

**HEATHER GARDENS METROPOLITAN DISTRICT
REGULAR MEETING
Thursday, July 16, 2020**

The regular 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, July 16, 2020 at 1:00 P.M.

CALL TO ORDER: President Funk called the meeting to order at approximately 1:03 P.M. on Thursday, July 16, 2020. A quorum was present.

BOARD MEMBERS PRESENT: President David Funk, Vice President Michael George, Treasurer and Secretary William Archambault, and Directors Rita Effler and Fran Clemens.

BOARD MEMBERS ABSENT: None.

STAFF PRESENT: General Manager Calvin White, Controller Jon Ripacki, Operations Manager Jon Rea, and Board Assistant Evelyn Ybarra.

GUESTS PRESENT: Jennifer Ivey, Icenogle Seaver Pogue, P.C., four members of the Heather Gardens Association Board, Lynn Donaldson, with Heather 'n Yon, and approximately 34 members of the public were present.

ADDITIONS OR DELETION TO THE AGENDA: Added in New Business, b. Motion to Approve Preliminary Opening of the Rendezvous Restaurant.

APPROVAL OF MINUTES: Motion made by Director Effler and seconded by Treasurer and Secretary Archambault, and passed unanimously to approve the minutes of the June 18, 2020 Regular Meeting as corrected.

REPORTS OF DIRECTORS, COMMITTEES, AND PROFESSIONAL CONSULTANTS:

President Report: There was no report. President Funk commented as the Chair of the Property Policy Committee; he reported the underground storage tank at the Maintenance Shop had been removed with no further remediation required. Heather Gardens will save money on insurance as it will no longer need to insure the old tank.

General Manager's Report: General Manager White reported the changes made in his report that outlines the District Operations are at the beginning of the report. He asked if there were any questions or comments on the report. There were no questions or comments on the General Manager's Monthly Report.

General Manager White introduced the new Controller, Jonathon Rapacki.

Clubhouse/Restaurant Committee: Director Effler reported the Board received copies of both meeting reports. There will be two vacancies open as member's terms end. The Committee will be working on the results of the restaurant survey and using that information to design a plan on how to meet the respondents requests. There were no questions or comments on the report.

Foundation Committee: Director Clemens reported the Board received a copy of the report. The meeting was short, as there was nothing new. There were no questions or comments on the report.

Golf Committee: Vice President George reported the Board received a copy of the report. The golf plays have been increasing. There has been good participation coming from the men's and women's club. Golf Course Superintendent Brian Benko will work on getting the repairs done this week on the #2 fairway brick wall. There were no questions or comments on the report.

Property Policy Committee: President Funk commented he already reported his update. There were no questions or comments on the report.

Treasurer's Report: Treasurer and Secretary Archambault reported the Board received a copy of the Treasurer's reports and asked if there were any questions or comments. There were no questions or comments on the report..

May 2020 Monthly Operating Analysis (MOA): Treasurer and Secretary Archambault reported the Board received a copy of the monthly operations report. June's not been a good month again with decreased revenue because of the COVID. Although the Golf Course did do well in June. The Restaurant has been closed nearly four months. The Clubhouse operations have slowed down. There is one vacancy open in the Budget and Finance Committee. Contact Co-chair John Coil or him if there is anyone interested. Back in May, the Board approved reinvestment of two CDs that belong to the Foundation. Only one CD was invested this month, and the other CD will get done in the next few days. It was due to a settlement date issue with the bank. The interest rate is about .015% so the delay of a few days before reinvestment will not have much impact on interest earned.

Director Effler asked on the Restaurant Profit and Loss, why it was significantly less than last month, and if it had to do with one full-time employee on leave that is not being charged. General Manager White commented he would look into this with Controller Rapacki and get back with her on his finding.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

- a.) **Motion to approve to Reinvest Maturing CDs:** Motion made by Treasurer and Secretary Archambault, and seconded by Director Clemens and passed unanimously.

Text of the Motion: I move that the Heather Gardens Metropolitan District Board of Directors authorize the Controller to reinvest two CDs maturing in July and one maturing in August 2020 at the best possible CD rate as of the date of maturity.

- CD Maturing July 22, 2020 Principal Amount \$250,000. Reinvest for One Year.
- CD Maturing July 29, 2020 Principal Amount \$250,000. Reinvest for Two Years.
- CD Maturing August 3, 2020 Principal Amount \$250,000. Reinvest for Two Years.

