

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SECTION 14 METROPOLITAN DISTRICT HELD NOVEMBER 29, 2022

A Special Meeting of the Board of Directors of the Section 14 Metropolitan District, Jefferson County and the City and County of Denver, Colorado was duly posted and held on Tuesday, the 29th day of November, 2022, at 9:30 a.m. at the offices of Jordon Perlmutter and Co., 1601 Blake Street, Suite 600, Denver, Colorado 80202 and via teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Jay Perlmutter
Jonathan Perlmutter (via telephone)
Douglas C. Ernst
G. Darwin Toll, Jr.

Also In Attendance Were:

Ann Finn and Steve Beck; Special District Management Services, Inc.
MaryAnn McGeady, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Attorney Olson that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Quorum/Confirmation of Meeting Location/Posting of Notice: Ms. Finn confirmed the presence of a quorum.

The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Ernst, seconded by Director Toll and, upon vote, unanimously carried, the Board determined that because

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there was not a suitable or convenient location within the District's boundaries to conduct this meeting, it was determined to conduct the meeting at the above stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or requests that the meeting place be changed by residents or tax paying electors within its boundaries.

Designation of 24-Hour Posting Location: Following discussion, upon motion duly made by Director Ernst and seconded by Director Toll, and upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted at least 24 hours prior to each meeting on the District's website at: <https://section14md.colorado.gov/> or if posting on the website is unavailable, notice will be posted at Bowles Village Shopping Center, 7421 W. Bowles Ave., Littleton, CO 80123.

Agenda: Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Ernst, seconded by Director Toll and, upon vote, unanimously carried, the Agenda was approved, as presented, and the absence of Director Jenkins was excused.

Minutes: The Board reviewed the Minutes of the July 14, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Ernst, seconded by Director Toll and, upon vote, unanimously carried, the Board approved the Minutes of the July 14, 2022 Special Meeting.

Resolution No. 2022-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 24-Hour Notices: Ms. Finn discussed with the Board Resolution No. 2022-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 24-Hour Notices.

The Board determined to meet at 9:30 a.m. on June 26, 2023 and November 28, 2023 at the offices of Jordon Perlmutter and Co., 1601 Blake Street, Suite 600, Denver, Colorado 80202 and via conference call.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for 24-Hour Notices.

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PUBLIC COMMENTS

There were no public comments at this time.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims as follows:

| Fund | Period ending July 26, 2022 | Period ending August 30, 2022 | Period ending Sept. 27, 2022 | Period ending Oct. 25, 2022 |
|--------------|--------------------------------|----------------------------------|---------------------------------|--------------------------------|
| General | \$ 34,519.40 | \$ 34,209.61 | \$ 47,311.20 | \$ 34,494.18 |
| Debt | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| Capital | \$ 380.00 | \$ 38.00 | \$ -0- | \$ -0- |
| Total | \$ 34,899.40 | \$ 34,247.61 | \$ 47,311.20 | \$ 34,494.18 |

Following review, upon motion duly made by Director Toll, seconded by Director Ernst and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims, as presented.

Unaudited Financial Statement: Mr. Beck reviewed with the Board the unaudited financial statements through the period ending September 30, 2022, and the schedule of cash position statement dated September 30, 2022.

Following review, upon motion duly made by Director Toll, seconded by Director Ernst and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending September 30, 2022, and the schedule of cash position statement dated September 30, 2022, as presented.

2022 Audit: The Board reviewed a proposal from Schilling & Company, Inc. to perform the 2022 Audit.

Following discussion, upon motion duly made by Director Jonathan Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board approved the Engagement Letter from Schilling & Company, Inc. to perform the 2022 Audit, for an amount of \$6,000.

Public Hearing on 2022 Budget Amendment: The President opened the public hearing to consider the Resolution to Amend the 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

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The Board determined that an amendment to the 2022 Budget was not necessary.

