

RECORD OF PROCEEDINGS

MINUTES OF REGULAR MEETING **BOARD OF DIRECTORS**

POLO RESERVE METROPOLITAN DISTRICT **THURSDAY, APRIL 27, 2023** **ARAPAHOE COUNTY, COLORADO**

The regular quarterly meeting of the Board of Directors (“Board”) of the Polo Reserve Metropolitan District (“District”) convened at 6:30 p.m. on Thursday, April 27, 2023, at 4481 West Caspian Circle, Littleton, Colorado 80128. The following Directors were in attendance:

Glenn Lee
Darrell Lomelino
Michael McGinnis
William Steigers
Sandor Weiss

Also, in attendance by Zoom were: Taylor Kennedy, Chair of the 2023 Denver Polo Classic Event and Thomas Dolan, Brightflight Drone Shows, a Colorado limited liability company. Timothy J. Flynn, the District’s legal counsel from Collins Cole Flynn Winn & Ulmer, PLLC, was also in attendance.

CALL TO ORDER

The meeting was called to order by the District’s President, William Steigers, who presided as Chair.

APPROVAL OF AGENDA

Following a brief discussion, a motion was made by Director McGinnis and seconded by Director Steigers to approve the agenda, as presented. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

DENVER CHILDREN’S FOUNDATION PRESENTATION

Taylor Kennedy, Chair of the 2023 Denver Polo Classic Event together with Thomas Dolan from Brightflight Drone Shows asked the Board to allow the Denver Childrens Foundation (“Foundation”) through its vendor, Brightflight Drone Shows to present a drone light show during the July 14-16, 2023 Denver Polo Classic event on the Metro District’s upper Polo Field. The drones light show consists of approximately 100 lighted drones using 3D animation to display logos and images that light up the night sky.

Thomas Dolan explained his company would evaluate the location for the event to ensure all safety and FAA requirements are satisfied. Each individual drone's flight path is thoroughly planned out to ensure safety. Every show is flown multiple times at a test site to ensure that the show will go smoothly and without incident.

Brightflight Drone Shows will provide all necessary insurance coverages required by the District and will indemnify the District and the Foundation from any and all claims arising out of the show. The show will last approximately 15 minutes and will start around 9:30 p.m. The area for the show will be physically marked out on the ground, certain areas would be roped off and signs would be put in place to preclude all spectators from walking into what might be considered a danger zone in the event a drone accidentally falls from the sky. There will also be a few people whose job it is to mark the safety zone perimeters. The drones each weigh approximately two pounds.

At the conclusion of the presentation and following a brief discussion, Director Lomelino moved, and Director Weiss seconded a motion to approve the drone show requested by the Foundation and Brightflight Drone Show LLC subject to an appropriate agreement being entered into between the Foundation and Brightflight Drones Show LLC with appropriate insurance coverages and indemnifications being provided for the interested parties. In addition, an addendum to the existing License Agreement will need to be entered into by all parties that explicitly approves the addition of a drone show. Brightflight and the Foundation will need to obtain specific approval of all plans involving the usage of the field from Dave Rutledge. The motion included authority for Director Lomelino to work with legal counsel to work out the appropriate agreement.

The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED. At the conclusion of the presentation, Mr. Kennedy and Mr. Thomas left the meeting.

APPROVAL OF THE BOARD'S FEBRUARY 1, 2023 SPECIAL MEETING MINUTES

Following a review and brief discussion, a motion was made by Director McGinnis and seconded by Director Weiss to approve the February 1, 2023, special meeting minutes, as presented. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED. Legal counsel will send a copy of the approved minutes to Director Steigers for posting in the District's Dropbox file.

REVIEW AND ACCEPTANCE OF FINANCIAL STATEMENTS

Director Lee reviewed a Balance Sheet for the District dated April 19, 2023, and a Profit and Loss Statement for the period beginning January 1, 2023, and ending April 19, 2023, as compared to the same period in 2022. He also reviewed a Budget to Actual dated April 19, 2023.

Because it is early in the year, there were not a lot of expenditures noted in the financial statements. Director Lee mentioned that the landscape contract that was awarded to Designs by Sundown is approximately \$5,000.00 more than the amount budgeted for 2023.

Following Director Lee's review of the financial statements, a motion was made by Director Weiss and seconded by Director McGinnis to accept the financial statements, as presented. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED. A copy of the Balance Sheet, Profit and Loss Statement, and Budget to Actual is attached to the original of these minutes as Exhibit A (consisting of 4 pages).

