

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF

GVR METROPOLITAN DISTRICT

Held: Wednesday, July 18, 2007 at 6:30 p.m., at the GVR Metropolitan District Office, 18650 East 45th 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; Gary Haley, Website Committee Chairman; Paul Gilberto, Graffiti Committee Chairman; Bob Sanderman, Oakwood Homes; Charlie Foster, Oakwood Homes; Kathy Frasco; Julia King; Anthony Noble.

1. Call to Order

Chairman Stone called the meeting of the Board of Directors of the GVR Metropolitan District to order at 6:35 p.m.

2. Approve Agenda

Chairman Stone requested that the Board add several agenda items as follows:

- Item 7.g – November 2007 Ballot Measure
- Item 7.h – Staffing Update and Consider Selection of Community Program Manager
- Item 7.i – County Inspection of Community Program Facilities
- Item 7.j – Update on 2006 Financial Audit

Chairman Stone also suggested a revision to agenda item 7.b to state “Community Center Project and Selection of Design-Build Contractors.”

The stated revisions to the agenda were approved by consensus of the Board.

3. Comment Period

a. Developer Representative(s)

Mr. Bob Sanderman, representing Oakwood Homes commented to the Board on three items as follows:

- Mr. Sanderman informed the Board that landscaping along 45th Avenue will be installed this summer. He stated that District and Master HOA input was obtained on the type of landscaping to install at a recent meeting with Chairman Stone and Brian TerHark, Master HOA property manager.
- He stated that construction on the completion of Tower Road between 38th Avenue and 56th Avenue will begin in the fall of 2007 and be completed sometime in 2008. Tower Road improvements will include a six-lane bridge near 52nd Avenue.
- He informed the Board that the regional park construction has been delayed but should be completed by October of 2007. He stated that the delays were caused by holdups in the Denver Park and Recreation Department. Chairman Stone inquired of Mr. Sanderman whether surplus City park funds were available for improvements to East Ranch Park as had once been the case. Mr. Sanderman responded that the design of East Ranch Park is complete but he was unaware of the construction timetable. The Board was interested to learn that the design has been completed, and instructed Mr. Ela to send a letter to Kim Bailey, Director of Denver Parks and Recreation Department, asking for someone from the City staff to provide a presentation on the plan for East Ranch Park.

Chairman Stone also mentioned that the District's Conservation Trust Fund account could possibly be used to fund certain recreation improvements behind the north entrance monument located at Tower Road and 45th Avenue. He stated that under the current design there was a quite a bit of open space behind the monument that could accommodate some recreation features such as a covered picnic area.

b. Master Homeowners Association Representative

No representative was present and no comments provided.

c. Public Comment

Mr. Anthony Noble inquired whether the District had responded to his request to purchase a portion of the District's property at 4000 Argonne. Mr. Ela informed the Board that he had sent a response

letter several months before, but that he could resend the letter to Mr. Noble. Chairman Stone informed Mr. Noble that the District continues its planning process with the City and Denver Public Schools to complete a site plan and building plans for the Community Center, and cannot come to a final decision on the property until the design is complete.

4. Consent Agenda

The Board requested that several matters in the Consent Agenda be pulled for individual discussion including the draft minutes from the June 20, 2007 Board meeting, a discussion of first aid classes given by the District, and a request from the Master HOA seeking funding for the annual GVR Days celebration.

a. Minutes

i. June 20, 2007 Regular Board Meeting

Chairman Stone confirmed with the Board its understanding that it had authorized Chairman Stone and Director True to evaluate responses to the request for qualifications for design-build proposals that the District had published in June and to select a design-build team for the District's Community Center project. He provided revised language for the minutes to reflect this understanding. **Upon motion by Director True, seconded by Director Martin, the Board unanimously approved the minutes as revised.**

b. Financials

There was no discussion.

c. District Manager Report

The Board generally discussed the following items contained within the District Manager report:

- The fee charged for first aid classes offered by the District. **Upon motion by Director Perry, seconded by Director George the Board unanimously approved increasing the fee for first aid classes to cover increased costs beginning with the Winter Program.**
- Chairman Stone called the Board's attention to a letter received from Master HOA dated July 13, 2007 seeking a contribution of \$100 or more to the annual GVR Days community event. Chairman Stone reminded the Board that it has contributed in years past and suggested that a donation of \$500 be made for

the 2007 event. **Upon motion by Director Martin, seconded by Director Perry, the Board unanimously approved a donation of \$500 to the Master HOA for Green Valley Ranch for the 2007 GVR Days event.**

