

SOUTHWEST TIMNATH METRO DISTRICTS

RECORD OF PROCEEDINGS MINUTES OF THE JOINT SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF SOUTHWEST TIMNATH METROPOLITAN DISTRICT NOS. 1-4

HELD: Tuesday, November 15, 2022, at 5:30 p.m. at 6000 Summerfields Parkway, Timnath, Colorado 80547, along with being on Zoom.

ATTENDANCE:

The joint special meeting of the Boards of Directors of the Southwest Timnath Metropolitan District Nos. 1-4 (collectively, the "Board") was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Directors in Attendance:

Dino A. DiTullio
Jennifer DiTullio
Ron Mullenbach
Tyler Drage
Mike DiTullio (via teleconference)

Directors Absent but Excused:

Kara DiTullio

Also in Attendance:

David O'Leary, of Spencer Fane
Guy Johnson, Jackie Johnson, from District Management
Along with several homeowners see sign in sheet

CALL TO ORDER:

Director Dino DiTullio called the meeting to order at 5:34p.m.

QUALIFICATION OF BOARD MEMBERS/OATHS OF OFFICE COMBINES MEETING AND NOTICES:

Mr. O'Leary reported that all the Board members are registered to vote in Colorado and are residents and/or owners of taxable real or personal property within the Districts. Mr. O'Leary stated that all the Board members had been administered the Oaths of Office. The Districts are meeting in a combined board meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Southwest Timnath Metro District No. 1, with concurrence by the Southwest Timnath Metro District No. 2, 3, & 4. Mr. Johnson stated that the notice of the meeting was properly posted in 3 public places in District No. 1, 2, 3 & 4 boundaries at least 72 hours prior to this meeting. Notice of meeting and agenda were sent to the Larimer County Clerk and Recorder for posting as required by law. At this time, Mr. Johnson stated the board of directors should review and discuss the positions of the current board members. After further discussion it was determined the Dino DiTullio would remain as President of SWTMD 1 -4 and Ron Mullenbach would hold the hold the Secretary of SWTMD 1-4,

Upon motion was made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried for the above mention positions.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Mr. Johnson discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the Directors with the Secretary of State and the Secretary of the District at least 72 hours prior to a meeting in which a potential conflict may arise. In addition, each director is to verbally reveal his potential conflicts of interest to the Board at the start of the meeting in which the conflict may arise.

APPROVAL OF AGENDA:

The Board reviewed the agenda,

Upon motion was made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried to approve the agenda.

APPROVAL OF MINUTES:

The meeting Minutes of March 08, 2022, meeting was presented and discussed.

Upon motion was made by Director Dino DiTullio, seconded by Director Mike DiTullio, Director Ron Mullenbach and unanimously carried to approve the meeting minutes of the March 08, 2022, Meeting.

PUBLIC COMMENTS:

Director Dino DiTullio opened comments to the public, noting there were residents present, asked if they had any comments, stated nothing at this time. Director Dino DiTullio stated they could make comments later if needed.

CONSIDER APPROVAL AND RATIFICATION OF TRACT M AND THE DISTRICT IGA'S: INCLUDING THE COMMUNITY CENTER & POOL OPERATIONS/COST WITH STMD:

Mr. Johnson present to the board the IGA that covers all the cost of Tract M which includes the Community Center and Pool budget, which is to be split between SWTMD and STMD, After further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried to approve the Resolution of the IGA's and split all the cost in Tract M, which includes the Community Center and Pool.

RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2023:

Mr. O'Leary presented a Resolution Concerning Annual Administrative Matters for 2023 for the Districts.

Upon motion was made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach, Director Jennifer DiTullio and unanimously carried, the Board approved the Resolution Concerning Annual Administrative Matters for 2023, including: the contact person(s) for the District; the designated posting location(s) for the District; and the location for meetings of the Board of Directors.

TRANSPARENCY NOTICES:

Mr. O'Leary presented the Transparency Notices and discussed that these will need to be posted on the District's website on or before January 15, 2023. These notices will also be provided to the Division of Local Government and appropriate state agencies as required by law.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried to approve the 2023 Transparency Notices for each of the Districts

and to authorize District Management to post the notices and provide them to the Division of Local Government as required by statute in compliance with statutory requirements.

EXCLUSION OF WORKERS COMPENSATION INSURANCE.

Mr. O’Leary noted that it was time to renew the Resolution for the Board to be excluded from Worker’s Compensation if the Board elects to continue not having worker’s compensation coverage for the board members.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried to approve the Resolution to Exclude the Board from Worker’s Compensation Insurance and to file the Resolution along with the State of Colorado Worker’s Compensation Exclusion form with the appropriate parties.

APPROVAL OF 2023 DISTRICT SERVICE AGREEMENTS:

Mr. Johnson presented and discussed engagement letters and/or proposals for service agreements for District Management, Landscape Maintenance Agreements, Pool Management agreement with STMD, Annual Audit and Exemption Agreements, Internet and Phone contracts and engagement of District Counsel to the Board of Directors. Mr. Johnson discussed the renewal and/or engagement of service providers for the District and reviewed the proposed costs and expenditures related to these service agreements with the Board. After further discussion on the matters and

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried to approve the District service agreements and make changes if needed for District Management, Landscape/Maintenance, Annual Audit and Exemption Agreement, Internet and Phone contracts and District Counsel. Also authorized Guy Johnson to finalize any negotiations and execution of the service agreements for 2023.

