

CATHEDRAL PINES METROPOLITAN DISTRICT

NOTICE OF REGULAR MEETING

Cathedral Pines Community Center

Monday, August 5, 2019

2:00 P.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

Gregg Cawfield, Assistant Secretary

Term Expires May 2022

John Kelley

Term Expires May 2020

AGENDA

- 1. Call to Order**
- 2. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures**
- 3. Approval of Agenda**
- 4. Approval of Board Meeting Minutes – July 15, 2019 Special Meeting (under separate cover)**
- 5. Management Matters**
 - a. Subcommittee reports
 - Lodge – Lynn/John
 - Final discussion on implementation of pricing structure and finalize contract drafts – decision required
 - Release of RFP -action required
 - Approve timetable for implementation of plan - discussion
 - Summary of Lodge and Grounds Projects – update
 - Establish date for next Volunteer Clean-up Day; implement volunteer injury waiver form - discussion
 - Audio, Visual and Network proposal from Magnolia – decision required
 - Proposal for upgraded security system for Lodge and Shed from ADT - discussion
 - Future utilization of vacant Murphy office – discussion
 - Landscaping, Irrigation and Ponds – Gregg/John
 - Irrigation Update - Jamie
 - Status of implementation of improvements - Gregg
 - Culvert repair update – Kevin
 - Status of Fire Safe application? - update
 - Trails – Ecton
 - Repair status
 - New Construction
 - Should we put chain across entrance to Shed driveway to impede access?
 - Metro District Financing Update – John & Kevin

5. (con't)

- b. Update on postal pad, Lodge ramp and new parcel boxes – Kevin/Bill
- c. Update on timing of installing Speed Limit signs - Ecton
- d. Update on Murphy Office vacate/sale of furniture – Kevin
- e. Street signage issue/Saunderton and Serenity Lane – Bill/Kevin - update
- g. Financial Assistance to HOA – Kevin/Gregg/Bill - discussion
- h. Snow plowing update – New vendor, truck – Kevin - discussion
- i. Update on HOA - Bill – FYI
- j. FEMA Claim Update – Kevin

6. Legal Matters

- a. RFP's for Legal Services and selection/process – Kevin – decision required
- b. Resolution adopting 24 hour posting on website for special meetings – Kevin

7. New Business

- a. Black Forest Incorporation Discussion
- b. Neighboring Community Liaison - discussion
- c. Liaison with County re: road, curb, culverts, and drainage - discussion
- d. Preliminary discussion of 2019 Homeowners Annual Meeting agenda

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 (see attached)
- b. Approval of Payables for the Period Ending August 2, 2019 (see attached)

9. Public Comment (Items Not on the Agenda Only. Comments limited to 3 minutes per person and taken in Order in Which They Appear on Sign-Up Sheet)

10. Other Business

- a. Next Meeting September 9, 2019

11. Adjournment



**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CATHEDRAL PINES METROPOLITAN DISTRICT
HELD JULY 15, 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, July 15th at 2 p.m., at 13977 Milam Rd., Colorado Springs, CO.

In attendance were Directors:

Bill Heeter
Ecton Espenlaub
Lynn Shepherd
Gregg Cawlfeld
John Kelley

Also in attendance were:

Jamie Adams, Warren Management
Braden Hammond, BiggsKofford
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 2:01 p.m.

2. Approval of the Agenda: Director Shepherd requested that the Board move the Lodge discussion to the end of the meeting.

3. Approval of the May 13, 2019 and May 20, 2019 Meeting Minutes: President Heeter noted a correction for the May 13, 2019 Minutes. The Board allocated \$30,000 for landscaping and \$20,000 for the Lodge, not \$45,000. Director Shepherd moved to approve the May 13, 2019 Minutes as amended; seconded by Director Espenlaub. Motion passed unanimously. Director Shepherd moved to approve the May 20, 2019 Minutes; seconded by Director Espenlaub. Motion passed unanimously.

