

# RECORD OF PROCEEDINGS

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## MINUTES OF THE CONSOLIDATED SPECIAL MEETING STUDY SESSION OF THE BOARD OF DIRECTORS

OF THE

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1

Held: Wednesday, October 13, 2021 at 8:00 a.m. via online meeting at <https://us02web.zoom.us/j/88936904435?pwd=TWV0dEROUmVtUzJKNkIVSzFLS1RWZz09> and via telephone at 346-248-7799, Meeting ID: 889 3690 4435, Passcode: 947384.

**Attendance:**

A consolidated special meeting study session 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 (*via video/telephone conference*)  
Jennifer Baum, Treasurer (*via video/telephone conference*)  
Joel Smith, Assistant Secretary (*via video/telephone conference*)  
Jason Edward Manley, Assistant Secretary (*via video/telephone conference*)  
Sam Mayer, Secretary (*via video/telephone conference*)

Also present were: Jerry Jacobs and Brittany Barnett, Timberline District Consulting, LLC (*via video/telephone conference*); Shelby Clymer and Alyssa Ferreira, CliftonLarsonAllen LLP (*via video/telephone conference*); Jennifer L. Ivey, Icenogle Seaver Pogue, P.C. (*via video/telephone conference*); 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 Wyszynski and Chris Carlton, (*all via video/telephone conference*); and four members of the public (*all via video/telephone conference*).

**Call to Order:**

It was noted that a quorum was present and the consolidated special meeting study session of the Board of Directors of the Erie Highlands Metropolitan District No. 1 was called to order.

**Director Matters/**

Ms. Ivey then advised the Board that pursuant to Colorado law,

## RECORD OF PROCEEDINGS

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Disclosure Matters: certain disclosures by the Board members may be required prior to taking official action at the meeting. Since this is a study session and no official actions may be taken by the Board, written disclosures of these interests were not filed with the Secretary of State and the Board prior to the meeting.

Approval of/Additions to/Deletions from the Agenda: There were no changes to the agenda.

Public Comment For Matters Not on the Agenda: None.

Financial Matters – Discussion Regarding Proposed 2022 Budgets for District Nos. 1-5: Ms. Clymer and Directors Manley and Wyszynski discussed with the Board the work to date of the budget working group in discussing the proposed 2022 budgets. Ms. Clymer reported that CliftonLarsonAllen LLP has been working on a fee analysis in order to project future budget shortfalls. Based on the preliminary work that has been completed to date using a 2% growth estimate it is being projected that the operations and maintenance mill levy will need to be increased to 35.000 – 40.000 mills or a fee would have to be assessed in the amount of \$580.00 – \$650.00 per year. Ms. Ivey discussed the current restrictions related to both in the Districts’ service plan, the likely process with the Town to revise these restrictions through an amendment/approval process, and the potential need for voter authorization if the operations and maintenance mill levy is proposed to be increased. The Board members discussed the plusses and minuses associated with an increased mill levy versus assessing a fee, including, but not limited to, tax deductibility, previous representations that this would be a no-fee community, the ease of collecting taxes versus fees. Director Wyszynski noted that a reduction in services, while not desirable, may be a way to minimize projected shortfalls. Director Manley noted that additional acceptance of facilities by District No. 4 for operations and maintenance is also causing increases in costs. Director Manley restated his previous requests that District No. 4 appoint residents to sit on its Board. The Board also discussed how past decisions and decisions by the developer may have resulted in the current financial shortfalls.

Ms. Clymer and Mr. Jacobs reviewed and discussed with the Board

## RECORD OF PROCEEDINGS

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the proposed 2022 budget. Ms. Clymer explained various line items contained in the budget to the Board and received input from the Board regarding the same. Ms. Ivey discussed the potential cost associated with contested elections in May 2022 or if an election is held regarding increasing the operations and maintenance mill levy. It was directed that the budget for elections be increased to \$50,000. Ms. Ivey also noted that the fees associated with rental of the clubhouse and design review requests could be increased if management feels that the current fees are not resulting in a net-zero cost to the Districts for these items.

Ms. Ivey discussed the budget timeline, including but not limited to, the November 3, 2021 public hearing on the 2022 budget, the December 15, 2021 deadline to certify mill levies, and the December 31, 2021 deadline to approve a 2022 budget.

Legal Matters: None.

Other Business: None.

Adjournment: There being no further business to come before the Board the meeting was adjourned.

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Secretary of the District