

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF

GVR METROPOLITAN DISTRICT

Held: Wednesday, December 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; Charlie Foster, Oakwood Homes; Olivia Chambers, Paul Gilberto, Mary Schumer, John & Elaine Smith, Chuck Britton, Les Alexander, Tom Gibbons, Tony Noble, Molly Ryan, Association Manager, Rob Lego, Assistant Association Manager.

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 suggested amending the agenda to remove item 7.d and add new items 7.i – Service Plan Amendment, 7.j – Increase in Members of the Board, and 7.k – Amendment to the Haley Contract. The agenda as revised was approved by consensus.
3. Comment Period
 - a. **Developer Representative(s)**

Mr. Charlie Foster stated that he had no specific comments.
 - b. **Master Homeowners Association Representative**

Ms. Molly Ryan reported that the HOA website is now working and contains a great deal of information. She said that it will grow to add additional resources in the future. She also mentioned that

the HOA staff will be moving to the Administration Building, and the recruitment effort to hire a code enforcement person that can patrol the neighborhoods and conduct the outreach necessary for covenant enforcement. Ms. Ryan then stated that she would not be seeking employment to continue as the Master HOA Manager when the position becomes a District position. She thanked the community for the opportunity to serve.

c. **Public Comment**

Ms. Elaine Smith inquired whether covenant enforcement would occur prior to the time that a covenant enforcement officer is hired. Chairman Stone responded that covenant enforcement will occur in the first few months of 2008, but the Master HOA will not have a person who can patrol the neighborhood until that position is filled. He stated that neighbors will still have the opportunity to identify violations and report them for enforcement.

4. Consent
Agenda

a. **Discussion of the Consent Agenda**

Mr. Ela suggested that the minutes from the November regular Board meeting be pulled from the consent agenda for discussion. Director True requested discussion on several items in the District Manager's report. **Upon motion by Director Martin, seconded by Director Perry, the Board unanimously approved the balance of the items on the consent agenda.**

b. **Minutes from the November 14, 2007 Regular Board Meeting**

Mr. Ela distributed a redline draft version of the minutes from the November 14, 2007 regular Board meeting so the Board could review revisions suggested by Board members. **After discussion, upon motion by Director Martin, seconded by Director Perry, the Board unanimously approved the revised version of the minutes of the November 14, 2007 regular Board meeting.**

c. **District Manager Report**

Director True inquired about repair of weather stripping in the monuments, repair of a hole in the Administrative Offices wall, and access to the maintenance calendar by Mike Miller, District technician. Ms. Duffy reported that the weather stripping had not been completed, but repair of the hole in the wall has been partially completed and will be completed within days. The Board agreed that Mr. Miller should have access to the maintenance

calendar so that timely updates can be made. Ms. Duffy confirmed with the Board that the calendar of various District activities had improved from the prior month. **Upon motion by Director True, seconded by Director Perry, the Board unanimously approved the Manager's Report.**

5. Director Items Director George inquired about the schedule of meeting dates in 2008. The Board discussed the desire to place the meetings in September, October and December on the 2nd Wednesday of the month in order to meet statutory deadlines and avoid conflict with the SDA Conference. The Board confirmed that dates of all other regular meetings will be the 3rd Wednesday of each month.

6. Legal Report a. **Roybal Architecture**

Mr. Ela reported that there had been no communication with the attorney for Mr. Roybal. He inquired about the status of the Community Center committee's evaluation of information provided by Mr. Roybal. Chairman Stone reported that Director True and Vastco had completed a review but had not completed a written report on their review.

b. **General Steel**

Mr. Ela called the Board's attention to a letter received from General Steel inquiring about delivery of steel for the Community Center building. This letter was discussed as an attempt by General Steel to give the appearance that the District had not cancelled further dealings with that company for being non-responsive to the design-build request. Mr. Ela stated that he would have for the Board a list of litigation counsel from which the Board can choose to interview for the purpose of seeking refund of the \$150,000 down payment made to General Steel. Mr. Ela generally discussed the possible involvement of the State Attorney General's Office in the case against General Steel and General Steel's violation of the Court Order entered by the Jefferson County District Court. The Board requested that Mr. Ela contact the lawyer in the State Attorney General's Office who had prosecuted the Jefferson County action and determine if that lawyer was available privately for involvement in the District's case.

