



**MINUTES OF AN EMERGENCY MEETING  
OF THE BOARD OF DIRECTORS OF THE  
CATHEDRAL PINES METROPOLITAN DISTRICT  
HELD APRIL 21, 2020  
AT 10:00 A.M.**

Pursuant to posted notice, the emergency meeting of the Board of Directors of the Cathedral Pines Metropolitan District was held on Tuesday, April 21<sup>st</sup> at 10:00 a.m., via telephone and video conference call.

In attendance were Directors:

Bill Heeter  
John Kelley  
Lynn Shepherd  
Ecton Espenlaub

Also in attendance were:

Jamie Adams, Warren Management  
Lina Hoekman, Lodge Manager  
K. Sean Allen, Esq., White Bear  
Kevin Walker, Walker Schooler District Managers  
Jennifer Eisenhart, HOA Board member  
Rick Stauch  
Gregg Cawlfild

1. Call to Order

a. Meeting operating under previously adopted Emergency Resolution 2020-3-1: President Heeter called the meeting to order at 10:03 a.m. Mr. Walker explained the Emergency Resolution that was adopted at the last meeting that allows the Board to meet via telephone and video conference. He noted the Board can act today and all the items will be ratified at the next in-person Board meeting.

2. Approval of the Agenda: Director Espenlaub moved to approve the Agenda; seconded by Director Shepherd. Motion passed unanimously.

3. Approval of Board Meeting Minutes – Regular Meeting March 24, 2020: President Heeter noted a few minor corrections to the minutes. Director Kelley noted the interviews for new candidates for the Board, and it should be Directors Shepherd and Espenlaub. President Heeter moved to approve the March 24, 2020 Meeting Minutes; seconded by Director Shepherd. Motion passed unanimously.

4. Recommendation of candidate for Open Board Position: Director Espenlaub reported that he and Director Shepherd had a video conference with Mr. Stauch, and he thought it went very well. President Heeter noted there were two candidates, Rick Stauch and David Steel who had been previously

interviewed in the past and chose not to be interviewed again. Director Shepherd said that her and Director Espenlaub felt that Mr. Stauch is a great candidate for the Board given his leadership role in the HOA and a good sense of overlap between the two entities. Director Espenlaub moved to nominate Mr. Stauch for the open Board position; seconded by Director Shepherd. President Heeter explained the background with Mr. Steel and that he had been considered for a position with the Board in the past but chose not to interview this time around. Motion passed unanimously. Mr. Walker explained that Mr. Stauch will need to sign his Oath of Office to be an official Board member.

#### 5. Financial Matters:

- a. 2019 Financial adjustments: Mr. Walker updated the Board on the preparations for the upcoming Audit that will require an amended budget to reflect the change in the accounting policy. Mr. Walker said he spoke with the State Auditor and they think the District should keep the 2019 budget the same and take the loss in 2020, but he is waiting on exact direction from them. He noted they will need to do the amendment next month because the Audits will begin on May 4, 2020. Mr. Walker also noted that with proper budgeting, the District should not have a deficit that would cause red flags for auditors or bond holders. Director Kelley asked for clarification on the change in accounting policy. Mr. Walker explained the past policy was if it were in the bank, they could spend it. For example, deposits received in 2019 for 2020 events were booked as income immediately even if the event didn't happen and made available for spending. The risk with that was if the event was cancelled, the District is taking the hit in 2020. Mr. Walker explained the Board has now adopted a more conservative policy that they do not book the income until the event has occurred. Mr. Walker noted some of the deposits for 2020 events were spent in 2019, so with the policy change they will need to take that money out as if it was spent already and it will be further discussed how that impacts this year's budget. Director Kelley asked if it is really a policy change, or just a mistake with how things were booked. Mr. Walker said it is definitely a policy change and there is no doubt we booked deposits as income occurring in the year, we took the deposit. He noted there was not a stated policy, but a practice by the Board to spend the money that was in the bank account. Director Kelley confirmed this was the way they booked things since 2012 and not an anomaly for 2019.
- b. 2020 forecast – Impact of COVID-19 on Lodge, property tax delay: Mr. Walker discussed two extraordinary events that could impact the District; COVID-19 and the impact on Lodge revenue and the potential delay of property tax income. The County has extended the deadline until September 1, 2020 which may impact the District's cash flow. Mr. Walker discussed that the District has \$55,000 cash in the bank and \$122,000 remaining uncollected property taxes and \$35,000 in specific ownership taxes. The District usually receives the tax revenue in May for April collection, but it may be delayed to September. Mr. Walker noted that currently booked events are projected at \$95,370 for 2020 right now. \$9,000 has already been earned so \$86,000 in projected income from Lodge events that have already been booked as of today. Mr. Walker explained the charge the District will need to take against the 2020 budget and how it will leave the \$35,000 available from the current bookings. He noted that number reflects if all events occur with no new bookings. The total projected income and cash on hand is \$249,000, and \$87,000 has been earned from operating taxes, for a total of \$337,000. The budgeted income was \$379,000 so that equals a deficit of \$42,246 projected for the end of the year. Mr. Walker discussed 3 areas where the district can make up the loss of \$42,246; one is to book more events. History shows that events in October and November are usually booked in late Summer, so there are a lot of bookings at that time. These are unprecedented times, so we may see additional income, or we may see cancellations and losses. A second source of income that has been discussed in the past is getting the FEMA funds paid. The current status is we have been recommended to receive \$101,000, but it is currently in the federal government process so

