

# 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  
November 15, 2012

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 noon, Thursday, November 15, 2012. Notice of the meeting has been duly posted with the Larimer County Clerk and Recorder and posted in three public places within the boundaries of each District.

ATTENDANCE:

Directors in Attendance:

Kim Perry, President  
Josh Kane, Treasurer & Assistant Secretary  
Tom Hall, Secretary  
Jay Hardy, Vice President & Assistant Secretary  
Julie Den Herder, Assistant Secretary/Treasurer

Also in Attendance:

Alan Pogue, Icenogle, Seaver & Pogue  
Jim Niemczyk, McWhinney  
Ralph Trenary, City Councilor (left at 12:55 p.m.)  
Peggy Dowswell, Pinnacle Consulting Group, Inc.  
Carla Hawkins, Pinnacle Consulting Group, Inc.  
Shana L. Allen, Pinnacle Consulting Group, Inc.

CALL TO  
ORDER

The meeting was called to order at 12:07 p.m. by Director Perry, President, 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 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 Hardy, it was unanimously

**RESOLVED** to approve the agenda as presented.

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## APPROVAL OF MINUTES

The minutes of the October 18, 2012 regular meeting were presented. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the October 18, 2012 minutes 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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## ITEMS FROM PROJECT MANAGER

### I25 &34 Interchange Updates:

Mr. Niemczyk informed the Board that the City of Loveland is scheduling the temporary irrigation work for this winter and the re-seeding will take place after the holidays so traffic is not interrupted during the holidays.

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### Parcel 505 Improvement Updates:

Mr. Niemczyk reported that the civil engineering off-site work is underway and the City of Loveland is considering an alternative solution other than underground drainage.

### Traffic Light Design and Construction Cost Sharing IGA:

Mr. Niemczyk reported that there is currently a traffic study underway to determine if the signal along Sky Pond Drive is warranted. It may be necessary to sign an IGA with the City of Loveland for the installation of a traffic signal along Sky Pond Drive.

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### ITEMS FROM THE FINANCE DIRECTOR

### Financial Report and Approval of Payables:

Ms. Dowswell presented for ratification the October Schedule of Payables through October 31, 2012 showing checks 4987 through 5008.

Ms. Dowswell presented for approval the November Schedule of Payables through November 25, 2012 in the amount of \$231,465.67; including checks 5009 through 5028. Upon motion duly made by Director Kane and seconded by Director Den Herder, it was unanimously

**RESOLVED** to ratify the October and approve the November Schedule of Payables, in the amounts and the check numbers noted above.

Ms. Dowswell presented the Financial Statements through August 31, 2012.

### Approval of 2012 Auditor:

Ms. Dowswell reported that three bids were received in response to the Audit RFP. Upon motion duly made by Director Kane and seconded by Director Hall, it was unanimously

**RESOLVED** to engage Cutler & Associates to prepare the 2012 Audits for a fee to be negotiated by the Finance Director.

### Loan Update:

Ms. Dowswell reported that the District closed on the loan advance with a net of \$6.3 million in proceeds.

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### 2012 AMENDED BUDGET HEARING AND ADOPTION OF RESOLUTIONS

Director Perry opened the 2012 Amended Budget Hearing to the public for Centerra Metropolitan District Nos. 1-5. Ms. Allen reported that notice of the hearing had been published on November 8, 2012 in accordance with the state budget law. Ms. Dowswell reviewed the budget with the Board and explained the amendments were required due to higher than budget expenses in the Funds. There being no public input, the public hearing portion of the budget was closed. The amended budgets of the district and fund are as follows:

District No. 2, Financing District  
General Fund Expenditures: \$348,143

After further review and discussion, and upon motion duly made by Director Hardy and seconded by Director Kane it was unanimously

**RESOLVED** to approve the Resolutions to Adopt the Amended 2012 Budgets and Appropriate budgeted funds and approve all other documents related to the Amended 2012 budgets for District Nos. 1-5.

