

**HEATHER GARDENS METROPOLITAN DISTRICT
SPECIAL MEETING
Thursday, January 26, 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, January 26, 2023, at 1:00 P.M.

CALL TO ORDER: President Funk called the meeting to order at approximately 1:00 P.M. on Thursday, January 26, 2023. A quorum was present.

BOARD MEMBERS PRESENT: President David Funk, Vice President Eloise Laubach, Directors Maria Mines and Mitch Albert.

BOARD MEMBERS ABSENT: Secretary/Treasurer William Archambault (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., 5 members of the Heather Gardens Association Board, Lynn Donaldson with Heather 'n Yon, and approximately 30 members of the public were present.

PRESIDENT REMARKS: None.

APPROVAL OF MINUTES: Motion made by Vice President Laubach and seconded by Director Mines and passed unanimously to approve the minutes of November 17, 2022, Regular 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 and end of Quarter Report. CEO Rea provided an update regarding security access control for the Clubhouse. It has been discussed at several committee meetings to partner with a third-party security consultation risk management group. Doing so would help with the security cameras and access for the HGA and HGMD throughout the property. CEO Rea will meet with the company that did the property appraisal and also does security consultation risk management. Getting an assessment and their expertise will help determine what is needed and how to proceed with this plan. CEO Rea will vet this and get quotes as well. The Golf Course sales were down this month due to the snow conditions causing several closures. CEO Rea thanked the Joint Long Range Planning Committee and Chair for doing a great job in working on putting together a project assessment and getting controls in place that will add value and benefit future projects. CEO Rea confirmed that everything being worked on regarding the security

assessment would involve parking structures, RV Lot, and the Clubhouse. There were no further questions or comments.

Clubhouse/Restaurant Committee: The Board received a copy of the Clubhouse Report. Director Mines reported that the committee had a good meeting. The Clubhouse manager discussed the profit and loss in detail at the meeting. There will be a workshop on Monday, January 30 to review the procedure memorandum. 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 January 11. Vice President Laubach met with CEO Rea and Roads and Ground Manager Matt Martella to explore possible projects that the Foundation could fund, which will be discussed later in the meeting, i.e., the \$7,000 landscaping project. Also, there was concern at the meeting regarding the management fee for the Foundation investments, which equals the interest. Due to the Treasurer not being at the meeting, this discussion will be brought back up at the February Board meeting. The Committee is also working on updating the donation form. There were no questions or comments.

Golf Committee: No meeting.

Property Policy Committee: No meeting.

Joint Long Range Planning Committee (JLRPC): President Funk reported that CEO Rea commented earlier in the meeting that the JLRPC is working on putting together a tool that will assist the planning committee in preparing for the future. This tool is coming along nicely in terms of identifying the planning as it relates to the strategy for short/long-range projects and how this committee needs to be involved. There were no questions or comments.

Treasurer's Report: The Board received a copy of the Treasurer Report. The Treasurer is on an excused absence, therefore, questions/comments related to the report can be discussed upon his return.

Vice President Laubach received clarification from CFO Counts that the Enterprise Funds are not restricted like the Foundation, Lottery, and Bond Funds.

Joint Budget and Finance Committee: The Board received a copy of the Joint Budget and Finance Report.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

- a) **Discuss Options to Invest Foundation Funds:** Vice President Laubach requested this be discussed at next month's meeting.
- b) **Motion to Approve Garden Plot Sprinkler System Upgrade Project (\$29,953.48):** Motion made by President Funk and seconded by Vice President Laubach and passed unanimously.

Text of Motion: Based on the recommendation of the HG Management and Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the contract with Sun Light Sprinkler & Irrigation to perform the labor and materials to upgrade the Garden Plot sprinkler system. The project cost is \$28,258, plus a change order reserve of \$1,695.48 for a total cost of \$29,953.48.

Explanatory Comment: Information on the HGMD Request for Capital Expenditure - It has been 30 years since the Garden Plot was updated. This sprinkler system upgrade will provide adequate water distribution, efficiency, safety, and better access for our garden renters.

