
RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSERVATORY METROPOLITAN DISTRICT
HELD
MARCH 16, 2020**

A Regular Meeting of the Board of Directors (referred to hereafter as “Board”) of the Conservatory Metropolitan District, (referred to hereafter as “District”), was convened telephonically due to declared emergency circumstances. The meeting was open to the public and the conference call information was posted.

ATTENDANCE

Directors In Attendance Were:

Laverne Palmer
Birgit Baldwin
Pedro L. Moczo, Jr.
Nicole Tow
Janine Schilling

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS, Inc.”)

Jennifer Tanaka, Esq.; White Bear Ankele Tanaka & Waldron, P.C.

Georgia Harland; Simmons and Wheeler, P.C.

Dawn Schilling; Schilling & Company, Inc.

Bob Hunchberger, Joy DeMots and Dave Altman; Residents

**DISCLOSURES OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosures of Potential Conflicts of Interest: Attorney Tanaka advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. The Board reviewed the Agenda for the meeting, following which Directors Palmer, Baldwin, Moczo, Tow, and Schilling, along with each consultant, confirmed that they have no conflicts of interest in connection with any of the matters listed on the Agenda.

**PLEDGE OF
ALLEGIANCE**

Pledge of Allegiance: There was no pledge of allegiance due to meeting being held as a conference call.

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ADMINISTRATIVE MATTERS

Agenda: Director Baldwin reviewed with the Board the proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Schilling, seconded by Director Palmer and, upon vote, unanimously carried, the Agenda was approved, as amended.

Consent Agenda: The Board considered the following actions:

- Approve Minutes of the January 27, 2020 Regular Meeting.
- Ratify and terminate Independent Contractor Proposal with Roberts Treescaping, LLC for Erosion Control Services for Pond 6.
- Adoption of Resolution No. 2020-03-01: Declaring Emergency Procedures and Authorizing Teleconferencing for Regular and Special Meetings

Following discussion, upon motion duly made by Director Schilling, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the Consent Agenda.

Minutes: The Board reviewed Minutes of the October 21, 2019 Regular Meeting.

Following discussion, upon motion duly made by Director Moczo, seconded by Director Baldwin and, upon vote, unanimously carried, the Minutes of the October 21, 2019 Regular Meeting, were approved as amended.

2019 Audit: Ms. Schilling presented the Board with the draft Audit of the District financial statements for the year ended December 31, 2019.

Following discussion, upon motion duly made by Director Schilling, seconded by Director Palmer and, upon vote, unanimously carried, the Board accepted the Audit of the District's financial statements for the year ended December 31, 2019, subject to Legal review, and approved the execution of the Representations Letter.

COMMUNITY COMMENTS

HOA Reports and Updates: It was noted that there were no reports or updates provided by the HOA.

FINANCIAL MATTERS

Claims: Ms. Harland reviewed with the Board the check register for the period ending February 29, 2020, including check numbers 3330 through 3340, totaling \$82,485.81.

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Following discussion, upon motion duly made by Director Schilling, seconded by Director Palmer and, upon vote, unanimously carried, the Board ratified the check register for the period ending February 29, 2020, including check numbers 3330 through 3340, totaling \$82,485.81.

Ms. Harland then reviewed with the Board the check register for the period ending March 15, 2020, including check numbers 3341 through 3349, totaling \$23,841.32.

Following discussion, upon motion duly made by Director Moczo, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the check register for the period ending March 15, 2020, including check numbers 3341 through 3349, totaling \$23,841.32.

Financial Statements: Ms. Harland reviewed with the Board the unaudited financial statements of the District for the period ending February 29, 2020.

Following discussion, upon motion duly made by Director Schilling, seconded by Director Tow and, upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District for the period ending February 29, 2020.

Cash Position Schedule and Analysis of Projected Cash Balances for Operations: Ms. Harland reviewed with the Board the Cash Position Schedule as of March 15, 2020.

OPERATIONS MATTERS

Manager's Report: Mr. Solin reviewed with the Board the District Manager's Report. The Board requested that Mr. Solin prepare a request for proposals for the detention pond cleanup work and requested that he discuss the contractor options with Mr. Simons.

Detention Pond Committee Report: The Board deferred discussion.

Kiosk 2020 Maintenance: Director Moczo reported to the Board that he has completed the inventory. It was noted that a solar light was installed without permission on Kiosk #17. The Board directed SDMS to remove it.

Tract V Work: The Board discussed work to be performed, including repairs to the gazebo and retaining walls as well as cleaning up Pond 7. The Board directed Mr. Solin to follow up with BrightView to request that their proposal be broken out and updated.

Pond 7 Cleanup: The Board discussed the proposal from BrightView Landscape Services for Pond 7 cleanup. Director Baldwin advised the

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Board that she will contact BrightView to request more information and to revise the proposal. There was no action taken.

Installation of Rock Mulch: The Board discussed an item in the BrightView proposal to install rock mulch at the residence of Mr. Baumgartner, in an amount of \$908.30.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Schilling and, upon vote, unanimously carried, the Board determined to not approve the installation of rock mulch at the residence of Mr. Baumgartner, and directed Mr. Solin to advise the homeowner by written correspondence.

