.

Public Hearing Date for Starview Investments- A petition to exclude a property owned by Starview Investments was received. Pogue is working with Starview Investments legal counsel to schedule a public hearing.

Director Bentley made the motion to schedule the Starview Investments public hearing for January 8, 2021, at the Regular Board Meeting. Director McGuire seconded. The motion passed unanimously.

CMD Adjournment

CMD Board of Directors

Director Van Deusen moved to adjourn the Special Meeting of the Cordillera Metro District at 3:55 p.m. Seconded by Director Foley. Upon motion duly made and seconded, the Board adjourned the Special Meeting of the Cordillera Metro District.



Cordillera Metro District

 **Location:** 408 Carterville, Cordillera
 **Date:** January 8, 2021
 **Time:** 8:00 a.m.

Regular Board Meeting

Approved Minutes

Due to Governor Polis' declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

Attendance

Via webinar: David Bentley, President (Term to 2022); Eugene McGuire, Vice President (Term to 2022); Cheryl Foley, Treasurer, (Term to May 2022); John Van Deusen, Secretary (Term to 2023); Dan Roberts, Assistant Treasurer/Assistant Secretary (Term to May 2023).

Others Present via Webinar:

Rachel Oys, general manager; Alan Pogue, legal counsel; Joe Helminski, deputy manager; Tracy Stowell, office manager; Ron Hoppner, information technology administrator, Trevor Broersma, community operations director; Fernanda Bazani, human resources manager; Claudia Wells, finance manager; Barry Smith, director of public safety; Cliff Simonton, community planning manager; Aubrey Lewis, outreach manager; Joanne Kelley, public safety manager; and 21 members of the public.

Call to Order

Director Bentley called to order the Regular Board Meeting of the Cordillera Metropolitan District at 9:00 a.m.

Declaration of Quorum/Director Qualifications

CMD Board members acknowledged receiving notice of the regular meeting at least 24 hours in advance. No conflicts of interest were noted.

Approval of Agenda

Director Bentley moved the New Residential Car Wash Facility Feasibility Study to be discussed after the Service Agreement discussion. Director Foley added Board governance to the agenda. Director Van Deusen moved to approve the January 8, 2021, Regular Meeting Agenda with the above changes. Seconded by Director Foley. Upon motion duly made and seconded, the Board approved the January 8, 2021, Regular Meeting Agenda.

Approval of Minutes

Director Foley moved to approve the December 11, 2020, special meeting minutes. Seconded by Director Roberts. Upon motion duly made and seconded, the Board approved the December 11, 2020, special meeting minutes.



Cordillera Metro District

 **Location:** 408 Carterville, Cordillera
 **Date:** January 8, 2021
 **Time:** 8:00 a.m.

Public Comment

Public comment included the car wash feasibility study, and the mention of improvements of the community gardens, landscaping at the dog park and trash and recycling center.

Agenda Items

Service Agreement with CPOA – Director Bentley provided a brief history of the CPOA/CMD service agreement that has been in place since 2004. The 2021 agreement is currently being reviewed by CPOA.

New Residential Car Wash Facility Feasibility Study – Director Bentley requested the board approve an ad hoc committee led by property owner Ed Shriner, to research and evaluate the options of a community car wash to include automated, low cost, unstaffed, environmentally friendly and value-added components. Director Foley requested car wash usage data, legal counsel to determine if is in the purview of CMD authority to own and operate this type of facility and to prioritize with other CMD projects. Director Roberts noted that there is already access for property owners to a car wash within Cordillera and Edwards. Director Van Deusen requested that Ed Shriner research all Board questions for further discussion.

Director Bentley made the motion to approve Ed Shriner to explore the options of a residential car wash facility. Director Van Deusen seconded. The motion passed 3 to 2 with Director Foley and Director Roberts voting against.

2020 Annual Report – The [2020 Annual Report](#) was sent to homeowners through “Official News and Updates” on Tuesday, January 5 highlighting CMD’s successes.

Financial Update – Claudia Wells, finance manager, reminded the public that the third quarter financials were included in the December 11, 2020 Board packet. She has been working on CPOA’s transition to GrandManors and year end financials.

2020 Audit – Wells scheduled CMD’s 2020 audit for April with McMahan & Associates.

Board Governance – Director Foley requested to schedule a Treasurer and President meeting to review third quarter financials and to resume a regular scheduled 2021 meetings with agenda items including the Reserve Study, retirement plan and other priorities. Director Foley also requested to have the board packet a week prior to the regularly scheduled meetings and to draft minutes shared with the community within seven days.

Starview Investments – The Starview Investments legal counsel has submitted a petition of. The CMD Board agreed to schedule the public hearing at the next Board meeting on March 12.

Adjournment

Director Roberts moved to adjourn the Regular Meeting of the Cordillera Metro District at 9:55am. Seconded by Director Foley. Upon motion duly made and seconded, the Board adjourned the Regular Meeting of the Cordillera Metro District.



Cordillera Metro District

 **Location:** 408 Carterville, Cordillera
 **Date:** February 23, 2021
 **Time:** 3:00 p.m.

Special Board Meeting

Approved Minutes

Due to Governor Polis' declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

Attendance

Via webinar: David Bentley, President (Term to 2022); Eugene McGuire, Vice President (Term to 2022); Cheryl Foley, Treasurer, (Term to May 2022); John Van Deusen, Secretary (Term to 2023); Dan Roberts, Assistant Treasurer/Assistant Secretary (Term to May 2023).

Others Present via Webinar:

Rachel Oys, general manager; Alan Pogue, legal counsel

Call to Order

Director Bentley called to order the Special Board Meeting of the Cordillera Metropolitan District at 3:03 p.m.

Declaration of Quorum/Director Qualifications

CMD Board members acknowledged receiving notice of the regular meeting at least 24 hours in advance. No conflicts of interest were noted.

Approval of Agenda

Director Van Deusen moved to approve the February 23, 2021 Special Meeting Agenda. Seconded by Director Foley. Upon motion duly made and seconded, the Board approved the February 23, 2021, Special Meeting Agenda.

Executive Session

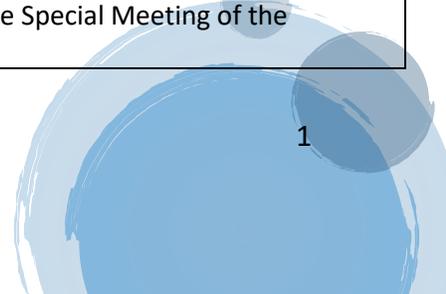
3:04 p.m. Director Bentley moved and Director Foley seconded a motion to enter into executive session pursuant to Section 24-6-402(4)(b), C.R.S., to receive legal advice related to the statutory process for exclusion of real property (Starview Realty Investments, L.P.). At 4:08 p.m. Directors Foley and Van Deusen moved and seconded a motion to conclude executive session.

Also Present: Rachel Oys, general manager; Alan Pogue, legal counsel.

No Action was taken in executive session.

CMD Adjournment

Director Roberts moved to adjourn the Special Meeting of the Cordillera Metro District at 4:08 p.m. Seconded by Director Van Deusen. Upon motion duly made and seconded, the Board adjourned the Special Meeting of the Cordillera Metro District.





Cordillera Metro District

 **Location:** 408 Carterville, Cordillera
 **Date:** March 12, 2021
 **Time:** 8:00 a.m.

Special Board Meeting

Approved Minutes

Due to Governor Polis' declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

Attendance

Via webinar: David Bentley, President (Term to 2022); Eugene McGuire, Vice President (Term to 2022)(left meeting at 10:30 a.m.); Cheryl Foley, Treasurer, (Term to May 2022); John Van Deusen, Secretary (Term to 2023); and Dan Roberts, Assistant Treasurer/Assistant Secretary (Term to May 2023).