- Director True inquired about the following items contained within the District Manager report:
 - She inquired about a light leak at the entrance monuments being fixed by GVR staff rather than under the warranty associated with repair work done earlier in the year. Chairman Stone explained that this particular repair was not included in the warranty because it was not related to the repair work that was performed. Director True expressed concern that any work done by the staff might jeopardize the warranty that was provided with the repair work done earlier in the year. Staff were directed to check the terms of the existing warranty before proceeding with the repair work.
 - Director True inquired about the adult program proposed in the Strategic Plan. Chairman Stone stated that the program has been designed but information about it was not presented tonight nor included in the packet due to the resignation of Tim Stabbe. He requested that the new Community Program Manager make that information available to the Board at the next Board meeting.
 - Director True inquired about the childcare assistance program that the District is participating in. Ms. Duffy and Chairman Stone explained that the program provides full or partial payment to lower income families allowing kids to attend the District's Summer Camp Program. The Board generally discussed the benefit of this program and their interest in continuing with it.
 - Director Perry inquired whether the job description for the nurse coordinator had been prepared. Chairman Stone stated that that description had not been yet prepared.

Upon motion by Director True, seconded by Director Perry, the Board unanimously approved the balance of the Consent Agenda.

5. Director Items

Director Martin informed the Board of her attendance at Councilman Hancock's first community committee meeting. She said the meeting was well attended and will tackle some problems faced by the community. She also said that additional people are needed to get

complete representation from the community. Mr. Sanderman, from the audience, followed up on Director Martin's comments by stating that the following three main issues are being targeted by Mr. Hancock's community committee: (1) foreclosed properties, and ways to accomplish maintenance and upkeep on such properties so that the neighborhood appearance is improved, (2) improvements to the educational opportunities available to residents of Green Valley Ranch, and (3) public safety issues related to gang activity, graffiti, and vandalism. He also stated that expansion of the group is expected and encouraged.

Director Perry inquired about the maximum that Directors can receive in compensation for their service on the Board. Mr. Ela explained that \$1600 per year is the statutory annual maximum, and if a director is compensated a full \$1600 by mid-year, the director's involvement for the balance of the year must go uncompensated. Ms. Duffy added that \$1600 per year is the annual limit on all Board members except for Director Martin, because she was elected prior to the date that the increased cap took effect.

6. Legal Report

a. Video Surveillance System Warranty Claims

Mr. Ela reported that he had a phone call from HSM, the company with whom the District has a maintenance agreement and warranty stating that a manager would visit the site and inventory the problems. Mr. Ela inquired whether that HSM representative had come to the District, and Ms. Duffy reported that no one from HSM had appeared. The Board requested that Mr. Ela contact HSM about the lack of response.

b. Landscape Contracts with Master HOA

Mr. Ela reported that he had made the final minor revisions to drafts that had been revised by legal counsel by the Master HOA and sent them back for final execution by the HOA and the District.

c. Oakwood Homes Dispute

Mr. Ela informed the Board that executive session would be necessary later in the evening to discuss the status of negotiations with Oakwood Homes.

7. Discussion Items

a. Website Project

Mr. Gary Haley inquired whether the Board would support purchasing the support package that comes with the calendar program that the District is using for its .info website. Chairman

Stone suggested that the District buy the five licensed packages within 90 days by purchasing the basic license first, then acquiring the other four within that time frame, on recommendation from Graham Golden. The Board discussed the need and decided that there was no need to purchase the support package for the calendar program, but to go forward with purchase of the license package. It was discussed that the license package is necessary to establish security for the calendar program so that unauthorized advertising and other activity utilizing the District's calendar can be prevented.

b. Community Center Project and Selection of Design-Build Contractors

Director True described for the Board the request for qualifications process and the selection of a design-build team. She reminded the Board that the committee is seeking a pre-engineered steel building using standard sizes to limit the structural cost of the building, and has selected General Steel as the supplier of the steel package as well as design and architectural services provided by Intergroup Architects. She stated that the committee has selected Pirnak & Walters as the contractor to erect the steel building and perform all construction on the interior and exterior finishes. She stated that a first meeting with the group had been held, including Vastco as the District's representative, and that a plan review meeting had been scheduled with the Denver Planning staff for July 24th. She stated that architectural plans are being prepared, and it may be approximately 60 to 90 days till a groundbreaking can occur. She also mentioned that it is intended that the existing house will remain on the site and usable as long as possible. Chairman Stone interjected that the sub-committee is working quickly to keep the project moving. Director True mentioned that a building of approximately 14,500 square feet is the likely size based on the standard sizes of steel members and the desired function of the various rooms.

