

Special / Budget Meeting: Lowell Village Metropolitan District Board of Directors

Date: 10/18/23

Time: 4:00 p.m. – 5:00 p.m. Mountain Time

Location: Virtual meeting.

- Via phone (audio only): 415-594-5500, 854-558-718#
- Via internet-connected device (audio and video): <https://tinyurl.com/yx36tsdz>

MINUTES

Directors Present:

- Rob Breeden
- Jamie Shapiro
- Kylee Marshall (incoming)
- Jeremy Nelson

Directors Absent:

- Chris Dutton

Also Present:

- Shelly Dackonish (Legal Counsel to the District)

Call to Order

Director Nelson called the meeting was called to order at approximately 4:06 p.m. Mountain Time.

C.R.S. Disclosure(s)

- 1) Per C.R.S requirements, Director Nelson has disclosed to the Colorado Secretary of State and the District Board the following:
 - a. Jeremy Nelson is the manager and sole member of Downtown Grand Junction REgeneration LLC (“REgeneration”) registered in good standing with the Colorado Secretary of State that owns at least 20% of the undeveloped land in the District boundaries.
 - b. REgeneration is the developer of Lowell Village Townhomes (ground-up residential construction) and Lowell School (historic preservation and adaptive reuse) projects.
 - c. REgeneration may be party to and/or a financial beneficiary of contractual agreements between: a) the District and REgeneration (e.g., a public improvements acquisition and reimbursement agreement) and/or b) the District and 3rd parties (e.g. a debt financing instrument for infrastructure construction).
 - d. For all District board agenda items where the REgeneration is a party to and/or a financial beneficiary of a contractual agreement being considered for potential execution by the District, Jeremy Nelson has and will: a) refrain from participating in board discussions in a manner that may influence the decision on the item and b) recuse himself from voting on the item.

Discussion: N/A as this was an informational item only.

Action: N/A as this was an informational item only.

Public Comment

- 2) An opportunity for any member of the public to *comment* to the board regarding items on the meeting agenda and/or items not on the meeting agenda. The allotted time for public comment will be 3 minutes per individual commenter, unless otherwise shortened or lengthened by a majority vote of the board. The public comment period is *not* intended to be used for Q & A or back-and-forth dialogue with the board. Members of the public may also communicate with the board via email (info@lowellmetro.net) or phone (970-422-1548). Any public comments or questions received via email or phone subsequent to the last board meeting will be reviewed and discussed by the board members during this agenda item for potential follow-up action(s) as the board may deem appropriate.

Public Comment: None

Discussion: Director Nelson highlighted some changes to the public comment protocols for board meetings that had been suggested by Director Breeden. Director Breeden summarized his experience on other boards as the reason he recommended these changes to public comment protocols based on how effective they were for other boards. Director Nelson confirmed that these public comment protocols were similar to those used by other local special districts such as the Grand Junction BID/DDA, and perhaps were even more public-friendly by allowing public comment at the beginning of the meeting instead of only at the end of the meeting after agenda items had already been discussed and voted on. Director Nelson confirmed that in between board meetings, any member of the public could reach out to any board member or use the District website to provide public comment and that input could be discussed at the next board meeting and/or addressed further as the board determined appropriate. Director Nelson asked if any directors had questions or concerns about the new public comment protocols. Director Shapiro expressed his support for the new public comment protocols. Director Nelson stated that if no directors had any concerns with the new public meeting protocols, that they would become effective immediately starting with this meeting and would remain in effect unless and until revised by the board. Director Nelson confirmed that the District's legal counsel had advised that the board did not need to take an official vote on the new public meeting protocols as the board has the authority without ratification by official vote to determine how to run its meetings so long as meeting protocols are in conformity with all applicable laws.

Action: N/A as this was an informational item only.

Approve Minutes from Previous Board Meeting(s)

- 3) Consider for approval the [9/21/23 board meeting minutes](#).

Discussion: None

Action: Directors approved the minutes of the 9/21/23 board meeting by a vote of 3-0

In Favor: Breeden, Nelson, Shapiro

Opposed: None

Abstained: None

District Manager Report (Informational Item)

- 4) Provide a brief update to the board on activities by or within the District since the last board meeting or upcoming activities planned prior to the next board meeting.
 - a. Lowell Village Townhomes:
 - i. Update on services/maintenance and/or capital improvements.
 - b. Lowell School:
 - i. Update on services/maintenance and/or capital improvements.
 - ii. Update on current District-administered SHF historic preservation grant(s) for Lowell School.
 - c. Lowell Village Commons (privately-owned public open space within the District):
 - i. Update on services/maintenance, capital improvements, and/or programming.
 - d. Metro District:
 - i. Update on District's 2022 Budget Audit Exemption application submittal.
 - ii. Update on District's 8/1 City Annual Report and 10/1 State Annual Report submittals.
 - iii. Update on District Manager attendance at Special District's Association (SDA) 2023 Annual Conference (at no cost to the District).

