

## RECORD OF PROCEEDINGS

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

### GVR METROPOLITAN DISTRICT

Held: Wednesday, January 16, 2008 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; Gary Haley, Website Committee; Chuck Britton; Paul Gilberto; Richard Brown; Anthony Noble, Mary Schumer; Elaine Smith; Charles Spratt; John Smith.

1. Call to Order Chairman Stone called the meeting of the Board of Directors of the GVR Metropolitan District to order at 6:31 p.m.

2. Approve Agenda Chairman Stone requested revisions to the agenda from the Board, and added item 7.g, Denver Invoice for Fees to the discussion items agenda. The agenda, as revised, was approved by consensus.

3. Disclosures of Directors Director Perry disclosed to those assembled that her father-in-law was interested in applying for the vacant District Manager position.

4. Comment Period a. **Developer Representative(s)**

There was no representative of the developer present at the meeting.

b. **Master Homeowners Association Representative**

Chairman Stone informed the Board that the vacancy for the manager position responsible for administrating the HOA functions had not been filled. He stated that the interview process with candidates is continuing and it is hoped that a manager can be hired within a couple of weeks.

c. **Public Comment**

Mr. Chuck Britton addressed the Board to inquire about the finances of the District, stating that he had been unaware of the District's existence for his 15 years of residence within the District. He stated that he had submitted a written request for budget, audit and other financial information. Chairman Stone informed him of the District's policy requesting 25¢ per page for copies of District information. Chairman Stone stated that the staff would work with him to provide documents in accordance with his request.

Mr. Anthony Noble addressed the Board about his frustration that the website was still not active. He asked if volunteers were needed, and the Board invited him to become involved as a volunteer working on the website. Chairman Stone stated that he believed the website would be active before the next regular meeting of the District Board.

Ms. Elaine Smith followed up with a related question on her frustration about being able to access any substantive information on the District's website. Gary Haley responded that the website is in place and active, but that much of the content has not been loaded. Chairman Stone again stated that content will be placed on the website before the next meeting of the District Board. He also stated that the HOA website is active and contains the content that is relevant to the HOA's activities. It was suggested from the audience that Gary Haley provide a demonstration of the website, including the location of all content and the integration of the District and HOA websites at the next HOA Board meeting and also at the District Board meeting in February. Mr. Haley agreed to bring his portable computer equipment so that the demonstration can be done.

Several in the audience asked the Board whether the District Court had approved expansion of the Board from five to seven members. Mr. Ela explained the election procedures that will occur depending on the action of the District Court, which began a discussion between the Board and the audience concerning how to treat the two new Board positions if the Court does not act in time to meet the self-nomination deadlines. Members of the Board and the audience discussed various ways of timing appointments to the Board prior and after the May 6<sup>th</sup> election depending on the outcome of the Court's ruling. Director George offered a motion to withhold appointment of the two new Board positions, assuming they are authorized by the Court too late for potential candidates to meet the February 29, 2008 self-nomination deadline, until after the May 6<sup>th</sup> election depending on the Court's decision. The motion failed for lack of a second. Mr. Ela stated that he would be in contact with the Court to urge the Court rule on the matter by early February so that the effect on the election procedures can be determined and

communicated to everyone.

5. Consent Agenda    **a. Items Pulled for Discussion**

The Board requested that the minutes and the Youth Program Spring field trip proposal be pulled from the consent agenda for discussion. **Upon motion by Director Martin, seconded by Director Perry, the Board unanimously approved the balance of the consent agenda.**

**b. December 12, 2007 Regular Board Meeting**

Mr. Ela directed the Board's attention to a version of the minutes that had been revised to reflect the Board's actions to continue its December meeting to allow for confidential interviews of District Manager candidates. Some minor revisions were noted for Mr. Ela to make to the final copy of the minutes. **Upon motion by Director Perry, seconded by Director True, the Board unanimously approved the minutes as revised.**

**c. Summer Youth Program Spring Field Trips**

Ms. Duffy directed the Board's attention to the list and description of field trips proposed for the Youth Program during the DPS Spring Break week. The Board noted that all but one of the locations had been approved in prior years. **Upon motion by Director True, seconded by Director Perry, the Board unanimously approved the field trip locations.**

6. Director Items    There were no director items discussed.

7. Legal Report    **a. Roybal Architecture**

Mr. Ela reported to the Board that he still had not received a response from the Grievance Board since the grievance had been filed against Mr. Roybal. He also said that he has not had any contact with the attorney for Mr. Roybal. He stated that he would contact the Grievance Board to determine the status of the grievance.

