



**NOTICE OF HGMD BOARD OF DIRECTORS SPECIAL MEETING  
February 23, 2023 at 1:00 PM**

Pursuant to Section 24-6-402(2)(c), C.R.S., the Board of Directors of the Heather Gardens Metropolitan District hereby gives notice that it will hold a special meeting at the Heather Clubhouse in the board room and via Zoom videoconference at **1:00 PM on February 23, 2023**. The business meeting will be held for the purpose of conducting such business as may come before the Board. This meeting is open to the public.

**Join Zoom Meeting**

<https://us06web.zoom.us/j/84344551053?pwd=eTVHcVFaY0hhWXISb0lpMEQ0dE5Wdz09>

**Meeting ID: 843 4455 1053**

**Password: 073760**

or

**Dial-In Number: +1 346 248 7799 US**

**AGENDA**

1. Determine quorum present
2. Call meeting to order
3. President Remarks
4. Approval of/additions to/deletions from the agenda
5. Approval of Minutes
  - a. Consider Approval of Minutes of January 26, 2023, Special Meeting
6. Reports of Directors, committees, and professional consultants
  - a. CEO (Rea) – February 21, 2023, Report
  - b. Enterprise Advisory Group (Mines) – February 13, 2023 Update
  - c. Foundation Committee (Laubach) – February 8, 2023, Report
  - d. Joint Long Range Planning Committee (Funk) – February 9, 2023 Report
  - e. Treasurer’s Report (Archambault) – February 2023
  - f. Joint Budget and Finance Committee (Archambault) – February 17, 2023, Report
7. Unfinished Business
8. New Business
  - a. Consider Approval to Establish Money Market Account Fund with KeyBank
  - b. Consider Approval to Reduce the Dollar Amount Carried Forward from 2022 to 2023 for Clubhouse HVAC System Software and Computer
  - c. Consider Approval of Additional 2022 Carry Forward Spending Authority to 2023
  - d. Consider Approval of Additional Conservation Funds for the Billiard Table
  - e. Consider Issues Related to Foundation Interest in Investments
9. Open Forum – Public comment (time limit-3 minutes per person)
10. Adjournment

**Note:** HGMD regular Board meetings, when held, are on the third Thursday of each month at 1:00 PM. Residents wishing to speak on agenda items will be given the opportunity at the time the item is discussed (time limit-3 minutes per person).

**The regular meeting on March 16, 2023 at 1:00 pm will be canceled,  
However, a special meeting will be held on March 23, 2023 at 1:00 pm.**

**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.

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.

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William Archambault, Secretary/Treasurer

**CEO Department Report  
Statement of Work (SOW)  
February 21, 2023**

**End of Month Statement of Work Report - January 2023**

**HGMD**

**Clubhouse**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Attach all setups to ActiveNet	Organized	90	X		2/10/23
Spring Registration	Work out bugs	60	X		1/21/23
Train New Front Desk Staff	Ensure staff is confident	60	X		2/18/23
Install Stage Skirt	Keep Stage looking nice	50	X		2/28/23
Spring Craft Fair	Be prepared	30	X		3/24/23

**Golf**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Update Rules for COVID-19 Play	Staying up to date with rules	100	X		1/31/23
Conduct Safety Meeting	Maintenance	100	X		1/31/23
Update League Contracts for 2023	Maintenance	100	X		1/31/23
Reach out to leagues for 2023 Season	Maintenance	100	X		1/31/23
Meet with 240 group on marketing	Maintenance	100	X		1/26/23
Create a new cart cleaning procedure	Customer Service	100	X		10/31/23
Create new video lesson series	Customer Service	100	X		1/31/23
Continue ordering products for 2023	Customer Service	75	X		3/15/23

**Restaurant**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Create events to increase revenue for 2023	Special Events, 50th Anniversary, Sports & Events Items	100	X		10/31/22
Work with Montrell on entertainment for the year	Special Events, 50th Anniversary, Sports & Events Items	100	X		3/31/23
Work with Shamrock and kitchen manager	Menu & Pricing Opportunity	75	X		3/31/23
We have touched base with 240 group and are working with Greg on it	Social Media Postings & Promotions	75	X		2/28/23
update banquet menus and pricing to reflect the cost of goods		50	X		3/31/23
Work with Jon and Don on the freezers project	New Freezer/Replacement Project	30	X		ASAP
Work with golf course on increasing sales for he season upcoming	Additional Service Opportunities & Leveraging Golf Course Traffic	25	X		3/30/23
Research special event opportunities / weddings etc.		0	X		3/31/23

