

GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT

Special Board Meeting

Monday, July 1, 2024 at 2:00 p.m.

in person:

1373 Struthers Rd., Colorado Springs, CO 80921

virtually:

<https://video.cloudoffice.avaya.com/join/217916951>

United States: (213) 463-4500

Meeting ID: 217916951

Board of Director	Title	Term
Ronald Covington	President	May 2025
Grace Covington	Secretary	May 2025
Laureen Deveau	Treasurer	May 2025
Heath Herber	Assistant Secretary	May 2027
VACANT	Assistant Secretary	May 2027

AGENDA

1. Call to Order/Declaration of Quorum
2. Conflict of Interest Disclosures
3. Approval of Agenda
4. Public Comment - Members of the public may express their views to the Board on matters that affect the Districts. Comments will be limited to three (3) minutes.
5. Consent Agenda - The items listed below are a group of items to be acted on with a single motion and vote by the Boards. Any item may be removed from the Consent Agenda upon request of any Board member.
 - a. Approval of Meeting Minutes from February 8, 2024 (**enclosure**)
 - b. Payment of Claims from February 8, 2024 through June 30, 2024 (**enclosures**)
 - c. Acceptance of Unaudited Financial Statements as of May 31, 2024 and the schedule of cash position updated as of May 31, 2024 (**enclosure**)
6. General Business
 - a. Consider Approval of the Developer Reimbursement Agreement
 - b. Discuss Status of Damage From Cable/ Fiberoptic Installation
 - c. Discuss Status of Acceptance and release of Assurances by the County
7. Adjournment – Next Board Meeting will be held on August 7, 2024 at 10:00 a.m.





**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT
HELD FEBRUARY 8, 2024**

AT 9:30AM

Pursuant to posted notice, the regular meeting of the Board of Directors of the Gardens at North Carefree Metropolitan District was held on Wednesday, February 8, 2024 at 9:00 a.m., at 1373 Struthers Rd., Colorado Springs, CO 80921, and virtually: <https://video.cloudoffice.avaya.com/join/217916951>.

Attendance

In attendance were Directors:

Ronald Covington, President
Grace Covington, Secretary
Laureen Deveau, Treasurer
Heath Herber, Assistant Secretary (excused)

Also in attendance were:

Heather Smith, WSDM District Managers

1. Call to Order/Declaration of Quorum: Ms. Smith called the meeting to order at 9:43 a.m. and confirmed a quorum was present.
2. Conflict of Interest Disclosures: All disclosures were properly filed with the Department of Local Affairs, State of Colorado by Mr. Susemihl.
3. Approval of Agenda: President Covington moved to approve the Agenda as written; seconded by Director Deveau. Motion passed unanimously.
4. Public Comment: There was no public comment.
5. Consent Agenda: After review, Director Herber moved to approve the Consent Agenda as presented; seconded by Director Covington. Motion passed unanimously.
 - a. Approval of Meeting Minutes from November 1, 2023
 - b. Approval of Annual Meeting Minutes from November 1, 2023
 - c. Payment of Claims from November 1, 2023 through February 8, 2024
 - d. Acceptance of Unaudited Financial Statements as of December 31, 2024
6. Financial Matters
 - a. Review and Ratify Approval for Acceptance of Public Improvements: Director Covington moved to ratify the approval of the agreement with Muni-Cap for third-party review of interest rates pertaining to the bond issuance; seconded by Director Deveau. Motion passed unanimously.
 - b. Review and Consider Approval for 2023 Annual Audit Exemption Resolution: President Covington moved to approve the 2023 Annual Audit Exemption Resolution; seconded by Director Deveau. Motion passed unanimously.

7. Insurance Matters

- a. Review and Consider Approval of Resolution Adopting Intergovernmental Agreement With Colorado Special Districts Property and Liability Pool: Director Covington moved to approve adoption of the Resolution Establishing and Intergovernmental Agreement With Colorado Special Districts Property and Liability Pool; seconded by President Covington. Motion passed unanimously.

