

**Castle Pines Homes Association  
Board of Directors**

*Executive and Regular Meetings*

Castle Pines Homes Association  
688 W Happy Canyon Road Castle Rock, CO 80108

**Friday, June 15, 2018**

**ATTENDEES:** Directors Len Jacob, President; Chuck Skinner, Treasurer; Doug Cooper, Vice President and Assistant Treasurer; Wendy Ingraham, Director. Present from the CPHA staff: General Manager and Assistant Secretary, Mark Larson, Chief of Emergency Services, Rick Plotke, and Senior Administrator, Lisa Goodwin.

**OTHERS PRESENT:** Phil Hunt, Castle Pines Metropolitan District; Ryan Lee, CPA and Principal at Lee Public Accounting; Don Poole, XUMA; Jackie Griggs, JBG Communications; residents: Frank Jacobsen, Don Watson.

**EXCUSED:** Linda Battin, Secretary

**MEETING AGENDA:** See attached.

**EXECUTIVE SESSION:** The Board of Directors met in an Executive Session and discussed legal and personnel issues.

**I. CALL TO ORDER / MODIFICATION OF AGENDA**

The general meeting was called to order at 8:05 am.

**II. CONFLICT OF INTEREST DISCLOSURE**

Board members were requested to disclose any conflict of interest related to items on this month's agenda, or at any time during the meeting should a conflict of interest arise. No conflicts were identified.

**III. MAY 2018 MEETING MINUTES**

*(See Tab #1 of the June 2018 Board Package)*

**Motion**

Upon motion duly made and seconded, the Board approved the May 2018 Board of Director meeting minutes with corrections as noted.

Director Cooper abstained due to having been absent at the May Board meeting

#### **IV. HOMEOWNERS REQUEST TO BE HEARD**

Resident Allison Sandler of 896 Anaconda Court was present before the Board to discuss a covenant enforcement issue at 901 Anaconda Court. Ms. Sandler provided the Board with a copy of a letter she sent to Director Jacob along with several pictures. Ms. Sandler provided details regarding the conditions of the property and her prior requests to the Homes Association to have this issue addressed. Ms. Sandler reported the homeowner is only in the home two to three times a year; last year the homeowner had the property fixed up before they arrived, thereby correcting the violations. Ms. Sandler stated the required timeline for sending out enforcement letters allows for a problem to become much worse as in this case where the weeds have grown and the conditions have become unsightly.

Mr. Larson reported the homeowners were cited for the same violation in the past, the fines were paid and the violations remedied. Mr. Larson added that before we take punitive action – to assess fines and/or step in to do the work – per State Statute the homeowner(s) must have the opportunity to be heard before the Enforcement Committee. The Board discussed the issue of the “clock resetting” for residents with repeat violations of a similar nature. Mr. Larson stated that once a fine has been paid and the issues addressed, the case is closed. Mr. Larson added the Enforcement Committee can levy daily fines and will do so in situations where repeated attempts to notify the resident are being ignored; this issue will be heard at the August 14 Enforcement Committee Hearing if the situation is not resolved in order to comply with the requirement of providing 10 days’ notice of hearing to the homeowner.

The Board thanked Ms. Sandler for coming before the Board on this issue. Director Skinner asked if we could first determine the cost for the Homes Association to maintain the property and then notify the homeowner. Mr. Larson suggested the letter come from our Attorney since it appears that the homeowners are not willing to maintain their property. Director Cooper stated we should have a process in place for habitual violators and repeat offenders so that we do not have to keep restarting the enforcement process. Mr. Larson stated he would work with the Enforcement Committee regarding the development of a process for repeat offenders.

Mr. Larson stated he would speak to our Attorney after the Board meeting to request they send a letter stating the situation must be remedied and that failure to do so will result in fines and/or the option for the Association to step in to do the work and invoice the homeowner for all costs associated. The Board stated to Ms. Sandler they would stay on top of this issue.

**V. ACTION ITEMS**

**A. Nominations for Homes Association Committee Membership**

Mr. Larson reported there is one resident seeking approval for Committee Membership. Resident Beth Westberg, the current Editor of the Village Reporter is requesting membership on the Communications Committee.

