

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL JOINT MEETING OF THE BOARDS OF DIRECTORS OF THE SERRATOGA FALLS METROPOLITAN DISTRICT NOS. 1 AND 3 HELD NOVEMBER 17, 2016

A Special Joint Meeting of the Boards of Directors of the Serratoga Falls Metropolitan District Nos. 1 and 3 was held on November 17, 2016, at 9:30 a.m. at the offices of Spencer Fane LLP located at 1700 Lincoln Street, Suite 2000, Denver, CO 80203 and via teleconference. The meeting was open to the public.

### ATTENDANCE:

In attendance or participating via teleconference bridge were Directors:

#### District No. 1

Byron Levkulich, President  
B. Joseph Leininger, Assistant Secretary (teleconference)  
Jesse McDowell, Secretary/Treasurer

There were no absences. It was noted that there are currently two (2) vacancies on the Board of Directors of District No. 1.

#### District No. 3

Byron Levkulich, President  
Jesse McDowell, Secretary/Treasurer

There were no absences. It was noted that there are currently three (3) vacancies on the Board of Directors of District No. 3.

Also in attendance were:

Matt Dalton, Spencer Fane LLP  
Chris Brown, Community Resource Services of Colorado, LLC

### CALL TO ORDER:

Director Levkulich noted that a quorum of each Board was present or participating, and called the meeting to order at 10:00 a.m.

### DIRECTOR QUALIFICATIONS/ DISCLOSURES:

Mr. Dalton informed the Boards that the disclosure statements were filed with the office of the Secretary of State and are on record.

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## AGENDA:

**Approval of Agenda.** After review Director Levkulich moved that the Boards approve the Agenda as presented. Upon second by Director McDowell, a vote was taken and the motion carried unanimously.

## REVIEW OF PRIOR MEETING'S MINUTES:

Director Levkulich moved that the Boards approve the minutes from the special meeting held on November 24, 2015. Upon second by Director McDowell a vote was taken and the motion carried unanimously.

## FINANCIAL ITEMS:

**Payment of Claims.** Mr. Brown requested the Board of District No. 1 (Operating District) ratify and approve claims totaling \$74,747.83, as paid November 20, 2015 through October 18, 2016 and represented by check nos. 1052-1067 and 1070-1081, and approve claims totaling \$7,818.12, represented by check nos. 1082-1084 dated November 17, 2016. Director Levkulich moved that the Board of District No. 1 ratify and approve the claims, as presented, and make a request to Serratoga Falls, LLC, the developer, for a cash advance necessary to pay the claims presented as well as upcoming operation and maintenance expenses of the District. Upon second by Director McDowell, a vote was taken and the motion carried unanimously.

**Cash Position and Financial Statements.** Mr. Brown presented and reviewed for the Board of District No. 1 the cash position year to date as of October 31, 2016 and adjusted as of November 11, 2016, and the unaudited financial statements for the ten months ended October 31, 2016. Upon motion duly made, seconded and unanimously carried, the cash position and financial statements for District No. 1 were accepted.

### **Public Hearing on 2015 Budget Amendment (District No. 1).**

Mr. Brown discussed the necessity for an amendment to the General Fund of the 2015 Budget for District No. 1 and informed the Board that the required publication for the public hearing had been made. Director Levkulich opened the public hearing. There being no public present to comment on the proposed budget amendment, the public hearing was closed.

**Resolution Concerning Amendment of 2015 Budget (District No. 1).** Following discussion, Director Levkulich moved that the Board of District No. 1 approve the amendment to the

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General Fund of the 2015 Budget, as presented, and incorporate said resolution authorizing the amendment of the budget into the minutes of this meeting by reference. Upon second by Director McDowell, a vote was taken and the motion carried unanimously.

### **Public Hearing on Proposed 2017 Budget (District No. 1).**

Mr. Brown informed the Board that the required publication for the public hearing had been made. Director Levkulich opened the public hearing. There being no public present to comment on the proposed budget amendment, the public hearing was closed.