there has been no communication yet. Mr. Walker noted he is drafting a letter so that he can speak with State Senator's offices to see if they can assist the District in receiving the funds. A third option is variable budget items and places in the budget that we can cut and manage if needed. These items include district management costs, HOA management, and line items in Lodge repair and maintenance, Lodge capital improvements, landscape maintenance, Lodge snow removal, general fund landscape maintenance with A Cut Above, and there is also a \$21,000 contingency in the budget. All these items added up total \$190,000, so around 20% of those expenses equal the deficit. Mr. Walker noted they will know more about the property taxes on May 10<sup>th</sup>. Mrs. Eisenhart asked about a surplus in the budget. Mr. Walker explained that would be the surplus in the debt service accounts which is a different account entirely. It can only be used for debt service and not for operations. Mr. Walker recommended that the Board wait at least 30 days before committing to capital expenditures, but overall Mr. Walker expected this to be a lot worse than it is. He noted the Board will need to manage going into the next year in January through March with no cash income and it is something they will need to pay attention to. The Board discussed if they receive the FEMA funds, using a portion of it to assist with the cash flow and it could act as a reserve fund.

- c. 2020 Capital Expenditures: The Board decided to discuss this item under Management matters.
- d. Review of Unaudited Financial Statements as of March 31, 2020
- e. Approval of Payables for the Period Ending May 1, 2020: Mr. Walker noted he has the checks ready for signatures. President Heeter asked about the snow removal costs. Mrs. Adams explained the de-icing costs associated with the snow removal. Director Kelley asked if Mrs. Hoekman submitted an invoice for the \$3,500 payment. Mr. Walker explained the payment was authorized by the Board. Director Shepherd noted there were no events that required an invoice. Director Kelley said he was expecting an invoice because she is putting in effort for the Lodge. The authorized payment was not a gift but an advance payment that is predicate on performance. He added that he thought she would be obligated to submit a monthly invoice. Director Kelley said he believed that according to her contract she is obligated to provide a monthly invoice and he would like to see her efforts expended in March and the use of that \$3,500. Mr. Walker said he will review the contract and he could request a report for her activities in March. Director Shepherd noted that she will be joining the meeting and providing a report and update during the Lodge discussion in the Agenda. Director Espenlaub moved to approve the Payables; seconded by Director Shepherd. Motion passed unanimously.
- f. FEMA Update: Mr. Walker updated the Board that the FEMA funds are now in the Federal government process.
- g. COVID Emergency Loan: Mr. Walker explained to the Board that there are some Districts that have employees, and some applied for the Paycheck Protection Program. In terms of an emergency loan, the Cathedral Pines Metropolitan District is not eligible at the moment. There are funds that are allocated to the State and they have not decided how they will distribute those funds. Mr. Walker noted he will continue to monitor this. The Board decided to keep this on the Agenda for next month.

#### 6. Management Matters:

- a. Metro District Website upgrade status: Mr. Walker reported the State is behind on their migration of websites to the State portal and they have not given a schedule.
- b. Disposition of Storage Shed: Director Kelley noted he is waiting on Mr. Walker's research. Mr. Walker reported he has a meeting with the Planner tomorrow, so he may have an answer then on what the shed is zoned for and what is allowed.
- c. Trails / Community Maintenance:
  - Solar Light test: Director Espenlaub reported he has a test solar light installed and

wanted to know if the frosted or clear bulbs were preferred. He noted he has a warmer film to install to test out as well.