c. **Video Surveillance System**

Mr. Ela reported that a demand letter had been sent to HSM stating that all repair and improvement of the system should be completed

no later than the end of December 2007. Ms. Duffy reported to the Board that HSM has scheduled technicians to come on site to complete the work on December 19, 2007.

d. Draft IGA with DPS

Mr. Ela reported that he had transmitted a draft IGA with Denver Public Schools for joint use of facilities at Marrama Elementary and the proposed Community Center. He stated that he was scheduling a meeting with legal counsel for DPS in early January, and hopes to have an agreement for presentation to the Board by its January regular meeting.

e. Oakwood Homes

Mr. Ela reported that he had been in communication with the attorney for Oakwood Homes requesting that a draft of the settlement agreement be completed for District review. He also informed the Board that Mr. Foster had requested a meeting during the week of December 17, 2007 between accountants representing GVR and Oakwood to verify the numbers used in the settlement agreement.

f. Letter to Secretary of State Concerning the Election

Mr. Ela stated that he and Ms. Wadhams had drafted a letter to the Secretary of State but had not finalized it yet. He stated that that letter would be sent in the coming days.

g. Letter to North Jeffco Board of Directors Concerning Ross Blackmer

The Board requested Mr. Ela to consider sending a letter to the Board of Directors of the North Jefferson County Recreation District, the former and now current employer of Ross Blackmer, District Manager candidate who was hired by GVR but formally resigned at the end of his first week of employment. The Board expressed its desire to inform Mr. Blackmer's employer of his unprofessional behavior in seeking the GVR District Manager job and then serving only one day before requesting (without informing the GVR Board) a return to his former employer. They also recited his unprofessional behavior during his week of employment, including deceptively leaving 3 hours early on 4 of the 5 days that he was in the District Manager position and his failure to inform the Board or staff of his decision to resign. Mr. Stone stated that

Mr. Blackmer left early on Monday and Tuesday of that week to participate in required criminal background and drug evaluations, but did not attend to either duty. Ms. Duffy and Chairman Stone related that Mr. Blackmer had submitted a time sheet for the week indicating that he had not worked any hours, and apparently did not expect to be paid – a fact that the Board thought improved their perception of his character. Mr. Ela stated he would discuss the matter with Ms. Alexander of his firm and work with Chairman Stone to develop an appropriate letter.

7. Discussion
Items

a. **Website Project**

Mr. Gary Haley reported that he still needed to obtain from staff the pdf documents that will go up on the District website. Ms. Elaine Smith asked for the website addresses, which were then given out to all present. She stated her desire to see the financial reports and other District data on the website.

b. **Community Center Project**

Director True informed the Board that the Community Center committee had interviewed two other finalist firms that had responded to the District's design-build request for qualifications. She stated that after the interviews they had been quite impressed by the presentation presented by the team consisting of Pirnack-Walters Enterprises, contractor, and Eidos, architects. She stated that on the basis of the presentation and the qualifications of the two firms, that the District hire the team of Pirnack-Walters and Eidos. Director True moved to let the Board accept committee's recommendation, which was seconded by Director Martin, the Board then discussed aspects of the engagement. Director Perry asked what the budget considerations will be and Director True responded that the contract will be based on a not-to-exceed price that fits in the District's budget. Chairman Stone provided additional detail on the features of the project and Director True described Vastco's role as the Owner Representative to keep track of contractor payments requests, day-to-day monitoring of the project and presenting major decisions to the Board during the course of the project. Director Perry inquired about how the District is assured that the project is performed in a quality way by the contractor. Mr. Ela responded that contracts typically included a concept of retainage, whereby a percentage of each invoice is retained by the District until after acceptance of the project by the District and a conclusion of any claims by subcontractors or others for work or materials on the project. The Board also discussed

their desire that the contract contain a not-to-exceed price with incentives for completion of the project by the desired January 2008 opening date, with incentives to the contract for completing the project early and for completing the project for less than the not-to-exceed price. After conclusion of the discussion, the Board unanimously approved the Community Center committee's recommendation to engage the team of Pirnack-Walters and Eidos and instructed Mr. Ela to work with the firms to complete the contract, by the end of the year if possible.

