

**LOWRY REDEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING (E-CONFERENCE)
MINUTES FOR JUNE 22, 2021**

ROLL CALL: Members present were Roy Alexander, Mark Betchey (Left at 9:10), Lindy Eichenbaum Lent (Executive Session only), Steve Hutt (Regular Session only), Gayle Jetchick, Rachel Neumann (via phone), Brad Pierce, and Ann Torgerson (Regular Session only). Monty Force attended as the Executive Director and Cathy Gale attended as General Counsel

Attendees: Lisa Meacham, Jim Donnell (Plante Moran), Evan Lasky (Lowry Foundation)

EXECUTIVE SESSION TO APPROVE THE MINUTES FROM THE MARCH 23, 2021 EXECUTIVE SESSION.

An Executive Session was called pursuant to and is authorized by the following specific provisions of the Colorado Open Meeting Law, C.R.S. §24-6-402, et seq, to discuss only the following matters as permitted thereby:

Review and Approval of the March 23, 2021 Executive Session Minutes

PUBLIC SESSION: The meeting convened in e-conference public session at 8:45 a.m. and was called to order by Roy Alexander, Chair.

PUBLIC COMMENT: None

CONSENT AGENDA:

- Minutes (March 23, 2021)
- Financials (February, March, April 2021)

Alison Cote', CFO provided highlights from the three months of financials:

- Revenue from equity share closings
- No land closings. The last parcel will close to MoonStar in August
- Escrow deposit from MoonStar
- Adjustment made for the transfer of the community park to BOCA
- On track with budget

Roy suggested a modification to the March 23 notes in reference to the approximate \$10M remaining at the end of development activities "the following are the estimated projected pay out amounts, subject to any community projects selected prior to determining a final split with government entities."

Mark agreed with the need for transparency. Actual numbers should be determined before any amount is published. The Board needs to be prepared to explain any plan of what can be done.

A motion by Brad Pierce was passed to approve the Consent Agenda consisting of the Minutes from the March 23, 2021 meeting, as modified, and the Financial Reports for February, March and April 2021 as presented.

ACTION ITEMS

- **Audit Report for Year Ending December 31, 2020– Resolution 2021-2**

Alison Cote introduced Lisa Meacham and Jim Donnells to present the audit results.

There was a meeting on June 14 with the Finance Committee for a detailed review of the audit report. The audit was conducted entirely remotely with no problem or limits.

Lisa said that a required post-audit letter is issued with an overview and stating any differences from past audits, or any issues found. Accounting policies and practices was clean. The audit team does not test internal controls but rather notes “no opinion”. She said she is happy to say no adjusting entries or potential adjustments were needed with the issuance of this very clean letter.

The financial documents in the report are “unmodified or clean”. They show year to year changes and historic trends. There is emphasis on the winddown of operations, so it is prudent to include language for readers of the Report that the Authority is currently an ongoing concern, but a dissolution is planned.

- Net assets of \$35.7M
- Revenues and expenses (non-operational and transfer of properties) - approximately \$10M
- Nothing unusual with Cash Flow
- Footnotes were updated for 2020 with an intentional sunset in 2022
- All governmental entities are required to adopt GASB policies 83, 84 and 90 and are so noted with no impact on the Financials.

Roy Alexander reported that the Finance Committee met and had a meeting with a thorough review of the report with all questions answered and appropriately incorporated. Steve Hutt concurred and that he appreciated the professionalism of the Plante Moran audit team and LRA management resulting in another clean report.

A motion by Steve Hutt was passed to accept the Audit Report from Plante Moran for the year ending December 31, 2020.

DISCUSSION ITEM

- Endowment/Special Projects

Monty said this will be a broad discussion as has happened at past meetings, but staff is getting closer to a selection of project/s. We have noted previously that the preference is for capital projects, however, there have not been many projects identified that could be implemented within the remaining life of the LRA.

Since the Board meeting in March there has been discussion with the Lowry Foundation (“Foundation”) to see if funds are provided could those funds enhance projects they already have and/or newly selected projects with the Foundation as the oversight entity. These could include a pool, landscape enhancements, or others that Evan Lasky, the Foundation’s CFO, might be aware of.