Then followed a general discussion concerning the criteria for awarding landscape and other contracts. Director Lee cautioned that even though a bid may be significantly lower than other bids, the Board should be cautious before throwing out the lowest bidder. The analysis and criteria utilized to award the contract to Designs by Sundown was discussed in detail. Director Weiss was noted that Designs by Sundown is now owned and operated by an entity located in Illinois.

RATIFICATION OF INTERIM DISBURSEMENTS

Director Lee reviewed the Statement of Transaction Detailed by Account for the period beginning January 1, 2023 and ending April 19, 2023. This information was provided so the Board was made aware of all the expenditures made by the District year-to-date 2023.

At the conclusion of the discussion, a motion to ratify, approve, and confirm the interim disbursements for the period beginning January 1, 2023 through April 19, 2023, was made by Director Weiss and seconded by Director McGinnis. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

CURRENT 2023 PAYABLES

There were no current 2023 payables presented to the Board at this meeting.

UPDATE ON MAY 2, 2023 BOARD OF DIRECTORS ELECTION

Legal counsel reported that the Board's May 2, 2023 Board of Directors election was cancelled and that oaths of office for the newly elected Directors will be circulated by his paralegal, Crystal Schott. The newly elected Directors are Directors Weiss, Steigers, and McGinnis. Directors Weiss and Steigers were each elected to a four-year term of office and Director McGinnis was elected to a two-year term of office.

POTENTIAL TABOR ELECTION IN NOVEMBER 2024

There was a general discussion concerning the District's need to increase its revenues to cover operating costs associated with maintenance landscaping and irrigation of District properties and improvements and the water retention pond that is used by the District to irrigate District properties. Legal counsel will be bringing sample questions to the Board for review at the next meeting. Currently, the District's operating revenues are constrained by a ballot question that was passed years ago that limits the amount of tax revenue the District can collect for operations and maintenance to \$78,000.00 per year. It was noted that in order to fund all of the District's maintenance activities and to build reserves to replace aging assets, property tax revenues will need to be substantially increased in the future.

2023 PUMP HOUSE ROUTINE AND EMERGENCY MAINTENANCE SERVICES AGREEMENT

The Board discussed the need to get a contract in place for the routine and emergency maintenance of the District's pump house equipment. Director Steigers has been working with Colorado Water Well. Following a brief discussion, a motion was made by Director Weiss and seconded by Director Lomelino delegating authority to Director Steigers to complete a proposed contract with Colorado Water Well subject to final review and approval by legal counsel.

REPAIRS TO IRRIGATION PIPE THAT EXTENDS FROM LAST CHANCE DITCH

The need to replace the pipe that delivers water from the Last Chance Ditch to the District's water retention pond located near the upper polo field was discussed in detail. It was noted that in order to complete the repairs an engineering firm will need to be retained to design the replacement of the damaged pipe which can then be put out to bid to solicit bids from contractors. Following a discussion, a motion was made by Director Lee and seconded by Director McGinnis delegating authority to Director Steigers and Director Weiss to commence negotiating an engineering services contract for the design of the needed replacement of the irrigation pipe. A scope of work will be developed that will be utilized for purposes of entering into a contract with an engineering firm that is selected to do the design and possibly construction support work. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

NEW BUSINESS

There was no new business to come before the Board.

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Director McGinnis and seconded by Director Lee to adjourn. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

Whereupon, this regular meeting of the Board of Directors of the Polo Reserve Metropolitan District adjourned at approximately 8:20 p.m. The next regular meeting of the Board of Directors is scheduled for Thursday, July 27, 2023, at 6:30 p.m. in Director Steigers' home located at 4481 West Caspian Circle, Littleton, Colorado 80128.

Respectfully submitted,



Timothy J. Flynn, Recording Secretary

5:26 PM

04/19/23

Accrual Basis

Polo Reserve Metropolitan District
Balance Sheet Prev Year Comparison
As of April 19, 2023