c. Maintenance Building Project

Mr. Ela informed the Board that other e-mails had been received from Steve Kotris at C4i concerning the Maintenance Building and his unwillingness to go forward without a commitment by the District to pay his additional costs.

d. Consider Revisions to Personnel Manual

Mr. Ela directed the Board's attention to a revised draft of the Personnel Manual containing several revisions pertaining primarily to the addition of employee benefits such as life insurance and the Board-approved protocols for determining wage and merit increases for employees. **After a brief discussion, upon motion by Director True, seconded by Director Martin, the Board unanimously approved the revised version of the Personnel Manual. Mr. Ela was instructed to have his firm finalize the manual for future use by the District.**

e. Consider Resolution No. 12-12-07(A) to Amend 2007 Budget

Chairman Stone directed the Board's attention to the amended 2007 budget that was the subject of a public hearing at the November regular Board meeting and the final version thereof. **Upon motion by Director Perry, seconded by Director Martin, the Board unanimously approved Resolution No. 12-12-07(A) and thereby formally amended the 2007 District Budget.**

f. Consider Resolution No. 12-12-07(B) to Appropriate Funds for the 2008 Budget and Certify Mill Levy

Chairman Stone directed the Board's attention to the final draft of the 2008 Budget as well as the draft Resolution No. 12-12-07(B). He pointed out that based on the certified assessed valuation and the projected budget, 5.98 mills of the 11.75 mills authorized by

the voters at the November 2007 election will be certified for tax collection in 2008. He pointed that the 5.98 mills, when added to the 8.344 current operational mill levy, the District will be collecting a total of 14.324 mills for operations in 2008. He also noted for the Board that 15.95 mills will be collected for debt service in 2008, and that this mill levy was unchanged from 2007. Chairman Stone also directed the Board's attention to the predicted \$3,611,128 in expected revenue for 2008 and the total balance of funds available in the budget of \$14,642,884. The Board then proceeded to approve the three components of Resolution No. 12-12-07(B) as follows:

- **Upon motion by Director True, seconded by Director George, the Board approved collection of a total of 30.274 mills for collection in 2008 and directed Chairman Stone to certify the mill levy to the County Treasurer by the statutory deadlines.**
- **Upon motion by Director True, seconded by Director Perry, the Board unanimously approved Resolution No. 12-12-07(B) adopting a District budget for 2008 as detailed in the Resolution.**
- **Upon motion by Director True, seconded by Director Martin, the Board unanimously approved a total annual appropriation of \$12,089,847 for fiscal year 2008. The Board directed Mr. Ela's firm to prepare and file the documentation required by statute with the appropriate agencies.**

g. Consider Transfer of Funds

Chairman Stone explained the system development fee collection process by which Oakwood Homes has provided fees in each of the past ten years subject to an annual allocation of approximately \$150,000 of each annual amount toward the debt service fund of the District. He stated that because of a settlement agreement reached with Oakwood Homes concerning the disposition of system development fees in total, he recommends the Board act to move \$839,900 from the debt service fund back to the general fund for use in meeting the terms of the settlement agreement with Oakwood Homes. He stated the intention of the Board and Oakwood to complete the settlement agreement by the end of 2007, and that the main components of the settlement agreement include elimination of any further residential system development

fees paid by Oakwood after 2007 and curtailment of any further reimbursement process between the District and Oakwood Homes. **Upon motion by Director Martin, seconded by Director Perry, the Board unanimously approved transfer of funds derived originally from system development fees in the debt service fund to the general fund for use in complying with the terms of the settlement agreement with Oakwood Homes and other purposes.**

