

**MINUTES OF A REGULAR MEETING**

**OF THE BOARD OF DIRECTORS OF THE**

**BENT GRASS METROPOLITAN DISTRICT**

HELD OCTOBER 1, 2019 AT 10:30 A.M.

Pursuant to posted notice, the continued meeting of the Board of Directors of the Bent Grass Metropolitan District was held on Tuesday, October 1, 2019 at 10:30 AM, at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO 80903.

Attendance

In attendance were Directors:

Randle Case II, President

Bryan Long, Vice President/Secretary

Lena Gail Case, Director

Brad Lam, Director

Brian Bahr, Treasurer (by phone 10:53 a.m.)

Also in attendance were:

Peter Susemihl, Susemihl McDermott & Cowan P.C.

Lori VonFeldt, WSDM

Kristina Kulick, WSDM

1. Call to Order & Certification of Quorum & the Agenda:

President Case called the meeting to order at 10:34 a.m. Director Lena Gail Case moved to excuse Director Bahr; seconded by Director Long. Motion passed unanimously.

2. Approval of the June Minutes:

Director Lam moved to approve the May and June Minutes; seconded by Director Lena Gail Case. Motion passed unanimously.

3. Public Comment:

There was no public comment.

4. Review of Financials and Approval of Payables:

Ms. VonFeldt presented payables from September and noted there were no current payables due to it being the 1st of the month. Director Lam moved to approve the payables as presented; seconded by Director Lena Gail Case. Motion passed unanimously.

Ms. VonFeldt noted the District has collected most of the taxes for the year, which is reflected in the general fund. The Board discussed the upcoming budget season and refinancing. President Case noted they need $40,000 in the fund for the County project. Ms. VonFeldt noted $110,000 is obligated for debt service. President Case discussed refinancing and the possibilities of closing or refunding in January 2020, so the District will need to make the December Bond interest payment. Director Lam asked about the fixed assets. Ms. VonFeldt explained it is from prior construction and shows up as an asset and it will come off the books once it is transferred to the County. Director Lena Gail Case moved to accept the financials as presented; seconded by Director Lam. Motion passed unanimously.

5. Board President Report:

President Case addressed a concern about the water in Bent Grass being harder in nature that Director Lam had shared. Director Lam confirmed the water seems to be harder, but noted it is just his opinion and there is no difference in taste. He noticed the change right after the Woodmen Hills Metro District (WHMD) agreement was implemented, and WHMD is doing a lot of construction. Director Lam commented that the need for the new traffic signal at Meridian and Bent Grass Blvd. could be reduced by a lower speed limit with a sign for reduced speed or dangerous intersection. Reducing the speed from 55 to 45 mph could reduce the hazard at this intersection. The Board discussed that this is worth noting and could be a cost-effective way to rectify short term need for signal. President Case noted he spoke to the developer, Ben Hummel about the Falcon Marketplace and King Soopers is still moving forward after Mr. Hummel bought out a previous investor. Director Lam noted new commercial development at Meridian and Stapleton continues to unfold.

6. Manager’s Report:

President Case noted that Mr. Walker was unable to attend the meeting due to sickness, but he emailed updates for the Board which the Board reviewed.

7. Development Updates:

President Case reported that Director Lena Gail Case has bought out her partner for 37 acres near District 49. He noted that District 49 has been dormant on expanding their bus facilities, so not sure if that will mature. President Case said there are no updates on the Man Cave as of late. Director Bahr reported on Challenger activities in the next phase of residential and said they have submitted to the County and are hoping to break ground soon.

8. Review and Action on:

1. BGMD Bond Refinance & Engagement of Consultants:

The Board discussed how and when to reorganize the financing to reduce interest and create more funds for development. The Board discussed that according to Zach Bishop of DA Davidson, interest rates are good and encouraging for this to occur. The Board discussed there may be a need for subordinate bonds. President Case shared the draft spreadsheet from Mr. Bishop. After discussion as to next steps and budget items related to that, Director Long moved to authorize the Manager and necessary officers to review and accept proposals for residential and commercial absorption market studies and any other necessary consulting up to $35,000. Director Bahr noted this step is important to help encourage development. The motion was seconded by Director Lena Gail Case. Director Lam asked for clarification on the residential absorption term. President Case explained it is an update to the market study done prior to the original bond funding and will address absorption and number of units sold or to be sold moving forward. It also applies to commercial and how much Commercial property in the District will be absorbable. Then the study information is calculated with the mill levy and what is to be collected towards the debt. Director Lam asked about the $1.6 Million left in the draft budget and not for improvements. The Board discussed that that amount is prepaid interest sitting in the bank as a reserve and relates to cost of bond issuance and capitalized interest in reserves.

The Board noted the time expected for the study is within the next 60 to 90 days, so hoping to have the study done and bonds prepared by the end of the year. The Board reviewed the schedule of events one page sheet prepared by Mr. Bishop for the refunding and improvement bonds. The Board discussed future growth development projections. The motion passed unanimously.

1. Bent Grass Meadows Drive South Reimbursement Request:

President Case reported there are no other updates on this item. Mr. Susemihl noted he has had no contact from Mr. DeYoung’s attorney. The Board will hold this item for a future agenda.

1. Woodmen Road/Bent Grass Meadows Drive Access Update:

President Case reported that Falcon Marketplace is still moving forward and will eventually affect traffic in that area. Drivers will have to go by the southern part of Bent Grass, so further discussion on how to improve that access point will be needed in the future.

1. Bent Grass Meridian Traffic Signal Update:

There was no additional discussion except that President Case noted that Challenger Homes is proceeding with land use documentation for review and approval by the County to build additional intersection improvements in phases including the roadway, traffic signal and storm water.

1. County Development Agreement:

President Case reported that he has not heard that the County Development Agreement needs to be amended due to the plats that are going in but should know more in the coming weeks.

9. Executive Session to receive reports from consultants on water resources issues and receive legal advice: Mr. Susemihl indicated there was no need for an executive session.

10. Other Old Business:

There was no discussion.

11. New Business:

Mr. Susemihl noted there will be elections next year and two Directors are up for election. He explained that District elections were changed to odd-numbered years, so Directors Long and Lam who are up for 2020 would run for three-year terms. He also noted there will be another Gallagher adjustment, it is a small amount and will increase the mill levy slightly.

12. Confirm and Set Next Meeting:

The Board set the next meeting and budget hearing for November 12, 2019 at 10:30 a.m.

13. Adjournment:

Director Lam moved to continue this meeting to November 12, 2019 at 10:30 a.m.; seconded by Director Lena Gail Case. Motion passed unanimously at 11:30 a.m.

Respectfully Submitted,

Walker Schooler District Managers

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By: Kristina Kulick for the Recording Secretary