

**HEATHER GARDENS METROPOLITAN DISTRICT  
REGULAR MEETING  
Thursday, June 15, 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, June 15, 2023 at 1:00 P.M.

**CALL TO ORDER:** Vice President Laubach called the meeting to order at approximately 1:02 P.M. on Thursday, June 15, 2023. A quorum was present.

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

**BOARD MEMBERS ABSENT:** Vice President Eloise Laubach (Excused).

**GUESTS PRESENT:** Jennifer L. Ivey, Icenogle Seaver Pogue, P.C., 7 members of the Heather Gardens Association Board, Lynn Donaldson with Heather 'n Yon, and approximately 51 members of the public were present.

**PRESIDENT REMARKS:** President Taylor welcomed the guests and said there would be no president's report.

**APPROVAL OF/ADDITIONS TO/DELETIONS FROM THE AGENDA:** Director Baldwin asked the Board to consider adding under New Business in one motion to update the Transparency Notice and consider representation on the Budget and Finance Committee and the Joint Long Range Planning Committee. After receiving no second, Director Baldwin withdrew his motion. The agenda remained the same with no changes.

Ms. Ivey commented that her office is responsible for updating the Transparency Notice as indicated on the Annual Administration Resolution that the former Board passed, and she will ensure her office gets it updated with the new Board members.

**APPROVAL OF MINUTES:** Upon motion made by Director Baldwin, seconded by Treasurer Effler, and unanimous vote, the Board approved the minutes of the May 18, 2023, Regular Meeting, as corrected, and June 8, 2023, Special Meeting, as corrected. The June 1, 2023 special meeting minutes were not available.

**REPORTS OF DIRECTORS, COMMITTEES, AND PROFESSIONAL CONSULTANTS:**

**Chief Executive Officer (CEO) Report:** The Board received a copy of the CEO's Statement of Work (SOW).

**Foundation Committee:** The Foundation Committee held no meeting this month. Director Baldwin reported that Vice President Laubach was out of town and provided an update on the Foundation's financials. The interest income from U.S. Treasury Bills for May was \$377, and May expenses were \$2,709 for soil and sod at the Yale Ave entrance. There were no questions or comments.

**Treasurer's Report:** Treasurer Effler reported she had general questions for the CFO and stated because there was a letter from the Association attorney to the District's attorney, she could not direct her questions to staff in time to get answers for today's meeting. Treasurer Effler compiled a basic Treasurer's report that she said is available if anyone wants to read it. Revenues are down, and the subsidy is down because expenses are down. She reported that golf is profitable, but the Restaurant is struggling. She hopes to work with them to help increase revenue and decrease expenses. Treasurer Effler commented that the Board had a very good conversation with CFO Counts, who explained very thoroughly how the money is accounted for as it comes in. The Board still has questions about how the money goes out. The report will be published in the July Heather 'n Yon issue. There were no questions or comments.

**Joint Budget and Finance Committee:** The Board received a copy of the Budget and Finance report. Director Baldwin reported he is a Committee member and has been for three years. In the report, he discussed the District's and Association's investments, and interest rates were reported to be a minimum of 4.25%. Discussion ensued regarding the budget workshops that will be held in the last week of September. A recommendation from the Committee was sent to the Association Board to change the wording of the veto ballot to make it clear. Director Baldwin went over the Budget Expectations Report for the District, which was favorable in May. There were no questions or comments.

Director Baldwin stated that at his building meeting residents were asking him about the status of their committee applications and when meetings would begin. He requests that the Board set meeting dates and times and notify the committee members. As a side note, he also stated that the committees should begin their discussion of the 2024 budget to submit their recommendations before the September budget workshops.

**UNFINISHED BUSINESS:**

- a) **Approval to Begin Each Board Meeting with the Pledge of Allegiance:** Motion made by Secretary O'Meara and seconded by Director Baldwin and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors begin each Board meeting with the Pledge of Allegiance.

