

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF

GVR METROPOLITAN DISTRICT

Held: Wednesday, September 10, 2008 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 to order at 6:32 p.m. and held as shown above and in accordance with the applicable statutes of the State of Colorado with the following directors present and acting:

Earleen Brown, President
Michael George, Vice President
Anthony Noble, Treasurer
Mary Schumer, Secretary
Elana Perry, Director (absent, excused for cause)
Joanne True, Director
Charles Britton, Director (absent, excused for cause)

Also present were: Andrew Pimental, District Manager; Evan D. Ela, Collins Cockrel & Cole, a professional corporation; Charlie Foster, Oakwood Homes; Paul Gilberto, Graffiti Committee; T.J. Stone, President of Master Homeowner Association; Vanita Warren, Denver Police Department; Les Alexander, Don Greer; Lee Freedman; Sheba Wheeler; Nick Strene; Linda Strene; Ardith Duke; and Kay McNamara. Eric Gravenson and Walt Cross arrived at 8:10 p.m.

1. Establish a Quorum Chairman Brown acknowledged the absence of two Board members and requested motions to excuse the absences.

Upon Motion by Director George, seconded by Director Noble, the Board voted to excuse Director Britton by a vote of 4 in favor with Director True opposed.

Upon motion by Director George, seconded by Director Noble, the Board unanimously excused the absence of Director Perry.

2. Approve Agenda **The Board reviewed the published Agenda and upon motion by Director Schumer, seconded by Director George, the Board unanimously approved the Agenda without revision.**

3. Approve Minutes from Prior Meeting

a. August 20, 2008 Regular Board Meeting

The Board reviewed and discussed minor revisions necessary to the draft minutes provided at the meeting. **Upon motion by Director True, seconded by Director Schumer, the Board unanimously approved the minutes as revised during discussion.**

4. Conflicts of Interest Disclosures

None were announced.

5. Comment Period

a. Developer Representative(s)

Charlie Foster had no comments on behalf of the developer.

b. Master Homeowners Association

The President of the Master HOA, T.J. Stone, had no comments. Director True, Treasurer of the Master HOA, announced a community forum meeting to be held on September 24, 2008, at 6:00 p.m.

c. Public

Mr. Paul Gilberto addressed the meeting seeking volunteers to help in cleaning graffiti and trash from along the bottom of the Highline Canal as it traverses through the District. He presented photographs of the problem and requested that the Board consider donating staff resources to maintain and monitor the conditions within the canal. He has attempted to get the City of Denver to dedicate resources to the problem, but so far has not been successful. Charlie Foster informed the meeting that the Highline Canal is owned by the Denver Park and Recreation Department instead of Denver Water. The Board instructed the District Manager and staff to participate in the cleanup activity. Director Noble volunteered to forward the pictures to Denver City Council to help stimulate a response from the Park and Recreation Department

Ardith Duke informed the meeting of her research into the ownership of the property being developed by VPGTwo into a public storage and car wash facility. There ensued a long discussion of the ownership and development of the property. The Board directed legal counsel to obtain an ownership and encumbrance report on the VPGTwo property to establish current ownership.

6. Legal Report

a. Suspension of Community Center Contracts

Legal counsel informed the meeting that notice of suspension of the Community Center work had been provided to Pirnack & Walters, the design/build contractors for the project. He suggested that additional notices

to other contractors should be prepared and provided by Ben Tracy of the Nathan Bremer Dumm & Myers law firm after that firm has reviewed all contracts associated with the Community Center and makes recommendations concerning payment of submitted invoices and other contractual matters. Chairman Brown informed the Board that she recommended this independent review of the Community Center by the Nathan firm, and that the cost to do so not exceed \$2,500.00. **Upon motion by Director George, seconded by Director Noble, the Board unanimously authorized the Nathan firm to perform the review and provide recommendations for a cost not to exceed \$2,500.00.**

b. District Insurance Coverage

Legal counsel directed the Board's attention to his firm's memorandum concerning the levels of insurance coverage maintained by the District and possible increases in coverage. He suggested that the increases be considered as part of the budget deliberations.

7. Director Items

- Director Noble introduced Ms. Sheba Wheeler, a writer with the Denver Post. Ms. Wheeler explained that she is doing a story on foreclosed residential properties and neighborhood efforts to maintain, improve, or acquire such properties.
- Director Noble stated that he was developing a revised accounting format for presenting financial information at Board meetings.
- Director Schumer suggested that the financial reporting be done on the basis of Generally Accepted Accounting Principles (GAAP), rather than the currently used Governmental Accounting Standards Board (GASB) format. Director Noble stated that he, with Director Schumer and Manager Pimental, will develop a monthly financial report that contains more detail than the current format and will distinctly show HOA and District budget expenses separately. Director Noble recommended that the reporting be done in both GAP and GASB formats for each regular meeting in 2009. Director True asked for clarification that this would entail keeping two sets of District accounting and Director Noble confirmed that one set would be in GAP and the other in GASB format. Director True suggested that the Board consult with former District accountant, Kevin Collins, of the firm of Clifton Gunderson, concerning the shift to the GAP format and any implications of doing so.

8. Board Reports
Agenda

a. **Financials**

i. **Financial Statements**

Director Noble presented the Board financials stating a total asset value of \$21.1 million (approximately \$200,000 lower than the previous report), \$8.5 million as the total checking and savings balance, \$8.3 million in equity (down approximately \$152,000 due to payment of expenses since the last report), and \$753,000 in net income during 2008 to date.

