

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

GVR METROPOLITAN DISTRICT

Held: Wednesday, October 19, 2022, at 6:30 P.M. at the GVR Metropolitan District Office, 18650 East 45th Avenue, Denver, Colorado. Also available to the public via Go-To-Meeting.

Attendance

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

Anthony Noble, President
Lyman West, Director
Eric Gravenson, Director
William Thomas, Vice President
Tim Camarillo, Secretary/Treasurer
Joyce Bennett, Director

Absent: Matt Stallman (absence excused)

Also in attendance were Micaela Duffy, District Manager, GVR Metropolitan District; Barbara T. Vander Wall and Russell Newton, Seter & Vander Wall, P.C., legal counsel.

Call to Order

Chairman Director Noble noted that there is a quorum of the Board with six directors in attendance, and called the regular meeting of the Board of Directors of the GVR Metropolitan District to order.

Approval of Agenda

The Board reviewed the agenda. Director Noble requested an amendment to the agenda to add agenda item 5.1 to discuss director roles and responsibilities. Upon motion, second and unanimous vote, the Board approved the agenda with the addition of agenda item 5.1.

Conflict of Interest / Disclosure Matters

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

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that written disclosures of the conflicts of interest previously submitted by the applicable Directors had been filed with the Secretary of State prior to the meeting.

No additional conflict disclosures were announced.

Director Noble welcomed Director Bennett to the Board.

Public Comment Period:

- Denver Police Dept. There were no representatives present from the Denver Police Department at this time.
- Master HOA There were no comments from the Master HOA at this time. Ms. Duffy reported that the HOA board of directors will vote on the covenant enforcement services amendment at its meeting on October 24, 2022.
- CAB There were no comments from the CAB at this time.
- Councilwoman Gilmore's Office There were no representatives from Councilwoman Gilmore's office present for comment.
- Public Comment No other public comments were offered at this time.

Director Roles and Responsibilities

Director Noble reported on challenges the District is facing based on complaints from staff regarding intrusions into District operations, affecting staff, vendors and the community. Director actions should take place at the District's Board meeting, and not outside of Board meetings. The proper chain is to go through the District Manager, for any problems between Board members and staff; Board members should not be interacting with staff on an individual basis. Where it is not possible to bring the issue to the attention of the District Manager, the complaint should be brought to a Board meeting for discussion by the Board.

Ms. Vander Wall advised the Board of the legal principles of local governments on which public meetings and requirements for Board actions are premised, which support the governmental immunity protections against liability available to Board members, so long as the legal requirements are met.

The Board discussed various circumstances and ways to approach problem-solving for issues of work performance or District operations, in ways that do not involve interacting with staff or

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vendors. Board members were requested to adhere to the procedures as discussed.

Approval of Minutes

The minutes of the regular meeting of the Board of Directors held September 21, 2022, were read. Ms. Duffy noted an extra “a” on page three. Director West inquired about the changes approved for the meeting minutes from August 17, 2022; which changes were made and are available for viewing on the District’s website. Director West noted that page four of the minutes should reflect that he asked “why” not “whether” the District pays for Master HOA postage. Upon motion and second, and following a vote of five in favor, one against (Director West), the Board approved the draft minutes with the proposed corrected typo, and the revision changing the word “whether” to “why.”

Attorney’s Report

Ms. Vander Wall directed the Board members to her written legal report included in the meeting materials. She advised that the topics of the manager evaluation, HVAC contract, fence project, and HOA contract will be presented later in the meeting.

Ms. Vander Wall reported on the Family and Medical Leave Insurance program (FAMLI), which has been established pursuant to the Paid Family Medical Leave Act approved as Proposition 118 at the November 2020 election. She advised that FAMLI is a state-run insurance program providing paid leave to Colorado employees for specific family and medical needs, with premium collection commencing in 2023, and leave benefits commencing in 2024. She further advised that local governments like the District may decline participation in the program but must notify FAMLI of a declination decision by year-end. If the Board wants to consider declining participation, the District must schedule a public hearing on the matter and give employees notice explaining FAMLI and inviting comment. Ms. Vander Wall advised on the three options for local governments: (i) full participation, (ii) no participation, and (iii) assist individual employees participating individually. Ms. Duffy reported that if the District were to choose to participate, it would contribute approximately \$8,000 in 2023 based on budgeted wages. She reported that the District offers a generous paid time off policy of three weeks earned for the first five years of employment (approximately 1 day earned per month). She noted that the District’s historical data shows that no employee has ever exhausted their available leave. The Board discussed the hearing process, including how to provide notice to District employees, and timing considerations. Upon motion, second and unanimous vote, the Board acknowledged that it was leaning

