

**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, November 18, 2011**

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

**OTHERS PRESENT:** Paul Dannels from the Metropolitan District; Jake Schroeder from Aslan/Riverdell; Douglas County Engineer Sean Owens; residents: Chuck Skinner, Gene Roberts, Monica Flinner-Ross, Bill Smith, Guy Casey, Marti Jones, Jack Hummel, Erik Hofstetter, Kevin Manion, Kris Henry, Dave Blakley, Sondra Emerson, Donna DeBacco, Pat Hemphill, Beth Markowski, Karl Krueger, Jeff Homel, Alan Forker, Vic Pluto, Tom Wagstaff, Brent Lail, Don Cummings, Jerry Raskin, J.C. Huffman, Cindy Wagstaff, Bill Hemphill, Mark Quam, Jackie Silverstro, and Lee Henry.

**EXCUSED:** None

**MEETING AGENDA:** See attached.

**I. EXECUTIVE SESSION**

The Board of Directors met in an executive session and discussed legal and personnel matters.

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

The general meeting was called to order at 8:00 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 the October 21, 2011 Board of Director meeting minutes with corrections as noted.

**V. FINANCIAL REPORT** – Director Jacob  
(See Tab #2 of the November 2011 Board Package)

Director Jacob presented the October 2011 Financial Report.

Director Jacob reported:

- Accounts Receivable is approximately \$40,000 lower than originally budgeted.
- DRC revenue is slightly positive, however it was budgeted low.
- Administrative Labor Expense is positive due to staff reduction earlier in the year.
- Administrative Operating Expense is projected to be approximately \$40,000 positive for the year.
- ES Labor Expense is currently positive but is expected to come in on budget for the year.
- ES Operating Expense is over budget by approximately \$10,000.
- VLFC Labor Expense is \$4,500 under budget due to staff reduction.
- Parks and Recreation is on budget for the year.
- Total expenses are projected to be \$80,000 positive for the year.

Director Jacob stated that the Long Range Planning and Finance Committee agreed to increase the Homes Associations' Bad Debt Expense category by \$78,000.

**Motion** Upon motion duly made and seconded, the Board unanimously approved to accept the September 2011 Financial Report as presented.

**Train Whistle/Quiet Zone Update (General Manager's Report)**

*Advanced on the agenda*

Douglas County Engineer, Sean Owens, was present to provide an update to the Board regarding the project to create a Quiet Zone along the Santa Fe corridor. Mr. Owens reported that he was presently "working out some issues" involving Burlington Northern Railway's ownership of the north bound track along Santa Fe. Mr. Owens reported because of the two different ownerships they will need a letter from the Federal Railway Administration. Mr. Owens reported they will file their intent to create a Quiet Zone with the Colorado Public Utilities Commission by the end of the year. Mr. Owens reported he will be back in December to provide additional information to the Board.

**IX. Information/Direction**

**B. Lagae South Annexation Discussion**

*Advanced on the agenda*

*(For previous discussion on this issue see September 2011 Board Packet, IX. Information/Direction, A. Developer's Update)*

Resident Don Cummings, of 852 Swandyke Drive, addressed the Board on the issue of the Board's decision to not annex the Lagae South property into the Homes Association. Mr. Cummings reported he had a petition with fifty signatures in support of annexation (*see attached document*) and asked the Board to re-open the issue for discussion. Mr. Cummings stated he and residents Alan Forker, Steve Quoy and Jeff

Homel were representing homeowners who were concerned about this issue. Mr. Larson reported the property has not yet been incorporated into the City of Castle Pines. Jake Schroeder from Mr. Vicker's office stated that incorporation into the City of Castle Pines should be finalized by the end of the year.

Mr. Cummings stated if we do not annex the property, people will be driving through a lesser priced community before entering the Village and this could hurt the property values of the higher priced homes as the "sense of arrival" to a community is very important. Mr. Cummings reported the average price for a home in the Village is \$982,000 compared to the average price of \$583,000 for a home in the City of Castle Pines – a two to one price difference.

