

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF

GVR METROPOLITAN DISTRICT

Held: Wednesday, September 12, 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.

1. Call to Order

Chairman Stone called the meeting of the Board of Directors of the GVR Metropolitan District to order at 6:30 p.m.

2. Approve Agenda

Chairman Stone informed the Board of the need for additions to the agenda as follows:

- 7.g – Consideration of New Employee Benefits
- 7.h – Consideration of Cost of Living and Merit Pay Increases for Employees
- 7.i – Consideration of lease of District Property at 4000 Argonne
- 7.j – District Manager Selection Process

The Board, by consensus, approved revisions and additions to the agenda.

3. Comment Period

a. Developer Representative(s)

Chairman Stone noted for the Board that no one was present to represent Oakwood Development.

b. Master Homeowners Association Representative

Chairman Stone informed the Board that Westwind Management had resigned as Management Company for the Master HOA to be effective October 5, 2007.

Director True informed the Board that the Holiday Lights Tour was scheduled for December 8, 2007. She informed them of a December 3rd deadline for properties to be entered for the judging. She said that two buses will be available to transport people on the tour followed by a chili supper. A chorale group from Highlands Ranch will perform as they did last year, and other school groups will be contacted. She said the committee is considering a “kid’s corner” activity center during the caroling to occupy the attention of young children.

c. Public Comment

Mr. Gary Haley mentioned to the Board that he is seeking donations for The Race for the Cure.

4. Consent Agenda

Chairman Stone requested that the minutes of the August 15, 2007 regular Board meeting be pulled from this consent agenda for discussion of possible revisions. Portions of the District Manager’s Report requiring Board input were pulled for discussion as well.

a. Minutes from the August 15, 2007 Regular Board Meeting

The Board reviewed and discussed proposed revisions. **Upon motion by Director True, seconded by Director Perry, the Board unanimously approved the minutes as revised during the discussions.**

b. District Manager Report

i. Mentor Job Description Qualifications, Background and Experience

Chairman Stone introduced for the Board issues concerning the establishment of the Mentor Program within the Youth Programs. He identified issues about whether mentors should be required to have been participants in the District’s programs in prior years, and invited a discussion of the training they should have. He informed the Board that mentors are selected from an age group of 15 to 16 years old. Director Martin inquired about the levels of training and experience that mentors are currently

expected to have. Chairman Stone responded that past camp experience is valuable to the staff because it allows them to get to know the future mentor and also makes the future mentor familiar with the rules and protocols followed during the camps. After discussion, the Board recommended that mentor candidates apply for the program and provide at minimum background information and references from teachers, coaches and other community sources, and any information about babysitting or first aid training. The Board also recommended that a role-play exam be given to each mentor candidate after they have completed the nine hour mentor training session to enable evaluation of each mentor candidate's abilities.

ii. Dorshimer Continued Participation Agreement

Chairman Stone informed the Board that he and members of staff had met to discuss and make a recommendation regarding continued camp participation for the son of Mr. Dorshimer based on concerns about the behavior of his child during the Youth Camp. Mr. Ela distributed to the Board a draft Continued Participation Agreement which would allow the child to participate in programs again, but would dictate the terms of participation and require permanent banishment from the program if another similar incident occurred. The Board discussed the details of the incident and the implications of allowing a second chance after an incident of this type. **Upon motion by Director Martin, seconded by Director True, the Board voted three (3) in favor and two (2) opposed (Directors George and Perry) to accept and approve the Continued Participation Agreement and allow the Dorshimer child to again participate in the Youth Program according to its terms.**

iii. Bids for Painting the Administration Building

Chairman Stone informed the Board that bids for re-staining and painting trim on the Administration Building had been obtained, and that ranged from \$5,000 to \$33,000. He stated that each of the bidders had been interviewed in order to determine the quality and thoroughness of the work they intended to perform. He said that a bid of \$15,000 had been accepted based on the interview information.

c. Consent Agenda

Upon motion by Director True, seconded by Director Perry, the Board unanimously approved the balance of the consent

agenda items.

5. Director Items

Director George inquired about the status of median design and repair in accordance with the IGA between the District and the City of Denver. Chairman Stone informed Director George that three designs had been drafted and submitted by Urban Farmer, but were pending review and approval by the District staff. Director George volunteered to work with the staff to get the plans approved and submitted to the City for approval. Director George stated his desire that the staff members consider a simple median design including the use of stamped concrete that would minimize the need for irrigation and annual maintenance.

