

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF
DIRECTORS OF

SABELL METROPOLITAN DISTRICT

Held: Wednesday, October 25, 2023, at 11:30 a.m.

This meeting was held via teleconference.

Attendance

The Special Meeting of the Board of Directors (the “Board”) of the Sabell Metropolitan District, 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:

Matthew Gayda Cavanaugh
Charles R. Hauptman
Julie Pero
Guillaume Pouchot

Also present were Megan J. Murphy, Esq., White Bear Ankele Tanaka & Waldron, District General Counsel; Alex Fink, Clifton Larson Allen, LLP, District Accountant; and Scott Bristol, Stillwater Community Management.

Call to Order

It was noted that a quorum of the Board was present and the meeting was called 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 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 Board with the agenda for the meeting for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda.

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 removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and/or adopted:

- Minutes from July 25, 2023 Special Meeting; and
- Minutes from October 4, 2023 Annual Meeting.

Financial Matters**Consider Acceptance of Unaudited Financials**

Mr. Fink presented the Board with the Unaudited Financial Statements dated September 30, 2023 and Schedule of Cash Position dated June 30, 2022 and updated as of October 17, 2023. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financial statements schedule of cash position.

Consider Approval of Claims Payables

Mr. Fink presented to the Board the claims payable from July 19, 2023 through October 19, 2023 in the total amount of \$44,013.07. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the claims.

Conduct Public Hearing on 2023 Budget Amendment and Consider Adoption of Resolution Amending 2023 Budget

Mr. Fink noted a 2023 budget amendment was not necessary.

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

The District's accountant 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. 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 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 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 it’s 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 Public Hearing on 2024 Budget and Consider Adoption of Resolution Adopting 2024 Budget, Imposing Mil Levy and Appropriating Funds

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

Mr. Fink reviewed the 2024 Budget Resolution with the Board. The Board engaged in discussion regarding changes to the Special Revenue Fund to include \$4,000 for the Social Committee and a change to the Capital Projects Fund from \$0 to \$7,167,000. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2024 Budget, appropriating funds therefor as shown in the 2024 Budget, subject to receipt of final assessed valuation, and directed its consultants to file the budget with the appropriate mill levy calculation based on whether or not Proposition HH is approved by the voters.

Other Financial Matters

None.

Management Updates

Discussion Regarding Social Committee

Mr. Bristol noted homeowners requested the establishment of a Social Committee. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the establishment of a

Social Committee and requested legal counsel draft a resolution establishing the Social Committee to be presented at the next Board meeting.

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 subject to change of regular meeting times.

Approval of Renewal of Property and Liability Schedule and Limits, Workers Compensation Coverage, and SDA Membership for 2024

Ms. Murphy presented the property and liability schedule and limits to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the renewal with excess liability in the amount of \$5,000,000, workers compensation coverage, and Special District Association membership for 2024.

Consider Approval of Residential Improvement Guidelines and Site Restrictions

Mr. Bristol presented the Residential Improvement Guidelines and Site Restrictions to the Board. Following discussion, upon a motion duly made and seconded the Board unanimously approved the Residential Improvement Guidelines and Site Restrictions.

Other Business

Mr. Bristol will prepare an updated common area map showing lots compared to common areas.

Adjournment

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

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

Julie Pero
Julie Pero (Mar 6, 2024 13:03 MST)

Secretary for the Meeting

The foregoing minutes were approved by the Board of Directors on the 6th day of March, 2024.