**ARTA Teams Info-20240626\_111244-Meeting Recording**

June 26, 2024, 5:12PM

1h 12m 8s

 **Sundberg, Steve** 0:03
I'm good.

 **Carlson, Nicholas** 0:10
There we go.
Alright, we'll go ahead and call to order the meeting of the Aerotropolis Regional Transportation Authority of the chair does see a quorum.
Please let the record reflect that matched Steve O Dorisio Steve Sundberg are all present and that uh Chaz to DESCO and Curtis Gardner have both been excused from today's meeting.
It may be joining later.
Have the disclosures of conflict been filed with the Secretary of State?

 **George, Tom** 0:38
Morning, Mr.
Chairman board yes, disclosures were filed for today's meeting.
Of course, spending ever changes, or we need to update your forms.
Please let us know and we can do that.

 **Carlson, Nicholas** 0:47
Great.
Thank you.
Make them move on to the agenda.
Are there any changes to the agenda and agents else Sir?
No changes from us from.

 **George, Tom** 1:00
No, none for me.

 **Carlson, Nicholas** 1:02
All right, hearing none chair would make a motion to approve the agenda as published as our second.

 **Sundberg, Steve** 1:08
2nd.
Sundberg.

 **Carlson, Nicholas** 1:11
Thank you, Steve Sundberg.
All those in favor will say aye, aye.

 **Sundberg, Steve** 1:18
Aye.

 **Carlson, Nicholas** 1:20
Motion carries.
Thank you.
At this time, we'll invite any members of the public that wish to address the border.
Is there anyone here from the public that wishes to address the board on items not already on the agenda?
Stay here and none and move on to concentrate window.

 **Steve O'Dorisio** 1:33
I have a I have a I I do have a question on the agenda we do have.

 **Carlson, Nicholas** 1:36
Sorry, what?

 **Steve O'Dorisio** 1:39
Hold on.
Let me pull it up.
We do have, umm, on our agenda.
Legal matters.
Does that also include us going into an executive session?

 **Carlson, Nicholas** 1:53
We have executive session is listed as item 7.

 **Steve O'Dorisio** 1:59
I see for yes on two issues.
Yes, I think that should cover it.
I just want to make sure the topics were there.
Thank you.

 **Carlson, Nicholas** 2:10
Yes, thank you.
OK.
We'll move on now.
Terrell make a motion to approve the consent agenda without objection.
Is there a second?

 **Sundberg, Steve** 2:18
Sundberg second.

 **Steve O'Dorisio** 2:21
I I I still.

 **Carlson, Nicholas** 2:21
Thank you, motion.

 **Steve O'Dorisio** 2:23
I still would like to look at some of the claims reports and have a discussion on some of those items. So.

 **Carlson, Nicholas** 2:31
Which item would you like to pull from the consent agenda?

 **Steve O'Dorisio** 2:35
Umm.
And I know that we did already approve some of the April, but I'm looking at some of these bills and there's some questions I have about the errors that that I think there was an explanation about the was invoices.
I wanted to talk about that I when it comes to the invoice for litigation, I do have questions about the litigation expenditures and expenses that I still thought we were going to get a report on it.
It is a financial main issue, but it's also legal issues, so some of that might be covered under the executive session, but I'm not sure Ohm.
But then, like I still look at some of the April.
Some of the April stuff I'm just trying to track down when we have an issue with our invoicing on an issue that occurred with the was invoice for the litigation from a year earlier, I think it was last year and then when he also have, I just wanted to ask if we ever kind of closed loop.
I do see something here on about some sort of deposit and it was in the Marchetti Weaver bill for 4/8/24.
Of course, that's April and I'm sure the month before we already approved it.
And we're talking.

 **Carlson, Nicholas** 3:46
Do you wanna go ahead?
And I I would suggest that we we go ahead and ratify and approve the consent agenda under financial matters.
Talk about those items that you were talking about regarding timing of billing and anything that was not paid in the timely manner and anything that you have concerning the real estate property acquisitions and billing towards that could be covered along with the update, umm, with our acquisition attorneys in exec session, yeah.

 **Steve O'Dorisio** 4:16
Yeah, that's more of an explanation, but until I have the explanation, I don't feel comfortable at proving.

 **Carlson, Nicholas** 4:25
OK.

 **Steve O'Dorisio** 4:27
So maybe we could come back to that.
We could pull the financial stuff off the agenda for now when they could set the ratifying a claims payable.

 **Carlson, Nicholas** 4:36
So, so the the ratification of the claims that we've already paid.
They've already been approved, OK.
Let me think how to do this.
So let's move item.
So if the claims payable, so we'll remove it, would you be amenable to removing item C then from the consent agenda?

 **Steve O'Dorisio** 5:06
Yeah, for now.
Yes, the answer is yes.

 **Carlson, Nicholas** 5:09
OK, we're gonna remove items E.

 **Steve O'Dorisio** 5:10
From consent? Yes.
And then we can move it into a.

 **Carlson, Nicholas** 5:13
And we were gonna add item C may finish.
We're gonna add item C to.
We're gonna move that to item 4.
Umm as item C under item 4 under financial matters, OK, There's I will withdraw my motion to approve the consent agenda.

 **Steve O'Dorisio** 5:25
Correct.
Correct.

 **Carlson, Nicholas** 5:34
Is there a second?

 **Steve O'Dorisio** 5:36
2nd.

 **Carlson, Nicholas** 5:38
Thank you.
OK, that's off the table now.

 **Steve O'Dorisio** 5:41
So wait, we.

 **Carlson, Nicholas** 5:41
The chair will make a motion to approve the the Chair will make a motion to approve the consent agenda items A&B.

 **Steve O'Dorisio** 5:50
2nd.

 **Carlson, Nicholas** 5:50
Is there a second?
Thank you.
Motion's been made second all in favor, say aye aye.

 **Sundberg, Steve** 5:57
Nice.

 **Carlson, Nicholas** 5:59
OK.
Thank you.
Moving on to item 3, Engineers report.
A1 Mr de Vito.

 **DeVito, Tony** 6:10
Good morning everybody.
Matt asked me to be very brief.
We've got a lot on the agenda, so I will roll through the agenda there.
First project or excited about just one of the first projects for us to come to a completion here ribbon cutting coming up this Friday ohm just in you know this projects been a a strong cooperation with the E 470 authority, a lot of interactions with City of Aurora in this connection also the I GA be it's a 3 way IGA between you 470 city of Verona ARTA was executed ohm in All in all I think I presented to Matt the other day where less than 1% on change orders and overs and unders on this project so.
All in all to you, it's been a great partner and delivering this project, next one down the I-70 and AEROTROPOLIS Pkwy interchange.
Keep saying this every month we're close on the right away.
Michael A had a good meeting last night with one of our property owners, clauses that had to go to the city of Aurora.
Hopefully we'll be sitting down with the C dot in their final right away plan review meeting, which is one of the next critical path steps for us to get the construction permit.
In addition, the IGA between C DOT and City of Aurora was fully executed with all signatures and all parties on June 6.
Another little exciting aspect of this, the TDM that the traffic demand management that we were doing, the Arrow shuttle that has been running reached a milestone of over 1000 riders.
So that pilot for phase two wraps up here in a month or so, and then we'll sit down and talk about how we move into maybe a phase three, the popularity of the arrow has been well received in the community.
Next project I'm 38th Ave.
Uh, the Clymer, the was resubmitted on May 6.
Now it shouldn't restart the full 90 day clock.
We're hoping that the 60 day clock they've seen it three other times, so hopefully here we'll get some good feedback.
In the interim, we have advertised this project.
We do have a selected contractor moving forward with negotiations and so hopefully this critical leg to the 38th.
We can get going with the contractor and get that connected.
Next project, we'll move into designs.
The other major interchange that that's coming up or the I take it back, the next big issue that we've been working on is with the railroad air Tropolis Pkwy.
I seventy 26th, we've had two really good meetings this month.
It's been a kind of a logger logger neck here, but issue with being kind of keeping things from moving forward.
They weren't even letting us go on to the property to do some borings, so we're pleased to report that we have achieved ohm, you know at least some the head nod in the in a, in a movement towards the design improvement variance with some commitments for the Piccadilly Rd at grade crossing Ohm.
So some good news to report there for a change.
And then I think I'll just jump around here and hit the projects, the Indesign that are going to hit for advertisement in the fall here of 2024.
That will be the air tropolis Pkwy.
Will kind of kind of skip to the north here from this lake.
I still need to 26.
We'll skip to the north and we're going to Denise 32nd to 48th Ave and get that advertised and then the other one will be 20 6th Ave Main Street to Aurora Highlands Pkwy.
Ohm, that one will advertise and then on the last page we'll be 40 8th Ave.
You umm it decimated final design for E 470 to aerotropolis Pkwy.
So those are the three next roadway design packages that will be moving forward into construction, so.
Ohm if you have any questions, I'm here to answer any of those.

