

# RECORD OF PROCEEDINGS

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## MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 4

Held: Thursday, July 25, 2019 at 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, CliftonLarsonAllen, LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Russ Hofer, MSI, LLC; Jerry Jacobs, Timberline District Consulting, LLC; Stephanie Chichester, North Slope Capital; Brooke Hutchens, D.A. Davidson & Co.; Tiffany Leichman, Sherman & Howard, LLC (*via telephone*) and the following members of the public: Paul Humrich, Ryan Howard, Phil Beedle, Lynn Beedle, and Elaine Hoffman.

Call to Order:

Director Rau, 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 confirmed the contents of any written disclosures previously made,

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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 and his leadership role in The Well, a ministry near the TRR community, that has partnered with the TRR Foundation in sponsorship of local Easter Egg Hunts. 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.

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 with the addition of Items 10 c. and d. as follows:

- c. Consider formation of Citizen's Advisory Committee
- d. Consider 2020 Budget Calendar/Schedule

And tabling Item 6.b to the next meeting.

Public Comment For  
Matters Not on the  
Agenda:

Mr. Howard noted that he was interested in Item 6.b and that such a document would be very helpful to alleviate ambiguity in the community about which District residents live in and how the Districts work together. Mr. Howard noted that he would be happy

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to assist Director Stevens in further developing this item. Director Stevens stated that he was in the process of developing this item and just had not had time to finalize anything for this special meeting. Director Stevens noted that Mr. Howard could get in contact with him to assist.

Ms. Hoffman inquired regarding the status of the tree and shrub trimming that was needed to prevent obscuring visibility to stop signs in the neighborhood. Messrs. Jacobs and Hoffer stated that they have reviewed the locations and all of those locations were on private property, not Thompson Crossing Metropolitan District No. 3 property, therefore violations have been sent to the applicable homeowners and follow-up violations will be sent if the violations are not corrected.

Approval of Minutes: After discussion, the consideration of the June 25, 2019 special meeting minutes was tabled until the next meeting of the Board.

### New Business:

#### Board Vacancy:

The Board discussed the vacancy that exists on the Board. Director Rau stated that the Board previously attempted to fill this vacancy through a resident solicitation, which was when Directors Stevens and Kiesey were appointed, but there were not enough applicants. Director Rau suggested that the Board follow the same solicitation process that was used before. Ms. Ivey stated that she has prepared documentation for that process which would include emailed notice, posting of the notice to the TRR Community website, prominently posted notices in the community, and published notice. After discussion, upon motion of Director Stevens and second of Director Wyszynski, the Board unanimously approved this process and indicated that the deadline for applicants should be set for the day before the next meeting of the Board, which will be set later in the meeting.

#### Informational Document:

After discussion, the consideration of this item was tabled until the next meeting of the Board.

### Series 2019 Bonds:

#### Inclusion of Carriage Houses:

Ms. Chichester reviewed the various analysis that North Slope Capital had completed and the various tests that they had run for whether the inclusion of the carriage houses would be self-sufficient in supporting the extra debt that would be issued with the

