

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, November 30, 2020 at 1:00 p.m., 8455
Heritage Drive, Thornton, CO 80602 and via Zoom
remote teleconference.

Attendance

The special meeting of the Board of Directors of the Heritage Todd Creek 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:

Rod Stone*, President
Phil Anderson*, Vice President
Dan Kettle, Treasurer
Paul Ozanich*, Secretary
Karl Wilmes*, Assistant Secretary

Also in attendance were Cameron J. Richards, Seter & Vander Wall, P.C.; Diane Wheeler**, Simmons & Wheeler, P.C.; Janell Henderson, CCMC, District Manager; Brandon Collins**, IDES, District Engineer; and members of the public*.

[*Attended via Zoom remote connection.]

[**Departed where indicated.]

Call to Order

Director Stone noted a quorum of the Board was in attendance and called the special meeting of the Board of Directors of the Heritage Todd Creek Metropolitan District to order at 1:03 p.m.

Conflict of Interest / Disclosure Matters

The Board had been previously advised that pursuant to Colorado law certain disclosures by the Board members may be required prior to taking official action at the meeting. Legal counsel advised that written disclosures of the conflicts of interest for each Director had been filed with the Secretary of State prior to the meeting.

No additional conflict disclosures were announced.

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Approval of Agenda The Board reviewed the agenda. The agenda was approved upon motion duly made, seconded and unanimously carried.

Approval of Minutes The Board reviewed the draft minutes of the September 28, 2020 regular meeting. Directors Kettle and Stone requested corrective edits to the identified language on pages 5, 7 and 8 of the September 28, 2020 minutes. Upon motion duly made, seconded and unanimously carried, the September 28, 2020 minutes were approved as modified.

The Board reviewed the draft minutes of the November 16, 2020 special meeting. Upon motion duly made, seconded and unanimously carried, the November 16, 2020 minutes were approved as presented.

Update on proposed 2020 Bond Refinance Director Anderson updated the Board on the closing of the 2007A bond refinancing. Closing successfully occurred on November 20th, the 2007A bonds will be paid off and replaced with the 2020A obligation. The interest rate was lowered to \$2.49% and the total transaction including costs of issuance was \$8,984,000. While the District will not be able to lower its mill levy, the refinancing saves the District approximately \$2,000,000 in present value savings due to the lower interest rate.

Public Comment John Bales, a resident, stated he wanted to comment on traffic calming measures in the District. The Board invited him to stay and offer comment when that agenda item was reached.

Financial Matters
- August 31 Financial Report Ms. Wheeler presented the District's financial reports and claims for payment through September 30, 2020. The District's balance sheet shows \$1.2 million in cash with approximately \$164,000 in payables in the general fund. The debt service fund has a balance of \$4 million, but a large debt service payment will be made on December 1, 2020.

The Board reviewed the financial statements. The District has collected nearly all of the budgeted property tax; specific ownership tax revenues are tracking the budget. Administrative expenses are under budget, landscape expenses are overbudget. The District's 2020 street repairs came in under budget and some reserve funds were used to offset the overbudget expenses.

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The District has not overspent its expenditures.

Developer fees totaling approximately \$779,000 were received in November and will be applied to the December debt service payment.

The Board accepted the September 30, 2020 financial report as presented upon motion duly made, seconded and unanimously carried.

Claims for payment totaled \$23,496.72 for legal, engineering and accounting costs. The Board approved the submitted claims for payment upon motion duly made, seconded and unanimously carried.

Public Hearing 2020 Budget Amendment

Ms. Wheeler discussed the need for a 2020 budget amendment due to increased expenditures from the debt service fund as a result of refunding the 2007A bonds. Ms. Wheeler recommended increasing 2020 expenditures of the debt service fund from \$2,150,755 to \$11,250,000 to account for the additional expenditures.

Mr. Richards advised that notice of a public hearing on a 2020 budget amendment has been published as required by law.

Director Stone opened the public hearing. No public comment was offered on the 2020 budget amendment. Director Stone closed the public hearing.

The Board approved the 2020 budget amendment resolution, amended the budget and appropriated the funds for expenditure upon motion made by Director Kettle, seconded by Director Anderson and unanimously carried.

Public Hearing 2021 Budget Adoption

Ms. Wheeler presented the 2021 budget developed with input from the Board. The draft budget had included approximately \$150,000 for landscape repairs; however, this was removed from the final budget as expected property tax revenue was lower than initially anticipated. Director Stone noted that in addition to taking on new areas, the District needs to keep up existing landscaping, which requires maintenance and repair activity. He understands the budgeting restrictions, but would like to have some funds specifically allocated for this purpose.

