

**Heather Gardens Budget & Finance Committee
April 20, 2020 Special Meeting Report
Zoom Meeting**

To: Members of the Heather Gardens Budget & Finance Committee, HGA Board of Directors, HGMD Board of Directors, and General Manager

From: John L. Coil, HGA Treasurer

Committee: John Coil, Co-Chair, Bill Archambault, Co-Chair, Doug Edwards, Rita Effler, Ray Nash and Steve Villano.

Staff: Calvin White, General Manager, and Brett Miller, Controller.

Audience: Sixteen guests, including four HGA Board members and one HGMD Board member.

The HG B&F Committee meeting was called to order at 1:02 PM. The Committee has two vacancies. A quorum was established with 6 of 6 members present. Coil stated that Bev Havens has been appointed to fill a vacancy on the Heather Gardens Association Board. We are now seeking her replacement on the B&F Committee, as well as her replacement as Chair of the Audit Subcommittee.

Welcome and Chair Comments: Co-Chair Coil welcomed those present. He announced that this is the first regular Budget & Finance Committee meeting following the rules of the new Joint Budget and Finance Procedure Memorandums. Co-Chairs Coil and Archambault will chair the agenda items as appropriate.

Meeting Reports: The items listed for ratification under Old Business were the results from the March meeting. The only business was to conduct an email vote on the four items. Coil emailed a summary of the special meeting held last Friday, April 17. There were no suggested corrections or changes.

Monthly Operating Analysis Review: The February and March reports were discussed. A copy of the revised January report was distributed with the agenda packet. The key issue raised was to understand the impacts of COVID-19. The

impacts in March were limited. The major impacts will be shown with the report for April. Concern was raised about reinvesting authority.

Effler moved, Nash seconded, that the Budget & Finance Committee recommend that the Heather Gardens Association Board of Directors authorize extending the reinvestment authority through the end of May in CDs with a maturity of 90 days or less. The motion was approved unanimously.

Subcommittee and Other Reports:

Coil reported that the Audit Subcommittee has not met to review the February and March checks. The stay-at-home orders make it difficult to perform their activities.

Villano said the Insurance Subcommittee is working on a Request for Proposal (RFP) to seek an insurance broker.

Coil noted that the Capital Project Program Subcommittee (previously known as the Reserves Subcommittee) has not meet. He received a draft response to the regular questions and data on capital projects. Comments were returned for follow-up.

Miller reported no progress, due to COVID-19, on the search for accounting software.

Miller reported that a draft HGMD audit report is ready. He will schedule a presentation with draft copies of both audit reports for the May B&F Committee meeting.

Old Business: The results of the March email vote were listed. No ratification action was taken as the HGA Board has acted on these items. The following list serves as the March meeting report.

- a. Recommend Approving Executing Master Client Agreement and Ambassador Non-Discretionary Client Agreement with The Nice Group of Raymond James. Motion failed.

- b. Recommend Approving Completion of 2020 Chair Rail Projects in Buildings 213, 244, and 233 (\$62,184). Motion approved.
- c. Recommend Approving the Farnsworth Engineering's Design Proposal to Resolve the Ventilation issues in B223 (\$9,225). Motion approved.
- d. Recommend Approving Reinvestment of U.S. Treasury Bills Into New 30-Day U.S. Treasury Bills (Maturing 3/17/2020 for \$4,032,000). Motion approved.

