

SOUTHWEST TIMNATH METRO DISTRICTS

RECORD OF PROCEEDINGS MINUTES OF THE JOINT SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF SOUTHWEST TIMNATH METROPOLITAN DISTRICT NOS. 1-4

HELD: Tuesday, November 10, 2020, at 4:30 p.m. at 6000 Summerfields Parkway, Timnath, Colorado 80547, along with being on Zoom.

ATTENDANCE:

The joint special meeting of the Boards of Directors of the Southwest Timnath Metropolitan District Nos. 1-4 (collectively, the “Board”) was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Directors in Attendance:

Dino A. DiTullio
Ron Mullenbach
Mike DiTullio (via teleconference)
Kara DiTullio (via teleconference)

Directors Absent but Excused:

Jennifer DiTullio

Also in Attendance:

David O’Leary, of Spencer Fane
Guy Johnson, Jackie Johnson, and Bri Hicks from District Management
Homeowners Jill Willey on Story Rd was in attendance; Homeowners John Barkley on Pryor Rd and Nicole Stroud on Connor St were present via Zoom call.

CALL TO ORDER:

Director Dino DiTullio called the meeting to order at 4:30p.m.

QUALIFICATION OF BOARD MEMBERS/OATHS OF OFFICE COMBINES MEETING AND NOTICES:

Mr. O’Leary reported that all the Board members are registered to vote in Colorado and are residents and/or owners of taxable real or personal property within the Districts. Mr. O’Leary stated that all the Board members had been administered the Oaths of Office. Also, welcoming new board member Ron Mullenbach to the board. The Districts are meeting in a combined board meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Southwest Timnath Metro District No. 1, with concurrence by the Southwest Timnath Metro District No. 2, 3, & 4. Mr. Johnson stated that the notice of the meeting was properly posted in 3 public places in District No. 1, 2, 3 & 4 boundaries at least 72 hours prior to this meeting. Notice of meeting and agenda were sent to the Larimer County Clerk and Recorder for posting as required by law.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Mr. Johnson discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the Directors with the Secretary of State and the Secretary of the District at least 72 hours prior to a meeting in which a potential conflict may arise. In addition, each director is to verbally reveal his potential conflicts of interest to the Board at the start of the meeting in which the conflict may arise.

APPROVAL OF AGENDA:

The Board reviewed the agenda,

Upon motion was made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried to approve the agenda.

APPROVAL OF MINUTES:

The meeting Minutes of March 10, 2020 meeting was presented and discussed.

Upon motion was made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried to approve the meeting minutes of the March 10, 2020 Meeting.

PUBLIC COMMENTS:

Director Dino DiTullio opened comments to the public: John Barkley had some questions on Zoom, would the Metro District be able to put Holiday lights on the monument at Summerfield Park Way and Three Bell Road, would the District be able to use any of the mills that are assessed towards Operations and Maintenance and when would the bond expire. Director Dino DiTullio stated that the monuments do not have the correct electrical current for holiday lights at all the monument locations. Two monuments have been upgraded for 110 power. Three Bell and Greybull will be upgraded in 2021. The cost to get power to Summerfields Parkway and Three Bell Road is quite high, due to no power in the area and an Xcel power meter would have to be set and power ran to the Monument. Dino DiTullio stated if that is something the residents want; it could be budgeted over the next few years. Guy Johnson noted that the on-site builder (D R Horton) stated they might be able to help get the power up-graded to one of the monuments. Guy Johnson will get pricing this spring for power up-grades.

As for the question on the tax mill levy being used for Operations and Maintenance: The Mill Levy taxes that are collected are all pledged to the bond, therefore, the District cannot take any of those taxes to pay any of the Operations and Maintenance, and the bonds are set to be paid off by 2045 at a rate of around 6.5%.

Director Dino DiTullio recognized Jill Willey who wanted to address the board with her concerns about having more control of where and how the budgeted dollars were being spent, Mrs. Willey would like to keep the O & M fees at the current rate at this time. Mrs. Willey stated not to water the green belts as much or mow as much to save money. Mrs. Willey had a concern as to when the fence in her back yard would be stained. Mrs. Willey stated there is a drainage issue behind her home in the detention pond said there was a buildup of mud in the outlet. Mrs. Willey thinks the drainage outlet needs to be cleaned more often. Mrs. Willey also stated that she did not like the Pool Access system that the Metro District put in place, it did not allow her to access the pool when it work best for her schedule, plus it took a lot of time to get on the pool system, or she was not able to get on the pool system to choose a time because times booked up so fast. Mrs. Willey did, however, did get to go to the pool a few times, but just was not ideal times for her.

Dino DiTullio stated the board was looking into raising the O and M fee and were going through the steps with the Town of Timnath. Due to the large increase of the irrigation water rates, size of the open space, fence staining, tree replacement, cost of pool operations, it was inevitable. As for any dollars being spent within the District, the Board was always open to suggestions.

Director Dino DiTullio stated with no further comments and moved to have this section of the meeting closed.

