



**NOTICE OF HGMD BOARD OF DIRECTORS REGULAR MEETING
February 17, 2022, at 1:00 PM**

Pursuant to Section 24-6-402(2)(c), C.R.S., the Board of Directors of the Heather Gardens Metropolitan District, hereby gives notice that it will hold a regular meeting via Zoom videoconference at **1:00 PM on February 17, 2022**. The business meeting will be held for the purpose of conducting such business as may come before the Board. This meeting is open to the public.

Join Zoom Meeting

<https://zoom.us/j/93335444605?pwd=dngRzM1cEJyZG5janduQXZzemFRQT09>

Meeting ID: 933 3544 4605

Password: 067142

or

Dial-In Number: +1 346 248 7799 US

AGENDA

1. Determine quorum present
2. Call meeting to order
3. Approval of/additions to/deletion from agenda
4. Approval of Minutes
 - a. Consider Approval of Minutes of January 27, 2022, Special Meeting
5. Reports of Directors, committees, and professional consultants
 - a. President's Report (Funk)
 - b. CEO (Rea) – February 15, 2022, Report
 - c. Clubhouse/Restaurant Committee (Mines) – No Meeting
 - d. Foundation Committee (Laubach) – No Meeting
 - e. Golf Committee (George) – No Meeting
 - f. Property Policy Committee (Funk) – No Meeting
 - g. Joint Long Range Planning Committee (Funk) – No Meeting
 - h. Treasurer's Report (Archambault) – February 2022
 - i. Joint Budget and Finance Committee (Archambault) – February 14, 2022, Report
6. Unfinished Business
7. New Business
 - a. Consider Approval of Bylaws Revisions
8. Open Forum – Public comment (time limit-3 minutes per person)
9. Adjournment

Note: HGMD regular Board meetings, when held, are on the third Thursday of each month at 1:00 PM. Residents wishing to speak on agenda items will be given the opportunity at the time the item is discussed (time limit-3 minutes per person).

The next regular Board meeting will be held Thursday, March 17, 2022, at 1:00 PM.

**HEATHER GARDENS METROPOLITAN DISTRICT
SPECIAL MEETING
Thursday, January 27, 2022**

The special meeting of the Board of Directors of the Heather Gardens Metropolitan District was held via Zoom/Telephone in the office of the District, 2888 S. Heather Gardens Way, Arapahoe County, Colorado, on Thursday, January 27, 2022, at 1:00 P.M.

CALL TO ORDER: President Funk called the meeting to order at approximately 1:00 P.M. on Thursday, January 27, 2022. A quorum was present.

BOARD MEMBERS PRESENT: President David Funk, Vice President Michael George, Secretary/Treasurer William Archambault, and Directors Eloise Laubach and Maria Mines.

BOARD MEMBERS ABSENT: None

STAFF PRESENT: Chief Executive Officer (CEO) Jon Rea, Chief Operations Officer (COO) Jason Altshuler, Chief Financial Officer, (CFO) Jerry Counts, and Board Assistant Evelyn Ybarra.

GUESTS PRESENT: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C., 5 members of the Heather Gardens Association Board, Lynn Donaldson with Heather 'n Yon, and approximately 16 members of the public were present.

APPROVAL OF MINUTES: Motion made by Vice President George and seconded by Secretary/Treasurer Archambault and passed unanimously to approve the minutes of the December 23, 2021, Special Meeting as written.

REPORTS OF DIRECTORS, COMMITTEES, AND PROFESSIONAL CONSULTANTS:

President's Report: No report.

Chief Executive Officer (CEO) Report: The Board received a copy of the CEO's Statement of Work Report and End of Quarter Report. CEO Rea highlighted that this year the hours to the Clubhouse were extended, and they are actively gathering data to accommodate the extended hours. Due to the weather, the Golf Course had an outstanding December as seen on the monthly operation analysis. The Restaurant is still feeling the impact of COVID and that could be because people are apprehensive to come out. Each department is trying to do the best that they can and capitalize on opportunities as they move forward. There were no questions or comments.

Clubhouse/Restaurant Committee: The Board received a copy of the Report. Director Mines reported that she agreed to what was stated by CEO Rea on the Clubhouse and the Restaurant. The Restaurant will hold a workshop tomorrow and everyone is invited

to attend. CFO Counts will be going over the Clubhouse and Restaurant monthly operations analysis. CFO Counts commented there will also be a short input presentation that Restaurant Manager Cormac had put together for the committee to present at the workshop. There were no further questions or comments.

Foundation Committee: The Board received a copy of the Report. Director Laubach commented that she would like management to follow up in getting a refund on the bench and ordering another bench within the same price range. COO Altshuler commented that parts for the bench were still on backorder, and he will follow up on the status. There were no further questions or comments.

Golf Committee: No Meeting. Vice President George commented the next meeting will be in March.

Property Policy Committee: No Meeting.

Joint Long Range Planning Committee: No Meeting.

Treasurer's Report: The Board received a copy of the Treasurer's Report. There were no questions or comments.

Joint Budget and Finance Committee: The Board received a copy of the Joint Budget and Finance Report. CFO Counts pointed out that he is on target to get the December financials updated to capture all the adjustments for year-end for the HGMD and HGA and will be submitting them to the auditors. There were no further questions or comments.

UNFINISHED BUSINESS:

- a.) **Motion to approve the Custodial Account at Zion Bancorporation, National Association for funds held for District Debt Service (\$500 to establish account and \$500 annual cost to maintain account):** Motion made by Secretary/Treasurer Archambault and seconded by Director Laubach and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve the attached Custodial Account Agreement between the District and the Zion Bancorporation National Association for the Heather Gardens Metropolitan District Series 2017 Bond Account – Custody.

