



**HEATHER GARDENS METROPOLITAN DISTRICT
REGULAR MEETING
Thursday, September 21, 2023**

The regular meeting of the Board of Directors of the Heather Gardens Metropolitan District was held in the board room and via Zoom/Telephone in the Heather Gardens Clubhouse at 2888 S. Heather Gardens Way, Arapahoe County, Colorado, on Thursday, September 21, 2023 at 1:00 P.M.

PLEDGE OF ALLEGIANCE: The Board recited the Pledge of Allegiance.

CALL TO ORDER: President Daniel Taylor called the meeting to order at approximately 1:00 p.m. on Thursday, September 21, 2023. A quorum was present.

BOARD MEMBERS PRESENT: President Daniel Taylor, Vice President Eloise Laubach, Secretary Robin O'Meara, Treasurer Rita Effler, and Director Craig Baldwin.

BOARD MEMBERS ABSENT: None.

STAFF PRESENT IN THE BOARDROOM:

GUESTS PRESENT: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C., seven members of the Heather Gardens Association Board, Lynn Donaldson with Heather 'n Yon, and approximately 38 members of the public were present.

APPROVAL OF MINUTES: President Taylor distributed a revised draft of the June 15, 2023, minutes to the Board members at the meeting.

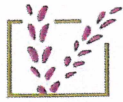
Motion made by Treasurer Effler and seconded by Director Baldwin and passed unanimously to approve the minutes of June 1, 2023, Special Meeting, June 15, 2023, Regular Meeting, June 30, 2023, Special Meeting, July 20, 2023, Regular Meeting, and August 17, 2023, Regular Meeting as written.

PRESIDENT'S REPORT: None.

TREASURER'S REPORT: The Board received a copy of the Treasurer Report in the meeting packet. Treasurer Effler noted that the report is self-explanatory, and less money is being spent than projected. There were no questions/comments.

DIRECTOR COMMENTS/QUESTIONS REGARDING AUGUST FINANCIAL REPORTS FROM MANAGEMENT:

- a. Budget Exceptions Report – There were no questions/comments.
- b. Monthly Capital Reserves Report – There were no questions/comments.



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- c. Foundation Donation Summary – Treasurer Effler asked if grant money was used on the Abilene project. Vice President Laubach responded that the Foundation used no grant funds. Treasurer Effler had other questions regarding inventory unrelated to the Foundation. Ms. Ivey noted that the Management Agreement does require the Association to prepare and periodically update an inventory of all furniture, fixture equipment, and machinery owned by the District. Director Baldwin confirmed that he assisted with inventory last year, and noted that there is documentation. Vice President Laubach also confirmed her spouse helped in the restaurant inventory.
- d. Investment/Restricted Cash Accounts Reports- it was noted that the report is in the Board Packet. There were no questions or comments.
- e. District P&L Statement- it was noted that the report is in the Board packet. There were no questions or comments.
- f. District Balance Sheet- it was noted that the report is in the Board packet. There were no questions or comments.
- g. Clubhouse P&L- it was noted that the report is in the Board packet. There were no questions or comments.
- h. Golf P&L- it was noted that the report is in the Board packet. There were no questions or comments.
- i. Golf Usage Report- it was noted that the report is in the Board packet. There were no questions or comments.
- j. Restaurant P&L- it was noted that the report is in the Board packet. There were no questions or comments.

DIRECTOR COMMENTS/QUESTIONS REGARDING AUGUST COMMITTEE REPORTS:

- a. Audit/Finance Report: The Board received a copy of the Audit/Finance Report. There were no questions/comments.
- b. Clubs and Activities Report: Director Baldwin reported that he had a discussion with the Frolics group regarding their concerns with the stage floor and sound system. He further reported that there was a discussion with Cindy Crockett regarding her management concerns. There was also a discussion regarding moving the Fruit Shak to a different location to allow more parking for those who attend church. The Committee also discussed forming a special committee to study the parking lot. There were no questions/comments.
- c. Clubhouse Report: The Board received a copy of the Clubhouse Report. There were no questions/comments.



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- d. Compliance Report: There was no report. President Taylor noted that the Compliance Committee did not meet.
- e. Joint Long Range Planning Report: The Board received a copy of the Joint Long Range Planning Report. There were no questions/comments.
- f. Restaurant Report: The Board received a copy of the Restaurant Report. There were no questions/comments.
- g. Recreational Vehicle (RV) Lot Report: The Board received a copy of the RV Report. The Chair of the Committee, Forrest McClure, reported that AJI Fencing attempted to install the RV gate, but issues arose. Chair McClure reported that members of the Maintenance Department came at his request and said they would get a crew to fix the obstacle. Chair McClure hopes it gets done now before the opener is installed. There were no questions/comments.

UNFINISHED BUSINESS:

- a. Approval of the RV Lot Procedure Memorandum (PM) Attachments: Motion made by President Taylor and seconded by Director Baldwin and passed unanimously.

Text of Motion: Based on the recommendation of the RV Lot Committee, I move that the HGMD Board of Directors approve the attachments to the RV Lot PM-1 Attachments.

