

# RECORD OF PROCEEDINGS

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## MINUTES OF THE REGULAR MEETING OF LOVELAND MIDTOWN METROPOLITAN DISTRICT HELD September 18, 2019

The Board of Directors (collectively, "Board") of the Loveland Midtown Metropolitan District, ("District") held a regular meeting, open to the public, at the offices of Pinnacle Consulting Group, Inc., 550 W. Eisenhower Boulevard, Loveland, Colorado 80537; at 10:00 a.m. on Wednesday, September 18, 2019. Notice of the meeting was duly posted in three public places within the boundaries of the District.

### ATTENDANCE

#### Directors in Attendance:

Blaine Rappe, President  
Nathan Klein, Secretary/Treasurer  
Eric Holsapple, Vice President

#### Also in Attendance:

Deborah Early, Esq.; Icenogle Seaver Pogue, P.C.  
Kammy Tinney, Molly Janzen, Carol VanBeber and Doug Campbell; Pinnacle Consulting Group, Inc.  
Chris Johnston; LC Home, LLC  
John and Marla Dirkes, Dan Petla, and Bette "Tina" Kuehl; District Residents

### CALL TO ORDER

The meeting was called to order at 10:01 a.m. by Director Rappe, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve.

### CONFLICTS OF INTEREST DISCLOSURE

Ms. Early noted that conflicts of interest for Directors Rappe, Klein, and Holsapple have been filed. Ms. Early 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.

### APPROVAL OF AGENDA

Ms. Tinney distributed for the Board's review and approval a proposed agenda for the meeting. Following review, upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, unanimously carried, it was,

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

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### APPROVAL OF MINUTES

The Board reviewed the minutes of the March 27, 2019 special meeting. Following review, upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, unanimously carried, it was

**RESOLVED** to approve the minutes of the March 27, 2019 special meeting, as presented.

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### BOARD VACANCIES

Ms. Early reported that a notice of vacancy was published prior to today's meeting and that no eligible electors have submitted a letter of interest at this time. Ms. Early encouraged members of the public to submit a letter of interest if they wish, noting that the next regular election is in May 2020.

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### PUBLIC COMMENT ON NON-AGENDA ITEMS

Bette "Tina" Kuehl of 1990 Virgo Circle, stated there is a dead tree and two other tree stumps in the common areas and wanted to know if the stumps could be removed and the trees replaced; The common areas of 1990 Virgo and 2006 Virgo are over watered and every common area is watered too much; She is unable to access documents on the District's website and the minutes available only run through 2018. Ms. Kuehl did note that maintenance of the pet waste stations is much improved from years past.

Marla and John Dirkes of 1937 Virgo Circle would like the Board to consider sending out postcard notification of meetings to all residents; They would also like to have site visits in the summer conducted twice per month versus the current schedule of once per month; Ms. Dirkes stated that every house on the south side of 11<sup>th</sup> street needs repainting, and she would like District staff to perform an inspection and issue violation letters; Mr. Dirkes asked if the violation fines can be increased and more strict to protect the values of their homes; Renters are not receiving the District's Rules and Regulations and property owners are not receiving violation notices; The work trailers are also out of control in the neighborhood.

Dan Petla of 2054 Virgo Circle stated that the drainage area fence is falling down in his backyard and wanted to know if he is responsible for the repairs. Following discussion with Mr. Campbell it was determined that the homeowner is responsible for the repairs of that fence.

Ms. Tinney, Ms. Early, and Mr. Campbell addressed the issues raised and will seek further direction from the Board of Directors. Members of the public left the meeting at this time.

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### FINANCIAL MATTERS

Ratify Previous Claims Presented for Payment: Ms. Janzen reviewed with the Board the payables listing dated March 21, 2019 through September 11, 2019, totaling \$93,249.30. Following review and discussion, upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, unanimously carried, it was

**RESOLVED** to ratify approval of the payments made in the total amount noted above.

Financial Report: Ms. Janzen reviewed with the Board the unaudited Financial Statements for the period ending June 30, 2019. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein and, upon vote, unanimously carried, it was

**RESOLVED** to accept the unaudited Financial Statements for the period ending June 30, 2019.

Public Hearing to Consider Amendment to 2019 Budget: Director Rappe opened the public hearing to consider amendment of the 2019 budget. Ms. Tinney noted that publication was made in a newspaper having general circulation within the District noting the date, time and location of today's public hearing. There were no written objections made prior to the hearing, and no members of the public present. There being no public present, the public portion of the hearing to amend the 2019 budget was closed.

