

# RECORD OF PROCEEDINGS

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

OF THE

GVR METROPOLITAN DISTRICT

Held: Wednesday, May 19, 2010 at 6:30 P.M. at the GVR  
Metropolitan District Office, 18650 East 45<sup>th</sup>  
Avenue, Denver, Colorado.

### Attendance

The regular meeting of the Board of Directors of the GVR Metropolitan District was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following Directors, having confirmed their continued qualification to serve on the Board by affidavit filed with the District, were in attendance:

Earleen Brown, President  
Michael George, Vice President  
Anthony Noble, Treasurer  
Mary Schumer, Secretary  
Joanne True, Director  
Michael Haskins\*, Director

Absent: Charles Britton, Director (absence unexcused).

Also present were Andrew Pimental, District Manager, and Micaela Duffy, Accountant, GVR Metropolitan District; Barbara T. Vander Wall, Seter & Vander Wall, P.C., legal counsel; Ray Russell, Jr., Haynie & Co., District Auditor; Roger Rohrer, GVR HOA; Elaine Smith, Eric Gravenson, Jim and Fenna Tanner, Mariann Toomey, Bette George, Bert Bourgeois, Tom Gibbons, Derek Savage, District residents; and Charlie Foster, Town Center Metro District.

[\*Arrived when indicated.]

### Call to Order / Quorum

Chairwoman Earleen Brown noted that a quorum of the Board existed with five directors present. Thereafter, Director Brown called the regular meeting of the Board of Directors of the GVR

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	<p>Metropolitan District to order. Manager Pimental noted that Director Haskins left a message stating that he was stuck in traffic and would be arriving late to the meeting.</p>
Approval of Agenda	<p>The Board reviewed and approved the agenda, and by a unanimous vote, agreed to revise the agenda to add new item number eight called "Director Items."</p>
Conflict of Interest/ Disclosure Matters	<p>The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. Legal counsel advised that written disclosures of the conflicts of interest for each Director (with the exception of Director Britton) had been filed with the Secretary of State prior to the meeting. It was noted that Director Britton has been requested to complete the director affidavit and disclosure forms for filing.</p> <p>No additional conflict disclosures were announced.</p>
Approval of Minutes	<p>The minutes of the regular meeting of the Board of Directors held April 21, 2010 were read. Director True recommended a change to language to clarify reference to the HOA, in connection with the Filing 17 conveyance discussion, to read "Mitchell Place HOA." Upon motion duly made and seconded, the Board approved the minutes as modified by unanimous vote.</p>
Introduction of New Board Members / Oaths of Office	<p>Director Brown welcomed the newly elected directors Fenna Tanner, Michael George and Michael Haskins to the Board, and proceeded to administer the oath of office to each director. The Board thanked Ms. True for her service on the Board.</p> <p>[*Director Haskins arrived during this discussion.]</p>
Attendance	<p>At 6:45 p.m., the Board acknowledged the absence of Director Britton without notice. Upon motion, second and unanimous vote, the Board determined Director Britton's absence to be "unexcused."</p>
Election of Officers	<p>Director Brown opened the floor for officer nominations. The following nominations were made and accepted:</p>

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President/Chair: Michael George  
Vice President: Michael Haskins  
Treasurer: Anthony Noble  
Secretary: Mary Schumer

There being no further nominations, the officer positions were declared elected by acclamation. Director Brown turned the meeting over to the new Chairman, Michael George. The Board thanked Ms. Brown for her service as President and Chair.

Public Comment Period:  
- Public Comment

There were no members of the public who wished to provide comment at this time.

- Master HOA for GVR

Mr. Roger Rohrer reported that the HOA has recently held its annual meeting; the HOA is financially sound and is operating smoothly.

- CAB

Ms. Smith noted that she had no report on behalf of the Community Advisory Board at this time.

