

**HEATHER GARDENS METROPOLITAN DISTRICT
SPECIAL MEETING
Thursday, February 23, 2023**

The special meeting of the Board of Directors of the Heather Gardens Metropolitan District was held via Zoom/Telephone in the Heather Gardens Clubhouse at 2888 S. Heather Gardens Way, Arapahoe County, Colorado, on Thursday, February 23, 2023, at 1:00 P.M.

CALL TO ORDER: President Funk called the meeting to order at approximately 1:00 P.M. on Thursday, February 23, 2023. A quorum was present.

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

BOARD MEMBERS ABSENT: Director Mitch Albert (Excused).

STAFF PRESENT: Chief Executive Officer (CEO) Jon Rea, Chief Financial Officer (CFO) Jerry Counts, and Administration Manager Evelyn Ybarra.

GUESTS PRESENT: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C., 7 members of the Heather Gardens Association Board, Lynn Donaldson with Heather 'n Yon, and approximately 25 members of the public were present.

PRESIDENT REMARKS: None.

APPROVAL OF MINUTES: Motion made by Vice President Laubach and seconded by Secretary/Treasurer William Archambault and passed unanimously to approve the minutes of January 26, 2023, Special Meeting, as written.

REPORTS OF DIRECTORS, COMMITTEES, AND PROFESSIONAL CONSULTANTS:

Chief Executive Officer (CEO) Report: The Board received a copy of the CEO's Statement of Work. There were no questions or comments.

Enterprise Advisory Group: Director Mines reported the group met in a workshop on February 13 to review the draft procedure memorandum (PM). The group had great suggestions and ideas and will continue to work on the PM next month on March 13. There were no questions or comments.

Foundation Committee: The Board received a copy of the Foundation Report. Vice President Laubach reported that the committee met on February 8, and two actions will be discussed later in the meeting regarding the investment management fee. There were no questions or comments.

Joint Long Range Planning Committee (JLRPC): President Funk reported the committee is continuing to work on the different parts of the tool that will be utilized to determine long range planning priorities. The priority list was discussed at the Board's retreat last week. The Board members are working on providing a priority list and will work on a process for gathering input from the community. There were no questions or comments.

Treasurer's Report: The Board received a copy of the Treasurer's report. Secretary/Treasurer Archambault commented that golf operations in January were poor, but that was due to the golf course being closed for 31 days. Therefore, if you are not playing golf, there will not be revenue. There were no questions or comments.

Joint Budget and Finance Committee: The Board received a copy of the Joint Budget and Finance Report. There were no questions or comments.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

- a) **Approve CFO to Establish Money Market Account Fund with KeyBank for the Heather Gardens Metropolitan District:** Motion made by Secretary/Treasurer Archambault and seconded by Vice President Laubach and passed unanimously.

Text of Motion: Based on the recommendation of the Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the authorization of the CFO (Jerry Counts) to establish a Money Market Account Fund with KeyBank for the Heather Gardens Metropolitan District.

The CFO is authorized to transfer excess funds from other accounts with KeyBank into the appropriate Money Market Funds and withdraw funds from the accounts as needed to meet cash flow needs.

Note: The advantage of money market funds is it pays more interest than a simple savings account, and the money is readily available as opposed to a CD that you have to wait for its term or you will lose the interest.

- b) **Motion to Approve to Reduce Dollar Amount Carried Forward from 2022 to 2023 for the Clubhouse HVAC System Software and Computer:** Motion made by Secretary/Treasurer Archambault and seconded by Vice President Laubach and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve to reduce the dollar amount carried forward from the 2022

budget to the 2023 budget for Update Clubhouse HVAC System Software and Computer by \$1,842.

Explanatory Comment: Based upon the recommendation of Management, the Board authorized the carry forward of \$7,237 from the 2022 budget to the 2023 budget to complete the project. The final cost to complete the project was \$5,395 leaving a balance of \$1,842. The balance is not needed and cannot be used for any other project. Therefore, the carry-forward amount should be reduced to the actual amount needed.

