



**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CATHEDRAL PINES METROPOLITAN DISTRICT
HELD OCTOBER 23, 2018
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 Tuesday, October 23rd at 2 p.m., at 13977 Milam Rd., Colorado Springs, CO.

In attendance were Directors:

Bill Heeter
Ecton Espenlaub
Lynn Shepherd

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 at 2:00 p.m.

2. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures: Director Heeter confirmed a quorum. President Atkinson and Director Cawfield were excused.

3. Approval of the Agenda: Director Espenlaub suggested removing item 6.d., missing material from the shed, since it was already addressed at the last meeting. Director Heeter said he would like to add the board vacancy to the Agenda. The Board discussed that President Atkinson has not given a formal date to leave the Board yet.

4. Consent Agenda Items:

- a. Approval of Board Meeting Minutes from the September 24, 2018 Meeting
- b. Acceptance of Unaudited Financial Statements as of September 30, 2018, the schedule of cash position updated as of September 30, 2018 and bank statements

Director Shepherd moved to approve the Consent Agenda Items; seconded by Director Espenlaub. Motion passed unanimously.

5. Consideration of items removed from Consent Agenda: None.

6. Management Matters:

a. Maintenance Update

- Lodge: Ms. Adams discussed a serious mold issue that was discovered above the restroom the previous week. She clarified that the damage is only evident in the attic.

Ms. Adams said the water pressure issues at the lodge have been repaired. Director Heeter asked about costs so far. Mr. Walker said Barnhart is at \$1,200 so far, and \$4,500 for the furnace replacement. Ms. Adams said we will also receive proposals for replacement of the other furnaces as well as they are of all the same age. Director Heeter said it is at least \$5,700 of unexpected expenses so far. Director Shepherd confirmed that we have replaced one furnace already, and then plans to address the mold issue, and then possibly replace the other two furnaces. Ms. Adams thinks we may be able to get two new furnaces for \$5,000 including installation costs. Ms. Adams said she received a book of all the information on the Lodge from President Atkinson that has been helpful in finding out about who did the roof and plumbing. The Board discussed that the replacement of the other two furnaces will be planned for next year. Mr. Walker said he is worried that the mold issue will be very expensive. Ms. Adams will keep the Board posted once she gets more information.

- Landscaping, Irrigation, Trail: Ms. Adams said they are taking down cattails and requested weed removal around the edge of the pond. Director Heeter said he has not heard anything on the trails. Ms. Adams said she has not heard back from RMFI after emailing them four times, but the contractor will move forward and do the best he can with information received on how to properly grade the trails.

- b. Lodge Rental Status and Lodge Operations – Mr. Walker pointed out that the Lodge rental income is now correct on the financials. Director Shepherd told the Board that she pulled up the events calendar on the website and noted a discrepancy with the report and the calendar; Mr. Walker acknowledged the difference and will attempt to clarify. Director Shepherd speculated the anticipated revenue on the calendar for next year is \$25,000 and noted that there are no scheduled events for the month of August. Director Shepherd said she is a little concerned that there are so few events scheduled for next year. Mr. Walker suggested inquiring with Michelle Atkinson for clarification on lodge events and processes. Director Heeter suggested having Mrs. Atkinson come on a quarterly basis to update the Board on events, perhaps a focused report at the December meeting. Mr. Walker said he will contact Mrs. Atkinson about coming to a Board meeting. Director Shepherd reported on some other competing venues and their charges; she suggested discussing the market position and the role of the Lodge for the community and the District, including deposit and cancellation policies. The Board agreed to discuss this in December and have Mrs. Atkinson attend as well. This will include the agreements with Mrs. Atkinson. Director Shepherd said she is concerned about the subcontractors and potential workers comp and payroll issues; Mr. Walker reported that he is working on getting this documented. Director Heeter said he wants to make sure we have an action plan moving forward. Director Shepherd said she will get with Mrs. Atkinson to ask her about the projected events for next year to better predict the budget. Director Heeter requested that the reports be asked about consistency with the reports. Mr. Walker explained the spreadsheet was inherited and we are changing it for 2019 to better report. The Board discussed receiving cash payments and we should

review the cash acceptance policy.