Explanatory Comment: At the February 18, 2021, HGMD Board of Directors meeting, the Board unanimously approved a formation motion authorizing the Zion Bank to establish a Custody account for the HGMD General Obligation Refunding Bonds Series 2017. The custodial account agreement is the result of the February 18, 2021, motion.

NEW BUSINESS:

- a.) **Motion to approve to carry forward 2021 projects spending authority to 2022 (\$87,513.50):** Motion made by Secretary/Treasurer Archambault and seconded by Director Laubach and passed unanimously.

Text of Motion: Based on the recommendation of the Budget and Finance Committee, I move that Heather Gardens Metropolitan District Board of Directors approve the following carry forward of 2021 spending authority to 2022 for the projects listed below:

The following are approved 2021 projects that the remaining 2021 funds totaling \$87,513.50 be carried over to the 2022 Budget.

- **HGMD Project** - HVAC \$10,000 for 1/3 install for UV Light in the RTU – Installed on Jan 3, 2022. Waiting on vendor provided equipment training for HG staff and final invoice. **Carry Over Amount: \$22,937**
- **HGMD Project** – Fuel Tank (Maintenance Building) – The projected installation date is late January/February 2022. **Carry Over Amount: \$45,373**
- **HGMD Project** – Floating Water Fountain and Lights – Water Fountain Pump is Backordered. The supplier LL Johnson is scheduled to deliver in 2 weeks. (Lottery Money). **Carry Over Amount: \$11,000**
- **HGMD Project** – RV Parking Lot – \$3,703.50 was withheld from the vendor for incomplete work associated with the 2021 Contract. This work will be completed and paid for in the early spring of 2022. Added change order work to skim patch the (2) large cracks located in the middle of the RV Parking Lot is \$4,500. We are waiting on approval from the HGMD Board to move forward with the added change order skim patchwork, this added work would push the project over the approved total project amount by \$3,184. **Carry Over Amount (if Skim Patchwork is Approved): \$8,203.50**

Note: District is a government agency and by law, at the end of the fiscal year (December 31) if the funds that are not used are lost, the Board has the authority to approve the carry forward.

- b.) **Motion to approve of the Authorization for Treasurer to direct investments:** Motion made by Treasurer/Secretary Archambault and seconded by Vice President George and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve to authorize the Board Treasurer to direct the investment of all

HGMD Funds and that monies available be invested in funds that have a rating of AAA-mf (Moody's rating) or equivalent ratings from other rating agencies.

Explanatory Comment: The AAA-mf rating means that the fund has a very strong ability to meet the dual objectives of providing liquidity and preserving capital. In addition, at the December 23, 2021, Board meeting the Board granted the Treasurer authority for directing investments for Debt Service Funds. This motion extends such authority to all investments of the District.

- c.) Motion to approve to Extend the Appointment of Ray Nash to the Budget and Finance Committee:** Motion made by Secretary/Treasurer Archambault and seconded by Director Nash and passed unanimously.

Text of Motion: Based on the recommendation of the Budget and Finance Committee, I move that Heather Gardens Metropolitan District Board of Directors approve Ray Nash's appointment to the Budget and Finance Committee to be extended for the sixth year.

Explanatory Comment: Ray Nash has the financial experience valuable to the Budget and Finance Committee and the Capital Program Subcommittee.

- d.) Motion to approve of the 2022 Annual Administrative Resolution:** Motion made by President Funk and seconded by Vice President George and passed unanimously.

Text of Motion: I move that Heather Gardens Metropolitan District Board of Directors approve the 2022 Annual Administrative Resolution as presented.

Note: Attorney Ivey commented that this resolution is done every year. It inventories and identifies (management, legal counsel, and/or directors) who is responsible for all the statutory requirements that special districts are subject to. A couple of news items are included as follows: 1) paragraph #19 (page 7) related to the electronic mail communication system and 2) paragraph #22 (page 8) with the change in law related to SB 21-262, special districts formed after July 1, 2000, are required to start filing annual reports starting next year. This confirms that the HGMD was formed prior to July 1, 2000, therefore, is *not* required to file annual reports.

- e.) Motion to approve of 2022 Regular Special District Election Resolution:** Motion made by President Funk and seconded by Vice President George and passed unanimously as amended.

Text of Motion: I move that Heather Gardens Metropolitan District Board of Directors approve the 2022 Regular Special District Election Resolution as

agreed with selection of option (3) posting the information on the official website.

Note: Attorney Ivey commented this is a regular special district election year in May. Two members of the Board are up for election for a 3-year term and one Board member is appointed to a vacancy for the remainder of the unexpired term. Total of 3 seats. It is also the calling of the election and to designate the election official (DEO) and authorizes the DEO to work with the District legal counsel to conduct the election and take all necessary action to conduct the election and also authorizes the DEO to cancel the election if there are not more people running than open seats, which has happened in past years. What is new due to SB 21-262 appears on pages 3-4 regarding the different requirements for providing the call for nominations for the election. The HGMD being formed before 2000, is required by statute to publish in the newspaper of general circulation, which is the *Aurora Sentinel*, and which has been already published, and the Board is required to select one of the other options listed. After further discussion, the Board members all agreed to move forward with posting to the official website.

OPEN FORUM: None.

