

STATE OF COLORADO)
COUNTY OF EAGLE)

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AGENDA

CMD and CPOA Regular Board Meetings

October 19, 2018

9:00 a.m.

408 Carterville Road, Cordillera CO 81632

Board of Directors

Cordillera Metro District (CMD): David Bentley, President | Gene McGuire, Vice President | Cheryl Foley, Treasurer | Kitty George, Secretary | John Van Deusen, Assistant Treasurer & Assistant Secretary

Cordillera Property Owners Association (CPOA): Ed Shriner, President | Mike Grier, Vice President | Ron Haynes, Treasurer | Jerri More, Secretary | Larry Brooks, Assistant Treasurer & Assistant Secretary

Time	Item	Presenter	Page
9:00 a.m.	CMD Board Meeting Call to Order	Bentley	
	Call to Order		
	Declaration of Quorum/Director Qualifications/Disclosure Matters		
	Approval of Agenda		3
	Approval of Consent Agenda Items (Action Requested: Approval of September 21, 2018 Meeting Minutes)		
9:10 a.m.	CPOA Board Meeting Call to Order	Shriner	
	Call to Order		
	Declaration of Quorum/Director Qualifications/Disclosure Matters		
	Approval of Agenda		3
	Approval of Consent Agenda Items (Action Requested: Approval of September 21, 2018 Meeting Minutes)		
9:20 a.m.	Public Comment	Bentley, Shriner	
	The boards welcome public engagement. Public comment is dedicated time for the public to speak to items listed on the meeting's agenda and other topics.		
9:40 a.m.	Joint Agenda Items for Boards Discussion and Direction		
	Resonance- Strategic Planning	Fair Cutting-Miller	
	Administrative Updates	Oys	7
	2019 Budget Hearing	Oys, Mathews	21
12:30 p.m.	CMD Agenda Items for Board Discussion and Direction		
	2017 Audit	Mathews	102
12:45 p.m.	CPOA Agenda Items for Board Discussion and Direction		
	2017 Audit	Mathews	151
	CCR Limited Amendment Short Term Rentals	Pogue	169
	DRB Alternate Board Member Resignation- Jung	Oys	
	Delinquent Accounts	Oliver	
2:00 p.m.	CMD Adjourn	Bentley	
2:00 p.m.	CPOA Adjourn	Shriner	

NOTICE IS HEREBY GIVEN that the Boards of Directors of the Cordillera Metropolitan District and Cordillera Property Owners Association of the, Eagle County, Colorado will hold a meeting. These meetings are open to the public.

2018 Meeting Schedule	November 16 and December 14 Note: 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, CO. Meetings will be cancelled when there are no time sensitive or substantive topics for Board discussion.
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BY ORDER OF THE DISTRICT
/s/ David Bentley, President

BY ORDER OF THE ASSOCIATION
/s/ Ed Shriner, President



MINUTES

Cordillera Metro District Cordillera Property Owners Association

September 21, 2018

In Attendance

CMD Board of Directors	CPOA Board of Directors
David Bentley, President	Ed Shriner, President
Eugene McGuire, Vice President	Ron Haynes, Treasurer
Cheryl Foley, Treasurer	Larry Brooks, Secretary
Kitty George, Secretary	Jerri More, Assistant Treasurer/Assistant Secretary
John Van Deusen, Assistant Treasurer/Assistant Secretary	Mike Grier, Vice President (via telephone)

Others Present:

Rachel Oys, general manager; Alan Pogue, legal counsel; Heather Mathews, finance manager; Jaime Walker, communications manager; Trevor Broersma, operations director; Joe Helminski, recreation director; Erin McCuskey, human resources manager, Clint Forstrom, project manager; Joanne Kelley, public safety manager; Tracy Stowell, office manager; Millie Aldrich, DRB coordinator; Members of the public: Enrique Grisoni, Steve Houk, Chris Cummings, Kevin Mullenger, Kathleen Fisher, Richard Fisher, Kent Barker, Jim Stoval.

Call to Order

CMD Board of Directors	CPOA Board of Directors
Director Bentley called to order the Regular Meeting of the Cordillera Metropolitan District at 9 a.m.	Director Shriner called to order the Regular Meeting of the Cordillera Property Owners Association at 9:01 a.m.

Declaration of Quorum/Director Qualifications

All board members acknowledged receiving notice of the regular meeting at least 72 hours in advance. No conflicts of interest were noted.

Approval of Agenda

CMD Board of Directors	CPOA Board of Directors

<p>Director Foley moved to approve the September 21, 2018 Regular Meeting Agenda. Seconded by Director McGuire.</p> <p>Upon motion duly made and seconded, the Board unanimously approved the September 21, 2018 Regular Meeting Agenda.</p>	<p>Director Shriner added the following topics to the agenda: vacating property lines, short-term rentals and business operations at 362 Pine Marten Way.</p> <p>Director More moved to approve the September 21, 2018 Regular Meeting Agenda with noted additions. Seconded by Director Brooks.</p> <p>Upon motion duly made and seconded, the Board unanimously approved the September 21, 2018 Regular Meeting Agenda.</p>
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Approval of Consent Agenda

CMD Board of Directors	CPOA Board of Directors
<p>Director Foley provided staff minor changes in writing to the August 17, 2018 minutes.</p> <p>Director Foley moved to approve the Consent Agenda. Seconded by Director Van Deusen.</p> <p>Upon motion duly made and seconded, the Board unanimously approved the August 17, 2018 Meeting Minutes.</p>	<p>For the August 17, 2018 Meeting Minutes, Directors More provided staff minor changes in writing. Additionally, Director Shriner noted “some” board members requested the community survey presentation to be shortened. He also asked for the minutes to reflect the votes in the September 7 Meeting Minutes.</p> <p>Director More moved to approve the Consent Agenda with the noted changes. Seconded by Director Brooks.</p> <p>Upon motion duly made and seconded, the Board unanimously approved the August 17 and September 7, 2018 Meeting Minutes with noted changes.</p>

Public Comment

Eight members of the public were present. The public comment shared appreciation of board members service.

- The boards recognized Rick Smith for his years of service on the CPOA Board.

CMD Agenda Items for Boards Discussion and Direction

Public Safety Patrol

The public safety director resigned August 1 to relocate his family. Since then, General Manager Oys has served as interim public safety director in co-leadership with Public Safety Manager Joanne Kelley.

The public safety team conducted a planning process to develop an enhanced service model that fosters a sense of community and safety, which includes modified roles and responsibilities, standard operating procedures and training.

This process informed the development of a revised job description for the public safety director. The job posting was anticipated for the week of September 24.

Gate access protocols for the various customers were discussed and operational changes will be implemented in the coming weeks. Bicycle access was specifically discussed with ideas for various levels of restrictions shared. Opinions varied between requiring driver's license verification, to permitting, to asking for individual or group name(s). It was noted the more direct interaction public safety has with any visitor, including a bicyclist, the increased chance of an altercation. The role of public safety should be carefully defined to not extend into law enforcement.

CPOA Agenda Items

Fisher Lot Line Amendment

- The CPOA approved the lot line amendment for lots 17, 18 and 19 on Cattle Place, thus vacating the building envelopes on lots 17 and 19 as well as the lot lines between lot 17, 18 and 19.
- The CPOA also approved the lot line amendment on 73 Kit Way where two adjacent property owners purchased the lot, established a new lot line and vacated the lot line bordering their properties.
- It was also noted lot line amendments reduce revenue for both the CPOA and CMD; both boards will discuss this matter in future meetings.

CCR Limited Amendment short-term rentals

The purpose of restricting short-term rentals would be to protect property owner interests throughout the community and discourage abusive behavior by renters in Cordillera facilities. Legal counsel and staff will prepare draft language for a CCR Limited Amendment regarding short-term rentals for consideration at the October 19 meeting.

Joint Agenda Items for Boards Discussion and Direction

Administrative Updates

Complaints were again received about 362 Pine Marten Way. The management team report also documented a public safety report of parking violations. It appears the property is being used as an event venue. A first notice outlined infractions was sent to the property owner. Staff and legal counsel will draft a second violation notice including fines.

2019 Budget Planning

Preliminary draft budget and detailed considerations were shared with the boards for discussion. The budget approach addresses the community's current needs and positions it for future needs; it makes

strategic investments in human resources to attract and retain a qualified workforce; it plans and funds investments in the community's capital assets that maximize the use and life; it adheres to fund balance, debt service and other financial policies; it ensures the ongoing financial health of the community and protects the bond rating.

The CMD Board requested developing a reporting method to track operating and capital costs for specific assets in one document to be used as a tool for decision making.

The recommendations from Resonance will be instrumental in shaping future board decisions especially relating to program and promotional initiatives.

Staff will incorporate changes discussed for the budget hearing October 19.

The CMD/CPOA budget memo will be mailed to owners December 1; the CMD certified mill levies are due to Eagle County December 15.

CMD Adjournment

CMD Board of Directors

Director Foley moved to adjourn the Regular Meeting of the Cordillera Metro District. Seconded by Director George.
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Upon motion duly made and seconded, the Board adjourned the Regular Meeting of the Cordillera Metro District at 4:24 p.m. Friday, September 21, 2018.

CPOA Adjournment

CPOA Board of Directors

Director Brooks moved to adjourn the Regular Meeting of the Cordillera Property Owners Association. Seconded by Director Haynes.
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Upon motion duly made and seconded, the Board adjourned the Regular Meeting of the Cordillera Property Owners Association at 4:26 p.m. Friday, September 21, 2018.
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Next Meeting

- The next CMD and CPOA Board meetings are October 19, November 16 and December 14, 2018. 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, CO, 81632. Meetings will be canceled when there are no time sensitive or substantive topics for board discussion.

Strategic Planning

The CMD and CPOA Boards both approved retaining Resonance Consultancy to facilitate the development of a strategic plan for Cordillera during the August regular meeting. The project expenses will not exceed \$50,000 for 2018 (includes service fees and travel). The project will also be included in the 2019 budget. The total fees for 2018 and 2019 are projected at \$145,300.

Resonance received a copy of the community survey final report for review. Chris Fair, Richard Cutting-Miller and their team will be on-site October 18 and 19. During their visit, they will tour the community and meet with several key stakeholder groups, the boards and the Strategic Planning Committee. Resonance will return in November/December to convene focus groups which will be identified during the October visit.

Information and Technology

Large Conference Room

New tables and chairs were purchased for the large conference room and a new television was installed to replace the projector. This will allow presenters and staff to connect their computers wirelessly to the television so all meeting attendees can see the presentations.

Finance

Audit

- 2017 Audits for both CMD and CPOA were finalized.
- 2017 CPOA Tax Return was finalized per the audited financial statements.
- 2018 Audit schedule was set with fieldwork to begin in April 2019.

2019 Budget

- A comprehensive preliminary 2019 budget was presented to both Boards September 21.
- Treasurers meetings were held October 11 and 15 to review 2019 budget.
- Weekly calls have occurred with property liability and Director/Officer insurance carriers, medical dental and visions and retirement brokers and carriers regarding 2019 coverage and costs.
- Meetings have been held with Cordillera Valley Club Metro District, Honeywagon and other contractors regarding services and costs for 2019. Negotiations are still underway.

Delinquent Accounts

2018 and prior years homeowners

- Original AR balance = \$320,282.58
- Current AR balance = \$237,730.49
- Homeowners (5) on payment plans = \$39,537.99

- Staff is working with Jerry Oliver on legal action for the 12 severely delinquent property owners.
- Regular payments are being received from the five property owners on payments plans.

2018 Delinquencies

- Original AR balance = \$91,825.57
- Current AR balance = \$26,993.32

Currently, 8 homeowners are delinquent in paying their 2018 dues. Legal counsel is mailing a final notice to demand payment.

- Regular payments are being received from one property owner on a payment plan.

RETA

- \$884,441 in revenue has been collected through October 8.

Human Resources

Anniversaries

Andrew Schuering, Equestrian Barn – 1 year

Jose Velasco, Community Operations – 10 years

Hiring

Rafael Gurule recently joined the equestrian center team. Rafael grew up in Eagle and joined the team based on a recommendation from his friend and equestrian employee Chris Comroe.

Ella Thomas will be a part-time attendant at the Athletic Center. Ella is a teacher at Gypsum Elementary and is taking a year sabbatical from teaching after the recent birth of her second child.

Wes Zittel started as a mechanic at the beginning of October. Wes was the lead mechanic for Sage Outdoor Adventures for five years. He is also a raft, snowmobile, all-terrain vehicle and general “jack of all trades” guide so his combination of mechanic skills and guest service background will be a great fit with the fleet team.

Open Positions

Full Time – Public Safety Officers

Part Time – Barn Hand, Athletic Center Attendant and Public Safety Officers

An initial review of public safety director applications has been conducted. Interviews are scheduled for the week of October 23.

Committees

The employee recognition committee held a pancake breakfast for all employees October 16.

Training and Career Development

Erin McCuskey presented a seminar September 26 called Hiring Trends for the Modern Workplace. The class was held at Colorado Mountain College for approximately 65 local hiring managers and human resource professionals.

Workers' Compensation

There are no new workers' compensation claims.

	2014	2015	2016	2017	2018	2019
Emod	1.27	1.38	1.49	1.88	1.54	1.20
Claims	9	18	9	3	4	

Benefits

CMD has decided to change retirement advisors and administrators to Hays Consulting and Empower. The conversion process is underway and liquidation is scheduled for December 13, 2018. CMD employees will see at least \$26,350 in savings next year (which will grow as assets accrue) and better services.

The current estimate from Cigna for 2019 is a 20.9 percent increase. Anthem provided a quote for 19.7 percent increase with significant plan design changes. Hays is negotiating and obtaining additional quotes for medical, dental and vision.

Communications

Website

Updates to the website since September include:

- Updating CMD board page, calendar, staff directory and news flash with hunting information, holiday lighting guidelines and Cordillera Connection content.
- Publishing the Cordillera Safety Event public service messages.
- Posting board agendas and minutes.

Communications

- Two "Cordillera Connection" newsletters were sent with an average 63 percent open rate.
- Five "Official News and Update" flashes were sent. Topics included: board meeting summary, chili cookoff and the Vail Gondola Club open house among others. The open rate averaged 58.25 percent.
- Ongoing social media updates continue. Recent posts included pictures from the Stitchery Group anniversary, annual river clean up, Vail Gondola Club open house and the Chili Cookoff.

Advertising

- Staff executed the Vilar contract for the 2018 winter program and a holiday sponsorship with KUNC for Thanksgiving and Christmas weeks.
- Mountain Living and Vail Beaver Creek ads were submitted for the winter issues.

Events

- Karen Wadell from Eagle County Sheriff's Office taught female property owners how to recognize victim signals and behaviors, how to recognize potentially harmful situations, and physical techniques to distract and escape an attack during a self-defense and personal safety class held September 25. The class received positive reviews with those in attendance commenting it was valuable and empowering. The class was at capacity for the four-hour course.

Property owners signed up for the class at the personal safety booth during the Cordillera Safety Event in August. High Five Access Media videotaped public service messages from partner organization at the Cordillera Safety Event which are available via link on the website.

- Despite heavy rain, nearly 25 people attended October's "Meet Your Neighbors Gathering" October 5. The Cordillera Welcome Committee hosts monthly casual events to welcome new owners to the community. All homeowners are encouraged to attend.

Miscellaneous

- The Management Team reviewed the first version of a marketing video and lifestyle photography. Shooting additional footage of winter landscapes, the Vail Gondola Club, the Nordic center and ice rink is scheduled for November and December.
- Year-end purchasing of collateral materials and merchandise is underway.

Recreation

Management Team Report

Vail Gondola Club

Ski Season Dates

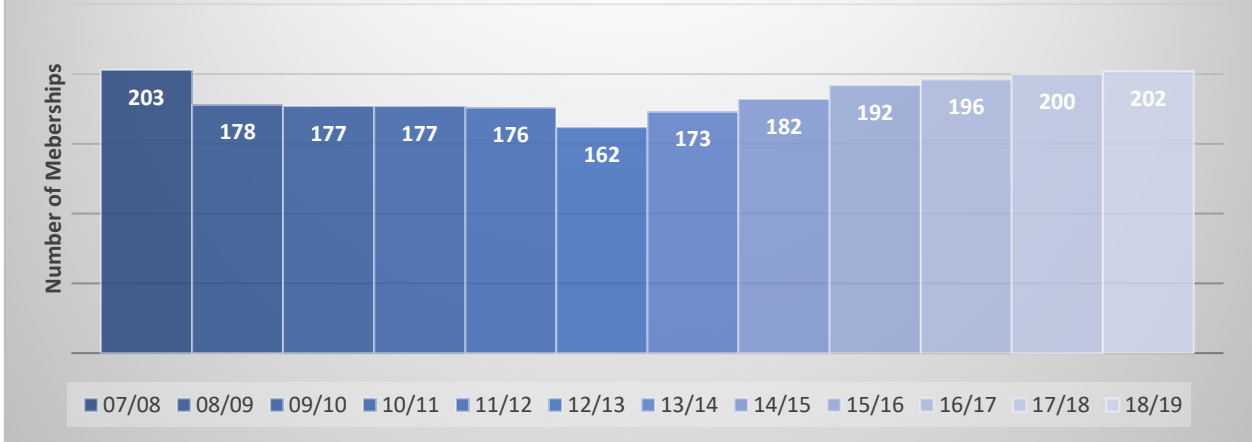
- Vail Mountain is scheduled to open for the season Friday, November 16 and close Sunday, April 21.
- The Vail Gondola Club will open for the 2018/2019 ski season Monday, November 12.

Membership Status

- Memberships sold 2016 - 17, resignations - 10
- Memberships sold 2017 - 12, resignations - 6
- Memberships sold 2018 - 8, resignations - 4
- Current members – 202, memberships available - 3
- As of October 2018, the club has 202 members with three memberships available. Eight were made this year versus three resignations. Just over 50 percent of members are Cordillera Property Owners not including the Valley Club who make up for an additional 10 percent of members.
- Fall open houses held September 23 and 30 netted two membership sales.



Vail Gondola Club Yearly Membership Levels

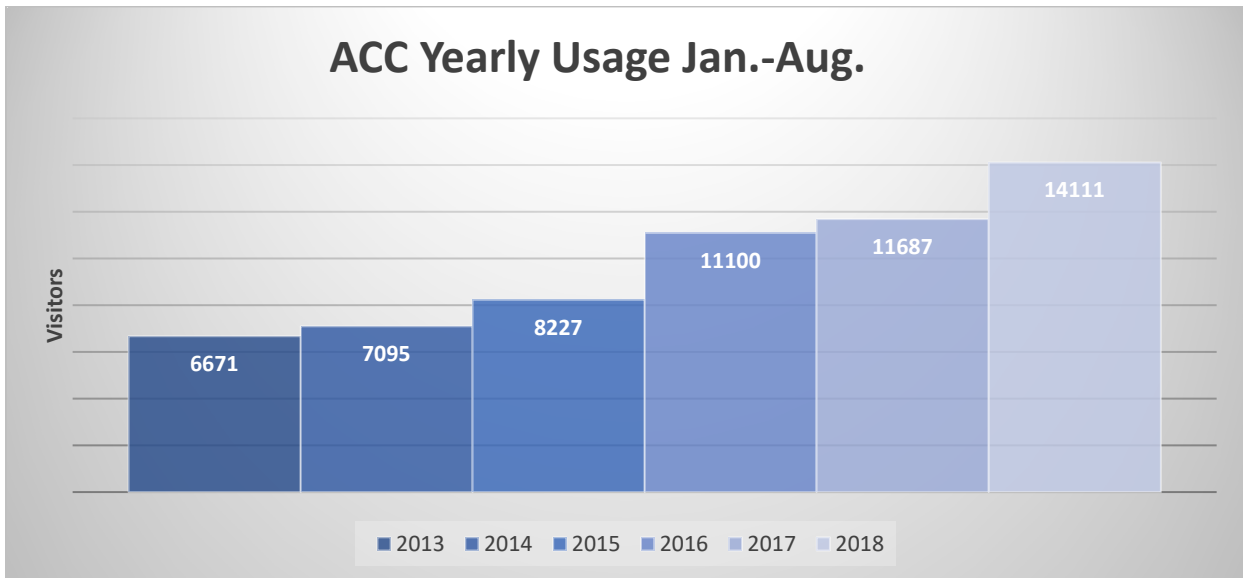


Athletic Center

Usage

- When compared to the January through August 2017, usage of the athletic center has increased 21 percent.
- During the month of September, the facility averaged 55 people per day.
- There were nearly 17,000 facility users total in 2017, averaging 46 per day.

ACC Yearly Usage Jan.-Aug.

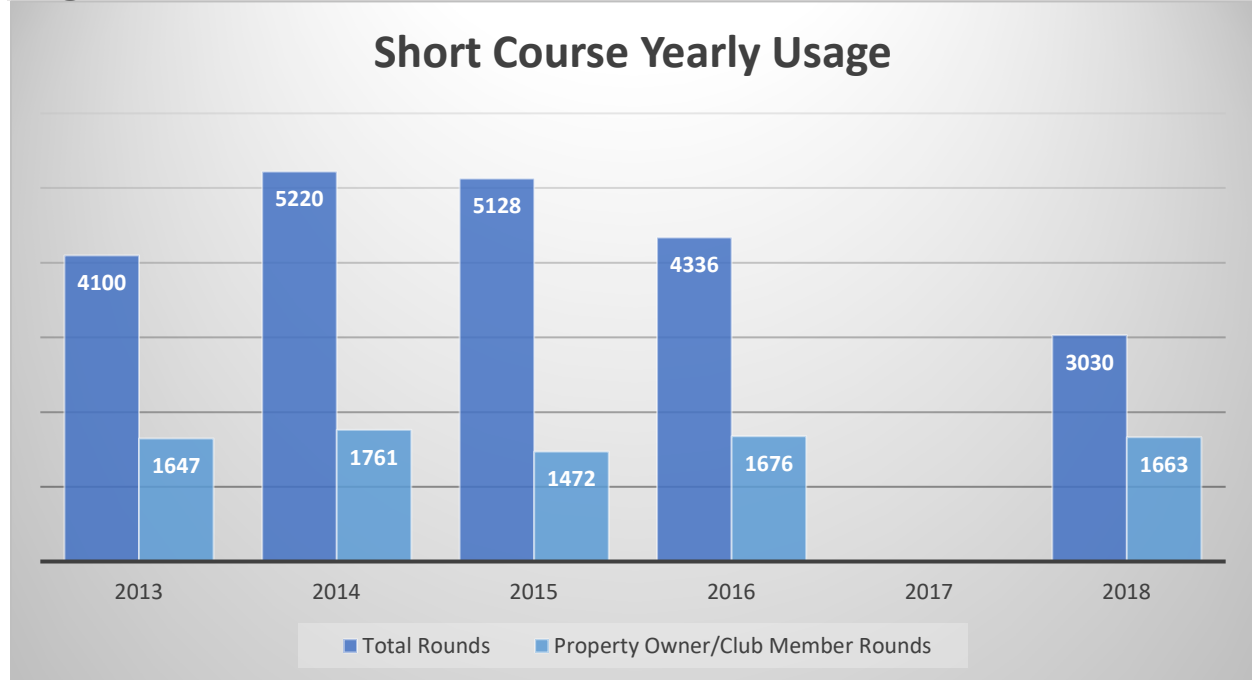


Short Course

Operations

The Short Course at Cordillera closed for the season Sunday, October 7. Players were able to walk or take carts for a fee. The Course was closed on Wednesdays for maintenance. The Course was open to Cordillera Property Owners Association and Club at Cordillera members for no cost (including children under the age of 25). Family, guest and the public could play for a fee. Parking was available along Kensington Court.

Usage



Community Enrichment Events

A Monday Night Football Chili Party was held at 5:30 p.m., October 1, at the Trailhead during the Broncos versus Chiefs game. Approximately 60 people were in attendance. A chili and taco bar were offered as well as a variety of beverages.

Operations

Management Team Report

Shared Driveway Easements

Cordillera Metropolitan District conducted an extensive shared drive assessment and found 20 of the shared drives in Cordillera are not owned by CMD. In an effort to be consistent throughout Cordillera and provide the same services to all property owners, CMD would like to undertake all the major responsibilities that come with road ownership on the shared drives, including snow removal, paving, patching, crack filling and shouldering. To do this, CMD needs the requisite authority to be on the property, so staff contacted property owners to request an access easement. Property owners received notices from CMD in February, May and August 2018.

- Ten easement agreements have been signed and returned.
- Nine agreements remain outstanding; thus, operations will be modified accordingly.

Short Course Water Feature and Pond Repairs

Alliance Landscaping and Water Features (ALWF) will start the Short Course water feature repairs October 15. Alliance proposes one mobilization to perform all work.

A 36 mil UV stable reinforced polyethylene liner with a manufacture warranty of 20 years will be installed for the ponds. The ponds will receive a 10-12 foot wide concrete shoreline to protect the liner from damage by large animals that walk into the pond for water. The existing liner will be harvested and stockpiled for disposal. Any existing concrete shoreline will be demolished and then buried under the pond and compacted.

The streams will remain similar in size and design. They will receive a 4-inch- concrete protective layer over the new liner. Existing stream cobble, rock, boulder and dirt will be harvested and reinstalled on top of the concrete to create a natural appearance. The pond and the stream sub grade will be regraded and compacted before installing an 8-ounce geo textile fabric liner protection.

Trails

- The team is determining the number of new signs needed for the trails which will include information regarding wildlife and plants.

Fleet

- Two new small plow trucks were delivered. Strobes, radios and decals installed will be installed.
- Fleet started winter prep work on all large trucks for the winter season.

River Parcel and Ponds

- During September, 51 beats were reserved, one trespasser was asked to leave and there were zero “no-shows.”
- Winterization of Granada Glenn, Bearden and Red Draw water feature pumps will be performed mid-October.
- Aeration systems will be left on through the winter for fish health.

Incident Reports

During the month of September public safety responded to 68 calls.

In September staff received several calls about possible hunters parked at the Git-A-Long Trailhead on Winchester. Staff identified and contacted a hunter, who also was a homeowner, and asked him to please get a pass. Although the gentleman hunted in previous years, he was not coming through the gate; therefore, he previously not been asked to obtain a pass.

On September 27 at 12:35 a.m. two young men were seen entering the hot tub area at the ACC via video monitor. The overnight patrol person was dispatched to speak to the men and ask them to leave. A public safety officer spoke to them and they climbed back out over the fence and drove away. The following morning, after reviewing the video, the Eagle County Sheriff was called. The deputy took a look at the video and the license plate on the car and contacted the two men. The men were warned that entering a locked building was trespassing, a felony. Charges will not be pressed this time.

On September 17 there was another complaint about a barking dog. This was in the Kensington neighborhood. A neighbor called, just after midnight, about a dog that had been barking for hours. The patrol responded and drove through the entire neighborhood; he did not see or hear any dogs.

Healthy Forests

The following is a report of the Douglas Fir treatments and a breakdown of the progress of 2018 wildfire mitigation.

Douglas Fir Properties:

Douglas Fir private properties treated – 87

Douglas fir open space treated – 65 acres

Douglas Fir trees cut this year – 14

Douglas fir trees remaining to be cut this year – 7 (Trap Trees)

Wildfire Mitigation properties:

Complete – 126

In Process – 27

No Contact – 11

Extensions to 6/15/19 – 2

Under Construction – 2

Said “will not do any work” - 1

Design Review Board

DRB Buildout Analysis 10.9.18

Neighborhood	Total Allowed*	Actual **	Completed	Review	Construction	% Buildout**
Divide-minus 60						
Lodge	202	195	165	1	3	85%
Ranch	400	394	317	2	1	80%
Summit	248	241	102	2	3	42%
Totals (PUD 910)	850	830	584	5	7	70%

* 850 + 60 = 910 Total density allowed by the current PUD

** Includes lots that have been combine. Does not include properties under construction

Under Construction	
Divide	Status
220 Casteel	exterior materials
322 Granada Glen	Final inspection
465 Little Andorra	Final inspection

Review Process	
Divide	Status
420 Little Andorra	Final 6.12.18

Ranch	Status
205 Elk Springs Tr	Final inspection

Ranch	Status
35 Red Draw	Sketch 10.10.18
192 Elk Woods	Pre-Design 10.10.18

Summit	Status
722 Granite Springs	Framing
1596 Gore Trail	Framing

Summit	Status
84 Martingale	Technical 8.16.18
92 Sunquist	predesign 5.8.18

Territories	Status
19 Territories	Final inspection

Territories	Status

DRB Agendas & Minutes

September 11, 2018 Agenda

Design Review Board

September 11, 2018 DRB Agenda

Cordillera Administrative Offices, 408 Carterville Road

Gene Shanahan – Chairperson
 David Staat – Board Member
 Lee Hegner - Board Member
 Judy LaSpada - Board Member
 Henry Reed - Board Member

Dennis Moran – Alternate Board Member
 Eric Jung -Alternate Board Member
 Millie Aldrich – DRB Administrator
 Paul Miller - Architect Director
 Scott Sones - Landscape Arch. Dir.

All times are approximate and subject to change

- 10:30 a.m. Call to order
Approval of July Minutes
Review Agenda - Project overview
- 11 a.m. Fisher Residence – 15 Cattle Place – Building Envelope & Lot line vacate
Applicant: Jenya Berino - Stovall Associates
- 11:20 a.m. Bene / Laswell Residence – Filing 26 Lot 17 – Building Envelope & Lot line vacate
Applicant: Sue Bene
- 12 p.m. Becker Residence – 27 Kit Way – Building Envelope Amendment pre-meeting
Applicant: Millie Aldrich - Pure Design Studio

Staff Approvals – 7

Ruff Residence – 149 El Mirador – hot tub - Final – DRB approved
O'Connor Residence – 594 Winchester Trail – Entry Roof - Final – DRB approved
Summit Builders Residence – 84 Martingale – Technical review – DRB approved
Cargile – 89 Rodeo - Bearcat – Roof – HOA / DRB approved
Irion Residence – 187 Saddle Ridge – Roof – HOA / DRB approved
Clarke Residence – 297 Aspen Meadows – Roof – DRB approved
Dolan – 1596 Gore Trail – landscape & windows revisions – DRB approved

Single Family Construction Starts – 0

Single Family Final Inspection – 1 96 Lady Belle

Staff Updates

Active Construction Sites / Build-out Analysis Construction Schedule

Compliance Officer Updates

220 Casteel – Third Notice

- Clean up jobsite trash and debris
- Update construction schedule

465 Little Andorra – Second and Third Notice

- Clean up jobsite trash and debris
- Update construction schedule

Other Business

- 1 p.m. Adjourn

September 11, 2018 Minutes

Design Review Board - Minutes
Tuesday, 11 September 2018
408 Carterville Road, Cordillera, Colorado

ATTENDANCE

Members Present Gene Shanahan - Chair

Lee Hegner – Board Member
David Staat – Board Member
Judy LaSpada - Board Member
Dennis Moran – Board Member
Members Absent Henry Reed - Board Member
Eric Jung – Board Member
Others present: Millie Aldrich - DRB Administrator
Ed Shriner – COPA president
Jerry More – CPOA member

CALL TO ORDER

10:40 a.m.

DECLARATION OF QUORUM/DIRECTOR QUALIFICATION

Declaration was noted for the record a quorum was present for the purpose of doing business of the Cordillera Design Review Board.

DISCLOSURE MATTERS – Millie Aldrich has a conflict of interest and removed herself during the discussion of 27 Kit Way.

APPROVAL OF AGENDA –DRB unanimously approved the agenda.

APPROVAL OF MINUTES – Minutes from August 14, 2018 approved, moved by Hegner second by Moran all in favor.

PUBLIC INPUT – No public input was noted.

DRB ACTION ITEM –

1. Fisher Residence – 15 Cantel Place **11:10 a.m.**

Review: Lot Line Vacate & Building Envelope Vacate

Present: Jenya Berino – Stovall Associates

- Vacant lots 17 and 19 to be vacate property line and building envelope
- Combine into one parcel Filing 37 Lot 18
- There will be no future development rights on lots 17 & 18

Approved – with condition

- Present to CPOA for approval
- Eagle River Water Sanitation District requirements have been addressed to remove water line stub out to vacant lots 17 and 19

2. Bene-Laswell Residence – 73 Kit Way: Filing 26 Lot 17 **11:35 a.m.**

Review: Lot Line Vacate & Building Envelope Vacate

Present: Millie Aldrich – Cordillera DRB Administrator /

Eagle County Planning Department follow up regarding Lot Vacate Approval process

- Letter of authorization from owner
- Amend Plat, Re-subdivision of Filing 26 Lot 17 and Filing 26 Lot 16, per amended plat 9.06.18 Marcin Engineering

- There will be no future development rights on Filing 26 Lot 17

Approved – with condition

- Provide signed copy of warranty deed on 9.20.18 as letter of authorization
- Present to CPOA for approval
- Eagle River Water Sanitation District requirements have been addressed to remove water line stub out to vacant Filing 26 Lot 17

3. Becker Residence – 27 Kit Way

12 p.m.

Review: Building Envelope Amendment pre-meeting

Present: Millie Aldrich – Pure Design Studio

Pre-meeting – approved to move forward

Review driveway maneuver and retaining wall

STAFF APPROVALS - 7

- Ruff Residence – 149 El Mirador – hot tub - Final – DRB approved
- O’Connor Residence – 594 Winchester Trail – Entry Roof - Final – DRB approved
- Summit Builders Residence – 84 Martingale – Technical review – DRB approved
- Cargile – 89 Rodeo - Bearcat – Roof – HOA / DRB approved
- Irion Residence – 187 Saddle Ridge – Roof – HOA / DRB approved
- Clarke Residence – 297 Aspen Meadows – Roof – DRB approved
- Dolan – 1596 Gore Trail – landscape & windows revisions – DRB approved

SINGLE FAMILY CONSTRUCTION STARTS – 0

SINGLE FAMILY INSPECTIONS – 1

- 96 Lady Belle – Final Inspection

ADMINISTRATIVE UPDATES

- Active Construction Sites / Build-out Analysis
- Construction Schedule

COMPLIANCE OFFICER UPDATES

- 220 Casteel: DRB Administrator issued a third notice to Mike Quagliano non-compliance. Need completion date, jobsite has been cleaned up and weeds have been mowed.
- 465 Little Andorra: DRB Administrator issued a second and third notice to Randy Lahti non-compliance. Need completion date, jobsite cleaned up and weeds.
- 35 Stag Gulch – log structure removal, DRB Administrator to follow up with owner
- Casteel – dog run, DRB Administrator to follow up with general manager

OTHER BUSINESS

- DRB Administrator to review Beaver Creek DRB additions

ADJOURNMENT

1:45 p.m.

There being no further information before the Cordillera Design Review Board, the meeting was adjourned.

Design Review Board

October 10, 2018 DRB Agenda
Administrative Offices, 408 Carterville Road

Gene Shanahan – Chairperson
David Staat – Board Member
Lee Hegner - Board Member
Judy LaSpada - Board Member
Henry Reed - Board Member

Dennis Moran – Alternate Board Member
Eric Jung -Alternate Board Member
Millie Aldrich – DRB Administrator
Paul Miller - Architect Director
Scott Sones - Landscape Arch. Dir.