**HGA**

**CEO/General**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
JPBM Follow Up & Info	Provide Information for JPBM Update to Treasurer/Committee	100	X		1/13/23
Board/Committee Goals Comm	Communication	75	X		2/16/23
Board Retreat	Presentation	75	X		2/16/23
Uniform/Identification Project/Program	Review Current/Establish New	70	X		2/28/23
Comcast Phase 4 - Fiber	Misc. Comms, Planning	70	X		2/28/22
L/I Misc. Contract Renewal	August Expiration/Vet Vendors/Send Term 3/23	70	X		3/31/22
Starry Phase 3 Addendum	Assemble Addendum w/ Feedback - Multiple Attempts to Contact - New POC	75	X		ASAP
Declaration Revisions	Misc. Updates/Considerations/Discuss at Retreat 2/16	50		X	1/31/22
Misc. Position Fill	Admin & Ops	50	X	X	2/28/23
Capital Reserve Database	Compenry Review/Changes	50		X	1/31/23
Maintenance Schedule Review	On-CALL/Possible Changes on Data	25	X		3/6/23
Strategic Capital Reserve/Plan	Meeting/Follow Up LRP/Maint Etc.	15	X		ASAP

**CFO/Accounting**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Comp Date
AR/Billing/Prop Mgt in Jenark	General cleanup	95		X	2/28/23
Review each direct report processes	Sit down and review with each team member	85	X		3/31/23
2022 Audit for HGA and HGMD	Final Audit report to B&F in April 2023	50	X		4/18/23
Implement requirements of HB22-1137	Monthly statement process	50			2/28/23
Pilera enhancements	Improve residents' visibility of the account ledger. Additional payment options.	0	X		3/31/23
Review POS system for work orders	Collect payment at time of service	0	X		3/31/23
Capital Reserve Database maintenance	Update current costs and components	0	X		6/30/23

**CHRO/Human Resources**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Comp Date
Transition to new 401K	Part of the new PEO - Black Out Feb then 100% Complete	95	X		1/15/23
Improve hiring process through use of ADP portal, sending offer letters, and tracking app	Improve Efficiency and ease for managers	95	X		ASAP
comprehensive Customer Service Training per Dept.	Improve CS and Help Employees	80		X	1/1/23
Security Dept 3 positions (1 hired several interviewing)	Market/Vet/Interview/Hire	75	X		ASAP
Hire 3 Maintenance Persons (2 hired)	Market/Vet/Interview/Hire	75	X		ASAP
Enhance the Review forms and Transition Employee Evaluations to the ADP portal	easier for managers/fair for all	50	X		2/28/23
Hire Office person	Market/Vet/Interview/Hire	50	X		2/28/23
Enhance Safety Program	Improve Efficiency and Improve Safety Program	50	X		ASAP/in-Progress
Hire Ops person	Market/Vet/Interview/Hire	50	X		2/28/23
Hire a new person in Contracts	Market/Vet/Interview/Hire	50	X		2/28/23

Employee recognition/reward program	Enhance Morale & Recognize (PPD)	25	X			parked
Upload all current forms, handbooks, data, etc. into PEO platform for onboarding sign-off	Improve Efficiency and tracking	25	X			ASAP

**Communications/Administration**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Behind	Goal for Completion
Social Media Accounts	Create a business account Instagram	90	X		4/1/23
Pillars Clean Up	Work on removing nonresidents, updating current residents so that they receive communications	85	X		3/1/23
Allstream Analog Telephone lines	Work with vendor to clean unused lines and ensure we have the right service.	75	X		6/1/23
Update current Information on Website	Make corrections and remove outdated information/add more communications as needed	75	X		4/1/23
Google Business Profile Page	Claim our Google profile page to make updates and maintain reviews	60	X		4/1/23
Find one platform for all Communications	Work on finding one platform for all communications & info resource	60	X		3/1/23
Cross-Train Receptionist	Work with Resident Coordinator to train Reception	45	X		10/1/23
Seasonal Communications	Put together communications that are more season based/reminders	20	X		6/1/23

