

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 4

Held: Tuesday, September 17, 2019 7:30 a.m., at The Abundant Life Tabernacle, 5450 River Ranch Parkway, Johnstown, Colorado 80534.

Attendance:

A special meeting of the Board of Directors of the Thompson Crossing Metropolitan District No. 4 was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:

Bruce Rau, President
Brandon Wyszynski, Secretary/Treasurer
Joel Kiesey, Assistant Secretary
Bill Stevens, Assistant Secretary

The following directors were absent (absences excused):

None

Also present were: Kevin Collins and Mariah Comlan, CliftonLarsonAllen, LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Jerry Jacobs, Timberline District Consulting, LLC; Russ Hofer, MSI, Inc; Chris Carlton, Thompson Crossing Metropolitan District No. 3 board member and the following members of the public: Joe Amon (Denver Post), Natalie Allen, Joyce Robinson, Elaine Hoffman, Danny Fernandez, Janice Lenga, Phil Beedle, Lynn Beedle and Mark Lenga.

Call to Order:

Director Wyszynski, noting the presence of a quorum, called to order the special meeting of the Board of Directors of the Thompson Crossing Metropolitan District No. 4.

**Director Matters/
Disclosure Matters:**

Ms. Ivey then advised the Board that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member

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confirmed the contents of any written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Rau disclosed his interests and association with Clayton Properties Group II, Inc., a Colorado corporation and developer within the boundaries of the District and noted his board membership on each of Thompson Crossing Metropolitan District Nos. 3, 5, and 6. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Wyszynski disclosed his interests and association with Clayton Properties Group II, Inc., a Colorado corporation, and noted his board membership on each of the Thompson Crossing Metropolitan District Nos. 3, 5, and 6. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Stevens, a resident of and homeowner in the District, disclosed his ownership interest in his home. This disclosure is associated with approval of items on the agenda that may affect his interests.

Written disclosures of these interests had been filed with the Secretary of State and the Board prior to the meeting.

Ms. Ivey advised that Ms. Natalie Allen was the only applicant to fill the vacancy on the Board resulting from the resident solicitation process that was initiated at the July 25, 2019 special meeting of the Board and that she, Mr. Collins, and Ms. Barrett met with Ms. Allen on August 22, 2019 as directed by the Board to provide information about the District. After discussion, upon motion of Director Stevens and second of Director Kiesey, the Board unanimously approved appointing Ms. Allen to the vacancy on the Board. Ms. Ivey noted that she had her oath of office for administration by the Board president.

Approval of/Additions
to/Deletions from the
Agenda:

After discussion, upon motion of Director Wyszynski and second of Director Kiesey, the Board unanimously approved the agenda as presented.

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Public Comment For
Matters Not on the
Agenda:

Ms. Hoffman inquired about the status of the 2019 Bonds for Thompson Crossing Metropolitan District No. 4 and was advised that they closed on September 5, 2019. It was further advised that Timberline District Consulting, LLC is working on an informational piece that will be distributed to residents and will contain a summary of the 2019 Bonds issued by Thompson Crossing Metropolitan District No. 4.

Mr. Lenga inquired about the status of the Kerr-McGhee oil and gas drilling operations. It was noted that this is not a Thompson Crossing Metropolitan District No. 3-6 matter but that a notice from Occidental recently advised of a community information meeting that is being held related to this matter on October 2, 2019 from 5:00 p.m. to 7:00 p.m. at the Johnstown Community Center. A number of the residents shared with each other the information they had heard.

Mr. Fernandez inquired about the need for repairs to the landscaping and grass in the medians that may be owned by Thompson Crossing Metropolitan District No. 3. Mr. Jacobs was directed to take note of the issue and investigate remediation.

Thompson Crossing Metropolitan District No. 4 Director Stevens discussed issued related to landscaping and accountability of contractors and emphasized that community input and involvement in that process is important.