Resident, and past CPHA Board President, Jerry Raskin reported when the CPHA Board agreed to annex in the Kimball property, the annexation fee from the builder was substantially higher than what has been discussed with the developer of the Lagae property - approximately three times higher. Mr. Raskin stated he too would like to have this issue revisited, but that at the present time he was not necessarily in favor of annexation. Director Dugan responded the Board had not addressed the issue of annexation fees with the Developer because they were unable to "get through the complexities of having to deal with several municipalities" governing the property. Director Dugan reported the Castle Pines Metropolitan District's Board of Directors chose not to be involved with the project at their Board meeting yesterday. Director Walker added that the financial offer the developer did present was inadequate.

Resident Jeff Homel stated of the 25 residents he spoke to in the Summit area only two had heard of the proposed development and of the Board's refusal to annex the property. Mr. Homel stated he has not yet heard from the Board any "concrete business reason(s) why the Board should not revisit this issue". Director Dugan responded the Board has had several discussions with Mr. Vickers and "we can only consider the offer that Mr. Vickers has presented...if he came back with an additional offer we might consider it." Mr. Homel stated there are many communities with dual municipalities, and asked the Board if this was really a monetary issue instead. Mr. Homel asked the Board why it would be a problem to have a different Metro District for that property.

Mr. Forker asked the Board to "reopen discussions and enter into negotiations with Mr. Vickers in good faith for the purpose of determining if the Lagae property could in fact be annexed into the Village". Mr. Forker added they are asking the Board to vacate their decision not to annex the property into the Village and revisit the proposal for annexation in a public forum with resident participation.

Director Dugan stated the Board tries to be as transparent as possible and added, that the Board decided in September we would not entertain the offer that was presented, however should Mr. Vickers draft another proposal we could revisit the discussion. Mr. Schroeder responded that the Board would then be asking Mr. Vickers to "negotiate against himself in a vacuum". Director Dugan responded the Board gave Mr. Vickers feedback on every single point of the original proposal.

Director Walker stated that he understands the group represented here today is asking two things of the Board: (1) what were the complexities of the proposal presented and

rejected by the Board, and (2) the Board needs to develop a different process that will include and inform the community in the Board's decision making process. Director Walker stated both are reasonable requests, and the Board's process to inform the community was inadequate; however this was in part due to Mr. Vicker's request for a quick decision. Director Dugan responded he did not feel it was a quick process, and the Board had sufficient time to decide on this issue. Director Dugan stated that based on the information provided this morning, he would have had more community involvement prior to making a decision. Director Wagner stated the Board should revisit this issue and improve our communication efforts.

Director Walker recommended the Board put together a committee similar to that created during the Kimball property annexation for the purpose of reviewing the issues presented here today, to either recommend to the Board to proceed forward with revisiting the proposal and re-enter into negotiations, or to confirm the previous decision to not annex the property into the Home Association. Director Dugan stated since this decision is such a large one for the community, the entire Board should be involved. Director Dugan asked Mr. Schroeder if Mr. Vickers could present to the residents in a community forum in January. Mr. Schroeder responded he would ask Mr. Vickers.

Director Walker stated he would not be willing to have a public forum if the Board is not willing to revisit the issue. Director Dugan stated he is not able to make a decision to revisit the issue based on the information provided so far. Mr. Homel stated that it is more important for the Board to communicate exactly what the complexities are than it is to have a public forum.

**Motion** Upon motion duly made and seconded, the Board unanimously agreed to reconsider the decision made not to annex the Lagae property into Castle Pines Village and to establish a public forum to discuss this issue further and then reconvene in a public forum to make a decision.