**Contracts**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
2023 Project Planning	Plan for the upcoming projects based on the approved budget.	25	X		7/1/23
Clubhouse Access Control, Parking Structure Security Cameras, and RV Parking Security Enhancement Projects	To help relieve community safety concerns	10	X		12/31/23
2023 Carpet Replacement Project	Replace Carpet in Select Building Corridors.	10	X		6/1/23
HGMD Garden Plot Upgrades	Provide upgrades to the Garden Plot Watering System and add Pavers for users to easier navigate through the garden.	5	X		5/1/23
Professional Engineer to complete design work for 2023 and 2024 projects. Complete repairs and Waterproofing on PS#3 and Drainage Project at PS#1.	To have a professional engineer conduct and conditions test and generate a report describing the current state of the parking structures.	5	X		12/31/23
2023 Building Exterior Painting	Paint Building to keep them looking aesthetically pleasing and water tight.	0	X		7/1/23
2023 Roof Replacement - B218, 219 and either 223 or 224.	Replace an HG 6-story building roof. To maintain the building being water tight	0	X		12/31/23
Maintenance Shop - Concrete/ Asphalt Repairs	Repair drainage issues by adding drain pans and remove and replacing curb and gutters. Add New Entry Gate	0	X		10/1/23
Atrium Building Xeriscape - B244	Xeriscape area over underground garage to prevent water cracking, water leaking, and structural damage.	0	X		10/1/23
2023 Trash and Recycling Contract	Provide Trash and Recycling Services Throughout the Community	0	X		9/1/23

**Custodial**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Carpet cleaning	catch up on this project	50			3/29/23
Create Space for products	build inventory for tracking	40			2/28/23
Assign staff member to keep maintenance log	Get the most out of equipment	60			2/28/23
Repair Vacuums	Functional Equipment	70			2/28/23

**Maintenance**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
January reviews	reviews	100	X		1/31/23
monthly courtesy inspections 2023	schedule	100	X		1/31/23
rotations for service techs 2023	rotations	100	X		1/31/23
new training year 2023	training of different process	0	X		12/31/23
replacement/repair exit doors	213-216 in 2023	0	X		7/1/23
2023 asbestos training	rec -certifications	0	X		5/30/23
2023 chair rail projects	221,222,250	0	X		12/31/23
2023 lift training	training	0	X		2/28/23

**Facilities Maintenance Engineer**

**Project Status & Objectives**

Project Name	Objective	% Conf	On-Time	Late	Goal for Completion
<b>TOP 3 - 6 PROJECTS</b>					
2023 chair rail cap res	Submitted for approval	95	X		2/28/23
2023 concrete/railing cap res	Submitted for approval	95	X		2/28/23
Building 214 chair rail project	Carryover from 2022	20	X		4/2/23
Planning 2023 capital projects	Inspect locations for projects	10	X		3/31/23
Club indoor pool filter system	Getting proposals for replacement	5	X		3/17/23
Club outdoor pool re-plaster	Getting proposals for replacement	5	X		3/17/23
<b>MID-LEVEL PROJECTS</b>					
Building 232 water damage	kitchen Restoration (Contractor)	98	X		2/24/23
inspect CP pillars to obtain a list and count of pillars that need to be either removed or straightened.	For budgetary purposes.	40	X		3/29/23
Jet two NTH set of units drains	Sewer maintenance	10	X		2/28/23
Multiple sewer mainline repairs	Sewer maintenance	5	X		4/2/23
Multiple CP roof repairs	Roof repairs	5	X		4/2/23
<b>LONG TERM PROJECTS</b>					
All Multi-story roof safety protocol	Found Option (Safety) (Scheduling)	65	X		2/28/23

**Roads & Grounds**

**Project Status & Objectives**

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
2023 CapEx projects	Replace equipment	90	X		3/31/23
Foundation Projects	community LS projects	25	X		12/31/23
Leaf Removal	Remove fallen leaves	90	X		4/1/23
Water Wise	Improve water usage	70	X		5/31/23
Pruning PM's	Set expectations for pruning	40	X		3/1/23
Mowing PM's	Set expectations for mowing	40	X		3/1/23



**Security**

**Project Status & Objectives**

<i>Project Name</i>	<i>Objective</i>	<i>% Comp</i>	<i>On-Time</i>	<i>Late</i>	<i>Goal for Completion</i>
Clubhouse Access Control (Quotes)	Building Safety	100	X		12/31/22
Officer Seneca Seminar	Community Outreach	50	X		3/21/23
Hire New Overnight Guard	Vet, Interview, Start	10	X		In-Progress
Emergency evacuation plan for Maintenance Shops and Clubhouse	Safety	0	X		5/1/23
Water/Electrical Emergency Shut-off	Mitigate Property Damage	0	X		3/1/23
Call Adult Protect Services	Social Worker for HG	0	X		ASAP
Report Writing Course-David Funk	Improve report writing skills	0	X		ASAP

## Foundation Committee Report For February 8, 2023

**Committee:** Eloise Laubach, Chair, Becky Cole, Charlene Plucheck, Terry Schumacher, Mavis Richardson, Vicki Spillane

The meeting was called to order at 1:00. A quorum was present. Terry and Vicki had excused absences. Phil Hughes building 244, sat in on the meeting.