NEW BUSINESS:

- a. Approval of Adoption of Expenditure Policy: Motion made by President Taylor and seconded by Director Baldwin and passed (3-1).

Text of Motion: I move that the HGMD Board of Directors adopt the following policy with regard to oversight of expenditures on behalf of HGMD. All expenditures shall be approved by the HGMD Treasurer. The Treasurer may preapprove expenditures and budgeted capital expenditures under \$2,500. All unbudgeted expenditures and budgeted capital expenditures over \$2,500 shall be approved by the District Board. Any contracts that bind or obligate the District or require the expenditure of District funds must be signed by the District President and the District Secretary.

Explanatory Comment: Whereas the Management Agreement between Heather Gardens Association "HGA" or "the Association" and HGMD, dated August 23, 2018, delegates to HGA "the authority to engage independent contractors, within District budget constraints, on behalf of the District and in the District's name or in the Association's name to assist with the execution of the Delegated Duties..."(IV.4.); and

Such HGA authority is limited "subject to the District's Board of Directors' policies, budgeting, finances, and oversight" (I.1.); and

The District established a policy in the Joint Budget & Finance Committee Procedure Memorandum (JPM B-1), dated April 20, 2023, regarding spending authority without prior review by the District; and

The District Board intending to preserve its oversight of the propriety and reasonableness of expenditures of public money, whether budgeted or unbudgeted, hereby adopts this policy intended to supersede any and all prior policies, and to define the District's policy regarding expenditures under the Management Agreement;

Therefore, the District Board of Directors hereby adopts the following policy regarding expenditures: All expenditures shall be approved by the HGMD Treasurer. The Treasurer may pre-approve reoccurring expenditures and budgeted capital expenditures under \$2,500. All unbudgeted expenditures and budgeted capital expenditures over \$2,500 shall be approved by the District Board. Any contracts that bind or obligate the District or require the expenditure of District funds must be signed by the District President and the District Secretary.

Discussion: Secretary O'Meara asked for an example of a recent capital expenditure not approved by the District Board to clarify. President Taylor reported that the asphalt repair project for the Maintenance Parking Lot was not approved by the District Board, and the Committee did not approve it, as they felt the money could be used elsewhere. Vice President Laubach stated the asphalt project was budgeted and approved by the prior Board and is the District's property. Director Baldwin said the Budget and Finance Committee recommended that the asphalt project be approved by the HGA Board, which the HGA Board approved on Tuesday, and the HGA Board will not bill the District as the HGA Board President voted it down. President Taylor said it is an issue for the HGA Board to authorize without the District's approval. Attorney Ms. Ivey explained that the motion refers to spending authority for non-capital projects; and the discussion on the asphalt project is a capital project. There was further discussion on the asphalt project that it needed to be done for safety, though President Taylor said it was not a safety or urgent matter that the Maintenance Department should be able to patch it up themselves. Director Baldwin clarified that the motion is to reduce the CEO spending authority from \$20,000, approved by the previous Board, to \$2,500.

- b.** Approval of the Audit/Finance Committee Procedure Memorandum 1: Motion made by Treasurer Effler and seconded by Director Baldwin and passed unanimously.

Text of Motion: Based upon the recommendation of the Audit/Finance Committee, I move that the Heather Gardens Metropolitan Board of Directors approve the Audit/Finance Committee PM-1.

- c. Approval of the Clubhouse Procedure Memorandum 1 attachment 5: Motion made by Treasurer Effler and seconded by Director Baldwin and passed unanimously.

Text of Motion: Based upon the recommendation of the Clubhouse Committee, I move that the Heather Gardens Metropolitan Board of Directors approve the Clubhouse Committee PM-1, Attachment 5.

OPEN FORUM:

A resident offered a suggestion regarding inventory: a photo can be taken to capture the inventory without spending much time. The resident also noted that in Building 223 the bushes were removed when the drains around their garages were done, and they have requested from Management that they be replaced. President Taylor noted that he would forward this request to the HGA Board, as this is a request for the Association.

A resident who is a member of the Woodshop Club commented that he met with the new Maintenance Manager, Richard Barowsky, who also has woodshop experience, and is helping the club maintain the equipment in the woodshop, which is very helpful. He reported that the next meeting for the Woodshop Club is Wednesday, October 4th at 1:00 p.m. in the Aspen/Blue Spruce Room, and all Board members are invited. Director Baldwin commented that Mr. Barowsky will be attending the meeting and expressed that we are fortunate to have a manager with experience in maintaining the woodshop equipment.

President Taylor announced that the District launched a new website page: www.HGMetroDist.org. The District Board will have new email addresses, and information can be found in the drop-down menu for the District, meeting dates, Government Documents, and other information about the District. A Piler message will go out regarding this information.

President Taylor apologized for the difficulty signing up for classes this week and reported that CEO Rea is asking residents to contact the Clubhouse/Management if they cannot sign up for classes. He noted that he understood the residents' frustration but explained that the Clubhouse staff handled the issue as quickly as possible.

A resident thanked the Board for setting up the HGMD website.