c. Maintenance Building Project

Mr. Ela reported to the Board on his knowledge of the status to the submittal to the City of Denver for a building permit. A final submittal can be made as soon as the survey is revised to delete the dedication of the 5-foot strip of right-of-way to the City and to complete the drainage report being prepared by SEH Consultants. Chairman Stone informed the Board of the City's capitulation on the 5-foot right-of-way dedication and agreement that it was not necessary given the circumstances of this project.

d. **Developer Reimbursement Request**

Chairman Stone reminded the Board of its past authorization of reimbursement to Oakwood Homes for storm drainage improvements including an overall cap of \$800,000 as the authorized reimbursement amount. He stated that the audit of the reimbursement request prepared by Mr. Kevin Collins supports reimbursement of \$800,000 to Oakwood Homes for those drainage improvements. Mr. Collins also determined there was an additional \$10,000 in allowable costs on a project that was reimbursed by the District in June 2007. Therefore, the total allowable costs to be reimbursed is \$810,339.26. Chairman Stone also stated that the bill received from Mr. Collins totaled approximately \$10,230.50, and he suggested withholding payment on that invoice until the amount of the invoice can be settled. He informed the Board that under the terms of the SDF Credit Agreement, the cost of obtaining an audit on the reimbursement request can be deducted from the reimbursement made. **Upon motion by Director True, seconded by Director Martin, the Board approved reimbursement of Oakwood Homes a total of \$800,000 with payment immediately and up to \$10,339.26 be paid on the Clifton Gunderson invoice for the audit once that invoice amount has been finally determined. The Board passed the motion on a vote of four (4) in favor, with Director George opposed.**

Director George then inquired whether the District has completely paid all reimbursements. Mr. Ela and Chairman Stone reported that approximately \$571,000 has been authorized by past Board actions for reimbursement but reimbursement requests for those projects have not yet been received from Oakwood Homes.

e. **District Manager Selection Update**

Chairman Stone reported to the Board on negotiations with Mr. Seve Ghose concerning the District Manager position. He informed the Board that Mr. Ghose had counter-offered asking for moving expenses and rescission of the residency requirement. Chairman Stone said that he granted reimbursement of the actual moving costs up to \$2500 relocation expense as the Board had earlier authorized, and removed any residency requirement. He also stated that Mr. Ghose's wife had visited GVR and investigated the school system, deciding that the quality of education was not acceptable and Mr. Ghose had later declined the District's offer on that basis. He then informed the Board that Linda Alexander, of the Collins Cockrel & Cole firm, had prepared and provided to Mr. Ghose and his wife additional information about the Denver Public

School system, its open enrollment policies and the variety programs available to provide all types of learning environments. The Board discussed for some time the situation and determined to set a deadline of 4:00 p.m. of July 20th for Mr. Ghose to give a final response on the District's offer. If the offer is refused, the Board agreed that Chairman Stone and Director True convene for lunch with Mr. Bruce Eisenhower, the runner-up candidate, on July 26th to conduct a further interview and get answers to questions about the business plan he would employ for the Community Center. If his answers are satisfactory to Chairman Stone and Director True, the Board determined it would offer the position to Mr. Eisenhower and allow Chairman Stone to negotiate compensation and benefits with Mr. Eisenhower at that same time.

