



**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
WOODMEN ROAD METROPOLITAN DISTRICT
HELD AUGUST 27, 2018**

Pursuant to posted notice, the special meeting of the Board of Directors of the Woodmen Road Metropolitan District was held on Monday, August 27, 2018 at 1:00 p.m., at The Olive Real Estate Group: 102 N. Cascade, Suite 250.

Attendance: In attendance were Directors:

Les Krohnfeldt, President
Lindsay Case (1:05 p.m.)
Tom Cone
Tom Kerby

Also in attendance were:

Pete Susemihl, Susemihl, McDermott & Cowan, P.C.
Kevin Walker, WSDM
Lori VonFeldt, WSDM
Kristina Kulick, WSDM
Ken Guckenberger, Kutakrock
Mike Sullivan (by phone)

1. Call to Order & Certification of the Agenda:

President Krohnfeldt called the meeting to order at 1:02 p.m. Director P.J. Anderson was absent and excused.

2. Approval of Minutes:

The approval of minutes was postponed until the next meeting.

3. Bond Refinance:

- A. 2018 Funding Bonds: Adoption of a resolution that will be a final determination with respect to the issuance of general obligation indebtedness in the form of the District's General Obligation Limited Tax Refunding Bonds, Series 2018 in the estimated aggregate principal amount of \$8,400,000 –

Mr. Guckenberger introduced himself and explained that he is serving as bond counsel for the District. He told the Board that the District received an increase in rating from A- to A. as well as a bond insurance commitment from Build America Mutual. He said if the Board decides to go with them, they will get slightly lower interest rates and will not have to pay a bond premium. The bonds will mature fully in 2027 and there are built in provisions that allow the District to prepay in the last 2 maturities, 2026 and 2027. Mr. Guckenberger discussed the bond

resolution and explained that he has been working on calling the existing bonds and working with some constraints on them. Mr. Guckenberger passed out the Certified Record of Proceedings of the Board of Directors of Woodmen Road MD. Director Case asked if they escrow the bonds. Mr. Guckenberger said they do not escrow them, but there is a bond purchase agreement that governs the sale of the bonds and explained they will buy the bonds for a brief period of time and then they are sold. Director Case asked about the Trustee. Mr. Guckenberger said the Trustee will pay the bond holders. He said we have an Escrow Agreement with the Trustee, and they will pay off the 2008B bonds. Director Case asked if the terms of the bond are in the packet, and where the actual bond is. Mr. Guckenberger explained that it is in the packet and that we are just refunding for savings. He added that we are matching the 2018 to the 2010 bonds. Director Kerby asked if the District has money in the bank in 2025, can they be paid off. Mr. Guckenberger confirmed, but said they could pay off the maturities to stop the interest if they wanted to. President Krohnfeldt asked about the trust indenture being the same as before. Mr. Guckenberger said yes, and that they are pretty much the same. Director Case asked if there was one main investor. Mr. Guckenberger replied that banks may hold for the investor, but their identity can be a mystery. Director Case asked if they keep the premium. Mr. Guckenberger said the District will get the premium, and we will know the fees once it is sold and that is disclosed. Mr. Guckenberger said they want the District to stay tax exempt, and with the road being dedicated back to the County that helps. He said there is a policy called Post Issuance Compliance and Remedial Action Tax Policy. He said they will be in touch with Mr. Susemihl if there is an issue that comes up, but they don't think that will happen. Mr. Walker confirmed that the District does not have a project fund, and any monies that come in will go towards the debt fund. Mr. Guckenberger also mentioned the low mill levy and how that helps. Director Case asked what the mill levy is. Ms. VonFeldt said it is 11.8, and they are allowed to go to 25. Mr. Guckenberger said when the Bond Resolution is passed, it includes approval of all documents. He said we are going to adopt a continuous enclosure/disclosure and he has the delegate as President Krohnfeldt. He said this is to be sure the District is timely getting things done to be compliant, and the Underwriters asked that we adopt that today. He explained that there is a new tax compliance policy that we are catching up to. Mr. Guckenberger said under Colorado law, we are able to delegate certain pricing terms that are good for up to 180 days. He said President Krohnfeldt will be the delegate, and on the day of pricing they will call and make sure the bonds come in under \$9 Million. He said we are at \$8.3 Million currently so we are good on that. He said the other point is bond insurance, and we have a commitment from BAM. Mr. Guckenberger called Mr. Sullivan with DA Davidson on the phone to discuss the Bond Insurance Commitment. He asked Mr. Sullivan to discuss the cost of the bond insurance policy and what it will save in interest costs. Mr. Sullivan said the District is currently on schedule and is scheduled to host the offering document on Thursday. He told the Board they have received a new credit rating that was upgraded from A- to A stable. He said existing bonds will be upgraded and the new bonds will have that rating. He thanked Mr. Walker and Ms. VonFeldt for their help with getting through that process. Director Case asked about the insurance. Mr. Sullivan said there are 2 major players in bond insurance, and Assured Guarantee was less competitive than Build America Mutual, but the rest of the market does not see a difference in either bond insurance provider. The only difference is in the price, and whoever offers the lower price would win the bid. BAM costs \$18,000, so it is a very low-cost bid. Director Case asked about pricing that will be saved from life of the bond. Mr. Sullivan said it will be a slightly lower interest rate. Director Case asked what that would be in real dollars. Mr. Sullivan said it would not be that much, a couple thousand dollars savings, but the real benefit is that it doesn't cost anything to have bond insurance and there are a lot of retail buyers that cannot purchase bonds unless they are insured. That opens up the pool of investors even wider and will help

drive that interest rate even lower. That is the main argument for bond insurance, and the argument against it is that it costs \$18,000, but it will be paid out of the bond proceeds. Mr. Guckenberger asked if Mr. Sullivan had anything else to discuss with the Board. Mr. Sullivan said we are still on track for Thursday, price bonds on September 11th, and close on September 18th barring any major delays that he doesn't foresee. Director Case moved to approve the Certificate of Record; seconded by Director Kerby. Motion passed unanimously. Mr. Guckenberger said we need a date on either the Friday or Monday before to get signatures. President Krohnfeldt and Director Case will be needed to sign the bonds. President Krohnfeldt suggested meeting at Mr. Walker's office. Mr. Guckenberger said he will need President Krohnfeldt available to take the call for pricing day. The Board thanked Mr. Sullivan and he left the meeting at 1:33 p.m. Mr. Susemihl said he will make sure he gets the seal to Mr. Guckenberger. Director Kerby asked if we assigned the person for the compliance policy procedure. President Krohnfeldt confirmed he would be okay with doing it.

4. Manager Report:

- A. Sale of Property: Mr. Walker said we have a contract to sell the 1.7 acres and they are in the title review period. Closing should be 10/1/2018 in the amount of \$112,000.

- B. Development Activity: There was no discussion.

5. Legal Issues:

There was no discussion.

6. Old Business:

There was no discussion.

7. New Business:

There was no discussion.

8. General Discussion:

There was no discussion.

9. Next Regular Meeting:

There was no discussion.

10. Adjournment:

The meeting was adjourned at 1:36 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Lori VonFeldt for the Recording Secretary