

AGENDA
FINANCE AND BUDGET COMMITTEE
WEDNESDAY, MARCH 15, 2017
MONARCH PASS CONFERENCE ROOM
1290 Broadway
➔ 5:30 P.M. ➔

1. Call to Order

CONSENT AGENDA

2. *Move to Adopt the Consent Agenda
- February 15, 2017 minutes
(Attachment A)
 - A resolution regarding the deposit and investment of funds of the Denver Regional Council of Governments and use of electronic signatures
(Attachment B) Jenny Dock, Accounting Services Manager, Administration & Finance

ACTION AGENDA

3. *Election of Vice Chair
(Attachment C)

INFORMATIONAL ITEMS

4. Building Lease Negotiations
(Attachment D) Douglas W. Rex, Acting Executive Director

ADMINISTRATIVE ITEMS

5. Executed Contracts Report – no contracts to report for February 2017
6. Report of the Chair
7. Report of the Executive Director
8. Other Matters by Members
9. **Next Meeting – April 19, 2017**
10. Adjourn

***motion requested**

Persons in need of auxiliary aids or services, such as interpretation services or assisted listening devices, are asked to contact DRCOG at least 48 hours in advance of the meeting by calling (303) 480-6701.



ATTACH A

MINUTES
FINANCE AND BUDGET COMMITTEE
Wednesday, February 15, 2017

Present:

Bob Fifer, Chair	Arvada
Jeff Baker	Arapahoe County
Elise Jones	Boulder County
Doris Truhlar	Centennial
Crissy Fanganello	Denver
Roger Partridge	Douglas County
Libby Szabo	Jefferson County
Jackie Millet	Lone Tree
Joan Peck	Longmont
Ashley Stolzmann	Louisville
John Diak	Parker
Rita Dozal	Superior

Others Present: Doug Rex, Director, Transportation Planning & Operations, and DRCOG staff.

Chair Bob Fifer called the meeting to order at 5:36 p.m. with a quorum present.

Move to Adopt the Consent Agenda

Director Partridge **moved** to adopt the consent agenda. The motion was **seconded** and **passed** unanimously.

Items on the consent agenda included:

- Minutes of the January 18, 2017 Meeting

A resolution authorizing the Executive Director to negotiate and execute a contract with Toole Design Group to carry out the scope of work for the DRCOG Active Transportation Plan

Jacob Riger, Transportation Planning Manager, provided background information to the group on the Active Transportation Plan. The Active Transportation Plan will also be coordinated with DRCOG's planning partners to assure no duplication of effort.

Director Jones **moved** to adopt Resolution No. 7, 2017, authorizing the Executive Director to negotiate and execute a contract with Toole Design Group to carry out the scope of work for the DRCOG Active Transportation Plan. The motion was **seconded** and **passed** unanimously.

Discussion of a resolution authorizing the Executive Director to negotiate and execute a contract for the Senior Health Insurance Program pilot

Jayla Sanchez-Warren provided information on the Senior Health Insurance Program pilot.

Director Dozal **moved** to adopt Resolution No. 8, 2017, authorizing the Executive Director to receive funding from Colorado's State Health Insurance Assistance Program in an amount not to exceed \$240,000 annually for the purpose of administering a regional Senior Health Insurance Assistance program. The motion was **seconded** and **passed** unanimously.

Move to select John V. Christensen Award recipient

Members discussed the nominees for the John V. Christensen Award.

Director Millet **moved** to select a John V. Christensen award recipient. The motion was **seconded** and **passed** unanimously.

The award recipient will be announced at the DRCOG awards event in April 2017.

Move to select Distinguished Service Award recipients

Director Jones **moved** selection of the following to receive Distinguished Service Awards: Carla Perez, Jacobs Engineering; Rick Garcia, former Director, Region 8 HUD; George Thorn, Mile High Development; Jim Riesberg, Chair, SAPGA; Betsy Jacobsen, CDOT; Sheila Bugdanowitz (posthumous); Roberto Rey, AARP Colorado; Dace West, Mile High Connects; Bryan Weimer, Arapahoe County; Jeanne Shreve, Adams County. The motion was **seconded** and **passed unanimously**.

Executed Contracts Report – January 2017 There was one contract reported for January 2017.

Report of the Chair

Chair Fifer noted this would be his last meeting as chair of the group.

Report of the Executive Director

Mr. Rex reported negotiations are underway for an extension of DRCOG's lease for 1290 Broadway.

Other Matters by Members

No other matters were discussed.