f. Summer Program Child Pick-up Policy

Ms. Duffy informed the Board that other child care programs in the area allow certain children to sign in or out of the program without being accompanied by a parent as long as a parent has signed a waiver/authorization for self checkout. The Board discussed the implications of this type of policy, and its desire for an age limit (for example 12 years or older for participation in the Mountaineer Program) and other issues that may be encountered. It was agreed that the policy, if adopted, should be in place for programs that begin after the 2007 Summer Program. Legal counsel was directed to review the waiver/authorization form that is being used by the Kaleidoscope Program, and to modify it appropriately for use by the District. In particular, the legal counsel should include language limiting the District's liability during the child's transit to and from the program, reiterate that the District will exercise no oversight during such transit, and limiting arrival and release of a child to a time no later or earlier than the beginning and ending time periods of the program. The form should also allow for a parent to establish an actual release time that is appropriate for the family, and further, a separate waiver/authorization would be required from a parent for each program and for each child. **Upon motion by Director True, seconded by Director George, the Board approved a policy consisting of the limits described above by a vote of four (4) in favor, with Director Perry opposed. Mr. Ela stated that he would refer the form to Ms. Alexander in his firm for review of the issues and revision of the waiver/authorization form.**

g. November Election

Chairman Stone informed the Board of the need for preliminary Board approval of the concept of a mail ballot election in November 2007 to seek the mill levy increase and potential Master HOA

merger. The Board generally discussed the benefits and risks to both the Master HOA and the District of merging, and it was agreed that no such merger could occur unless the increased mill levy was passed to provide funding for the District to perform the HOA functions. Mr. Ela was directed to notify the Denver County Clerk of a possible ballot issue as required by statute. Mr. Ela reminded the Board that the actual language of the ballot question would have to be considered and approved at the Board's August meeting so that the ballot language can be certified to the County Clerk by the early September deadline.

h. Staffing Update

Ms. Duffy informed the Board that one of the District's seasonal employees had resigned as of the day of the Board meeting, and that the District will be advertising for two positions, one to fill today's resignation and the other to increase the staff as necessary to oversee the landscape maintenance on Master HOA property as provided in the landscape contracts.

Chairman Stone informed the Board of his and Ms. Duffy's recommendation to hire Ms. La Vetta Murray as the Community Program Manager to replace Mr. Tim Stabbe. Chairman Stone and Ms. Duffy related Ms. Murray's qualifications and directed the Board's attention to Ms. Murray's resume included in their Board packets. **Upon motion by Director George, seconded by Director Martin, the Board unanimously approved the recommendation to hire Ms. La Vetta Murray as the Community Program Manager.**

Chairman Stone informed the Board that training is currently being provided for Benjamin Moore so that he may obtain a Colorado Commercial Driver's License. The license is necessary so that the District will have another driver for the 15-person van as well as the larger bus when emergency situations arise and the Community Program area needs a driver.

i. Inspection of the Community Program

Chairman Stone and Ms. Duffy informed the Board that during the prior week, inspectors from the City and County of Denver had been on the site to review the Summer Program facilities. Chairman Stone stated that the inspection went well with only a few minor violations noted. He also informed the Board that the District had agreed to reduce its licensed locations from three down to two, because of the unlikely use of MLK Middle School in future programs, particularly once the Community Center is completed.

Therefore for the next year the District will seek only to maintain licenses for only two DPS facilities, the Green Valley and Marama elementary schools.

j. 2006 Audit

Chairman Stone informed the Board that Ms. Duffy had been working diligently with the auditor over the past three days to prepare the audit for finalization. Mr. Ela stated that he would provide a letter from his firm in response to the District's request concerning material contingencies that might relate to the audit. Chairman Stone congratulated Ms. Duffy and the rest of the staff on completing the tasks of preparing for the audit on time so that the audit can be timely filed by the end of July.

8. Executive Session Chairman Stone requested a motion from the Board to enter into executive session for the purpose of receiving confidential legal advice on specific legal questions per Section 24-6-402(4)(b) C.R.S., and to determine positions relative to matters that are subject to negotiations, develop strategy for negotiations and instruct negotiators per Section 24-6-402(4)(e) C.R.S. **Upon such motion by Director Perry, seconded by Director True, the Board unanimously agreed to enter executive session at 9:08 p.m.**

The Board reconvened the public meeting at 10:10 p.m.

9. Other Matters Mr. Ela provided Ms. Duffy with a copy of the closing statement from the District's purchase of property at 4000 Argonne, which indicated that the District had been credited in the amount of \$411 for taxes paid by the sellers prior to the date of closing. He instructed Ms. Duffy to remit property tax in the amount being requested by the County Treasurer of approximately \$423 due to the increase in tax by the couple of days it took to get the final deed recorded.

10. Adjournment **Upon motion duly made and seconded the meeting was adjourned at 10:15 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 15th day of August, 2007.

Respectfully submitted,

/s/

Marlene A. Martin, Secretary