

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE GRANBY RANCH METROPOLITAN DISTRICT HELD DECEMBER 14, 2017

A special meeting of the Board of Directors of the Granby Ranch Metropolitan District was held on December 14, 2017 at 10:00 a.m. Ranch Hall, 998 Village Road, Granby, CO 80446

Attendance: In attendance were Directors:

Natasha Wall; President
Lance Badger; Asst. Secretary
Terry Walker; Secretary/Treasurer

Also in Attendance:

Dale Floren; Vice President (via telephone)
Bob Blodgett; CliftonLarsonAllen LLP
Jason Carroll; CliftonLarsonAllen LLP (via telephone)
Jeffrey Erb; Seter & Vander Wall, P.C
Marise Cipriani; Granby Realty Holdings
Kim Crawford & Maria Harwood; Butler & Snow (via telephone)
Sam Sharp & Laci Knowles; D.A. Davidson & Co. (via telephone)
Nick Raible; 485 Cumulus
Denise & Jeff Lin; 1125 Shashani Lane and 111 Peakview Drive
Vince & Fran Mejer; 625 Cumulus
Natasha O'Flaherty; 132 Fairway
Mike Loomis; mike_loomis@hotmail.com
Colleen Hannon; Granby Ranch Staff Member
Laura Manning; Resident
Eric Weaver; Marchetti & Weaver, LLC (via telephone)

I. Call to Order

Director Wall called the meeting to order at 10:45 a.m. with a quorum of the Board present. The Directors confirmed their continuing qualifications to serve.

II. Declaration of Quorum/Director Qualifications/Disclosure Matters

Mr. Erb reported disclosures have been filed for each Board member, and have also been filed with the Secretary of State. The Directors reviewed the agenda for the meeting, following which each director confirmed the contents of any written disclosure previously made, stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Each Director also confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed.

RECORD OF PROCEEDINGS

III. Review and Approve November 17, 2017 Special Meeting Minutes

Upon a motion duly made by Director Walker, seconded by Director Badger, and upon a vote, unanimously carried, the Board approved the November 17, 2017 Special Meeting Minutes.

IV. Status of Final Determination to Issue 2017 General Obligation Refunding Bonds

Mr. Sharp reported that after the November Board meeting, NBH Bank decided not to proceed with the bank loan and subordinate bond because of the forbearance agreement with the developer, and her lender and the developer placing Granby Ranch for sale. D.A. Davidson sought to find another bank to issue a loan and subordinate bond and have been unsuccessful. Mr. Sharp reviewed the schedule of options and recommended consideration of a 35 year non-rated bond with the required coverage needed for an investor. A 30 year bond is not sufficient coverage. The interest rate would be 5.25% which is significantly less than the present rate of 6.75% on the district bonds. There is a present value savings to the district for this option.

Director Floren expressed his concern regarding extending the existing debt payment schedule beyond 2037 to 2052. He would prefer to wait for the sale of the property and reconsider other options at that time.

Director Badger indicated he would like to proceed with the 35 year non-rated bond at this time.

Director Walker expressed concern about the additional debt and timeframe to repay it. He prefers to wait on the sale of the property.

Director Wall stated she would like to see the debt refinancing done as soon as possible. However, she is also concerned about the additional debt and timeframe for repayment. She also believes that interest rates will increase before the district could close on the non-rated bond.

After discussion, the Board tabled consideration of the final determination of approval of a resolution to issue 2017 general obligation refunding bonds. They will consider a special meeting by telephone at a later date to further discuss their options at that time.

V. Review Updated Financial Forecast

The Board reviewed the updated financial forecast prepared by D.A. Davidson for the 35 year non-rated bonds. Action was tabled.

VI. Review and Approve Revised 2018 Budget

RECORD OF PROCEEDINGS

Mr. Carroll reviewed the revised 2018 Budget with the Board. He stated that the bond documents require the district to levy the necessary Gallagherized that service amount to pay the district's bonds. This means a levy of 66.203 mills for Debt Service in 2018 and 0 mills in the General Fund. He reported that the 2018 Budget approved at the November meeting anticipated the refinancing with the loan and subordinate bond which is not now going to occur.

The Board opened the public hearing at 11:45 a.m. and there were no public comments on the 2018 Budget. Ms. Cipriani reported that she is working with her lender to modify her loan, and removed the forbearance agreement. The property is being listed with CBRE and they are conducting due diligence before formally listing it for sale in the next few months.

Residents in the audience generally recommended that the Board wait on refinancing for more favorable terms after the sale of the property.

The Board closed the public hearing at 12:00 p.m.

Upon a motion duly made by Director Wall, seconded by Director Walker, and upon a vote, unanimously carried, the Board adopted the 2018 Revised Budget, Appropriated Bonds, and Certified a Mill Levy of 66.203 Mills in the Debt Service Fund and 0 mills in the General Fund for collection in 2018.

Mr. Blodgett reported that the District needs to pay the dues to the Special District Association (SDA) and the Special District Property and Liability Pool for Director and Property Insurance for 2018. The total of these two fees is approximately \$2,200. Mr. Carroll will review the General Fund status and determine if the district has these funds in order to make these payments so that they are effective January 1, 2018.

The district will not otherwise have any General Fund money in 2018 with the new budget.

Director Badger expressed concern regarding the lack of payment to the District's consultants for the past 18 months and the foreseeable future. The Board concurred. This issue will be further discussed at the next Board meeting.

VII. Attorney Items

A. Status of Agreements

No update.

B. Status of Service Plan Revisions with Town of Granby

No update.

RECORD OF PROCEEDINGS

C. Other

None.

VIII. Adjournment

Director Wall adjourned the meeting adjourned at 12:25 p.m.

Respectfully submitted by,


Secretary of the Board