



RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED SPECIAL MEETING OF
SOUTH TIMNATH METROPOLITAN DISTRICTS NO. 1 AND NO. 2.

HELD November 11, 2014

The Coordinated Special Meeting of the Boards of Directors (collectively, "Board") of the South Timnath Metro Districts No. 1 and No. 2, (collectively, the "Districts") was held at the Districts' office, 1927 Wilmington Drive, Suite 101, Fort Collins, Colorado 80528-9628 on Tuesday, November 11, 2014 at 9:00 A. M.. The meeting was open to the public.

Attendance

Directors in Attendance:

Dino A. DiTullio

Michael J. DiTullio

Jennifer L. DiTullio

Other attendees:

David S. O'Leary - District Counsel, Guy D. Johnson, Jackie Johnson,
Debbie Berdahl – D.R. Horton, Mr. Michel Lester, homeowner

Call to Order

The Coordinated meeting of the Boards of Directors of the South Timnath Metro Districts was called to order at 9:21 a.m. by Director Dino DiTullio, noting that a quorum was present. District Manager Guy Johnson confirmed that prior to the meeting each of the Directors was notified of the meeting. The Directors in attendance confirmed their qualifications to serve and that they had been notified of the meeting.

Notice

Guy Johnson stated that the notice of the meeting was properly posted in five public places in District No. 2 boundaries and three public places in District No. 1 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.

Combined Meeting

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 South Timnath Metro District No. 1, with concurrence by the South Timnath Metro District No. 2.

Conflicts of Interest

Guy Johnson noted that conflicts of interest for all Directors have been properly filed with the Secretary of State at least 72 hours prior to this meeting disclosing potential conflicts as required by law. These conflicts disclose that Directors Dino DiTullio, Mike DiTullio, and Jennifer DiTullio are the primary landowners and developer within the District's boundaries and or are associated with the primary landowners and developer within the District's boundaries

Agenda

The Board reviewed the agenda and a motion was made by Director Mike DiTullio to approve the agenda, which was seconded by Director Jennifer DiTullio, it was unanimously.

RESOLVED to approve the agenda as presented.

Approval of Minutes

The meeting minutes of the April 15, 2014 meeting were presented and discussed. Upon motion duly made by Director Mike DiTullio and seconded by Director Jennifer DiTullio, it was unanimously,

RESOLVED to approve the Meeting Minutes of the April 15, 2014 as presented.

Public Comments

The Board opened the meeting to Public Comments. The board recognized Mr. Michael Lester was present for the meeting. Mr. Lester had no comments at this time therefore, with no Public Comments, this portion of the meeting were closed.

Designated Posting Locations

Guy Johnson presented the annual posting locations and discussed sites and locations with the Board. Upon motion duly made by Director Mike DiTullio and seconded by Director Jennifer DiTullio, it was unanimously,

RESOLVED to approve and ratify the Designated Posting Locations for South Timnath Metropolitan Districts No. 1 & No. 2 as presented.

**Approval/Ratification of
Worker's Compensation
Exclusion Resolution**

Guy Johnson 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 and seconded by Director Mike DiTullio, it was unanimously.

RESOLVED 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/Ratification of
Status Letter
With Admin/Transfer Fees
Resolution**

Guy Johnson presented the up-dated Status Letter with Administration and Transfer Fees. Guy Johnson explained that these fees were necessary due to the cost of the closing paper work and time that the District has to submit information for and to keep the District from having to cover any cost of processing these documents. Upon motion duly made by Director Mike DiTullio and second by Director Jennifer DiTullio, it was unanimously.

RESOLVED to approve the Status Letter with Administration and Transfer Fees of \$50.00 each, totaling \$100.00.

Increase of Operation & Maintenance fee:

Guy Johnson presented to the Board, once again that he strongly advises the Board to increase the Operations and Maintenance Fee. After hearing advice from District Counsel and from D R Horton's Representative Debbie Berdahl who specializes in HOA's, The Directors decided to vote on increasing the amount of the Operation and Maintenance fee to \$65.00 per month, making the Operation & Maintenance Fee, a total of \$780.00 per year. This increase will take effective January 1st, 2015. This amount is needed to cover the Districts actual cost of the Operations and Maintenance of the Districts along with building up the District reserves. After the Boards discussed the Operation & Maintenance Fee and upon motion duly made by Director Dino DiTullio and seconded by Director Mike DiTullio, it was unanimously,

RESOLVED to approve and ratify the increase in the Operation & Maintenance Fee to \$65.00 a month and or totaling \$780.00 per year.