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toward not participating in FAMLII, and determined to hold a public hearing on whether to participate in FAMLII at the November 16, 2022 Board meeting. Director Gravenson asked Ms. Duffy to review short term disability coverage benefits.

Mr. Newton reported that the City of Aurora has requested the District to provide a statement of authority in connection with its delivery of the temporary construction easement documents the Board approved at the September 21, 2022 Board meeting. He also advised that Aurora has requested an extension of the easement term from 18 months to 24 months to accommodate potential project delays without seeking additional approval. Upon motion and second, the Board approved execution of a statement of authority authorizing Directors Noble and Thomas to sign the easement documents and an extension of the easement term to 24 months by a vote of five in favor and one opposed (Director West).

Board Reports:

- September 30, 2022 Financials

Director Camarillo presented the financial report and claims payable for the period ending September 30, 2022, including the financial overview, and the District's property tax collections. Directors West and Gravenson asked about review of invoices by directors. Ms. Duffy confirmed directors may review invoices upon request, and requested invoices are typically provided within 48 hours of a request. Upon motion, second and unanimous vote, the Board accepted the September financial report as presented.

- Acceptance of the District's 2021 Audit

Ms. Duffy reported on the District's 2021 audit prepared by the District's auditor, Haynie & Co., noting the auditors follow governmental accounting standards and have provided a clean report with no changes or irregularities. Director Noble asked for an explanation of the favorable variance for capital outlay on page 38 of the audit, and Ms. Duffy explained the variance is due to 2021 fence project payments and other budgeted costs carrying over into 2022. Director West questioned how the Board can accept the audit. Director Noble explained that the District engages third party auditors to review the District's financials to confirm whether the District is following accounting standards. Upon motion and second, the Board approved acceptance of the District's 2021 audit by a vote of five in favor and one opposed (Director West).

- District Manager's Report

Ms. Duffy updated the Board with highlights from her manager's report. She reported that employee Sabrina Foss-Stockwell received a scholarship from the SDA reimbursing her costs to

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attend the Special District Association conference. She reported that Denver Water applied current rates on its invoice for 2021 back-charged water. Director Thomas requested that Ms. Duffy ask for Denver Water to apply the historical rates. Ms. Duffy noted that the HVAC project contract and amendment to Master HOA agreement will be presented later in the meeting. Ms. Duffy directed the Board to the committee meeting minutes, Manager performance measure report, and Board calendar. Ms. Duffy reported that the Master HOA voted to provide gift cards to recognize community volunteers instead of an in person event. The Board discussed whether to provide gift cards or hold an in-person reception, and the Board determined to provide gift cards and recognize a volunteer of the year. The Board discussed gift card options and agreed that Ms. Duffy should give recipients three restaurants to choose from and purchase the cards from a big-box store to obtain discounts.

Discussion Items / Unfinished Business:

- Contract for HVAC Project
Ms. Duffy directed the Board to the draft agreement for services with APC Plumbing to complete the HVAC replacement project, noting that the compensation for the work is a not to exceed amount that includes all units and no sales tax. Ms. Vander Wall confirmed that any change to the compensation would come to the Board as a change order, and upon motion and second, the Board approved the agreement for services by a vote of five in favor and one opposed (Director West).

- Fence Project
Ms. Duffy noted that the fence project will be considered after the executive session later in the meeting.

- District Manager Agreement Renewal
Ms. Vander Wall advised that the agenda includes an executive session on the manager services agreement, and as the subject of the topic, Ms. Duffy may request that her employment be discussed in executive session or open session. Ms. Duffy did not object to discussion in executive session.

