

**Castle Pines Homes Association
Board of Directors**

Executive and Regular Meetings

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

Friday, April 16, 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, Access Control Supervisor Ken Graham, ES Sergeant Chris Hulsey and Administrator Lisa Goodwin.

OTHERS PRESENT: Paul Dannels and Jon Gray from the Metropolitan District; Jake Schroeder from Aslan/Riverdell; Residents: Marti Jones, Gene Roberts, Monica Flinner-Ross, Craig Sundquist, Tom Kahn, Linda Battin, Don Somsy, Brian Hebbard, Pam Hermann, Laurie Brennan and Lynn Wurzer.

EXCUSED: None

MEETING AGENDA: See attached.

I. EXECUTIVE SESSION

The Board of Directors met in an executive session and discussed legal matters. Several of these topics were discussed in open session.

II. CALL TO ORDER

The general meeting was called to order at 8:05 a.m. Mr. Larson requested that an item be added to the agenda – as item E under Action Items, “Appointment to the Enforcement Committee”.

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. Conflicts of interest were identified during the discussion under Action Items, Item “C”, “Country Club Use of Summit Club”.

IV. MINUTES

Motion Upon motion duly made and seconded, the Board approved to accept the March 19, 2010 Board of Director meeting minutes with changes as noted.

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

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

Director Jacob reported:

- In anticipation of interest rates rising the LRP&F recommends that the \$500,000 in Certificates of Deposit that are coming due be retained in First Bank liquid asset accounts so they are not locked into a longer commitment period.
- Due to an accounting error \$46,000 of prepaid revenue was not transferred to Accounts Receivable in April.
- Comcast will reimburse the Homes Association for expenses incurred for mailing a letter to all CPV residents regarding Comcast's nationwide conversion to an all digital signal.
- On the Income Statement, under assessments for cluster homes, the \$10,000 positive variance is attributable to one lot that was believed to have been eliminated but wasn't, and owner has not been paying dues during this time.
- Administrative labor and Emergency Services labor operating expenses are both positive due to understaffing and the deferral of potential 2010 salary increases.
- Printing expenses were greater this month due to the mailing of an additional informational letter to all residents regarding the Board of Directors election.
- Additional expenses were incurred for the tallying process of the Board of Directors election due to the additional proxies that were submitted on the day of the election.
- ES operating expenses for equipment maintenance and repair included the purchase of additional gate arms to keep in inventory.
- ES operating expenses for vehicle maintenance and repair included the mechanical repair to one vehicle and for the repair of minor body damage to another.
- VLFC operating expenses for building maintenance and repair included the painting of the fitness center and the purchase of light bulbs and ballasts.

Mr. Larson reported that he met with a representative from IREA for an energy audit of the Canyon Club facility. The IREA representative found no issues with the operation of the facility from an electrical standpoint but did recommended that savings would be realized if the facility was heated by gas rather than electric heaters.

Mr. Larson requested from the Board that Capital Expenditure requests at or below \$5,000 – the maximum expenditure amount that is within the purview and approval of the General Manager – no longer be presented to the Board, but rather be presented for review to the Long Range Planning and Finance Committee. The Board agreed and approved this request. Director Dugan stated that caution needs to be exercised to insure the \$5,000 limit is not exceeded by segmenting a project.

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

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

Resident Don Somsy, of 714 Golf Club Drive, requested to be heard by the Board on the issue of train whistles. As background, Mr. Somsy initiated the project in September of 2009 to create and gather signatures on a petition regarding the excessive train whistle noise along Highway 85, Santa Fe. Mr. Somsy reported that he has made contact with a representative from Union Pacific Railroad who stated that they were unaware there was a problem in this area and has agreed to look into the issue and report back. The Board thanked Mr. Somsy for his continued work on this issue.

VII. MANAGEMENT REPORTS

A. General Manager – General Manager Mark Larson

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

Mr. Larson reported that an additional \$2,700 would be needed for the replacement of the Emergency Services Reverse 911 Server. A capital expenditure request of \$8,600 to replace the Reverse 911 Server was approved by the Board at the March Board meeting. The vendor for the system has since recommended that we also replace the voice card with one that can handle multiple lines, therefore creating the additional expense.