 **Carlson, Nicholas** 10:25
Any questions for for Tony?
OK.
Thank you, Tony.

 **DeVito, Tony** 10:32
You bet.

 **Carlson, Nicholas** 10:33
Umm, we'll skip the we'll run through reports real quick.
I'm not sure we have anyone here for reports that there anyone here from the Aurora Highlands development that to give a report.
Is anyone here from the city of Aurora wants to give a report?
Hey, tax not my Green Valley ranch.

 **Riley, Kyle** 10:59
Yep.
Uh, this is Kyle with Oakwood homes on here just pulling up our updated map for everyone.
Said OK, if I share my screen and just show the map of the status of everything going on along to bed and uh 38th Ave and 40th Ave.

 **Carlson, Nicholas** 11:16
That would be great.
Thank you.

 **Riley, Kyle** 11:18
Yep.
Awesome.
So you can see here under construction last time I think we spoke it was designed was approved to bed Rd phase three and construction anticipated to be completed by the end of this year's 48th Ave roadway, which is in this light blue color is being constructed and the second portion that connects onto Tibet is indicated to be completed by the end of this year.
A majority of the construction on Tibet Phase Two, which is this darker blue, is almost completed and we should be completed by the end of this year, early next year, and then the West side has been completed on Tibet Road phase one and then the east side, which goes with our filing 15 development right over here on the east side is anticipated to be in 2025.
And then our 52nd Ave is getting close to uh, seedy approval here.
I think we're in for second and third submittal and they've requested signature set from the City of Aurora.
So we're moving along on that front as well.
And I think there was typically a permit update can so far today we've had about 727 building permits pulled.

 **Carlson, Nicholas** 12:35
That's great.

 **Riley, Kyle** 12:36
Yep.
Any questions?

 **Carlson, Nicholas** 12:41
Any questions?
Great.
Thank you for that report.
Thank you for joining us today.

 **Riley, Kyle** 12:45
Yep.

 **Sundberg, Steve** 12:47
Hey, Matt.

 **Carlson, Nicholas** 12:48
OK. Yes.

 **Sundberg, Steve** 12:51
This is unrelated, but it connects to Green Green Valley Ranch.
I just attended a ribbon cutting ceremony for the bridge over I-70 for the Highline Canal connection of Colfax over to Green Valley Ranch.

 **Carlson, Nicholas** 12:58
Yeah.
Excellent.

 **Sundberg, Steve** 13:06
It's it was three miles and it was the largest section on completed $9 million.
Took a lot of cooperation, and so it's just one little thing to enhance the area.

 **Carlson, Nicholas** 13:17
That's great.
And I know that the thank you for bringing that up.
And of course the the trail system continues to develop out that area.
So that that's going to be an important connection over I-70.

 **Sundberg, Steve** 13:28
Yeah.

 **Carlson, Nicholas** 13:29
So that's great.

 **Sundberg, Steve** 13:30
Yeah, it'll make its way over near painted Prairie to the Gaylord in the course.
This is like a Lincoln log project compared to what you guys are doing, right?
But but very important.

 **Carlson, Nicholas** 13:40
I don't know but, but I would note that on the E 470 there are 214 foot trails on either side of that structure that the city of Aurora had requested.
And so those will connect into that trail system that you're Speaking of.
And so that that is another great great connection opportunity I think for for, you know the entire region for a trail system.
So thank you for bringing that one up, Steve.

 **Sundberg, Steve** 14:07
Truly my pleasure.

 **Carlson, Nicholas** 14:11
Right.
We're going to move on to financial matters item 4 and Eric with us, bring Erica.

 **Eric Weaver** 14:19
I am.
Do you wanna take payables first though, Matt, since we move those down?

 **Carlson, Nicholas** 14:22
Perfect.
I I would like to take item a.
First, let's do the.

 **Eric Weaver** 14:29
OK.

 **Carlson, Nicholas** 14:30
The cash position, the unaudited and what's just take it in order.

 **Eric Weaver** 14:34
And good.
Here we have May 31st financial statements on the balance sheet.
Here main items to note here is that our project fund is down to 3.677 million.
Uh, far further down, you'll see that the pay application for this month is approximately 1.5 million.
So overall in that fund we have, after making the payment for the pay application this month, we'll have about two and a half, $1,000,000 left of fund balance.
Part of that came is sitting in a colotrust account.
The majority of that sitting in the project fund account, but as we've all been talking about for you know, quite a long time, you know we're hitting that Mark where likely in another month, the two months we will be out of project funds and be dependent on advanced funding from the Metro District site to continue with the with everything, Melissa, what a big part of the meeting is talking about the bond issuance.
So I'm not going to get into that part of it right now.
The general fund here down in the lower left corner you see, is down to $44,000 of fund balance left.
So we know that we're kind of barely getting by on administrative side looking for the inclusion.
We'll discuss the inclusions as well, but part of that money would come from Tower MD release once they're able to use their Aurora regional improvements mill levy funds that they've collected could be transferred to the authority and that's what we would be used for them in.
Partially.
There's part of those funds for administrative costs, and part of those for capital costs.
Any questions on this page?
Just looking at the balance sheet before we move forward to the profit and loss side.
All right, we can Scroll down.
We can skip over this section.
This is just a summary of our property taxes here in our general fund.
I would highlight is on the right hand side you can see every line item so far is running favorable to budget.
We've been trying to do all that we can to minimize administrative costs, knowing that we have very limited funds on hand.
So all all good on that that for that front, but certainly running low on phones, we move forward to the next page on the debt service fund, a little bit of the opposite report I gave roughly a year ago.
Right now you can see on the on the right hand side our revenues, almost every category is running favorable, sizable favorable variances under you know funds coming from the city either shared use tax fees and transportation impact fees.
Property taxes will start getting those from the county shortly, but those should be, you know, pretty well, pretty well right on track with forecasts.
So not a concern there that we haven't gotten those yet because they do those in lump sum payments alter.
Also, interest income has continued to do well.
We had one of our Treasury bills mature in earlier in the year and that certainly helped with excess interest income.
So that's service fund is looking good.
I know we had some struggles there where we had some some slowdowns in the building permits and everything that's going on that has definitely turned and it's a great trend to see as we go into towards you know, a proposed bond issuance coming up.
Then on the next page we have our capital fund.
And the first thing I wanted to point out is under other income, we did get a reimbursement from I believe that acronym is EC CDI, I'm turning E Cherry Creek Water District, if I remember right, that's what that stands for, for shared costs of upgrade of a line.
So we had not budgeted for that to come in.
So that certainly helps.
That's what I was referring to is some money sitting in the Colotrust account.
That's where it could deposit.
So we will use that to help us get a little bit further in our capital projects until we have funding from the bond issuance.
In terms of the expenses here, really two items of note, the E 470 project is almost complete.
We do have one final invoice that we're I think Matt's working through with them on related to a tear down of the facility.
And so overall, that project did come in even higher than what we had anticipated.
It was the time we were doing the budget last year, Matt, and reviewing that there's a some several components to that really comes back to such a massive project and the design costs as a percentage came in much lower than you would see on a normal project, but still a little bit higher than what we had anticipated.
So that is one that the authority has to basically cover the overage in because there is no advanced funding from other entities.
So it will likely result in a little bit more advanced funding coming from the districts on other projects, but in the in the grand scheme of things, in terms of what that project was percentage wise, I'm still not too far off of what we had had thought it would be.
The only other thing here is that under I-70 interchange we have hit the mark where those that that project should be being advanced funded and in the cost certifications it hasn't.
So I think Tony is working on getting us straightened out.
So we should be able to get a credit in either the next or the following cost certification that comes after that.
Overall, like I said, fund balance is down to about 2 1/2 million dollars here.
So depending on what you know activity we see you know 30 days from now and 60 days from now anticipate that will be to the point of running out of funds in that project fund.
Any questions from anyone on financial statements that I can answer?