- Other

Ms. Micaela Duffy, District Accountant, presented the Board with new signature cards from the District's Bank, for signature by Board members and new officers. She indicated that Director Britton has previously refused to sign the Bank's signature card. Ms. Vander Wall noted that if Director Britton continues to refuse to sign, then he will be omitted as one of the "authorized signatories" for documents to be presented to the Bank on behalf of the District.

The Board generally discussed Director Britton's failure to complete his director's affidavit and conflict of interest forms, and the liability risks to the Board for actions taken without such assurances provided by the forms. Ms. Vander Wall noted that these documents serve to protect the actions of the Board, as well as to protect Director Britton as a Director, but only upon the completion and delivery to legal counsel of the conflict of interest forms for filing with the Secretary of State.

Director Items

Director Schumer gave kudos to Manager Andrew Pimental for his efforts at keeping the District's information technology service costs down, and for his meritorious efforts at grant writing, noting the high marks that the District's grant application received from the State Trails program.

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### Attorney's Report

Ms. Vander Wall directed the Board members to her written legal report and supplemental report which identify outstanding items for the Board member update. She proceeded to point out specific items indicated for further Board discussion.

### - Discussion re Manager / Board Relationship

Ms. Vander Wall described operational issues and potential liabilities associated with not having a written agreement regarding the employment of the District Manager, as well as the benefits, with an agreement, of both parties having a specific understanding of the employment relationship, including job responsibilities, compensation, benefits, and evaluation process while maintaining the "at will" nature of the employment relationship. Legal counsel recommended that the Board create an agreement which provides for the delegation of duties by the Board, and a process for accountability of the Manager to the Board. She indicated that the District's Strategic Plan, which includes short term, mid term and long term goals, may serve as an objective process by which the Manager's services may be evaluated on a regular basis. Based on recommendations made by legal counsel, the Board agreed to revisit the job description created for the District Manager, to eliminate the oversight by the District President and confirm the Manager's delegated responsibilities. Ms. Vander Wall indicated that following approval of the job description by the Manager and the Board members, a draft agreement would be presented for Manager and Board member review.

### - Committees Discussion

Based on the recommendations made, the Board agreed to review the draft memo prepared by Mr. Pimental, which identifies each District committee and the applicable details. The Board further agreed to consider a new resolution to replace the provisions of the August 2009 resolution concerning District committees.

### - Discussion re "Public Comment"

Ms. Vander Wall recommended that in order to achieve meeting efficiencies and order, the Board implement a structured process regarding public comment, through adherence to the "policy" the Board currently has established in its monthly agenda, which provides guidelines and time limitations for public comment. She noted that the Board might consider whether it desires a second public comment period at the end of the meeting to accommodate additional opportunity for the public to speak. Several members of the public spoke out against the proposed limitations.

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The Directors noted that the Board has not officially adopted such a policy, and that they welcomed comments and questions from the public over the course of the meeting, and therefore were not in favor of the recommendations. The Board determined to add a second official public comment period toward the end of the agenda. The Board agreed to permit members of the public to ask questions, indicated by the raising of one's hand following the conclusion of each agenda item as appropriate. Mr. Pimental agreed to draft language to be included in the agenda regarding the new process for Board member review.

Presentation by Haynie & Co.  
of 2009 Audit

Ms. Micaela Duffy, the District's accountant, introduced Mr. Ray Russell, Jr. to the Board. Mr. Russell presented the District's proposed audit for 2009 to the Board. Mr. Russell reviewed the draft audit with the Board, noting that the opinion is clean and that the auditors found no deviations from GAAP and that financial statements presented throughout the year to the Board are fair and accurate. He recommended that the District consider consolidation of one or more of its nine bank accounts; Ms. Duffy indicated that she has identified several which may be consolidated.

Mr. Russell also noted that the District exceeded its appropriations for debt service fund expenditures in the amount of \$96,099 related to the journal entry for the placement of bond premium payments. Ms. Vander Wall recommended that the District amend its 2009 budget at the next meeting to appropriate these funds, so that the additional appropriation can be shown in the final audit. Mr. Russell agreed that this would be the appropriate action for the Board to take.

