

**RESERVE METROPOLITAN DISTRICT 2
BOARD OF DIRECTORS MEETING
THURSDAY, NOVEMBER 15, 2018 - 11AM MDT
318 ELK AVENUE SUITE 24 CRESTED BUTTE, COLORADO 81224**

In Attendance For The Board:

Grant Bennett – via telephone
John Flanigan – via telephone
Julie Behrens – via telephone

Also In Attendance:

Tom Mullans, Mullans, Piersal & Reed, PC (by telephone)
Steve Thompson (by telephone)
Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management
Bob Orlinski (by telephone)
Michael Kraatz

John Flanigan called the meeting to order at 11:01 am and confirmed a quorum. Jim Ruthven confirmed notice of the meeting had been displayed at all three locations. Julie Behrens made a motion to approve the minutes of the prior meeting. Grant Bennett seconded the motion and all approved.

Chairman's Report: John said he had nothing to add to the Agenda and as the meeting was occurring mid-quarter Steve's financial report would be part of the budget discussion.

District Maintenance: John explained Cimarron had agreed to perform snow removal during the winter but did not want to continue with the maintenance agreement. John said they would explore options and Toad had expressed interest in providing the maintenance service in the future. Rob explained Alan Gruber had been in contact with Toad and parts required for Spring maintenance were being held at the Toad office. John confirmed the changes at Cimarron were a result of the recent sale to Vail and said Alan Gruber was no longer working for the company.

2019 Budget Discussion: John opened the Budget Hearing and invited comments. As there were no comments John made a motion to adopt the first Resolution summarizing the expenditures and revenue for each fund and adopting a Budget for Reserve Metro District 2, Gunnison County, Colorado for calendar year 2019. Julie seconded the motion and the Resolution was unanimously approved. Tom said the certification forms would be circulated to the Board in early December when the final assessed value form was received from the County.

John made a motion to adopt a Resolution regarding appropriations of sums of money to the debt service fund and to the operations funds in the amounts previously identified for the Reserve Metro District 1, Gunnison County, Colorado for the calendar year 2019. John clarified the amounts were \$683,087 for the Debt Service Fund and \$225,954 for the Operations Fund making a total of \$909,041. Julie seconded the motion and it was unanimously approved.

Tom confirmed the bond mill levy for Series A was 39.753, Series B was 6.034, Series C was 4.748 and 10 for the Operating Fund. John made a motion to adopt a Resolution levying general property taxes for the year 2018 to defray the government costs of the Reserve Metro

District 2, Gunnison County, Colorado for the 2019 Budget year. Julie seconded the motion and it was unanimously approved. Tom confirmed the Resolutions would be sent to Julie for signature as Secretary of the District.

John explained the North Village Reserve Parcel was under contract and Michael Kraatz was attending the meeting to answer any questions. John read a summary of the proposed sale and confirmed the land was part of the original District and part of the tax base for payment of the bond but not part of the current District according to the Settlement Agreement. Michael said since the inception of the Metro District in the 1990s two one-acre parcels were subject to the mill levy for debt service as part of the process to qualify Board members for each District. Michael confirmed the two director qualifying parcels were now unnecessary for Board participation and the potential buyer of the North Village parcel was asking that the parcel included within the boundary of District 2 be removed from the obligation to pay towards the debt service and the operations mill levy. Tom explained the parcels had been used as security for the original bonds and the land could not be excluded from the District for the debt service mill levy.

Michael explained the process to extinguish the District 2 designation on one of the parcels, retaining the mill levy and taxes for debt service would involve District 2 agreeing together with the Town of Mt. Crested Butte and the District Court. Michael confirmed North Village Reserve would be willing to reimburse District 2 for any costs and it was the hope of both buyer and seller to complete as soon as possible. Michael said the process to remove the second parcel from District 1 would also be put in place and an approach to the Town would probably occur in December. Michael explained approaches would also be made in December to entirely eliminate Districts 3 to 8 as all utilities had been turned over to the relevant utility providers.

Michael said the one-acre parcel of land being discussed was currently designated as agricultural, with a very low assessed value, and would probably be open space in the future and other land within North Village would become residential, increasing the assessed value of that land and increasing revenue for the District. After discussion it was agreed Tom would review the economic and legal impact to the District of removing the one-acre parcel and at Michael's agreement consult with Clint Waldron and report back to the Board.

Grant made a motion to adjourn the meeting at 12:01 pm. John seconded the motion and it was unanimously approved.

Rob Harper, Toad Property Management