 **Steve O'Dorisio** 20:17
Yeah.
I wanna go back to the 470.
Is this the the additional 5?
The 5,000,000 delta right.

 **Eric Weaver** 20:23
Let me let me clarify that.
So part of that is a timing issue about a little I think 3.2 million of that was the authority had had paid all the costs, but we went back and billed the Metro district to say, hey, we did part of the moving of the water line was shared costs and part of enhancements to the interchange where request from the district.
And so we build the district.
I believe it was somewhere in the neighborhood of $3.2 million.
I went ahead and recorded that as a receivable on the books of the authority at December 31st and hence that's why it's showing a $5 million negative.
Is that from a budget standpoint, we would have shown that as being in 2024, but I really thought that have these costs have been incurred and they should be shown as an asset.
So it's really only it's less than a $2,000,000 actual overage compared to budget.
Yeah, compared to budget this year.

 **Steve O'Dorisio** 21:29
Because it was recorded as a as it for December of 2023.

 **Eric Weaver** 21:34
Correct.
Yeah.
The the we from a budget standpoint, I would have shown that credit coming in this year.
So instead of seven million of expense, we would only be seeing say 3,000,000.
I went ahead and put that in 2023, so we finished 2023 better and now it's making 2024 will look worse.
It's just a timing timing issue.

 **Steve O'Dorisio** 21:56
The uh and and we have had discussions in the past about the changes.
One is, they said, the water line and one is design changes to the interchange over requirements.

 **Eric Weaver** 22:08
Correct.

 **Steve O'Dorisio** 22:10
And the water line is is covered.
What's the ratio of how much the additional cost of the water line was covered by the Metro district compared to the to the authority?

 **Eric Weaver** 22:26
Matter.

 **Steve O'Dorisio** 22:26
Do we know?

 **Eric Weaver** 22:26
Tony, are you in a position to be able to answer that by chance?

 **Carlson, Nicholas** 22:31
Yep, one second here.
The water line, the total water line, Steve was approximately $3 million and that was a split cost.
So 1.5 district 1.5 authority.

 **Steve O'Dorisio** 23:02
And that was because of the City made that change over the requirement.
After our initial assumptions and estimates.

 **Carlson, Nicholas** 23:12
Right.
Right now, as we said.
And and we're still auditing the the full project, but we're we have less than a 2%.
Umm.
Over what are estimated budget was.

 **Steve O'Dorisio** 23:27
Yeah, the delta the net estimate.
Got it.
And that's why I went and Eric was saying that it's different by about 5,000,000, yet it's still close to the overall net, closer to the overall net than it may look right now because we're looking at a moment in time.

 **Eric Weaver** 23:46
Exactly.
You're only looking at your.

 **Carlson, Nicholas** 23:47
That's correct.

 **Eric Weaver** 23:47
Looking at the very end of the project so it looks like a big overage even at $2,000,000.
Looks like a big overage, but when you take all years combined, it's not percentage wise that big of a number.

 **Steve O'Dorisio** 23:58
Yeah.
And then the interchange cost was the rest.

 **Carlson, Nicholas** 24:00
Because the the told us the total cost of the interchange just I mean roughly is.
90.
$98 million and we have less than a $2,000,000 delta right now.
Yeah, we didn't pay all the whole the whole night.
I mean, if we're 70 paid a large portion of that, understand.
But $70 million of that?

 **Steve O'Dorisio** 24:30
Yeah.
OK.

 **Eric Weaver** 24:35
Any other questions on the financial statements?

 **Steve O'Dorisio** 24:40
Yeah, I was in looking at these different costs.
One of the things I'm trying to lean into is paying some attention to the details of our cost and I know you said that we're getting to the point of our regular monthly administrative costs are going to have to get us to depend on the advance from the district, correct.

 **Eric Weaver** 25:02
Uh, the hope is that the tower inclusion would be completed and as I understand them and that's completed, there would be a release of funds that they have on hand from their collection of their Ari Mill levy.
And that's what we would we would use a portion of that money to cover administrative costs and refund it administrative reserve.
The other portion of it we would put towards capital projects.

 **Steve O'Dorisio** 25:25
Got it.

 **George, Tom** 25:26
Eric, if I may, just just to clarify that.

 **Steve O'Dorisio** 25:26
And they would.

 **George, Tom** 25:28
So, Commissioner, address.
I remember we had the three agreements with the city late last year.

 **Steve O'Dorisio** 25:33
Yeah.

 **George, Tom** 25:33
There's the the Piccadilly interchange.
IGA the cooperative IGA and that tower.
IGA that what's going on with Towers Tower Metro District under its Service plan, imposes an Ari Mill levy and gives that revenue to the City of Aurora Aurora's holding the funds the the agreement between ARTA and Aurora is for Aurora to transfer the funds to ARTA to ARTA to use for any of artist purposes.
There's more than I think.
It's more than $300,000 in the bank already from that Ari Mill Levy, so it would be any prior previously collected error mill levy revenues plus going forward.
So we we're that that agreement has been approved by ARTA and approved by the city.
We're just trying to finalize the MOU, which was that cooperative IGA, slash MU once that's finalized and signed, the tower funds would transfer from the city to ARTA and ARTA can use for any of its purposes, including administrative costs.

 **Steve O'Dorisio** 26:30
And is that server is kind of a just bridge funding or is that something that we just have the discretion to use once that's complete?

 **George, Tom** 26:38
You'll basically have the discretion because it's not pledged to the debt and it's not establishing IGA revenue, it's come in sort of separate, right?
It's this other category of revenue, yeah, that would be used for for any purposes of artist.
So I think you know this fall when you look at next year's budget, we'll have a clearer picture of what that revenue amount is.
But it does give you some flexibility.
That was intentional, so perhaps this year covers some administrative costs, perhaps in the future it's only capital or mixture.
We can look at that as we go, but it's not PLEDGED anywhere else.

 **Steve O'Dorisio** 27:06
But we don't need got it.
Therefore, we don't have to reimburse.
It's not like a temporary like we're gonna be backfilling that.
That's what I'm trying to get.

 **George, Tom** 27:14
That's right, that is.

 **Carlson, Nicholas** 27:14
No, no, it Steve.
She.
Steve, that'll be that'll be an ongoing revenue stream for for the authority.