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### 2013 BUDGET HEARING AND ADOPTION OF RESOLUTIONS

Director Perry opened the 2013 Budget Hearing to the public. Ms. Allen reported that notice of the hearing had been published on November 8, 2012 in accordance with state budget law. Ms. Dowswell reviewed the budget in detail and answered questions pertaining to the mill levy, estimated revenues and expenditures, and developer advances to finance capital projects. Ms. Hawkins reviewed the Operations and Maintenance budget. The budgets by district and fund are as follows:

District No. 1, Service District:  
Mill levy is 0 mills.  
General Fund Expenditures: \$1,410,000  
Debt Service Fund Expenditures: \$9,419,798  
Capital Fund Expenditures: \$1,878,000

District No. 2, Financing District  
Mill levy is 42.6 mills.  
General Fund Expenditures: \$351,957

District No. 2, Bond (only)  
2004 Bond Series Mill levy is 6.655 mills.  
2008 Bond Series Mill levy is 35 mills.

District No. 3, Financing District  
Mill levy is 5 mills.  
General Fund Expenditures: \$786

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District No. 4, Financing District  
Mill levy is 0 mills.  
General Fund Expenditures: \$0

District No. 5, Financing District  
Mill levy is 15 mills.  
General Fund Expenditures: \$189

There being no public input, the public hearing portion of the budget was closed. After further review and discussion, and upon motion duly made by Director Kane and seconded by Director Den Herder, it was unanimously

**RESOLVED** to approve the Resolutions to Adopt the 2013 Budgets, Set the Mill Levies and Appropriate budgeted funds upon final certification of value being received from the County on or before December 10, 2012, and approve all other documents related to the 2013 budgets. Pinnacle Consulting Group Inc., as District Manager, is authorized to make minor modifications that may be necessary following receipt of final assessed values.

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ITEMS FROM THE  
DISTRICT MANAGER

Ms. Hawkins reported to the Board that the 2013 landscape maintenance services had gone out to bid. Landscape bids are due by November 27<sup>th</sup>. The holiday lighting installation is almost complete and set to be turned on the day after Thanksgiving. Landscape improvements along Centerra Parkway median have been completed and rusting street sign posts will be replaced along high profile streets. Upon motion duly made by Director Den Herder and seconded by Director Hall, it was unanimously

**RESOLVED** to authorize Director Perry to make the final determination on the 2013 landscape services provider, once bids are analyzed.

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ITEMS FROM LEGAL  
COUNSEL

Approval of 2013 Administrative Matters Resolution

Mr. Pogue presented for the Board's consideration and approval the 2013 Administrative Matters Resolution. Upon motion duly made by Director Kane and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the 2013 Annual Administrative Matters Resolution.

Approval of MFA Designation for Parcel 505 Retail Infrastructure:

Mr. Pogue asked for an approval to work with the City of Loveland's general counsel to make the necessary MFA amendment to permit MFA funding for

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public improvements at Parcel 505 and to obtain City Council consent to the release of remaining funds in the 25-34 project account, to be used for Parcel 505 infrastructure costs. Upon motion duly made by Director Den Herder and seconded by Director Kane, it was unanimously

**RESOLVED** to direct Mr. Pogue to work on the MFA designation with Mr. Duval, City of Loveland attorney. Other Legal Updates:

Other Legal Updates:

Mr. Pogue advised the Board on potential ramifications to Metropolitan Districts based on the recent Florida ruling. Mr. Pogue reported to the Board that the items requested by subpoena in the Poag & McEwen lawsuit will be delivered tomorrow.

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BOARD MEMBER  
COMMENTS

There were no board member comments.

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OTHER MATTERS

There were no other matters brought before the Board.

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PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Upon receiving no further 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 1:21 p.m.

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

Respectfully Submitted,



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Shana L. Allen, Secretary for the Meeting