



**HEATHER GARDENS METROPOLITAN DISTRICT
SPECIAL MEETING
THURSDAY, JUNE 1, 2023**

The special meeting of the Board of Directors of the Heather Gardens Metropolitan District "HGMD" was held in the Heather Gardens Boardroom at 2888 S. Heather Gardens Way, Aurora, Colorado 80014 on Thursday, June 1, 2023 at 1:00 PM.

CALL TO ORDER: President Daniel Taylor called the meeting to order at approximately 1:08 PM on Thursday, June 1, 2023. A quorum was present.

BOARD MEMBERS PRESENT: President Daniel Taylor, Vice President Eloise Laubach, for a portion of the meeting, Secretary Robin O'Meara, Treasurer Rita Effler and Director Craig Baldwin.

STAFF PRESENT: HGA CFO Jerry Counts via Zoom.

GUESTS PRESENT: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C. Approximately 50 people in person and approximately 50 people in attendance via Zoom.

APPROVAL OF THE AGENDA: There were no changes to the agenda.

UNFINISHED BUSINESS-

BYLAWS: President Taylor acknowledged that the purpose of the meeting was to review and approve additions and deletions to the proposed bylaws for HGMD, which had been previously reviewed and made available for further public comment after an initial meeting on May 18, 2023. President Taylor explained that this version of the bylaws is a compilation of previous editions of bylaws as well as necessary additions from other governing documents. Each participant followed along line-by-line on copies provided in the Boardroom or on screen as the Board and residents discussed various provisions of the document.

Ms. Ivey excused herself at approximately 3:15 to attend another meeting.

There was a break at 3:20 P.M.

Recording resumed at 3:33 P.M.

PUBLIC COMMENT: Jerry Counts, CFO for Heather Gardens Association, HGMD's management company, joined the meeting at 4:05 P.M. via Zoom. During the discussion regarding the Audit/Finance Committee proposed in the new bylaws for HGMD, Mr.

Counts expressed concern about the Board's desire to separate HGMD dues and HGA dues both collected by HGA and held in HGA's operating account. Mr. Counts stated that the dues are accounted for separately but held in one disbursement account. He was adamant that this procedure could not be modified. The recording via Zoom did not capture the full content of his objections. There was a pause in the recording at 4:11 p.m. (16:11:24 on the link to the Zoom recording.)

Eloise Laubach was excused at 4:35 P.M.

SCHEDULE FOR CONSIDERATION OF PROPOSED BYLAWS: The Board discussed the schedule for consideration of the proposed bylaws.

After a call for final comments from the audience, it was agreed that the suggestions received would be incorporated into the bylaws and then presented to the Board of Directors for final consideration for approval at the Regular HGMD Board Meeting on Thursday, June 15, 2023.

ADJOURNMENT: There was a motion made to adjourn and a second. The motion passed unanimously. The meeting adjourned at 4:39 P.M.

Approved by the Heather Gardens Board of Directors on _____.

Daniel Taylor, President

Robin O'Meara, Secretary

**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 guest and said there would be no president's report.

APPROVAL OF/ADDITIONS TO/DELETION 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: Motion made by Director Baldwin and seconded by Treasurer Effler and passed to approve the minutes of May 18, 2023, Regular Meeting, as corrected, and June 8, 2023, Special Meeting, as corrected.

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: No meeting. 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.

Joint Long Range Planning Committee (JLRPC): There was no update.

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. Golf is doing a great job. The Restaurant is struggling, but 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 Jerry Counts, who explained very thoroughly last Monday, June 12, 2023, how the funds are accumulated, to what account they go into, and made it very clear 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 investments for CDs and notes that the Association and District have entered into, and interest rates were reported to be a minimum of 4.25%, which he explained earlier was reflected in the Foundation report. There was a discussion on 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 as shown on Clubhouse, Golf, and Restaurant as a whole are doing very well. There were no questions or comments.

Director Baldwin stated he was at his building meeting, and residents were asking him about the status of their 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 50th 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.

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 to 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.
- 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 for recommendation to the Board in tomorrow's meeting.
- 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 for recommendation to the Board in tomorrow's meeting.

PUBLIC COMMENTS:

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, that 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 said with the CFO resigning, will this Board have any involvement in the hiring process; and 3) on the June 1 meeting recording before posted on the website, he stated there were comments removed from the recording where the Board said to the CFO that he was out of order, and asked if this had to do with him resigning.