 **Steve O'Dorisio** 27:21
Got it.
And it makes sense to use for administrative purposes like this.

 **Carlson, Nicholas** 27:27
Correct in in capital.

 **George, Tom** 27:27
Yeah, remembering right and under.

 **Carlson, Nicholas** 27:29
So what we don't use what we'll use it for, we we have the authority to use it for both.

 **George, Tom** 27:34
Right.

 **Carlson, Nicholas** 27:36
Yeah.

 **Steve O'Dorisio** 27:36
And then the Cherry Creek Water District reimbursement.
That was a unexpected or UNM, maybe a an unplanned, maybe just undocumented reimbursement.
How did that come about?
And we didn't know about it before.

 **Carlson, Nicholas** 27:53
The no, no.
We knew it was coming, so we had we, if you remember, we were back.
Almost.
We weren't litigation at one point.
We negotiate a settlement with ECV for the relocation of the water line within the Aurora Highlands Parkway and they paid 50%.
We paid 50%.
We had to pay that up front, certify all the bills to them, and then they wrote us a check.
Eric just wasn't anticipating receiving the check immediately.

 **Steve O'Dorisio** 28:18
This is the 50% got it.

 **Carlson, Nicholas** 28:21
What's that?

 **Steve O'Dorisio** 28:21
This is the.
This is the 50% when we advance the 100%.

 **Carlson, Nicholas** 28:26
That's correct.

 **Eric Weaver** 28:26
Correct.

 **Steve O'Dorisio** 28:27
Got it.

 **Carlson, Nicholas** 28:29
Up up to a fixed dollar amount, yes, which is what we receive.

 **Steve O'Dorisio** 28:34
Got it.
And the total cost of that got it.

 **Carlson, Nicholas** 28:36
Right.

 **Steve O'Dorisio** 28:40
Alright, thank you.

 **Carlson, Nicholas** 28:43
And if you remember too, that because of the split in that particular project, just like all of our projects have district, whether it's, uh, districts of Wendler districts of, you know, there's or they will Highlands or Green Valley Ranch, there's a portion of our 50% of that that was paid through other entities.
So we actually didn't pay the full 50%.

 **Steve O'Dorisio** 29:07
Because we have other players that participated in that.

 **Carlson, Nicholas** 29:11
That's that's correct.
So we have a split on that particular one was we have a 5842 split.
So they authority pays 42% and the district pays 58% of the 50% that we do we incurred from EC CV.

 **Steve O'Dorisio** 29:30
Got it.

 **Carlson, Nicholas** 29:32
OK.

 **Eric Weaver** 29:39
Would say the only I believe the only thing that changed in the prior year figures is that Steve, where you did talk about getting some invoices late that we did go ahead and that were related to 2023.
So we did a crew those in those invoices hit into that capital administrative line you see here.
So that line I am did increase and as you see we are running a little bit over budget in that line item here as well as kind of right in the middle of the screen.

 **Steve O'Dorisio** 29:58
I don't.

 **Eric Weaver** 30:04
As I'm looking at it here, Capital Dash administrative.

 **Steve O'Dorisio** 30:05
You know.
Yeah.
Let me get there and then.
I scrolled down.
Alright, there it is.
So this is the capital is, is this the one that you're talking about for the law firm?

 **Eric Weaver** 30:23
Yeah, it it's a combination of our bills that are related to capital.
Tom's Bills related to capital CLA's related to capital and special counsel related.
So there's multiple firms going in there.
We actually track it separately, but we don't break it out into the financial statements just cause in terms of our overall budget or relatively one.
But you do see we're running a little bit over in that, which is why you're wanting to bring back out those payables to discuss.

 **Steve O'Dorisio** 30:48
That's right.
Which ones?
That which line item are you looking at?

 **Eric Weaver** 30:52
Uh capital.
Dash ADMINISTRATIVE.
We're running 25O91 over budget so far through the year.

 **Steve O'Dorisio** 30:59
There it is.

 **Eric Weaver** 31:00
Yep.

 **Steve O'Dorisio** 31:04
Alright.

 **Eric Weaver** 31:06
With that, is there any other questions on financial statements?

 **Carlson, Nicholas** 31:12
But that's the chair would entertain a motion to accept the financial statements.

 **Sundberg, Steve** 31:21
I moved to accept the financial statements sunburn.

 **Carlson, Nicholas** 31:25
Thank you.
Is there a second?

 **Steve O'Dorisio** 31:28
This is for a under the agenda, correct? Yeah.

 **Carlson, Nicholas** 31:31
This is a yes.
Yes, this is just the accepting the report.
You just received.

 **Steve O'Dorisio** 31:36
Got it.
I I second that motion.

 **Carlson, Nicholas** 31:40
Thank you.
Motions were made and second all in favor, say aye, aye.

 **Steve O'Dorisio** 31:44
I.

 **Carlson, Nicholas** 31:46
5 motion carries.
Thank you.
Now we'll move on to review and consideration approval of the draft 2023 audit. Eric.

 **Eric Weaver** 31:56
Yeah, so draft has been included.
Uh, the audit went smoothly as I just mentioned, the only adjustments were for those invoices that we received late after we'd already put the audit work papers together and present the financials.
And so again, we did accrue of of over $3 million of that reimbursement from the districts as a receivable at the end of the year.
So that brought down our capital expenses by $3 million.
Hence why now you're seeing it shows as a budget overage, but it's just really a timing issue.
Cash was received in 2024, actually a credit on a cost certifications was received in 2024, but we went ahead and received that in 2023 or booked it in 2023.
The authority received a clean or what is technically called an unmodified opinion, which means that we have a clean bill of health, if you will, from our auditors.
The auditors don't have any recommendations for any internal control changes or anything.
They're very happy with the bill.com procedures that we have and the multiple eyes and and firms seeing this with our cost reviews, you know, engineer involved and all the back and forth that go in here to to try to make sure we don't have any issues.
The only record, the only comment that they have in their letter back to the board is that on when there was a true up of some of the costs that the authority had funded but were later than put back as being advanced, funded somewhere in there, not on the authority side but from the district and cost certification side.
The the authority actually has been advanced, funded about a thundered $1000 too much, and so any expense that we show goes on as a capital addition.
Well, when we have a credit come back, we show that coming off.
And so we actually have a negative capital asset now in terms of our balance sheet, that's almost nothing, but it's $100,000.
So they did go ahead and note that it's just in the internal, it's not in these financial statements that you see, but it is a comment that they had back to the board.
It's very seldom that we have these comments.
There was one on we've been aware of it.
Schedio's aware of it, I'm sure.
We will get it taken care of again in the big scheme of things.
That dollar amount is not a huge deal and it's to the benefit of ARTA at this point.
Otherwise, we would have 100,000 less in our project fund.
I'm happy to go through any of the financial statements anybody would like very much mirrors kind of discussion we've been having on our May financial statements.
So I'm gonna pause there again, happy to answer any questions or go through anything and more particular anybody would like.

 **Steve O'Dorisio** 34:40
So when they when they did this review, clean Bell health is good, I mean but my my question then is they're not making any recommendations even though that was a that was a a small amount to the net impact that about 100,000 you said, but they're not making any recommendations that we change to our process.
I will note, though, that that the audit the auditors may may acknowledge that schedules role is, but I do think there are still in the one of the last meetings, there was still some question as to clarifying uh schedules role in all of this.
Does that make sense to you?
Remember when we were asking?
OK, it's schedio's role to make sure that the ratios of reimbursement and expenditures is correct between the Metro district, there's a quantitative piece and a qualitative piece, right?
And I wanted us to clarify the scope of schedio.
And so when we're explaining this to others in the past, we were able to tell folks, look, we got it now a third party to come in to make sure that there's a proper distribution done.
Uh under a proper distribution of of how much the authority is paying for certain overlapping or or cooperative projects versus the Metro district.
But I also remember that when the one of the last meetings that we had, we still need to declare Y.
That is it just a qualitative quantitative who does the review to make sure that we're not overpaying not just ratios, but overpaying and what we're paying out to the contractors for the cost of certain things.
And that was the part that that did kind of come to light in one of the meetings that we had is that schedio's job is not to make sure that you're not paying too much for the process.
Bottom line is just they're there to make sure that the ratios are are balanced as they should be.