Chair Comments centered on a meeting I had with Jon Rea and Matt Martella concerning suitable projects for Foundation funding.

Notes of the January 11, 2023 meeting were reviewed and accepted.

Financial reports were reviewed.

**Unfinished Business:** Updating the Foundation Donation form will not be done until we have current pictures of Foundation Projects.

**New Business:** The Committee felt there was no need to update the Procedure Memorandum at this time.

### **Management Fee Discussion:**

We had a lengthy discussion regarding the **Management Fee of \$1,415.45 being charged to the Foundation**. The Committee is concerned that at the current time expenditures exceed donations and interest income. Jerry Counts joined the meeting, and when asked, he had no problem with the fee **being returned to the Foundation and charged to the Enterprise Fund and, in the future, the fee be charged to the Enterprise Fund**. He stated that with approval from the Board, it would be easy to correct. Below are two motions made and passed by the committee and will be sent to the HGMD Board.

#### **Motion 1:**

**I move that the HGMD administrative fee currently being charged to The Foundation be eliminated and future Foundation T-bill interest be deposited into the Foundation Fund effective January 2023.**

#### **Motion 2:**

**I move that any Interest earned from the Foundation T-bills between the years of 2015-2022 be transferred from the Enterprise Fund to the Foundation Fund.**

Mavis has a long history of serving on this committee and has some history of Foundation Finances, but it is not complete. She asked me to contact Bill Archambault if he has a history of Foundation expenditures and donations from 2010 to date.

The Committee would like management to send the committee projected needs for 2023, so we can budget and decide if we need to tap into investments.

Submitted by,  
Eloise Laubach

# Joint Long Range Planning Committee

February 9, 2023

**Committee Members Present:** David Kennedy (Co-Chair), David Funk (Co-Chair), Corby Kasten, David Beck, Sietse “Sid” Vollema

The work session meeting was called to order at 10 am by David Kennedy.

David Funk, Co-Chair, made a few opening comments and observations.

The committee briefly reviewed the work that was done in the last work session and noted that there were a number of changes made to the Governance Filter and that it was agreed that the filter is useful for the purpose of determining whether a project or program is appropriate for long range planning. ***The result was that a long range Community-wide Modern Fire Safety Plan is needed for Heather Gardens.***

The committee moved on to assess the Programming Filter by analyzing the need to maximize the recycling program at Heather Gardens. In applying the draft filter a number of needed changes were identified and it was determined that the statement of proposed work or program is important to be stated appropriately. ***The result was that a long range Recycling Plan is needed for Heather Gardens to maximize the benefits of the program.***

The committee continued to discuss the need for broad input into the long range planning committee from all the Boards’ standing committees, ad hoc committees and work groups, ARO, staff and from the community as a whole. A community survey was discussed although no definitive conclusion was reached.

Several residents participated in the committee discussions throughout the meeting. Unlike other committee meetings that are held the JLRP committee welcomes input from the community during our discussions when we are in worksessions.

The committee work session adjourned at approximately 11:45 am. The next meeting is scheduled for the 4<sup>th</sup> Thursday of the month at 10 am as a zoom and in person meeting in the Board room.

## HGMD TREASURER'S REPORT for FEBRUARY 2023 BOARD MEETING

### Highlights of District Operations

#### For the Month of January 2023

##### **Enterprise Fund:**

Enterprise Fund revenue for January was \$212,600 which is \$8,200 less than budgeted. Enterprise Expenses, including the cost of goods sold, were \$195,200 which is \$27,700 less than budgeted. Recreation Fee income of \$144,891 is as expected. Golf revenue was \$3,000 less than budgeted, Golf expenses were \$5,600 less than budgeted. Due to inclement weather, the Golf Course was closed for the entire month. Clubhouse revenue was \$2,900 less than budgeted and Clubhouse expenses were \$11,800 less than budgeted. Restaurant revenue was \$4,800 less budgeted and expenses including the cost of goods sold were \$23,500 less than budgeted. Capital Expenditures of \$5,395 for completion of a 2022 capital project were recorded in January.