Others Present via Webinar:

Rachel Oys, general manager; Alan Pogue, legal counsel; Joe Helminski, deputy manager; Tracy Stowell, office manager; Ron Hoppner, information technology administrator; Trevor Broersma, community operations director; Fernanda Bazani, human resources manager; Claudia Wells, finance manager; Barry Smith, director of public safety; Cliff Simonton, community planning manager; Aubrey Lewis, outreach manager; Joanne Kelley, public safety manager; and 57 members of the public.

Call to Order

Director Bentley called to order the Special Board Meeting of the Cordillera Metropolitan District at 8:00 a.m.

Declaration of Quorum/Director Qualifications

CMD Board members acknowledged receiving notice of the special meeting at least 24 hours in advance. No conflicts of interest were noted.

Approval of Agenda

Director Foley moved to approve the March 12, 2021, Special Meeting Agenda. Seconded by Director McGuire. Upon motion duly made and seconded, the Board approved the March 12, 2021, Special Meeting Agenda.

Approval of Consent Agenda Items

Director Foley moved to approve the January 8, 2021, regular meeting minutes, the February 23, 2021, special meeting minutes and the ratification of the CMD service agreement with the Cordillera Property Owners Association (CPOA). Seconded by Director Roberts. Upon motion duly made and seconded, the Board approved the January 8, 2021, regular meeting minutes, the February 23, 2021, special meeting minutes and the ratification of the CMD service agreement with the CPOA.



Cordillera Metro District

 **Location:** 408 Carterville, Cordillera
 **Date:** March 12, 2021
 **Time:** 8:00 a.m.

Public Comment

Public comment included the potential uses of the Water Fund, current costs of construction, financial reporting, and discussion of the fly-fishing management contract. There were requests for community related topics to be addressed by Board members, not through neighbor emails.

Agenda Items

Water Fund Resolution – Cordillera assessed a water surcharge for water capital and infrastructure. Fees collected have been held in the Water Fund and to date is balanced at \$2.2 million. The surcharge was terminated in May of 2017. The resolution proposed by Director Foley “Water Fund Resolution WHEREAS, the Cordillera Metropolitan District (“District”) entered into the Amended and Restated Water Service Agreement, dated March 25, 2004 between the District, the Edwards Metropolitan District, and the Upper Eagle Regional Water Authority (the “Water Service Agreement”) that, among other things, required the District to fund specified capital improvements (“Required Capital Improvements”) to the Cordillera water infrastructure that provided water services to property owners and properties located within the District’s boundaries; and WHEREAS, the District imposed an \$18.50 per month surcharge on the water bills of all property owners in the District to fund such Required Capital Improvements and established a dedicated capital fund on its books and accounts (the “Water Enterprise Fund”) to record the collection and disbursement of the amounts necessary to fulfill its obligations to fund the Required Capital Improvements; and WHEREAS, the District terminated the monthly surcharge as of May 1, 2017 after the District realized: (i) that it had fully funded the Required Capital Improvements and thus had fulfilled all of its infrastructure funding obligations under the Water Service Agreement several years prior, and (ii) that the balance remaining in the Water Enterprise Fund upon termination of the surcharge in 2017 represented an inadvertent overcollection from property owners; and WHEREAS, the balance of the Water Enterprise Fund attributable to the surcharge is being held by the District, pending a decision on how to best use the money for the benefit of property owners; and WHEREAS, as of December 31, 2020, the estimated Water Enterprise Fund balance was at least \$2,269,491. WHEREAS, the Cordillera Property Owners Association (“CPOA”) is undertaking a large capital improvement plan that contemplates: (i) remodeling and updating of the Cordillera Post Office (to be funded through current operating funds); (ii) renovation and expansion of the Athletic Center at Cordillera (“ACC”), (iii) renovation and replacement of the pools and designated infrastructure at the Trailhead complex, (iv) replacement of the aging tennis/pickleball courts at the ACC, (v) acquisition and/or replacement of certain amenities associated with the Short Course, and (vi) includes preliminary plans for an indoor tennis/pickleball facility and other improvements and amenities (together the “Amenity Improvement Program”), all for the direct and immediate benefit of all property owners within the District; and WHEREAS, the Amenity Improvement Program has been under development for the last several years and the CPOA’s current plans have received overwhelming support from



Cordillera Metro District

 **Location:** 408 Carterville, Cordillera
 **Date:** March 12, 2021
 **Time:** 8:00 a.m.

property owners; WHEREAS, the CPOA has requested that the District provide property owner and CPOA access to the Water Enterprise Fund in order to allow the CPOA to support and accelerate construction of amenities contemplated in the CPOA's Amenity Improvement Program; and WHEREAS, the District agrees to facilitate property owner and CPOA access to the Water Enterprise Fund in connection with the Amenity Improvement Program; NOW THEREFORE, the District hereby resolves to work with the CPOA to expeditiously identify and implement the most effective and economic mechanism to make the Water Enterprise Fund available to the CPOA (and thereby to all property owners) to help finance and accelerate the Amenity Improvement Program.

Director Foley presented three financial documents including Water Fund historical balance sheet 2012-2020, historical balances of general and capital reserve funds 2011-2021 projected, as well as projected capital expense under reserve study 2019-2038 that she compiled for the Board packet.

On March 9, 2021, CMD Board received a proposal from the CPOA Board of directors to access funds currently held in the Water Enterprise Fund to augment and potentially accelerate its amenities enhancement program; if an appropriate mechanism can be devised that does not create undue tax liability to CPOA. Director McGuire requested more information from CPOA regarding project specifics on their upcoming amenity improvement program.

Board discussion included: what is considered lawful public use; can the Water Fund be legally transferred to the CPOA for amenity capital improvements, what is the highest and best use of reserves, what are the planned and unplanned future CMD infrastructure needs; could there be a need and/or responsibility to fund water specific projects owned by CMD and/or Eagle River Water Sanitation District and how does the community engage in feedback. Director Foley shared that the CMD financial position is healthy and is capable of acquiring additional funds if necessary; that the district does not have planned projects; the CPOA amenity projects are supported by the majority of homeowners; and the Water Fund should be used to support these projects. She expressed concern of being silenced during the Board discussion. Director Roberts stated that the Water Fund is the community's fund; that the community has identified its priorities by supporting the CPOA Board in the election and amenity improvement projects; and the community expectation is to get the projects done. Director Bentley added the Boards should work together and will engage in the discussion pending fiduciary and legal requirements and considerations. Director McGuire discussed the need for additional information and separate legal counsel on this matter prior to continued discussion.

Director McGuire made the motion to table the Water Fund Resolution. Director Van Deusen seconded. The motion passed 3 to 2 with Director Foley and Director Roberts voting against.

District Financing Resolution – Director Roberts introduced the resolution to authorize exploration of financing options: “Resolved that: The Assistant Treasurer of the Cordillera Metro District (“CMD”), Dan Roberts, along with Bob Donovan and other community members with relevant expertise (as Mr. Roberts may determine



Cordillera Metro District

 **Location:** 408 Carterville, Cordillera
 **Date:** March 12, 2021
 **Time:** 8:00 a.m.

necessary and appropriate) are hereby authorized to explore alternative credit facilities for the CMD, including but not limited to a line of credit, and to bring their recommendations to the full CMD Board of Directors for review and approval.”

Board discussion included: Director Roberts highlighted his role on the CPOA Finance Committee and noted this is separate. Bob Donovan clarified that exploration of various financing options identified would be presented formally to the CMD Board for consideration. Director Foley noted this would give financial flexibility to the district. Director Bentley requested that the general manager be included in correspondence and meetings. Director Roberts said he would include other people as necessary and appropriate.

Director Foley made the motion to approve Dan Roberts to explore a line of credit options for the CMD with Bob Donovan. Director Roberts seconded. Upon motion duly made and seconded, the motion passed unanimously.

Public Hearing – Pursuant to Section 32-501, et seq., C.R.S. on Petition to Exclude Real Property submitted by Starview Realty Investments, L.P.

