



**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CATHEDRAL PINES METROPOLITAN DISTRICT
HELD AUGUST 5, 2019
AT 2:00 P.M.**

Pursuant to posted notice, the special meeting of the Board of Directors of the Cathedral Pines Metropolitan District was held on Monday, August 5th at 2 p.m., at 13977 Milam Rd., Colorado Springs, CO.

In attendance were Directors:

Bill Heeter
Ecton Espenlaub
John Kelley

Also in attendance were:

Jamie Adams, Warren Management
Kevin Walker, Walker Schooler District Managers
Kristina Kulick, Walker Schooler District Managers

1. Call to Order: The meeting was called to order by President Heeter at 2:00 p.m.

2. Approval of the Agenda: Director Espenlaub moved to approve the Agenda and excuse Directors Cawfield and Shepherd; seconded by Director Kelley. Motion passed unanimously.

3. Approval of the July 15, 2019 Special Meeting Minutes: Director Kelley asked about giving Director Espenlaub the access to the bank accounts. Mr. Walker confirmed they are working on getting him access now. The Board also discussed the timing of the implementation of the new contract with Ms. Atkinson. Director Kelley requested something in writing from Ms. Atkinson with her comments on the new contract. The Board discussed having Director Shepherd be the one to handle this with Ms. Atkinson.

President Heeter noted the wrong date for the next meeting. Director Espenlaub moved to approve the July 15, 2019 Special Meeting Minutes; seconded by Director Kelley. Motion passed unanimously.

5. Management Matters:

a. Subcommittee Reports

- Lodge
 - Final discussion on implementation of pricing structure and finalize contract drafts: The Board requested input from Ms. Atkinson on the revisions to the Lodge Contract. The Board delayed the implementation of the new contract to be effective September 1st, 2019. The Board discussed having White Bear check over the new Lodge Contract.

- Release of RFP: The Board discussed the status of the RFP and that it is not finalized yet. Director Kelley said he would be willing to help refine the RFP in September. The Board said they would like a shorter, easier to understand explanation document with the tasks boiled down. The Board requested that Director Kelley take the lead on completing the RFP when he can in September and present to the Board at the next meeting.
- Approve timetable for implementation of plan: The Board approved the date of September 1st.
- Summary of Lodge and Grounds Projects update: Director Kelley went over the project list for the Lodge. He has reached out to vendors and is working with the \$20,000 budget. The list includes inspecting roof tiles, clean HVAC ducts, security system upgrades and more. The big-ticket items are Magnolia AV which costs around \$15,000. Director Kelley said that Magnolia is sending the plans to a tech to make sure the engineering was correct and that has not been returned yet, so once that is received, we will schedule the work and order what is needed. He said he wants to make sure everything is correct first, so potentially starting installation in September. President Heeter requested that Mr. Walker go over the list to make sure nothing is included under routine maintenance. Director Kelley said he will send it to everyone for review. Director Kelley went over the things that have been completed; the cleaning and sealing of ceramic tile, cleaning of the hearth and fireplace.
- Establish date for next Volunteer Clean-up Day- the Board discussed implementing a volunteer injury waiver form. Director Kelley explained there are a few tasks that were not completed that could be done by the volunteers such as cleanup on the islands and around the Lodge. The Board discussed the white pipes that are sticking out around the Lodge and near the ponds that need to be painted. The Volunteer Clean-up Day is scheduled for September 14th at 9:00 a.m. Ms. Adams said she will send out notice to volunteers. President Heeter said he has included notice in the newsletter as well. President Heeter discussed a waiver form for volunteers in case of injury. Mr. Walker said he has something they could use to have the volunteers sign when they show up. Mr. Walker noted the insurance can include coverage for volunteers next year.
- Audio, Visual and Network proposal from Magnolia: The Board is waiting to hear back from Magnolia on the engineering.
- Proposal for upgraded security system for Lodge and Shed from ADT discussion: Director Kelley explained the proposal for upgrades at the Lodge and how the new AV equipment is expensive, and the Lodge will be unoccupied majority of the time. He thought it was important to secure additional security for the Lodge, so he received bids from ADT and Emergency Network. Director Kelley discussed the security upgrades needed and monthly monitoring would cost around \$52 per month which includes repair and replacement of the equipment. He said there is also video surveillance with a recorder and at least 6 motion-activated cameras both interior and exterior with the ability to access the video to monitor. As part of the upgrades to the system, it can be controlled by an app on a phone or computer and we can control who is notified in case of emergency. Director Kelley said he would be happy to be a contact since he could get down here quickly. Director Espenlaub noted the video won't stop them and ADT won't monitor them, and we already have a few interior cameras, so what does this proposal add? The Board discussed the outside speakers that could be an issue. Mr. Walker noted the issue with alarm systems and what we do when the alarm goes off and he doesn't feel comfortable having a Board member coming out to confront the potential burglar. Mr. Walker discussed the failure of the telephone line and all the false alarms in the past

and the problems it caused. Director Kelley discussed having a loud siren to deter an intruder. Mr. Walker also discussed technology that allows us to monitor the video and speak through the monitor. Mr. Walker suggested trying it out to see if it works out with the option to cancel if we don't have to sign a long-term contract. Director Kelley said it might be a 3-year contract. President Heeter discussed moving the 4 cameras we have over to the shed if needed. Director Kelley noted the special price with ADT is good until today. President Heeter said he would rather be on the safe side and is willing to upgrade the security system for the price of \$52 per month. The Board asked if it would lower the insurance costs. Mr. Walker said he was not sure since they did not ask about security system last year. The Board discussed the benefits of having a system and how they outweigh the risks. The Board noted the value of having the video to help monitor events at the Lodge as well.

