

# RECORD OF PROCEEDINGS

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## MINUTES OF THE COORDINATED REGULAR MEETING OF

CENTERRA METROPOLITAN DISTRICT NO. 1  
CENTERRA METROPOLITAN DISTRICT NO. 2  
CENTERRA METROPOLITAN DISTRICT NO. 3  
CENTERRA METROPOLITAN DISTRICT NO. 4  
CENTERRA METROPOLITAN DISTRICT NO. 5

HELD  
August 18, 2011

The Boards of Directors of the Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3, Centerra Metropolitan District No. 4, and Centerra Metropolitan District No. 5 held a coordinated regular meeting, open to the public, at the office of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 Noon Thursday, August 18, 2011. Notice of the meeting has been duly posted with the Larimer County and City of Loveland Clerk and Recorders and posted in three public places within the boundaries of each District.

ATTENDANCE:

Directors in Attendance:

Jay Hardy, Vice President & Assistant Secretary  
Tom Hall, Secretary  
Julie Den Herder, Assistant Secretary /Treasurer

Directors Absent and Excused:

Kim Perry, President  
Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Jim Niemczyk, McWhinney  
Wendy Messinger, McWhinney  
Alan Pogue, Icenogle, Seaver & Pogue, P. C.  
Peggy Dowsell, Pinnacle Consulting Group, Inc.  
Carla Hawkins, Pinnacle Consulting Group Inc.  
Brendan Campbell, Pinnacle Consulting Group Inc.  
Bonnie Steele, City of Loveland  
Frank Hempen, City of Loveland (departed at 12:18 p.m.)  
Ralph Trenary

CALL TO  
ORDER

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The meeting was called to order at 12:05 p.m. by Director Hardy, Vice-President of the Board, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve.

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COMBINED  
MEETING

The Districts are meeting in a combined Board Meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Centerra Metropolitan

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District No. 1, with concurrence by the Centerra Metropolitan Districts Nos. 2, 3, 4, and 5.

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## CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue, legal counsel, noted that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State's Office, disclosing potential conflicts as all Board Members are employees of McWhinney Real Estate Services, Inc., which is associated with the primary landowners and developer within the District. Mr. Pogue advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the 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.

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## AGENDA

The Board reviewed the agenda. Upon motion duly made by Director Hall and seconded by Director Den Herder, it was unanimously

**RESOLVED** to approve the agenda with changes.

At this point in the meeting, Director Hardy welcomed Ms. Julie Den Herder to the Board mentioning that she was replacing Mr. Hill. Introductions were made.

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## APPROVAL OF MINUTES

The Minutes of the June 16, 2011 regular meeting and August 15, 2011 special meeting were presented. Approval of the June 16, 2011 meeting was deferred. Upon motion duly made by Director Hall and seconded by Director Den Herder, it was unanimously

**RESOLVED** to approve the minutes from the August 15, 2011 special meeting as presented.

There were no actions or representations of the District by the District Manager to ratify since the last Board Meeting.

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## I-25 INTERCHANGE UPDATE

Mr. Hempen, City of Loveland, gave a brief update stating the I25/34 project was substantially complete. His estimate of cost savings on the project is estimated to be \$340,000. Notice has been published that retainage will be released on or after August 24<sup>th</sup>. As for Crossroads, Mr. Niemczyk stated the close out will happen September 14<sup>th</sup> when maintenance will transition to Valley Crest Landscaping. A final walk through is scheduled for the end of this month.

Director Hardy presented Mr. Hempen a plaque commemorating the I25/34 Interchange Public Improvement Project to acknowledge his efforts through the project. The Board acknowledged the entire team's efforts and thanked Mr. Hempen for his work.

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## KENDALL PARKWAY UNDERPASS

Mr. Hempen stated that CDOT has reviewed the traffic study and requested additional documentation, which the City submitted and are waiting their reply.

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## ITEMS FROM THE DISTRICT MANAGER

### 2012 Preliminary Budget Discussion

Ms. Hawkins noted it was time to begin thinking about the 2012 Budget. She mentioned she had met with Director Perry to review the Operation and Maintenance Budget and a draft was handed out to the Board. Ms. Hawkins noted that budgets for Operation and Maintenance, Debt and Capital Projects would be presented to the Board no later than October 15<sup>th</sup>. Mr. Niemczyk has agreed to forecast capital expenses for the 2012 Budget. Preliminary assessed valuation reports from Larimer County are due no later than August 25<sup>th</sup>. Upon receipt of these reports, the District's revenue projections can be provided.

### Capital Acceptance of Public Improvements

Ms. Hawkins stated the District has received invoices for consideration for reimbursement by the District for the developer funded projects. The District will meet with a Developer Representative to review any items that are not accepted and/or questionable. Pinnacle, on behalf of the District, will review the costs and will bring back to the Board for consideration and approval prior to the end of the year.

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## ITEMS FROM THE FINANCE DIRECTOR

### Consider Appointment of Designated District Representative

Ms. Dowswell asked for approval to be appointed as the District's representative to handle all the loan compliance issues and for filing required reports. Upon motion duly made by Director Den Herder and seconded by Director Hall, it was unanimously

**RESOLVED** to designate Ms. Dowswell, CPA, as district representative to have the authority to execute and file all loan compliance matters and reports.

### Financial Report and Approval of Payables

Ms. Dowswell presented for ratification the Schedule of Payables from July 26, 2011, in the amount of \$477,556.35, including checks 4593 through 4622 and for approval the Schedule of Payable on August 17, 2011, in the amount of \$609,055.96, including checks 4623 through 4650. Upon motion duly made by Director Hall and seconded by Director Den Herder, it was unanimously

**RESOLVED** to ratify the July 26, 2011 Schedule of Payables and approval the August 17, 2011 Schedule of Payables, in the amounts and check numbers noted above.

Mr. Campbell presented the financial statements as of June 30, 2011. With loan expenses, the district's 2011 budget will need to be amended prior to the end of the year.

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## ITEMS FROM THE ATTORNEY

### Legislative Update

Mr. Pogue handed out the 2011 Legislation Summary highlighting new on retainage payments requirements and that the residential real property valuation ratio would

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remain at 7.96%. He also noted that the legislature is considering an income tax and state sales tax increases to fund K-12 education.

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## BOARD MEMBER & OTHER COMMENTS

Director Hardy noted that the Reporter Herald was working on a story about Chapungu and the sale of the gallery and warehouse. He spoke with Ms. Mushore and clarified that this did not affect the sculptures in the public park. Ms. Mushore reassured that press releases would clearly distinguish the private gallery/warehouse from the park. Should anyone ask questions on this matter, please direct them to Director Hardy.

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## 2010 LURA AUDIT REPORT

Ms. Bonnie Steele handed out and reviewed with the Board the 2010 City of Loveland Urban Renewal Authority Annual Report showing the Balance Sheet and the Statement of Revenues, Expenditures and Change in Fund Balance for each of the project areas in 2010.

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## PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Mr. Trenary addressed the Board stating his attendance at this meeting was for informational purposes. Upon receiving no comments, this portion of the meeting was closed.

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## ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:09 p.m.

The foregoing constitutes a true and correct copy  
of the minutes of the above-referenced meeting.

Respectfully Submitted,



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Carla Hawkins, Secretary for the Meeting