8. New Business

- a. Review and Consider Approval for Annual Landscape Maintenance Contract: Director Covington moved to approve the Annual Landscape Maintenance Contract with Timberline Landscape as amended to incorporate the known repairs needed for address in spring; motion seconded by President Covington. Motion passed unanimously.
- b. Review and Ratify Approval for Winter Watering Services from Timberline: Director Covington moved to ratify the approval the Winter Watering Contract with Timberline Landscape as presented; motion seconded by President Covington. Motion passed unanimously.
- c. Review and Consider Approval for WSDM 2024 Annual Engagement: Director Covington moved to approve the Annual Engagement with WSDM as presented; motion seconded by President Covington. Motion passed unanimously.
- d. Discuss Status of Damage From Cable/ Fiberoptic Installation: Heather provided a brief update regarding the progress made on repairs. The installer has been given until February 15th to provide a full update and timeline. No action was taken.

9. Adjournment – The Board unanimously adjourned the meeting at 9:54 a.m.

The Next Board Meeting is scheduled for May 9, 2024 at 9:00 a.m.

Respectfully Submitted,

Secretary

Approved,

President



Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
2/26/2024
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	
Cherokee Metropolitan District	1112024	1/11/2024	\$ 22.00	
Cherokee Metropolitan District	2122024	2/12/2024	\$ 22.00	
Colorado Special Districts Property and Liability Pool	50718	12/14/2023	\$ 445.00	
Covington Homes	1561	11/15/2023	\$ 2,187.13	
Mountain View Electric Assocaation	105572400	1/24/2024	\$ 38.45	
Special District Association	2024	2/22/2024	\$ 616.11	
Timberline Landscaping	49027	1/30/2024	\$ 250.32	
WSDM District Managers	7855	1/31/2024	\$ 1,000.00	
TOTAL			\$ 4,581.01	

Stockmans Bank as on 1/16/2024	\$ 4,015.34
Draw for 2/26/2024	\$ (4,581.01)
	<u>\$ (565.67)</u>

Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
3/20/2024
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	
Cherokee Metropolitan District	3112024	3/11/2024	\$ 22.00	
Susemihl, McDermott & Downie	35941	1/31/2024	\$ 750.00	
Susemihl, McDermott & Downie	36026	2/29/2024	\$ 1,031.25	
Timberline Landscaping	50349	3/11/2024	\$ 170.00	
WSDM District Managers	7901	2/29/2024	\$ 1,000.00	
TOTAL			\$ 2,973.25	

Stockmans Bank as on 3/20/2024	\$	44,702.26
Draw for 3/20/2024	\$	(2,973.25)
		41,729.01

**Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
4/18/2024
GENERAL FUND ACCOUNT**

Company	Invoice	Date	Amount	Comments
Cherokee Metropolitan District	41124	4/11/2024	\$ 22.00	
MuniCap, Inc	042024-495	4/8/2024	\$ 5,000.00	
Susemihl, McDermott & Downie	36075	3/31/2024	\$ 93.75	
Timberline Landscaping	50884	4/1/2024	\$ 1,465.82	
WSDM District Managers	7947	3/31/2024	\$ 1,000.55	
TOTAL			\$ 7,582.12	

Stockmans Bank as on 4/18/2024	\$	37,105.03
Draw for 4/18/24	\$	(7,582.12)
	\$	<u>29,522.91</u>

Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
5/17/2024
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Cherokee Metropolitan District	51324	5/13/2024	\$ 22.00	
Mountain View Electric Assocaation	105572400	4/24/2024	\$ 37.84	Auto Payment
Susemihl, McDermott & Downie	43024	4/30/2024	\$ 93.75	
Timberline Landscaping	51973	5/1/2024	\$ 1,465.81	
WSDM District Managers	7987	4/30/2024	\$ 1,086.79	
TOTAL			\$ 2,706.19	

Stockmans Bank as on 4/18/2024	\$	-
Current Draw	\$	(2,706.19)
	<u>\$</u>	<u>(2,706.19)</u>

All Cash at Stockmans is Pledged Revenue for the Interest Pmt.