Approval/Ratification of Community Center/Pool Lease For 2014 & 2015 and Pool Hours:

Guy Johnson presented the Board with a Lease between South Timnath Holdings and South Timnath Metro District for the 2014 and 2015 year. Also the pool hours starting opening weekend, opening at 10:30 am to 8:00 pm daily (weather permitting) until the 4th week in August, starting 8/24 week days hours are 3:00 pm to 8:00 pm. Weekends will stay the same. After the Boards discussed the Lease Agreements and pool hours, upon motion duly made by Director Mike DiTullio and seconded by Director Jennifer DiTullio, it was unanimously,

RESOLVED to approve and ratify the Lease between South Timnath Holdings and South Timnath Metro District for the 2014 and 2015 year, along with the pool hours.

Approval/Ratification of Annual Administrative Matters & Transparency Notice Updates

Guy Johnson presented 2015 Annual Administrative Matters Resolution For South Timnath Metropolitan Districts Nos. 1 and 2. David O'Leary explained the annual resolution outlines the operations of the Board and directs the appropriate consultants in the administration of the District and to make all necessary filings, appoints the Fort Collins Coloradoan as the newspaper for general public notifications, sets the meeting dates as needed, posting locations, records the officers of the District, preparation of the budgets, excludes worker's compensation for the Board, and ratifies all of the minutes and actions by the Board in the previous year, the resolution also references the Districts' Intergovernmental Agreements and all the procedures and statutory

requirements the Districts have to comply with in 2015. The Board decided to keep the slate of officers for the remaining board members the same as 2014 (Dino DiTullio Pres. and Mike DiTullio Vice-Pres.) and acknowledge that Jon Turner and Martha Turner had turn in their resignations. With two vacant Directors positions open, the board appointed Kara DiTullio and Debbie Landers to fill the positions.

Approval/Ratification of

Annual Administrative Matters
& Transparency Notice Updates

Upon motion duly made by Director Dino DiTullio, and seconded by Director Jennifer DiTullio, it was unanimously

RESOLVED to approve the 2015 Annual Administrative Matters Resolution and reappoint the current slate of officers along with adding Kara DiTullio and Debbie Landers to fill the opening's. Authorize the District Manager preparation of the budgets, prepare and/or coordinate the necessary service agreements for South Timnath Metropolitan Districts No. 1 and No 2. As discussed.

Consider Approval of 2015

Transparency Notices

Guy Johnson presented the Transparency Notices and discussed that these will need to be posted on the District's website on or before January 15, 2015. 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 and seconded by Director Jennifer DiTullio, it was unanimously.

RESOLVED to approve the 2015 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.

Approval/Ratification of

CORA Resolution

Guy Johnson presented the CORA Resolution and discussed CORA stands for Colorado Open Records Act. After the Boards discussed upon motion duly made by Director Mike DiTullio and seconded by Director Jennifer DiTullio, it was unanimously,

RESOLVED to approve the CORA Resolution as required by statute in compliance with statutory requirements.

Approval/Ratification of

District Service Agreements

Guy Johnson presented and discussed engagement letters and/or proposals for service agreements for District Management, Landscape Maintenance Agreements, Office Space Rental Agreement, Internet and Phone agreements, Annual Audit and Exemption Agreement and Engagement of District Counsel to the Board of Directors. Guy Johnson discussed the renewal and/or engagement of service providers for the

**Approval/Ratification of
District Service Agreements**

District and reviewed the proposed costs and expenditures related to these service agreements with the Board. After further discussion on the matters, upon motion duly made by Director Mike DiTullio and seconded by Director Dino DiTullio, it was unanimously,

RESOLVED to approve and ratify the proposals for District service agreements for District Management, Landscape/Maintenance, Office Space Rental Agreement, Internet and Phone agreements, Annual Audit and Exemption Agreement and District Counsel and authorized Guy Johnson to finalize any negotiations and execution of the service agreements for 2015.