- c. FEMA Collection – There were no updates.
- d. USPS Locker Update – Mr. Walker said he and the contractor had not been able to meet in the past month. Director Heeter said he heard the boxes have not been approved at the Denver Post Office. Mr. Walker said he has been waiting for confirmation. Director Espenlaub recommends having something in writing before we pour the cement. Ms. Adams said she will follow up with USPS personnel.
- e. Meeting with HOA/Community Meeting – The Board discussed the Community Meeting and the opportunity to give an update to the community and a chance for them to ask questions and express concerns. The Board discussed announcing a possible Board vacancy at the Community Meeting to see if there is any interest. Mr. Walker told the Board he will do as much as the Board wants him to do for the presentation at the meeting. Director Espenlaub suggested that Director Heeter be the spokesman for the District since we are now a resident board. Director Heeter asked when the new election of officers would take place. Mr. Walker said the Board can change officers at any time. Director Heeter asked when his term as Vice President is up. Mr. Walker said the election of officers is usually done annually at the Budget meeting. Director Heeter suggested that Director Espenlaub present the budget at the meeting since he is the Treasurer and has a strong handle on the budget. Director Heeter said at the joint annual meeting with HOA on November 14th we should explain the difference between the HOA, County and District before the meeting so people understand.
- f. HOA Maintenance Takeover - The Board discussed that the District must finalize their budget before they can see if they can help the HOA. Director Heeter will look at the HOA budget to find out what makes sense to ask the District for, and then look and see if the District can accommodate the request.
- g. Signage for Dogs on Leash – The Board discussed that the signs have not been found yet and they have not yet been located in the Barn. Ms. Adams said the new County leash law is coming out soon and recommends tabling this item until then since the County would share the cost on the signs once the new rule is applied.
- h. Other Matters – Director Espenlaub asked about the status of the invoices for. Mr. Walker said that the plan was to with Reimers and President Atkinson, but it has not been set up. Director Espenlaub asked if we need to send a certified letter letting them know what we will pay on this.

7. Financial Matters:

- a. Approval of Payables for the Period Ending October 15, 2018: The Board discussed the payables. Director Espenlaub asked about the sprinkler system. Ms. Adams said they are waiting on that until they find out about the status of the Milam Rd. system. Ms. Adams confirmed the check has been on hold for Holbrook. Director Espenlaub asked about the alarm monitoring for the shed and if we should continue to pay to monitor it. Mr. Walker said it was not cancelled but the plan is to put cameras up around the shed and we can monitor if needed. Director Shepherd moved to cancel the alarm monitoring at the shed; seconded by Director Espenlaub. Motion passed unanimously. Director Heeter

confirmed there is nothing out of the ordinary with the payables. Director Espenlaub moved to approve the payables for the period ending October 15, 2018; seconded by Director Shepherd. Motion passed unanimously.

- b. Preliminary Budget Review for 2019 – Budget Restructure: Mr. Walker told the Board that he updated the actuals, getting over budget on the event hosting. He said this moved the amended budget up to \$20,000, but everything else is tracking the same as before. Director Shepherd asked about estimating the income of the property taxes. Mr. Walker confirmed that we can project that very accurately. He said that problems sometimes occur if someone doesn't pay heir taxes. Director Shepherd clarified that the only income that is questionable is the rental income and the FEMA funds. Mr. Walker said as long as our expenditures look good, then we can leave the income a little short if needed. Director Heeter said he is happy with the budget and will motion to approve it on November 12th. Mr. Walker said he will make minor changes as they get better actual numbers at the end of the year. Director Espenlaub thanked Mr. Walker for his updates to the budget that he had questions on. Director Espenlaub confirmed with Mr. Walker that the money we carry over in the Bond Fund cannot be used in general fund, and that it is used for bond payments. Mr. Walker said there are bond covenants that do not allow that transfer. Mr. Walker said if we had more money, we could refinance the bonds and get the mill levy down, but the District does not have enough to do that.

8. Legal Matters: Director Heeter asked if we want to have Mr. Susemihl attend the November 14th meeting. Mr. Walker said he came to the Budget Hearing last year. The Board discussed a special meeting in December if needed to discuss the Lodge and events with Mrs. Atkinson. Director Heeter suggested the Board requests that Mrs. Atkinson submit a monthly report and communication with the Board.

9. Public Comment: There were no public comments.

10. Other Business:

- a. Next Meeting – November 12, 2018 at 2:00 PM

11. Adjournment: Director Espenlaub moved to adjourn; seconded by Director Shepherd. Motion passed unanimously. The meeting was adjourned at 3:32 p.m.

Respectfully Submitted,


By: Kevin Walker, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 23, 2018 MINUTES OF THE CATHEDRAL PINES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Bart Atkinson, President



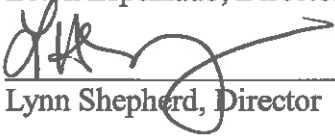
Gregg Cawlfeld, Director



Bill Heeter, Director



Ecton Espenlaub, Director



Lynn Shepherd, Director