Following the review of the audit and follow-up discussion, and upon motion, second and unanimous vote, the Board accepted the 2009 audit, subject to completion of the budget amendment and minor administrative corrections as necessary. The Board thanked Mr. Russell for the presentation. Mr. Pimental advised that the final audit would be distributed to the Directors at the next meeting, and would then be ready for publication on the District's website.

[\*Mr. Russell departed at this time.]

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Board Reports:  
- April Financials

Director Anthony Noble presented to the Board the financial report for the District for the period ending April 30, 2010. He noted that the District's property tax revenue collections are at approximately 50%, which is consistent with the prior year's rate of collections. Following motion, second and unanimous vote, the Board accepted the April financial reports as presented. Director Noble reviewed with the Board the listing of claims payable for the most recent period. Upon motion, second and unanimous vote, the Board approved the payment of claims as presented.

- District Manager Report

Mr. Pimental directed the Board members to the Manager's Report provided in the Board packets and additional materials distributed for Board review.

Mr. Pimental reported that he has noted the removal of certain dead trees along Tower Road, and is hopeful that the Tower Commons property owners are meeting the June 1<sup>st</sup> deadline.

The District's recently established hotline is continuing to be used to report various items to be addressed by the District, City of Denver or the HOA.

Mr. Pimental reported on the continued discussions concerning the sharing of District property for use by the Marrama School, to resolve school parking issues. Mr. Pimental expects to receive a formal proposal in June. The discussions have included the possibility of the District receiving savings on rental of school facilities for District programs. The property at issue is approximately 30 feet, which would be used to add a circular drive to the school, and would reduce the District's property from 2.3 to 2.0 acres. The Board discussed whether the District will be able to enforce the use of the school facilities after the conveyance takes place, and contemplated the possibility of revocation of rights in the event of a change in school administration. Mr. Pimental confirmed that the District is capable of conveying a 30 foot strip without causing the need to go through a subdivision exemption process. The Board directed Mr. Pimental to require the school's proposal to include assurances of how to make the arrangement enforceable over time.

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Next, Mr. Pimental indicated that the District will be inquiring into Oakwood's intentions concerning the installation of landscaping improvements on 38<sup>th</sup> Avenue. Although the tree lawn within the Town Center development is approximately 98% complete, there are areas within filings No. 22 and 33 where Oakwood has committed to complete the landscaping, which are not yet installed. Mr. Pimental noted that Mr. Foster has departed the meeting; he will follow up with him and Oakwood regarding the inquiry.

Mr. Pimental reported that he is completing a draft of a proposed District Policies and Procedures Manual, which will then be distributed to the Board for review and comment. The final product will serve as a reference manual for District operations.

Mr. Pimental raised the issue of doing a board member orientation for all of the Board members now that the May election is done. The orientation would involve familiarization with legal and practical responsibilities of the Board, the District's budget, District mapping, and historical background. The Board discussed engaging the services of a professional consultant to assist in advising on Board member responsibilities, to supplement the legal requirements to be addressed by legal counsel. Mr. Pimental agreed to survey the Board members for an appropriate date to set up the orientation, and follow up on procuring an appropriate consultant.

### - Planning Committee Report

Manager Pimental reported that the Landscaping Committee intends to prepare a phasing plan for aesthetic improvements to be made to the District. This plan would be consistent with the short term, mid term and long terms goals set out in the District's Strategic Plan.

Director Noble reported that Mr. Charlie Foster is scheduled to meet with the Planning Committee at its next meeting to discuss internal District services, and the possibility of doing a request for proposal for such services with zero budget impact. He also noted that the Committee is in the process of identifying properties needed and considered for acquisition as part of the District's Strategic Plan.

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### Discussion Items / Unfinished Business:

- HOA/District Services Agreement Committee Update      Director Haskins reported that following the April 15, 2010 meeting, the Committee has come up with a draft agreement between the District and the HOA for the sharing of covenant enforcement services, which will be distributed to Board members for review.

