

Summary Notes

Special District Working Group January 7, 2021, 1:30 p.m.

Location: City Administration Building, Room 102, 30 South Nevada Ave., Colorado Springs, Colorado

Meeting started formally at about 1:40 p.m.

Attendees (In person or on Teams): All Working Group members except for Sara Vaas of CONO, plus Wysocki, Schueler, Marla Novak (HBA), Page Saulsbury, Elena Lobato, Hannah Van Nimwegen-McGuire, Jackie Rowland City Auditor, Angela Gilpin and Lisa Bigelow (Maverick Observer), and Rebecca Hardekopf of Walker-Schooler Group.

Ms. Greenberg from the City Attorney's Office and Ms. McDaniel (CFO) were not able to attend.

Note: Organization of these summary notes may not always follow the exacted chronological progression of the meeting

1) Introductions / Meeting Purpose

Members and guests introduced themselves, in person or on-line.
The priority goals for this meeting were summarized based on the agenda

2) Summary Notes from December 3, 2021 Meeting- Carl Schueler

There were no comments or changes other than some discussion of the extent to which in-person attendees could hear Mr. William's comments specific to his proposal to potentially modify the way debt is approved by Council consistent with the Charter.

3) Website Updates

Carl reported that certain Working Group materials are now available on this site, with more to follow, and he also offered to provide any other relevant materials to members or guests.

4) Summary of Attachments and Updated Binder Contents- Carl

Carl summarized the materials that had been e-mailed, and also provided as hard copy binder content. These included mark-ups of the draft purpose statement provided by Mr. Hoiles and Mr. Stimple in advance of the meeting. He noted that copies of other materials, including a draft builder's disclosure form submitted by Mr. Stimple as well as Mr. Hoiles's suggestions on policy topics and recommendations, will be transmitted later (note: these have been subsequently forwarded).

5) Initial Purpose Statement and Revised Policy Outline

This topic occupied a significant share of the meeting and included extensive discussion around the topic of communication and disclosure. It was noted that this disclosure topic will also come back for Working Group discussion later in the process).

Carl first noted he had adopted some of the more grammatical and or jointly recommended edits in a new working version of the statement, but not yet any of the more significant recommendations.

The Group began by going through Mr. Stimple's main suggested edits. He would like to see the language on complexity removed, a stronger statement on the role and importance of districts added along with a statement of intent about disclosure (essentially recognizing and not duplicating existing requirements). He observed that the topic was not that complex, in his opinion; however consumers cannot be compelled to read all the information. It was later noted that the property closing stage can effectively be "too late" in the process, given the choices and investments made up to that point. There was also discussion around the notion of there being a "few bad apples" in the development/district business, along with potential options and recourse.

As an outgrowth to this discussion, Councilman Williams, suggested adding a short section including the "why?" of special districts, and he forwarded a short draft statement to the group.

There was considerable discussion around these topics, including agreement to include limited language on the "what is" and "why" district topics.

Mr. Hoiles then presented his recommendations, deferring also to Ms. Gilpin and Ms. Bigelow, who had drafted some of this material for him. Ms. Gilpin suggested the information is complex, and referred to recent statewide articles. The Hoiles group would like to retain the language about complexity.

There was a suggestion to modify this part of the text to read that the topic may or can be complex, as with all governmental entities.

There was related discussion about who the audience for this Policy is. Staff later clarified that the key audience would be Council and those proposing districts or related Council actions. However, there was concurrence that the Policy should also be clear and transparent to the general public and to district residents and taxpayers.

Carl will provide an updated version for the Working Group's consideration, prior to the next meeting.

6) Key Policy Topics

The Working Group discussed the draft one-page outline of Policy topics as provided in advance by Carl. It was noted and agreed that the topic of district board conversion should be added. Ms. Henjum highlighted her interest in addressing developer advances (already on the list). Subordinate debt structures were also identified as a topic. Carl noted this list of topics pertains to the Policy, and that additional topics and content will need to be addressed/covered in the model plans. Mr. Dykstra asked that syncing up and making annual reporting more efficient, be added to the list. Carl noted that

specific requirements are embedded in existing metropolitan district service plans, making it challenging to update and modernize them. Mr. Dykstra suggested there may be a way to legally address this without requiring existing service plans to be amended. Carl noted this overall topic (communication/disclosure/reporting) will come up later in the Working Group process.

There was also significant discussion around the topic of board elections and term limits. After discussion, it was clarified that, while it is common for district electors to vote waive term limits, the requirement to regularly conduct elections cannot be waived (providing there are more candidates than available board positions). A particular election can be canceled in the event the number of available candidates is less than or equal to the number of open positions. Councilman Williams described his involvement with this process, including mailed notices for a County metropolitan district he does some work for. Mr. Walker noted election notices need to be mailed for the Woodmen Road Metropolitan District even though that district will be dissolved in the near future.

7) Potential Debt Issuance Policy Change- Carl Schueler

There was insufficient time to address this topic. Carl suggested that members review the attached PowerPoint and be ready to discuss at the next meeting.

8) Next Steps- Group

- Carl will send out draft builder disclosure and Mr. Hoiles' list of policy topics/ recommendations, to the Working Group
- He will provide a redrafted purpose statement prior to next meeting
- He will also update the topics list
 - Working Group can then also review Mr. Hoiles recommendations
- Discussion of policy for approval of debt issuances is expected to be a main topic for the next meeting

The meeting concluded a little after 3:00 p.m.