All times are approximate and subject to change

8:30 a.m. Call to order

Approval of September Minutes
Review Agenda - Project overview

Staff Approvals – 4

O'Connor Residence – 44 Sundance – Roof – HOA / DRB approved
Fisher Residence – 15 Cantle Place – Vacate F37 Lots 17 & 19 – DRB/CPOA approved
Bene-Laswell Residence – 73 Kit Way - Vacate F26 Lot 17 – DRB/CPOA approved
Blunt-Nickel Residence – 72 Cimarron Tr – Roof – HOA / DRB approved

Single Family Construction Starts – 0

Single Family Final Inspection – 0

Staff Updates

Active Construction Sites / Build-out Analysis
Construction Schedule

Compliance Officer Updates

35 Stag Gulch – Structure will be removed after Oct 15 when owner returns

220 Casteel –

- Jobsite trash and debris cleaned up
- Landscape started
- Still need update construction schedule

465 Little Andorra –

- Owner has been working on getting the projected corrected: site drainage issues
- Owner plans to have a TCO December 15th 2018

9:15 a.m. Bollinger Residence – 245 Casteel Ridge – Addition
Applicant: Eric Johnson Architect

- 9:35 a.m. Murphy Residence – 190 Alcazar Dr – Addition
Applicant: Gregory Murphy owner
- 10 a.m. 662 Saddle Ridge – landscape project / patio started before approval
- 11 a.m. Leaving from Administrative office for site visits**
Site Visits:
- 11:15 a.m. 192 Elk Springs – new construction single family house
- 12 p.m. Mocevic Residence – 35 Red Draw – Final Review
Applicant: Anna Griffith - TAB Associates
- 12:45 p.m. McHugh Residence – 192 Elk Springs– Building Envelope Amendment / Pre-
Design
Applicant: Millie Aldrich - Pure Design Studio
- Other Business
- 1:30 p.m. Adjourn

Cordillera Metropolitan District

Changes in Budget - September 21, 2018 to October 19, 2018

Proposed 2019 Budget

Account Name	September 21 Amount	October 19 Amount	Difference	Description
<i>Revenue</i>				
Property Taxes Operating	3,951,168	4,168,492	217,324	Increase Mill Levy allowed 5.5% to cover operational expenditures
Service Agreement	1,154,759	1,125,559	(29,200)	Decrease to accurately represent budgeted costs
Equestrian Center Paddock Revenue	154,980	157,500	2,520	Increase to Partial Care Paddock Boarding Fee
Equestrian Center Lesson Revenue		20,000	20,000	Include Lesson Fee Revenue
CVC Public Safety	313,009	430,466	117,457	Increase to accurately reflect costs for operation of CVC Gatehouse
			-	
<i>Expenditures</i>				
Treasurers Fees	118,535	125,055	6,520	Increase in fees proportional to increase in property tax collections
Legal	66,000	87,000	21,000	Increase expense to align with current legal matters
Strategic Planning	131,000	65,500	(65,500)	Half of expense included directly in CPOA budget
Public Safety Supplies	5,578	8,698	3,120	Increase expense to accurately reflect costs Increase in specific monthly software maintenance fees, and decrease in Contracted
IT, Misc Computer Fees	67,506	58,790	(8,716)	Services due to change in service model
Admin Wages & Benefits	657,350	724,349	66,999	Changes in health care & retirement benefits, addition of IT Administrator position Changes in health care & retirement benefits, addition of .5 FTE Weed/Trails
Com Ops Wages & Benefits	1,133,111	1,154,244	21,133	position Changes in health care & retirement benefits, addition of .25 FTE summer barn
Equestrian Wages & Benefits	216,107	232,950	16,843	hand Changes in health care & retirement benefits, addition of Compliance position and
PS Wages & Benefits	1,209,342	1,386,149	176,807	patrol officers (2.5 FTE)
Medicare	42,075	44,779	2,704	Changes in health care & retirement benefits
Retirement 401a	179,905	191,471	11,566	Changes in health care & retirement benefits
Workers Compensation	128,964	122,018	(6,946)	Changes in health care & retirement benefits
Life & Disability Insurance	22,249	24,237	1,988	Changes in health care & retirement benefits
Health Insurance Premiums	514,632	528,003	13,371	Changes in health care & retirement benefits
Benefits Allocated	(907,425)	(930,108)	(22,683)	Changes in health care & retirement benefits
Weed Control	41,400	5,000	(36,400)	Elimination of Contracted Services
Facility Study	2,500	-	(2,500)	Facility Study is also included in IT, Misc Computer Fees
Audit & Accounting Fees	19,700	27,300	7,600	Increase expense to include a Financial Consultant
PS Maintenance - Gates	6,000	10,000	4,000	Increase expense to accurately reflect costs
Hay	64,400	77,280	12,880	Increase in per bale price to accurately reflect current costs
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Capital

IT -Security System Improvements		164,000	164,000	Include expense to upgrade locks, cameras & gate access systems
Rugs	7,000	-	(7,000)	Rugs purchased in 2018
PS Locks	10,000	-	(10,000)	Expense included with overall Security Systems Improvements
Traffic Calming	115,500	14,000	(101,500)	Expense included with overall Security Systems Improvements
Equestrian Horses	7,000	-	(7,000)	Horses purchased in 2018 where they were originally budgeted
Floor Cleaner	3,500	-	(3,500)	Floor cleaner purchased in 2018
Equestrian Center Drag	-	11,000	11,000	To replace current Equestrian Center drag which is not operational

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Cordillera Metropolitan District

Operating/Contractual Obligations Fund
Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	Projected through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (-Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Revenues												
Property Taxes Operating	3,200,674	3,374,047	3,532,940	3,725,010	3,183,723	3,945,869	3,740,160	3,945,869	4,168,492	5.642%	222,623	Property tax valuations based on current Assessor abstract - 5.5% increase in Mill Levy
Net Property Tax Revenue	3,200,674	3,374,047	3,532,940	3,725,010	3,183,723	3,945,869	3,740,160	3,945,869	4,168,492	5.6%	222,623	
Specific Ownership Taxes - Operating	293,479	305,928	289,558	319,937	128,853	257,706	227,000	280,000	280,000	0.0%	0	Tax collected as part of vehicle registration process
CPOA Administration Fees	1,000,417	1,258,267	1,190,923	1,116,666	546,837	1,093,673	1,093,447	1,093,673	1,125,559	2.9%	31,886	CPOA Service Agreement
Interest Income Operating	7,296	9,858	25,458	43,738	26,930	53,859	6,406	25,000	50,000	100.0%	25,000	Bank & Investment Interest
CVC Public Safety	269,576	262,102	248,636	271,728	153,545	313,009	295,854	313,009	430,466	37.5%	117,457	Reimbursement from CVC for personnel & basic operating costs
Equestrian Center Revenue				321,326	162,833	322,226	373,256	401,564	414,436	3.2%	12,872	Horse Boarding & Lesson Revenue
Other Revenue												
Sewer Lift Revenue	16,568	20,200	16,738	17,584	831	17,682	19,426	19,426	19,499	0.4%	73	Reimbursement from group of homeowners for Lift Station costs
Lottery Proceeds	1,342	1,340	1,541	893	621	1,242	1,600	1,600	1,200	-25.0%	(400)	Conservation Trust Fund receipts from State of Colorado
Holy Cross Refunds	8,802	17,774	7,547	3,313	801	801	10,000	10,000	2,500	-75.0%	(7,500)	Member Equity Refunds
Internal Service Revenue	40,417	29,477	1,539	286	0	0	44,000	0	0	0.0%	0	
Other Revenue	18,954	44,040	17,035	8,074	34	34	489	489	500	2.2%	11	Miscellaneous Revenue
Grant Revenue									15,900		15,900	Safety Grant - Special Districts Association
Subtotal Other Revenue	86,082	112,831	44,400	30,150	2,287	19,760	75,515	31,515	39,599	25.7%	8,084	
Public Safety Revenue												
Transponders Revenue	15,300	13,970	13,155	12,810	4,270	8,540	12,000	12,000	12,000	0.0%	0	Sale of Gate Transponders
Road Impact Fees	5,295	8,443	5,183	5,064	2,877	5,755	2,000	2,000	2,000	0.0%	0	Fees charged for heavy trucks driving to/from new construction sites
Escort Fees	1,850	0	0	0	0	0	150	150	0	-100.0%	(150)	
Trailer Storage Fees	14,910	26,855	21,920	19,720	19,220	19,220	19,800	19,800	21,600	9.1%	1,800	Trailer Storage parking - 50 spaces @ \$40 month per space
Subtotal Public Safety Revenue	37,355	49,268	40,258	37,594	26,367	33,515	33,950	33,950	35,600	4.9%	1,650	
Total Revenues	4,894,879	5,372,301	5,372,172	5,866,148	4,231,376	6,039,617	5,845,588	6,124,580	6,544,152	6.9%	419,572	
Expenditures												
Admin Wages & Benefits												
Administration Wages	370,450	455,802	474,199	450,890	228,359	456,718	502,535	446,244	580,018	30.0%	133,774	Administrative staff wages
Administration Overtime	4,365	3,402	(2,720)	(0)	4,203	3,718	2,500	6,000	6,000	0.0%	0	Administrative staff overtime
Administration Benefits	0	86,853	82,018	77,630	40,580	81,159	84,668	84,762	138,331	63.2%	53,569	Administrative staff benefits
Subtotal Admin Wages & Benefits	374,815	546,057	553,496	528,520	273,142	541,595	589,703	537,006	724,349	34.9%	187,343	
CMD Employee Benefits												
Medicare & State Unemployment	12,186	12,895	46,780	38,619	17,815	35,629	39,368	37,359	44,779	19.9%	7,420	
Retirement Plan ER Share-401 (a)	169,182	185,853	161,192	157,401	78,812	157,623	168,333	159,744	230,361	44.2%	70,617	
Retirement Plan ER Share-457	21,937	21,733	11,859	11,494	8,771	17,543	16,300	16,300	17,550	7.7%	1,250	
Workers Compensation	70,939	78,876	93,629	112,822	59,338	118,675	112,975	116,409	122,018	4.8%	5,609	
Wellness Program	0	0	0	0	449	898	19,600	17,600	21,200	20.5%	3,600	
Life & Disability Insurance	0	0	0	0	8,526	17,053	20,665	18,702	24,091	28.8%	5,389	
Health Insurance Premiums	322,478	412,994	368,069	346,222	217,394	434,788	378,000	475,986	554,421	16.5%	78,435	
Benefits Allocated	(111,932)	(681,420)	(633,181)	(638,910)	(371,104)	(764,207)	(627,941)	(825,800)	(996,870)	20.7%	(171,070)	Total Employee benefits that are allocated to each department
Subtotal CMD Employee Benefits	484,789	30,932	48,348	27,648	20,001	18,001	127,300	16,300	17,550	7.7%	1,250	
Treasurers Fees												
Treasurers Fees	96,257	101,381	106,220	111,996	96,919	118,376	112,205	118,376	125,055	5.6%	6,679	3% fee charged on collection & distribution of Property Taxes
Audit & Accounting Fees												
Audit & Accounting Fees	39,300	41,550	46,557	128,921	43,048	68,285	39,500	141,500	27,300	-80.7%	(114,200)	Audit fees & Contracted Financial Services
Insurance-Property/Casualty												
Insurance-Property/Casualty	57,291	68,704	65,502	75,025	36,835	73,670	72,839	72,839	75,880	4.2%	3,041	Property, Liability & Directors/Officers Insurance
Legal-General												
Legal-General	166,199	146,273	258,038	201,634	32,428	90,350	206,000	206,000	87,000	-57.8%	(119,000)	General Counsel - Board Mtgs, research & review
MIS & Computer Fees												
MIS & Computer Fees	25,245	49,502	45,336	57,090	35,984	69,410	50,925	60,437	58,790	-2.7%	(1,647)	Technology & IT services
Utilities - Administration	0	12,209	9,812	4,918	0	12,560	12,410	13,000	13,295	2.3%	295	Utilities for Administration Building
Other Admin Operating Expenses												

Cordillera Metropolitan District

Operating/Contractual Obligations Fund
Proposed 2019 Budget

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Board Meeting Expenses	4,383	9,492	9,685	11,919	3,165	8,419	9,800	11,610	12,000	3.4%	390	Refreshments, linens, misc. meeting related expenses
Business Meetings	0	0	0	0	0	2,000	0	2,600	100.0%	2,600	Refreshments, linens, misc. meeting related expenses-	
Strategic Initiatives	0	0	0	148,208	13,415	26,829	120,000	20,000	65,500	227.5%	45,500	Strategic Planning & Implementation
Election Expense	2,347	2,217	4,172	3,237	28,255	29,958	3,944	12,046	0	-100.0%	(12,046)	No election for CMD in 2019
Facility Study	0	0	0	0	0	2,500	2,500	2,500	0	-100.0%	(2,500)	Annual Facility Study
Community Day	0	0	0	0	0	2,500	2,500	2,500	0.0%	0	Annual 4th of July Community Day contribution	
Dues & Subscriptions	7,732	8,526	10,392	10,564	9,194	11,250	12,229	11,253	10,108	-10.2%	(1,145)	Miscellaneous dues & subscriptions for organization
Drug/Alcohol/CDOT Testing	499	2,292	459	1,037	566	1,131	2,294	2,452	1,861	-24.1%	(591)	Random & for cause testing
Employee Recruitment	41,064	23,687	14,207	16,088	458	9,033	14,436	20,913	12,800	-38.8%	(8,113)	Advertisements, recruiting fair, training video
Safety Program	0	0	1,526	439	237	3,300	3,000	3,303	14,250	331.4%	10,947	Staff training, safety awards, certifications & supplies
Benefits Consultant	0	0	15,000	15,000	9,117	18,233	15,000	15,000	17,260	15.1%	2,260	Administrative fees for Health Insurance, Cobra & Flex plan
Employee Morale & Welfare	5,926	5,980	14,083	23,327	2,394	30,300	33,500	36,674	30,105	-17.9%	(6,569)	Benefit fair, employee events, birthday cards, longevity awards
HR & Comp Analysis	0	23,600	2	315	0	0	0	0	0	0.0%	0	
Seminars & Education	3,305	9,820	21,977	28,498	9,737	29,737	30,335	36,000	14,770	-59.0%	(21,230)	Continuing Staff education
Background Checks	2,772	3,244	2,593	1,441	413	826	1,625	1,500	1,900	26.7%	400	New employee background checks
Payroll Administration	22,413	23,117	31,700	19,501	9,904	19,808	24,844	25,613	20,008	-21.9%	(5,605)	Fees paid to payroll processor
Bad Debt Expense	4,495	5,000	0	0	0	0	0	0	0	0.0%	0	
Miscellaneous Office Equipment	6,731	3,909	26,365	23,454	20,436	30,000	25,670	42,000	13,400	-68.1%	(28,600)	Phone & computer replacement
Office Supplies	11,499	10,940	14,480	13,671	6,029	13,506	17,810	18,787	17,860	-4.9%	(927)	Miscellaneous office supplies
Paying Agent & Bank Fees	8,018	6,566	4,635	5,106	3,743	8,616	9,688	9,688	8,750	-9.7%	(938)	Bank fees, credit card processing fees
Postage & Courier	2,875	4,360	4,464	4,785	2,165	4,470	4,470	4,470	5,767	29.0%	1,297	Postage for mailings
Printing	175	134	1,653	347	321	640	245	925	420	-54.6%	(505)	Business card printing
Copier Maintenance	6,309	6,822	6,501	7,413	3,377	8,503	6,227	6,227	8,940	43.6%	2,713	Administration office copier
Travel & Entertainment	635	780	1,654	1,978	475	1,000	2,000	2,000	2,000	0.0%	0	Administration mileage reimbursement & offsite business meeting meals
Communications Expense	0	0	61,074	0	0	0	0	0	0	0.0%	0	
Telephone Expense G&A	32,082	30,404	31,132	29,114	11,673	28,880	29,120	28,880	29,120	0.8%	240	San Isabel Communications, Verizon Wireless
Other Contracted Services					940	8,710			29,600	100.0%	29,600	Administration Office cleaning, emergency planning consultant
Subtotal Other Admin Operating Expenses	163,259	180,891	277,753	365,441	136,014	300,150	371,237	314,341	321,519	2.3%	7,178	
Subtotal Administrative Expenses	1,486,753	1,244,501	1,483,375	1,590,604	674,371	1,292,397	1,582,119	1,479,799	1,450,738	-2.0%	(29,061)	
Community Operations Utilities	79,598	67,002	72,312	89,410	34,339	63,363	62,946	63,363	61,849	-2.4%	(1,514)	Gas, Electric, Water, Trash
Community Operations Wages & Benefits	805,751	860,647	737,984	723,262	375,849	766,000	758,161	763,741	816,470	6.9%	52,729	Community Operations staff wages
Community Operation Wages	805,751	860,647	737,984	723,262	375,849	766,000	758,161	763,741	816,470	6.9%	52,729	Community Operations staff wages
Community Operations Overtime	52,856	26,579	32,493	39,075	27,574	40,000	50,000	50,000	30,000	-40.0%	(20,000)	Community Operations staff overtime
Community Operations Benefits	0	242,330	207,811	198,294	138,059	278,528	199,060	278,528	307,774	10.5%	29,246	Community Operations staff benefits
Subtotal CommOps Wages & Benefits	858,607	1,129,556	978,289	960,631	541,482	1,084,528	1,007,221	1,092,269	1,154,244	5.7%	61,975	
Flowers Maintenance	124,662	112,278	110,969	109,278	80,450	115,543	109,942	115,543	122,375	5.9%	6,832	Flower bed plantings & maintenance
Mowing & Irrigation	16,815	32,602	53,185	54,053	7,942	65,095	53,715	65,095	60,565	-7.0%	(4,530)	Contracted mowing
Engineering	14,154	4,694	8,698	6,492	3,339	11,000	11,280	11,280	5,175	-54.1%	(6,105)	Engineering Consultant
Roads - Snow & Maintenance	2,221	9,940	476	10,938	4,158	11,000	11,216	11,216	11,777	5.0%	561	Road base, trucking charges, dust guard
Road Shoulders/Drainage Maintenance	2,221	9,940	476	10,938	4,158	11,000	11,216	11,216	11,777	5.0%	561	Road base, trucking charges, dust guard
Asphalt Patch/Crack Seal	36,169	40,491	18,551	31,379	23,603	29,000	29,670	29,759	32,790	10.2%	3,031	Crack fill/ seal, road & parking lot stripping
Cinders, Gravel, Chemicals	54,849	51,285	72,862	52,864	29,588	55,000	55,803	55,803	58,629	5.1%	2,826	Salt, rocks & trucking charges
Road Maintenance	6,586	11,458	6,472	7,446	2,304	8,500	9,290	9,290	9,608	3.4%	318	Miscellaneous signs & markers
Leased Loader	16,119	15,793	20,784	22,400	20,742	26,000	22,800	25,550	25,600	0.2%	50	Loader leased for snow removal
Subtotal Roads - Snow & Maintenance	115,945	128,966	119,145	125,028	80,396	129,500	128,779	131,618	138,404	5.2%	6,786	
Com Ops Other Operating Expenses	3,335	864	2,351	1,092	1,906	1,906	7,193	1,358	4,463	228.6%	3,105	Radios & subscription to Eagle County E911 system
Repair & Maintenance-Radios	3,335	864	2,351	1,092	1,906	1,906	7,193	1,358	4,463	228.6%	3,105	Radios & subscription to Eagle County E911 system
Safety Supplies	1,223	743	1,397	2,095	3,464	3,214	1,720	1,720	1,639	-4.7%	(81)	Miscellaneous safety supplies
Uniforms-Community Operations	6,201	8,595	7,499	9,446	4,209	9,000	9,965	9,596	10,014	4.4%	418	Uniforms & boots for employees
Travel & Entertainment - Com Ops	0	0	0	0	1,260	0	0	1,000	1,000	100.0%	1,000	CommOps mileage reimbursement & offsite business meeting meals

Cordillera Metropolitan District

Operating/Contractual Obligations Fund
Proposed 2019 Budget

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Street & Holiday Lights	12,512	59	2,369	4,505	1,100	11,000	4,337	11,480	7,808	-32.0%	(3,672)	Street lights & holiday lights
Street Signage	9,698	14,515	10,884	12,660	7,707	12,400	12,486	12,471	12,098	-3.0%	(373)	Miscellaneous signs & supplies
Repairs & Maintenance	13,918	16,569	19,323	23,985	10,234	21,000	15,884	21,318	15,346	-28.0%	(5,972)	Inspections on property & pest control
Parts & Supplies - Facilities	12,703	21,799	9,194	10,649	6,176	12,000	10,614	12,194	12,209	0.1%	15	Miscellaneous parts & supplies for property
Parts & Supplies - Maintenance	2,689	2,105	4,525	3,861	2,055	4,900	4,693	4,719	4,865	3.1%	146	Miscellaneous parts & supplies for property
Sewer Lift Station Expense	16,568	22,836	16,697	16,537	12,973	16,000	19,426	19,426	19,499	0.4%	73	Lift station maintenance - reimbursed by specific property owners
Subtotal Other Com Ops Operating Expen	78,845	88,084	74,238	84,829	51,084	91,420	86,318	94,282	88,941	-5.7%	(5,341)	
Natural Resource Management												
Tree/Pest Removal	4,000	4,625	18,362	13,500	12,000	12,000	13,405	18,275	18,275	0.0%	0	Douglas Fir spraying
Mosquito Control	0	0	461	1,400	0	1,350	1,350	1,350	1,350	0.0%	0	Pest spraying surrounding ponds & bodies of water
Weed Control	24,532	30,552	20,785	35,963	0	41,000	36,000	39,850	5,000	-87.5%	(34,850)	Noxious weed spraying - as needed
Subtotal Natural Resource Management	28,532	35,177	39,607	50,863	12,000	54,350	50,755	59,475	24,625	-58.6%	(34,850)	
Equipment Maintenance & Repair												
Equipment Rental	760	0	137	16,688	653	1,000	15,070	1,615	1,900	17.6%	285	Miscellaneous equipment needed for projects
Fuels & Fluids	115,806	69,759	69,580	78,504	41,850	75,000	84,261	83,494	85,215	2.1%	1,721	Fuel for fleet owned vehicles & equipment
Parts & Supplies-Equipment	106,426	120,196	129,735	132,025	77,802	135,000	128,309	132,732	132,410	-0.2%	(322)	Miscellaneous parts & supplies
Major Repairs-Equipment	13,773	18,553	10,753	20,178	0	15,400	15,000	15,000	15,000	0.0%	0	Major fleet repairs
Subtotal Equipment Maintenance & Repair	236,765	208,508	210,205	247,395	120,305	226,400	242,640	232,841	234,525	0.7%	1,684	
Recreation												
Community Events	2,500	2,500	2,500	0	0	0	0	0	0			
Ski Shuttle Program	0	0	0	0	0	0	0	0	0			
Community Parks	497	5,661	6,178	8,985	2,338	5,000	2,671	3,118	4,074	30.7%	956	Supplies for Bearden Pond & Community Parks
Trail Maintenance	2,930	3,446	3,766	5,139	660	4,500	4,539	4,839	4,932	1.9%	93	Miscellaneous parts & supplies
Nordic Trail Maintenance	18,000	18,000	18,000	18,128	10,800	18,000	18,000	18,000	18,000	0.0%	0	Nordic Cross Country Ski trail maintenance
Subtotal Recreation	23,927	29,607	30,444	32,253	13,799	27,500	25,210	25,957	27,006	4.0%	1,049	
Subtotal Community Operations	1,577,849	1,836,474	1,697,091	1,760,231	945,135	1,868,699	1,778,806	1,891,723	1,917,709	1.4%	25,986	
Public Safety Wages & Benefits												
Public Safety Wages	711,324	736,680	740,847	762,215	359,080	718,160	789,459	730,678	960,208	31.4%	229,530	Public Safety staff wages
Public Safety Overtime	69,788	87,522	70,411	52,110	23,836	47,672	25,000	25,000	30,000	20.0%	5,000	Public Safety staff overtime
Public Safety Benefits	0	228,423	237,701	239,012	129,473	258,945	224,893	279,009	395,941	41.9%	116,932	Public Safety staff benefits
Subtotal Public Safety Wages & Benefits	781,112	1,052,625	1,048,959	1,053,338	512,388	1,024,777	1,039,352	1,034,687	1,386,149	34.0%	351,462	
Utilities -Public Safety			15,755	15,638	8,108	16,217	17,694	18,168	20,391	12.2%	2,223	
Other Public Safety Operating Expenses												
Maintenance & Repairs - Gates	946	12,075	3,676	5,701	1,245	2,490	4,850	4,738	10,000	111.1%	5,262	Miscellaneous Gate repairs & supplies
Contracted Patrols	0	0	0	19,141	37,151	37,151	0	98,098	0	-100.0%	(98,098)	
Supplies-Public Safety	4,248	2,457	5,868	5,600	5,233	10,466	7,710	7,410	8,698	17.4%	1,288	Vehicle equipment, cones, GPS system
Signage	1,061	70	433	0	0	0	750	750	0	-100.0%	(750)	
Sticker Program	868	1,262	1,469	1,499	0	1,400	1,490	1,449	1,444	-0.3%	(5)	Stickers for contractors, service vehicles & employees
Transponders/Proximity Cards	14,392	13,908	15,439	12,139	0	12,000	12,159	12,159	12,166	0.1%	7	Vehicle transponders
Uniforms-Public Safety	7,062	5,800	8,237	7,728	2,829	5,658	10,996	11,495	9,700	-15.6%	(1,795)	Uniforms & boots for public safety employees
Travel & Entertainment - PS	0	0	0	0	0	0	0	200	200	100.0%	200	Mileage reimbursement & meals for offsite business meetings
Subtotal Other Public Safety Operating Ex	28,577	35,573	35,122	51,809	46,458	69,165	37,955	136,099	42,008	-69.1%	(94,091)	
Subtotal Public Safety	809,689	1,088,198	1,099,836	1,120,785	566,955	1,110,159	1,095,001	1,188,954	1,448,548	21.8%	259,594	
Equestrian Center Wages & Benefits												
Equestrian Center Wages	154,075	144,377	135,321	152,322	74,684	149,367	134,049	147,657	166,968	13.1%	19,311	Equestrian staff wages
Equestrian Center Overtime	11,780	9,702	6,143	4,023	305	611	0	4,000	4,000	0.0%	0	Equestrian staff overtime
Benefits	46,285	48,847	32,226	37,905	28,665	57,329	36,963	56,358	61,982	10.0%	5,624	Equestrian staff benefits
Subtotal Wages & Benefits	212,140	202,926	173,690	194,250	103,654	207,307	171,012	208,015	232,950	12.0%	24,935	

Cordillera Metropolitan District

Operating/Contractual Obligations Fund
Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	Projected through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (-Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Equestrian Center Administrative Expenses												
Office Supplies	1,151	980	404	637	0	1,400	1,469	1,454	1,627	11.9%	173	Miscellaneous Office supplies
Advertising	15	15	3,989	7,760	2,500	5,000	11,110	11,110	6,595	-40.6%	(4,515)	Eagle County Fair & Rodeo, clinics, camps & events
Training	2,148	0	0	0	0	0	290	0	1,000	100.0%	1,000	Training video for Equestrian staff
Admin Fee (Internal Service Fee)	26,620	22,916	0	0	0	0	0	0	0	0.0%	0	
Bad Debt Expense	10,480	8,600	0	691	0	0	0	0	0	0.0%	0	
Uniforms	1,788	1,571	1,291	0	0	1,500	1,686	1,507	1,387	-8.0%	(120)	Uniforms & boots for Equestrian Center staff
Subtotal Administrative Expenses	42,201	34,082	5,684	9,089	2,500	7,900	14,555	14,071	10,609	-24.6%	(3,462)	
Equestrian Center Boarding Expenses												
Manure Disposal	9,699	6,369	9,347	11,405	6,544	8,582	6,501	7,705	8,740	13.4%	1,035	Manure disposal
Grain	9,863	1,664	4,660	3,574	1,699	3,321	4,829	4,829	5,558	15.1%	729	Grain & feed costs
Hay	43,608	47,184	36,984	43,376	24,300	48,600	43,380	46,720	77,280	65.4%	30,560	Hay- approximately 6400 bales
Footing	0	0	0	0	2,238	7,500	0	7,516	6,592	-12.3%	(924)	Footing material & parts for arena drag
Shavings	14,472	12,668	12,612	16,967	5,184	10,368	13,281	17,186	15,932	-7.3%	(1,254)	Shavings for barn stalls
CMD Horses	0	0	0	0	0	0	0	0	4,500	100.0%	4,500	Tack & care for Equestrian Center owned horses
Summer Horse Program Expenses	0	0	0	0	0	0	0	0	0	0.0%	0	
Subtotal Boarding Expenses	77,642	67,885	63,603	75,322	39,965	78,371	67,991	83,956	118,602	41.3%	34,646	
Equestrian Center Maintenance												
	34,059	14,553	19,034	18,216	19,120	20,000	24,825	18,493	17,192	-7.0%	(1,301)	General maintenance & repairs for barns are surrounding area
Equestrian Center Utilities												
Electric	10,512	10,120	8,847	7,763	5,992	10,708	11,998	10,296	8,504	-17.4%	(1,792)	Electric costs - decrease at barn due to upgrades made in 2018
Gas	8,855	10,274	9,065	10,812	8,383	16,767	12,529	12,517	12,728	1.7%	211	Natural gas
Trash	711	937	792	1,324	602	1,204	969	997	1,124	12.7%	127	Trash removal
Water	3,381	3,444	2,962	2,868	1,076	1,678	3,682	3,884	3,444	-11.3%	(440)	Water & sewer
Subtotal Utilities	23,459	24,774	21,666	22,767	16,053	30,357	29,178	27,694	25,800	-6.8%	(1,894)	
Subtotal Equestrian Center	389,501	344,220	283,676	319,643	181,292	343,935	307,561	352,229	405,153	15.0%	52,924	
Total Expenditures	3,794,693	4,102,171	4,207,990	4,701,853	2,366,963	4,615,190	4,763,486	4,912,705	5,222,148	6.3%	309,443	
Revenue Over (Under) Expenditures	1,100,186	1,270,130	1,164,182	1,164,295	1,864,412	1,424,427	1,082,102	1,211,875	1,322,004	9.1%	110,129	
Other Financing Sources (Uses)												
Transfer to Capital Projects Fund	875,000	895,000	1,250,000	(1,182,000)	(1,292,000)	(1,292,000)	(1,182,000)	(1,292,000)	(1,200,000)	-7.1%	(92,000)	
Total Other Financing Sources (Uses)	875,000	895,000	1,250,000	(1,182,000)	(1,292,000)	(1,292,000)	(1,182,000)	(1,292,000)	(1,200,000)			
Revenue Over (Under) Expenditures				(17,705)	572,412	132,427	(99,898)	(80,125)	122,004	-252.3%	(202,129)	
Beginning Fund Balance				1,957,343	1,939,638	1,939,638	1,957,343	1,939,638	1,859,513			
Ending Fund Balance				1,939,638	5,096,051	2,072,066	1,857,445	1,859,513	1,981,517			

Cordillera Metropolitan District

CMD Debt Service Fund

Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Revenues											
Property Taxes CMD Debt Service	1,683,609	1,704,721	1,750,181	1,679,357	1,387,942	1,683,211	1,683,211	1,891,984	12.4%	208,773	Property taxes realted to issuance of bond debt
Tap Fee Revenue	1,500	60,850	12,494	11,066	0			0		0	
CMD Debt Service Interest	2,834	3,804	8,950	12,228	10,846	883	8,000	20,000	150.0%	12,000	
Total Revenues	1,687,943	1,769,375	1,771,626	1,702,651	1,398,789	1,684,094	1,691,211	1,911,984	13.1%	220,773	
Expenditures											
Treasurers Fees CMD DS	50,636	51,209	52,589	50,475	41,643	50,496	50,496	56,760	12.4%	6,263	3% fee charged on collection & distribution of Property Taxes
CMD 2012 Principal	330,000	0	0	0	0			665,000		665,000	Principal Payment due December 1st
CMD 2017A Interest	0	0	0	15,429	24,035			23,589		23,589	Interest payments due June & December
CMD 2017A Principal	0	0	0	0	0			1,235,000		1,235,000	Principal Payment due December 1st
CMD 2012 Interest	140,370	66,243	0	110,976	48,591			82,214		82,214	Interest payments due June & December
CMD 2006A Series Interest Pmts	227,988	227,988	227,988	87,369	0						
Total Debt Service	698,358	294,231	227,988	213,774	72,625	2,036,022	2,009,420	2,005,803	-0.2%	(3,617)	
Total Expenditures	748,994	345,439	280,576	264,249	114,268	2,086,518	2,059,916	2,062,563	0.1%	2,646	
Revenue Over (Under) Expenditures	938,949	1,423,936	1,491,050	1,438,403	1,284,521	(402,424)	(368,705)	(150,579)	-59.2%	218,127	
Transfer from CPOA	(338,398)	(331,410)	(333,157)	(223,101)	273,101	223,101	273,101	148,500	-45.6%	(124,601)	Per 5th Amended & Restated Transfer Assessment Agmt
Transfer from Reserve Fund						76,896	52,825	53,596	1.5%	771	
Total Other Financing Sources (Uses)	(338,398)	(331,410)	(333,157)	(223,101)	273,101	299,997	325,926	202,096	-38.0%	(123,830)	
Change in Fund Balance	600,551	1,092,526	1,157,893	1,215,302	1,557,622	(102,427)	(42,779)	51,517			
Beginning Fund Balance			149,378	162,897	1,378,198	95,740	(6,687)	(49,466)			
Ending Fund Balance	600,551	1,092,526	1,307,271	1,378,198	2,935,820	(6,687)	(49,466)	2,051			
Assessed Valuation							80,935,260	76,508,240			
Mills Levied							20.797	24.729			

Cordillera Metropolitan District

CMMD Debt Service Fund

Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget
Revenues										
Property Taxes CMMD Debt Service	924,915	890,999	771,895	785,630	600,171	794,161	794,161	810,627	2.1%	16,466
Tap Fee Revenue	30,100	44,066	24,106	0	0				0.0%	0
CMMD Debt Service Interest	2,793	3,259	6,037	7,371	6,778	200	200	13,000	6400.0%	12,800
Total Revenues	957,808	938,324	802,038	793,001	606,949	794,361	794,361	823,627	3.7%	29,266
Expenditures										
Treasurers Fees CMMD DS	27,829	26,796	23,273	23,653	16,613	23,825	23,825	24,319	2.1%	494
CMMD Series 2017B Interest Pmts	0	0	0	16,809	31,689			47,960		47,960
CMMD Series 2017B Principal	0	0	0	0	0			675,000		675,000
CMMD 2002A Series Interest Pmts	92,255	0	0	0	0					
CMMD 2006B Series Interest Pmts	260,869	231,369	206,368	90,434	0			120,938		120,938
CMMD 2006B Series Principal Pmts	590,000	500,000	510,000	0	0					
CMMD Series 2015 Interest Pmts	0	18,134	31,980	29,623	12,454			20,090		20,090
CMMD Series 2015 Principal	0	90,000	115,000	0	0			240,000		240,000
Total Debt Service	943,124	839,503	863,348	136,866	44,142	985,491	978,011	1,103,988	12.9%	125,977
Total Expenditures	970,953	866,299	886,621	160,520	60,755	1,009,316	1,001,836	1,128,307	12.6%	126,471
Revenue Over (Under) Expenditures	(13,145)	72,025	(84,583)	632,481	546,193	(214,955)	(207,475)	(304,680)	46.9%	(97,205)
Other Financing Sources (Uses)										
Transfer from CPOA	41,545	0	44,453	176,899	126,899	176,899	126,899	251,500	98.2%	124,601
Transfer from Reserve Fund						38,104			0.0%	0
Total Other Financing Sources (Uses)	41,545	0	44,453	176,899	126,899	215,003	126,899	251,500	98.2%	124,601
Change in Fund Balance				809,380	673,092	48	(80,576)	(53,180)		
Beginning Fund Balance				95,740	905,121		905,121	824,545		
Ending Fund Balance	0	0	0	905,121	1,578,213		824,545	771,365		

Assessed Valuation
Mills Levied

19,146,270
41.479

20,276,310
39.979

5.9%
-3.6%

Cordillera Metropolitan District

Debt Service Reserve Fund

Proposed 2019 Budget

	2017 Actual 12/31/2017	Actual Through 6/30/2018	2018 Final Budget	2019 Approved Budget	Percent 2019 Budget Over (Under) 2018 Budget
Revenues					
Sinking Fund - Chaveno Interest Income	771	829		-	
Total Revenues	771	829	0	0	
Other Financing Sources (Uses)					
Transfer From CPOA	0	0		-	
Transfer to Debt Service Funds			(52,825)	(53,596)	
Total Other Financing Sources (Uses)	0	0	(52,825)	(53,596)	
Revenue Over (Under) Expenditures	771	829	(52,825)	(53,596)	
Beginning Fund Balance	167,825	168,596	168,596	115,771	
Ending Fund Balance	168,596	169,425	115,771	62,175	

Cordillera Metropolitan District

Capital Projects Fund

Proposed 2019 Budget

	2017 Actual	Actual Through 6/30/2018	2018 Approved Budget	2019 Proposed Budget	Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget
Revenues						
Bearcat Stables Improvements	10,937	6,131	-	10,003		10,003
Cordillera Preservation Found. Donation	0	0				
Sale of Equipment	0	0				
Total Revenues	10,937	6,131	0	10,003	0	10,003
Expenditures						
Com Ops Building Foundation Repair	50,713	0	40,000			
Heavy Equipment Replacement - Ongoing Capex	336,636	210,310	482,800	364,000	-24.6%	(118,800)
Eques Ctr Remodel - 2017 Capex	10,761	0				
Admin Carpet - 2017 Capex	21,441	0				
Admin Windows - 2017 Capex	4,288	685				
Eques Footing - 2017 Capex	10,052	0				
Road Repair - Ongoing Capex	696,713	324,263	666,267	571,000	-14.3%	(95,267)
Street Light LED - 2017 Capex	32,976	0				
Traffic Calming - Ongoing Capex	14,408	0		14,000	0	14,000
Gate Replacement - 2017 Capex	33,261	0				
Call Box Replacement - 2017 Capex	12,007	0				
Radio Replacement - 2017 Capex	18,134	0				
Rekey Buildings - 2017 Capex	7,261	0				
Remodel Gate Houses - 2017 Capex	43,736	0				
Guardrail Replacement	84,060	0				
Aeration Pumps		5,300	6,500			
Trail Signage		0	5,000			
Divide Gatehouse Roof		10,089	16,000			
Radio Replacement & AEDS		0	28,000			
Admin Windows & Trash Bin Enclosure		12,490	13,210			
HR Fire Proof Cabinet		2,523	5,000			
Equestrian Center Painting, Repairs & improvements		51,708	54,700			
Equestrian Center - Horses		0	18,000	-		
Com Ops Washbay Floors				6,000		
Com Ops Boiler Replacement				41,500		
Reserve Study				8,000		
Admin Paint				17,500		

Cordillera Metropolitan District

Capital Projects Fund

Proposed 2019 Budget

Admin Concrete Floors	11,000
Admin LED Lighting	5,000
Equestrian Ctr-Mechanical Room	3,500
Equestrian Ctr- Paddock Fencing	25,000
Equestrian Ctr - Dump Trailer	10,000
Equestrian Ctr - CEC Drag	11,000
IT -Security System Improvements	164,000

Total Expenditures	<u>1,376,448</u>	<u>535,258</u>	<u>1,335,477</u>	<u>1,251,500</u>	<u>-6.3%</u>	<u>(83,977)</u>
	<u>(1,365,511)</u>	<u>(529,127)</u>	<u>(1,335,477)</u>	<u>(1,241,497)</u>	<u>-7.0%</u>	<u>93,980</u>
Transfer from General Fund	1,182,000	1,292,000	1,292,000	1,200,000	-7.1%	(92,000)
Total Other Financing Sources (Uses)	<u>1,182,000</u>	<u>1,292,000</u>	<u>1,292,000</u>	<u>1,200,000</u>		
Revenue Over (Under) Expenditures	<u>(183,511)</u>	<u>(1,821,127)</u>	<u>(43,477)</u>	<u>(41,497)</u>	<u>-4.6%</u>	<u>1,980</u>
Beginning Fund Balance	272,046	88,535	88,535	45,058		
Ending Fund Balance	<u>88,535</u>	<u>(1,732,592)</u>	<u>45,058</u>	<u>3,561</u>		

Cordillera Metropolitan District

Water Enterprise Fund

Proposed 2019 Budget

	2017 Actual	Actual Through 6/30/2018	2018 Original Budget
Revenues			
Water Usage Fees	85,589	0	-
Water Tap Fees	20,282	18,564	-
Total Revenues	105,871	18,564	0
Revenue Over (Under) Expenditures	105,871	18,564	0
Beginning Fund Balance	2,076,152	2,182,023	2,204,592
Ending Fund Balance	2,182,023	2,200,587	2,204,592

Cordillera Property Owners Association

Changes in Budget - September 21, 2018 to October 19, 2018

Proposed 2019 Budget

Account Name	September 21 Amount	October 19 Amount	Difference	Description
<i>Revenue</i>				
HOA Annual Assessments	2,363,200	2,523,000	159,800	Increase dues per home/lot to \$3,000 per property
RETA Revenue	1,250,000	1,350,000	100,000	Increase based upon collections to date and current homes under contract
<i>Expenses</i>				
Legal	118,700	65,700	(53,000)	Decrease expense to align with current legal matters Include expense as a direct cost to CPOA - was originally included in the
Strategic Planning	-	65,500	65,500	Service Agreement
Service Agreement	1,154,759	1,125,559	(29,200)	Decrease to accurately represent budgeted costs
Community Enrichment	22,550	25,050	2,500	Include additional expense for Chili cookoff & FAC events
Production - Communications	2,661	14,103	11,442	Increase in expense to include live broadcast of Board Meetings
Advertising - Communications	37,770	50,370	12,600	Increase expense to include monthly Vail Daily Advertorial
Public Relations - Communications	50,675	35,675	(15,000)	Decrease expense paid to contracted Public Relations Firm
Insurance	63,985	71,689	7,704	Increase expense to reflect current proposals for insurance coverage
Communications Wages & Benefits	96,580	97,563	983	Changes in health care & retirement benefits
Recreation Wages & Benefits	63,938	64,599	661	Changes in health care & retirement benefits
Gondola Club Wages & Benefits	152,747	154,304	1,557	Changes in health care & retirement benefits
Athletic Center Wages & Benefits	159,919	153,639	(6,280)	Changes in health care & retirement benefits
Trailhead Wages & Benefits	115,247	116,457	1,210	Changes in health care & retirement benefits
DRB Administration	62,400	31,200	(31,200)	Decrease Contracted Services due to change in service model
Trailhead Facilities R&M	9,747	13,247	3,500	Increase expense for LED lighting at Trailhead
Athletic Center Facilities R&M	14,626	18,626	4,000	Increase expense to replace tile at the ACC
			-	
			-	
			-	
<i>Capital</i>				
Security Systems Improvements	-	30,000	30,000	Include expense to upgrade locks & camera systems
Locks at Trailhead & ACC	5,000	-	(5,000)	Expense included with overall Security Systems Improvements
Trailhead LED Lights	3,500		(3,500)	Expense moved to operating R&M
Athletic Center Spa Tile Replacement	4,000		(4,000)	Expense moved to operating R&M
			-	

Cordillera Property Homeowners Association

General Operating Fund

Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	Projected through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Revenues												
Assessments	2,216,700	2,371,600	2,366,000	2,339,756	2,359,800	2,359,800	2,371,600	2,363,200	2,523,000	6.8%	159,800	Homeowner Assessments - 841 properties @ \$3,000
Assessment Discounts	(85,100)	(221,100)	(224,700)	(159,800)	0	0	(224,400)	-	-	0.0%	0	
Net Assessments	2,131,600	2,150,500	2,141,300	2,179,956	2,359,800	2,359,800	2,147,200	2,363,200	2,523,000	6.8%	159,800	
DRB Review Fees	70,690	78,283	69,026	33,579	14,700	44,000	62,000	62,000	62,000	0.0%	0	Review fees for new construction & alterations
Vail Gondola Club				662,393	481,387	641,260	644,752	648,815	679,000	4.7%	30,185	*see separate Vail Gondola Club worksheet
Community Assets												
Short Course				0	-	50,000	-	50,000	50,000	0.0%	0	*see separate Short Course worksheet
Athletic Center				16,627	3,559	8,000	1,750	1,750	11,600	562.9%	9,850	*see separate Athletic Center worksheet
Trailhead				79,280	628	116,940	85,200	89,045	116,330	30.6%	27,285	*see separate Trailhead worksheet
Subtotal Community Assets	-	-	-	95,907	4,187	174,940	86,950	140,795	177,930	26.4%	37,135	
Other Revenue												
Interest Income	92	1,281	1,287	2,798	154	615	1,000	1,000	1,000	0.0%	0	Interest income on bank & investment balances
Late Fees	32,625	78,273	38,349	40,269	17,115	34,231	50,000	50,000	35,000	-30.0%	(15,000)	Late fees & interest charged on late assessment payments
Fishing Program Revenues	1,000	0	500	4,000	1,500	4,500	0	-	4,500	100.0%	4,500	Fishing Passes sold to Club Members
Market & Café Revenue	11,000	10,800	11,500	13,200	6,600	13,200	13,200	13,200	14,220	7.7%	1,020	Taste 5 rental income
Fishing & Recreation Contribution	3,856	3,587	3,608	3,955	0	3,670	3,670	3,670	5,087	38.6%	1,417	Fishing expense reimbursement from CVC & Timber Springs
Sales Center Lease	20,000	40,540	41,080	41,047	21,136	42,271	41,080	41,080	43,536	6.0%	2,456	Slifer, Smith & Frampton lease income
Subtotal Other Revenue	68,573	134,480	96,324	105,269	46,505	98,487	108,950	108,950	103,343	-5.1%	(5,607)	
Total Revenues	2,305,863	2,396,299	2,367,724	3,077,104	2,906,578	3,318,487	3,049,852	3,323,760	3,545,273	6.7%	221,513	
Expenses												
Administration Contract CMD	1,000,417	1,390,084	1,190,923	1,390,084	546,837	1,093,673	1,093,447	1,093,673	1,125,559	2.9%	31,886	Service Agreement with CMD for operational costs
River Parcel & Pond Management	27,590	27,620	26,270	27,620	29,745	35,560	28,525	28,560	36,337	27.2%	7,777	Vail Valley Anglers
Trash and Recycle Program	123,707	153,023	125,964	153,023	60,602	121,205	151,308	154,964	163,700	5.6%	8,736	Trash & Recycling expense for homeowners
Design Review Board Expenses												
Architect Fees	12,590	10,572	11,657	10,572	4,295	8,590	9,600	9,600	9,600	0.0%	0	DRB additional architect reviews - as needed
Landscape Architect Fees	3,210	5,460	4,188	5,460	2,117	5,444	2,070	2,070	3,960	91.3%	1,890	DRB landscape architectural reviews - as needed
DRB Meeting Expenses	654	420	304	420	163	440	660	660	660	0.0%	0	Refreshments & misc. meeting related expenses-DRB
DRB - Legal Fees	2,965	0	826	0	290	1,200	4,700	4,700	4,700	0.0%	0	Legal review - as needed
DRB Administration	52,860	50,361	48,245	50,361	19,645	46,742	50,400	50,400	31,200	-38.1%	(19,200)	Contracted 3rd party administrator
Subtotal Design Review Board Expenses	73,287	66,814	65,219	66,814	26,282	62,416	67,430	67,430	50,120	-25.7%	(17,310)	