DESIGNATION OF OFFICIAL POSTING LOCATIONS:

Mr. Johnson presented the annual posting locations with no changes to the Board.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried to approve the annual posting locations for Southwest Timnath Metropolitan Districts 1-4.

CONSIDER APPROVAL & RATIFICATION OF THE RESOLUTION OF ONLINE NOTIFICATION OF PUBLIC MEETING:

Mr. O’Leary discussed there were new state statues allowing the District to post the Meeting notification on the District website, After further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Mike DiTullio and unanimously carried to approve the Resolution for On-line Notifications of Public Meetings for Southwest Timnath Metropolitan Districts 1-4.

CONSIDER APPROVAL AND RATIFICATION OF TRACT M AND THE DISTRICT IGA’S: INCLUDING THE COMMUNITY CENTER & POOL OPERATIONS/COST WITH STMD:

Mr. Johnson present to the board the IGA that covers all the cost of Tract M which includes the Community Center and Pool budget, which is to be split between SWTMD and STMD, After further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried to approve the Resolution of the IGA’s and split all the cost in Tract M, which includes the Community Center and Pool.

COMMUNITY CENTER/POOL RATES AND SCHEDULE:

Mr. Johnson presented the cost share agreement for the Community Center/Pool. Went over Out of District pool memberships, the lost FOB and FOB Disconnect and Re-connect fee for outstanding O & M fees, covenant violations, and the Out of District room rental fees and governmental agency rental fees.

Upon motion duly made by Michael J. DiTullio, seconded by Dino DiTullio and unanimously carried, the Board approve the Resolutions for cost share of the Community Center/Pool with STMD, Out of District pool memberships to be sold at \$550.00 for the pool season, FOB Disconnect/Re-connect fee along with lost FOB replacement fee of \$25.00. District residents’ room rental fee stay the same at \$60.00 per hour with a 3 – hour minimum with adding a COVID -19 cleaning charge of \$100.00 and Out of District room rental fees of \$80.00 per hour with a minimum of 3 hours, with adding a COVID -19 cleaning charge of \$100.00. No charge of governmental agency for room rentals, except for adding a COVID -19 cleaning charge of \$100.00. Governmental agencies are Federal Government, State, County, Cities, Towns, and Districts. COVID rules at time of opening dictate attendance numbers.

Rates and Schedule presented to the Board.

1. \$550.00 Out of District Pool membership rate, for the 2021 pool season (limit 40), with no guest pass. If COVID rules in place no members are to be sold.
2. In-District Pool Memberships are no charge for District members, does not include guests, but District member must be in good standing with the District, no outstanding O & M fees, taxes and/or any outstanding covenant violations.
3. District residents Guest Pass fee of \$ 5.00 per guest, with a limit of 4 guests per day. No guests if COVID rules are in place.
4. Nanny pass are \$50.00 per season.
5. Lost fob and replacement Fee are \$25.00 per occurrence.
6. Disconnection/reconnection fee due to outstanding O and M fees or outstanding covenants violations is \$25.00 per occurrence.
7. Room rental rates for residents would remain the same at \$20.00 per hour with a minimum of 3- hours, which is \$60.00 including set up and clean up time. COVID cleaning Charge of \$100.00.

8. Room rental rates for Out of Districts rentals would be \$80.00 per hour with a minimum of 3-hours, which is \$240.00 including set up and clean up time. COVID cleaning Charge of \$100.00.
9. Room Rental rates for governmental agencies; no charge. Governmental agencies are Federal Government, State, County, Cities, Towns, Districts.
10. COVID -19 cleaning charge of \$100.00 is in place if COVID is an issue. COVID rules at time of opening dictate attendance numbers.

RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2021:

Mr. O’Leary presented a Resolution Concerning Annual Administrative Matters for 2021 for the Districts.

Upon motion was made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried, the Board approved the Resolution Concerning Annual Administrative Matters for 2020, including: the contact person(s) for the District; the designated posting location(s) for the District; and the location for meetings of the Board of Directors.

TRANSPARENCY NOTICES:

Mr. O’Leary presented the Transparency Notices and discussed that these will need to be posted on the District’s website on or before January 15, 2021. These notices will also be provided to the Division of Local Government and appropriate state agencies as required by law.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried to approve the 2021 Transparency Notices for each of the Districts and to authorize District Management to post the notices and provide them to the Division of Local Government as required by statute in compliance with statutory requirements.

EXCLUSION OF WORKERS COMPENSATION INSURANCE.

Mr. O’Leary noted that it was time to renew the Resolution for the Board to be excluded from Worker’s Compensation if the Board elects to continue not having worker’s compensation coverage for the board members.

Upon motion duly made by Director Dino DiTullio, seconded by Director Mike DiTullio and unanimously carried to approve the Resolution to Exclude the Board from Worker’s Compensation Insurance and to file the Resolution along with the State of Colorado Worker’s Compensation Exclusion form with the appropriate parties.