Motion Upon motion duly made and seconded, the Board unanimously approved the additional expenditure of \$2,700 for a multiple line voice card to be included in the replacement of Emergency Service's Reverse 911 Server.

Mr. Larson reported that today, Friday April 16th, is the last day to return the US Census form by mail. Mr. Larson further reported that beginning the last week in April Census workers may be entering the Village to visit homes that have not returned their Census forms. Mr. Larson noted that we are required by law to allow these individuals access into the community for this purpose. The Census workers will carry identification from the U.S. Census Bureau.

B. Design Review Committee (DRC) Report – Director Jim Walker, Chairman DRC

Mr. Walker reported that the DRC continues to meet one time per month. Activity has consisted of several small remodels. Director Walker stated that the DRC has only seen one new home in the last 18 months. He further reported that landscaping season is beginning and they expect to see activity pick up.

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

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

Chief Grant reported that there were 480 incident reports in the past month. Vacation checks were up to 205 homes. There were a total of 42 traffic violations issued for the month of March. Chief Grant stated that as the weather has gotten warmer, animal nuisance complaints have increased; these complaints were for barking dogs left outside, dogs being walked off leash, and for a dog that was reported running loose in the Village.

Chief Grant reported that current staffing levels are being maintained, however a gate officer will be leaving at the beginning of summer. Officers Chris Hulse and Bill Williams successfully completed the testing process, conducted by the Emergency Services Committee, and were promoted to the position of Sergeant. Chief Grant also reported that in response to the Board's request at the March Board meeting to address the issue of handling excessive call volume at dispatch, they have since added additional overtime hours for the dispatch officers. By utilizing the call reports from Luminosity, our phone service provider, ES was able to identify the day and times with the largest call volume. As a result of these reports ES has increased staffing during the hours of 7 am to 10 pm on Monday, Thursday and Friday.

Chief Grant reported that he along with Mark Larson, Access Control Supervisor Ken Graham, resident John Hemmer Chairperson of the Technology Committee and resident Brian Hebbard from the Emergency Services Committee traveled to Scottsdale, Arizona to visit the Quick Pass vendor. The one day trip included a visit to DC Ranch, a high end gated community that utilizes the Quick Pass access control system. The company that provides Quick Pass provided airfare for the group at a total cost of \$557.60, a working lunch that included sandwiches and chips, and a dinner for four at an estimated total cost of \$65. Chief Grant stated that they spent \$98 for an early booking fare and for parking at the airport. Mr. Larson who was on vacation in Scottsdale at the time joined the group for the visit.

VIII. ACTION ITEMS

A. Access Control Presentation and Recommendation – Chief Grant; Craig Sundquist, Chairman of the Emergency Services Committee; resident Brian Hebbard from the Emergency Services Committee, and Mark Larson.

A PowerPoint presentation was provided to the Board (*see attached handout of the slides*)

Mr. Sundquist began the presentation with a brief history of the Emergency Services Committee's work over the past two years in reviewing the Village's access control system and procedures. As background Mr. Sundquist reported that in 2009 a new transponder system was implemented, a pin number system was introduced and the Homes Association contracted with a security services vendor, HSS, to provide additional gate officers. Mr. Sundquist stated that over the last several months the review process focused on locating an access control management system – specifically the hardware, software and cameras. The primary question the ESC posed for this review was how do we use technology to increase Village security and lower/control our costs?

Mr. Sundquist further reported that with the assistance of the Technology Committee a requirements document identifying 106 areas of “access control requirements” was produced. Using that document Access Control Supervisor Ken Graham sourced potential service providers across the country and narrowed it down to a selection of five companies that were asked to participate in the Request for Proposals (RFP) process. The RFP required that each of the five vendors address the 106 requirements within their proposal. Mr. Sundquist stated that the purpose of this presentation to the Board is to obtain Board approval to submit a letter of intent to the ESC’s recommended vendor for the purpose of upgrading to a new access control management and video system.

