

# RECORD OF PROCEEDINGS

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MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1

Held: Thursday, March 4, 2021 at 3:30 p.m. All participation in this meeting, including public participation, was by telephone and/or electronic means to preserve the health, safety and welfare of the public in light of the imminent threat caused by the COVID-19 pandemic via the following zoom meeting location:

<https://us02web.zoom.us/j/89201588015?pwd=Tm1EQTh3NlFid2JNdzZBT1czSnVIUT09> Meeting ID: 892 0158 8015 Passcode: 547264; or telephone at 301 715 8592.

Attendance:

A special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 1 was scheduled in compliance with the laws of the State of Colorado.

The following Directors were in attendance:

Joshua Kiel Malm, President  
Jennifer Baum, Treasurer  
Joel Smith, Assistant Secretary  
Jason Edward Manley, Assistant Secretary

The following Director was absent and the absence was excused:

Sam Mayer, Secretary

Also present were: Jerry Jacobs and Brittany Barnett, Timberline District Consulting, LLC (*via video/telephone conference*); Shelby Clymer, CliftonLarsonAllen LLP (*via video/telephone conference*); Jennifer L. Ivey, Icenogle Seaver Pogue, P.C. (*via video/telephone conference*); Emma Francis, MSI (*via video/telephone conference*); and the following members of the Boards of Directors of Erie Highlands Metropolitan District No. 2, Erie Highlands Metropolitan District No. 3, Erie Highlands Metropolitan District No. 4, and Erie Highlands Metropolitan District No. 5: Brandon

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Wyszynski, Chris Carlton, and Kelly Leid (*all via video/telephone conference*); and five members of the public (*all via video/telephone conference*).

Call to Order: Director Malm, noting the presence of a quorum, called to order the special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 1.

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

Director Malm, 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.

Director Smith, 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.

Approval of/Additions  
to/Deletions from the  
Agenda: After discussion, upon motion of Director Manley and second of Director Malm, the Board unanimously approved the agenda as presented.

Public Comment For Members of the public commented on the recent eblast regarding

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Matters Not on the  
Agenda:

enforcement regarding the covenant related to basketball hoops. Mss. Ivey and Barnett and Mr. Jacobs explained the covenant is in question and reviewed the complicated process for amending the covenants, which is not controlled by the District. Upon inquiry Ms. Francis reported that the eblast was sent in response to numerous complaints from residents regarding basketball hoops being used in violation of the covenant. Mr. Jacobs explained that the covenant is usually put in place for aesthetic and safety reasons. It was requested that Ms. Francis work with Ms. Barnett and Mr. Jacobs to poll members of the community regarding their desires to enforce the covenant as currently in effect, revise the covenant, or remove the covenant, recognizing that no change may be possible. Ms. Ivey stated that she could work with Mss. Francis and Barnett and Mr. Jacobs to ensure that future communications to residents accurately reflect information.

Approval of Minutes:

Minutes of November  
17, 2020 Special  
Meeting:

After discussion, upon motion of Director Malm and second of Director Manley, the Board unanimously approved the November 17, 2020 special meeting minutes.

Legal Matters:

Ratify Actions Taken  
at November 17,  
2020 Special  
Meeting:

Ms. Ivey reviewed with the Board the actions taken at the November 17, 2020 special meeting and the notice provided to the Town of Erie pursuant to the Service Plan. Following review, upon motion of Director Malm and second of Director Baum, the Board unanimously ratified approval of the actions taken at the November 17, 2020 special meeting.

Financial Matters:

Public Hearing on  
Amendment of 2020  
Budget:

Ms. Clymer reviewed with the Board of Directors the draft of the proposed 2020 budget amendment. It was noted that Notice stating the board would consider adoption of the 2020 budget amendment and the public hearing was published pursuant to statute. Upon the motion of Director Malm and second of Director Smith the Board of Directors voted unanimously to open a public hearing on the proposed 2020 budget amendment for the District. No members of the public present wished to address the Board. Upon the motion of Director Manley and the second of Director Malm the Board of Directors voted unanimously to close the public hearing on the proposed 2020 budget amendment.

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Consider Approval of Amendment of 2020 Budget: After discussion and review by the Board and upon the motion of Director Malm and second of Director Baum, the Board voted unanimously to approve the 2020 amended budget and adopted a Resolution to Amend the 2020 Budget and appropriate funds.

Consider Acceptance of December 31, 2020 Unaudited Financial Statements: Ms. Clymer reviewed the December 31, 2020 unaudited financial statements with the Board. After review and discussion, upon motion of Director Baum and second of Director Malm, the Board unanimously accepted the December 31, 2020 unaudited financial statements.

Discuss District Budgeting, Operations/Maintenance Expenses, and Revenue Sources: Mss. Clymer and Ivey and Mr. Jacobs reviewed the District's budgeting, operations/maintenance expenses and revenue sources with the Board. The goal of today's discussion is to set up a process to move forward in order to ensure a smooth 2022 budget preparation cycle. It was recognized that the Districts currently operate at a shortfall that is being funded by developer advances and that the goal is to have the Districts operating self-sufficiently. Ms. Ivey discussed the limitations in the Districts' Service Plan and voter authorizations related to the imposition of fees or any increases to the operations and maintenance mill levy. It was stated that going forward revenues need to be increased or levels of service need to decrease to eliminate the shortfall. Mr. Jacobs was asked to begin compilation of a level of service matrix for the operations and maintenance expenses that can be controlled by changing the levels of service provided. After further review and discussion, it was determined that Ms. Clymer, Mr. Jacobs, Director Manley, Director Malm or Director Mayer, Director Leid, and Director Wyszynski would operate as a focus group to discuss these items and bring recommendations back to the Districts.

Management Report: This Item was discussed as part of the Erie Highlands Metropolitan District No. 4 meeting.

Other Business:  
Design Review Committee Regulations Regarding Political Signs/Flags: This Item was discussed as part of the Erie Highlands Metropolitan District No. 4 meeting.

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Adjournment:

There being no further business to come before the Board of Directors, upon motion of Director Malm and second of Director Manley, the Board of Directors voted unanimously to adjourn the meeting at approximately 5:25 p.m.

DocuSigned by:



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Secretary of the District