4. Review and approve 2018 Audit of District Financials: Mr. Hammond with BiggsKofford presented the 2018 Audit of District Financials to the Board. He noted the Audit went very well and they will be submitting to the State Auditor by the deadline at the end of July. Mr. Hammond said they could add a note in the Audit in reference to unrestricted and that there was a vote taken on TABOR in the District. Mr. Hammond recommended as the Board amend their budget in the fourth quarter, to match the expenditures or make the budget amount higher. Mr. Walker noted they will do a budget amendment in October or November. Mr. Hammond recommended simple security controls such as having a Board member monitor the bank activity. Mr. Walker said they can get Director Espenlaub set up to be able to

see the banking activity. The Board discussed a transfer from the general fund to the debt service fund. Mr. Walker said he will need to further investigate. The Board asked Mr. Hammond if they would be able to reverse the transfer of funds. Mr. Hammond said he would need more information and Mr. Walker said he will determine the cause and reason of this transfer. Director Espenlaub moved to approve the 2018 Audit of District Financials with the question of the money transfer to be determined; seconded by Director Shepherd. Director Kelley asked about the statement on the disclosure of more expenditures. Mr. Hammond said they put the disclosure in, but it is worth amending the budget. Motion passed unanimously.

5. Management Matters:

a. Subcommittee Reports

• Lodge

- Continue Vision/Mission/Strategies and Management Discussion
- Finalize Contract revisions/pricing structure: The Board discussed the details of the contract revisions. President Heeter moved to approve the revised Lodge Contract with edits discussed; seconded by Director Kelley. Motion passed unanimously.

The Board discussed the details of the non-resident public pricing structure. Director Kelley moved to approve the non-resident public pricing structure as presented; seconded by President Heeter. Motion passed unanimously. The Board discussed the resident pricing structure. The Board agreed to set the resident pricing structure as follows; Holidays at \$3,000, peak-season weekend events at \$500, peak-season Monday - Thursday weekday events at \$250, off-peak weekend events at \$400, off-peak weekday events at \$250. Director Kelley moved to approve the pricing structure as discussed; seconded by Director Shepherd. Motion passed unanimously.

- Statement of Work approval: The Board discussed finalizing the RFP and the description of tasks for the management of the Lodge. Director Cawlfeld moved to approve the Statement of Work with the addition of the technology skills needed and the removal of the required drug testing; seconded by Director Espenlaub. Motion passed unanimously.
- Timetable for implementation of plan: The Board agreed to implement the new Lodge contract for new clients on September 1st, 2019.
- Demo of recommended A/V plan: Director Kelley discussed that after meeting with four different companies, he chose Magnolia for the AV upgrades. He explained the technology they could provide would allow music on the patio that does not disturb neighboring residents 50 feet away and they will be demonstrating it for the Board at this meeting. Director Kelley explained the AV plan for the Lodge and noted that Stratus IQ would provide a discounted rate for phone and internet if we display a Stratus IQ sign in the window of the Lodge.

• Landscaping, Irrigation and Ponds

- Recap of Lodge Clean-up Day: Director Kelley reported the volunteer clean-up day went well. The volunteers painted the fire hydrant and cleaned the entire mailbox area. They also cleaned up the mulch and bushes on the island with the bench and it looks great. Director Kelley proposed another volunteer clean-up day in September to finish up, but overall it was a great success. President Heeter noted that it was very well organized and managed.
- Valve and pump replacement update: The Board discussed painting the valve pipes that are sticking out of the ground brown to camouflage them. Director Cawlfeld said he

will check with A Cut Above.