##### **Restricted Funds**

**Conservation Trust Fund (Lottery).** The only activity in January was the recording of interest earned on investments. At January 31<sup>st</sup>, the lottery bank account had a balance of \$149,785.

**Foundation Fund.** The Foundation Fund recorded donations of \$290 and interest income of \$305 during January. No expenses were recorded for January. The Foundation checking account had a balance of \$37,445 and CD's that will equal \$150,000 at maturity.

**Debt Service Fund.** The Debt Service Fund received \$2,335 in Specific Ownership taxes and recorded \$436 in accrued interest during January. Interest expense of \$24,684 was accrued.

**FOR THE MONTH OF JANUARY 2023**

	<b>Budget</b>	<b>Actual</b>
Clubhouse Subsidy	\$(62,690)	\$(53,812)
Golf Subsidy	\$(52,628)	\$(50,047)
Restaurant Subsidy	\$(19,646)	\$(15,341)

<b>Resturant Statistical Information</b>					
<b>Income</b>	<b>2023</b>	<b>2022</b>			
January	40,260	19,177			
February	0	0			
March	0	0			
April	0	0			
May	0	0			
June	0	0			
July	0	0			
August	0	0			
September	0	0			
October	0	0			
November	0	0			
December	0	0			
<b>Total</b>	<b>40,260</b>	<b>19,177</b>			
<b>Expenses</b>	<b>2022</b>	<b>2022</b>			
January	55,601	39,513			
February	0	0			
March	0	0			
April	0	0			
May	0	0			
June	0	0			
July	0	0			
August	0	0			
September	0	0			
October	0	0			
November	0	0			
December	0	0			
<b>Total</b>	<b>55,601</b>	<b>39,513</b>			
<b>Profit (loss)</b>	<b>2022</b>	<b>2022</b>			
January	(15,341)	(20,336)			
February	-	-			
March	-	-			
April	-	-			
May	-	-			
June	-	-			
July	-	-			
August	-	-			
September	-	-			
October	-	-			
November	-	-			
December	-	-			
<b>Total</b>	<b>(15,341)</b>	<b>(20,336)</b>			
<b>Number of Guests</b>	<b>2022</b>	<b>2022</b>			
January	2,420	1,172			
February	0	0			
March	0	0			
April	0	0			
May	0	0			
June	0	0			
July	0	0			
August	0	0			
September	0	0			
October	0	0			
November	0	0			
December	0	0			
<b>Total</b>	<b>2,420</b>	<b>1,172</b>			
YTD income/guest	\$ 16.64	\$ 16.36			
YTD expense/guest	\$ 22.98	\$ 33.71			
YTD Profit(loss) per guest	\$ (6.34)	\$ (17.35)			

<b>Golf Course Usage and Income</b>	2023	2022	2021	2020	2019	2018	2017
<b>INCOME</b>							
January	1,336	3,986	11,459	9,726	8,111	6,302	1,535
February	-						
March	-						
April	-						
May	-						
June	-						
July	-						
August	-						
September	-						
October	-						
November	-						
December	-						
<b>TOTAL</b>	<b>1,336</b>	<b>3,986</b>	<b>11,459</b>	<b>9,726</b>	<b>8,111</b>	<b>6,302</b>	<b>1,535</b>
<b>EXPENSES</b>							
January	51,383	43,719	42,056	41,663	29,822	28,721	23,466
February	-						
March	-						
April	-						
May	-						
June	-						
July	-						
August	-						
September	-						
October	-						
November	-						
December	-						
<b>TOTAL</b>	<b>51,383</b>	<b>43,719</b>	<b>42,056</b>	<b>41,663</b>	<b>29,822</b>	<b>28,721</b>	<b>23,466</b>
<b>PROFIT (LOSS)</b>							
January	(50,047)	(39,733)	(30,597)	(31,937)	(21,711)	(22,419)	(21,931)
February	-						
March	-						
April	-						
May	-						
June	-						
July	-						
August	-						
September	-						
October	-						
November	-						
December	-						
<b>TOTAL</b>	<b>(50,047)</b>	<b>(39,733)</b>	<b>(30,597)</b>	<b>(31,937)</b>	<b>(21,711)</b>	<b>(22,419)</b>	<b>(21,931)</b>
<b>DAYS COURSE CLOSED</b>							
January	31	23	14	10	25	11	23
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
<b>TOTAL</b>	<b>31</b>	<b>23</b>	<b>14</b>	<b>10</b>	<b>25</b>	<b>11</b>	<b>23</b>
<b>ROUNDS PLAYED</b>							
January	0	182	525	440	268	521	115
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
<b>TOTAL</b>	<b>0</b>	<b>182</b>	<b>525</b>	<b>440</b>	<b>268</b>	<b>521</b>	<b>115</b>
YTD Income per round played	n/a	21.90	21.83	22.10	30.26	12.10	13.35
YTD Expense per round played	n/a	240.21	80.11	94.69	111.28	55.13	204.05
YTD Profit (loss) per round played	n/a	(218.31)	(58.28)	(72.58)	(81.01)	(43.03)	(190.70)