**2017 Budget Adoption (District No. 1).** The Board discussed the proposed 2017 budget and directed the following changes be made: (1) add to the District's General Fund fee revenues of \$723 as received from District No. 3 pursuant to the IGA between District Nos. 1 and 3 and resulting from District No. 3's general operating levy of 25.000 mills; (2) add to District No. 1 revenues \$6,300 for architect review fees/master plan; (3) add to District expenses \$6,300 for the cost of engineer and architecture review fees; and (4) remove from District No. 1 expenses of \$7,200 for motor installation and related costs. Director Levkulich moved that the Board of District No. 1: (1) approve the 2017 budget with the noted changes and subject to any minor revisions resulting from changes in the final assessed valuation yet to be received from Larimer County, (2) authorize the certification of tax levies in the total amount of 0.000 mills to Larimer County and (3) approve the appropriation of funds for expenditures in fiscal year 2017 as reflected in the 2017 budget. Upon second by Director McDowell, a vote was taken and the motion carried unanimously. The Board requested that Community Resource Services of Colorado submit the certification of tax levies to Larimer County and file the appropriate paperwork with the state as required by statute.

### **Public Hearing on Proposed 2017 Budget (District No. 3).**

Mr. Brown informed the Board that the required publication for the public hearing had been made. Director Levkulich opened the public hearing. There being no public present to comment on the proposed budget amendment, the public hearing was closed.

**2017 Budget Adoption (District No. 3).** The Board discussed the proposed 2017 budget and directed the following changes be

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made: (1) add a Debt Service Fund with anticipated revenues of \$723 generated through a debt service levy of 25.000 mills pursuant to the terms of the 2016B Note, (2) add to the Debt Service Fund expenditures for the annual audit/audit exemption followed by interest expenses and principal payments on the Note as provided in the authorizing resolution for the 2016B Note and as Pledged Revenues allow; and (3) add to the District's General Operating Fund anticipated revenues of \$723 received from the general operating levy of 25.000 mills as provided in the IGA between District Nos. 1 and 3 and to be transferred to District No. 1. Director Levkulich moved that the Board of District No. 3: (1) approve the 2017 budget with the noted changes and subject to any minor revisions resulting from changes in the final assessed valuation yet to be received from Larimer County, (2) authorize the certification of tax levies in the total amount of 50.000 mills to Larimer County (25.000 for general operating and 25.000 for debt service for an aggregate of 50.000 mills as provided in the Amended and Restated Model Service Plan and pursuant to the terms of the 2016B Note), (3) approve the appropriation of funds for expenditures in fiscal year 2017 as reflected in the 2017 budget, and (4) open a separate bank account for the deposit of Pledged Revenues received in the Debt Service Fund for payment of the 2016B Note. Upon second by Director McDowell, a vote was taken and the motion carried unanimously. The Board requested that Community Resource Services of Colorado submit the certification of tax levies to Larimer County and file the appropriate paperwork with the state as required by statute.

## Manager's Items

**2017 Annual Administrative Matters Resolution (District No. 1).** Mr. Brown presented the 2017 Annual Administrative Matters Resolution to the Board of District No. 1 for their review. Director Levkulich moved that the Board approve the Resolution as presented. Upon second by Director McDowell, vote was taken and motion carried unanimously. The Board directed that the Resolution be incorporated herein by reference.

**2017 Annual Administrative Matters Resolution (District No. 3).** Mr. Brown presented the 2017 Annual Administrative Matters Resolution to the Board of District No. 3 for their review. Director Levkulich moved that the Board approve the Resolution as presented. Upon second by Director McDowell, vote was taken and motion carried unanimously. The Board directed that the Resolution be incorporated herein by reference.

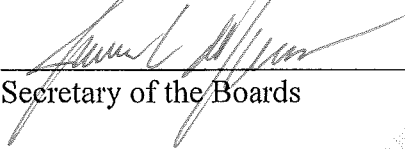
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## ADJOURNMENT

There being no further business to come before the Boards, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

Respectfully submitted,

  
Secretary of the Boards

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