- Culvert repair update: Mr. Walker reported that the culvert repair would be the District's responsibility. He noted it will require a major piece of equipment to repair or they may just replace it. This could be put on the capital plan for 2020.
 - Status of implementation of improvements: Director Cawfield reported he met with A Cut Above and they discovered that 2 valves are leaking, and to replace them it will require a backhoe excavation. They are not sure if the valves have ever been turned on since the system was put in, but A Cut Above is now turning things on and discovering these issues. The Board discussed that close to \$24,000 has been spent on irrigation repairs so far and counting. The Board discussed if they should replace the 2 valves on Staffshire that cannot be opened. Director Cawfield noted that once Saxton irrigation starts at the median, they will begin the landscape improvements. As part of the bid, A Cut Above will run a new separate line for irrigation behind the Lodge and up to the mailboxes. Director Espenlaub asked about seeding with native grass in the areas we are watering. The Board agreed to discuss that more once the irrigation is started. The Board discussed that they may be repairing things that have been deferred in the last few years. The Board agreed they should repair these things especially since they are making a big effort to improve the landscaping. Director Cawfield discussed having A Cut Above mow the trails and spraying chemicals to kill the grass in those areas. Director Espenlaub noted he could not get the bush-hog mower to run, but if A Cut Above can get it running, they can use it. Director Cawfield requested permission to have A Cut Above do the mowing. The Board authorized Director Cawfield to have A Cut Above move forward on the mowing.
- Trails
 - Repair status: Director Espenlaub updated the Board on the progress with the trails. He said he was able to adjust the box grader and setup an inclinometer to adjust the grade of the trails as well. He can also pull the small trees out with the tractor after the rain. Director Espenlaub noted he is officially certified with RMFI now.
 - New Construction: Director Espenlaub reported an area north on the trails will require a dump truck. He said his goal is to be finished by Spring. Director Kelley asked if there would be anything that the volunteers can help with. Director Espenlaub said yes, there are areas they could help with the tractor. The Board discussed an area behind Fox Chase that has trees down, and there is another area with a tree down that would be the Parks responsibility and it is off the trail. Director Espenlaub said he would like to help but would also like to get the trails finished. The Board discussed how they would even get the tree out of there if it is off-terrain. Director Espenlaub said he could get the tree out but wanted to know if he needs to make that a priority. The Board discussed areas that should be maintained by the Parks Department and if the District should just take over the management of mowing. Mr. Walker said it may be a wetlands issue, and if you don't have a permit there could be a problem.
 - Update on installation of No Uncontrolled Dogs signs on trail: Director Espenlaub reported they have posted signs. He noted he will put a leash sign down by the trails.
 - Metro District Financing update: Director Kelley said he and Mr. Walker are working on scheduling a meeting with the County. He explained there are 2 issues to take to the County; requesting an increase in the general fund mill levy and the overall mill levy cap to set up in good shape for the future. He said once we have that meeting, we will know more. Mr. Walker said he will send in an application this afternoon for the meeting.