Ms. Janzen and Ms. Tinney reviewed with the Board the proposed amendment to the 2019 budget, and the Resolution to Amend 2019 Budget.

Following review and discussion and, upon motion duly made by Director Klein, seconded by Director Holsapple and, upon vote, it was unanimously

**RESOLVED** to approve the Resolution to Amend 2019 Budget, subject to final revision as discussed.

Public Hearing to Consider Adoption of 2020 Budget: Director Rappe opened the public hearing to consider the proposed 2020 budget. Ms. Tinney noted that publication was made in a newspaper having general circulation within the District noting the date, time and location of today's public hearing. There were no written objections made prior to the hearing, and no members of the public present. There being no public present, the public portion of the budget hearing was closed.

Ms. Janzen, Ms. Tinney, and Mr. Campbell reviewed with the Board the proposed 2020 budget, including the proposed operations and maintenance detail, and responded to questions from the Board. The District's budget by fund are as follows:

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Operating Mill Levy: 24.492  
General Fund Expenditures: \$165,743

Debt Service Mill Levy: 20.039  
Debt Service Fund Expenditures: \$112,620

The Board determined to continue the current schedule of monthly covenant site inspections April through September, with inspection in response to resident concerns October through March. The Board directed that increased coordination of enforcement efforts with the City of Loveland Code Enforcement for weed control and trailers or recreational vehicles parked on streets be pursued, as well as distribution of a mailer to all residents and property owners in late January with the District's rules and regulations, information regarding regular meetings of the Board, and the regular election in May, within the budgeted amount for covenant enforcement in 2020. The Board also determined to include the total cost for repairs to the District's irrigation system and fencing with the 2020 budget versus a phased approach over a three-year period.

Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein and, upon vote, it was unanimously

**RESOLVED** to approve the Resolution to Adopt the 2020 Budget, Certify the Mill Levies, Appropriate Budgeted Funds and approve all other documents related to adoption of the 2020 budget, subject to final revision as discussed. The District's Manager and Finance and Accounting Manager are authorized to make minor modifications necessary subject to receipt of the final certification of assessed valuation.

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### MANAGEMENT MATTERS

Architectural/Covenant Control Committee Update: Ms. Tinney reviewed with the Board the Architectural/Covenant Violation Tracker noting that 61 properties were contacted concerning violations, and six ARC requests were reviewed and approved for the period April through September 18, 2019.

Following review and discussion, upon motion duly made by Director Klein, seconded by Director Rappe and, upon vote, unanimously carried, the Board accepted the Architectural/Covenant Control Committee Update as presented.

Revisions to Rules and Regulations - Political Signs: Ms. Early discussed with the Board a recent challenge to a warning notice issued by the District for violation of the District's sign regulation. The City of Loveland was also contacted by the resident, resulting in coordination between the City and the District, and the further need to clarify the District's covenants with regard to political signs. Ms. Early reviewed the City of Loveland Code that a resident may have a political sign in their yard 90 days prior to an election and must be removed 10 days after an

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election, and recommended that the Board consider amending the District's Rules and Regulations to follow the City's code.

Following discussion, upon motion duly made by Director Klein, seconded by Director Rappe and, upon vote, unanimously

**RESOLVED** to amend the District's Rules and Regulations with regard to political signs following the City of Loveland Code.

2019 Landscape Irrigation Maintenance Services and Coordination: Mr. Campbell presented his written report and recommendations to the Board.

Approval of 2020 O&M Service Agreements: Mr. Campbell reviewed with the Board the list of proposed 2020 Operations and Maintenance service providers to include Integrity Lawn Professionals, Black Eagle Fence, Fiske Electric, Apex Paving, and Amans Painting. Following discussion, upon motion duly made by Director Klein, seconded by Director Rappe and, upon vote, unanimously carried, it was

**RESOLVED** to approve the 2020 Services Agreements with Integrity Lawn Professionals, Black Eagle Fence, Fiske Electric, Apex Paving, and Amans Painting for 2020 services.