APPROVAL OF 2021 DISTRICT SERVICE AGREEMENTS:

Mr. Johnson presented and discussed engagement letters and/or proposals for service agreements for District Management, Landscape Maintenance Agreements, Pool Management agreement with STMD, Annual Audit and Exemption Agreements, Internet and Phone contracts and engagement of District Counsel to the Board of Directors. Mr. Johnson discussed the renewal and/or engagement of service providers for the District and reviewed the proposed costs and expenditures related to these service agreements with the Board. After further discussion on the matters and

Upon motion duly made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried to approve the District service agreements and make changes if needed for District Management, Landscape/Maintenance, Annual Audit and Exemption Agreement, Internet and Phone contracts and District Counsel. Also authorized Guy Johnson to finalize any negotiations and execution of the service agreements for 2021.

AUDIT AND AUDIT EXEMPTION:

Mr. O’Leary reviewed with the Board preparing for the 2020 audits and/or exemptions. It was noted that if revenues or expenditures for a district are less than \$750,000 in 2020 or in 2021, the District may file application for Exemption from Audit on or before March 31st.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried to authorize Mr. Johnson to prepare for 2020 audits and or fill out application for

exemptions from audits as appropriate and to take such further action as necessary to complete and file these documents with the necessary state agencies.

PAYABLES:

Mr. Johnson presented the Schedule of Payables for March 2020 through October 2020 with a total of \$357,923.03. After further review:

Upon motion duly made by Director Dino DiTullio, seconded by Director Mike DiTullio and unanimously carried to approve and ratify payables for March 2020 through October 2020 with a total of \$357,923.03.

2020 AMENDED BUDGET HEARING:

Mr. Johnson stated that a budget amendment was not needed for SWTMD at this time.

2021 BUDGET HEARING:

Upon motion by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried, the Boards opened the Public Hearing of the 2020 Amended Budget. Mr. Johnson presented the Board with the proposed 2021 Budget, the board stated they had reviewed the budget prior to the meeting and had no changes to be made. With no further discussion of the 2021 Budget Director Dino DiTullio closed the Public Hearing and Director Ron Mullenbach seconded and unanimously carried.

Upon motion duly made by Director Dino DiTullio and seconded by Director Ron Mullenbach and unanimously carried, the Board: (1) Approved and 2021 budget as presented, with mill levies Gallagherized; (2) Authorized the appropriation of funds for the expenditures set out in the budgets. (3) Authorized the President and the Secretary to sign the necessary documentation; and (4) Directed the District Manager to file the budgets with the Division of Local Government prior to January 31, 2021.

APPROVAL OF RESOLUTION OF UPDATED FINE POLICY & FEE SCHEDULE:

Mr. O'Leary stated the Fine Policy and Fee schedule needed to be updated with no further discussion.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried, the Board Resolved to update the District Fine Policy and Fee Schedule.

APPROVAL OF PROMISSORY NOTES:

Mr. O'Leary stated the Promissory notes required renewal yearly renewals and updates, Mr. Johnson noted the changes were just interest accruals, after further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Mike DiTullio and unanimously carried, the Board Resolved to approve the updated Promissory Note for 2020 as discussed.

LEGAL COUNSEL REPORT:

Mr. O'Leary had nothing further to add at this time.

MANAGERS REPORT:

1. General District items:

- a. Must have replacement cost for District property in new budgets and reserves.
- b. Have been invoicing residents, online system is set up.
- c. Several calls to replace dead trees. We have 14 dead trees currently.
- d. Several calls to stain District fence. Extremely low number in budget.
Will stain a minimal amount of fence.
- e. Talk on O and M fees to cover actual cost of O and M.
Need to raise above \$1,400.00 a year to cover cost and to add to reserves.
- f. Needs funds for Maintenance and some up-grades.
- g. Irrigation water fees going up about 25%.
- h. SWTMD paying pool fees per lot to STMD.

2. Site Work:

- a. Cleaning drains, pans, and detention ponds, monthly.
- b. D R Horton helped add some site drains.
- c. D R Horton added trees in ROW's, added a few trees on site along with replacements.
- d. Working on playground areas, had inspected last fall.
- e. Added new mulch in playgrounds, tighten and or replacement of bolts.
- f. Playground and tables, Power wash once a month. Will be on hold.
- g. 2021 will finish staining the fence on the north side of project.
- h. If funds are available will work our way to the south side of project.
- i. Front monument lights were vandalized and replace.
- j. Farson Drive west side monument lights have been upgraded.
- k. Summerfields and Three bell at monument, need to add an Xcel power meter. when budgets allow for this work, several years out.

3. Web Site:

- a. Up-dated as needed.

4. Community Center & Pool:

- a. Up-dating records.
- b. Fitness area equipment all equipment has been replaced.
- c. Pool Hours change in fall opening at 4:30 pm. Due to late school times letting out.
- d. Pool memberships cannot sell due to COVID -19.
- e. 2021 pool rules pending COVID 19 rules.

ADJOURNMENT:

Following discussion and upon motion duly made by Director Dino DiTullio, seconded by Director Ron Mullenbach and unanimously carried, the Board adjourned the joint special meeting of the Board of Directors of the Southwest Timnath Metropolitan District Nos. 1-4 at 5:23 p.m.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of Southwest Timnath Metropolitan District Nos. 1-4.



Guy D. Johnson