

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
GREENWAY FIELDS HOMES ASSOCIATION**

**October 21, 2008
6:00 p.m.
Gina Valentino's House**

Attendance

- Present: Gina Valentino, Barbara Martin, Aaron House, Wendy Trainor, Mike McAdam, Joe Groebl, JT Forristal
- Guests: Charles Renner, Katie Allison

New Business

- **Exhibit A** is a broad summary of a discussion held for informational purposes only to discuss the possibility of forming a Community Improvement District. Any statements contained in Exhibit A are general statements about Community Improvement Districts and not about Greenway Fields Homes Association specifically.

Vote

- Gina Valentino, Barbara Martin, Wendy Trainor, Mike McAdam, Joe Groebl, and JT Forristal voted to move forward with (i) pursuing the CID, (ii) using the legal services of Husch Blackwell Sanders LLP, and (iii) having Charles Renner prepare the Proposal. Aaron House, an attorney with Husch Blackwell Sanders LLP, abstained from voting.

Next Meeting

- November 1, 2008, at 9:00 a.m. at Gina Valentino's house.

EXHIBIT A
SUMMARY OF DISCUSSION REGARDING
COMMUNITY IMPROVEMENT DISTRICTS

Community Improvement District (the “CID”)

- The Board met with Charles Renner, an attorney with Husch Blackwell Sanders LLP, to discuss the creation of a Greenway Fields Homes Association Community Improvement District
- Charles Renner spoke about CIDs for about one hour.
 - Generally
 - CIDs are very flexible. Their function and purpose can be limited.
 - CIDs are a great consensus building tool because they open up dialogue within communities and they allow people to identify concerns.
 - It is best when defining the CID to err on the side of permissiveness.
 - Duration can be in perpetuity, but it may be harder to sell this to homeowners, so start with 10 or 20 year duration (this keeps the board accountable). After expiration, however, must go through process of reforming (including payment of attorney’s fees).
 - Can terminate at any time by petitioning to shorten the duration (practically, just stop using).
 - Other residential areas are beginning to use CIDs (like Ruskin Heights)
 - The CID is about equity and fairness for those who are already paying. This will make it so that everyone has to contribute.
 - It is best to keep out as much bureaucracy as possible
 - Membership and Assessments
 - CIDs compel 100% participation from the homeowners.
 - CIDs can levy special assessments.
 - Caps on assessments would be built into the petition so that homeowners know in advance where the dues will be capped.
 - Generally start backwards to determine amount of assessment (determine budget and then divide to end up at assessment per household).
 - The total of the CID assessment plus the homes association assessment should equal a certain amount so that homeowners understand that they are not being double billed.
 - Billing will be done by the county assessor, and the amounts due will be on the county tax bill. Liens will be automatically filed for those properties that are delinquent. This should also result in lower HACCD fees.
 - Taxes are generally paid out of escrow, so it is likely that a much higher percentage of the homeowners will be paying dues.
 - Board of Directors

- There must be at least 5. The directors must be 18 or older. Additional requirements can be set.
 - The Board of Directors can be identical to the Greenway Fields Homes Association Board of Directors.
 - The organizational documents can dictate how the directors are chosen (by election or by appointment by the mayor/city council).
- Nonprofit v. Political Subdivision
 - Political subdivisions must comply with the Sunshine Act
 - Political subdivisions do not file tax returns.
 - Judges would not be allowed to serve on the board of a political subdivision.
- Attorney's Fees
 - Approximately \$20,000. Charles Renner said that he can cap the fees. This fee includes fees charged by the city, legal fees for surveying boundary lines (will need wrap-around legal description (not certified) and a legal description for each property), writing the legal description (which can be incorporated by reference), preparing the Proposal (this is actually free), drafting the petition, attending city hearing and obtaining the city's approval, and trouble shooting as issues arise. The city will charge several thousand dollars, and there will be public hearings and council hearings.
 - Board members can do a lot of the work to minimize legal fees
- Yearly Requirements
 - Submit annual budget to the city
 - Submit annual report to the city and the state
 - The board must adopt the budget
 - Election of Directors (if directors resign, etc., the board can appoint interim directors without providing notice)
- Moving Forward
 - Husch Blackwell Sanders prepare written proposal for the board to give to homeowners to create awareness and excitement about the CID
 - This proposal needs to be circulated immediately so that people start getting on board by January
 - If 51% or more of the homeowners show an interest in moving forward with the CID, Circulate Petition for signatures.
 - Need 50% or more for both per capita and per assessment. For per capita, all owners must sign. Churches could be an issue, but the area could be re-districted if necessary
 - It is best to have 60% or more so that if issues arise with individual signatures, those signatures can be removed without harming the process.
 - Petition needs to be in place by April
 - City will do a pre-review prior to submission and alert the board to problems with legal descriptions, etc.

- Approval of Petition takes 90 days, so the Petition needs to be filed by May 1, 2009
- City will have 2 hearings in August
- Tax bills are sent out September 1st
- The bulk of the revenue will be given to the CID from the county between January to March