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inclusion versus whether the additional debt payments would need to be subsidized by the homes within the existing boundaries. Ms. Chichester reviewed the latest models which assumed 17 closings in 2019 and 60 closings in 2020 from the carriage houses with a two-year lag for those residential properties to hit the tax rolls and generate property tax revenue. These revised assumptions when including capitalized interest showed a +/- \$475,000 shortfall using the most conservative view of capitalized interest expense assigned solely to those 77 homes, a breakeven (\$9,000 surplus) if the capitalized interest expense is spread across the existing District boundaries and the carriage homes, and a benefit of \$168,000 if only comparing debt service with and without the carriage homes against estimated carriage home revenue. However, with the removal of capitalized interest the inclusion of the carriage houses passed all three tests that had been set up. Ms. Chichester explained that North Slope Capital would be sending a memorandum to summarize its findings but that with the removal of capitalized interest and payment by Oakwood Homes of system development fees in the amount of \$500 per home for the first 500 homes after closing on the bonds (revenue to be available to pay bonds if needed) that they were comfortable with the inclusion of the carriage houses. After further review and discussion, and upon motion of Director Wyszynski and second of Director Stevens, the Board approved, on a vote of 3-0 with Director Rau abstaining and recusing himself from discussion, contingent upon the approval of the inclusion of the property being considered later in this agenda, allowing approximately \$1,550,000 in new project funds, assuming that market conditions remain such that the bond transaction continues to pass the three tests being used by North Slope Capital, to be available for reimbursement/payment of the costs of public improvements within the District (inclusive of the carriage houses being included in the District) and revised its system development fee to be \$500.00 per residential home due at the time of issuance of a building permit for the first 500 homes constructed after the closing on the 2019 Bonds with the revenue from such system development fees to be placed in a surplus account which may be used to pay the 2019 Bonds (but are not pledged thereto) or for other expenses of the District at the discretion of the Board.

Mill Levy Approach: The Board discussed the various options that had previously been presented by D.A. Davidson & Co. which included maintaining the current mill levy of 63.641, lowering the mill levy to 53.541, or

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something in between. Director Rau noted that pledging only the 53.541 mills would allow the Board and future Boards the greatest amount of flexibility in adjusting the debt service mill levy between 53.541 and 63.541 (subject to Gallagher Adjustment) in future years and could allow a slow step-down approach. Mss. Ivey and Hutchens explained that the Board would be required by the bond documents to levy the 53.541 mills (subject to Gallagher Adjustment) for payment of the bonds but would also have the ability to levy more if they wanted to, providing that the additional amount levied would also have to be paid to the bonds. After further discussion and Director Stevens noting that this did mean that taxes would go down for 2020, upon motion of Director Stevens and second of Director Kiesey, the Board unanimously directed that 53.541 mills (subject to Gallagher Adjustment) be the amount pledged to payment of the bonds.

### Legal Matters:

#### Resolution re Meeting Notice:

Director Rau and Ms. Ivey reviewed with the Board a resolution re public notices for District meetings and policies regarding advance notice to residents. Director Stevens inquired about the other physical posting locations that Mr. Jacobs had previously mentioned. Ms. Ivey noted that some of those locations are not located within the boundaries of the District and therefore are not included in this resolution but would be included in similar resolutions to be presented to the Boards of Directors of Thompson Crossing Metropolitan District Nos. 3, 5, and 6 at their annual meeting. Director Stevens requested that all posting locations for all Districts be included in the minutes, which are as follows:

- south side of River Ranch Parkway in front of the Tabernacle;
- south side of Briarwood entrance right before Arrowwood Drive; and
- south side of River Ranch Parkway in the new development area before Filing 11 at 701 Peaceful View Place, Parcel # 8523213901.

After discussion, upon motion of Director Kiesey and second of Director Stevens, the Board unanimously approved the resolution.

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Public Hearing on  
Inclusion:

Upon motion of Director Wyszynski and second of Director Stevens, the Board unanimously approved opening a public hearing on the petition for inclusion of property consistent with published public notice. No members of the public were present to address the Board. Upon motion of Director Wyszynski and second of Director Stevens, the Board unanimously approved closing the public hearing. Ms. Ivey reviewed with the Board a proposed resolution and order regarding the inclusion of property into the District. After discussion, and upon motion of Director Stevens and second of Director Wyszynski, the Board approved, on a vote of 3-0 with Director Rau abstaining and recusing himself from discussion, adopting a resolution and order regarding the inclusion of real property into the District.

Financial Matters:

2018 Audit:

Mr. Collins reported that the 2018 Audit is completed and has been filed and that the auditor provided an unmodified opinion. After discussion, upon motion of Director Kiesey and second of Director Stevens, the Board unanimously ratified the filing of the 2018 Audit.

