

**Castle Pines Homes Association
Board of Directors**

Executive and Regular Meetings

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

Friday, November 19, 2010

ATTENDEES: Directors Al Dugan, President; Jim Walker, Vice President; Len Jacob, Treasurer; Kim Wagner, Secretary; Dan Roth, Director. Present from the CPHA staff: General Manager Mark Larson, Chief of Emergency Services Drew Grant, Accountant Carol Tilton, Standards Monitor Jo Lewis and Administrator Lisa Goodwin.

OTHERS PRESENT: Paul Dannels and Jon Gray from the Metropolitan District; Sean Owens, Douglas County Engineer; Residents: Gene Roberts, Don Somsy, Linda Battin, Marti Jones, Craig Sundquist, Dave and Terry Butz, Jerry and Arlene Raskin, Jeff Homel, Monica Flinner-Ross, Mark Johnson, and Bill Thorsness.

EXCUSED: Director Kim Wagner, Secretary (present at the meeting until 9:15 am)

MEETING AGENDA: See attached.

I. EXECUTIVE SESSION

The Board of Directors met in an executive session and discussed the 2011 budget and financial status of the Homes Association going into 2011.

II. CALL TO ORDER

The general meeting was called to order at 8:02 a.m.

III. 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.

IV. MINUTES

Motion Upon motion duly made and seconded, the Board approved to accept the October 15, 2010 Board of Director meeting minutes with corrections as noted.

Director Al Dugan abstained from voting due to not having been present at the October meeting.

V. FINANCIAL REPORT – Director Len Jacob, Chairman of the Long Range Planning and Finance Committee.

Director Jacob presented the September Financial Report. (See *Tab #2 of the November 2010 Board Package*)

Director Jacob reported:

- The receivables on the Balance Sheet are where anticipated they should be.
- Assessment revenue on the Income Statement is still running slightly positive while other revenue categories are running under budget.
- Administrative Labor expense is still running positive year to date.
- Administrative Operating expense is higher this month than expected due to the allocation of attorney's fees for ongoing activities.
- Professional expenses and Village Marketing expenses are anticipated to be \$31,000 positive for the year.
- Emergency Services Labor expense reflects overtime expenses as a result of having released a dispatcher; this category is anticipated to be \$24,000 positive for the year.
- Emergency Services Operating expense reflects the cost for the installation of QuickPass and continues to be negative for the year.
- Village Lake Fitness Center expense is anticipated to be \$9,000 positive for the year.
- Summit Club expense is anticipated to be \$7,000 positive for the year.
- Events expense is on budget.
- Communications Committee expense is anticipated to be \$2,000 positive for the year.
- Community Operating expense reflects costs for utilities that are higher than budgeted, however it is anticipated to be \$62,000 positive for the year due to lower than budgeted Comcast expenses. Mr. Larson reported that the cost of water for landscaping was higher than anticipated due to the dry summer.
- Overall expenses are anticipated to be \$197,000 positive for the end of the year.

Motion Upon motion duly made and seconded, the Board unanimously approved to accept the October 2010 Financial Report as presented.

VI. HOMEOWNERS REQUEST TO BE HEARD: Items not on the agenda

Resident Jeff Homel of 6147 Windom Peak Way requested to be heard on the issue of QuickPass. Mr. Homel stated to the Board that he was principal in the execution of a petition regarding the staffing hours of Gate 5; the petition was signed by over 100 residents approximately a year ago. At the time the Board had agreed to extend gate hours at Gate 5 while continuing to explore additional technology solutions for access control. Mr. Homel stated that several months ago an Emergency Services Committee member contacted him for his feedback regarding QuickPass. Mr. Homel said that he told the ES Committee he liked the program but had some concerns. Mr. Homel stated that he has the following issues with QuickPass: (1) His teenage daughter's friends

cannot get in after midnight with pin numbers that were issued prior to midnight, and (2) he is unable to text the pin numbers to a guest (3) that the e-mail function of QuickPass is not working correctly (4) that at times visitors lining up at Gate 5 prevent residents from getting to the resident lane for entry.

Chief Grant stated that he is presently working with QuickPass and the Emergency Services Committee on these issues.

Mr. Homel stated that there have been long lines for visitors at Gate 5, when the gate is manned, often blocking residents from getting in through the resident lane.

