

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SECTION 14 METROPOLITAN DISTRICT (THE “DISTRICT”) HELD OCTOBER 10, 2023

A Special Meeting of the Board of Directors of the Section 14 Metropolitan District, (referred to hereinafter as the “Board”) was convened on Tuesday, the 10th day of October, 2023, at 11:30 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
Kenya Jenkins
Darrin Keslar
Clark Walker

Also In Attendance Were:

Steve Beck; Special District Management Services, Inc. (“SDMS”)

MaryAnn M. 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 McGeady 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: Attorney McGeady 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 Jay Perlmutter, seconded by Director Jonathan Perlmutter and, upon vote, unanimously carried, it was determined to

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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.

Agenda: Attorney McGeady 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 Jay Perlmutter, seconded by Director Jonathan Perlmutter and, upon vote, unanimously carried, the Agenda was approved, as presented.

Minutes: The Board reviewed the Minutes of the July 26, 2023 Regular Meeting.

Following discussion, upon motion duly made by Director Jenkins, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board approved the Minutes of the July 26, 2023 Regular Meeting.

Resolution No. 2023-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 24-Hour Notices:

Attorney McGeady discussed with the Board Resolution No. 2023-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 24-Hour Notices.

The Board determined to meet at 11:00 a.m. on June 11, 2024 and October 8, 2024 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 Jonathan Perlmutter and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for 24-Hour Notices.

Insurance Discussion:

Cyber Security and Increased Crime Coverage: The Board deferred discussion.

Insurance Committee to make final determinations regarding insurance: Attorney McGeady discussed with the Board establishing an Insurance Committee to make final determinations regarding insurance.

Following discussion, upon motion duly made by Director Jonathan Perlmutter, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board approved establishing an Insurance Committee to make final determinations regarding insurance.

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Renewal of District's insurance and Special District Association (SDA) membership for 2024: Attorney McGeady discussed with the Board the renewal of District's insurance and SDA membership for 2024.

Following discussion, upon motion duly made by Director Jonathan Perlmutter, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board authorize renewal of District's insurance and SDA membership for 2024.

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 31, 2023	Period ending August 31, 2023	Period ending Sept. 30, 2023
General	\$ 47,805.89	\$ 35,267.46	\$ 35,424.13
Debt	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ 123,063.00
Total	\$ 47,805.89	\$ 35,267.46	\$ 158,487.13

Following review, upon motion duly made by Director Jenkins, seconded by Director Jay Perlmutter 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, 2023, and the Schedule of Cash Position statement dated September 30, 2023.

Following review, upon motion duly made by Director Jay Perlmutter, seconded by Director Jenkins and, upon vote, unanimously carried, the Board accepted the Unaudited Financial Statements through the period ending September 30, 2023, and the Schedule of Cash Position statement dated September 30, 2023, as presented.

2023 Audit: The Board reviewed a proposal from Schilling & Company, Inc. to perform the 2023 Audit.

Following discussion, upon motion duly made by Director Jonathan Perlmutter, seconded by Director Jenkins and, upon vote, unanimously carried, the Board approved the Engagement Letter from Schilling & Company, Inc. to perform the 2023 Audit, for an amount of \$6,000.

Public Hearing on Amendment to 2023 Budget: The President opened the public hearing to consider an amendment to the 2023 Budget.

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It was noted that publication of Notice stating that the Board would consider amendment 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 public hearing was closed.

The Board determined that an amendment to the 2023 Budget was not necessary.

Public Hearing on 2024 Budget: The President opened the public hearing to consider the proposed 2024 Budget and discuss related issues.

It was noted that Notice stating that the Board would consider adoption of the 2024 budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

Mr. Beck reviewed with the Board the estimated 2023 expenditures and the proposed 2024 expenditures.

Upon motion duly made by Director Jay Perlmutter, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the 2024 Budget, as discussed, and considered the adoption of Resolution No. 2023-10-02 to Adopt the 2024 Budget and Appropriate Sums of Money and Resolution No. 2023-10-03 to Set Mill Levies (11.000 mills in the General Fund and 0.000 mills in the Debt Service Fund, for a total of 11.000 mills). Following discussion, 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 January 10, 2024. District Counsel was directed to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2024.

DLG-70 Mill Levy Certification Form: The Board considered authorizing 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.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Walker 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.

2025 Budget: The Board discussed the preparation of the 2025 Budget.

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Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Walker and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2025 Budget.

COLOTRUST: Mr. Beck discussed with the Board the authorized users for COLOTRUST. It was noted SDMS are the only ones currently authorized.