Discussion: To ensure the board had adequate time to properly consider other pressing matters on the meeting agenda, Director Nelson proposed, and other Directors agreed, that more detailed updates beyond the information already included on the agenda be deferred to the next board meeting. Director Nelson encouraged any director or member of the public who desired a more detailed update on these or other District matter to feel free to reach out to him directly anytime.

Action: N/A as this was an informational item only.

Governance Items

- 5) Discuss and potentially accept the written resignation of Brady Kappius from the board of directors.

Discussion: None

Action: Directors accepted the written resignation of Brady Kappius from the board of directors by a vote of 3-0.

In Favor: Breeden, Nelson, Shapiro

Opposed: None

Abstained: None

- 6) Discuss the potentially approve the appointment of Kylee Jean Marshall to fill a vacancy on the board of directors, with the appointment to become effective upon confirmation that all eligibility requirements and noticing requirements per C.R.S. section 32-1-808(2)(a)(l) have been met.

Discussion: Director Nelson introduced Ms. Marshall's and her qualifications. Ms. Marshall shared some information about herself and her interest in serving on the board. Director discussed Ms. Marshall's potential role on the board.

Action: Directors approved the appointment of Kylee Jean Marshall to fill a vacancy on the board of directors by a vote of 3-0. Director Nelson welcomed Director Marshall to the board and confirmed to the other directors that the District's legal counsel had advised that Director Marshall could vote on any remaining voting items on the agenda for the board meeting.

In Favor: Breeden, Nelson, Shapiro

Opposed: None

Abstained: None

- 7) Discuss board officer duties and potentially elect board officers to serve until the next regular election in May 2025. Board officers are as follows:
- a. Chair of the Board / President of the Special District.
 - b. Treasurer of the Board.
 - c. Secretary of the Board.

Discussion: Director Nelson provided an overview of the roles of the different board officers. Director Nelson noted that at a minimum the board needed to elect a new Secretary as the board had previously-elected former director Kappius as Secretary prior to his resignation from the board. Director Nelson further noted that the board could also choose to elect a new Chair / President (currently filled by Director Nelson) and/or a new Treasurer (currently filled by Director Dutton). The board discussed different potential actions they could take. The will of the board was to vote to elect a new board Secretary but to retain Director Nelson as board Chair/President and retain Director Dutton as board Treasurer. Director Marshall volunteered to serve as board Secretary. Several directors stated their appreciation for her willingness to serve immediately on joining the board as well as their support for appointing Director Marshall as board Secretary.

Action: Directors approved the appointment of Kylee Jean Marshall as board Secretary by a vote of 4-0.

In Favor: Breeden, Marshall, Nelson, Shapiro

Opposed: None

Abstained: None

- 8) Discuss *pro bono* District Manager duties and potentially appoint a District Manager to serve until such time as Board may choose to appoint a new District Manager.

Discussion: Director Nelson provided an overview of the "staff" role of the *pro bono* District Manager. Director Nelson noted that while he was currently serving as the District's *pro bono* District Manager, that any director or even a non-director could serve in that role. Director Nelson further stated that while he was happy to continue in the role of District Manager if the board was so inclined, he was also happy to step down from that role if the board ever wanted to appoint a new *pro bono* District Manager. The board discussed different potential actions they could take. The will of the board was to retain Director Nelson as *pro bono* District Manager ("staff").

Action: N/A as the will of the board was to not take any action on this item.

Administrative Items

- 9) Discuss and potentially approve [Resolution 2023-03](#) expressing the board of directors' opposition to State Proposition HH as placed on the November 2023 ballot by the Colorado legislature.

Discussion: Director Nelson provided an overview of Prop HH and its potential negative fiscal implications for the District based on his understanding from attending several sessions at the 2023 Annual Conference of the Special District Association of Colorado in September. Director Nelson also confirmed his understanding that both state and federal law allowed the board to take an "advocacy position" on public policy matters including those being voted on by the electorate, that the principle of fiduciary duty could be understood to in fact require that the board take a duly-considered position on such matters if they may reasonably be expected to affect the District's fiscal health, and that the elected and appointed boards of several local government entities (including the Grand Junction BID/DDA, City of Grand Junction, and Mesa County) all regularly took positions on such matters. The board discussed Prop HH and different potential actions they could take. The will of the board was to take an advocacy position expressing their opposition to Prop HH given its potential negative fiscal impacts on the District.