**Motion**

**After reviewing the qualifications of Beth Westberg, and upon motion duly made and seconded, the Board unanimously approved the appointment of Ms. Westberg for membership to the Communications Committee.**

**VIII. MANAGEMENT/LIAISON REPORTS**

**A. General Manager – Mark Larson**

*Advanced on the Agenda*

Craig Sundquist, Chair of the Communications Committee was present before the Board to discuss this year's plans for the Volunteer Recognition event. Mr. Sundquist reported that Susan Clifford, Chair of the Welcome Group, has agreed to coordinate the event with the other members of the Welcome Group. Mr. Larson reported the date was discussed in Executive Session and the Board agreed to the date of September 9. Mr. Sundquist reported the event would be at the Canyon Club pavilion, start around 4:30 pm and include heavy hors' doeuvres, beer, wine and DJ music.

**V. ACTION ITEMS**

**B. 2017 Homes Association Audit Report**

*(See Tab #2 of the June Board Package).*

Ryan Lee, CPA and Principal at Lee Public Accounting presented the results of the 2017 Audit. Mr. Lee reported the following:

- Adjustments made to the financial statements include: allocating the operating and reserve fund equity balances to the prior year's audited financial statements, a balance sheet reclassification for a check that was voided after 2017's year-end AP balance, writing-off the transponder inventory, and recording additional accounts payable.

- Recommendation was made to remove old fixed assets that are no longer in existence (to write them off) once they are replaced. Mr. Larson reported that he and the Homes Association staff each year review the fixed asset list and clean it up as needed. Mr. Larson stated that if we have an asset within a facility replaced, for example, the boiler at the Fitness Center, we reduce the overall asset value of the facility by the replaced equipment asset's cost. In short, the balance sheet presently records the Village Lake Fitness center as a single asset instead of a collection of separate individual assets. Mr. Lee suggested not to undertake a cost segregation project, but instead to separate out the assets (from the facility) going forward so that the balance sheet will reflect their initial value, and their subsequent depreciation.

Mr. Lee reported it was his error that our tax payment went in past the required deadline. Mr. Lee reported if he is unable to secure forgiveness on the fines from the IRS his firm will cover the cost of the fines. Director Jacob reported since we have never filed estimated taxes before, because we never had them, Mr. Lee assumed we were just accumulating taxes. Mr. Larson reported we would be making an estimated tax payment today.

Mr. Larson reported the Management Representation letter needed to be signed by the President, Treasurer of the Board the General Manager, and the Homes Association Accountant. Directors Skinner and Jacob signed the document. Mr. Larson and Ms. Tilton had signed the Management Representation letter prior to the meeting.

**Motion** Upon motion duly made and seconded, the Board unanimously approved to accept the 2017 Audit Report as presented.

### **C. Marketing Committee Presentation**

*(See Tab #3 of the June Board Package).*

Residents Frank Jacobsen and Don Watson from the CPHA's Marketing Committee, along with Don Poole from XUMA and Jackie Griggs from JBG Communications were present before the Board to present the Committee's recommendation for a new logo for the Village and to finalize the agreement with JBG Communications.

Mr. Jacobsen discussed the agreement presented in the Board packet. Mr. Jacobsen reported the agreement is not to exceed the stated amount unless agreed to by the Committee and approved by the Board. Mr. Jacobsen reported we do not yet have an agreed upon number of hours, however to control costs we have included a cap on expenses at \$3,500 per month; the agreement is valid through December 2018. Director Cooper stated we do not know if the \$3,500 per month is enough to do what we

want to have done. The Board asked that the billing rate be included in the final agreement.

Director Skinner stated the list of objectives presented is not a scope of work. Mr. Jacobsen replied we did not have a finalized scope of work completed in time for the Board meeting so instead we provided a list of objectives. Mr. Watson added the list of objectives outline a set of strategies that will be creatively defined throughout the duration of the agreement; JBG is looking at what we have now, and they are working on their definition of what tactics they will take going forward. Director Skinner stated we also need to have comprehensive analytics, so we can tell our residents how the marketing efforts are proceeding.

Mr. Jacobsen reported the marketing plan is to enhance the brand of the village. Director Cooper supported moving forward with the plan and stated this is a development agreement to get things started and the \$3,500/month facilitates this process. Once they know what they need to do to get the results we want then we will have a more developed scope of work. Director Cooper added we can terminate the contract at any time with 30-days notice.