h. Service Plan Amendment

Mr. Ela explained to the Board that for the District to begin providing covenant enforcement services in place of the Master HOA as was approved by the voters at the November election, a typical procedure is to formally amend the District Service Plan to allow the new service. The statutes also allow a 45-day notice procedure, by which the District publishes notice for the service it plans to provide and gives direct notice to the City and the supervising District Court for the District. Mr. Ela advised the Board that the 45-day notice had been duly published and that he would research the necessity of proceeding with a formal Service Plan amendment through the City and County of Denver. **Upon motion by Director Perry, seconded by Director George, the Board unanimously approved and directed legal counsel to investigate the preferred alternative for authorizing the Districts provision of covenant control services in 2008.**

i. Expansion of the Board to Seven Members

Chairman Stone stated his belief that the current Board be expanded to seven members in order to increase representation of residents now that the District will be performing nearly all functions of the Master HOA. Mr. Ela informed the Board that his firm has accomplished expansion of five-member Boards to seven-member Boards for other districts by petitioning the supervising District Court for the District and seeking a change to seven Directors. He recommended that the same process be used to expand the District Board immediately, in order to possibly obtain authorization in time to elect candidates for the two new Board positions at the regular special District election to be held in May of 2008. He informed the Board that a resolution in support of the petition is necessary and requested that the Board consider such a resolution. **Upon motion by Director George, seconded by Director Martin, the Board approved Resolution No. 12-12-07(C) authorizing an expansion of the Board from five**

members to seven members. The Board unanimously approved the Resolution.

j. Amendment of the Haley Contract

Chairman Stone informed the Board that the current contract for 2007 with Gary Haley for providing web site development services is capped at \$2,500. He stated that because of the increased need for Mr. Haley's services caused by the development of additional websites, the contract amount should be increased to \$5,000 in 2007. He reminded the Board that all contracts would be subject to review and renewal in January for the 2008 fiscal year. Chairman Stone informed the Board that Mr. Haley charges \$20 per hour for maintenance of websites and \$40 per hour for development of new websites. The Board discussed the rates under the current Haley contract. **Upon motion by Director Perry, seconded by Director True, the Board unanimously approved an increase in the contract amount with Mr. Gary Haley for 2007 to a maximum of \$5,000.**

8. Executive Session

Chairman Stone entertained a motion to enter executive session as needed to receive confidential legal advice on specific legal questions per Section 24-6-402(4)(b) C.R.S., to determine positions relative to matters that may be subject to negotiations, develop strategy for negotiations and to direct negotiators per Section 24-6-402(4)(e) C.R.S., and to discuss a personnel matter per Section 24-6-402(4)(f) C.R.S. **Upon motion by Director Perry, seconded by Director True, the Board approved entering into executive session on a vote of five (5) in favor and zero (0) opposed at 7:43 p.m.**

The Board reconvened the regular session from executive session at 8:56 p.m.

9. Other Matters

Chairman Stone informed the Board that Mr. Rick Regalado has been hired as the Facilities Manager for the District. Mr. Regalado started the position on December 10, 2007, on which date Mr. Mike Miller opted to transfer from the position to become the irrigation technician. Chairman Stone explained that Mr. Miller was reluctant to continue as Facilities Manager in light of the great increase in irrigated acres and irrigation systems that it will entail.

Director George commented to the Board that he would like to see a pamphlet developed on the history of the Community Center as well as a log of the requests that are made by the public to the District for use of the Community Center for rentals and meetings. The Board

generally discussed the idea and agreed that it would be a good project. No further action was taken on this matter.