**Approval/Ratification of
Developer Draw on Approved**

Guy Johnson presented and discussed the draw on the existing Bank Note. After further discussion on the matters, upon motion duly made by Director Dino DiTullio and seconded by Director Mike DiTullio, it was unanimously,

RESOLVED to approve and ratify for the 1st draw on the existing Bank Note.

**Approval/Ratification of
Funding and Reimbursement
Agreement Promissory Note**

Guy Johnson presented and discussed the Funding and Reimbursement Agreement Promissory Note with no Developer Advances at this time however, the District had refinanced the existing Bond with a Bank Note at Vectra Bank. After further discussion on the matters, upon motion duly made by Director Dino DiTullio and seconded by Director Mike DiTullio, it was unanimously,

RESOLVED to approve and ratify the 2015 Promissory Note Agreement and Bank notes at Vectra unless otherwise determined by the Board of Directors.

Payables

Guy Johnson presented the Schedule of Payables for April 2014 through October 2014. The payables for April were \$22,338.48, the payables for May were \$50,732.28, the payables for June were \$32,129.70, the payables for July were \$ 54,332.58, the payables for August were \$60,599.61, the payables for September were \$ 44,198.44, and the payables for October were \$ 36,303.24 with a grand total of \$300,634.33. Upon motion duly made by Director Mike DiTullio and seconded by Director Jennifer DiTullio, it was unanimously,

RESOLVED to approve and ratify payables for April 2014 through October 2014, totaling \$300,634.33.

Preparation of 2014

Audits/Audit Exemptions

Guy Johnson reviewed with the Board preparing for the 2014 audits and/or exemptions. It was noted that if revenues or expenditures for a District are less than \$500,000 in 2014, the district may file an application for Exemption from Audit on or before March 31st. Upon motion duly made by Director Mike DiTullio and seconded by Director Jennifer DiTullio, it was unanimously,

RESOLVED to authorize Mr. Johnson to prepare for 2014 audits and or 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.

Public Hearing 2014

Amended Budget

Director Dino DiTullio opened the 2014 Amended Budget Hearing to the public. Notice of the hearing had been published in the Fort Collins Coloradan in accordance with state budget law. There was no public input; the public hearing portion of the budget was closed upon motion duly made by Director Dino DiTullio and seconded by Director Jennifer DiTullio. The board reviewed the financial statement as of August 31, 2014 along with the projected expenditures through the end of 2014 included which detailed both the adopted budgets and estimated revenues and expenditures for each District in a coordinated, consolidated budget for 2014. There were anticipated expenditures in excess of what was originally approved in the 2014 budget approved by the Boards at the end of 2014 related to on site watering and the Community Center & Pool expenditures approximately \$116,423. These revenues and expenditures exceeded the original 2014 budgeted amount by \$116,423 in revenue/expenditures. As such, the Board needed to amend the 2014 budget at this time. Upon motion duly made by Director Mike DiTullio and seconded by Director Jennifer DiTullio, it was unanimously,

RESOLVED to approve and ratify the approximately the amount of \$116,423 to amend the 2014 budget.

Public Hearing 2015 Budget

& Adoption of Resolution

Director Dino DiTullio opened the 2015 Budget Hearing to the public. Notice of the hearing had been published in the Fort Collins Coloradan in accordance with state budget law. There was no public input; the public hearing portion of the budget was closed upon motion duly made by Director Dino DiTullio and seconded by Director Mike DiTullio. The board reviewed the amended 2014 budgets, and proposed 2015 Budgets for District No. 1 and No. 2, which detailed estimated revenues

and expenditures for each District in a coordinated, consolidated budget as follows: The Operating District has budgeted \$607,905 in general fund revenues coming from operation and maintenance fees of \$780 per permit ready lot and 32,500 in interest income and other income, and \$17,000 from Pool Revenue and \$ 162,300 from Developer Advancements, the expenditures consist of administrative and operations of \$607,905.