 **Carlson, Nicholas** 36:32
So.
So, Steve, yeah, so Steve, if if I may.
So if I heard the question correctly, so what's schedio's role is is first the first role is to verify that the cost are public, meaning that they are.
They are verifying that they are public costs, that there are no private cost associated with what is being asked to be paid.
That's that's their number one.
Number one job number 2 job is with ARTA is to make sure that it is.
They review the coding of those invoices to make sure that the percentages between if it's like a 5050 split that that is being allocated to the right entity and that shows up on our report or their report.
Umm, you, whoever the other entity may be, because there's multiple districts and multiple developments that obviously we're dealing with at this point.
And so if it's someone else's, or if it's somebody else's cost ECCV or somebody, they verify what that is.
Umm, so that's the second one.
The third is they do not.
They are not the construction manager, so we do have the construction management team who verifies that if the contractor fills the the authority for 1000 yards of concrete, there is an on most of our projects that is a ecom has people in the field that verify that if they're billing us for 1000 yards of concrete that 1000 yards of concrete were actually poured and that 1000 yards of concrete are what the design called for and they verify what is called a pay application which then is the start of the process that goes to schedio to review.
So the CM in the field verifies that it was the work was done and it was done to plan.
Then it goes to Schedio, who reviews that the work that was done is public work, work, that the authority is authorized to to perform.
It is within our bond documents etcetera.
And that the percentage of who is who is being built to is correct in the review of the payout application.
Does that makes sense?

 **Steve O'Dorisio** 38:45
Absolutely.
And the fact that we just talked about $100,000 difference of change, was it as an example of where schedio's process actually found an issue and we were able to correct it, correct?

 **Carlson, Nicholas** 38:57
Right.
And and and understand yes and and we are constantly on the program management side constantly, even reviewing those in retrospect even after that because there are managing the entire project, right.
So they will find where it was a valid public expense that the that the cost was correct, but that it was incorrectly.
Uh, hey.
And so then they go back and and reverify those and then you see those true UPS.
So that that is like after the fact auditing of every project.

 **Steve O'Dorisio** 39:35
Yeah.

 **Carlson, Nicholas** 39:35
So every time like when when we see the like on the E470, when we go well there's a $2,000,000 you know over what was estimated and it is an estimate you remember that was before we ever went to construction.

 **Steve O'Dorisio** 39:36
So just.

 **Carlson, Nicholas** 39:46
Umm, why is it so?
Then they they actually go back and break down that $2,000,000 or million six or whatever it is to figure out why?
Why was our estimate off and it could be, you know, there's half $1,000,000 in change orders on that particular one that we're at.
OK, there you go of that.
Then you've got 16% soft costs.
That's part of that.
So there's another $100,000.
So there's 600,000 of the 1.6 million.
So they do go back and verify it after the fact as well to see if there's any discrepancies in what we thought the budget would be and what it ended up to be.
And that's kind of a a audit of the whole process after the fact as well.
So that's another checks and balance that party has in place.

 **Steve O'Dorisio** 40:30
Create.
That way you just did is help clarify cause I'm trying to explain.
I wanna be able to explain this because we're gonna have one or two at least.
People coming in from Adams County to sit in the seat that I sit in now that Chaz and I sit, I'm also at the beginning of this entire process.
One of the challenges we had was questions about accountability, oversight, checks and balances, and we just need to declare what schedio's job.
And I love how you broke it out to make sure it's public and transparent and #2 to make sure that the ratios of responsibility are for our our adhere to as far as me, when I mean responsibility, I mean the actual payments come from the costs are actually allocated as designed and fairly and legally as as appropriate.
So you don't have the authority paying too much or the OR the district, or even some of those other players that you mentioned paying too much in the ratio of what the of what the allocation of of responsibility I would say.
And then the other piece is that that I appreciate you bringing up is the role of the construction manager to compare the what was designed both what was designed and estimated is actually what was implemented and delivered and that's it.
That's the final piece.

 **Carlson, Nicholas** 41:43
Yes.

 **Steve O'Dorisio** 41:44
One thing, one thing that we don't do well in government and I'm gonna start asking this and I know our folks are gonna.
They're starting to see me ask this question is where?
Where do we have the situations where somebody's actually, umm, looking at something and saying we shouldn't be paying $10 million for this project?
It should be 7 or 8.
Umm, that is usually done on the government side through a procurement process and so but that is not covered by schedio here.

 **Carlson, Nicholas** 42:08
Yes.

 **Steve O'Dorisio** 42:10
It's covered in the construction management piece is only so that's a portion I'm gonna ask about later.
But the you did clarify that Schedio's job is to make sure that the ratios are covered and then it's public and then the construction manager is to make sure that the design matches implementation.

 **Carlson, Nicholas** 42:27
That's correct.
And and to just jump ahead to your to your statement cause I think it's a very important one and that is with with the procurement.

 **Steve O'Dorisio** 42:33
Right.

 **Carlson, Nicholas** 42:36
So everything that that ARTA does, whether it's being procured and advanced by the district, it goes through a public bid process, it's published on BITNET, all those bits come in.
And so, you know, there is the construction management team then does bit tabs, evaluates all of those umm bit to ensure that to your point if something comes if we thought something was gonna cost $7 million and it comes in a 10 million, we don't just take one bed that we're analyzing you know we have multiple bids right.
So we may have on the last one date.
Do you know or Tony?
I mean, we may have had five bidders for which like on each force on how many bidders do we have 3, three.

 **DeVito, Tony** 43:18
We had three three bidders, yeah.

 **Carlson, Nicholas** 43:20
So we had three bidders down there and then those were all analyzed side by side to make sure you know, there's not poles in any of them.
First of all, poles in the scope, you know someone could be low, but then they didn't have the bridge.
I won a project in my old days as a consultant in in Weld County because of the competitor that was against us, had a lower bid, but they forgot to put the bridge in, so there's was much cheaper.

 **Steve O'Dorisio** 43:44
Yep.

 **Carlson, Nicholas** 43:46
So it was A bridge project.
Yeah.
And so so that analyzation takes place.
They analyze that, but then they also they look at the unit cost to ensure that one contractor is not telling us that concrete costs $100 a yard and somebody else is bumped it up to $500.00 a yard.
And so we we look at that as well.
And so the CM does that before the selections made, and it's all public bid and it's all public information.

 **Steve O'Dorisio** 44:14
Right.
So if there's ever a question that somebody says it were overpaying, umm, that they'll be able to look at that and then challenge us.
And that's our job is to be able to look at that and say, well, based on the three bids we got this is or however many bids we got, we chose the ones that met our criteria.

 **Carlson, Nicholas** 44:29
Yep.
And and I will tell you just I'll pull the curtain back a little more, which I I really appreciate what a COM does as the program management on that on the CM rather construction management on that is they take those bids and they do the original bit tap and then those go out to three separate reviewers who are all professional reviewers.
So in construction and engineering and and and such, and they look at that independently, then those nodes get combined into one report so that it's not one guy sitting around saying this is the best contractor.
All those scores come in independently, and then it's it's combined into one report for for selection.
So which is another checks and balance that, yeah.