Explanation: The HVAC System in the Clubhouse/Restaurant may need some significant repairs within the next one to two years. Reinvesting a CD for one year will provide if needed, the cash for the repairs. If the cash is not needed, the CD can be reinvested when it matures.

- b.) **Motion to approve Preliminary Opening of the Rendezvous Restaurant:** Motion made by Director Effler, and seconded by Director Clemens and passed as amended with a vote of 4 For and 1 Against (Vice President George).

Text of the Motion (as amended): Based upon the recommendation of the Clubhouse/Restaurant Committee, I move that the Heather Gardens Metropolitan District Board of Directors direct the preliminary opening of the Rendezvous on or before August 20, 2020.

The Committee believes that this introductory opening will be in the best interest of the Heather Gardens Community and will serve as a prelude to the re-imagining of the business model for the restaurant, which is currently underway. It is envisioned that the restaurant will open on a limited basis, based on a menu that can be prepared and served outdoors as well as take out, to include such items as hot dogs, hamburgers, snacks, and beverages, if possible, determined by Rendezvous staff. Open hours and menu offerings will be determined by the HGMD Clubhouse/Restaurant Committee chairperson and the HGMD Board President in counsel with the General Manager, Restaurant Manager, and other staff as necessary.

It is recognized that the Restaurant must comply with state, local, and Tri-county Health Department requirements, restrictions, and recommendations regarding the COVID-19 pandemic.

Explanation:



Heather Gardens

METROPOLITAN DISTRICT

1. Community Residents have indicated that even a minimal level of service from the Restaurant at this time would be a benefit to many.
2. No revenue is currently being realized from resident patronage or golfers. The Committee fears that we are losing goodwill as well as revenue and that with the newly extended liquor license, it is an opportunity to recover some of that lost revenue.
3. Operation expenses and salaries continue without any production of revenue.
4. Until the ongoing business plan development for re-imagining the Rendezvous is accomplished, it would be advantageous to utilize the facility and staff already being paid for.
5. It is the intent of the Committee that the operation of the restaurant during this preliminary and conditional opening does not require any additional subsidy than if it was closed. It is important that cost of goods sold, wages, and benefits for any additional staff, including custodial and maintenance charges, not exceed any profit realized from the sale of food and beverages.
6. Consultation with restaurant staff indicates that they believe they could accomplish this preliminary opening using the outdoor areas for seating and serve a limited fast food style menu, including items such as hot dogs, hamburgers, brats, snacks, and beverages while complying with COVID-19 mandates.

Public Comment/Discussion on the Motion: HGA Board member Lindeman commented he has a couple of concerns with the preliminary opening of the restaurant. 1. The restaurant is going to be subject to the Tri-County Health Department rules, and those rules change quite frequently, and by providing a specific date may be improbable. 2. Dealing with the relationship of the two Boards, he believes the Management Agreement calls for District Board to set policy and the Association as an agent to implement the policy and is this a policy decision or an operational decision.

Director Effler commented to the #1 concern with COVID that it is covered in the motion. She understands that the restrictions can close the restaurant at any time.

General Manager White comment to #2 that both Boards want the restaurant open and it is a combination of both policy and operations. His goal is to get it open with the help of the restaurant staff to give back to the community.

Treasurer and Secretary Archambault commented there is no need to take the motion to the HGA Board and leave the motion as it stands.



Heather Gardens

METROPOLITAN DISTRICT

Ms. Ivey commented under the Management Agreement; there is the ability to provide direction to the General Manager of the Agent and therefore, if the General Manager does not think it needs to go to the HGA Board, then leave the motion the way it stands.

A resident asked if the wait staff will benefit from the Paycheck Protection Program (PPP). General Manager White commented the way the PPP works is it goes towards wages and benefits. Staff payroll will get calculated into the percentage of forgiveness. The program does not go directly to the staff, it goes directly to the Association to help offset payroll.


A resident commented he would not patronize the Rendezvous for hot dogs and brats, but perhaps once a week special for takeout that would appeal to him.

A resident agreed with providing weekly specials.

A resident commented other restaurants are open.

OPEN FORUM: No members of the public wished to make comments beyond that provided during the discussion under New Business.

ADJOURNMENT: The meeting adjourned at 2:21 P.M.



William Archambault, Treasurer and Secretary