



**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
CONSTITUTION HEIGHTS METROPOLITAN DISTRICT  
HELD DECEMBER 5, 2018  
AT 10:00 A.M.**

Pursuant to posted notice, the special meeting of the Board of Directors of the Constitution Heights Metropolitan District was held on Friday, December 5, 2018 at 10:00 a.m., at 614 N. Tejon St., Colorado Springs, CO.

In attendance were Directors:  
Gregory Driscoll, President

Also in attendance were:  
K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron (by phone)  
Kevin Walker, WSDM  
Lori VonFeldt, WSDM  
Kristina Kulick, WSDM

1. Call to Order:

Mr. Walker called the meeting to order at 10:00 a.m.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters:

President Driscoll indicated that a quorum of the Board was present. Ms. VonFeldt noted that the Director's disclosures of their potential conflicts of interest were filed pursuant to state law for the meeting.

3. Approval of the Agenda:

The agenda was approved.

4. Approval of Minutes:

The Board approved the December 1, 2017 meeting minutes.

5. 2018 Amended and 2019 Budget discussion and Public Hearing

- a. 2018 Amended Budget Resolution –  
The Board opened the public hearing on the 2018 amended budget. There was no public comment. The Board closed the public hearing. Ms. VonFeldt explained the amendment needed for the debt service and Mr. Allen noted the projected budget was a few dollars less as the reason for the amendment. Mr. Allen recommended that the original appropriation be increased to full value. Ms. VonFeldt confirmed they can attest the Resolutions. The Board accepted the 2018 Amended Budget.
- b. 2019 Budget Resolution –  
The Board opened the public hearing on the 2019 Budget Resolution. There was no public comment. The Board closed the public hearing. Ms. VonFeldt presented the 2019 budget and noted the increased assessed valuation and no increase in mill levy. Otherwise, it will be the same

as last year. Mr. Allen confirmed this District has only one mill levy, a debt service mill levy. Ms. VonFeldt noted the debt service and that 2019 shows a refinance of the debt. The Board accepted the 2019 Budget Resolution.

#### 6. Financial Statement and Payables:

- a. Financial Statement –  
Ms. VonFeldt presented the Financials. She said we can pay a few bills from funds collected and recommends paying BiggsKofford, WSDM and White Bear. Director Driscoll confirmed they are still in the rears.
- b. Current/Interim Payables –  
The Board approved the payables recommended by Ms. VonFeldt. Ms. VonFeldt noted that \$4,000 will be left in the bank to start the year with.
- c. Developer Advances for General Fund Costs –  
There was no discussion.
- d. Discuss Subordinate Developer Debt Accounting Reconciliation: Mr. Walker said he continues to think there is a discrepancy in what is owed and it may be possible to have sufficient funds out of the refinance. Mr. Walker said this is one of his objectives for 2019.
- e. Discuss 2019 Senior Compass Bank Loan Debt Balloon Payment/Refinance: Mr. Walker said he was in open discussions with Zach Bishop and Compass Bank on a proposal to refinance last year, but it would not have been helpful. In the upcoming first quarter, Mr. Walker will speak with the bond holders, Mr. Bishop and Compass Bank to figure out how to refinance the debt by the due date of July 29<sup>th</sup>. Ms. VonFeldt said she will put the bond refinance on revenues. Mr. Walker said he believes the bond holders are being paid twice, but they have argued that it has already been litigated even if they are being paid twice so we cannot go back and try it again. Mr. Walker said that there are no funds to litigate this issue, so we will pay interest required on subordinate notes and refinance in 2019. Mr. Walker noted that interest rates have increased but AV has also increased substantially, so it should not be difficult to get the refinance with Compass Bank. The Board discussed a meeting in the middle of year to get documentation taken care of.

#### 7. Market Status/Development:

Mr. Walker reported that there are 30 acres under contract and continued strong sales at Classic properties with 10 acres under contract. Richmond has 10 acres under contract as well.

#### 8. Other Business:

- a. Director Vacancies –  
Mr. Walker reported that there has been no interest or applicants for Director vacancies.
- b. 2019 Annual Administrative Resolution –  
Mr. Allen explained the Resolution allows his legal firm and Walker Schooler District Managers to carry out administrative and compliance matters as designated on behalf of the District. The Board approved the Resolution.
- c. Approval of the Updated White Bear Ankele Tanaka & Waldron Engagement Letter –  
Mr. Allen explained that his firm is updating their engagement letter with all of their clients. They are updating the range of paralegal rates, binding arbitration if there is a dispute between firm and district, and marketing changes that will be able to list names of districts in marketing materials. The Board approved the updated engagement letter.

d. Next Regular Meeting Date –

Mr. Allen noted that the District will need to have a public meeting to adopt a refinance. The Board authorized the District consultants for any bond refinance engagements of consultants, underwriter and disclosure counsel. The Board approved the consultants to secure services and will ratify those engagements at the next meeting.

9. Adjournment:

The meeting was adjourned at 10:16 a.m.

Respectfully Submitted,

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By: Kristina Kulick for the Recording Secretary