ADJOURNMENT: Upon motion by Vice President George and seconded by Secretary/Treasurer Archambault and passed unanimously the meeting adjourned at 1:32 P.M.

William Archambault, Secretary/Treasurer

End of Month Report - January 2022

*******NOTE: Based on Feedback, Long Range Projects, Implementations & Prospective Projects & Ideas Section has been removed to Consolidate - these projects did not move with frequency month to month*******

Goals Board for the Association is Complete and All Goals for Departments have been set - goals will be added to the Statement of Work beginning next month where applicable based on delivery timing of project

Additional Goals that have already been Completed by All Teams

- 1. Set on Calendar & Hold Weekly Team Meetings - Deployed in All Departments - Acknowledgements/Current Operations/Challenges/Safety Discussions**
- 2. Safety Program - Enhanced/Re-Introduced to Include Monthly Safety Meetings**

HGMD

Clubhouse

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Room Setup Consistency	Communication w/ Custodial - Meeting & Touch base	100	x		12/5/2021
Increase Volunteer Participation / Orientation	participation/ clear expectations	95	x		2/8/2022
Super Bowl Party	Collaboration	80	x		2/13/2022
Increase Lighting in Lobby	Improve staff comfort/Safety	80	x		ASAP
Learn & Review Woodshop	implement direction / additional Best Practices	50	x		2/28/2022

Golf

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Update Rules for COVID-19 Play	Staying up to date with rules	100	x		1/31/22
Attend Men's Golf Meeting	Yearly Planning	100	x		1/31/22
Attend Merchandise Show	Yearly Planning	100	x		1/31/22
Email Leagues 2022 Contracts	Yearly Planning	100	x		1/31/22
Clean up ForeUp Software for 2022	Yearly Maintenance	100	x		1/31/22
Set up Event Calendar for 2022	Yearly Planning	95		x	1/31/22
Update Golf Simulator Program	Maintenance	80		x	1/31/22
Order Products for 2022	Yearly Planning	50	x		2/28/22

Restaurant

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Working on a schedule for special dinners and events for 2022		80	x		3/31/22
Working on Online and loyalty program	ongoing server training	75	x		3/31/22
Create new menus for banquets and cost out for pricing		50	x		4/30/22
Pricing for special events		33	x		4/30/22
Train cooks on serve safe food handling		20	x		5/31/22
Server training and volunteer training		20	x		4/30/22
Weekly and monthly safety meetings		20	x		3/31/22
Marketing and social media with golf		15	x		4/30/21

CEO/General

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Re-Org Strategy	Review & Reposition	100	x		1/14/22
Misc. Resident Follow Up / Issues		100	x		ASAP
Comcast Addendum	Edit/Update Addendum Per Board Req's --> Sent to Comcast for Review & Feedback	100	x		12/31/21
Year at a Glance - HnY For all Depts	Gantt/Project Chart/Goals & to Community	60	x		2/28/22
CP4 Supplement/Closeout	Close Out Final Project - JB Submitted to Insurance	55	x		3/31/22
Professional Development	Certification/Training	50	x		3/31/22
L/J Misc. Contract Renewal	2 years remaining/Vet Vendors	50	x		3/31/22
Uniform/Identification Project/Program	Review Current/Establish New (PPD)	50	x		TBD
Hire Business Office Manager	Source/Vet/Hire Process	25	x		2/28/22

CFO/Accounting

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Send out delinquency notices	586 letters need to be sent. 283 are top priority in Sept	100	x		1/31/22
AR/Billing/Prop Mgt in Jenark	General cleanup	90	x		3/15/22
Review each direct report processes	Sit down and review with each team member	80	x		2/28/22
2021 Audit	Complete 2021 audit by March/April 2022	25	x		4/18/22
Hire Accounting Asst. position	Source/Vet/Hire Process	15	x		2/28/22
Monthly Delinquent Notice	Process delinquent notices monthly	0	x		3/15/22
Update Capital Reserve report	Review formulas and review hard coding	0	x		3/31/22

COO/Operations

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Finalize Safety program revisions Handouts / Training / Q&A	updates/feedback from team - adjustments to Safety program to custom tailor to needs	75	X		3/31/22
City of Aurora - Water Wise 2022	Work w/ R&G, Committees, BOD to plan rollout- of water and cost saving program	33	X		8/30/22
Weekly Team Meetings / Safety / Ops	engage with team - offer support, ensure accountability for expected performance	20	X		3/31/22
Vendor Mgmt. list / scoring	Support Contracts Mgr. to build list with evaluation and data to show vendor performance	10	X		3/31/22
Re-vamp "components" Excel sheet	fix formulas, vetting of timelines and condition of items listed	5	X		5/15/22

CHRO/Human Resources

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Kick-off Safety Program	Re-introduce	100	X		1/31/22
Manager/supervisor EPR Class	help understand scoring	100	X		12/31/21
Complete Job Descriptions	Uniformity/Cleanup/Update	80	X		12/31/22
work on uniform change/color	more transparency easy to spot	50	X		1/31/22
Update all Forms new titles etc.		50	X		ASAP
Customer Service Training Course	Improve & Enhance CS	25	X		1/31/22
Employee recognition/reward program	Enhance Morale & Recognize	25	X		ASAP
Hire Business Office Manager	Source/Vet/Hire Process	25	X		2/28/22
Hire Accounting Clerk	Source/Vet/Hire Process	25	X		2/28/22
Misc. Dept Hiring - R&G, Maint & Custodial	Source/Vet/Hire Process	25	X		ASAP
Employee/Insurance/Docs Update	Create with COO Spanish Versions of Important Docs	10	X		ASAP
PEO Admin Review	Renewal/Vet/Research Etc.	10	X		5/1/22