Director Bentley opened the hearing at 10:37 a.m. and made the motion to continue at the May 14 Regular Board Meeting. Director Foley seconded. Upon motion duly made and seconded, the motion passed.

Management Team Report – Director Foley requested that the trash and recycling dumpsters be made available to Cordillera property managers. She also requested information on the district’s current insurance coverage as well as an organization structure at the next scheduled Board meeting on May 14.

Adjournment

Director Van Deusen moved to adjourn the Special Meeting of the Cordillera Metro District at 10:54 am. Seconded by Director Roberts. Upon motion duly made and seconded, the Board adjourned the Special Meeting of the Cordillera Metro District.



Cordillera Metro District

 **Location:** 408 Carterville, Cordillera
 **Date:** May 7, 2021
 **Time:** 12:00 p.m.

Special Board Meeting

Approved Minutes

Due to Governor Polis’ declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

Attendance

David Bentley Cheryl Foley; John Van Deusen

Via webinar: Eugene McGuire; Dan Roberts

Others Present via Webinar:

Kim Seter, legal counsel

Call to Order

Director Bentley called to order the Special Board Meeting of the Cordillera Metropolitan District at 12:00 p.m.

Declaration of Quorum/Director Qualifications

CMD Board members acknowledged receiving notice of the regular meeting at least 24 hours in advance. No conflicts of interest were noted.

Approval of Agenda

Director Van Deusen moved to approve the May 7, 2021 Special Meeting Agenda. Seconded by Director Foley. Upon motion duly made and seconded, the Board approved the May 7, 2021, Special Meeting Agenda.

Executive Session

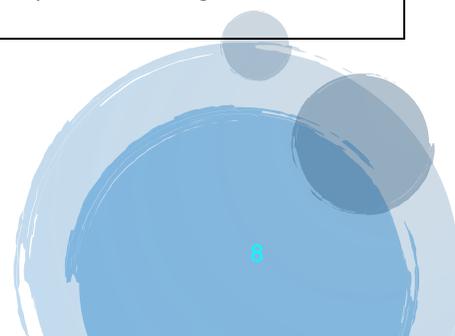
12:02 p.m. Director Bentley moved and Director Foley seconded a motion to enter into executive session pursuant to Section 24-6-402(4)(b), C.R.S., to receive legal advice related to District’s Water Fund. At 2:32 p.m. Directors Bentley and Van Deusen moved and seconded a motion to conclude executive session.

Also Present: Kim Seter, legal counsel.

No action was taken in executive session.

CMD Adjournment

Director McGuire moved to adjourn the Special Meeting of the Cordillera Metro District at 2:32 p.m. Seconded by Director Van Deusen. Upon motion duly made and seconded, the Board adjourned the Special Meeting of the Cordillera Metro District.





APPROVED MEETING MINUTES

DATE: May 14, 2021

TIME: 9:00AM

LOCATION: Video Conference Only

STATE OF COLORADO)

COUNTY OF EAGLE) SS.

REGULAR BOARD MEETING

Due to Governor Polis' declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

ATTENDANCE

Via webinar: David Bentley, President; Eugene McGuire, Vice President; Cheryl Foley, Treasurer; John Van Deusen, Secretary (left meeting at 9:53a.m.); and Dan Roberts, Assistant Treasurer/Assistant Secretary.

Others Present via Webinar: Rachel Oys, general manager; Alan Pogue, legal counsel; Joe Helminski, deputy manager; Ron Hoppner, information technology administrator; Trevor Broersma, operations director; Fernanda Bazani, human resources manager; Claudia Wells, finance manager; Barry Smith, director of public safety; Cliff Simonton, community planning manager; Aubrey Lewis, outreach manager; Samuel Lazar, facilities technician; and Vicki Sullivan, McGriff Insurance Services; and 42 members of the public.

CALL TO ORDER

Director Bentley called to order the Regular Board Meeting of the Cordillera Metropolitan District at 9:00 a.m.

DECLARATION OF QUORUM/CONFLICT OF INTEREST DISCLOSURE

Board members acknowledged receiving notice of the special meeting at least 24 hours in advance. No conflicts of interest were noted.

APPROVAL OF AGENDA

Motion: Director Foley moved to approve the May 14, 2021, Meeting Agenda. Seconded by Director Van Deusen. Upon motion duly made and seconded, the Board approved the May 14, 2021, Meeting Agenda.

APPROVAL OF MINUTES

Director Van Deusen moved to approve the March 12, 2021 regular meeting minutes and the May 7, 2021 special meeting minutes. Seconded by Director Roberts. Upon motion duly made and seconded, the Board approved the March 12, 2021 regular meeting minutes and the May 7, 2021 special meeting minutes.

PUBLIC COMMENT

Public comment included feedback on the following: financial management, speeding issues, meeting registration process, summer flowers, public access, construction road safety and noise concerns. Requests included: agenda to be included in the meeting announcement, information on ECO Trails Project, update on the water fund, exploration of

additional cellular coverage on Squaw Creek Rd. A reminder was made that the Cordillera Stitchery Group is hosting an open house on June 24.

AGENDA ITEMS

COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL

Vicki Sullivan, Client Relations Coordinator, McGriff Insurance Services Inc. provided a summary of Colorado Special Districts Property and Liability Pool insurance coverage provided via the member-owned public entity pool, designed specifically for Colorado Special Districts. Highlights of the presentation included a summary of coverage for auto damage, property coverage, inland marine, equipment breakdown, crime, environmental legal liability, and workers compensation. Additional opportunities are currently being evaluated (i.e., District signs, guardrails, and segments of roads for replacement due to catastrophic coverage such as a mudslide). The \$10 million level of public entity and liability coverage was highlighted.

Board discussion included: Ms. Sullivan clarified that coverage is only available for Special Districts. Director Roberts expressed interested in appraisal basis, replacement costs and road damage coverage. Total loss of building or property is covered at 125%. Additional review of catastrophic coverage is underway and will be evaluated based on estimated replacement costs and deductibles.

FINANCIAL REVIEW

Cheryl Foley, Treasurer, provided a summary of 2020 year end financials that included: recognition of staff for fiscal responsibility during a challenging year, reduction to the CPOA service agreement payment to CMD because of budget savings; healthy general fund balance of \$2.5 million, debt repayment on schedule, and commencement on April 12 of the 2020 audit, with preliminary recommendations expected at the end of May. Director Foley noted that a Request for Proposal (RFP) for Financial Management and Budgeting Solution and/or Outsourced Financial Management Services was issued. She thanked Claudia Wells, finance manager, for her efforts. Director Roberts wanted to confirm that GrandManors was included in the RFP.

Dan Roberts, Assistant Treasurer, and Bob Donovan, Ad Hoc Committee Member for District Financing, provided an update on district financing options. Colorado Special Districts must seek approval from constituents for any debt issue that spans more than one year. The districts may be permitted to obtain a 364-day line of credit for unforeseen circumstances or catastrophic events, which has been the committee's primary focus to mitigate funding gaps. Bond elections are permitted every November, and in May of 2022, then every May of odd years commencing in 2023. Dan Roberts, Cheryl Foley, Bob Donovan, Rachel Oys, and Alan Pogue met with Alpine Bank to explore options. Donovan requested that the board allow the committee to continue the exploration of additional financing mechanisms, including line of credit, with numerous institutions; the board agreed to the request.

TRAFFIC CALMING PLAN AND RESOLUTION

Rachel Oys, General Manager, provided snapshot of past years traffic calming efforts that have resulted in speed reductions validated by radar data. Alan Pogue, legal counsel, spoke to the resolution put forth regarding the issuance of fines for speeding. Metro Districts do not have police powers; however, Districts can regulate the use of owned assets by imposing fines for set regulations. Eagle County considers Cordillera's roads as private due to gates, but the roads are in

fact public since the District has ownership. The Sheriff's Office does not enforce routine traffic violations but will enforce more egregious violations.