New Business:

- a. Recommend Approving Contract with Denver Commercial Coatings Inc. to Paint Buildings 213, 214, 215, 217, and 342 (\$336,365): Building 216 was removed from the scheduled list of building painting projects for 2020 and fixing painting problems on Building 243 was added. After discussion, painting Building 216 was added back to the list since the Building 243 paint repair costs appear to be a maintenance cost activity. Effler moved, Villano seconded, that the Budget & Finance Committee recommends that the Heather Gardens Association Board of Directors revise the project and approve a contract with Denver Commercial Coatings to paint buildings 213, 214, 215, 216, and 217. The contract amount will be \$320,000 with a change order reserve of 2% (\$6,400) for a total cost of \$326,400. The motion, as amended, was approved unanimously.
- b. Recommend Approving Contract with Asphalt Coatings for Buildings 223 and 224 (\$13,300): Villano moved, Edwards seconded, based on the recommendation of the Structure Maintenance Committee, that the Budget & Finance Committee recommends that the Heather Gardens Association Board of Directors approve the contract with Asphalt Coatings to sealcoat, crack-fill, infrared patch, strip/paint, and replace 32 damaged parking blocks for Buildings 223 and 224 parking slabs. The contract amount will cost \$11,650, with a change order reserve of \$1,165 for a total project cost not to exceed \$12,815. The motion, as amended to correct the reserve order amount to 10%, was approved unanimously.
- c. Recommend Approving Contract with Colorado Asphalt Works for Buildings 241 and 242 (\$18,491): Nash moved, Edwards seconded, based on the recommendation of the Structure Maintenance Committee, that the Budget

- & Finance Committee recommends that the Heather Gardens Association Board of Directors approve the contract with Colorado Asphalt Works to sealcoat, crack-fill, infrared patch, stripe/paint and replace 51 damaged parking blocks for Building 241 and 242 Parking. The contract amount will cost \$16,810 with a change order reserve of \$1,681 for a total project cost not to exceed \$18,491. The motion was approved unanimously.
- d. Recommend Approving Contract with Custom Contract Elevator Solution to Replace the Elevator Jacks in Buildings 236 and 241 (\$175,700): Edwards moved, Nash seconded, based on the recommendation of the Structure Maintenance Committee, that the Budget & Finance Committee recommends that the Heather Gardens Association Board of Directors approve the award to the 2020 Elevator Jack Replacement contract to Custom Contract Elevator Solutions. The contract amount will cost \$159,000, with a change order reserve of \$16,700 for unseen conditions for a total project cost of \$175,700, which is \$55,187 over budget. The motion was approved unanimously.
- e. Recommend Approving contract with Turner Morris Roofing to Re-Roof Building 244 (\$510,912): Concerns were raised about the financial justification to change the normal roofing thickness to a thicker roofing which has a higher cost. Effler moved, second by Edwards, to refer this project back to the Structure Maintenance Committee to complete the project justification. The motion was approved unanimously.
- f. Recommend Approving Contracts for Parking Slab Renovations for Buildings 217, 220, 222, 223, 231 and 236 (\$119,976): Changes were made to actual project cost estimate of \$100,700 and the change order reserve to 10% for a total cost of \$110,770. Nash moved, Effler seconded, based on the recommendation of the Structure Maintenance Committee, that the Budget & Finance Committee recommends that the Heather Gardens Association Board of Directors approve the needed repairs to seal water from doing any further damage to the parking slabs and foundations at Buildings 217, 223, 236, 222, 232, and 220. The contract amount is \$100,700, with a change order reserves of 10% (\$10,070) for a total project cost not to exceed \$110,770 without prior Board approval. The revised motion was approved unanimously.

- g. Authorization for New Bank Account for Payroll Protection Program (PPP) Loan: Miller noted that an application was filed for the new Payroll Protection Program (PPP) loan in the amount of \$1,058,700. These funds can be used to cover the payroll costs, insurance and some other items. At least 75% of the funds must be used for payroll costs. If we follow all of the rules, the loan will be converted into a grant. To adequately track the expenses and satisfy the requirements of the federal program, a separate bank account would be best. Nash moved, Effler seconded, that the Budget & Finance Committee recommends that the Heather Gardens Association Board of Directors authorize creation of a new Key Bank account to manage the Payroll Protection Program (PPP) loan and authorize the Heather Gardens Association President and Treasurer signatures.

Members of the audience wishing to speak on non-agenda items: None

The meeting was adjourned at 12:30 PM.