

**CATHEDRAL PINES METROPOLITAN DISTRICT
MINUTES OF REGULAR MEETING**

Cathedral Pines Community Center
Thursday, February 6, 2020
11:00 A.M.

Board of Directors

Bill Heeter, President	Term Expires May 2022
Lynn Shepherd, Vice President	Term Expires May 2020
Ecton Espenlaub, Treasurer	Term Expires May 2022
John Kelley	Term Expires May 2020
Vacant	Term Expires May 2022

Directors in attendance:

Bill Heeter
Ecton Espenlaub
John Kelley
Lynn Shepherd

Also in attendance:

Lina Hoekman
Kevin Walker
Kristina Kulick
Mrs. Kelley
Braden Hammond, BiggsKofford (by phone)

1. **Call to Order:** President Heeter called the meeting to order at 11:00 a.m.
2. **Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures:**
3. **Approval of Agenda:** Director Espenlaub moved to approve the agenda; seconded by Director Shepherd. Motion passed unanimously.
4. **Selection of Lodge Management Company** – Director Shepherd explained the search for the new lodge management after Mrs. Atkinson’s resignation. A full Request for Proposal that was adopted by the Board in the Fall. RFP was advertised to the public via Indeed, Zip Recruiter, Next Door app and referrals. Director Shepherd explained that she screened 20 - 30 applicants per day on the platforms with various levels of experience. Two final proposals were submitted. Ultimately, Hoekman Events was chosen. President Heeter noted Director Kelley requested a summary of the decision process and that will be forthcoming.
 - a. **Approval of Contract for Lodge Management:** Director Shepherd moved to extend the Lodge Management contract to Hoekman Events; seconded by Director Espenlaub. Director Kelley recused himself from the vote. Motion passed 3-0 with Director Kelley abstaining.

President Heeter discussed about the contribution that CPM has made while managing the Lodge in the interim and stepping in when we didn’t have anyone to step in, which made the decision difficult. The Board would like to award a \$5,000 bonus to CPM for their efforts. President Heeter moved, seconded by Director Shepherd. Motion passed. Director Kelley recused. Director Shepherd thanked

Director Kelley and Mrs. Kelley for their hard work. Director Kelley stated that the Lodge is in a good place and has a very bright future. It fills a niche in the community, is a beautiful venue and environment with an excellent price point. He added it has touched their hearts to meet the couples and families who have celebrated events and they have gotten a lot out of it to deliver an awesome event to the community. Mr. Walker noted WSDM manages the District and notes that in the last four months, the attention to detail and communication has made him feel a lot better about the business side of the District. Mr. Walker thanked CMPM for their hard work. Director Kelley said there has been improvement and more work to be done. Mrs. Kelley encouraged Hoekman Events to continue to work closely with the families. President Heeter told Mrs. Kelley that she should be very proud of the work they have done.

- b. Introduction of Lodge Manager: Mrs. Hoekman introduced herself and thanked the Board for their warm welcome. The Board discussed the transition is hoping to be done by the end of the month. She discussed how events are a luxury and it is very important to her to take care of the clients and their events. Mr. Walker said the contract was drafted will continue to work to finalize for Board execution. The Board discussed having it completed as soon as possible. Director Shepherd will work as the liaison between Hoekman Events and the Board.

5. Election of 2020 Board Officers

- a. President Heeter explained the Board should nominate and elect 2020 and asked for Board discussion. Director Kelley asked the existing officers their intent and desire to retain their positions. Mr. Walker explained there is no requirement to do the election of board officers unless it is included in the By Laws which it is not. there are not written descriptions for the different officers. President Heeter discussed when he joined the Board and there were several board members were wanting to resign. Shortly after joining the Board, the President at the time said he would be resigning and President Heeter volunteered. President Heeter discussed that in the past there was no real strategy or agenda for board meetings. He has worked to find out what happened in the past and things that were neglected and creating an organized system to address those things. The Board discussed having a vacant spot in the last few months has handicapped the Board as well. President Heeter explained the efforts to improved communication with the community.