- Plan to eliminate MVEA meters: Director Kelley noted a significant cost savings associated with eliminating the unused meters. He said before spending the money on solar lights, he wanted to make sure that Director Espenlaub has confirmed that MVEA will delete those meters from our account. The Board discussed testing one of the meters first and finding out more details from MVEA if there is a charge to remove the meters.
- Lodge Pavers: Director Espenlaub presented a preview of the pavers to the Board and noted the cost will be roughly \$2,500. Director Espenlaub suggested covering the costs for delivery and submitting for reimbursement at a later time. Mr. Walker recommended the Board take a vote. President Heeter moved to authorize Director Espenlaub to purchase the pavers with the price not to exceed \$2,500; seconded by Director Shepherd. Motion passed unanimously.
- Saxton Hollow signage and lighting: Director Espenlaub noted the County told Mrs. Adams they would have to contact the utility company if they wanted to install a streetlight at the Saxton Hollow and Milam intersection, but there would be no need for a meter because it would be a solar light. The Board discussed the request and exact area to install the light or No Outlet sign. The Board discussed getting a bid for the concrete and post.
- “Dogs must be on leash”: President Heeter asked about the status of the signs because he has seen a lot of people on the trails without their dog on a leash. Director Espenlaub noted there is a sign on the west side of Milam where the trail crosses, but someone drove over the sign and destroyed it. There are also a few signs left that have not been installed. The Board discussed the unauthorized use of horses on sections of the trails.

d. Landscaping, Irrigation, and Ponds

- Hiring Landscape Architect for Comprehensive Community Landscape Plan: Mrs. Eisenhart discussed a triangle shaped piece of land on her property that she was told is part of the District’s property, and she wanted to make sure it was landscaped. Director Espenlaub noted that piece of land is part of what Black Forest Regional Park did not accept, so it does belong to the District. President Heeter said he will follow up with A Cut Above to see if that is included in the landscaping plan. Mrs. Hoekman joined the meeting. President Heeter requested authorization from the Board to interview companies to possibly provide an overall landscaping plan for the community. He noted he spoke with A Cut Above about this and they feel they would be better equipped to execute a plan and they were not comfortable with designing in the plan. President Heeter confirmed it would not cost the District any money and there would be no commitment yet. Mr. Cawfield explained that he has used landscape architects in the past to provide an enhancement. There are a few good companies that can provide a formal landscape plan such as Herman Landscaping. There are also commercial landscapers that provide a full package. Mr. Cawfield noted with the irrigation issues, they will need to determine what is possible with the existing situation. Mr. Walker pointed out they will also need to talk with El Paso County to see what they will allow as well. He added there may be an existing landscape plan that was done during the initial approval of the development plan. He also is familiar with landscape architects in the area because he has used them to design parks in other districts. The Board discussed the benefits of using a higher end landscaper over a landscape architect for cost reasons.

- 2020 Landscape priorities: President Heeter discussed that considering the capital expenditure issues, the Board has not developed a comprehensive plan. Irrigation is a priority, but they do not have a real idea of what it will cost to have it repaired. There were also discussions around getting the trees that were put on hold from last year planted as well as addressing the landscaping in the back of the Lodge. President Heeter discussed the Trees for Tomorrow program that was established to replant trees that were damaged in the forest fire. They are willing to assist us in transplanting trees in the community, especially pines if we are interested at no charge to us. They would like in return, to be able to remove trees in the community and reuse them as needed. He noted the trees will not have a guarantee like they would if we were to purchase them from a landscaper. He noted there would be no cost for the trees or the use of the spade, and they are willing to provide this service for the District as well as individuals in the community.
  - Lodge Plantings – deferred discussion
  - Repair of irrigation system – deferred discussion
  - Pond Management: Mrs. Adams reported that Solitude Lake Management will start up on May 1<sup>st</sup>, so she will turn on the ponds next week so that water can start circulating. They will also address the cattails. There will be no fish added this year because last year's fish should have reproduced, but they will be assessing that as well. Director Shepherd asked about the ponds on Vessey because the cattails have gotten out of control, and if it is the District or County responsibility. Mrs. Adams confirmed it would be the County's responsibility.
  - Meet with contractor to discuss invoicing, suspended projects, 2020 plan: Director Kelley asked President Heeter if he has confidence in the 2019 invoicing from A Cut Above. President Heeter said he has not addressed the invoices with him yet, but still would like to sit down with A Cut Above and go over them in more detail.
- e. Lodge Management: Mrs. Hoekman presented an update to the Board on Lodge rental events. There are 12 rescheduled events and 3 cancelled events including the school prom event and they are requesting a full refund. The Lodge is still receiving new leads for Fall and 2021 events. Mrs. Hoekman noted she has a meeting scheduled with a video team to document the Lodge and provide us with a virtual tour to send to clients that can give them confidence in booking without being able to visit the Lodge. Mrs. Hoekman noted issues with the ADT system, so there will be a tech out tomorrow. The Board discussed the request for a full refund from the Calhan School District Prom event which would total \$2,400. After further consideration and discussion by the Board, Director Kelley moved to refund the total \$2,400 to the Calhan School District; seconded by Director Shepherd. Motion passed unanimously. The Board asked Mrs. Hoekman to see if they would like to reschedule for next year first, and if that is not an option she can go ahead and issue the refund. Mrs. Kelley wanted to let the Board know that the current senior students raised money for their prom this year, so waiting for next year would not take that into consideration.
- Changes to Rental Contract: Director Shepherd noted there may be a need for further discussions around the Lodge vision. The Board discussed that not all events are created equally, and some of the contract changes were geared for larger events. A good solution would be to create different categories of events with the customer relations software they are using. Mrs. Hoekman went over the 4 basic groups: non-resident events, smaller professional meetings, smaller resident events, and larger resident events and the differences in the requirements of those events. She explained the software is very intuitive and customizable and we would be able to categorize the clients by these types of events. Director Shepherd noted they