Cordillera Property Homeowners Association

General Operating Fund

Proposed 2019 Budget

Other Operating Expenses

Insurance Expenses	66,298	63,263	60,444	63,263	28,206	56,411	62,121	62,121	71,689	15.4%	9,568	Property, Liability & Directors/Officers Insurance
Audit/Tax Prep Fees	8,900	13,530	10,600	13,530	165	9,665	9,100	9,100	14,000	53.8%	4,900	Audit & tax return prep fees
Legal Fees - General	49,382	190,632	228,997	190,632	57,189	114,378	118,700	118,700	65,700	-44.7%	(53,000)	General Legal Counsel
Bad Debt Expense	0	0	4,024	13,674	0	0	0	0	23,775	100.0%	23,775	Bad debt expense allowance per auditors
Bank Charges	2,827	180	0	180	1,222	2,443	3,000	3,000	3,000	0.0%	0	Bank service fees
Depreciation Expense	28,094	27,496	27,795	84,664	0	0	0	-	-	0.0%	0	
Cordillera Post Office & Market - Utilities	36,467	24,912	23,649	24,912	14,309	28,617	25,467	27,638	28,870	4.5%	1,232	Natural gas, electric, water & sewer, trash at Post Office
Cafe & Post Office Repairs	709	0	161	0	0	0	0	-	-	0.0%	0	
Cafe - Coffee & Newspapers	1,290	1,381	1,161	1,381	1,375	2,751	2,256	2,846	3,510	23.3%	664	Newspapers, coffee, tea & beverages
General Store Utilities	7,734	9,441	9,954	9,441	6,083	12,167	8,726	9,980	11,339	13.6%	1,359	Utilities for Slifer real estate office
Community Enrichment Events	21,427	16,135	32,318	16,135	7,669	15,338	19,375	17,900	25,050	39.9%	7,150	Community events-wine tastings, hikes, luncheons, community breakfast
Credit Card Discount Fees	2,226	2,042	2,371	2,042	356	711	1,400	1,400	1,400	0.0%	0	Merchant credit card processing fees
Communications & Website Expense	120	0	0	0	0	0	370	370	-	-100.0%	(370)	
Misc. Operating Expenses	4,349	500	688	500	(75)	500	-	-	-	0.0%	0	
Election Expenses							0	-	16,372	100.0%	16,372	Election related legal, mailings, meetings
Business Meetings							0	-	960	100.0%	960	Other miscellaneous business meetings
Strategic Planning									65,500	100.0%	65,500	
Subtotal - Other Operating Expenses	229,822	349,511	402,162	420,353	117,598	242,982	250,515	253,055	331,165	30.9%	12,610	

Post Office Revenues	38,835	45,079	43,784	45,079	15,156	48,015	39,356	39,356	50,419	28.1%	11,063	Income from Post Office sales
Post Office Operations	39,119	50,243	42,490	50,243	19,107	45,318	36,879	36,882	57,616	56.2%	20,734	Postage, Postage meter, office supplies
Subtotal - Post Office	284	5,165	(1,294)	5,165	3,951	(2,697)	(2,477)	(2,474)	7,197	-390.9%	9,671	

Vail Gondola Club Expenses				590,958	325,058	623,609	596,112	634,446	677,963	6.9%	43,517	
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Community Assets

Recreation Management - Wages & Benefits				75,177	31,845	63,690	64,642	71,484	64,599	-9.6%	(6,885)	Administrative Recreation wages & benefits
Short Course				243,114	214,914	436,509	402,095	436,509	436,600	0.0%	91	*see separate Short Course worksheet
Athletic Center				269,069	145,471	335,502	243,407	340,947	348,140	2.1%	7,193	*see separate Athletic Center worksheet
Trailhead				214,273	71,662	230,310	212,051	239,416	259,557	8.4%	20,141	*see separate Trailhead worksheet
Subtotal Community Assets	0	0	0	801,633	463,891	1,066,011	922,195	1,088,356	1,108,896	1.9%	20,540	

Communication Expenses

Program Staff	116,680	71,671	82,179	71,671	37,906	75,811	115,680	76,051	78,340	3.0%	2,289	Communications wages
Program Staff	0	22,208	14,560	22,208	2,459	12,459	23,637	17,887	19,223	7.5%	1,336	Communications benefits
Advertising	13,029	39,112	21,462	39,112	13,069	37,727	42,428	41,838	50,370	20.4%	8,532	Local advertising - radio & print
Public Relations	43,650	9,221	72,332	9,221	3,966	39,434	52,600	47,400	35,675	-24.7%	(11,725)	\$30,000 PR campaigns, board gifts
Collateral	6,389	7,509	10,532	7,509	654	11,381	14,615	14,378	16,462	14.5%	2,084	New homeowner gifts, printed materials
Promotions	2,094	10,468	5,092	10,468	2,976	13,900	27,900	21,589	16,725	-22.5%	(4,864)	New homeowner reception, summer concert series
Production	12,411	1,862	1,850	1,862	443	13,032	2,683	15,920	14,103	-11.4%	(1,817)	Software & supplies for communications
Web Site	13,443	13,673	27,338	13,673	3,099	3,798	13,225	12,105	12,895	6.5%	790	Website maintenance expenses
Creative/Photography	3,990	0	0	0	0	13,500	-	-	18,200	100.0%	18,200	Board & staff photos, community photography
Broadcast Meetings							0	-	-			
Subtotal - Communication	211,687	175,723	235,345	175,723	64,573	221,042	292,768	247,168	261,993	6.0%	14,825	

Total Expenditures	1,744,464	2,258,097	2,132,157	3,631,372	1,638,537	3,463,801	3,399,823	3,565,178	3,762,930	5.5%	132,252	
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Revenue Over (Under) Expenditures	561,399	138,202	235,567	(554,269)	1,268,041	(145,314)	(349,971)	(241,418)	(217,657)	-9.8%	23,761	
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Transfer from (to) the Capital Reserve				554,269			349,971	241,418	217,657			
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Ending Cash Balance				0	0	0	0	0	0			
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Cordillera Property Homeowners Association

Reserve Fund
Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	Projected Through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Revenue												
Real Estate Transfer Assessments	1,380,788	1,334,461	1,400,762	1,427,040	453,390	1,250,000	1,250,000	1,250,000	1,350,000	8.0%	100,000	2% transfer fee on sales within Cordillera
Interest Income												
Total Revenues	1,380,788	1,334,461	1,400,762	1,427,040	453,390	1,250,000	1,250,000	1,250,000	1,350,000	8.0%	100,000	
Expenditures												
Healthy Forest Program	134,346	69,279	79,447	68,494	30,151	125,000	66,770	127,000	134,450	5.9%	7,450	Douglas Fir beetle expenses
Engineering	0	0	4,882	0	0		0	-	8,000		8,000	Reserve Study
Post Office Parcel Lockers	0	0	0				0	30,205	10,000		(20,205)	
Post Office Interior Paint									10,500		10,500	
Post Office Lighting									3,500		3,500	
Post Office Floors									12,500		12,500	
Post Office Patio Concrete & Steps									5,000		5,000	
Post Office Exterior Tables & Chairs									12,000		12,000	
Post Office café remodel									30,000		30,000	
Security Systems Improvements									30,000		30,000	
ACC Projects	0	0	145,299	310,794	65,180	116,382	161,050	116,382	18,000	-84.5%	(98,382)	*see Capital Expenditures worksheet
Trailhead Projects	0	0	92,391	8,411	120,095	126,210	296,550	126,210	856,000	578.2%	729,790	
Short Course Projects	0	0	0	6,550	0	350,000	84,000	350,000		-100.0%	(350,000)	
Total Capital Projects	134,346	69,279	322,019	394,249	215,426	717,592	608,370	749,797	1,129,950	50.7%	380,153	
Debt Service	400,000	400,000	400,000	400,000	0	400,000	400,000	400,000	400,000	0.0%	0	Transfer to CMD to pay portion of annual debt
Working Capital Contribution				(402,525)								
Transfer to (From) CPOA				554,269		217,657	349,971	241,418	217,657	-9.8%	(23,761)	Transfer to General fund for operating expenses
Total Expenditures	534,346	469,279	484,329	931,031	215,426	1,335,249	1,358,341	1,391,215	1,747,607	25.6%	356,392	
Revenue Over (Under) Expenditures	846,442	865,182	916,433	496,009	237,964	(85,249)	(108,341)	(141,215)	(397,607)	181.6%	(256,392)	
Beginning Available Fund Balance	3,143,340	3,143,341	3,143,342	3,143,343	3,639,352	3,639,352	3,877,316	3,639,352	3,498,137			
Ending Available Fund Balance	3,989,782	4,008,523	4,059,775	3,639,352	3,877,316	3,554,103	3,768,975	3,498,137	3,100,530			

Cordillera Property Homeowners Association

Vail Gondola Club
Proposed 2019 Budget

	2014	2015	2016	2017	Actual	Projected	2017	2018	2019	% Percent	\$ Amount	
	Actual	Actual	Actual	Actual	Through	through	Final	Final	Proposed	2019 Budget	2019 Budget	
					6/30/2018	12/31/2018	Budget	Budget	Budget	Over (Under)	Over (Under)	NOTES
										2018 Budget	2018 Budget	
Revenues												
Membership Revenue	11,759	39,000	32,250	87,750	21,500	30,000	20,000	30,000	40,000	33.3%	10,000	Nonrefundable Membership Fee
Membership Dues	499,334	594,075	606,729	562,919	449,655	599,540	604,102	595,795	625,200	4.9%	29,405	Annual dues from members
Locker Rental Revenue	8,712	7,925	13,441	11,089	7,362	8,850	11,250	13,020	11,800	-9.4%	(1,220)	Locker rentals from members
Seasonal Lease Revenue	14,601	20,006	8,504	0	2,000	2,000	9,400	10,000	2,000	-80.0%	(8,000)	Seasonal family lease - members under 18
Misc Income	0	2,950	(18)	635	870	870		-			0	
Total Revenues	534,406	663,956	660,906	662,393	481,387	641,260	644,752	648,815	679,000	4.7%	30,185	
Expenses												
Vail Gondola Club Wages	74,027	90,193	101,982	102,410	68,038	116,422	107,128	116,422	123,825	6.4%	7,403	Gondola Club staff wages
Vail Gondola Club Benefits	9,448	13,982	24,026	26,459	6,740	28,012	20,395	28,012	30,479	8.8%	2,467	Gondola Club staff benefits
Wages & Benefits	83,475	104,175	126,009	128,869	74,779	144,434	127,523	144,434	154,304	6.8%	9,870	
Lease	274,066	279,400	290,757	299,482	154,232	308,475	299,479	308,475	317,718	3.0%	9,243	Lease on space in building
Lease	274,066	279,400	290,757	299,482	154,232	308,475	299,479	308,475	317,718	3.0%	9,243	
Common Area Maintenance	59,607	60,349	59,089	63,368	32,430	72,000	62,479	65,111	83,509	28.3%	18,398	Common Area Maintenance, electricity
Repair & Maintenance	7,678	9,715	11,582	11,276	7,282	12,500	12,375	13,460	14,075	4.6%	615	Miscellaneous repairs
CAM & Repair & Maintenance	67,286	70,064	70,671	74,644	39,712	84,500	74,854	78,571	97,584	24.2%	19,013	
Depreciation	56,994	56,869	56,869	9,478	0	0	0	-	0		0	
Member Entertainment	0	13,000	0	2,201	171	2,100	4,500	4,500	4,000	-11.1%	(500)	Season kick off event
Daily F&B	34,642	41,718	53,126	45,497	45,595	59,000	54,766	60,919	66,750	9.6%	5,831	Daily breakfast & après food & beverages
Member Expenses	34,642	54,718	53,126	47,698	45,766	61,100	59,266	65,419	70,750	8.1%	5,331	
Vail Gondola Club Marketing/Promo	8,642	14,411	3,080	7,611	0	0	6,300	6,300	3,500	-44.4%	(2,800)	Brand awareness, open house
Dues & Subscriptions	0	355	20	62	74	250	500	250	350	40.0%	100	Magazine subscriptions
Flowers & Decorations	194	0	36	0	0	300	300	300	300	0.0%	0	Seasonal flowers, Christmas decorations
License, Fees & Permits	341	318	341	325	650	650	325	325	325	0.0%	0	Town of Vail business license
Legal	0	0	0	0	0	2,500	2,500	2,500	6,000	140.0%	3,500	General legal, liquor license application
Insurance	0	1,400	0	0	0	1,400	1,400	1,400	1,400	0.0%	0	Annual insurance premium
Telephone, Cable & Internet	2,792	2,499	4,274	3,394	1,991	4,000	4,260	4,440	4,440	0.0%	0	Comcast high speed internet
Supplies	8,307	9,365	10,279	10,009	7,085	9,500	8,716	10,175	9,975	-2.0%	(200)	Miscellaneous supplies
Mileage & Parking	6,197	7,310	8,872	8,158	727	5,000	9,304	10,607	10,182	-4.0%	(425)	Mileage & parking in Vail for Gondola Club employees
Uniforms	799	709	1,143	1,227	43	1,500	1,385	1,250	1,135	-9.2%	(115)	Uniforms for Gondola Club employees
Other Operating Expense	27,272	36,366	28,045	30,786	10,569	25,100	34,990	37,547	37,607	0.2%	60	
Total Operating Expenses	543,734	601,593	625,477	590,958	325,058	623,609	596,112	634,446	677,963	6.9%	43,517	
Capital Expenses												
Paint VGC	0	7,550	0	0	0							

Cordillera Property Homeowners Association

Vail Gondola Club
Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	Projected through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Fixtures & Furniture	0	7,987	0	0	0							
Total Capital Expenses	0	15,537	0	0	0		0	0	0	0	0	
Total Expenses	543,734	617,129	625,477	590,958	325,058	623,609	596,112	634,446	677,963	6.9%	43,517	
Revenue Over (Under) Expenditures	(9,329)	46,827	35,429	71,435	156,329	17,651	48,640	14,369	1,037	-92.8%	(13,332)	

Cordillera Property Homeowners Association

Athletic Center
Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	Projected through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Revenues												
Class Revenue	0	0	0	0	175		-	0	0			
Personal Training Revenue	4,415	2,845	2,265	16,627	3,384	8,000	1,750	1,750	11,600	562.86%	9,850	Personal Training sessions & packages
Total Revenues	4,415	2,845	2,265	16,627	3,559	8,000	1,750	1,750	11,600	562.86%	9,850	
Expenditures												
Wages	57,316	62,332	66,023	75,375	45,249	120,000	82,467	130,407	122,719	-5.90%	(7,688)	Athletic Center employee wages
OT Wages	900	1,366	3,643	2,818	878	2,000	-	5,000	5,000	0.00%	0	Athletic Center employee overtime
Benefits	16,453	14,494	16,070	16,105	6,324	21,000	14,598	24,561	25,920	5.53%	1,359	Athletic Center employee benefits
Wages & Benefits	74,669	78,192	85,737	94,297	52,452	143,000	97,065	159,968	153,639	-3.96%	(6,329)	
Telephone, Cable & Internet	9,072	9,016	7,666	9,703	6,092	10,464	8,759	10,464	10,776	2.98%	312	Comcast cable, telephone, Pandora premium
Licenses, Fees & Permits	304	271	230	204	504	650	0	0	1,840		1,840	License
Laundry Expense	9,752	11,154	16,271	27,723	14,165	32,500	16,596	27,060	33,456	23.64%	6,396	Laundry expense for Athletic club linens
Linen	1,229	1,675	2,403	2,761	2,320	4,500	2,230	4,684	3,560	-24.00%	(1,124)	Linen replacement
Locker Room Supplies	6,491	6,487	8,160	9,437	2,391	8,400	6,371	8,400	8,400	0.00%	0	Locker room supplies-sunblock, body lotion, body wash, etc.
Office Supplies	109	1,117	811	1,869	1,096	1,500	700	1,400	1,000	-28.57%	(400)	Miscellaneous office supplies
Uniforms	940	383	302	507	454	568	600	630	670	6.35%	40	Uniforms for Athletic Center staff
CAM & Repair & Maintenance	3,121	2,003	2,522	5,026	2,812	5,000	3,345	5,039	5,787	14.84%	748	Pool & spa chemicals
Coffee & Snacks	4,001	5,060	6,171	7,290	2,780	7,500	5,648	7,500	9,450	26.00%	1,950	Coffee supplies, flowers, treats
Trash Removal	125	150	125	607	570	1,600	200	1,680	1,590	-5.36%	(90)	Trash removal
Operating Expenses	35,144	37,316	44,659	65,127	33,184	72,682	44,449	66,857	76,529	14.47%	9,672	
Equipment Maintenance	1,291	1,196	1,890	1,042	950	2,390	2,390	2,390	2,390	0.00%	0	Fitness Tech quarterly fees
Landscaping	12,982	6,979	13,197	15,051	5,299	14,389	13,355	14,389	15,271	6.13%	882	Flower bed maintenance & plantings
Elevator Maintenance	2,579	3,572	2,120	3,187	2,008	3,000	2,600	3,450	3,610	4.64%	160	Quarterly maintenance & inspections
Parking Lot Maintenance	0	736	570	570	690	690	740	740	795	7.43%	55	Parking lot striping
Facilities R&M	6,791	4,336	8,162	25,103	9,967	20,000	10,551	12,455	18,626	49.55%	6,171	AC, boiler inspections, repairs, water softener
Facility Parts & Supplies	9,667	2,144	2,294	1,366	5,186	10,000	3,214	5,941	4,150	-30.15%	(1,791)	Miscellaneous supplies
Pool & Spa R&M	9,933	3,511	13,918	5,757	3,366	4,200	4,212	3,802	4,345	14.28%	543	Pool & spa repairs
Repair & Maintenance Expense	43,243	22,473	42,151	52,076	27,466	54,669	37,062	43,167	49,187	13.95%	6,020	
Fitness Supplies	8,836	1,580	1,024	1,558	4,966	6,275	2,035	6,275	6,985	11.31%	710	Fitness class mats, bands, balls, kettlebells, pickleball equip
Fitness Instructions	5,175	4,689	3,806	5,038	2,100	5,000	4,800	6,000	6,300	5.00%	300	Independent instructors
Fitness Expenses	14,011	6,269	4,830	6,596	7,066	11,275	6,835	12,275	13,285	8.23%	1,010	
Electricity	23,587	23,907	20,744	20,009	12,255	24,048	24,456	24,648	24,780	0.54%	132	Holy cross electric
Natural Gas	22,630	27,647	22,553	22,705	11,688	21,396	25,080	25,260	22,020	-12.83%	(3,240)	Natural gas
Water	7,113	7,621	8,652	9,220	1,361	8,432	8,460	8,772	8,700	-0.82%	(72)	Water & Sewer
Utilities	53,330	59,175	51,949	51,934	25,304	53,876	57,996	58,680	55,500	-5.42%	(3,180)	
Total Operating Expenses	220,398	203,426	229,327	270,031	145,471	335,502	243,407	340,947	348,140	2.11%	7,193	
Net Operating Revenue (Expense)	(215,983)	(200,581)	(227,062)	(253,404)	(141,912)	(327,502)	(241,657)	(339,197)	(336,540)	-0.78%	2,657	

Cordillera Property Homeowners Association

Athletic Center
Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	Projected through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Capital Expenses												
Cardio equip flooring paint - 2017 Capex	0	0	0	134,254	0							
Shower Pans - 2017 Capex	0	0	0	25,100	0							
Building & Pool Boilers	0	0	0	141,213	0							
Pickle Ball Repair - 2017 Capex	0	0	0	10,226	0							
Pool Furniture	0	0	0	0	12,804	21,645		17,900				
Tennis Court Repair / Windscreen	0	0	0	0	16,000		13,800	8,000				*see Capital Expenditures worksheet
Common Area Flooring	0	0	0	0	13,730		16,500					
Trash Bin Enclosure	0	0	0	0	6,767		8,210					
Locker Room Keyless Locks	0	0	0	0	15,879		26,200					
Trim Work / Reception Remodel	0	0	0	0	0		15,772					
Pool Deck Resurface / repair	0	0	0	0	0		18,000					
Hot Water Holding Tanks								10,000				
Total Capital Expenses	0	0	0	310,794	65,180	21,645	-	116,382	18,000			
Total Expenditures	220,398	203,426	229,327	580,824	210,651	357,147	243,407	457,329	366,140			
Revenue Over (Under) Expenditures	(215,983)	(200,581)	(227,062)	(564,197)	(207,092)	(349,147)	(241,657)	(455,579)	(354,540)			

Cordillera Property Homeowners Association

Trailhead Clubhouse & Pool

Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	Projected through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Revenues												
Cordillera Day Camp Revenue	67,075	67,180	81,165	78,220	0	115,440	83,550	87,395	115,005	31.59%	27,610	Cordy camp participants
Facility Fees	225	500	750	810	500	1,000	1,650	1,650	1,325	-19.70%	(325)	Rental of Trailhead facility
Trailhead Rental	500	0	500	250	0	0					0	
Donation for Equipment	13,532	0	0	0	0	0					0	
Vending Revenue	0	0	0	0	128	500						
Total Revenues	81,332	67,680	82,415	79,280	628	116,940	85,200	89,045	116,330	30.64%	27,285	
Expenses												
Wages	56,513	58,637	50,199	77,550	16,359	80,000	78,278	84,372	90,424	7.17%	6,052	Trailhead employee wages
OT Wages	5,341	3,299	2,398	2,484	464	2,000	0	5,000	5,000	0.00%	0	Trailhead employee overtime
Benefits	5,747	5,814	5,078	11,075	3,428	16,837	12,497	16,837	21,032	24.92%	4,195	Trailhead employee benefits
Wages & Benefits	67,601	67,749	57,676	91,109	20,251	98,837	90,775	106,209	116,456	9.65%	10,247	
Telephone, Cable & Internet	3,342	3,512	3,077	4,763	2,327	4,085	3,299	4,835	4,380	-9.41%	(455)	Comcast & DIRECTV
Licenses, Fees & Permits	4,017	3,880	4,226	4,868	0	5,779	4,178	4,370	5,779	32.24%	1,409	Rec1 fees (software)
Laundry Expense	4,730	5,546	6,734	13,407	3,232	14,000	9,000	13,500	14,400	6.67%	900	Laundry for Trailhead owned linens
Locker Rooms Supplies	837	841	1,165	1,128	119	1,000	1,500	1,750	1,750	0.00%	0	Locker room supplies-sunblock, body lotion, body wash, etc.
CAM & Repair & Maintenance	0	0	644	2,022	0	2,222	2,140	2,975	1,750	-41.18%	(1,225)	Miscellaneous small repairs & general maintenance
Vending Supplies	0	0	0	0		715	0	0	750		750	Supplies for vending machines
Office Supplies	9,864	324	555	1,698	3,045	3,500	1,775	5,025	1,050	-79.10%	(3,975)	Miscellaneous office supplies
Uniforms	1,034	882	1,155	1,078	0	1,042	1,240	1,320	1,200	-9.09%	(120)	Uniforms for Trailhead staff
Pool & Spa Supplies	4,875	5,433	1,785	4,557	3,557	5,536	5,673	5,536	6,138	10.87%	602	Pool & spa chemicals
Landscaping	14,498	12,863	17,137	21,075	9,592	19,491	20,784	19,491	19,958	2.40%	467	Flower bed maintenance & plantings
Operating Expenses	43,196	33,280	36,479	54,596	21,873	57,370	49,589	58,802	57,155	-2.80%	(1,647)	
Parking Lot Maintenance	0	925	570	765	970	970	765	1,065	1,070	0.47%	5	Parking lot striping
Facilities R&M	7,291	4,248	6,604	9,858	4,477	9,000	9,293	9,633	13,247	37.52%	3,614	Orkin, Elkay, water softener, window cleaning, fire sprinkler
Facility Parts & Supplies	1,840	957	874	692	2,151	2,500	930	2,052	2,768	34.89%	716	Miscellaneous supplies
Pool & Spa R&M	2,447	1,948	17,797	5,414	851	5,000	5,648	5,228	5,909	13.03%	681	Minor repairs to pool
Repair & Maintenance Expense	11,579	8,078	25,845	16,729	8,450	17,470	16,636	17,978	22,994	27.90%	5,016	
Electricity	10,117	9,359	7,882	7,580	3,195	8,196	10,068	8,196	9,024	10.10%	828	Holy Cross
Natural Gas	10,817	8,504	10,306	10,344	3,357	9,732	8,916	11,964	10,032	-16.15%	(1,932)	Natural gas
Trash Removal	0	0	0	0		0	190	190	0	-100.00%	(190)	
Water	8,506	11,240	11,883	10,601	1,451	9,552	10,572	9,456	9,840	4.06%	384	Water & Sewer
Utilities	29,440	29,102	30,071	28,526	8,003	27,480	29,746	29,806	28,896	-3.05%	(910)	

Cordillera Property Homeowners Association

Trailhead Clubhouse & Pool

Proposed 2019 Budget

	2014	2015	2016	2017	Actual Through 6/30/2018	Projected through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget	NOTES
Background Checks	(453)	382	358	540	236	236	465	543	537	-1.10%	(6)	Background checks - seasonal employees
Training & Education	957	815	757	1,722	1,179	2,000	1,555	1,950	2,275	16.67%	325	Lifeguard & camp counselor training, Directors training
Day Camp - License	0	121	134	134	134	134	134	134	134	0.00%	0	Colorado Dept of Human Services fee
Advertising	1,336	1,966	2,277	2,895	2,894	2,894	2,550	2,900	2,975	2.59%	75	Radio & print advertising
Inspection Fees	0	60	60	60	60	60	60	60	60	0.00%	0	Eagle County Environmental Health inspection
Camp Games, Supplies, and Snacks	3,574	1,925	2,863	3,881	1,645	4,100	3,930	4,430	4,500	1.58%	70	Supplies for Cordy Camp
Day Camp Clinics	11,249	11,898	7,810	8,695	1,730	12,392	9,761	10,004	12,932	29.27%	2,928	Golf, Swimming, Tennis, Alpine Arts, Walking Mountains
Camp Transportation	2,909	5,637	6,457	5,644	5,208	7,337	6,850	6,600	10,643	61.26%	4,043	Cordy Camp van
Subtotal Camp Expenses	19,573	22,803	20,715	23,571	13,086	29,153	25,305	26,621	34,056	27.93%	7,435	
Total Operating Expenses	171,388	161,011	170,786	214,531	71,662	230,310	212,051	239,416	259,557	8.41%	20,141	
Net Operating Revenue (Expense)	(90,056)	(93,331)	(88,371)	(135,251)	(71,034)	(113,370)	(126,851)	(150,371)	(143,227)	-4.75%	7,144	
Capital Expenses												
Roof Replacement - 2017 Capex	0	0	0	0	106,978		93,000					
Pool Remodel - 2017/2018 Capex	0	0	0	8,068	13,117		200,000	18,000				
Locker Room Tile - 2017 Capex	0	0	0	343	0		3,550					
Trash Bin Enclosure	0	0	0	0	0			8,210				
Roof Replacement - 2018 Capex	0	0	0	0	0			100,000				
Trailhead Remodel (Phase I)									856,000			*see Capital Expenditures worksheet
Total Capital Expenses	0	0	0	0	120,095	0	296,550	126,210	856,000	578.23%	729,790	
Total Expenditures	171,388	161,011	170,786	214,531	191,757	0	508,601	365,626	1,115,557	205.11%	749,931	
Revenue Over (Under) Expenditures	(90,056)	(93,331)	(88,371)	(135,251)	(191,129)	0	(423,401)	(276,581)	(999,227)	261.28%	(722,646)	

Cordillera Property Homeowners Association

Short Course at Cordillera

Proposed 2019 Budget

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Actual Through 6/30/2018	Projected through 12/31/2018	2017 Final Budget	2018 Final Budget	2019 Proposed Budget	% Percent 2019 Budget Over (Under) 2018 Budget	\$ Amount 2019 Budget Over (Under) 2018 Budget
Revenues											
Expense Reimbursement				0	0		0	0		0.00%	0
Sale of Equipment											
Short Course Revenue - Troon	0	0	127,429	0	0		0	50,000	50,000	0.00%	0
Total Revenues	0	0	127,429	0	0	0	0	50,000	50,000	0.00%	0
Expenditures											
Short Course Contract	375,000	425,000	0	286,580	200,000		375,000	400,000	400,000	0.00%	0
Property Taxes	0	0	2,095	2,256	2,342		2,095	2,095	2,350	12.17%	255
Fire Protection	1,122	1,116	896	0	0		0	1,054	0	-100.00%	(1,054)
	0	0	0								0
Facilities R&M	3,268	6,895	327	16	0		0	0	0		0
Repair & Maintenance Expense	3,268	6,895	327	16	0	0	0	0	0		0
Telephone, Cable & Internet	4,358	4,168	1,109	0	0			0	0		0
Natural Gas	865	1,158	476	0	0			0	0		0
Electric - Comfort Station	844	682	175	0	0			0	0		0
CAM & Repair & Maintenance	5,601	9,909	378	0	0			0	0		0
Electricity	2,721	1,860	619	0	0			0	0		0
								0	0		0
Telephone & Utilities	14,389	17,777	2,756	0	0	0	0	0	0		0
Irrigation Water	24,535	31,716	33,360	34,195	12,572		25,000	33,360	34,250	2.67%	890
Total Operating Expenses	418,314	482,503	39,434	323,048	214,914	0	402,095	436,509	436,600	0.02%	91
Net Operating Revenue (Expense)	(418,314)	(482,503)	87,995	(323,048)	(214,914)	0	(402,095)	(386,509)	(386,600)	0.02%	(91)
Capital Expenses											
Short Course Trailer - 2017 Capex	0	0	0	1,550	0		80,000				
Maintenance Bldg Paint - 2017 Capex	0	0	0	5,000	0		4,000				
Water Feature / Irrigation Pond	0	0	0	0	0			350,000		-100.00%	(350,000)
					0						0
					0						0
Total Capital Expenses	0	0	0	0	0	0	84,000	350,000	0	-100.00%	(350,000)
Total Expenditures	418,314	482,503	39,434	323,048	214,914	0	486,095	786,509	436,600	-44.49%	(349,909)
Revenue Over (Under) Expenditures	(418,314)	(482,503)	87,995	(323,048)	(214,914)	0	(486,095)	(736,509)	(386,600)	-47.51%	349,909

2019 BUDGET PLANNING

CALENDAR

Dates	Action Items	Descriptions
July 10	Presidents and Treasurers Meeting	Review Draft Process/Timeline
July 27	Board Meetings	Review Planning and Budget Process
August 26	Assessed Valuations	Obtain County Assessed Valuations
September 13	Presidents and Treasurers Meeting	Review and Discuss Draft Budget
September 21	Board Meetings	Present Initial Draft of Budget and Considerations
October 9	Presidents and Treasurers Meeting	Review Revisions Incorporated
October 19	Board Meetings	Budget Hearing
December 1	Property Owner Mailing	Send CPOA/CMD Budgets Memo to Owners (Service Plan)
December 15	Board Meetings	2018 CMD Budget Amendment
December 15	Milly Levy Certification	CMD Certified Levies due to Eagle County
December 31	DOLA Submission	Service Plan Due

WORK PLANS

- Roadmap to advance our mission
- Identifies goals, strategies, action steps, timeframes, responsibilities, evaluation indicators and target groups
- Ultimate outcomes:
 - Maximize each team member's strengths, foster integration and promote a positive, accountable culture
 - Encourage cooperation, collaboration and integration within the community and Vail Valley
 - Progressively position the community for future opportunities
 - Exceed community expectations

BUDGET

- Address the community's current needs and position for future needs
- Make strategic investments in our human resources to attract and retain a qualified workforce
- Plan and fund investments in the capital assets of the community that maximize the use and life
- Adhere to fund balance, debt service and other financial policies
- Ensure the ongoing financial health of the community
- Protect the bond rating

ORGANIZATIONAL OBJECTIVES

The goal is to facilitate a planning process that leverages the human and financial resources to realize our mission within Cordillera that:

- Aligns structure and functions
- Enhances internal and external communication to foster community synergy for greater impact
- Builds on trust by maximizing team members' strengths and facilitating opportunities from programs to work together
- Creates leadership opportunities by ensuring professional development and career growth
- Delivers exceptional customer service, improves efficiency and cost effectiveness in regard to quality of services
- Creates a roadmap, key measures and budget

OPERATING AGREEMENTS

MISSION

- To be a premier residential mountain community

TEAM DECLARATION AND VALUES

- Service with Purpose
- Trust, Respect, Integrity, Positive, Diversity, Awe-Inspiring, Ability, Flexible, Camaraderie and Accountable

OPERATING AGREEMENTS

- Deliver WOW Through Service
- Assume Good Intent and Extend Trust
- Foster Open and Honest Relationships With Communication
- Build a Positive Team and Family Spirit
- Pursue Growth and Learning
- Be Humble
- Do More With Less
- Explore, Innovate and Share
- Embrace and Drive Change
- Be Passionate, Determined and Accountable
- Create Fun

ORGANIZATIONAL SERVICES

Administration

Human Resources

Finance

Information and
Technology

Communications and
Engagement

Front Desk

Post Office

Design Review Board

Recreation

Athletic Center

Trailhead

Cordy Camp

Vail Gondola Club

Equestrian Center

Fly Fishing

Short Course

Ice Rink/Dog Park

Community Operations

Facilities (ACC,
Trailhead, Equestrian
Center, Admin, Post
Office/Cafe,
Community
Operations, Gates)

Open Space, Trails,
Ponds and River
Parcel

Wildfire and Weed
Mitigation

Trash and Recycling

Trailer Parking

Fleet

Public Safety

Gates

Patrol

Education

Compliance and
Enforcement

Emergency
Preparedness

MANAGEMENT TEAM BIOS

Trevor Broersma, operations director, is originally from Grand Haven, Michigan. He obtained a degree in Business Communications from Calvin College, a Turfgrass Management Certification from Penn-State University, and he is a Certified Golf Course Superintendent with the Golf Course Superintendents Association of America. He is currently enrolled in Colorado University Certified Public Manager program and expects to graduate in the spring of 2019. Trevor has an extensive background in project management and team development. Over the past 20 years Trevor was involved in large, golf course redevelopment projects from coast to coast. In the last three years with Cordillera, Trevor has overseen over \$5 million in capital improvement projects around Cordillera. Trevor and his wife Mary Ellen and their 5-month-old Weimaraner Dutch reside in Edwards. When not at work, they can be found skiing, mountain biking, snowmobiling and jeeping Colorado's amazing backcountry.

Clint Forstrom, assistant project manager, has an extensive background of project management, having spent the last 15 years managing high-end golf course properties as well as renovating luxury golf courses coast-to-coast. Most recently Clint was the superintendent at the Cordillera Valley Club and spent the previous five years managing a golf course in his hometown of Fairmont, Minnesota. Earlier in his career, Clint spent three years developing the golf course at Brightwater Club in Gypsum. In his spare time, you will find him playing hockey, hiking, rafting and enjoying the Colorado outdoors with his black lab Lucy.

Joe Helminski, recreation director, is originally from Manistee, Michigan. He obtained a degree in communications from Michigan State University and was a Member of Spartans Varsity Golf Team. He started with Cordillera in 2005 as a golf professional. Joe spent summers in Colorado and winters in Florida in the golf industry for a few years until accepting a position with the Metro District and Vail Gondola Club. He lives in Eagle with his wife Kelly, son Hadyn, daughter Lily and son Ryder. As a family, they enjoy traveling, fitness, skiing, golfing and all that the Colorado great outdoors has to offer.

Dominique Jones, equestrian center manager, started riding horses as a child and earned multiple ribbons through the Intercollegiate Horse Show Association. Dominique has guided trail rides and worked for several different outfitting operations in addition to owning and training multiple successful show horses, several of which are currently part of her lesson program. Dominique managed the Cordillera Equestrian Center for five years and has helped in the interim as a barn hand. In 2011, she started Stone Circle Stables and worked as a part-time veterinary technician. She is a Certified Horsemanship Association Certified riding instructor in English, Jumping and Western Disciplines.

Erin McCuskey, human resource manager, brings experience in human resources from Vail Resorts and Vail Valley Medical Center and most recently from White Lodging at Brush Creek Ranch in Saratoga, WY where she served as the Director of Human Resources. Her positions have tasked her with a broad range of responsibilities including oversight of recruitment, employee relations, staff training and leadership development, performance management and benefits and compensation analysis. Erin holds a Bachelor of Arts in Journalism & Mass Communication from Iowa State University and is PHR certified. She is also a former HCHRA (SHRM) board member. Originally from Ames, Iowa, Erin enjoys travel, the outdoors, learning new things and being involved with the community.

Joanne Kelley, public safety manager, came from the Valley restaurant in Gypsum, Colorado serving as a chef. She then worked at The Cordillera Lodge & Spa at the Picasso restaurant as their chef for five years. Cordillera Metro District hired Joanne to work in public safety at the gates. Shortly after she transitioned into a shift lead. From there she progressed and was promoted to public safety manager where she has served the District for 20 years. She is passionate for horses and currently serves on the board of directors for the Mountain Valley Horse Rescue.

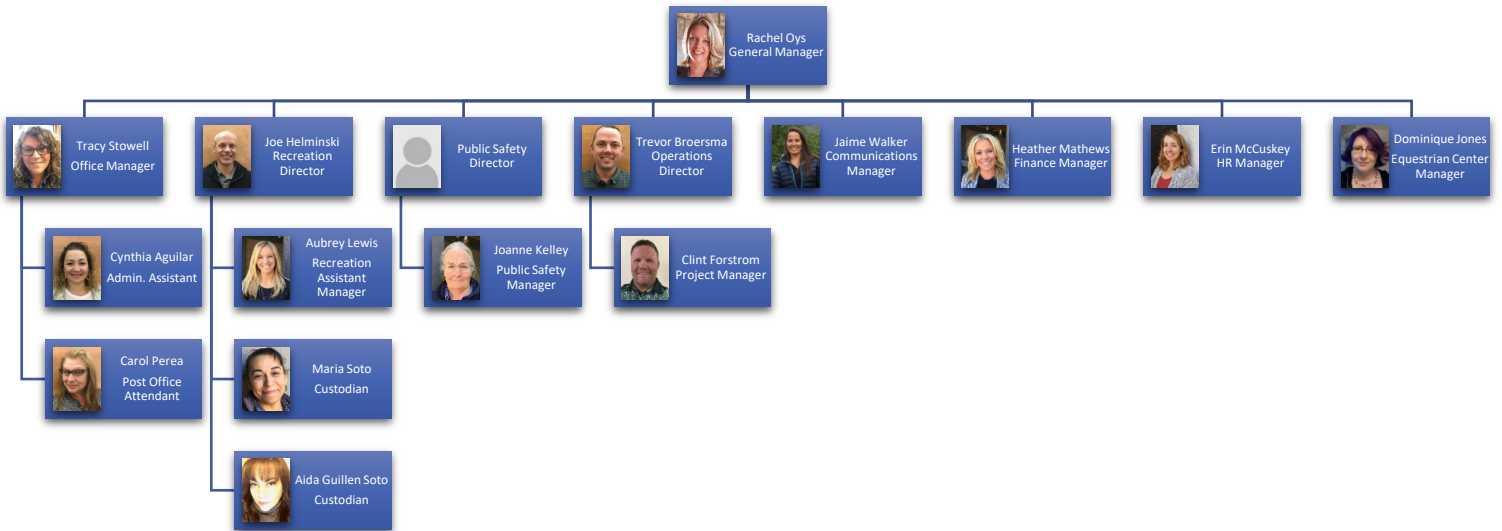
Aubrey Lewis, recreation assistant manager, came from Northwestern Mutual in Denver serving as an Associate Financial Representative in event coordination, insurance operations and underwriting processes, administration and office management. She also completed internships with MWH Global in public relations and Haynes Mechanical Systems in Marketing and Sales. She also served as a group fitness instructor at CSU for one year. She and her husband Matt enjoy the outdoors with a focus on biking.

Heather Mathews, finance manager, has been working in the finance and accounting field for almost 20 years. Heather worked the last eight years for Eagle County Government in a dual role as payroll manager and Eagle County Airport controller. In that role, she processed payroll for more than 500 employees, prepared and managed annual budgets, maintained more than 15 bond accounts within government guidelines and prepared detailed monthly and yearly financial reports. Before her government experience, Heather worked for East West Resorts in the association and property management accounting department for eight years. She also has experience with small business and construction management accounting. Heather holds a bachelor's degree from the University of Colorado in Business Administration with an emphasis in finance. Her experience and knowledge of all roles within government finance, from AP/AR to managing budgets and preparing for audits have brought improvements, efficiencies and consistency to the Cordillera finance role, with more work to be done and goals reached. Heather resides in Eagle and has two children, Grace, the oldest started her freshman year at the University of Hawaii in August and her youngest, Grey, started at EVHS this fall.