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An additional \$20,000 is budgeted for managing agent fees in 2021, to address any discrepancy between that portion of the managing agent's fee covered by the Master Association and that portion which is the District's responsibility. The Board noted that it would like to have better communication with the Master Association on areas of shared interest such as the managing agent. The Master Association has determined to send out an RFP for community management services. The Board expressed that the District would like to be involved as the discussion impacts District management matters. Director Kettle stated that he would also like to see some modifications made to the managing agent contract regarding costs and how payments are issued. Any contract amendment will be considered after the RFP process concludes. The Board directed the Budget and Finance Committee to work with the managing agent, the Master Association and the Co-Tenancy to ensure a fair allocation of expenses is reached. The Board determined to add an additional \$25,000 contingency to the budget to account for potential extra managing agent fees or other miscellaneous expenses such as landscaping maintenance and repair that may be incurred in 2021.

Snow plow costs have increased due to the addition of new areas currently under construction. The developer is reimbursing the District for the costs associated with these areas that have not been accepted by the District under a separate agreement.

In total, the District's general fund expenditures are budgeted at \$1,268,747, slightly exceeding projected revenues of \$1,210,764, meaning the District may have to use some reserve funds to cover the additional amount.

The District's debt service mill levy is Gallagherized to 55.024 mills, and 10 mills are being levied for operations and maintenance for a total mill levy of 65.024.

Mr. Richards advised the Board that notice of the public hearing and 2021 budget adoption have been published in accordance with law.

Director Stone opened the public hearing on the 2021 budget. Cindy Kettle, chair of the Master Association board, commented that the Master Association and District should work together to assure a fair allocation of costs where shared interest exist.

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She believes the District Board has been timely notified of Master Association decisions. No further public comment was offered. Director Stone closed the public hearing.

Upon motion made by Director Anderson, seconded by Director Ozanich, and unanimously carried, the Board approved the 2021 budget, appropriated the budgeted funds and certified the mill levy. The Board further approved the budget resolution as presented.

Engineering Committee

Director Anderson asked Brandon Collins, IDES, to present the Engineering Committee report.

Mr. Collins reported that Martin Marietta has completed the 2020 street repair work and the punch list should be completed as of the meeting. A pay application for \$200,215.08 has been submitted, which is under the original contract amount. A change order deducting \$12,105.88 from the contract was submitted for cost underruns. The contractor actually performed additional work that will not be charged to the District as some cracks were milled out when the contract called for the use of crack fill. The Board approved the deductive change order upon motion duly made, seconded and unanimously carried.

Director Kettle noted crosswalks at Heritage and on Rosemary need to be completed. Mr. Collins believes this should be completed today. Mr. Collins suggested payment on the pay application could be submitted and processed, less the required retainage. Once all punch list items are complete, a notice of final payment will be published and retainage will be paid. The Board noted that it had previously appropriated funds for the street repair contract and directed Mr. Collins to proceed as suggested.

There has been no change to the preliminary acceptance spreadsheet. The Board directed Mr. Collins and legal counsel to communicate that they would like to see a slurry seal on Amendment 13 before acceptance, and that it does not want to consider acceptance of areas that will be under construction for several years to come.

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- Landscape Committee Director Stone presented the landscape committee report.

Director Stone reported that landscaping in Amendment 13, Tract C is being redone after it was substantially damaged during construction. Irrigation, sod, and rock areas are all being added. Tract A has had landscaping borders added along the property lines to clearly mark the access road. Because landscape is dormant right now, this area will be evaluated in the spring. Director Stone continues to work with representatives of the developer to address landscaping and coordination efforts.

The first snowfall of the year was significant, but the new snow removal protocols seem to have worked well. This will continue to be monitored.

Director Stone noted some residents have hung items on the District owned fence in various locations around the District. He is not proposing action at this time, but requested the Board consider what policy, if any, should be in place to ensure the District's property isn't damaged. The Board will consider this in January.

- Budget Committee The budget committee did not make a report.

- Other: Traffic Calming

Director Stone reviewed the history of investigation into traffic calming in the District. A traffic speed study has been conducted and the recommendation resulting from the study is, if the Board wants to proceed with traffic calming, locations on Heritage Drive are most likely to provide benefit.

Director Wilmes presented additional findings and follow up. The City will approve speed cushions that meet City specifications. A vendor who could install temporary cushions has been identified and 4 locations could be installed for approximately \$12,000. Permanent asphalt speed cushions would cost about the same. Director Wilmes noted that speed cushions have additional impacts on things, such as liability, snow removal, emergency vehicles, bicycles, golf carts, noise, and others that may not be anticipated.