Proposal from Masterful Masonry for repairs to walls in Tract V: The Board reviewed the Proposal from Masterful Masonry, for repairs to walls in Tract V.

Following discussion, upon motion duly made by Director Schilling, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved an addendum to the Independent Contractor Agreement with Masterful Masonry, for repairs to walls in Tract V, in the amount of \$10,050, to be completed after the pond cleanup is complete.

Proposal from MR/Westco Inc. for Gazebo repair in Tract V: The Board reviewed the proposal from MR/Westco Inc. for Gazebo repair in Tract V.

Following discussion, upon motion duly made by Director Schilling, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved an Independent Contractor Agreement with MR/Westco Inc. for Gazebo repair in Tract V, in the amount of \$2,200, subject to finalization.

City of Aurora for the Maintenance Plan for Ponds 2.0, 2.1, 4.0, 5.0, and 6.0: The Board acknowledged approval from the City of Aurora for the Maintenance Plan for Ponds 2.0, 2.1, 4.0, 5.0, and 6.0 directed Mr. Solin to upload the document to the website.

Request For Proposal for Special District Services: The Board directed Attorney Tanaka to request proposals for Special District management services to appropriate contractors.

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LANDSCAPING MATTERS

Landscape Expenditure Budget Tracking Matrix and Performance Tracking Matrix: The Landscape Expenditure Budget Tracking Matrix was not available.

Annual Landscape Responsibilities Tracking Matrix and Completion Dates: The Annual Landscape Responsibilities Tracking Matrix with completion dates was not available. Director Baldwin will follow-up with BrightView Landscape Services.

BrightView Report: No report from BrightView was available. Director Baldwin will follow-up with BrightView Landscape Services.

Landscaping Committee Report: There was no report given.

Tree Replacements: The Board reviewed the proposal from SavATree for tree removal and replacements as identified by the District.

The Board determined not to approve the proposal from SavATree for tree removal and replacements as identified by the District, in the amount of \$36,840.

Proposal from BrightView Landscape Services to extend rock mulch in beds along entrances: Director Baldwin advised the Board that she will contact Brightview to request more information and to revise proposal. There was no action taken.

Proposal from SavATree for Holiday Lighting: The Board reviewed the Proposal from SavATree for Holiday Lighting.

Following discussion, upon motion duly made by Director Schilling, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved an Independent Contractor Agreement with SavATree for Holiday Lighting, in the amount of \$10,890.

Entry Monuments: The Board reviewed the proposal from Tim Dunn Design Landscape Architecture & Planning.

Following discussion, upon motion duly made by Director Baldwin, seconded by Director Moczo and, upon vote, unanimously carried, the Board deferred the proposal from Tim Dunn Design Landscape Architecture & Planning, in the amount of \$11,250, until such time as the Board can review the proposal and Director Baldwin has had an opportunity to further discuss the details with Mr. Dunn.

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OTHER BUSINESS

Community Outreach: The Board discussed items for Community Outreach.

- The completion of the 2019 Audit.
- The upcoming tree removal and replacement of rock mulch at Jericho and Hampden.
- Planned monument improvements.
- The District's acceptance of Pond 7 at Tract V and the repair and maintenance work to be performed.
- The upcoming election.
- The City of Aurora's approval of the Pond Maintenance Plan to be posted on the website.
- Only District property may be attached to kiosks.
- The District's inventory process for upcoming maintenance and repair on monuments, walls and columns.

LEGAL MATTERS

Election Update: Attorney Tanaka gave an update to the Board on the May 2020 Election. She inquired into whether the Board would like to provide bios of each candidate as it has done in the past. The Board agreed and requested that Attorney Tanaka request the information from each candidate by a date certain and then publish the information received on the District's website. Attorney Tanaka also inquired into whether the Board would like a director orientation conducted at the June meeting as has been done in the past. The Board agreed that this should be done.

Warranty Deed and Accept Bill of Sale from ADM-SAN, 7353, LLC for Tract V: Attorney Tanaka presented the Board with a Warranty Deed and Bill of Sale from ADM-SAN, 7353, LLC for Tract V. Attorney Tanaka reported that she is following up with the developer on the status of the check for the repairs on Tract V and recommended that any acceptance of the Tract be conditioned upon receipt and clearing of those funds.

Following discussion, upon motion duly made by Director Moczo, seconded by Director Schilling and, upon vote, unanimously carried, the Board approved the Warranty Deed and accepted the Bill of Sale from ADM-SAN, 7353, LLC for Tract V, subject to receipt of payment clearing the Bank.

BOARD MEMBER INPUT

President Baldwin: Director Baldwin reported to the Board that there are three informational meetings with the City of Aurora regarding Title 32 Metropolitan Districts. Director Baldwin asked to have those meeting

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dates, and the websites for residents to learn more about Metropolitan Districts, to be provided by Attorney Tanaka, posted on the website.

Director Baldwin presented an award of appreciation plaque to Director Palmer.

Treasurer Palmer: Director Palmer addressed the Board with a prepared statement of gratitude attached hereto and incorporated herein by this reference.

Secretary Moczo: Director Moczo had nothing to report.

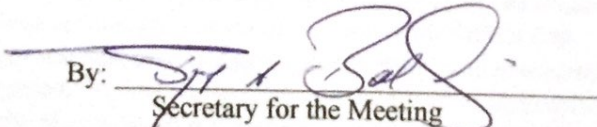
Assistant Secretary Tow: Director Tow had nothing to report.

Assistant Secretary Schilling: Director Schilling had nothing to report.

EXECUTIVE SESSION The Board determined not to enter into executive session.

ADJOURNMENT There being no further business to come before the Board at this time, upon motion duly made by Director Schilling, seconded by Director Palmer and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: 
Secretary for the Meeting

Laverne Morris-Palmer
Conservatory Metropolitan District Board Member 2008 - May 5, 2020
Director Input

March 16, 2020

Conservatory Metropolitan District (CMD)

I extend my sincere thanks to the Conservatory Community, CMD the Board of Directors, and our consultants for the opportunity to serve this community. It has been a great learning experience for me and my family. I can honestly say that my actions were altruistic (selfless concerns for the well beings of others) as I used a utilitarian approach (the net benefit and cost to all stakeholders on an individual level, strive to achieve the greatest good for the greatest number while creating the least amount of harm or presenting the greatest amount of suffering) in order to meet the challenges of our community.

My husband and I purchased our home in 2005 (making us a homeowner). I served on the Home Owner Association (HOA) Design Review Committee until 2008 when it became clear to me that the CMD was heading for financial trouble due to our inability to collect enough revenues from tax and special assessments to meet our financial needs.

This call for action jump-started my campaign for service on the CMD Board. The 2008 financial crisis affected the value of our homes, created a delay in the complete buildout of our community, and challenged our ability to manage through economic hardship for our homeowners while holding them accountable for their responsibilities. We were also faced with legal battles to resolve many construction defects issues for our community, and the need to educate homeowners on the existence of and the differences between CMDs' and HOAs' as outlined in their purchase documents.

If you do the financial research on the District you will see that at the end 2006 the District's General Operating Fund was in the red. In 2007 the District received a windfall that helped us end the year in the black. However, in 2008 and 2009 the District was again operating in the red. This challenge required the CMD Board of Directors and some interested community members to go before the Aurora City Council in 2008 to obtain approval to adjust our mill levy and eliminate the immediate need to employ consultants to collect fees and place liens on properties. The request was approved by the City Council and the community. This action has allowed the District Board of Directors to operate the General Fund in the black up to this point and avoided the need to place new liens on property.

To my knowledge our Debt Service Fund's revenue-to-expense has been on a roller coaster ride since 2006. Our restricted funds that are required to protect the bond holder's investment was used from time to time to make up for economical shortages, protect our credit rating and keep our commitment to investors. In 2017 the Board refinanced the District's obligation and lowered the total mill levy from 71.8 mills to 52.1 (an overall reduction of 19.7 mills). This action was intended to protect the homeowners and the investors.

In 2019 the Board ordered and received a Reserve Study to obtain an understanding of our Special Assessment Risk. The findings revealed that our reserve fund is currently 94% funded and we have a very low Special Assessment Risk. Very good news.

At this time, I don't see any critical issues in the District that cannot be solved by rational thinking individuals with a desire to use a utilitarian approach when voting to address the challenges. I can honestly say that my votes during my years of service had no conflicts of interest for my family, friends or business acquaintances. My only interests were to value and respect the diversity of our community, comply with the law, fulfill our financial commitments to consultants and suppliers, strive to manage within the budget, hold all involved accountable for their actions, words and responsibilities, protect the investments of homeowners and bond holders, protect the credit rating of the District in order to sustain the viability of our financial position and incur no additional debt that would serve my personal agenda.

After notices of CMD Board vacancies were published in the past, I continued to answer the call because there was not a sufficient number of candidates who stepped forward to serve on the board. Know that unlike the HOA, a candidate does not have to be a homeowner to serve on the CMD Board. For 2020 we have seven candidates and three openings. We have more than enough willing souls to serve on the board.

As a proud "Air Force Brat", I embrace the Air Force core values of "Integrity First, Service Before Self. Excellence in all we do." I continued to use these values as a yard stick while serving this community. For me, excellence is about "doing the right thing". It is focused on the reason for a task and the results for it to be a success. Please note that I do not strive for perfection, for perfection is focused on doing the right thing, as to how they appear to others, and if others think it is done right. I have learned that just because something is written down it still may not be enough. Communication breakdowns are inevitable so my advice is to never assume you got it right. Though it might be received as annoying, just continue to ask for clarity to ensure that your understanding is on point with other power brokers, obtain witnesses with integrity and be sure to get a full and clear understanding in writing before moving forward.

With that said, know that I have heard and grown from your praises, critiques, and criticisms. I have also gained a greater appreciation for the words of our African American Poet Maya Angelou "My mission in life is not merely to survive, but to thrive; and to do so with some compassion, some humor and some style".

Good effort and best wishes to the Board going forward.

Sincerely,


Laverne Morris-Palmer