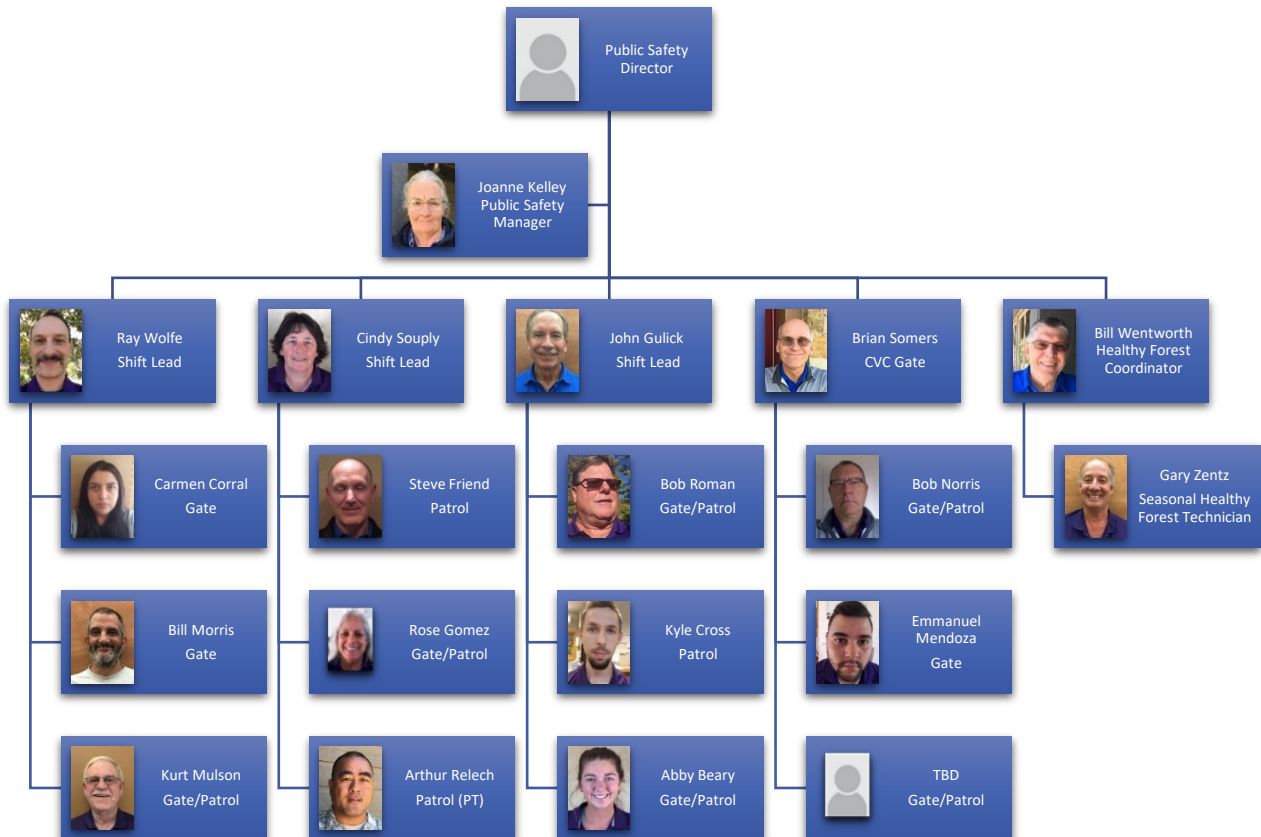
Tracy Stowell, office manager, served as the administrative coordinator to the Eagle County Regional Transportation Authority and Trails departments since 2008. She managed three employees, served as the clerk to the boards and assisted in the administration of an \$8 million budget, including development, operating and capital expenditures, contract and grant management and accounts receivable. She has a passion for serving citizens and is highly effective in employee engagement—especially in the facilitation of employee culture working groups to implement wellness and recognition initiatives. She also worked with Colorado State University Cooperative Extension, Town of Vail, Eagle County Health Service District, Shasta County Office of Education and the AmeriCorps Watershed Project. Tracy is originally from Northern California where she studied Environmental Science. She lives in Eagle with her husband Josh and two children, Luci and Gage. The Stowell Family also has two dogs and two cats. Tracy and her family can be found camping, hiking or skiing on most weekends—always in search of a hidden gem.

Jaime Walker, communications manager, served as the Community Relations Officer at the Town of Avon for six years before coming to Cordillera. In Avon, Jaime was responsible for leading the Town's strategic communications efforts which included developing and implementing communication strategies that reached varied target audiences. Before her time in Avon, Jaime's experience spans marketing and communication work in the local real estate industry as well as appointments at Vail Mountain School, where she joined with school leaders to grow enrollment during a crucial time in its history. While there, she also worked in development supporting special event fundraising efforts and reigniting the alumni program. Jaime is a Vail native having attended Vail Mountain School and then matriculated to DePauw University where she graduated with honors with a Communications degree. She lives in Eagle with her husband Scot, 5-year old son, Conor and dog Bode. She is passionate about nutrition, living in the mountains and enjoying the outdoors with her family.

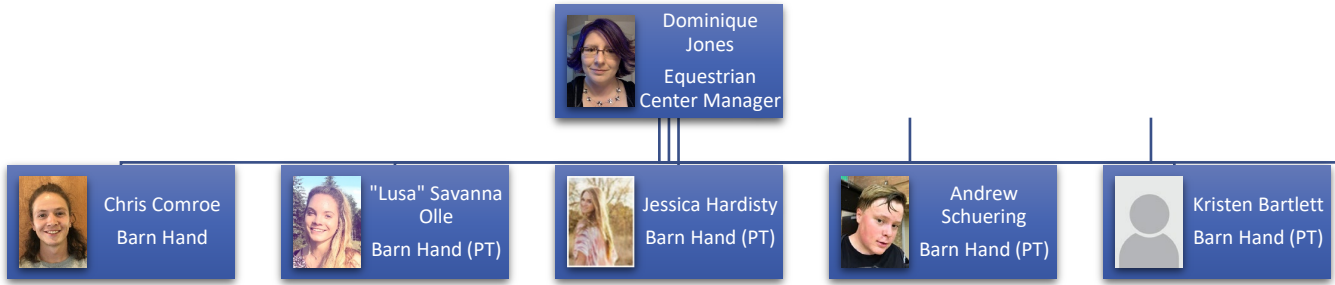
ADMINISTRATION AND MANAGEMENT TEAM



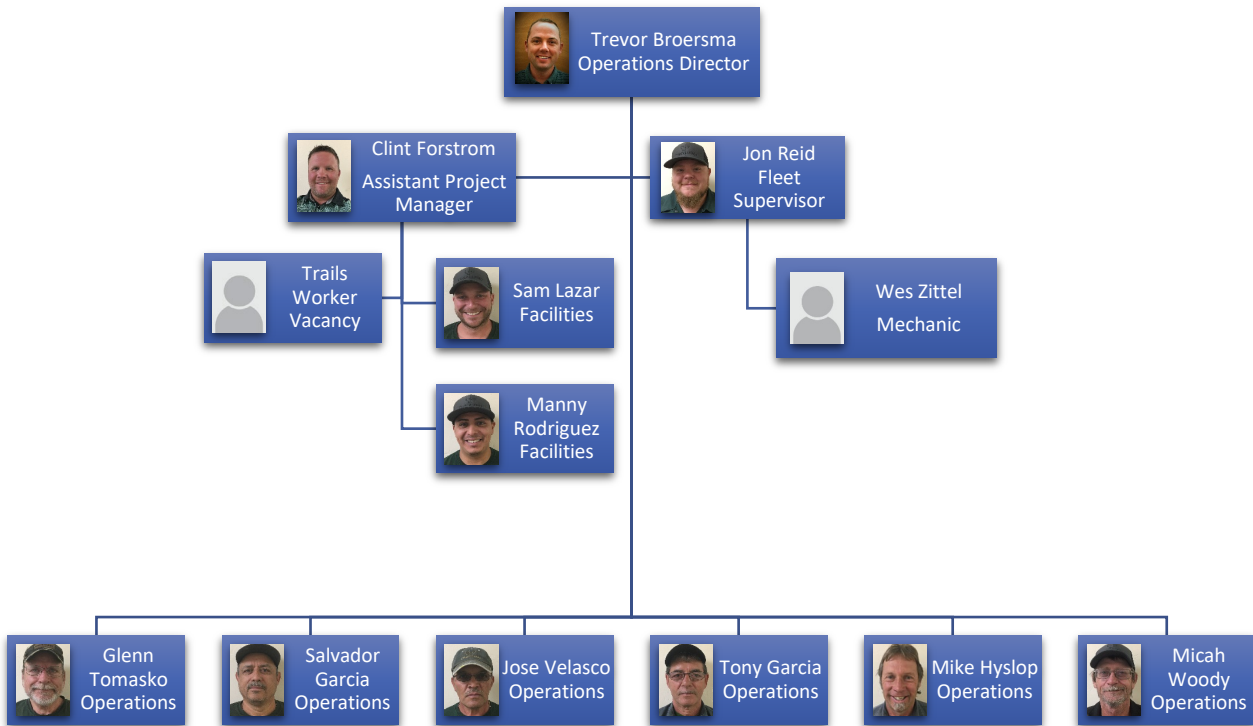
PUBLIC SAFETY



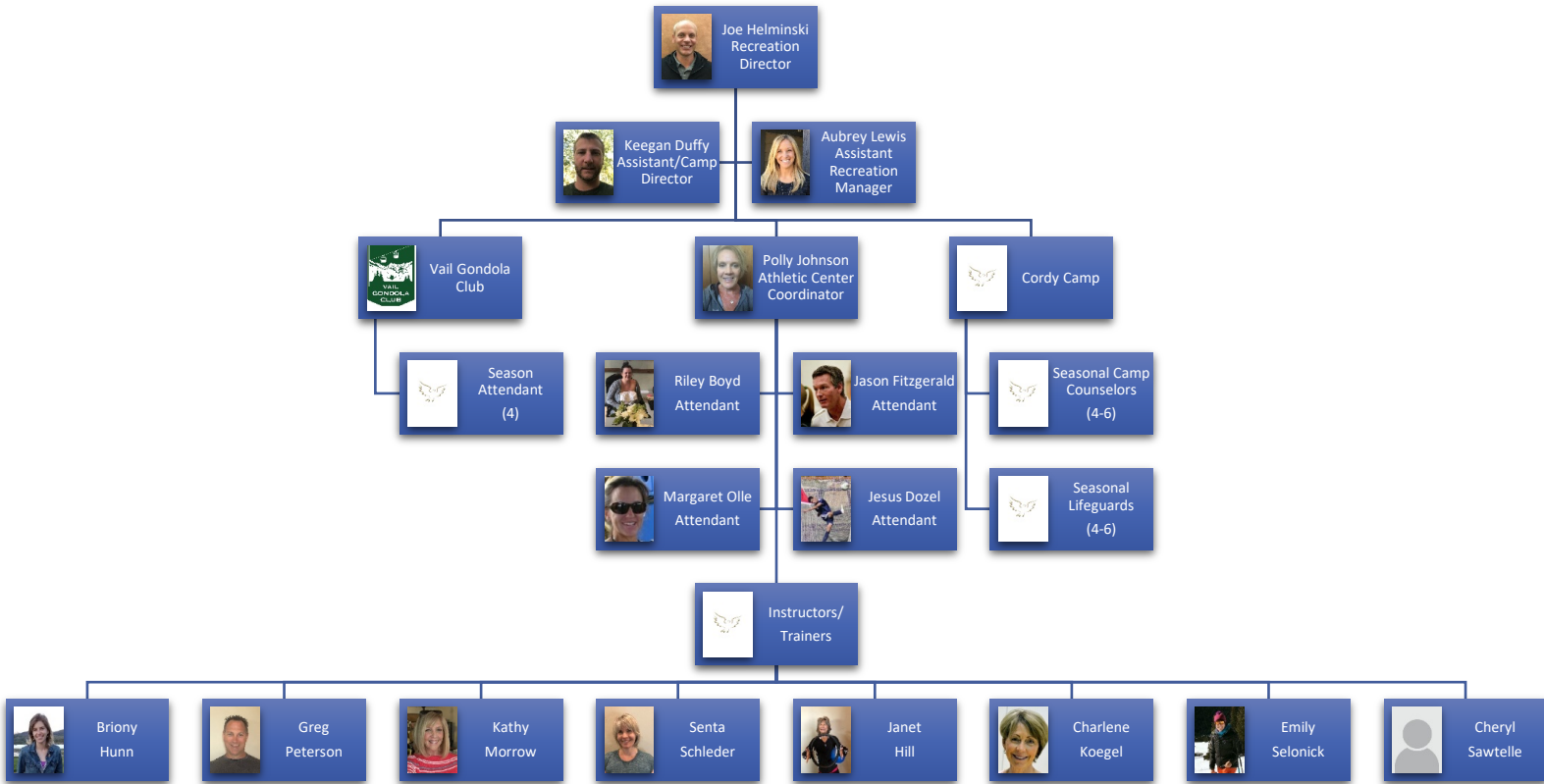
EQUESTRIAN CENTER



COMMUNITY OPERATIONS



RECREATION



STRATEGIC PLAN AT A GLANCE

Govern effectively.

Evaluate and provide support to the General Manager.

Recruit and orient new Directors and assess Board performance.

Ensure financial, legal and ethical integrity and maintain accountability.

Conduct strategic planning and evaluate progress towards goals.

Enhance Cordillera's public standing.

Support staff development and implementation of annual plans.

Be an employer of choice.

Foster a high performing team.

Pay for performance and accountability.

Promote a culture of learning.

Support the wellness of employees and families.

Engage and recognize employees.

Promote the Cordillera lifestyle.

Promote Cordillera's brand as the premiere luxury, mountain resort community.

Establish cordilleraliving.com as the single source for information.

Invite both community members and visitors to experience Cordillera.

Proactively engage with the Cordillera community to provide feedback.

Expose Cordillera to targeted Denver, Boulder and out-of-state audiences.

Deliver premier services.

Exceed customer expectations by providing timely, professional and effective services.

Inspire community pride and participation.

Foster a healthy, active community.

Manage infrastructure, maintenance and engineering services.

Provide a safe and secure community.

Ensure high quality architectural design in Cordillera.

2018 SUCCESSES TO DATE

Administration

- Administered a community survey that resulted in a response rate of 66 percent of properties (475 unique households with 630 respondents)
- Formed the Strategic Planning Committee and organized a series of meetings
- Issued an RFP for strategic planning services, hosted and interviewed potential firms, executed contract with Resonance Consultancy and coordinated first phase of project
- Hosted monthly coffee talks for members of the community to talk with board members
- Supported the New Homeowner Welcome committee formation and monthly Friday Afternoon Gatherings
- Conducted a post office audit and reassignment of boxes
- Coordinated both a CMD and CPOA election
- Collected delinquent accounts funds: started 2018 at \$320,282 down to \$237,730 outstanding
- Completed the 2017 Audit
- Updated payroll and accounting software to include automations for payroll
- Instituted electronic processing of bank records including deposits, reconciliations, statements, invoices and check
- Implemented process improvements with accounts payable/receivable
- Offered shredding services to property owners
- Coordinated and implemented fire restrictions. Responded to Red Canyon II wildfire
- Executed communication and advertising campaigns
- Worked with Eagle County on Hardscrabble Ranch and Trail Gulch access from Cordillera to Brush Creek Valley
- Coordinated with volunteers from the Eagle County Rummage Sale to ID and locate a new venue for the annual event
- Initiated emergency planning efforts; executed a contract for the development of an emergency response plan

Recreation

- Executed the Vail Gondola Club lease extension
- Maintained 200 memberships with five sales at the Vail Gondola Club. The Club had 10,651 unique skier visits in 2017/2018
- Welcomed nearly 17,000 facility users at the ACC averaging 46 per day
- Welcomed over 4,000 swimmers at the Trailhead pool from May to September
- Offered activities to an average of 31 campers per day at Cordy Camp, up 15 percent from 2017
- Offered 13 complimentary fitness classes to property owners
- Initiated the Trailhead Pool assessment, design considerations and planning
- Opened the Short Course from 8 a.m. to 6 p.m. CPOA and Club members played for free. Carts were available.
- Held multiple community enrichment events including concerts, a safety event, pickleball and tennis clinics, a football party and wine tastings
- Implemented a pilot riding lesson program at the CEC
- Boarded and cared for 37 horses

Community Operations

- Contracted with a new fly fishing outfitter to manage the ponds and river parcels
- Initiated the Short Course ponds and water feature repair capital project
- Revised Cordillera Dog Park Rules and Regulations
- Performed weed mitigation throughout Cordillera on private and District-owned lands
- Completed capital improvement project including the Trailhead and Divide gate roof repairs, trash shelters construction, aeration systems replacement, maintenance floor resurfacing

- Completed the 2018 road program including paving on Fenno, installing a new CEC bridge, road shouldering and raising settled manhole covers
- Implemented traffic calming techniques including installing speed bumps and road decals
- Installed 88 light fixtures, repaired faulty wiring and installed 200 feet of irrigation pipe at the CEC
- Maintained 33 miles of hiking trail, 1.3 miles of river and 6 fishing beats, 40 miles of roads, 60 large pieces of equipment, 83,000 sq./ft. of facilities in 10 buildings, 82 fire hydrants, 117,200 gallons of water in property pools and 110 streetlights
- Assessed shared driveways and executed access easements
- Completed the Athletic Center improvements including installing a new entryway, flooring, new boilers, and keyless lockers and repairing the tennis/pickleball courts and windscreen
- Managed the Douglas Fir Beetle with anti-aggregation pheromone packets both on private and District-owned property and with the use of trap trees

Public Safety

- Responded to over 500 calls
- Managed yearly weight restrictions
- Purchased and installed new supra boxes on homes
- Offered CPR and First Aid Training to homeowners
- Facilitated planning sessions to shape the service model, essential functions, core competencies, trainings, roles and responsibilities for public safety
- Held a safety event which included presentations from partner organizations Eagle River Fire Protections District, Eagle County Sheriff's Office (ECSO) and Sustainable Communities and Eagle County Paramedic Services
- Hosted ECSO to teach a self-defense and personal safety class

CMD 2019 BUDGET OVERVIEW

Proposed 2019 Budget

	Revenues	Expenditures	Transfers In/Out	Increase (Decrease) Fund Balance	Projected Fund Balance
General Fund	6,544,152	(5,222,789)	(1,200,000)	121,363	1,980,876
CMD Debt Service Fund	1,911,984	(2,062,563)	202,096	51,517	2,051
CMMD Debt Service Fund	823,627	(1,128,307)	251,500	(53,180)	771,365
Debt Service Reserve Fund	0	0	(53,596)	(53,596)	62,175
Water Enterprise Fund	0	0	0	0	2,204,592
Capital Projects Fund	10,003	(1,251,500)	1,200,000	(41,497)	3,561
Total - All Funds	\$9,289,766	(\$9,665,159)	\$400,000	\$24,607	\$5,024,620

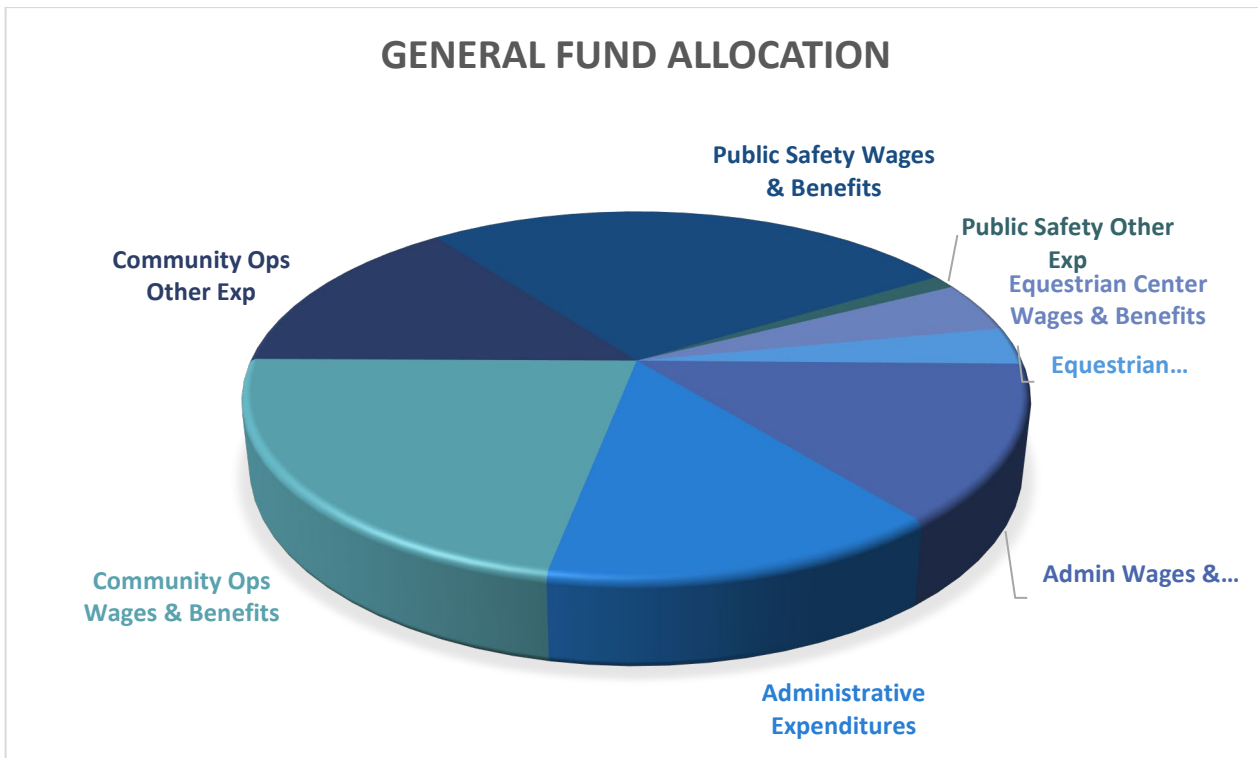
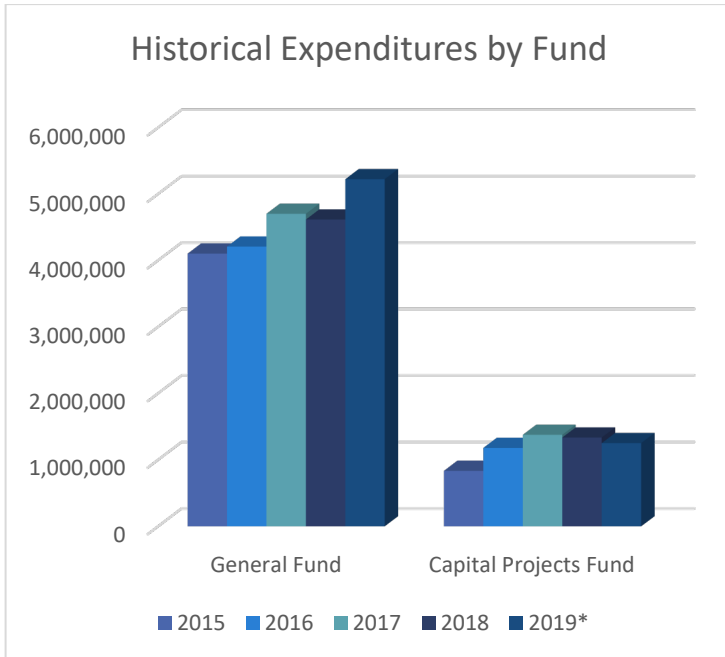
2018-2019 Comparison

	Projected 2018	Proposed 2019	% Increase/ Decrease
<u>Revenues By Fund</u>			
General Fund	6,039,617	6,544,152	8.35%
CMD Debt Service Fund	1,691,211	1,911,984	13.05%
CMMD Debt Service Fund	794,361	823,627	3.68%
Water Enterprise Fund*	18,564	0	-100.00%
<u>Expenditures By Fund</u>			
General Fund	4,615,190	5,222,789	13.17%
CMD Debt Service Fund	2,059,916	2,062,563	0.13%
CMMD Debt Service Fund	1,001,836	1,128,307	12.62%
Water Enterprise Fund*	0	0	0.00%
Capital Projects	1,335,477	1,251,500	-6.29%

*Fees collected from ERWSD were terminated early 2018

	2015	2016	2017	2018	2019*
General Fund	4,102,171	4,207,990	4,701,853	4,615,190	5,222,789
Capital Projects Fund	834,745	1,179,580	1,376,447	1,335,477	1,251,500
Total	\$4,936,916	\$5,387,570	\$6,078,300	\$5,950,667	\$6,474,289

*proposed

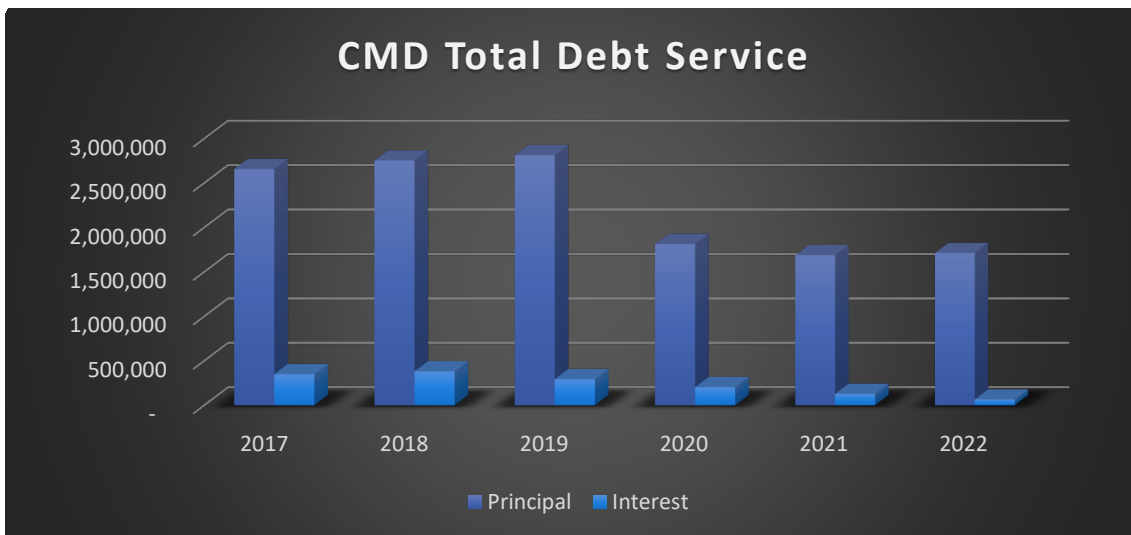


CMD DEBT SERVICE

Debt Service

Bonds and Interest
 Maturing in the Year
 Ending December 31

	Total CMD & CMMD	Total CMD & CMMD
	<u>Principal</u>	<u>Interest</u>
2017	2,660,000	350,640
2018	2,755,000	382,493
2019	2,815,000	294,791
2020	1,815,000	204,129
2021	1,690,000	129,959
2022	1,715,000	66,214
	<u>13,450,000</u>	<u>1,428,226</u>



CMD REVENUE

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CMD Operating Mill Levy	22.009	22.933	20.691	21.135	31.478	31.579	39.691	42.091	36.111	38.034	41.519	43.886
CMD Debt Mill Levy	23.165	23.165	19.663	19.663	26.535	22.72	25.48	25.74	21.574	20.797	21.88	21.88
CMMD Debt Mill Levy	37.22	37.22	33.273	33.273	60.728	56.804	57.077	54.928	41.589	41.478	39.85	39.85

CMD Operating Mill Levy Increase 5.5%: 43.886
 Additional Revenue in 2019: \$211,242

Impact to Property Owners:
 Residential Home- per \$1m \$164.74
 Vacant Land-per \$100k \$66.35

WATER FUND

	2015	2016	2017	2018	2019*
Revenue	251,349	254,128	105,871	18,564	0
Expenditures	0	0	0		0
Revenue Over (Under) Exp	251,349	254,128	105,871	18,564	0
Ending Fund Balance	\$1,822,024	\$2,076,152	\$2,182,023	\$2,200,587	\$2,200,587

*proposed

CMD ADMINISTRATION

	2015	2016	2017	2018	2019*
Admin Wages & Benefits	576,989	601,844	556,168	559,596	741,899
Legal	146,273	258,038	201,634	90,350	87,000
Utilities	12,209	9,812	4,918	12,560	13,295
Insurance	68,704	65,502	7,502	73,670	75,880
Other G&A Expenditures	373,324	475,866	790,748	556,221	532,664
Total	\$1,177,499	\$1,411,062	\$1,560,970	\$1,292,397	\$1,450,738

*proposed

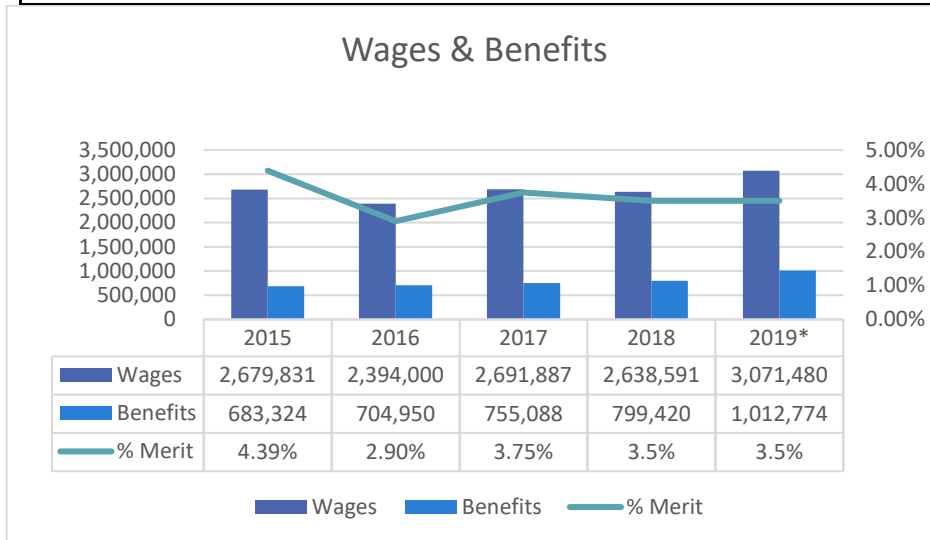
WAGES AND BENEFITS

Historical Wages & Benefits

	2015	2016	2017	2018	2019*
Wages	2,679,831	2,394,000	2,691,887	2,638,591	3,071,480
Benefits	683,324	704,950	755,088	799,420	1,012,774
% Merit	4.39%	2.90%	3.75%	3.5%	3.5%
FTE	56.81	55.43	53.56	54.06	58.06

Wages & Benefits by Department

	2018	2019	% change 2018 vs 2019
Administration	446,244	580,018	29.98%
Communications	76,051	78,340	3.01%
Community Operations	763,741	816,470	6.90%
Equestrian	147,657	166,968	13.08%
Public Safety	730,678	960,208	31.41%
Recreation	402,685	384,475	-4.52%
Benefits (all departments)	785,954	1,012,774	28.86%
Overtime	95,000	85,000	-10.53%



The differences in wages and benefits from 2018 to 2019 include the following:

- Hiring a Finance Manager and two Public Safety Officers for night patrols in 2018 (all of which were included in the 2017 budget as full time employees (FTE), but budgeted as contracted services in 2018 and included again in the 2019 budget as FTEs)
- 4.25 new positions are included in the budget for consideration as new FTEs in 2019 (Compliance Coordinator (1), Public Safety Officers (1.5), Barn Hand (.25), Community Operations Weeds (.5) and IT Security Systems Administrator (1))
- Therefore, the 2019 budget includes 7.25 FTEs more than the 2018 budget but reduces other contracts/line-items

COMPENSATION

Compensation (Compa) ratio is calculated at the employee's current salary divided by the current pay grade midpoint. Each position has a salary range that includes a minimum, a midpoint and a maximum. Compa-ratio qualifiers: <100% paying below market rate, 100% at the market rate and >100% paying above market rate.

Merit pay for performance increases the employee's salary on a long-term basis. The projected 2019 budgeted includes 3.5 merit pool.

Compa-ratios, performance and tenure are reviewed annually for each employee and then pay adjustments and merit are distributed accordingly.

Hiring

Review market, Employers Council and local comparable data. Consider experience and hire within in pay grade versus automatically hire at minimum.

Additional FTE Considerations

Compliance Coordinator 1 FTE

Reduced DRB administration contract by \$31,200 for FTE. 2019 budget includes \$31,200 for contract.

Duties include: CCR and DRB compliance, patrol, limited community planner functions (easements, etc.)

Position split with 60% CPOA and 40% CMD.

Public Safety Officers 1.5 FTE

Public safety officer to fill gate or patrol for administration, training and coverage. Public safety officer for 0.5 FTE at CVC for 24/7 gate coverage.

Eliminated 1 seasonal position.

Community Operations 0.5 FTE

Removed weed contract for \$38,800.

Barn Hand 0.25 FTE (summer seasonal)

Information Technology Security Systems Administrator 1 FTE

Reduced IT contract by \$30,000 and reallocated admin temp for \$20,800.

Duties include: enhancing public safety security systems and maintaining computers, cameras, gates, phones, DSX, ABDI, GPS, Facility Dude, Traffic Radar, Fleet, etc.

Note: Titles, job descriptions and pay grade to be determined.

MEDICAL, DENTAL AND VISION BENEFITS

2016

Age banded rates for fully insured groups under 100 went into effect 1/1/16. If CMD would have renewed as-is for 1/1/16, the age-banded rates would have been a 59 percent increase to the budget. As a result, Hays and CMD worked to change the renewal effective date to 12/1/15, bringing the renewal to about 1 percent increase by avoiding the age-banding.

2017

For the 2017 renewal, age-banded rates were unavoidable. Fully insured groups over 100 were estimated to receive a 12-15 percent increase on *average* for 2017, but for age-banded groups like CMD the estimates were approximately 59 percent again. United Healthcare provided a quote with a 38 percent increase.

CMD changed to level-funded agreement with Cigna, the contract started on 11/1/16 and renewed for 14 months on 1/1/18 for a decrease of 7.5 percent for medical rates. CMD also moved to a level-funded arrangement for dental with Cigna with a decrease of approximately 5 percent and a self-funded arrangement for vision through Cigna with a decrease of 35.8 percent.

In a level funded arrangement, the employer pays a set premium to the carrier each month that only fluctuates based on enrollment. However, claims are also tracked, so if, at the end of the year, the employer paid more in premium to the carrier than claims were paid, the employer gets paid back a portion of that surplus (the 50 or 67 percent as mentioned above). For example, if an employer pays \$200,000 to a carrier but only \$180,000 in claims were paid, the surplus would be \$20,000. The employer would then be returned a portion of that surplus, depending on what it elects.

The switch from United Healthcare to Cigna resulted in a 7.5 percent decrease, \$20,000 stop loss deductible and 67 percent surplus return. In total, by selecting a new insurance provider, changing our open enrollment date and bundling medical, dental and vision, rates decreased by 9 percent and avoided a 38 percent health insurance increase because of rate banding. Employee premiums remained flat for 2017.

CMD changed life insurance carriers from Lincoln Financial to Mutual of Omaha resulting in a savings of 6 percent.

2018

Negotiated health insurance increase to 16 percent down from 48 percent. CMD changed the stop loss to \$25,000 and surplus to 50 percent. Employee premiums for employees with children, spouse or family increased accordingly.

2019

In negotiation, current estimate from Cigna is a 20.9 percent increase. Anthem provided a quote for 19.7 percent increase with significant plan design changes. Hays is negotiating and obtaining additional quotes. The projected 2019 budget includes an increase of 15 percent for health, dental and vision.

PREMIUMS

	2014	2015	2016	2017	2018
Medical					
Employee (EE)	\$0	\$0	\$0	\$0	\$0
EE+ Spouse	\$1,670.99	\$1,258.48	\$317.77	\$317.77	\$368.53
EE + Child	\$1,511.82	\$1,138.61	\$287.50	\$287.50	\$333.41
EE + Family	\$2,387.11	\$1,797.82	\$453.95	\$453.95	\$526.49
Employer Contribution	EE \$ EE+SP \$0 EE+C \$0 EE+F \$0	EE \$ EE+SP \$0 EE+C \$0 EE+F \$0	EE \$605.26 EE+SP \$953.30 EE+C \$862.50 EE+F \$1,361.85	EE \$560.13 EE+SP \$858.51 EE+C \$776.75 EE+F \$1,226.43	EE \$650.07 EE+SP \$996.38 EE+C \$901.45 EE+F \$1423.46
EE Medical			26	23	27
EE + others Medical			6	16	14
Dental					
EE	\$0	\$0	\$0	\$0	\$0
EE+ Spouse	\$83.02	\$88.83	\$23.75	\$23.75	\$23.75

EE + Child	\$89.47	\$95.73	\$25.60	\$25.60	\$25.60
EE + Family	\$140.36	\$150.19	\$40.16	\$40.16	\$40.16
CMD Contribution	EE \$41.08 EE+SP \$0 EE+C \$0 EE+F \$0	EE \$43.96 EE+SP \$0 EE+C \$0 EE+F \$0	EE \$47.01 EE+SP \$71.25 EE+C \$76.79 EE+F \$120.47	EE \$41.81 EE+SP \$60.73 EE+C \$65.46 EE+F \$102.70	EE \$41.81 EE+SP \$60.73 EE+C \$65.46 EE+F \$102.70
EE Dental			24	23	24
EE + others Dental			9	16	17
Vision					
EE	\$7.42 (0)	\$7.22 (0)	\$0	\$0	\$0
EE + Spouse	\$14.09	\$13.68	\$3.52	\$3.52	\$3.52
EE + Child	\$14.83	\$14.40	\$3.71	\$3.71	\$3.71
EE + Family	\$21.79	\$21.16	\$5.45	\$5.45	\$5.45
Employer Contribution	EE \$ EE+SP \$0 EE+C \$0 EE+F \$0	EE \$ EE+SP \$0 EE+C \$0 EE+F \$0	EE \$7.42 EE+SP \$10.57 EE+C \$11.12 EE+F \$16.34	EE \$5.19 EE+SP \$6.86 EE+C \$6.77 EE+F \$11.28	EE \$5.19 EE+SP \$6.86 EE+C \$6.77 EE+F \$11.28
EE Vision			24	21	23
EE + others Vision			9	17	19
Defined Contribution	\$848.34 benefits \$434.26 w/ out benefits	\$655.84 benefits \$434.26 w/ out benefits	\$0	\$0	\$0

NOTE: 2019 premiums will be further discussed at the board meeting.

RETIREMENT

CMD has decided to change retirement advisors and administrators to Hays Consulting and Empower. The conversion process is underway and liquidation is scheduled for December 13, 2018. CMD employees will see at least \$26,350 in savings next year (which will grow as assets accrue) and better services.

	2014	2015	2016	2017	2018
Retirement Contributions and Matching	6.2 % match 401(a) 25 % match 457	6.2 % match 401(a) 25 % match 457	6.2 % match 401(a) 25 % match 457	6.2 % match 401(a) 25 % match 457	6.2 % match 401(a) 25 % match 457

NOTE: 2019 contributions and matching will be further discussed at the board meeting.

OTHER BENEFITS

	2014	2015	2016	2017	2018	2019
Holidays	6	6	6	9	9	9
Wellness	Ski pass or \$500	Ski pass or \$500	Ski pass or \$500	Ski pass or \$500	Ski pass or \$400	Ski pass or \$400

PTO	0-3 yrs = 192 hrs	0-3 yrs = 192 hrs	0-3 yrs = 192 hrs	0-3 yrs = 192 hrs	0-3 yrs = 192 hrs	0-3 yrs = 192 hrs
	4-5 yrs = 208 hrs	4-5 yrs = 208 hrs	4-5 yrs = 208 hrs	4-5 yrs = 208 hrs	4-5 yrs = 208 hrs	4-5 yrs = 208 hrs
	5+ yrs = 232 hrs	5+ yrs = 232 hrs	5+ yrs = 232 hrs	5+ yrs = 232 hrs	5+ yrs = 232 hrs	5+ yrs = 232 hrs

WORKERS' COMPENSATION

The experience modification (emod) factor is a multiplier used to calculate workers' compensation premium. It shows how the organization's workers' compensation claims experience compares to other businesses similar in size and types of jobs. If claims history is average among similar businesses, the e-mod will be 1.0. If the e-mod is:

Above 1.0 it means business' claims history is **worse** than peers.

Below 1.0 it means business' claims history is **better** than peers.

An e-mod less than 1.0 directly reduces the premium amount paid. The lower your e-mod, the greater the reduction. The e-mod usually considers three years of claims history, excluding the most recent policy year. For example, the e-mod for a policy period beginning January 1, 2018, includes claim costs for the policy periods beginning: January 1, 2014, January 1, 2015 and January 1, 2016.

