

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
FOOTHILLS METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
DECEMBER 7, 2022

A regular meeting of the Board of Directors of the Foothills Metropolitan District (referred to hereafter as the "Board") was convened on Wednesday, December 7, 2022, at 2:30 p.m. This District Board meeting was held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in Attendance Were:

Rishi Loona, President
Josh Kane, Treasurer
Clyde Wood, Secretary
Patrick Bunyard, Assistant Secretary
Tim DePeder, Assistant Secretary

Also in Attendance Were:

Denise Denslow, Carrie Bartow & Curtis Bourgoquin; CliftonLarsonAllen LLP ("CLA")
Alan Pogue; Icenogle Seaver Pogue, P.C.

**ADMINISTRATIVE
MATTERS**

Call to Order: Director Bunyard called the meeting to order at 2:33 p.m.

Disclosures of Potential Conflicts of Interest: Mr. Pogue noted that disclosures had been filed.

Approval of Agenda: Upon a motion duly made by Director DePeder, seconded by Director Kane and upon vote, unanimously carried, the Board approved the Agenda as amended to include an amendment to the 2022 Budget.

Public Comment: None.

Discuss and consider approval of 2023 insurance renewal and authorize 2023 membership to the Special District Association: Upon a motion duly made by Director Kane, seconded by Director Wood and, upon vote, unanimously carried, the Board approved the 2023 insurance renewal and membership to Special District Association, subject to final review of the property schedule by Director Bunyard.

CONSENT AGENDA

Minutes of the October 5, 2022 Regular Meeting:
Ratification of Claims Totaling \$299,385.33:
Consider and Approval of 2023 Annual Administrative Matters Resolution 2022-12-01:

**Consideration and Approval of 2023 Meeting Resolution 2022-12-02:
Consideration and Approval of Resolution 2022-12-03, Calling May 2, 2023
Directors' Regular Election for May 2023 Election:**

Upon a motion duly made by Director Kane, seconded by Director Loona and, upon vote, unanimously carried, the Board approved the Consent Agenda items with the insertion of the regular meeting dates on the first Wednesday of even numbered months at 2:30 p.m. via Microsoft TEAM, and to be adjusted as necessary.

**FINANCIAL
MATTERS**

October 31, 2022 Unaudited Financial Statements and December 2022 Cash Position Report: Ms. Bartow reviewed with the Board. Discussion followed regarding the schedule of developer advances and the operational costs. Following review and discussion, upon a motion duly made by Director Kane, seconded by Director Wood and, upon vote, unanimously carried, the Board accepted the October 31, 2022 Unaudited Financial Statements and December 2022 Cash Position Report as presented.

Fiscal Focus Partners LLC Engagement Letter to Perform 2022 Audit: Ms. Bartow reviewed the engagement letter with the Board and informed the Board of an increase in fee of \$650. Following review, upon a motion duly made by Director Kane, seconded by Director Loona and, upon vote, unanimously carried, the Board approved the Fiscal Focus Partners LLC engagement letter to perform the 2022 Audit in the amount of \$7,050 as presented.

Conduct Public Hearing to Consider Adoption of 2023 Budget: Upon a motion duly made by Director Wood, seconded by Director Kane and, upon vote, unanimously carried, the Board opened the public hearing at 2:55 p.m. for both the consideration of the 2023 proposed Budget as well and a 2022 Budget amendment.

It was noted that publication of notice stating that the Board would consider approval 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 the public hearing.

Ms. Bartow reviewed the draft 2023 Budget with the Board. Discussion followed regarding engineering costs and whether or not they should be moved to the Capital Projects Fund. It was noted for the Board that the existing Service Plan does have limits in it regarding the mill levy rates. The Board requested that CLA provide a comparison of mill levies for similar properties.

Following discussion, the Board determined that since the draft budget did not contain amounts in the Capital Projects Fund for 2023, a modification needed to

be made in the amount of \$800,000 in expenditures with the same offset on the revenue side in developer advances.

1. **Consider Adoption of Resolution 2022-12-04, Adopting 2023 Budget, Appropriating Expenditures and Certifying Mill Levies:** Upon a motion duly made by Director Kane, seconded by Director Bunyard and, upon vote, unanimously carried, the Board adopted Resolution 2022-12-04, Adopting 2023 Budget, Appropriating Expenditures and Certifying Mill Levies, subject to modifications to reflect activity in the Capital Projects Fund.