Public Hearing on 2023 Budget: The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

Ms. Finn advised the Board that publication of Notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Mr. Beck reviewed with the Board the expected revenues and expenditures in the General Fund and the Capital Fund in 2023.

Following discussion, upon motion duly made by Director Toll to approve an adjustment of the General Fund Mill Levy to 15.000 mills, there was no second to the motion and the motion failed.

Following further discussion, upon motion duly made by Director Jay Perlmutter to approve a General Fund Mill Levy of 20.000 mills, seconded by Director Ernst and, upon vote carried, with Directors Jay Perlmutter, Ernst and Jonathan Perlmutter voting aye and Director Toll voting nay, the General Fund Mill Levy was approved at 20.000 mills.

Following discussion, the Board considered the adoption of Resolution No. 2022-11-02 to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-11-03 to Set Mill Levies (for the General Fund at 20.000 mills for a total of 20.000 mills). Upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board adopted the Resolutions and authorized execution of the Certification of Budget. The District Accountant was directed to transmit the Certification of Tax Levies to the Board of County Commissioners of Jefferson County and the City and County of Denver not later than December 15, 2022. The District Manager was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023.

DLG-70 Mill Levy Certification Form: Following discussion, upon motion duly made by Director Ernst, seconded by Director Toll, and upon vote unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification Form for certification to the Board of County Commissioners and other interested parties.

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Preparation of the 2024 Budget: The Board discussed preparation of the 2024 Budget.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Jonathan Perlmutter, and upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 budget.

COLOTRUST EDGE: Mr. Beck discussed with the Board the option to invest funds in COLOTRUST EDGE, an enhanced cash portfolio. Following discussion, the Board determined not to invest funds in COLORTRUST EDGE.

LEGAL MATTERS

Reimbursement to The Section 14 Development Company: The Board deferred discussion on this matter.

Resolution No. 2022-11-04; Resolution Calling May 2, 2023 Regular Election: The Board discussed Resolution No. 2022-11-04; Resolution Calling a Regular Election for Directors May 2, 2023, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-04; Resolution Calling a Regular Election for Directors May 2, 2023, appointing Ann Finn as the DEO, and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

CAPITAL IMPROVEMENTS

Parking Lot Repair Work: The Board entered into discussion regarding possible improvements to the parking lots by the District. Attorney McGeady discussed legal options.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board appointed Director Jay Perlmutter to a Capital Improvement Committee to work with staff and legal counsel on recommendations and cost estimates for future capital improvements and developing a policy for possible parking lot improvements.

Bowles Village Shopping Center Signage: The Board discussed the status of the renovation of the monument sign for the Bowles Village Shopping Center. Director Jonathan Perlmutter noted he is continuing to work with Jefferson County on approval of the monument design plans.

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OPERATION MATTERS

Proposal from Consolidated Divisions Inc. d/b/a/ CDI Environmental Contractor for Work on the Stormwater Outfalls and Vortechs: The Board reviewed a proposal from Consolidated Divisions Inc. d/b/a/ CDI Environmental Contractor for maintenance work on the stormwater outfalls and vortechs.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board approved the proposal from Consolidated Divisions Inc. d/b/a/ CDI Environmental Contractor for maintenance work on the stormwater outfalls and vortechs, for the amount of \$29,024 and authorized legal counsel to prepare a Change Order to the previously approved Service Agreement.

OTHER MATTERS

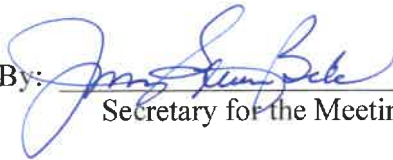
Cost Estimate, Capital Improvement Policy for Parking Lot Improvements: The Board entered into discussion regarding parking lot improvements.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board appointed Director Jay Perlmutter to a Maintenance Committee to work with staff and legal counsel on recommendations, cost estimates, capital improvements and a policy for parking lot improvements.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: 
Secretary for the Meeting