

MINUTES
BOARD OF DIRECTORS REGULAR MEETING
KEN-CARYL RANCH METROPOLITAN DISTRICT

A regular meeting of the Ken-Caryl Ranch Metropolitan District Board of Directors was held on Tuesday, October 27, 2020.

ATTENDANCE

Board Members Present:

John Huggins, President/Chairperson
Kayla Kirkpatrick, Vice President
Joe Levy, Secretary
Bruce Tugman, Treasurer
Jack Sawatzki, Director, arrived at 6:30 p.m.

Others Present:

Traci Wieland, District Manager
Pat Malloy, Parks Director, via phone
Lauren Feeney, Finance Director, via phone
Amy Lear, Recreation Director, via phone
Emily Powell, Attorney, via phone

I. Call to Order

Chairperson Huggins called the meeting to order at 6:02 p.m.

II. Approval of the Agenda

A motion was made by Director Kirkpatrick to approve the agenda. Director Levy seconded. The motion passed unanimously.

III. Conflict of Interest

None.

IV. Business & Reports

- a) Director Kirkpatrick moved to approve the minutes from the September 22, 2020 Regular Board Meeting and the minutes from the October 3, 2020 Special Board Meeting. Director Levy seconded. The motion passed unanimously.
- b) Finance Director Feeney reviewed the monthly financials pointing out the Plains Metropolitan District fund has been almost exhausted due to the pool project payments, and that the annual bond principal and semi-annual interest payment will occur next month.
- c) Director Kirkpatrick and Director Tugman provided an overview of the October 20, 2020 Master Association Meeting. The Master Association Board approved the 2021 budget. The Master Association Board also discussed committee vacancies, the

addition of two new ranger staff, a biologic study, and the near complete boundary study.

- d) Director Levy indicated he and Director Sawatzky will be attending the October 28, 2020 Open Space Committee meeting to provide an update on the South Hogback and request assistance from the members for researching options for conservation methods.
- e) There was no report from the Community Collaboration workgroup.

V. 2021 Proposed Budget Public Hearing

- a) Director Levy made a motion to open the public hearing on the proposed 2021 budget. President Huggins seconded. The motion passed unanimously. Attorney Powell certified for the record that notice of the public hearing was duly published as required by law. The District did not receive any comments from the public regarding the proposed 2021 budget prior to the public hearing.
 - i. District Manager Wieland presented the proposed 2021 budget and offered the Board a review of the budget's purpose, which includes guiding policy, influencing operations, compiling complete financials, and serving as a communications tool. The philosophy behind the 2021 draft budget is to be extremely conservative with regard to spending given the great deal of uncertainty the District still faces with COVID, state and federal mandates, the future of the Residential Assessment Rate, and difficulty in retaining skilled employees. The budget process will continue over the next two additional meetings, November 10 and December 1, where the public hearing will continue and ultimately close with the Board being asked to approve the budget at the December 1 meeting.

District Manager Wieland provided the following highlights regarding the proposed 2021 budget:

- Budget management was critical to endure the COVID pandemic. Staff worked to reduce costs as much as possible while many costs, such as utilities, and unemployment insurance, were out of the District's control.
- Due to the COVID pandemic, the best budget comparisons for Board and community review are to compare 2019 actual to 2021 budget. Also, due to financial system and staff changes it is important to look at the bottom line for program areas.
- One of the simplest metrics used to gauge the condition of the budget is excess revenues over expenditures. District Manager Wieland informed the Board the 2020 projected excess revenues over expenditures is close to the 2020 budgeted figure.
- The main source of revenues for the District includes property tax and fees. Property tax revenues are stable through 2021; however, the future of the RAR is uncertain. President Huggins questioned the timing of the property tax certification and if there would be a need for a budget change in December

after the budget was adopted. Attorney Powell indicated the Board could approve the budget "subject to minor modifications as the result of the final certification of assessed valuations", or call a special meeting if significant modifications are needed. Program fees are budgeted at approximately 75% of 2019 actual revenues, mainly due to the COVID pandemic.

- The main source of District expenditures is wages and benefits. This is not uncommon since the District is a service organization which requires a strong and consistent workforce. Due to efficiencies, total wages have been reduced by 10% over 2019 actuals.
- Six capital projects are planned and funded for 2021. This includes the Ranch House tennis court lighting replacement, Ranch House tennis court resurfacing (three courts), a piece of mow/snow removal equipment, Community Park block wall replacement, Community Park playground resurfacing, and two Parks maintenance vehicles. The Master Association approved funding assistance for the tennis court and mow/snow removal equipment.
- District Manager Wieland provided an overview of the District's classification and compensation plan and philosophy. The District struggles with providing competitive pay and benefits which creates retention issues. The classification and compensation plan included an audit of every position, a review of years of service, comparison to other parks and recreation districts, and the ultimate creation of a minimum and maximum pay grade. From this study, District Manager Wieland recommends pay adjustments, ranging in percentage, the inclusion of short-term disability insurance, and a PTO carry over policy. Additional information will be presented to the Board in November. Directors Kirkpatrick and Tugman requested employee count and vacancy information in the narrative.
- The fee schedule was presented to the Board with information for each major program area. A majority of the program areas include a 1-5% fee increase for 2021. Cost recovery trends were presented.

District Manager Wieland informed the Board that there is work to be done before the next meeting. Staff will be refining the budget and additional information will be presented to the Board on November 10.

- ii. Audience participation included resident John Fosholt who had a question regarding tree removal and the cause of the fire on the South Hogback Open Space.

- b) Director Kirkpatrick made a motion to continue the public hearing on the proposed 2021 budget until the November 10, 2020 Board meeting. Director Levy seconded. The motion passed unanimously.

VI. Communication & Discussion Topics

- a) None.

VII. Community Connectivity

- a) Audience Participation – Public Feedback
None.

VIII. Action Items

- a) Resolutions:
 - i. None.

- b) Motions:
 - i. None.

IX. Board & Staff Comments

District Manager Wieland informed the Board of the Community Planning Committee applications that are due November 13. The Board will need to assign a Board representative to the committee at the December meeting. District Manager Wieland also informed the Board of the ongoing COVID pandemic restrictions, a possibility to change payroll providers, and of the Joint Study Session on November 3. Board members thanked staff for their work on the budget process.

- X. Executive Session** Director Kirkpatrick made a motion at 8:00 p.m. to move into Executive Session pursuant to C.R.S. 24-6-402(4)(f) to discuss a personnel matter regarding the performance evaluation of the District Manager. Director Levy seconded. The motion passed unanimously. Attorney Powell left the meeting at this time and did not attend the executive session. Director Kirkpatrick made a motion at 9:42 p.m. to come out of Executive Session. Director Levy seconded. The motion passed unanimously.

XI. Adjourn

Director Levy made a motion to adjourn at 9:42 p.m. Director Kirkpatrick seconded. The motion passed unanimously.

These are the correct minutes for the meeting held on the above date and were approved by the Board on this 10th day of November 2020.