

**MINUTES**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**KEN-CARYL RANCH METROPOLITAN DISTRICT**

A regular meeting of the Ken-Caryl Ranch Metropolitan District Board of Directors was held on Tuesday, July 24, 2018 at the Ranch House, 7676 South Continental Divide Road, Littleton, CO 80127.

**ATTENDANCE**

**Board Members Present:**

Lauri Lehan-Milano, President/Chairperson  
Kayla Kirkpatrick, Secretary  
Jeff Esbenshade, Treasurer  
John Huggins, Assistant Treasurer

**Board Member Absent:**

Jami Jensen, Vice President (Excused)

**Others Present:**

Melissa Daruna, District Manager  
Amy Lear, Recreation Director  
Pat Malloy, Parks Director  
Jeff Leniger, Controller  
Dino Ross, Attorney

**Residents Present:**

Rilla Reinsma  
Nick Lathrop  
Rick Lathrop  
Julie Imblur  
John Fosholt  
Linda Metzger

**I. CALL TO ORDER**

Chairperson Lehan-Milano called the meeting to order at 6:06 p.m.

**Director Kirkpatrick made a motion to excuse Director Jensen from the meeting. Director Esbenshade seconded. The motion passed unanimously.**

**II. APPROVAL OF AGENDA**

**Director Lehan-Milano made a motion to approve the agenda as presented. Director Huggins seconded. The motion passed unanimously.**

**III. CONFLICT OF INTEREST**

There were no new conflicts.

**IV. APPROVAL OF MINUTES OF JUNE 26, 2018 SPECIAL MEETING AND REGULAR BUSINESS MEETING**

**Director Lehan-Milano made a motion to approve the minutes of the June 26, 2018 special meeting and regular business meeting. Director Kirkpatrick seconded. The motion passed unanimously.**

**V. COMMUNICATION ITEMS**

**A. June Status Report**

Director Kirkpatrick inquired about the enrollment for camps. Recreation Director Lear provided more detail on the enrollment process and reporting process for 2018 as opposed to 2017. Changes were made to more accurately reflect the number of registered participants.

**B. June Finance Report**

Controller Leniger reviewed the monthly financial report that reflects the first six months of the District's operations. Director Lehan-Milano inquired about the seasonality of the budget and reporting. Controller Leniger stated that it would be a work in progress for next year as the District continues to nail down the details of the seasonal budget reporting.

**C. Ken-Caryl Ranch Open Space Committee Reports**

Director Lehan-Milano inquired about the sidewalks in the Valley that may belong to the District. She requested that staff make a note to discuss the asphalt path along South Valley Parkway during the budget cycle.

**D. Neighboring Districts Board of Directors Meeting Minutes**

There were no comments.

**VI. STAFF COMMENTS AND REPORTS**

- Controller Leniger reported that the audit of the District's 2017 financial statements was complete. He, Director Esbenshade, Director Jensen and District Manager Daruna met with the auditor last week to review the details in preparation for tonight's final report. He also reported that he was in the final rounds of interviews for the Senior Accountant position.
- Recreation Director Lear reported that the Ken-Caryl Lightning Invitation was a success. The Fitness Center saw a great turn out for the Family Ninja Warrior Challenge in Heirloom Park. She also reported that the Fitness Center would be trying more specialty classes like that and session-based programming as well.
- District Manger Daruna reported that the District was thriving in the midst of the summer season. Parks were full of patrons, programs at capacity, and staff are doing a great job. She and Controller Leniger have been filling in the work for the vacant Senior Accountant position as well as preparing initial information for the potential mill levy increase election.

**VII. AUDIENCE PARTICIPATION**

- A resident proposed that the District charge residents for the open space bracelets and making them mandatory for accessing the open space. Director Lehan-Milano pointed out that the District could not impose a fee on the use of the Master

Association property. The resident also inquired about the District charging the Master Association a fee for administering the bracelet program as a way to generate revenue. Director Lehan-Milano and District Manager Daruna stated they would share the feedback and inquiry with Master Association staff and Board members.

- A resident from the North Ranch thanked the parks and recreation staff for help preparing for and during the North Ranch 4<sup>th</sup> of July party. She stated that the park and pool looked great and everyone had a wonderful time. She appreciated all the support from the District.

## **VIII. AUDIT REVIEW**

### **A. Audit Presentation**

Neil Schilling of Schilling & Company presented the Audit of the District's 2017 financial statements for the Board's review. Mr. Schilling highlighted the fact that the District still did not have enough funding in reserves to meet his expectations and noted that this was of continued concern from previous years. He also noted that the District was able to make up a significant deficit from 2016 and end 2017 with a slight, but positive, cash balance. He appreciated the improved process for the 2017 audit and all the preparation Controller Leniger put in prior to Mr. Schilling's field work.

### **B. MOTION TO OPEN THE PUBLIC HEARING ON THE PROPOSED 2017 SUPPLEMENTAL BUDGET FOR KEN-CARYL RANCH METROPOLITAN DISTRICT.**

Director Esbenshade made a motion to open the public hearing on the proposed 2017 supplemental budget for the Ken-Caryl Ranch Metropolitan District. Director Kirkpatrick seconded. The motion passed unanimously. Attorney Ross noted that notice of tonight's public hearing was published once in a newspaper of general circulation within the District in accordance with State law and that neither legal counsel nor staff has received any comments or objections from the public.

