



# Heather Gardens Metropolitan District

HEATHER GARDENS METROPOLITAN DISTRICT  
September 15, 2016

The regular monthly meeting of the Board of Directors of the Heather Gardens Metropolitan District was held in the office of the District, 2888 S. Heather Gardens Way, Arapahoe County, Colorado, on Thursday, September 15, 2016.

The Secretary certified that all Directors have been duly notified and at least three notices of the meeting were posted in public places within the limits of the District, all in accordance with C.R.S. 32-903 (1973) as amended; that at least three copies of the agenda for the meeting were duly posted in designated places within the limits of the District, in accordance with C.R.S. 24-7-402(c); that a quorum was present; and that the meeting hence was duly constituted and could lawfully transact business as contemplated.

President Larry Francone called the meeting to order at 1:00 PM. All board members were present. Also in attendance were approximately 22 observers, 3 member of the HGA Board, Mary Hafka of Heather 'n Yon, and Controller Su Chae.

Changes to Agenda: Under New Business item c. Golf Budget deleted from the agenda. Added to the agenda under New Business. Item. e. adjust fees for classes in the Clubhouse and item f. Discussion of Bonds.

Minutes of the Regular meeting on August 11, 2016 were approved as written.

## **DIRECTORS' COMMENTS AND COMMITTEE REPORTS**

**HGMD President, Larry Francone:**

**HGA President, Winnie Jennings:** President Jennings announced that the next HGA Board meeting is Tuesday, October 10, 2016

**General Manager:** A written report of staff accomplishments is on file with in the Business Office for residents to read as well as on the website.

**Treasurers Report:** Director Gaugenmaier reported that Su Chae, Controller has worked very hard making changes to the financial reports.

Director Gaugenmaier reported that total revenue for the year to date after Cost of Goods Sold in the Restaurant is \$2,860,804 and Operating Expenses are \$1,758,320 which leaves us at a net surplus of \$328,484. (HGMD Budget Exception Report Attached)

**Controller Reports:** A written report of staff accomplishments is on file with in the Business Office for residents to read as well as on the website.

## **COMMITTEE REPORTS:**

Clubhouse/Restaurant (Baldwin): Report Distributed.

Foundation Committee (Kurtz): Report Distributed.

Golf (Velasquez): Report Distributed.

Ad Hoc Committee on Yale Frontage (Gaugenmaier): Director Gaugenmaier reported that the traffic calming project will start Monday, September 19<sup>th</sup> on Marina Drive the City of Aurora will be placing approximately 60 temporary No Parking Signs along Marina Drive. On Tuesday the 20<sup>th</sup> the actual striping will begin weather permitting. An email blast to notify residents and ARs will be sent out.

ARO President (Clarendon): No Report

Residents wishing to address the Board on Agenda Items:

1. A resident spoke regarding the RV Lot Rentals.

UNFINISHED BUSINESS:

NEW BUSINESS:

1. **Approve (PM) CR-1, Clubhouse/Restaurant Committee, Policy Manual:** Motion made by Baldwin, seconded by Gaugenmaier that the Heather Gardens Metropolitan District Board of Directors approve the proposed changes to (PM) CR-1, Clubhouse/Restaurant Committee, Policy Manual. **Motion withdrawn by Baldwin.**
2. **RV Lot Rentals:** Motion made by Gaugenmaier, seconded by Baldwin that the Heather Gardens Metropolitan District Board of Directors increase the resident quarterly rental rate. The proposed rental rates to be effective January 1, 2017 would be as follows:

Vehicles less than 24 feet in length	\$165.00 per quarter
Vehicles 25 to 34 feet in length	\$205.00 per quarter
Vehicles over 35 feet in length	\$280.00 per quarter

**Motion withdrawn by Gaugenmaier**

3. **Fee Increase for Classes:** Motion made by Baldwin, seconded by Gaugenmaier and passed unanimously that the Heather Gardens Metropolitan District Board of Directors implement the Clubhouse class fee for the 2017 year per the attached schedule.

