

## RECORD OF PROCEEDINGS

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

#### GVR METROPOLITAN DISTRICT

Held: Wednesday, August 19, 2009 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 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)  
Joanne True, Director  
Charles Britton, Director

#### Also present were:

Andrew Pimental, District Manager; Evan D. Ela, legal counsel; Charlie Foster, Oakwood Homes; Laverne Palmer, Amy Bennett; Eric Gravenson; Nathan Thompson; Marianne Toomey; Kurt Shaver; Thomas Peterson; James Tanner; Rafael Vasquez; Maisha and Kareem I-Ahmenatu.

#### 1. Call to Order and Establish a Quorum

Chairman Brown called the meeting to order. She noted for the Board that she had been asked by Director Perry for a leave of absence through December 31, 2009 due to the failing health of her father and her need to tend to him and other family members. The Board discussed whether to excuse through the end of the year or on a meeting by meeting basis. **Upon motion by Director Noble, seconded by Director Schumer, the Board voted 4 in favor and 2 (Directors Britton and True) opposed to excuse Director Perry through the end of 2009.**

#### 2. Approve Agenda

The Board reviewed the published Agenda and upon motion by Director George, seconded by Director Noble, the Board voted 5 in favor with 1 abstention (Director Britton) to amend the Agenda by addition of Item 10.d, Letter to Master HOA, concerning meeting on services agreement.

#### 3. Approve Minutes from Prior Meeting

##### a. July 1, 2009 Special Board Meeting

The Board reviewed and discussed minor revisions necessary to the draft minutes provided at the meeting. **Upon motion by Director Noble,**

seconded by Director Schumer, the Board approved the minutes as revised during discussion by a vote of 4 in favor with 2 (Directors Britton and True) abstaining.

**b. July 15, 2009 Regular Board Meeting**

The Board reviewed and discussed minor revisions necessary to the draft minutes provided at the meeting. **Upon motion by Director George, seconded by Director Schumer, the Board approved the minutes as revised by a vote of 5 in favor with Director Britton abstaining.**

**c. August 5, 2009 Special Board Meeting**

The Board reviewed the draft minutes provided at the meeting. **Upon motion by Director George, seconded by Director Schumer, the Board approved the minutes with no revisions by a vote of 5 in favor, and 1 (Director Britton) opposed.**

**4. Conflicts of Interest Disclosures**

Director True disclosed her ongoing employment with the Master HOA as manager, stating that she makes the disclosure only as it may relate to the Agenda item concerning use of the District's trademark.

**5. Comment Period**

**a. Master Homeowners Association Representative**

No comments were presented.

**b. Citizens Advisory Board Representative**

No presentation was made.

**c. Public**

Mr. Charlie Foster advised the Board that HC Development will not be completing the landscaping along Piccadilly, nor will it start, or complete, the landscaping along 38<sup>th</sup> Avenue during 2009. He advised that Town Center Metropolitan District would complete one-half of the proposed landscaping along 38<sup>th</sup> Avenue and requested the Board's input on two alternatives. The first alternative is to install a tree lawn adjacent to the north side of 38<sup>th</sup> Avenue, extending the full distance from Tower Road to Himalaya. The second alternative is to complete full landscaping (tree lawn plus landscaping to fence lines) for only half that distance. After discussion of the style of landscaping, irrigation requirements and timing of completion, the Board expressed its preference for Town Center to complete the tree lawn landscaping for the entire length of the north side of 38<sup>th</sup> Avenue from Tower Road to Himalaya. Director Noble expressed his desire that the District also communicate to HC Development the importance of continued

maintenance of the unlandscaped areas with mowing and weed control, and to urge HC Development to complete the landscaping as soon as possible in 2010.

## 6. Legal Report

### a. District Bond Refunding

Mr. Ela informed the Board that procedures toward closing on the bond refunding transaction were continuing. Director Noble informed the Board that he had participated in a teleconference with Standard and Poors, a rating agency earlier that day, and that the rating of the District's bonds should be issued within a couple of days.

### b. Use of Trademarked Logo

Mr. Ela informed the Board that he had received a letter from legal counsel for the Master HOA informing the District that permission had been granted by the District Board to the Master HOA in 2006 for the use of the trademarked GVR logo. Mr. Ela described the permission letter and advised the Board that it could rescind that permission, if it so desired. It was noted that the Board could rescind permission and/or develop a new District logo by involving the public. The Board expressed its desire that each organization have a separate logo in order to alleviate confusion and identification of both entities among community residents. **Upon motion by Director Noble, seconded by Director Schumer, the Board directed the Manager to send a letter to the Master HOA formally rescinding permission to use the District's logo and setting out a 90-day compliance period for the Master HOA to cease using the logo by a vote of 5 in favor with Director True abstaining.**

### c. Other Matters

None.