Communications/Business Office Manager

Communications/Business Office Manager Goals & Projects Currently on Hold to Fill Position - Multiple Candidates and Interview Occurring

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Hire Business Office Manager		25	X		2/28/22
Communication Calendar/Cadence	Create schedule of comms - waiting on Sponsors/Graphic Design Decision	90	X		1st Quarter
Brochure/Property Brochure	Update old brochure with new information.	90	X		TBD
Social Media Calendar/Cadence	Create schedule of comms	0	X		1st Quarter
HG Association Tip of the Week/Month Cadence	Create schedule of comms	0	X		1st Quarter
Document Retention	Research Retention/Programs/Options	0	X		TBD
S/ Drive Clean-Up	Retention & File Removal/Clean	0	X		TBD
Intranet/SharePoint Development	Internal Comms Development	0	X		TBD
Communications SOP/PM Development	Work with PRC External & Team for Internal Process	0	X		TBD
Phone Line Clean Up Project	POTS Line Review/Needs	0	X		TBD

Contracts

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
PSAC - Parking Structure Engineered Conditions Report	To have a professional engineer conduct and conditions test and generate a report describing the current state of the parking structures.	99	X		2/28/22
HGMD Fuel Storage Tank	Install new 500g split tank to supply fuel needs for the small engine fleet.	75		X	2/15/22
RV Parking Lot	Resurfacing and re-designing the layout of the RV Parking lot to better serve the users	75		X	5/1/22
2022 Project Planning	Plan for the upcoming projects based on the approved budget.	30	X		
2022 FPE Replacement Project for CP 4, 5, and 6	Update existing FPE electrical panels to meet current NEC and City of Aurora Code	25	X		7/31/22
Parking Structure - Security Enhancement Project	To help relieve community safety concerns	25			ASAP
2022 - Carpet Replacement Project	Replace Building Corridor Carpet on 10 different floors throughout the community.	5	X		6/1/22
2022 - Elevator Jack Replacement Project; B243, 244 and 250	Replace Elevator Jacks to meet City and State Code Regulations.	5	X		10/1/22
B244 Roof Replacement	Replace B244's roof new roof to prevent leaking and structural damage to the building.	1	X		10/1/22
CP 4 Road Sealcoat	Asphalt Sealcoat/ Parking Stripe the area to give a finished look	1	X		5/1/22

Custodial

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Safety Meetings	Re-launch safety training	100	X		2/1/2022
Safety "trainer" for Dept	Designated a team member to help facilitate the re-launched safety program	25	X		2/22/2022
Plan for side stairs washing	To complete project on a timely matter.	25	X		3/31/2022
Hiring	Hiring 1 PT & 1 Ft	15	X		ASAP
Reviews	90 day reviews		X		2/18/2022
Cover	Covering 2 vacant zones (221-224) & (213-216)		X		

Maintenance

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
233 lights install in hallways	replacing old lights	100	X		2/4/22
Shower Unit Replacement	Men's Shower/Club	100	X		2/1/22
Februarys reviews	reviews	75	X		2/28/22
training 2022 / service techs	training of different process - monthly training	25	X		12/31/2022
Dry Vent cleaning 2022	in progress	25	X		3/1/22
fixing ladies shower clubhouse	in progress	25	X		2/28/22
asbestos training	training	10	X		4/1/22

Maintenance Facilities Engineer

*****NOTE: The Following Format is a Beta Test for the SOW - this might be utilized for departments with many projects running parallel in order to prioritize & complete*****

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
TOP 3 - 5 PROJECTS					
Building 233 roof replacement	Capital Reserve	99	X		2/28/22
Building 244 garage CO2 system	Repair/replace	95	X		2/18/22
Building 220 under slab metal door and jamb	Door received, getting contractors scheduled	50	X		2/28/22
Club women's handicap shower stall	Repair scheduled with outside contractor	5	X		2/28/22
2022 Cap Res requests	Started	5	X		2/28/22
MID-LEVEL PROJECTS					
Building 216 - 501, 401, 301,201 and 101 flood	Abbotts Restoration	100	X		Completed
Restaurant HVAC Replacement	Schedule Replacement all done except UV light	100		X	Completed
Multiple Building Hot Shot Roof scan review. Separate roofs by repair or replace and make a prioritized list of buildings.	Identify moisture in foam roofs (Scans completed, scans received)	100	X		Completed
Building 244 Unit 209 floor repair/replacement after heat run leak	Water floor damage	65	X		2/28/22
Inspect CP pillars to obtain a list and count of pillars that need to be either removed or straightened.	For budgetary purposes.	50	X		2/28/22
Evaluate Hot Shot scans	Prepare evaluation	20	X		2/28/22
LONG TERM PROJECTS					
Research PS Security	PS Security	90	X		2/28/22
Building 216 Roof Safety Rails	Researching Options (Safety)	30	X		2/28/22
14205-14207 sewer pipe replacement in the basements	Remedy for Continuous drain backups	10		X	Unknown
2020 Cap Res- Chair Rail B233	Finish 2020 chair rail schedule	10		X	3/31/22
Building 243 boiler retubing (95)	Get quotes for retubing or replacement for comparison	2	X		2/28/22

