

# Summary Notes

## Special District Working Group April 1, 2021, 1:30 p.m.

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

Meeting started formally at about 1:35 p.m.

Attendees (In person or on Teams): All Working Group members except for Mr. Dykstra, Mr. Stimple, Councilperson Henjum and Councilperson Williams.

Also: Peter Wysocki (who left early), Mike Tassi, Carl Schueler, Marla Novak (HBA), Page Saulsbury, Elena Lobato, Jacqueline Rowland (City Auditor's Office), Lisa Bigelow (Maverick Observer), Rebecca Greenberg from the City Attorney's Office? Lauren Gallup from Tuscan Village Metropolitan District, George Smith - BLR 5 Metropolitan District

Ms. McDaniel (CFO) was not able to attend.

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

### **1) Summary Notes from March 18, 2022 Meeting- Carl Schueler**

Acknowledgment was made of the fact that there was a delay in getting the agenda materials out until earlier that day due to a corrupted document impacting the e-mail.

Mr. Hoiles provided separate follow-up comments on these draft minutes and on the materials and recommendations to be discussed today. He and Ms. Bigelow reiterated the basis of their concerns with the prior direction on mill levy caps (50 and 20) and specifically observed that some County districts were "full service" in comparison with City districts. He and Lisa also reiterated a concern with there being few members of the Working Group not affiliated with districts. He asked whether there would be an opportunity for a "minority report" when recommendations were provided to Council. Mr. Wysocki suggested, at a minimum, staff would summarize Working Group discussion and key points of debate. Mr. Walker noted this will ultimately be approved by Council and they represent the broader community. There were no other major comments.

In Russ Dykstra' absence, he provided an e-mail with a few concerns on the matters to be discussed in this meeting.

Both the Hoiles and Dykstra comments have been subsequently distributed to the full Working Group.

### **2) Status Summary of Working Group Topics**

An updated version of the topics list was provided, noting that the status update is color-coded

### **3) Introduction of Latest Partial Draft Policy**

(Also see brief staff memo sent out with meeting agenda and highlighted with this item).

Carl explained that the Partial Draft Policy had not yet been reviewed or vetted by anyone besides him. It is also not complete, and as such, he does not intend to shift to “tracked changes mode” until after a more complete version is provided (in advance of the 4/29/22 meeting). After that he will shift to tracked changes going forward.

Carl and the Working Group scrolled through the full document from beginning, but he generally skipped the first two sections, since these had been previously reviewed.

Comments questions and suggesting included but were not necessarily limited to:

- Remove word “initial” in front of “voter approval” in second paragraph
- Need to make sure GIDs are covered
- Define End User
- Define and clarify Approved Development Plan
- Better define Combination of District making it clearer that certain categories of other districts are either inapplicable (e.g. school districts, legacy fire districts, Library District) or less a---
- There was a focus and update on the now recommended index for the interest rate, which is suggested by the experts to be the AAA 3—Year Municipal Market Index Rate
- Better address major and minor amendments- limited service plan amendments
- In Mr. Dykstra’s e-mail he raised a concern with limiting options for new structures with small districts used for operating purposes only. He sees a need to continue to have this option available.

-Also see the separately submitted comments from Mr. Hoiles and Mr. Dykstra

### **4) District Structures and Board Conversion**

(Also see brief staff memo and PowerPoint sent out with meeting agenda and presented with this item)

There was a brief presentation on structures (single, multiple, overlay, subdistricts and assessment districts) followed by discussion around this item. Carl noted there currently is no minimum size or scale requirement in the draft Policy. There was a question and discussion around consolidation of districts, with Carl noting consolidation would likely be rare except in the event of an operating district being dissolved and/or consolidated at to or near the end of the development cycle.

Ms. Bartow observe that one additional advantage of multiple districts and/or phased debt issuances, is this structure makes it less likely that the “first house out of the ground” would be saddled with a high level of financial obligations.

Authorities were discussed, with Carl noting he has limited working familiarity with this structure and option at this time. He understands they are used for a couple of different purposes; one being as a vehicle to issue/ obligate shared debt among two or more districts and another being a mechanism that can be used to generally coordinate among districts after or in lieu of the need for an operating district. Carl noted that his starting point Policy language would require Council approval of any authorities.

## **5) Disclosure, Reporting and Communication**

Carl briefly went through his summary memo, which included a variety of initial ideas or recommendations.

Carl noted a focus and interest on the real estate purchase phase Clarissa said she would check into the option of adding a field to the local MLS listing.

Mr. Knotschel and a guest from another district reported on their experiences with the home sale process, noting in their experience, the district-related information they were provided by the builder was limited at best.

It was noted that not all real estate transactions are processed through realtors, and that recently, due to the tight market, there may be limited options for due diligence to occur before an offer needs to be made. It was also noted that it would be problematic to impose disclosure limits applicable to districts regarding real estate disclosures, when the districts have little or no authority to regulate these matters.

Ms. Thomas shared her perspectives and experience, along with a reiteration of her concerns about the burden and questionable efficacy of additional real estate disclosure requirements.

This topic will be discussed further at the next meeting.

## **6) Next Meeting and Future Agenda Topics**

Carl noted at the next meeting, he expects to have a relatively complete Policy draft to discuss. There will be additional discussion of disclosure and reporting. Preferably Clarissa Thomas will be able to report and inform and update on possible options for MLS listing of district contacts and the current disclosure requirements and forms.

possibly an introduction of the model plans. The next meeting is set for April 29, 2022.

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