Next Meeting

The next meeting is scheduled for March 15, 2017

The meeting adjourned at 6:24 p.m.

ATTACH B

To: Chair and Members of the Finance and Budget Committee

From: Douglas W. Rex, Acting Executive Director
(303) 480-6747 or drex@drcog.org

Meeting Date	Agenda Category	Agenda Item #
March 15, 2017	Consent	2

SUBJECT

This item relates to the deposit and investment of funds of the Denver Regional Council of Governments and the use of electronic signatures.

PROPOSED ACTION/RECOMMENDATIONS

Staff recommends adoption of a resolution regarding deposit and investment of funds and use of electronic signatures as proposed.

ACTION BY OTHERS

N/A

SUMMARY

The Finance and Budget committee is authorized to establish policies regarding the deposit and investment of funds of the Denver Regional Council of Governments.

When the chair of the Finance and Budget committee or other signatories change, the deposit and investment authority of DRCOG must be updated. The establishment of the Finance and Budget Committee with a new Chair necessitates such an amendment.

The resolution authorizes the Executive Director to establish policies regarding the deposit and investment of funds of the Denver Regional Council of Governments and amends the deposit and investment authority to reflect new electronic signatures.

PREVIOUS DISCUSSIONS/ACTIONS

N/A

PROPOSED MOTION

Move to adopt a resolution regarding the deposit and investment of funds of the Denver Regional Council of Governments and use of electronic signatures.

ATTACHMENT

Draft resolution

ADDITIONAL INFORMATION

If you need additional information, please contact Douglas W. Rex, Director, Transportation Planning & Operations at 303-480-6747 or drex@drcog.org, or Jenny Dock Accounting Services Manager, at 303-480-6707 or jdock@drcog.org.

DENVER REGIONAL COUNCIL OF GOVERNMENTS

STATE OF COLORADO

FINANCE AND BUDGET COMMITTEE

RESOLUTION NO. _____, 2017

A RESOLUTION REGARDING THE DEPOSIT AND INVESTMENT OF FUNDS OF
THE DENVER REGIONAL COUNCIL OF GOVERNMENTS

WHEREAS, the Finance and Budget Committee is authorized to establish policies regarding the deposit and investment of funds of the Denver Regional Council of Governments; and

WHEREAS, the deposit and investment authority of DRCOG must be amended when the Chairman of the Finance and Budget Committee or other signatories change;

NOW, THEREFORE, BE IT RESOLVED, by the Finance and Budget Committee of the Denver Regional Council of Governments:

1. Whenever, in the opinion of its Administrative Officer, DRCOG has funds on hand not then needed in the conduct of its affairs, such funds may be invested in any of the securities authorized in Sections 24-75-601 through 24-75-603 and in Part 7 of Article 75 of Title 24, C.R.S., as from time to time amended. The Administrative Officer of DRCOG is hereby authorized to direct the investment of DRCOG funds in such securities and the sale thereof, and to execute on behalf of DRCOG such documents as may be necessary to make such investments and sales. Any such investments may be made only upon receipt of an approval form from DRCOG, signed by its Administrative Officer, Roxie Ronsen, with signature as appears below:



2. The Administrative Officer may use the services of brokers or dealers in making the investments and sales of securities authorized by paragraph 1 of this resolution and may execute on behalf of DRCOG such agreements with the brokers or dealers as may be necessary to do so. Any such agreement shall conform to the requirements of this resolution.
3. Investments purchased by DRCOG shall be held in DRCOG's name and shall be retained in the custody of the authorized agent(s) of DRCOG.
4. Funds of DRCOG shall be deposited in the U.S. Bank except that funds of DRCOG may be deposited, for purposes of investment only, in any state bank or state-chartered savings and loan association, in any national bank having its principal office in this state, and in any federally chartered savings and loan association having its principal office in this state, which bank or savings and loan association is approved by the Administrative Officer and is an "eligible public

A RESOLUTION REGARDING THE DEPOSIT AND INVESTMENT OF FUNDS OF
THE DENVER REGIONAL COUNCIL OF GOVERNMENTS

Resolution No. _____, 2017

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depository" pursuant to 11-10.5-101-109, et seq., C.R.S., as from time to time amended. The entire deposit in the U.S. Bank and in any such approved bank or savings and loan association shall be insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation, or shall be secured by eligible collateral having a market value, at all times, equal to at least 102 percent of the aggregate of the deposit not so insured. For the purposes of this resolution, with respect to banks, "eligible collateral" and "market value" shall have the meaning set out in Article 10.5 of Title 11, C.R.S., as from time to time amended.