Explanatory Comment: To recognize the District as a local government entity and honor our dedication and allegiance to the United States.

- b) **Approval to Authorize HG Pickleball Club to Install a Camera on the Exterior of the Golf Shop to Monitor Court Conditions and Participation:** Motion made by Treasurer Effler and seconded by Director Baldwin and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors authorizes the installation of a camera on the exterior of the Golf Shop to monitor court conditions and participation in coordination with HGA Management and Maintenance.

Explanatory Comment: To allow club members and the public to check the playability and condition of Pickleball Courts on a live feed online through the Club's website. The live feed transmission will not be recorded. There will be no cost to the District. Any cost will be borne by the Pickleball Club.

- c) **Contribute 2023 Budgeted Marketing Funds for \$1,500 to the Heather Gardens 50<sup>th</sup> Anniversary Celebration:** Motion made by Director Baldwin, no second, motion dies.

- d) **Approval to Install Four Bat Houses on HGMD Property without the Requirement of a License Agreement:** Motion made by President Taylor and seconded by Treasurer Effler and passed unanimously.

Text of Motion: On October 20, 2022, the former HGMD Board approved the installation of four bat houses to be installed by the Green Team, a Heather Gardens Club, at no cost to the District. The motion was by Secretary/Treasurer Archambault and seconded by Director Mines. The approval was made contingent upon the execution of a license agreement. I move that the Heather Gardens Metropolitan District Board of Directors approve the installation without the requirement of a license agreement.

Explanatory Comment: After research by legal counsel, the Board has determined that the District's liability risk is minimal. The Board hereby makes clear to the Green Team that if, at any time in the future, the Club fails to maintain the appearance or safety of the bat houses, they will be removed by the District. The District has no obligation to repair or replace damaged bat houses.

- e) **Approve Bylaws Articles I, III, V, VI, VII, and VIII:** Motion made by President Taylor and seconded by Director Baldwin and passed unanimously.



# Heather Gardens

METROPOLITAN DISTRICT

President Taylor commented the only additional language that did not receive public comment and was agreed upon by the Board at the last meeting is on page 16, letter H for the Recreation Vehicle (RV) Committee. The RV Committee will recommend policies to the Board, review monthly accounts, recommend lot fees, develop, coordinate, and oversee projects to provide security for the lot, and report maintenance/repairs needs to the Board.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve the proposed Bylaws, specifically Articles I, III, V, VI, VII, and VIII. Articles II Definitions and IV Election Procedures will be completed at a later date.

Explanatory Comment: The included language has been made public for one month, and public comment was received by email before the June 1, 2023, special meeting where the compiled suggestions were reviewed line by line with extensive public comment. Approval of this significant portion of the Bylaws is required to restore the committees so that their work may continue. Article II Definitions and Article IV Election Procedures will be completed at a later date so that the completion will not delay the formation of the committees.

## **NEW BUSINESS:**

**a) Approval of Reinvestment of U.S. Treasury Note Expiring on June 30, 2023:**

Motion made by Treasurer Effler and seconded by Director Baldwin and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors authorize the Heather Gardens Chief Financial Officer, Jerry Counts, to reinvest the U.S. Treasury Note expiring on June 30, 2023. CFO Counts has researched the current interest rates and has the authority to reinvest the amount invested in the discretion to maximize the return to the District.

Explanatory Comment: The Treasury Note is expiring, and the interest rates are considerably higher than the current rate.

Before the motion was presented, Treasurer Effler commented that she was restricted from speaking to the CFO, which made it difficult for her to get answers to her questions for this motion. These comments from Treasurer Effler raised questions from the audience, asking Ms. Ivey or President Taylor to address them. Ms. Ivey explained that the existing Management Agreement states that the liaison between the District Board and the Association Board is the agent Manager, who is Jon Rea. The entities may have been lax over the years. The request from the Association attorney was that until the two Boards can meet and decide on communication protocols, all correspondence goes through the District President, Daniel Taylor, who will forward them to the agent Manager, Jon Rea, who will disseminate them. Neither attorney (District and Association) is part of the

communication chain between the entities. The communication is from the District president to the agent and the agent to the District president.

