

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
HELD
DECEMBER 1, 2016**

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 (referred to hereafter as the "Board") was held on December 1, 2016 at the North Tree Ranch House, 6885 Vista del Pico, Colorado Springs, CO 80927 at 9:00 a.m. The meeting was open to the public.

Attendance

Directors in attendance were:

Bruce Rau
William Ritchie
Aric Jones

Absent and excused were Directors Chad Ellington and Michael Tinlin.

Also in attendance were:

Cynthia Beyer & Carrie Bartow; CliftonLarsonAllen LLP
Karen Oerter; MSI, LLC
Jerry Jacobs; Timberline District Consulting, LLC
Keith Woodring; GVR Landscape
Stacy Jensen; BLR MD No. 2 Board Member; Citizens Advisory Board (CAB)
Floyd Petty; BLR MD No. 3 Board Member
Abigail Harlan; YMCA
Steve & Barbara Rubin; Residents

Call to Order/
Agenda

Director Rau called the meeting to order at 9:01 a.m. and confirmed a quorum. Following review, upon a motion duly made by Director Rau, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the agenda as amended, which deleted Item No. 6.A. from the Agenda.

Disclosure of
Potential Conflicts
of Interest

The Directors present noted for the record that they have financial interests in entities active in developing property within the boundaries of the District, or are employed by such entities, and that such interests may be affected from time to time by actions of the District's Board of Directors. In accordance with state law, the Directors have filed written disclosures describing such potential conflicts of interest with the Secretary of State, and the directors present verbally reaffirmed such disclosures on the record of this

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meeting.

Consent Agenda

The items listed below are a group of items to be acted on with a single motion and vote by the Board to expedite the handling of limited routine matters. The Board has received the information on these matters prior to the meeting. An item may be moved from the consent agenda to the discussion agenda, if desired. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.

- A. Review and Consider Approval of Minutes of the September 29, 2016 Special Meeting
- B. Review and Accept Unaudited Financial Statements as of September 30, 2016
- C. Ratify Approval of Prior Claims Totaling \$354,788.92

Upon a motion duly made by Director Rau, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the Consent Agenda.

Discussion Agenda

Community Comments

None.

CAB Update

Ms. Jensen presented the CAB Report to the Board.

Financial Matters

- A. Conduct Public Hearing to Consider Amending the 2016 Budget; Consider Adopting Resolution 2016-12-01 Amending the 2016 Budget

Ms. Bartow stated that an amendment to the 2016 budget was not necessary. No action was taken.

- B. Conduct Public Hearing to Consider Adoption of the 2017 Budget; Consider Adopting Resolution 2016-12-02 to Adopt the 2017 Budget, Appropriate Expenditures and Certify Mill Levies

Upon a motion duly made by Director Rau, seconded by Director Jones and, upon vote, unanimously carried, the Board opened the public hearing at 9:21 a.m. There being no comment from the public present, upon a motion duly made by Director Rau, seconded by Director Jones and, upon vote, unanimously carried, the Board closed the public hearing at 9:22 a.m.

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Ms. Bartow presented the proposed 2017 budget to the Board.

Upon a motion duly made by Director Rau, seconded by Director Jones and, upon vote, unanimously carried, the Board approved Resolution 2016-12-02 to adopt the 2017 budget, appropriate expenditures and certify the mill levy.

C. Other

The Board noted there will need to be a 3% adjustment in fees to increase fees \$4.00 per month.

Administrative Matters

A. Recreation Center Operations – Abigail Harlan

Ms. Harlan presented her report to the Board. She stated that she will have a pool representative present at the next Board meeting. Director Rau requested the YMCA collect data on pool closures due to over capacity. Director Rau requested the YMCA to have a pool representative from the YMCA half way through the pool season to appear at the Board meeting and provide an update.

B. Landscape Maintenance Operations Report – Keith Woodring

Mr. Woodring presented the Landscape Maintenance Operations Report to the Board, noting that winterization was complete. He also stated that dog station maintenance will be reduced from once per week to once per month.

C. Covenant Control Operations

1. Review Covenant Enforcement / Violation Log
2. Review Design Review Request Report

Ms. Oerter presented the Covenant Control Operations reports to the Board. She stated that she was still noticing hail damage that had not been repaired yet from this past summer's storm.

D. District Manager's Report

1. Consider Adoption of Resolution 2016-12-03; Annual Administrative Matters for 2017
2. Consider Approval of NorthTree Rules and Regulations

Ms. Beyer presented the District Manager's Report to the Board.

Upon a motion duly made by Director Rau, seconded by Director Jones and, upon vote, unanimously carried, the Board approved

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Resolution 2016-12-03 regarding 2017 annual administrative matters.

Upon a motion duly made by Director Rau, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the North Tree Rules and Regulations.

E. Other

None.

Attorney Matters None.

Director Matters None.

Other Business A. Confirm Quorum for Next Meeting Date – January 26, 2017

A quorum was confirmed for the January 26, 2017 meeting.

Adjournment Following discussion, with no further items to come before the Board, upon a motion duly made by Director Rau, seconded by Director Jones and, upon vote, unanimously carried, the Board adjourned the meeting at 9:51 a.m.

Respectfully submitted,



Secretary for the Meeting