

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SORREL RANCH METROPOLITAN DISTRICT HELD OCTOBER 7, 2020

A Special Meeting of the Board of Directors (referred to hereafter as “Board”) of the Sorrel Ranch Metropolitan District (referred to hereafter as “District”) was convened on Wednesday, the 7th day of October, 2020, at 6:30 p.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the virus by limiting in-person contact, this District Board meeting was held via conference call. The meeting was open to the public via conference call.

ATTENDANCE

Directors In Attendance Were:

David Bourne
Ryan C. Jones

Following discussion, upon motion duly made by Director Jones, seconded by Director Bourne and, upon vote, unanimously carried, the absence of Mark Selden was excused, and Director Jones was appointed Acting President.

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Emily Murphy, Esq.; McGeady Becher P.C.

Vy Nguyen; CliftonLarsonAllen LLP

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and 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. There were no potential conflicts disclosed and it was noted that all members of the Board are residents of the District.

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ADMINISTRATIVE MATTERS

Agenda: Mr. Solin distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Jones, seconded by Director Bourne and, upon vote, unanimously carried, the Agenda was approved, as presented.

Meeting Location/Posting of Notice: 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.

Following discussion, upon motion duly made by Director Jones, seconded by Director Bourne and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was held by conference call at the above-stated time and date. The Board further noted that notice of the time, date and manner was duly posted and that they have not received any objections to the manner or any requests that the meeting manner be changed by taxpaying electors within the District's boundaries.

FINANCIAL MATTERS

2020 Budget Amendment Hearing: The Acting President opened the public hearing to consider the Resolution to Further Amend the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Further Amend the 2020 Budget and the date, time, and manner 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 the public hearing was closed.


Following review and discussion, upon motion duly made by Director Bourne, seconded by Director Jones and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-10-01 to Further Amend the 2020 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Jones, seconded by Director Bourne and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By 
Secretary for the Meeting

RESOLUTION TO AMEND 2020 BUDGET
SORREL RANCH METROPOLITAN DISTRICT

WHEREAS, the Board of Directors of the Sorrel Ranch Metropolitan District adopted a budget and appropriated funds for the fiscal year 2020 as follows:

General Fund	\$	71,000
Debt Service Fund:	\$	1,068,000
Capital Projects Fund:	\$	21,607

WHEREAS, the Board of Directors of the Sorrel Ranch Metropolitan District amended the Budget for the fiscal year 2020 on September 17, 2020 as follows:

Debt Service Fund	\$	16,100,000
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WHEREAS, the necessity has arisen for additional expenditures in the General Fund and Debt Service Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2020; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the General Fund and Debt Service Fund are described on **Exhibit A**, attached hereto and incorporated herein by this reference; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sorrel Ranch Metropolitan District shall and hereby does further amend the Budget for the fiscal year 2020 and adopts a supplemental budget and appropriation for the General Fund and Debt Service Fund for the fiscal year 2020, as follows:

General Fund	\$	80,000
Debt Service Fund	\$	16,250,000

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 7th day of October, 2020.

SORREL RANCH METROPOLITAN DISTRICT

By: _____

Secretary

EXHIBIT A

SORREL RANCH METROPOLITAN DISTRICT GENERAL FUND 2020 BUDGET AS AMENDED

	ORIGINAL BUDGET	AMENDED BUDGET
BEGINNING FUND BALANCE	\$ 98,914	\$ 118,399
REVENUES		
Property taxes	116,584	116,584
Specific ownership taxes	6,995	6,995
Interest income	3,000	3,000
Administration Fee	1,500	1,500
Total revenues	<u>128,079</u>	<u>128,079</u>
Total funds available	<u>226,993</u>	<u>246,478</u>
EXPENDITURES		
General and administrative		
Accounting	20,000	22,000
Audit	3,500	3,500
County Treasurer's fee	1,749	1,749
Directors' fees	1,600	2,100
Dues and membership	450	450
Election	1,000	1,000
Insurance and bonds	3,300	3,300
District management	18,000	18,000
Legal	18,000	25,000
Miscellaneous	500	500
Contingency	2,901	2,401
Total expenditures	<u>71,000</u>	<u>80,000</u>
Total expenditures and transfers out requiring appropriation	<u>71,000</u>	<u>80,000</u>
ENDING FUND BALANCE	\$ <u>155,993</u>	\$ <u>166,478</u>

SORREL RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
2020 BUDGET AS AMENDED

	ORIGINAL BUDGET	AMENDED 9/17/2020	AMENDED 10/7/2020
BEGINNING FUND BALANCE	\$ 13,548	\$ 13,558	\$ 13,558
REVENUES			
Property taxes	1,081,571	1,081,571	1,081,571
Specific ownership taxes	64,894	64,894	64,894
Interest income	4,000	4,000	4,000
Bond issuance	-	13,125,000	13,425,000
Bond premium	-	1,850,000	1,674,053
Total revenues	1,150,465	16,125,465	16,249,518
Total funds available	1,164,013	16,139,023	16,263,076
EXPENDITURES			
General and administrative			
County Treasurer's fee	16,224	16,224	16,224
Paying agent fees	2,500	2,500	2,500
Contingency	2,664	17,055	17,125
Debt Service			
Bond interest - Series 2006 Senior Bonds	581,612	290,806	290,806
Bond interest - Series 2020 Bonds	-	59,415	71,495
Bond principal - Series 2006 Senior Bonds	465,000	-	-
Bond issue costs	-	362,000	490,000
Refunding payment	-	15,352,000	15,361,850
Total expenditures	1,068,000	16,100,000	16,250,000
Total expenditures and transfers out requiring appropriation	1,068,000	16,100,000	16,250,000
ENDING FUND BALANCE	\$ 96,013	\$ 39,023	\$ 13,076