

**DURANGO WEST METROPOLITAN DISTRICT No. 1**  
**BOARD OF DIRECTORS**  
***REGULAR MEETING January 24, 2024***

**Call to Order:** Meeting called to order at 6:38pm by motion from Melissa, Jeanne 2<sup>nd</sup>.

**Board Present:** Melissa Schneider, Tom Phelps, Jeanne Matthews, Joel Peterson.

**Staff/Reps Present:** Janet Anderson, Kathy Phelps, Brian Davies, Mike Roussin.

**Visitors Present:** No visitors were present.

**Minutes:** Meetings from November 8, November 15, and December 6 were approved by motion from Melissa, Tom 2<sup>nd</sup>.

**Houses/Development Project:** Home progress is coming along and becoming even busier. Winter weather always makes building more difficult and causes some delay with extra shoveling and inconvenience, but that was anticipated and the 4-month completion time period will be close. Janet and Andy were comparing records and she reported on their last meeting. The project broke ground with the foundations on October 10. Initially there was the concrete pumping truck delay of about 9 work days but since then Andy said they've kept up with his written timeline for the most part. Electrical plumbing and drywall subs were pre-secured with crews used frequently over the past decade. Upgrades were discussed in general and the changes on Canyon's elevations effects on materials and dirt work. He felt lucky to find the roofing crew who was able to meet budget and an opening at the right time. A siding crew came from Pagosa and he was extremely pleased with their work and reliability. He said the board made a good call using factory painted smart side because the quality of exterior paint is very important for longevity. The product is exceptionally long-lasting in our area with the UV ratings and has a good reputation among builders so he thinks the exteriors should look good for many years. Metal roofing was similar in price but tends to be best for heavier snow areas at our elevation. Janet said the interiors changes prior discussed included the extra baths and she's very excited the soaking tub worked out. Those changes have not affected schedules but shopping lists for finishing materials are growing as the homes get closer to completion. Andy is continually conscious of doing his best to stay within scheduling and budget plans. Electrical and plumbing subs have been great. Most important, no inspection failures and he said some of the new codes are good ones. Andy has some concerns about exterior dirt grading because it's so frozen and we don't know how much temps will warm up by mid-February. He has arranged a dirt specialist to ensure dirt work is cleaned up as soon as practical to get a good job. not sure what temps will do.

Mike reviewed budget books with the board and reported the largest draws are coming and we are down to the last 3 draws to close out.

Mike reported loan interest hasn't been too bad through year end but it will kick in hard by end of January and by end of February it will be time to get ready for showings.

Janet reported she's talked with a few realtors and strong advice has been to have appliances in, vanities set, lighting, doors, handles, etc. Finished is recommended as a big deal for first time buyers, lenders, and appraisers. She was told in a market like Dw1, investors are frequently are first group of buyers to show initial interest and the District might discuss restricting the sale to an occupied owner. One of the primary reasons for building has always been to provide a solid neighborhood for long term. Working people are struggling to enter the market and attaining homeownership is a key component of keeping quality people in Durango for a few decades opposed to a few years. All realtors mentioned the perception of the neighborhood has shifted substantially over the years as it has attracted younger people interested in long term ownership. While everyone agreed having a construction loan outstanding with current rates is very uncomfortable, the primary goals are to encourage more people to upgrade in the future. If the homes are ready to show by mid-February, the board agreed we could put them on MLS with a set fee for buyer's agents, similar to a finder's fee. Janet will need to check on rules because certain side fees are not allowed outside of a contract, but a set dollar amount fee versus a percentage is allowed. This was the most favorable and preferred by the board. The board wants residents to benefit as much as possible by replenishing some reserve funds.

Brian report: The Volvo is still operational but the rented loader has been extremely helpful and very much appreciated. Janet was irritated the first storm there was a small problem they immediately came out and fixed but the problem happened on a weekend so it was Monday before they were able to get it running. They said they would have come on Sunday but Brian did not have his cell phone. That has been remedied and so far so good. Brian reported repairs to the F550 were completed. The gassing problem with fuel has apparently been fixed. Brian had not had enough time in it to confirm this for sure but he believes it is much improved.

Kathy report: Kathy reported on parking tickets as this was a large issue last season. Melissa volunteered to identify problem spots with Brian before snow season to try to limit those areas from becoming impossible to plow. Some of the culdesacs have very poorly designed parking spaces and it causes serious problem for snow storage, even temporary snow storage there are no options on some of the properties and is hampering the abilities of the district to keep the street accessible for everyone else including emergency vehicles. Plowing fees are being discussed.

Fee Increase: The board reviewed fees as they had done in November and December during budget discussions. Mike prepared a 5-year cash flow as recommended by the auditor and the board reviewed each funds shortages over the years. Janet was asked to prepare formal notice to increase

fees at a formal rate hearing. Janet will prepare and send to the board for review. It was recommended 2 notices be prepared and posted so there is a condensed version summarizing the date and proposed increases to each line item being affected and a longer version that includes the cash flow spreadsheets and copies of pertinent sections of the audit for those who have a background or familiarity with governmental accounting. The details can be very confusing but the data sources and explanations of the shortages in each fund can be available.

Executive Session: At approximately 8:20pm Melissa announced she wanted to move to executive session for the board to meet with each employee individually and asked if any of the employees wanted to keep the meeting public. Employees indicated they were fine meeting individually with the board. Melissa asked for the tape recorder and made a motion to enter executive session per Colorado statute §24-6-402(4)(f), C.R.S., “Personnel matters;” seconded by Jeanne.

The board met with Kathy and requested Tom and Brian be temporarily dismissed for Kathy’s personnel review. Janet was asked to remain for a short period then dismissed.

The board met with Brian and Kathy was excused. Tom participated in meeting with Brian and Janet. Janet spoke with the board about Brian’s overall performance and working relationships. Janet expressed the value of Brian’s hours during 2022/2023 snow year was an exceptionally wet year. Although most storms were 24” or less, many were back-to-back and it was a very wet winter and spring as well.

Brian was then excused and the board met with Janet for discussions about overall performance and working relationships.

Personnel Schedule for 2024: The board adopted the 2024 budget with an inclusion of salary increases but did not separately approve a new payroll rate schedule for each position. November and December were lengthy financial meetings with the housing project and budget discussions. The drafted budget used the inflationary index which was much higher than most years. In early 2023 during the same process of annual reviews, Janet was asked to prepare a summarized schedule of payroll for the past decade along with compensations for various positions that might be comparable with similar salary and hourly employees, including seasonal help. Janet provided a schedule with data as of March 2023 along with data from the Special District’s Association, Colorado workforce, and summarized notes from phone calls to local county metropolitan districts.

The board reconvened to regular session by motion from Tom, 2<sup>nd</sup> by Melissa. Melissa asked the board to consider 2024 wage increases and asked for a motion. Jeanne motioned to approve compensation increases and an additional one-time payment for Brian, 2<sup>nd</sup> by Melissa, approved with Tom abstaining.

**Adjournment:** The meeting was adjourned at 10:00 pm by motion from Jeanne, Joel 2<sup>nd</sup>.

