

MINUTES OF A REGULAR MEETING/BUDGET HEARING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NO. 2 (THE “DISTRICT”)
HELD
November 19, 2024

A regular meeting/budget hearing of the Board of Directors of the Sterling Ranch Metropolitan District No. 2 (referred to hereafter as the “Board”) was convened on Tuesday, November 19, 2024 at 11:00 a.m., at 2138 Flying Horse Club Drive, Colorado Springs, Colorado 80921. This District Board meeting was held at the physical location and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in attendance were:

Deborah Vincellette, President

Willie Jackson, Secretary

Charles Collins, Treasurer

Michael J. Bart, Assistant Secretary

Diane C. Black, Assistant Secretary

Also, In Attendance Were:

Josh Miller, Korben Heim and Seef Le Roux; CliftonLarsonAllen LLP (“CLA”)

Sean K. Allen, Esq.; White Bear Ankele Tanaka & Waldron

Sarah Steph, Loren Moreland and Douglas Stimple; Classic Homes

James Morley and Peggy Libbey; Morley Co.

Bill Burger; Member of the Public

ADMINISTRATIVE MATTERS

Call to Order and Agenda:

The meeting was called to order at 11:30 a.m. by Director Vincellette. The Board reviewed the agenda for the meeting. Following discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board approved the agenda, as presented.

Disclosures of Potential Conflicts of Interest:

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting, Posting of Meeting Notice:

A presence of a quorum was confirmed.

The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board determined to conduct the meeting at the above-stated date, time and location, which is within 20 miles of the District. The Board further determined to also conduct the meeting via Microsoft Teams. It was further noted that notice of the time, date, location and video link information was duly posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries have been received.

Public Comment:

Bill Burger asked about the Sand Creek work noting the work has been outstanding for a couple of years and is staked for the FEMA floodplain. He noted some of the stakes have been removed.

Minutes from the October 22, 2024 Regular Board Meeting and November 7, 2024 Work Session:

The Board reviewed the Minutes of the October 22, 2024 Regular Meeting and November 7, 2024 Work Session. Following review and discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board approved the Minutes of the October 22, 2024 Regular Meeting and November 7, 2024 Work Session, as presented.

Resolution Regarding 2025 Annual Administrative Matters:

Following review, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote unanimously carried, the Board adopted the Resolution regarding 2025 Annual Administrative Matters.

2023 Annual Report:

Upon a motion duly made by Director Bart, seconded by Director Black and, upon vote unanimously carried, the Board ratified approval of the 2023 Annual Report.

FINANCIAL MATTERS

September 30, 2024 Unaudited Financial Statements, Schedule of Cash Position and Property Tax Schedule:

Mr. Le Roux reviewed the Unaudited Financial Statements, Schedule of Cash Position and Property Tax Schedule for the period ending September 30, 2024 with the Board. Following discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote unanimously carried, the Board accepted the September 30, 2024

Unaudited Financial Statements, Schedule of Cash Position and Property Tax Schedule, as presented.

Public Hearing to consider amendment of the 2024 Budget; Resolution to Amend the 2024 Budget:

Director Vincellette opened the public hearing to consider an amendment to the 2024 Budget at 11:40 a.m.

It was noted that publication of Notice stating that the Board would consider an amendment of the 2024 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received, and Director Vincellette closed the public hearing at 11:41 a.m.

Mr. Le Roux reviewed the amendment with the Board. Mr. Burger questioned the bond interest rate. Following discussion, upon a motion duly made by Director Bart, seconded by Director Vincellette and, upon vote unanimously carried, the Board approved the amendment of the 2024 Budget and adopted the Resolution to Amend the 2024 Budget.

Public Hearing on the proposed 2025 budget; Resolution to Adopt the 2025 budget and appropriate Sums of Money and Resoltion to Set Mill Levies:

Director Vincellette opened the public hearing to consider the 2025 Budget at 11:41 a.m.