Board discussion included: Director Bentley inquired about other communities and their enforcement efforts. Director Foley stated that the district's ability to enforce violations with non-property owners is difficult for a multitude of reasons. Director McGuire stated that most Cordillera property owners are safe drivers, and the conundrum is how to address the habitual offenders. Director Roberts believes imposing fines is a big step and significant feedback is necessary prior to passing such a resolution. Unanimously board members agree to continue with the Drive Leisurely campaign and to withdraw the resolution pertaining to issuance of fines for speeding.

ROAD PERMIT CUT FEE

Cliff Simonton, Community Planning Manager, explained that the district has responsibilities that coincide with the Design Review Board (DRB) and as a result of the transition, an update is needed to the "Construction in the Right of Way (ROW)" Permit application. Consistent with Cordillera Design Guidelines, the permit is required for any construction or maintenance activity within the ROW, including but not limited to utility installations and the grading, paving, culverts, retaining walls, address monuments, landscaping and other improvements associated with new single-family homes. Permit applications for new driveways must be accompanied by plans approved by the DRB.

Board discussion included: Simonton and Jerri More, CPOA board member, provided clarification on the coordination of DRB and CMD responsibilities.

The CMD Board acknowledged the update to the Permit application.

MOUNTAIN RECREATION REQUEST FOR SUMMER CAMP

Joe Helminski, deputy manager, provided an update on Mountain Recreation's request to access the Cordillera trail system and/or National Forest Big Park for 12 children on five days with trained and supervised staff.

Board discussion centered on concerns about public access issues, and the proposal was withdrawn.

DISTRICT TRANSITION SERVICES AND ORGANIZATIONAL AND COMMITTEE UPDATE

Rachel Oys, general manager, shared that the transition occasioned by the separation of the CPOA is underway and will continue through 2021. The CMD model highlighted internal services, community services, emergency preparedness, roads, open space (Trails, River, Ponds and Wildlife) and Facilities and Grounds as continuing key service areas of the District. Approximate Full Time Employee equivalents (FTE) in May 2019 was 58.06 and in 2020 was reduced to 50.63. In 2021, FTE's have been further reduced to 39.55, an elimination of nearly 20 positions, including five from administration, because of the transition.

MANAGEMENT TEAM REPORT

Director Foley requested that board materials be Board specific and exclude generic Valley and partnership information, which should be made available to residents on the website and Post Office bulletin board.

EXECUTIVE SESSION

Motion: At 12:54, Director Bentley moved, and Director McGuire seconded a motion to enter executive session pursuant to Section 24-6-402(4)(a), C.R.S. to discuss personnel matters (general manager). At 2:48 p.m. Director Foley moved, and Director Roberts seconded a motion to conclude executive session. No action was taken in executive session.

ADJOURNMENT

Motion: Director McGuire moved to adjourn the Regular Meeting of the Cordillera Metro District at 2:49 p.m. Seconded by Director Foley. Upon motion duly made and seconded, the Board adjourned the Regular Meeting of the Cordillera Metro District.



CORDILLERA
Metro District

**APPROVED
MEETING
MINUTES**

JUNE 16, 2021 4:00 P.M.

SPECIAL BOARD MEETING

Due to Governor Polis declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

IN ATTENDANCE

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

Others Present via Webinar: Trevor Broersma, operations director; Alan Pogue, legal counsel; Joe Helminski, deputy manager; Ron Hoppner, information technology administrator and 18 members of the public.

CALL TO ORDER

Director Bentley called to order the Regular Board Meeting of the Cordillera Metropolitan District at 4:00 p.m.

DECLARATION OF QUORUM/DIRECTOR QUALIFICATIONS

Board members acknowledged receiving notice of the special meeting at least 24 hours in advance. No conflicts of interest were noted.

APPROVAL OF AGENDA

Motion: Director Bentley moved to approve the June 16, 2021, Meeting Agenda. Seconded by Director Van Deusen. Upon motion duly made and seconded, the Board approved the June 16, 2021, Meeting Agenda.

PUBLIC COMMENT

Public comment included request to know details of district manager separation.

AGENDA ITEMS

CONSIDER AND APPROVE TERMS OF DISTRICT MANAGER SEPARATION AND CONSIDER OPERATIONAL MATTERS

Motion: Director Foley moved to approve the separation of the Cordillera District Manager. Seconded by Director Van Deusen. Upon motion duly made and seconded, the Board approved the separation.

APPOINT INTERIM DISTRICT MANAGER

Motion: Director Bentley moved to approve Trevor Broersma as interim District Manager. Seconded by Director Foley. Upon motion duly made and seconded, the Board unanimously approved the new interim District Manager.

Board discussion was had to name Trevor Broersma as Acting District Manager instead of Interim District Manager.

Motion: Director McGuire moved to amend prior resolution to name Trevor Broersma as Acting District Manager instead of Interim District Manager. Seconded by Director Bentley. Upon motion duly made and seconded, the Board unanimously approved to change interim to acting for the district manager title.

CONSIDER AND APPROVE RETENTION OF PECKHAM AND MCKENNEY EXECUTIVE SEARCH FIRM

The Board discussed retaining an executive search firm to perform a district manager search. The firm selected declined working with the district as they are not taking new clients.

Motion: Director Bentley moved to appoint and lead a committee with Director Foley to perform an executive search. Seconded by Director Van Deusen. Upon motion duly made and seconded, the Board approved the committee.

ADJOURNMENT

Motion: Director Bentley moved to adjourn the Special Meeting of the Cordillera Metro District at 4:12 p.m. Seconded by Director Van Deusen. Upon motion duly made and seconded, the Board adjourned the Special Meeting of the Cordillera Metro District.



APPROVED MEETING MINUTES

DATE: FRIDAY, JUNE 25, 2021

TIME: 2:00 PM

LOCATION: Video Conference Only
STATE OF COLORADO) COUNTY OF
EAGLE) SS.

SPECIAL BOARD MEETING

Due to Governor Polis' declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

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:

CALL TO ORDER

The meeting was called to order at 2:05 p.m. by Director Bentley, noting that a quorum was present. The Directors in attendance confirmed their qualifications to serve.

DECLARATION OF QUORUM/CONFLICT OF INTEREST DISCLOSURE

The Board acknowledged receiving the notice of the special meeting at least 24 hours in advance of the meeting and no conflicts of interest were noted by the Board Members.

APPROVAL OF AGENDA

The Board reviewed the agenda. Upon motion by Director Foley and seconded by Director Roberts, the Board unanimously approved the agenda as presented.

PUBLIC COMMENT

There were no members of the public present.

LEGAL ITEMS

At 2:05 p.m. a motion was made by Director Foley and seconded by Director Roberts, for the Board to convene into Executive Session pursuant to Section 24-6-402(4)(b), C.R.S, to receive legal advice from special legal counsel related to application of the water fund.

At 3:35 p.m. a motion was made by Director Roberts and seconded by Director Van Deusen to conclude the Executive Session.

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Director Roberts and seconded by Director McGuire the meeting was adjourned at 3:35 p.m.



APPROVED MEETING MINUTES

DATE: July 9, 2021

TIME: 9:00AM

LOCATION: Video Conference Only

STATE OF COLORADO)

COUNTY OF EAGLE) SS.

REGULAR BOARD MEETING

Due to Governor Polis' declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

ATTENDANCE

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

Others Present via Webinar: Trevor Broersma, acting general manager; Alan Pogue, general counsel for CMD; Ron Hoppner, information technology administrator; Claudia Wells, finance manager; Paula Kurtz, executive assistant to gm; Cliff Simonton, community planning manager; Samuel Lazar, operations manager; Brian Beven, legal counsel to Keith Tucker, Petitioner; Matt Stovell, legal counsel to Keith Tucker, Petitioner, Iris, court reporter and 36 members of the public.