Chief Grant stated that not clearing guests ahead of time is what causes delays at the gates. Chief Grant added that the implementation phase of QuickPass, some of the technical difficulties that resulted, and the training phase for the Gate Officers contributed to some of these delays; however these issues have since been resolved.

Mr. Homel stated that it used to be that a gate officer would recognize you and just “wave” you in. Chief Grant responded that a resident could live here today and not tomorrow; domestic violence and other related issues are part of the reason why the Homes Association and Board of Directors determined that it was imperative we “clamp down” on security for gate entrance so that an individual couldn’t just show up and enter the Village without the proper credentials.

Director Dugan thanked Mr. Homel for pointing out these issues to the Board and asked Craig Sundquist, the Chair of the ES Committee, to work with Chief Grant to find solutions to Mr. Homel’s concerns and report back to the Board.

Chief Grant reported that they have already asked QuickPass to extend the pin codes past midnight where the code would be good for several days but could only be used one time; however they are still awaiting a response from QuickPass. Chief Grant reported that QuickPass had a code reset problem when Daylight Savings Time began, but that has since been resolved. The Board asked Chief Grant to verify that the issue will not recur.

Director Roth stated that we do feel confident that “we have selected that best company out there for access control but we are in fact a little disappointed to be having software related issues with the system”.

Chief Grant reported that you can text but you have to have the name of the recipient’s cell phone carrier in order to be able to send the message to them. Chief Grant reported that QuickPass has been asked to resolve this issue. The Board asked Chief Grant to do tests on the texting problem to see what is happening.

Mr. Homel stated that his daughter’s friend was added to their guest list on the QuickPass website however she was denied access at the gate because her name did not show up on the guest list. Chief Grant stated that sometimes human error can be a factor.

Mr. Homel stated that the Board should not have cut the hours at Gate 5 until the problems with QuickPass had been worked out. Director Roth stated that you can take

your transponder with you so that you can come in any gate with another person or other car. Mr. Homel stated that he is in full support of QuickPass if it can do everything it promises to do.

Director Walker asked for a report of peak waiting periods at the gates. Mr. Sundquist stated that QuickPass cannot generate that type of report. Mr. Larson stated that he will look at ways to gather the appropriate information and to determine solutions to the issue of long lines at the gates.

Mr. Homel thanked the Board for their efforts at landscaping and beautifying Gate 5. The Board thanked Mr. Homel for taking the time to come in today and provide his feedback to the Board.

VII. MANAGEMENT REPORTS

A. Manager's Report –Mark Larson, General Manager

Mark Larson, General Manager of the Castle Pines Homes Association, presented his Management Report. *(See Tab #3 of the November 2010 Board Package)*

Mr. Larson reported the Castle Rock Town Council made the decision last week to allow the LED sign at the Castle Rock Outlets. Mr. Larson reported that the sign would be reduced in overall height from a viewing perspective however the lit portion of the sign will remain the same size. In addition, they reduced the time that the sign could be on by turning it off at 8 pm rather than 10 pm every evening.

Mr. Larson reported that at the October Board meeting Director Walker had asked about the job satisfaction and morale of the Emergency Services staff. Mr. Larson reported that the Emergency Services Committee has discussed the issue of conducting a survey of the staff at their last meeting. Mr. Sundquist reported that the ES Committee has determined that there is no need to do a written survey and that employee satisfaction is very high. Mr. Sundquist asked the Board to clarify exactly what they are looking for in a survey. Chief Grant stated that he is not opposed to a survey and that he feels employee morale in Emergency Services is good. Chief Grant asked if the survey would be conducted for the Homes Association staff in general.

Director Roth stated that four to six years ago the biggest issues in ES were staffing and Chief turnover. Director Roth asked if we have actually made it better given all of the things we have done since then. Mr. Sundquist stated that we have really good candidates coming in and that he constantly monitors the employee's morale. Mr. Sundquist stated that "anecdotally things are in great shape at ES".

Director Walker stated that we have financial information but we do not have information on customer satisfaction or on employee satisfaction. Director Dugan stated that it is the responsibility of the Board to monitor employee satisfaction.

Resident Don Somsy and Douglas County Engineer Sean Owens, were in attendance to update the Board on the issue of the train whistles. Mr. Owens reported that the

County received the report from the Federal Railroad Administration (FRA) in Washington, D.C. Mr. Owens stated that they were hoping for one public crossing but the FRA has determined that two public crossings would be needed – one at each end of the corridor – for a quiet zone to be implemented. Mr. Owens stated that he is presently looking at ways to keep the costs down for the two public crossings. Mr. Owens stated that it would be possible to create a nighttime quiet zone alongside the Village since there are no employees entering the Plum Creek Wastewater Authority at night. The gates at each of the crossings would be closed all day and service people that needed to cross would use a pin code to lift the gate.