Director Kelley said he was interested in serving as Treasurer or President. He asked the Board what is more important at this time, keeping leadership the same or changing them up. The Board discussed the importance and responsibility associated with the different positions. President Heeter noted the valuable relationship that has been established with the HOA since he has been President and said he is passionate about serving on the Board for the District. Mr. Walker noted the Board could add descriptions and roles of the officers, as well as term limits if they wanted to in the By Laws and add structure to the Board. Director Shepherd said she would prefer to keep things as they are since we have come so far, and it may be best to keep things stable. After discussion, Director Kelley moved to keep the current officer positions for the next 12 months; seconded by Director Shepherd. Motion passed unanimously.

- b. Reaffirm Subcommittee chairs: The Board discussed the current subcommittee chairs and roles. Director Kelley said he would like to continue overseeing Lodge improvement projects. The Board reaffirmed the existing committees and leadership.
- c. Creation of new Subcommittee structure:
 - Road, Curb and Gutter: Director Kelley discussed the importance of a liaison with the County to address road, curb and gutter issues. He said he is not necessarily interested in serving as that position. The Board discussed utilizing an app for reporting issues and advertising the app to the residents. The Board agreed to keep this position open

and see if there is an interest in the future. A link on the website was requested for communicating with the County.

- Adjacent Community liaison: President Heeter said the former board member, Mr. Cawlfied expressed a willingness to communicate with the Board on ongoing activities and could maybe report to the Board on a quarterly basis. The Board agreed that would be a great idea.

6. Management Matters

a. Lodge – Lynn/John

- Status of ADT changes/other projects: Director Kelley and Mrs. Kelley reported to the Board. A lot of calls lately, planning and scheduling is booming. 19 new events booked since November. One event for 2021 so far. Magnolia upgrades are completed and operational. People love the new equipment and upgrades. Helping to sell the Lodge and book events. She discussed the directional speakers for outside music and would allow dancing outside without affecting the neighbors would be very popular. She said there is a Calhan prom being held at the Lodge at the end of April. ADT Security is operational but may need to replace the keypad by the dumpster. All cameras are in place and recording currently. Director Kelley discussed the website as incredibly important to the Lodge marketing but needs to be upgraded to serve mobile applications. They have researched web hosting to completely redesign the website and add search engine optimization and can hand this off to the new Lodge Manager. Supported 13 events in December including 6 resident events. There is a public event on February 29th. Challenges are managing the 2 different contracts and coordinating payments with Walker Schooler District Managers, but it is improving. Mrs. Kelley discussed the return of cleaning deposit within 14 days has been missed in January. The Board discussed options to address this issue by adopting a proactive policy by authorizing payments ahead of time and dating them the date of the event. May take coordination but is manageable. Mrs. Kelley reported there are no past due payments and discussed sending reminder letters to make sure the payments are made. Mrs. Hoekman noted she schedules payments that are automatic reminders set. Renter contract updates, indoor occupancy limits are 123. Mrs. Kelley requested a 10% discount for first responders. President Heeter suggested postponing any rate changes to the contract until after the transition. The Board discussed the pros and cons of offering a lot of discounts and agreed to discuss pricing and limiting the usage of the Lodge further at the next meetings. The Board discussed establishing guidelines to prevent residents from taking advantage of the resident pricing for non-residents. Mrs. Kelley discussed adding log benches outside and a renter's fiancée is a chainsaw artist who could make them. Mrs. Kelley requested permission to pursue more information on the possibility of bargaining for the benches. Mr. Walker noted that bartering may not be allowed as a government entity, and that the Board could purchase them but may not be able to barter. Would like to see what the bench looks like and more information on them to see if they would be durable. Mrs. Kelley thanked the Board and left the meeting.
- 2020 Lodge Capital Improvement Plan: Director Kelley presented a capital improvement plan to the Board for review. Director Kelley discussed the network system upgrades to give the Lodge a robust capability – enabling all guests to be on the network and live streaming. Would like to get that started as quickly as possible. Another Magnolia upgrade item which are the audio upgrades to the patio. Another item Director Kelley wanted to discuss is the upgrades to the men's restroom. Enough room to install a barrier with another urinal and toilet stall. There is currently a sink outside the men's restroom. Could use that space to make a new wall and incorporate it into the men's restroom? This would allow more than one man in the restroom at a