A resident stated she asked Secretary O'Mearer, who informed her it was an HGA Board question about when they would get security in the garages. 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 attorney, Ms. Ivey, to compose a letter to the HGA Board asking for a joint meeting between both Boards scheduled for June 21, 2023 at 1:00 p.m. in the board room.

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



**HEATHER GARDENS METROPOLITAN DISTRICT
SPECIAL MEETING MINUTES
FRIDAY, JUNE 30, 2023**

The special meeting of the Board of Directors of the Heather Gardens Metropolitan District was held in the Heather Gardens Boardroom at 2888 S. Heather Gardens Way, Aurora, Colorado 80014 on Friday, June 30, 2023 at 1:00 P.M.

PLEDGE OF ALLEGIANCE: Director O'Meara led the pledge of allegiance.

CALL TO ORDER: The meeting was called to order at 1:00 P.M. by President Daniel Taylor. A quorum was present.

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

STAFF PRESENT: None

GUESTS PRESENT: Forrest McClure, RV Lot Committee Chair, and approximately 25 people present in the Board Room and approximately 10 people were in attendance via Zoom.

APPROVAL OF AGENDA: There were no changes to the agenda.

PRESIDENT'S OPENING REMARKS: President Daniel Taylor explained the business of the meeting was to address the security of the RV Lot and to approve the replacement of the freezer for the restaurant.

NEW BUSINESS: Mr. McClure reported on the current status and possible solutions for the RV Lot. Following discussion, upon motion, second, and unanimous vote, the Board approved a replacement gate purchase for the RV Lot.

UNFINISHED BUSINESS: The Board discussed the replacement of the freezer for the Rendezvous Restaurant. Upon motion, second, and unanimous vote, the Board approved the purchase of a new freezer for Rendezvous Restaurant.

PUBLIC COMMENTS: (Participants were given 5 minutes to speak)



ADJOURNMENT: A motion to adjourn was made by Director Baldwin and seconded by Vice President Eloise Laubach. After a unanimous vote, the meeting was adjourned.

Approved by the Heather Gardens Board of Directors on _____.

Daniel Taylor, President

Robin O'Meara, Secretary

**HEATHER GARDENS METROPOLITAN DISTRICT
REGULAR MEETING
Thursday, July 20, 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, July 20, 2023 at 1:00 P.M.

PLEDGE OF ALLEGIANCE: The Board recited the Pledge of Allegiance.

CALL TO ORDER: President Daniel Taylor called the meeting to order at approximately 1:00 P.M. on Thursday, July 20, 2023. A quorum was present.

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

BOARD MEMBERS ABSENT: None.

STAFF PRESENT: CEO Jon Rea and Don O'Gorman via Zoom.

GUESTS PRESENT: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C., four members of the Heather Gardens Association ("HGA") Board, Lynn Donaldson with Heather 'n Yon, and approximately 21 members of the public were present.

APPROVAL OF MINUTES: President Taylor moved the approval of the meeting minutes to the following month as several corrections are needed. Seconded by Director Baldwin and passed unanimously.

PRESIDENT REMARKS: President Taylor commented that he apologized for the board packet, which was 128 pages. President Taylor said he does not expect the residents to read/print the entire packet and will work on a procedure for what information needs to be available in the packet. President Taylor will prepare the agenda and packet by the second Thursday/Friday of the month, as the regular meetings are on the third Thursday of the month. President Taylor requested that the Board members submit their reports, motions, and supporting documents by the second Tuesday of the month.

APPROVAL OF/ADDITIONAL/DELETION TO AGENDA: Any discussion/motions items that require staff to participate will be moved to the District Manager's report to help minimize the time staff spends at the meeting.

TREASURERS REPORT: Treasurer Effler reported she has a Treasurer's report that will be in the August Heather 'n Yon issue. The Audit/Finance Committee meetings are held the Monday before the third Thursday because the committee needs the financials before the meeting. The revenues were down in each entity this month, requiring a decrease in spending, and all entities were under budget with a savings of \$4,000 overall. She noted

that she learned at the joint Budget and Finance Committee meeting that the Board would need to act on sweep bank accounts. Therefore, she will work on having it on the agenda for next month and have CFO Counts provide information or do a presentation for the Board.

