



**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CATHEDRAL PINES METROPOLITAN DISTRICT
HELD JANUARY 16, 2023
AT 10:00 A.M.**

Pursuant to posted notice, the special meeting of the Board of Directors of the Cathedral Pines Metropolitan District was held on Monday, January 16th at 10:00 AM, at 13975 Milam Road, Colorado Springs, CO, and via telephone and video conference call.

In attendance were Directors:

Bill Heeter
Lynn Shepherd
Ecton Espenlaub
Rick Stauch
Debbie Perry

Also in attendance were:

Rebecca Harris, WSDM District Managers
Megan Riviezzo, VenQ
Shalece Buchholtz, VenQ

Public in attendance were:

Kristi Corea
Patricia Ghee

1. Call to Order: President Heeter called the meeting to order at 10:02 AM.
2. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures: President Heeter confirmed a quorum was present. There were no additional disclosures made by Board Members.
3. Approval of the Agenda: Director Stauch added agenda item 14.b ADT Discussion, and Ms. Harris added agenda item 14.c Discussion on new statutes regarding Board member communications. President Heeter requested additional discussion on new email distribution list combined with agenda item 14.c.
4. Approval of Board Meeting Minutes – November 29, 2022: Director Perry requested her budget presentation be attached to the November 29, 2022, Minutes as well as her detailed budget discussion. The Board tabled the approval of the Minutes.
5. Review of 2022 Year-End Financial Performance: Director Perry will provide a presentation at the Community meeting. Ms. Harris provided a review of the 2022 Unaudited Financial Statements.
6. Irrigation Proposals Update: President Heeter reported that 2 out of 10 companies submitted a proposal for irrigation. The revised Timberline proposal is \$233,000, and the 101 Landscaping proposal

ranges from \$180,000 and \$228,000 depending on what is decided for the medians and the grass. The Board discussed the different options for medians and grass and decided to continue the discussion to next month for the Community to review the options presented.

7. Lodge Sale Discussion: Director Stauch commented that given the District cannot pay any principal on the bonds until 2026, the Board should table discussions and efforts associated with the sale of the Lodge until at least 2025. Instead, the Board should focus efforts on making the Lodge profitable. Director Espenlaub noted it would require a change to the service plan. Ms. Harris explained a service plan amendment would require a special election, because this change would be considered large enough to the Service Plan. Director Perry commented that she feels this is the Boards way of trying to silence her and discussions on the sale of the Lodge, and her November presentation was not about the sale of the Lodge but the numbers as requested. Director Perry explained that when you run a successful business, you consider all options before you. Directory Perry brought to the Boards attention that she believes VenQ is not meeting expectations. The Board discussed the need to establish measurable benchmarks and success for the Lodge management team, however, did not make any benchmark decisions at this meeting. Director Stauch commented that he did not intend to silence Director Perry but feels the discussion on the sale of the Lodge is a distraction and sends mixed messages to the Lodge management team. The Board discussed the management and marketing of the Lodge in comparison to the Lodge management contract. Director Stauch commented that the Board needs to give the current Lodge Manager the tools they need to be successful. He added that discussion on the sale of the Lodge is a distraction to both the Board and a potential cause of concern for the Lodge management. Director Stauch clarified the Board should continue to look closely at the financial aspect of what it costs to run the Lodge and to the extent possible hold the Lodge management accountable. Director Stauch moved that WSDM will not expend any effort in further examination of the feasibility of the sale of the Lodge at this time; seconded by Director Espenlaub. Motion passed 4 to 1 with Director Perry against. The Board unanimously agreed to discuss agenda item 11. Lodge Management Update next.

8. Board Objectives for 2023: President Heeter presented a list of key items the Board should stay focused on. Director Stauch added an item for continued improvements to financial reporting. The Board discussed having an audit done of historical Lodge financials and decided not to pursue for now. Director Shepherd added an item for collaboration with the HOA.

9. Annual Meeting Discussion

- a. Format: The Board reviewed the format.
- b. Date/Time/Length: The annual meeting is scheduled for February 21, 2023, at 6:00 PM.
- c. Food: Director Stauch will handle the catering order for food, and Director Shepherd will handle the beverages.
- d. Presenters: The Board reviewed the presenters.
- e. Rehearsal Date/Time: The Board scheduled a rehearsal for February 20, 2023, at 3:00 PM.
- f. Deadline to Submit PowerPoint to WSDM: Ms. Harris requested the final revisions be submitted one week prior to the annual meeting, February 14, 2023.

10. Financial Update

- a. Review and Ratify Approval of Payables through the period ending January 9, 2023: The Board reviewed the Payables through the period ending January 9, 2023. Director Stauch moved to approve the Payables through the period ending January 9, 2023; seconded by Director Shepherd. Motion passed unanimously. Director Stauch moved to authorize the Board President during the creation of the agenda and at their discretion, to invite legal counsel to attend the

pertinent parts of the meeting. Director Perry commented that she believes there needs to be more planning and she would like it to be advertised to the community when an attorney is going to be present. Director Perry also noted that the attorney expense was not approved by the Board for her attendance at the October meetings. Board acknowledged the previous meeting discussed the Board President will make the call if he believes an attorney is needed to be present. Board agreed to pay the attorney expenses with the understanding it is approved prior to the expense at this time, by the Board President requesting their attendance at the pertinent parts of the coming meeting. The motion was seconded by President Heeter. Motion passed 4 to 1 with Director Perry voting against. President Heeter commented that Board members have the authority to spend up to \$1,500 without prior Board approval, and it should apply here with legal counsel services.