## 7. Director Items

Director Britton addressed the Board on the following items:

- Director Britton explained that he was wearing overalls to the meeting to remind the other members of the Board and members of the public of the economic hardship being faced by members of the community.
- Director Britton offered his apology to Director True for negative comments and accusations he had made against her based on his lack of having all the facts. He stated that the forensic audit prepared by the District has informed him of the true facts.
- Director Britton inquired as to who is responsible for performing maintenance and repair on the District fleet of vehicles, and asked that an inventory be prepared stating the condition of each vehicle. Manager Pimental informed Director Britton that the District's

Landscape Committee does keep an inventory of vehicles and accomplishes the necessary maintenance and repairs. He stated that the Landscape Committee meets on the second Thursday of every month at 7:45 a.m. Director Britton volunteered to participate in that committee so that he could have better understanding of the condition of the District vehicles.

Director True expressed her “thank you” to Director Britton for his apology.

## 8. Board Reports Agenda

### a. Financials

#### i. Financial Statements

Director Noble fully summarized the financial statements for the meeting. He stated he was working with Micaela Duffy to eliminate the lag time between the approved financials and the finalized statement of accounts posted on the District website. **Upon motion by Director Schumer, seconded by Director George, the Board voted 5 in favor of accepting the financial report of the Treasurer, with Director Britton opposed.**

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

Director Noble directed the Board’s attention to the summary of vouchers payable. **Upon motion by Director Schumer, seconded by Director George, the Board voted 4 in favor and 2 (Directors Britton and True) opposed to approve the check detail, payroll, and vouchers payable.**

#### iii. Consider Change Requests to Move Funds Between Budget Categories

Director Noble directed the Board’s attention to budget transfer requests contained in the packets. He summarized the first as \$137,000 to be moved from the contingency line item to the District’s legal line item to offset litigation expense. He summarized the second requested transfer of \$54,000 from the contingency line item to the audit line item to provide funding for the costs of the District’s forensic audit. Director True requested detail on the specific amounts of funds allocated to the types of legal expense and the forensic audit. **The Board, by consensus, approved the transfer of funds as requested.**

### b. District Manager Report

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

Director True:

- Questioned the increase in the District’s office hours from 7:30 a.m.

to 5:30 p.m. Manager Pimental explained that the expanded hours fit well with the staggered schedules and that the extended hours will be more convenient for the community.

- Urged the staff to keep public access to the District’s office open at all times during the concrete replacement project at the office building.
- Suggested that the hedges located in front of the District office be trimmed and maintained at a lower height as a safety measure.

Director Britton:

- Suggested that improvements be made to the steps in front of the office to make them safer. He stated that the color of the steps make them very difficult to negotiate after dark.

Mr. Tanner:

- Observed that several stop signs in the community were obstructed by tree growth. Manager Pimental stated that his staff is working with the City’s arboreal officer to get the trees trimmed.

**9. Discussion  
Items –  
Unfinished  
Business**

**a. Consider Resolution Adopting Operational Policies**

Mr. Ela directed the Board’s attention to the Resolution in their packets, and the fact that revisions had been made based on the Board’s requests at the prior regular meeting. The Board discussed the revisions made by legal counsel. Director True asked for verification that the changes that she had suggested to Director Schumer had been made within the document. **Upon motion by Director Schumer, seconded by Director George, the Board approved Resolution No. 8-19-09, adopting operational policies by a vote of 5 in favor and 1 (Director True) opposed.**

**b. Consider Adoption of Revised Strategic Plan**

Manager Pimental directed the Board’s attention to the revised draft of the District’s Strategic Plan contained in the packets. He informed the Board that revisions were based on comments he received at the Board’s work session held in early August. **Upon motion by Director Noble, seconded by Director Schumer, the Board voted 4 in favor and 2 (Directors Britton and True) opposed to adopt the Strategic Plan as revised.**

**c. General Counsel Selection Process**

Manager Pimental handed out a chart to the Board comparing the proposals received from four law firms in response to the District’s request for proposals for general counsel services. He summarized his contacts with the references named by each of the firms. The Board generally discussed Mr. Pimental’s comments, the differences in hourly billing rates and qualifications of the firms. Director Britton voiced his opposition to hiring

any law firm until one is needed. Director Noble countered with his belief that a firm should be retained and available to provide ongoing legal advice and services particularly given the size of the District's annual budget and the scope of District services. The Board discussed the desirability of having a small committee of Board members interview the firms, rather than attempting to hold interviews before the entire Board. The Board discussed and concluded that the Committee would consist of Directors True, Schumer and Brown. The Committee was directed to interview the firms of McGeady Sisneros and Seter & Vander Wall at some time prior to the next regular meeting, and to provide a recommendation to the Board at that time.