	<u>Apr 19, 23</u>	<u>Apr 19, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1st Bank Operating	298,372.34	330,174.03	-31,801.69	-9.6%
Total Checking/Savings	298,372.34	330,174.03	-31,801.69	-9.6%
Accounts Receivable				
Accounts Receivable	0.00	2,772.81	-2,772.81	-100.0%
Total Accounts Receivable	0.00	2,772.81	-2,772.81	-100.0%
Other Current Assets				
Prepaid Dues	419.97	0.00	419.97	100.0%
Prepaid Insurance	4,348.00	3,076.50	1,271.50	41.3%
Total Other Current Assets	4,767.97	3,076.50	1,691.47	55.0%
Total Current Assets	303,140.31	336,023.34	-32,883.03	-9.8%
TOTAL ASSETS	<u>303,140.31</u>	<u>336,023.34</u>	<u>-32,883.03</u>	<u>-9.8%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	3,068.37	15,127.35	-12,058.98	-79.7%
Total Accounts Payable	3,068.37	15,127.35	-12,058.98	-79.7%
Total Current Liabilities	3,068.37	15,127.35	-12,058.98	-79.7%
Total Liabilities	3,068.37	15,127.35	-12,058.98	-79.7%
Equity				
Nonspendable	4,508.00	4,508.00	0.00	0.0%
Restricted	5,156.00	5,156.00	0.00	0.0%
Unrestricted	265,471.53	289,075.69	-23,604.16	-8.2%
Net Income	24,936.41	22,156.30	2,780.11	12.6%
Total Equity	300,071.94	320,895.99	-20,824.05	-6.5%
TOTAL LIABILITIES & EQUITY	<u>303,140.31</u>	<u>336,023.34</u>	<u>-32,883.03</u>	<u>-9.8%</u>

Polo Reserve Metropolitan District
Profit & Loss Prev Year Comparison
January 1 through April 19, 2023

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04/19/23

Accrual Basis

	Jan 1 - Apr 19, 23	Jan 1 - Apr 19, 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
Annual Fee-Fee in Lieu of Taxes	4,291.29	4,172.02	119.27	2.9%
J5 Reimbursements				
J-5 Electrical	0.00	740.97	-740.97	-100.0%
J-5 Repairs	0.00	208.00	-208.00	-100.0%
J-5 Sprinkler	0.00	207.09	-207.09	-100.0%
J-5 Water	0.00	79.88	-79.88	-100.0%
Total J5 Reimbursements	0.00	1,235.94	-1,235.94	-100.0%
HOA Reimbursements				
HOA Electrical	0.00	1,018.00	-1,018.00	-100.0%
HOA Repairs	0.00	260.00	-260.00	-100.0%
HOA Sprinkler	0.00	258.87	-258.87	-100.0%
Total HOA Reimbursements	0.00	1,536.87	-1,536.87	-100.0%
Interest Income	0.00	13.96	-13.96	-100.0%
Arapahoe County Tax Revenue				
Property Tax Revenues-Operating	32,260.96	35,123.48	-2,862.52	-8.2%
Specific Ownership Tax	1,328.97	1,269.53	59.44	4.7%
Total Arapahoe County Tax Revenue	33,589.93	36,393.01	-2,803.08	-7.7%
Total Income	37,881.22	43,351.80	-5,470.58	-12.6%
Expense				
Operations				
Electric Charges	3,725.66	3,037.55	688.11	22.7%
Landscape Contract	0.00	2,257.50	-2,257.50	-100.0%
Miscellaneous Repairs	653.72	0.00	653.72	100.0%
Pump Repairs	2,100.00	870.00	1,230.00	141.4%
Sprinkler Repairs	0.00	667.73	-667.73	-100.0%
Water	146.00	113.35	32.65	28.8%
Total Operations	6,625.38	6,946.13	-320.75	-4.6%
Administrative				
Bank Service Charges	30.00	30.00	0.00	0.0%
Bookkeeping	1,850.00	1,520.00	330.00	21.7%
Dues/Election	0.00	405.89	-405.89	-100.0%
Insurance	0.00	1,025.50	-1,025.50	-100.0%
Legal Fees	3,957.50	10,197.64	-6,240.14	-61.2%
Office Expense	0.00	31.05	-31.05	-100.0%
Treasurer's Fee-General Fund	481.93	519.25	-37.32	-7.2%
Total Administrative	6,319.43	13,729.33	-7,409.90	-54.0%

Polo Reserve Metropolitan District
Profit & Loss Prev Year Comparison
January 1 through April 19, 2023

5:27 PM

04/19/23

Accrual Basis

	Jan 1 - Apr 19, 23	Jan 1 - Apr 19, 22	\$ Change	% Change
Interest Expense	0.00	520.04	-520.04	-100.0%
Total Expense	12,944.81	21,195.50	-8,250.69	-38.9%
Net Ordinary Income	24,936.41	22,156.30	2,780.11	12.6%
Other Income/Expense				
Other Expense				
Void	0.00	0.00	0.00	0.0%
Total Other Expense	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	24,936.41	22,156.30	2,780.11	12.6%

