

# RECORD OF PROCEEDINGS

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MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
EAGLE BEND METROPOLITAN DISTRICT NO. 2  
HELD  
SEPTEMBER 10, 2015

A special meeting of the Board of Directors of the Eagle Bend Metropolitan District No. 2 was held on September 10, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse, 23155 East Heritage Parkway, Aurora, Colorado 80016. The meeting was open to the public.

Attendance

In attendance were the following Directors:

Larry Geiger  
Tom Coker  
Rex Rexroat  
Bruce Simner

Also in attendance were:

Denise Denslow CliftonLarsonAllen LLP ("CLA")  
John Simmons; Simmons and Wheeler  
Kristen Bear; White Bear Ankele Tanaka & Waldron  
Ty and Rae Hollingsworth  
Phil Chipouras  
Will Schippers  
Connie Smith  
Irv Reinke  
Dale Fabricius  
John Kerbaugh

Call to Order

Director Coker called the meeting to order at 5:00 p.m. The Board noted and excused the absence of Director Arellano.

Declaration of  
Quorum/Director  
Qualifications/  
Disclosures of  
Conflicts

Director Coker declared that there was a quorum and that all Board members were qualified to serve. The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors and to the Secretary of

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State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with Statute. It was noted by the Board that disclosures of potential conflicts of interest statements for all directors have been filed with the Secretary of State's office prior to this meeting and that no additional conflicts were disclosed at the meeting.

### Public Comments

Mr. Fabricius introduced himself to the Board and informed them this was his initial meeting. Mr. Fabricius inquired the Board on the posting and its locations of where the Notices are posted.

### Reports

#### A. Treasurer's Report

##### a. Discuss Options Regarding Outstanding General Obligations Debt

Mr. Simmons made a presentation to the Board on the bonds. Mr. Simmons presented three different options, which included a 15 year loan, a 20 year bond and a 25 year bond. This option requires a mill levy of 40.55. The 20 year bond would be at 4%, with a net present savings value of \$1.52 million, and a mill levy of 35.839. The 25 year bond would be at an interest rate of 4.2% rate, and a net present savings value of \$1.00 million, at a mill levy of 31.423.

This analysis assumes an assessed valuation of \$60,348,542 with no inflation and a specific ownership tax of 6% of AV. It also assumes \$1,200,000 of existing funds will be used to call bonds maturing on 12/1/2031. The existing funds will be used to downsize proposed new debt.

Questions from the public included the amount of the current mill levy to which the response was, 12 mills to operations and 37 mills to debt service. Discussions followed regarding operational costs and the debt service mill levy.

The question of who the decision makers are was posed. Director Coker said that the City of Aurora will need to be notified, public input solicited, and the decision made by the Board. He said it would be approximately a two month process.

The question was raised as to how much principal has been paid on the 2005 series bonds. Mr. Simmons stated that no principal has been paid to date. Discussion followed the structure – greater net present value savings versus mill levy reduction.

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Mr. Simmons stated that the authorized overall mill levy limit is 52 mills however the current mill levy is 49 mills. The 25 year bond would save \$192 next year dollars on a \$400,000 house, 20 year bond \$52, and the 15 year loan will cost an additional \$83. The discussion concluded on the financing.

### B. Legal

- a. Resolution of Board of Directors Regarding 2015 Election
- b. Review and Consider Approval of Amendment to Administrative Matter Resolution

Ms. Bear recapped the events leading up to the calling of the election. She noted that in the packet, an election resolution was provided. The election is required to be scheduled within 90-days of when the election is called. If in 90 days, the election would be on December 8. If in 75 days, the election would be November 24, 2015. Ms. Bear recommended November 24<sup>th</sup> as the election date due to some timing issues around the 90day period. The election resolution also calls for a designated election official. One proposal was received from Special District Management Services, Inc. in the amount of \$17,500.00 plus hard costs. The one caveat is the election judges; SDMS can provide them for a cost in addition to the base proposal, or the election judges could be comprised of qualified electors that would then receive training. Director Coker inquired as to the number of other DEO's interested in performing this task; Ms. Bear said there are no other interested parties

Following discussion, upon a motion duly made by Director Simner, seconded by Director Rexroat and, upon vote, carried with three votes in favor and Director Geiger abstaining, the Board authorized and adopted the resolution to call the November 24<sup>th</sup> election for the purposes of recalling Larry Geiger and designating Special District Management Services as the Designated Election Official.

- c. Review and Consider Engagement Letter with SDMS as the Designated Election Officer

Following discussion, upon a motion duly made by Director Rexroat, seconded by Director Simner, and upon a vote carried with three votes in favor and Director Geiger abstaining, the Board approved the engagement letter with SDMS as included in the packet.

### C. President's Issues

None.

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D. Manager Issues

None.

New Business

None.

Next Meeting

A. Confirm Quorum for Next Board Meeting to be Held Thursday, September 17, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse

The Board confirmed the intent of a quorum for the next Board meeting, to be held Thursday, September 17, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse.

Adjournment

Upon a motion duly made, seconded and carried, the meeting adjourned at 6:36 p.m.

Respectfully submitted,

  
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Secretary for the Meeting