Roads & Grounds

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Pine Needle clean-up	(Delayed - Snow)	75	X		3/1/22
Yale spurge removal	re-seed weed filled turf	40	X		5/1/22
2022 asphalt list	Repair driveway lifting/cracks	10	X		4/1/22
Replace #500		10	X		6/1/22
2022 Stump Grinding List	Removes stumps from property	10	X		6/1/22
Replace Chipper	investigate (new/used)	5	X		3/1/22
Plant List for 2022	where and what to plant	0	X		5/31/22

Security

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
All Team Meeting	Increase moral/communication	100	X		1/11/22
HGA Master Audit	Update Resident Info	90		X	12/31/21
New Report Software	Implement New - Research/Review/Vet (PPD)	50		X	1/1/22
Purchase new Radios	Communication	50	X		2/1/22
Safety Meetings and audits	Safety - Complete Audit/Walk	0	X		2/15/21
Employee Key Audit	Building Safety	0	X		3/31/22
1st Qtr. Weapons Training	Training/ development	0	X		2/5/22
Active Shooter Plan	Safety	0	X		5/31/22

HGMD TREASURER'S REPORT for FEBRUARY 2022 Board Meeting

Highlights of District Operations for the year ended January 2022

Enterprise Fund:

Enterprise Fund revenue for January was \$169,700 which is \$33,000 less than budgeted. Recreation Fee income was as expected. Restaurant and Golf Revenue was less than anticipated. The restaurant was closed for a few days due to staffing issues resulting from covid. Golf revenue was impacted by weather. The shortfall in revenue was partially offset by cost of good sold and operating expenses being less than expected. The offset amounted to approximately \$28,000.

Restricted Funds:

Conservation Trust Fund (Lottery). The only activity was the recoding of interest earned on the lottery bank account. There was \$152,790 in the lottery bank account at the end of the month.

Foundation Fund. The Foundation Fund received \$100 in donations in January. There were no expenses of the fund for the month. The Foundation bank account has a balance of \$39,393 and investments amounting to \$150,000.

Debt Service Fund. The property tax collection for January was \$13. This is not unexpected as historically January collections have been either \$0 or a very small amount. Specific ownership tax revenue was \$2,800. Interest expense of \$25,600 was recorded for the month.

FOR THE MONTH ENDED JANUARY 2022

	Budget	Actual
Clubhouse Subsidy	(\$53,321)	(\$48,330)
Golf Subsidy	(\$44,179)	(\$39,733)
Restaurant Subsidy	(\$12,019)	(\$19,396)

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE
FEBRUARY 14, 2022, MEETING REPORT
ZOOM MEETING**

TO: Members of the Heather Gardens Budget & Finance Committee,
HGA Board of Directors, HGMD Board of Directors, and Chief Executive 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, Linda Serio, and Richard Ferguson.
Committee member Lane was absent and excused from the meeting.

Staff: Jon Rae, CEO; Jerry Counts, CFO; Jason Altshuler, COO.

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.

The January 17, 2022, B&F Committee meeting report was accepted with two corrections.

Monthly Operating Analysis Review: Jerry Counts, CFO, reviewed the November financial statements for HGA and HGMD. All questions were answered.

Subcommittee and Other Reports:

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: No meeting. The chair is planning on a meeting in March.

Capital Projects Subcommittee: No meeting.

Investment Update: Chair provided an update indicating that annuity interest rates had increased. There was discussion of this later in the meeting.

Unfinished Business: None

New Business: None.

Investment Discussion: There was a lengthy discussion regarding investing in annuities. The Association is planning on investing \$1 million in 3-year annuities. Discussion revolved around whether investing in annuities or in highly rated corporate bonds would be more prudent

fiscally for the Association. Committee member Ferguson made a motion that the Association not invest in annuities but rather obtain a proposal for investing in highly rated corporate bonds. The motion did not receive a second and therefore was not considered further.

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

The meeting was adjourned at 11:35 AM.

The next meeting will be on March 14, 2022.

**Heather Gardens Metropolitan District
Board Action
Date: February 17, 2022**

Motion: Consider Accepting the amended Heather Gardens Metropolitan District Bylaws

I move that Heather Gardens Metropolitan District Board of Directors accept the amended Bylaws of the Heather Gardens Metropolitan District as presented.

Motion by: David Funk Seconded by: _____

Outcome of vote:

For: _____ Against: _____ Absent/Abstaining: _____

___ The motion has a majority and is adopted.

___ The motion does not have a majority and is not adopted.

David Funk, President
HGMD Board of Directors

Rationale: Adoption of the amended Bylaws is scheduled for March 17, 2022, following a one-month public comment period.



**BYLAWS
OF THE
HEATHER GARDENS METROPOLITAN DISTRICT**

Adopted July 18, 2019

Amended February 17, 2022

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ARTICLE I – APPLICATION OF BYLAWS

Section 1. Authority. Heather Gardens Metropolitan District (District) is a quasi-municipal corporation and political subdivision of the State of Colorado with those powers specifically authorized by, and in compliance with the Special District Act, Article 1 of Title 32, C.R.S. (Special District Act), including, but not limited to the power to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objectives, and affairs of the Board of Directors (Board) of the District and the District.

Section 2. Purpose. It is hereby declared that the Bylaws hereunder set forth will serve a public purpose and aid the Board and the District in carrying on its business, objectives, and affairs.

Section 3. Scope. These Bylaws shall supersede all previous versions of the District’s bylaws and policy manuals, as well as all previous resolutions, actions and informal practices and policies of the District or portions thereof which may be in conflict with the provisions hereof.

