

## RECORD OF PROCEEDINGS

### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF

### GVR METROPOLITAN DISTRICT

Held: Wednesday, June 20, 2007 at 6:30 p.m., at the GVR Metropolitan District Office, 18650 East 45<sup>th</sup> Avenue, Denver, Colorado.

#### Attendance

A regular meeting of the Board of Directors of GVR Metropolitan District, Denver, Colorado, 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:

T.J. Stone, President  
Elana Perry, Vice President  
Marlene Martin, Secretary/Treasurer  
Michael George  
Joanne True

#### Also present were:

Evan D. Ela, Collins Cockrel & Cole, a professional corporation; Micaela Duffy, Interim District Manager; Paul Gilberto, Graffiti Committee; Gary Haley, Website Committee; Charlie Foster, Oakwood Homes; Bob Sanderman, Oakwood Homes; Tom Dority, Mercer Group.

#### 1. Call to Order

Chairman Stone called the meeting of the Board of Directors of the GVR Metropolitan District to order at 6:42 p.m.

#### 2. Approve Agenda

Chairman Stone suggested adding item 7.g., Resignation of Recreation Program Manager, to Discussion items. The agenda, as revised, was approved by consensus.

#### 3. Comment Period

##### **a. Developer Representative(s)**

Mr. Bob Sanderman, Executive Vice-President of Oakwood Homes, addressed the Board on the following topics:

- Mr. Sanderman referenced a letter from Oakwood Homes' attorney Bob Fisher articulating Oakwood's positions on several legal issues involving Oakwood's requests for reimbursement of system development fees. He encouraged the Board to read the letter to understand Oakwood's position.
- Mr. Sanderman reiterated Oakwood's desire to obtain

reimbursement for its costs in completing the arterial roadways, Picadilly Road and 38<sup>th</sup> Avenue, on the east and south perimeters of the District.

- Mr. Sanderman stated that Oakwood is seeking an agreement to resolve the dispute rather than pursuing litigation.
- Mr. Sanderman also encouraged the Board to approve the reimbursement request currently pending before the Board involving costs incurred by the developer for storm drainage improvements under Tower Road and several other infrastructure projects.

Chairman Stone informed Mr. Sanderman that the preliminary audit result from the firm auditing the reimbursement request indicated that two of the storm drainage projects had not been accepted by the City of Denver. He stated that he could not recommend that the Board approve reimbursement on those two projects until they had been accepted by the City. He informed Mr. Sanderman that the balance of the request would be considered by the Board later in the meeting. Mr. Charlie Foster informed the Board that he believed that the storm drainage improvements had been accepted by the City, but that he would cooperate with the District's auditor to find the acceptance letters that were specific to those projects.

**b. Master Homeowners Association Representative**

Chairman Stone informed the Board that Mr. TerHark could not be present at the meeting. Chairman Stone stated that a delegate meeting had been held, at which four people were elected to the Master HOA Board of Directors. Those elected included the re-election of Marlene Martin, Joanne True, and Olivia Chambers. He also stated that Gary Haley was elected as a new member of the Master HOA Board of Directors. Director Martin added that she was pleased that a large representation of delegates attended the meeting and participated in the election.

**c. Public Comment**

Mr. Paul Gilberto described for the Board a summary of data on graffiti incidents that had been provided in the Board's packet. He stated that the numbers of reported graffiti incidents were probably lower than actual due to a number of factors. He informed the Board that graffiti artists have begun to target vinyl fencing, and that there is no good removal technology for the vinyl. The best way to obliterate graffiti on the vinyl fences is to first use a primer paint and then a finish paint coat over the graffiti. He stated that

once primed and painted, repeated graffiti can easily be covered by new paint. Mr. Gilberto asked the Board to consider funding the purchase of paint for eliminating graffiti from vinyl fences. He said the City of Denver program has not yet adapted to provide paint for this purpose. He estimated the cost at approximately \$20 per gallon for primer and finish paint. He also informed the Board that the City of Denver recently changed its policy concerning graffiti to institute a 3-day notice period before issuing citations to property owners instead of the former policy allowing a 10-day period for removal.

