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# RECORD OF PROCEEDINGS

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## **Minutes of the Regular Meeting of the Board of Directors of Sunlight Metropolitan District October 8, 2020**

A Regular Meeting of the Board of Directors of Sunlight Metropolitan District, Routt County, Colorado, was held Thursday, October 8, 2020 at 8:30 a.m. Due to the pandemic the meeting was held virtually via Zoom.

**Attendance**                   The following Directors were present and acting:

- Todd Pedersen
- Bert Svendsen
- Matt Tredway
- Tom Fox
- Jeremy MacGray

Also in attendance were:

- Derek Grover
- Judith Hodge
- Crystal and Daniel Brindle
- Kate Buleson
- Richard Passavant
- Jim Beers
- Natalie Grover
- Alan Pogue, Icenogle Seaver Pogue
- Eric Weaver, Marchetti & Weaver, LLC
- Debbie Braucht, Marchetti & Weaver, LLC, Secretary for the Meeting

**Call to Order**                   The Meeting of the Board of Directors of Sunlight Metropolitan District was called to order by Chairman Pedersen, noting a quorum was present.

### **Conflicts of Interest**

The requirements of Colorado law are 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 that disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors.

Director Pedersen stated updates to the disclosure of potential conflicts statements have been made with legal counsel.

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## Consideration of Agenda

No changes were made to the Agenda.

## Public Comment

Mr. Passavant stated that he is a new homeowner he would like to better understand the interaction between the Homeowner's Association and the Metro District. Director Pederson offered to meet with Mr. Passavant and there was discussion of creating an informational document. Mr. Weaver introduced his firm and explained their duties as Administrators and Accountants. Mr. Pogue introduced his firm and their role as the District's general counsel. There was a brief discussion of the next regular election for the District in May of 2022 and the process of self-nomination for Board member seats.

## Minutes

Upon review and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the March 12, 2020 meeting minutes as presented.

## Consideration of Board Member Vacancy and Appointment of Director

Mr. Weaver explained how the vacancy on the Board was created when there were less nominees than seats available for the May 2020 election. The vacant seat would be appointed by the Board of Directors until the May 2022 election. Mr. MacGray has expressed interest in serving on the Board and since he has an enhanced role in the Sunlight neighborhood he would create a liaison between the Homeowner's Association and the Metro District. Mr. Grover commented that he would like to see some homeowners on the Board. Upon motion duly made and seconded it was unanimously

**RESOLVED** to appoint Mr. Jeremy MacGray to fill the vacancy on the Board until the next regular election.

The Oath of Office was administered to Mr. MacGray by the Chairman of the Board and it was noted that Mr. MacGray would not officially be on the Board until his oath of office is filed.

Judith Hodge joined the meeting.

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## Election of Officer's

Upon motion duly made and seconded it was unanimously

**RESOLVED** to elect Director MacGray as Assistant Secretary.

## Fourth Amendment to Operations Funding Agreement

Director Pederson stated early in the development cash flow is not sufficient to fund the operating costs of the District so the developer covers shortfalls. Mr. Weaver explained that the advances are a loan from the developer that accrues interest. Mr. Pogue added the loan is a subordinate obligation to the bonds and will be paid back in the future when and if revenues exceed expenditures. Upon review and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the Fourth Amendment to Operations Funding Agreement.

## Snow Plow Contract

Director Pederson stated a group of residents and Board members have been working together on concerns and a scope for snowplowing services. It has been challenging this past season and the District only received bids from a handful of operators. There was discussion of a better strategy this year and what snowfall amount should be the trigger to start plowing. This of course will have an effect on cost. Mr. Grover, a homeowner who has been working on this, stated there has been a lot of benefit to having Andrea and Commercial Property Group involved in this process. Upon review and by motion duly made and seconded it was unanimously

**RESOLVED** to engage By Designs for the 2020-2021 snowplowing season to begin on November 1, 2020 and end April 30, 2020. The Scope of Services will state they are to begin plowing with an accumulation of 4 inches in a 24-hour period.

## Commercial Property Group Contract

Director Pederson reported that Commercial Property Group has been engaged by the Association for the past eighteen to twenty-four months to help manage the neighborhood, the landscaping and now the snowplowing. They have done a fantastic job and they would recommend the District engage them as Operations Managers and continue with the landscaping and snow shoveling when it is needed. Director Fox asked what the approval process was for their work and billings. Marchetti & Weaver staff replied they review all submitted

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invoices and compare them to budget. Then Director Pederson reviews the invoices and detailed backup before he approves an invoice for payment. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the contract with Commercial Property Group for management and maintenance services.

## **Annual Administrative Matters Resolution**

The Resolution included in the packet outlines the tasks and deadlines for statutory filings and authorizes either Marchetti & Weaver or Mr. Pogue's office to administer them. There was discussion of the 2021 meeting schedule and the election of Director MacGray. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the Annual Administrative Matters Resolution changing the 2021 meeting schedule to the 2<sup>nd</sup> Thursday of April, July and October and the addition of Director MacGray's newly elected position.

## **Audit Engagement Letter**

Mr. Weaver stated in prior years the District met the criteria to be exempt from audit because neither revenues nor expenditures exceeded \$750,000. An Application for Exemption from Audit was then prepared and submitted to the Office of the State Auditor for approval. In 2020 the District will not meet that criteria to be exempt from audit because of the acceptance of the infrastructure and the issuance of the bonds. Marchetti & Weaver completed the applications but are not independent so cannot perform audit services. A request for proposal was sent out to multiple accounting firms that specialize in these types of governmental audits and the firm of Chadwick Steinkirchner Davis P.C. (CSD) responded and Mr. Weaver feels that their fee of \$5,300 is reasonable. Upon review and by motion duly made it was unanimously

**RESOLVED** to approve the audit engagement letter with Chadwick Steinkirchner and Davis P.C. to perform the 2020 audit.

## **Financial Statements**

Mr. Weaver reviewed and explained the August financial statements in detail and reported on the overall financial outlook of the District. Upon review and by motion duly made and seconded it was unanimously

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**RESOLVED** to approve the August 31, 2020 Financial Statements.

## **Public Hearing for the 2021 Budget**

Today's meeting has been published as the public hearing on the 2021 Budget and the public hearing was opened for public comment. There being no public comment the public hearing was closed. After review and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the resolution to adopt the 2021 budget, subject to minor adjustments which may result from the final certification of assessed values;

**FURTHER RESOLVED** to approve the resolution to certify the mill levy at 15.048 mills for operations and 20.064 mills for debt service;

**FURTHER RESOLVED** to approve the resolution to appropriate funds for spending in 2021;

## **Public Hearing for 2020 Amended Budget**

Today's meeting was also published as the public hearing for the Amended 2020 Budget. The public hearing was opened for public comment, there being no public comment the public hearing was closed. Mr. Weaver stated the 2020 Budget needed to be amended mainly because of the debt service fund. Interest rates when the bonds were issued were more favorable than anticipated which allowed for a larger repayment to the developer. Upon review and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the resolution amending the 2020 Budget.

## **Accounts Payable**

An accounts payable listing was included in the meeting packet and an updated listing was provided to the Board prior to the meeting. Upon review and by motion duly made and seconded it was unanimously

**RESOLVED** to approve and ratify the accounts payable listing as presented.

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## Adjournment

There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

**RESOLVED** to adjourn the meeting of the Sunlight Metropolitan District Board of Directors held October 8, 2020.

Respectfully Submitted,



Secretary to the Meeting