

Inspiration Metropolitan District – Finance Committee Minutes
Monday August 2, 2021. 4:30 – 6:00 PM

STANDING BUSINESS

1. Meeting called to order at 4:34

Committee: Russ Paper (Chair), Peter Schreck (Vice Chair); Debbie Hardesty (Secretary), Dennis Colwell, Steve Harms, Sharon Macway, Bill Maxwell

IMD: Kate Innes

Community: Holly Svetz, David Svetz, Barbara S

2. Approval of Agenda (5 min) - Agenda approved

3. Approval of Minutes (5 min) - Minutes approved

4. Community Comment and Discussion (5 min)

- a. Resident David Svetz highlighted the community interest in developer lot verifications and data to share across committees. There are currently 962 total lots which differs from the developer's future estimates. Need to find the disconnect in the data.
- b. Resident David Svetz noted that there is a proposal to update the Hilltop Finance Committee charter to include additional contract reviews

OLD BUSINESS

2. Review of Financials (20 min)

- a. Member Colwell reviewed the June 30th, 2021 statement with the committee:
 1. Property tax collection, specific ownership tax and total revenue is on track
 2. Accounting and legal will continue to be monitored for expenses. Bond refinancing requires accounting and legal support
 3. Expenditures are on track. Community engagement line item has an open inquiry to determine timing between CLA / PA / IMD. Management fee due to high amount of services being requested may be over including to multiple bond refinancing conversations
 4. Bond activities are current funded through the general fund. If the bonds are refinanced, would be offset through the debt service fund.

- Debt service fund is on track with projections. Legal services continue to run high which includes enforcement activities
5. Utilities are significantly under budget, but timing should be the primary consideration as expenses only through May
 6. Landscaping overall is on track. Tree replacement will be realized once billing and timing finishes. Landscaping irrigation is under budget, with small irrigation repairs being performed and water audit consultant has been partially compensated
 7. August spark event may come in under budget, and partially reallocated to October
 8. Fence staining and repair is budgeted, but does not yet show up on the current statement
 9. Pool monitors are under target budget, however pool supplies and repair will be over budget

2. Status of Current Projects (30 min)

- a. Long Range Financial Model (Macway, Paper, Schreck)
Member Macway and Vice Chair Schreck are aligning the format with CLA reports with a goal of delivery in the next few weeks for use with the budget
- b. Resident Education (Colwell, Schreck)
 1. Member Colwell noted a financial consultant and underwriter have been engaged to assist in bond refinancing options and multiple board meetings. Higher probability of bank loan financing to service existing debt, however the impact to capital projects is unknown.
 2. Committee discussed pros and cons of presenting current bond community education with the refinance underway. Agreed to simplify presentation and move it to the 25th of August
- c. Benchmark Peer Group (Colwell, Paper)
Chairman Paper reached out regarding a peer group benchmark with SDA; it will not be happening at the September meeting as the population includes fire districts, water districts and other special districts. The SDA is not specifically interested in residential districts, but would like to pursue at a later date.
- d. Quarterly Dashboard (Colwell, Hardesty, Paper) - No new items
- e. Bond Refinancing (Colwell, Paper)
Member Colwell reiterated project goals of having a no levy reduction,

reducing servicing fees, and assessing long term capital improvement projects. Noted intention to refinance this financial year, and review the tradeoffs of each proposal to find a solution which meets a wide variety of needs

f. **Master Schedule of Contracts (Macway, Maxwell)**

Member Macway shared that the spreadsheet is with AJ and Kate from PA. PA requested a meeting request to follow up through Zoom (OPEN)

g. **Executive Summary to Board (Paper, Schreck)**

Chairman Paper requested today's minutes be delivered to Vice Chair Schreck to meet summary guidelines

3. 2022 Budget (5 min)

Chairman Paper sent communication a month ago to notify committees of budgeting process kick off

4. Insurance Overview (5 min)

Chairman Paper noted there will be a review with the district insurance provider to perform current market analysis and future budget guidance. PA AJ to schedule (OPEN)

5. Lot Number Reconciliation (5 min)

Resident David Svetz noted the developers are working on an updated and accurate list. Chairman Paper confirmed resident addresses appeared on both lists, and builder lots need review.

NEW BUSINESS (10 min)

1. New member update

- a. Chairman Paper officially welcomed new Finance Committee Member Maxwell
- b. Member Prior has submitted a formal resignation and an electronic communication is being prepared
- c. Resident Barbara S shared her intention to fill out a finance committee application and shared her decades of experience being the president of multiple HOAs, finance and long range planning.

2. Tract turnover

Chairman Paper updated the committee on the developer Newland requests to turn over several tracts of land to the district. PA Sarah has scheduled tract walks and they have both been physically reviewed by Board Member Svetz. The walks are intended to avoid additional tracts

costing the district significant expenses related to restoring the tracts to their intended conditions or excessive maintenance requirements.

3. Process improvement

Member Colwell suggested a process improvement regarding residential budget improvements be added to the next agenda (OPEN: Paper)

Adjournment

Next Meeting September 13, 2021. 4:30 – 6:00 PM. Zoom Meeting