Mr. Jacobsen provided a summary of work to date and reported the following:

- The Committee spent the last three weeks providing JBG with extensive information on our current situation.
- The Committee has determined that our biggest issue is not having a unique or clear enough identification of who we are to differentiate ourselves from everything else labeled with the words “Castle Pines”.
- To differentiate ourselves we will require a carefully designed set of strategies and tactics.
- The Committee is asking the Board to approve this agreement as presented, and then this agreement will be presented to all the CPHA committees to get their feedback. Following the all Committee review, the Marketing Committee will come back to the Board with the responses received.

Ms. Grigg and Mr. Poole provided the Board with a slide presentation of their plan, suggested logo options and roll-out strategies (*see attached handout of slides*).

Ms. Griggs reported that she and Mr. Poole have done extensive work in the Castle Pines area and are aware of the level of prestige that the International Golf Tournament brought to the community. This prestige has waned a bit over time and their plan is to change that; the primary initiative of the plan is to enhance the brand of the Village. Ms. Griggs reported they have defined our audience to be Realtors and Colorado residents. Mr. Poole conducted the presentation and provided the following information to the Board:

- We have a name issue - the name Castle Pines has “escaped” us. There is confusion about who is Castle Pines and where it is located. Castle Pines North has a better chance of owning Castle Pines than we do.
- We can however own “The Village” by changing the emphasis from Castle Pines to “The Village at Castle Pines”.
- The word Village has positive connotations and we are already now calling ourselves the Village.
- If we agree with that name change then we need a new logo. A new logo is the first step in controlling the narrative about who we are (several logo ideas were presented to the Board).
- The third logo option presented is recommended by the Marketing Committee. The suggested logo’s image are pine branches in the shape of a “V” – symbolic of the name “Village”.
- Once a logo is approved we will provide a color pallet for approval.

Mr. Larson stated the branches in the third logo option presented can go on the gate, the monument signs and stand alone. Mr. Sundquist stated the branches look too much like spruce needles and we have Ponderosa pines here with much longer needles. Mr. Poole replied he would have the image adjusted to look like Ponderosa pine needles.

Director Cooper stated our current logo is trademarked and using that trademark we have been able to stop several local developers from using the pine cone image. Director Cooper stated we first have to determine if we can get the new logo trademarked and protected.

Mr. Larson raised the possibility of removing the words Castle Pines entirely from the logo to further separate us from the City of Castle Pines. Director Jacob commented that it would be too dramatic a change to drop the words Castle Pines as we have two golf courses in our community that use Castle Pines in their name. Mr. Jacobsen reported the Marketing Committee determined that we cannot get away from including the words Castle Pines in our name, however what we can do is deemphasize it by removing “in or at” and by creating a new and distinctive logo image to help differentiate ourselves.

Ms. Griggs reported that once the logo is approved she and Mr. Poole will come back to the Board with a comprehensive plan on how to utilize the new logo to distinguish the community to realtors and prospective buyers. Director Skinner asked if we will continue to use our existing tag line. Mr. Poole replied the next step will be to look at the current tag line and any additional options to consider.

The Board discussed the three logo options presented. Mr. Jacobsen suggested we bring in the Committees, and perhaps some of the CPHA/ES employees too, to get their

input as to whether a brand/logo change to differentiate ourselves is of value, and if so which one they would prefer. Mr. Poole suggested the Board select one option to be presented for resident, committee and/or employee input. Director Jacob stated we should go out to the community for input. Mr. Poole replied that whomever we present the preferred logo to, it is not enough to just show the logo, we must also provide a presentation as to why we are doing this and why we need it. Director Cooper asked Mr. Poole and Ms. Griggs if they had done a search to see if there is anyone else in Colorado using that name; they replied that they have not yet done a search.

Mr. Larson stated we should have a rollout event/party for the new logo and it should be in a place that people would want to go to. Mr. Larson suggested Cherokee Ranch. Director Jacob suggested the Country Club. Director Ingraham suggested the Sanctuary. The Board agreed that a roll-out event at the Sanctuary would be an excellent location. The Board stated they would work on securing that location. Mr. Larson added he would reach out to residents and Re/Max employees Adam Contos and Susie Winders for their help in reserving the Sanctuary event facility. Director Jacob asked Mr. Larson to also reach out to the Golf Club and the Country Club.