It was noted that publication of Notice stating that the Board would consider the 2025 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received, and Director Vincellette closed the public hearing at 11:42 a.m.

Mr. Le Roux reviewed the 2025 Budget with the Board. Following discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote unanimously carried, the Board approved the 2025 Budget and adopted the Resolution to Adopt the 2025 Budget and Appropriate Sums of Monay and the Resolution to Set Mill Levies.

Execution of the DLG-70 Certification of Tax Levies:

Mr. Le Roux discussed the execution with the Board. Following discussion, upon a motion duly made by Director Bart, seconded by Director Collins and, upon vote unanimously carried, the Board appointed the District Accountant to execute the DLG-70 Certification of Tax Levies.

2023 Audit:

Following review, upon a motion duly made by Director Bart, seconded by Director Vincellette and, upon vote unanimously carried, the Board ratified approval of the 2023 Audit.

Engagement letter with BiggsKofford to prepare the 2024 Audit:

Following review, upon a motion duly made by Director Bart, seconded by Director Vincellette and, upon vote unanimously carried, the Board approved the engagement letter with BiggsKofford to prepare the 2024 Audit.

LEGAL MATTERS

Resolution Calling a Regular Election for Directors on May 6, 2025, appointing Designated Election Official (“DEO”), notice and authorize the DEO to perform all tasks required for conduct of a mail ballot election:

Attorney Allen reviewed the Resolution with the Board. Following review, upon a motion duly made by Director Vincellette, seconded by Director Bart and, upon vote unanimously carried, the Board adopted the Resolution Calling a Regular Election for Directors on May 6, 2025, appointing the Designated Election Official (“DEO”), notice and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Joint Amended and Restated Public Records Request Policy:

Attorney Allen reviewed the Policy with the Board. Following review, upon a motion duly made by Director Vincellette, seconded by Director Bart and, upon vote unanimously carried, the Board approved the Joint Amended and Restated Public Records Request Policy.

MANAGER MATTERS

Property and Liability Coverage renewal for 2025; changes needed to property schedule (if any); Authorize renewal of Special District Association (SDA) membership for 2025:

Mr. Miller reviewed the Property and Liability coverage with the Board. Following review, upon a motion duly made by Director Bart, seconded by Director Collins and, upon vote unanimously carried, the Board approved the Property and Liability Coverage renewal for 2025, noting no changes are needed to the property schedule, and authorized renewal of Special District Association (SDA) membership for 2025.

Worker’s compensation for 2025:

Following discussion, upon a motion duly made by Director Bart, seconded by Director Collins and, upon vote unanimously carried, the Board approved obtaining worker’s compensation for 2025.

CliftonLarsonAllen LLP statement(s) of work for 2025:

Following review, upon a motion duly made by Director Bart, seconded by Director Collins and, upon vote unanimously carried, the Board approved the CliftonLarsonAllen LLP statement(s) of work for 2025.

DIRECTOR MATTERS

Landscape Maintenance Contract for the 2025 Season between Sterling Ranch Metropolitan District No. 3 and Sunflower Landscapes:

Director Bart asked about the snow removal repairs. Management is to coordinate post storm damage to landscape repairs.

Development Update:

Mr. Moreland discussed the annual meeting and updates. He reported striping on the Marksheffel connection is to be done next week. Discussion ensued regarding the excitement in the community for finishing Marksheffel.

Director Bart noted concerns on the Marksheffel/Voller signage blocking the view of north-bound traffic.

Director Vincelletta requested the December meeting be cancelled.

Director Black asked about snow removal of the roads, duties between El Paso County and the District on roads that were not cleared and the community being snowed in. Mr. Moreland discussed the status of the roads in the District, noting El Paso County is focused on tier 1 thoroughfare roads over their 2 residential roads. Discussion ensued. Director Bart noted a mound of snow staged and not cleared on Vollmer.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Bart, seconded by Director Collins, the Board adjourned the meeting at 11:58 a.m.