HGA Chief Executive Officer (CEO) Report: The Board received a copy of the HGA CEO's Statement of Work (SOW) and second Quarterly Report. HGA CEO Rea reported that management is working on the budget process to prepare the managers for the community. All the managers are working on the operations expenses budget, and HGA CFO Counts is working on the payroll and benefits. HGA CEO Rea has had the opportunity to sit down with most managers and ultimately will prepare the draft summary to give to HGA CFO Counts to incorporate into the manager 2024 draft budget and deliver it to the Joint Budget and Finance Committee, both Boards and the community, by September 8, 2023. HGA CEO Rea said they hired a new Security Manager, Dave Marris, who started July 17, 2023. Mr. Marris brings a wealth of knowledge and experience. He asked the Board to please stop by and welcome Mr. Marris to the community.

- a) **RV Lot:** HGA CEO Jon Rea stated that the temporary gate is currently up. Maintenance completed it three weeks ago, and a truck is parked in front of it. The gate is locked and is opened by appointment through Security to allow the owners access to their recreational vehicles. Security will handle appointments on a priority basis. The permanent gate was approved and ordered by Jon Howell and should be delivered within 6-8 weeks. Board members will be updated on the status. The information on the temporary gate, security camera expense, and the light replacement for the permanent gate has been submitted to the insurance company. HGA CEO Rea reported that they are working on an address sign for the RV gate entrance and the Garden Plot fence. The Board will be able to review the signs before they are ordered and posted. HGA CEO Rea thanked Forrest McClure for his support and communication with the RV owners and for keeping them apprised of everything happening.
- b) **Security Camera at RV Lot Delivering Text Messages to Security:** HGA CEO Rea reported that there is a temporary security camera installed, which provides movement notifications sent to the Security cell phones, alerting them to secure the area.

President Taylor asked HGA CEO Rea if there was any opportunity for the HGA Board/Committee members to provide input into the budget preparation before the manager's budget was finalized, as they find it difficult to make any changes during the workshops. HGA CEO Rea said there were 2 ½ weeks after the manager's budget is published when he could schedule time for the Board/Committees review. Treasurer Effler asked if the Zoom audio in the auditorium had been fixed. HGA CEO Rea commented that the Clubhouse Manager had a three-party sound system company perform preventative maintenance and fix any issues. The sound system is working correctly, and any problems with Zoom might be related to internet issues. Treasurer Effler asked who is affected by the new setup for the credit card process. HGA CEO Rea commented that the Golf Shop will be getting new hardware to process credit card

payments, and that will save money. HGA CEO Rea confirmed that the credit card vendor for the Clubhouse is ActiveNet, and the Restaurant is SpotOn, which are different from the Golf Shop. Treasurer Effler asked if the Restaurant needed to be fully staffed, and if the cover charge for the live band all goes to the band. HGA CEO Rea provided the number of staff members required for the restaurant, and will follow up on the band cover charge. Director Baldwin asked where the freezer contract stood. Jon Howell commented that the original proposal did not include the removal of the old freezer or installation of the new freezer and is waiting for quotes for that portion. There were no further questions or comments for the HGA CEO.

The Board continued to discuss concerns regarding the freezer contract that was approved on June 30, 2023, at a Special Meeting. Ms. Ivey stated that without seeing the contract and supporting documents, the Board may be unable to countermand the action already taken to authorize that contract. Ms. Ybarra requested HGA Contract Manager Don O’Gorman join the meeting to provide an update on the freezer. HGA Contract Manager O’Gorman explained that the contract had not yet been generated because Shamrock Foods, the freezer supplier, did not include the delivery or the installation cost. HGA Contract Manager O’Gorman explained that Shamrock Foods’ contract did have language for “outdoor installation;” however, after a phone conversation, they clarified that that was not covered, so the language was deceiving. He has asked Shamrock Foods to add the cost to the proposal, and that is what he is currently waiting on. There were other questions and concerns from the Board members that HGA Contract Manager O’Gorman answered.

President Taylor added the freezer to the agenda as it brought several questions and concerns from the Board members to rescind the previous action.

Motion to Rescind Freezer Action Taken on June 30, 2023, Special Meeting: Motion made by Vice President Laubach to withdraw the current agreement and look into other vendors for a freezer that meets the Restaurant Manager’s needs, including installation and removal, seconded by Director Baldwin and passed unanimously.