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE**  
**MEETING REPORT**  
**February 17, 2023**

**TO:** Members of the Heather Gardens Budget & Finance Committee, HGA Board of Directors, HGMD Board of Directors, Chief Executive Officer, Chief Financial Officer and Chief Operations Officer.

**FROM:** Terry Hostetler, HGA Treasurer, and Bill Archambault, HGMD Treasurer

**Committee:** Terry Hostetler, Co-Chair, Bill Archambault, Co-Chair, Bev Havens, Craig Baldwin, Harry Laubach, John Recob, Randy Lane, Ray Nash, Richard Ferguson.  
**NOTE:** Bill Archambault, Excused absence for this meeting.

**Staff:** Jon Rea, Chief Executive Officer; Jerry Counts, Chief Financial Officer

**Audience:** Approximately 20 residents via Zoom, including HGA Board Members and HGMD Board Members.

The January 16, 2023, B&F Committee meeting report was accepted, with several corrections/modifications made.

**Monthly Operating Analysis Review:**

CFO Counts reviewed the financial reports for both HGA and HGMD and answered all questions pertaining to the January 31, 2023 financial reports, paying particular attention to the variances of income and expenses for the month.

**Subcommittee and Other Reports:**

**Audit Subcommittee:** The report was included in the B&F committee package and there were no comments or issues regarding the most recent audit.

**Insurance Subcommittee:** Randy Lane advised that there was nothing new to report at this time..

**Capital Programs Subcommittee:** John Recob reported that on February 15, 2023, the subcommittee met, and that the review of the current list will need to be updated, which will be an ongoing process throughout the year.

**Investment Committee:** Co-Chair Hostetler advised that with the assistance of HGA's investment advisor and CFO Jerry Counts it was decided to reinvest all of the matured and maturing Certificates of Deposit in 2023 into 2 year Certificates of Deposit. The new investments have been reinvested with the interest rates being in the mid to high 4% range, which is a better rate of return than what has been seen in the past few years.



**Unfinished Business:** Co-Chair Hostetler advised that an ad hoc committee has been formed to review and revise the: **JPM B-1 Budget and Finance Committee**. The workshop will be held at 1:00 p.m. on Wednesday, February 22, 2023 at the Clubhouse. This workshop will be the first of many, that will be held to work on this important update.

**New Business:**

- A) Information Only-Building 241 Emergency Elevator Repair (\$14,056.60)** This was reviewed by the committee.
- B) Motion: Recommend 2023 Chair Rail Project for Buildings 221, 222 and 250 (\$86,940).** John Recob moved and Craig Baldwin seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the 2023 Chair Rail Project for Buildings 221, 222 and 250, totaling \$86,940. This is a budgeted project in the 2023 budget for an amount of \$86,940.
- C) Motion: Recommend 2023 Concrete/Handrail Repairs and Replacements (\$238,050)** Craig Baldwin moved and Bev Havens seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the allocation of \$238,050 of budgeted Capital Project funds for the purpose of a variety of cement and stair repairs throughout the community as identified necessary by the Heather Gardens Staff.
- D) Motion: Recommend Building 217 Hot Water Recirculation Project (\$24,840)** Ray Nash moved and Harry Laubach seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the Building 217 Hot Water Recirculation Project, at a cost of \$22,356 plus a change order amount of \$2,484 for a total cost of \$24,840. This is an approved budgeted line item of \$24,840.
- E) Motion: Recommend Replacing Debris (Truck) Loader (\$10,800)** Harry Laubach moved and Bev Havens seconded the motion that was passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the purchase of a Little Wonder debris loader from LL Johnson Distributing at a total cost of \$10,800. This is a non-budgeted expense that will be charged against the contingency line item of the approved 2023 Capital Budget.
- F) Motion: Replace Stand-on Mowers 1-4 (\$40,705.32)** Craig Baldwin moved and Harry Laubach seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the purchase of two (2) 36" Scag mowers and two (2) 48" Scag mowers stands from LL Johnson

