

**HEATHER GARDENS METROPOLITAN DISTRICT
REGULAR MEETING
Thursday, July 21, 2022**

The regular meeting of the Board of Directors of the Heather Gardens Metropolitan District was held via Zoom/Telephone in the Heather Gardens Clubhouse in the board room at 2888 S. Heather Gardens Way, Arapahoe County, Colorado, on Thursday, July 21, 2022, at 1:00 P.M.

CALL TO ORDER: President Funk called the meeting to order at approximately 1:00 P.M. on Thursday, July 21, 2022. 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: None.

STAFF PRESENT: Chief Executive Officer (CEO) Jon Rea and Chief Financial Officer (CFO) Jerry Counts.

GUESTS PRESENT: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C., 4 members of the Heather Gardens Association Board, Lynn Donaldson with Heather 'n Yon, and approximately 13 members of the public were present.

APPROVAL OF MINUTES: The minutes of the June 23, 2022, Special Meeting were approved 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 and the Third Quarterly Report. CEO Rea reported sending the operations budget to the department managers to review and provide feedback. After the review and feedback, CEO Rea will have CFO Counts incorporate the operations budget into the CEO Manager's 2023 draft budget to submit to the Budget and Finance Committee by September 9. CEO Rea said he updated the Association last week regarding the City of Aurora Safety and Security Grant. The City of Aurora contractor Adolf Peterson did a site walk today to review the founding of PAR Officer Sparks as part of the Heather Gardens application. Based on the grant, if approved, a security system, a camera with eight additional ports, and a new light for the Maintenance Building could be granted. The grant is more of a facility rather than a community grant. There were no questions or comments.

Clubhouse/Restaurant Committee: The Board received a copy of the Clubhouse/



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Restaurant Report. Director Mines reported that the Clubhouse has been very busy with activities that have been successful and going in the right direction. The Restaurant has been doing well, though there have been some concerns with staff shortage. Restaurant Manager Cormac noticed during their NHL final games activity at the restaurant that one large TV was not accommodating and will request funds to buy three more TVs to put in the restaurant and banquet room. Sunday brunches are going well. The Pickleball Club has asked for lottery funds for equipment that will be discussed later in the meeting. There were no questions or comments.

Foundation Committee: No meeting.

Golf Committee: No meeting.

Property Policy Committee: No meeting.

Joint Long Range Planning Committee (JLRPC): No meeting.

Treasurer's Report: The Board received a copy of the Treasurer Report. Secretary/Treasurer Archambault reported that the Enterprise Fund Revenue has gone down slightly than expected. The Expenditure was further out than expected but overall, doing better than what was originally budgeted. The Capital Expenditures recorded this year deal with the carryforward from last year. There were no questions or comments.

Joint Budget and Finance Committee: The Board received a copy of the Joint Budget and Finance Report. Secretary/Treasurer Archambault reported that the committee met on July 18, and it was a good meeting. Secretary/Treasurer Archambault said that the Insurance Subcommittee met with the brokers and explained that with the national catastrophes, insurance property would be going up by about 20%, which impacts the community. There were no questions or comments.

UNFINISHED BUSINESS:

- a) **Motion to Approve Lottery Funds for Pickleball Equipment (\$2,707):** Motion made by Director Mines and seconded by Secretary/Treasurer Archambault and passed unanimously as amended.

Text of Motion: Based on the recommendation of the Clubhouse/Restaurant Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve using Lottery Funds for pickleball equipment not to exceed \$2,707.

NEW BUSINESS:



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- a) **Motion to Approve the Reinvest Maturing CD:** 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 authorize the Chief Financial Officer and the District Treasurer to reinvest the money from the \$250,000 Enterprise Fund CD maturing July 29, 2022, at the best possible CD or Treasury rate as of the date of maturity for two years and consider investing for a longer period depending on the interest rate.

Explanatory Comments: Returns on investments are increasing. There are no known costs that would require the funds to be in cash account.

- b) **Motion to Approve the Revisions to the Capital Financing Program JPM B-2:** Motion made by Secretary/Treasurer Archambault and seconded by Director Mines and passed unanimously.

Text of Motion: Based on the Budget and Finance Committee recommendation, I move that the Heather Gardens Metropolitan District Board of Directors approve the revisions and updates to the Capital Financing Program JPM B-2, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD).

Explanatory Comments: The Capital Financing Program JPM B-2, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD), is being done, given that the subject policy is requiring minor changes; and is, therefore, recommended to be reviewed every three years moving forward.

- c) **Motion to Approve the Revisions to the Business Insurance Program JPM B-4:** Motion made by Director Mines and seconded by Secretary/Treasurer Archambault, supported by Vice President Laubach, and passed unanimously.

Text of Motion: Based on the Budget and Finance Committee recommendation, I move that the Heather Gardens Metropolitan District Board of Directors approve the revisions and updates to the Business Insurance Program JPM B-4, last updated on February 18, 2022 (HGA) and February 20, 2020 (HGMD).

Explanatory Comment: Business Insurance Program JPM B-4, last updated on February 18, 2020 (HGA) and February 20, 2020 (HGMD), is being done, given that the subject policy is requiring minor changes; and is, therefore, recommended to be reviewed every three years moving forward.



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- d) **Motion to Approve Revisions to the Finance-4, External Audit Policy:** Motion made by Secretary/Treasurer Archambault and seconded by Director Mines and passed unanimously.

Text of Motion: Based on the Budget and Finance Committee recommendation, I move that the Heather Gardens Metropolitan District Board of Directors approve the revisions and updates to the Finance-4 External Audit Policy, last revised on June 18, 2019.

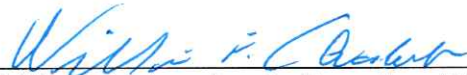
Explanatory Comment: The revisions and updates to the Finance-4 External Audit Policy, last updated on June 18, 2019, is being done, given that the subject policy is recommended to be reviewed every three years.

- e) **Discuss Rental Agreement between HGMD and HG Frolic Club:** President Funk commented that the new HG Frolic President reached out to renew their contract for 2022 but had not received an updated agreement or invoice from the Clubhouse for the use of the facility for their rehearsals and programs. After further research, the contract renewal and an invoice were sent to the HG Frolic President.

OPEN FORUM:

A member of the Property Policy Committee asked if there would be a Property Policy Committee meeting since there has not been a meeting since last year. President Funk commented that other than the committee member and himself, the other committee members' terms expired but that he will reach out to him directly via email on issues and information on the committee.

ADJOURNMENT: Upon motion by Secretary/Treasurer Archambault, seconded by Vice President Laubach, and passed unanimously, the meeting adjourned at 1:26 P.M.



William Archambault, Secretary/Treasurer