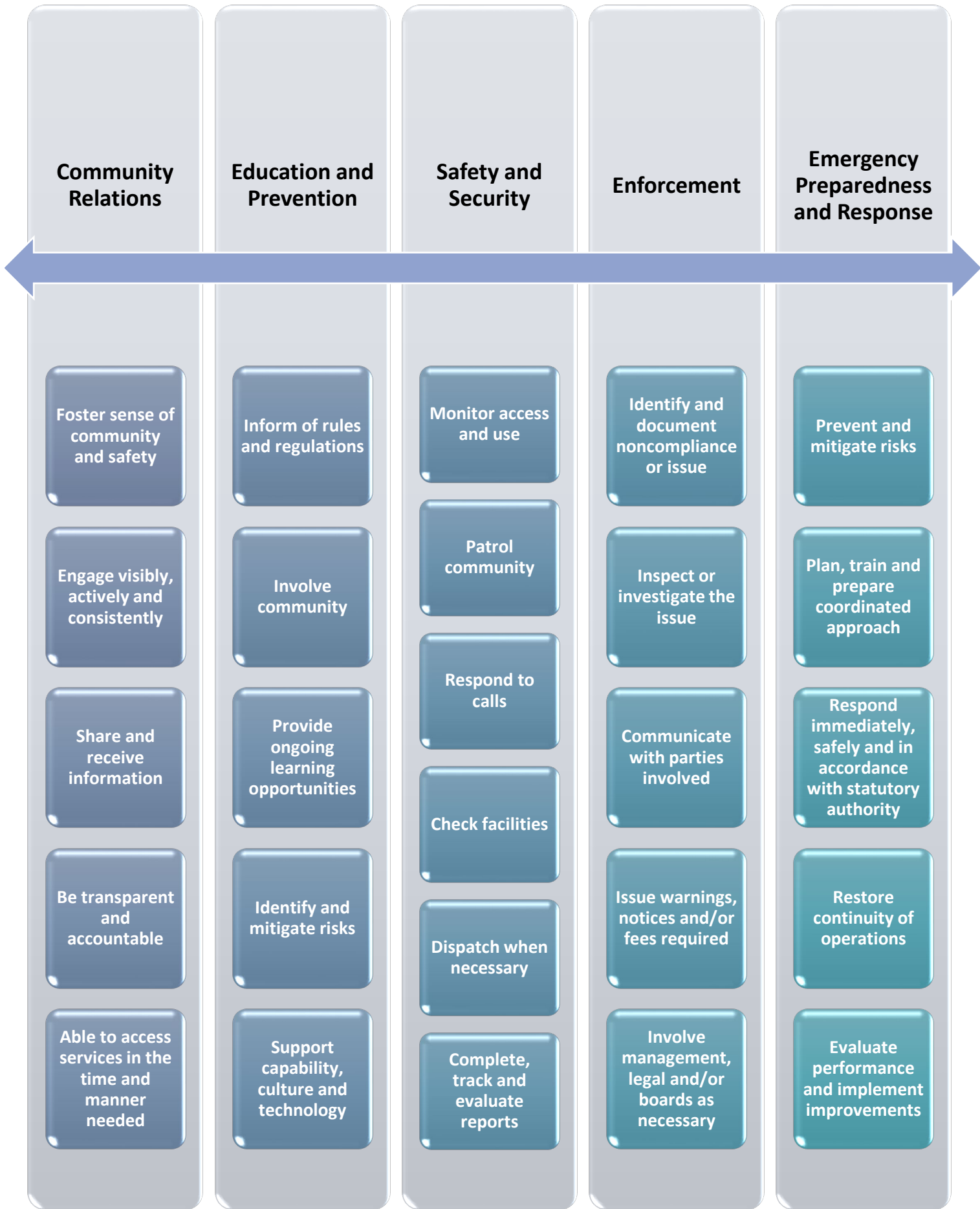
	2014	2015	2016	2017	2018	2019
Emod	1.27	1.38	1.49	1.88	1.54	1.20
Claims	9	18	9	3	4	
Premium	\$59,878	\$75,268	\$78,876	\$112,975	\$116,409	\$128,964*

*2019 quote not yet received.

PUBLIC SAFETY

	2015	2016	2017	2018	2019*
Expenses:					
Wages & Benefits	1,052,625	1,048,959	1,053,338	1,024,777	1,386,149
Other Expenditures	35,573	35,122	51,809	69,165	42,208
Utilities	0	15,755	15,638	16,217	20,391
Total Expenses	\$1,088,198	\$1,099,836	\$1,120,785	\$1,110,159	\$1,448,748

*proposed



CORDILLERA VALLEY CLUB PUBLIC SAFETY CONTRACT

Cordillera Metropolitan District
Intergovernmental Service Fee Agreement - Cordillera Valley Club
2019 Fee Calculation
24/7 Service Model- Under Consideration

	Approved 2018 CVC Fee	Proposed 2019 CVC Fee	2018-2019 Difference
<u>Cordillera Metro District Reimbursable Expenses:</u>			
Wages & Benefits			
Administration	\$ 11,178.00	\$ 32,564.00	\$ 21,386.00
Public Safety Management	\$ 37,701.00	\$ 40,027.60	\$ 2,326.60
Public Safety Gate Officers	\$ 237,293.00	\$ 324,099.75	\$ 86,806.75
Overtime	\$ 15,000.00	\$ 15,000.00	\$ -
Custodial		\$ 1,478.00	\$ 1,478.00
<i>Total Wages & Benefits</i>	\$ 301,172	\$ 413,169	\$ 111,997
Cordillera Metro District Operating Expenses			
CPR/First Aid Training	\$ 125.00	\$ 125.00	
Winter Driving Training		\$ 325.00	
Emergency Preparedness Training		\$ 200.00	
Discretionary Training	\$ 800.00	\$ 400.00	(400)
Uniforms	\$ 2,400.00	\$ 1,940.00	\$ (460.00)
Stickers		\$ 500.00	\$ 500.00
Emergency Planning Consultant		\$ 6,000.00	\$ 6,000.00
ABDI Modules		\$ 7,807.00	\$ 7,807.00
<i>Total CMD Operating Expenses</i>	\$ 3,325.00	\$ 17,297.00	\$ 13,447.00
TOTAL ANNUAL CMD SERVICE FEE	\$ 304,497.00	\$ 430,466.35	\$ 125,444.35

Cordillera Valley Club Metro Direct Costs:

Supplies

Misc. Supplies	\$	-	\$	-	\$	-
ABDI CMD Cloud Solutions Annual	\$	1,800.00	\$	1,800.00	\$	-
Comcast Internet			\$	1,368.00	\$	1,368.00
ABDI ScanFast ID Module (driver's license scanner)			\$	720.00	\$	720.00
ABDI-Video Capture Module			\$	720.00	\$	720.00
ABDI-Fastaccess Electronic Pass Module			\$	1,200.00	\$	1,200.00
ABDI-Fastaccess Pre Authorizing guest and call authorizing			\$	1,500.00	\$	1,500.00
Equipment Maintenance & Fuel	\$	3,000.00	\$	-	\$	(3,000.00)
Gate Maintenance & Repairs	\$	4,600.00	\$	4,000.00	\$	(600.00)
<i>Total Supplies</i>	\$	9,400.00	\$	11,308.00		1,908

Capital Expenses

Gatehouse Equipment Upgrades						
Gate Replacement	\$	14,000.00			\$	(14,000.00)
Gatehouse Remodel			\$	20,000.00	\$	20,000.00
Computer, Monitor and Reconfiguration			\$	5,000.00	\$	5,000.00
Cameras			\$	18,975.00	\$	18,975.00
<i>Total Capital Expenses</i>	\$	14,000	\$	43,975.00	\$	29,975.00

TOTAL ANNUAL PUBLIC SAFETY EXPENSES (CMD+CVC)

\$ 327,897.00	\$ 485,749.35	\$ 157,327.35
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Cordillera Metropolitan District
Intergovernmental Service Fee Agreement - Cordillera Valley Club
2019 Fee Calculation
20/7 Service Model- Under Consideration

	Approved 2018 CVC Fee	Proposed 2019 CVC Fee	2018-2019 Difference
<u>Cordillera Metro District Reimbursable Expenses:</u>			
Wages & Benefits			
Administration	\$ 11,178.00	\$ 32,564.00	\$ 21,386.00
Public Safety Management	\$ 37,701.00	\$ 40,027.60	\$ 2,326.60
Public Safety Gate Officers	\$ 237,293.00	\$ 243,260.34	\$ 5,967.34
Overtime	\$ 15,000.00	\$ 15,000.00	\$ -
Custodial		\$ 1,478.00	\$ 1,478.00
<i>Total Wages & Benefits</i>	\$ 301,172	\$ 332,330	\$ 31,158
Cordillera Metro District Operating Expenses			
CPR/First Aid Training	\$ 125.00	\$ 125.00	
Winter Driving Training		\$ 325.00	
Emergency Preparedness Training		\$ 200.00	
Discretionary Training	\$ 800.00	\$ 400.00	(400)
Uniforms	\$ 2,400.00	\$ 1,940.00	\$ (460.00)
Stickers		\$ 500.00	\$ 500.00
Emergency Planning Consultant		\$ 6,000.00	\$ 6,000.00
ABDI Modules		\$ 7,807.00	\$ 7,807.00

<i>Total CMD Operating Expenses</i>	\$ 3,325.00	\$ 17,297.00	\$ 13,447.00
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TOTAL ANNUAL CMD SERVICE FEE	\$ 304,497.00	\$ 349,626.94	\$ 44,604.94
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Cordillera Valley Club Metro Direct Costs:

Supplies

Misc. Supplies	\$ -	\$ -	\$ -
ABDI CMD Cloud Solutions Annual	\$ 1,800.00	\$ 1,800.00	\$ -
Comcast Internet		\$ 1,368.00	\$ 1,368.00
ABDI ScanFast ID Module (driver's license scanner)		\$ 720.00	\$ 720.00
ABDI-Video Capture Module		\$ 720.00	\$ 720.00
ABDI-Fastaccess Electronic Pass Module		\$ 1,200.00	\$ 1,200.00
ABDI-Fastaccess Pre Authorizing guest and call authorizing		\$ 1,500.00	\$ 1,500.00
Equipment Maintenance & Fuel	\$ 3,000.00	\$ -	\$ (3,000.00)
Gate Maintenance & Repairs	\$ 4,600.00	\$ 4,000.00	\$ (600.00)

Total Supplies	\$ 9,400.00	\$ 11,308.00	1,908
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Capital Expenses

Gatehouse Equipment Upgrades			
Gate Replacement	\$ 14,000.00		\$ (14,000.00)
Gatehouse Remodel		\$ 20,000.00	\$ 20,000.00
Computer, Monitor and Reconfiguration		\$ 5,000.00	\$ 5,000.00
Cameras		\$ 18,975.00	\$ 18,975.00

Total Capital Expenses	\$ 14,000	\$ 43,975.00	\$ 29,975.00
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TOTAL ANNUAL PUBLIC SAFETY EXPENSES (CMD+CVC)	\$ 327,897.00	\$ 404,909.94	\$ 76,487.94
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Administration \$32,564.00

6% Administration

GM	1.2 hours a week; 62.4 hours a year	3%	Management; Board Meetings
HR	1.2 hours a week; 62.4 hours a year	3%	Recruitment, onboarding, benefit administration, personnel support, trainings, etc.
Finance	1.2 hours a week; 62.4 hours a year	3%	AP/AR, payroll and contract management
Communications	1.2 hours a week; 62.4 hours a year	3%	Newsletters, emergency communications, safety events and trainings
Information technology Systems Administrator	6 hours a week; 312 hours a year	15%	Research, plan and execute security system improvements (computers, cameras, gates, ADBI, etc.)
Front Desk	4 hours a week; 208 hours a year	10%	Issue transponders, contractor/service provider stickers and guest passes

Note: Costs not included: Hays Benefit Consulting, Civic Plus, ADP, CYMA

Management \$40,027.60

Management

Director	8 hours a week; 416 hours a year	20%	Management, staff supervision, scheduling, protocol development, training, etc.
Manager	8 hours a week; 416 hours a year	20%	Same as above

24/7 Officers \$324,099.75

5.5 FTE

Gate Officer	40 hours a week; 2080 hours a year
Gate Officer	40 hours a week; 2080 hours a year
Gate Officer	40 hours a week; 2080 hours a year
Gate Officer	40 hours a week; 2080 hours a year
Gate Officer	20 hours a week; 1040 hours a year
Patrol Officer	40 hours a week; 2080 hours a year; at least 3 1.5 hours daily patrols and other time for response to calls/issues

20/7 Officers \$243,260.34

4.5 FTE

Gate Officer 40 hours a week; 2080 hours a year
 Gate Officer 40 hours a week; 2080 hours a year
 Gate Officer 40 hours a week; 2080 hours a year
 Gate Officer 20 hours a week; 1040 hours a year

Patrol Officer 20 hours a week; 1040 hours a year;
 at least 2 1 hours daily patrols and
 other time for response to
 calls/issues

Custodial \$1,428

Custodial 1.2 hours a week; 62.4 hours a year

Overtime \$15,000

CMD Operating Expenses \$17,297

CPR/First Aid Training	\$125.00	
Winter Driving Training	\$325.00	
Emergency Preparedness Training	\$200.00	
Discretionary Training	\$400.00	
Uniforms	\$1,940.00	
Stickers	\$500.00	Contractor and Service Provider Stickers
		Discovery Meetings Hazard Vulnerability Assessment Table Top Exercise Emergency Operations Plan Incident and Consequences Specific Appendices Training
Emergency Planning Consultant	\$6,000.00	Full Scale Exercise Evaluation and Continuity Plan ABDI ScanFast ID Module (driver's license scanner) ABDI Video Capture Module
		ABDI-Guest Lane License Plate Recognition Module
ABDI Modules	\$7,807.00	ABDI-Fastaccess Electronic Pass Module

Supplies \$11,308

ABDI CMD Cloud Solutions Annual	\$1,800.00	Ongoing annual service charge
Comcast Internet	\$1,368.00	Ongoing annual service charge
ABDI ScanFast ID Module (driver's license scanner)	\$720.00	Ongoing annual service charge
ABDI- ideo Capture Module	\$720.00	Ongoing annual service charge
ABDI-Fastaccess Electronic Pass Module	\$1,200.00	Ongoing annual service charge
ABDI-Fastaccess Pre Authorizing guest and call authorizing	\$1,500.00	Ongoing annual service charge
Equipment Maintenance & Fuel	\$ -	Ongoing annual service charge
Gate Maintenance & Repairs	\$4,000.00	Ongoing annual service charge

Capital Expenses \$43,975

Gatehouse Remodel	\$20,000.00	Includes new flooring, AC/Heat, paint, drywall work, cabinets, toilet, vanity, countertops and LED lighting
Computer, Monitor and Reconfiguration	\$5,000.00	Purchase computer, screens and gate house rewiring
Cameras	\$18,975.00	Replace existing cameras and four additional

Security System Improvements Description (Personnel, Operating, Supplies and Capital)

Current Technology-In Development

ABDI:

- Guest List: Residents manage their guest information. Multiple party/event guest lists can be easily entered for the date of the event
- Contact Information: Residents update their email addresses and telephone numbers
- Entry Records: Residents view a report on who has been granted access to their property. The report can be filtered to show the specific information desired *
- Vacation Notification: Residents notify security of when they are out of town
- Pet Information: Residents can register their pets including uploading pictures
- Resident Directory: Residents select information that their neighbors can view
- Login Information: Residents can change their username and password
- Overview: Residents view community news, telephone directory and document library (financial reports, community rules/regulations, emergency preparedness, etc.)

The information technology Systems Administrator, with support of other staff, will evaluate the current technology system and identify gaps for improvements and efficiencies with a greater emphasis on security. Initial evaluations have identified the need for a new camera system and additional ABDI modules/capabilities.

Cameras

The Cordillera Valley Club is host to two different camera systems that are monitored by public safety. The existing cameras include: license plate cameras at each exit and entrance, call box cameras and lane cameras with 12 cameras between the west and east gates. The budget includes a proposal to replace all existing cameras and to add an additional four cameras throughout the community. The camera system proposal also includes a panic button installed in the gate house for public safety staff which will link directly to a third party to call 911. Updating all the CVC cameras onto the same platform would allow public safety patrol to view any given area from an iPad app. New camera system will also be integrated into the new ABDI modules.

Additional ABDI Modules

ScanFast ID (driver's license) Scanner simplifies the guest authorization process by allowing the gate attendant to scan a guest's photo ID. The module detects the type of identification being used and extracts the guest information from the ID and enters it into the guest entry log. Photograph from the ID is also recorded in the database which can be retrieved by staff as needed. In addition, this module can identify contractors, vendors, real estate agents and other professional service providers.

Video Capture Module integrates into the existing license plate and IP-based camera system. Photos of guests entering the property can be recorded into the CMS database. Photos will be attached to the entry record putting a face with a name.

Guest Lane License Plate Recognition Module uses Platesmart vehicle recognition software to auto-populate the license plate number, state and vehicle make in the CMS entry log. A photo will also be captured from the license plate camera and recorded in the system. When the system recognizes a license plate on subsequent entries, the entry log of resident with that person on their active guest list would pop up for staff review.

Officer Pulse is a customizable software that enables the patrol the ability to report security and service/maintenance conditions in real time. It can retrieve real-time property owner information while on the road and complete incident reports on-site through the use of an iPad app.

Property Pulse is a customizable software that supports compliance inspections by documenting CC&R violations, DRB requirements or following up on the completion of outstand work orders. It is used through an iPad app.

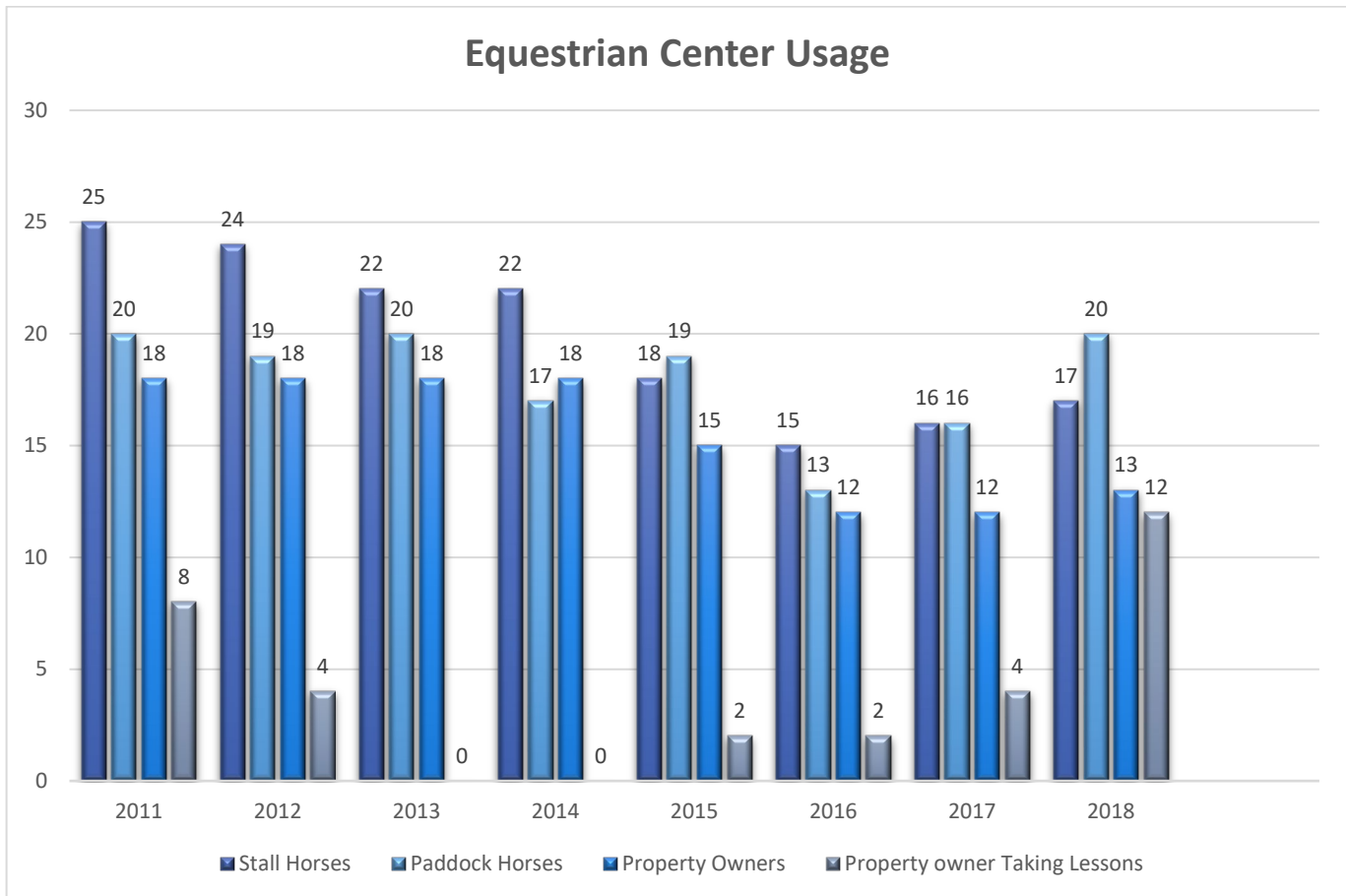
Mass Notification System uses property owner information through gateaccess.net to send mass notifications to property owners by neighborhoods or street names or to the whole community in case of emergencies. Examples of types of notifications include: email, text message or voice message for emergency situations, or construction or maintenance notifications. One time set up fee and priced by the type of message and the number of recipients.

Guest Electronic Access Pass allows residents to issue electronic guest passes or guest pass vouchers from their computer or smartphone. This is sent directly to the guest through email or smartphone and the gate attendant will scan the code with a handheld scanner. These barcodes can be a onetime entry or have an expiration date for extended stay guests.

EQUESTRIAN CENTER

	2015	2016	2017	2018	2019*
Revenues:					
Boarding	398,716	318,777	318,415	304,519	363,420
Other	6,403	4,573	2,912	15,847	31,016
Lessons				1,860	20,000
Total Revenues	\$405,119	\$323,350	\$321,327	\$322,226	\$414,436
Expenses:					
Wages & Benefits	202,926	173,690	194,250	207,307	232,950
Administrative Expenditures	34,082	5,684	9,089	7,900	10,609
Boarding Expenditures	67,885	63,603	75,322	78,371	118,602
Maintenance	14,553	19,034	18,216	20,000	17,192
Utilities	24,774	21,666	22,767	30,357	25,800
Total Expenses	\$344,220	\$283,677	\$319,644	\$343,935	\$405,153
Revenue Over (Under) Expenses	\$60,899	\$39,673	\$1,683	(\$21,709)	\$9,283

*proposed



EQUINE PROGRAM	
<p>IDENTITY</p> <p>Provide individualized riding programs for Cordillera Property Owners, families and their guests.</p>	<p>PROBLEM</p> <p>Community members are only able to participate at the CEC on a limited basis unless they own and board a horse. This greatly limits this amenity's availability to all property owners thus decreasing the facility's perceived value.</p>
<p>OUR SOLUTION</p> <p>Cordillera purchases 1-2 horses, necessary tack and supplies that can be utilized as part of a well-designed equine program. This program will emphasize creating an individualized program for each participant. Our unique program design will give us a competitive advantage over other equine programs.</p>	<p>TARGET MARKET</p> <p>Cordillera property owners, their families and guests. Another possible market includes the general public.</p>
<p>THE COMPETITION</p> <p>Local outfitters providing trail rides, local riding instructors and other stables with equestrian activities. There are very few facilities or programs similar to ours.</p>	<p>REVENUE STREAMS</p> <p>Riding instruction, individualized riding experiences, clinics, equine related events, and leasing horses to trainers or boarders for riding and lessons.</p>
<p>MARKETING ACTIVITIES</p> <p>CEC Equine Program can be marketed through Cordillera communications such as the Cordillera Connection, flyers, email, TV's, etc.</p>	<p>EXPENSES</p> <ul style="list-style-type: none"> • Horses • Tack and grooming supplies • Veterinary • Farrier • Hay and manure disposal • Additional staffing June-Sept
<p>TEAM AND KEY ROLES</p> <p>The Manager and select staff members will provide horsemanship and riding instruction; this will include specialized training for staff members participating in the Equine Program. The program may involve a partnership with resident trainers.</p>	<p>MILESTONES</p> <p>As the Equine Program reaches set benchmarks additional horses may be purchased. Programming can be increased with additional horses, tack and staffing.</p> <p>Developing a Cordillera sponsored Equestrian Team to compete at local and regional shows.</p>

CEC EQUINE PROGRAM DESCRIPTION

Beginner/First-time Rider: These lessons offer a strong foundation for individuals wanting to learn basic horse care, handling and riding with a strong emphasis on safety around horses and the barn. This is also an option for a person just wanting to groom or spend time with a horse.

Level One: Develops good horsemanship skills on the ground and in the saddle. These lessons are customized to the rider's comfort and experience level and focus on teaching the basics of riding position, balance and control at a walk and trot.

Level Two: Continues to develop horsemanship skills on the ground; increased awareness of horse behavior; horse care and management; riding position, balance and control at a walk, trot and canter. More advanced riding such as trails, obstacles, arena patterns and pre-jumping exercises are introduced.

Level Three: Continues to develop more advanced skills on the ground and in the saddle. Additional opportunities for more advanced riding including: Arena games, obstacles, trail riding, jumping, dressage, reining and liberty work on the ground. If the rider is interested in purchasing a horse or having more personalized instruction they will be introduced to a resident trainer that can help them achieve these goals. In the future, if the program is successful, a Cordillera Show team may be developed.

Level Four: Refine current skills and continues to develop more advanced skills, with an emphasis on showing and competing. At this level, the rider will be referred to a resident trainer and it is highly recommended that a personal horse is purchased fitting the rider's performance goals.

Vaulting: All ages and levels welcome. This sport utilizes special equipment and encompasses gymnastics on horseback. It is great for teaching balance and increasing confidence. Students begin learning movements on a vaulting barrel and progress to movements on the horse.

Pony Rides: Small children younger than 7-years of age can enjoy a loop around the barn on one of our horses guided

EQUINE EXPERIENCES

LESSONS

Private, Semi-private. Customized to the rider's experience level.

- Private 6-10yrs \$65/45 minutes
- Private 10yrs+ \$80/1 hour
- Semi Private 10yrs+ \$50/hour/rider

INDIVIDUALIZED RIDING EXPERIENCES

1-2 participants. All levels but, all members of a group must be at a similar skill level. Approximately 2-3hrs. \$250+/person.

A unique equine experience will be planned and designed around the individual(s) interests and riding ability.

- Includes a combination of different equine related activities.
- Arena games, horse yoga, liberty work, obstacles, trail riding, vaulting, grooming, etc.

MINI-CLINIC

All levels. 1-2 participants with our horses and 1-3 open spots for boarders. Approximately 5 hrs. with a breakfast or lunch break. Cost \$500/person with our horse and \$300/boarder.

An opportunity to work on specific equestrian skills for an extended time. There will be four mini-clinics scheduled throughout a calendar year; each focused on a different discipline/topic.

- Ground work, liberty, teaching a horse a particular skill or trick, focus on a specific riding discipline or event.
- May include other boarders or be arranged by a boarder.

- May be taught by an outside instructor.

CLINICS

Level or rider may be specific to the clinic type. 6-20 participants. Cost to participant varies per clinic. If one of our horses is used for the clinic there will be a lease fee/day.

- Involves an outside clinician.
- Clinics will be set up if there is enough interest in the boarding community to adequately cover the cost of the desired clinician.

TRAINER LEASE

Depending on availability horses may also be leased by trainers and boarders for lessons and rides.

- Trainer Lesson use: \$20/hr.
- Boarder Riding (not for lesson with trainer) \$60 for first hour. Then \$15/ additional 30mins.

EQUINE EVENTS

All levels and cost vary.

- Themed rides, Champagne brunch, sunset wine ride, wildlife view ride, photography
- Clinic, Canvas and cupcakes, etc.

2019 BUDGET PROJECTIONS

Primary source of revenue from the CEC Horse Program will be fees generated from private riding lessons. Secondary revenue will come from trainers and boarders leasing CEC owned horses.

Revenues		Expenses	
Private Lessons (Oct-May) \$80.00/Lesson x 81 Lessons approx. 3/week	\$6,480.00	Hay	\$2,880
Private Lessons (June-Sept) \$80.00/Lesson X 288 lessons- approx. 2-3/day	\$11,520.00	Veterinary Routine- \$1,000 Emergency- \$1,500	\$2,500
Leasing-Trainers \$20/Lesson x 25	\$500	Ferrier	\$2,000
Leasing- Boarder or Property Owner \$60/hr. x 25	\$1,500	Manure Disposal	\$460
Estimated Total	\$20,000.00	Estimated Total	\$7,840

COMMUNITY OPERATIONS

	2015	2016	2017	2018	2019*
Expenses:					
Wages & Benefits	1,129,556	978,289	960,631	1,084,528	1,156,985
Utilities	67,002	72,312	89,410	63,363	61,849
Flowers & Mowing	144,880	164,154	163,331	180,638	182,940
Road Maintenance	133,660	127,842	131,519	140,500	143,579
Equipment Maintenance & Repair	208,508	210,205	247,395	226,400	234,525
Other Operating Expenditures	152,868	144,290	167,944	173,270	140,572
Total Expenses	\$1,836,474	\$1,697,092	\$1,760,230	\$1,868,699	\$1,920,450

*proposed

40 miles of road

Hiking Trails:

- Ranch – 17 miles of winter and 16 miles of summer trails.
- Divide – 8 miles of winter and 9 miles of summer trails.
- Summit – 4 miles of winter and 7 miles of summer trails.
 - 29 miles of winter trails
 - 32 miles of summer trails

Open Space Acreage: 3,237 acres

Total Acres: 7,263

River Parcel: 1.3 miles (CMD/CPOA owns both sides, 2.6 miles of river property counting both sides)

Fleet Size:

- 3-Admin
- 4-PS
- 6-Equestrian
- 5-Pickups/Snowplow
- 5-Large Dump/Snowplow
- 8-Comm Ops Trucks
- 11-Heavy Equipment

CMD CAPITAL IMPROVEMENT PROJECTS

\$1,251,500

Cordillera Community Operations Building Projects

\$47,500

Epoxy Coat Car Wash Floors - \$6,000

The floors in the car wash are slick and in need of resurfacing due to high use, grease and oil absorbed into the concrete. A new epoxy coat that is anti-skid will be applied to the concrete floors and limit future absorption of oil and other liquids.

Operations Building Boiler Replacement - \$41,500

The current operations boiler is from 2003 and is failing. It was scheduled for replacement in 2018. Staff wanted to extend its replacement further, but recently have had two major service calls this year totaling \$1,500. The 2019 preventative maintenance plan would be \$4,000 if not replaced.

Engineering

\$8,000

Reserve Study - \$8,000

The last reserve study was completed in 2015. Borne Engineering will work with the following data sources to update the Reserve Study:

- 20 Year Road Program Plan updated in 2016
- In 2016-2017, a computerized maintenance facility program, Facility Dude, was implemented to optimize facilities, assets and workflow. It is a cloud-based operations management software that manages reactive and preventive maintenance, tracks inventory usage, responds to critical system alarms and plans future capital needs. An on-site facility inventory was conducted and served as the basis for populating the database that is updated with each facility action. It does not include roads and parking lots.

Road Program

\$571,000

Road Maintenance - \$445,000

The proposed 2019 improvements were identified in the 20-Year Road Program Plan including the following overlays: Fenno past Cimmaron to Red Draw, Kensington Dr., Hawk's Leap Road, Eagles Glen Road, Kensington Court, Casteel Ridge and Casteel Pt.

Guide Rail Adjustment - \$99,000

The guide rail starting at the base of Fenno to the overlook has sunk into the soil with the movement of the hillside. Engineers and staff routinely monitor and evaluate the conditions and erosion. The recent evaluation has documented areas of the guide rail that have receded 20 inches from the standard of 32 inches high. The guide rail will be removed and replaced with new I-beam posts and W-rail to meet standards. In addition, the guide rail will be moved closer to the road edge for safety and to prevent further settling of the posts.

Guide Rail Addition - \$27,000

The guide rail on Fenno above Red Draw will be lengthened by 600 feet to keep homeowners and guests safe in this area during the winter. Two accidents occurred in this location in 2018.

Traffic Calming Projects

\$14,000

A Traffic Calming Study conducted in 2016 by McDowell Engineering is currently being updated. Additional recommendations will be forthcoming.

Speed Bumps - \$14,000

Four additional speed bumps will be purchased and installed at identified locations.

Security System Improvements

\$164,000

CMD Cameras

CMD has one camera system in both CMD and CPOA properties that are monitored by public safety. The existing CMD cameras include: license plate cameras at each exit and entrance gate, interior gate house view and lane overview cameras with 14 between the Divide and Ranch gate houses. The budget includes a proposal to replace all existing cameras and additional new locations at the administration building, community operations building and equestrian center. The addition of the 17 new cameras could be monitored by public safety and by staff at the administration building. New cameras include:

- Five cameras at administration building covering all exits, entrances and lobby
- Six cameras at the community operations building monitoring the car wash, recycle and trash area, the dog park and road leading up to trailer parking
- Six cameras at the equestrian center to monitor the lower barn, indoor arena, entrance road and all hallways within the main barn

Along with the camera system proposal, panic buttons would be installed in both the Divide and Ranch gates and the administration building for staff to be directly linked to a third party to call 911. The new camera

system will be integrated into the new ABDI modules listed below. Cameras can also be monitored by patrol staff while on property using an iPad app.

Additional ABDI Modules

ScanFast ID (driver's license) Scanner simplifies the guest authorization process by allowing the gate attendant to scan a guest's photo ID. The module detects the type of identification being used and extracts the guest information from the ID and enters it into the guest entry log. Photograph from the ID is also recorded in the database which can be retrieved by staff as needed. In addition, this module can identify contractors, vendors, real estate agents and other professional service providers.

Video Capture Module integrates into the existing license plate and IP-based camera system. Photos of guests entering the property can be recorded into the CMS database. Photos will be attached to the entry record putting a face with a name.

Guest Lane License Plate Recognition Module uses Platesmart vehicle recognition software to auto-populate the license plate number, state and vehicle make in the CMS entry log. A photo will also be captured from the license plate camera and recorded in the system. When the system recognizes a license plate on subsequent entries, the entry log of resident with that person on their active guest list would pop up for staff review.

Officer Pulse is a customizable software that enables the patrol the ability to report security and service/maintenance conditions in real time. It can retrieve real-time property owner information while on the road and complete incident reports on-site through the use of an iPad app.

Service Pulse is a module that includes dispatch software and an app designed for managing service and maintenance activities throughout the community. This includes service tickets that can be updated in real time. This customizable module may be displayed on a map with virtual markers that are located via GPS. These coordinates can also be used for inventory purposes (example, light poles).

Property Pulse is a customizable software that support compliance inspections, documenting CC&R violations, enforcing DRB requirements or following up on the completion of outstanding work orders. It is used through an iPad app.

Mass Notification System uses property owner information through gateaccess.net to send mass notifications to property owners by neighborhoods or street names or to the whole community in case of emergencies. Examples of types of notifications include: email, text message or voice message for emergency situations, or construction or maintenance notifications. One time set up fee and priced by the type of message and the number of recipients.

Guest Electronic Access Pass allows residents to issue electronic guest passes or guest pass vouchers from their computer or smartphone. This is sent directly to the guest through email or smartphone and the gate attendant will scan the code with a handheld scanner. These barcodes can be a onetime entry or have an expiration date for extended stay guests.

Photo ID System and Facility Control Module prints photo ID cards for property owners, staff and club members for amenity access. This would require card readers at all facilities that have property owner access. Different parameters can be set at each facility to allow access at different times of the day and access to certain people. This will eliminate the use of the different fobs. For example, staff can issue access to the car wash once an owner has completed the car wash training class. Integrated with the ABDI CMS software, public safety can swipe a card with immediate reporting capabilities.

Traffic Radar signs capture and record images of vehicles and/or license plates not adhering to the posted speed limits. These signs can be moved and placed throughout the community.

Cordillera Administration Building Projects **\$33,500**

Paint Interior of Administration Building - \$17,500

The administration building was partially painted in 2014; the vent pipes, ceilings and walls need painting.

Resurfacing of Concrete Floors - \$11,000

The concrete floors of the administration building were last resurfaced in 2002. The floors will be resurfaced by applying an epoxy coating with minimal anti-skid coating.

LED Lighting in Administration Building - \$5,000

All light fixtures will be replaced with LED lights. The transition to LED will result in less labor and utility costs.

Cordillera Equestrian Center Projects **\$49,500**

New Paddock Fencing - \$25,000

Replace all fencing at CEC with new poly vinyl fencing with a useful life of 15-20 years. At least \$3,000 is spent repairing the current fences plus labor annually; therefore, the ROI on the new fence is eight and a half years.

Enclosure of Mechanical Room - \$3,500

For safety, the mechanical room will be enclosed and a stairway will be built. Currently the staff climbs a ladder to access the boiler above the breakroom.

Dump Trailer - \$10,000

The 2007 manure dump trailer will be replaced with a hydraulic trailer. It is used daily to remove manure from paddocks and stalls. This will help decrease workman's comp, as well as fit with in the LEAN study recommendations presented in 2016.

Equestrian Center Drag - \$11,000

The drag is used for smoothing out all three riding arenas on a daily basis. The current drag is from 2009 and is currently not functional as a leveling tool. The leveling bar needs to be replaced along with most of the drag teeth. The frame is bent beyond repair from years of use. A new drag will be purchased that has a 100 gallon water tank attached on top of it to do two jobs at once. Currently staff wets the arenas and then drags the arenas; the new drag will do both at the same time.

Equipment/Fleet Purchases **\$364,000**

Cordy Camp 15 Passenger Ford Transit Van – \$40,000

The cost to lease a van for the summer camp has increased from approximately \$6,000 in 2017 to an estimated \$10,000 in 2019. With the lease cost increase, staff recommends purchasing a van which would result in a four year ROI. The replacement schedule for the van would be 15 years due to amount of projected use and miles.

The following proposed purchases are identified for 2019 from the 10-Year Fleet Replacement Schedule:

Service Trucks #329, #352 and #359 - \$66,000

#329 is a 2001 service truck for fleet maintenance. It is well past the 10-12-year replacement plan.

#359 is a 2012 two-wheel drive Chevrolet van for facilities use; it cannot be driven on snowy roads.

#329 and #359 will be both traded in for a new service truck.

#352 is a 2012 standard-bed Toyota. Due to one less employee in the fleet department (fleet manager), vehicle #352 will replace #359 and be outfitted with toolboxes for facility staff use.

International Plow Truck #305 - \$195,000

#305 is a 2007 standard transmission plow truck. The large commercial motor vehicles in the CMD fleet are scheduled for replacement every 10-12 years. In addition, the new Department of Transportation Vehicles regulations issues a restricted Certified Drivers License (CDL) to any person that takes the driving test in an automatic transmission truck. Therefore, several employees have restricted licenses and are unable to legally drive vehicle #305. The International plow truck will be replaced with a Western Star plow truck bringing the fleet of Western Stars to four trucks, all identically outfitted.

Public Safety Truck #355 – \$28,000

#355 is a 2011 Toyota truck that is used by public safety and has 171,000 miles. This will be replaced with a new Ford Ranger. #355 was the newest truck in the fleet and saw the most use. Recently public safety started rotating usage to even out miles on the fleet.

Weed Spraying Skid Tank - \$5,000

The purchase of a new 300-gallon tank will be used to spray weeds on right of ways, open space and will be used to fill the all-terrain vehicle sprayer for areas that are difficult to get access. The tank has two rear nozzles to spray weeds and a hose with a wand to spray the road sides by hand.

Skid Steer Mounted Concrete Mixer Attachment- \$8,500

The purchase of a mixer attachment for the hydraulic skid steer will be used for multiple concrete projects. It has a side chute that will make pouring curbs and sidewalks more effective and efficient. It also has the ability to dump the whole load, similar to a loader bucket, when doing larger pours. With it being mounted to a skid steer, the maneuverability is far better than a tow behind mixer. In the past, fleet has rented a tow behind mixer for projects too large to mix by hand, but too small for a concrete truck.

Skid Steer Mounted Snow Blower – \$9,000

The current snow blower is unrepairable; the hood and chute were welded multiple times to make it through last winter. The purchase of a snow blower attachment for the hydraulic skid steer will be used to clear hydrants, cul-de-sacs and to increase safety by knocking down snow piles and increasing sight lines.

Tool Cat Sweeper - \$4,000

A sweeper attachment for Tool Cat will be used for sweeping parking lots and places that the current stand-alone sweeper cannot access due to the position and width of the sweeper drum. In addition, the sweeper will be used for snow removal on the ice rink.

Mini Ex Auger/Auger Bits - \$8,500

The 2010 auger is worn-out and parts are getting difficult to find. The purchase of a new auger head will have two rock bit augers which will make drilling through dirt and large rocks faster.

CMD Additional Projects

The following items have also been identified for Board consideration and are not included in the current draft budget:

Bearcat Hay Barn- Reconstruction

\$99,000

The Bearcat Hay Barn was moved from the Gas House restaurant in Edwards to its current location in the early 1950s. The barn was deemed structurally unsound by an engineer. Its use was prohibited in October 2017. Indian Summer Outfitters previously stored hay and saddles in the barn and is currently using a 40 ft. cargo container for equipment storage and the equestrian center hay storage.