Director True mentioned her observation of dead and damaged trees along Tower Road between 43rd and 44th Avenues. Chairman Stone explained that the Master HOA is responsible for these trees in the context of the property transfers from Oakwood Homes. Director True also mentioned distressed trees located near the detention pond in Filing 19. Chairman Stone agreed that those damaged trees should be referred to the Landscape Committee for discussion at its next meeting and action.

6. Legal Report

a. Update on November Election

Mr. Ela reported to the Board that the ballot approved by the Board as part of its Election Resolution had been timely certified to county and state officials as required for November's election.

b. Roybal Corporation

Mr. Ela distributed a draft grievance that can be filed with the Architecture License Board for the State of Colorado complaining of Mr. Roybal's performance as a professional in his contractual dealings with the District. Mr. Ela described for the Board how the grievance was a simpler approach than filing a Breach of Contract claim in court, and likely to prompt Mr. Roybal into responding to the many inquiries sent on behalf of the District. The Board approved filing the grievance on Mr. Roybal by the stated deadlines.

c. SDA Pool Representative

Mr. Ela inquired of Ms. Duffy about the status of the notice of the District's Pool representative to the SDA Pool. She responded that notice had been provided to the Pool in April of 2007 and that no further action was needed.

d. Video Surveillance System

Mr. Ela inquired of Ms. Duffy if progress was still being made by the contractor to repair problems with the video system. Ms. Duffy responded that technicians were still working on the problems, had replaced two cameras and will probably replace some of the electrical and cable lines in the coming days. She stated that the repairs made to date have still not fixed the problems.

e. Oakwood Dispute

Mr. Ela reminded the Board that he had circulated an email response from Oakwood's attorney stating Oakwood's rejection of GVR's settlement proposal, and that a counteroffer from Oakwood had not yet been received. Mr. Ela did inform the Board that Oakwood's attorney had stated that Oakwood will be providing a counteroffer at some future time.

f. General Steel Proposal Amendment

Mr. Ela reported to the Board that there has been no response to his firm's correspondence to General Steel seeking an explanation of the lack of progress on the project and the apparent impasse concerning architectural services. The Board discussed the matter and suggested that a face-to-face negotiation meeting with representatives of General Steel should be demanded. Chairman True stated that she had sent e-mails and phone calls to General Steel and had not received adequate responses. She stated that the architect selected by General Steel had submitted proposed costs for completing the design work on the project, but that General Steel has been unwilling to include such costs within the lump sum the District had authorized. The Board directed Mr. Ela's firm to send a strongly worded demand letter to General Steel seeking a meeting no later than Monday, September 17, 2007, identifying the District's intent to sue over the contract and seek damages, a refund or other relief if such meeting did not occur.

g. University of Denver Contract Termination

Mr. Ela reminded informed the Board of the timeline concerning the termination of the contract with the University of Denver. He inquired of Ms. Duffy whether the materials expected from the University of Denver had been received. She responded that the computer hard drives had been received, software maps and hard copy of the various materials had been received.

7. Discussion Items

a. Website Project

Mr. Gary Haley offered to provide a demo of the partially

completed website which will be known as gvrmetrodistrict.com. The Board preferred to have the demonstration done at its committee meeting on September 13, 2007. The Board and Mr. Haley discussed the process for going live with the greenvalleyranch.info website with Mr. Haley predicting that it would go live the week of September 24, 2007. The Board also discussed transfer of information from the GVR website being maintained by Westwind Management. It is expected that such information will be moved to the gvrhoa.com website that will include such things as information on the coming election as well as past newsletters, frequently asked questions and other general information.

b. Community Center Project

No further discussion of this project was necessary in light of the long discussion during the legal report.

c. Maintenance Building Project

Mr. Ela reported that he and Chairman Stone had met with Holly Pizza of SEH Engineering to work out any delays in completing the survey drawings necessary for the next submittal of building plans to the City of Denver. The Board authorized Chairman Stone to sign the submittal of these plans as soon as they are available for submittal.

d. Consideration of Resolution Amending SDF Policies

Mr. Ela distributed to the Board a draft of Resolution No. 09-12-07(A), a resolution amending District policies relating to system development charges, authorizing an initial minimum charge for commercial properties, the imposition of interest charges on delinquencies and notice procedures. Mr. Ela informed the Board of the difficulty of determining the initial system development charge to be assessed against commercial properties as they develop within the Tower Commons planned unit development and other commercial properties within the District. The resolution proposes establishing a minimum system development charge based on an assumed water use of 1.5 single-family equivalent units per each such development. The charge would go into effect at the time the building permit is issued and adjusted once plans had been provided by the developer so that the actual system development charge could be calculated.