time which would be a huge improvement. The Board discussed adding these repairs with the proposed plans for the Lodge office to save money and have them done at the same time. Director Kelley noted the need for roller shades to help with the glare on the TV's for afternoon events. Another big thing that should be done soon, is the wood trim doors getting refinished. Starting to look worn and could help the appearance of the Lodge. Director Shepherd noted the exterior trim may be on a rotation and was done a few years ago but was not sure about the interior. A question for Mrs. Adams. Director Kelley encouraged the Board to review the upgrades. President Heeter moved to approve the network upgrades; seconded by Director Shepherd. Mr. Walker confirmed the cash situation is at \$58,000 currently so it would be manageable. Motion passed unanimously.

Director Kelley noted the hot water system does not consistently work and may need to be addressed. The Board noted it may be an on-demand system. It is not a major urgent issue and is more of a nuisance. The Board discussed parking and it is something to watch out for – 10 to 15 additional spots may be needed. Restriping and overflow parking options were discussed.

- 2020 Lodge Maintenance and Repair Plan: Director Kelley discussed moving forward on lodge maintenance and repairs. Will discuss more at the next meeting with Mrs. Adams. One urgent item is the iron in the well water.

Remaining Agenda Items were tabled until the next Board meeting.

7. Legal Matters:

8. New Business:

9. Financial Matters

a. 2019 Financial adjustments

- Recast of Lodge Revenues – BiggsKofford: Mr. Hammond with BiggsKofford explained the accounting rules and regulations regarding booking revenues for the Lodge, and the different rules regarding hours and expensing them explaining that in governmental accounting revenues are recognized when they are earned most commonly once the event has happened. He discussed that with deposits and contractual refund dates there could be different points in time when they become non-refundable. Mr. Walker discussed how things are being booked currently and wanted to confirm with Mr. Hammond on accounting rules. Mr. Walker suggested recasting 2018 and 2019 with whatever decision we make today to make the bookkeeping more accurate. He also needs to be able to see the actual cash flow as the Manager. Mr. Hammond recommended they make sure they are accurate for 2019 before recasting anything. He discussed the accrual versus cash presentations in the audited financials. Mr. Hammond walked the Board through the accrual accounting process. The cash accounting process is identical except you can take the funds into the revenue after a certain amount of time, but Mr. Hammond did not recommend that. The Board discussed that deposits are the issue and they want them booked consistently, so it may not need to change anything it just needs to be done correctly. The Board discussed being the most conservative and booking it when the event occurs or booking it when the final payment is made which is usually 90 days before the event. The Board discussed that they also incur expenses at the time of receiving the payment. Mr. Hammond suggested booking it while expenses are incurred so they can match up. That would mean waiting until the date of the event.

Director Shepherd said she thinks we should book on the day of the event to offset the expenses. The Board agreed to go the most conservative route for booking revenue. Mr. Hammond left the meeting at 1:11 p.m.

- b. Acceptance of Unaudited Financial Statements as of January 31, 2020: Director Espenlaub moved to accept the unaudited financial statements; seconded by Director Heeter. Motion passed unanimously.
- c. Approval of Payables for the Period Ending January 31, 2020: Director Espenlaub moved to approve the payables; seconded by Director Heeter. Motion passed unanimously.

10. Public Comment:

11. Other Business

- a. Next Regular scheduled Board Meeting February 18, 2020
- b. Future Meeting dates:

12. Adjournment: President Heeter proposed picking up the Agenda after the Lodge at the next meeting. Director Espenlaub moved to adjourn at 1:35 p.m.; seconded by Director Shepherd. Motion passed unanimously.

Respectfully Submitted,

By: Kevin Walker, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 6, 2020 MINUTES OF THE CATHEDRAL PINES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Bill Heeter, President

Lynn Shepherd, Vice President

Ecton Espenlaub, Treasurer

John Kelley, Director

VACANT, Director