

MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT
MOUNT VERNON COUNTRY CLUB CORPORATION

BOARDS OF DIRECTORS REGULAR MEETINGS
APRIL 16, 2020

The Boards of Directors of Mount Vernon Country Club Metropolitan District and MVCC Corporation held their monthly Regular Meetings by telephonic meeting on Thursday, April 16, 2020.

The meeting was called to order by president Tom Weimer at 7:30 p.m.

Record of Attendance: Board members Walter Crawford, Randy Lewis, Andrew Price and John Stringer participated via Zoom. General Manager John Stebbins, Sue Blair and Marcos Pacheco of CRS, FPC Chair Charlotte Abel, and Secretary Gail McGowan also participated via Zoom. Electronically present for all or part of the meeting were Proprietary Members Dirk/Susan Applegate, Franco Cordeiro, George/Nancy Crego, Eric Grossman, Page Lambert, George Lowe, Rachel Price, Jeff/Kitty Richie, Cheryl Shaw, Karen Stringer, and Scott Valent.

MVCC Metro District Business

Approval of Minutes

Upon motion duly made by Randy Lewis, seconded, and approved by a vote of 5-0, THE MINUTES OF THE MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT and CORPORATION BOARDS OF DIRECTORS' REGULAR MEETINGS OF MARCH 19, 2020 WERE APPROVED, AS WRITTEN.

Upon motion duly made by Walter Crawford, seconded, and approved by a vote of 5-0, THE MINUTES OF THE MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT BOARD OF DIRECTORS' SPECIAL MEETING OF MARCH 25, 2020 WERE APPROVED, AS WRITTEN.

Public Comments

Eric Grossman asked about when explanatory information about the upcoming ballot questions on a mill-levy increase and deGallagherization would be available to the community and was told that a fact sheet was being prepared and would be sent out in the next day or two. In addition, members of the Financial Planning Community will reach out to the community in order to answer any questions on the issues.

Financial Reports

Metro District

The March 31, 2020 Cash Position Summary, Combined Balance Sheet, and Statements of Revenues, Expenditures and Change in Fund Balance were reviewed for all funds. The

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Clubhouse/Recreation Fund showed an operating deficit, exclusive of debt service and capital outlays, with operating gains reported in the General and all Reserve Funds.

Mount Vernon Canyon Club

The General Manager reported that many weddings and private events were being rescheduled, rather than canceled, due to Coronavirus COVID-19 and that new bookings for late 2020 were still being received. He also noted that membership attrition was less than had been budgeted.

Payment of Claims: Vendor claims for the period March 13 to April 13, 2020 were presented for review and ratification.

Upon motion duly made by Randy Lewis, seconded, and approved by a vote of 5-0, THE BOARD OF DIRECTORS OF MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT ACCEPTED AND RATIFIED THE PAYMENT OF CLAIMS TOTALING \$51,025.58 FOR THE PERIOD MARCH 13 TO APRIL 13, 2020.

Debt Service Refinancing and Club Operations

A *Cashflow Analysis* for the Club/Enterprise Fund was reviewed for the record. Three scenarios for future operations of the Clubhouse and recreational facilities were presented: Continued operations with no refinancing should the mill-levy increase not pass in the May 5 election; continued operations with a mill-levy increase and debt refinancing; and a shutdown of operations, all in light of the current restrictions imposed because of the COVID-19 pandemic. Additional financial models will be developed and other options studied.

Financial Planning Committee

The FPC Chair presented items that the FPC would recommend to the Board for its consideration, including a request for the development of additional models for Club operations given the financial position of the Club and the pandemic; and the possibility of moving a conservation easement that is being studied for the horse pasture land to the 160-acre Custer parcel. The General Manager added comments on what services could be offered and the financial ramifications when partial or full operations are eventually permitted by the State of Colorado. The possibility of leasing or selling the Clubhouse will also be looked into.

District Operations

Sue Blair shared that a link to the MVCC Metro District public website had been set up on the home page of the Club's website; that DOLA is requiring the Metro District to register on a new website in order to receive direct payments from the Treasury Department under the CARES Act relief fund for anticipated losses; that MVCC Metro District is looking into the availability of grant funds (the State is waiting on Federal parameters), as well as small business loans since there appears to be a growing need for support of small local government units.

In order to allow time to get educational information out to the electors, the ballots for the May 5 election will be mailed out on April 20.

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General Services Update: The Metro District currently has two full-time General Services employees, one of whom is living onsite.

Land Sales Update

The land sales market, like the financial markets, is volatile and unpredictable. We continue to see interest through hits on electronic forums, though there have been no contract offers.

Metro District-Owned Houses Update: The Centennial Trail house has been refurbished, with expenses to-date well below budget because of volunteer efforts and cost savings on purchases of appliances, etc.

Fire Mitigation Grant: The Forest Service has approved the District's request to exchange areas of treatment and work is proceeding at the original cost.

Tennis Courts/Facility Operations

The tennis courts will remain open and available for use, but because of the COVID-19 pandemic, the ball cart will be removed, the tennis house closed, and players required to provide their own tennis balls. This position will be reevaluated if abuses of "social distancing" orders are noted.

Non-Resident Recreational Users of District Roads

The use of Mount Vernon roads and open areas by non-residents has increased significantly due to the pandemic: bikers, hikers, dog walkers, as well as vehicular traffic. The Metro District does have the legal right to close the road and restrict traffic and signs have been posted at each gate. There was no recommendation for additional actions to be taken at this time but a plan for future implementation will be developed.

Water System Update

The Tower Hill Pump Station project is moving forward, with periodic interruptions to water service anticipated as the project is completed.

MVCC Corporation Business

Annual Meeting of Proprietary Members

The 94th Annual Meeting of Proprietary Members was tentatively set for Tuesday, June 2, 2020.

Spraying for Pine Bark Beetles

Mount Vernon homeowners will be given the opportunity to sign up to have trees sprayed for pine bark beetles by McGarva Tree and Landscape Service, Inc.

Homeowner Non-Compliance

It is noted for the record that David Miller, 26054 Centennial Trail, continues to ignore repeated written requests to control his dog and to remove vehicles/trailers/etc. from District-owned property across the road from his property.

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Board Letter

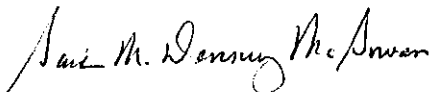
A Board Letter will be prepared and will include information on financial and membership updates; land sales; election information; Annual Meeting date; tree spraying; and remaining 2020 Board meeting dates.

Future Board Meetings

The next regular meeting of the District and Corporation Boards is scheduled for Thursday, May 21, 2020 at 7:30 p.m.

There being no further business to come before the Board, the meeting was adjourned at 9:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail M. McGowan".

Gail M. McGowan, Secretary