Joint Study Session
Thompson Crossing
Metropolitan District
Nos. 3-6 re 2020 Budget:

Mr. Collins reviewed with the Boards of Directors for Thompson Crossing Metropolitan District Nos. 3-6 the draft 2020 budget for each of Thompson Crossing Metropolitan District Nos. 3-6 and addressed inquires related to the same. The following items related to the Thompson Crossing Metropolitan District Nos. 3 and 4 budgets were discussed in detail:

- Mr. Collins noted that the has included a full 10 mill reduction in the draft 2020 Thompson Crossing Metropolitan District No.4 budget but that this item has not been decided and only reflects the maximum decrease allowed under the 2019 bond covenants.
- It was noted by Director Rau that the \$192,000 listed in the Thompson Crossing Metropolitan District No. 3 budget as

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- revenue from system development fees should be placed in a capital projects account.
- Director Stevens inquired about the difference between the line items in the Thompson Crossing Metropolitan District No. 3 budget for “Covenant Control and Inspections” and “Community Management”. Mr. Collins explained that these items are for the same work and are simply a reclassification/nomenclature change to better describe the nature of the expenditure in the budget. It was noted that the \$45,000 listed in the Thompson Crossing Metropolitan District No. 3 budget for 2020 for “Community Management” is therefore redundant and needs to be removed and the items from the past years’ budgets should then be moved to “Covenant Control and Inspections”, i.e., the line items should be consolidated. Director Stevens noted that there is still a proposed increase of \$15,000 from the 2019 budget for this item and requested details from MSI, Inc. related to why this increase is being requested.
 - Mr. Collins noted that \$40,000 is being included in the Thompson Crossing Metropolitan District No. 3 budget to cover election related expenses but that this item may be less if there are not contested elections and the elections can therefore be cancelled.
 - Mr. Jacobs noted that he believed the estimated 2019 budget for the line item “Lifeguards” would more likely be \$60,000, not the \$90,000 included in the draft 2020 budget for Thompson Crossing Metropolitan District No. 3.
 - Director Kiesey inquired about what the “Snow Removal” line item in the Thompson Crossing Metropolitan District No. 3 budget included. Director Rau advised that this covered sidewalks in the community that are located on public property.
 - Director Stevens inquired about what the “Pool and Rec Center Maintenance” line item in the Thompson Crossing Metropolitan District No. 3 budget represented. Mr. Jacobs advised that this covers cleaning and chemicals for the pool, restroom maintenance and routine repairs to the pool and recreational areas.
 - Director Stevens noted that Timberline District Consulting, LLC is paid \$90,000 a year to oversee the communities covenant enforcement, pool, and landscaping, all of which are areas of great concern to the residents. Director Stevens

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shared his recent experience of holding a private event in a community pavilion area that was coordinated through management and that despite this coordination the sprinklers were on and resulted in water collecting in areas and making the event less pleasant for his guests.

- Director Stevens stated that he cannot support devoting any additional mills from Thompson Crossing Metropolitan District No. 4 being spent on operations and maintenance with the current level of services and that they are not getting their money's worth.
- Director Stevens noted that it would be his preference to go out for multiple bids on several of the contracts to remedy this issue. Director Rau noted that the Thompson Crossing Metropolitan District No. 3 contracts have been bid in the past but that bidding also brings certain issues including, but not limited to, costs associated with bidding, increased costs for contractors that are requested to rebid an ongoing contract, and, if a new contractor is engaged, a significant learning process to bring the new contractor up-to-speed on the community. Director Stevens acknowledged these concerns and indicated that it may be worth trying to work on improving the performance of the current contractors before replacing them.
- The possibility of expanding the pool hours was discussed and it was noted that there are costs attendant to such an expansion for additional lifeguard and other services.
- Director Kiesey noted that the Thompson Crossing Metropolitan District No. 4 system development fees would be placed in a designated account for use by the Thompson Crossing Metropolitan District No. 4 Board as directed in the future. He further noted that at this time a reserve study has not been completed because of lack of funds and age of the capital infrastructure. Director Rau noted that Oakwood Homes has to date advanced in excess of \$5,000,000 for operations and maintenance of the Thompson Crossing Metropolitan District Nos. 3-6 and has acted as the capital reserve when improvements have been needed.

Other Business: None.

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Adjournment:

There being no further business to come before the Board, and upon motion of Director Kiesey, second of Director Stevens and unanimous vote, the meeting was adjourned



Secretary of the Meeting