The “Access Control Concept”, a statement of both intent and purpose, and originally conceived two years ago by the ESC Committee, was shown to the Board (*see handout of slides*). Mr. Sundquist stated that the concept of access control has two dynamics: resident entry and visitor entry. Resident entry is achieved through the use of a transponder or a CPV resident sticker on the windshield. Visitor entry is achieved through the clearance process initiated by a resident at dispatch and/or the use of a pin number.

The Board asked about transponders given to non-residents. Chief Grant stated that employees of the Country Club, Golf Club and the Metro District are lent a transponder – these transponders are tagged in the system as “loaned” and are programmed for access only through the gate or gates that lead to their respective destination of employment. Chief Grant stated that the General Managers of both golf facilities and the Metropolitan District must sign off approval for an employee to receive a transponder. Chief Grant also reported that residents can authorize the purchase of a transponder for their immediate family members who live in the local area and are authorized by the resident to enter the Village.

Mark Larson stated that all transponders are assigned and installed to one specific vehicle, the vehicle must be present at the time the transponder is received and an ES officer installs the transponder at that time. In response to Director Dugan’s concern that transponders could be used by individuals that are not residents, Mr. Larson stated that ES requires all residents to annually submit a Homeowner’s Information Update form that includes the names of individuals residing in the home and the vehicles driven. Failure by the resident to return this form could result in deactivation of all transponders assigned to that homeowner.

Chief Grant reported that due to the reduced number of sales for transponders, the hours for transponder sales have been changed to Monday through Friday, 12 pm to 5 pm and the 1st Saturday of each month, 12 pm to 4 pm. Mr. Sundquist also reported that the Committee is looking at the usage of the window stickers by residents in order to determine if the stickers should continue in the future.

Returning to the original presentation, Chief Grant stated that there are three key areas of concern motivating the upgrade to a new access control management system: (1) the software program “Police Files” which has been in service with ES since 2002 and stores all of our resident information is presently unserviceable – the vendor is no longer in business so there are no updates available, (2) the software program “Secure

Perfect” that operates the access control system at the gates, and the pin number system, is in need of an update at a cost of approximately \$4,000; and (3) These two software systems that operate our access control system are essentially a duplication of data.

Chief Grant further stated that the video monitoring and recording of gate activity is presently either deficient or non-existent at the five gates. Some of the cameras and digital video recorders are either outdated or entirely nonfunctional. Chief Grant stated that the inadequate camera coverage creates a significant security deficiency that needs to be addressed. The speakers reported that through a joint effort by the Emergency Services Committee and the Technology Committee, the five proposals submitted were evaluated based upon their system’s ability to address the 106 access control requirements. To assist in this evaluation the 106 requirements were prioritized into three categories: “A” – a required functionality, “B” – a required functionality within one year, and “C” – a desired functionality depending upon cost. The five vendors who were evaluated were: Cap Sure, Gate House, Gate Key, I Secure, and Quick Pass (QP). Chief Grant reported that Quick Pass was selected because they were able to address 97 of the 106 requirements: 62 out of 65 in the “A” category, 22 out of the 23 “B” category, and 13 of 18 out of the “C” category. Quick Pass currently services 53 gated communities and is looking to enter into the Colorado market. Director Walker commented that we should require that commercial services that regularly enter the Village be required to purchase a transponder. Mr. Larson stated that the Quick Pass system has the capability to provide this function as well as track usage through a variety of different reports.

Mr. Sundquist reiterated that Quick Pass was selected as the preferred vendor because of the capabilities they provide. Their parent company of Quick Pass is Safeguard, a family owned business since 1958. Their Dunn & Bradstreet rating is in the 82 percentile. The upgrade and maintenance of the equipment and software is included in the monthly fee. There are no extended lease requirements and we would have the ability to add or remove equipment as needed. Mr. Sundquist reported that there are five modules to their system: (1) Visitor Management, (2) Device/Vehicle Management, (3) Pin Number Management, (4) Mobile Patrol, and (5) Communications Center Control. Of these five, the first three are primary and would be implemented from the outset, the last two, numbers four and five, would be future considerations.