Action: Directors approved Resolution 2023-03 by a vote of 4-0.

In Favor: Breeden, Marshall, Nelson, Shapiro

Opposed: None

Abstained: None

Budget and Finance Items

- 10) Discuss and potentially approve a payment to the City of Grand Junction in the amount of \$2,400 as District revenues allow as reimbursement for an [invoice](#) sent to the City by the City contractor's Alpine Tree Service to remove a City-owned tree in the City-owned right of way as the City's contractor was directed to do by the City Forester. Grand Junction Municipal Code allows for the City to charge tree removal costs to any party whose activity caused the City Forester to determine – at his sole and absolute discretion – that a City-owned tree in a City-owned right of way should be removed. Payment shall be made from District's 2021 municipal bond proceeds as this cost was incurred during construction of the District's bond-funded Lowell Village Townhomes Phase 2 horizontal infrastructure project.

Discussion: Director Nelson provided an overview of the history and current status related to this agenda item. Director Nelson confirmed that said payment does not imply that the District's authorized agents violated the City development code as the City has alleged, and that instead this is simply an administrative reimbursement to the City in full conformity with the City's development code. The board discussed different potential actions they could take. The will of the board was to continue voting action on this agenda item until such time as the board had received an update at a future meeting on the City of Grand Junction's response to the proposed settlement documents related to this agenda item.

Action: Directors voted to continue voting action on this agenda item until the board's next meeting after the November 7th election re Prop HH but prior to the C.R.S. legal deadlines for board adoption of a 2024 budget by a vote of 3-0.

In Favor: Breeden, Marshall, Shapiro

Opposed: None

Abstained: Nelson

11) 2024 Budget Discussion:

- a. Preview key dates in the upcoming 2024 budgeting process (see summary on the Division of Local Government (DLG) [website](#)).
- b. District's near-term fiscal outlook for Q4 2023 and 2024 and recent state legislation affecting the short-term and long-term fiscal outlook and potential strategies to reduce costs and/or increase revenues.
- c. Review and discuss [2024 Proposed Budget](#).

Discussion: Director Nelson provided an overview of upcoming budgeting process, the District's near-term fiscal outlook, and recent state legislation including Prop HH affecting District's fiscal health. Director Nelson confirmed the 2024 Proposed Budget was submitted to the full board on 10/14/23 prior to the C.R.S. legal deadline of 10/15/23. Director Nelson highlighted a few key line items in the 2024 Proposed Budget. Director Nelson stated the likely need for the District board to consider all potentially viable strategies to reduce costs and/or increase revenues for the next 2 budget years (2024 and 2025) at least until the County Assessor's next property tax re-assessment in mid-2025 (for the 2026 budget year). Director Nelson then invited questions on and discussion of the 2024 Proposed Budget from the full board. The board discussed the 2024 Proposed Budget at length and different potential actions they could take in regards to the 2024 Proposed Budget. The will of the board was to continue their discussion on this agenda item until such time as the board had received an update on whether Prop HH was approved or rejected at the November 7th election so that the potential fiscal impacts of Prop HH on the District's fiscal outlook, if any, could be evaluated prior to board's adoption of the District's 2024 budget.

Action: Directors voted to continue their discussion of this agenda item until the board's next meeting after the November 7th election re Prop HH but prior to the C.R.S. legal deadlines for board adoption of a 2024 budget by a vote of 4-0.

In Favor: Breeden, Marshall, Nelson, Shapiro

Opposed: None

Abstained: None

12) Consider for adoption [Resolution 2023-04](#) to:

- a. Set the mill levy for the 2024 calendar year.
- b. Authorize mill levy certification to Mesa County Board of Commissioners for the 2024 calendar year.
- c. Approve the proposed annual budget for the 2024 calendar year including appropriation of certain sums of money.

Discussion: None (per the board's action on agenda item #11).

Action: N/A. Without opening the item for discussion, the will of the board was to continue discussion and/or voting action on this agenda item until the board's next

meeting after the November 7th election re Prop HH but prior to the C.R.S. legal deadlines for board adoption of a 2024 budget.

- 13) Consider for approval a [Promissory Note](#) with Downtown Grand Junction REgeneration LLC for \$12,000.

Discussion: None (per the board's action on agenda item #11).

Action: N/A. Without opening the item for discussion, the will of the board was to continue discussion and/or voting action on this agenda item until the board's next meeting after the November 7th election re Prop HH but prior to the C.R.S. legal deadlines for board adoption of a 2024 budget.

Other Business

- 14) None scheduled.

Adjourn

Director Nelson adjourned the meeting at approximately 5:24 p.m. Mountain Time.