

Angel Fire Public Improvement District 2007-1

3465 Mountain View Blvd., Suite 14

PO Box 1046, Angel Fire, NM 87710

575-377-3483

Board Meeting Minutes

July 14, 2016 at 2:00 pm at the PID Board Room

- A. Call to Order - Chairman Pro Tem Don Borgeson called the meeting to order at 2:01 pm.
- B. Pledge of Allegiance - Chairman Pro Tem Borgeson called for the Pledge of Allegiance.
- C. Roll Call - Present were Director Don Borgeson (Chairman Pro Tem), Chairman Alan Young (by phone), Vice Chairman Dan Rakes (by phone), Director Burl Smith, and Director Abrams (by phone). A quorum was present. Also present was Sally Sollars, District Administrator.
- D. Approval of Agenda – Director Smith moved to approve the agenda amended to remove of the Executive Session, which was included by error. Vice Chairman Rakes seconded. The motion carried 5-0.
- E. Approval June 23, 2016 Minutes – Director Smith moved to approve the June 23, 2016 minutes. Chairman Young seconded. The motion carried 4-0 with Vice Chairman Rakes abstaining.
- F. Requests and Responses from the Audience – None.
- G. Announcements and Proclamations – None.
- H. Business
 - 1. Election of Chairman – Chairman Pro Tem Borgeson recommended that the current Chair and Vice Chair continue to serve. Director Smith made that motion. Director Abrams seconded. The motion carried 5-0.
 - 2. Election of Vice Chairman – See above.
 - 3. Consider and Approve Resolution 2017-1 Approving Fiscal Year 2017 Budget – Chairman Young moved to approve Resolution 2017-1. Director Smith seconded. Ms. Sollars reported that there were a few minor edits to the Preliminary Budget. The final revenue number was reduced to reflect the prepayments made in Fiscal Year 2016. The debt service principal payment amount was increased due to increasing the projected prepayments for Fiscal Year 2017 to \$600 from \$500. Not included in the projected expenses was the settlement of the Roberson consolidated lot credit that the District must pay to the Prepayment Account. Vice Chairman Rakes asked if there was a 2% increase in the assessments this year. Ms. Sollars responded that there was as presented to the Board by the Finance Committee when the Preliminary Budget was approved. The motion carried 4-1 with Vice Chairman Rakes dissenting.
 - 4. Consider and Approve Resolution 2017-2 Approving 4th Quarter Report – Director Smith moved to approve Resolution 2017-2. Chairman Young

seconded. Vice Chairman Rakes asked for clarification. Ms. Sollars said that this was the final report due to DFA for Fiscal Year 2016. The motion carried 5-0.

5. Consider and Approve Resolution 2017-3 Approving Open Meeting Act – Vice Chairman Rakes moved to approve Resolution 2017-3. Chairman Young seconded. Chairman Rakes asked if the time of the meeting had changed, but Ms. Sollars said that no Director requested a change. The meeting time may be changed per meeting by notice. The motion carried 5-0.
6. Consider and Approve Resolution 2017-4 Approving PID Owned Property Assessment Exempt – Director Smith moved to approve Resolution 2017-4. Chairman Young seconded. Ms. Sollars said that removing the delinquent assessments from the County record on the District owned properties was discussed with County Treasurer Kathy Trujillo. The District had argued for years that the District is tax exempt per the PID Act and finally got the County to recognize that status last year. Now the District is still receiving delinquency notices due to the assessments on the records that only the District Board may remove by Resolution. Ms. Sollars said that the assessments have not been paid and they will not be paid on these particular properties as long as they are in District hands. However, the budget has been sufficient to pay the debt service. As Director Borgeson has reminded the Board numerous times, there is no land market presently to sell the property and holding costs and lost assessments are mounting. Ms. Sollars said that the Board was going to have to deal with this problem sooner or later, but it would be best not to wait until the property might be sold due to the time needed to affect the change. She said that if the Board wanted, she would invite Donna Segura, Taussig and Associates, and Paul Cassidy, RBC Capital, to join the Board at the next meeting to further discuss the ramifications. The motion was denied 5-0.
7. Discuss Angel Fire Village North Lot 128 and 129 Consolidation and Request to Village to Vacate Infrastructure – Director Smith reported that a builder requested the Village to combine two lots on Back Basin Road, which are within the District and are located on a cul de sac. The builder is proposing that the Village vacate the road so that the lots may be combined. The builder is willing to reconstruct the cul de sac at the new lot line and move the utilities. Director Smith wanted the opinion of the Board on this proposal. Vice Chairman Rakes and Director Abrams both agreed that the Village owns the infrastructure and that the District would have no interest in the matter. Lots combined after the District was formed continue to be assessed the original amounts of the two lots.
- I. Consent Agenda – Chairman Young moved to approve the Consent Agenda. Director Smith seconded. The motion carried 5-0.
 1. Stelzner, Winter, et al; Invoice #9731/9739 - \$5,081.49
 2. NMFA Debt Service; Invoice dated 7/1/16 - \$42,707.01
 3. Colfax County Filing Fees - \$50.00
 4. Village of Angel Fire; Invoices dated 7/1/16 - #363.72