Mr. Sundquist detailed how these modules would operate under the QP system. Obtaining pin numbers would require the resident’s use of a password and could be obtained by the resident via the web or by calling dispatch. The system can provide canned reports, customized reports and statistical reports to provide ES with valuable information for monitoring both resident and visitor access to the Village. The QP system is also compatible with our current active transponder system. Mr. Hebbard reported that with QP’s handheld device and printer, gate officers can provide visitors with turn-by-turn directions to their destination within the Village.

Chief Grant described how the system works at the gate. A handheld device is provided to each gate officer so that he or she walks up to the car and enters all of the information from the visitor, looks up resident information, and prints out directions. A camera at the gate takes a picture of the car’s license plate. The camera system also

operates in low light situations – pictures were shown indicating that the photo also has a time and date stamp (*see handout of slides*). Chief Grant stated that The Mobile Patrol module of the system is on the ESC's wish list and utilizes a Wi-Fi "Toughbook" laptop similar to what many police forces currently use. The laptop would be mounted into the patrol car. With Mobile Patrol the officer has the ability to access all resident information, write Incident Reports, and print Notice of Violations all within the patrol car.

Mr. Larson discussed the costs and funding for the Quick Pass system. The installation fee would be \$42,420 which would include a total of 20 cameras, handheld computers, data storage, and video recording devices for all five gates. As an incentive to gain our business, and because of their desire to enter the Colorado market, Quick Pass has offered to waive \$24,480 for the cost of the three basic modules of the system (visitor management, device management, and code management). QP indicated that they would feature our community in their efforts to earn other accounts within the state. The monthly fee for the system would be \$7,200 for the three modules or \$86,400 yearly. This monthly fee includes upgrades of equipment and maintenance. There would be no long term commitment and increases would be capped at 5% per year. Mr. Larson stated that first year costs (for 2010) would be \$36,000 – the pro-rated cost for five months service beginning in August of this year. Mr. Larson reported that potential offsets to the cost of this new system could be realized through a reduction in gate staff, a reduction in dispatch overtime hours, the elimination of reserve funding necessary to support our current system as equipment upgrades are included in the QP system, and the reduction of ongoing maintenance costs.

Mr. Sundquist stated to the Board that we would need to respond to Quick Pass with a letter of intent by June 1st. The Board asked for a more thorough breakdown of the cost offsets.

Mr. Larson reported that one option being considered is the elimination of staffing at Gate three. The reduction in dispatch overtime hours would result in approximately a \$9,000 savings per year. The reduction in the reserve fund is estimated at \$7,200 and the reduction in maintenance at \$7,000 per year.

Director Dugan asked for a bulleted summary of exactly what the Homes Association will get with this new system. Mr. Larson responded that the benefit to the CPHA include: (1) the requirement of a password to clear guests, (2) the administration of the pin number system – including one time usage of pin numbers, (3) a vastly improved camera system on all three lanes – visitor, resident, and exit that captures an image of the vehicle to include the license plate, (4) better security, efficiency and customer service at the gates because of the handheld devices, (5) printed directions for visitors, and (6) replacement two outdated and redundant software programs.

Director Roth stated that as a Board, sometimes we must invest money in order to make life better for our community and not just look for opportunities to save money. Mr. Larson added that we cannot find anything to replace Police Files, and even if we were to purchase the upgrade for Secure Perfect it would still not be able to do the pin number system or allow residents the ability to manage their guests on-line.

Director Dugan stated that we have put our residents through a considerable expense for our current transponder system, yet guests are still arriving at his house that he has not cleared. Mr. Hebbard responded that the QP system has a management report that tells you what addresses are getting excessive pin numbers. Director Roth commented that no matter what system we have it would still be possible for a resident to misuse the gate access privilege, should they desire to do so, by giving out their password to non-residents, or allowing more than one person to use a pin number which is possible in our present system.