Financial Statements:

Mr. Collins reviewed with the Board the June 30, 2019 financial statements. After discussion, upon motion of Director Wyszynski and second of Director Stevens, the Board unanimously accepted the June 30, 2019 financial statements.

Other Business:

Oakwood Homes -  
Development and  
Amenities:

Director Wyszynski reviewed with the Board a report and schematic that showed the projected timing of the construction of homes and amenities within the community and described the requirements of the development approvals from the Town of Johnstown. Mr. Howard noted that if the clubhouse/community center could be opened first that would be helpful and noted that the school site that Oakwood has been working on is a great benefit to the community.

Landscape  
Committee:

Ms. Ivey reviewed with the Board a resolution forming a Landscape Committee and setting forth guidelines and requirements for that Committee. Ms. Ivey reported that a solicitation for applicants was sent out shortly after the June 25, 2019 special meeting and requested applications be submitted by interested parties no later than July 18, 2019 but no applications or

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inquires have been received to date. Director Stevens noted that the previous solicitation required a resume, which seemed a bit onerous for the purposes of this Committee and suggested that this be revised to a bio. After further discussion, upon motion of Director Stevens and second of Director Wyszynski, the Board unanimously adopted the resolution forming the Landscape Committee and setting guidelines and requirements therefor and directed Ms. Ivey to revise the solicitation to replace the requirement for a resume with a bio and re-advertise for applications with a deadline of the day before the next meeting of this Board.

Citizen's Advisory  
Committee:

Directors Rau and Stevens reviewed with the Board discussions they had had regarding the need for greater input from and activism of residents of the District. It was noted that at one point there were discussions that the Board should meet more frequently but since the District does not typically have much business a Citizens Advisory Committee could fill that role at much less expense since legal counsel, accountants, and managers would not need to attend all of the meetings of the Committee. The intent would be that the Committee would have representatives from within the District and from Thompson Crossing Metropolitan District No. 6 (the other residential District). After further discussion and review, upon motion of Director Stevens and second of Director Kiesey, the Board unanimously approved requesting Thompson Crossing Metropolitan District No. 3 to approve funding for legal counsel and management to develop the parameters of a Citizens Advisory Committee and to move forward therewith.

2020 Budget  
Schedule:

Ms. Ivey distributed a draft of a Thompson Crossing Metropolitan District Nos. 3-6 budget schedule that complies with statutory deadlines and the deadlines contained in the intergovernmental agreement between the Thompson Crossing Metropolitan District Nos. 3-6. This calendar also includes the scheduling of at least one study session for the Boards of Directors of Thompson Crossing Metropolitan District Nos. 3-6 to discuss the proposed 2020 budget. After review and discussion, it was noted that the annual meeting for Thompson Crossing Metropolitan District Nos. 3-6 is currently scheduled for election day. The Board directed that this meeting for Thompson Crossing Metropolitan District No. 4 be rescheduled to Monday, November 4, 2019 and that Thompson Crossing Metropolitan District Nos. 3, 5, and 6 be requested to change their meeting to that date as well. The Board also directed that the first

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Joint Study Session be set for September 17, 2019 at 7:30 a.m. and that Thompson Crossing Metropolitan District Nos. 3, 5, and 6 be requested to set a Study Session for that date and time as well. Upon motion of Director Wyszynski and second of Director Kiesey, the Board unanimously approved the calendar with the inclusion of the aforementioned dates and requested that it be forwarded to Thompson Crossing Metropolitan District Nos. 3, 5, and 6 for consideration.

Ms. Ivey stated that the Board would need to set a special meeting to consider adopting the 2019 Bond parameters resolution. Ms. Hutchens stated that if the current projected issuance schedule is followed the meeting would need to occur no sooner than 3 weeks from today and no later than August 26<sup>th</sup>. After discussion the Board set a special meeting for 7:30 a.m. on August 22, 2019 and reserved time on August 28, 2019 in the event that the meeting needs to be continued to accommodate schedule changes.

Adjournment:

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



Secretary of the Meeting