



# Heather Gardens Metropolitan District

HEATHER GARDENS METROPOLITAN DISTRICT  
February 11, 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, February 11, 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 Ed Kurtz called the meeting to order at 1:00 PM. All board members were present. Also in attendance were approximately 15 observers, 1 member of the HGA Board, Mary Hafka of Heather 'n Yon, General Manager Calvin Eddy-White and Controller Su Chae.

Minutes of the Regular meeting on January 14, 2016 were approved as written.  
Minutes of the Executive Session on January 14, 2016 were approved as written.

## ELECTION MATTERS AND RESOLUTIONS:

1. **Special District Annual Resolution:** Motion made by Archambault, seconded by Hizer and passed unanimously that the Heather Gardens Metropolitan District Board of Directors adopt the Annual Resolution of the Heather Gardens Metropolitan District.

2. **Notice by Publication Call for Nominations for Election:** Motion made by Archambault, seconded by Gaugenmaier and passed unanimously that the Heather Gardens Metropolitan District Board of Directors approve the Notice by Publication for the Call for Nominations for Election.

TO WHOM IT MAY CONCERN, and, particularly, to the electors of the Heather Gardens Metropolitan District of Arapahoe County, Colorado.

NOTICE is HERBY GIVEN that an election will be held on May 3, 2016, between the hours of 7:00 a.m. and 7:00 p.m. At that time two (2) directors will be elected to serve a 4-year term. Eligible electors of the Heather Gardens Metropolitan District interested in serving on the board of directors may obtain a Self-Nomination and Acceptance Form from the Designated Election Official (DEO) of Heather Gardens Metropolitan District, located at 2888 S. Heather Gardens Way., Aurora, CO 80014, (303-755-0652) between the hours of 7:30 a.m. – 4:00 p.m., Monday through Friday.

The deadline to submit Self Nomination and Acceptance Forms to the DEO, is not later than close of business on the 67<sup>th</sup> day prior to the election, which date is Friday, February 26, 2016. If the DEO determines that a Self-Nomination and Acceptance form

is not sufficient, the eligible elector who submitted the form may amend the form once, at any time, prior to 3:00 p.m. on Friday, February 26, 2016.

Affidavit of Intent To Be A Write-In-Candidate forms must be submitted to the office of the DEO by the close of business on the 64<sup>th</sup> day before the election, which date is Monday, February 29, 2016.

**NOTICE IS FURTHER GIVEN**, that applications for absentee voters' ballots are available in the office of the DEO. An application for and absentee voter's ballot shall be filed with the DEO no later than the close of business on the Friday immediately preceding the election, which date is Friday, April 29, 2016.

HEATHER GARDENS METROPLITAN DISTRICT  
Designated Election Official  
Publish in: The Aurora Sentinel  
Publish on: February 11, 2016

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

**HGMD President, Ed Kurtz: TOD Project Update:** In Executive Session this past month, the HGMD Board met with our attorney who specializes in land development issues. I am pleased to announce that yesterday, we concluded an agreement with both the City and the Developer. As most agreements go, this one will not please everyone but, on balance, it is a very good deal for Heather Gardens and gives us opportunities that we, otherwise, might likely not have had.

Some Residents had previously suggested that we should pursue a "Rule 106" lawsuit that might have delayed and potentially caused a stop to the Project. The Board decided not to take this route for two reasons: First, even with very good standing, which we had, these kinds of lawsuits have historically had a less than fifty-fifty chance of success. Had we lost, we would not have gotten anything. And, second, filing such a lawsuit might well have jeopardized our good relationship with the City and might potentially have precluded any further improvements by the City in the area of traffic calming.

So, here is the essence of the Agreements:

1. The **Developer** set aside (escrowed) funds for HGMD to mitigate traffic concerns. The HGMD Board may utilize this \$75,000 to pay for:

- a) an independent traffic engineer to study traffic at HG and make recommendations for mitigation;
- b) crosswalk construction;
- c) re-striping of Heather Gardens Way and Marina Drive in such a way as to "calm" thru traffic; and

d) other such improvements as may be recommended and that may be paid within the escrowed amount. These funds may possibly be supplemented by the HGMD Board as well as the possibility of some matching funds from the City.