On behalf of the Board, Director Roth commended the Technology Committee, the Emergency Services Committee, Mark Larson and Emergency Services staff members Drew Grant and Ken Graham for their time and research putting this project together, stating that this would be a big leap forward in both service and technology for our community. The Board stated that they were in favor of this new system and requested to see a report working towards a program that is "cost neutral". Director Dugan added that expenditures for this new system would need to be approved by the Board by October for inclusion into the 2011 budget.

Motion Upon motion duly made and seconded, the Board unanimously approved to authorize the Emergency Services Committee to send a letter of intent to enter into a relationship with the vendor Quick Pass.

Director Dugan asked what will be included in the letter of intent. Mr. Larson responded that the letter of intent will state that the Association is interested in pursuing the business relationship with Quick Pass pending the review of the contract, the final review of system requirements, and final Board approval.

C. Country Club Use of the Summit Club Facility –Resident Pam Hermann
Advanced on the Agenda

Directors Dugan, Jacob and Walker stated that as members of the Country Club they have a conflict of interest in this issue. All three members stated that they could objectively participate in the discussion and decision.

Ms. Hermann requested from the Board on behalf of the Country Club of Castle Pines, permission to obtain 10 one-day passes that they would provide to non-resident, Country Club members for use of the Summit Club pool facilities. The passes would be controlled by the Country Club and given out on a daily basis. Ms. Hermann stated that the day passes would be used as a marketing tool for the Country Club however their use would also benefit the entire Village as it may encourage home sales. Ms. Hermann stated that the Country Club is a valuable part of this community and contributes to the Homes Association by sponsoring the Welcome Group event each quarter and by paying \$3600 in monthly fees to the Homes Association.

Director Dugan reminded the Board that the fees paid by the Country Club are for security services and are not Homes Association dues.

In appearing before the Board, Ms. Hermann appealed the decision of the Parks and Recreation Committee who originally heard the request and voted to not provide day passes to the Country Club. The Parks and Recreation Committee stated that because of the limited number of recreational facilities within the community, and the limited space available at each facility, the space must be prioritized first to residents and their guests.

Director Dugan stated that the Board is sympathetic to the Country Club's request, however the Board has a responsibility, particularly where it concerns the use of Homes Association assets by non-residents, to make sure that Homes Association resources are directed exclusively for the benefit of residents. Therefore, as a matter of existing policy, the Board has determined that the ruling of the Parks and Recreation Committee on this issue will stand. Ms. Hermann thanked the Board for their consideration.

B. Douglas County Roadway Easement – General Manager, Mark Larson

Mr. Larson reported that as part of the roundabout project sponsored by the Metropolitan District, Douglas County has requested easements across a small area of Homes Association property at Gates One and Two. Mr. Larson requested that the Board provide him permission to work with the County and Metro District to provide the required easements. Director Roth stated that we should only provide these easements when the county has approved the roundabouts.

Motion Upon motion duly made and seconded, the Board unanimously approved to authorize Mark Larson to work with Douglas County, in cooperation with the Metro District, to convey the required easements to the County for the purpose of completing the two roundabouts on Happy Canyon Road.

D. Compliance Deposit Resolution – General Manager, Mark Larson

Mr. Larson presented a resolution to the Board for the purpose of requiring a compliance deposit to be included within the document entitled "Custom Home Design Review" and the document entitled "Castle Pines Village Landscape Standards". The Board asked that Mark Larson and Director Walker review the document for further revisions and bring it back to the Board for further review.

E. Appointment to the Enforcement Committee – General Manager, Mark Larson

Mr. Larson reported to the Board that the Enforcement Committee has requested Board approval to appoint resident Babetta Ferris to the Committee.

Motion Upon motion duly made and seconded, the Board unanimously approved the appointment of resident Babetta Ferris, of 851 Swandyke Court, to the Enforcement Committee.