 **Steve O'Dorisio** 45:15
That.
Thank you.
We should probably document all that at some point.

 **Carlson, Nicholas** 45:24
It is.
It is, you know, a flow chart might be nice, though we could we could kind of show you a flow chart on it.

 **Steve O'Dorisio** 45:26
9 minutes.

 **DeVito, Tony** 45:27
In New York.

 **Steve O'Dorisio** 45:28
That's that's what I'm referring that that that's what I'm referring to, because as we're gonna have folks come and go on on this art of board, and you're gonna have people continuing to scrutinize Metro districts and special districts.
It wouldn't be bad to have a transparency page or an explanation of these processes, because we worked really hard to get these put in place.

 **Carlson, Nicholas** 45:50
That's correct.
And I think that I I will say as compared as the authority as compared to.

 **Steve O'Dorisio** 45:51
Back.

 **Carlson, Nicholas** 45:58
Uh, and I'm not throwing stones at Metro districts or special districts, as you know, we are neither of those.
But I will say that I think that we've gone above and beyond on transparency.
This organization has ARTA has to the point where I would even challenge against C DOT and and the counties and cities that our process is even even more scrutinized and and more transparent than than all those entities.
Because we know we're at we, we know we're under a microscope.

 **Steve O'Dorisio** 46:27
That.

 **Carlson, Nicholas** 46:29
And so that's the reason that we have we have to be more transparent than anything anybody else.

 **Steve O'Dorisio** 46:35
Got it.
And then when it comes back to this audit, I appreciate your explanation, Eric.
But it's just an explanation that the money is what we where.
We say it is.
We're tracking it appropriately and sometimes it's in those notes or those recommendations that we find if there's some sort of qualitative operational changes or improvements we make and you clarify that, there are not a lot that gave a note saying here there was an issue here, but they explained it.
So I think I'm, I'm OK with the adopting this if we're at that point to be able to do, do we need to adopt it?
Ratify. Approve.
George, this is the auditor. Good.
It's just a draft anyway, right?

 **Eric Weaver** 47:14
I like to have the board make a motion to accept the audit.
Let's make this subject to final accounting and legal review, though.

 **Steve O'Dorisio** 47:22
I would so move based on that that we would, that we would accept this audit subject to accounting and legal review and modifications for administrative or legal purposes.

 **Carlson, Nicholas** 47:35
And I will second that motion.
Thank you, Steve.
Motion has been made and seconded all in favor, say aye.

 **Steve O'Dorisio** 47:43
I.

 **Sundberg, Steve** 47:44
I.

 **Carlson, Nicholas** 47:44
Hi.
Now we're gonna move on to item C This is the approval slash ratification of claims payable.
Great motion carries.
Thank you.
This is claims paid as of June 19th, 2024, and the May claims report both were included in your packet.
With that, I will open that up to I I think we can go straight to questions.
I don't think there's a presentation.
So Steve, I'll just turn it over to you for questions of Eric on this.

 **Steve O'Dorisio** 48:10
Or or can you pull up?
Is this the section here?
What page are we on?

 **Eric Weaver** 48:17
This is uh.
I'm not running it, so we're on the 12th page of the packet right here.

 **Steve O'Dorisio** 48:21
Billing it up.
These are the ones we already approved for payment.
I just want us to clarify a little bit about the process here because it is a little confusing for folks. Every month.
Eric, can you walk through the process of what, how we do this?
So let's say for example on the screen you've got a bill coming in from CLA of dated February and March, and then you have another one from Marchetti and Weaver, and then another one from PFM.
Can you explain the process that we built through?

 **Eric Weaver** 49:07
So on on these bills that are to actually pays, this is completely different than all the costs certifications that we're talking about.
The cop on the capital side, but on these bills, for instance, we'll just take the Marchetti and Weaver bill for February 29th here towards the top.
Invoices received in the month of March because services are for services provided in the month of February.
From an accounting standpoint, even though we get that in March and pay it in March, we date that in February.
So that will show up in if we would have run February financial statements, it shows up as an expense of the month of service was provided, not the month it was paid.
James then reviews that invoice, whether it's sometimes they come in, coded as someone else has already done it, and the instance of this one.
James reviews that and determines that based on the breakdown of the invoice $382.50 of that invoice was related to capital items.
For instance, plus processing a cost certification, things of that nature.
The remaining 1773 and 84 cents is all administrative or general fund costs, so attending a board meeting, working on the audit things not directly related to capital.
So we break down the codings of those invoices for everything that comes in.
All those invoices are then put into bill.com coded and and done as I discussed only once there, then sent to the board members for approval to board members that be in you.
Steve and Matt, both of you have a chance to review that.
Make comments.
Reject it.
Ultimately, hopefully approve the invoice only once.
We have your approval then are we allowed to have the ability to release those payments out to the vendors?

 **Steve O'Dorisio** 50:58
Got it.
And and and so sometimes there's some delay in the review.

 **Eric Weaver** 51:02
Yeah.
Yeah, sometimes we don't get the invoices right on time.
And so we're we're really subject to when the invoices are received from us, that's when they go in.
Hence why we did talk about we had some invoices received late in 2024 that were actually related.
Still, back to 2023.
Work that had been done, but the invoices hadn't made it to us yet.
For, for, for the legitimate reasons as they are being reviewed and discussed, we still had to code those as a 2023 expense, even though it may have been in April or May that we actually got them.
And so we went ahead and put them as 2023 expenses and accrued them in as part of the audit.

 **Steve O'Dorisio** 51:42
Got it.
And So what I do is just I we get these bills.
And So what we're approving today is the breakdown of these bills and the separation of which account they're coming from.

 **Eric Weaver** 51:55
What we're really doing today is that only you and Matt have seen actually see these detailed bills.
And so we're putting it back in front of the full board to say, hey, Full disclosure, these have been reviewed by two board members, but we're putting all this out there for the full board to understand everything that's been paid out and looking for ratification to say, hey, there was no issues if a board member says, hey, wait a minute, why do we pay this bill?
That's where we say, well, let's go discuss it.
It's already been paid, but doesn't mean we can't discuss it.
And if there was a, you know, issue or air that we can't go back and say like we need to, you know, find a way to revise this or get a credit back or whatever it may be.

 **Steve O'Dorisio** 52:34
And I think it's also important to notice that this, that what we see here on the screen doesn't have the full detail that Matt and I get to actually see behind each of these numbers, correct.

 **Eric Weaver** 52:44
It does not.
I I believe here we have all the board members set up with their own access to bill.com, so any board member is has the ability to go in and look at any invoice that they want, but they're not required to review them like you and Matt are before they can be paid.

 **Steve O'Dorisio** 52:59
God and just so everyone understands, I'm trying to put this out there so people can understand looking at this the process because it does take some time.
There's a delay in getting us the invoice from from the provider service provider and other times it's it's a delay in on our side, particularly me looking through these invoices and have asking some questions or not are wanting to first have a meeting or an understanding of some of the costs and that's where I'm at today is there are a couple items that I wanted to ask.
Of course they do.
Not necessarily reflect the items that are on the screen, so here it does.
Actually, for the June payables, uh, for ratification and then then the next one is the claims payable for the April and May correct.
That's the next page.

 **Eric Weaver** 53:47
Correct. Yep.

 **Steve O'Dorisio** 53:48
So I would be OK to ratify.
Uh, I I guess my concern though, I have a broader concern based on what I'm doing in a reviewing this is I still think we need.
I don't think that we have had enough discussion about tracking the expenditures of some of the litigation, particularly with the Wasp, Campbell, Rivera, Johnson and Valesquez invoices.
And when I see this number that we're not meeting on a regular basis, we're trying to do this and we track a lot of the administrative costs month to month and I'm able to look at the level of detail in each of these invoices.
Quite often I feel pretty comfortable with what's coming up.
I don't feel like I have a good grasp on on that particular Bill, even going back, so I'd like to have a discussion on that now.
That's a financial matter.
On the other hand, it could also be something we discussed in.
Executive session because the Bill actually relates to the service and strategy, and I would be OK with that.
But I'm gonna ask TomTom to actually weigh in on what the best way for me to ask more questions on because we are now crossing the level of questions about a bill and with existing litigation and how I do know that sometimes Billing can reveal strategy and and other legal matters that are best left for an executive session.