Distributing at a total cost of \$38,205.32 with a change order amount of \$2,500, for a total cost of \$40,705.32. This is an approved budgeted line item of \$48,000.

- G) Motion: Replacing Zero-Turn Riding Mower (\$14,778)** Ray Nash moved and Bev Havens seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the purchase of a Scag Cheetah II 61" Zero-Turn Riding Mower from LL Johnson Distributing at a cost of \$14,778. This is an approved budgeted line item of \$18,000.

**Members of the audience wishing to speak on non-agenda items:**

The concept that B & F does not communicate very well with the residents of Heather Gardens, and that it would be helpful if we were to publish what are the milestones that are being met or not being met was discussed by the committee.

It was suggested by CFO Counts that he could prepare a summary for publication in the Heather n Yon, the official monthly publication for Heather Gardens, or via Pileria. He explained that last year, he intended to start a program for residents, that would be a forum for explaining what a Balance Sheet is, for example, and how it works for our organization. The purpose for this type of forum, is that **"there are no stupid questions."**

It was further expressed by the committee, that if the residents want more information regarding the financial information of Heather Gardens, that it be suggested to the individuals who are requesting more details, that they attend one of the monthly meetings of the Budget & Finance Committee, since the pertinent information is thoroughly reviewed monthly. It was also noted that the financial information is available at any time on the Heather Gardens website.

**The meeting was adjourned at 12:01 p.m.**

**The next meeting of the B&F Committee will be held on:**

**Monday, March 20, 2023, at 10:00 a.m.  
in the Board Room and via Zoom.**

**Heather Gardens Metropolitan District  
Board Action  
Date: February 23, 2023**

**Motion: Approve CFO to Establish Money Market Account Fund with KeyBank for the Heather Gardens Metropolitan District**

Based on the recommendation of the Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve to authorize the CFO (Jerry Counts) to establish a Money Market Account Fund with KeyBank for the Heather Gardens Metropolitan District.

The CFO is authorized to transfer excess funds from other accounts with KeyBank into the appropriate Money Market Funds and withdraw funds from the accounts as needed to meet cash flow needs.

Motion by: Bill Archambault Seconded by: \_\_\_\_\_

Outcome of vote:

For: \_\_\_\_\_ Against: \_\_\_\_\_ Absent/Abstaining: \_\_\_\_\_

\_\_\_ The motion has a majority and is adopted.

\_\_\_ The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors

HEATHER GARDENS METROPOLITAN DISTRICT  
BOARD ACTION  
FEBRUARY 23, 2023

MOTION: TO REDUCE DOLLAR AMOUNT CARRIED FORWARD FROM 2022 TO 2023 FOR PROJECT TITLED  
UPDATE CH HVAC SYSTEM SOFTWARE AND COMPUTER

I move that the Heather Gardens Metropolitan District Board of Directors reduce the amount carried forward from 2022 budget to the 2023 budget for Update CH HVAC System Software and Computer by \$1,842.

Motion by: Bill Archambault                      Seconded by: \_\_\_\_\_

Outcome of vote  
For \_\_\_\_\_                      Against \_\_\_\_\_                      Absent/Abstaining: \_\_\_\_\_

\_\_\_\_\_ The motion has a majority and is adopted.

\_\_\_\_\_ The motion does not have and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors

Explanation: Based upon the recommendation of Management, the Board authorized the carry forward of \$7,237 from the 2022 budget to the 2023 budget to complete the project. The final cost to complete the project was \$5,395 leaving a balance of \$1,842. The balance is not needed and cannot be used for any other project. Therefore, the carry forward amount should be reduced to the actual amount needed.

HEATHER GARDENS METROPOLITAN DISTRICT  
BOARD ACTION  
FEBRUARY 23, 2023

MOTION: TO AUTHORIZE THE CARRY FORWARD OF CAPITAL PROJECTS FROM 2022 FISCAL YEAR TO 2023 FISCAL YEAR.