- b. Update on postal pad and Lodge ramp: The Board discussed the contractors did a good job with the handicap ramp and the color match. President Heeter said he will contact them about the lockers. Mr. Walker noted the project came in under budget. Director Kelley asked about a few areas that are crushed and if they would be able to repair if possible. Mr. Walker said he can have them come and look at that.
- c. Update on timing of installing Speed Limit signs: Director Espenlaub reported that they are waiting on guidance from El Paso County. Mr. Walker said he has pressed them on the private road issue as well and has not heard back.
- d. Update on Murphy office vacate: Mr. Walker said they agreed to vacate by September 1st but have not heard anything since then. Mr. Walker said he will follow up and get a timeline. Director Kelley said he is working on Lodge maintenance that is scheduled around them being out by August 31st.
- e. Legal Representation for 2019 RFP: Mr. Walker said they have 3 RFPs out to different firms. White Bear will be providing a bid, but he has not heard back from Mr. Susemihl and we may not hear back. He noted that one of the other firms may not bid because we are too small of a District and they are in Denver.
- f. Financial Assistance to HOA: President Heeter reported that the HOA should be able to continue to absorb their own costs.
- g. Snow plowing update – New vendor, truck purchase: Mr. Walker said he received a call from Mr. Frerichs, and he notified us of his cancelling the contract. He offered to sell the truck to the District. The Board discussed that they do not want to purchase the truck and they will need to solicit bids for snow removal.
- h. Black Forest Incorporation Discussion: The President of the HOA is going to take on the responsibility of monitoring the possible incorporation and will be attending the meetings. President Heeter asked the Board if they should also monitor the expansion. Mr. Walker said he thinks the chances of the incorporation is small. The Board agreed to have someone from the community monitor the situation and report back on it such as Mr. Dave Steel if he is interested. The Board discussed the future development of the area and how the District fits into that. Director Shepherd reported on the Flying Horse Ranch meeting on the road extension, and they discussed that Milam Rd. would not be extended due to the terrain so Holmes Rd. would have to be extended.
- i. Update on HOA: There were no additional updates.
- j. FEMA Update: Mr. Walker reported that Mr. Atkinson delivered the checks to the Colorado FEMA Director and now they are just waiting on an ETA for the funds from FEMA. He added that he has not received the FEMA files from Mr. Atkinson. Mr. Walker said he will call the FEMA Director himself to get some additional information. The Board discussed a hard deadline for Mr. Atkinson to turn over the documents or withdrawing the success fee. The Board directed Mr. Walker to work on obtaining the documents from Mr. Atkinson.
- k. Preliminary discussion on 2019 Annual Meeting: President Heeter suggested the District takes the lead on the Annual Meeting considering all the projects that the District is working on. The tentative date for the meeting is November 13, 2019 and the District's budget hearing is November 11, 2019. President Heeter suggested having the committee members speak at the meeting. Director Kelley discussed having the Board draft the agenda for the meeting and work with the HOA on it as well.
- l. Street signage issue – Saunderton and Serenity Lane: President Heeter explained someone has removed a couple of the street signs that has caused a dispute between homeowners. The Board discussed that the County is responsible for the street signs and what goes on the poles. What was initially put up was incorrect and then someone else removed them without permission. Mr.

Walker noted there is no easement that he has found that shows an easement on District property for Serenity View. He said he has reviewed this with the County Engineer and asked for them to tell us what to do but he has not heard back. He explained there is an easement on Saunderton and an easement that goes towards the North.

6. Legal Matters: There was no discussion.

7. New Business: There was no discussion.

8. Financial Matters: Director Espenlaub asked why the property taxes are not listed and there is a \$44,000 difference. Mr. Walker said he thinks the bookkeeper added it into June, but he will need to verify. Director Espenlaub discussed his concerns about Lodge event bookings and that they are down for next year. Director Espenlaub also asked about the total expenses through the end of June, and the numbers may be incorrect. Mr. Walker explained the Profit and Loss is the actual accurate, and they have created the new spreadsheet specifically for the Board by transferring data from QuickBooks, but there have been issues with the data transfer. This process was done to make it easier for the Board to read, but it is not without error. Director Cawfield said he finds the Profit and Loss Budget Performance Report to be accurate and just using that would remove the extra work and errors the spreadsheet causes. Director Espenlaub said he can try and focus on the Profit and Loss Report instead of using the spreadsheet. Director Espenlaub expressed his concerns that we may not have as much money in the contingency as we thought. The Board reviewed the financials and discussed the budget.

- 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: Director Espenlaub moved to accept the Financial Statements and bank statements; seconded by Director Shepherd. Motion passed unanimously.
- b. Approval of Payables for the Period Ending July 9, 2019: Director Espenlaub moved to approve the Payables; seconded by Director Shepherd. Motion passed unanimously.

9. Public Comment: There was no public comment.

10. Other Business

- a. Next Meeting: August 12, 2019 at 2:00 p.m.
- b. The Board received a presentation on the sound system improvements.

11. Adjournment: The meeting was adjourned at 5:45 PM

Respectfully Submitted,

By: Kevin Walker, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 15, 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 Cawfield, Assistant Secretary

John Kelley, Director

11:08 AM

08/02/19

Accrual Basis

Cathedral Pines Metropolitan District

Profit & Loss Budget Performance

January through July 2019

	Jan - Jul 19	Budget	Jan - Jul 19	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
1-100 - GF INCOME					
1-105 - GF Prop Tax Revenue	138,583.74	140,500.00	138,583.74	140,500.00	143,442.08
1-110 - Specific Ownership Taxes	26,079.21	11,569.95	26,079.21	11,569.95	31,869.95
1-115 - Delinquent Tax and Interest	65.49		65.49		
1-120 - Rental Income - Lodge Events	114,675.00	47,000.00	114,675.00	47,000.00	120,000.00
1-125 - Rental Income - Sales Office	3,500.00	2,000.01	3,500.00	2,000.01	4,000.00
1-135 - GF Interest Income	1.00		1.00		
1-145 - Sales of Product Income	6,678.69	3,750.00	6,678.69	3,750.00	3,750.00
1-150 - Insurance Reimbursement	1,389.21		1,389.21		
Total 1-100 - GF INCOME	291,972.34	204,819.96	291,972.34	204,819.96	303,062.03
2-100 - DS INCOME					
2-105 - DS Prop Tax Revenue	303,454.84	305,642.88	303,454.84	305,642.88	311,842.88
2-130 - DS Interest Income	3,182.47	116.65	3,182.47	116.65	200.00
Total 2-100 - DS INCOME	306,637.31	305,759.53	306,637.31	305,759.53	312,042.88
49900 - *Uncategorized Income	1,600.00		1,600.00		
Total Income	600,209.65	510,579.49	600,209.65	510,579.49	615,104.91
Gross Profit	600,209.65	510,579.49	600,209.65	510,579.49	615,104.91
Expense					
1-1000 - SERVICES					
1-1005 - Audit	7,850.00	8,000.00	7,850.00	8,000.00	8,000.00
1-1010 - Management Expense	18,000.00	21,000.00	18,000.00	21,000.00	36,000.00
1-1015 - Maintenance Management	12,600.00	12,833.35	12,600.00	12,833.35	22,000.00
1-1020 - Legal Fees	2,794.15	3,900.00	2,794.15	3,900.00	5,000.00
Total 1-1000 - SERVICES	41,244.15	45,733.35	41,244.15	45,733.35	71,000.00
1-2000 - LODGE					
1-2005 - Advertising/ Website	837.97	583.35	837.97	583.35	1,000.00
1-2010 - Booking Fee	7,550.00	8,750.00	7,550.00	8,750.00	15,000.00
1-2015 - Event Hosting/ Attendant Fee	13,445.00	11,666.65	13,445.00	11,666.65	20,000.00
1-2020 - Event Supplies	1,235.59	875.00	1,235.59	875.00	1,500.00
1-2025 - Cleaning	1,487.50	1,458.34	1,487.50	1,458.34	2,500.00
1-2030 - Repairs and Maintenance	13,325.33	5,833.35	13,325.33	5,833.35	10,000.00
1-2035 - Utilities	4,963.75	1,166.65	4,963.75	1,166.65	2,000.00
1-2040 - Security	435.59	1,166.65	435.59	1,166.65	2,000.00
1-2044 - Landscape Maintenance	4,981.30		4,981.30		
1-2045 - Snow Removal	9,902.96	1,166.65	9,902.96	1,166.65	2,000.00