- b. FEMA Update – There is no update.

11. Lodge Management Update

- a. Lodge Expectations for 2023: The Board discussed Lodge expectations for 2023 with the Lodge management team. Ms. Riviezzo commented that after the November budget approval meeting where \$5,000 was budgeted for Lodge marketing, she felt it was best for VenQ to step down due to losing money to pay Ms. Buchholtz full time and not booking events. She discussed challenges with competition, capacity, and the lack of tours without a solid marketing budget. Ms. Riviezzo highly recommended Ms. Buchholtz to move forward with managing the venue. She noted that a \$5,000 marketing budget is not going to help the Lodge book events, and she is working with another venue that is spending \$30,000 a month on marketing/advertising to do 250 events a year. She added that the Lodge is worth investing in and has a ton of potential. Ms. Riviezzo recommended a marketing/advertising budget of \$35,000, but noted they needed to start advertising in November for the 2023 season. Director Perry asked what was included in the \$36,000 paid to VenQ last year. Ms. Riviezzo explained it was for a full-time Venue Manager. Ms. Riviezzo commented that she does not believe the Lodge will reach \$120,000 in sales with a \$5,000 marketing/advertising budget. She recommended the Board move forward with Ms. Buchholtz as Lodge Manager without VenQ and spend money on a marketing firm. Ms. Buchholtz confirmed that she is on board with whatever decision is made. The Board discussed how to move forward with Lodge management. The Board discussed initiating the 30-day separation with VenQ with the execution of the 7 remaining events that were booked by VenQ. The Board requested that Ms. Harris obtain a proposal from Ms. Buchholtz.

12. Legal Matters

- a. Election Status Update: Ms. Harris provided an update on the election status. The Board requested Ms. Harris ask the DEO if they can add language to the Call for Nominations email about signing up for the Metro District email list. Director Shepherd moved to wait until Self Nominations are due to post the Bios; seconded by Director Stauch. Motion passed with a 4 to 1 vote with President Heeter abstaining. The Board discussed the Candidate Panel Q&A but took no action.
- b. Key Dates:
 - i. Call for Nominations – January 23, 2023
 - ii. Self-Nomination Deadline – February 24, 2023
 - iii. Write in Candidate Deadline – February 27, 2023
 - iv. Notice of Cancellation (if applicable) – February 28, 2023
 - v. Publication of Bios on Metro Website – TBD
 - vi. Candidate Panel Q&A
 - vii. Election Date (if required) – May 2, 2023

13. Public Comment: The Board opened the meeting for public comment. Ms. Ghee asked about Lodge revenue and the previous advertising budget. The Board explained there was not a budget line item for advertising in 2021. She commented that she is a business owner and understands that advertising is important. She suggested hosting an open house for pastors and priests to come as a marketing event for weddings. She noted that she has a recommendation for a good marketing company. President Heeter suggested creating a subcommittee that reports back with a recommendation next month. Board received four volunteers to join the subcommittee, to include two board members, Rick Stauch and Lynn Shepherd, and two residents, Patricia Ghee and Kristi Corea.

President Heeter discussed obtaining an email list from the HOA. Ms. Harris noted a form is posted on the website for people to sign up for the Metro District email list.

14. Other Business

- a. Discuss Future Board Meeting Schedule: President Heeter requested the Board table this item until March.
- b. ADT Discussion: Director Stauch reported the ADT login information has been updated. He noted an address placard was recommended for the barn by ADT, and he will work on this item.
- c. Discussion on new statutes regarding Board member communications: Ms. Harris explained that new State statute requires board member contact information or emails be posted on district websites. She does not recommend using personal email addresses because of CORA and noted the HOA emails could be used or a new Metro District email could be created by WSDM.

President Heeter brought to the Boards discussion that the Metro District does not have its own Email Distribution list and recommended the Board start establishing their own. Ms. Harris noted WSDM has created a sign-up for Metro Residents to sign-up to receive Metro News. President Heeter commented that he is working with the HOA to get one last email blast out through them to help advertise the Metro's new management change, email list sign-up, and election info.

15. Adjournment: Next scheduled Board meeting is February 6, 2023, at 10:00am, then February 20, 2023 at 3:00pm annual meeting rehearsal, followed by regular scheduled meeting as the annual community meeting on February 21, 2023 at 6:00pm. Director Shepherd moved to adjourn at 1:05 PM; seconded by Director Stauch. Motion passed unanimously.

Respectfully Submitted,

Rebecca Harris

By: Rebecca Harris, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 16, 2023 MINUTES OF THE CATHEDRAL PINES METROPOLITAN DISTRICT.