

CHEROKEE METROPOLITAN DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS

November 24, 2010

MINUTES

The Special Meeting of the Board of Directors of the Cherokee Metropolitan District was held on Wednesday, November 24, 2010, at 3:30 p.m. at 6250 Palmer Park Blvd., Colorado Springs, Colorado.

BOARD OF DIRECTORS PRESENT

Robert Lovato	Steve Hasbrouck
Dave Hammers	Jan Cederberg
Bill Beahan	

OTHERS PRESENT

Sean Chambers	Kevin Donovan
Art Sintas	Sara Howard
Dian Hardekopf	Lily Baker

OTHER GUESTS SIGNING ATTENDANCE LOG

Gayle Jones	Andy Anderson
Michael D Rasdall	Roger Stolz
Lynne Bliss	Assunta Manning
Linda O'Riley	Jackie Kinnecom
Bev Schafer	Ken & Rita Martinez
Larry Keleher	Mary Hernandez
Chloe Olson	

ITEM 1:

The meeting was called to order by Chairman Robert Lovato at 3:38 p.m. Ms. Howard called roll call of the Board of Directors, all Directors were present.

ITEMS 2 AND 3:

Mr. Lovato asked if there were any changes or amendments that needed to be made to the November 24th Special Meeting Agenda. It was requested that 5a Public Comments and 5b Board Comments be added after Item 5. Executive Session.

*****MOTION*****

MR. BEAHAN MADE A MOTION TO APPROVE THE AGENDA OF THE SPECIAL MEETING OF NOVEMBER 24, 2010, ADDING 5a PUBLIC COMMENTS AND 5b BOARD COMMENTS, AS AMENDED. SECONDED BY MS. CEDERBERG. ALL BOARD MEMBERS PRESENT IN FAVOR. MOTION CARRIED (5-0).

Before discussion on Item 4 commenced, Mr. Chambers stated one Board Member needed to be designated to act as a canvasser for the December 7th recall election. Ms. Hardekopf also added that one member from the community would be selected by the County Election Department to also work as a canvasser. The resident elector, the Board Member and the DEO would be required to attend a before-election meeting lasting at least two hours, and the canvassers would need to arrive at Centennial Hall no later than 6 p.m. on December 7th. They may also be required to go to the election's office one more day after the election to sign and certify the results of the election.

Mr. Lovato recused himself and Mr. Beahan stated he would not be available. Mr. Hasbrouck offered his time to be the canvasser; with no motion being made to have Mr. Hasbrouck as the canvasser, Ms. Cederberg then offered her time.

*****MOTION*****

MR. BEAHAN MADE A MOTION TO NOMINATE MS. CEDERBERG TO BE THE DESIGNATED BOARD MEMBER TO SERVE AS THE CANVASSER IN THE RECALL ELECTION. SECONDED BY MR. HAMMERS. MR. HASBROUCK-YES. MS. CEDERBERG-YES. MR. HAMMERS-YES. MR. BEAHAN-YES. MR. LOVATO-RECUSE. MOTION CARRIED (4-0-1).

ITEM 4:

⇒ Discussion and Acceptance of General Manager Contract

- Mr. Donovan provided the Board of a copy of the Contract offered to Mr. Chambers (see attached). The Contract was reviewed by the Board Members previous to the meeting.

*****MOTION*****

MR. HAMMERS MADE A MOTION TO ACCEPT MR. CHAMBERS' CONTRACT AS WRITTEN. SECONDED BY MR. BEAHAN. THE MOTION WAS OPENED FOR DISCUSSION.

- Ms. Cederberg expressed her continued concerns about the "Golden Parachute." Mr. Beahan felt the Board needed to be responsible for any contract offered to Mr. Chambers. Mr. Hasbrouck was concerned about the phrase where four out of five Board members, instead of a quorum, would be required to terminate Mr. Chambers. It was believed

the clause was provided in the contract to protect Mr. Chambers from any political ramifications.

ROLL CALL OF THE BOARD FOR APPROVAL OF THE MOTION COMMENCED. MR. HASBROUCK-NO. MS. CEDERBERG-WISHED TO HAVE A FEW MOMENTS TO CONSIDER HER DECISION. MR. HAMMERS-YES. MR. BEAHAN-YES. MS. CEDERBERG-NO. MR. LOVATO-NO. MOTION DENIED (2-3).

- A short discussion regarding changing the statement where four out of five Board Members, instead of a quorum, would determine issues for Mr. Chambers, commenced. It was determined that if this was to change to how the Board has always approved issues with 'quorum vote approval' then the contract may be able to move forward.

*****MOTION*****

MR. HAMMERS MADE A MOTION TO ACCEPT MR. CHAMBERS CONTRACT AS GENERAL MANAGER PROVIDED #9 OF THE CONTRACT BE AMENDED TO SHOW A QUORUM VOTE. SECONDED BY MR. BEAHAN. MR. HASBROUCK-NO. MS. CEDERBERG-YES. MR. HAMMERS-YES. MR. BEAHAN-YES. MR. LOVATO-YES. MOTION CARRIED (4-1).