Upon motion by Director Schumer, seconded by Director George, the Board unanimously approved the financial reports provided by Director Noble.

ii. **Check Detail, Payroll and Vouchers Payable**

Director Noble suggested that approval of vouchers be delayed until later in the meeting so that he would have the opportunity to review them. **Later in the meeting, upon motion by Director Schumer, seconded by Director George, the Board unanimously approved payment of all vouchers presented.**

b. **District Manager Report**

Manager Pimental directed the Board's attention to the Manager's Report provided in the Board packets. Comments were made as follows:

- Director True inquired about the details of landscape installations, repair of the tractor, tree mulching, the provision of water to flower boxes around the office, and the repair or replacement of the office front door. Manager Pimental responded to each concern.
- Manager Pimental corrected his report to state that Chairman Brown did not attend the IT Committee meeting held earlier in the month.
- Director Schumer informed the meeting of her interest in establishing a community garden within the GVR neighborhood. The Board discussed this possibility and suggested the property adjacent to the fire station, in East Park, or potentially along the Highline Canal. Director Schumer was provided resources within the greater Denver Community that sponsor or operate community gardens.
- Chairman Brown inquired about the ongoing median repair and replacement project. Manager Pimental stated that he is receiving bids on the plan ideas that were approved by the Board at the prior meeting. He stated the City of Denver has confirmed that the money promised in its IGA with the District was still available and could be accessed in 2008.

9. Discussion
Items

a. Website Project

Mr. Haley was not present at the meeting and no discussion was held

b. Coordination of District and HOA Budget Preparation

Director Noble informed the meeting of his plan for preparing a draft budget for 2009. He stated that the draft will be based on 2008 projections for 2009 that were included in the 2008 Budget. He stated a meeting will be scheduled to receive input from all staff budget preparers representing the various departments of the District and the HOA. He stated his hope to keep the mill levy at the same level as 2008. The Board then discussed possible changes in the District's assessed valuation by the time it is certified in early December. Members of the public noted that in past years, there can be a substantial change from the preliminary assessed valuation provided in August and the certified valuation provided in December, and the change can have significant effect on the budget preparation.

c. Joint Meeting of the Master HOA and District Boards

Chairman Brown proposed a meeting of the full Boards of the HOA and District to discuss continuing implementation of the Management Agreement between those entities, as well as budget preparations for the 2009 Budget. T.J. Stone, representing the HOA Board, stated that he would poll his Board members to determine possible times.

d. Board Orientation

Legal counsel suggested that the Board again consider holding an orientation session for Board members and staff to acquaint the Board members with the services and activities of the District and to educate the Board on legal and other aspects of service on the Board. The Board discussed the opportunity to gain information on Board member responsibilities at the upcoming SDA conference, and declined to schedule a Board orientation at this time.

e. SDA Conference

The Board generally discussed the expectation that Directors Schumer, George, True, and Chairman Brown would attend, along with Manager Pimental.

f. Community Survey Comments

Chairman Brown introduced this topic as a discussion of the various comments received from individuals responding to the Community Center survey taken in early August. Mr. Pimental provided a summary of the comments to the Board and members of the public. The comments discussed by the Board included the following:

- More aggressive enforcement of the HOA Covenants. The Board discussed that District staff has been aggressively enforcing covenants, and that the HOA Board is in the process of revising policies for enforcement during 2008. The Board recognized that the 2009 Budget will attempt to cover the costs of aggressive enforcement. The Board also recognized a need to provide more and clearer signs stating that Green Valley Ranch is a covenant-controlled community.
- Many comments indicated confusion about the District's Community Center project as opposed to the projects of others, such as the new high school, post office and library projects.
- Several comments indicated confusion between the programs offered at the City of Denver's recreation center and those to be offered at the GVR Community Center.
- Several comments encouraged paying down the District's debt as the first priority.
- Several comments stated that the Community Center amenities should be constructed immediately.
- Several comments expressed concern that any delay in building the Community Center will increase costs over time.
- Comments expressed concern that ongoing operations and maintenance of a District Community Center would cause an increase in taxes.

g. Maintenance of 4000 Argonne Property

Chairman Brown introduced this topic to the Board as concerning what level of maintenance is necessary for the property at 4000 Argonne pending a final decision on building the Community Center. The Board and the public generally discussed the possibilities of installing irrigation and landscaping along the street side of the property, using the property for a community garden, and/or allowing a cooperative use by Marama Elementary School. During the discussion, the Board recognized the need to fill in the excavated hole where the former residence was located and the need for a better quality fence along the street side of the property. The Board directed Manager Pimental to provide options and costs on these improvements to the property for later discussion.

10. Executive Session

Upon motion by Director George, seconded by Director Noble, the Board voted unanimously to enter Executive Session at 9:50 p.m.

Board reconvened its regular meeting from Executive Session at 10:42 p.m.

11. Other Matters

The Board briefly discussed its desire to review a set of sample Bylaws that could be adapted for adoption by the District. Legal counsel agreed to provide a draft set of Bylaws for the Board to review and comment upon.

12. Adjournment **Upon motion duly made and seconded the meeting was adjourned at 11:44 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 October, 2008.

Respectfully submitted,

/s/ Mary Schumer

Mary Schumer, Secretary