Mr. Ela also informed the Board that Colorado statutes allow special districts to collect interest charges against delinquent

system development charge payments of up to 1.5 percent per month. The statutes also allow imposition of a late penalty against delinquent charges that can be assessed at varying rates up to a cap on the accumulated penalty amount of no more than 25 percent of the original charge. Mr. Ela informed the Board that the proposed resolution modifies the District's current late penalty policy to establish the 25 percent cap, imposes new authority to assess interest against delinquent payments, and establishes the minimum charges discussed above.

To address the difficulty in obtaining plans necessary for determining the actual system development charge, Mr. Ela informed the Board that it may be possible to be included in the City of Denver's plan review process as a reviewing agency. If the District were included on such reviews, the District would be provided with development drawings and plans as they are submitted to the City for approval, thereby allowing the District to determine system development charges prior to the time that the building permit is issued for any such development. Mr. Ela informed the Board that the proposed resolution would also authorize this firm to explore that possibility with the City of Denver staff.

After discussion of the changes to its policy, the Board, upon motion of Director George, seconded by Director Martin, unanimously passed Resolution No. 09-12-07(A) adopting the revisions to the policy as were discussed.

e. **Public Hearing Concerning Certification of Delinquent SDF's to County**

Chairman Stone noted the time and called to order a public hearing on certification of delinquent system development charges and penalties owed by Tower Commons on commercial developments within the Tower Commons planned building group at 8:50 p.m. Chairman Stone noted there was no one present to testify on behalf of Tower Commons. Mr. Ela informed the Board that Tower Commons had been provided timely notice of the hearing in accordance with statutory procedures and had received correspondence from an attorney for Tower Commons, Mr. Steve Honig, and had had a phone conversation with Mr. Sam Brown. Mr. Ela provided copies of the written correspondence to the Board, along with a check provided by Mr. Honig for a portion of the amount due. Mr. Ela stated that the reason given for paying only part of the amount due was due to Tower Commons' continued dispute of the District's calculation of the system development charge against the Dominos Pizza outlet – Tower

Commons claiming that the pizza outlet should not be classified as a restaurant under the District's policy but as a retail store. After discussion, Chairman Stone closed the hearing at 9:02 p.m.

f. **Consideration of Resolution Certifying Delinquent SDF's to County**

Mr. Ela distributed to the Board proposed Resolution No. 09-12-07(B) a resolution to certify delinquent accounts to the County Treasurer concerning the delinquent amounts owed by Tower Commons. Mr. Ela noted for the Board that Exhibit A described the property as Lot 4 within the Tower Commons planned building group with the total amount due being \$25,830. With the receipt of \$20,825 from Tower Commons, the total amount due would change to \$5,005 as unpaid and eligible for certification to the County Treasurer. The Board further discussed the matter and determined that with payment made by Tower Commons, \$5,005 remained uncollected on the combined system development charges for the Dominos Pizza outlet and H&R Block store, two of the three developments ultimately to be developed on Lot 4 within Tower Commons. The Board further determined that Tower Commons' argument for Dominos as a retail store rather than restaurant was not plausible. **Upon motion by Director Perry, seconded by Director Martin, the Board voted unanimously to approve Resolution No. 09-12-07(B) certifying the Tower Commons balance of \$5,005 to the County Treasurer for collection with property taxes.**

g. **Proposed Additional Employee Benefits**

Chairman Stone informed the Board that during preparation of the 2008 budget, he and the staff had discussed possible addition of two new benefits to be provided to employees as follows:

1. **Life Insurance** – Chairman Stone stated that under PERA, a life insurance policy with a minimum of \$20,000 per person, regardless of the employee's age, could be purchased for \$150 a month that would cover all of the current 11 employees and Board members. The life insurance policy would be valid only during the tenure of any particular employee or Board member. Although the premium would vary depending on the age of the employee, Chairman Stone said the proposal is to pool all the employees and Board members together so that the same minimum amount of coverage is provided for each employee or Board member regardless of the premium cost for each individual. **Upon motion by**

Director George, seconded by Director Perry, the Board unanimously approved the addition of a minimum \$20,000 life insurance policy for each employee and Board member to be provided beginning July 1, 2008 or as soon thereafter as the policies can be purchased from PERA.

