

June 13, 2024

HGMD DISPUTE RESOLUTION PROPOSAL

1. **Separation of Employees**. HGMD will use the allocation of the budgeted amounts for full-time employees serving the District as well as the total amount budgeted for part-time employees, including budgeted charge-outs to fund the District's direct hiring of employees.
 - a. **HGMD Employment Offers**. HGMD will extend offers of employment to HGA employees currently serving the District who meet the District's requirements before advertising any openings.
 - b. **Services**. HGMD will employ its own management, accounting, human resources, administration, landscaping, road maintenance, facility maintenance, custodial, and security services. Facility maintenance and custodial is budgeted through cost center charge-outs. The other services will be funded by the HGA rental of District property discussed later.
2. **Space Allocation**.
 - a. **Office/Administrative Space**. HGA will retain its current office and boardroom space on the second floor of the clubhouse. No HGA business will be conducted in the hallway in front of the management office.
 - b. **Clubhouse First Floor Offices**. HGMD will occupy the clubhouse first floor offices and spaces occupied by HGA, including security, for District office use. HGA equipment that has been attached without approval, cameras for example, will be removed from the District property upon request.
 - c. **Clubhouse Basement**. HGMD will occupy and utilize the clubhouse basement, including the custodial area, custodial breakroom, custodial office and HGA shall remove all stored material and records.
 - d. **Maintenance Building & Parking Lot**.
 - i. HGMD will retain one service bay for its mechanic and equipment. HGMD will retain the use of the area covered by the east side gable roof of the maintenance building for service and storage of equipment and tools, with three parking spaces immediately to the east of the east side of the building for District employee use.

- ii. The remainder of the maintenance building and parking lot will be leased to HGA. HGA will limit the picnic table area in the front of the maintenance building to three, and will dispose of the remaining tables.
- iii. HGA may extend the fence to the west for additional storage if permitted by Aurora city code. HGA will agree to clean up the maintenance parking lot of junk and unused equipment or will agree to extend the white, vinyl fencing to screen off the area at its own expense as permitted by Aurora city code. All areas visible to the public must be kept neat and orderly.

e. Employee & Guest Parking.

- i. HGMD proposes using the first row of parking on the east end of PS 1 for clubhouse guest parking & the occasional setup of the fruit & vegetable market. HGA employees will park on the west side of PS 1.
- ii. There will be no employee parking in the clubhouse parking lot north of the clubhouse building.
- iii. HGA will use the parking lot on the west side of the clubhouse for all employee parking and may reconfigure the use of this lot at its discretion and expense.
- iv. HGMD employees will park in the north row of spaces along S. Heather Gardens Way in the Golf Parking/Building 250 Lot.

f. **Landscaping Debris Processing & Project Staging.** If HGA agrees to screen off the area with fencing or hedges, so that there is a perimeter from each end of the Heather Gardens entrance sign located on the Southwest corner of Yale and Abilene, west along Yale, south along Abilene, then west along S. Heather Gardens Way, leaving a 10 to 15 feet perimeter as required by the Aurora city code along the street, and running west until meeting the utility block wall along I 225. There is room for a curb cut in the center of the area off S. Heather Gardens Way. The interior of the space may be leveled, and paved with gravel or asphalt. The noise from Yale and I 225 will mask any noise created by HGA chipping machinery or chain saws. No large trees may be removed without HGMD consent unless dead, but HGA may level or reconfigure the space within the screening hedge or fence at its discretion and expense.

g. **Metal Garages.** HGMD will use the 5 spaces in PS 1. HGA may use the remaining 10 spaces.

3. **Recreation Fee.** HGA pays the District a recreation fee (Rec Fee) on behalf of its members for the use of the District's properties, to swim in the pool and use clubhouse facilities at no charge. The District, as a quasi-governmental entity, is

entitled to charge a fee to cover its costs and a reserve for a future operating shortfall and for future capital expenditures.

- a. Under the terms of the existing management agreement, the Rec Fee was determined annually, prior to the adoption of HGA's budget, and was not subject to change during the year.
- b. The fee was determined by the shortfall of the District's revenue to pay the District's expenses. The budget process begins in June for the cost center managers, and the budget for the next year is normally adopted in the middle of October.
- c. This proposal and the stepped transition period to be agreed upon, will encroach upon the normal budget preparation period. HGMD will agree, that in exchange for the acceptance of this proposal in principal, with the details to be agreed upon consistent with these general principals, the Rec Fee for 2025 will not exceed the 2024 Rec Fee of \$1,921,019.