**Public Hearing 2015 Budget
& Adoption of Resolution**

District No. 2: In the Debt Service fund the District has budgeted \$423,249 in property tax, specific ownership tax and other revenues and \$423,249 in expenditures for payments related to the 2013 bank note. After reviewing the 2015 budgets, for District No. 1 and No. 2, and upon a motion made by Director Dino DiTullio and seconded by Director Mike DiTullio, it was unanimously,

RESOLVED, for each of the Districts Nos. 1 and 2, to approve the Resolutions to adopt the 2015 Budgets, Set the Mill Levies and Appropriate budgeted funds upon final certification of value being received by the county on or before December 10, 2014, and approve all other documents related to the 2015 budget. The District Manager is authorized to make minor modifications that may be necessary following receipt of the final assessed values.

**District Counsel
Report/Updates**

Mr. O'Leary stated that he had received the necessary paper work from Jonathan Turner and Martha Turner for them to vacate the seats on the Board of Directors for South Timnath Metro District No. 1 & No. 2. Also since there are now two vacant board seats the board should appoint someone to the board. Director Dino DiTullio accepted the Resignations, and with these seats vacated, the board appointed Kara DiTullio and Debbie Landers to fill the positions. Upon a motion made by Director Dino DiTullio and seconded by Director Mike DiTullio, it was unanimously,

RESOLVED, to accepted the Resignations and appoint Kara L. DiTullio and Debbie Landers to the Board of Directors of STMD's No. 1 & No. 2.

**District Management
Report**

Guy Johnson went over a few items with the District.

1. General District items:

- a. No Social committee in place at this time.
- b. Fence stain set up for 2015. All of Summerfields and the Preserve.
- c. Need to add money to reserves for fence. Must have replacement cost for District property in reserves.

- d. Need to add money to reserves for the Community Center and Pool.

District Management

Report continues:

2. Site Work:

- a. Developer place and paid for trees along Summerfield's Parkway.
- b. Shrubs need to be replaced in 2015; cost around \$2,000.00 for 50 shrubs. (Will wait on approval)
- c. Ash bore spraying; set up to spray in the spring.
- d. Detention ponds working as designed.
- e. Detention ponds: Aquatron and sludge remover are now being added to the detention ponds, this is the first year of this maintenance program. Seem to work. Very expensive.
- f. Priced out meter ped and up-date aeration pricing: Est.; \$20,000.00 each, for 2015.
- g. Mosquito medication is part of the Town of Timnath responsibility; per District service plan.
- h. Letters did go out on homeowner trees in tree lawns that need to replace. (Sending letters again)
- i. Letters on fence stain going out, some residents using clear which is not clear.
- j. Drainage issues around site at fence areas, water runoff from homeowners.

3. Web Site:

- a. Keeping site up.

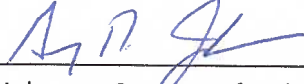
4. Community Center & Pool:

- a. Working with Developer owned Community Center & Pool. Working on new fence, security systems, heating and Fitness area. CATV, internet, voice all set up. Plus have a small punch list we are working on.
- b. Pool IGA's and or agreements to be set up with SWTMD.
- c. Pool hours per earlier resolution to be the same, 10:30 am to 8:00 pm daily until school starts third week of August, then pool opens at 3:00 pm weekdays closing at 8:00 pm and normal time on weekends which is 10:30 am to 8:00 pm.
- d. Clubhouse and Pool. When District accepts will need to add money yearly to reserves for maintenance and replacement cost of a 3.5 million dollar facility.
- e. Talk on blinds for Fitness room. West evening sun? But blinds block the view.
- f. Have set up hours for Fitness Center and Community Center rental times. Seem to work, except after 7:00 pm has been an issue when folks from events and the fitness patrons arrive and come through the front door or hanging out in grand hall area. Might work on signage to get Fitness folks to use southeast gate and south door to fitness center.
- g. Pool access for summer of 2015 will be through southeast gate. Signs will be added.

Adjournment

There being no public comment or further business to come before the Board at this time, upon motion duly made by Director, Dino DiTullio, seconded by Director Mike DiTullio and unanimously carried, the meeting was adjourned at 10:40 A. M.

Respectfully submitted,



Guy Johnson, Secretary for the Meeting

11/11/14