Mr. Homel asked if a group of residents could get together with the Board in advance of the public meeting. The Board appointed Director Jacob to create an agenda and a list of issues with the homeowner representatives. Chuck Skinner, Chair of the Parks and Recreation Committee, stated that as the committee goes through its deliberations on this issue it must also consider the effect the annexation would have on the amenities within our community, and what expansions would be needed. Mr. Homel stated that we would need to separate out what needs to be done as a result of build out, from what would need to be done as a result of annexation.

## **IX. Information/Direction**

### **A. Gate Two Access Discussion**

*Advanced on the agenda*

Resident Kris Henry, of 440 Saxon Place, stated she was representing several residents inside of Gate 2 who requested that the Board add a staffed gate house at Gate 2. Ms. Henry handed out several photos of Gate 2 (*see handout*). Ms. Henry stated the following concerns regarding the appearance and operation of Gate 2:

- There is a lack of equality and continuity between Gate 2 and all of the other gates in terms of both aesthetic appearance and functionality for guests and residents.
- There are exposed utility boxes, the gate looks run down, there is a sign knocked over, and there is a concrete block at the exit surrounded by cones.
- There is a lack of convenience and ease for residents to allow guests access to the Village through Gate 2. If a pin number does not work there is no one for the guest to call and they must then be re-directed to Gate 4.
- If a resident's transponder fails they must be redirected to Gate 4 and thereby inconvenienced.
- Not having a staffed gate house is affecting their property values.

The Board asked Mr. Larson to clean up the appearance of the wall at Gate 2 and to remove the orange cones. Mr. Larson reported Gate 2 is being worked on now and the fallen sign is being replaced with a new one.

Craig Sundquist, Chairman of the Emergency Services Committee, asked Ms. Henry to come to their next meeting on December 12<sup>th</sup> at 9 am to discuss the transponder and access code issues at Gate 2. The Board stated they would expect the Emergency Services Committee to provide and update on this issue to the Board at the December Board meeting.

**VI. HOMEOWNERS REQUEST TO BE HEARD: Items not on the agenda**  
None

**VII. MANAGEMENT REPORTS**

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

Mark Larson, General Manager of the Castle Pines Homes Association presented the Manager's Report.  
(See Tab #3 of the November 2011 Board Package)

Mr. Larson reported that the date for the 2012 Annual Meeting of the Members has been set for Monday, March 12<sup>th</sup>.

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

Director Walker reported the DRC is working on two new homes on Ruby Trust Drive, and there have been six new homes presented to DRC this year. Director Walker reported the Covello/Wall deal to sell the 19 lots on the south side of the Village fell through due to the buyer and seller not being able to agree on terms.

**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 2011 Board Package.)

Chief Grant reported:

- There were 551 incidents for October.
- There was a burglary and an attempted burglary. The Douglas County Sheriff's Office made an arrest on the burglary and the individual arrested was associated with someone who is a resident in the Village.
- The number of traffic and parking violations on the status report is incorrect and will be changed. There were three traffic violations and the rest were parking violations.
- A new patrol officer and a new dispatch officer have been hired.

Mr. Larson reported the Enforcement Committee and the Emergency Services Committee have met to discuss the proposed resolution regarding employee relations and will report back to the Board with their recommendation in December.

### **VIII. ACTION ITEMS**

#### **A. Forest Stewardship Committee Member Nomination**

*(See Tab #4 of the November 2011 Board Package.)*

**Motion** Upon motion duly made and seconded, the Board unanimously approved the appointment of resident Alan Forker to the Forest Stewardship Committee.

#### **B. Communications Committee Member Nomination**

*(See Tab #5 of the November 2011 Board Package.)*

**Motion** Upon motion duly made and seconded, the Board unanimously approved the appointment of resident Babetta Ferris to the Village Communications Committee.

The Board asked Director Battin to draft an acknowledgment of Marti Jones' contribution as Editor to the Village Reporter for the December Board meeting.