There was no public comment on the Proposed 2017 Supplemental Budget for the Ken-Caryl Ranch Metropolitan District.

### **C. MOTION TO CLOSE THE PUBLIC HEARING ON THE PROPOSED 2017 SUPPLEMENTAL BUDGET FOR THE KEN-CARYL RANCH METROPOLITAN DISTRICT.**

Director Esbenshade made a motion to close the public hearing on the proposed 2017 supplemental budget for the Ken-Caryl Ranch Metropolitan District. Director Kirkpatrick seconded. The motion passed unanimously.

## **IX. DISCUSSION ITEMS**

### **A. Potential Mill Levy / De-Gallagherizing Ballot Initiatives for November Election**

The Board heard additional information and feedback on the idea of De-Gallagherizing in the November election. The Board engaged in extensive discussion

regarding the potential risks associated with asking the community to De-Gallagherize, the complex nature of the theory and short timeline to provide adequate education.

**i. Public Education Information from Kyle Thomas with George K. Baum & Company.**

Kyle Thomas and Alan Matlosz from George K. Baum & Company were present to provide the Board examples of public education materials and discuss the strategy for public education on the potential mill levy increase and/or de-Gallagherizing election in November. The Board had contracted with George K. Baum & Company for such services at its June 26 regular business meeting.

Following further discussion, the consensus of the Board was to continue considering a possible mill levy increase election, but not to consider de-Gallagherizing during an election in November.

**B. Reschedule August Regular Business Meeting**

Due to the deadlines with the County to take formal action on a coordinate election, the consensus of the Board was to move the August regular business meeting to Tuesday, August 21, 2018. The meeting would still be at 6 p.m. at the Ranch House.

**Director Lehan-Milano made a motion to reschedule the August regular business meeting of the Board of Directors of the Ken-Caryl Ranch Metropolitan District to Tuesday, August 21, 2018 at 6:00 p.m. at the Ranch House. Director Kirkpatrick seconded. The motion passed unanimously.**

**X. ACTION ITEMS**

**A. Resolutions**

- i. MD 18-105 A RESOLUTION SUMMARIZING APPROPRIATIONS, REVENUES AND EXPENDITURES FOR FISCAL YEAR 2017 FOR THE PURPOSE OF DEFRAYING EXPENSES IN EXCESS OF AMOUNTS BUDGETED FOR THE KEN-CARYL RANCH METROPOLITAN DISTRICT.

**Director Kirkpatrick made a motion to adopt MD 18-105 a Resolution summarizing appropriations, revenues and expenditures for fiscal year 2017 for the purpose of defraying expenses in excess of amounts budgeted for the Ken-Caryl Ranch Metropolitan District. Director Esbenshade seconded. The motion passed unanimously.**

**B. Motions**

- i. MOTION ACCEPTING THE 2017 ANNUAL AUDIT AS PREPARED BY SCHILLING & COMPANY AND DIRECTING SCHILLING & COMPANY TO SUBMIT SUCH AUDIT TO THE COLORADO STATE AUDITOR PURSUANT TO C.R.S. 29-1-601.

**Director Huggins made a motion to accept the 2017 annual audit as prepared by Schilling & Company and directing Schilling & Company to**

**submit such audit to the Colorado State Auditor pursuant to C.R.S. 29-1-601.**

- ii. MOTION TO AUTHORIZE STAFF TO SUBMIT THE NOTICE TO JEFFERSON COUNTY REGARDING THE DISTRICT'S POSSIBLE PARTICIPATION IN THE JEFFERSON COUNTY NOVEMBER COORDINATED ELECTION.

**Director Lehan-Milano made a motion to authorize staff to submit the notice to Jefferson County regarding the District's potential participation in Jefferson County's November coordinated election. Director Kirkpatrick seconded. The motion passed unanimously.**

**XI. BOARD COMMENTS**

- Director Esbenshade asked if Director Kirkpatrick could attend the next Open Space Committee meeting. She stated that she would check her schedule and try.
- Director Lehan-Milano noted that she and District Manager Daruna would be attending the next North Ranch HOA meeting to discuss the potential mill levy and Gallagher impacts facing the District.
- Director Kirkpatrick stated that the slideshow and information District Manager Daruna shared with the Master Association Board and would be sharing with the North Ranch HOA was very helpful and informative. She made a few suggestions on edits. She also stated that she had seen multiple comments on social media praising the work done by the Parks Department, and Horticulturist Dawn Harrell specifically. She wanted to be sure the staff knew and it reached the appropriate people.

**XII. EXECUTIVE SESSION**

None

**XIII. ADJOURN**

**Chairperson Lehan-Milano adjourned the meeting at 8:46 p.m.**

These are the correct minutes for the meeting held on the above date and were approved by the Board on this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

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Kayla Kirkpatrick, Secretary