CALL TO ORDER

Director Bentley called to order the Regular Board Meeting of the Cordillera Metropolitan District at 9:23 a.m.

DECLARATION OF QUORUM/CONFLICT OF INTEREST DISCLOSURE

Board members acknowledged receiving notice of the meeting at least 24 hours in advance. No conflicts of interest were noted.

APPROVAL OF AGENDA

Motion: Director Foley moved to approve the Meeting Agenda for July 9, 2021. The motion was seconded by Director Van Deusen. Motion duly made and seconded, the Board approved the agenda for July 9, 2021.

APPROVAL OF MINUTES

Director Foley moved to approve the minutes for the regular meeting of May 14, 2021, and the minutes for the special meetings held on June 9, 2021, and June 25, 2021. The motion was seconded by Director Van Deusen.

Motion duly made and seconded, the Board approved the minutes for the regular meeting of May 14, 2021, and the minutes for the special meetings held June 9, 2021, and June 25, 2021.

PUBLIC HEARING ON PETITION TO EXCLUDE REAL PROPERTY

Pursuant to CRS Section 32-1-501, a public hearing was opened by Director Bentley at 9:24am to consider a Petition to Exclude Real Property (Lots 1 and 2, Filing 33) from Cordillera Metropolitan District boundaries. The property is

owned by Starview Reality Investments LP, Mr. Keith Tucker, president. It was confirmed that statutory requirements for the Exclusion hearing had been met. Alan Pogue presented rules and protocols for the hearing.

Brian Bevan, Counsel for the Petitioner, presented the background, history and details supporting his client's request, including a review of the eight (8) statutory criteria that must be considered for Exclusion. In summary, it was asserted that the owner does not utilize or enjoy CMD amenities and does not require CMD services commensurate to the taxes he pays on the property. The findings for each of the eight Exclusion criteria were outlined in a manner that supported the Petitioner's request. Examples were also provided of previous requests for exclusion from the CMD, one involving the Rothkopf property, which was denied, and one involving properties on Timber Springs Road which was accepted. In closing, Mr. Bevan noted that no written comments or objections from Cordillera property owners had been received at the time of the hearing.

Representing the District, Mr. Pogue and Mr. Boersma then presented, providing additional information and detail on CMD services rendered, a history of previous litigation involving the property, and resulting contractual arrangements surrounding the issue of access, services, and taxes. Mr. Pogue also reviewed the eight required Exclusion criteria, offering findings contrary to those of the partitioner on most points.

Both presentations are available upon request through the CMD.

Public comment was opened. A resident asked whether exclusion from CMD would impact the affiliation of the property to the Cordillera Property Owners Association. Assurance was if it would not, and that in the event of exclusion CPOA assessments would still be required.

Board Comment was opened. Director Bentley confirmed the deadline for written comments/objections to the Exclusion as the day of the hearing. He noted that, if allowed, the removal of the property from The District's boundary would be permanent, running with the land and not ownership of the land. He confirmed that if excluded the Petitioner would still be responsible to pay 063 taxes (District debt) until the bonds were retired. Director Bentley finished by noting that numerous outstanding visual attributes of the Cordillera Subdivision are enjoyed by travelers on Squaw Creek Road for its entire length.

Director McGuire reiterated that the Exclusion, if allowed, would be permanent. He asked about the potential for density increases on the subject property post Exclusion, noting that any new density would likely also be excluded. Director McGuire questioned why the Board was being asked to consider this Exclusion again, when past litigation had essentially determined an outcome.

Director Roberts reiterated the fact that the owner was fully aware of access issues and ownership/tax responsibilities when he purchased the property, and that CMD had provided many improvements to the property including a paved road and utilities. Mr. Bevan offered his view that the property was purchased by the Petitioner from the District, and improvements made to the property by The District at that time were part of purchase negotiations.

Director Foley asked if the owner of Lots 1 and 2 had access to District owned open space located north of the property. She confirmed that The District was responsible for plowing the access road to Lots 1 and 2 (Sendero Verde) for a fee of \$1 per year per a previous settlement, and that this plowing agreement could not be terminated by the CMD unless the property was sold. She noted that contrary to previous statements by the Petitioner, CMD Public Safety personnel have responded to the property. Director Foley also questioned the price of a home in Cordillera quoted by Mr. Bevan as "average" in his presentation of financial impacts to Cordillera homeowners was accurate. Finally, Director Foley confirmed that CMD plows the entire length of Squaw Creek Road, a benefit to the Petitioner.

Mr. Bevan noted that many properties outside District boundaries benefit from the plowing of Squaw Creek Road. Closing comments and clarifications were provided by Mr. Bevan and Mr. Pogue.

Motion was made by Director Van Deusen to take the matter under advisement until the regularly scheduled CMD Board Meeting of September 10, 2021. Director Foley seconded the motion. Motion duly made and seconded, the Board approved forwarding the Hearing for Petition to 9:30 am on September 10, 2021.

AGENDA ITEMS

FINANCIAL REVIEW

Noting exceptional work by staff to produce a current set of financial statements, CMD Treasurer Cheryl Foley presented a review of April 2021 and May 2021 financials. She indicated that The District was on track to meet the approved budget. No Board action was required.

CMD AUDIT

Director Foley indicated that draft audit statements had been received, and that the audit is moving toward final documentation. A final report should be available by the next CMD Board meeting. No Board action was required.

PUBLIC COMMENT

Director Bentley opened public comment, requesting that comments be directed specifically at the four resolutions being considered. Comments included a request for greater detail and a summary of the resolutions. After a summary and explanation of the four resolutions was provided public comment resumed. Public comment consisted of support of resolutions designed to get Water Fund monies back to the property owners as the board's first consideration should be giving the monies back. Feedback was split in support of CMD buying the Grouse property and leasing back to the CPOA, as well as a one-time abatement of the mill levy.

WATER FUND MOVE RESOLUTION

Director Foley introduced the Water Fund Move Resolution, which reads as follows:

WHEREAS, the Cordillera Metropolitan District ("District") entered into the Amended and Restated Water Service Agreement, dated March 25, 2004 between the District, the Edwards Metropolitan District, and the Upper Eagle Regional Water Authority (the "Water Service Agreement") that, among other things, required the District to fund specified capital improvements ("Required Capital Improvements") to the Cordillera water infrastructure that provided water services to property owners and properties located within the District's boundaries; and

WHEREAS, the District imposed an \$18.50 per month surcharge on the water bills of all property owners in the District to fund such Required Capital Improvements and established a dedicated capital fund on its books and accounts (the "Water Enterprise Fund") to record the collection and disbursement of the amounts necessary to fulfill its obligations to fund the Required Capital Improvements; and

WHEREAS, the District terminated the monthly surcharge as of May 1, 2017 after the District determined that it had fully funded the Required Capital Improvements and thus had fulfilled all of its infrastructure funding obligations under the Water Service Agreement; and

WHEREAS, as of June 30, 2021, the unaudited Water Enterprise Fund balance was \$2,270,627.82; and

WHEREAS, the District has the discretion to transfer the monies in the Water Enterprise Fund to other funds for use for other public benefits; and

WHEREAS, the District desires to transfer such balance into the General Operating Fund to provide greater flexibility for its use in the future;

NOW THEREFORE, the District hereby resolves to transfer the entire balance of the Water Enterprise Fund as of July 9, 2021 into its General Operating Fund and to terminate the existing Water Enterprise Fund and remove it from its books and accounts.

Director Foley further provided a brief history of the Water Fund and explained that it needed to be transferred to the General Fund to allow access to the money for use by the CMD on projects of public benefit.