Mr. Owens estimated the total cost of the crossings would be approximately \$400,000. The County would pay for approximately up to \$120,000 of these costs. Mr. Owens stated that the CPHA would need to provide the County with approximately \$300,000 for the project to begin. Mr. Owens reported that construction would take approximately four months to complete. Mr. Owens stated that if the CPHA raises the money he will present the project to the County Commissioners and walk it through the entire approval process.

Mr. Owens stated that once the County approves the project they will let him know how much he can start working on the project before the CPHA has provided their share of the costs. Director Roth stated that it has to be “crystal clear that if we go through all of this, and collect the \$300,000, the project will be approved by the County”. Mr. Owens responded that you never have that guarantee because the Public Utilities Commission (PUC) has to send it out to the FRA for review and comments, and that review process has not been completed. Mr. Owens stated that the County will not spend \$100,000 in advance of the CPHA pledging the remainder of the funds.

Resident and former CPHA Board of Directors President, Jerry Raskin stated the Board should make a decision either in support of this project or not and if in support, then adopt a fundraising plan on how the project should be funded – and determine if all residents should contribute.

Director Roth stated we have studies that indicate a majority of Village residents would not be in favor of paying for this project. Mr. Raskin stated that the Board has to make a decision that this is important enough of an issue such that even though not all residents are affected the Board should approve the funding of the project. Director Roth stated that one of the main arguments against the project that he has received is that residents knew the railroad tracks were there when they bought their home. Director Walker stated that this is not a fair statement as the train whistle noise is both excessive, unreasonable and has grown with the increase in train traffic. Mr. Raskin stated that he knew about the train noise when he moved into Chateau Ridge, but since that time the decibel level of the horns has increased due to new Federal Law, and the number of trains traveling these tracks has also increased.

Director Walker stated that when there is a significant part of the community that is impacted it becomes a Board issue. Resident Linda Battin stated that 12 years ago when she had just moved here the CPHA Board was not interested in helping any one particular area of the Village. Ms. Battin stated that “our Community has become more unified at supporting different areas of the community and this is now another area of

the Village that needs Board support". Ms. Battin stated that two other examples of the Board taking action for a particular area of the Village were the issue of hunting on the King property on the north side of the Village and the I-25 Interchange issue that affected the south side.

Director Dugan asked Director Jacob to chair a sub committee to include himself and Don Somsy for the purpose of looking at alternatives for funding. Director Dugan stated that they will report back to the Board with their findings at the December Board meeting.

B. Design Review Committee (DRC) Report – Director Jim Walker, Chair of the DRC

Mr. Walker stated that there was nothing new to report at this time regarding DRC activities.

C. Emergency Services (ES) Report – Drew Grant, Chief of Emergency Services (ES)

Chief Grant presented the Emergency Services report. (*See Tab #3 of the November 2010 Board Package.*)

Chief Grant reported:

- Incidents were up to 513 for the month of October, the second highest month this year.
- The ES pancake breakfast had a great turnout with approximately 300 attendees that included the Douglas County Sheriff Dave Weaver, members of the State Patrol and South Metro Fire & Rescue. Chief Grant thanked resident Marti Jones and CPHA staff Linda Matthews for their assistance with the omelet bar. Director Dugan stated that it was an excellent event.
- A new dispatcher was hired to replace the one that was released last month.
- Officer Houline has started Emergency Medical Technician (EMT) training; when his training is complete ES will then have 10 EMT's on staff.
- Traffic NOV's have increased with more non-residents receiving violations than residents. Chief Grant stated that this is an indication that residents are starting to observe the posted speed limits and traffic signs.
- There were 35 animal nuisance calls, and most of these were due to barking dogs. Director Walker asked that a separate line for barking dog calls be added to the incident report.
- Vacation checks are up.

Chief Grant reported they received a letter from a resident concerned about the ES procedures for traffic patrol – specifically regarding an officer standing on the side of the road with a handheld radar gun. The Emergency Services Committee discussed this issue during their monthly meeting and determined the practice was acceptable. Chief Grant stated that in some areas line of sight issues may require that the officer be

standing outside with the car to effectively operate the radar gun. Chief Grant reported that one resident walked up to the officer to complain, however two other residents came into the HA building to thank the officer for monitoring the road. Chief Grant added that it is the policy of ES officers on traffic patrol to be as visible as possible.