\* *1 day a week class \$25 was \$1.82 per class. will be \$2.27 a .45 cent per class increase*

\* *2 days a week class (or hours) \$30 was \$.91 per class. will be \$1.36 a 45 cent per class increase*

\* 3 days a week class (or hours) \$35 was \$.61 per class will be \$1.06 a .45 cent per class increase

*Residents who choose to only attend 2 days of a class that is held 3 days would still be required to pay the \$35 (3-day class charge).*


4. **Bond Discussion:** The Board decided they would like to speak to a bond attorney before any decision are made regarding the refinancing of the bonds. Director Velasquez recommended that the Board contact other companies to get proposal for refinancing of the bonds.

**Residents wishing to address the Board:**

1. A resident discussed her concern regarding the tennis club members not paying usage fees. The club is utilizing the tennis courts and the clubhouse auditorium. The Board will look into these matters and come up with a solution that is feasible for everyone.
2. A residents asked the Board about the Solar Panels on the Clubhouse roof.
3. A Resident spoke regarding the bond discussion.

There being no further business the meeting was adjourned at 2:00 p.m. The next Regular meeting is Thursday, October 13, 2016 at 1:00 p.m.

Attachments: HGMD Budget Exception Report

  
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Craig Baldwin  
Secretary

# HEATHER GARDENS METROPOLITAN DISTRICT

## Budget Exeptions Report

Through: 31-Jul-16

	YTD ACTUAL	YTD BUDGET	VARIANCE	% of Budget	Annual Budget	% of Annual Budget Spent
Total Revenue	\$ 2,236,449	\$ 2,085,209	\$ 151,240	7.25%	\$ 2,850,089	78%
Cost of Goods Sold	\$ 149,645	\$ 140,481	\$ 9,164	6.52%	\$ 209,673	71%
Gross Profit	\$ 2,086,804	\$ 1,944,728	\$ 142,076		\$ 2,640,416	
Operating Expenses	\$ 1,758,320	\$ 1,785,266	\$ 26,946	1.51%	\$ 2,782,598	63%
Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	
Net Income/(Loss)	\$ 328,484	\$ 159,462	\$ 169,022		\$ (142,182)	

### Executive Summary

#### Club House

Revenue	\$ 103,617	\$ 98,852	\$ 4,765	4.82%	\$ 168,642	61%
Expenses	\$ 432,873	\$ 486,531	\$ (53,658)	-11.03%	\$ 721,967	60%
Net Subsidy	\$ (329,256)	\$ (387,679)	\$ 58,423		\$ (553,325)	

Revenue is higher than expected from strong participation in classes. Expenses are under by \$54K from the part time payroll's budget being too high. Additionally, the refinishing of floors was delayed and custodial charge out hours is much lower than expected.

#### Golf

Revenue	\$ 220,088	\$ 221,585	\$ (1,497)	-0.68%	\$ 298,570	74%
Expenses	\$ 289,613	\$ 331,571	\$ 41,958	12.65%	\$ 477,946	61%
Net Subsidy	\$ (69,525)	\$ (109,986)	\$ 40,461		\$ (179,376)	

The majority of the variance in expense results from staff turnover.

#### Restaurant

Revenue	\$ 398,254	\$ 381,697	\$ 16,557	4.34%	\$ 569,700	70%
Cost of Goods Sold	\$ 149,645	\$ 140,481	\$ (9,164)	-6.52%	\$ 209,673	71%
Gross Profit	\$ 248,609	\$ 241,216			\$ 360,027	
Expenses	\$ 295,580	\$ 317,024	\$ 21,444	6.76%	\$ 473,829	62%
Net Subsidy	\$ (46,971)	\$ (75,808)			\$ (113,802)	

Revenue is better than budget by almost \$16K. July was a record sales month as there were many private parties. Expenses are lower than budget by \$21K from staff turnover and controlling operating expenses.

#### Restricted Funds

Conservation Trust Fund	\$ 9,435	\$ 7,600	\$ 1,835	24.14%	\$ 15,200	62%
Debt Service Fund	\$ 571,365	\$ 565,655	\$ 5,710	1.01%	\$ 583,249	98%
Foundation Fund	\$ 1,948	\$ -	\$ 1,948	#DIV/0!	\$ -	#DIV/0!

Conservation Trust (Lottery) funds are received quarterly. Bank balance is \$70,613.

Debt Service is from property tax collection. The majority of taxes are collected by June 30th. Zion Bank holds our tax funds for payment of the bonds with the next payment due on 12/1/16 in the amount of \$422,058 (217,058 of interest and \$205,000 of principal). Zion bank has a balance of \$744,046.55.