An estimated LRA contribution was presented to Evan resulting in the letter contained in the meeting packet. The letter explains how the funds would be implemented as an endowment. The focus of the endowment was for the

Chapel and programs that are already in place. With those operational funds shored up the focus the Foundation could switch to capital projects to enhance the community.

Also contained in the packet are Financials to provide a sense of the financial status of the Foundation, along with a history and mission of the Foundation.

Monty asked for an initial reaction from the Board members to an endowment to the Lowry Foundation. Previously there was discussion with the Rose Community Foundation then it was found that the Lowry Foundation already has endowment accounts set up with Community First Foundation.

Roy said his reaction is that the Foundation is a creation of the LRA and feels the vision of the Authority should promote something of importance to the community as a legacy going forward.

Evan agreed and said that the Foundation has redefined its mission to preserve the legacy of Lowry and enhance the community. In the beginning there were great volunteers, but there was no knowledge of how to operate a non-profit. They have now grown endowment for operating and separate designated funding for the Chapel. The Chapel is back open for weddings and other activities that had been cancelled during the COVID restrictions. Evan feels certain that the Foundation can accomplish what the Authority wants done.

Monty asked if Evan was aware of any projects that could be implemented with the estimated funds. Evan mentioned that there are some tree replacements and LCMA owned street projects of which he is aware. Monty pointed out that it might not be prudent to turn funds over to an organization that can raise funds through dues. Monty asked if the Foundation could conduct a survey for some desired projects. Evan confirmed that the Foundation can do that and that they are wide open to projects the Authority wants done. He wants to work out a plan that best serves the Board's vision for the community in perpetuity.

Brad asked if there was a formula for funds that CCD and Aurora might receive. His concern is that those funds would be reduced in favor of the projects. Monty said his concern is of funds going to the cities general funds and disappearing from the community.

Monty asked for direction on next steps to bring an actionable item to the Board. Roy said to focus on the assumption of the approximate \$.5M.

Gayle wanted to know if an amount was known for a pool. Monty responded that he is not sure of the amount of community support. Monty recalled that past discussions on a pool and costs had three options of 1) owned by CCD (they were not in favor of it due to high maintenance costs for outdoor pool); 2) LCMA owned and maintained (not inclined to raise dues in the amount necessary to maintain); and 3) a private entity to own and maintain. By comparison, the pool at Central Park is owned and maintained through a special district. Evan added that communities often want things until faced with the cost.

Roy expressed his opinion that the assets on the books were generated by the community, so as much as possible, should go back into the community. He prefers one outstanding item that will remain a lasting legacy that is visible to the community that has been created. He would need more information for specifics to make an informed decision. Roy suggests pursuing knowledge from the Foundation on how to set up an endowment of \$500,000 to the best advantage while continuing to explore a big-ticket project with a comprehensive study to develop feasibility of funding. Roy pointed out that previous surveys did not produce a rallying around a project.

Monty said he will follow up with the Foundation's assistance in finding the project most desired. He will also look at the budget for further discussion of project/s and how that affects pay out to the cities. For the next meeting he will prepare an action item for phase one for an endowment fund to the Foundation.

EXECUTIVE DIRECTOR REPORT

- Apologies for all the confusion on dates and times of this meeting. It was extremely difficult with the recognition of the need to stay with the 4th Tuesday as it has been for so many years. Due to an ongoing conflict, it has been suggested that the start time be moved to 9:00 a.m. There was agreement to make that change.
- Boulevard One commercial area will have a grand opening in August or September of this year.
- The 80th anniversary of the Eisenhower Chapel will be celebrated on August 21st.
- MoonStar closing on Oneida Ct is scheduled for August. This will be the last parcel to sell.
- Equity shares nearing an end for The Met with a total sell out. The pace of sales for KUH have picked up.
- Clark's Market groundbreaking by the end of the year.

COMMITTEE REPORTS

- Boulevard One Design Review Committee – (3/18; 6/3)

There were no comments or questions regarding the meeting minutes contained in the packet.

ADJOURNMENT

The meeting adjourned at 10:10 a.m.