4. **Rental Agreement.**

- a. The maintenance building and parking lot are large enough and separated enough that it has a significant fair market rental value. However, HGMD wants to utilize the far east service bay and storage area.
- b. HGMD agrees to lease the property described above for the amount of the services HGMD is replacing that HGA will no longer provide and a percentage for capital reserves. Because HGMD contracts are subject to the annual appropriation, HGMD agrees to describe the services included under the current management agreement and as described by the General Manager in the June 2024 issue of Heather 'n Yon. This will allow certainty for HGA that the services included in the rental amount will not be expanded and for HGMD that inflation will be included.

5. **Pilera Addresses.** Following notification to the residents, HGMD requests an electronic copy of the Pilera email list so that it can advertise meeting dates through the HGMD website.

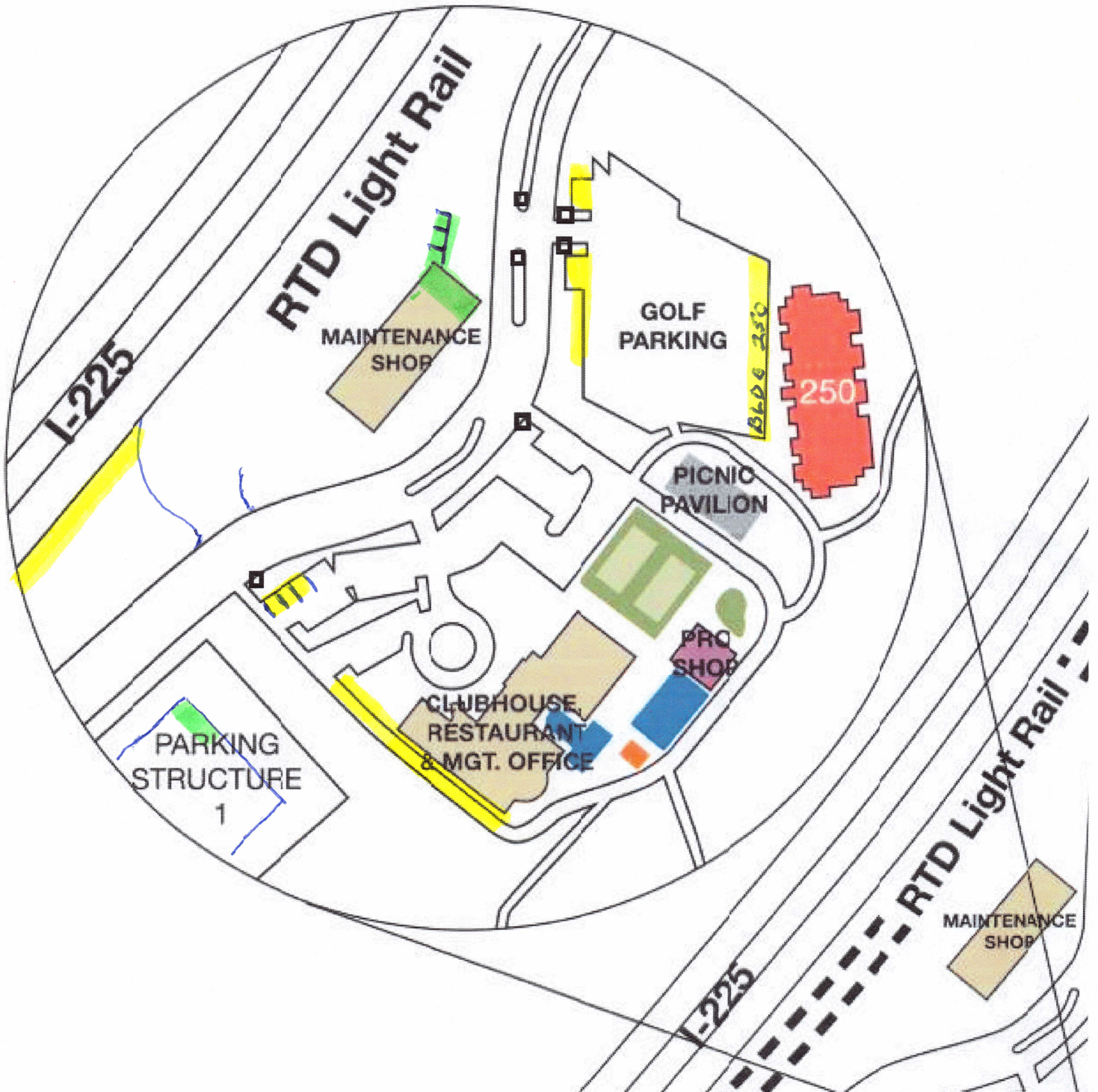
6. **Organization Chart.** We have reviewed the organization chart prepared by Sue McBeth, and appreciate the amount of time and effort put into it. We anticipate a more streamline administration and have attached a revised version. But we, of course, cannot make a final version without speaking directly to employees.

- a. The 2024 adopted budget includes 5 full-time employees in the golf department, although in the budget notes management expressed a desire to add an assist. golf manager as a sixth employee. A part-time employee was made full-time for 2024.