Discussion Items / New Business:

- Draft 2023 Budget Overview
Ms. Duffy presented the District's draft 2023 budget to the Board. Ms. Duffy highlighted the revenue and expenditures proposed for the District's funds, noting the District's assessed valuation for 2023 decreased from 2022 reflecting the temporary reduction of

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the residential assessment ratio from 7.15% to 6.95%. The Board discussed the 2023 draft budget, including an appropriation for Gator replacement, the increase in HOA services costs due to new community association laws, and a potential need to draw approximately \$70,000 from the District's general fund to pay for budgeted capital expenditures. Ms. Duffy explained the impact of cost of living on employee wages and the wage increase and bonus policy for District employees. She explained the District's public hearing process, noting that the budget will be adjusted based on the final assessed valuation provided in December and the Board can direct changes to the draft for consideration in November. Director Noble asked whether the budget will need to change if the Board determines to participate in FAMILI, and Ms. Duffy confirmed FAMILI costs would need to be added. Director West asked how the District provides notice of the budget hearing. Ms. Vander Wall explained the District's statutory notice procedures. The Board discussed the District's community garden program and requested that Ms. Duffy report on the program's cost at the November meeting, noting that it makes 42 plots available to the community through the program; there are 4612 residences in the District. Director Gravenson noted that historically a decrease to the District's mill levy is discussed but such discussion does not appear necessary for 2023.

The Board will consider approval of the proposed 2023 budget following a public hearing on the budget at the November 16, 2022 meeting.

- Amendment to HOA Agreement

Ms. Duffy presented the draft amendment to the Master HOA Services Agreement, which was originally approved in 2018. She summarized the changes to the scope of services to comply with new community association laws, including changes to collection, enforcement, and meeting requirements. She advised that the District is already performing services in compliance with the new laws, and the District now pays for the initial violation notice, while the HOA reimburses the District for subsequent procedures by charging the costs to homeowners. Director West asked how the District funds the mailings and costs that are not reimbursed by the HOA, and Ms. Duffy explained that the community voted in 2007 to pay for covenant enforcement and design review services with property taxes. Director Noble added that the homeowners would pay the service costs with association fees if they were not paid with taxes. Upon motion and second, the Board approved the draft amendment by a vote of five in favor and one opposed (Director West).

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Executive Session

Upon motion, second and unanimous vote, the Board approved entering into executive session at approximately 9:40 p.m. pursuant to § 24-6-402(4)(f), (e) and (b), C.R.S. for purposes of discussion of personnel matters, developing negotiating positions, and consulting with and receiving advice from legal counsel regarding the manager services agreement, and, § 24-6-402(b) and (e), C.R.S. for the purpose of consulting with and receiving advice from legal counsel, and developing negotiating positions regarding the fence project bids and contract. Upon motion, second and unanimous vote, the Board exited executive session at approximately 10:27 p.m.

Discussion Items / New Business (cont'd):

- Fence Contract

Mr. Newton presented a draft contract for the District's 2022 fence replacement project, noting the form is similar to the prior year's fence replacement contract. Director West asked if the contract includes extra fence for future repairs, and Ms. Duffy confirmed that it does. Upon motion, second and unanimous vote, the Board confirmed its determination to award the contract to FCS, and approved the contract for fence replacement project contract as presented.

- District Manager Agreement

Upon Board discussion and motion, second and unanimous vote, the Board approved the salary and bonus for the manager agreement renewal letter as discussed, and approved the letter of renewal.

Director Items

Director West asked about the District's Standard Operating Procedures and its Personnel Manual, including whether they were presented to the Board and the differences between the documents. Ms. Duffy explained that the documents are distinct policy documents, and that the Board was presented with and approved an updated Personnel Meeting earlier in the year. She noted that updates to the Standard Operating Procedures will be presented in 2023.

Director Noble responded to a prior question posed by Director West regarding the District's governance structure, and reiterated that District Board members should direct staff that may try to communicate with them to Ms. Duffy and inform Ms. Duffy about the interaction.

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Director Gravenson welcomed Director Bennett to the Board and suggested that she work with Ms. Duffy on how she can get up to speed.

Director Camarillo welcomed Director Bennett.

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 10:43 p.m.

Secretary for the Meeting