Appointment of Board member and/or General Counsel to sign DLG-70 Certification of Tax Levies: Ms. Bartow informed the Board that CLA would sign the DLG-70 form upon completion and file as necessary.

Conduct Public Hearing to Consider Amendment of 2022 Budget: It was noted that publication of notice stating that the Board would consider amendment of 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 the public hearing.

1. **Consider Adoption of Resolution 2022-12-05 to Amend 2022 Budget:** Ms. Bartow informed the Board that the 2022 Capital Projects Fund would need to be amended to reflect expenditures anticipated through the end of the year. Following discussion, upon a motion duly made by Director Kane, seconded by Director DePeder and, upon vote, unanimously carried, the Board Adopted Resolution 2022-12-05 to Amend the 2022 Budget's Capital Projects Fund from \$219,303 to \$450,000.

FINANCIAL
MATTERS

The Board closed the public hearing.

Other: None.

LEGAL
MATTERS

Consideration and Approval of First Amendment to 2022 Funding and Reimbursement Agreement with MXD Fort Collins, LLC for Operation Costs: Attorney Pogue informed the Board noting that the 2022 agreement does not include costs for 2023. Therefore, the term needs to be extended, and the amount of the funding amount increased. Discussion followed regarding interest rates in both this agreement and the Capital Funding Agreement. The Board determined that the interest rate, if there are no provisions in the existing Service Plan to limit it, should be the greater of the prime plus 2 or 6, not to exceed 8%, with no compounding.

Following discussion, upon a motion duly made by Director Kane, seconded by Director DePeder and, upon vote, unanimously carried, the Board approved the First Amendment to 2022 Funding and Reimbursement Agreement with MXD Fort Collins, LLC for Operation Costs to extend the term to December 31, 2023, increase the funding amount by \$60,000 to cover expenditures and confirm interest rate, subject to legal review of the interest rate provisions of the Service Plan.

Consideration and Approval of First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with MXD Fort Collins, LLC for Capital Costs: Attorney Pogue informed the Board noting that the 2022 agreement does not include costs for 2023. Therefore, the term needs to be extended, and the amount of the funding amount increased. Discussion followed regarding the same topics in prior agenda item. Following discussion, upon a motion duly made by Director Kane, seconded by Director DePeder and, upon vote, unanimously carried, the Board approved the First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with MXD Fort Collins, LLC for Capital Costs to extend the term to December 31, 2023, increase the funding amount by \$800,000 to cover expenditures, and confirm interest rate, subject to legal review of the interest rate provisions of the Service Plan.

Ratify Event Holiday Lights Agreement: Upon a motion duly made by Director Bunyard, seconded by Director Kane and, upon vote, unanimously carried, the Board ratified approval of the Event Holiday Lights Agreement.

Ratify Tree Lighting Agreement: Upon a motion duly made by Director Bunyard, seconded by Director Kane and, upon vote, unanimously carried, the Board ratified approval of the Tree Lighting Agreement.

Ratify Mountain West Landscapes, LLC Snow Agreement: Upon a motion duly made by Director Bunyard, seconded by Director Kane and, upon vote, unanimously carried, the Board ratified approval of the Mountain West Landscapes, LLC Snow Agreement.

Consider Approval of Consent Resolution to Entitle the Metro District Surface Parking: Attorney Pogue noted that this item includes all metro district property and is not confined to the surface parking area as noted in the agenda item. Following discussion, upon a motion duly made by Director Kane, seconded by Director Bunyard and, upon vote, unanimously carried, the Board approved the Consent Resolution to entitle the Metro District Surface Parking.

CONSTRUCTION

None.

REPORT

MANAGER
ITEMS

Approval of CliftonLarsonAllen LLP 2023 Statements of Work: Ms. Denslow reviewed with the Board. Following review, upon a motion duly made by Director Kane, seconded by Director Bunyard and, upon vote, unanimously carried, the Board approved CliftonLarsonAllen LLP 2023 Statements of Work as presented.

DIRECTOR
ITEMS

Other: None.

OTHER
BUSINESS

None.

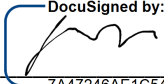
EXECUTIVE
SESSION

Executive Session pursuant to Section 24-6-402(4)(e), C.R.S. if needed:
Executive Session was not needed.

ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Director Kane, seconded by Director Bunyard and, upon vote, unanimously carried, the meeting was adjourned at 3:34 p.m.

Respectfully submitted,

By  7A47246AE1C5483...
Secretary for the Meeting