5. The U.S. Bank and all banks and savings and loan associations that are approved pursuant to paragraph 4 of this resolution, are hereby authorized and directed, until otherwise directed in writing, to honor as genuine and authorized instruments of DRCOG any and all checks, drafts or other orders for the payment of money in the name of DRCOG and signed with the facsimile signatures below:



6. From time to time, DRCOG may orally request U.S. Bank to transfer funds to other banks for credit to persons or corporations designated by DRCOG. A written Wire Transfer Agreement will be executed by the Administrative Officer with U.S. Bank, providing for telephone requests for the transmission of funds belonging to DRCOG upon the terms and conditions set forth in said agreement.
7. A copy of this resolution shall be provided to the U.S. Bank and to all banks and savings and loan associations that are approved pursuant to paragraph 4 of this resolution and approved brokers or dealers. By thereafter accepting or retaining funds of DRCOG, the U.S. Bank, and said banks and savings and loan associations agree to the terms of this resolution, acknowledge that the funds of DRCOG are insured or secured as required by paragraph 4 of this resolution, and agree upon request to furnish DRCOG a statement, signed under oath by an officer, certifying to DRCOG that its funds are insured or secured in the manner herein specified.
8. DRCOG employees and officials involved in the investment process shall refrain from personal business activity that could create an appearance of impropriety, that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. DRCOG employees and officials involved in the investment process shall disclose any material interests in financial institutions with which they conduct business.

A RESOLUTION REGARDING THE DEPOSIT AND INVESTMENT OF FUNDS OF
THE DENVER REGIONAL COUNCIL OF GOVERNMENTS

Resolution No. _____, 2017

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They shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Such employees and officials shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of DRCOG.

RESOLVED, PASSED AND ADOPTED this _____ day of _____, 2017
at Denver, Colorado.

John Diak, Chair
Finance and Budget Committee
Denver Regional Council of Governments

ATTEST:

Douglas W. Rex, Acting Executive Director

ATTACH C

DENVER REGIONAL COUNCIL OF GOVERNMENTS
FINANCE AND BUDGET COMMITTEE
March 2017

Jeff Baker
Commissioner
Arapahoe County

Ashley Stolzmann
Council Member
Louisville

Elise Jones
Commissioner
Boulder County

Connie Sullivan
Mayor
Lyons

Crissy Fanganello
Mayor's Representative
City & County of Denver

Doris Truhlar
Council Member
Centennial

Roger Partridge
Commissioner
Douglas County

Joan Peck
Council Member
Longmont

Libby Szabo
Commissioner
Jefferson County

John Diak
Council Member
Parker

Wynne Shaw
Mayor Pro Tem
Lone Tree

Rita Dozal
Trustee
Superior

ATTACH D

To: Chair and Members of Finance & Budget Committee

From: Douglas W. Rex, Director, Transportation Planning & Operations
303-480-6747 or drex@drcog.org

Meeting Date	Agenda Category	Agenda Item #
March 15, 2017	Informational Briefing	4

SUBJECT

Building lease negotiations.

PROPOSED ACTION/RECOMMENDATIONS

No action requested, this item is for information only.

ACTION BY OTHERS

N/A

SUMMARY

DRCOG is near capacity in its current office space on the 7th floor at 1290 Broadway and requires additional space due to anticipated growth in the Area Agency on Aging.

An opportunity has arisen at 1290 Broadway whereby three floors will be vacated by current tenants in the next 90 days, creating a prime opportunity for DRCOG to restructure the current lease terminating on March 31, 2021.

Due to the impending vacancies, multiple lease scenarios are being explored in the building that would both increase square footage and accommodate security compliance concerns of the AAA.

To date, the most attractive scenario includes subleasing the entire 14th floor to accommodate much of DRCOG staff, half of the 16th floor to accommodate the AAA staff, and half of the 1st floor to accommodate Board and committee meetings. As a result, DRCOG would relinquish the 7th floor and half of the 1st floor.

The 14th floor is particularly attractive and is the driving factor in DRCOG's considerations. This space affords more square footage than the 7th floor and includes substantial upgrades in appearance, finishes, and audio equipment. Further, the space is in move-in-ready condition and would require minimal structural modifications to accommodate DRCOG's needs allowing DRCOG to divert capital improvement allowances from the building to retrofit the 16th and 1st floors.

In this scenario, all furniture and equipment on the 14th floor, which is currently valued at \$850,000, would be available for DRCOG to purchase in the amount of \$1.