included the Lodge vision from last Spring for review. Mrs. Hoekman discussed the competing venues in the area. She noted she had conversations with other venue coordinators to get a better idea of how they operate and was able to review their contracts. She also noted a standard in the area is to use the venue-approved food and beverage catering companies. Mrs. Hoekman explained that approved vendors will a lot of times support in other ways and provide their services for marketing and industry type events and oftentimes they donate their services and products to help. The Board discussed event insurance and the benefits of requiring clients to purchase for their large events. Director Shepherd clarified that small events of 25 and under guests and the professional meetings such as the HOA event would not be required to purchase event insurance. Director Kelley suggested including the cost of the event insurance in the price of the venue. Mrs. Hoekman said that she does know of venues who will include event insurance in the price if the client does not provide their own, but she noted that clients may want to at least have the option to choose their provider. She recommended making it easy for the clients by providing them information on event insurance options. The Board discussed the changes to the contract and getting feedback from the community. Director Espenlaub moved to accept the changes to the contract; seconded by President Heeter. Mr. Stauch suggested changing the small event guest count to 30 guests and under. The Board agreed with Mr. Stauch's suggestion. President Heeter said he will detail some of these changes in the upcoming May Newsletter. Director Kelley said he put together facts and information for the Board, and he requested to include his MFR on the record in the meeting minutes. Motion passed. Director Kelley voted no.

- f. Capital Spending Request: Mrs. Hoekman noted after discussions with Director Shepherd, they have decided to put everything on hold except for the pavers for the ceremony area and closing the men's restroom stalls. President Heeter said that he and Director Espenlaub may be able to accomplish some of the tasks without hiring a maintenance person. President Heeter noted that he could handle the soap dispensers. The Board agreed to have a separate special meeting to further discuss the landscaping and capital improvement projects. The Board scheduled a special meeting for May 1, 2020 at 9:30 a.m.
- g. Joint Recycling Day update: President Heeter updated the Board that they sent out an announcement to the community that they were considering a joint Recycling Day. The HOA is very interested and Mrs. Adams received 37 interested responses so far about shredding and electronic recycling. Overall, the community thinks it is a great idea. Mr. Walker said it would be allowed by the Service Plan. Mr. Stauch spoke on the HOA perspective, and said he thinks it is a great thing for us to do for the community. The estimated costs for the District would be no more than \$1,000. President Heeter moved to participate with the HOA in paper shredding, electronics disposal, and Goodwill donations on May 30, 2020 for the community with the District's costs not to exceed \$1,000. He noted this is not a precedent and if it is not successful, they will not do it next year. Director Espenlaub expressed concerns that they will not know about the finances until after May 10, 2020. Director Kelley said he wanted to caution that the task is not a part of the District's core amended service plan responsibilities or authority. It could be argued that it is within the implied authorities but spending tax dollars should be focused on our core responsibilities as a District. The motion was seconded by Director Shepherd. Motion passed. Director Kelley voted no.
- h. Mailbox Vandalism/ Install cameras: Mrs. Adams explained that several homeowners requested that cameras be installed near the mailboxes. ADT provided a proposal for \$400 to install cameras that would tie into the current system. She noted the damaged mailboxes

are being repaired now. She noted if they trenched the line, it would bring the costs over \$1,000. Mrs. Adams reported that other communities who had their mailboxes vandalized installed cameras and they have not had any incidents since. After further discussion, the Board agreed to install the 2 extra Ring cameras from the Lodge.

7. Legal Matters: There was no discussion.

8. New Business: There was no discussion.

9. Public Comment: There was no public comment.

10. Other Business: There was no discussion.

11. Adjournment: Director Espenlaub moved to adjourn; seconded by Director Shepherd. Motion passed unanimously at 1:46 p.m.

Respectfully Submitted,

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By: Kevin Walker, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 21, 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

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VACANT, Director