- c) **Motion to Approve to Authorize the Carry Forward of Capital Projects from 2022 Fiscal Year to 2023 Fiscal Year (\$100,261):** Motion made by Director Mines and seconded by Vice President Laubach and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve extending the 2022 authorization to the 2023 fiscal year for the following projects:

Outdoor Pool/Heater Boiler - \$22,880
Chemical Control System, Indoor Pool and Spa - \$17,361
Outdoor Pool – Replaster Finish - \$60,020

Explanatory Comment: Management had advised the Board that these three projects were overlooked when the motion for carry forward of spending authority was presented at the January Board meeting. A contract has been made for the Outdoor Pool/Heater Boiler, and the vendor had hoped to complete the project in January 2023, but inclement weather prevented the completion. As of December 31, 2022, Management had taken no action on the Chemical Control System, indoor pool and spa. As of December 31, 2022, the Outdoor Pool replaster finish project was listed as “in process,” but no request had been made to the Board of Directors for the project. The projects are needed to continue having the pools and spa available for resident use.

- d) **Motion to Approve to Increase the Amount Authorized from the Conservation Trust Fund (Lottery Fund) for the Payment for the New Pool Table (\$1,325):** Motion made by President Funk and seconded by Director Mines and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors increase the amount authorized in June of 2022 for the replacement pool table by \$1,325.00. The funds are to be from the Conservation Trust Fund (Lottery Fund).

Explanatory Comment: In June 2022, the Board authorized using Conservation Funds (Lottery Funds) in the amount of \$6,314.99 to replace a pool table. The

June 2022 motion included a statement that the cost was not to exceed \$6,314.99. Management has advised that the pool table was acquired at a cost of \$1,325.00 more than the HGMD Board of Directors authorized. As the pool table has been delivered and is in use, the Board has, realistically, no choice other than to authorize the additional amount from the Conservation Trust Fund (Lottery Fund).

Note: There was a request to provide information explaining Lottery Funds in Heather 'n Yon. Secretary/Treasurer Archambault commented he could write up information and provide it to the Board for review before publishing.

- e) **Motion to Approve the Administrative Fee Charged to the Foundation to be Eliminated:** Motion made by Vice President Laubach and seconded by Director Mines and passed with a vote of 3 For and 1 Against.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve the administrative fee currently being charged to the Foundation be eliminated, and future Foundation Interest in Investments be deposited into the Foundation Fund effective January 2023.

Motion to Approve Move Monies Earned from Foundation Interest in Investments Transferred from Enterprise Fund to the Foundation Fund: Motion made by Vice President Laubach and seconded by Director Mines. After further discussion, the motion was withdrawn.

Approve a Proposal to Move Money back to the Foundation from the Enterprise Fund through a Budgeted Process for the Year 2024: Motion made by President Funk and seconded by Vice President Laubach and passed with a vote of 3 For and 1 Against.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve in next month's meeting a proposal to move money back to the Foundation Fund from the Enterprise Fund through a budgeted process for the year 2024.

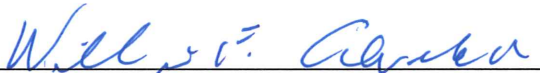
OPEN FORUM:

The president of the Pickleball Club, who is also a resident at Heather Gardens, said he is trying to figure out ways to increase play, and by adding lines to the west side tennis court as they already exist on the east side, the club can add 16 more plays. There are about 90 members in the club. The club is asking if the Board could help fund using Conservation Funds for two rolling nets and to get the west side of the court stripped for pickleball. He estimated it would cost \$3,800 and asked what the process is to get this funded. President Funk commented that he continues to work with management and

develop a plan on how this process will happen and advised him to present this to the Enterprise Advisory Group meeting on March 13 at 10:00 a.m.

A resident stated she and her husband reviewed their property taxes and calculated that 13% went to the District and wanted to know where that money goes. Secretary/Treasurer Archambault commented that in 2010, the residents voted to approve a bond issuance of \$9.8 million with a payback of roughly \$19 million to refurbish and rebuild the Clubhouse, paid with property taxes collected by the District, and the last payment will be in 2040. Secretary/Treasurer Archambault also explained the HOA fee includes the recreational fee that helps fund the District. The resident appreciated the clarification and stated she loves the Clubhouse.

ADJOURNMENT: Upon motion by Vice President Laubach, seconded by Secretary/Treasurer Archambault, and passed unanimously, the meeting adjourned at 1:56 P.M.



William Archambault, Secretary/Treasurer