Locking in affordable lease rates long term is advantageous for DRCOG's financial stability as office vacancy continues to decline downtown, thus increasing rates year over year.

To protect DRCOG's financial interests, multiple safeguards and termination clauses predicated on funding availability will be built into the lease. Staff wishes to continue working with our real estate broker to secure the most attractive and cost effective option in the next 90 days.

**Please note that all numbers presented above are estimates based on market knowledge. There has been no formal exchange of proposals between Sykes (current occupant of the*

14th floor), or DRCOG and Principal (owner of 1290 Broadway). All scenarios in consideration require a 10-year extension in lease term.

PREVIOUS DISCUSSIONS/ACTIONS

N/A

PROPOSED MOTION

N/A

ATTACHMENT

CBRE Analysis

ADDITIONAL INFORMATION

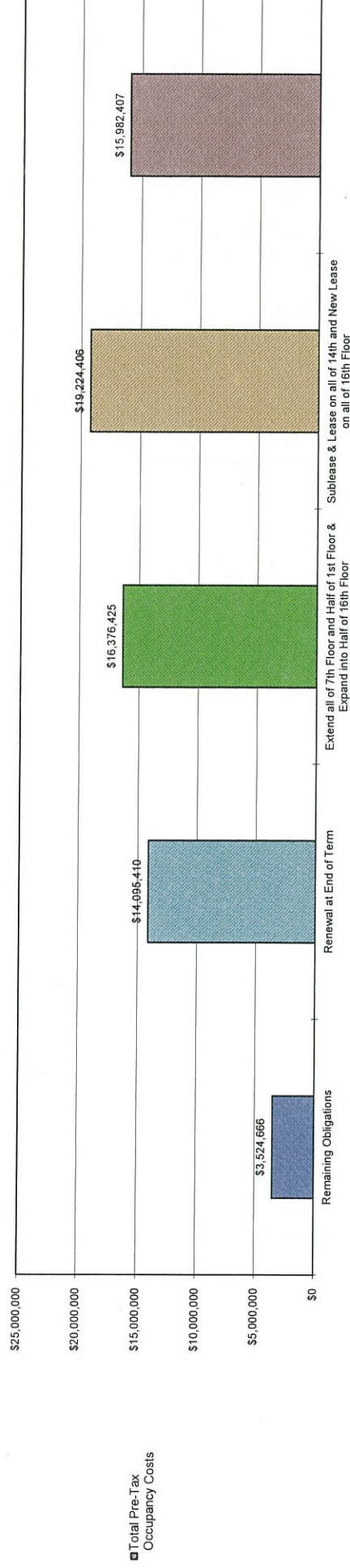
If you need additional information, please contact Douglas W. Rex, Director, Transportation Planning & Operations at 303-480-6747 or drex@drcog.org, or Roxie Ronsen, Administrative Officer, at 303-480-6709 or rronsen@drcog.org.

Scenario Building Address	Remaining Obligations 1290 Broadway	Renewal at End of Term 1290 Broadway	Extend all of 7th Floor and Half of 1st Floor & Expand into Half of 16th Floor 1290 Broadway	Sublease & Lease on all of 14th and New Lease on all of 16th Floor 1290 Broadway	Sublease & Lease on 14th and New Lease Half of 1st and Half of 16th Floor 1290 Broadway
Rentable Square Feet	26,334 RSF	26,334 RSF	33,229 RSF	43,084 RSF	36,189 RSF
Lease Start	2/1/2017	4/1/2021	6/1/2017	6/1/2017	6/1/2017
Lease Expiration	3/31/2021	5/31/2031	5/31/2031	5/31/2031	5/31/2031

TOTAL OCCUPANCY COSTS (NON-DISCOUNTED)

Total Capital	\$0	\$948,024	\$1,376,540	\$446,997	\$169,901
Total Pre-Tax Occupancy Costs	\$3,524,666	\$14,095,410	\$16,376,425	\$19,224,406	\$15,982,407
Total Savings (Add'l Cost) Over Remaining Term***	N/A	\$71,928	(\$593,959)	(\$1,043,720)	(\$281,921)
Annual Average Total Occupancy Costs	\$845,920	\$983,401	\$1,142,541	\$1,341,238	\$1,115,052
Annual Average Total Occupancy Costs PSF	\$32.12	\$37.34	\$34.55	\$31.13	\$30.81

*** Savings over the remaining lease term for the "Renewal at End of Term" scenario does not include required out-of-pocket capital costs estimated at \$684,684 at the end of the lease term.



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