ARTICLE II – ORGANIZATION

Section 1. Powers and Duties. All powers, privileges and duties vested in, or imposed upon the District by law shall be exercised and performed by and through the Board, whether set forth specifically or impliedly in these Bylaws, provided, however, the Board:

- A. May delegate to officers, contractors or employees of the District any or all administrative or ministerial duties;
- B. Has delegated to the Heather Gardens Association and the Association’s general manager (District’s Agent) certain managerial, administrative and ministerial duties in accordance with the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018, as may be amended from time to time (Management Agreement);
- C. May delegate the authority to make purchases, negotiate leases for office space, and sign contracts, receipts, endorsements, checks, releases and other documents; and

- D. May create standing or special committees and delegate such authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations.

Section 2. Office.

- A. **Business Office.** The principal business office of the District shall be at 2888 South Heather Gardens Way, Aurora, Colorado 80014, until otherwise designated by the Board.

Section 3. Meetings.

- A. **Regular Meetings.** Regular meetings of the Board shall be conducted on the third Thursday of each month at 1:00 p.m., at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado, unless otherwise designated by the Board.
- B. **Special Meetings.** From time to time the Board may call special meetings of the Board upon advance written notice in compliance with the Special District Act and other applicable laws.
- C. **Study Sessions.** From time to time the Board may hold study sessions to receive, present and/or discuss information but not take any official actions.
- D. **Public Meetings.** All meetings of the Board and its committees, including study sessions, other than executive sessions, shall be noticed in compliance with applicable laws and, with the exception of the executive sessions, open to the public and allow time for public comments.
- E. **No Informal Action by the Board/Quorum.** Except as otherwise provided herein or as allowed by law, all official business of the Board shall be transacted at a regular or special meeting at which a quorum (more than one-half of the number of Board members serving on the Board at that time) shall be present in person or telephonically.
- F. **Executive Sessions.** Executive sessions may be called at regular or special meetings of the Board in compliance with the Colorado Open Meetings Law, §§ 24-6-401 *et seq.*, C.R.S. No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place

in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called.

- G. Continuance of Meetings.** When a regular or special meeting is for any reason continued to another time and place, further notice need not be given of the continued meeting if the time and place of such meeting are announced at the meeting at which the continuance is taken, except as required by law. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.

- H. Emergency Meetings.** Emergency meetings may be called without notice, if notice is not practicable, by the president of the Board or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and residents of the District. If possible, notice of such emergency meeting may be given to the members of the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency, and shall be provided to the public via any practicable means available, if any, including, but not limited to, posting notice of such emergency meeting on the District's website, if any. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided however, that any action taken at an emergency meeting shall be ratified at the first to occur: (a) the next regular meeting of the Board, or (b) the next special meeting of the Board.

Section 4. Preparation for and Conduct of Meetings. The Board recognizes that establishing a uniform and systematic protocol for preparing for and conducting its regular, special, and committee meetings and study sessions will help assure the efficient operations of the District and transparency to and participation of the public. As such, the Board hereby adopts the following procedures for the preparation of and conduct at meetings which the Board, the District's Agent, and the officers, agents and employees of the District shall use all reasonable efforts to follow and which shall be in addition to and shall be subject to other legal requirements set forth relating to the notice of and conduct at meetings:

- A. Agenda.** The agenda for all meetings and study sessions of the District is set by the chairperson with recommendations from other Board members and the District's Agent, and if appropriate, by legal counsel. The agenda for all meetings will include an agenda item for public comment for non-agenda items. The District's Agent is responsible for posting the notice and agenda in accordance with law and as provided in the District's annual administrative

resolution. The agenda for any meeting or study session may be revised by motion, second and a majority vote of members of the Board.

B. Order of Business. The business of all regular and special meetings of the Board shall be transacted, as far as practicable, as follows:

1. Determine quorum is present.
2. Call meeting to order.
3. Consider approval of the minutes of the previous meeting/meetings.
4. Addition or changes to agenda.
5. President's comments.
6. Review of Financial Reports
7. Discussion of General Manager's report.
8. Reports of Directors, committees and professional consultants
9. Unfinished business.
10. New business.
11. Other business.
12. Residents wishing to address the Board on non-agenda items. (Time Limit – Three Minutes.)
13. Adjournment.

C. Motions.

1. Motions to take an action may be made at any meeting (but not study session) in open session (not executive session) by any member of the Board.
2. A motion may be made to take the following illustrative (but not exhaustive) list of actions:
 - a. Approve;
 - b. Disapprove;
 - c. Table to a date certain;
 - d. Table indefinitely; or
 - e. Refer to a committee.
3. A motion must receive a second. If there is not a second then the motion dies without further discussion.
4. After a motion and second, the members of the Board will have further discussion and public comment will be allowed (see below).

D. Public Review/Comment.

1. The Board, when possible, will endeavor to provide advance notice to the residents of Heather Gardens (in addition to that required by law) prior to adopting any new or revised bylaws or policy/procedure manuals by publishing information regarding such new or revised bylaws or policy/procedure manuals in the newsletter and the Heather Gardens Association electronic distribution and by making copies of such new or revised bylaws or policies manuals available for review.
2. The agenda for all meetings and study sessions will include an agenda item for public comment for non-agenda items. Public comment during this item is limited to 3 minutes per person. Members of the public wishing to address the Board during this agenda item will be asked to sign-up in advance and public comment will be received by the chairperson.
3. Public comment will be solicited and received by the chairperson after a motion and second have been made for a Board action and before a vote is taken. Public comment during this item is limited to 3 minutes per person. Members of the public wishing to address the Board during Board action items may, but will not be asked to, sign-up in advance. Public comment may be solicited and received by the chairperson after discussion of items at a study session.
4. No response to public comment is expected or required. However, when a response is made the following order may be used:
 - a. Chairperson;
 - b. District's Agent;
 - c. Board members; and
 - d. Legal counsel.

E. Discussion. After a motion and second have been made regarding a Board action item, the following rules will apply to discussions by members of the Board:

1. All discussion must stay on topic and be polite.
2. Discussion can be closed by:

- a. The chairperson if there is no objection; or
 - b. If there is an objection, the Board members shall vote on whether to close discussion.

- F. **Voting.** After the close of discussion, the chairperson will call for a vote and announce the results. The chairperson may take the vote by show of hands, orally or by roll call. All votes will be open, not by secret ballot, except as allowed by law. Except as otherwise provided herein or required by law or contract, any action of the Board shall require the affirmative vote of a majority of the Board members present, or attending telephonically, and voting.

- G. **Disruptive, Disorderly and Unlawful Conduct.** If a member of the Board, member of the public or any attendee of a District meeting or study session engages in disruptive, disorderly or unlawful conduct during a District meeting or study session the chairperson may issue a warning regarding such conduct, call a recess in the meeting or study session, adjourn the meeting or study session, and/or call security/law enforcement.

ARTICLE III – BOARD MEMBERS AND OFFICERS

Section 1. Board Members.

- A. **Board Member Qualifications and Terms.** Board members shall be eligible electors of the District as that term is defined by law. The term of each Board member shall be determined by relevant statutory provisions with elections held and conducted in the manner prescribed by the Special District Act, the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S. and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S. The eligible electors of the District have not exercised the rights granted to them in Article XVIII, Section 11 of the Colorado Constitution to lengthen, shorten or eliminate the limitations on the terms of office imposed by such section, therefore, members of the Board are subject to term limits as provided by law.

- B. **Board Member’s Performance of Duties.** A Board member of the District shall perform all duties of a Board member, including duties as a member of any committee of the Board upon which the Board member may serve, in a manner which the Board member reasonably believes to be in the best interest of the District. Board members have a common-law fiduciary

obligation to the District. As a fiduciary, each Board member has the duty to exercise the utmost good faith, business sense and astuteness on the District's behalf and is prohibited from taking personal advantage of a situation to benefit the Board member or to prejudice the District.

In performing the Board member's duties, each Board member shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data provided, however, a Board member shall not be considered to be acting in good faith if the Board member has knowledge concerning the matter in question that would cause such reliance to be unwarranted.

- C. Oath of Office and Bond.** Each member of the Board, before assuming the responsibilities of the office, shall take and subscribe to an oath of office and provide a bond as required by law and provided at the expense of the District.
- D. Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Board members, as provided by law. The appointed individual must meet the statutorily prescribed qualifications for Board members and shall serve until the next regular election.
- E. Resignation and Removal.** Board members may be removed from office only by recall as provided by law. A Board member may resign as a Board member or an elected office (president, vice-president, secretary, treasurer) at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective. Removal from an elected office may occur when, for a demonstrable reason, an officer becomes unable to perform the duties of the office. In such a case, a member of the Board shall make a motion to that effect, and upon a majority of the Board voting in favor of such motion, the officer shall be removed immediately. The officer position shall then be declared vacant. An election by the Board shall then be held to fill the vacant officer position.
- F. Disclosure of Conflict of Interest.** A potential conflict of interest of any Board member shall be disclosed by such Board member in accordance with law, particularly Article 18 of Title 24, C.R.S., and §§ 32-1-902(3) and 18-8-308, C.R.S.
- G. Compensation.** Board members may receive compensation for services in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S. if so authorized by

resolution of the Board. The District shall allow reimbursement of reasonable and actual expenses of the Board members while acting on behalf of the District.

Section 2. Officers.

- A. Election of Officers.** The Board shall elect from its membership a president, secretary, and a treasurer. The office of secretary and treasurer may be held by one person. The Board may also elect from its membership a vice president.
1. The officers shall be elected by a majority of the Board members voting at such meeting at which the election of officers is considered.
 2. Election of officers shall be conducted annually at the first regular or special District meeting held in May and the officers shall serve for a term of one year. Election of officers may also be conducted at other meetings in order to fill a vacant office.
- B. President/Chairperson.** The president (also referred to as the chairperson) shall preside at all meetings. The president is authorized to sign all Board approved contracts, deeds, notes, debentures, warrants and other instruments on behalf of the District.
- C. Vice President.** The vice president shall preside at all meetings of the Board and perform the presidential duties in the absence of the president.
- D. Secretary.**
1. In the absence of the president and, if applicable, the vice-president, the secretary shall preside at all meetings of the Board.
 2. The secretary shall be responsible for the records of the District; may act as secretary at meetings of the Board and record all votes; may be responsible for composing a record of the proceedings of the Board in a minute book kept for that purpose, which shall be an official record of the Board; and shall perform all duties incident to that office.
 3. The secretary shall have the authority to affix the District seal to and attest to all contracts and instruments authorized to be executed by the Board.

E. Treasurer.

1. The treasurer shall be authorized to invest all surplus funds or other available funds of the District in permitted investments authorized by law or as specified by the Board. The Board may authorize investments only as authorized by law.
2. The treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of District in permanent records.
3. The treasurer shall ensure that a corporate fidelity bond in an amount determined by the Board but not less than \$5,000, conditioned on the faithful performance of the duties of the Treasurer's office is filed with the Clerk of the Court, at the expense of the District.
4. The treasurer shall be responsible for the presentation of the Budget to the District.