The Board questioned Mr. Gilberto on the success of the program and the frequency and types of graffiti found in the District. Chairman Stone suggested that the Board consider approving up to \$400 for paint materials and \$100 for public education materials about the program. **Upon motion by Director True, seconded by Director Perry, the Board unanimously approved of the expenditures as suggested by Chairman Stone.**

Mr. Gary Haley, asked the Board who was responsible for maintenance of the neighborhood monument located at 42<sup>nd</sup> Place and Himalaya. Chairman Stone informed Mr. Haley that the monument referred to was located on property currently owned and maintained by the Mitchell Place Homeowners Association.

#### 4. Consent Agenda

Upon discussion, the Board determined to dispense with the Consent Agenda and discuss the Minutes, Financials and District Manager Report individually.

##### a. Minutes

The Board briefly discussed the four sets of minutes provided in the Board packets and the suggested revisions to the regular Board meeting minutes of May 18<sup>th</sup>. **Upon motion by Director Martin, seconded by Director True, the Board unanimously approved of the minutes from the regular meeting of May 16<sup>th</sup> and the special Board meetings held on May 21<sup>st</sup>, 22<sup>nd</sup> and 24<sup>th</sup>.**

##### b. Financials

Ms. Duffy suggested that the Board discuss two payment vouchers. The first, concerning the invoice submitted by Clifton Gunderson for its audit of the reimbursement request from Oakwood Homes, should not be paid until the audit can be finalized. Chairman Stone interjected that it appears from the invoice that Clifton Gunderson performed additional analyses that had not been requested by the District, and had left notes and comments in the draft analysis

report. He stated that he and Ms. Duffy would work with Clifton Gunderson to get a finalized analysis and that the invoice would be held for payment until such time. The second, concerning the invoice submitted by Tom Dority, contained the costs associated with background checks on two of the four candidates interviewed by the Board. Mr. Dority informed the Board that background checks had been performed on all four of the interviewed candidates, even though only two were selected by the Board as finalists. He informed the Board that they should expect the costs for two more background checks in a future invoice.

Ms. Duffy also pointed out to the Board that the draft financial statements received by the Board in its packet contained a negative account balance, which represents the May 2007 check written for the June 2007 bond payment.

Director George inquired about the level of expenditures that can be approved without express Board authorization. Chairman Stone informed Director George that current policy allows the District Manager to authorize expenditures of up to \$1,000, the President of the Board to authorize expenditures of up to \$5,000, and that two Board Officers can authorize expenditures of up to \$10,000. Anything above \$10,000 must be approved by a majority of the whole Board. Director George also inquired about the payment for aerial photos. Chairman Stone explained that an aerial photo set is obtained for each calendar year, but that it is obtained from the City of Denver in even-numbered years and from an independent source in odd-numbered years. He said due to the delay caused by the City of Denver's program, this year the District is paying for both the 2006 data from the City of Denver as well as the 2007 data from the independent provider. **Upon motion by Director Martin, seconded by Director Perry, the Board unanimously approved payment of all vouchers on the condition that the Clifton Gunderson check be held until a final analysis has been accepted by the Interim District Manager and Chairman Stone.**

**c. District Manager Report**

Ms. Duffy informed the Board that the nurse consultant that had been used by the Youth Recreation Program in prior years was not available for the 2007 program. Instead, Dr. Tara Finkstein has been volunteering to perform that function. Ms. Duffy directed the Board's attention to a letter in their packet from Mr. Tim Stabbe, District Community Program Manager, disclosing his personal relationship with Dr. Finkstein. The Board by consensus agreed that Dr. Finkstein could continue to serve in the voluntary capacity for the balance of the program in 2007. Director Perry inquired why

Mr. Stabbe had not yet provided the criteria for selecting a nurse coordinator as she had requested a couple of months earlier. She stated that her mother, a registered nurse, may be qualified for the position and would like to submit her qualifications.

Director True inquired about the invoice submitted by Graham Golden Consultants for its computer activities. Chairman Stone explained the necessity of obtaining certain improvements to the electrical system and other equipment that caused the Graham Golden's work to require repeated visits to the Administrative Building and therefore reduce their efficiency.

