

RECORD OF PROCEEDINGS
OF THE REGULAR MEETING AND BUDGET HEARING OF THE
VILLAS METROPOLITAN DISTRICT

HELD: Tuesday, November 2, 2021, at 11:00 a.m., via teleconferencing

ATTENDANCE:

A regular meeting of the Board of Directors of Villas Metropolitan District 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:

Rodney Elmore (by videoconference/phone)
Sara Dieringer (by videoconference/phone)
Fred Blackmon (by videoconference/phone)
Christopher Miller (by videoconference/phone)
Vacancy

Also, present: Diane Wheeler, Simmons and Wheeler, District Accountant (by videoconference/phone); Lisa Mayers, Spencer Fane, District Counsel (by videoconference/phone); Angela Elliott and Heidi Brown, Teleos Management Group, District Managers (by videoconference/phone); and members of the public (by videoconference/phone).

CALL TO ORDER:

On behalf of the Board, District Counsel Mayers noted that a quorum was present, and the meeting was called to order at 11:02 a.m.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST:

The Board noted that disclosure statements had been filed on behalf of the members of the Board of Directors with the Office of the Colorado Secretary of State and with the Board of Directors of the District. Upon motion duly made, seconded, and upon vote, the Board directed that said disclosures be incorporated herein. Noted: Director Blackmon objected to the conflict of interest filing for Cardel Homes Directors Dieringer and Miller.

APPROVAL OF MINUTES:

The Board reviewed the minutes of the June 1, 2021, regular meeting held by the Board of Directors of Villas Metropolitan District. Following discussion and upon motion duly made by Director Elmore, seconded by Director Dieringer, upon vote and unanimously carried, the Board approved the minutes as presented and authorized a Director to execute the minutes as constituting a true and correct record of the proceedings of the meeting.

The Board reviewed the minutes of the July 13, 2021, special meeting held by the Board of Directors of Villas Metropolitan District. Following discussion and upon motion duly made by Director Dieringer, seconded by Director Elmore, upon vote and unanimously

carried, the Board approved the minutes as presented and authorized a Director to execute the minutes as constituting a true and correct record of the proceedings of the meeting.

FINANCIAL MATTERS:

Review and ratification of payment of claims. The Board received the ratification of Claims: check #'s 2015 through #2031 totaling \$27,021.14 for the period June 2021 through mid-October 2021, and claims totaling \$5,162.45 for Landscaping, accounting, and management.

Director Blackmon questioned several payments totaling over \$800 to Emerald Isle for services performed for the Cardel Model homes since those services are to be billed separately and paid by Cardel. District Manager Elliott stated invoices were sent to Cardel for reimbursement. Director Blackmon asked to have the budget/Accountant Report reflect the debit/credit changes and Manager Elliott agreed.

Director Blackmon also questioned the date/invoice for Teleos on page 3 listed as extra mtg and extra miles since the July 13th Special District Meeting was virtual. Manager Elliott stated the extra miles were for Teleos to post the meeting notice in the District's designated location.

Following discussion, upon motion duly made by Director Blackmon, seconded by Director Elmore, and upon vote unanimously carried, the Board ratified the payment of claims in the amount \$27,021.14 and \$5,162.45 for the above-references periods.

September 2021 Financial Statements. District Accountant Wheeler distributed the financials as of September 30, 2021. The General fund as of September 30, 2021, was \$18,649.15t, \$4,415 in the Capital Fund and \$349,101 in the Debt Service Fund. District Accountant Wheeler noted that all property taxes have been collected and the June 1 bond interest payment had been made and the December 1 bond interest payment will also be made.

Following discussion, upon motion duly by Director Dieringer, seconded by Director Elmore, and upon vote unanimously carried, the Board accepted the financial statements as presented to the District.

Conduct Public Hearing on the proposed 2022 Budget and consider adoption of Resolutions to adopt the 2022 Budget, Set Mill Levies and Appropriate Sums of Money. Upon motion duly made by Director Dieringer, seconded by Director Elmore,

upon vote and unanimously carried, the Board authorized District Counsel Mayers to open the public hearing.

On behalf of the Board, District Counsel Mayers opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

It was noted that the publication of Notice stating that the Board would consider adoption of the budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No comments were made, and upon motion duly made by Director Dieringer, seconded by Director Elmore and upon vote unanimously carried, the Board approved closing the public hearing and the public hearing was closed.