## **Motion**

**Upon motion duly made and seconded, the Board unanimously accepted the Marketing Committee's preferred logo selection subject to the assurance that the logo can be Federally trademark protected.**

## **Motion**

**Upon motion duly made and seconded, the Board unanimously approved the agreement with JBG as presented and subject to adding the billing rate.**

### **D. Capital Requests**

*(See Tab #4 of the June Board Package).*

*Advanced on the Agenda*

Mr. Larson presented several slides (*see attached handout of slides*) and reported the following:

#### **1) Village Lake Fitness Center HVAC system.**

The two HVAC systems at the VLFC that heat and cool the lower level of the building have both failed. In 2016 we had a capital expenditure line to replace the condenser system which we did not do, and instead had them both cleaned under our regular maintenance program. We solicited two other bids to replace the systems.

**Motion**

Upon motion duly made and seconded, the Board unanimously approved the capital request as presented in the amount of \$15,468.00 as a Capital expenditure for replacing two of the HVAC systems at the Village Lake Fitness Center.

**2) Administrative Vehicle Request**

The New Capital Expenditure list for 2018 includes the purchase of a pickup truck. This truck would be primarily used by our Covenant Compliance Coordinator, Kat Egan. Ms. Egan is currently using her own personal vehicle and is putting on more miles than anticipated. In addition, we often have the need to haul large items to different locations throughout the community and we use a vehicle for this purpose. A new Ford F-150, four-wheel drive for \$27,262 is currently in stock under a government purchase agreement through the Douglas County Sheriff’s office.

**Motion**

Upon motion duly made and seconded, the Board unanimously approved the capital request as presented in the amount of \$27,262.00 plus tax as a New Capital expenditure for the purchase of a Ford F-150 pickup truck.

**E. Homes Association Committee Charters**

*(See Tab #5 of the June Board Package).*

Regarding Homes Association Committee Mr. Larson reported that two changes were made and the revisions were provided to the Board prior to the meeting. The revisions include the requirement that tenants must be approved to be on the committees, and the requirement for monthly meetings was changed to “regular” meetings as there are some committees that do not meet monthly. Mr. Larson reported that meeting minutes will be done by a member of the committee, except for the Emergency Services Committee and Long Range Planning and Finance Committee. Mr. Larson reported the Design Review Committee is a committee established by our Declarations and he is working to complete their Committee Charter.

**Motion**

Upon motion duly made and seconded, the Board unanimously approved the Committee Charters as presented; and the Emergency Services Committee Charter subject to modification as noted.

**VI. INFORMATION/DIRECTION**

No agenda items within this category were presented at the June Board meeting.

## **VIII. MANAGEMENT/LIAISON REPORTS**

### **A. Metropolitan District Items – Phil Hunt, Project Manager**

Mr. Hunt reported the following:

- The Metro District is currently undertaking a complete replacement of the roadway in the Ridge Plaza development. All the concrete at Ridge Plaza has been removed and will be replaced with asphalt. This project will be completed by the end of next week.
- The Metro District participated in the Coffee with the Manager event last week – providing posters that detailed the upcoming road work project to apply new surface treatments on many of the roadways in the community.

Director Skinner asked that we receive electronic files of the roadway project and put them in the eblast and link to them on the website. Mr. Hunt reported they are revising those documents now and will send them over. Mr. Larson reported that Ms. Goodwin will work with Sue Mantz at the Metro District to receive daily updates for a call-in hotline. In addition, residents will be notified through the Homes Association phone notification system the day before work is to be completed on their street. Mr. Hunt reported the start date for the roadway project is June 28.

### **B. General Manager – Mark Larson**

Mr. Larson provided his Management Report and presented several slides (*see attached handout of slides*). Mr. Larson reported the following:

- The Coffee with the General Manager event was held last week. Attendance was lower than in previous meetings.
- Regarding the Happy Canyon monument sign discussed at last month's Board meeting, the Design Review Committee went to the Gate 1 roundabout and discussed how to get the sign into the roundabout. Mr. Larson will speak with Douglas County to get that location approved.
- Fourth of July events will include the fun run/walk, the parade and the picnic at the Canyon Club. The Kona Ice truck and the photo booth will also be included.
- On July 3, the night before the fourth of July, we are planning a Movie Night in the park with food and ice cream trucks. We have a vendor that will bring in an inflatable screen.
- The area located across from the Village Shops has been purchased by a company called "Brookefield" and will be developed as residential development. There will be 45 total dwellings to include 28 single family homes and 17 paired homes. They have presented to the DRC, the DRC approved the site plan and Brookefield is

working to further define their home styles. This will be an alternative development and therefore a sub association within the Village. The closeness of the homes to Santa Fe, approximately 100 feet, creates excessive noise for those homes and the developer will install a sound wall along Santa Fe. The developer will also include a monument sign at the corner of Santa Fe and Happy Canyon. Several elevations were presented – all present a modern “farmhouse” appearance. There is a one story and a two-story option, and homes are in the 4,000 square foot range. The front is both stucco and lap board siding. Prices are starting around \$600,000.