The new hay barn would have stained siding that would look aged to preserve the historic aesthetic of the building. The new structure is engineered to handle the payload of 400 bales of hay. The existing barn is classified as an agricultural pre-existing nonconforming structure and does not require any permitting according to Cliff Simonton, senior planner and Vance Gabossi, chief building official, with Eagle County. A quote for \$99,000 was obtained for the construction of a similar 30' x 24' hay barn that will provide space for storage as well as comply with building codes. The price does not include labor to dismantle the barn which is estimated to take five employees two weeks.



The foundation is $\frac{1}{4}$ poured concrete and the other $\frac{3}{4}$ is stacked timber nailed together. Proper design is to stack the timbers and have metal rods in place through all of them to keep them from bowing out and failing.



Wire is holding the side walls and roof in place.



The barn is being held up by three stacked wood pylons as seen by the outlined red circles.



This is the back third of the foundation. You should not see daylight through your foundation!

Road Program

\$321,500

Road Maintenance - \$261,500

The Road Program approximately costs \$600,000 annually to ensure the 20-year program is executed. For \$261,500, the road improvements can be extended from the Fenno truck pull off to the Trailhead; this item is currently scheduled for 2021.

Crack Filling - \$60,000

Crack filling is completed every three to five years. In 2015 all roads were crack filled. Staff recommends completing what would amount to half of the community roads in 2019 and half in 2020. Significant expansion of road cracks has been observed.

CPOA 2018 BUDGET SUMMARY

Proposed 2019 Budget

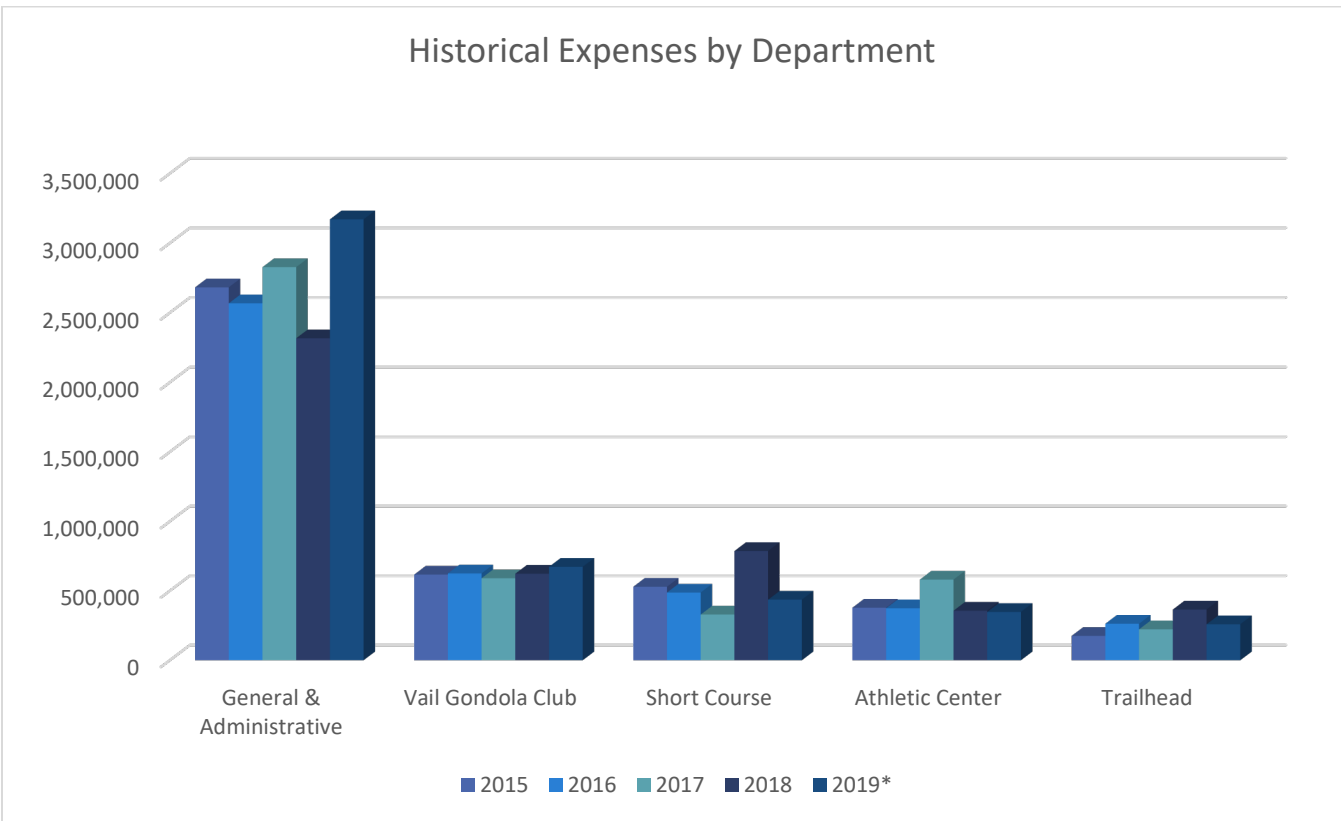
	Revenues	Expenses	Transfers In/Out	Increase (Decrease) Fund Balance	Projected Fund Balance
General Fund	3,545,273	(3,757,930)	212,657	0	0
Reserve Fund	1,350,000	(1,129,950)	(612,657)	(392,607)	3,105,530
Total - All Funds	<u>\$4,895,273</u>	<u>(\$4,887,880)</u>	<u>(\$400,000)</u>	<u>(\$392,607)</u>	<u>\$3,105,530</u>

2018-2019 Comparison

	Projected 2018	Proposed 2019	% Increase/ Decrease
<u>Revenues by Department</u>			
HOA Assessments	2,359,800	2,523,000	6.92%
RETA Revenue	1,250,000	1,350,000	8.00%
DRB Fees	44,000	62,000	40.91%
Post Office	48,015	50,419	5.01%
Vail Gondola Club	641,260	679,000	5.89%
Short Course	50,000	50,000	0.00%
Athletic Center	8,000	11,600	45.00%
Trailhead	116,940	116,330	-0.52%
Other Revenue	98,487	103,343	4.93%
Total Revenues	<u>4,616,502</u>	<u>4,945,692</u>	<u>116.13%</u>
<u>Expenses by Department</u>			
General & Administrative	342,232	432,101	26.26%
CMD Service Agreement	1,093,673	1,125,559	2.92%
Trash Service	121,205	163,700	35.06%
DRB	62,416	50,120	-19.70%
Post Office	45,318	57,616	27.14%
Vail Gondola Club	623,609	672,963	7.91%
Short Course	436,509	436,600	0.02%
Athletic Center	335,502	348,140	3.77%
Trailhead	230,310	259,557	12.70%
Communications	191,478	261,993	36.83%
Capital	749,797	1,129,950	50.70%
Total Expenses	<u>4,232,049</u>	<u>4,938,299</u>	<u>183.60%</u>

	2015	2016	2017	2018	2019*
General & Administrative	2,682,298	2,567,820	2,827,532	2,316,623	3,170,620
Vail Gondola Club	617,129	625,477	590,958	623,609	672,963
Short Course	529,571	487,843	329,598	786,509	436,600
Athletic Center	378,873	374,625	580,824	357,147	348,140
Trailhead	175,605	263,177	222,942	365,626	259,557
Total	\$4,383,476	\$4,318,942	\$4,551,854	\$4,449,514	\$4,887,880

*proposed



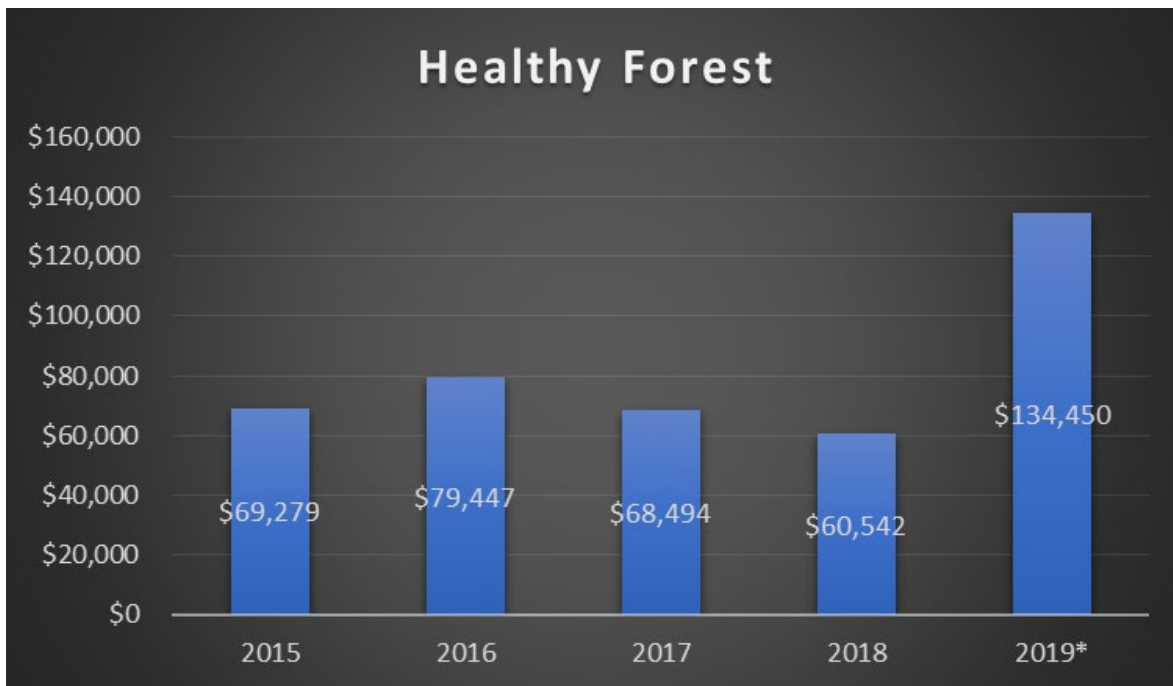
CPOA ADMINISTRATION

	2015	2016	2017	2018	2019*
Revenues:					
Assessments	2,150,500	2,141,300	2,179,956	2,359,800	2,523,000
RETA Revenue	1,334,461	1,400,762	1,427,040	1,250,000	1,350,000
DRB	78,283	69,026	33,579	44,000	62,000
Post Office	41,414	43,784	45,079	48,015	50,419
Other Revenue	170,360	159,663	105,269	98,487	103,343
Total Revenues	\$3,775,018	\$3,814,535	\$3,790,923	\$3,800,302	\$4,088,762
Expenses:					
CMD Service Agreement	1,390,084	1,190,923	1,390,084	1,093,673	1,125,559
Debt Service	400,000	400,000	400,000	400,000	400,000
Trash & Recycling	153,023	125,964	153,023	121,205	163,700
Recreation Admin					
Wages & Benefits			75,177	63,690	64,599
Legal	190,632	228,997	190,632	114,378	65,700
DRB	66,814	65,219	66,814	62,416	50,120
Healthy Forest	69,279	79,447	68,494	60,302	134,450
Post Office & Market	76,536	67,461	76,536	76,686	89,996
Community					
Enrichment	16,135	32,318	16,135	15,338	25,050
River Parcel & Pond					
Management	27,620	26,270	27,620	35,560	36,337
Communications	175,723	235,345	175,723	191,478	261,993
Insurance	63,263	60,444	63,263	56,411	71,689
Strategic Planning					65,500
Other Expenses	53,189	55,432	124,031	25,486	70,846
Total Expenses	\$2,682,298	\$2,567,820	\$2,827,532	\$2,316,623	\$2,625,539
Revenue Over (Under) Expenses	\$1,092,720	\$1,246,715	\$963,391	\$1,483,679	\$1,463,223

CPOA REVENUE

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
Annual Assessment	\$1,560	\$2,080	\$3,100	\$2,600	\$2,600	\$2,800	\$2,800	\$2,800	\$2,800	\$3,000
RETA Revenue	\$1,387,228	\$642,755	\$708,443	\$1,107,880	\$1,380,788	\$1,334,461	\$1,400,762	\$1,427,040	\$1,250,000	\$1,350,000

HEALTHY FOREST



Douglas-Fir Beetle

- Most destructive bark beetle of mature Douglas-fir
 - Range from southern Canada to northern Mexico
 - Tends to attack mature trees typically in small groupings
 - Major attacks can happen and involve 100 or more trees in an area
- Life cycle of the Doug-fir beetle
 - Adults emerge in the spring when temperatures reach 50 degrees or higher
 - Usually fly during June or July
 - Adult females fly to another tree and bore through the bark where they mate with a male and lay their eggs under the bark
 - Larvae that survive the winter develop into adults and will then fly out to another tree in the spring
- Pheromones
 - Synthetically produced pheromone used to disrupt the attraction of incoming beetles
 - Packets are attached to individual trees to reduce attacks
- Preventive sprays
 - CSFS recommends only spraying high-value trees
 - Overuse may have negative environmental impact
 - Spraying is not effective on currently infested trees
 - Significant rain immediately after application can wash it away
- Trap trees
 - Serve as traps for recently emerged beetles
 - Baited with a Douglas-Fir beetle chemical attractant
 - After infestation, the trees are removed and destroyed
 - Effective but requires significant time and effort
- Mechanical treatments
 - Felling and removal of trees
 - Thinning of forest for better tree health
- If nothing is done adverse effects could be:
 - Increase in dead and dried fuels and therefore higher fire risk
 - Standing dead trees pose a falling danger

- Change in habitat may adversely affect wildlife and migratory animals
- Large numbers of dead trees can affect water yields and quality, increase soil erosion and reduce soil stability

TRASH AND RECYCLING



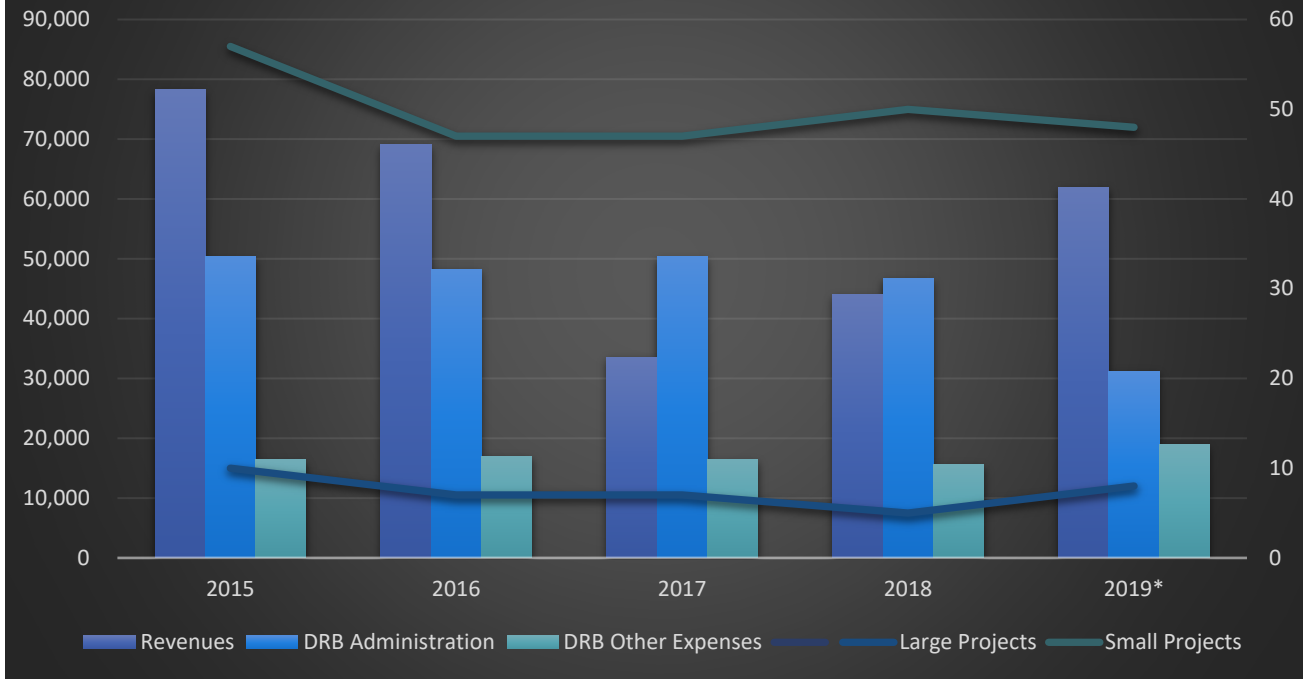
- 590 Homes
 - Single Stream Recycling
 - Cardboard, Newspaper and Commingled
- Trash and Recycling Locations
 - Administration, Post Office, ACC, Community Operations, Equestrian Center
- Exploring greater ease, efficiency and cost containment
 - Behaviors, access, containers, haul off times
- Reviewing costs that should be billed to property owners
 - Excess, trash cans, valet service, etc.

DESIGN REVIEW BOARD

	2015	2016	2017	2018	2019*
Revenues	78,283	69,026	33,579	44,000	62,000
DRB Administration	50,361	48,245	50,361	46,742	31,200
DRB Other Expenses	16,453	16,974	16,453	15,674	18,920
Large Projects	10	7	7	5	8
Small Projects	57	47	47	50	48

*proposed

Desgin Review



COMMUNITY ENRICHMENT

	2015	2016	2017	2018	2019*
Community Enrichment Events	\$16,135	\$32,318	\$16,135	\$15,338	\$25,050

*proposed

Recreation	Hiking	Road/ Mountain Biking	Tennis	Pickle Ball	Golf	Equestrian/ Horse Back Riding
Swimming	Fishing	Snowshoe	Nordic Skiing	Ice Skating	Sledding	Skiing/ Snowboardi ng
Athletic Center	Group Fitness Classes	Cooking Classes	Wine Tastings	Guest Chefs	Community Dinners	Community Day
	4 th of July- VGC	Concerts	Speaker Series	Dog Park		

COMMUNICATIONS

	2015	2016	2017	2018	2019*
Expenses:					
Wages & Benefits	93,879	96,739	93,879	88,270	97,563
Advertising	39,112	21,462	39,112	8,163	50,370
Public Relations	9,221	72,332	9,221	39,434	35,675
Collateral	7,509	10,532	7,509	11,381	16,462
Promotions	10,468	5,092	10,468	13,900	16,725
Production	1,862	1,850	1,862	13,032	14,103
Website Maintenance	13,673	27,338	13,673	3,798	12,895
Creative Photography				13,500	18,200
Total Expenses	\$175,724	\$235,345	\$175,724	\$191,478	\$261,993

*proposed

MARKETING AND ADVERTISING \$50,730







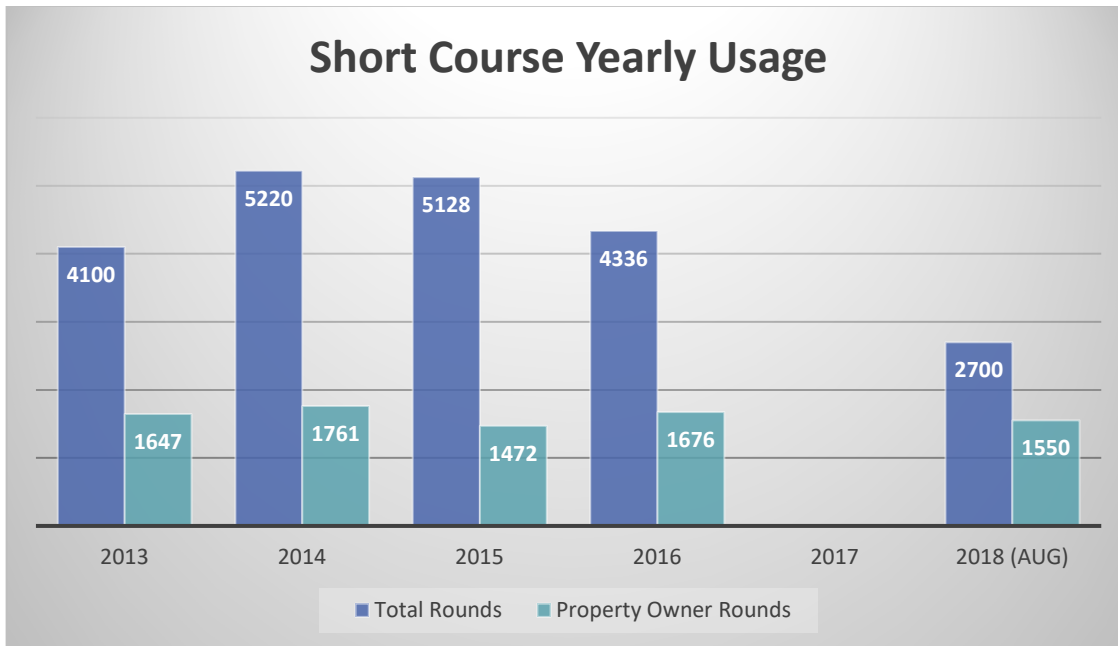

- **Mountain Living**
 - Press run is 33,000 with a readership of 89,100. Mountain Living's top readership markets include CO, CA, TX, FL, WA, NY, MT, IL, NC, WY, ID, UT, OR, PA, GA
- **Vail Daily Event Advertising**
 - Circulation 12,000; 92% of Eagle County residents read the paper at least once a week; online 150,000-220,000 visitors monthly
- **KZYR Local Radio Spots**
 - Hit about 65% of the local radio audience
- **KUNC Radio Sponsorship**
 - 9,000 exclusive listeners and a weekly cumulative audience reach of 263,200 with an average time spent listening of four hours and 14 minutes a week
- **Vail Beaver Creek Magazine-Print and Digital**
 - Annual readership is 404,250 with total annual circulation of 73,500; located in Vail Valley hotel lobbies, stores, airports nationwide and direct mail; run-of-site display ads on vailmag.com have 85,837 annual web visits with an average length of visit of 2:27
- **Visit Vail Valley**
 - Press run of 20,000 copies is used by the Vail Valley Partnership in group sales efforts and distributed to welcome centers and key visitor locations in the Vail Valley, including in the Eagle County airport
- **Bravo! Vail Program**
 - 60,000 patrons at over 50 events
- **Facebook boosted**
 - 



SHORT COURSE

	2015	2016	2017	2018	2019*
Revenues:					
Short Course Revenue	64,953	130,940	127,429	50,000	50,000
Total Revenues	\$64,953	\$130,940	\$127,429	\$50,000	\$50,000
Expenses:					
Short Course contract	435,500	447,407	286,580	400,000	400,000
Property Taxes	0	2,095	2,256	2,342	2,350
Fire Protection	1,116	896	0	1,054	0
Facilities R&M	6,895	1,329	16	0	0
Utilities	17,777	2,756	0	0	0
Irrigation Water	35,716	33,360	34,195	33,360	34,250
Facility Improvements	32,566	0	6,550	350,000	0
Total Expenses	\$529,570	\$487,843	\$329,597	\$786,756	\$436,600
Revenue Over (Under) Expenses	(\$464,617)	(\$356,903)	(\$202,168)	(\$736,756)	(\$386,600)

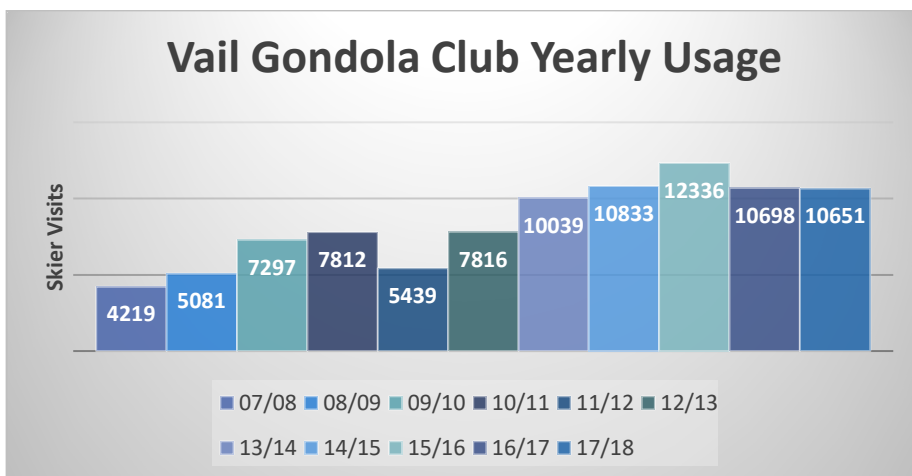
*proposed



VAIL GONDOLA CLUB

	2015	2016	2017	2018	2019*
Revenues:					
Membership Sales	39,000	32,250	87,750	30,000	40,000
Membership Dues	594,075	606,729	562,919	599,540	625,200
Other Revenue	30,881	21,927	11,724	11,720	13,800
Total Revenues	\$663,956	\$660,906	\$662,393	\$641,260	\$679,000
Expenses:					
Wages & Benefits	104,175	126,009	128,869	144,434	149,304
Lease & CAM	349,464	361,428	374,126	392,975	415,302
Member Expenses	54,718	53,126	47,698	61,100	70,750
Depreciation	56,869	56,869	9,478	0	0
Other Operating Expenses	36,366	28,045	30,786	25,100	37,607
Facility Improvements	15,537	0	0	0	0
Total Expenses	\$617,129	\$625,477	\$590,957	\$623,609	\$672,963
Revenue Over (Under) Expenses	\$46,827	\$35,429	\$71,436	\$17,651	\$6,037

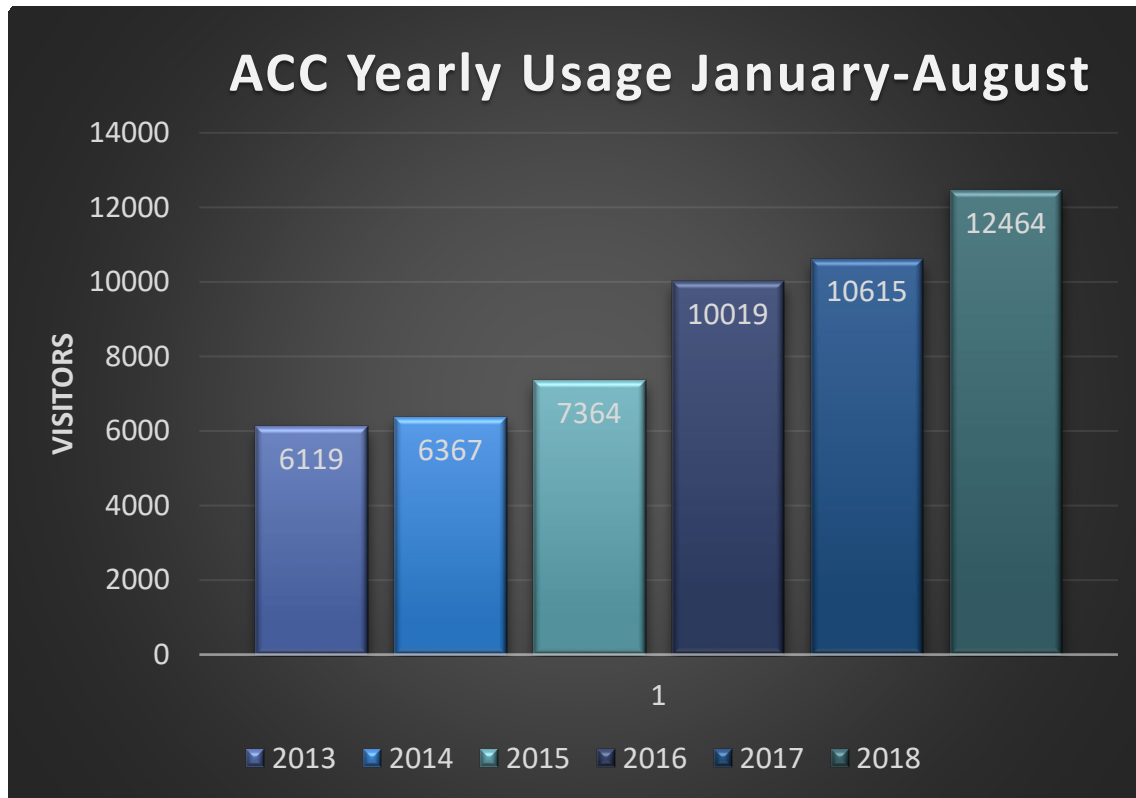
*proposed



ATHLETIC CENTER

	2015	2016	2017	2018	2019*
Revenues:					
Classes & Personal Training	2,845	2,265	16,627	8,000	11,600
Total Revenues	\$2,845	\$2,265	\$16,627	\$8,000	\$11,600
Expenses:					
Wages & Benefits	78,192	85,737	94,297	143,000	153,639
Operating Expenses	37,316	44,659	65,127	72,682	76,529
Repairs & Maintenance	22,473	42,151	52,076	54,669	49,187
Fitness Supplies & Instructors	6,269	4,830	6,596	11,275	13,285
Utilities	59,175	51,949	51,934	53,876	55,500
Facility Improvements / Equipment	0	0	310,794	74,021	18,000
Total Expenses	\$203,425	\$229,326	\$580,824	\$409,523	\$366,140
Revenue Over (Under) Expenses	(\$200,580)	(\$227,061)	(\$564,197)	(\$401,523)	(\$354,540)

*proposed



CPOA CAPITAL IMPROVEMENT PROJECTS

\$1,129,950

Healthy Forest

\$134,450

Miscellaneous Supplies - \$2,450

Flagging, stakes, paint and seed.

Wildfire Mitigation - \$75,000

Work occurs on open space, easements and along roadways. It is inventoried and divided into five-year cycles. The increase in this line item is due to the rapid overgrowth of vegetation. Standing, dead Douglas Fir trees from the Douglas Fir Beetle are also impacting the mitigation costs.

Easements, Open Space and Roadways - \$20,000

Mitigation work consists of removing standing, dead trees where District property borders private property. The line-item increase is mainly due to addressing the effects of the Douglas Fir Beetle. The large Douglas Fir trees cost more to fell, costing up to \$1,400 per tree to take down and remove.

Pheromone Packets - \$2,000

These packets will help protect the Douglas Fir trees and can also be sold to owners for private use. This is one of three tactics the Forest Service will implement to help combat the Douglas Fir Beetle.

Deep Root Fertilizer - \$35,000

Both healthy forests and community operations use deep root fertilizer. Costs are now combined into one line-item. This is another tactic for combating the Douglas Fir Beetle.

Reserve Study

\$8,000

Reserve Study - \$8,000

The last reserve study was completed in 2015. Borne Engineering will work with the following data sources to update the Reserve Study:

- 20 Year Road Program Plan updated in 2016
- In 2016-2017, a computerized maintenance facility program, Facility Dude, was implemented to optimize facilities, assets and workflow. It is a cloud-based operations management software that manages reactive and preventive maintenance, tracks inventory usage, responds to critical system alarms and plans future capital needs. An on-site facility inventory was conducted and served as the basis for populating the database that is updated with each facility action. It does not include roads and parking lots.

Security System Improvements

\$30,000

CPOA Cameras

Public safety monitors six cameras at the ACC. Staff identified an additional five cameras that are needed to monitor all exits, stairs and mechanical rooms. The camera system proposal also includes:

- seven cameras to monitor interior of the Trailhead, pool and mechanical room
- five cameras at the post office monitoring exits, parcel locker area and the great room
- four cameras monitoring the short course maintenance facility and fuel pumps

This camera system proposal includes panic buttons installed at the ACC and the post office linking staff directly to a third party to call 911. The camera system can also be monitored by patrol staff while on property using an iPad app and also monitored by facility staff.

Photo ID System and Facility Control Module prints photo ID cards for property owners, staff and club members for amenity access. This would require card readers at all facilities that have property owner access. Different parameters can be set at each facility to allow access at different times of the day and access to certain people. This will eliminate the use of all the different fobs. For example, staff can issue access to the car

wash once an owner has completed the car wash training class. Integrated with the ABDI CMS software, public safety can swipe a card with immediate reporting capabilities.

Athletic Center at Cordillera

\$18,000

Building Hot Water Storage Tanks - \$10,000

The two existing Superstore indirect hot water storage tanks at the Athletic Center are original from 2003. They will be replaced with two Lochinvar indirect water heaters that are energy efficient and can be used if the remodel/expansion should happen in the future.

Tennis/Pickleball Court Crack repair - \$8,000

Annual crack repair of the pickleball and tennis courts. This does not include resurfacing.

Trailhead Projects

\$856,000

TBD: Trailhead Pool Remodel Phase 1- \$856,000

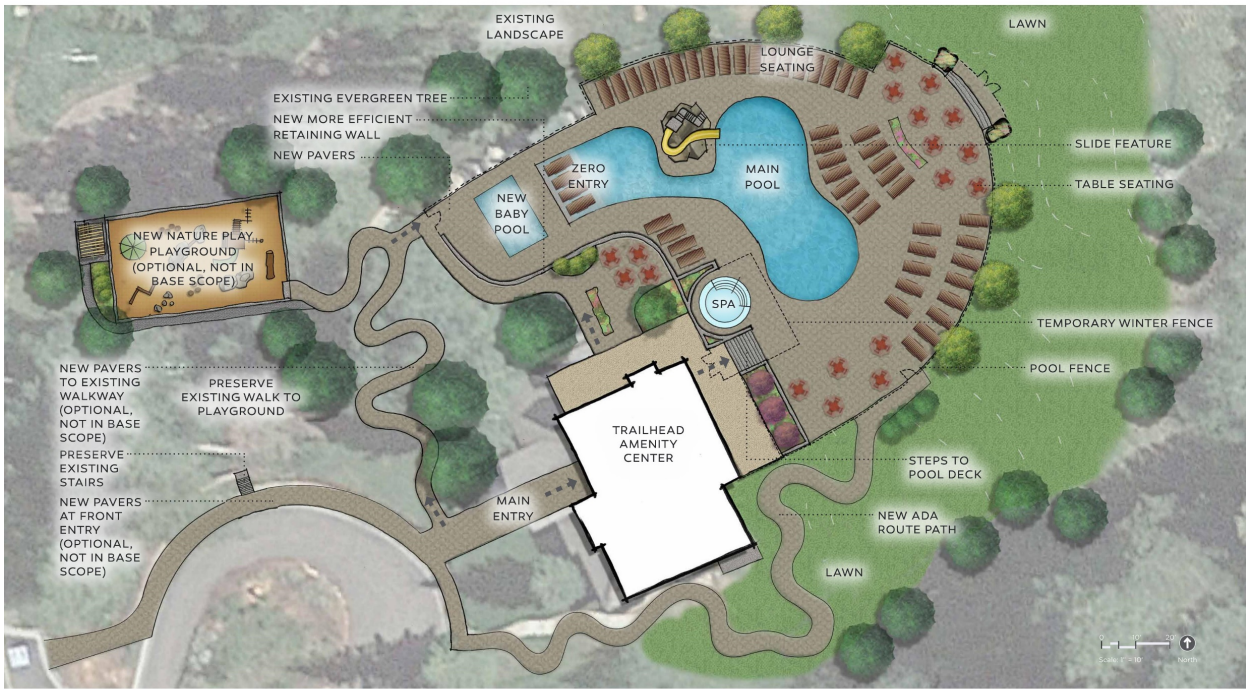
OLC Aquatics & Norris Design (OLC) was retained in October 2017 to evaluate pool structures and mechanical systems and recommend repairs with schematics and costs. OLC and staff presented information in January, June, July and August 2018 to boards for discussion of potential project and scope.

Capital Improvements and Repairs required include:

- Main Pool
 - Some movement is evident
 - Shell finish is flaking
 - Exposed rebar is rusting
 - Exposed plumbing from cleaning system
 - Shell is salvageable, but needs work
- Baby Pool
 - Leaking severely
 - Not salvageable
 - Recommend removal and replacement
- Whirlpool Spa
 - Found multiple cracks in the shell
 - Not salvageable, recommend replacement to avoid excessive future maintenance costs
- Mechanical System
 - Equipment has reached the end of its useful life
- Proposed repairs and improvements in the schematic include:
 - Main pool repaired and one end modified to a zero-depth entry
 - New hot tub
 - New baby pool
 - Entire pool deck replaced with pavers and expanded
 - Addition of ADA accessible pathway
 - Projected cost \$1,656,300 (2019-2020)
 - *Note: Playground and entrance pavers optional \$205,000*

OLC is designing the schematic and completing construction documents to obtain quotes from general contractors and market pricing.

ILLUSTRATIVE SITE PLAN



CORDILLERA | TRAILHEAD AMENITY CENTER
08.08.2018



PLAYGROUND ILLUSTRATIVE PLAN

NEW NATURE PLAY

OPTIONAL, NOT IN BASE BID



CORDILLERA | TRAILHEAD AMENITY CENTER
08.08.2018



Parcel Lockers - \$10,000

The current parcel lockers are no longer serviceable. The large parcel lockers on the north hallway of the post office will be replaced.

Interior Paint - \$10,500

The interior of the Cordillera Post Office/Café were painted in 2014. The interior will be painted to compliment the resurfaced floors, remodeled café area and office.

Resurfacing of the Concrete Floors - \$12,500

The concrete floors of the post office have not been resurfaced since 2002. The floors will be resurfaced by applying an epoxy coating with minimal anti-skid coating.

Post Office Patio Concrete - \$5,000

The patio at the post office has severe cracking and is chipping. Community operations staff will remove the patio and replaced it with new concrete patio. New wood stairs will also be installed up to the administration building.

LED Lighting - \$3,500

All light fixtures will be replaced with LED. The transition to LED will result in less labor and utility costs.

Exterior Tables and Chairs - \$12,000

Three sets of patio furniture, including tables and chairs, will be purchased for the exterior patio.

Café and Post Office Remodel - \$30,000

A post office remodel was budgeted for 2018. With the additional projects planned for 2019, staff proposes to remodel the post office/café at the same time. The remodel includes:

- a new desk area for the postal clerk
- shelving
- package drop off area
- window to see front door
- new parcel and merchandise area
- removal of the café bar top and cabinets for more seating
- a small kitchen area with cabinets, countertop and small refrigerators.

The Vail Gondola Club furniture was recently refurbished and will be moved to the café.

2019 CMD AND CPOA SERVICE AGREEMENT

Cordillera Property Owners Association
 Intergovernmental Service Fee Agreement
 2019 Fee Calculation

	Proposed 2019 CMD Budget	Percent CPOA Contribution	Proposed 2019 CPOA Fee
Wages & Benefits			
Administration	667,904	50%	333,952
Public Safety	899,082	40%	359,633
Public Safety Compliance	73,898	60%	44,339
Facilities	251,660	50%	125,830
Custodians	97,672	50%	48,836
Fleet	163,653	25%	40,913
Finance Consultant	10,000	50%	5,000
	\$		\$
<i>Total Wages & Benefits</i>	2,163,869		958,503

**General & Administrative
Expenses**

Strategic Planning		0%	-
Employee Morale	30,105	30%	9,032
Payroll Administration	20,008	40%	8,003
Board Meeting Expense	12,000	50%	6,000
Dues & Subscriptions	10,108	30%	3,032
Employee Recruitment	12,800	40%	5,120
Insurance Expense		0%	-
MIS & Computer Fees	58,790	40%	23,516
Miscellaneous Office Equipment	13,400	50%	6,700
Office Supplies	17,860	50%	8,930

Postage & Courier	5,767	50%	2,884
Printing	420	20%	84
Copier Maintenance	8,940	50%	4,470
Seminars & Education	14,770	30%	4,431
Safety	14,250	50%	7,125
Safety Grant Reimbursement	(5,900)	50%	(2,950)
Facilities Maintenance & Repairs	27,555	50%	13,777
Legal Fees		0%	-
Telephone	29,120	25%	7,280
Election Expenses		0%	-
Admin Cleaning	9,600	30%	2,880
Utilities	75,144	30%	22,543
<i>Total General & Administrative Expenses</i>	<u>\$ 354,737</u>		<u>\$ 132,857</u>

Public Safety Expenses

Utilities	20,391	40%	8,156
Supplies	8,698	40%	3,479
Signage	-	40%	-
Sticker Program Expense	1,444	40%	578
Uniforms	9,700	40%	3,880
Equipment Maintenance & Fuel	23,852	40%	9,541
Gate Maintenance & Repairs	10,000	40%	4,000
<i>Total Public Safety Expenses</i>	<u>\$74,085</u>		<u>\$29,634</u>

Other Operating Expenses

Nordic Trail Maintenance	18,000	100%	18,000
Post Office Employee	<u>56,445</u>	100%	<u>56,445</u>

<i>Total Other Operating Expenses</i>	\$74,445		\$74,445
Total Annual Expenses	\$ 2,667,136		\$1,195,439

*Credit CMD
Contribution-Marketing*

Communications	92,203	50%	46,102
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Collateral	16,462	50%	8,231
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Website	12,895	50%	6,448
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Creative Photography	18,200	50%	9,100
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Total CMD Contribution	\$ 139,760		\$69,880
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**TOTAL ANNUAL CPOA
SERVICE FEE**

\$1,125,559

Prior Year Fee:	\$ 1,116,772
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Increase(Decrease) from Prior Year:	\$ 8,787
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Cordillera Metropolitan District

Financial Statements

December 31, 2017

CORDILLERA METROPOLITAN DISTRICT

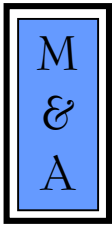
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MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Cordillera Metropolitan District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cordillera Metropolitan District (the "District"), as of and for the year ended December 31, 2017, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cordillera Metropolitan District as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
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Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in Section B in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparisons and historical property tax schedules and debt service schedules found in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund budgetary comparisons and debt service schedules found in Section F are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The historical property tax schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
September 26, 2018**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Cordillera Metropolitan District

Management's Discussion and Analysis

December 31, 2017

As management of Cordillera Metropolitan District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, public safety, recreation, and public works.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the governmental-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

The Governmental fund financial statements can be found on pages C3 and C7 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Government-wide Financial Analysis

The following tables show condensed financial information derived from the government-wide financial statements for the years ended December 31, 2017 and 2016.

