

**CASTLE PINES NORTH METROPOLITAN DISTRICT
SPECIAL SESSION MINUTES
January 14, 2025 – 2:00 p.m.**

HELD: Tuesday, January 14, 2025 at 2:00 p.m.

ATTENDEES: Directors Jason Blanckaert, Jana Krell, James Mulvey and Tera Radloff were present. Nathan Travis, District Manager; Kim Seter and Paul Polito of Seter, Vander Wall & Mielke; Eric Harris of H2 Advisers, Sarah Curtis, PMP, and members of the public were also present.

CONFLICTS: None.

QUORUM: Present.

CALL MEETING TO ORDER: The Special Session was called to order at approximately 2:02 p.m.

DISTRICT ACCOUNTING SERVICES PROPOSAL: Manager Travis informed the Board that both employees that worked on our finances are no longer with CRS. The H2Advisers proposal has been reviewed and others did not provide proposals. Eric Harris and Molly Jansen were introduced to discuss the proposal.

Mr. Harris introduced himself and noted that he was the finance director from 2015 through 2021. Mr. Harris' new venture works for various developers, districts and HOAs. He is very familiar with the district and was involved with the PWSD consolidation effort. Mr. Harris has offered his proposed time and material for 2025.

Director Radloff asked about the month end reconciliation process and list of reported elements. How do you advise the board of information needed. Mr. Harris noted that he provides reporting and then billing. All payments and revenues are allocated throughout the system monthly. You can typically close out the monthly books within two weeks of the end of the month. Accrual and budget to actual tracking can be presented monthly to allow strategic finance decisions. Director Radloff also enquired if there are enough people available to provide the services needed. Mr. Harris stated that Molly Jansen would be fully dedicated to the District and Mr. Harris would be involved frequently.

Mr. Travis asked Mr. Harris to address the lack of accounting licenses. Mr. Harris is a licensed CPA. Many firms do not use CPAs because District's only need tracking services. There will be no independent financial services advice or assurance services. H2 provides book keeping and preparation services.

Director Mulvey noted his struggle with previous presentations of accounting that were difficult to track and that it was not prepared or updated until just before the meetings. It was frustrating and sometimes impossible to compare the budget to what had been

received or spent on a project. How will you report this information? Mr. Harris noted that he does provide this information but that the District's accounting system already exists and is complex. However, H2 can timely provide the best information available. Will have set up the structure behind the accounting system to report the information requested. You need to know and will now where you are with each vender to allow strategic decision making on a timely basis. It will take a little time to implement these processes.

Director Blanckaert asks about the current system. It is a cloud-based system that can be updated to obtain the information needed. Will need a large effort to get up to speed where the District is currently. Director Radloff asks about the January 31 filings with the state. Mr. Harris also notes that the year end payroll information will need to be prepared also.

Director Radloff noted that we have an auditor scheduled and need to have our journal entries continuing so that we don't lose our audit process again.

Director Krell noted that she had no questions. Director Mulvey asked to hear from Ms. Jansen about her qualifications. She was primarily in Poudre School District accounting from which she retired as controller and joined Pinnacle. Career has been focused on government accounting. Providing information to allow for good decision making is her passion. She will be the District Boards Day to day contact and will take the lead in preparing the audit papers which will involved well over 100 hours of work.

Director Radloff asked whether participation would be via zoom. Mr. Harris stated that meeting would be attended in person. Ms. Radloff asked Mr. Travis to comment on the budget and expense for services under the previous accountants. He noted that 2023 costs \$326,000 and over \$260,000 in 2024 before audit work. Total is generally over \$470,000.00. H2 propose \$238,000 cap providing a large reduction in costs.

Mr. Travis noted that Director Enquist wanted to inform the Board that talks with CRS were not satisfactory. Her meeting and conversation with Mr. Harris were encouraging and she would vote "yes" if she were present.

A question was asked whether Molly might retire again. Ms. Janzen addressed that concern and her effort to ensure others are well informed before any previous retirements. She is not anticipating any retirement soon. There is also a 90-day notice requirement on both sides provided in the proposal.

Director Radloff moved the Board to approve the proposal of H2. A roll call vote showed a unanimous vote of the Directors present.

ADJOURN: The Special Session adjourned at approximately 2:42 p.m.