F. Recording Secretary. The Board shall have the authority to appoint a recording secretary who need not be a member of the Board, and who will be responsible for recording all votes and composing a record of the proceedings of the Board in the minute archive and will be the custodian of the seal of the District. The recording secretary shall not be required to take an oath of office, nor post a performance bond.

G. Additional Duties. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board or which are required by law.

ARTICLE IV – STANDING AND SPECIAL COMMITTEES

Section 1. Functions. The primary purpose of a committee is to serve in an advisory role and recommend courses of action to the Board. In particular, committees:

- A. Monitor, in cooperation with the District's Agent, or designated staff, the effectiveness of policies and rules within its area of concern;
- B. Review and/or make recommendations concerning the policies and procedures of the District for its area of concern;
- C. Review and/or make recommendations concerning fees, if any, for its area of concern; and

- D. Make recommendations to assist in the preparation of the annual budget for its area of concern.

Section 2. Committee Composition. Each committee consists of a chairperson or co-chairpersons and ~~as many up to seven~~ eligible electors of the District as may be deemed necessary by the Board to conduct committee business. Eligible electors of the District may apply for membership on committees by completing an application obtained in the business office and submitting it to the chairperson of the committee on which membership is desired.

Section 3. Committee Chairperson/Co-chairpersons. Unless otherwise authorized by the Board, the chairperson/co-chairpersons of each committee shall be a Board member appointed by the District president, subject to approval by the Board.

Section 4. Duties of the Chairperson/Co-chairpersons. The chairperson/co-chairpersons of each committee shall enroll members in the committee as required to ensure that all members meet the criteria of these bylaws and act in the best interest of the District.;

Section 5. Substitute Chairpersons. Committee chairpersons shall arrange for another Board member to chair any meeting of the committee at which the chairperson will be unable to attend.

Section 6. Tenure of Committee Members. Members of committees may serve for a maximum of four consecutive years. After a one-year break in service, such person may return to the committee at the recommendation of the chairperson and after approval by the Board. Approval for a member to be permitted to exceed this limitation may be granted on a case-by-case basis by the Board. Such extensions will be valid for only one year at a time and should normally be requested and approved because of one or both of the following circumstances:

- A. Losing the member will reduce membership below the minimums specified in these bylaws; and/or
- B. The member has professional experience (e.g., finance, law, engineering, etc.) that is particularly valuable to the committee.

Once seated, members of a committee, may be removed with or without cause by a vote of the Board.

Section 7. Cohabitants. No two persons living in the same unit shall be permitted to serve on the same committee.

Section 8. Committee Quorum. A committee's quorum is a majority of its minimum number of voting members, including the chairperson.

Section 9. Standing Committees. The following standing committees are hereby created by the Board: Clubhouse/Restaurant, Golf Enterprise Advisory Group, Foundation, and Property Policy. The Board, at its discretion, may from time to time form additional standing committees or dissolve a standing committee. The duration, composition, purpose, duties and responsibilities of any standing committee, are set forth in the composition, membership, purpose, duties and responsibilities of a Procedure Memorandum approved by the Board. The president of the Board is an ex-officio member of each standing committee.

Section 10. Special Committees. From time to time a project outside the concerns of the standing committees may occur, in which case the Board may create a special committee for such project. The duration, membership, chairperson, purpose, duties and responsibilities of any special committee of the Board shall be as defined by the Board. Once the project is completed the special committee may be dissolved. The president of the Board is an ex-officio member of each special committee.

Section 11. Joint Committees. The Management Agreement provides that joint committees may be formed from time to time. The District and Heather Gardens Association have agreed to participate in two joint committees: Joint Budget and Finance Committee and Joint Long Range Planning Committee providing advice to each Board, as appropriate, on matters of joint concern. The president of the Board is an ex-officio member of each joint committee.

Section 142. Open Meetings. All committee meetings shall be open to the public and allow time for public comment.

ARTICLE V – ADMINISTRATION

Section 1. The District's Agent shall perform all duties necessary to fulfill the obligations of the Management Agreement.

Section 2. Financial Administration.

- A. Fiscal Year.** The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- B. Budget.** The District's Agent, in cooperation with the treasurer of the Board, shall be responsible for preparation, presentation, notice and filing of the annual budget for the District in accordance with law.

- C. Contracts.** Neither the Board nor the District's Agent has authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for which funds have not been appropriated by the Board. Any contract, verbal or written, contrary to this Section shall be void ad initio, and no District funds shall be expended in payment of such contracts, except as may be allowed by law.
- D. Annual Audit.** The Board shall cause an annual audit to be performed at the end of each fiscal year of all financial affairs of the District through December 31 of such fiscal year in accordance with law.

Section 3. Selection of and Consultation with Consultants and Contractors. Agents, engineers, accountants, special consultants and legal counsel of the District shall be selected by the Board. The District's President, the District's Agent and any other individual authorized by the District's President, Agent or Board may contact the legal counsel, auditor or other consultants engaged by the Board to seek advice.

ARTICLE VI – GENERAL

Section 1. Modification of Bylaws. These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board by a majority vote of the Board members to become effective immediately or at a subsequent date.

ADOPTED the 187th day of ~~July 2019~~ March 2022, by the Board of Directors of Heather Gardens Metropolitan District.

HEATHER GARDEN METROPOLITAN DISTRICT

_____, President

ATTEST:

_____, Secretary