Note: Board members O’Meara, Effler, and Baldwin agreed to assist in searching for other vendors.

Appointment of 2023 Committee Chairs: this item was tabled.

Foundation Committee: Vice President Laubach reported that the Committee did not meet in June and July. There were expenses for soil and sod for the Clubhouse Yale entrance totaling \$2,709.49, and for landscaping and trees totaling \$626.15. The tree was a gift from an individual in memoriam, and the Committee approved that expenditure. The Committee will meet in August to review the Procedure Memorandum and any requests from Management. There were no questions or comments.

Garden Plot: Nancy Linsenbigler, the Garden Club President, reported that they usually meet monthly, and an estimate of 10-20 people attend, but the July meeting was cancelled. They sometimes hold small educational presentations on insects and seeds that are important to gardeners. The club members share their concerns and tricks/trays.

Ms. Linsenbigler thanked the Board for working on getting a bulletin board and address sign for the Garden Plot. There were no questions or comments.

Recreational Vehicle Lot Committee: The Board received a copy of the RV Lot report. Chair Forrest McClure reported new updates. The next meeting is on August 14 at 1:00 p.m. The RV Procedure Memorandum was submitted to the Board, and the 2024 budget recommendations were submitted to the Audit/Finance Committee. He noted that the Committee is full; the ninth member who joined was Patty Langlois. He reported that a work order was submitted to fix two of the four lights in the RV Lot. One of the lights has been repaired, but the other requires a lift, and still requires repair as of yesterday. He attended the RV Club meeting and spoke to the 12 members that were at the meeting. He reported that the old gate opener and concrete pad have been removed. There was a discussion from the Committee to get a rack & pinion lock for the gate; however, it was confirmed the rack & pinion would freeze up in the winter, so they are looking into getting a chain opener. Treasurer Effler asked if there was a protection cover for the chain. Chair McClure stated the Committee is looking into this. There were no further questions or comments.

Joint Budget and Finance Committee/Capital Program Subcommittee: The Board received a copy of the Joint Budget and Finance report. Director Baldwin reported it was a long meeting, but there was not much discussion that would affect the District. The Capital Program Subcommittee will have an article in Heather 'n Yon to talk about the capital program, how the budget is developed and how it works, and the plan expenditures sections. Discussion ensued regarding the Electric Charging Stations. Director Baldwin confirmed that Treasurer Effler will discuss the sweep account at the next Board meeting. He noted that HGA CFO Counts had discussed the sweep account with KeyBank at the Budget and Finance meeting, explaining that it is an insured cash sweep in which KeyBank, at the end of each day, pays interest on the funds. There were no questions or comments.

Clubs and Activities Committee: The Board received a copy of the Clubs and Activities report. Director Baldwin reported the Committee met and did not have a chance to work on the Procedure Memorandum. There were no questions or comments.

Clubhouse Committee: Treasurer Effler reported that the Committee's first meeting is scheduled for August 8th, and the committee is full. One of the main focuses for the Clubhouse is to work on getting more activities and events. The Committee was assigned to peruse past Heather' n Yon issues for ideas. The Committee would like to work with the Clubhouse Manager on how they can help. If anyone is interested in joining this Committee, they are asked to fill out an application. There were no questions or comments.

Restaurant Committee: Secretary O'Meara commented that the Committee will meet on Thursday, July 27, and the agenda is to meet one another, get together their wish list, and work on the Procedure Memorandum. The Committee is currently full. There were no questions or comments.

Audit/Finance Committee: Treasurer Effler reported that she was asked to review the HGMD invoices. The Committee was not able to go through the 70 invoices provided, but they will in the future. The invoices will show how the money is being spent and find ways to save/spend more. She had no update on revenue and stated that she did not know how money was earned from the various enterprises. The Committee is learning how to read the financial statements. She reported that revenue is down for each entity, as is the subsidy, meaning fewer people are participating.

UNFINISHED BUSINESS:

- a) **Discuss Asphalt Repairs at the Maintenance Facility:** Director Baldwin commented that the bidding process is malfunctioning. He recommends no action be taken and this item be sent back to the Joint Budget and Finance Committee.

NEW BUSINESS:

- a) **Approval of the Garden Plot Area Bulletin Board:** Motion made by Director Baldwin 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 installation of a bulletin board; with plans and specifications attached inside the fenced area of the Garden Plot, in a location voted on and approved by the members of the Garden Club, with no cost to the District.

Explanatory Comment: This project was initiated several months ago and was part of the improvements, including realigning the garden plots and installing updated water delivery. Though there was an indication that the old bulletin board would be replaced with District funds, the action was never considered, even though the prior bulletin board was removed or stolen.

- b) **Approval of the Recreational Vehicle (RV) Procedure Memorandum:** Motion made by Director Baldwin and seconded by Secretary O'Meara and passed unanimously.

Text of Motion: Based upon the recommendation of the RV Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the Committee's Procedure Memorandum as presented.

- c) **Approval of the Purchase of Four Tennis/Pickleball Nets:** Motion made by Director Baldwin and seconded by Vice President Laubach and passed unanimously.

Text of Motion: Based on the recommendation of the Clubs and Activities Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the purchase of four H3P100 Dominator Rolling Portable Nets

from Pickleball Central for a total price of \$1,556, with the recommendation that Conservation Trust Funds will be utilized. A five percent end-of-the-year discount will be realized.

Explanatory Comment: The District will add four nets to its inventory. The Pickleball Club plays on eight courts. This purchase will provide rolling nets for each court.

Note: President Taylor will inform CEO Rea to direct the Clubhouse Manager to order the nets.

- d) **Electric Vehicle (EV) Charging Stations:** The Board received a copy of the EV report. Director Baldwin explained that HGA Board member David Baxter chaired a committee that discussed putting charging stations throughout the community, but it was cost prohibitive to have Xcel install 440 volt power required for the quick charge. He noted that a previous District Board, looked into this and found a way to affordably install power at the Clubhouse; however, the District Board could not find money in the budget for the installation and did not take any action. He opined that if the Board decides to look into this, it may take several months to a year to come up with a solution, so no action is required.
- e) **Discuss Trash Removal Contract:** Director Baldwin understood that the HGA Board approved the contract for the trash removal and will charge the District. Treasurer Effler clarified that this is how this was done in the past, with the exception of the golf port-a-potties. Formerly, they were billed directly to golf but are now included in the contract. She reported that the District had always paid for the Clubhouse bins. She noted that with this contract, the District will only pay \$539 per month, saving the District money. Ms. Ivey commented that when reviewing this HGA contract, it did not require HGMD approval. No action is required from the District.
- f) **Discuss the 2024 Budget Development Schedule:** Director Baldwin commented that the Joint Budget and Finance Committee recommended that the District approve the schedule. President Taylor commented that he asked HGA CEO Rea to schedule time for the Board/Committee to review and provide input on the budget before the manager's draft budget goes out. Ms. Ivey commented that the Mill Levy Certification date this year may change to a later date depending on whether Proposition HH is passed in the November election. She reported that her firm is compiling a letter explaining this, which will be sent to the Board members. For HGA purposes, a later Mill Levy certification would likely mean that they would need alternate budgets for the debt service because the Mill Levy may differ depending on what happens to the assessment ratio. President Taylor said he will formally request the HGA CEO to have the Board/Committees meet to review the

budget before September 8th and will present a motion for the schedule in the August meeting. No action was taken at this time.

PUBLIC COMMENTS:

A resident asked that Clubhouse liability waiver forms be put on the Board agenda to take action to rescind/destroy them, as they are unused. This same resident stated that the Board should be concerned about the content of the HGA Board's statement in the Heather 'n Yon issue, which he said provides a potential threat to legal action against anyone who has made inflammatory statements or inappropriate comments during an open meeting.

ANNOUNCEMENTS: Director Baldwin suggested that if the Board members are attending the SDA annual conference September 12-14, 2023, they should get their applications in soon. He reported that he had already registered and paid.

EXECUTIVE SESSION: Motion made by President Taylor to convene into Executive Session pursuant to Section 24-6-402(4)(b) and 24-6-402(4)(e), C.R.S for the purpose of receiving legal advice on specific legal questions and determining positions relative to matters that may be subject to negotiations; developing strategies for negotiations; and instructing negotiators regarding the Management Agreement with Heather Gardens Association. The motion was seconded by Secretary O'Meara and passed unanimously for the Board to convene into Executive Session at 2:53 p.m.