Following discussion, upon motion duly made by Director Jonathan Perlmutter, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board authorized Director Keslar as an authorized user.

LEGAL MATTERS

Reimbursement to The Section 14 Development Co.: Director Jonathan Perlmutter discussed with the Board the landscaping cost and reimbursement to be made by the District. Director Jonathan Perlmutter asked if specific legal fees qualified for reimbursement and Attorney McGeady advised that they were.

Engineer's Letter and Verification of Costs Associated with the Design and Construction of Public Improvements (Two Retrofitted Monuments in the Bowles Village Shopping Center), dated August 15, 2023, prepared by Schedio Group LLC: Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Jenkins and, upon vote, unanimously carried, the Board approved Engineer's Letter and Verification of Costs Associated with the Design and Construction of Public Improvements (Two Retrofitted Monuments in the Bowles Village Shopping Center), dated August 15, 2023, prepared by Schedio Group LLC in the amount of \$121,962.66.

Monument Funding and Acquisition Agreement by and between the District and Bowles Village Center, LLP: Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Jenkins and, upon vote, unanimously carried, the Board acknowledged the reimbursement in the amount of \$121,962.66 to Bowles Village Center, LLP under the Monument Funding and Acquisition Agreement by and between the District and Bowles Village Center, LLP and further acknowledged receipt of the Bill of Sale from Bowles Village Center LLP.

Resolution No. 2023-10-04; Resolution Amending Policy on Colorado Open Records Act Requests: Attorney McGeady discussed with the Board Resolution No. 2023-10-04; Resolution Amending Policy on Colorado Open Records Act Requests. Following discussion, upon motion duly made by Director Walker, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-10-04; Resolution Amending Policy on Colorado Open Records Act Requests.

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Section 32-1-809, C.R.S. Requirements (Transparency Notice): Attorney McGeady discussed the special district transparency requirements of Section 32-1-809, C.R.S. with the Board. Following discussion, the Board directed District Counsel to post the special district transparency notice on the Special District Association website.

CAPITAL IMPROVEMENTS

Pavement Management Program: Attorney McGeady discussed with the Board the Pavement Management Program.

Resolution No. 2023-10-05; Resolution Regarding Establishment of Parking Lot Overlay Program: The Board deferred discussion.

Retaining Wall(s) in the Bowles Village Shopping Center: The Board entered into discussion regarding action items related to repairing the retaining wall(s) in the Bowles Village Shopping Center. It was noted the Board requested District counsel to work with Brian Heinze to ascertain the relevant information regarding the retaining walls and scope of needed repairs and preparation of necessary documentation related to the needed repairs.

OPERATION MATTERS

There were no operation matters.

OTHER MATTERS

EXECUTIVE SESSION: Upon motion duly made by Director Jay Perlmutter, seconded by Director Jonathan Perlmutter and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session, pursuant to Section 24-6-402(4)(b), C.R.S, at 12:45 P.M. for the purpose of receiving from the Board's attorney legal advice related to District Management Services.

The Board did not engage in substantial discussion of any matter not enumerated in Section 24-6-402(4)(b), C.R.S. The Board did not adopt any proposed policy, position, resolution, rule, regulation or formal action. The executive session meeting was adjourned at 1:05 P.M. on a motion by Director Jonathan Perlmutter, seconded by Director Keslar and passed on a unanimous, affirmative vote.

Following the executive session and after discussion and upon motion duly made by Director Jonathan Perlmutter, seconded by Director Keslar and, upon vote, unanimously carried, the Board: a) approved the revision to the scope of the agreement with SDMS to delete Management Services to be effective as of January 16, 2024; b) directed District Counsel to provide notice to SDMS of the change in scope to the existing agreement with SDMS to eliminate District Management Services (retaining District Accounting Services); and c) directed the staff to contact Public Alliance LLC to secure a proposal for District Management Services incorporating the terms for provision of these services for presentation to the Board

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for consideration for approval by the Board at a special meeting to be called for that purpose prior to January 16, 2024. The Board thanked Mr. Beck for the accounting services provided and expressed their desire to continue to work with Mr. Beck in that capacity going forward.

ADJOURNMENT

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

Respectfully submitted,

By: DocuSigned by:
Clark M. Walker
Secretary for the Meeting

ATTORNEY STATEMENT REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing Section 14 Metropolitan District, I attended the executive session meeting for the Section 14 Metropolitan District convened at 12:45 P.M. on October 10, 2023 for the sole purpose of discussing District Management Services as authorized by Section 24-6-402(4)(b), C.R.S. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Signed

MaryAnn M. McGeady, Attorney for the District

Dated:
