

August 8th, 2016

Record of Proceedings

Minutes of the Meeting of the board of directors of the Woody Creek Metropolitan District

A Regular Meeting of the Board of Directors of the Woody Creek Metropolitan District, Pitkin County, Colorado, was held **Monday, August 8, 2016** beginning at **6:00 pm** at the Woody Creek Community Center, 0006 Woody Creek Plaza, Woody Creek, Colorado. The meeting was public

Attendance the following directors were present and acting:

Don McAllister
Colleen Brown - Secretary
Guy Fulfer - Treasurer
Audrey Krill - President
Margaret O'Brien – VP & Asst Sec., secretary for the meeting

Also in attendance were:

John Edwards HOA Treasurer
Mary Ann Thompson HOA Board Member
Gus Filiss HOA President
Ken Marchetti, Marchetti and Weaver LLC – via telephone
Debbie Braucht, Marchetti and Weaver, LLC – via telephone

1. Call to Order

The meeting of the Board of Directors of Woody Creek Metropolitan District (MTD) was called to order noting a quorum was present. The meeting notice and agenda has been published in the local newspaper of general circulation and posted at three (3) designated locations within the District Boundaries.

2. Consideration of Agenda: Item to Clarify CPA agreement added

3. Consideration of Minutes:

- a. May 9 2016
- b. June 6, 2016

Minutes of organizational meeting extending over both dates were approved as written.

4. Business

a. Bookkeeping Services.

Guy led review of bookkeeping service providers he has identified and queried. Pros and Cons and scope of practice were weighed and discussed. Sandy McAllister has provided Guy with valuable information on this.

➤ By motion duly made and seconded it was unanimously resolved to
Appoint Guy Fulfer and Audrey Krill to the Bookkeeper-Hiring Committee, with authorization to hire, at their discretion, and put to work, the best candidate for the job.

Guy and Audrey stated they will bear in mind: availability, scope of practice, ability to work efficiently with CPA and with WC, cost and value to the MTD and HOA.

And will inform HOA reps Gus and John and MTD board members of progress. Any discussion necessary to address issues that may come up will be held at the next public meeting.

b. Transition from HOA to MTD discussion:

- Mr Marchetti stated that to shift all expenses of HOA to MTD is statutorily allowable, and he suggested considering this to avoid duplication of some organizational expenses.
- If we follow our service plan, expensing items to HOA and MTD as directed, no transitional paperwork is required.
- If HOA expenses are shifted to MTD the following would be necessary:
 - o Service Plan Agreement amendment (letter of authorization from county including transfer of covenant enforcement and design review)
 - o Agreement with Woody Creek to Assume Services (written contract)
 - o Conveyance of Infrastructure and Property: Deed (quit claim or other).

➤ **It was decided to keep to the service plan for now, with roads, garbage and covenant agreements under the HOA. This avoids obligations listed above, and mainly, as Gus pointed out, 1) maintains the MTD tax as voted in and expected by the electors, and 2) keeps the foundation of the flat fee assessed by the HOA, equally assessed to all property owners, as a collection foundation beneath the progressive tax of the MTD thus which has an equalizing effect on the cost burden of individual property owners.**

c. Document signatures and clarification.

Funding Agreement between WCHOA and WCMTD was signed by HOA executives present.

Certification of Mill Levy – a one-page form prepared by M and W to trigger the occurrence and amount of the MTD tax – must be filled with the rest of the budget packet with county on or before December 10th. This will be filed by M and W unless/until the bookkeeper proves to be extremely competent in this work.

d. Clarification of agreement between MTD and Marchetti and Weaver. Gus explained necessity of MTD to stick to the tight predetermined budget to avoid necessity to seek an increase in taxes or in dues: The current practice of M and W billing for time combined with the current rate of communications and requests by MTD board is not supportable going forward.

The HOA, now in control of the finances, will not fund costs of MTD in excess of what the current budget will support. There are stop-gaps in place for HOA bill payments which also apply to their payments for MTD expenses.

After open and informative discussion between all, lead by Gus, Ken, and Peg and contributed to by all, in the spirit of adhering to the financial limitations of the HOA and MTD, *and* respecting time and resources of M and W,

The following cost-saving strategies were agreed upon:

- M and W, preceding future meetings, will provide, clearly identified, all necessary obligatory-action agenda item information and materials. Optional agenda items, clearly identified as such, may also be provided. They will not routinely attend the meeting in person nor by phone.
- Budgets of HOA and MTD in line with the service plan will be prepared by bookkeeper, to be reviewed and utilized by M and W to prepare Mill Levy Certifications.
- Minutes will be kept by the MTD board.
- Point person of MTD assigned for all communication between M and W and MTD, at this time, Peg.
- All efforts will be made to keep costs low, by all parties.
- M and W agreed to see to all statutory obligations and other essential administrative aspects of MTD, and estimate they can do that, with this more efficient use of their services, within the \$10K budget. If expenses of their work 2015 and 2016 (combined) exceed 10K, they will split the difference with us; if expenses are lower, we keep the difference.

e. Legal Counsel. Rhonda Bazil is available at her governmental-entity per-hour rate.

f. MTD Website:

All present are strongly in favor of full transparency of all finances and actions of MTD. Guy presented letters of proposal from two website experts. Pros and cons were discussed. Public input is welcome at each MTD board meeting, and is welcome to come to the board anytime, route and information will be identified on website.

➤ By motion duly made and seconded it was unanimously resolved to Authorize Guy Fulfer to hire website consultant whom he deems most suited and cost-effective to set up and provide necessary administration, and to identify and hire local point person to facilitate timely cost-efficient

postings. Appoint Guy and Peg to provide information to be post.

Note: Guy was authorized to spend \$1000 toward this end in June meeting.
Point person was to be hired at no more than \$30/hr

g. Adjournment: There being no further business to come before the board and upon motion duly made and seconded it was unanimously resolved to adjourn the meeting of the Woody Creek Metropolitan District Board of Directors held August 8th, 2016.

Respectfully submitted, Margaret O'Brien Assistant Secretary