POLO RESERVE METROPOLITAN DISTRICT - 2023 BUDGET vs YTD Actuals Thru 04/19/2023

	31-Dec 2022 Act	2023 Annual Budget Dollars	YTD Actual 4/19/2023	% of Annual Bgt	2023 Contract		
					Issues	\$ Var	Comments
Beginning Funds Balance (Operating + Reserves)	\$ 298,740	\$ 275,136	\$ 275,136				
REVENUE							
Annual Fee (Fees in Lieu of Taxes)	\$ 4,172	\$ 4,172	\$ 4,291	102.9%			
J5 Annual Fee	9,000	9,000	-	0.0%			
J5 Reimbursements	-	-	-	0.0%			
Last Chance Ditch - Lake Management	40%	1,792	-	0.0%			
Electrical	40%	8,421	-	0.0%			
Landscape		-	-	0.0%			
Repairs	40%	3,736	-	0.0%			
Sprinkler	40%	5,484	-	0.0%			
Water	100%	3,329	-	0.0%			
Other	40%	437	-	0.0%			
HOA Reimbursements	-	-	-	0.0%			
Last Chance Ditch - Lake Management	50%	2,239	-	0.0%			
HOA Electrical	50%	11,301	-	0.0%			
HOA Landscape and Contract	10%	6,532	-	0.0%			
HOA Pump	50%	4,670	-	0.0%			
HOA Sprinkler	50%	6,962	-	0.0%			
HOA Other	50%	547	-	0.0%			
Interest Income	96	96	-	0.0%			
Polo Classic Fee	15,339	15,339	-	0.0%			
Town of Columbine Reimbursement	938	975	-	0.0%			
Property Tax Revenue - Operating	74,089	78,000	32,261	41.4%			
Specific Ownership Tax	4,924	6,555	1,329	20.3%			
Miscellaneous	457	-	-	0.0%			
TOTAL REVENUE	\$ 160,433	\$ 176,036	\$ 37,881	21.5%			
TOTAL FUNDS AVAILABLE	\$ 459,173	\$ 451,172	\$ 313,017	69.4%			
EXPENDITURES							
Operations:							
Contingency	\$ -	\$ -	-	0.0%			
Reserve Study - ASR	-	-	-	0.0%			
Electric Charges	10-40-50	21,787	23,540	3,726	15.8%		
Landscape Contract	HOA 10%	65,316	70,730	-	0.0%	\$ 76,608	\$ 5,878 Design by Sundown Contract
Landscape Maintenance	PRMD 100%	6,915	-	-	0.0%		
Miscellaneous Repairs - Last Chance Ditch	10-40-50	9,627	479	-	0.0%		
Miscellaneous Repairs/On-Call Engineering	10-40-50	-	-	654	0.0%		
Irrigation Pump Station - Lake Management	10-40-50	-	4,000	-	0.0%		
Pump Annual Maintenance	10-40-50	641	694	-	0.0%		
Pump Repairs & Maintenance	10-40-50	9,690	9,159	2,100	22.9%		
Sprinkler Repairs	10-40-50	16,432	18,553	-	0.0%		
Water	J5 = 100%	3,329	4,044	146	3.6%		
Administrative:							
Audit and Accounting		5,100	5,304	-	0.0%		
Bank Service Charges		120	114	30	26.2%		
Bookkeeping		10,050	9,693	1,850	19.1%		
Dues/Election		406	406	-	0.0%		
Insurance		4,102	4,266	-	0.0%		
Landscape Administration		-	-	-	0.0%		
Legal Fees		27,967	25,748	3,958	15.4%		
Office Expense		720	131	-	0.0%		
Treasurer's Fees		1,102	1,102	482	43.7%		
Interest Expense		735	-	-	0.0%		
Transfer to Debt Service Fund		-	-	-	0.0%		
Capital Improvements		-	-	-	0.0%		
TOTAL EXPENDITURES	\$ 184,038	\$ 177,963	\$ 12,945	7.3%			
Net Change in Funds	\$ (23,604)	\$ (1,927)	\$ 24,936				
ENDING FUND BALANCE (Operating + Reserves)	\$ 275,136	\$ 273,208	\$ 300,072				

4/20/2023