

**FINANCE WORKSHOP NOTES**  
Wednesday, November 16, 2016

**Directors:**

- J. Worley**
- V. Starkey**
- A. Dreher**
- R. Anderson**
- R. Owens**
- C. Schierholz**
- N. Smith**

**Absent\*\***

**Staff:** T. Nolan, J. Case, C. Ward, S. Stanley, R. Fox

Others: Chris Blackwood (PFMAM)

- **PFM Asset Management Investment Presentation**

Chris Blackwood Director of PFM Asset Management LLC (PFMAM) presented an economic update and a summary of the District's portfolio and investment strategy as of September 30, 2016. (*See addendum: PFM HRMD Finance Workshop Presentation 11-16-16*)

Board Questions:

- Rick Owens: asked for an explanation on the relationship between the drop in the labor force participation rate and the unemployment rate. Chris explained all the factors at play including the under employment rate which is not graphed.
  - Jim Worley: Isn't raising interest rates controlling the markets rise counter-productive? Chris explained that rising the interest rates will create a scenario of controlled growth but that the rates need to rise so when we have another recession rates can be lowered to help recovery.
- **Forecast Model: Fire Scenario**  
During the Budget Workshop the Board requested to see the forecast model with the impact of switching service provider to South Metro Fire. Terry Nolan showed three scenarios:
    1. Status Quo – Forecast thru 2025 with existing fire contract and implementation of the Master Plan
    2. Fire Service with South Metro at 9.25 Mill Levy
    3. Fire Service with South Metro at 7.50 for five years to recognize acquisition of our assets and then increasing to 9.25

Board discussed some of the issues and concerns regarding transition to South Metro

- **Update on Banking RFP**

Stephanie Stanley gave a brief update on where we are and how the process will proceed. She asked if someone from the Board would be willing to review the responses and Allen Dreher graciously “*volunteered*”.

- **2016 Audit Engagement Letter**

Stephanie Stanley answered questions about how long Haynie and Company has been our Auditor, the basic fee structure, length and timing of audit. Consensus of the Board to proceed.

- **Rescissions**

The quarterly Board Communication which rescinds unexpended appropriations was presented by Stephanie Stanley. It was reviewed and recommended for the consent agenda at the November Board meeting.