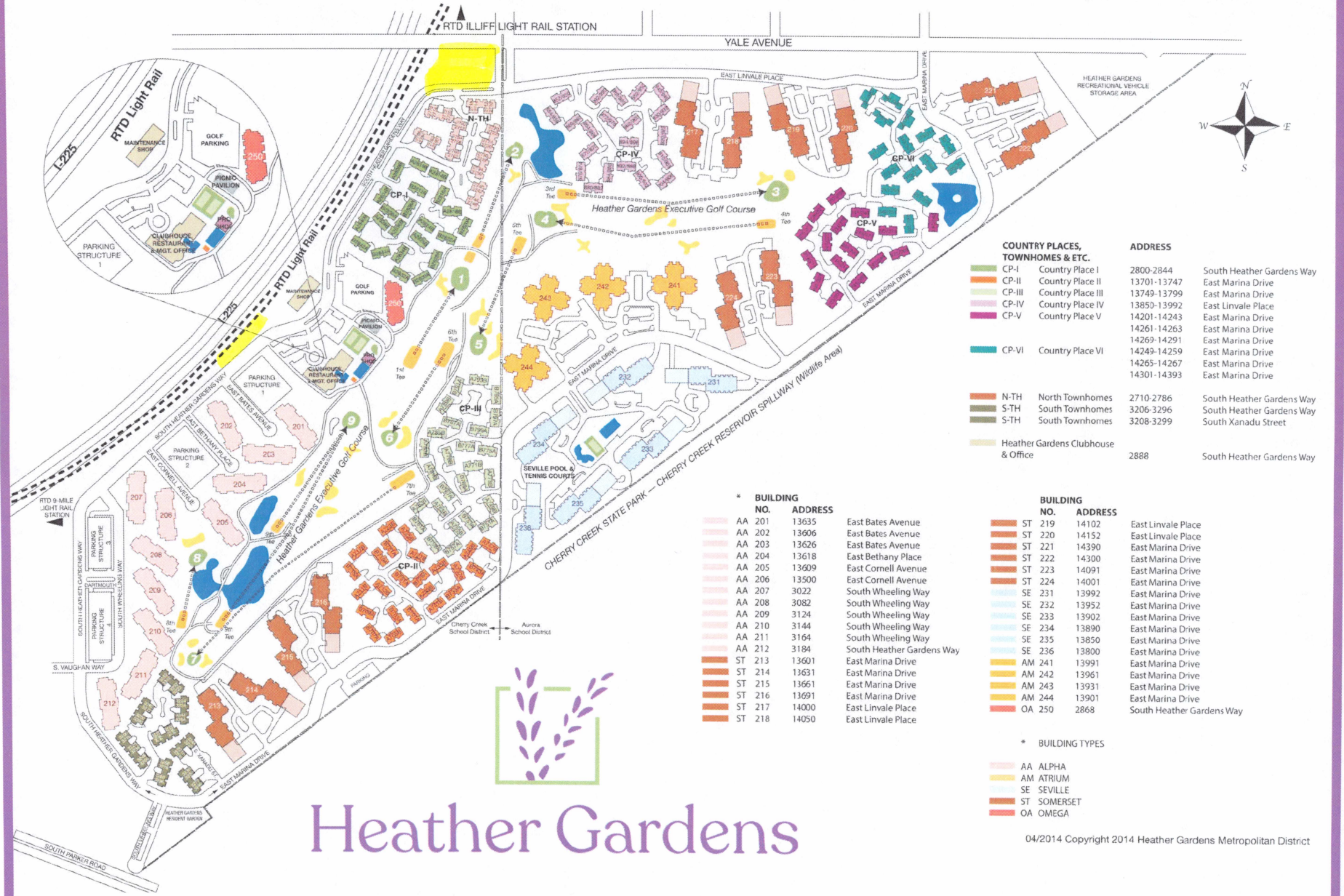
- b. HGMD will require a qualified supervisor to oversee golf course maintenance.
7. **Stepped Transition**. HGMD proposes a stepped transition, transferring responsibility as seamlessly as possible for the community.
- a. HGMD requests that immediately HGA immediately direct management to take direction regarding the District properties and operations from the District Board through its president, including the scheduling and approval of activities and events.
 - b. HGMD requests the use of the clubhouse manager/ asst. manager office space immediately upon agreement between the parties as to these general terms.
 - c. If these two terms are agreeable, HGMD proposes that the parties create a prioritized schedule of transition items to be negotiated as to timing and method, including working with HGA staff to assess which software and procedures will be used by HGMD in the future.

