

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

HUNTING HILL METROPOLITAN DISTRICT

Held: Tuesday, August 7, 2018 at 3:00 p.m. at Douglas County Libraries, Highlands Ranch Branch, Shea Conference Room A, 9292 Ridgeline Boulevard, Highlands Ranch, Colorado.

Attendance:

A special meeting of the Board of Directors of the Hunting Hill Metropolitan District was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:

David Hoffman
Al Sullivan
Kathy Neely

The following director was absent:

Alec Garbini (*absence not excused*)

Also present were: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Kevin Collins, CliftonLarsonAllen, LLP; Ron Harris, Advance HOA Management, Inc.; Greg Fulton, Verona Building Co., LLC; and the following District residents: Bobby Kleewein, Ron Privratsky, Tom McConathy, Kathy McConathy, Rose Ann Hazzard, Larry Hazzard, Dorothy Sullivan, Kevin Barré, Marie Barré, Karen Trott, Pat Havener, Ken Stuckey, Judy Kraft, Dick Kraft, Anne Tatlow and William Flynn.

Call to Order/ Declaration of
Quorum:

Director Neely, noting the presence of a quorum, called to order the special meeting of the Board of Directors of Hunting Hill Metropolitan District at 3:00 p.m.

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Directors Matters/Disclosure
Matters:

Ms. Ivey advised the Board of Directors that pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board of Directors reviewed the agenda for the meeting, following which each director confirmed the contents of written disclosures previously made, if any, stating the fact and summary nature of any matters, as required by Colorado law, to permit official action to be taken at the meeting. Additionally, the Board of Directors determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Sullivan reported that he had disclosed the following 1) he is an owner of property in the district boundaries and 2) he has no financial interest in connection with official action of the district.

Director Hoffman reported that he had disclosed the following 1) he is an owner of property in the district boundaries and 2) he has no financial interest in connection with official action of the district.

Director Neely reported that she had disclosed the following conflicts of interest: 1) she is an owner of property within the district boundaries and 2) she has no financial interest in connection with official action of the district.

Ms. Ivey advised that written disclosures of these interests were filed with the Secretary of State at least seventy-two hours prior to the meeting.

Ms. Ivey advised that her firm had advertised the vacancy created by Ms. Feder's resignation in the same manner as previous vacancies and requested that anyone interested in filling the vacancy submit an application to the Board no later than July 15, 2018. Only one application was received and that was from Christopher R. Nelson. Mr. Nelson was verified to be an eligible elector of the District and therefore qualified to be appointed to the vacancy. Director Sullivan noted that Mr. Nelson could not be in attendance today because he was selected for jury duty but that he is still interested in filling the vacancy. After review and discussion and upon motion of Director Sullivan and second of Director Hoffman, the Board unanimously voted to appoint Mr. Nelson to the vacancy on

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the Board of Directors.

Ms. Ivey noted that Mr. Nelson does not currently hold an office on the Board. After review and discussion and upon motion of Director Hoffman and second of Director Sullivan, the Board unanimously elected Director Nelson as Assistant Secretary. The Officers of the District are as follows:

President/Chairman: Kathy Neely
Treasurer: Al Sullivan
Secretary: David Hoffman
Assistant Secretary: Alec Garbini
Assistant Secretary: Chris Nelson

Approval of/Additions
To/Deletions From the Agenda:

After review and discussion and upon motion of Director Neely and second of Director Hoffman, the Board unanimously approved the agenda with the addition of Item 7(b) – June 30, 2018 Financial Statements.

Public Comment for Items Not
on Agenda:

None.

Approval of Minutes:

After review and discussion and upon motion of Director Sullivan and second of Director Neely, the Board unanimously approved the minutes of the June 11, 2018 regular meeting of the Board.

Legal Matters:

Ms. Ivey and the Finance Subcommittee discussed with the Board the status of the Second Amendment to the Service Plan, comments received from Douglas County Staff and its financial consultant and the next steps in processing the Second Amendment. Ms. Ivey noted that Douglas County had agreed to waive review by its Planning Commission since the proposed amendments were all of a financial nature. Ms. Ivey further explained that Bond Counsel, if engaged, will review the comments received from the County and assist in preparation of the final submittal to the County. Ms. Ivey stated that she anticipates no problem having the Second Amendment before the Board of County Commissioners for a hearing prior to budget adoption.

Mr. Sullivan provided a recap of the activities of the Finance Committee and its work with Ms. Ivey and Mr. Collins in

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preparing the Second Amendment. Mr. Sullivan stated that all-in-all the County's comments were minor and in favor of an amendment and read from the financial consultants comments, a notation recognizing that the District is in a dire financial situation because of the failure of the developer to keep pace with the projected build out schedule and the interest accruing and compounding at 7% on the 2007 bonds. Mr. Hoffman provided an overview of the mill levy changes contemplated by the Second Amendment and the effect of the Gallagher Amendment on the District's mill levies.

After review and discussion and upon motion of Director Hoffman and second of Director Sullivan, the Board unanimously ratified the engagement letter with CliftonLarsonAllen LLP for financial forecasting that was done for the Second Amendment to the Service Plan.

Ms. Ivey reviewed with the Board a proposed engagement letter from Ballard Spahr LLP to serve as bond counsel for a proposed refunding of the District's 2007 Bonds. Ms. Ivey explained that as part of the financial investigations completed for the Second Amendment to the Service Plan, D.A. Davidson & Co. had produced a projection which showed that it was feasible for the District to refund its 2007 bonds and lower the debt service mill levy to 35 mills. Engaging bond counsel would be the next step towards determining if such a refunding is possible, and, if it is, completing a refunding. Members of the public inquired regarding what the potential terms of such a refunding might be. Director Hoffman reviewed the possible terms, including an interest rate of 5.5% on Series A bonds and interest rate of 7.75% on Series B bonds, extending the final maturity date from 2037 to 2048 and lower debt service mill levy. Director Sullivan noted that while this is not the perfect solution, that this is likely the best solution to help the District achieve financial stability. Directors Hoffman and Sullivan noted that it is the recommendation of the Finance Committee to move forward with a refunding of the 2007 Bonds. After review and discussion and upon motion of Director Neely and second of Director Hoffman, the Board unanimously authorized moving forward with a refunding of the District's 2007 Bonds, engaging Ballard Spahr as bond counsel in connection therewith and authorizing the Finance Committee and

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District's consultants to take all necessary actions to accomplish such a refunding.

Financial Matters:

Mr. Collins reviewed with the Board the interim claims represented by checks 1105 - 1112 totaling \$27,959.89. Mr. Collins reviewed with the Board the June 30, 2018 financial statements. After review and discussion and upon motion of Director Sullivan and second of Director Hoffman, the Board unanimously ratified/approved the claims as presented and unanimously accepted the financial statements as presented.

Other Business:

None.

Adjournment:

There being no further business to come before the Board, the meeting was adjourned upon motion by Director Neely, second by Director Hoffman and unanimous vote at 3:52 p.m.


Secretary