**Gardens At North Carefree Metropolitan District
PAYMENT REQUEST
6/19/2024
GENERAL FUND ACCOUNT**

Company	Invoice	Date	Amount	Comments
Cherokee Metropolitan District	61124	6/11/2024	\$ 221.58	
Timberline Landscaping	52379	5/16/2024	\$ 85.00	
Timberline Landscaping	53077	6/1/2024	\$ 1,465.82	
Timberline Landscaping	53319	6/6/2024	\$ 1,950.04	
Timberline Landscaping	53320	6/6/2024	\$ 1,140.41	
Timberline Landscaping	53408	6/10/2024	\$ 393.12	
WSDM District Managers	8029	5/31/2024	\$ 1,000.00	
TOTAL			\$ 6,255.97	

Stockmans Bank as on 6/19/2024	\$ 36,910.34
Current Draw	\$ (6,255.97)
	<u>\$ 30,654.37</u>



Gardens At North Carefree Metropolitan District

06/26/24

Balance Sheet

Accrual Basis

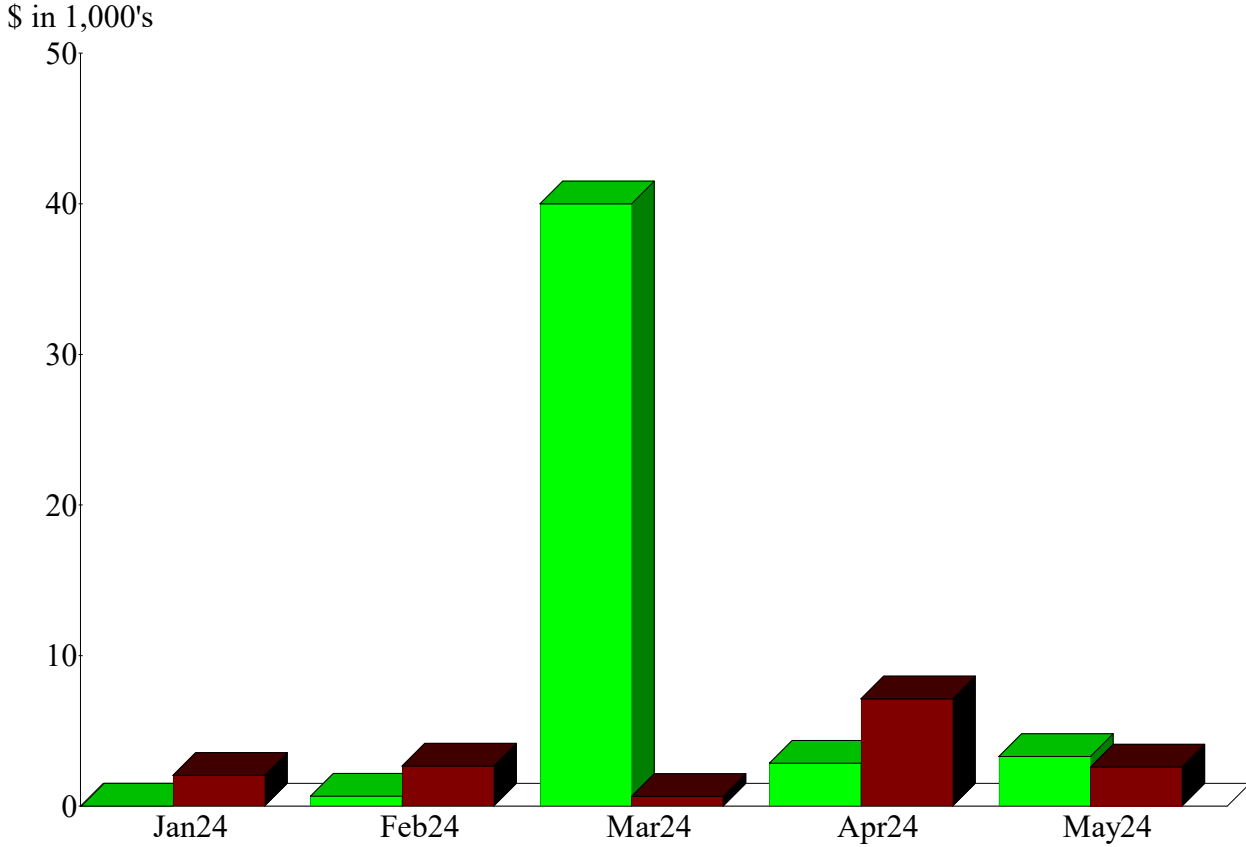
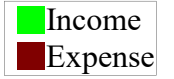
As of May 31, 2024

