

RECORD OF PROCEEDINGS

MINUTES OF THE COMBINED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF THE SEVERANCE SHORES METROPOLITAN DISTRICTS NOS. 1-4 TOWN OF SEVERANCE, WELD COUNTY, COLORADO

HELD: Thursday, November 18, 2021 at 3:00 p.m., 7251 20th Street, L-200, Greeley, CO
Via Teleconference – (720) 386-9023, Passcode: 126412.

ATTENDANCE:

A combined special meeting of the Boards of Directors (collectively, the “Board”) of the Severance Shores Metropolitan District Nos. 1 - 4 (collectively, the “District”) was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

In attendance were Directors:

Larry Buckendorf - President
Laira Ziegler – Secretary/Treasurer
Morgan Kidder - Assistant Vice-President/Secretary/Treasurer
Darrell McAllister – Assistant Vice-President/Secretary/Treasurer
Joseph Schumacher - Assistant Vice-President/Secretary/Treasurer

Also present were:

Cathy Fromm and Megan VanCamp, Fromm & Company LLC
David S. O’Leary, Spencer Fane LLP

CALL TO ORDER:

Mr. Buckendorf called the meeting to order at 3:01 p.m., noted that a quorum of the Board was present, and confirmed qualification of the Directors to serve on the Board.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Mr. O’Leary discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the Directors with the Secretary of State and the Secretary of the District at least 72 hours prior to a meeting in which a potential conflict may arise. The Board noted that general disclosure statements had been filed on behalf of the members of the Board of Directors with the Office of the Colorado Secretary of State. Mr. O’Leary advised the Board that, pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which they confirmed the contents of written disclosures previously made by the directors, stating the fact and summary nature of any matters, as required by Colorado law, to permit official action to be taken at the meeting.

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APPROVAL OF THE AGENDA:

The Board reviewed the agenda. Upon motion duly made by Director Kidder, seconded by Director Schumacher, and unanimously carried, the Board approved the agenda as presented. Mr. O'Leary reported that the meeting notice and agenda had been posted to the district website at www.frommco.us/client-ssmd.html, at least 24 hours prior to the meeting, pursuant to Statute.

APPROVAL OF MINUTES:

The Board reviewed the Minutes of the special meeting held on May 10, 2021. Upon motion duly made by Director McAllister, seconded by Director Kidder, and unanimously carried, the Board approved the Minutes as presented.

PUBLIC HEARING ON DELINQUENT ACCOUNTS:

Ms. VanCamp reported that delinquent notifications had been transmitted out in the form of certified/return-receipt letters, to all residents who have a delinquent balance of at least six (6) months past-due, and \$150, pursuant to Sections 32-1-1101(1)(e) and 39-10-107, of the Colorado Revised Statutes. Ms. Holmberg reviewed the list with the Board and responded to inquiries. Mr. O'Leary presented a Resolution to approve the certification of delinquent accounts. Discussion ensued. Director Buckendorf opened the public hearing. There being no public present to comment, the public hearing was closed. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the Resolution, to include an additional \$75 administrative fee and a \$30 certified letter fee. Ms. Holmberg reported that all remaining delinquent accounts would be certified to Weld County by the December 1st, 2021 deadline for collection with the 2022 Weld County property taxes.

FINANCIAL ITEMS:

a. Payment of Claims. Ms. Fromm presented the listing of claims to be ratified and approved in the amount of \$186,392.75 and represented by check numbers 01118 through 01140. Upon motion made by Director McAllister, seconded by Director Kidder and unanimously carried, the Board approved the payables as presented in the amount of \$186,392.75.

b. Financial Statements. Ms. Fromm presented the financial statements dated August 31, 2021 to the Board, noting that bill-backs had been prepared and sent out to Dreamfinder Homes and 2 Valley Builders for district clean-up. Discussion ensued. Upon motion duly made by Director McAllister, seconded by Director Kidder, and unanimously carried, the Board accepted and approved the financial statements as presented.

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c. 2021 Audit Items. Ms. Fromm presented the 2021 Audit Engagement Letters, noting that District Nos. 1 & 4 would be needing audits for the 2021 year. Upon motion made by Director McAllister, seconded by Director Kidder, vote was taken and motion carried unanimously to engage Haynie & Company as the auditors for the 2021 audits, in the amount of \$6,100 each. District Nos. 2 and 3 will file audit exemption applications.

PUBLIC HEARINGS ON 2021 BUDGET AMENDMENT AND 2022 BUDGETS:

Mr. O'Leary noted that proper publication had been made in order to allow the District to hold public hearings on the 2021 budget amendments and 2022 budgets. Upon Motion duly made by Director Kidder, seconded by Director McAllister and unanimously carried, the Board opened the public hearing. There being no public present to comment, the public hearings were closed. Ms. Fromm presented the proposed 2021 budget amendment and discussion ensued. Ms. Fromm was requested to increase the trash fees, landscaping and election costs and audit amounts for 2021 and 2022. Mr. Schumacher agreed to follow-up regarding the landscaping bids and contracts for 2022. Mr. O'Leary requested that the Board consider approval of both the 2021 Amendments and 2022 Budget Resolutions. Upon motion made by Director McAllister, seconded by Director Ziegler and unanimously carried, the Board approved the Resolution to amend the 2021 Budgets and appropriate funds in accordance with those amendments. Upon motion made by Director McAllister, seconded by Director Ziegler and unanimously carried, the Board approved the 2022 Budgets, and the Resolutions of the District to adopt the 2022 budgets, certify District mill levies and appropriate expenditures for the 2022 year as discussed and approved by the Board.

LEGAL ITEMS:

a. 2022 Administrative Matters Resolution. Mr. O'Leary presented the Resolution noting the engagement of all district consultants and transparency notice updates. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the 2021 Administrative Matters Resolution as presented.

b. Exclusion of Worker's Compensation Insurance. Mr. O'Leary requested that the Board approve the ongoing Waiver of Worker's Compensation. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the continual Waiver as requested.

c. Resolution re 2022 Regular Election. Mr. O'Leary presented the resolution to the Board, noting that three (3) seats would be up for 3 year terms, at the May, 2022 regular directors election.

MANAGEMENT ITEMS:

Ms. VanCamp noted that vehicles and parking continue to be an issue within the community. The

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Board directed Ms. Holmberg to refer the residents to the Town of Severance for any parking violations and/or traffic concerns, as the streets are owned by the Town. Remaining matters will be addressed by the District on a case-by-case basis, requiring proof of violation.

OTHER MATTERS:

There was none.

PUBLIC COMMENT:

There was none.

ADJOURNMENT:

There being no further business to come before the Board and upon motion made by Director McAllister, seconded by Director Schumacher and unanimously carried, the meeting was adjourned at 3:23 p.m.

The foregoing Minutes constitute a true and correct copy of the Minutes of the above-referenced combined meeting and were approved by the Boards of Directors of the Severance Shores Metropolitan District Nos. 1 - 4.

Respectfully Submitted,



Secretary for the Meeting