

CORDILLERA PROPERTY OWNERS ASSOCIATION  
LONG RANGE FINANCIAL PLANNING SESSION  
Tuesday, 9 June 2009  
ADMINISTRATION BUILDING  
0408 CARTERVILLE ROAD, CORDILLERA, COLORADO

The Cordillera Property Owners Association held a joint Long Range Financial Planning Session with the Cordillera Metropolitan District (CMD) on Tuesday, 9 June 2009.

**ATTENDANCE**

Present: **Cordillera Property Owners Association**  
Elise Micati, President  
Rick Smith, Vice President  
Rick Boyd, Secretary  
Roger Magid, Treasurer

Absent: Glenn Bourland, Vice President (excused)

**ALSO PRESENT**

**Cordillera Metropolitan District**

Ellen Mitchell, President  
Nanette Kuich, Vice President  
Lois Bruce, Secretary  
Ken Ulickey, Treasurer

**Staff**

Joe Wilson, General Manager  
Erin Buckley, Executive Coordinator  
Jon Erickson, Financial Manager  
Steve Thompson, Financial Consultant

**CALL TO ORDER**

Director Micati called to order the Long Range Financial Planning Session of the Cordillera Property Owners Association at 9:09 a.m.

**DECLARATION OF QUORUM/DIRECTOR QUALIFICATION**

Director Micati noted for the record a quorum was present for the purpose of doing the business of Cordillera Property Owners Association.

**DISCLOSURE MATTERS**

No conflicts of interest were noted.

## **OVERVIEW**

Mr. Joe Wilson, General Manager, outlined the agenda and background information for the CPOA/CMD Long Range Financial Planning Session. In preparation for the Long Range Financial Planning Session, a Strategic Review Session was held on Tuesday, 2 June 2009 to outline items the Boards felt should be included in the Long Range Financial Plan. A meeting was also held on Tuesday, 9 June 2009 with Mr. Jon Erickson, Financial Manager, Mr. Steve Thompson, Financial Consultant, Mr. Roger Magid, CPOA Board Treasurer, and Mr. Ken Ulickey, CMD Board Treasurer to review with the Board Treasurers CPOA/CMD revenues, expenditures, and offsets before presenting the information to the Boards.

## **2009 REVIEW FOR POTENTIAL CPOA BUDGET SHORTFALLS**

Staff addressed the Board regarding the 2009 CPOA budget adjustments for budget shortfalls. Staff indicated 2009 CPOA revenue is projected to decrease \$441,003 due to a decrease in RETA, Marketing, Interest Income, Fishing & Recreation Contributions, and Assessments. 2009 CPOA expenditures are expected to increase \$279,735 due to an increase in Wildfire Mitigation, Marketing, and Bank Charges; leaving an estimated shortfall of \$161,268. Staff recommended the difference of be paid out of capital reserves.

## **LONG RANGE PLAN ASSUMPTIONS**

Staff presented three (3) ten-year models for the purpose of long range financial planning. Staff indicated the models presented address the following assumptions: 1) Do not include the Vail Club or Equestrian Center funds or activity; 2) Service levels remain constant for 2010 & 2011; 3) Property Tax Operating, maximum increase, 5 ½ %; 4) Debt service funded by property tax revenue, tap fees, and investment income; 5) Wages increase by inflation – after 2009 no new employees anticipated in next three years. Any employees added in the future would be funded by increased revenues; 6) Benefits increase by estimated increase in health insurance costs; 7) Assessments, property tax, operating & specific ownership tax revenues fund operating expenses; 8) RETA revenue funds CMD & CPOA capital outlay and debt service; 9) CMD and CMMD debt service refinanced in 2006 to level payments; 10) CPOA 2009 sinking fund contribution funded in 2013; 11) CPOA 2009 debt service - \$350,489 paid from CPOA reserve fund.

## **REVIEW OF LONG RANGE FINANCIAL PLANNING MODELS**

Staff reviewed the three (3) ten-year models with the Boards. 1) All Models assume a RETA baseline of \$500,000 in 2010, \$750,000 in 2011, and \$1 million for years 2012-2018. 2) All Models assume a Property Tax increase of 5½ % in years 2010-2018. 3) All Models assume a 3% increase in wages, a 5% increase in benefits, and a 5% increase in operating expenses in years 2010-2018.

- Model #1 assumes a CPOA Assessment at \$1500.
- Model #2 assumes a CPOA Assessment at \$1750.
- Model #3 assumes a CPOA Assessment at \$2000.

The Boards requested Staff 1) Use Model #1 assuming a CPOA Assessment at \$1500; 2) Change the Property Tax increase to 3% for the years 2013-2018; 3) Change the Operating Expense increase to 3% for years 2010-2012, then 5% from 2013-2018; 4) Adjust 2009 projections to include most recent revenue/expenditure revisions.

### **RETA SPENDING PROTOCOLS**

The Boards recommended the first \$625,000 in RETA revenue be used for the debt service fund. RETA funds received above \$625,000 will be disbursed 50/50 with 50% going towards replenishing used reserves and 50% going towards capital projects until full re-payment of reserves up to a \$1.3 million reserve level then a 25/75 disbursement of funds with 25% going towards reserves and 75% going towards capital projects.

### **ADJOURNMENT**

There being no further information to come before the Board, the strategy review session was adjourned.

Upon motion duly made and seconded, the Board unanimously agreed to

**Adjourn** the strategy review session of the Cordillera Property Owners Association Board of Directors at 11:05 a.m. on Tuesday, 9 June 2009.

Respectfully submitted,

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Erin Buckley  
Executive Coordinator