ITEM 5:

⇒ Executive Session: CRS 24-6-402(4)(b)

*****MOTION*****

MR. BEAHAN MADE A MOTION TO ENTER INTO EXECUTIVE SESSION CITING CRS 24-6-402(4)(b). SECONDED BY MS. CEDERBERG. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT IN FAVOR. MOTION CARRIED (5-0).

Executive Session was entered into at 4:03 p.m.

*****MOTION*****

MR. BEAHAN MADE A MOTION TO COME OUT OF EXECUTIVE SESSION AND RETURN THE MEETING TO THE OPEN SESSION OF THE SPECIAL MEETING. SECONDED BY MR. HAMMERS. ALL BOARD MEMBERS PRESENT IN FAVOR. MOTION CARRIED (5-0).

Mr. Lovato advised the audience no decisions were made in Executive Session. For the record, Mr. Hasbrouck wanted it noted he abstained from any and all discussion in Executive Session.

*****MOTION*****

MR. BEAHAN MADE A MOTION TO PUT THE DISTRICT'S INSURANCE CARRIER ON NOTICE TO PROTECT THE DISTRICT, BOARD, AND EMPLOYEES AGAINST A POTENTIAL LAWSUIT. SECONDED BY MR. HAMMERS. WITH A ROLL CALL VOTE, ALL BOARD MEMBERS PRESENT APPROVED. MOTION CARRIED (5-0).

ITEM 5a:⇒ Public Comments

- Assunta Manning asked for details in Mr. Chambers' employment contract. Mr. Lovato stated copies of the contract would be provided to the audience, at this time, Ms. Hardekopf made copies and handed it out to the audience.
- Gayle Jones asked Mr. Beahan if there was a statute governing the need for a contract for the General Manager. Mr. Beahan rephrased an earlier comment, stating he thought he said "we had a contract." She again questioned the need for an obvious and immediate rush to produce a contract believing that most contracts were the result of negotiations. Mr. Lovato stated the Contract in question was the result of the Board negotiating with Mr. Chambers.
- Mr. Keleher asked why Mr. Donovan was present and involved in the lawsuit against the County DEO recall election court case. Mr. Donovan stated he was involved to protect the District's interest, as the District was subject to paying the legal fees to defend the County DEO in the lawsuit. Mr. Donovan was asked how much he charged per hour to represent the District, and he said he charged \$250 an hour. Mr. Keleher stated, if he was elected as a Board Member on December 7th, his wish was to instill trust with the community and felt very few trusted Mr. Lovato.
- Mary Hernandez felt there was no trust among the coordinators of the recall election. Ken Martinez wished his hopes for the District to move forward and stated Mr. Chambers needed to be protected in his employment.
- Roger Stolz stated the links to the Board Meeting Minutes on the Cherokee's website were not working; Ms. Hardekopf stated they are now fixed.
- Beverly Schaeffer asked about Mr. Chambers' salary and was told he was offered a higher salary than at the time he was placed in the position of Interim General Manager. She believed any review process should commence after a year's employment. Mr. Lovato defended the Board's decision in the negotiated salary stating Mr. Chambers had already increased the District's revenue by 1.5 million dollars, is

successfully looking at water resources outside the UBS, and is saving the District \$250,000 per month by retiring the 1998 Revenue Bond.

ITEM 5b:

⇒ Board Comments

- Mr. Hasbrouck had no comments. Mr. Beahan stated there had been no interest from the community up until a couple years ago; and as a community, the District needed to take responsibility for its destiny. He also would like to see a traffic count installed on the company’s website. Ms. Cederberg stated she ran for the Board because she cared about the District. Although accused of picking sides, she stated she was on Cherokee’s side. She wanted the community to call and ask her questions if they had the balls to talk with her. She also asked for someone to tell Ron Pace how to spell her name.
- Frank Gonzalez, from the audience, stated he owned property in Cherokee and resided in the Woodmen Hills District. He said he trusted Mr. Lovato one hundred percent.
- Mr. Lovato stated last week he sat in court for two days and was appalled by what he saw. Although he lost the injunction to stop the recall, people were exposed for who they really were. He said he was also appalled by noticing out-of-state developers coming in to Colorado and taking its water.

ITEM 6:

⇒ Adjournment

There being no further business to come before the Board, the meeting was adjourned at 5:10 p.m.

Jan Cederberg, Secretary

Board Members

Term Expires

Robert Lovato, President	May, 2012
Steve Hasbrouck, Vice President	May, 2012
Jan Cederberg, Secretary/Treasurer	May, 2014
Dave Hammers, Director	May, 2014
William Beahan, Director	May, 2014