5. Director Items

There were no topics addressed by individual directors.

6. Legal Report

**a. Security Camera System Issues**

Mr. Ela directed the Board's attention to a draft letter and list of specific deficiencies with the video surveillance system that he proposed to send to HMS, the successor to the company that installed the system and maintains the warranty on the system. The Board suggested a couple of specific additions and revisions to the list of deficiencies, and requested that the letter also indicate the long time that has passed without proper operation of portions of the system. Mr. Ela agreed to revise the letter and submit it to the company with the revised list.

**b. Meeting with Representatives of Oakwood Homes Entities**

Mr. Ela reiterated to the Board that he had received a letter from Mr. Fisher, Oakwood Homes attorney, earlier in the day and that he would provide a copy to the Board in executive session for further discussion.

7. Discussion Items

**a. Website Project**

Chairman Stone informed the Board that the committee had determined that the cause of the trademarked Spur not being visible on Director Perry's Macintosh computer may be due to the software being used by that particular computer. GorillaSoft verified that it is viewable on a Macintosh with newer browser software. Therefore, Chairman Stone said that the website had been approved for launching and GorillaSoft paid for their services. Mr. Haley informed the Board that first, the Board still needed to buy a license for the BrownBear calendar software that would prevent advertising from being displayed on the calendars used within the District websites and second, a file labeling protocol will need to be determined for displaying District PDF

documents such as minutes and other documents on the website. The Board, by consensus, agreed to have the committee obtain the appropriate software for those purposes.

**b. Community Center Project**

Director True inquired whether Mr. Ela had received any response to his demand letter to Mr. Roybal seeking copies of the Instruments of Service. Mr. Ela informed the Board of the letter received from Mr. Roybal wherein Mr. Roybal stated that he had turned the matter over to his attorney. Mr. Ela said he has not heard anything from Mr. Roybal's attorney to date. The Board requested that Mr. Ela send another letter to Mr. Roybal seeking copies of the Instruments of Service that may or may not be helpful to whatever the firm the Board contracts with for a design-build completion of the Community Center.

**c. Maintenance Building Project**

Mr. Ela informed the Board that he has still not received any response from his repeated contacts to Michael Hancock's office and the other two at-large City Council members. The Board discussed and reaffirmed its intent to have this matter addressed by the City Council and requested Mr. Ela to determine how to get the matter placed on the City Council agenda.

**d. Developer Reimbursement Request**

Chairman Stone directed the Board's attention to a tabulation he had prepared based on the initial results of the audit of Oakwood Homes' reimbursement request performed by Clifton Gunderson. He walked the Board through that table and the result indicating that \$922,070.68 be reimbursed to the developer in response to the request. That amount is based on portions of the request that could be verified as accurate in terms of cost, had been accepted by the City of Denver and had been previously authorized for reimbursement by the Board. He noted for the Board that approximately \$800,000 should not be reimbursed at this time, requiring further proof that those storm drainage structures had been accepted by the City of Denver. **Upon motion by Director True, seconded by Director Martin, the Board unanimously approved reimbursement of \$922,070.68 to Oakwood Homes in response to the reimbursement request.**

**e. Landscape Services Contract with Master HOA**

Mr. Ela directed the Board's attention to final drafts of the three

contracts between the District and the Master HOA. He stated that these final drafts were the result of comments and revisions requested by Mr. Brian TerHark and Chairman Stone on behalf of the Master HOA. Mr. Ela stated he had provided these drafts to Mr. TerHark for transmission to the Master HOA's attorney for final review, and anticipated approval of the agreements at the next occurring Master HOA Board meeting. Chairman Stone indicated that paragraph 7.b on page B-4 of the Landscape Maintenance Contract be stricken because the winter cleanup services contemplated therein were not part of the bid price. He suggested that those services be added by addendum to this contract and an appropriate bid price be included by that same process. Mr. Ela also reminded the Board that although vendors for landscape services for the District are required to acquire and maintain a bond on behalf of the District, obtaining a District bond on behalf of the Master HOA may be difficult to accomplish. He suggested that the Board authorize a cash reserve within its budgeted funds to serve as a cash bond in lieu of a surety bond provided by a licensed surety company. **Upon motion by Director Perry, seconded by Director George, the Board unanimously approved the three contracts for Landscape Maintenance, Landscape Management, and Tree Services between the District and the Master HOA, on the condition that paragraph 7.b be stricken from the Maintenance Contract and addressed in an addendum thereto, and that a cash bond be established within the District's budgeted funds to meet the bonding requirement under the contracts. The Board also authorized Mr. Ela to accept any minor revisions suggested by the attorney for the Master HOA, but to advise the Board of any material revisions.**

