

## CASTLE PINES NORTH METROPOLITAN DISTRICT

### SPECIAL MEETING MINUTES

September 30, 2008

**HELD:** Tuesday, September 30, 2008 at 6:00 p.m. at the Castle Pines North Community Center, 7404 Yorkshire Drive, Castle Rock, Colorado.

**ATTENDEES:** Directors Bruce Thompson, Bill Santos, Mark Carlson and Andy Rhodes were present. Also in attendance were District Manager Jim McGrady, District Finance Manager Dan Schmick, and District Administrator Janet Burnham. District counsel John Hayes and bond consultants Saranne Maxwell of Kutak Rock and Steve Jeffers of Stifel Nicolaus attended as well. Approximately 14 residents/guests were also present. Director Ted Lohr had recently submitted his resignation from the Board.

**CONFLICTS:** None

**QUORUM:** Present

**PUBLIC COMMENT:** The Board requested that any public comment be held until the regular meeting was reconvened following executive session.

#### **ACTION ITEMS:**

Director Rhodes made a motion to go into executive session under §24-6-402(4)(b) – legal advice. Director Thompson seconded the motion and all voted in favor.

At 7:00 p.m. the regular meeting was reconvened and a joint meeting between the District Board and the City Council, the Mayor, the City Clerk and Assistant City Clerk, the City's attorney, Erin Smith, and the City Manager, Don Howell of CH2M Hill.

Attendees discussed an intergovernmental agreement (IGA) that had been formulated by a task force made of up representatives of the District Board and the City. The purpose of the IGA was to spell out the respective responsibilities of the two entities in the event that 1) the citizens of Castle Pines North voted in the November election to approve the City's ballot initiative to increase taxes via new mill levy by an amount equal to that which the District would decrease its mill levy and 2) the District Board voted to reduce its mill levy.

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Considerable public comment was addressed by the representatives of the District and the City. Questions and comments received from the attending residents and responded to by the District and the City included the following:

- concern that, with water being the most critical issue facing the District, the IGA should be tabled until after the general election;
- an overview of the contents of the IGA needed to be provided to the attending residents;
- in response to residents' concerns, it was clarified on several occasions that the IGA in no way obligates the District to lower its mill levy for the benefit of the City. The IGA serves only to establish the responsibilities of the respective entities if the mill levy decrease was approved;
- what impact might a reduction in the District's mill levy have on Hidden Pointe's mill levy which is based on the District's mill levy;
- it was clarified that there would be three steps involved in the potential reduction of the District's mill levy: 1) approval of the IGA, 2) the results of the general election, and 3) the District's evaluation of its ability to relinquish mills;
- concern that the reduction of the mill levy by the District will not result in a wash when the City raises its own corresponding mill levy because the District mill levy could eventually be permanently reduced while any increase by the City would be permanent;
- does the City have a plan for how it would be run if it is not able to raise its own mill levy;
- concern that the District Board and the City Council continue to regard themselves as separate entities entrusted by the citizens to accomplish separate fiduciary functions;
- concern that residents have not been allowed to be more involved in the IGA formulation;
- has the District obtained the appropriate counsel to fully determine a mill levy reduction's impact on the District's ability to pre-pay debt and obtain renewable water.

District Counsel John Hayes recommended that the IGA be explained in full to the attending residents particularly because the existing copy was still in red-line, or draft, form. Hayes proceeded to explain that the existing copy is in what is known as legislative format and he fully covered the edits contained therein.

Following the public comment, the City Council voted their approval of the IGA.

For the District, a motion was made by Director Rhodes to approve the IGA, as amended, between the District and the City. The motion was seconded by Director Carlson. During discussion of the motion, Director Thompson made a second motion that a vote on the IGA be tabled to allow for a second reading. Receiving no second, Thompson's motion failed and the original motion to approve the IGA was approved by all.

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All business to come before the Board having been addressed, the meeting was adjourned at 8:15 p.m.