	May 31, 24
ASSETS	
Current Assets	
Checking/Savings	
Stockmans Bank - Checking	36,178.55
Total Checking/Savings	36,178.55
Total Current Assets	36,178.55
TOTAL ASSETS	36,178.55
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	3,753.35
Total Accounts Payable	3,753.35
Total Current Liabilities	3,753.35
Long Term Liabilities	
Developer Bond Series 2023	2,960,556.00
Total Long Term Liabilities	2,960,556.00
Total Liabilities	2,964,309.35
Equity	
Fund Balance - Debt	-2,960,556.00
Retained Earnings	714.04
Net Income	31,711.16
Total Equity	-2,928,130.80
TOTAL LIABILITIES & EQUITY	36,178.55

Gardens At North Carefree Metropolitan District
Profit & Loss Budget vs. Actual
January through May 2024

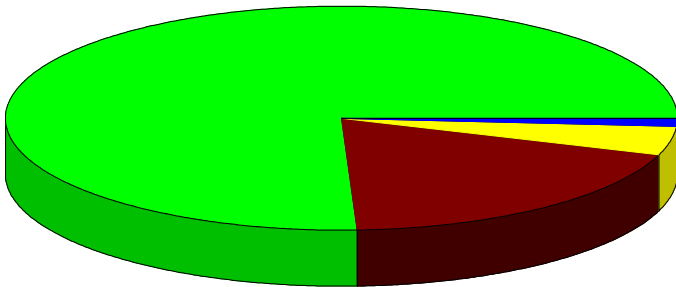
	TOTAL				
	May 24	Jan - May 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
CY Property Tax - O&M	539.33	8,873.89	16,313.00	-7,439.11	54.4%
Specific Ownership Tax - O&M	121.42	492.69	1,142.00	-649.31	43.14%
CY Property Tax - Debt	2,157.34	35,495.58	65,254.00	-29,758.42	54.4%
Specifice Ownership Tax - Debt	485.70	1,970.84	4,568.00	-2,597.16	43.14%
Total Income	<u>3,303.79</u>	<u>46,833.00</u>	<u>87,277.00</u>	<u>-40,444.00</u>	<u>53.66%</u>
Expense					
Contractual Obligations	0.00	0.00	40,000.00	-40,000.00	0.0%
Operations and Maintenance					
Detention Pond Maintenance	0.00	0.00	4,000.00	-4,000.00	0.0%
Utilities	22.00	125.61	10,000.00	-9,874.39	1.26%
Snow Removal	0.00	0.00	5,000.00	-5,000.00	0.0%
Landscaping	1,550.81	3,436.95	11,000.00	-7,563.05	31.25%
Repairs & Maintenance	0.00	0.00	4,000.00	-4,000.00	0.0%
Total Operations and Maintenance	<u>1,572.81</u>	<u>3,562.56</u>	<u>34,000.00</u>	<u>-30,437.44</u>	<u>10.48%</u>
General and Administrative					
Bank Fees	0.00	5.00			
Consulting Fee	0.00	5,000.00			
District Management	1,000.00	5,000.00	12,000.00	-7,000.00	41.67%
Insurance	0.00	-1,119.00	1,000.00	-2,119.00	-111.9%
Postage	0.00	0.55	200.00	-199.45	0.28%
SDA Dues	0.00	0.00	700.00	-700.00	0.0%
Treasurer Collection Fee - O&M	8.09	133.11	245.00	-111.89	54.33%
Treasurer Collection Fee - Debt	32.36	532.42	979.00	-446.58	54.38%
Total General and Administrative	<u>1,040.45</u>	<u>9,552.08</u>	<u>15,124.00</u>	<u>-5,571.92</u>	<u>63.16%</u>
Electric	0.00	38.45			
Legal	0.00	1,968.75	10,000.00	-8,031.25	19.69%
Total Expense	<u>2,613.26</u>	<u>15,121.84</u>	<u>99,124.00</u>	<u>-84,002.16</u>	<u>15.26%</u>
Net Ordinary Income	<u>690.53</u>	<u>31,711.16</u>	<u>-11,847.00</u>	<u>43,558.16</u>	<u>-267.67%</u>
Net Income	<u><u>690.53</u></u>	<u><u>31,711.16</u></u>	<u><u>-11,847.00</u></u>	<u><u>43,558.16</u></u>	<u><u>-267.67%</u></u>