Chairman Stone entertained a motion from the Board concerning the acceptance of the settlement agreement with Oakwood Homes. He reminded the Board that as discussed in executive session, the terms are acceptable to the District and, apparently, the terms have been approved by the Town Center Metropolitan District with regard to certain maintenance obligations that the District will be taking in lieu of Town Center. **Upon motion by Director Perry, seconded by Director Martin, the Board unanimously approved acceptance of the terms of the settlement agreement with Oakwood Homes. Mr. Ela was directed to work with legal counsel for Town Center Metropolitan District and Oakwood Homes to formalize and finalize a settlement agreement along the terms that have been agreed to.**

Chairman Stone entertained a motion from the Board concerning the ongoing impasse with General Steel. **Upon motion by Director Perry, seconded by Director True, the Board directed Mr. Ela to formally notify the member of the State Attorney General's staff that had prosecuted the successful litigation against General Steel in the Jefferson County District Court, and to inform that office of General Steel's apparent disregard and violation of the Court Order issued in that case. The Board unanimously approved the recommended action.**

Chairman Stone informed the Board of the situation concerning the hiring and subsequent resignation of Mr. Ross Blackmer as District Manager. He described one week during which time Mr. Blackmer attended some of the functions of the District, was missing from the office for much of the week and secretly submitted a resignation letter on Friday, December 7, 2007. Mr. Ela related his conversations with Mr. Mike Miles, Manager of the North Jefferson County Recreation District, concerning Mr. Blackmer's re-employment by that District and the circumstances of his re-employment. Chairman Stone suggested a work session or special meeting on Thursday, December 20th at 6:30 p.m. to interview the fourth member of the candidate pool from the latest District Manager recruitment effort. He reported that he had contacted the candidate and that the candidate would be available for an interview on that evening because he would be in the Denver area for the holidays. The Board agreed to attend the work session and the interview, and thereafter discuss the various options for extending the recruitment process, interactions with Tom Dority and other aspects

of the recruitment process.

Chairman Stone informed the Board of the Master HOA's efforts to hire a Manager to begin in January of 2008. He informed the Board that Ms. Linda Alexander was writing position descriptions. He also informed the Board that an ad had been published in the Rocky Mountain News, plus in an online job announcement service and in other locations. The deadline for applications has been set for December 17, 2007. The Board generally discussed the recruitment and venues where ads could be published, and the target pay of approximately \$54,000 up to \$60,000 depending on qualifications per year. Chairman Stone informed the Board that Ms. Molly Ryan was unwilling to apply for the position because it would report to the District Manager rather than directly to the Board of Directors.

10. Continuation of Regular Meeting
- The Board discussed the procedural requirements to continue this public meeting to allow for additional executive sessions to interview District Manager candidates from the prior candidate pool over the coming couple of weeks. **By consensus, the meeting was not adjourned, but continued until December 20th, beginning at 6:30 p.m., and continuing thereafter as necessary for the purpose of conducting interviews with members of the District Manager candidate pool and deliberating on qualifications in Executive Session.**

The regular meeting of the GVR Board of Directors was reconvened at the GVR Metropolitan District office, 18650 East 45th Avenue, Denver, Colorado, on December 20, 2007 with all Board members present and acting. The meeting was called to order by Chairman Stone at 6:30 p.m. The Board discussed and approved the agenda by consensus.

Upon motion by Director Martin, seconded by Director George, the Board unanimously approved a motion to enter into executive session to discuss personnel matters as allowed by Section 24-6-402(4)(f), C.R.S., and to instruct negotiators as allowed by Section 24-6-402(4)(e), C.R.S., for the purpose of conducting interviews with candidates from the District Manager candidate pool – one interview to be held immediately and the other to be held on January 3, 2008 at 6:25 p.m. – and for deliberations, including discussion, compilation of interview results, and to advise negotiators for the purpose of making an offer(s) to the selected finalist(s) for the District Manager position.

The Board reconvened its regular meeting at 8:00 p.m. on January 3,

2008.

11. Adjournment **Upon motion duly made and seconded the regular meeting was concluded and adjourned on January 3, 2008 at 8:27 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 16th day of January, 2008.

Respectfully submitted,

/s/

Marlene A. Martin, Secretary