**b. General Steel**

Mr. Ela directed the Board's attention to the letter his firm sent to respective litigation firms, and the responses received from some of those firms. The Board discussed possible meeting dates to interview the firms, and set a meeting for January 30, 2008, beginning at 6:30 p.m. Mr. Ela agreed to organize appearances by the firms to be interviewed.

**c. Video Surveillance System**

Ms. Duffy reported that the HSM technicians were unable to complete the warranty repair job by December 20<sup>th</sup> as requested, due to their inability to get necessary parts. She stated that HSM had promised to return in late January to complete the job if possible.

**d. Draft IGA with DPS**

Mr. Ela reported that he is attempting to set a meeting with the attorney and technical people for Denver Public Schools so that the draft IGA can be finalized for the February meeting.

**e. Oakwood Homes**

Mr. Ela reported to the Board that he received a draft of the proposed Settlement Agreement with Oakwood Homes earlier that day. The remaining tasks include verification of the prepaid system development fees claimed by Oakwood, and the best method for affecting the real estate transfer of open space properties.

**f. Change In Board Membership**

Mr. Ela noted that discussion of this matter had occurred earlier in the meeting.

**g. Invoice from the City of Denver**

Mr. Ela called the Board's attention to a letter and invoice received from the Special District Coordinator now employed by the City of Denver requesting an annual fee of \$3,000 from the GVR District. Mr. Ela reminded the Board that Denver had requested this fee the prior year but to his knowledge it had not been paid by GVR or other special districts. The current notice states that the fee is for the 2007 calendar year, but is not due until June 30, 2008. Chairman Stone acknowledged that the budget contains the payment as a line item and that the Board would have to discuss whether or not it wanted to make the payment.

8. Discussion Items **a. Website Project**

A lengthy discussion of the website development process occurred earlier in the meeting.

**b. Community Center Project**

Director True informed the Board that a meeting was scheduled the

next day with Pirnack-Walters, the design-build firm the District will be using for constructing the Community Center, to finalize the contract. Mary Schumer, stated that she had received information from Director True about the Community Center and found it lacking. She believed that it contained no business plan or projections of the levels of revenue and other particulars common to a business plan. Director True stated that a true business plan had not been developed and is not required by a governmental entity, but she stated that the information she had sent gave an indication of the planned use of the facility. Chairman Stone interjected that the prior Recreation Manager, Tim Stabbe, had prepared a projection of usage at the Community Center that may have more of the information that Ms. Schumer was requesting. Ms. Elaine Smith requested that the Board provide the closing information on the property that the District purchased for the Community Center. Mr. Ela's firm was asked to provide that closing information to the Interim District Manager so that it can be provided to Ms. Smith.

**c. Maintenance Building Project**

Chairman Stone reported that no recent action had been made on this project, and suggested that it be postponed for further action until a District Manager is hired or a Board member or Vastco can take responsibility for managing and completing the project.

**d. Consider Resolution to Establish Posting Location**

Mr. Ela directed the Board's attention to Resolution No. 1-16-08(A), and explained that Colorado statutes require passage of a resolution in this form at its first meeting of each calendar year to establish where the 24-hour notice of meetings would be posted. As with past resolutions of this type, the GVR Administrative Office is again the designated location for posting such notices. **Upon motion by Director True, seconded by Director Martin, the Board unanimously approved Resolution No. 1-16-08(A).**

**e. Consider Election Resolution**

Mr. Ela directed the Board's attention to Resolution No. 1-16-08(B), and explained that it is the standard form Election Resolution that has been used for past District elections. He stated that this resolution intends that the Board will be expanded to seven members, and that the election in May will be for election of four individuals, each to a four year term. He noted that the resolution may need amendment at the February Board meeting to account for the Court's failure to authorize expansion of the Board by the February 29, 2008 self-nomination deadline. **Upon motion by Director Perry, seconded**

**by Director Martin, the Board unanimously passed Resolution No. 1-16-08(B).**

**f. Recruitment Process for District Manager Position**

Chairman Stone informed the Board and members of the public that a candidate had been interviewed and continued to be interested in the District Manager job, but had timing complications with his current employer. He stated that this candidate should know by the end of January whether or not he is still available for consideration.

Chairman Stone suggested that this meeting be continued until January 30, 2008 for the purpose of discussing whether to offer a position to this candidate, and also to interview the litigation firms as discussed earlier in the meeting. The Board, by consensus, agreed that a meeting on that date could accomplish those objectives.