Discussion followed on developer advances and Developer has completed all work in Phase 1 and does not anticipate contributing any more advances after close of 2021. The line item for snow includes an estimate of clearing driveways. It was noted that Landscaping line item amount is taking the low bid of CoCal and includes an amount to winter water trees and shrubs and deep root fertilization. The other bid for landscaping was in the amount \$21900 so the budget will show the deficit as well.

Further discussion followed on imposing an operations fee to homeowners to assist in paying for operating costs since the District must submit a balanced budget. Director Blackmon repeatedly asked what 2022 expenses can be reduced to assist in achieving a balance budget. Teleos reduced their management fee and Cardel added \$5000 for Developer advances. District Accountant Wheeler stated the County sets the Property taxes.

Following much discussion, the Board considered the Resolution to adopt the 2022 Budget, Set Mill Levies and Appropriate Sums of Money. Upon motion duly made by Director Elmore, seconded by Director Blackmon, upon vote of 4 in favor and 0 vote against, the District: (1) approved the 2022 budget as adjusted with a \$15.00 operation fee to homeowners monthly, (2) approved the appropriation and expenditure of funds as detailed therein, (3) approved and adopted a mill levy of 74.831 mills to be certified by the District for collection in 2022, (4) authorized President to sign the necessary documentation, and (5) authorized the District Accountant to submit the certification of tax levy to the Board of County Commissioners of Douglas County no later than December 15, 2021, and directed Manager Elliott to file the 2022 budget with the Division of Local Government prior to January 30, 2022.

Conduct Public Hearing on the proposed Amendment to the 2021 Budget and consider adoption of Resolution to adopt the 2021 Amended Budget, if necessary.

Upon motion duly made by Director Dieringer, seconded by Director Elmore, upon vote and unanimously carried, the Board authorized District Counsel Mayers to open the public hearing.

On behalf of the Board, District Counsel Mayers opened the public hearing to consider the amendment to the 2021 Budget and discuss related issues.

It was noted that the publication of Notice stating that the Board would consider amendment of the budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

Accountant Wheeler advised the Debt Service Fund will need to be amended due to increase in Treasurer's fees.

No comments were made, and upon motion duly made by Director Dieringer, seconded by Director Elmore and upon vote unanimously carried, the Board approved closing the public hearing and the public hearing was closed.

Following discussion, upon motion duly made by Director Elmore, seconded by Director Elmore, upon vote and unanimously carried, the Board approved the Amendment to the 2021 Debt Service Fund budget.

LEGAL ITEMS:

Consider the adoption of Resolution providing Directors Exclusion of Workers Compensation Coverage.

District Counsel Mayers discussed that this Resolution is adopted annually to exclude the District from Workers Compensation coverage.

Following discussion, upon motion duly made by Director Dieringer, seconded by Director Elmore, upon vote and unanimously carried, the Board adopted the Resolution Excluding Workers Compensation Coverage.

Consider adoption of Policy and Flags Resolution.

District Counsel Mayers will send out a draft of the resolution noting the District does not address content but size and number of flags.

District Counsel Mayers further directed Management not to enforce the existing flag policies.

Consider adoption of Resolution concerning Regular Election May 3, 2022.

District Counsel Mayers discussed the upcoming election May 3, 2022.

Director Blackmon noted he did not receive the Resolution in his meeting packet, was unable to review and therefore cannot vote on the adoption of the resolution.

Following discussion, upon motion duly made, seconded and upon vote, three in favor and one abstaining, the Board adopted the 2022 Regular Election Resolution and appointed Wendi McLaughlin as the Designated Election Official.

Consider adoption of Resolution Imposing Operation Fee.

Discussed during Budget Hearing and adoption of 2022 budget.

Following discussion, upon motion duly made by Director Elmore, seconded by Director Dieringer, upon vote, and unanimously carried, the Board adopted the Resolution Imposing an Operation fee.

Status of Open Meeting Legislation.

District Counsel Mayers discussed 2 changes to legislation: districts are allowed to hold meetings virtually, and board members can now email each other for administrative purposes only (no substantive discussions).

DIRECTOR ITEMS:

Landscaping along Pine Drive Filing 1 – Director Miller. Mr. Miller presented the offer for \$5000 payable to the District to finish and replant the area along Pine Drive.