## **2. The City:**

a) will re-look at the 2012 traffic study to see which improvements might be able to be accomplished either by the City or by funds from the Developer's escrow fund;

b) committed to putting out bid packages by April of this year and to beginning construction by this coming Summer for completion of the Abilene & Yale Intersection improvements which will be valued at \$423,000;

c) will initiate a new traffic study with focus on the Marina & Yale Intersection. Funds for this study and construction of the light have already been budgeted and approved by the City Council in the amount of \$400,000. The City committed to a timeline that calls for initiation of the study in the Spring of this year with conclusion probably in mid-June. The City also provided assurances that these funds will not be directed to other uses.

d) The City committed that if the traffic study shows that the traffic light is "warranted," then, with 100% certainty, the light will be installed. On the other hand, the City is unable to commit because of legal restrictions if the traffic light is shown in the traffic study to not be "warranted. However, the discussions gave us the clear impression that a separate procedure is possible to achieve approval for installation of the light as an "Exception." Additionally, the City did commit to allowing that process to go into effect and to play out in the event it is necessary.

Finally, while unable to commit for legal reasons, the City also gave us the clear impression that funds might likely become available from a special fund they have called, "The Last Mile, First Mile Fund." We do not know how much that might be, but it would likely be sufficient to complete some of the traffic calming projects warranted by the various traffic studies.

One last note. In the course of our discussions with the City, a new opportunity presented itself. And, that is that the City might well be inclined to transfer the deed of both Heather Gardens Way and Marina Drive to the District. (This is allowed because the District is considered a municipal entity.) The effect of this transfer would be that we would have to accept responsibility for maintenance of these streets similar to what we already do for Linvale Place. It ALSO means that we would be able to close off ALL the streets and make Heather Gardens a gated community! That, certainly, would solve a myriad of traffic problems and most likely would increase our property values. The down side is that we do not know how expensive this option might be. So, in the coming months, we will begin the debate and explore ways and means for this option. In the final analysis, this may well be a project that will require a community-wide vote.

**HGA President, Winnie Jennings:** Calvin Eddy-White announced that the Open Forum will be today at 3:00 p.m. in the Rendezvous Banquet Room.

**Treasurer's Report (Bill Archambault, Treasurer): December 2015 Report**

**Enterprise Fund:** During December, Enterprise Fund revenue was \$170,125 and expenditures, including cost of goods sold were \$195,193. Expenditures exceeded revenue by \$25,068. For the year, Enterprise Revenue was \$2,189,772 and expenditures, including the cost of goods sold, were \$2,005,354. Revenue for the year exceeded expenditures by \$184,418.

For the year, revenue was approximately \$26,000 more than budgeted and expenditures, including the cost of goods sold, were approximately \$158,000 less than budgeted.

As has been reported in prior years, the December financials do not include depreciation expense. The final audited financial statements will include depreciation of assets and will record capital asset acquisitions made during the year in the asset section of the balance sheet and remove the capital asset acquisitions from the expense section of the financial statements.

Clubhouse revenue for the year was approximately \$10,500 more than budgeted. Wages and benefits for the clubhouse were approximately \$16,000 less than budgeted. The primary reason for this was that for several months the assistant clubhouse manager was charged out to other functions and that charge out had not been budgeted. Operating expenses were about \$36,000 less than budgeted. For the year, expenses exceeded revenue by about \$520,000. The budget for 2015 anticipated that expenses would exceed revenue by about \$583,000.

Golf Course revenue for the year was about \$8,500 more than budgeted. Wages and benefits were about \$3,000 more than budgeted. Operating expenses were about \$4,000 more than budgeted. For the year, expenses exceeded revenue by about \$170,000. The budget for 2015 anticipated that expenses would exceed revenue by about \$171,000.

Restaurant revenue for the year was approximately \$2,000 more than budgeted. Wages and Benefits for the restaurant were approximately \$1,700 more than budgeted. Operating expenses were approximately \$12,700 less than budgeted. The cost of goods sold (food, beer, wine, liquor) was approximately \$17,000 more than budgeted. Expenses exceeded revenue by \$110,610 for the year. The 2015 budget anticipated that expenses would exceed revenue by \$106,555.

**Restricted Funds:**

Conservation Trust Fund (Lottery): In December, the Colorado Lottery distributed \$3,318 to the District. For the year, the District received \$14,534 from the Lottery. The

District did not spend any lottery money during the year. At December 31<sup>st</sup>, there was \$61,178 in the Lottery Bank Account.