Income and Expense by Month
January through May 2024



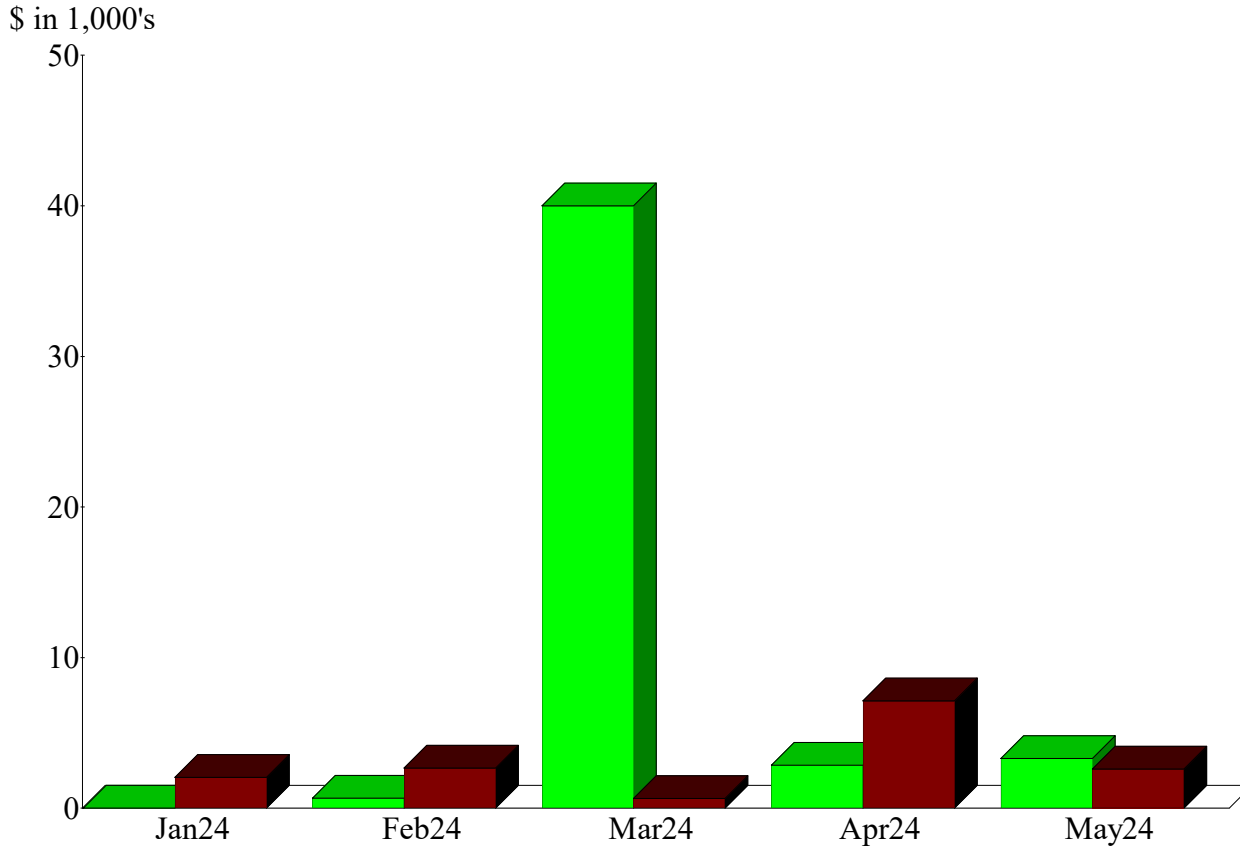
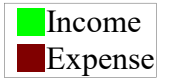
Income Summary
January through May 2024

CY Property Tax - Debt	75.79%
CY Property Tax - O&M	18.95
Specifice Ownership Tax - Debt	4.21
Specific Ownership Tax - O&M	1.05
Total	\$46,833.00



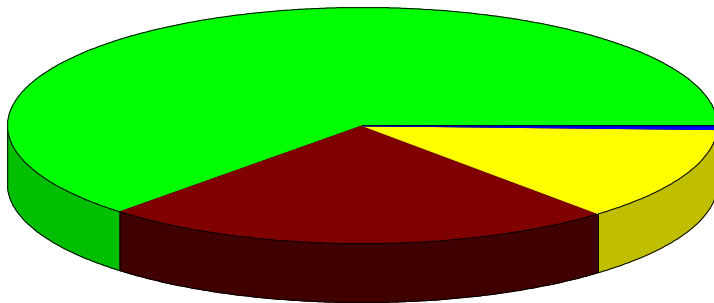
By Account

Income and Expense by Month
January through May 2024



Expense Summary
January through May 2024

General and Administrative	63.17%
Operations and Maintenance	23.56
Legal	13.02
Electric	0.25
Total	\$15,121.84



By Account



REIMBURSEMENT AGREEMENT

THIS AGREEMENT is made and entered into effective this 1st of July 2024 by and between Gardens at North Carefree Metropolitan District (“District”) and Covington Homes, LLC (“Owner”).