COST: MOTION EXTENDS THE AUTHORIZATION OF \$100,261 SPENDING AUTHORITY.

I MOVE THAT THE HEATHER GARDENS METROPOLITAN DISTRICT BOARD OF DIRECTORS APPROVE EXTENDING THE 2022 AUTHORIZATION TO THE 2023 FISCAL YEAR FOR THE FOLLOWING PROJECTS:

OUTDOOR POOL/HEATER BOILER - \$22,880

CHEMICAL CONTROL SYSTEM, INDOOR POOL, AND SPA - \$17,361

OUTDOOR POOL – REPLASTER FINISH - \$60,020

Motion by: Maria Mines Seconded by: \_\_\_\_\_

Outcome of vote:

For \_\_\_\_\_ Against \_\_\_\_\_ Absent/Abstaining \_\_\_\_\_

\_\_\_\_\_ The motion has a majority and is adopted.

\_\_\_\_\_ The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors

Explanation: Management has advised the Board that these three projects were overlooked when the motion for carry forward of spending authority was presented at the January Board meeting. A contract has been made for the Outdoor Pool/Heater Boiler, and the vendor had hoped to complete the project in January 2023, but inclement weather prevented the completion. As of December 31, 2022 Management had yet to take action on the Chemical Control System, indoor pool, and spa. On December 31, 2022, the Outdoor Pool replaster finish project was listed as "in process," but no request had been made to the Board of Directors for the project. The projects are needed to continue having the pools and spa available for resident use.

HEATHER GARDENS METROPOLITAN DISTRICT  
BOARD ACTION  
FEBRUARY 23, 2023

MOTION: TO INCREASE THE AMOUNT AUTHORIZED FROM THE CONSERVATION TRUST FUND (LOTTERY FUND) FOR THE PAYMENT FOR THE NEW BILLIARD TABLE.

COST: \$1,325.00 FROM CONSERVATION TRUST FUND

I move that the Heather Gardens Metropolitan District Board of Directors increase the amount authorized in June of 2022 for the replacement billiard table by \$1,325.00. The funds are to be from the Conservation Trust Fund (Lottery Fund).

Motion by: Bill Archambault                      Seconded by \_\_\_\_\_

Outcome of vote  
For \_\_\_\_\_      Against \_\_\_\_\_      Absent/Abstaining: \_\_\_\_\_

\_\_\_\_\_ The motion has a majority and is adopted.

\_\_\_\_\_ The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Fund, President  
HGMD Board of Directors

Explanation: In June 2022, the Board authorized using Conservation Funds (Lottery Funds) in the amount of \$6,314.99 to replace a billiard table. The June 2022 motion included a statement that the cost was not to exceed \$6,314.99. Management has advised that the billiard table was acquired at a cost of \$1,325.00 more than the HGMD Board of Directors authorized. As the billiard table has been delivered and is in use, the Board has, realistically, no choice other than to authorize the additional amount from the Conservation Trust Fund (Lottery Fund).

**Heather Gardens Metropolitan District  
Board Action  
Date: February 23, 2023**

**Motion: Approve the Administrative Fee Charged to the Foundation to be Eliminated**

I move that the Heather Gardens Metropolitan District Board of Directors approve the administrative fee currently being charged to the Foundation be eliminated, and future Foundation Interest in Investments be deposited into the Foundation Fund effective January 2023.

Motion by: Eloise Laubach Seconded by: \_\_\_\_\_

Outcome of vote:

For: \_\_\_\_\_ Against: \_\_\_\_\_ Absent/Abstaining: \_\_\_\_\_

The motion has a majority and is adopted.

The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors

**Heather Gardens Metropolitan District  
Board Action  
Date: February 23, 2023**

**Motion: Approve to Move Monies Earned from Foundation Interest in Investments Transferred from Enterprise Fund to the Foundation Fund**

I move that the Heather Gardens Metropolitan District Board of Directors approve any monies earned from the Foundation Interest in Investments between the years of 2019-2022 to be transferred from the Enterprise Fund to the Foundation Fund.

Motion by: Eloise Laubach Seconded by: \_\_\_\_\_

Outcome of vote:

For: \_\_\_\_\_ Against: \_\_\_\_\_ Absent/Abstaining: \_\_\_\_\_

\_\_\_ The motion has a majority and is adopted.

\_\_\_ The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors