

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS

OF

HIGHLANDS METROPOLITAN DISTRICT NO. 1

Held: Wednesday, October 11, 2023 at 10:00 a.m.

This meeting was held via teleconference.

Attendance

The regular meeting of the Board of Directors of the Highlands Metropolitan District No. 1, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Board, were in attendance:

José-Luis Daniel Montiel
Jacquelyn Eisenberg-Nelson
Kathryn Jewkes

Director Nelson was absent. All absences are deemed excused unless otherwise noted in these minutes.

Also present were Megan J. Murphy, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; and Diane Wheeler, Simmons & Wheeler, P.C., District Accountants.

**Call to Order/Declaration
of Quorum**

Noting that a quorum of the Board was present, Director Eisenberg-Nelson called the meeting to order.

**Conflict of Interest
Disclosures**

Ms. Murphy advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Murphy reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Murphy noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing

conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

Ms. Murphy presented the proposed agenda to the Board. Following discussion, upon a motion duly made and seconded, the Board approved the agenda, as presented.

Public Comment

None.

Consent Agenda

Ms. Murphy reviewed the items on the consent agenda with the Board. Ms. Murphy advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and adopted:

- Minutes from July 17, 2023 Special Meeting; and
- 2022 Annual Report.

Legal Matters

Consider Adoption of 2024 Annual Administrative Resolution

Ms. Murphy presented the 2024 Annual Administrative Resolution to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution.

Renewal of Property and Liability Schedule and Limits, Workers Compensation Coverage, and SDA Membership

Ms. Murphy presented the Property Liability Schedule and Limits to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved binding the insurance schedules with current coverage, workers compensation coverage, and renewal of the SDA membership for 2024. The Board requested to schedule another meeting to discuss excess liability coverage.

Other Legal Matters

None.

Financial Matters

Consider Approval/
Ratification of Payables

Ms. Wheeler presented claims totaling \$10,189.17 for ratification. Ms. Wheeler presented the June 30, 2023 Financial Statements to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the claims and approved the financial statements.

Conduct 2023 Budget
Amendment Hearing and
Consider Adoption of
Resolution to Amend 2023
Budget

Ms. Wheeler noted a 2023 budget amendment was not necessary.

Discuss Requirements of
SB23-303 Relating to
Limitations on Property Tax
Revenue

Ms. Wheeler explained to the board that Proposition HH will be on the ballot this November, which is a referred measure that would limit tax increases from the prior property tax year to the amount of inflation, and that would also temporarily reduce the valuation for assessment of certain residential and nonresidential property. Revenues for the payment of bonds and revenues from a mill levy approved by the local government's voters are excluded from the revenue calculation. Metropolitan districts can impose a mill levy that exceeds the limit if they; publish a notice of their intent to exceed the limit in a newspaper; and post it on the metropolitan district's website, at least 10 days in advance of the public hearing at which the mill levy will be considered. The notice must include, the proposed mill levy, any temporary property tax credits, the date, time, and location of the public hearing. At the meeting, the metropolitan district must provide the public an opportunity to present oral testimony on the mill levy and must adopt a resolution to approve the mill levy after it has heard from interested taxpayers. In exchange for the limit on tax increases and reduced valuation for assessment the ballot measure would allow the State to retain surplus revenue that would otherwise be required to be refunded to taxpayers. Because the District is holding its meeting before the election the District will need to approve a budget with alternate mill levy calculations, one calculation for if Proposition HH passes and one for if it fails. The motion to approve the budget resolution should include direction to the consultants to file the budget with the appropriate calculation based on the outcome of the election.

Conduct 2024 Budget
Hearing and Consider
Adoption of Resolution to

The public hearing was opened on the proposed 2024 Budget. Ms. Murphy noted that the notice of public hearing was provided in accordance with Colorado law. No written objections have been

Adopt 2024 Budget and Set Mill Levies

received prior to the meeting. There being no public comment, the hearing was closed.

Ms. Wheeler reviewed the 2024 Budget Resolution with the Board. The Board deferred the adoption of the 2024 Budget to a later meeting.

Discussion Regarding Bill Approvals

Ms. Wheeler engaged in discussion with the Board regarding Bill.com approvals. Following discussion, upon a motion duly made and seconded, the Board unanimously appointed Director Eisenberg-Nelson to approve the Bill.com invoices.

Other Financial Matters

None.

Adjournment

There being no further business to come before the Board and following discussion, upon a motion duly made, the Board unanimously determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Kathryn Jewkes
Kathryn Jewkes (Dec 15, 2023 15:07 MST)

Secretary for the Meeting

The foregoing minutes were approved by the Board of Directors on the 29th day of November, 2023.