**g. Consideration of Haynie and Company for Audit**

Chairman Stone explained a brief history of the audit firms that have performed annual audits for the District in prior years, and the general function of an audit firm. The Board and the public discussed the purpose of the audit and the reason for obtaining an outside audit firm to perform the analysis and provide the report. Chairman Stone also explained the role of the District staff in preparing the monthly accounting information that is reviewed as part of the audit by the audit firm. He recommended that the Haynie firm be hired. The Board reviewed the engagement agreement proposed by the Haynie firm, and discussed its estimated price of \$3,050 plus a 10 to 15 percent extra allowance, if necessary, to meet state standards. **After discussion, and upon motion by Director Martin, seconded by Director True, the Board accepted the Haynie proposal with a stipulation that it state a not-to-exceed price of \$3,050 without prior written approval of the Board. The motion passed unanimously.**

9. Executive Session

Chairman Stone asked for a motion to enter executive session for the purposes of conferring with legal counsel on specific legal questions, and to discuss a personnel matter all in accordance with Section 24-402(4)(b)(f), C.R.S. Such motion was made by Director Perry, seconded by Director True, passed unanimously by the Board, and the Board entered executive session at 8:05 p.m.

The Board reconvened the regular session from executive session at 9:20 p.m.

10. Other Matters

**a. Director Obligations as a Member of the Board of Directors**

Mr. Ela generally addressed the Board on the duties associated with service as a Board member. He explained the fiduciary duties required of a Board member and duties of confidentiality to fellow Board members on matters that are privileged and confidential. Chairman Stone also discussed the various duties required of Board members in the daily operations of the District, such as timely performing check signing, attendance at meetings and other activity necessary for timely and smooth functioning of the District's operations. The Board engaged in long discussion of these duties and obligations.

The Board then verified its availability for a continuation of the meeting until January 30, 2008, and agreed by consensus to the continuation.

The Board discussed again the content that should be displayed on the District website, and the need to get content displayed as soon as possible. **Director George moved, and Director Perry seconded, a motion to publish the District Board meeting minutes in the HOA Newsletter that is published and mailed to residents within the District. During discussion of the motion, it was suggested that a short synopsis of the approved minutes be written for publication in the HOA Newsletter rather than the full text that typically contains six to nine pages. The motion was revised to state that a synopsis of the approved minutes be published in the HOA Newsletter each month, along with a note on where the minutes can be found in their entirety on the District's website. The Board unanimously approved the motion as revised.** Mr. Ela was directed to draft a synopsis of the December 20<sup>th</sup> regular meeting minutes prior the 1<sup>st</sup> of February for inclusion in the next addition of the HOA Newsletter.

11. Continuation of Regular Meeting
- As approved by consensus earlier in the meeting, the Board continued the meeting until January 30, 2008 at 6:30 p.m., for the purpose of interviewing litigation firms and considering whether to offer employment to the District Manager candidate discussed previously. The meeting was continued at 10:13 p.m.

The regular meeting of the GVR Board of Directors was reconvened at the GVR Metropolitan District office, 18650 East 45<sup>th</sup> Avenue, Denver, Colorado, on January 30, 2008 with all Board members present and acting. The meeting was called to order by Chairman Stone at 6:33 p.m. **Upon motion by Director Martin, seconded by Director Perry, the Board voted five (5) in favor and zero (0) opposed to enter executive session to discuss personnel matters as allowed by Section 24-6-402(4)(f), C.R.S., and to develop strategy and instruct negotiators as allowed by Section 24-6-402(4)(e), C.R.S., and for a purpose of**

**receiving legal advice on specific legal questions as allowed by Section 24-6-402(4)(b), C.R.S.**

The regular meeting was reconvened following executive session at 8:05 p.m.

The Board generally discussed the three litigation firms that had been interviewed, the strengths and weaknesses of each as indicated from the interview and the potential cost of litigation against General Steel. After much discussion, **Director Martin moved, and Director True seconded, to hire the firm of Nathan, Bremer, Dumm & Meyers, with Andy Fisher as the lead attorney. The Board unanimously approved hiring Mr. Fisher to represent them in litigation against General Steel, and potentially other matters.**

12. Adjournment      **Upon motion duly made and seconded the meeting was adjourned on January 30, 2008 at 8:34 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 the 16<sup>th</sup> day of January, 2008.

Respectfully submitted,

/s/ Marlene A. Martin

Marlene A. Martin, Secretary