

# 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 17, 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, November 17, 2011. 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  
Jay Hardy, Vice President & Assistant Secretary  
Julie Den Herder, Assistant Secretary/Treasurer  
Tom Hall, Secretary

Directors Absent:

Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Jim Niemczyk, McWhinney  
Alan Pogue, Icenogle, Seaver & Pogue  
Peggy Dowswell, Pinnacle Consulting Group, Inc.  
Jason Woolard, Pinnacle Consulting Group Inc.  
Brendan Campbell, Pinnacle Consulting Group Inc.  
Carla Hawkins, Pinnacle Consulting Group Inc.  
Bonnie Steele, City of Loveland  
Ralph Trenary, City Council Member, Ward 4

CALL TO  
ORDER

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The meeting was called to order at 12:04 p.m. by Director Kim Perry, President of the Board, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve. Introductions were made and the Board welcomed Mr. Trenary.

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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 with changes.

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## APPROVAL OF MINUTES

The Minutes of the October 28, 2011 special meeting were presented. Upon motion duly made by Director Hall and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the 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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## I-25 INTERCHANGE UPDATE

Mr. Niemczyk gave an update stating the I25/34 contract work was complete. Repairs due to the tanker accident have started and the City is processing the claim against the company's insurance carrier. There will be no construction during the Thanksgiving holiday.

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### KENDALL PARKWAY

#### UNDERPASS

Mr. Niemczyk stated that the City did get a response from CDOT and will be following up on comments and questions raised by CDOT.

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### PARCEL 222

#### SAVANNA

Mr. Niemczyk stated that the buyer is scheduled to close on the property in December which means public improvements will be constructed in early 2012. It is possible that the District will be able to bid services in January. Mr. Niemczyk asked the board to consider re-authorizing up to \$18,000 for this project. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

**RESOLVED** to approve an amount not to exceed at total of \$18,000 for bidding services for the Savanna Parcel #222.

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### ITEMS FROM THE

#### FINANCE DIRECTOR

#### Financial Report and Approval of Payables

Ms. Dowswell presented for approval the Schedule of Payables for November 16, 2011, in the amount of \$131,793.78; including checks 4702 through 4726. Upon motion duly made by Director Den Herder and seconded by Director Hall, it was unanimously

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

Ms. Dowswell presented the Cash Position as of October 31, 2011, updated as of November 16, 2011, and answered questions from the Board. She gave a brief review of Financial Statements as of September 30, 2011.

#### Approval of 2011 Auditor

Mr. Campbell reported he has talked with the auditor and the cost for this year's audit will be a slight increase in audit fees. His recommendation to the Board is to use HCH, PC for the completion of the 2011 Audits for District No. 1, the PIF Revenue Account and the PIC Corporation. Mr. Campbell reported that because the District has SWAP agreements GASB requires that the effectiveness of the SWAP agreements audited. DerivActiv performed the audit in 2010 and has agreed to perform the SWAP agreement audit. Upon motion duly made by Director Den Herder and seconded by Director Hardy, it was unanimously

**RESOLVED** to engage HCH, PC and DerivActiv to prepare the 2011 Audits for an expense of \$7,500 and \$5,000 respectively.

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### Approval of 2011 Audit Exemptions

Mr. Campbell stated Pinnacle Consulting Group has prepared the Audit Exemptions for District Nos. 2-5 in past years. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

**RESOLVED** to engage Pinnacle Consulting Group, Inc to prepare the 2011 Audit Exemptions for District Nos. 2, 3, 4 & 5.

### Ratify Approval of the Quarterly Loan Compliance Reports:

Upon motion duly made by Director Hall and seconded by Director Hardy it was unanimously

**RESOLVED** to approve the ratification of the Quarterly Loan Compliance Reports.

### 2011 Amended Budget Hearing and Adoption of Resolutions

Director Perry opened the 2011 Amended Budget Hearing to the public for Centerra Metropolitan District Nos. 1, 2 and 5. Mr. Pogue reported that notice of the hearing had been published on November 10, 2011 in accordance with the state budget law. Mr. Campbell reviewed the budget with the Board and explained the amendments were required due to higher than budgeted expenses in the general, debt service and capital projects funds. There being no public input, the public hearing portion of the budget was closed. The amended budgets by district and fund are as follows:

District No. 1, Service District:

Debt Service Fund Expenditures: \$ \$119,963,749

Capital Fund Expenditures: \$128,431,221

District No. 2, Financing District

General Fund Expenditures: \$314,800

District No. 5, Financing District

General Fund Expenditures: \$183

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

**RESOLVED** to approve the Resolutions to Adopt the Amended 2011 Budgets and Appropriate budgeted funds and approve all other documents related to the Amended 2011 budgets for District Nos. 1, 2 & 5.

### 2012 Budget Hearing and Adoption of Resolutions

Director Perry opened the 2012 Budget Hearing to the public. Mr. Pogue reported that notice of the hearing had been published on November 10, 2011 in accordance with state budget law. Mr. Campbell reviewed the budget in detail

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and answered questions pertaining to the mill levy, estimated revenues and expenditures, and developer advances to finance capital projects. The budgets by district and fund are as follows:

District No. 1, Service District:

Mill levy is 0.00 mills.

General Fund Expenditures: \$1,366,583

Debt Service Fund Expenditures: \$9,419,798

Capital Fund Expenditures: \$393,714

District No. 2, Financing District

Mill levy is 42.6 mills.

General Fund Expenditures: \$329,849

District No. 2, Bond (only)

2004 Bond Series Mill levy is 6.655 mills.

2008 Bond Series Mill levy is 35.00 mills.

District No. 3, Financing District

Mill levy is 5.00 mills.

General Fund Expenditures: \$527

District No. 4, Financing District

Mill levy is 0.00 mills.

General Fund Expenditures: \$0

District No. 5, Financing District

Mill levy is 15.00 mills.

General Fund Expenditures: \$186

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 Den Herder and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the Resolutions to Adopt the 2012 Budgets, Set the Mill Levies and Appropriate budgeted funds upon final certification of value being received from the County on or before December 10, 2011, and approve all other documents related to the 2012 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

2012 Service Agreements

Ms. Hawkins stated several contracts would need to be revised due to scope changes which were included in the 2012 approved general fund budget. She

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stated that she will finalize the agreements and will bring them back to the Board for consideration at the January meeting.

### Transparency Notices

Ms. Hawkins noted the District is required to publish transparency notices annually. The notice will be published on the SDA Website prior to January 15, 2012. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the 2012 Transparency Notices.

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### ITEMS FROM THE ATTORNEY

#### 2012 Administrative Matters Resolution

Mr. Pogue presented for the Board's consideration and approval the 2012 Administrative Matters Resolution. Upon motion duly made by Director Hall and seconded by Director Den Herder, it was unanimously

**RESOLVED** to approve the 2012 Annual Administrative Matters Resolution.

#### 2012 Election Resolution

Mr. Pogue presented for the Board's consideration and approval the 2012 Election Resolution for the May 8, 2012 election. He stated that Director Hardy and Director Hall's 4 year terms where each expiring. He also stated the Director Den Herder's two year term was expiring. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the 2012 Election Resolution.

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### PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Upon receiving none, this portion of the meeting was closed.

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### ADJOURN MEETING

There being no further comments, the meeting was adjourned at 12:57 p.m.

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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