Director Foley moved the Water Fund Move Resolution be approved as presented. *The motion passed unanimously.*

WATER FUND “GROUSE” PURCHASE RESOLUTION

Director Foley introduced the Water Fund “Grouse” Purchase Resolution, which reads as follows:

WHEREAS, the Cordillera Metropolitan District (“District”) has, on July 9, 2021, transferred all of the funds from its Water Enterprise Fund (approximately \$2,270,627.82) into its General Operating Fund, creating a balance in the General Operating Fund of approximately [\$_____]; and

WHEREAS, the Cordillera Property Owners Association (“CPOA”) is undertaking a large capital improvement plan that includes, among other things, a potential \$2,200,000 purchase of the real estate, building, and parking lot commonly known as the Grouse-on-the-Green (the “Grouse”), which is immediately adjacent to the CPOA’s Short Course golf amenity; and

WHEREAS, the CPOA will hold a proxy vote on July 20, 2021 in which property owners will be asked to approve and ratify the Grouse real estate purchase contract, authorize annexation of the Grouse property, and authorize potential assessments in financial support of the purchase; and

WHEREAS, the CPOA has requested that, if the community votes to approve the proposed ballot measure, the District provide financial support to either: (i) reduce the amount of any assessment the CPOA may otherwise levy to fund the purchase or (ii) provide a temporary tax reduction to compensate residents for all or part of the assessment to be levied; and

WHEREAS, the District believes that ownership of the Grouse, if approved by Cordillera property owners in the CPOA ballot initiative, would provide an important public recreational benefit to the Cordillera community; and

WHEREAS, the District has determined that its General Operating Fund balance, including the \$2,270,627.82, referenced above, is at a robust level, and that \$2.2 million could be released to support, either directly or indirectly, a purchase of the Grouse; and

WHEREAS, the District has identified two funding options (the “Funding Options”) that it would be willing to use to provide financial support to aid in the Grouse purchase, if approved by Cordillera property owners in the CPOA vote: (i) a “Sale/Leaseback” under which it would purchase the Grouse from the CPOA and immediately enter into a long-term, low cost lease with the CPOA, with an option for the CPOA to repurchase the property at any time during the term of the lease, thus allowing the CPOA to reduce dollar-for-dollar any proposed assessment on property owners; or (ii) a one-time or multi-year tax refund to property owners through a mill levy reduction that would reduce real property taxes by a total of \$2.2 million and thus free up money from each individual resident’s tax burden to fully or partially compensate them for the CPOA special assessment; and

WHEREAS, the District desires to explore the pros and cons of each of the Funding Options with the CPOA and the Cordillera community over the next few weeks, so that it will be able to make a final decision as to which Funding Option would be most beneficial to the overall community in the event that property owners vote to approve the proposed purchase of the Grouse.

NOW THEREFORE, in the event that the Cordillera property owners vote to approve the proposed purchase of the Grouse, the District hereby commits \$2.2 million from its General Operating Fund to financially aid the community to fund such purchase using one of the Funding Options described above.

Director Foley noted the strength of CMD’s current financial condition and moved to approve the Water Fund “Grouse” Purchase Resolution as presented. Director Roberts seconded the motion.

Discussion disclosed two basic positions, one that information known is sufficient to approve funding the purchase of the Grouse, the other that additional information is needed.

The motion failed 3 to 2, with Directors Bentley, Van Deusen and McGuire voting against and Directors Foley and Roberts voting for.

TAX RELIEF RESOLUTION

Director Bentley requested this resolution be withdrawn from discussion given its direct association and reliance on approval of the Water Fund “Grouse” Purchase Resolution. The Board agreed.

COMMIT TO TAX RELIEF RESOLUTION

Director Roberts presented the Tax Relief resolution, which reads as follows:

WHEREAS, the Cordillera Metropolitan District (“District”) currently has an overage of greater than \$2.2 million in its General Fund for the year 2021; and

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

NOW THEREFORE, the District resolves and commits to the residents of Cordillera, except in the event of acts of God or other extraordinary events, to utilize these excess funds to reduce budgetary needs for 2022 by at least \$2.2 million, which will result in a one-time reduction in the mill levy for 2022.

Director Roberts emphasized the fact that the CMD has \$2.2 million in the general fund belongs to the community, regardless of situations surrounding the purchase of the Grouse, and that it should be returned to the property owners. He requested that CMD commit to returning \$2.2 million to the community and moved to approve the Tax Relief Resolution. Director Foley seconded the motion.

Discussion again disclosed two basic positions, one that information known is sufficient to approve returning these funds to the Community, the other that additional information is needed.

The motion failed 3 to 2, with Directors Bentley, Van Deusen and McGuire voting against and Directors Foley and Roberts voting for.

MANAGEMENT TEAM REPORT

The Board welcomed Trevor Broersma in his new position Acting General Manager.

Trevor presented the Management Team Report and answered board questions regarding:

- proposed new financial software; a meeting with Directors Bentley and Foley has been scheduled, with a decision on the new software coming very soon.
- the community gardens: The corrugated metal has finally arrived, and the beds will be completed and ready for planting soon.
- trailer parking, all 50 spaces have been rented and there is a waiting list. The spaces are available only to Cordillera owners.

PUBLIC COMMENTS

Director Bentley re-opened public comment. Comments included disappointment that the resolutions releasing the Water Fund were not approved, lack of action on water fund matter maintains uncertainty and may bias the upcoming CPOA vote, water fund money needs to be returned to the community, and that the board's actions/lack of actions are misleading.

EXECUTIVE SESSION

Motion: At 12:54, Director Foley moved, and Director Van Deusen seconded a motion to enter executive session pursuant to Section 24-6-402(4)(a), C.R.S. to discuss personnel matters (general manager). At 1:30 p.m. Director Foley moved, and Director Roberts seconded a motion to conclude executive session. No action was taken in executive session.

ADJOURNMENT

Motion: Director McGuire moved to adjourn the Regular Meeting of the Cordillera Metro District at 1:32 p.m. Seconded by Director Foley. Upon motion duly made and seconded, the Board adjourned the Regular Meeting of the Cordillera Metro District.



APPROVED SPECIAL BOARD MEETING MINUTES

DATE: FRIDAY, AUGUST 6, 2021 TIME:
2:00 PM

LOCATION: Video Conference Only
STATE OF COLORADO) COUNTY OF
EAGLE) SS.

SPECIAL BOARD MEETING

Due to the threat of health and safety posed by the COVID-19 pandemic, this meeting was held via Zoom.

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: Cliff Simonton, Community Planning Manager, Paula Kurtz, Executive Assistant to the GM and 37 members of the public.

CALL TO ORDER

The meeting was called to order at 2:05 p.m. by Director Bentley, noting that a quorum was present. The Directors in attendance confirmed their qualifications to serve.

DECLARATION OF QUORUM/CONFLICT OF INTEREST DISCLOSURE

The Board acknowledged receiving the notice of the special meeting at least 24 hours in advance of the meeting and no conflicts of interest were noted by the Board Members.

APPROVAL OF AGENDA

Upon motion by Director Van Deusen and seconded by Director Foley, the Board unanimously approved the agenda as presented.

PUBLIC COMMENT

Public comments included feedback on the following: The desire by the community to purchase the Grouse property, the implications of a requirement for a restaurant in the Grouse should the CMD be involved in its purchase, versus allowing the community to make decisions regarding uses in the building, the nature by which Water Fund monies should be returned to Cordillera homeowners, and the possible need for a community survey regarding what to do with the Grouse property.

AGENDA

Director Van Duesen introduced the following resolution:

RESOLUTION OF THE CORDILLERA METROPOLITAN DISTRICT AUTHORIZING THE ACQUISITION OF PROPERTY REFERRED TO AS THE GROUSE FOR \$2.2 MILLION AND THE LEASING OF SUCH PROPERTY TO THE CORDILLERA PROPERTY OWNERS ASSOCIATION.