EXECUTIVE SESSION: Upon motion by President Taylor, seconded by Director Baldwin, and unanimous vote, the Board entered into Executive Session at 2:04 p.m. pursuant to Section 24-6-402(4)(b) and/or 24-6-402(4)(e), C.R.S for the purpose of receiving legal advice on specific legal questions and/or determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators regarding the Management Agreement.

Upon motion by Vice President Laubach, seconded by Director Baldwin, and unanimous vote, the Board exited the Executive Session. The Board reconvened the public meeting at approximately 3:28 p.m.

- a) **Approval of Acceptance of HGA Mediation Request and Appointment of Mediator:** Motion made by President Taylor and seconded by Vice President Laubach and passed unanimously.

Text of Motion: I move that the HGMD enter into mediation with HGA pursuant to the management agreement's dispute resolution protocol. The District selects Mavis Richardson as its mediator.

- b) **Approval of Formalization of Budget & Management Requests:** Motion made by President Taylor and seconded by Treasurer Effler and passed unanimously.

Text of Motion: I move that the HGMD hereby formalize prior requests made to HGA and HGA Management through the District Board's President and additional requests as formal requests by the HGMD Board of Directors as follows:

1. The District Board directs that substantiation for the amount of wages and benefits requested in the 2024 manager's budget attributable to employees providing services to the District be provided by the number of employees per job title and by payment rate.
2. The management agreement reserves the right to approve any reassignment of the use of real estate to the District Board. Therefore, the District Board requests that HGA return the two parking spaces furthest to the east of the Clubhouse parking near the tennis courts, that are currently being used for security back to handicap parking spaces. The security parking shall be moved back to its original location on the west side of the Clubhouse.
3. The District Board directs that HGA employees park in the golf parking lot (Bldg. 250 parking) in the row closest to Heather Gardens Way, on the upper level of parking structure 1, or in the maintenance building parking lot.
4. The Fruit Shack has begun setting up in the clubhouse parking lot. The District Board directs that the outdoor booth vendors set up on the concrete area on the top of Parking Structure 1 as they have in the past. The outdoor booths take up 7 parking spaces during the church services on the weekend.



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5. HGA has suspended replacing the wooden 4" by 4" bollards along the south side of Linvale Place, citing expense as the justification. The management agreement places the responsibility for repairing and maintaining the District properties on HGA to the condition and considering the duties in place in 2018 when the agreement was signed. The District directs that HGA replace the broken and missing bollards as soon as possible, as a safety concern for pedestrians walking on Linvale Place, but in no case later than October 31, 2023.
6. Management has stated that it will no longer do ornamental trimming for the same justification. The District Board directs that HGA resume trimming of the trees and bushes as it has in the past.
7. The District Board directs that management obtain proposals for a) additional signage at the sides of the entrance to the golf parking lot (Bldg. 250) designating it for Golf Parking and Tennis/Pickleball Parking to match the style of the signage in the center median of S. Heather Gardens Way for golf parking. Also, b) replacing the sign in the center median to reflect Golf and Pickleball/Tennis Parking and to place an additional duplicate sign in the center median facing the opposite way. The District Board directs that HGA c) replace the Golf Parking sign with an arrow at the west entrance to the clubhouse parking lot with a sign reflecting Golf and Pickleball/Tennis Parking to the east with an arrow and place a duplicate sign at the east entrance to the clubhouse parking lot. A diagram is attached. To get the proposal within 60 days.
8. The District Board directs that HGA repair the pool tables' felt, which should be under warranty, and have the tables leveled. The District directs that HGA locate the chairs that are missing from the billiards room, repair and re-paint the walls as necessary, and ensure that the chair rail is at the correct height for the chairs or provide an estimate for the cost of new chairs at the required height, whichever is most cost-effective. The Board also directs that a small handheld Dirt Devil vacuum be purchased for cleaning the felt and kept in the billiards room to be done within 30 days.
9. The District Board directs a list of fees for activities, dances, and clubhouse events and the expenses associated with those activities. Also, the Clubhouse Committee has received the 2024 list of classes and revenue but directs a list of teacher costs associated with the class list to be provided within 20 days.

Explanatory Comment: HGA has required HGMD to take formal board action when directing or requesting HGA to perform duties pursuant to the management agreement.



Ms. Ivey announced that the Board had not taken formal action to approve the budget schedule for the year, but because her office needed to move forward with the publication as it has been done in the past years, the meeting scheduled for October 12 had been published; however, she informed the Board that they are not required to adopt the budget at that meeting. Ms. Ivey wanted to clarify and did not need to take any action. Treasurer Effler asked why the publication did not state that the meeting would be held in person in the board room. Ms. Ivey responded that that information will be addressed in the formal agenda notice.

ADJOURNMENT: Upon motion by Director Baldwin, and seconded by President Taylor, and passed unanimously, the meeting adjourned at 3:51 P.M.

A handwritten signature in black ink that reads "Robin O'Meara". The signature is written in a cursive style with a horizontal line underneath the name.

Robin O'Meara, Secretary