**f. Selection and Formulation of Offer to District Manager Candidate**

Chairman Stone initiated discussion concerning the two finalists named by the Board for the District Manager position, Mr. Seve Ghose and Mr. Bruce Eisenhower. Each Board member in turn discussed their impression of the two finalists based primarily on the finalists responses to two essay questions. **After discussion, and upon motion by Director Perry, seconded by Director George, the Board requested Mr. Dority to prepare and offer a letter to Mr. Seve Ghose. The motion included various terms of the offer including, whether any relocation expense would be allowed (a limit of up to \$2500 was authorized), a severance package (no severance package was authorized), and an incentive package related to performance and achievement of the goals set for the Community Center and its associated**

**programs (to be designed with the new District Manager once hired). The motion directed Mr. Dority and Chairman Stone to handle any negotiations with Mr. Ghose concerning these terms, and that the salary offer of \$72,000 would not be adjusted upward. The motion also recognized that if terms could not be arrived at with Mr. Ghose, the offer should be extended next to Mr. Eisenhauer. The motion passed by unanimous vote of the Board.**

**g. Resignation of Community Program Manager**

Chairman Stone informed the Board that the District's Community Program Manager, Tim Stabbe, had stated that he was resigning his position. Chairman Stone explained that over the course of the prior six weeks, in meetings to evaluate the operation of the Summer Youth Program, Mr. Stabbe had twice before temporarily quit his position, but each time had come back to work. Chairman Stone explained an ongoing dispute with Mr. Stabbe concerning the allocation of staff to the various Summer Youth Program functions, and Chairman Stone's goal of minimizing staff costs when preparing a staffing plan for each week. By minimizing the use of higher paid staff, a significant savings from the budget could be achieved. He stated that Mr. Stabbe had been unwilling to prepare the weekly staffing plan despite repeated requests to do so. The Board discussed the implication of Mr. Stabbe's departure on the ongoing youth programs and specifically the special classes being offered. The Board asked Ms. Duffy to request Mr. Stabbe to work as an independent contractor to complete the first aid classes, and if he was unwilling to do so, to determine whether the Red Cross could provide replacement instructors for the dates and times needed. The Board directed Chairman Stone to give Mr. Stabbe two weeks notice prior to his exit, unless circumstances dictated an immediate exit.

8. Executive Session      Chairman Stone entertained a motion to enter executive session to discuss matters subject to determining negotiation strategy and to obtain legal advice to specific legal questions as allowed by statute. **Upon motion by Director George, seconded by Director Perry, the Board voted five (5) in favor and zero (0) against entering into executive session at 9:27 p.m.**

The public meeting was reconvened at 10:12 p.m.

9. Other Matters      Director True informed the Board that a notice of the District's Request For Qualifications to provide an integrated project delivery of a pre-engineered steel building for the Community Center had been published as required by statute. Ms. Duffy reported that seven

companies had responded. The Board discussed and agreed by consensus to allow Director True, Community Center committee chairperson, and Chairman Stone to review the RFQs and make the selection of a design-build team and enter into contracts for completion of the Community Center. **Upon motion by Director True, seconded by Director Perry, the Board unanimously approved Director True and Chairman Stone, as sub-committee of the Community Center Committee, to review the RFQs and to select a design-build company to complete the Community Center.**

10. Adjournment

**Upon motion duly made and seconded the meeting was adjourned at 10:19 p.m.**

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of the District on 18<sup>th</sup> day of July, 2007.

Respectfully submitted,

/s/

\_\_\_\_\_  
Marlene A. Martin, Secretary