JUNE 13, 24 PROPOSAL - HGMD

HGA USE HGMD USE



HGA USE



COUNTRY PLACES, TOWNHOMES & ETC.		ADDRESS	
CP-I	Country Place I	2800-2844	South Heather Gardens Way
CP-II	Country Place II	13701-13747	East Marina Drive
CP-III	Country Place III	13749-13799	East Marina Drive
CP-IV	Country Place IV	13850-13992	East Linvale Place
CP-V	Country Place V	14201-14243	East Marina Drive
		14261-14263	East Marina Drive
		14269-14291	East Marina Drive
		14249-14259	East Marina Drive
		14265-14267	East Marina Drive
		14301-14393	East Marina Drive
N-TH	North Townhomes	2710-2786	South Heather Gardens Way
S-TH	South Townhomes	3206-3296	South Heather Gardens Way
S-TH	South Townhomes	3208-3299	South Xanadu Street
	Heather Gardens Clubhouse & Office	2888	South Heather Gardens Way

* BUILDING NO.	ADDRESS
AA 201	13635 East Bates Avenue
AA 202	13606 East Bates Avenue
AA 203	13626 East Bates Avenue
AA 204	13618 East Bethany Place
AA 205	13609 East Cornell Avenue
AA 206	13500 East Cornell Avenue
AA 207	3022 South Wheeling Way
AA 208	3082 South Wheeling Way
AA 209	3124 South Wheeling Way
AA 210	3144 South Wheeling Way
AA 211	3164 South Wheeling Way
AA 212	3184 South Heather Gardens Way
ST 213	13601 East Marina Drive
ST 214	13631 East Marina Drive
ST 215	13661 East Marina Drive
ST 216	13691 East Marina Drive
ST 217	14000 East Linvale Place
ST 218	14050 East Linvale Place

BUILDING NO.	ADDRESS
ST 219	14102 East Linvale Place
ST 220	14152 East Linvale Place
ST 221	14390 East Marina Drive
ST 222	14300 East Marina Drive
ST 223	14091 East Marina Drive
ST 224	14001 East Marina Drive
SE 231	13992 East Marina Drive
SE 232	13952 East Marina Drive
SE 233	13902 East Marina Drive
SE 234	13890 East Marina Drive
SE 235	13850 East Marina Drive
SE 236	13800 East Marina Drive
AM 241	13991 East Marina Drive
AM 242	13961 East Marina Drive
AM 243	13931 East Marina Drive
AM 244	13901 East Marina Drive
OA 250	2868 South Heather Gardens Way

- * BUILDING TYPES
- AA ALPHA
 - AM ATRIUM
 - SE SEVILLE
 - ST SOMERSET
 - OA OMEGA

Heather Gardens

HGMD Proposed Organization Chart

District Manager - 1 FT at \$90,000

Administration		Clubhouse		Restaurant		Golf Course	
Admin Asst. 1FT or 2PT	\$ 40,000	Activity Director 1 FT or 2 PT	\$ 49,267	Manager 1 FT		Golf Manager 1 FT	
Bookkeeper	\$ 45,000	Custodians 2 FT 2 - 3 PT	\$ 116,173	Chef 1FT		Course Manager 1 FT	
Accounting Service	\$ 60,000	Maintenance 1 FT 2 PT	\$ 75,000	Asst. Manager 1 FT		Pro Shop 1 FT	
PEO Fees	\$ 58,000	Front Desk 10 PT	\$ 90,680	Cooks 2FT		Pro Shop 5 PT	\$ 75,940
Security Officers 1 FT 2 PT	\$ 100,000	Instructors 20 PT	\$ 110,000	Prep Cook 1 FT		Groundskeepers 2 FT	
Alarm Service	\$ 2,500	Woodshop 1 PT	\$ 12,000	Bartender 1 FT		Mechanic 1 FT	
Total Unbudgeted	\$ 332,500	Pool Service	\$ 15,000	Kitchen 4 PT		Seasonal 1 PT	
Capital Reserve	\$ 166,250	R&G Allocation	\$ 4,587	Total FT	\$ 623,659	Total FT	\$ 264,282
Total 4 FT, 2 PT		Total Budgeted	\$ 556,062	Total PT	\$ 301,171	Overtime	\$ 3,582
		Total Unbudgeted	\$ 27,000	Maintenance	\$ 9,152	R&G Allocation	\$ 53,035
		Total 4 FT, 36 PT		Custodians	\$ 9,699	Total Budgeted	\$ 396,839
				Total Budgeted	\$ 943,681	Total 6 FT, 6 PT	
				Total 7 FT, 10 PT			
Total Budgeted Positions	\$ 1,896,582	Year-to-Date Budget thru March	\$ 290,622	HGA Rental Amt	\$ 498,750		
Total Unbudgeted Positions/PEO	\$ 332,500	First Quarter Under Budget	\$ 184,728				
Year-to-Date Actual thru March	\$ 105,894	Projected Under Budget for Year	\$ 640,000				