- Future utilization of vacant Murphy office: The Board discussed the future utilization of the vacant offices. They suggested retaining one of the offices for the Lodge management and turning the rest of the area with the additional room to a Bridal area that could help for marketing purposes. Mr. Walker said he can talk with Murphy about the furniture and move out details.

- Landscaping, Irrigation and Ponds

- Irrigation Update: Ms. Adams reported that A Cut Above is very happy with how the irrigation is working and there are new plants and flowers at the medians. Ms. Adams noted a median near Saxton Hollow that does not have water, so they will not be making upgrades in that area at this point. The Board discussed getting irrigation there in the future for consideration, possibly next year. New sod was put in on Saxton Hollow as well. A Cut Above is working on landscaping around the mailboxes and then will pull the irrigation from the Lodge down to the mailboxes. The Board considered adding flowers to the other side of the arch outside to make it look symmetrical. Ms. Adams will get a quote for this to be done next year.
- Status of implementation of improvements
- Culvert repair update: Mr. Walker confirmed the culvert would be the District's responsibility. Ms. Adams noted the HOA is working on the damage and has had Mr. Chuck Dion with the County looking into the culvert erosion and the damage on Fox Chase where the MVE box was also covered from the wash out. Mr. Walker said he will get a quote for the culvert repair that will be in the 2020 budget.
- Status of Fire Safe application: Ms. Adams explained that the Fire Wise Program is an HOA issue.

- Trails

- Repair status: Director Espenlaub reported that the erosion was significant, and he is still working on the trails. The County upgraded areas of the trail and put 4 inches of limestone down that looks good. Director Espenlaub has a volunteer coming in a few weeks to help work on the erosion. It is a cyclist that visits the trail often and wanted to give back. Director Espenlaub said he is trying to work with the County on adding a trail to connect the other trail so hikers can avoid the road. They could also put steps there since it is a little steep. Director Espenlaub suggested a gutter using paving tiles for cyclists to ride and steps next to it for hikers so there is a path for each. Just not sure how the horses would be able to access. Mr. Walker noted that might not be considered a trail improvement although it is very practical. The Board discussed that horses are not allowed on that portion of the trail. The Board will wait to hear back from the County

before moving forward. President Heeter said he heard the County will come take the slash off the trail in the Fall. Director Espenlaub said A Cut Above will be taking care of the herbicide.

- New Construction: Director Espenlaub reported that someone stole the bolts off a dog leash sign, but he put it back up. There was another sign that was stolen but it has been replaced. Director Espenlaub asked about purchasing timbers for the trail.
- Metro District Financing Update: Mr. Walker went over the current status of the District's finances. The total cash at the end of the year is roughly \$213,000. With the expenses deducted, it will total \$67,000 plus or minus at the end of the year. He noted the District will overspend the budget this year by about \$20,000 mainly due to maintenance needed from previous years. Mr. Walker feels the District is in good shape and there is still a buffer for emergencies. The Board noted they have almost made the budgeted income for the Lodge this year. Mr. Walker explained the issue with the general fund and debt service fund was a booking issue and the \$20,000 was already in our cash and all previous audits showed different payments booked this way.

Director Kelley told the Board that he and Mr. Walker met with the County about the adoption of the chipping program. An agent agreed that it is simply an O&M task, so they will send something in writing that states no modification of the service plan is required to do that task. The District can now decide to take the chipping program over from the HOA if they want. The second issue was regarding exceeding the mill levy cap and a discussion about the options and costs. He said they discussed a full modification of the service plan which would cost the District \$8,000 to \$10,000. A minor modification could be done that would give us approval for the past and future and the District could exceed the current mill levy cap of 40 and the general fund from 35 to 25. Basically, if the District can keep the mill levy cap the same which is 40 mills, we might be able to adjust the mill levy between general and debt service if we stay within 40 mills. With Gallagher adjustments it would be 44 and it would not require a modification and would just be an administration change that only cost \$500 for the meeting. Director Kelley said he thinks we are financially stable and strong on debt service, so we could cap the mills at 25 and leave 19 mills to grow into for the general fund. It is currently at 12.7 and it will limit the ability to build a reserve fund, but we should be able to manage under that 40 mills. He discussed how the latest appraised value of homes should mean more tax revenue for the District in 2020. The Board discussed taking the County's offer to do the administration change and wait to hear back if they will allow us to manage within the 40 mills; 25 for debt service and 15 for general fund. Mr. Walker thinks it is approvable and is hoping we don't have to do a minor modification that could cost \$5,000 although it would result in more money next year. Mr. Walker suggested adding the covenants only if the District is required to make the modification. Mr. Walker noted he is working on the formal letter and it will be a couple weeks until we hear back from the County.