VIII. ACTION ITEMS

A. 2011 Homes Association Budget – Director Len Jacob *(See Tab #4 of the November 2010 Board Package.)*

Director Jacob reported the 2011 budget incorporates all of the changes the Board requested at their last review. Director Roth reported that this budget does not include any increase in annual dues for 2011. Mr. Larson reported that there are no changes to either the fees or dues, and the expected increase in Comcast charges will also not impact the residents.

Director Dugan stated the Board has approved the \$10,000 budget for the annual Volunteer Recognition Dinner however the Board has elected to move the date of the next event to the beginning of the year 2012. Director Roth stated there has been lower attendance since the event has been moved to the end of the year and moving the event to the beginning of 2012 should not only help to increase attendance, but will also assist in keeping with budget constraints for 2011.

Motion Upon motion duly made and seconded, the Board unanimously approved to accept the 2011 Budget as presented.

The Board recognized the hard work of Len Jacob, the members of the Long Range Planning and Finance Committee, and Mark Larson for their the efforts in completing the 2011 budget.

B. Homes Association Building Financing – Mark Larson, General Manager *(See Tab #5 of the November 2010 Board Package.)*

Mr. Larson reported the Long Range Planning and Finance Committee recommends we pay down a portion of the balance due on the loan now. Mr. Larson reported we presently have a \$1.4 Million note at 6 ½% interest with a balloon payment that will come due in June 2012.

Mr. Jacob reported we could either pay down \$950,000 or \$500,000. Director Walker stated that the resolution should include the amendment that the payment is to be \$500,000, and that we look at it again in the next few months. Director Dugan stated the resolution wording be changed to include “subsequent years”. Director Jacob reported that the resolution states that the Board authorizes the repayment of \$500,000 of the mortgage note using the CPHA’s reserve fund. The Board asked Mr. Larson to separate the “background” language from the actual resolution.

Director Roth asked if we are responsible for paying back interest to the reserve fund since the reserve fund earns money for the Homes Association. Director Dugan stated that it has to be paid back to the reserve fund from operating expenses over a period of time. Director Roth stated that the resolution should say that we are borrowing a certain amount of money at a designated interest percentage and that it will be paid back with an amortization schedule. Director Dugan stated that a requirement could be that repayment would not exceed a 20 year schedule; he added that the timing is good right now to pay down the mortgage. Mr. Larson stated the Board could do a motion to approve the resolution, agree to the amended terms via email and then he would include the revised resolution in next month's Board packet. Mr. Larson reported First Bank has agreed to re-amortize the loan following the lump sum payment with no penalty.

Motion Upon motion duly made and seconded, the Board unanimously approved to accept the resolution to pay down the CPHA building's mortgage note by \$500,000 funded through the Homes Association's Reserve Fund and to be paid back at 0% interest over a period not to exceed 20 years.

D. Selection of Nomination Committee for the Homes Association 2011 Board of Directors Election

Mr. Larson reported there will be two Board seats open for election at the next Annual Meeting of the Members to be held on March 7, 2011. CPHA Declarations require that we have a nominating committee. This committee has traditionally been comprised of Board members whose seats are not up for election.

Motion Upon motion duly made and seconded, the Board unanimously approved the appointment of Directors Kim Wagner, Jim Walker and Len Jacob to the Board of Directors Nominating Committee for the 2011 election.

E. Waste Management Contract

(See Tab #6 of the November 2010 Board Package.)

Mr. Larson reported Waste Management (WM) has agreed to continue the same terms for the new contract effective January 1, 2011. Mr. Larson reported during the first two years there will be no rate increase, in the remaining three years of this 5-year agreement, rates will be increased by 3% each year. Mr. Larson reported there will continue to be no fuel surcharge, WM will continue to provide free service at the pool facilities, the playing fields and the tennis courts, and recycle bins will still be provided free of charge. Director Dugan stated he had a couple of issues with the wording of the proposed contract and he would discuss these with Mark Larson for clarification.

Motion Upon motion duly made and seconded, the Board unanimously approved the five-year service agreement with Waste Management as presented, effective on January 1, 2011.

