

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 21, 2023

A regular meeting of the Board of Directors (referred to hereafter as “Board”) of the MidCities Metropolitan District No. 2 (referred to hereafter as “District”) was held on Tuesday, the 21st day of November, 2023 at 1:00 p.m. This District Board meeting was held by conference call via Zoom, without any individuals (neither District Representatives or the General Public) attending in person, and was open to the public.

ATTENDANCE

Directors In Attendance Were:

Douglas McCormick
Greg Patrick
Charles Tash
Kael T. Russell

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paul Cockrel, Esq.; Cockrel Ela Glesne Greher & Ruhland, P.C.

Kimberly Johannis; Simmons & Wheeler, P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Quorum/Confirmation of Meeting: Mr. Solin confirmed the presence of a quorum.

Disclosure of Potential Conflicts of Interest: Attorney Cockrel reported that, in accordance with statutory requirements, Disclosure of Potential Conflict of Interest Statements were previously filed by Directors McCormick with the District and the Secretary of State disclosing potential conflicts of interest, because of such Director respective previous or current ownership, directorship and officership interests in or employment relationships with companies which previously owned and developed property within the District and/or MidCities Metropolitan District No. 1 (referred to hereafter as “District No. 1” and together with the District, the “Districts”) or which were involved in the development of such property, including entering into various construction, funding, acquisition and reimbursement, and management contracts with the Districts, including without limitation the Funding Agreement, the Amended and Restated Reimbursement Agreement, the Parking Garage Lease Purchase Agreement and the Infrastructure Acquisition Agreement (collectively referred to hereafter as “Coalton Contracts”). Director Douglas McCormick has disclosed his former involvement as a member, officer or director of, or as owners or creditors having a

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direct or indirect financial interest in, Alliance Commercial Holdings I, LLC (referred to hereafter as “Alliance Holdings”), which was the manager of Coalton Associates, LLC (referred to hereafter as “Coalton Associates”), which was a member and the sole owner of Coalton Acres, LLC (referred to hereafter as “Coalton Acres”), which had, but now has sold or disposed of, various land ownership and/or development interests within the Districts. Coalton Acres also was a member of Coalton Holdings, LLC (“Coalton Holdings” and together with Coalton Acres, “Coalton”), which also had, but now has disposed of, its land ownership and/or development interests within the District.

The Disclosure of Potential Conflict of Interest Statements were incorporated into the record of the meeting and will be deemed continuing until modified or withdrawn.

All Directors present stated that the participation of at least three of them in the regular meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act; that written disclosures of such potential conflicts of interest of each Director had previously been filed with the Districts and the Secretary of State in accordance with statutory requirements; and that the nature of each Director’s private interests related to the ownership, creditor or employment relationships or directorship or officership positions in companies, including among others Coalton, which formerly owned and developed property within the Districts, and is a party to and has interests under the Coalton Contracts. After each Director had summarily stated for the record the fact and nature of his private interests and further stated that the determination to participate in voting or to take any other action on any contract or other matter in which a Director may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned its attention to the agenda items. All disclosures of potential conflicts of interest of the Directors shall be deemed continuing in nature until withdrawn.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District’s Regular Meeting.

Following discussion, upon motion duly made by Director Russell, seconded by Director Patrick, upon vote, unanimously carried, the Board approved the Agenda and the absence of Director Turtle was excused.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1.5), C.R.S., concerning the conduct of the District Board meetings and determined that, until subsequently changed by action of the Board, all Board meetings would be held by conference call via *Zoom* and not at any physical location.

Minutes: The Board reviewed the Minutes of the September 19, 2023 Regular Meeting.

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Following discussion, upon motion duly made by Director McCormick, seconded by Director Russell, upon vote, unanimously carried, the Board approved the Minutes of the September 19, 2023 Regular Meeting, as presented.

2024 Regular Meeting Dates: The Board entered into discussion regarding setting dates for 2024 Regular Meetings.

Following review and discussion, upon motion duly made by Director McCormick, seconded by Director Patrick and, upon vote, unanimously carried, the Board determined to schedule Regular Meetings on the third Tuesday in March, June, September and November in 2024. The Meetings will be held at 1:00 p.m., via Zoom.

§32-1-809, C.R.S. Requirements (Transparency Notice): Mr. Solin discussed with the Board the §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2024. The Board directed SDMS to post the Transparency Notice on the District website and SDA website.

PUBLIC COMMENT

There was no public comment.

FINANCIAL MATTERS

Payment of Claims: The Board considered ratifying approval of the payment of claims for the periods ending as follows:

Fund	Period ending Sept. 30, 2023	Period ending Oct. 31, 2023
General	\$ 1,834.95	\$ 22,149.78
Debt	\$ -0-	\$ -0-
Capital	\$ 665.83	\$ 6,095.83
Total	\$ 2,500.78	\$ 28,245.61

Following discussion, upon motion duly made by Director Russell, seconded by Director Patrick and, upon vote, unanimously carried, the Board ratified approval of the payment of claims.

Unaudited Financial Statements: Ms. Johanns reviewed with the Board the unaudited financial statements of the District for the period ending September 30, 2023.

Following review and discussion, upon motion duly made by Director Tash, seconded by Director Patrick, and upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District for the period ending September 30, 2023.

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Sales Tax Tracking Report: Mr. Solin presented to the Board the Sales Tax Tracking Report.

2023 Audit: Ms. Johanns recommended the engagement of Wipfli LLP to perform the 2023 Audit, for an amount not to exceed \$6,500.

Following review and discussion, upon motion duly made by Director Tash, seconded by Director Patrick, and upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to perform the 2023 Audit, for an amount not to exceed \$6,500.

2023 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2023 and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review and discussion, Director McCormick moved to adopt the Resolution to Amend 2023 Budget, Director Tash seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-11-01 to Amend the 2023 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2024 Budget Hearing: The President opened the continued public hearing on the proposed 2024 Budget and related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2024 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Ms. Johanns reviewed the estimated 2023 revenues and expenditures and proposed 2024 revenues and expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2023 Budget and Appropriate Sums of Money and Set Mill Levies for the General Fund at 3.000 mills and the Debt Service Fund at 34.552 mills, for a total mill levy of 37.552 mills. Upon motion duly made by Director McCormick, seconded by Director Tash and, upon vote, unanimously carried, the Resolutions were adopted, subject to legal review of Mill Levy requirements in bond documents for the Debt Service Fund

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Abatement, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2023. The District Accountant was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of the City and County of Broomfield and the Division of Local Government, not later than December 15, 2023. The District Accountant was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2024, Subject to mill levy revisions from statutory change, and legal review of those adjustments. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Tash and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties

LEGAL MATTERS

There were no legal matters to discuss.

CAPITAL MATTERS

Retaining Wall Repair Work: Mr. Solin and _____ AS discussed the retaining wall repair work with the Board.

Trail Completion Project: Mr. Solin and _____ AS discussed with the Board the status of the Trail Completion Project.

Collins Engineering Agreement: The Board discussed extending the Collins Engineering Agreement.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Tash and, upon vote, unanimously carried, the Board approved extending the Collins Engineering Agreement.

OTHER MATTERS

There were no other matters to discuss at this time.

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ADJOURNMENT

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

Respectfully submitted,

By: 
Secretary for the Meeting