- c) **Motion to Approve to Extend Ray Nash's Appointment to the Joint Budget and Finance Committee for a Seventh Year:** Motion made by President Funk and seconded by Director Mines and passed unanimously.

Text of Motion: Based on the recommendation of the Joint Budget and Finance Committee, I move that Heather Gardens Metropolitan District Board of Directors approve Ray Nash's appointment to the Budget and Finance Committee to be extended for a seventh year.

Explanatory Comment: Ray Nash has financial experience valuable to the Budget and Finance Committee and the Capital Program Subcommittee.

- d) **Motion to Approve to Carry Forward 2022 Spending Authority to 2023:** Motion made by President Funk and seconded by Director Mines 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 carrying forward 2022 spending authority to the 2023 budget year a total of \$7,237, as follows:

Project D601 – Clubhouse Update HVAC System Software and Computer \$7,237.

- e) **Motion to Approve the 2023 Annual Administration Resolution:** Motion made by Vice President Laubach and seconded by Director Mines and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve the 2023 Annual Administrative Resolution as presented.

- f) **Motion to Approve the 2023 Election Resolution:** 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 the 2023 Election Resolution as presented, with the call for nominations being posted to the official website in addition to the statutorily required publication in the *Aurora Sentinel*.

- g) **Motion to Approve Using Foundation Funds for Roads and Grounds Landscaping Projects (\$7,000):** Motion made by Vice President Laubach and seconded by Director Mines and passed unanimously.

Text of Motion: Based on the recommendations of the Foundation Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve of Foundation funds for the Roads and Grounds Landscaping Projects not to exceed \$7,000 as follows:

- 1) \$500 for Flowing Annuals to be planned in new flower beds planned for in front of the Heather Gardens sign on Yale to approve the appearance.
- 2) \$1,200 for 14 pads underneath 14 benches along South Heather Gardens Way and Marina Drive. Amending the pads underneath the benches will add curb appeal, ease of maintenance, and support for the benches.
- 3) \$1,300 for a pad and bench for the area along the golf path to the south of building 215. There are no benches along this section of the pathway, and the bench will also assist in ameliorating ruts in the grass in this area.
- 4) \$3,300 for removing weeds and planting good quality sod to enhance the area along Yale between S. Abilene street and E. Marina Dr in what is known as "the Yale Island." Soil amendment/prep will also be needed. This is the beginning of a process to create more "Water Wise" areas on the Heather Gardens property.

- h) **Motion to Approve the Heather Gardens Metropolitan District Bylaws Revisions:** Motion made by President Funk and seconded by Director Mines. After further discussion and questions from the audience, the motion passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve the Heather Gardens Metropolitan District Bylaw Revisions as presented.



Heather Gardens

METROPOLITAN DISTRICT

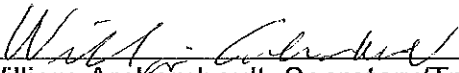
Note: President Funk commented that we are looking for construction consolidation changes, which is why the Enterprise Advisory Group has been created to merge the Clubhouse/Restaurant, Golf, and Property Policy committees into one. The concept is that we want to move to that positive, constructive approach of working together to get things done. The workshop scheduled for January 30 at 10:00 am is open to the public, and the current active committee members will work on the procedure memorandum for the Enterprise Advisory Group.

OPEN FORUM:

A resident commented that he sent the Board members an excel spreadsheet explaining why the Golf Course finances are negative. President Funk commented that he replied to the resident's email that he is researching this and will respond with his findings.

A resident asked if the Board did not approve the appointment extension of Ray Nash to the Joint Budget and Finance Committee how would that work. President Funk said this was a joint decision, and Mr. Nash met all the criteria. He could not imagine this Board denying this or foreseeing any further denial in extending committee members that meet the criteria because both Boards have a good relationship with open communication.

ADJOURNMENT: Upon motion by Vice President Laubach, seconded by Director Mines, and passed unanimously, the meeting adjourned at 2:04 P.M.



William Archambault, Secretary/Treasurer