WHEREAS:

1. *On July 9, 2021, the Cordillera Metropolitan District (“CMD”) transferred funds from the Water Enterprise Fund in the approximate amount of \$2,270,627.00 into the General Operating Fund.*
2. *On July 20, 2021 the Cordillera Property Owners Association (“CPOA”) voted (a) to approve the purchase of property referred to as the Grouse for \$2.2 million and (b) to authorize Grouse specific special assessments in the amount of \$3,000 to be paid in January 2022 or, at the property owner’s option, \$1100 to be paid in January 2022, 2023 and 2024 (“the Special Assessment”) all as set forth in the Grouse Acquisition Ballot a copy of which is attached.*
3. *The Grouse refers to the building known as “The Grouse on the Green” which formerly contained an Irish style pub “the Pub” serving light fare and beverages, a golf pro shop and golf cart storage space serving the Short Course, a nine-hole par 3 golf course owned by the CPOA. The Grouse was acquired by All Points North (“APN”) in 2017 as part of a larger transaction involving the sale of property formerly referred to as the “Lodge.”*
4. *The Pub was a popular gathering place for lunch, dinner and drinks after golf on the Short Course. It was one of two restaurants located on the Divide, the other being a more formal restaurant located at the Lodge. Both restaurants ceased operations upon the sale to APN.*
5. *As set forth in the Grouse Acquisition Ballot, the CPOA contemplates that “when complete, the property will provide a clubhouse and parking for the Short Course, an additional Cordillera events venue and an additional workout facility.” There was no stated provision for a pub or restaurant facility of any type in the Grouse Acquisition Ballot.*
6. *Rather than appearing to influence the Grouse Acquisition, the CMD declined to offer financial support to the CPOA in any form before the community voted thereby maintaining the flexibility to act depending on the outcome.*
7. *The CPOA vote of approval was by a large margin indicating that the Cordillera Community is willing to invest in community amenities without the expectation of financial support from the CMD.*
8. *The CMD is prohibited by law from donating public funds to a private corporation but may use its funds for a public purpose that benefits the community.*
9. *Since their formation approximately twenty years ago, the CMD and the CPOA have collaborated on numerous projects for the benefit of the community, for example, in 2003 the CMD financed the construction of the fire station, the administration building and the post office/café building; the latter was leased to the CPOA for nominal rent for 99 years. Until 2021, the two entities shared office space and staff. These collaborative efforts have benefited the entire community and are at least partly responsible for making Cordillera “a premier mountain community.”*
10. *Approximately 40% of property owners are not members of the Club at Cordillera and therefore cannot access any of the restaurants currently operating within Cordillera. The CMD believes it is appropriate for a casual restaurant available to the entire community to be located on the Divide at the Grouse.*
11. *In the spirit of continued collaboration the CMD desires (a) to purchase the Grouse from APN or the CPOA, for the sum of \$2.2 million plus additional closing costs and (b) to enter a long-term lease with the CPOA for nominal rent.*

12. Should the CPOA agree to the sale-leaseback arrangement described above, the CPOA would be able to utilize some, or all of the funds described in the Grouse Acquisition Ballot to provide a pub or other casual type restaurant at the Grouse in addition to the amenities currently contemplated.

NOW, THEREFORE, BE IT RESOLVED: Assuming that the CPOA's purchase agreement and the sale and leaseback documents are satisfactory to CMD's attorneys, the CMD commits (a) to expend \$2.2 million plus closing costs from the General Operating Fund to acquire title to the property commonly referred to as the Grouse, and (b) to enter into a long term lease with the CPOA for the Grouse at nominal rent provided that the CPOA agrees to include a pub or other casual restaurant serving light fare and alcoholic beverages at the Grouse, all on reasonable terms and conditions to be negotiated in good faith by the CMD and the CPOA.

Director Foley introduced an amendment to the resolution, deleting the requirement for a restaurant or any specific use within the building, and providing a time frame by which the purchase would need to be executed otherwise CMD would agree to return money to residences of \$2.2 million reduced taxes.

- **Following discussion, Director Foley's suggested amendment was voted down, three voting against and two voting for.**
- **A motion was made by Director Van Deusen and seconded by Director McGuire to approve the Van Duesen resolution without any amendment. The motion was passed three for and two against.**

Director Roberts motioned and Director Foley seconded the reintroduction of the following Resolution:

RESOLUTION OF THE CORDILLERA METROPOLITAN DISTRICT – COMMITMENT TO TAX RELIEF.

WHEREAS, the Cordillera Metropolitan District ("District") currently has an overage of greater than \$2.2 million in its General Fund for the year 2021; and WHEREAS, the District's reserve funds are deemed adequate; and NOW THEREFORE, the District resolves and commits to the residents of Cordillera, except in the event of acts of God or other extraordinary events, to utilize these excess funds to reduce budgetary needs for 2022 by at least \$2.2 million, which will result in a one-time reduction in the mill levy for 2022.

- **A Vote was conducted and the re-offered Resolution did not pass, two for and three against.**

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Director Bentley and seconded by Director Van Deusen the meeting was adjourned at 4:43 p.m. Director McGuire departed the meeting at 2:52 p.m.



APPROVED MEETING MINUTES

DATE: Friday, September 10, 2021

TIME: 9:00 a.m.

LOCATION: 408 Carterville Road
State of Colorado, County of Eagle

REGULAR BOARD MEETING

ATTENDANCE

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

Via webinar: Dan Roberts, Assistant Treasurer/Assistant Secretary

Not in attendance: Eugene McGuire, Vice President.

Other panelist via webinar: Alan Pogue, CMD Legal Counsel; Jason Carroll, Clifton Larson Allen; Bryan Bevin, Legal Counsel, Starview Realty Investment.

Members of public via webinar: Bill Farley, Dennis Moran, Kelly Keenan, Steve Houk, Lainie Edinburg, Melissa Murphy, Mike Autera, Pamela Horan-Kates, Mary Jackson, Chuck Jackson.

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 of the meeting and cited no conflict of interest with items on the agenda.

APPROVAL OF AGENDA

Director Foley moved to approve the agenda as presented, Director Van Deusen seconded. There being no discussion, 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 July 9, 2021, Director Van Deusen seconded. Director Roberts inquired about the minutes from the August meeting and was informed these will be presented in October. Director Bentley asked if the Resolution approved by the Board at the August meeting regarding monies available for the purchase of the Grouse on the Green had been formerly transmitted to the CPOA; Trevor indicated yes. There being no further discussion, the vote to approve was unanimous.

AGENDA ITEMS

PUBLIC HEARING TO EXCLUDE REAL PROPERTY, continued from the meeting of 7/9/21.

Director Bentley opened the hearing continued from the meeting of July 9th regarding a request from Starview Realty Investment to exclude that real property situated at 4852 Sendero Verde from the Cordillera Metropolitan District service boundary. Counselor Pogue presented a resolution prepared for the Board's signature (please reference Board Packet for 9/1/0/21) which detailed facts and events of the investigation, and which concludes that the Cordillera Metropolitan District, upon consideration of all statutory criteria and receipt of all evidence required, has determined that the property should not be excluded.

Director Roberts moved to approve the resolution; Director Van Deusen seconded the motion. Director Bentley opened the hearing to public comment. Seeing none, public comment was closed.

The Board moved to deliberation. There being no discussion, the vote was called, and the resolution was unanimously approved. Director Bentley formally closed the hearing on the matter of Starview Realty Investment.

FINANCIAL AND AUDIT REPORT *See full reports in 9/10/21 Board Packet*

Director Foley presented the Financial Report for the period ending June 30, 2021, providing the following highlights:

- Revenue and expenses are on target and consistent with budget and expectations. One exception is interest income, which will fall short of expectations (budget projections may have been unrealistic).
- The move of Water Fund monies to the General Fund is not reflected in this report, as that did not occur until July.

Director Bentley questioned the increase in accounting fees and was informed that the on-going reconciliations and corrections that have been required as the District moves to the new CLA accounting system were not anticipated by the budget.