#### **C. Request for Progress Payment Gate 1 Gate House**

*(See Tab #6 of the November 2011 Board Package.)*

Mr. Larson reported this will be the last payment request prior to the gate house completion and all of the items included have been verified. Director Dugan asked how much of the contingency fund has been used on the project. Mr. Larson responded we are contesting a labor charge. Our contingency was contracted for 10% of \$266,000 with the goal to stay under \$26,000. Mr. Larson reported to date we have made a payment of \$18,000 from the contingency fund and have been asked for another \$5,000. Mr. Larson reported the total construction cost for the building is between \$295,000 and \$305,000.

**Motion** Upon motion duly made and seconded, the Board unanimously approved the request for the progress payment on the Gate 1 gate house as presented.

#### **D. Consideration and Acceptance of the 2012 Homes Association Budget**

*(See Tab #7 of the November 2011 Board Package.)*

Director Jacob presented the attached Homes Association budget for the Boards consideration. He reported that the LRP&F Committee and the Board of Directors had a working session on the budget. Director Jacob reported the 2012 budget will require a \$5 increase on custom lot assessments and a \$3.75 increase in cluster lot assessments beginning January 1, 2012. The proposed 2012 budget includes increases in Comcast cable television service, funding for the train whistle quiet zone, and funding for landscaping projects and installation of additional recreational trails.

**Motion** Upon motion duly made and seconded, the Board unanimously approved the 2012 Castle Pines Homes Association Budget of \$4,316,000.00 as presented.

Mr. Larson reported the CPHA must send a letter to all homeowners informing them of the dues increase by or before December 1<sup>st</sup>. Mr. Larson further stated that he would draft the letter and send it to the Board members for approval and signature by the Homes Association President.

Director Jacob reported several months ago the Board requested the LRP&F conduct a benchmarking study to compare our community against other comparable communities. Resident Bill Smith provided a slide presentation to the Board (*see attached handouts*).

Mr. Smith reported it was difficult to find true comparables and there was a reluctance of other communities to share their financial information with us. Mr. Smith added that of the three communities represented in the report only our community continues to add homes. Mr. Smith reported none of the others had an Emergency Services department as extensive as ours, and we also put more information on our web site than the other communities.

Director Dugan asked Mr. Smith if our dues are comparable. Mr. Smith responded our residents receive more services for significantly lower cost than the other communities researched.

The Board thanked Mr. Smith for doing an excellent job on this report. Director Jacob added that as a result of the benchmarking study the LRP&F came away with the conclusion that we are doing a very good job.

#### **E. Castle Pines Homes Association Long Range Plan**

*(See Tab #8 of the November 2011 Board Package.)*

Mr. Larson reported the Long Range Planning & Finance Committee has completed their work and has submitted the draft Long Range Plan for the Board's consideration and review. Director Jacob stated the Long Range Plan's financials should be updated to match our budget. The Board requested the finances be updated and included in the

document, and then placed on the CPV website for public comment. The Board stated they are willing to accept it as the final document with the proviso that it is a living document that can be changed from year to year – “it is a framework from which we are heading”.

**Motion** Upon motion duly made and seconded, the Board unanimously approved the 2012 Long Range Plan as presented with the understanding that the document will be reviewed by the Board every year with changes to be made as needed.

## IX. INFORMATION/DIRECTION

### C. Forest Stewardship Committee Update – Jack Hummel, Chair

Resident Jack Hummel, Chairman of the Forest Stewardship Committee presented a slide presentation to the Board (*see attached handouts*).

Mr. Hummel reported resident Dave Cooper and Mike Bahm, a consultant to the CPHA and a former forestry specialist with the Colorado State Forestry Department, were also present to discuss this issue with the Board.

