



COMMONWEALTH TERRACE

COOPERATIVE STUDENT HOUSING

Commonwealth Terrace Cooperative

Board Meeting – October 23, 2019

Meeting was called to order at 6:34PM at the CTC Community Center Building, Fireplace Room

Directors Present:

Sofia Simeto
Do Yeon Hwang
Amer Al Homoud
Brook Demissie
Tamara Walsky
Kiwoong You
Byju Govindan
Raghu Velagaleti

Directors Absent:

Antony Maikur

Also Present were:

Hadley Adkins, General Manager
Shanea Schmelling, Operations Manager
Scott Creer, HRL University Liaison

Time Keeper: Shanea Schmelling

Process Assistant: Amer Al Homoud

Welcome, Time Keeper (minute taker) and Process Assistant (Chair)

Approve: Packet / Agenda / Consent Agenda

DoYeon makes the motion to approve the packet, agenda and consent agenda. Sofia Second. All seven (7) vote in favor. Zero (0) opposed. Motion passes.

Resident Voices

- No residents attend for voices. Marcus attending to observe the board meeting as a new member of the cooperative.

University Project Updates + Capital Planning Process

Capital Planning Process Overview

- 10 year future plan



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- Housing and Residential Life knows that the facilities are going to change and go away, but do not know if they will be replaced, renovated, or the entire site to be developed.
- The 10 year capital plan looks at depreciation schedules and when replacement would be needed again.
- HRL meets with CTC Management to overview what the plan is and get CTC management input to what is needed in the facilities.
- If there are requests from Board, but historically there has not been, the fall overview is the time to make those requests.
- Capital plan is then set on all the request and presented to Board of Directors.

How does it affect finances?

- The capital plan goes into the forecasting to the reserves balance. HRL building reserves for the potential expenditure as they have done in the past for other properties.
- 45% of the rent is given to the University for these reserves.

View of the Capital plan:

- Large scale projects are not seen currently on that plan.
- HRL is not planning for projects related to the facilities, as that would be a waste of money. But investment will still be made in Phase IV because they have not succeeded their depreciation and life. They have a life expectancy of another 25 years
- Any projects on the capital plan has to be depreciable and has to be over \$10,000. Cannot depreciate repairs, only replacements.

If there are needs in the other buildings, is there a price point to put into it.

- Will keep buildings running for as long as they can, but will take it as a case by case basis. They will not replace all windows in buildings that will be demolished.
- Scott is the liaison to represent the University. All goes through Scott and then the hierarchy of the Housing and Residential Life office. Larger projects go up the chain and back down based on what the Regents approving the overall Capital Plan.

If the residents want to invest in smart energy such as lights turned off on setting, is this something to go through capital plan?

- If the expense is under \$10,000 it is in the Operations budget of CTC.

If CTC wanted to renovate the laundry rooms in the one bedroom or two bedroom splits the University would not invest in any projects of these two types moving forward.

-The older buildings have exhausted their lifetime depreciation. Projects currently in the older buildings that were done more recently and are depreciating are boilers, roofs, appliances.

Items on Capital Plan in red are for price adjustments. Replace Signs in 2021- increased amount to replace signs.



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Specific Project Updates:

- Fifield Place/Ave road projected completed. \$6000K. All streets are completed
- Repairs community Center HVAC- substantially completed- we will be looking at installing some sound panels or fencing to reduce noise if needed.
- Community Center garage roof replacement has been repaired and does not need a full replacement.
- Security Cameras quote for \$41,000 each for mobile trailer which would allow for 4 or 5 total cameras. CTC is responsible for maintaining the cameras for gas and maintenance out of the operations budget. Replacement would be a capital expenditure or insurance claim. Central Security will operate it, CTC only is responsible for maintaining it through a service contract that will be paid for.

What is the process if there is a crime?

- Resident need to call the police so the cameras can be accessed. CTC Management cannot do anything with the cameras. Only Police and Central Security can access footage. They will not pull footage without the policy report filed. Hoping to have them delivered this fiscal year.

Earmark of One bedroom buildings demo is planning to prepare financial to demo. The St. Paul Campus Plan is slating the property to maintain as student housing controlled by HRL. There was statements that there is opportunity for retail on the South end, but needs to be tested.

RFP (Request for Proposal) process from private partnership to redevelop the site. The timeline to be under 10 years to issue RFP and execute the RFP.

The Regents will meet in December about the St. Paul Campus Plan and hopefully that will set the timeline.

1st step that the regents need to approve that this site stay for housing.

Survey Results were given for Board to review.

Investment Portfolio Review

- Overview of Fundamentals of Investing
 - Asset Class map: Cash, Fixed Income, Equities, Alternatives
 - A mix of the different types of these investments to match the risk return profile to match the Investment Policy Statement.
 - In a diversified Portfolio
- Completed items since the last meeting with Morgan Stanley
 - Updated Investment Policy Statement with sustainable investment considerations
 - Added standalone water technology and clean energy investment (5% each of operations enhancement account)
 - Put manual block on restricted industries (weapons, gambling, pornography, tobacco)
- Discussion



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- Economic Cycle Indicator: Prediction of a recession in US economy in next 12 months.
- Recession Indicator:
- Performance by quarter of combined accounts showing
- Proposed investment changes
 - In rent deposit account-Breckinridge Core Government Sustainable Bond strategy. This manager utilizes an ESG security selection process, however we would like to add their new “environmental mandate overlay” to further align to CTC’s Values and objectives. This overlay selectively investment in issuers with above- average environmental performance and in bonds that fund environmental projects. Prioritized consideration include.
 - Energy Efficiency
 - Climate Change Mitigation and Adaption
 - Environmental Fines and Liabilities
 - Toxic Emissions and Waste
 - Water Stress
 - Environmental Supply Chain Management
 - IPS is looked at the Board of Directors every two years. Changes in Portfolio can be done quarterly with recommendations.

Raghu makes a motion to add the Environmental mandate Overlay to further align the CTC Values and objectives. Tammy Seconded. All (7) in favor. Zero (0) opposed. Motion passes.

Informal Discussion

- Fall Cleanup campaign
- Preparation for winter
- Parking policy changing in Operations Committee Meeting
- Finance Committee meeting update and review of Draft Audit

House Keeping

- Assign Terrace Times article due October 31st
 - Topic- review of Capital Plan
 - DoYeon and Sofia will work together
- Adjust November board meeting Date (Action)
 - Move Meeting to November 20, 2019 because of Thanksgiving.
 - Move Executive meeting to November 6, 2019.

Meeting adjourned at 8: 35PM