- The 2020 Audit did identify significant deficiencies, most associated with accounts and balances that did not align, exacerbated by issues with (old) accounting software. Significant reconciliation and corrections were necessary. The future outsourcing of accounting and financial management to CLA should solve these problems.
- The auditors did find that, after reconciliation and corrections, year-end financial statements reflected an accurate picture in all material respects of each major fund and the aggregate remaining funds and government activities of the Cordillera Metropolitan District as of December 31, 2020.
- The Metro District is in very good financial shape. Additionally, all bond debt should be fully amortized by the end of 2022.

Presentation of the Financial Report required no specific action by the Board.

RESOLUTION GOVERNING USE OF CMD ASSETS TO SEND POLITICAL OR PERSONAL MESSAGES TO THE CMD COMMUNITY

Director Roberts presented and moved to approve the following Resolution:

WHEREAS, on August 19, 2021 a letter was written by David Bentley, to the Cordillera Community on CMD letterhead using the personnel, mailing list, and other resources of the CMD and was signed by Mr. Bentley as President of the CMD. Mr. Bentley admits in the letter, that the letter was solely a personal message; and

WHEREAS, several residents have questioned the legality of using the CMD logo and letterhead, the CMD email distribution or mailing lists, and CMD facilities and personnel to enable such personal distributions; and

WHEREAS, to our knowledge CMD does not have any written policy governing use of its assets for political or personal purposes and the Board believes that such a policy is necessary and appropriate.

NOW THEREFORE, the CMD Board hereby adopts the following policy related to the use of its assets in the distribution of political or personal messages to Cordillera residents: No CMD Director may use the CMD logo or letterhead, its email or mailing distribution lists, or its facilities, personnel, or other assets to send messages of a political or personal nature to the Cordillera residents. Any CMD Director who wishes to send a written communication to Cordillera residents using CMD assets shall first send a copy to all other CMD Directors and solicit their comments. In the event that a question arises as to whether any communication is prohibited under this policy, the Board's attorney shall be consulted and shall make the final decision.

Director Foley seconded the motion to approve.

In discussion, those in favor stated that Director Bentley's letter raised the issue of Board members using taxpayer money to further their own personal or political views. This letter was of immediate concern to the community and necessitated a CMD policy which codified existing Colorado law.

Those opposed stated that it would be inappropriate to establish board policy through a resolution targeting a single isolated incident, and that the Board should instead work with appropriate stakeholders to establish bylaws to guide its protocols and activities, as provided in the Special Districts Handbook.

General support was voiced by Board members for the development of bylaws addressing Board activities, responsibilities, and protocols at some future time.

The vote was called, with Directors Roberts and Foley voting in favor of adoption of the resolution, and Director Bentley and Van Deusen voting against. The vote being tied, the measure failed.

INTRODUCTION OF CLIFTON LARSON ALLEN – NEW CMD FINANCIAL SERVICES TEAM

The Board welcomed Mr. Jason Carrol, managing partner of Clifton Larson Allan, who then presented his firm's qualifications and a summary of the financial and accounting services CLA would be providing to the District. In response to Board questions, Jason provided additional information regarding the timing and availability of monthly financial information, and the involvement of CLA in future audits and the budgeting process.

In discussing the transition to the new accounting software, the Board recognized the outstanding effort and work of Financial Manager Claudia Wells, as she has been instrumental in problem solving and providing advice through the transition effort. The Board wished her well in new endeavors as Claudia will be leaving the organization.

CLARIFICATION OF PROCESS FOR HIRING THE GENERAL MANAGER POSITION

Counselor Pogue presented a summary of the statutory requirements of postings and open meetings associated with the process of hiring a new General Manager. The Board confirmed the status of its hiring activities and scheduled a follow up meeting consistent with statutory requirements, setting October 13th as the day by which the process would be concluded.

MANAGEMENT TEAM REPORT *See full report included in 9/10/21 Board Packet*

Acting General Manager Trevor Broersma presented the September 10, 2021 Management Team Report, providing detail on topics including:

- Staff training, anniversaries, and recognitions. Trevor also presented the Metro District organizational chart.
- The financial software update project
- Information and Technology news. Ron Hoppner is starting his own business, but will continue to provide IT services to both the District and the CPOA.
- Equestrian Center news - enthusiastic welcome-back to manager Dominique Jones.
- Community Operations and the status of road, trail, and fleet projects
- The Fishing Program summary for 2021
- Public Safety operations, call boxes at gates, trailer parking and staffing shortage issues.

Discussion included a request for a video that would detail the use of call boxes at entry gates, acknowledgement regarding regional workforce and housing shortages, and a request for clarification regarding the position of Community Planning Manager on the organizational chart. It was confirmed that the District's two transport vans had been sold (CPOA was approached but did not have use for them), and greater detail was provided regarding this summer's road resurfacing projects, new bike lanes and the changes to the intersection of Squaw Creek Road and Cordillera Way. The Board acknowledged that a great deal of work had been accomplished this summer, with no increase in taxes.

Presentation of the Management Team Report required no specific action by the Board.

2022 BUDGET PLANNING DISCUSSION *See supporting documents in 9/10/21 Board Packet.*

Acting General Manager Trevor Broersma presented preliminary detail on the Budget proposed for 2022, including the timeline for its completion and approval. Forecasts for revenues, expenditures and the plan for capital projects were presented. Discussion included impacts from elevated construction costs, and an explanation of how the 20-year Reserve Study is used to determine capital budget amounts for each year. The reserve study is scheduled to be updated in 2022. Clarification of proposed costs associated with the Bearden Pond upgrade was also provided.

Working with CLA, a more refined draft budget will be available for the Board's consideration at the October 13 meeting.

The budget planning discussion required no specific action by the Board.

PUBLIC INPUT

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

- A request for periodic inspection and maintenance of intersection identification fences in the Summit.
- A request for flowers to be returned to select intersection and monument beds in the Summit. The 2022 budget brings funds allocated for flowers back to 2019 levels. Flower bed designs will be modified in response to the need for water conservation.
- Tim and Anita Asfazadour should be recognized for discovering and reporting a fire adjacent to the Big Park Trail this past summer that could have grown significantly.

ADJOURNMENT

The day and time for the next CMD Board meeting was set as Wednesday, October 13, 2021 at 9:00 am. There being no further business before the Board, the meeting was adjourned at 10:40am, motion by Foley, second by Van Deusen.



APPROVED MEETING MINUTES

DATE: Wednesday, October 13, 2021 TIME:
9:00 a.m.

LOCATION: 408 Carterville Road
State of Colorado, County of Eagle

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, Susan Seltzer, Margo Boyle.

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 as presented, Director Roberts seconded. The vote to approve was unanimous.

APPROVAL 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 overage 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 million yearly average 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 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 capital improvement costs. Better management and the introduction of riding lessons should help to close the gap in 2022.
- Staff should examine how to separate or barricade the 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. They have declined in their utility and visual quality and have developed leaks. They should be repaired and updated to meet Cordillera standards.
- Operations at 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/costs of leasing vs purchasing of maintenance 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 a time when interest rates are low and construction costs are increasing dramatically.
- 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.



APPROVED MEETING MINUTES

DATE: Friday, November 12, 2021

TIME: 9:00 AM

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

REGULAR BOARD MEETING

ATTENDANCE

Present: David Bentley, President; Cheryl Foley, Treasurer; Trevor Broersma, 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: Mike Grier, Margaret Henderson, Dennis Moran, Jerry Nichols, Chuck Jackson, Mike Autera, Melissa Murphy, Kelly Keenan, Harry Jasper, Robert Donovan, Lainie Edinburg, Annette Irion, Monte Irion, Lois Bruce, Richard Hogg, Bill Farley.

CMD Staff via webinar: 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, 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

There was no consent agenda. 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, Paula 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 to the budget 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. This change, however, 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 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 presented detailed information showing substantial amounts remain in the General Fund over and above foreseeable needs. Based on this information, she 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. In addition to keeping the water fund monies, the CMD in 2022 is proposing to tax Cordillera residents an additional 5.5%, which is the largest increase allowed by law.

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.