- b) **Electric Vehicle Charging (EVC)**: Director Baldwin did not have any information at this time as he was unaware he would discuss EVC at the meeting. This matter was tabled.
  
- c) **Discuss Capital Expenditure Request to Replace Damaged Asphalt in the Maintenance Parking Lot**: Director Baldwin commented that the capital expenditure request for the damaged asphalt replacement has been added to the joint Budget and Finance Committee agenda.
  
- d) **Discuss Capital Expenditure Request to Replace the Restaurant Outdoor Freezer**: Director Baldwin commented that the capital expenditure request for the Restaurant outdoor freezer has been added to the joint Budget and Finance Committee agenda.

**PUBLIC COMMENT:**

A resident asked Ms. Ivey if the Management Agreement renews yearly, and what is the timeframe for renegotiation, and during that timeframe, is it possible to amend any part of the agreement. Ms. Ivey commented that the Management Agreement is annually renewed, the parties can amend it at any time, and the only timeline in the agreement is if any party wants to terminate, they would need to give 180 days' notice.

A resident asked, based on the last two items of the agenda being sent to the joint Budget and Finance Committee for a recommendation, if the Board will wait another month to approve the replacement of the damaged asphalt in the Maintenance Lot and Restaurant outdoor freezer. President Taylor commented that the items need to go through the proper committees to be recommended to the Board. The Resident also wanted confirmation that the District is not withdrawing from the joint Budget and Finance Committee. President Taylor said he would not comment on rumors. The Resident stated that the rumors came when he spoke to Treasurer Effler on three different occasions, telling him she would not be the Budget and Finance Committee co-chair and would not attend the meetings. The Resident stated that this came from a direct conversation with one of his board members. After further discussion, President Taylor said that Director Baldwin would be the representative for the joint committees.

A Resident from the Garden Club stated they have been waiting for over a year for a bulletin board within the Gardon Plot. President Taylor commented it will be on next month's agenda.

A resident stated he had three issues to address: 1) he noticed at the receptionist area that the notebooks with the liability waivers for the Clubhouse were still being maintained,

and he does not understand why, if the waivers are not enforceable, and requested this Board to destroy or return them; 2) he asked if the Board will have any involvement in the hiring of a new CFO; and 3) he stated there were comments removed from the June 1, 2023 recording regarding the, and asked if this had to do with him resigning.

A resident stated she discussed security in the garages with Secretary O'Meara, who informed her it was an HGA Board question. President Taylor confirmed that was an HGA Board question.

**EXECUTIVE SESSION:** Motion made by Director Baldwin to convene into an Executive Session pursuant to Section 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice on specific legal questions concerning the operation of District properties. The motion was seconded by Secretary O'Meara and passed unanimously for the Board to convene into Executive Session at 2:06 p.m.

Motion made by Treasurer Effler to close the Executive Session and reconvene the public meeting, seconded by Secretary O'Meara and passed unanimously. The Board reconvened the public meeting at approximately 3:39 p.m. Note: Director Baldwin did not return to the open meeting.

Ms. Ivey asked if the Board wanted to provide direction in the open meeting.

Treasurer Effler motioned to direct the District's attorney, Ms. Ivey, to compose a letter to the HGA Board regarding performance under the Management Agreement and asking for a joint meeting between both Boards scheduled for June 21, 2023 at 1:00 p.m. in the board room. The motion was seconded and passed unanimously.

**ADJOURNMENT:** Upon motion by Secretary O'Meara, and seconded by President Taylor, and passed unanimously, the meeting adjourned at 3:40 P.M.



Robin O'Meara, Secretary



Daniel J. Taylor, President