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### LEGAL MATTERS

2020 Annual Administrative Matters Resolution: Ms. Early presented to the Board the 2020 Annual Administrative Matters Resolution, which sets forth certain annual administrative obligations to be performed in 2020 by the District or its designees and provides for the annual election of officers. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein, and unanimously carried, it was

**RESOLVED** to approve the 2019 Annual Administrative Matters Resolution as presented.

Third Amended and Restated Meeting Resolution: Ms. Early reviewed with the Board the Third Amended and Restated Meeting Resolution. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein and, upon vote, unanimously carried, it was

**RESOLVED** to approve the Third Amended and Restated Meeting Resolution, as presented.

2020 Regular Special District Election Resolution: Ms. Early reviewed with the Board the 2020 Regular Special District Election Resolution. Following review and

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discussion, upon motion duly made by Director Holsapple, seconded by Director Klein and, upon vote, unanimously carried it was

**RESOLVED** to approve the 2020 Regular Special District Election Resolution, as presented.

2019 Subordinate Promissory Note (Capital Advances): Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2019 to LC Home, Inc. for the repayment of capital costs advanced to the District, matures on December 31, 2019 and that it is anticipated that the District will lack sufficient funds to pay such Note in full at maturity. Therefore, Ms. Early presented the Board with a new Subordinate Promissory Note and advised the Board that, in accordance with the District's Funding and Reimbursement Agreement dated February 1, 2006, the District must issue a new Subordinate Promissory Note to LC Home, Inc. with an effective date of January 1, 2020 and a maturity date of December 31, 2020, to refund the existing Subordinate Promissory Note. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein and, upon vote, unanimously carried it was

**RESOLVED** to approve the issuance of a new Subordinate Promissory Note to LC Home, Inc. for the repayment of capital costs advanced to the District, with an effective date of January 1, 2020 and a maturity date of December 31, 2020.

2019 Subordinate Promissory Note (Operation and Maintenance): Ms. Early informed the Board that the District's Subordinate Promissory Note, issued on January 1, 2019 to LC Home, Inc. for the repayment of operations and maintenance costs advanced to the District, matures on December 31, 2019 and that it is anticipated that the District will lack sufficient funds to pay such Note in full at maturity. Therefore, Ms. Early presented the Board with a new Subordinate Promissory Note and advised the Board that, in accordance with the District's Funding and Reimbursement Agreement dated February 1, 2006, the District must issue a new Subordinate Promissory Note to LC Home, Inc. with an effective date of January 1, 2020 and a maturity date of December 31, 2020, to refund the existing Subordinate Promissory Note. Following review and discussion, upon motion duly made by Director Holsapple, seconded by Director Klein and, upon vote, unanimously carried it was

**RESOLVED** to approve the refunding of the Subordinate Promissory Note to LC Home, Inc for the repayment of operation and maintenance expenses advanced to the District, with an effective date of January 1, 2020 and a maturity date of December 31, 2020.

2019 Legislative Update. Ms. Early reviewed with the Board the Summary of 2019 Legislation.

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DIRECTOR'S ITEMS There were no director's items presented to the Board for consideration.

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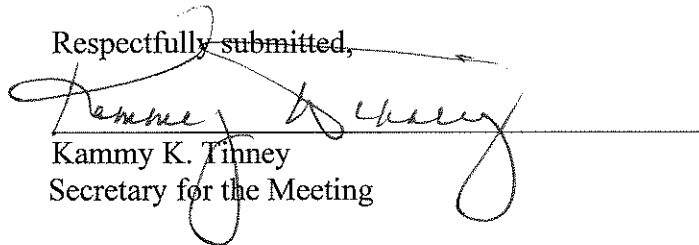
OTHER BUSINESS Online Bill Pay Service: Ms. Janzen asked the board to consider utilizing an online bill pay service provided through Bill.Com. The Board agreed to use Bill.com and Director Rappe will be responsible for approval of the District's monthly payables via the online bill pay system.

March 25, 2020 Special Board Meeting: The Board determined to cancel the regular meeting scheduled for March 18, 2020 and schedule a special meeting to be held March 25, 2020.

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ADJOURNMENT Upon a motion by Director Klein, seconded by Director Rappe, and unanimous vote, the meeting was adjourned at 12:09 p.m.

Respectfully submitted,



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Kammy K. Tinney  
Secretary for the Meeting