F. Audit Contract

(See Tab #7 of the November 2010 Board Package.)

Mr. Larson reported the fees will stay the same for next year's audit. Mr. Jacob reported the Long Range Planning and Finance Committee has approved the agreement.

Motion Upon motion duly made and seconded, the Board unanimously approved the agreement with Guy Andrus, CPA, as presented, for the purpose of preparing an audit and report on the financial statements of the Castle Pines Homes Association for the year ending December 31, 2010.

IX. INFORMATION/DIRECTION

A. Expansion of Santa Fe Landfill

(For previous discussion on this issue see the October 2010 Board Packet, VII. Management Reports, A. General Manager Report)

Director Walker reported that a coalition group to stop the expansion of the Santa Fe landfill into a 358 acre municipal landfill has been established by the Cherokee Ranch Foundation. Director Walker stated the view from the Cherokee Ranch will "be destroyed" as the landfill will cover the entire view from the Cherokee Ranch looking out towards the Front Range. Director Walker continued to state the expansion of the landfill will impact the Village negatively by increasing truck traffic, potentially impacting our ground water, and providing a negative image of the area.

Director Walker reported a week from Monday (November 29, 2010) will be the next Coalition meeting. The Coalition is presently made up entirely of entities that "look out" at this particular view, but Director Walker reported that they are looking to include more interested parties. Director Walker reported that the coalition has retained consultants to assist in their efforts.

Director Walker reported that the landfill issue is not yet on the docket for the County Commissioners as the Planning Commission is still in their review process; it is anticipated that it will be on the docket for the County Commissioners in the first quarter of 2011.

Director Walker stated that he would like to conduct an e-blast campaign in the Village to garner additional support. Director Walker reported that the Coalition wrote a letter to the CEO of Waste Services asking that he come out to view the proposed landfill location – as a courtesy and prior to beginning a "flood campaign" by the opposition.

Director Walker reported Waste Services has stated that they will clean up the existing landfill prior to expanding it. Director Walker stated approving the dump allows Douglas County the opportunity to say that we are providing our own dump for the County, "however this is not the right way to do this as there should not be a dump in every community but rather 4 to 5 dumps for the whole State".

Director Walker stated it will require funds for us to engage in this fight. Director Walker reported that the Coalition has determined a \$100,000 budget will cover all fees and that \$10,000 is requested from the CPHA. Director Walker stated that "line of sight" interests should be the first to contribute, and once that occurs then the CPHA and the Golf Club should put in their \$10,000.

Motion Upon motion duly made and seconded, the Board unanimously appointed Director Jim Walker to represent the Castle Pines Homes Association at the Cherokee Ranch Coalition and their campaign to "dump the dump"; and that the Castle Pines Homes Association will contribute \$10,000 to their effort.

B. Metropolitan District Items – Paul Dannels, General Manager and Jon Gray, District Engineer

Mr. Dannels stated the Castle Pines Metropolitan District would like to be involved in helping to resolve the issue of long lines entering Gate 5. Mr. Dannels stated that he would like to revisit the idea of extending the resident lane.

Mr. Dannels thanked the Emergency Services staff for their efforts at informing them when there are lights on the roadways in the Village that are not working. Mr. Dannels stated once the call is received, they repair the lights right away.

Mr. Dannels reported that the roundabout project is getting started up again and the County is very supportive. Mr. Dannels reported that they will be going out to bid in February 2011 and construction is anticipated to start in the Spring of 2011. Director Walker asked who would be responsible for the cost and construction of a sewer line going down Happy Canyon Road as a result of any development on the Lagae property. Mr. Dannels responded that the developer of the property would be responsible.

Director Jacob asked who is responsible for the removal of dead trees on the right of way down Happy Canyon Road. Mr. Dannels responded the County would be responsible because the trees are on the right of way. Mr. Dannels stated he would be willing to approach the County to assist in having the trees removed sooner.

X. IMPORTANT MEETING DATES

Mr. Larson reported the December 2010 Board Meeting will be held in the Castle Pines Homes Association Conference Room located at 688 Happy Canyon Road, Castle Rock on Friday, December 17, 2010, 7:00 am Executive Session, 8:00 am Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on Wednesday, December 8, 2010.

XIII. ADJOURNMENT

Motion Upon motion duly made and seconded, the Board unanimously approved to adjourn the October Board of Directors Meeting at 10:33 am.

Respectfully Submitted by,

Lisa Goodwin
Administrator