Director Espenlaub asked about the \$100,000 and if it could be put into something that gets more interest. Mr. Walker said rules would not allow it and there are only approved accounts it can be put in.

- b. Update on postal pad, Lodge ramp and new parcel boxes: President Heeter said they are still waiting for USPS approval to install the parcel boxes.
- c. Update on timing of installing Speed Limit signs: Director Espenlaub reported the County says

we do not have an agreement to maintain the posts and he is having trouble getting information back from the County on how to move forward.

- d. Update on Murphy Office vacate/sale of furniture: The Board directed Mr. Walker to contact Murphy.
- e. Street signage issue/Saunderton and Serenity Lane: There were no additional updates.
- f. Financial Assistance to HOA: The Board considered taking over the chipping program from the HOA. Director Kelley said he is not sure why the District would need to take over the program at this point since HOA is able to raise their dues if needed and is now able to pay for it. Ms. Adams said the HOA will be tight financially this year but moving forward should be in better standing. The Board discussed that the program is scheduled for August, so they will need to determine who will be paying for it. The Board agreed to not make any action and will address this in September if needed.
- g. Snow plowing update – New vendor, truck: The Board discussed that the truck has been moved from the shed. Ms. Adams noted they are working on proposals with hourly rates and will have them for the Board in September.
- h. FEMA Claim Update: Mr. Walker said he is not sure if the State will accept the redacted checks as payment. He explained they want statements and invoices which we do not have, so we will have to see how FEMA addresses that. Mr. Walker reported that Mr. Atkinson said he will try and drop off the paperwork at WSDM this week.

6. Legal Matters:

- a. RFP's for Legal Services and selection/process: Mr. Walker reported that he received RFP's from Mr. Susemihl and White Bear. Mr. Susemihl wanted to make it very clear that he does not represent the developers and he represents the District. Mr. Walker noted White Bear will probably be twice as expensive but will provide good and thorough service. The Board discussed a need for an attorney to review the Lodge contract. President Heeter added that White Bear is legal counsel for the HOA, and they have done a good job. Mr. Walker explained the billing is all done as time and materials. The Board discussed the value in starting with a fresh start and hiring a new legal counsel. President Heeter moved to accept White Bear as the District's legal counsel effective immediately; seconded by Director Kelley. Motion passed unanimously.
- b. Resolution adopting 24-hour posting on website for special meetings: Mr. Walker explained the new law that allows us to post meeting notice 24 hours in advance online. The Board agreed they would still like the regular meeting dates posted at the mailbox bulletin board. Director Espenlaub mentioned that Director Shepherd asked about changing the meeting day and time. The Board agreed to discuss the meeting change at the next meeting.

7. New Business:

- a. Black Forest Incorporation Discussion and Neighboring Community Liaison: President Heeter discussed having someone who will work as a liaison with the District and attend the meetings and report back to the Board. He will speak with someone he has in mind to see if they are interested.
- b. Liaison with County re: road, curb, culverts, and drainage: The Board considered having someone who would be responsible for interfacing with the County and reporting back to the Board. Such as contacting the County about road damage or culverts that need repairs. The Board discussed having the community help submit road issues by advertising the County's app. The Board agreed they are frustrated with communication with the County. Ms. Adams recommended asking for a County liaison at the Annual Meeting for 2020. Mr. Walker noted he could serve as the liaison since he has contacts within the County that may help.

- c. Preliminary discussion of 2019 Homeowners Annual Meeting agenda: President Heeter said Director Kelley drafted an agenda for the Annual Meeting. The Board said they hope the Metro District will have a bigger role at the Annual Meeting and that they would like to identify HOA and MD roles to help inform the community.

8. Financial Matters:

- a. Acceptance of Unaudited Financial Statements as of June 30, 2019, the schedule of cash position updated as of June 30, 2019 and bank statements: Mr. Walker recommended postponing the acceptance of the unaudited financial statements until they can get re-organized.
- b. Approval of Payables for the Period Ending August 2, 2019: Director Espenlaub moved to approve the payables; seconded by Director Kelley. Motion passed unanimously. Mr. Walker requested the Board ratify payments to A Cut Above at next month's meeting. Director Kelley asked about his reimbursement for the volunteer day.

9. Public Comment: There was no public comment.

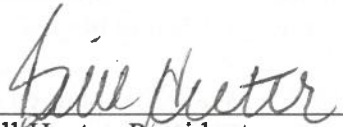
10. Other Business: The next meeting is scheduled for September 9, 2019.

11. Adjournment: Director Kelley moved to adjourn the meeting at 4:32 p.m.; seconded by Director Espenlaub. Motion passed unanimously.

Respectfully Submitted,


By: Kevin Walker, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 5, 2019 MINUTES OF THE CATHEDRAL PINES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Bill Heeter, President

Lynn Shepherd, Vice President


Ecton Espenlaub, Treasurer

Gregg Cawlfeld, Assistant Secretary

John Kelley, Director