

HEATHER GARDENS BUDGET & FINANCE COMMITTEE
SEPTEMBER 20, 2021, 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: Terry Hostetler, HGA Treasurer, and Bill Archambault, HGMD Treasurer

Committee: Terry Hostetler, Co-Chair, Bill Archambault, Co-Chair, Craig Baldwin, Harry Laubach, Ray Nash, and Steve Villano. Harry Laubach, excused absence.

Staff: Jon Rae, (CEO); Jason Altshuler (COO); Jerry Counts, (CFO); Ainissa Shiffer, Senior Accountant

Audience: Approximately 15 residents, including HGA Board Members and HGMD Board Members

Welcome and Chair Comments: The B&F Committee meeting was called to order at 10:04 AM. A quorum was established. Co-Chair Hostetler welcomed all members and residents present.

The August 16, 2021, B&F Committee meeting report was accepted as presented.

Monthly Operating Analysis Review: Jerry Counts, CFO reviewed the August financial statements for HGA and HGMD. All questions were answered. Committee member recommended that at least annually a report be presented regarding the stability of Key Bank. Public records are available for this purpose. **Committee members suggested that a formal written opinion be obtained regarding permissible uses of the grant money available to HGA – i.e., can it be used for Capital Expenses purposes; can it be used to offset future budget costs; should a portion be transferred to HGMD. The CFO will discuss this with auditors/attorneys.**

Subcommittee and Other Reports:

Audit Subcommittee: Report was submitted. Committee member Craig Baldwin will assume the chair of the Audit subcommittee. The CFO will review the authorization procedure for ACH transactions and make recommendations as to a procedure for authorizations.

Insurance Subcommittee: The committee chair will make recommendations as to how the subcommittee should operate in the future. Also, the CFO will contact the Colorado Insurance Pool regarding HGMD insurance for coverage beginning January 1, 2022.

Capital Projects Subcommittee – no meeting

Investment Update. No update currently.

Unfinished Business:

- 1) Motion by Villano, seconded by Baldwin and unanimously approved that the Budget and Finance Committee ratify the affirmative email vote taken on September 13, 2021, and recommend that the Heather Gardens Association Board of Directors approve the October 1, 2021, to September 30, 2022, Commercial Insurance Program for the Heather Gardens Association in the total premium amount of \$1,715,501.00.

This includes General Liability, Property, Security Guard, Automobile, Equipment, Officers and Directors Liability, Excess Liability, Employers and Fiduciary Liability, Cyber Liability and Workers Compensation Policies through McGriff Insurance Brokers.

- 2) Motion by Baldwin, seconded by Villano and unanimously approved that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the contract with Custom Contract Elevator Solutions for preventative maintenance for 40 elevators in 35 condominium buildings for a 4-year period at an annual cost of \$87,480. This will be budgeted as an operating expense in each year. The committee feels that more written justification is needed to explain why accepting more costly contract is recommended. The chair of the Maintenance Committee explained that public safety is a great concern and responding in a timely fashion to emergency situations were part of the reason that the Maintenance Committee is recommending the award be to the vendor selected even though the vendor bid a higher cost.

New Business:

- 1) Motion by Baldwin, seconded by Villano and unanimously approved that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve to replace Toro Workman #512 with a new 2021 Toro Workman from L. L. Johnson Distributing with an expected cost of \$37,591.90. This is \$3,015.90 over budget.
- 2) Motion by Baldwin, seconded by Nash and conditionally approved that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve to replace Chevy Silverado 1500 truck #502 with a new 2021 Dodge Ram 1500 truck from Brandon Dodge on Broadway with an expected cost of \$43,439.00, tax and dealer handling included. This is \$4,439.00 over budget.

The conditional approval centers around the dealer handling cost. After the meeting, the COO provided the explanation that the dealer handling cost is reasonable and that

approximately \$2,500 will be used to fit the truck with a plow. The fitting for a plow was not included with the information attached to the motion.

- 3) Motion by Nash, seconded by Baldwin and unanimously approved that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors waive the three-bid requirement and approve the project to repair asphalt and concrete of Storm Drain located in the parking lot behind Building 215 and adjacent golf course path with preferred vendor Sunny Day Concrete. The contract amount for this project is \$22,324.00 plus a 20% change order of \$4,465.00 for a total cost not to exceed \$26,789.00 without prior Board approval. This is an unanticipated capital expenditure project.

A committee member pointed out that approximately \$9,187 planned to be charged to HGMD should be approved by the HGMD Board. As the HGMD Board is not meeting in October, the project will proceed and HGA will request participation by HGMD in the project cost later.

- 4) Motion by Baldwin, seconded by Nash and unanimously approved that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve a contract with BC&E, LLC to provide a limited Engineering Evaluation of Parking Structures 1 – 4 for a cost of \$11,500.00 and contract with Restruction Corporation to perform exploratory concrete cuts for a cost of \$7,400.00 plus a 25% change order reserve of \$4,725.00 for a total cost not to exceed \$23,625.00 without prior Board approval. This is an unanticipated Capital Expenditure project.
- 5) Motion by Nash, seconded by Villano and approved unanimously that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve to replace the Carpet Extractor with a new 2021 High-Pressure Washer from Western Paper Supply for a cost of \$3,565.80, tax included, plus \$200.00 shipping cost for a total not to exceed \$3,765.80 without prior Board approval. This is \$5,256.20 under budget.

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

The meeting was adjourned at 11:59 AM.

The next regular meeting of the Budget and Finance Committee is October 19, 2021, at 10 AM.

Reminder: The Budget and Finance Committee will conduct 2022 budget workshops starting Monday, September 27 at 9:00 AM through Thursday, September 30th if needed. The committee will meet in the Board Room. The workshops will also be on Zoom.