

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD NOVEMBER 15, 2022

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 15th day of November, 2022 at 1:00 p.m. This District Board meeting was held by conference call without any individuals (neither District Representatives or the General Public) attending in person. The meeting was held by conference call and was open to the public.

ATTENDANCE

Directors In Attendance Were:

Douglas McCormick
Greg Patrick
George Turtle
Charles Tash
Kael T. Russell

Also In Attendance Were:

Peggy Ripko; 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

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. 2 (referred to hereafter as “District No. 2” 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 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 McCormick, seconded by Director Russell, upon vote, unanimously carried, the Board approved the Agenda, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District Board meetings.

Following discussion, the Board determined that this Regular Meeting will be held by conference call. No members of the General Public were in attendance.

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Resignation of David Solin: Following discussion, upon motion duly made by Director McCormick, seconded by Director Russell and, upon vote, unanimously carried, the Board acknowledged the resignation of David Solin as Secretary to the Board and appointed Peggy Ripko as Secretary to the Board.

Minutes: The Board reviewed the Minutes of the June 21 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Patrick, seconded by Director Russell, upon vote, unanimously carried, the Board approved the Minutes of the June 21, 2022 Regular Meeting, as presented.

2023 Regular Meeting Dates: The Board entered into discussion regarding setting dates for 2023 Regular Meetings.

Following review and discussion, upon motion duly made by Director Patrick, seconded by Director Russell and, upon vote, unanimously carried, the Board determined to schedule Regular Meetings on the third Tuesday in March, June, September and November in 2023. The Meetings will be held at 1:00 p.m., via Zoom.

§32-1-809, C.R.S. Requirements (Transparency Notice): Ms. Ripko discussed with the Board the §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2023.

There was no public comment.

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 June 30, 2022	Period ending July 31, 2022	Period ending Aug. 31, 2022	Period ending Sept. 30, 2022
General	\$ 6,594.86	\$ 26,654.49	\$ 5,545.52	\$ 3,551.03
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 371.25	\$ 1,331.66	\$ 1,246.87	\$ -0-
Total	\$ 6,966.11	\$ 27,986.15	\$ 6,792.39	\$ 3,551.03

Fund	Period ending Oct. 31, 2022
General	\$ 19,001.04
Debt	\$ -0-
Capital	\$ 913.33
Total	\$ 19,914.37

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

Unaudited Financial Statements: The Board reviewed the unaudited financial statements of the District for the period ending September 30, 2022.

Following review and discussion, upon motion duly made by Director Turtle, seconded by Director McCormick, and upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District for the period ending September 30, 2022, as presented.

2022 Audit: Ms. Johanns recommended the engagement of Wipfli LLP to perform the 2022 Audit, for an amount not to exceed \$5,000.

Following review and discussion, upon motion duly made by Director McCormick, seconded by Director Russell, and upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to perform the 2022 Audit, for an amount not to exceed \$5,000.

2022 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2022 and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2022 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 Turtle moved to adopt the Resolution to Amend 2022 Budget, Director McCormick seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-01 to Amend the 2022 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2023 Budget Hearing: The President opened the continued public hearing on the proposed 2023 Budget and related issues.

It was noted that publication of Notice stating that the Board would consider adoption of 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.

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Ms. Johanns reviewed the estimated 2022 revenues and expenditures and proposed 2023 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 33.235 mills, for a total mill levy of 36.235 mills. Upon motion duly made by Director McCormick, seconded by Director Patrick 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 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, 2022. 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, 2022. The District Accountant was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2023. 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 Turtle, seconded by Director Russell 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

Resolution Calling for the May 2, 2023 Regular District Election: The Board discussed the upcoming May 2, 2023 Regular Election and reviewed a Resolution Calling for the 2023 Regular District Election.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Patrick and, upon vote, unanimously carried, the Board adopted a Resolution Calling for the 2023 Regular District Election and appointed Peggy Ripko as the Designated Election Official and authorized her to perform all tasks required for the May 2, 2023 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

CAPITAL MATTERS

Parking Structure Project: Ms. Ripko updated the Board on the status of the parking structure project.

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Retaining Wall Repair Work: Ms. Ripko updated the Board on the status of the retaining wall repair work.

Trail Completion Project: Ms. Ripko updated the Board on the status of the Trail Completion Project.


OTHER MATTERS

None.

ADJOURNMENT

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

Respectfully submitted,

By: 

Secretary for the Meeting