2. 401(k) Plan – Chairman Stone described the institution of a 401(k) plan for District employees and laid out several different variables, or ways that such a plan could be funded. He informed the Board that typically a matching contribution to each employee's 401(k) account is made based upon the amount that the employee contributes to the account. He stated that the 401(k) would be available to all employees and all paid Board members. After discussion the Board concluded that the District should match one-half (.50) of the amount contributed by any employee or paid Board member up to a District maximum contribution of five (5.0) percent of the employee or Board members' gross salary. **Upon motion by Director Martin, seconded by Director True, the Board unanimously passed the institution of a 401(k) plan to be made effective on January 1, 2008 or as soon thereafter as it can be established through the PERA programs.**

h. Cost of Living/Merit Pay Increases for Employees

Chairman Stone stated that in the 2008 budget preparation the issue of how to provide for pay increases for employees was discussed. He stated that many organizations offer a standard pay increase to meet cost of living, but that is often distinct from a merit increase that is provided when an employee deserves an increase based on performance. After analyzing various options, Chairman Stone proposed that each employee be eligible for a 3 percent cost of living increase if they receive a 50 percent or better performance rating in the annual review process. He proposed that in addition to such cost of living increase, an additional amount for performance be awarded. For example an additional 1.5 percent should be paid for any employee that achieves a 75 percent or better performance rating, plus another 1.5 percent for any employee that achieves a 100 percent performance rating. **Upon motion by Director Perry, seconded by Director Martin, the Board unanimously approved the change in policy and directed legal counsel and staff to further develop and amend the personnel policy as needed to reflect the cost of living and merit pay plan**

described above.

i. Lease of 4000 Argonne

Chairman Stone suggested that the Board consider leasing a portion of the residential structure at 4000 Argonne to the Master HOA for office space for the HOA's new employee. He explained that Westwind Management had resigned as the management agency for the Master HOA creating the need for the Master HOA to hire an employee and take over the administrative functions from Westwind. Because the Master HOA has not had an office to date, he suggested that the 4000 Argonne building be used until the end of 2007 for this purpose. He said that it is anticipated, with passage of the ballot issue in November, substantially all of the Master HOA functions can be moved into the District offices and be performed by District staff after January 2008.

Chairman Stone outlined the terms of a lease with the Master HOA as it has been discussed among the two entities as follows:

The leased area will be limited to the main floor kitchen, dining and living room areas. The rent should be reasonable, which after discussion the Board determined should be \$150 per month. The Master HOA shall be responsible to pay any and all setup expenses for the office including any utilities, telephone service, internet access, etc. The term of the lease shall be from October 1 through December 31, 2007, and then continue on a month-to-month basis thereafter depending on availability of the space. The Master HOA employee shall have no use of the driveway, garage, backyard, second floor, basement, or any other areas of the property due to its use by the District staff for various purposes.

Due to the fact that three members of the District Board also serve as members of the Board of the Master HOA, it was determined that to establish a quorum for considering this lease two members of the District Board should not participate, those being Chairman Stone and Director Martin, and that Director True should participate only as necessary to establish a quorum of three Board members. **Upon motion by Director Perry, seconded by Director George, the Board voted two (2) in favor of leasing the property as described above with an abstention by Director True. Mr. Ela was directed to draft a simple lease containing these terms as soon as possible.**

j. District Manager Selection Process

Chairman Stone updated the Board on the fact that a new

advertisement for the District Manager position had recently been published, and that approximately seven respondents had been reported by Mr. Dority. Chairman Stone said that Mr. Dority has been instructed to provide of at least seven to ten candidates, all rated by preference, at the October Board meeting. The discussion of the various candidates and establishment of an interview schedule will be discussed at the October Board meeting.

8. Executive Session No executive session was held.

9. Other Matters The Board discussed the transition to be made by the Master HOA from Westwind Management Company to an HOA employee. The Board also discussed the quality of the District staff it has been developing. The Board expressed its appreciation of the District staff and its ability to readily accomplish many of the tasks required of it.

The Board was informed by Mr. Ela that the Colorado Fair Campaign Practices Act authorizes special district boards to pass a resolution in support of upcoming ballot issues. The Board discussed their support for the upcoming Ballot Issue 5A and decided it would like to pass such a resolution. Mr. Ela was directed to prepare a resolution that expressed the Board's support for Ballot Issue 5A based on the need for an operational mill levy increase to offset the revenues now provided by annual assessments paid to the Master HOA organization.

Upon motion by Director Martin, seconded by Director Perry, the Board unanimously passed Resolution No. 09-12-07(C) a resolution of support for Ballot Issue 5A.

10. Adjournment **Upon motion duly made and seconded the meeting was adjourned at 10:13 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 10th day of October, 2007.

Respectfully submitted,

/s/

Marlene A. Martin, Secretary