 **George, Tom** 55:06
That's right.
There's no two, two things.
One is you're right.
The detail of legal invoices is are are protected by attorney client privilege, also.
Mikaela Rivera is going to join us in executive session here when we get there, so I think that would be the perfect time to ask her.
You can ask her any questions you have directly and should have the opportunity to answer that in executive session.
As to your other question about Bright Way to handle this, I think you could either if you're comfortable, approve the claims now you can get clarification from her in executive session, or you could do executive session you when we come back you could approve these claims.
Then, assuming you're satisfied with that discussion and executive session, so either before or after, based on your your level of comfort at this point.

 **Steve O'Dorisio** 55:46
Yeah.
Here, here's the deal.
The process is that look what you're seeing on the screen is there.
Yep, we're sometimes approving the invoice and the bill to be paid and the board itself, other than the two of us who look at these invoices, are sometimes not able to and they don't see the invoices unless they want to go in.
You're saying that each could that any one of the five members can look at the invoices themselves.
That's fine, but unless there's some scrutiny to do this, it's up to me and Matt to the raise the red flag.
If we have any concerns, there was one particular entry that happened in Ohh April where it said that there was some sort of mistery deposit.
So like those kind of things make me a little nervous.
And then when I learned that we had an invoice.

 **Eric Weaver** 56:35
Let me clarify that.

 **Steve O'Dorisio** 56:35
I yeah, please do because it was in the invoice.

 **Eric Weaver** 56:36
So we has nothing to do with with these invoices we're talking about on our side.
There are all of a sudden we'll see fun show up into our bank account.
We we receive funds from the county, from the city, from all over, and sometimes we don't get the report saying, hey, by the way, funds are coming into your account and so we see this money show up and we go well, that's that's great news.
Where did it come from and how do we code it?
So that's that's what a mystery deposit is.
Yeah, you're reading down to the details of James on that day, going trying to figure out where did this money come and how do I record it.

 **Steve O'Dorisio** 57:13
And not not in these in these specific invoices, you don't always necessarily see how you close the loop on figuring out where it came from.
Not always correct.

 **Eric Weaver** 57:21
Exactly.
Yep, Yep, we we figured it out.
But you do.
We tried to put a description there of what?
What were we doing on this day and and part of that is, sometimes we get funds before we get the reports for what it was for and we're trying to figure out what, where do we code that from?

 **Steve O'Dorisio** 57:35
Got it.
So I I I wouldn't mind at some point in the future as having a discussion of what level of scrutiny and detail the rest of the board expects Matt and it to be.
Applying in my role as Treasurer and his role as the Chair, and I just feel like every once in a while it's not a bad idea to circle our wagons and just confirm with everyone that I that we sometimes get invoices for something that occurred months and months earlier and then we get a bill that is approved by us.
Since earlier and then we get a bill that is approved by us, but two of us to actually pay that bill for that invoice that happened months earlier and then it's not until even a few months after that now at the board itself will ratify the payment of those bills.
And so we could be talking about something in February, March or even in this case.
Uh, some things go back even though.
Like 1-1 invoice.

 **Eric Weaver** 58:35
Never looking at October ones here, for instance, yes.

 **Steve O'Dorisio** 58:37
Yeah, yeah, yeah.
So September, November, Umm and so I just wanted to clarify and be as transparent as possible with folks is that I'm going to ask some of these questions and if if there are in in an, I'm gonna assume that I'm not gonna be the treasure or in this seat forever and somebody's going to be asked to what is my job to do in this role and I want to make sure that the rest of the board of course we only have three people here today but I want to make sure that I'm meeting.
Issues and so that's why in our executive session, I'm going to ask about this litigation and the Bills with was and that's why I'm asking a lot of questions today, team.

 **Carlson, Nicholas** 59:08
I.
No good.
The good questions and will follow up more in detail, Steve, it's OK with you in exec session.
The details on that I do want to note because we do record these meetings and we do put them, make them available to the public that the litigation that Steve's talking about was past and authorized by resolution of the full board.
And so while while we may have, why we may have questions about particular charges within the litigation or litigation was all authorized by the full board.

 **Steve O'Dorisio** 59:40
That's right.
That's correct.
I think that's good clarification with yeah.

 **Carlson, Nicholas** 59:54
Just for the reference.

 **Steve O'Dorisio** 59:56
And with that, I'm OK with making a motion to approve the ratification.
To me, go back to this. Uh.
Of of both claims paid as of June 19th, 2024, approving ratifying as well as the May claims payable report.

 **Carlson, Nicholas** 1:00:15
Umm.

 **Sundberg, Steve** 1:00:21
Second, sunbird.

 **Carlson, Nicholas** 1:00:23
OK.
Thank you.
Thank you, Steve and Steve motions been made and second all in favor say aye. Hi.

 **Sundberg, Steve** 1:00:26
Umm.

 **Steve O'Dorisio** 1:00:31
Why?

 **Sundberg, Steve** 1:00:31
I.

 **Carlson, Nicholas** 1:00:33
Motion carries.
Thank you. OK.
At this time, we're going to move on to legal matters, Tom, Item 8.

 **George, Tom** 1:00:43
Thank you, Mr.
Chair legal line May is really just a placeholder.
No need for any discussion or action there.
I had to be just wanted to give you a quick update on the inclusion areas.

 **Sundberg, Steve** 1:00:51
Like that's.

 **George, Tom** 1:00:52
We're continuing to have discussions with the different property owners.
We are hopeful that we'll have it.
It we'll call it an inclusion agreement.
We've drafted a template agreement that's been distributed for legal counsel for the the various builders that they've had a chance to review it.
We need to put and they've been discussions about projects and funding in that sort of thing.
We need to just put those together into those agreements.
We're hopeful that we can get that done between now and your July board meeting to bring these inclusion agreements to you at that time and that will sync up with our our proposed 24 bond issue as well.
I'm which we could talk about a little bit more.
And so that's really update on the inclusions.
The man I I noticed we don't.
We kind of skipped over or financial discussion of the bond issue or point you wanted to do that.

 **Carlson, Nicholas** 1:01:43
Ohh yeah, and we we didn't have that on here.
So let's let's go ahead and and if you don't mind, before we go into exec session, let's turn over to Melissa just to give us an update.
And just as a reminder, to give us an update on the uh, but the 2024 bond issuance which was originally scheduled for 2023, which we thought was going to be in Q1 of 2024.
And so I think we're finally gathering all the information and and Melissa walked that through because that was going to mention it earlier only because, you know, when Eric was alerting us to the fact that we have twiddling funds in our project fund and that was due in part, you know, the reason that we're so low.
And that was accounts is because it was anticipated originally that this would have been issued more than 18 months ago.
And so with that, Melissa, can I turn it over to you to kind of give us a status update and tell us when we look like we might be able to replenish our coffers?