Director Kettle is undecided on the subject. Director Anderson is not in favor of speed cushions. Director Stone is generally in favor and thinks that, in the future, it may be necessary in

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additional areas along Willow Street in Amendments 14 and 16.

The developer is willing to work with the District on new areas if the Board wants to consider installation of speed cushions. Director Stone asked for public comment.

John Bales, a resident of the District, reported that as a former fire chief he was not in favor of speed cushions, he does not think they are effective for the cost and damage to emergency vehicles, including ambulances, and increased response time. He suggested additional signs including ones that display vehicle speed. New parking regulations passed by the Master Association permitting on street parking may have an impact as well.

Steve Theweatt, a resident of the District, stated that he is in favor of speed cushions. He lives on Rosemary and sees a number of speeding cars each day. He thinks the speed sensor is not in the location where cars traveled the fastest, coming down the hill. He would like to see a speed cushion in that location to slow traffic down.

Robert Tade, a resident of the District stated he is not in favor of speed cushions or similar devices and that may disrupt emergency service response time.

Another resident of the District stated that he lives on Rosemary, and is not in favor of speed cushions in the community.

Jill Hartman, a resident of the District, stated that she lives on Rosemary and would like to see a speed control device on the street, perhaps near the crosswalk.

The Board thanked the residents for their input. Director Stone noted that the Board needs more information before taking action. Specific locations and alternate options require more development. Director Stone asked that the Board keep an open mind while pursuing various options. He also noted that, while a lot of comment focused on Rosemary, other areas in the District deserve scrutiny as well. In the meantime, Director Ozanich will prepare a summary of the traffic study and work on a piece to be included in the community newsletter. The piece will also ask residents to slow down.

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The Board will discuss again in January and will target a final decision for April or May.

Manager's Report

Ms. Henderson presented the manager's report. A written report was provided. Holiday lights have been installed in the community. The irrigation line relocation is nearly complete. Some sod needs to be installed, but is waiting for appropriate weather. Some street lights need repairs. Wind damaged trees are being addressed.

The reserve study update has been circulated. The update is supposed to bring forward the findings of the 2016 study to address the current status. The Board is concerned that many areas taken on by the District are not included and this limited the usefulness of the study. Without including these areas and updating other aspects of the report, the findings are of limited value. The Board would like to schedule a time for one or two representatives to meet with the reserve study authors to see how the final analysis can be updated.

The manager has received comment from residents that they would like to see more flowers and landscaping updates as well as requests for additional crosswalks at mailboxes. Director Stone noted keeping up landscaping is an important function and the Board is aware of it, but there are budget constraints as well. Brightview will be reseeding three areas in the spring and tree replacement is ongoing. The District wants to ensure crosswalk locations are consistent throughout the community as well as installed in areas that make sense from a traffic flow standpoint.

Director Kettle asked that the approximately \$7,900 expense in landscape repairs noted in the financials be moved to the irrigation line.

Legal Status Report

Mr. Richards presented the legal status report. A written report was provided.

Mr. Richards noted there has not been much progress with the City concerning the perimeter sidewalks or chase drain permitting process. Other items have been discussed previously in the meeting.

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The Board had no questions for Mr. Richards outside the written report.

Old Business

Director Stone reported that the developer continues to pursue county acceptance of the Yosemite Bridge. All documents have reportedly been submitted to Adams County, but a public hearing is required on the matter. Due to COVID shutdowns and restrictions, the developer is unsure when this will be able to be held.

Director Stone has requested the developer provide information on any repair work to the Willow Street bridge located in Amendment 14. The bridge was inspected several years ago and a few items were noted for repair. Director Stone would like to have certification from the City the bridge is in good repair before acceptance of Amendment 14 moves forward.

The developer is working to put the north construction entrance on Yosemite into service. A lock and chain will be installed to secure the entrance outside of work hours and builder traffic will be directed to use the entrance to minimize traffic on District roads. The south construction entrance on Yosemite should be open soon as well.

Amendments 14 and 16 have some open areas where there will be very little light. Director Stone is working with the developer to ensure streetlights are installed at appropriate locations. The developer is receptive to this and is working to address this and other development issues with the City.

The developer is providing landscaping plans for the new areas. Director Stone is working to ensure the landscaping being installed is consistent with the landscaping elsewhere in the District.

New Business

No new business was presented at this time.

Other Business

The Board appointed Director Anderson as the contact person for communication with the Master Association on the community management RFP. Any adjustment to the District management contract will be discussed after the RFP process is resolved.

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Public Comment

There was no additional public comment presented at this time.

Adjournment

The next regular meeting of the Board of Directors is scheduled for Monday, January 25, 2021, at 1:00 p.m.

The meeting was adjourned at approximately 5:05 p.m.



Secretary for the Meeting