**Cordillera Metropolitan District Net Position
Governmental Activities**

	<u>2017</u>	<u>2016</u>
Assets:		
Current and other assets	11,723,029	11,537,777
Capital assets	15,798,365	16,455,143
Total Assets	<u>27,521,394</u>	<u>27,992,920</u>
Deferred Outflows of Resources		
Deferred refunding costs	<u>79,572</u>	<u>27,332</u>
Liabilities:		
Other liabilities	3,468,426	3,023,859
Long-term liabilities	8,035,000	10,715,000
Total Liabilities	<u>11,503,426</u>	<u>13,738,859</u>
Deferred Inflows of Resources:		
Unavailable property tax revenue	<u>6,423,218</u>	<u>6,217,395</u>
Total Deferred Inflows of Resources	<u>6,423,218</u>	<u>6,217,395</u>
Net Position:		
Net investment in capital assets	5,008,365	3,215,143
Restricted for emergencies	254,381	255,398
Restricted for debt service	238,117	426,462
Unrestricted	4,173,459	4,166,995
Total Net Position	<u>9,674,322</u>	<u>8,063,998</u>

Government-wide Financial Analysis (continued)

The District's overall financial position, as measured by net position, increased from \$8,063,998 at the end of 2016 to \$9,674,322 at the end of 2017.

Cordillera Metropolitan District Statement of Activities Governmental Activities

	<u>2017</u>	<u>2016</u>
Revenues:		
Program Revenues:		
Charges for services	1,847,862	2,053,738
Grants and contributions	32,241	38,141
General Revenues		
Property taxes	6,189,997	6,055,016
Other Taxes	319,937	289,558
Interest and other revenues	489,343	476,829
Total Revenues	<u>8,879,380</u>	<u>8,913,282</u>
Expenses:		
General government	1,663,229	1,600,458
Public works	3,427,781	3,334,226
Public safety	1,261,033	1,239,564
Equestrian center	399,402	366,211
Recreation	32,253	30,444
Loan issuance costs	110,232	-
Interest on long-term debt	361,355	542,273
Loss on disposal	13,771	-
Total Expenses	<u>7,269,056</u>	<u>7,113,176</u>
Change in Net Position	1,610,324	1,800,106
Net Position - Beginning	<u>8,063,998</u>	<u>6,263,892</u>
Net Position - Ending	<u>9,674,322</u>	<u>8,063,998</u>

Financial Analysis of the District's Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$4,606,921 an a decrease of \$\$271,950 from the prior year ending fund balances. Of the District's ending fund balance, \$254,381 is restricted, meaning it is not available for new spending because it has already been committed for emergencies under the Taxpayers' Bill of Rights (TABOR). Restricted fund balance of \$238,117 is for debt service payments. The remainder of the fund balance that has not been committed or assigned for a specific purpose is available for spending at the District's discretion.

Budget Variances – The General Fund actual revenues were over the final budget by \$72,489 on a revenue budget of \$5,472,332 and actual expenditures were under budget by \$78,262 compared to the original budget of \$4,337,733. The District's other funds showed favorable and unfavorable variances compared to budget. Details can be seen in sections E and F of this report.

Capital Assets – The District invested \$1,373,200 in capital asset additions during 2016, the majority of which was invested in improvements and additions to the District's infrastructure. Additional information pertaining to the District's capital assets can be found in the Notes to the Financial Statements in section D of this report.

Long-term Debt – in 2017, the District decreased its outstanding long-term debt balance \$2,450,000 bringing the ending debt balance to \$10,790,000. Additional information pertaining to the District's long-term debt can be found in the Notes to the Financial Statements in section D of this report and in the schedules of debt service requirements to maturity in section F.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Cordillera Metropolitan District, Attn: Finance Office, 408 Carterville Road, Cordillera, Colorado, 81632 or you may call 970/926-1923.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Cordillera Metropolitan District
Statement of Net Position
December 31, 2017**

	Governmental Activities
Assets:	
Cash	4,914,432
Accounts receivable:	
Property tax	6,423,218
Other governments	26,206
Other	157,541
Prepaid expenses	201,632
Capital assets, net	15,798,365
Total Assets	<u>27,521,394</u>
 Deferred Outflows of Resources:	
Deferred refunding costs	79,572
Total Deferred Outflows of Resources	<u>79,572</u>
 Liabilities:	
Accounts payable and accrued liabilities	155,667
Accrued liabilities	28,069
CPOA	172,346
Deposits held	115,242
Accrued compensated absences	221,565
Accrued interest payable	20,537
Non-current liabilities due within one year:	
General obligation debt	2,755,000
Non-current liabilities due in excess of one year:	
General obligation debt	8,035,000
Total Liabilities	<u>11,503,426</u>
 Deferred Inflows of Resources:	
Unavailable property tax revenue	6,423,218
Total Deferred Inflows of Resources	<u>6,423,218</u>
 Net Position:	
Net investment in capital assets	5,008,365
Restricted for emergencies	254,381
Restricted for debt service	238,117
Unrestricted	4,173,459
Total Net Position	<u><u>9,674,322</u></u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

**Cordillera Metropolitan District
Balance Sheets
Governmental Funds
December 31, 2017**

	Special Revenue		Debt Service			Capital Projects		Total
	General	Equestrian	CMD	CMMD	2002 Bonds	Water	Other	
Assets:								
Cash and cash equivalents	2,405,757	-	9,401	60,120	168,596	2,182,023	88,535	4,914,432
Accounts receivable	157,541	-	-	-	-	-	-	157,541
Due from Eagle County Treasurer	26,206	-	-	-	-	-	-	26,206
Property tax receivable	3,945,851	-	1,683,215	794,152	-	-	-	6,423,218
Prepaid expenses	201,632	-	-	-	-	-	-	201,632
Total Assets	<u>6,736,987</u>	<u>-</u>	<u>1,692,616</u>	<u>854,272</u>	<u>168,596</u>	<u>2,182,023</u>	<u>88,535</u>	<u>11,723,029</u>
Liabilities:								
Accounts payable	155,668	-	-	-	-	-	-	155,668
Due to CPOA	172,346	-	-	-	-	-	-	172,346
Accrued liabilities	28,069	-	-	-	-	-	-	28,069
Deposits held	115,242	-	-	-	-	-	-	115,242
Accrued compensated absences	221,565	-	-	-	-	-	-	221,565
Total Liabilities	<u>692,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>692,890</u>
Deferred Inflows of Resources:								
Unavailable property tax revenue	3,945,851	-	1,683,215	794,152	-	-	-	6,423,218
Total Deferred Inflows of Resources	<u>3,945,851</u>	<u>-</u>	<u>1,683,215</u>	<u>794,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,423,218</u>
Fund Balance:								
Nonspendable	201,632	-	-	-	-	-	-	201,632
Restricted for:								
TABOR emergency reserve	254,381	-	-	-	-	-	-	254,381
Debt service	-	-	9,401	60,120	168,596	-	-	238,117
Equestrian Center	-	-	-	-	-	-	-	-
Assigned to:								
Water rights and projects	-	-	-	-	-	2,182,023	-	2,182,023
Other projects	-	-	-	-	-	-	88,535	88,535
Unassigned	1,642,233	-	-	-	-	-	-	1,642,233
Total Fund Balance	<u>2,098,246</u>	<u>-</u>	<u>9,401</u>	<u>60,120</u>	<u>168,596</u>	<u>2,182,023</u>	<u>88,535</u>	<u>4,606,921</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>6,736,987</u>	<u>-</u>	<u>1,692,616</u>	<u>854,272</u>	<u>168,596</u>	<u>2,182,023</u>	<u>88,535</u>	<u>11,723,029</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,798,366
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(10,810,537)
Deferred charges such as deferred refunding costs, premiums, and discounts on bonded debt, are treated as current transactions on the fund financial statements, but are capitalized and amortized on the Statement of Net Position.	<u>79,572</u>

Net Position of Governmental Activities

9,674,322

The accompanying notes are an integral part of these financial statements.

Cordillera Metropolitan District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue		Debt Service			Capital Projects		Total
	General	Equestrian	CMD	CMMD	2002 Bonds	Water	Other	
Revenues:								
Taxes	4,044,947	-	1,679,357	785,630	-	-	-	6,509,934
Charges for services	1,443,858	318,415	-	-	-	85,589	-	1,847,862
Tap fees	-	-	11,066	-	-	20,282	-	31,348
Other revenue	56,018	2,912	12,228	7,371	771	-	10,936	90,236
Total Revenues	5,544,823	321,327	1,702,651	793,001	771	105,871	10,936	8,479,380
Expenditures:								
General and administration	1,507,685	-	50,474	23,654	-	-	-	1,581,813
Public safety	1,120,785	-	-	-	-	-	-	1,120,785
Public works	1,709,748	-	-	-	-	-	-	1,709,748
Equestrian Center	-	319,644	-	-	-	-	-	319,644
Recreation	32,253	-	-	-	-	-	-	32,253
Debt Service:								
Interest	-	-	213,774	136,866	-	-	-	350,640
Principal	-	-	1,815,000	845,000	-	-	-	2,660,000
Capital outlay	-	-	-	-	-	-	1,376,447	1,376,447
Total Expenditures	4,370,471	319,644	2,079,248	1,005,520	-	-	1,376,447	9,151,330
Excess (Deficiency) of Revenues Over Expenditures	1,174,352	1,683	(376,597)	(212,519)	771	105,871	(1,365,511)	(671,950)
Other Financing Sources (Uses):								
Refunding proceeds	-	-	3,635,000	3,470,000	-	-	-	7,105,000
Payment to refunding agents	-	-	(3,579,024)	(3,415,744)	-	-	-	(6,994,768)
Loan issuance costs	-	-	(55,976)	(54,256)	-	-	-	(110,232)
Contribution from CPOA	-	-	223,101	176,899	-	-	-	400,000
Transfers in (out)	(1,033,449)	(148,551)	-	-	-	-	1,182,000	-
Total Other Financing Sources (Uses)	(1,033,449)	(148,551)	223,101	176,899	-	-	1,182,000	400,000
Net Change in Fund Balance	140,903	(146,868)	(153,496)	(35,620)	771	105,871	(183,511)	(271,950)
Beginning Fund Balance	1,957,343	146,868	162,897	95,740	167,825	2,076,152	272,046	4,878,871
Ending Fund Balance	2,098,246	-	9,401	60,120	168,596	2,182,023	88,535	4,606,921

The accompanying notes are an integral part of these financial statements.

**Cordillera Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2017**

Net Change in Fund Balance of Governmental Funds	(271,950)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year.	(643,008)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,539,053
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and asset impairment) is to decrease net position, but not use or contribute financial resources. This is a loss on the disposition of assets.	<u>(13,771)</u>
Change in Net Position of Governmental Activities	<u><u>1,610,324</u></u>

**Cordillera Metropolitan District
Statement of Fiduciary Net Position
Wildlife Mitigation Fund
December 31, 2017**

Assets:	
Cash and cash equivalents	<u>245,126</u>
Total Assets	<u>245,126</u>
Net Position:	
Held in trust for wildlife mitigation purposes	<u>245,126</u>
Total Net Position	<u><u>245,126</u></u>

The accompanying notes are an integral part of these financial statements.

**Cordillera Metropolitan District
Statement of Changes in Fiduciary Net Position
Wildlife Mitigation Fund
December 31, 2017**

Additions:	
Interest income	996
Total Additions	<u>996</u>
Change in Net Position	996
Net Position - Beginning	<u>244,130</u>
Net Position - Ending	<u><u>245,126</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017**

I. Summary of Significant Accounting Policies

Cordillera Metropolitan District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide water, streets, safety controls, fire protection, cable television system, transportation and mosquito control within its boundaries which are located in Eagle County, Colorado. An amendment to the District's service plan in 1997 gave the District powers to provide parks and recreation facilities and services.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District is not financially accountable for any other entity, nor is the District a component unit of any other government.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Fiduciary fund types are reported separately on pages C6 and C7. Both the government-wide and fund financial statements categorize primary activities as governmental.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted; and unrestricted net position. The government-wide focus is on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The *Debt Service Fund - CMD* is used to account for the accumulation of financial resources to be used for the payment of general long-term debt principal, interest, and other related costs for debt issued by the District.

The *Debt Service Fund - CMMD* is used to account for the accumulation of financial resources to be used for the payment of general long-term debt principal, interest, and other related costs for debt issued by Cordillera Mountain Metropolitan District prior to the consolidation with the District.

The *Debt Service Fund – 2002 Debt Reserve* is used to account for the accumulation of financial resources contributed by Cordillera Property Owners Association to be used restrictively and exclusively for the payment of general long-term debt principal, interest, and other related costs for debt issued by Cordillera Metropolitan District and by Cordillera Mountain Metropolitan District prior to the consolidation with the District.

The *Capital Projects Fund* is used to account for the acquisition and construction of major capital facilities.

The *Equestrian Center Special Revenue Fund* is used to account for revenue committed to operations and financial activity of the District's Equestrian Center.

The *Water Fund* is used to account for the contribution and capital improvements of the water system.

Additionally, the District reports the following fiduciary fund:

The *Wildlife Mitigation Trust Fund* is used to account for resources legally held in trust for use by the District for projects related solely to mitigating impacts on wildlife within the District. All investment earning are available to be used for such projects at the direction of the District's wildlife mitigation committee. The trust agreement requires preservation of the principal balance of approximately \$170,700.

Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

D. Financial Statement Accounts

1. Cash and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

D. Financial Statement Accounts (continued)

1. Cash and Investments (continued)

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pool

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts of \$18,741.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

4. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets.

Infrastructure and buildings are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure, buildings, and improvements	30 - 40
Water and sewer systems	20
Vehicles and equipment	5

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid expenses) or because of legal or contractual requirements;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and other governments), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The District considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (See Note III. B.).

6. Reserved Fund Balance

The governmental funds, excluding debt service, had a restricted fund balance of for emergencies as required under TABOR (See Note III. B.).

The CMD, CMMD and 2002 Debt Reserve Debt Service Funds have restricted fund balances for future debt service of \$9,401, \$60,120 and \$168,596 respectively. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenues from property taxes. Accordingly, the item, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Assets

The governmental fund Balance Sheet includes reconciliation between *fund balance – governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that “Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 10,790,000
Accrued interest	20,537
Total	\$ 10,810,537

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**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.” The net of \$643,008 reduction in capital assets is capital outlay of \$1,373,200 less current year depreciation expense of \$2,016,208 during the year ended December 31, 2017.

Another element of that reconciliation states “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

The details of this \$2,539,053 difference are as follows:

Principal	\$ 2,770,232
Refunding proceeds	(7,105,000)
Payment to refunding agents	6,994,768
Loan issuance costs	(110,233)
Interest	(10,715)
Total	\$ 2,539,052

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the District’s Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (“GAAP”). The budgets for the proprietary funds are adopted on a Non-GAAP budgetary basis and are reconciled to GAAP basis if necessary.

As required by Colorado statutes, the District followed the following time table in approving and enacting a budget for the ensuing years:

- (1) For the 2017 budget year, prior to August 25, 2016, the County Assessor sent to the District the final recertified assessed valuation of all taxable property within the District’s boundaries.
- (2) On or before October 15, 2016, the District’s staff submitted to the District’s Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District’s operating requirements.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (3) A public hearing on the proposed budget and capital program was held by the Board.
- (4) For the 2017 budget, prior to December 15, 2016, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (5) For the 2017 budget, the final budget and appropriating resolution was adopted prior to December 31, 2016.
- (6) After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; c) emergency appropriations; and d) reduction of appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2016 were collected in 2017 and taxes certified in 2017 will be collected in 2018. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

On November 4, 2003, the District's electors approved a ballot question which permits the District to impose a mill levy for operations, maintenance and other expenses sufficient to generate a maximum of \$2,700,000 in revenues in collection year 2004 and every year thereafter. Such taxes may increase as allowed by Sections 29-1-301 of the Colorado Revised Statutes, which generally permits annual increases of no more than 5.5%. Further, the District's operations and maintenance mill levy may be adjusted to: (i) account for changes in law or the method by which assessed valuations are calculated, and (ii) offset any property tax cut or limit which is mandated by the State constitution.

On November 4, 2008 the District's electors approved a ballot question authorizing the district to collect, retain and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, contract payments, grants or any other fee, rate, toll, penalty or charge authorized by law or contract to be imposed collected received by the district in 2008 and each fiscal year thereafter without regard to any spending, revenue-raising or other limitations imposed by TABOR or Colorado law.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has reserved a portion of its December 31, 2017, year-end fund balance in the governmental funds for emergencies as required under TABOR in the amount of 254,381 which is the approximate required reserve at December 31, 2017.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Interest Rate Risk. The District limits its investments to savings accounts and investment pools (explained below) where each share is equal to one dollar and the District avoids interest rate risk.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Credit Risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The District's general investment policy is to apply the prudent-person rule; prudence and protection of District funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2017, the District's investment in Colotrust Plus is rated AAAM by Standard and Poor's.

Concentration of Credit Risk. The District invests most funds in 2a7-like pools and thus avoids a concentration of credit risk.

Deposits and investments are presented on the Statement of Net Position as follows:

Type	Rating	Carrying Amount	Maturities	
			Less Than One Year	Less Than Five Years
<i>Deposits:</i>				
Petty Cash		\$ 779	779	-
Checking and depository	n/a	1,450,324	1,450,324	-
<i>Investments:</i>				
Certificates of deposits	n/a	170,716	170,716	-
Colotrust	AAAM	3,537,739	3,537,739	-
		<u>\$ 5,159,558</u>	<u>1,621,819</u>	<u>-</u>

The summary of the District's cash and investment book balances at December 31, 2017 is shown below.

Type	Primary Government	Fiduciary Government	Total District
<i>Deposits:</i>			
Petty Cash	\$ 779	-	779
Checking and depository	1,375,914	74,410	1,450,324
<i>Investments:</i>			
Certificates of deposits	-	170,716	170,716
Colotrust	3,537,739	-	3,537,739
	<u>\$ 4,914,432</u>	<u>245,126</u>	<u>5,159,558</u>

Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Fair Value of Investments the District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2017, the Town had the following recurring measurements:

Investments Measured at Fair Value	Total	Fair Value Measurement		
		Level 1	Level 2	Level 3
Certificate of Deposit	\$ 170,716	-	170,716	-

B. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 7,285,224	-	-	7,285,224
Total Capital assets not being depreciated	7,285,224	-	-	7,285,224
Capital assets, being depreciated				
Infrastructure	15,602,561	696,713	-	16,299,274
Improvements	4,527,733	289,138	141,788	4,675,083
Buildings	7,598,511	50,713	-	7,649,224
Vehicles and equipment	2,578,104	336,636	147,236	2,767,504
Total capital assets being depreciated	30,306,909	1,373,200	289,024	31,391,085
Total capital assets of governmental activities	37,592,133	1,373,200	289,024	38,676,309
Less: accumulated depreciation:				
Infrastructure	(11,187,831)	(1,044,539)	-	(12,232,370)
Improvements	(2,923,751)	(320,247)	128,017	(3,115,981)
Buildings	(5,186,265)	(393,759)	-	(5,580,024)
Vehicles and equipment	(1,839,142)	(257,663)	147,236	(1,949,569)
Total accumulated depreciation	(21,136,989)	(2,016,208)	275,253	(22,877,944)
Total capital assets, being depreciated, net	9,169,920	(643,008)	564,277	8,513,141
Governmental Activities Capital Assets, Net	\$ 16,455,144	(643,008)	564,277	15,798,365

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

IV. Detailed Notes on All Funds (continued)

B. Capital Assets (continued)

Depreciation for the year ended December 31, 2017 was charged to the District's functions as follows:

Governmental Activities:

General Government	\$ 81,414
Public Works	1,714,786
Public Safety	140,248
Equestrian	79,758
Total	<u>\$2,016,206</u>

C. Long-term Debt

A summary of long-term liability activity for the year ended is as follows. Additional detailed information is available on the following pages.

Governmental Activities

G.O. Bonds Payable

Beginning Balance	\$ 13,240,000
Additions	7,105,000
Deletions	<u>(9,555,000)</u>
Ending Balances	<u>\$ 10,790,000</u>

Due Within One Year	<u>\$ 2,755,000</u>
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1. General Obligation Refunding Bonds, Series 2006 A - CMD

The District issued \$5,780,000 of general obligation refunding bonds dated April 24, 2006 with interest rates ranging from 3.60% to 5.00%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2019. Proceeds from the bond issuance have been used to advance refund all outstanding series 1998 bonds.

These bonds maturing on or after December 1, 2017 and after were refunded through the issuance of General Obligation Refunding Note Series 2017A. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Position.

2. General Obligation Refunding Bonds, Series 2012 – CMD

The District issued \$6,500,000 of general obligation refunding bonds dated December 3, 2015 with an interest rate of 2.24%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2022. Proceeds from the bond issuance have been used to advance refund all of the CMD series 2002 bonds.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

IV. Detailed Notes on All Funds (continued)

C. Long-term Debt (continued)

3. General Obligation Refunding Loan Series 2017A – CMD

The District issued \$3,635,000 of general obligation refunding loan dated September 12, 2017 with an interest rate of 1.910%. The principal on the loan is payable on December 1 of each year and matures in 2019. The proceeds from the loan issue have been used to advance refund 2006A loan.

4. General Obligation Refunding Bonds, Series 2006B - CMMD

The District issued \$6,840,000 of general obligation refunding bonds dated April 24, 2006 with interest rates ranging from 4.00% to 5.00%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2022. Proceeds from the bond issuance have been used to advance refund portions of the CMMD series 1999 (\$1,415,000), series 2000A (\$3,260,000), and series 2000B (\$2,165,000) bonds.

These bonds maturing on or after December 1, 2017 and after were refunded through the issuance of General Obligation Refunding Note Series 2017A. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Position.

5. General Obligation Refunding Bonds, Series 2015 - CMMD

The District issued \$1,650,000 of general obligation refunding bonds dated May 18, 2015 with an interest rate of 2.05%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2022. Proceeds from the bond issuance have been used to advance refund the series 2002A bonds with a present value savings of \$212,384.

6. General Obligation Refunding Loan Series 2017B – CMMD

The District issued \$3,470,000 of general obligation refunding loan dated September 12, 2017 with an interest rate of 2.180%. The principal on the loan is payable on December 1 of each year and matures in 2022. The proceeds from the loan issue have been used to advance refund 2006A loan.

7. Annual Debt Service Requirements

Annual debt service requirements to maturity for general obligation debt are as follows:

Year	Principal	Interest	Total
2018	\$ 2,755,000	230,918	2,985,918
2019	2,815,000	173,853	2,988,853
2020	1,815,000	115,710	1,930,710
2021	1,690,000	75,404	1,765,404
2022	1,715,000	37,995	1,752,995
	<u>\$ 10,790,000</u>	<u>633,880</u>	<u>11,423,880</u>

Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Long-term Debt (continued)

8. Authorized, Unissued Debt

The District authorized the issuance of \$15,000,000 in bonded indebtedness to acquire certain parks and recreational facilities and/or the water rights, infrastructure and other improvements in order to provide water service to the park and recreation project. None of the debt had been issued as of the date of the auditor's report.

V. Other Information

A. Water Service Agreement

The District, the Edwards Metropolitan District and the Upper Eagle Regional Water District are parties to an Amended and Restated Water Service Agreement dated March 25, 2004 (the "Water Service Agreement"), concerning the provision of treated water to the area within the District. The Water Service Agreement provides that the Water District shall provide water service to the property within the District up to a maximum of 1,685 single family equivalent units, comprised of 1,522 residential units and 135 commercial units. Water rights and system infrastructure serving the District were originally owned by the Squaw Creek Metropolitan District and were transferred to the District in 2003. These assets were further transferred to the Water District in 2004. Water users within the District pay periodic water service charges to the Water District. Under the Water Services Agreement, in 2004, the District paid to the Water District \$882,500 to be used by the Water District for the purchase and/or lease of water rights sufficient to augment current rights held to extent necessary to accommodate future growth within the District. In 2007 the District received a refund of \$520,340 from the Water District pursuant to the agreement.

B. Colorado Special Districts Property and Liability Pool

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool ("Pool"). The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public official's coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

V. Other Information (continued)

C. Retirement Plan

The District participates in the Security Benefit, multiple-employer public employee retirement systems that are qualified plans as defined by IRS Code Section 401(A) and 457 and Colorado Revised Statutes (CRS) 24.54. The plans provide retirement benefits through a defined contribution plan to participating counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. There are no unfunded past service liabilities. All full-time and part-time regular employees are required to participate in the 401(A) plan after approximately one month of service. The District contributes 6.2% of employee compensation, excluding overtime and bonuses. The employee is required to contribute an amount at least equal to the District's contribution. District employees may also choose to participate in the 457 plan. The District provides a 25% match to employee contributions to the 457 plan up to the annual IRS limits on individual contributions. Actual Contributions amounted to \$11,494 (employer) and \$45,972 (employee) during 2017.

The District and employees each made the required 6.2% minimum contributions to the 401(A) plan in 2017 of \$157,018. Required contribution rates may be amended within the statutory limits by the Board of Directors of the District.

D. Commitments and Contingencies

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. Management of the District and their legal representatives are not aware of any material outstanding claims against the District at December 31, 2017.

E. Cordillera Property Owners Association

Effective January 1, 2017, the District entered into an agreement with Cordillera Property Owners Association (the "Association") to provide general administrative, management, design review services, public safety, covenant enforcement and other such services for the Association. The agreement has an initial term expiring December 31, 2017 and is annually renewable, for a twelve-month term, unless terminated by either party.

The District received cash of \$2,492,339 for services under the agreement during 2017.

The Association owes the District \$172,346 at December 31, 2017. Changes in the receivable from CPOA are as follows:

	Receivable from Association
Balance at December 31, 2016	\$ 1,326,472
Payroll charged to Association	445,286
Insurance	39,399
Debt contribution	400,000
Legal fees charged to Association	24,341
Other	84,495
Payments	(2,492,339)
Balance at December 31, 2017	\$ (172,346)

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

V. Other Information (continued)

E. Cordillera Property Owners Association (continued)

Effective January 1, 2004, the Association entered into a land lease agreement, for the Market/Post Office, with the District. Terms of the land lease include \$1 per year rental payment until January 1, 2103 at which time the Association may continue as a year-to-year tenant.

VI. Pending Legal Matters

A. Starview Realty Investments, LP v. Cordillera Metropolitan District

On April 17, 2013, Starview Realty Investments, LP (“Starview”) filed suit against the District in Eagle County District Court alleging that the District does not provide any services or infrastructure to the property, and thus has been unjustly enriched by collecting taxes from Starview. Starview alleges that the District has further violated State Constitutional provisions by collecting taxes and not providing services.

The District has engaged the firm of Norton Smith & Keane, P.C. to represent it in litigation. The District intends to vigorously defend the case, and disagrees with the factual assertions in the complaint. The District further believes the legal theories upon which the case was filed are without merit.

The District filed a motion to dismiss which was granted, in part, by Court Order, dated July 11, 2013. The Court’s Order leaves only four of the Plaintiff’s claims for relief pending. These four claims were tried at a bench trial held in the Eagle County District Court on April 1 and April 2, 2015. As of June 12, 2018, the Court has not entered a ruling following the trial.

In the event of an unfavorable outcome, the District could be required to repay Starview \$108,383.06 in previously collected property taxes and could be enjoined from collecting property taxes from the property in the future.

B. The Lodge Property

In 2016, the owner of the Lodge and Village Center Parcels, Behringer Harvard Cordillera, LLC, entered into a contract to sell the parcels to Concerted Care Group Management (“CCG”). The District and the Cordillera Property Owners Association (“Association”) have appealed the decision of the Eagle County Board of County Commissioners (“BOCC”) to allow the use of the property as an addiction treatment center and residential rehabilitation center proposed by the buyer, CCG.

Eagle County Managing Director of Community Development (the “Director”) issued an interpretation letter on June 1, 2016 stating that the Cordillera Subdivision Eleventh Amended and Restated Planned Unit Development Control Document (“Cordillera PUD”) allows for the proposed use. The District and Association disagreed and appealed to the BOCC.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2017
(Continued)**

V. Other Information (continued)

B. The Lodge Property (continued)

On October 11, 2016, the BOCC affirmed the Director's interpretation of Cordillera Subdivision Eleventh Amended and Restated Planned Unit Development Control Document ("Cordillera PUD") for the proposed addiction treatment center. On November 8, 2016, the District and Association filed a complaint for relief against the BOCC in the District Court for Eagle County, Colorado seeking to overturn the BOCC's affirmation of the Director's interpretation. Additionally, the District and Association are seeking an award of damages, costs, reasonable attorney fees, and judgment interest.

A property owner living in the district filed a complaint against the BOCC asserting that the BOCC abused its discretion in approving the Director's interpretation and sought declaratory relief. On January 19, 2017, the Court granted the BOCC's motion to consolidate this case with another case brought on by a property owner living in the District. The Property owner filed a motion against the consolidation, which the Court granted on March 13, 2017.

On September 15, 2017, the Court affirmed the BOCC's decision to affirm the Director's interpretation of Cordillera PUD. On November 2nd and 3rd, the property owner and the Association filed a Notice of Appeal with the Colorado Court of Appeals. The District did not appeal the Court's Decision. The likelihood of an unfavorable outcome of this appeal and an estimate of the amount or range of potential loss is unknown at this time.

On July 5, 2016, CCG sent notice to the District and Association alleging that their actions opposing the proposed use of the property by the buyer constitute actionable violations of certain provisions of the Federal Fair Housing Amendments Act of 1988 and the Americans with Disabilities Act and requested that the District and Association cease and desist from their activities. To the extent that that violations continue, CCG asserted that it will reserve the right to pursue the Association and District for damages. On October 20, 2017 CSMN Investments, LLC, the current owner of the Parcels filed a complaint and requested judgement and damages against the Association and District. CSMN seeks Court relief by ordering the Association and District to cease and desist from the prosecution and appeals and allow CSMN to operate the Lodge Parcel as a residential substance abuse treatment facility and award damages to CSMN. On January 11, 2018 the District and Association filed a motion to dismiss. On March 20, 2018, CSM filed an Amended Complaint which dropped its alleged claim of unjust enrichment. On March 30, 2018 the District and Association filed a motion to dismiss. Due to the amended claim, the Court declared the motions to dismiss moot. On April 24, 2018, Legal Committee Defendants filed a reply to CSMN's response. On May 8, 2018 the Association and Ed Shriner filed a joinder to join in the two replies made by the other Defendants. The motion to dismiss and motion for failure to state a claim are pending before the Court. The likelihood of an unfavorable outcome of this appeal and an estimate of the amount or range of potential loss is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2017

	2017			2016 Actual
	Original Final Budget	Actual	Variance Positive (Negative)	
Revenues:				
Taxes:				
Property tax	3,740,160	3,725,010	(15,150)	3,532,940
Specific ownership tax	227,000	319,937	92,937	289,558
Charges for services:				
CPOA administration fees	1,093,447	1,116,666	23,219	1,190,923
Cordillera Valley Club public safety	295,854	271,728	(24,126)	248,636
Trailer storage fees	19,800	19,720	(80)	21,920
Transponder revenue	12,000	12,810	810	13,155
Sewer lift revenue	19,426	17,584	(1,842)	16,738
Internal service fee from Equestrian Fund	44,000	286	(43,714)	1,539
Other fees	2,150	5,064	2,914	5,183
Other revenue:				
Electric utility refunds	10,000	3,313	(6,687)	7,547
Interest income	6,406	43,738	37,332	25,464
Lottery proceeds	1,600	893	(707)	1,541
Other income	489	8,074	7,585	17,035
Total Revenues	5,472,332	5,544,823	72,491	5,372,179
Expenditures:				
General and administration:				
Wages and benefits	753,082	614,749	138,333	687,576
Operations	800,052	892,936	(92,884)	755,606
Public safety:				
Wages and benefits	1,039,352	1,072,479	(33,127)	1,048,959
Operations	55,649	48,306	7,343	50,876
Public works:				
Wages and benefits	1,047,486	960,631	86,855	978,289
Operations	727,902	749,117	(21,215)	679,661
Recreation	25,210	32,253	(7,043)	30,444
Total Expenditures	4,448,733	4,370,471	78,262	4,231,411
(Deficiency) of Revenues Over Expenditures	1,023,599	1,174,352	150,753	1,140,768
Other Financing Sources (Uses):				
Transfer to other funds	(1,182,000)	(1,033,449)	148,551	(1,250,000)
Total Other Financing Sources (Uses)	(1,182,000)	(1,033,449)	148,551	(1,250,000)
Net Change in Fund Balance	(158,401)	140,903	299,304	(109,232)
Fund Balance - Beginning	1,537,983	1,957,343	419,360	2,066,575
Fund Balance - Ending	1,379,582	2,098,246	718,664	1,957,343

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Equestrian Center
For the Year Ended December 31, 2017

	2017		Variance Positive (Negative)	2016 Actual
	Original and Final Budget	Actual		
Revenues:				
Boarding stall revenue	218,405	196,703	(21,702)	187,394
Paddock revenue	150,000	121,712	(28,288)	114,122
Other revenue	4,851	2,912	(1,939)	3,919
Total Revenues	<u>373,256</u>	<u>321,327</u>	<u>(51,929)</u>	<u>305,435</u>
Expenditures:				
Wages and benefits	171,012	194,251	(23,239)	173,689
Boarding expenses	67,991	75,322	(7,331)	63,603
Utilities	28,209	21,443	6,766	20,874
Maintenance	24,825	18,216	6,609	19,034
Administrative expenses	15,524	10,412	5,112	6,476
Total Expenditures	<u>307,561</u>	<u>319,644</u>	<u>(12,083)</u>	<u>283,676</u>
Excess of Revenues Over Expenditures	65,695	1,683	(64,012)	21,759
Other Financing Sources (Uses):				
Transfer to/from other funds	(146,868)	(148,551)	(1,683)	-
Total Other Financing Sources (Uses)	<u>(146,868)</u>	<u>(148,551)</u>	<u>(1,683)</u>	<u>-</u>
Fund Balance - Beginning	146,868	146,868	-	125,109
Fund Balance - Ending	<u>65,695</u>	<u>-</u>	<u>(65,695)</u>	<u>146,868</u>

SUPPLEMENTARY INFORMATION

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - CMD Debt Service Fund
For the Year Ended December 31, 2017

	2017			2016 Actual
	Original and Final Budget	Actual	Variance Positive (Negative)	
Revenues:				
Property tax	1,683,211	1,679,357	(3,854)	1,750,181
Tap fees	-	11,066	11,066	12,494
Interest income	883	12,228	11,345	8,950
Total Revenues	<u>1,684,094</u>	<u>1,702,651</u>	<u>18,557</u>	<u>1,771,625</u>
Expenditures:				
Debt service:				
Bond interest	-	213,774	(213,774)	353,675
Bond principal	2,036,022	1,815,000	221,022	1,685,000
Treasurer's fees	50,496	50,474	22	52,589
Total Expenditures	<u>2,086,518</u>	<u>2,079,248</u>	<u>7,270</u>	<u>2,091,264</u>
(Deficiency) of Revenues Over Expenditures	<u>(402,424)</u>	<u>(376,597)</u>	<u>25,827</u>	<u>(319,639)</u>
Other Financing Sources (Uses):				
Refunding proceeds	-	3,635,000	3,635,000	-
Payment to refunding agents	-	(3,579,024)	(3,579,024)	-
Bond issuance costs	-	(55,976)	(55,976)	-
Contribution from CPOA	223,101	223,101	-	333,157
Transfer from other funds	76,896	-	(76,896)	-
Total Other Financing Sources (Uses)	<u>299,997</u>	<u>223,101</u>	<u>(76,896)</u>	<u>333,157</u>
Net Change in Fund Balance	(102,427)	(153,496)	(51,069)	13,518
Fund Balance - Beginning	<u>148,247</u>	<u>162,897</u>	<u>14,650</u>	<u>149,379</u>
Fund Balance - Ending	<u><u>45,820</u></u>	<u><u>9,401</u></u>	<u><u>(36,419)</u></u>	<u><u>162,897</u></u>

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - CMMD Debt Service Fund
For the Year Ended December 31, 2017

	2017		Variance Positive (Negative)	2016 Actual
	Original and Final Budget	Actual		
Revenues:				
Property tax	794,161	785,630	(8,531)	771,895
Interest income	200	7,371	7,171	6,037
Tap fees	-	-	-	24,106
Total Revenues	<u>794,361</u>	<u>793,001</u>	<u>(1,360)</u>	<u>802,038</u>
Expenditures:				
Debt service:				
Bond interest	985,491	136,866	848,625	238,348
Bond principal	-	845,000	(845,000)	625,000
Treasurer's fees	23,825	23,654	171	23,273
Total Expenditures	<u>1,009,316</u>	<u>1,005,520</u>	<u>3,796</u>	<u>886,621</u>
(Deficiency) of Revenues Over Expenditures	<u>(214,955)</u>	<u>(212,519)</u>	<u>2,436</u>	<u>(84,583)</u>
Other Financing Sources (Uses):				
Refunding proceeds	-	3,470,000	3,470,000	-
Payment to refunding agents	-	(3,415,744)	(3,415,744)	-
Bond issuance costs	-	(54,256)	(54,256)	-
Contribution from CPOA	176,899	176,899	-	44,453
Transfer from other funds	38,104	-	(38,104)	-
Total Other Financing Sources (Uses)	<u>215,003</u>	<u>176,899</u>	<u>(38,104)</u>	<u>44,453</u>
Net Change in Fund Balance	48	(35,620)	(35,668)	(40,130)
Fund Balance - Beginning	<u>87,511</u>	<u>95,740</u>	<u>8,229</u>	<u>135,870</u>
Fund Balance - Ending	<u><u>87,559</u></u>	<u><u>60,120</u></u>	<u><u>(27,439)</u></u>	<u><u>95,740</u></u>

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - 2002 Debt Service Fund
For the Year Ended December 31, 2017

	<u>2017</u>			<u>2016</u> <u>Actual</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
Revenues:				
Interest income	-	771	771	327
Total Revenues	<u>-</u>	<u>771</u>	<u>771</u>	<u>327</u>
Other Financing Sources (Uses):				
Contribution from CPOA	-	-	-	22,390
Transfer to other funds	(115,000)	-	115,000	-
Total Other Financing Sources (Uses)	<u>(115,000)</u>	<u>-</u>	<u>115,000</u>	<u>22,390</u>
Net Change in Fund Balance	(115,000)	771	115,771	22,717
Fund Balance - Beginning	<u>167,498</u>	<u>167,825</u>	<u>327</u>	<u>145,108</u>
Fund Balance - Ending	<u><u>52,498</u></u>	<u><u>168,596</u></u>	<u><u>116,098</u></u>	<u><u>167,825</u></u>

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Water Fund
For the Year Ended December 31, 2017

	2017			2016 Actual
	Original and Final Budget	Actual	Variance Positive (Negative)	
Revenues:				
Water usage fees	247,000	85,589	(161,411)	254,128
Water tap fees	-	20,282	20,282	-
Total Revenues	<u>247,000</u>	<u>105,871</u>	<u>(141,129)</u>	<u>254,128</u>
Excess of Revenues Over Expenditures	247,000	105,871	(141,129)	254,128
Fund Balance - Beginning	2,069,024	2,076,152	-	1,822,024
Fund Balance - Ending	<u><u>2,316,024</u></u>	<u><u>2,182,023</u></u>	<u><u>(141,129)</u></u>	<u><u>2,076,152</u></u>