Director Cooper asked if the lap board could be replaced with stone to match the other paired home communities in the Village. Mr. Larson replied he would present Director Coopers comments to the DRC.

Director Cooper asked if we should include a flyer in the next VR to encourage residents to sign up for the email newsletter. Director Ingraham suggested that we request email addresses when residents come in for their new car tags. Ms. Goodwin will provide a sign-up sheet for ES to handout as residents come in for their new tags.

## **B. Emergency Services (ES) Report**

Rick Plotke, Chief of Emergency Services presented the Emergency Services report. *(See Tab #6 of the June Board Package).*

In addition to his written report, Chief Plotke reported the following:

- ES responded to 1,028 incidents in May; there were 3 medical events.
- There were 28,405 entries into the Village using gate transponders.
- ES is currently staffed at 38 employees.
- We have not had a bear incident call for over a week.
- NOV for traffic is reduced. Homeowner assists, parking, and fire alarm calls increased. Vacation checks are down.
- Sales begin next Monday for the new RFID tags. ES will sell the tags Monday through Friday from 12pm to 6pm, and select Saturday's from 9am to 1pm.
- Our fence contractor is continuing to do repairs to the fence line along Daniels Park Road.

## **IX. FINANCIAL REPORT: MAY 2018**

General Manager Mark Larson presented the May 2018 Financial Report and reported the following: *(See Tab #7 of the June 2018 Board Package).*

### **Actual/Projected Budget**

- The LRP&F does a quarterly review and more finalized numbers will be in the July Board Packet.

#### Capital Projection

- There are several status updates that are not included in the current projection sheet, however the numbers are correct.

#### Balance Sheet:

- We have reinvested the Bellco account reserve fund.
- There are two other reserve accounts that will be reinvested when they mature later this summer.

#### Income Statement:

- There was a review of our insurance completed in 2017 and we have received a rebate check of approximately \$12,000.00.
- The negative variance in Attorney's Fees will increase following work to trademark our new logo.
- CPHA Building Expense is running on budget for the year.
- The expense budget is projected to be \$25,000.00 positive overall for the year.

Chief Plotke presented the Financial Report for Emergency Services Operating Expenses, and reported the following:

- Gate M&R expense includes the cost to replace a computer board at the Gate 5 exit lane.
- Vehicle M&R expense includes repairs to the catalytic converter on one of the vehicles. This vehicle is approaching 100,000 miles and will be due for replacement.
- Century Link internet service has been turned off at Gate 2 and Gate 4 and instead we are using the Comcast service from Gate 1 and the CPHA building respectively to provide internet to those gate houses.

Mr. Larson continued the financial report, and reported the following:

- Trash Removal, a Community Operations Expense, reflects a negative variance due to increased usage.
- Events Expense is running on budget. The addition of a movie night event was included in this year's event costs.

**Motion** Upon motion duly made and seconded, the Board unanimously approved to accept the May 2018 Financial Report as presented.

## **X. REVIEW OF BOARD DIRECTIVES**

Mr. Larson provided a review of the tasks/directives assigned to him by the Board during the meeting:

- Contact both the Golf Club and the Country Club to talk to them about our anticipated change in logo.
- Work with the Communications Committee to determine ways to increase eblast participation.
- Work with the Attorney to have a letter sent to the homeowner on Anaconda regarding habitual violations.
- Review with the Enforcement Committee options to deal with habitual offenders.
- Schedule a meeting with Bob Jondle to discuss trademarking the new logo.

## **XI. IMPORTANT MEETING DATES**

Mr. Larson reported the July 2018 Board Meeting will be an evening meeting to be held on July 26, in the Castle Pines Homes Association Community Room located at 688 W. Happy Canyon Road; 5:30 pm - Executive Session, 6:30 pm - Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on July 25.

## **XII. ADJOURNMENT**

**Motion**

**Upon motion duly made and seconded, the Board unanimously approved to adjourn the June Board of Directors meeting at 11:12 am.**

Respectfully Submitted by,

Lisa Goodwin  
Senior Administrator