

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE  
DECEMBER 19, 2022, MEETING REPORT  
COMMITTEE MET IN THE BOARD ROOM  
MEETING ALSO AVAILABLE ON ZOOM**

**TO:** Members of the Heather Gardens Budget & Finance Committee, HGA Board of Directors, HGMD Board of Directors, Chief Executive Officer, and Chief Financial Officer.

**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, Randy Lane, Richard Ferguson, and John Recob. John Recob was excused from the meeting.

**Staff:** Jon Rea, CEO; Jerry Counts, CFO.

**Audience:** Approximately 16 residents, including HGA Board Members and HGMD Board Members

**Welcome and Chair Comments:** The B&F Committee meeting was called to order at 10:00 AM. A quorum was established. Co-Chair Hostetler welcomed all members and residents present.

Item 1, under new business, was discussed at this point in the meeting as 3 staff (Lauren Jones, Sr. Vice President, David Roll, Vice President, and James Schmidt, Vice President) of Key Bank were present on zoom. The bank executives discussed opportunities that HG (both HGA and HGMD) have for investing excess funds in various instruments. These could include Money Market and bonds. Money Market investments are basically immediately convertible to cash and, as of December 19<sup>th</sup> are paying 3.5% net to the investor. After discussion the committee made the following motion:

Motion by Baldwin, seconded by Lane and passed unanimously the Heather Gardens Association Board of Directors and the Heather Gardens Metropolitan District Board of Directors authorize the CFO to establish Money Market Account fund for HGA and a separate Money Market Account for HGMD. The CFO is authorized to transfer excess funds from other accounts into the appropriate Money Market Funds and withdraw funds from the accounts as needed to meet cash flow needs.

The Committee then returned to the meeting agenda as printed.

The November 14, 2022, B&F Committee meeting report was accepted as presented.

**Monthly Operating Analysis Review:** Jerry Counts, CFO, reviewed the November financial statements for HGA and HGMD. All questions were answered. Jerry explained, in detail, the new accounting requirement dealing the Right of Use (ROU) for leased items.

**Subcommittee and Other Reports:**

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: HGMD Insurance quote for 2023 has been received and a motion regarding the 2023 insurance coverage and costs will be discussed later in the meeting.

Capital Projects Subcommittee: No Meeting was held.

Investment Update: No meeting was held.

**Unfinished Business:** None

**New Business:**

- 1) Discussion regarding Investment Options for Funds in Key Bank Accounts. See above
- 2) Information regarding an Option for Owners to pay monthly HOA Fee Online using Zego. Jerry Counts, CFO, stated that the material included in the Committee package was for information only and no action was expected. Basically, Zego is a system where residents can make HOA payments without the Association having the authority to withdraw directly from residents' bank accounts. The CFO is also investigating other options for payments of monthly HOA fees.
- 3) Motion by Nash, seconded by Laubach that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the contract with Wheelhouse LTD to install cameras in Parking Structures 1-4. After lengthy discussion, there was a motion by Baldwin, seconded by Nash and passed unanimously to table the motion.
- 4) Motion by Lane, seconded by Baldwin and passed with one abstention that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors waive the three (3) bid requirement and approve contracts with Merritt Welding and Fabrication and Restruction Corporation to remove and replace the five remaining parking structure stairs in accordance with BC&E parking structure stair designs dated October 14, 2022. The contract for Restruction Corporation is \$196,020 and for Merritt Welding and Fabrication is \$108,392.04 with a project change order amount of \$60,882.41. The total project cost is \$365,294.45.
- 5) Motion by Lane, seconded by Baldwin and passed unanimously that the Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board

of Directors approve the payment of the annual insurance premium totaling \$55,817 payable to the Colorado Special Districts Property and Liability Pool, for the District's property and liability insurance coverage that will be effective January 1, 2023.

- 6) Motion by Laubach, seconded by Baldwin and passed unanimously that the Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve the contract with Sun Light Sprinkler and Irrigation to perform the labor and materials necessary to upgrade the Garden Plot sprinkler system at a cost of \$28,258 plus a change order reserve of \$1,695.48 for a total project cost of \$29,953.48.

**Members of the audience wishing to speak on non-agenda items:**

Baldwin noted that on the budget veto balloting there were 934 votes to approve the veto (basically not approve the budget).

The meeting was adjourned at 12:45 PM. The next meeting will be on January 16, 2023, at 10 AM in the Board Room and via Zoom.