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2017

	2017			Variance Positive (Negative)	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Bearcat Stables improvements	-	-	10,936	10,936	7,550
Total Revenues	-	-	10,936	10,936	7,550
Expenditures:					
Heavy equipment	-	-	-	-	297,905
Heavy equipment	334,472	334,472	336,636	(2,164)	-
Road repair	695,810	695,810	696,713	(903)	565,695
Capital engineering	-	-	-	-	43,548
Community parks and recreation - fencing	-	-	-	-	20,023
Equestrian center - remodel	10,000	10,000	10,761	(761)	-
Equestrian center - lower barn siding	-	-	-	-	58,764
Equestrian footing	12,090	12,090	10,052	2,038	-
Radio replacement	18,865	18,865	18,134	731	-
Community operations building foundation	-	50,000	50,713	(713)	177,181
Admin carpet	23,000	23,000	21,441	1,559	-
Admin windows	3,000	3,000	4,288	(1,288)	-
Summit tent	-	-	-	-	16,464
Rekey Buildings	6,000	6,000	7,261	(1,261)	-
Road improvements	138,800	223,800	220,448	3,352	-
Total Expenditures	1,242,037	1,377,037	1,376,447	590	1,179,580
(Deficiency) of Revenues Over Expenditures	(1,242,037)	(1,377,037)	(1,365,511)	11,526	(1,172,030)
Other Financing Sources (Uses):					
Transfer (to) from other fund	1,182,000	1,182,000	1,182,000	-	1,250,000
Total Other Financing Sources (Uses)	1,182,000	1,182,000	1,182,000	-	1,250,000
Net Change in Fund Balance	(60,037)	(195,037)	(183,511)	11,526	77,970
Fund Balance - Beginning	129,242	272,046	272,046	-	194,076
Fund Balance - Ending	69,205	77,009	88,535	11,526	272,046

Cordillera Metropolitan District
Summary of Assessed Valuation, Mill Levy and Property Tax Collected
December 31, 2017

<u>Year Ended December 31</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>	<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>	
<u>Cordillera Metropolitan District:</u>					
2009	99,172,250	23.165	2,297,325	2,278,863	99.20%
2010	115,894,820	19.663	2,278,840	2,254,892	98.95%
2011	113,913,340	19.663	2,239,878	2,153,834	96.16%
2012	79,115,500	26.535	2,099,330	2,082,237	99.19%
2013	78,623,900	22.720	1,786,335	1,793,771	100.42%
2014	66,295,550	25.480	1,689,211	1,683,609	99.67%
2015	66,292,630	25.738	1,706,240	1,704,721	99.91%
2016	81,404,100	21.574	1,756,212	1,752,247	99.77%
2017	80,935,260	20.797	1,683,211	1,679,357	99.77%
2018	76,792,530	21.919	1,683,215		
<u>Cordillera Mountain Metropolitan District:</u>					
2009	26,960,870	37.220	1,003,484	1,002,402	99.89%
2010	31,237,920	33.273	1,039,379	998,535	96.07%
2011	29,744,680	33.273	989,695	891,321	90.06%
2012	17,758,590	60.728	1,078,444	1,063,780	98.64%
2013	17,939,080	56.804	1,019,012	1,019,012	100.00%
2014	16,260,060	57.011	927,002	924,915	99.77%
2015	16,252,350	54.823	891,003	890,999	100.00%
2016	19,095,230	41.589	794,152	773,142	97.35%
2017	19,146,270	41.478	794,149	785,630	98.93%
2018	19,864,220	39.979	794,152		
<u>Combined operating mill levy:</u>					
2009	126,133,120	22.933	2,892,611	2,882,575	99.65%
2010	147,132,740	20.691	3,044,324	2,995,387	98.39%
2011	143,658,020	21.135	3,036,212	2,887,328	95.10%
2012	96,874,090	31.478	3,049,403	3,020,319	99.05%
2013	96,562,980	31.579	3,049,362	3,054,937	100.18%
2014	80,833,420	39.691	3,208,359	3,200,674	99.76%
2015	80,255,450	42.070	3,376,347	3,374,047	99.93%
2016	98,641,540	36.111	3,562,045	3,537,163	99.30%
2017	98,333,990	38.034	3,740,035	3,725,010	99.60%

**Cordillera Metropolitan District
Schedule of Debt Service Requirements to Maturity
Debt Issued by Cordillera Metropolitan District
December 31, 2017**

Bonds and Interest Maturing in the Year Ending December 31,	\$6,500,000 G.O. Refunding Loan Series 2012		\$3,635,000 G.O. Refunding Loan Series 2017A		Total Principal	Total Interest	Total Debt Service
	Interest Rate 2.24%	Interest Rate 1.91%	Principal	Interest			
2018	650,000	96,976	1,215,000	46,795	1,865,000	143,771	2,008,771
2019	665,000	82,214	1,235,000	23,589	1,900,000	105,803	2,005,803
2020	960,000	67,295			960,000	67,295	1,027,295
2021	985,000	45,309			985,000	45,309	1,030,309
2022	1,010,000	22,938			1,010,000	22,938	1,032,938
Total	4,270,000	314,733	2,450,000	70,384	6,720,000	385,117	7,105,117

**Cordillera Metropolitan District
Schedule of Debt Service Requirements to Maturity
Debt Issued by Cordillera Mountain Metropolitan District
December 31, 2017**

Bonds and Interest Maturing in the Year Ending December 31,	\$1,650,000 G.O. Bonds Series 2015 Interest Rate 2.05%		\$3,470,000 G.O. Refunding Loan Series 2017B Interest Rate 2.18%		Total Principal	Total Interest	Total Debt Service
	Principal	Interest	Principal	Interest			
	2018	235,000	24,908	655,000			
2019	240,000	20,090	675,000	47,960	915,000	68,050	983,050
2020	245,000	15,170	610,000	33,245	855,000	48,415	903,415
2021	255,000	10,148	450,000	19,947	705,000	30,095	735,095
2022	240,000	4,920	465,000	10,137	705,000	15,057	720,057
Total	1,215,000	75,235	2,855,000	173,528	4,070,000	248,763	4,318,763

Cordillera Metropolitan District
Schedule of Debt Service Requirements to Maturity
Debt Issued by Cordillera Metropolitan District and Cordillera Mountain Metropolitan District
December 31, 2017

Year Ending December 31	CMD & CMMD Principal Total	CMD & CMMD Interest Total	CMD & CMMD Debt Service Total
2018	2,755,000	230,918	2,985,918
2019	2,815,000	173,853	2,988,853
2020	1,815,000	115,710	1,930,710
2021	1,690,000	75,403	1,765,403
2022	1,715,000	37,995	1,752,995
	<u>10,790,000</u>	<u>633,880</u>	<u>11,423,880</u>



Cordillera Property Owners Association

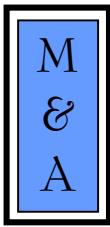
Financial Statements

December 31, 2017

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
December 31, 2017

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MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Cordillera Property Owners Association, Inc.
Edwards, Colorado**

Report on the Financial Statements

We have audited the accompanying financial statements of Cordillera Property Owners Association, Inc. (the "Association"), a Colorado non-profit corporation, which comprise the balance sheets as of December 31, 2017, and the related statements of revenues, expenses, and changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibilities

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cordillera Property Owners Association, Inc. as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Cordillera Property Owners Association, Inc.
Edwards, Colorado

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 14-15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, except for that portion marked "unaudited", on which we express no opinion, is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Future Major Repairs and Replacements on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the Association's December 31, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 4, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
October 10, 2018

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Balance Sheets
December 31, 2017
(With Comparative Totals for 2016)

	2017			2016 Total
	Operating Fund	Replacement Fund	Total	
Assets:				
Cash	670,126	-	670,126	1,805,459
Restricted cash - transfer assessments	-	3,045,996	3,045,996	2,721,504
Owners receivables, net	2,681,785	9,119	2,690,904	2,705,470
Due from Cordillera Metro District	172,346	-	172,346	-
Accounts receivable - Vail Club	323,953	-	323,953	64,185
Inventory - Short Course	9,150	-	9,150	15,466
Design Review Board fines receivable	4,500	-	4,500	5,000
Prepaid expenses	56,649	-	56,649	51,218
Property and equipment, net	743,398	-	743,398	780,372
Total Assets	4,661,907	3,055,115	7,717,022	8,148,674
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	260,963	-	260,963	95,749
Due to Cordillera Metro District	-	-	-	1,326,472
DRB Deposits	450,392	-	450,392	543,392
Prepaid dues	2,871,493	-	2,871,493	2,337,200
Design Review Board interest payable	-	-	-	15,298
Total Liabilities	3,582,848	-	3,582,848	4,318,111
Fund Balances:				
Fund balance - Restricted for transfer assessments	-	3,045,996	3,045,996	2,721,504
Investment in fixed assets, net of depreciation	743,398	-	743,398	780,372
Fund balance (deficit)	335,661	9,119	344,780	328,687
Total Fund Balance	1,079,059	3,055,115	4,134,174	3,830,563
Total Fund Equity	1,079,059	3,055,115	4,134,174	3,830,563
Total Liabilities and Fund Equity	4,661,907	3,055,115	7,717,022	8,148,674

The accompanying notes are an integral part of these financial statements.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Statements of Revenues, Expenses and Changes in Fund Balance
For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	2017			2016 Total
	Operating Fund	Replacement Fund	Total	
Revenues:				
Assessments	2,160,200	-	2,160,200	2,141,300
Real estate transfer assessments	304,445	1,122,595	1,427,040	1,400,762
Short Course	-	-	-	130,940
Trailhead	79,280	-	79,280	82,415
Investment income	2,798	1,310	4,108	1,287
Market and café revenue	13,200	-	13,200	11,500
Design review board fees	28,579	-	28,579	69,026
Marketing contributions	-	-	-	61,074
Sales center lease revenue	41,047	-	41,047	41,080
Cordillera Vail Club:				
Membership dues	644,069	-	644,069	648,629
Lease revenue	635	-	635	8,486
Locker rental revenue	11,089	-	11,089	13,441
Post office sales, net	45,079	-	45,079	43,784
Miscellaneous income	79,994	3,955	83,949	44,722
Total Revenues	<u>3,410,415</u>	<u>1,127,860</u>	<u>4,538,275</u>	<u>4,698,446</u>
Expenses:				
Administrative	1,723,019	-	1,723,019	1,912,063
Community Operations	266,620	68,494	335,114	309,097
Cordillera Vail Club	582,375	-	582,375	568,608
Short Course	323,031	6,550	329,581	487,843
Trailhead	214,591	8,411	223,002	263,177
Athletic Center	270,030	310,794	580,824	374,625
Transfer to Cordillera Metropolitan District	-	400,000	400,000	400,000
Depreciation	36,974	-	36,974	84,664
Bad debt expense	23,775	-	23,775	13,674
Total Expenses	<u>3,440,415</u>	<u>794,249</u>	<u>4,234,664</u>	<u>4,413,751</u>
Excess (Deficiency) of Revenues Over Expenses	(30,000)	333,611	303,611	284,695
Working Capital Contribution	-	-	-	402,525
Change in Fund Balance	(30,000)	333,611	303,611	687,220
Fund Balances - Beginning	<u>1,109,059</u>	<u>2,721,504</u>	<u>3,830,563</u>	<u>3,143,343</u>
Fund Balances - Ending	<u><u>1,079,059</u></u>	<u><u>3,055,115</u></u>	<u><u>4,134,174</u></u>	<u><u>3,830,563</u></u>

The accompanying notes are an integral part of these financial statements.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Statements of Cash Flows
For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	2017			2016 Total
	Operating Fund	Replacement Fund	Total	
Cash Flows from Operating Activities:				
Cash received from owners	2,919,629	1,118,741	4,038,370	3,435,823
Cash received from Cordillera Vail Club	396,025	-	396,025	664,886
Cash received from Short Course	-	-	-	130,940
Cash received from Trailhead	79,280	-	79,280	82,415
Cash received from post office	45,079	-	45,079	43,784
Investment income received	2,798	-	2,798	1,287
Other cash receipts	134,241	-	134,241	97,302
Cash paid for goods and services	(4,712,385)	(394,249)	(5,106,634)	(3,096,635)
Cash paid to Cordillera Metropolitan District	-	(400,000)	(400,000)	(400,000)
Net Cash from Operating Activities	<u>(1,135,333)</u>	<u>324,492</u>	<u>(810,841)</u>	<u>959,802</u>
Net Change in Cash	(1,135,333)	324,492	(810,841)	959,802
Cash and Cash Equivalents - Beginning	1,805,459	2,721,504	4,526,963	3,567,161
Cash and Cash Equivalents - End	<u>670,126</u>	<u>3,045,996</u>	<u>3,716,122</u>	<u>4,526,963</u>
Reconciliation of Cash to Financial Statement Captions:				
Cash	670,126	-	670,126	1,805,459
Restricted cash - transfer assessments	-	3,045,996	3,045,996	2,721,504
Cash and Cash Equivalents at End of Period	<u>670,126</u>	<u>3,045,996</u>	<u>3,716,122</u>	<u>4,526,963</u>
Reconciliation of Excess (Deficiency) of Revenues Over Expenses to Net Cash from Operating Activities:				
Excess (Deficiency) of revenues over expenses	<u>(30,000)</u>	<u>333,611</u>	<u>303,611</u>	<u>284,695</u>
Adjustments:				
Depreciation	36,974	-	36,974	84,664
Bad debt expense	23,775	-	23,775	13,674
(Increase) decrease in receivables	(259,358)	(9,119)	(268,477)	(184,658)
(Increase) decrease in receivables - CMD	(172,346)	-	(172,346)	-
(Increase) decrease in prepaid expenses	885	-	885	16,638
Increase (decrease) in accounts payable	165,214	-	165,214	(92,332)
Increase (decrease) in accounts payable - CMD	(1,326,472)	-	(1,326,472)	894,472
Increase (decrease) in DRB deposits	(93,000)	-	(93,000)	(53,597)
Increase (decrease) in prepaid assessments	534,293	-	534,293	(3,754)
Increase (decrease) in DRB interest payable	(15,298)	-	(15,298)	-
Total Adjustments	<u>(1,105,333)</u>	<u>(9,119)</u>	<u>(1,114,452)</u>	<u>675,107</u>
Net Cash from Operating Activities	<u>(1,135,333)</u>	<u>324,492</u>	<u>(810,841)</u>	<u>959,802</u>

The accompanying notes are an integral part of these financial statements.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

1. Organization

Cordillera Property Owners Association, Inc. (the "Association") was incorporated in the State of Colorado on October 14, 1987 as a non-profit corporation. The Association's original Declaration is dated May 25, 1988 and was amended and restated on May 11, 1993, amended on May 11, 1998 and April 14, 2010, and amended and restated in its entirety on September 8, 2016 and amended in April 2017.

The Association began operations in 1990 and is responsible for the operation and maintenance of common property within the development. The development consists of residential lots located in Eagle County, Colorado.

The 2016 amended and restated Declaration provides that every person who is a recorded owner of a fee interest in any unit subject to the Declaration is a member of the Association.

2. Summary of Significant Accounting Policies

A. Funds

The Association uses the fund method of accounting, which requires that funds, such as operating funds and funds for future major repairs and replacements, be classified separately for accounting and reporting purposes.

Fund accounting is helpful in segregating funds having restrictions on their use. Disbursements from the Operating Fund are generally at the discretion of the Board of Directors (the "Board") of the Association and the Association's managing agent. Disbursements from the Replacement Fund may be made only for their designated purpose.

B. Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting, which recognizes revenues when earned or assessed, and expenses when incurred.

C. Assessments

Assessments are the primary source of revenue for the Association. The Board, together with the Association's management, prepares an annual budget to estimate the annual expenses of maintaining the Association's common elements.

On an annual basis, members of the Association are assessed for their pro-rata share of these estimated expenses. Since the Association is designed only to operate as a conduit to collect assessments and pay operating expenses on behalf of members, any excess or deficiency of revenues over expenses is repaid to, or recovered from, the members in a subsequent year by reducing or increasing assessments, or, with the approval of the Board, transferred to the Replacement Fund.

D. Deferred Assessment Revenue

Deferred assessment revenue represents assessments for the next fiscal year, which have been collected from owners in advance.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

2. Summary of Significant Accounting Policies (continued)

E. Income Taxes

While the Association has been organized under Colorado non-profit statutes as a corporation without capital stock or shareholders, the Association is not a tax-exempt organization. Consequently, the Association is subject to Federal and state income taxes on net income derived from investments and other non-membership sources.

The income tax returns of the Association are subject to examination by the Internal Revenue Service and the Colorado Department of Revenue. The Association's returns are no longer subject to examination by the Internal Revenue Service for tax years prior to 2014 and by the Colorado Department of Revenue for tax years prior to 2013.

F. Recognition of Fixed Assets

The Association recognizes as assets on its financial statements all common personal property and all common real property to which it has title and that it can dispose of for cash, while retaining the proceeds thereto.

Equipment, leasehold improvements and buildings are recorded at cost and are depreciated using the straight-line method over estimated useful lives as follows:

	<u>Years</u>
Equipment	7
Leasehold improvements	8-10
Buildings	40

Real and personal common property acquired by the original homeowners is not recognized on the financial statements of the Association because it is commonly owned by individual owners and its disposition by the Board is restricted.

G. Allowance for Doubtful Accounts

The Association utilizes the allowance method of recognizing the future potential uncollectibility of assessments receivable from owners. Allowances established at December 31, 2017 and 2016 are \$21,881 and \$25,000, respectively.

H. Cash Equivalents

All checking and money market savings accounts are considered cash equivalents by the Association for the purpose of the Statement of Cash Flows since all funds are highly liquid with no stated maturities.

I. Prepaid Expenses

Prepaid expenses consist of expenses paid which will provide benefits in subsequent years.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

2. Summary of Significant Accounting Policies (continued)

J. Design Review Board Deposits

The Association is responsible for the operation of the Cordillera Design Review Board (the "DRB"). The DRB reviews the design of all home construction, exterior refurbishments and landscaping of properties within the Association's boundaries. The DRB requires a compliance deposit equal to \$20,000 with each application.

The Association took over this function from Cordillera Metropolitan District as of September 1, 2014.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Comparative Information

The financial statements include certain prior year comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2016 from which the comparative totals were derived.

3. Concentration of Credit Risk

A portion of the Association's cash balances are invested in a money market fund held with a financial institution, and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. At December 31, 2017, the Association's uninsured cash balances totaled \$1,003,485.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

4. Property and Equipment

A summary of changes in property and equipment is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Market & post office	\$ 1,099,842	-	-	1,099,842
Leasehold improvements -				
Vail Gondola Club	569,689	-	-	569,689
Equipment	28,789	-	-	28,789
Total property & equipment	1,698,320	-	-	1,698,320
Less: accumulated depreciation	(917,948)	(36,974)	-	(954,922)
Property and equipment, net	<u>\$ 780,372</u>	<u>(36,974)</u>	<u>-</u>	<u>743,398</u>

5. Future Major Repairs and Replacement Reserve

The Association's governing documents allow for the accumulation of funds for future major repairs and replacements of the general and limited common elements. Accumulated funds are held in separate accounts and generally not available for expenditures for operations. The Association has established Replacement Funds for common property components.

During 2017, reserve study engineers completed a study commissioned by the Board to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited supplementary information for the Schedule of Future Major Repairs and Replacements on page 16 is based on the study.

The Association is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of current replacement costs and considering amounts previously accumulated in the Replacement Funds.

Funds are being accumulated in the Replacements Funds based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the Replacement Funds may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to the Board's approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

6. Cordillera Metropolitan District

Effective January 1, 2016, the Association entered into an agreement with Cordillera Metropolitan District (the "District") to provide general administrative, management, design review services, public safety, covenant enforcement and other such services for the Association. The agreement has an initial term expiring December 31, 2016 and is annually renewable, for a twelve month term, unless terminated by either party.

The Association paid the District \$1,116,666 for services under the agreement during 2017.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

6. Cordillera Metropolitan District (continued)

The District owes the Association \$172,346 at December 31, 2017. Changes in the payable to CPOA are as follows:

	Receivable from District
Balance at December 31, 2016	\$ 1,326,472
Payroll charged to Association	445,286
Insurance and other	123,894
Association debt paid by District	400,000
Legal fees charged to Association	24,341
Receipts from Association and other credits	(2,492,339)
Balance at December 31, 2017	\$ (172,346)

Effective January 1, 2004, the Association entered into a land lease agreement, for the Market/Post Office, with the District. Terms of the land lease include \$1 per year rental payment until January 1, 2103 at which time the Association may continue as a year-to-year tenant.

7. Real Estate Transfer Assessment

On April 2, 2001, the Association's Board of Directors approved a 1% real estate transfer assessment (the "RETA"), effective July 1, 2001. The revenue from the RETA is pledged to Cordillera Metropolitan District (the "District") for the Association debt transferred to the District to purchase the Chaveno Property from Kensington Partners. RETA collections in excess of pledged amount may be used by the Association at the Board's discretion.

Effective January 1, 2005 the assessment rate increased to 2% for sale contracts dated January 1, 2005 and after.

8. Real Estate Transfer Assessment Agreement

On March 17, 2002, the Association entered into a Transfer Assessment Agreement (the "Agreement") between Cordillera Metropolitan District ("CMD") and Cordillera Mountain Metropolitan District ("CMMD") (collectively, the "Districts") to cooperate in the acquisition and development of the Chaveno Parcel. The Districts each issued General Obligation Bonds, Series 2002 (the "Financing") to provide funding for the project. In order to meet current and future debt service payment on the Financing, the Association has agreed to assess, collect, pledge and pay to the Districts a portion of its Transfer Assessment as required to meet the obligations of this Agreement.

CMMD is no longer a separate party to the Agreement, but is responsible for debt, due to the consolidation of CMD and CMMD as ordered by the Eagle County District Court.

Under the Agreement, the Association is required to a) collect its Transfer Assessments, b) hold funds collected necessary to make annual scheduled payments in a segregated, interest-bearing account, and c) make the payment due November 1st of each year (see the following payment schedule). Upon satisfying the scheduled payments, and providing an accounting to the Districts evidencing that all obligations have been fully funded, the Association may use the Transfer Assessment revenue as it deems appropriate.

If the collection of the RETA is insufficient to meet the payment requirements of this Agreement, the Association shall accrue a liability in the amount of any such shortfall, which is to be paid as collections of the RETA become available.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

8. Real Estate Transfer Assessment Agreement (continued)

The Association's obligations under this agreement will terminate upon the District's full accumulation of the amount necessary to pay all obligations under the Financing. Under the Fifth Amended and Restated Assessment Agreement, the Association made the following payments in 2017: principal and interest of \$331,410 and a contribution to the 2002 bond reserve fund of \$68,590.

The following payment schedule under the Fifth Amendment includes the obligation for the Districts' 2002 and 2002B bond issues and the additional payments to level the Association's debt service to no more than \$400,000 per year. The Association's payment is due November 1, as follows:

2018	400,000
2019	400,000
2020	400,000
2021	127,000
	<u>1,327,000</u>

9. Trash and Recycling Program

The Association has a service agreement with Vail Honeywagon LTD, entered into on May 1, 2002, and amended October 18, 2004, for waste and recycled waste removal services. The agreement may be renewed for succeeding three-year periods unless either party terminates with at least 60 days' notice. The agreement is for monthly payments based on a rate of \$15 per unit for services and additional miscellaneous fees for the community receptacle or other special pickup, with a cost of living adjustment based on Denver, Boulder Metro Area CPI. The Association paid \$153,023 under the agreement during 2017.

10. Operating Lease

The Association entered into an operating lease on September 6, 2006, for space to maintain the Vail Gondola Club. An addendum to the lease was entered into on September 24, 2010. The initial term of the amended lease is January 1, 2013 to August 31, 2018, with three 5 year optional extensions available through August 2033. For the year ended December 31, 2017, minimum rental payments under such lease arrangements totaled \$299,482. Future minimum rental payments required as of December 31, 2017 under the remaining terms of the operating lease are as follows:

Fiscal Year Ending December 31, 2018	<u>308,464</u>
	<u>308,464</u>

Under the terms of the lease, the Association must pay the landlord a pro rata share of common expenses for the building. As of December 31, 2017, the Association paid \$63,368 of common element expenses under this contract provision.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

11. Golf Facility “Short Course” Agreement

The Association entered into an agreement on January 21, 2016 with Troon Golf L.L.C. to manage and operate the Association’s Short Course. The initial term of the lease is for 5 years. The annual base management fee to Troon is \$50,000 increased each year by the consumer price index. For fiscal year 2017, the annual contribution is \$286,580 and any costs included in the annual plan and associated with operating the facility in excess of the annual contribution shall not be incurred without the Association’s written approval. All gross revenues and operating expenses shall be deposited in and paid out of the Association’s bank account. Any excess revenues that exceed operating expenses including base management fee are the Association’s. During a special meeting of the Board on March 28, 2017, the Board approved the 2017 Short Course operational changes which limited the services to be provided by the Short Course during the year. Therefore, the course was not open to the public and no revenues were generated for fiscal year 2017. The reduced cost, within the contract, to the Association to operate the facility was \$329,582 in 2017.

12. Subsequent Events

Management has evaluated subsequent events through the date of the auditor’s report, the date these financial statements were available to be issued.

13. Pending Legal Matters

In 2016, the owner of the Lodge and Village Center Parcels, Behringer Harvard Cordillera, LLC, entered into a contract to sell the parcels to Concerted Care Group Management (“CCG”). The Association and the Cordillera Metropolitan District (“District”) have appealed the decision of the Eagle County Board of County Commissioners (“BOCC”) to allow the use of the property as an addiction treatment center and residential rehabilitation center as proposed by the buyer, CCG.

Eagle County Managing Director of Community Development (the “Director”) issued an interpretation letter on June 1, 2016 stating that the Cordillera Subdivision Eleventh Amended and Restated Planned Unit Development Control Document (“Cordillera PUD”) allows for the proposed use. The District and Association disagreed and appealed to the BOCC.

On July 5, 2016, CCG sent notice to the District and Association alleging that their actions opposing the proposed use of the property by the buyer constitute actionable violations of certain provisions of the Federal Fair Housing Amendments Act of 1988 and the Americans with Disabilities Act and requested that the District and Association cease and desist from their activities.

On October 11, 2016, the BOCC affirmed the Director’s interpretation of Cordillera PUD for the proposed addiction treatment center. On November 8, 2016, The District and Association filed a complaint for relief against the BOCC in the District Court for Eagle County, Colorado seeking to overturn the BOCC’s affirmation of the Director’s interpretation. Additionally, the District and Association are seeking an award of damages, costs, reasonable attorney fees, and judgment interest.

A property owner living in the district filed a complaint against the BOCC asserting that the BOCC abused its discretion in approving the Director’s interpretation and sought declaratory relief. On January 19, 2017, the Court granted the BOCC’s motion to consolidate this case with another case brought on by a property owner living in the District. The Property owner filed a motion against the consolidation, which the Court granted on March 13, 2017.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2017
(Continued)

13. Pending Legal Matters (continued)

On September 15, 2017, the Court affirmed the BOCC's decision to affirm the Director's interpretation of Cordillera PUD. On November 2nd and 3rd, the property owner and the Association filed a Notice of Appeal with the Colorado Court of Appeals. The District did not appeal the court's decision. The likelihood of an unfavorable outcome of this appeal and an estimate of the amount or range of potential loss is unknown at this time.

To the extent that that violations continue, CCG asserted, that it will reserve the right to pursue the Association and District for damages. On October 20, 2017 CSMN Investments, LLC, the current owner of the Parcels, filed a complaint and requested judgement and damages against the Association and District. CSMN seeks court relief by ordering the Association and District to cease and desist from the prosecution and appeals and allow CSMN to operate the Lodge Parcel as a residential substance abuse treatment facility and award damages to CSMN. On January 11, 2018, the District and Association filed a motion to dismiss. On March 20, 2018, CSM filed an amended complaint which dropped its alleged claim of unjust enrichment. On March 30, 2018, the District and Association filed a motion to dismiss. Due to the amended claim, the court declared the motions to dismiss moot. On May 8, 2018, the Association and the District filed a motion to dismiss. The likelihood of an unfavorable outcome of this appeal and an estimate of the amount or range of potential loss is unknown at this time. The Association is insured and the insurance carrier is providing the legal defense.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Schedule of Revenues and Expenses - Budget and Actual
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)

	2017			2016 Actual
	Original and Final Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Assessments	2,147,200	2,160,200	13,000	2,141,300
Real estate transfer assessments	1,250,000	1,427,040	177,040	1,400,762
Short Course	-	-	-	130,940
Trailhead	85,200	79,280	(5,920)	82,415
Investment income	1,000	4,108	3,108	1,287
Market and café revenue	13,200	13,200	-	11,500
Design review board fees	62,000	28,579	(33,421)	69,026
Marketing contributions	-	-	-	61,074
Sales center lease revenue	41,080	41,047	(33)	41,080
Cordillera Vail Club:				
Membership dues	624,102	644,069	19,967	648,629
Lease revenue	9,400	635	(8,765)	8,486
Locker rental revenue	11,250	11,089	(161)	13,441
Post office sales, net	39,356	45,079	5,723	43,784
Miscellaneous income	55,420	83,949	28,529	44,722
Total Revenues	<u>4,339,208</u>	<u>4,538,275</u>	<u>199,067</u>	<u>4,698,446</u>
Expenses:				
Administrative:				
Cordillera Metropolitan District contract	1,093,447	1,116,666	(23,219)	1,190,923
DRB expenses	67,430	66,814	616	65,219
Community enrichment	19,375	16,135	3,240	32,318
Bank and credit card charges	4,400	2,222	2,178	2,371
Insurance	62,121	63,263	(1,142)	60,444
Professional fees	9,100	13,530	(4,430)	10,600
Marketing	292,768	175,723	117,045	235,345
Recreation management - wages and benefits	64,642	77,449	(12,807)	80,276
Legal:				
General counsel	118,700	190,632	(71,932)	228,997
Miscellaneous	370	585	(215)	5,570
Total Administrative	<u>1,732,353</u>	<u>1,723,019</u>	<u>9,334</u>	<u>1,912,063</u>
Community Operations:				
Trash and recycling program	151,308	153,023	(1,715)	125,964
Post office and market center	73,328	85,977	(12,649)	77,416
Healthy forest program	66,770	68,494	(1,724)	79,447
River parcel and pond management	28,525	27,620	905	26,270
Total Community Operations	<u>319,931</u>	<u>335,114</u>	<u>(15,183)</u>	<u>309,097</u>
Cordillera Vail Club:				
Wages and benefits	127,523	128,869	(1,346)	126,009
Lease expense	299,479	299,482	(3)	290,757
Repairs and maintenance	74,854	74,644	210	70,671
Operating supplies and expenses	34,990	31,682	3,308	28,045
Food and beverages	54,766	45,497	9,269	53,126
Member entertainment	4,500	2,201	2,299	-
Total Cordillera Vail Club	<u>596,112</u>	<u>582,375</u>	<u>13,737</u>	<u>568,608</u>

The accompanying notes are an integral part of these financial statements.

Cordillera Property Owners Association, Inc.
(A Colorado Non-Profit Corporation)
Schedule of Revenues and Expenses - Budget and Actual
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for 2016)
(Continued)

	2017			2016 Actual
	Original and Final Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)	
Expenses:				
Short Course:				
Irrigation	25,000	34,195	(9,195)	34,346
Utilities and telephone	-	-	-	2,772
SW Greens Short Course Contract	375,000	286,580	88,420	447,407
Repairs and maintenance	-	-	-	327
Alarm monitoring and service	-	-	-	896
Property taxes	2,095	2,256	(161)	2,095
Facility improvements and equipment	84,000	6,550	77,450	-
Total Short Course	486,095	329,581	156,514	487,843
Trailhead:				
Wages and benefits	94,035	94,449	(414)	59,945
Operating supplies and expenses	48,590	52,462	(3,872)	35,458
Repairs and maintenance	15,706	16,037	(331)	50,946
Utilities and telephone	33,045	33,289	(244)	33,148
Camp expenses	20,675	18,354	2,321	17,264
Facility improvements	296,550	8,411	288,139	66,416
Total Trailhead	508,601	223,002	285,599	263,177
Athletic Center:				
Wages and benefits	97,665	94,804	2,861	86,038
Repairs and maintenance	37,062	52,076	(15,014)	42,151
Operating supplies and expenses	43,849	64,620	(20,771)	44,358
Fitness center	6,835	6,596	239	4,830
Utilities	57,996	51,934	6,062	51,949
Facility improvements	161,050	310,794	(149,744)	145,299
Total Athletic Center	404,457	580,824	(176,367)	374,625
Other:				
Transfer to Cordillera Metropolitan District	400,000	400,000	-	400,000
Total Other	400,000	400,000	-	400,000
Total Expenses	4,447,549	4,173,915	273,634	4,315,413
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	(108,341)	364,360	472,701	383,033
Depreciation		(36,974)		(84,664)
Bad debt expense		(23,775)		(13,674)
Excess (Deficiency) of Revenues Over Expenses (Accrual Basis)		303,611		284,695
Working Capital Contribution				402,525
Fund Balances - Beginning	3,176,865	3,830,563	653,698	3,143,343
Fund Balances - Ending	3,068,524	4,134,174	1,126,399	3,830,563

The accompanying notes are an integral part of these financial statements.

**Cordillera Property Owners Association
(A Colorado Non-Profit Corporation)
Schedule of Future Major Repairs and Replacements
December 31, 2017
(Unaudited)**

The Association had a professional engineering firm perform a study in 2017 to estimate the remaining useful lives and the future replacement costs of the components of common property. This study takes the estimated current cost of each component and estimates what the component will cost at the time it is replaced. The following table is based on the study and presents significant information about the components of common property:

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Future Replacement Costs</u>	<u>Replacement Fund Balance 2017</u>
Athletic Center	0-8	394,226	
Athletic Center	9-18	876,803	
Administrative Building	0-8	208,199	
Administrative Building	9-18	174,893	
Equestrian Center	0-8	467,768	
Equestrian Center	9-18	683,130	
Divide and Ranch Gatehouse Building	0-8	71,309	
Divide and Ranch Gatehouse Building	9-18	82,254	
Operations Building	0-8	370,811	
Operations Building	9-18	497,177	
Post Office Building	0-8	197,655	
Post Office Building	9-18	212,777	
Sales Center Building	0-8	103,205	
Sales Center Building	9-18	59,482	
Trailhead	0-8	348,513	
Trailhead	9-18	401,259	
Short Course Maintenance	0-8	43,393	
Short Course Maintenance	9-18	63,099	
Totals		<u><u>5,255,953</u></u>	<u><u>3,055,115</u></u>

<u>Year</u>	<u>Year</u>
2016	1,086,945
2017	137,950
2018	416,001
2019	71,240
2020	584,497
2021	296,063
2022	128,122
2023	120,830
2024	64,392
2025	144,834
	<u><u>5,255,953</u></u>



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MEMORANDUM

TO: Board of Directors, Cordillera Property Owners Association
FROM: Icenogle Seaver Pogue, P.C.
DATE: October 16, 2018
RE: Amendment to CPOA Declaration Concerning Short Term Rentals

This memorandum proposes a timeline and text with respect to an amendment the Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for Cordillera (the “Declaration”) pursuant to Section 38-33.3-217(7) of the Colorado Common Interest Ownership Act to address short term rentals (the “Amendment”). Section 38-33.3-217(7), C.R.S. provides a process by which the Association, acting through its executive board, may petition the district court for an order amending the Declaration, provided certain procedural, notice, and voting requirements are satisfied.

I. Timeline.

A proposed timeline to pursue the Amendment to the Declaration is included in Exhibit A hereto.

II. Amendment.

A. Amendment Proposal. A proposal for the Amendment is as follows:

Section 8.4 of the Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for Cordillera is hereby stricken and replaced in its entirety as follows:

8.4 Leasing and Short Term Rentals. Any Owner has the right to lease or allow occupancy of a Unit upon such terms and conditions the Owner deems advisable, subject to restrictions of this Declaration, or any other restrictions of record. All leases will provide that the lessee and all occupants of the leased Unit will be bound by the terms of the



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Governing Documents. However, no Unit shall be leased or rented, and no Owner shall allow occupancy of a Unit in exchange for compensation or payment for such right or privilege, for a period of time less than thirty (30) days.

B. Changes to Existing Language. The Amendment makes the following changes to Section 8.4 of the Declaration as it currently exists:

8.4 Leasing and Short Term Rentals. Any Owner has the right to lease or allow occupancy of a Unit upon such terms and conditions the Owner deems advisable, subject to restrictions of this Declaration, or any other restrictions of record. All leases will provide that the lessee and all occupants of the leased Unit will be bound by the terms of the Governing Documents. However, no Unit shall be leased or rented, and no Owner shall allow occupancy of a Unit in exchange for compensation or payment for such right or privilege, for a period of time less than thirty (30) days.

C. Duration of Rental Restriction. The duration of the limitation included in the proposed Amendment (30 days) is open to discussion. However, a 30-day benchmark may simplify administration because it aligns with what the State of Colorado considers a short-term rental for purposes of collecting state sales tax. Any rental of a unit for less than 30 consecutive days is taxable, and the owner or manager is required to collect and remit state sales tax thereon. Sections 39-26-104(1)(f) & and 39-26-102 (11), C.R.S; *see also* Colorado Department of Revenue Taxpayer Service Division, *Sales Taxes Due on Unit Rentals of Hotels, Motels, Bed- and-Breakfasts, Condominiums, and Time-Shares*, (June 2014), available at <https://www.colorado.gov/pacific/sites/default/files/Sales11.pdf>.

(Remainder of page intentionally left blank.)



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EXHIBIT A

CALENDAR TO AMEND AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR CORDILLERA PURSUANT TO SECTION 38-33.3-217(7), C.R.S.

Key and General Assumptions

* Indicates that a date falls on a Saturday, Sunday, or legal holiday. Our practice is to adjust the date to the preceding day which is not a Saturday, Sunday, or legal holiday.

† Indicates that a date is estimated for planning purposes only and is subject to change.

All dates and information are based on the laws in effect as of date of this draft.

NOTE: Assumptions may be included below when placement with a particular date/deadline is more appropriate.

	11/01/2018 [†]	<i>Send first notice of proposed amendment to all unit owners entitled to vote by any means allowed pursuant to the provisions regarding notice to members in Sections 7-121-402 and 7-127-104, C.R.S., of the "Colorado Revised Nonprofit Corporation Act," articles 121 to 137 of title 7, C.R.S.</i>	38-33.3-217(7)(a)(I)
	11/15/18 [†]	<i>Discuss amendment at meeting of the Association*</i>	38-33.3-217(7)(a)(II) <i>*statute requires that discussion occur at "at least one meeting of the association."</i>



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12/03/2018 [†]	<i>Send second notice of proposed amendment to all unit owners entitled to vote by any means allowed pursuant to the provisions regarding notice to members in Sections 7-121-402 and 7-127-104, C.R.S., of the “Colorado Revised Nonprofit Corporation Act,” articles 121 to 137 of title 7, C.R.S.</i>	38-33.3-217(7)(a)(I)
12/17/2018	<i>Discuss amendment at meeting of the Association*</i>	38-33.3-217(7)(a)(II) <i>*statute requires that discussion occur at “at least one meeting” of the Association</i>
12/21/2018 [†]	<i>Deadline to cast vote to amend CCRs</i>	
01/07/2019 [†]	<i>File petition to amend CCRs</i>	38-33.3-217(7)
01/07/2019 [†]	<i>First day for District Court to set date for hearing the petition</i> <i>(within three days of the filing of the petition)</i>	38-33.3-217(7)(c)
01/10/2019 [†]	<i>Last day for District Court to set date for hearing the petition</i> <i>(within three days of the filing of the petition)</i>	38-33.3-217(7)(c)
01/07/2019 [†] 01/08/2019 01/09/2019 01/10/2019	<i>First day for Association to:</i> <i>1. Send notice of the petition by written means to unit owner and other interested parties (specified in statute) that includes (all as specified in further and material detail in statute):</i> <i>a. copy of petition;</i> <i>b. date of court hearing on petition;</i> <i>c. statement that court may grant petition and order proposed amendment.</i>	



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		<p>2. <i>File with District Court:</i></p> <ul style="list-style-type: none"> a. <i>List of names and addresses of unit owners;</i> b. <i>Copy of notice required under 1., above.</i> <p><i>(no later than ten days after the date for hearing on petition is set)</i></p>	<p>38-33.3-217(7)(d)</p>
<p>01/17/2019 † 01/18/2019 01/19/2019 01/20/2019</p>		<p><i>Last day for Association to:</i></p> <ul style="list-style-type: none"> 1. <i>Send notice of the petition by written means to unit owner and other interested parties (specified in statute) that includes (all as specified in further, material detail in statute):</i> <ul style="list-style-type: none"> a. <i>copy of petition;</i> b. <i>date of court hearing on petition;</i> c. <i>statement that court may grant petition and order proposed amendment.</i> 2. <i>File with District Court:</i> <ul style="list-style-type: none"> a. <i>List of names and addresses of unit owners;</i> b. <i>Copy of notice required under 1., above.</i> <p><i>(no later than ten days after the date for hearing on petition is set)</i></p>	<p>38-33.3-217(7)(d)</p>
<p>02/21/2019 †</p>		<p><i>First day court may hold hearing on the petition</i></p> <p><i>(no earlier than forty-five days and no later than sixty days after the date the Association filed the petition)</i></p>	<p>38-33.3-217(7)(c)</p>



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	04/08/2019 [†]	<i>Last day court may hold hearing on the petition (no earlier than forty-five days and no later than sixty days after the date the Association filed the petition)</i>	38-33.3-217(7)(c)
	February-April 2019 [†]	<i>District Court grants petition after hearing and enters order approving proposed amendment and requiring Association to record amendment in Eagle County.</i>	38-33.3-217(7)(e) 38-33.3-217(7)(f)
	February - April 2019 [†]	<i>Association records amendment</i>	38-33.3-217(7)(f)