5. Kit Carson; Invoices 1508/1509 - \$97,465.20
6. Sally Sollars; Invoice #73 - \$6,645.21
7. CenturyLink; Invoice dated 6/25/16 - \$237.09
8. BMWS; July Rent Invoice # 08-0008 87 - \$380.00
9. AT&T; Invoice dated 6/1/16 - \$41.47
10. Petty Cash Report; Balance \$130.58

J. Reports

1. Administrative Report – Ms. Sollars reported that on June 17 the District General Counsel, Nann Winter, sent a letter to Luis Reyes, CEO of Kit Carson Electric Cooperative, informing him that the District was not receiving timely documentation as requested, which was slowing the progress of installing wire per contract. Mr. Reyes responded immediately by email. The District has now received all outstanding actual cost invoices. One invoice continues to be disputed and is still unresolved. The Construction Committee offered to pay one half of the disputed amount, but has not yet received a response from Kit Carson. The remaining invoices showed an overpayment of \$65,932.

The Construction Committee reviewed the actual cost invoices and approved payment for the remaining sections in West Village minus the overpayment as of July 1. Kit Carson reported that that work would begin on July 19. The estimated cost invoices have been requested for completing the contract.

The Special Levy Enrollment form has been submitted to the State. This is the list of all of the assessment amounts for 2016. The final budget and 4th Quarter Report will be submitted to DFA next week. The final numbers for Fiscal Year 2016 came in on budget.

The contract to provide fiscal agent services to the Village of Angel Fire that was reviewed by the Board last month remains unsigned. When Tracy Orr, Village Grants Department, saw the contract she understood the hesitancy of the Board. Ms. Orr reported that she was told by the State contract folks that the contract was not written properly for the monetary pass through services the District thought it was agreeing to provide. Instead, the contract was written placing the entire burden of the Village project on the District. Since the requirement to have a fiscal agent was determined by the Department of Transportation prior to the Village submission of their final audit, the Village will request reconsideration of the requirement.

The Planning and Zoning Department at the Village requested the project record drawings in .shp format. However, the District does not have the drawings in that format. Director Abrams recalled that at the time of developing the scope of work for the designer, Bohannon Houston, Inc., the Village did not have current GIS software and had no one capable of doing the work, so .shp file format was not included in the deliverables. However, the

data tables are included in the Record Drawings and have the necessary information. It was recommended that the Village contact Bohannon Houston to see if it is possible to have the data tables converted to .shp format at this time.

May collections were \$715,770. The friendly letters were sent out to delinquent property owners last month. There have been no calls to the office or the County concerning the letters. The final prepayment amount for Fiscal Year 2016 was \$470,967, which is more than ever received within a fiscal year.

General Counsel, Nann Winter, has been trying to contact the attorney for the Taxation and Revenue Department, Property Tax Division for several weeks with no response. This attorney is new to the department and the District would like to discuss the amendment to the Development Agreement, which allows for other action beyond foreclosure in the case of delinquencies.

The Fiscal Year 2016 audit is scheduled for September 21 and 22. Ms. Sollars reminded the Board that two Directors need to be present for the entrance and exit conferences on those days.

Vice Chairman Rakes inquired about the possibility of refinancing the NMFA loan. Ms. Sollars said that she had asked Paul Cassidy, RBC Capital, that question a couple of years ago. At the time, Mr. Cassidy believed that there was a 10 block on refinancing. However, when asked this week he said that he was unable to find mention of a block in the loan documents. He has asked NMFA to confirm, but he now believes that there is no block.

The Dry Utility Memo was sent to all real estate brokers and agents and also posted on the District website. Only one person responded with some concern. Ms. Sollars replied that unlike the water utilities and the roads, which were dedicated to the Village, the electric and telephone utilities are owned by the perspective companies. It was Kit Carson that designed the electrical layout and Kit Carson representatives that inspected the construction work. The District's scope of work was to install the main line only.

Ms. Sollars recalled that Mr. Felts appeal in District Court of the Administrative Hearing decision to adjust his assessment for some, but not all of the infrastructure, is still ongoing. His lawyer had tried to get additional documentation entered into the case that was not part of the existing record. District Judge Chavez denied her request, but has not yet ruled on the case.

2. Construction Committee Report - The Construction Committee met on July 5th. See Administrative Report for discussion of committee actions.

3. Treasurer's Report – Director Smith asked how he should present his first report. Ms. Sollars told him that the previous Treasurer simply asked if everyone got the report and if there were any questions about it. There were none.
- K. Adjournment – Chairman Pro Tem Borgeson adjourned the meeting at 3:03 pm.

Next Regular Board Meeting will be August 11, 2016

Don A. Borgeson
Don Borgeson, Chairman Pro Tem

ATTEST: Sollars
Sally Sollars, District Administrator