

**Finance Committee Minutes  
Inspiration Metropolitan District  
Monday, December 6, 2021  
4:30 – 5:30 PM**

**STANDING BUSINESS**

1. Call to Order / Quorum - In attendance were Committee Members: Russ Paper (Chair), Peter Schreck (Vice-Chair), Debbie Hardesty (Secretary), Sharon Macway, and Barbara Shahapurkar. A quorum was obtained. Additionally, in attendance were Kate Innes from Public Alliance and 1 resident participated in the call. The meeting was called to order at 4:32 PM.
2. Agenda had a change under Old Business Item 2e) Maxwell was removed as a member of the Master Schedule of Contracts Committee. The minutes had a change to add Steve Harms in attendance for the November Financial Committee Meeting.
3. There were no additional changes to the agenda and minutes and motions were made and voted unanimously to approve both the Agenda and Minutes.

**OLD BUSINESS**

1. Review of Financials – January through October 2021 Comparative Financial Statements and the 2021 Amended Budget were previously distributed to the Committee. Chair Paper and Member Colwell have reviewed these financial, outside of the FC meeting, and noted that Year-To-Date Revenue were \$89.7K or 4.97% above projections and Year-to-Date Expenses were \$105K or 6.48% below previous projection. Adjusted surplus of Revenue over Expenses was \$195K or 112.47% higher than projected. Chair Paper noted there may be some expenses or revenue moved a month earlier or later. The Operating Fund is tracking at or better than Budget for 2021.
2. Status of Current Projects -
  - Long-Range Financial Model (LRFM) – The Committee received an email from Kate Innes regarding the per household change used in the Budget of \$11.35 with the contact stating \$11.84 Per household. Chair Paper is requesting Member Macway check the LRFM as that formula might not have the correct rate. After adding the 1% statutory stated landfill fee the total per household rate is \$11.96. Chair Paper announced the same rate has been locked-in for the waste contract in 2022. - **OPEN**
  - Benchmark Peer Group –The Committee will pursue this initiative and potential new task committee makeup in 2022. - **OPEN**
  - The Committee will revisit in January for the Benchmark Peer Group and the Quarterly Dashboard and for all the members of these Task Groups. The FC is posting for a new member for the Financial Committee, and we are underweighted on the All-Ages side and want to spread the word for a potential candidate from the All-Ages section of the district to help balance the FC. – **OPEN**
  - Quarterly Dashboard – The Committee will pursue this initiative and potential new committee makeup in 2022. – **OPEN**

- Bond Refinancing –Chair Paper restated the purpose and results of IMD’s Bond Refinancing as the largest major accomplishment project this year. Chair Paper summarized the weighted average interest rate was moved from 6.5% to 3.6% and reduced the annual debt service by 32% of the refunded bond amount or roughly \$1.4M per year, a huge savings. The net present value of the savings of \$21.3M over the life of the bonds.
- The \$3.25M subordinated tranche price on November 30, 2021, will fund December 7, 2021. The pricing is locked at 5%, previously estimated at 5.5%. This piece will allow payback to Newland for the funds loaned to the district as well as the \$2M for future capital projects.
- Master Schedule of Contracts – Chair Paper stated that Bill Maxwell will be removed from the task group and added this schedule turned out to be exceedingly helpful when preparing the Budget. Plans to commit to keeping this schedule current were determined with Member Macway and Public Alliance.
- Executive Summary – Chair Paper reported this was an abbreviated version of the Finance Committee meeting and is presented to the Board for their review during the Board Meeting.

### 3. 2022 Budget

Chair Paper solicited commits from the Committee, and none were shared.

4. Tract Turnover – Chair Paper shared that Tract Turnover is one of the reasons the Budget that the FC recommended to the Board didn’t get approved due to a lot of late arriving Common Area Committee expenses that came up after we presented our budget to the board. Including additional Brightview contracts on tracts to water, etc. It is a very fluid situation and keeps changing. It is unknown at this time when the tracts will be turned over. The last version of the Budget allows for those tracts when they are turned over.

### NEW BUSINESS

1. Process for Disbursement of Reserves – Chair Paper and Member Colwell have discussed, outside of the FC meeting, the need to establish a process for tracking and understanding the disbursement from Reserve Fund. CLA will include the disbursement in the Financials but will not have the details as to what those funds were disbursed for. Further discussion will be held in the January 2022 meeting.
2. Task Groups and assignments for 2022 – Chair Paper requested the committee members think about the task groups they are either currently serving on or those groups they are interested in serving. Further discussion will be held in the January 2022 meeting.

### Adjournment

A motion was made to adjourn the meeting and was unanimous, closing the meeting at 6:42 PM.

### Next Meeting:

Monthly Finance Committee January 3, 2022, 4:30 to 6:00 PM Zoom Meeting