

FINANCE WORKSHOP NOTES
Wednesday, February 22, 2017

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

Others: Chris Blackwood (PFMAM); Mark McClure (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 December 31, 2016. (*See addendum: PFM HRMD Finance Workshop Presentation 2-22-17*)

After PFM's presentation the finance workshop took a break for the Study Session and resumed the workshop at the end of the Study Session.

- **Preliminary 2016 Year end Budget vs. Actual**
Stephanie Stanley presented the preliminary year end results with an overview of revenues and expenditures. Overall revenues are slightly under budget primarily because of the lower than anticipated participation in recreation programs. The operating budget is approximately 4% or \$766,000 under budget but we are still waiting for the final adjustment for the fire contract. (*See addendum: HRMD Financial Results as of December 31, 2016*)
- **Forecast Model – Impact of Residential Assessment Rate**
Stephanie Stanley shared the updated forecast model showing the impact of the reduction in property tax revenue due to the change in the residential assessment rate. The revenue will most likely be down 3 to 10 percent in 2018. Staff will review this again at the June retreat when the residential assessment rate is final, ~~and~~ preliminary assessed value is released and the preliminary TABOR calculations have been updated.
- **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 February Board meeting.