 **Buck, Melissa L.** 1:02:42
Yeah.
Yep.
Thank you, Matt.
So I'm just gonna share this timeline with the board really quickly.
So, as Matt mentioned, originally we were contemplating having issued artist next bond issuance sometime in 2023 and then we delayed that to 2024, similar to the last couple of bond issues that we've had.
I, you know, collecting some of the due diligence information, we've hit some delays with that.
So that has moved our timeline back as well.
So currently we are anticipating a target sale date of September.
And that would mean the board would approve the authorizing resolution and any inclusionary areas in August and is August 28th meeting.
So to make sure that we stay on track with this schedule, we've we've done a couple of different things.
Actually we we had a working group meeting yesterday where we discussed kind of steps next steps and a path forward.
So we're now going to have a biweekly bond status update meeting.
I don't anticipate these meetings taking very long, but just to make sure that you know, we stick to the schedule and we understand where there could be any bottlenecks.
And then we've appointed a point person to help us gather some of the due diligence information from the developers, all the bits and pieces that we need for both the market study, which we anticipate receiving in July and then also the offering documents, which we anticipate a first draft being sent out at the end of July.
So I'll stop here and ask if the board has any questions.

 **Steve O'Dorisio** 1:04:45
Yeah, we're a little behind in doing this, but is there any benefit like has have the rates come down a little bit because this delay?

 **Buck, Melissa L.** 1:04:54
Umm, yeah, so the Mark has been very the Marcus been very volatile.

 **Carlson, Nicholas** 1:04:55
Hey. So what?
What one good thing?
What did Melissa, Melissa, if I could, the good, the one good thing and which is why we actually delayed.
If you remember, Steve, was that there the outflows of of funds for these high yield funds, it was an outflow, not an inflow.

 **Steve O'Dorisio** 1:05:04
Yes.

 **Carlson, Nicholas** 1:05:12
And so we rode that market to make sure that we got into a position where the funds that we would normally sell to in the market actually had inflows and that the funds were available for us to go to A to a market and be competitive.

 **Buck, Melissa L.** 1:05:23
Umm.

 **Carlson, Nicholas** 1:05:25
But I'll let Melissa and Mike Baldwin follow up more on that.

 **Buck, Melissa L.** 1:05:27
Mm-hmm.
Umm yeah yeah so.

 **Carlson, Nicholas** 1:05:29
But it was a great question too.

 **Michael Baldwin** 1:05:30
Yeah.
So yes.

 **Buck, Melissa L.** 1:05:32
Umm, so I would say yes, that was one of the biggest reasons why we delayed the issuance.
I will also have a youth by saying the markets been very volatile recently because we're continuing to digest a lot of the economic information being released at the last FOC meeting, the Fed indicated that they anticipated one rate cut this year.
Right now, the market thinks that's gonna happen in September, which would align pretty well with our financing timeline here.
So the markets kind of already priced that in, umm, but you know it's we're moving forward with this timeline and then we just have to keep our eyes on how that economic data tracks in these next couple of months.
Mike, do you wanna add anything?

 **Michael Baldwin** 1:06:25
Yeah.
So I mean, kind of what Matt started with, you know this year 2024 were definitely the funds are experiencing inflows approximately 12 1/2 billion total.
Six of that has been in high yield is, which is the area that we care about and a lot of the kind of dirt bond issuances that we've been doing for the past several months have been received really, really well, not only due to the high yield fund inflows, but lack quite, quite honestly, there's been a kind of a lack of quality, you know, dirt bond issuance out there.
So right now it it's.
If anything, you know I don't have a crystal ball or whatever, but I think the bias is for rates to go lower as opposed to higher.
So as we get towards the end of the year, so I mean right now we're in position and you know with these inclusions and stuff like that that they're going to be added to this next issue.

 **Buck, Melissa L.** 1:07:12
Mm-hmm.
Umm.

 **Michael Baldwin** 1:07:22
You know, we kind of need to go through that, but we've got, as Melissa's put together, that timetable, we're going to kind of dual track that and continue to move along with, you know, hopefully up a September pricing.

 **Buck, Melissa L.** 1:07:34
Mm-hmm.

 **Carlson, Nicholas** 1:07:37
So good, good news and great questions, Steve, because you know it was.
I think we made, even though we're we're running low on funds right now and that's somewhat concerning because when we, you know in Dave and Tony will be putting together kind of the the flow chart of what's going to be needed between now and issuance to see just where where we stand financially.
But umm, I I think that you know, if we make it to the end, we're we're gonna be in a much better position than we would have if we had gone to the market a year or 18 months ago.
But if anyone does have that crystal ball, uh, I would would love to borrow it, at least for a week.
Maybe some Lotto ticket purchases.
You know those kind of things, but yeah.
Alright.
Any other questions for Melissa or Mike?
I I just wanna say to both of them publicly.
Thank you for all you're doing on this.
You know this is.
It it it is, it's very difficult, but it's more difficult than what people think by hurting all of the attorneys, all the tax opinions, all the Bond Council all together and and and getting everyone focused.
The market study one also think Dave, Center, who's been really kind of spearheading and leading the effort with the developers and getting all the information necessary from all the inclusion areas, because just sitting on the sidelines kind of watching all that go on, it is a say it's a tough job.
And so I just want to thank all of you on that team for all that your efforts and all that you guys are doing.
So thank you.

 **Michael Baldwin** 1:09:20
You're welcome, but it's also a pleasure to serve dope.
The board here, we really appreciate it.

 **Carlson, Nicholas** 1:09:28
All right, Tom, any other business to come before the board and in open session?

 **George, Tom** 1:09:35
Mr.
Chair.
No, that's it for legal matters.
And I think we can move on to executive session then there would be no action after executive session expected.

 **Carlson, Nicholas** 1:09:44
OK.
Great.
Then with that I I would like to make a motion to to move that we enter into executive session pursuant to Colorado revised statute section 24-6-402-AB and E for the purposes of conferencing with legal counsel and receiving legal advice on specific questions and or decision matters, subject to negotiation, developing negotiations, position strategies and instructing negotiators regarding ARTA's website, ADA compliance and ARTA real property acquisitions.
Is there a second?

 **Steve O'Dorisio** 1:10:27
2nd.

 **Sundberg, Steve** 1:10:28
2nd.

 **Carlson, Nicholas** 1:10:30
Thank you.
Motion's been made in the second.
All in favor say aye.

 **Steve O'Dorisio** 1:10:34
I.

 **Sundberg, Steve** 1:10:35
I E.

 **Carlson, Nicholas** 1:10:35
I and at this time CLA will move those that are needed.
Those of you that aren't, thank you very much for attending today.
I think, Tom, do you want to do like a little roll call?
Who you need in that in these meetings, I think obviously we've got CLA to talk about the ADA and then we'll need just you and Michaela when we get into the legal matters at the end.

 **George, Tom** 1:11:02
Yeah, I think that's right, man.
I guess the question would be whether, uh.
So we'll we'll board members, obviously.
Anna Nic Carlson, or both.
With CLA Umm would you like Eric and James from marketing and Weaver to join us or let them go down with their day?

 **Carlson, Nicholas** 1:11:18
I I think, hey, if Erik, you could, if one of you could say just so that we can go through some of those Billing questions that would be great.
And then once we get past the billing questions and we get into more of the legal strategy, we may, we may or may not ask you just to to exit the exec session at that point.

 **George, Tom** 1:11:40
And then Matt, same question for Melissa and Michael Baldwin, if we could, if you wanna have them join us or and let them those.

 **Eric Weaver** 1:11:41
Some.

 **Carlson, Nicholas** 1:11:49
I I don't think there's anything related to to that.

 **George, Tom** 1:11:53
OK.
And then uh Michaela Rivera.

 **Carlson, Nicholas** 1:11:54
I think we could, we could use them for them.

 **George, Tom** 1:11:56
Nick, I think if you're the one doing the breakout rooms, Mikaela Rivera is on.
She is special counsel on the real estate.
Real real property acquisition side, so she would join us as well.

 **Carlson, Nicholas** stopped transcription