**d. Community Survey Concerning Community Center**

Director Schumer reported to the Board on efforts of the Implementation Committee to draft a survey, and the need to obtain responses soon for integration into the budget preparation activities. She said the survey will inquire of the residents their desired level of services pertaining to landscaping, newsletter, a community center building, District staff, and the bond refinancing. The Board discussed the content of the survey as well as the method for mailing and receiving responses. It was agreed by consensus that the survey should be mailed to all property owners, but not to foreclosed properties owned by banks or renters. A metered business return envelope should be provided, if possible. Manager Pimental was directed to complete assembly of the survey and to mail it.

**e. Consider approval of 2008 Audit**

Director Noble directed the Board's attention to the revised 2008 Final Audit, pointing out that revisions had been made in the first page, based on discussions at the last regular meeting, and in the text, based on correction of certain financials. **Upon motion by Director Noble, seconded by Director Schumer, the Board approved the 2008 Audit by a vote of 5 in favor and Director Britton opposed.**

**10. Discussion  
Items – New  
Business**

**a. Consider Proposed Contract with RBC Capital Markets**

Mr. Ela informed the Board that this Agenda item had been thought necessary for approving a revised contract submitted by RBC Capital Markets since approval of their contract at the last regular meeting. He stated that since the Agenda had been prepared, RBC had withdrawn their request for a materially different contract and therefore no action was necessary.

**b. Consider Use of Trademarked Logo by Master HOA**

Discussed, with action taken, earlier in the meeting.

c. **Determine Practices and Costs of Complying with 2009 Statutory Changes**

Mr. Ela summarized for the Board numerous changes made by the Colorado Legislature to Special District laws during the 2009 Legislative Session. He stated that the changes should not have a large impact on the GVR District because of its existing and fully informational website, and its open approach to making information available to residents. He mentioned that the legislative changes have caused a significant increase in costs for some smaller special districts that do not have websites established or the resources to do so.

d. **Letter to Master HOA on Services Agreement**

Manager Pimental directed the Board's attention to a proposed letter to the Master HOA requesting a meeting to discuss the possible terms of a new services agreement by which the District would perform covenant enforcement and related services. The Board reviewed and discussed the elements in the letter, particularly the need for the letter to state conditions of a new agreement that were not negotiable by the District. Director Schumer requested that an additional condition be added stating that all fees and fine income received by the Master HOA would be used to fund, to the extent possible, the covenant enforcement and related services. The letter was intended to comply with the litigation settlement agreement between the Master HOA and the District, which required that the parties attempt to meet prior to September 1, 2009 and discuss the possibility of a new services agreement. Other specific revisions to the letter were made and, **upon motion by Director Noble, seconded by Director Schumer, the Board directed Manager Pimental to finalize and send the letter to the Master HOA by a vote of 4 in favor, Director Britton opposed, and Director True abstaining.**

**11. Executive Session**

*Executive Session (as needed to receive confidential legal advice on specific legal questions per § 24-6-402(4)(b), C.R.S.)*

**Upon motion by Director Schumer, seconded by Director Noble, the Board voted 5 in favor, with Director Britton opposed, to enter Executive Session at 9:17 p.m. for the purpose of conducting a performance review of Manager Pimental per § 24-6-402(4)(g), C.R.S.**

The Board reconvened its regular meeting from Executive Session at 10:17 p.m.

**12. Other Matters**

Manager Pimental informed the Board of his development of a request for

proposals from vendors to provide all inclusive landscape services as an alternative to the three contractor method currently in use by the District. He stated this was being done to develop costs for incorporation in the District's 2010 Budget, and per prior requests of the Board. He stated that bids would be received from the current vendors if such vendors desired to expand their services to comply with the RFP, and he stated that the staff will develop the costs necessary for all such services to be performed completely by District staff. These cost comparisons will be provided to the Board in order to receive direction from the Board for proceeding with contracting for these services for 2010. Manager Pimental requested that any comments on the RFP from the Board by August 26, 2009, and that the RFP would be published on or about August 28, 2009.

**13. Adjournment    Upon motion duly made and seconded the meeting was adjourned at 10:30 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 September, 2009.

Respectfully submitted,

/s/ Mary Schumer

Mary Schumer, Secretary