**Debt Service Fund:** During the year, the District received \$610,997 in property taxes and \$47,552 in specific ownership taxes. During December, the trustee bank (Zion Bank) made a principal payment of \$200,000 and an interest payment of \$219,558.13 to bond holders as required by bond issuance documents. At December 31<sup>st</sup>, the Zion Bank held 397,549 in the debt service bank account.

**Foundation Fund:** Donations to the Foundation Fund were \$23,087 for the year. The Foundation spent \$21,805 on District projects during the year. At December 31<sup>st</sup>, there was \$298,291 in the Foundation Bank Account.

### **Treasurer's Report (Bill Archambault, Treasurer): January 2016 Report**

**Enterprise Fund:** Enterprise Fund Revenue exceeded expenditures by \$25,705 for the month. Enterprise Fund revenue for January was \$153,580. Expenditures were \$127,875, including the cost of goods sold.

Revenue was approximately \$1,500 more than budgeted. While, due to weather, there was no golf revenue during January, revenue from classes was more than expected. Expenditures were approximately \$38,000 less than budgeted. Clubhouse, golf course, and restaurant expenses were less than anticipated for the month.

**Restricted Funds:** Conservation Trust Fund (Lottery): As expected, there was no activity in the Lottery Fund during the month. At January 31<sup>st</sup>, there was \$61,178 in the Lottery Bank Account.

**Debt Service Fund:** The Debt Service Fund received \$2,530 in specific ownership taxes during January. As expected, there were no property tax receipts during the month. At January 31<sup>st</sup>, the Zion Bank held \$400,086 in the debt service bank account. During the year, the District received \$610,997 in property taxes and \$47,552 in specific ownership taxes.

**Foundation Fund:** Donations to the Foundation Fund were \$160 for the month and there were no expenditures. At January 31<sup>st</sup>, there was \$298,291 in the Foundation Bank Account.

**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.

**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.

Ron Hileman gave an update regarding the Campus Technology Committee

## **COMMITTEE REPORTS:**

Clubhouse/Restaurant (Archambault): Report Distributed. Director Archambault announced that the first Clubhouse and Restaurant combined meeting is scheduled for January 26, 2016 at 10:00 a.m.

Foundation Committee (Hizer): Report Distributed. Director Hizer announced that the Foundation Committee is now full.

Golf (Francone): Report Distributed.

Ad Hoc Committee on Yale Frontage (Gaugenmaier): Director Gaugenmaier announced that the next Ad Hoc Committee on Yale Frontage will be held Thursday, February 25, 2016 at 10:00 a.m.

ARO President (Clarendon): No Report this month.

Residents wishing to address the Board on Agenda Items:

UNFINISHED BUSINESS:

NEW BUSINESS:

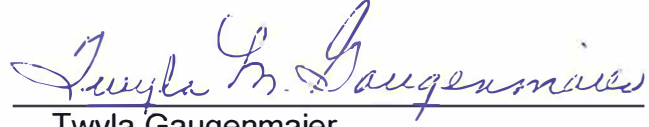
1. **Well Rehab and Pump Replacement (\$118,884):** Motion made by Francone, seconded by Gaugenmaier and passed unanimously that the Heather Gardens Metropolitan District Board of Directors approve Layne Water Resources to perform labor and provide materials for Well Rehabilitation and Pump Equipment replacement for a cost of \$115,830 plus a change order reserve amount of \$3,054 for a total project cost of \$118,884.
2. **Purchase Golf Software (\$3,000):** Motion made by Archambault, seconded by Francone and passed unanimously that the Heather Gardens Metropolitan District Board of Directors table until further information is received.
3. **Purchase Goosinator (\$3,497):** Motion made by Francone, seconded by Archambault and passed unanimously that the Heather Gardens Metropolitan District Board of Directors purchase one complete Goosinator with charger and two lithium battery packs from RMD Concepts, Inc., in the amount of \$3,497.
4. **Approve Extension of Foundation Committee Member:** Motion made by Hizer, seconded by Gaugenmaier and passed unanimously that the Heather Gardens Metropolitan District Board of Directors approve the extension of the membership of Jean Baldwin on the Foundation Committee for one year.

**Residents wishing to address the Board:**

1. A resident spoke regarding the Campus Technology Committee.

2. A resident thanked the Board for the open discussion session.

There being no further business the meeting was adjourned at 2:00 p.m. The next Regular meeting is Thursday, March 17, 2016 at 1:00 p.m.

  
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Twyla Gaugenmaier  
Secretary