AUDIT AND AUDIT EXEMPTION:

Mr. O’Leary reviewed with the Board preparing for the 2021 audits and/or exemptions. It was noted that if revenues or expenditures for a district are less than \$750,000 the District may file application for Exemption from Audit on or before March 31st.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried to authorize Mr. Johnson to prepare for 2022 audits and or fill out application for exemptions from audits as appropriate and to take such further action as necessary to complete and file these documents with the necessary state agencies.

PAYABLES:

Mr. Johnson presented the Schedule of Payables for March through October 2022. Noting a few items out of budget, such as water, trees, grub damage and the Community Center and pool cost, but overall budget under budget. After further review:

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried to approve and ratify payables for March 2022 through October 2022 with a total of \$470,029.66.

2022 AMENDED BUDGET HEARING:

Mr. Johnson stated that a budget amendment was not needed for SWTMD at this time.

CONSIDER APPROVAL RESOLUTION REGARDING INCREASE OF OPERATION & MAINTENANCE FEE:

Director Dino DiTullio and Guy Johnson present to the board the need to increase the Operation & Maintenance Fee, after further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried to increase the “Operations and Maintenance Fee” shall be **\$116.66 per month** which is \$350.00 per quarter or \$1,400.00 annually with and shall be due in one (1)

lump sum by March 1st or quarterly payments due on or before March1, June 1, September 1, and December 1, and shall be assessed against all residential lots. Operations and Maintenance Fee will be collected from the owner of the lot/home.

2023 BUDGET HEARING:

Upon motion by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried, the Boards opened the Public Hearing of the 2023 Proposed Budget. Mr. Johnson presented the Board with the proposed 2023 Budget, the board stated they had reviewed the budget without and with an increase prior to the meeting, and the decision to increase the Operation & Maintenance fee was necessary to continue maintaining the appearance of the neighborhood. Keeping in mind the O and M fee would need to be increased again. With no further discussion of the 2023 Budget Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach to close the Public Hearing and unanimously carried.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried, the Board: (1) Approved and 2023 budget as presented with O & M increase with mill levies Gallagherized; (2) Authorized the appropriation of funds for the expenditures set out in the budgets.

(3) Authorized the President and the Secretary to sign the necessary documentation; and (4) Directed the District Manager to file the budgets with the Division of Local Government prior to January 31, 2023.

APPROVAL OF PROMISSORY NOTES:

Mr. O’Leary stated the Promissory notes required renewal yearly renewals and updates, Mr. Johnson noted the changes were just interest accruals, after further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried, the Board Resolved to approve the updated Promissory Note for 2023 as discussed.

LEGAL COUNSEL REPORT:

Mr. O’Leary presented the Resolution Regarding the May 02, 2023, Election, with no further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried, the approval of The Resolution Regarding May 02, 2023, Election the updated Promissory Note for 2023 as discussed.

MANAGERS REPORT:

1. General District items:

- a. Must have replacement cost for District property in budgets and reserves.
- b. Last section of district fence was stained, will start over in Phase 1 and 2 if funds allow.
- c. Then start in 2023 staining 25% of the project each year. (Stain fence every 4 years)
- d. Talk on O and M fees to cover actual cost of O and M. Move fees, to \$1,400.00, then again next year. **With 197 lots, we do not have enough homes to spread the cost around.**
- e. Needs more O & M funds for Maintenance and some up-grades.
- f. Keep in mind most of the fence was built in 2016. Fence life span around 22 years.

2. Site Work:

- a. Cleaning drains, pans and detention ponds, monthly.
- b. Working on playground areas, will have inspected this spring.
- c. Playground and tables, Power wash once a month. Will be on hold.

3. Web Site:

- a. Up-dating as needed.

4. Community Center & Pool: With STMD.

- a. Power wash community center once a month.
- b. Power wash parks once a month. On hold.
- c. Pool hours are the same 10:30 am to 8:00 pm, until school starts in August, then moves Opening time to 4:30 pm to 7:30 pm weekdays and normal time on the weekends. Schools changed start times. (Must have lifeguards)
- d. Might have issues with guards in 2023, not as many around. Currently 30/35 to 1 Coverage. Redcross is 50 to 1.
- e. Need to add money yearly to reserves for maintenance and replacement cost at Community Center.
- f. Parking lot will need to be sealed soon. Paint parking spots. On hold.
- g. Add cameras to pool area on poles? On hold.
- h. Change out grass to Astroturf or fill in one section and place concrete? On hold.
- i. Carpets set up to be replaced. On hold.
- j. Set up paint inside and outside of clubhouse. On hold.

Need to have funds for upkeep of community center and site. Looking Bad.

OTHER MATTERS BEFORE THE BOARD:

Mr. Johnson presented dated for the 2023 Board of Directors meeting, dates presented are Thursday, March 9th, 2023, at 5:30 pm and Thursday, November 9th, 2023, at 5:30 p.m.

ADJOURNMENT:

Following discussion and upon motion duly made by Director Dino DiTullio, seconded by Director Ty Drage, Director Ron Mullenbach and unanimously carried, the Board adjourned the joint special meeting of the Board of Directors of the Southwest Timnath Metropolitan District Nos. 1-4 at 6:23 p.m.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of Southwest Timnath Metropolitan District Nos. 1-4.



Guy D. Johnson