- Property at 48<sup>th</sup> and Jebel      The Board discussed the potential acquisition of the land located at 48<sup>th</sup> and Jebel, which remains on the market. The broker has been in contact with Director Brown regarding the sale of the property; it is currently listed for \$675,000, the assessor records indicate it has an actual value of \$327,000. The seller assures that all title encumbrances will be removed.

The Board agreed that the Planning Committee will follow up to confirm that the property meets the District's needs as a suitable choice for athletic fields, consistent with the District's strategic plan, and the District Manager will prepare cost estimates for the development of the athletic fields as part of the District's operations. Director Noble raised the issue of whether it is appropriate for the District to build the park as opposed to its construction and funding by Denver.

After additional discussion, the Board directed the Manager to have a follow up discussion with the broker regarding the pricing of the property, to confirm whether there is an opportunity for the purchase price to meet the range that the District is able and willing to pay. If this criteria is met, then the Board directed the Manager to ask the broker / property owner to provide additional information regarding the property, including a preliminary title search and written assurance that the encumbrances can be resolved and a description of how they will be resolved.

- Sign Replacements      Mr. Pimental reported that the HOA has agreed to share the costs of the proposed two sign replacements; the parties are currently looking at the possibility of purchasing a third sign at a discounted rate. The intent is to move the signs so that all three are on District-owned property. The cost estimate for the three signs is \$3,200, shared equally by the District and the HOA.

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- Filing 17 Transfer from Mitchell Place Sub Association

Mr. Pimental reported that he spoke with the manager of the Mitchell Place Sub Association. Their association is proceeding with obtaining the required consent of their property owners for the land transfer proposal. Mr. Pimental is obtaining the water and use costs, as well as the current status of the improvements. He indicated that the maintenance responsibility would be the same as other fencing along Himalaya. He would like to have the Mitchell Place Sub Association agree to pay for the fence and irrigation system repair costs, before transfer occurs.

- Flower Bed Landscaping Contract with Oakwood Homes LLC dba Green Valley Ranch Landscape

Mr. Pimental presented the contract for the flower bed landscaping with Oakwood Homes, LLC dba Green Valley Ranch Landscape for Board ratification. It was noted that the Contract is for \$6,760 and includes three monumentation areas: 45<sup>th</sup> and Tower, 40<sup>th</sup> and Tower, and Himalaya and GVR Boulevard (48<sup>th</sup>). The Board discussed the services invoice and whether the plantings would include sufficient perennials versus annuals. Mr. Pimental agreed to follow up with the contractor to assure appropriate levels of perennials per board direction. Upon motion, second and vote, the Board approved and ratified the contract, with Directors George and Noble opposing.

Discussion Items / New Business:

- Trail Extension Project

Mr. Pimental reported that he has met with a representative from Colorado State Parks/Trails Program, following the rejection of the District's grant application to fund the proposed trail. Mr. Pimental believes the District has a good chance of success for future Colorado State Parks/Trails Program grant funding for the installation of a trail extension project along the north end of the gas line easement, based on comments received. Mr. Pimental recommended that the Board defer the exploration of the project until 2011.

- Service Plan Amendment Timing

Ms. Vander Wall reported that she is in the process of researching Denver's requirements for an amendment to the District's Service Plan to incorporate covenant enforcement activities into the District's powers. She will follow up with the Board on her findings.

Public Comment

At this time, members of the public were invited to bring any comment to the Board. Mr. Savage inquired as to the necessity for the acquisition of property for use as athletic fields; he believes the District has sufficient ball fields and does not need

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additional fields. The Board members stated that the acquisition process is in its initial stages, including confirmation of the need and use of the fields.

Executive Session

There were no items for executive session at this time.

Other Business

There was no other business for discussion at this time.

Adjournment

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at approximately 10:50 p.m.

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Secretary for the Meeting

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