RECITALS

- A. The District was formed to provide certain municipal services to real property located in the City of Colorado Springs, El Paso County, Colorado.
- B. In order to form the Districts, Owner was required to file and obtain approval for a Service Plan (the “Service Plan”) from the El Paso County, Colorado.
- C. The Service Plan was approved on July 23, 2019.
- D. The Service Plan provides in part that the costs and expenses of District organization and any shortfalls in operations and maintenance expenses would be paid for by the Owner subject to reimbursement.
- E. The sums set forth in Section D above confer a substantial benefit upon the District and represent costs that are the responsibility of the District.

NOW THEREFORE based upon the mutual considerations and promises contained herein, and other good and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

Section 1. Advances. Owner will be advancing the sums set forth on Exhibit

- A. Such advances have been made by paying the costs of district operations and maintenance expenses.

As of the effective date of this Agreement, the Owner will be making advances for the purposes of assisting with the funding of the costs of operations and maintenance and said sums are set for in the attached *Exhibit A*, and such amounts shall constitute "Advances" hereunder.

It is hereby acknowledge that all Advances will be made upon the expectation that the District will reimburse the Owner in accordance with and subject to the provisions of this Agreement. .

Section 2. Reimbursements. It is the District’s intent to reimburse Owner the amount of all Advances made hereunder, plus interest thereon at the rate of set forth as paid on the initial bond offering (calculated on the basis of a 360-day year of twelve 30-day months), from the date of each advance.

Such reimbursement is expected to be made from the net revenues of the District and the reimbursement shall be subordinated to the bond that has been issued.

Section 3. No Debt. It is hereby agreed and acknowledged that this Agreement evidences an intent to reimburse Developer hereunder, but that this Agreement shall not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple-fiscal year financial obligation, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the District in its absolute discretion.

Section 4. Prior Agreements; Amendments. This Agreement contains all of the terms between the District and Owner concerning the reimbursement of Advances, and supersedes any other agreements or understandings, written or oral, between the parties concerning such matters. Any amendments to this Agreement must be in writing and must be signed by the parties.

Section 5. Miscellaneous.

a. Arbitration. In the event the Parties are unable to resolve any dispute relating to this Agreement, said dispute shall be settled by binding and mandatory arbitration before a mutually agreed upon arbitrator in El Paso County, Colorado and if the Parties cannot agree upon said arbitrator, the same shall be appointed by a District Court Judge in El Paso County, Colorado. The Parties shall be entitled to obtain documents from the other Party pursuant to reasonable discovery supervised by the arbitrator and subject to the arbitrator's determination as to scope. The costs of arbitration shall be determined by the arbitrator.

b. Attorney Fees and Costs. If any Party hereto institutes any legal action to enforce or interpret this Agreement, or for damages or any alleged breach, the prevailing Party shall be entitled to reasonable attorney fees and costs.

c. Governing Law. This Agreement shall be subject to, governed by, and construed in accordance with the laws of the State of Colorado.

d. Notices. All notices, demands and acceptances required herein shall be in writing and shall be delivered personally, transmitted by facsimile (with mailed copy sent), or sent by registered or certified mail, return receipt requested. Such notice shall be deemed delivered and effective upon confirmed receipt or if mailed, 48 hours after postmark.

e. Severability. In the event any part or provision of this Agreement shall be determined to be invalid or unenforceable under the laws of the State of Colorado, the remaining portions of this Agreement which can be separated from the invalid, unenforceable provisions shall, nevertheless, continue in full force and effect.

f. No Waiver. The waiver, by any Party hereto, of any covenant contained herein, shall not be deemed a continuing waiver of the same or of any other covenant contained herein.

Made and entered into the year and date first above written.

GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT

BY: _____
President

ATTEST:

BY: _____
Secretary

COVINGTON HOMES, LLC

BY: _____
Manager

EXHIBIT A

to

Reimbursement Agreement

AMOUNT

DATE