11:08 AM

08/02/19

Accrual Basis

Cathedral Pines Metropolitan District

Profit & Loss Budget Performance

January through July 2019

	Jan - Jul 19	Budget	Jan - Jul 19	YTD Budget	Annual Budget
1-2050 - Trash	4,600.35	2,916.65	4,600.35	2,916.65	5,000.00
1-2055 - Telephone	1,453.58	700.00	1,453.58	700.00	1,200.00
Total 1-2000 - LODGE	64,218.92	36,283.29	64,218.92	36,283.29	62,200.00
1-3000 - GF EXPENSES					
1-3005 - Landscapes Maintenance	16,595.44	17,500.00	16,595.44	17,500.00	30,000.00
1-3010 - Repair & Maintenance - O&M	38,380.57	21,900.00	38,380.57	21,900.00	35,000.00
1-3015 - Snow Removal - O&M	8,000.00	8,000.00	8,000.00	8,000.00	16,000.00
1-3020 - Utilities - O&M	13,508.74	17,500.00	13,508.74	17,500.00	30,000.00
1-3025 - Infrastructure Replacement	2,314.06	19,833.35	2,314.06	19,833.35	34,000.00
Total 1-3000 - GF EXPENSES	78,798.81	84,733.35	78,798.81	84,733.35	145,000.00
1-4000 - OTHER					
1-4005 - Bank Charges	5.00	58.35	5.00	58.35	100.00
1-4010 - Insurance/ Fees	637.48	0.00	637.48	0.00	12,000.00
1-4015 - Office Expenses	93.92	291.65	93.92	291.65	500.00
1-4020 - Collection Fee GF(Treasurer)	4,276.15	1,900.00	4,276.15	1,900.00	2,151.63
Total 1-4000 - OTHER	5,012.55	2,250.00	5,012.55	2,250.00	14,751.63
1-4030 - Contingency	0.00	5,833.35	0.00	5,833.35	10,000.00
2-1000 - DS EXPENSES					
2-1005 - Trustee Fees	0.00	400.00	0.00	400.00	800.00
2-1010 - Collection Fee DS (Treasurer)	2,388.91	2,730.39	2,388.91	2,730.39	4,680.64
2-1015 - Bond Principal Pmts	0.00	0.00	0.00	0.00	60,000.00
2-1030 - Interest Expense DS	110,668.75	110,668.75	110,668.75	110,668.75	221,337.50
Total 2-1000 - DS EXPENSES	113,057.66	113,798.14	113,057.66	113,798.14	286,818.14
Total Expense	302,332.09	288,632.48	302,332.09	288,632.48	589,769.77
Net Ordinary Income	297,877.56	221,947.01	297,877.56	221,947.01	25,335.14
Net Income	297,877.56	221,947.01	297,877.56	221,947.01	25,335.14

Cathedral Pines Metropolitan District

PAYMENT REQUEST

8/5/2019

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Michelle Atkinson		8/5/2019	\$ 3,448.96	Lodge Events - Booking
Rowan Reynolds		8/5/2019	\$ 250.00	Lodge Events - Attendant
Joseph Hurford-Reynolds		8/5/2019	\$ 750.00	Lodge Events - Attendant
Shaun Atkinson		8/5/2019	\$ 860.00	Lodge Events - Attendant
Melissa Taylor		8/5/2019	\$ 90.00	Website/ Advertising
Ecton Espenlaub	Reimbursment.1	8/5/2019	\$ 255.40	GF - Repair & Maint.
Mountain View Electric	Various.13	7/17/2019	\$ 2,828.33	GF - Utilities
Mountain View Electric	Lodge	7/17/2019	\$ 547.51	Lodge and Pond - Utilities
The Warren Management Group	13716	7/31/2019	\$ 1,800.00	GF - Maint. Management
Tough Concrete, LLC	18-193	7/27/2019	\$ 4,250.00	
Walker Schooler District Managers	6373	7/31/2019	\$ 3,438.74	GF - Mgmt/Office Sup
Waste Management of CS	6397027-2528-9	7/29/2019	\$ 588.50	Lodge - Trash
TOTAL			\$ 19,107.44	

BONDS REVENUE FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank NA			Interest Payment
TOTAL		\$ -	

TOTAL \$ 19,107.44