Further discussion followed on the letter addressed to the District and Director Blackmon stated that the letter needs to be revised to read Villas Metropolitan District not Lincoln Creek and will be installed next year.

Following discussion upon motion duly made by Director Elmore, seconded by Director Blackmon, upon vote and unanimously carried, the District accepted the \$5000 to finish Pine Drive.

Director Blackmon: status fences (stain) and repair; landscape: dead trees; detention pond maintenance; trash removal old mailbox; sidewalk erosion; street drainage; Management visits/frequencies and enforcement. Addressed in Management Report. Director Blackmon asked for updates on all of the items listed above that were discussed at our July 13th Special Meeting.

MANAGERS ITEMS:

Managers Report: Ms. Brown walked the Board through the management report and no questions asked of Management regarding their report.

2022 Meeting Dates:

Manager Elliott suggested to the Board that meeting dates for 2022 continue to be on 1st Tuesday of June and November at 11 a.m. (June 7 and November 1) either physically at 9110 E. Nichols Avenue, Centennial, CO, or virtually.

Following discussion and upon motion duly made by Director Miller, seconded by Director Elmore, and upon vote and unanimously carried, the Board approved the meeting dates of June 7, 2022, and November 1, 2022, 11:00 a.m. either at the office of Cardel Homes or virtually.

Consider the Adoption of the 2022 Administrative Resolution:

Manager Elliott presented the Resolution concerning 2022 Annual Administrative Matters to the Board, describing the certain tasks performed by the Manager, Accountant and Legal Counsel on a recurring basis in the operation of the District.

The Board discussed continuing to publish in Douglas County News and designating 2022 posting place as the District's website and physical posting places at the fence near the mailbox units on Barrentine Loop and near the mailbox unit on Zebra Grass.

The officers elected as of this meeting are as follows for 2022:

| Name | Title |
|--------------------|--------------------------|
| Rodney Elmore | President |
| Christopher Miller | Treasurer |
| Vacant | Vice President/Secretary |
| Fred Blackmon | Director |
| Sara Dieringer | Director |

Director Blackmon requested that District Legal Counsel delete the following sections from the Administration Resolution. Section 12 Email Policy, since the District doesn't operate or maintain an email system. Section 17 last paragraph "Unless the District acts to elect new officers, or an officer resigns his or her office, such officers shall serve indefinitely" to ensure all District residents retain their right to vote. Section 47 Automatic Renewal to allow for an annual review of the entire Administration Resolution.

Following discussion and upon motion duly made by Director Blackmon, seconded by Director Elmore, upon vote and unanimously carried, the Board adopted the 2022 Administration Resolution.

Ratify 2021-2022 Snow Contract:

Director Blackmon asked if the snow removal services for the Cardel Model Homes would continue to be billed separately and paid by Cardel. Manager Elliott stated yes. Following discussion, upon motion made by Director Blackmon, seconded by Director Elmore, upon vote that unanimously carried, the Board ratified the snow removal contract with CoCal, Inc.

Discussion on the 2022 Landscaping:

District Manager Brown presented the 2022 landscaping comparison of proposals from Emerald Isle, CoCal and RMCL. Director Elmore states the irrigation issue is not repaired and remains outstanding with Emerald Isle.

Director Blackmon asked if the landscaping services for the Cardel Model Homes would continue to be billed separately and paid by Cardel. Manager Elliott stated yes.

Following discussion, upon motion made, seconded and unanimously approved, the Board moved to award the 2022 landscape contract to CoCal.

No Parking Areas and fines.

District Manager Brown reported that in order to enforce the parking issues properly, homeowners would need to register vehicles yearly with management. Doing so would increase admin costs to manage gathering and input of data.

Director Blackmon stated there's no reason to ask or require District residents to register their vehicles.

Discussion Tabled.

Discussion on Pet Station–

District Manager Brown reported for 5 stations to fill bags and empty would be roughly a cost of \$270.00 monthly.

Discussion Tabled.

OTHER BUSINESS: None

PUBLIC COMMENT: None

ADJOURNMENT:

There being no further business to come before the Board of Directors at this time, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 1:10p.m.

The foregoing record constitutes a true and correct copy of the minutes of the meeting held on November 2, 2021, and was approved by the Board of Directors of the Villas Metropolitan District.

Respectfully Submitted,

President

Secretary for the Meeting

DRAFT