IX. INFORMATION/DIRECTION

A. Gate 1 Relocation – Director Jim Walker

Director Walker reported that the roundabout planned for Gate One requires that the gatehouse be relocated to prevent traffic entering the Village from backing up onto Happy Canyon Road. This relocation changes the layout of the area and flow of traffic through Gate One. Director Walker further reported that due to age and design it has been determined that the existing gate house cannot be relocated without damage to the structure. The Design Review Committee has been working with Greg Cook, architectural advisor to the DRC, on plans for a new gate house. The preliminary costs for the project is between \$350,000 and \$400,000. Director Walker stated they are not yet ready to put a set of plans or the final costs in front of the Board for approval, and that further information will be provided during the Board's May meeting.

B. Traffic Plan Discussion – Chief of Emergency Services, Drew Grant; Metropolitan District Engineer, Jon Gray.

Chief Grant reported that ES has been actively addressing traffic concerns through a variety of different methods. ES has opened the position of Traffic Officer to be filled by May. The traffic cart has been repaired and will be reinstated. Education programs for adults and children will be implemented over the summer. And the weekly email blast continues to list the areas that will have traffic enforcement for the week.

Officer Hulsey, recently promoted to Sergeant, is assisting in the effort to prioritize and patrol certain areas within the Village. Officer Hulsey reported that he has been actively monitoring areas known for “stop sign running” and speed violations.

Mr. Gray reported that the Traffic Plan commissioned by the Metropolitan District revolves around the four “E’s”: (1) Education, (2) Enhancement, (3) Engineering, and (4) Enforcement. It was determined that there are 19 locations in need of physical traffic mitigation – or engineering. Metro met with the Emergency Services Committee and prioritized these areas into A, B, and C categories (*see handout of map*). They also met with the Beautification Committee, DRC and Parks and Recreation Committee to determine what the Village wants. It was stated that the aesthetic goal is to bring the landscaping of the forest to the roadway to enhance the appearance of the safety devices.

Mr. Gray thanked the Board for their involvement and commitment to this project. A two year report is being generated that will have costs associated with the various project areas. Chief Grant stated that child and pedestrian safety is their number one concern and the ES Officers are actively and consistently monitoring traffic problem areas.

The Board thanked all involved in this program for their efforts.

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

Mr. Dannels reported that there are three seats on the Metropolitan Board up for election in May and there are a total of six candidates.

Mr. Dannels further reported that Metro is presently working on the Long Range Master Plan Financials through 2012. There is concern about declining home values which could result in reduced tax revenues for the district. In response to a question posed by the Board concerning tax Mill Levy increases, Mr. Dannels reported that a raise in the Mill Levy can only be approved by a vote of the people within the District.

Mr. Dannels informed the Board that an Open House on the Happy Canyon roundabouts is scheduled for the town of Sedalia on April 22nd, and asked the Board members to attend if possible. Douglas County is readily approving the plan and has indicated that it would like to showcase the finish product to encourage other communities to utilize roundabouts.

X. IMPORTANT MEETING DATES

Mr. Larson reported that the May 2010 Board Meeting will be held in the Castle Pines Homes Association Conference Room located at 688 Happy Canyon Road, Castle Rock on Friday, May 21, 2010, 7:00 am Executive Session, 8:00 am Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on April 22, 2010.

Director Wagner will be available by phone for the May Board meeting. Director Jacob will not be available for the May Board meeting.

Additional Discussion

Director Roth reported on the issue of the North Meadows extension, the completed Environmental Assessment, and the proposed alignment alternatives for the connection to I-25. The Town of Castle Rock recently presented their Environmental Assessment document for review and comment at an open house meeting last week. The Town has officially endorsed “alternative 6”, also known as the Castlegate alignment. Director Roth reported that the Homes Association has retained legal counsel to submit comments on the Environmental Assessment. There are two areas for comment: (1) the need for greater noise mitigation as a part of the EA, and (2) if the current EA is approved then the project must be approved as a single project so that the roadway is built all the way through to the interstate.

XIII. ADJOURNMENT

Motion Upon motion duly made and seconded, the Board unanimously approved to adjourn the April Board of Directors Meeting at 10:45 am.

Respectfully Submitted by,

Lisa Goodwin
Administrator