

RECORD OF PROCEEDINGS

**MINUTES OF A CONTINUED REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
PARKER JORDAN METROPOLITAN DISTRICT
HELD
AUGUST 19, 2013**

A continued regular meeting of the Board of Directors (the "Board") of the Parker Jordan Metropolitan District (the "District") was held on August 19, 2013 at 11:00 a.m. at CliftonLarsonAllen LLP, located at 8390 E. Crescent Parkway, Suite 500, Greenwood Village, CO 80111.

Attendance

In attendance were Directors:

Norman A. Sheldon
Bill Lambertson (via telephone at 12:20 p.m.)
Clint Waldron
Don Leyn
Kevin Pettway

Also in attendance were:

Bob Blodgett, Mat Mendisco, Stephany Juneau, and Kevin Collins;
CliftonLarsonAllen LLP
Rick Kron; Spencer Fane & Grimshaw LLP (via telephone)

Call to Order

Director Sheldon called the meeting to order at 11:00 a.m.

Pledge of
Allegiance

Director Leyn led the Board and audience in the pledge of allegiance.

Declaration of
Quorum/Director
Qualifications
Disclosure Matters

The Board was advised that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member confirmed the contents of any written disclosure previously made of record, 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 members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Sheldon reported that he had disclosed his interest as an owner of property located in the District. His son, Dan Sheldon, owns a minority interest in South Creek Investors, LLC and Director Sheldon has no financial interest therein. Director Sheldon is adding his wife as an owner

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of property in the District. These disclosures are in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Lamberton reported that he had disclosed his interest as an owner of property located in the District. He is a director and owns a minority interest in Emerald Isle Landscaping, LLC, and family members have additional interests therein. Director Lamberton reported he is a co-signer on an equipment loan for Emerald Isle Landscaping, LLC. The disclosure is in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Waldron reported that he had disclosed his interest as an owner of property located in the District. Director Waldron is also an associate attorney with White, Bear & Ankele, which serves as general counsel to Cornerstar Metropolitan District. The disclosure is in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Leyn reported that he owns a 50% interest in Universal Lighting Systems, LLC and owns a residence in the District. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Pettway reported that he is a homeowner in the Southcreek Subdivision within the District and is a member of the Board of the Southcreek Master HOA. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Consideration
of Agenda

The Board approved the agenda as submitted.

Public
Comment

There were no comments.

2014 Budget

A. Discuss 2014 Budget

1. Goals and Objectives

Director Sheldon asked that each Board member take a few moments and write down their personal view of the future goals, objectives and direction of the District on a piece of paper.

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Director Sheldon collected the slips of paper and read them to the Board. The comments were as follows:

Board Member #1:

- Become a maintenance district
- Lower mill levy
- Support any future development
- District to stop construction

Board Member #2:

- Because of limited items to develop, I prefer to still help the school and continue the open space project
- I would like to continue with scaling down mill levy in spite of little knowledge of owners

Board Member #3

- Reduce debt (look into possibility)
- Reduce mill levy (look into possibility)
- Define goals – we want x, y, z, then get funding appropriate to projects. What more is there?

Board Member #4

- Reduce tax burden while maintaining sufficient flexibility to respond to future projects
- Focus on trail connectivity and open space preservation

Director Sheldon read the responses to the Board. Discussion ensued. There was a general consensus that the District should reduce its operating mill levy and provide flexibility for some capital projects in the future. The general consensus was to reduce the amount of the annual General Fund transfer to the Capital Projects Fund, since the Capital Projects Fund has a significant excess of funds beyond current projects the Board is initiating.

There was a general consensus the following projects were supported by the Board at this time:

1. Cherokee Trail Stub - \$300,000
2. 27 Acre Open Space Planning Grant - \$50,000
3. 27 Acre Open Space construction - \$250,000 (est.)
4. Red Hawk Ridge Elementary School playground improvements - \$150,000 (est.)
5. South Creek Investors LLC infrastructure reimbursement - \$163,000
6. Cherry Creek Quest Project matching funds - \$21,000 (to be matched by Arapahoe County)
7. Crusher Fine Trail adjacent to concrete trail within Cherry Creek Valley Ecological Park - \$89,000

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Director Leyn noted the total of these projects is approximately \$1,000,000.

Director Pettway expressed his interest in reducing the District's debt and transferring any available funds to the Debt Service Fund to assist in doing this in an expedited manner. Director Waldron noted that there is an advantage to leaving the Debt Service structure as is so that future generations of property owners over the next 30 years are also paying for the improvements the District is now constructing, and they will benefit from for many years.

In response to Director Pettway's question, Mr. Kron noted that the District's bond authority was last voted in 2000. It is generally accepted that is good for 20 years (until 2020) which is only 7 years from today's date.

Director Leyn asked if the District has sufficient reserves for the repair, replacement and upkeep of its assets and ongoing maintenance responsibility? Director Sheldon noted a reserve study has not been completed for the District.

After further discussion, there was a consensus to add a discussion of a reserve study to the August 20th agenda. Mr. Mendisco will contact several firms who provide the study and attempt to have a scope of services and price quotes for the August 20th regular Board meeting.

b. Discuss Options with Different Mill Levies

The Board discussed the possibility of reducing the General Fund mill levy from 7 mills to either 6, 5 or 4 mills for 2014. This issue will be further discussed when more information has been obtained on the amount of reserves the District should be accumulating annually and the cost of capital projects finally agreed upon.

c. Schedule

1. September 17 – Board Meeting – Review Draft
2. October 15 – Board Meeting – Review Draft
3. November 19 – Public Hearing to Review and Approve 2014 Budget

Not discussed.

d. Budget Committee?

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Not discussed.

Other Business Mr. Kron noted the District's position was upheld by the Judge in the CORA lawsuit filed by MPIC. There will be more discussion on this at the August 20th regular meeting.

Adjournment Upon a motion duly made, seconded, and unanimously approved, the Board adjourned the meeting at 12:50 p.m.



Secretary for the Meeting