Mr. Hummel reported members of the Forest Stewardship Committee along with Mike Bahm have been doing extensive “drive-by’s” three times a year with Mr. Bahm looking for pine beetle trees in the community. Mr. Hummel further reported the increase in trees primarily infected with Mountain Pine Beetle since 2008 the year Mountain Pine Beetle were first detected in the Village. Mr. Larson stated the current inspection process is about 80% effective in identifying beetle infected trees. Mr. Hummel reported that if the increase in infected trees continues at its current rate, the Village would be at levels classified as an epidemic in as little as three years.

Mr. Hummel stated that the Forest Committee is recommending a three phased approach to dealing with the Mountain Pine Beetle issue:

- Resident Education
- Identification
- Enforcement

Mr. Hummel further stated that the Committee is working on an information sheet to provide to residents outlining steps they should be taking throughout the year to protect their trees from Mountain Pine Beetle, in addition the Forest Stewardship Committee is planning on hosting public informational seminars beginning in early 2012 to provide Village residents information on forest health and how to protect their trees from infestation. Mr. Larson reported that as part of the education process Dave Cooper or Bill Holwell from the Homes Association staff will begin to accompany Lisa Goodwin to new homeowner briefings to review forest health with new residents.

Mr. Hummel went on to report that the Committee plans on increasing their canvas of the Village next spring to do a more complete identification of infected trees. Once the that survey has been completed, the Committee, with the assistance of the CPHA staff, will notify owners of infected trees and monitor the process of having those trees

removed in a timely manner. Mr. Larson reported due to the increased threat of the Mountain Pine Beetle, the final action would be to have a Board resolution requiring residents to remove infected trees. If the resident fails to spray, the Homes Association would have the tree removed and then bill the costs back to the resident. Mr. Larson stated that the alternative of going through the Enforcement Committee could cause the issue to be delayed another month, at which point it could be well past the time when the beetles begin to fly. Mr. Larson further stated that we have seen positive response from residents in regard to removing infected trees in a timely manner and that the proposed resolution would allow the Homes Association to take action on lots where the home is in foreclosure process and the property owner cannot be located. Mr. Larson reported that he will work with Homes Association's attorney on the resolution language and present it to the Board for their consideration.

The Board discussed the issue of tree spraying as a way to protect trees from Mountain Pine Beetle attacks. Mr. Bahm stated that spraying is part of maintaining a healthy tree but that not all trees need to be sprayed, and recommended only "key landscaping trees" be sprayed; the pine beetle normally attacks trees 8" or larger so residents can start by spraying those trees first. Director Walker stated that the Committee should include guidelines on spraying in their informational handouts.

Director Dugan stated this is an important enough issue that it needs to be on the Board agenda regularly.

#### **D. Homes Association Rules and Regulations Resolution Process**

Mr. Larson reported the document in the board packet is a draft and not yet been screened by our legal counsel. The Board deferred discussion on this issue to the December Board meeting.

#### **E. Gate 1 Gate House Construction Update – Mark Larson**

Mr. Larson reported that the building roof is presently being installed. The outbound lane has an operational gate arm and will open today. Mr. Larson reported the gate is expected to be opened the week after the Thanksgiving holiday.

#### **F. Metropolitan District Items – Paul Dannels, District Manager**

Mr. Dannels reported the roundabouts are completed, however some of the signage needs to be changed. Mr. Dannels reported that one of the problems they are seeing is that people are failing to yield to other cars in the roundabout. He further stated that the street lighting at the roundabouts will be installed soon.

#### **X. IMPORTANT MEETING DATES**

Mr. Larson reported the December 2011 Board Meeting will be held in the Castle Pines Homes Association Conference Room located at 688 W Happy Canyon Road, Castle Rock on Friday, December 16, 2011, 7:00 am Executive Session, 8:00 am Regular Meeting.

The next Castle Pines Metropolitan District Board meeting will be held on December 9, 2011.

## **XI. ADJOURNMENT**

**Motion** Upon motion duly made and seconded, the Board unanimously approved to adjourn the November Board of Directors Meeting at 12:34 pm.

Respectfully Submitted by,

Lisa Goodwin