Motion made by Vice President Laubach and seconded by Secretary O'Meara and passed unanimously to close the executive session and reconvene the public meeting. The Board reconvened the public meeting at approximately 4:00 p.m.

ADJOURNMENT: Upon motion by Vice President Laubach, and seconded by Secretary O'Meara, and passed unanimously, the meeting adjourned at 4:05 P.M.

Approved by the Heather Gardens Board of Directors on _____.

Daniel Taylor, President

Robin O'Meara, Secretary

**HEATHER GARDENS METROPOLITAN DISTRICT
REGULAR MEETING
Thursday, August 17, 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, Aurora, Arapahoe County, Colorado, on Thursday, August 17, 2023, at 1:00 P.M.

PLEDGE OF ALLEGIANCE: The Board recited the Pledge of Allegiance.

CALL TO ORDER: President Daniel Taylor called the meeting to order at approximately 1:00 P.M. on Thursday, August 17, 2023. A quorum was present.

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

BOARD MEMBERS ABSENT: None.

GUESTS PRESENT: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C., five members of the Heather Gardens Association ("the Association", or "the HGA") Board, Lynn Donaldson with Heather 'n Yon, and approximately 27 members of the public were present.

PRESIDENT'S REPORT: President Taylor noted that the primary goal of the Board is to increase community participation and improve transparency, and to only keep confidential matters required by law to be confidential. During the meetings, the public has the right by law to comment before the Board takes action. During public comment, the Board has attempted to answer questions and be more interactive than required by law. A very few have abused this informal give-and-take to frustrate the meetings. As a result, starting today, there will be a more formal procedure for all Board and committee meetings. All Zoom attendees will be muted at the beginning of the meetings. When a director raises a motion for discussion, after a second, the Directors will discuss the matter first. At the appropriate time, and before the Board takes any action, the public will be asked for comment. Any member of the public wishing to comment shall raise their hand, whether in the boardroom or on Zoom. After the speaker is recognized, they will have 5 minutes to speak. The Board President may respond first. Then, any director may respond if they choose; no response is required under the law. At the end of the meeting, the Board will hear public comments relevant to the District in the same manner. This procedure is being implemented so that meetings are orderly and to give all in the community an equal right to be heard. Copies of these procedures are available for the Board and anyone who needs to implement them.

FINANCIAL REPORTS: The Board received a copy of the July Financial Report from Management. Treasurer Effler commented that the Golf Course is doing very well and commended them. Director Baldwin commented that he is a member of the Budget and Finance Committee, and they discussed the 2024 budget development schedule for the

last week of September to get approval. The timeline will be Monday, September 25, and Tuesday, September 26, from 9:00 a.m. to approximately 3:00 p.m. to discuss the Association's 2024 budget and Wednesday, September 27, to discuss the District's 2024 budget. President Taylor commented that the Audit/Finance Committee will review the budget development schedule in their meeting and then bring it to the Board for approval. President Taylor reported that the Board had an opportunity last week to provide the input they wanted for the 2024 budget at their Tuesday and Wednesday study sessions, which went well, and he said he foresees no issues with approving the schedule.

REPORTS OF DIRECTORS, COMMITTEES, AND PROFESSIONAL CONSULTANTS:

Audit/Finance Committee: The Audit/Finance Report was distributed to the Board during the meeting as it was not included in the packet. President Taylor asked the Board to review. There were no questions or comments.

Clubs and Activities Committee: The Board received a copy of the Clubs and Activities report. There were no questions or comments.

Clubhouse Committee: The Board received a copy of the Clubhouse Report. There were no questions or comments.

Foundation Committee: The Board received a copy of the Foundation Report. Vice President Laubach reported that she received the final reports for all the projects that requested funding, and they all came in under budget. There were no questions or comments.

Restaurant Committee: The Board received a copy of the Restaurant Report. There were no questions or comments.

Recreational Vehicle (RV) Committee: The Board received a copy of the RV Report. Chair Forrest McClure reported that the installation of light poles was canceled. The Committee will need to begin re-evaluating and assessing various alternatives for additional lighting in the RV Lot. The matter will be discussed in the September 11th meeting. There were no questions or comments.

Chief Executive Officer (CEO) Report: The Board received a copy of the CEO's Statement of Work (SOW). CEO Rea was not able to attend today's meeting.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

a) **Approval of the Clubhouse Committee Procedure Memorandum:** Motion made by Treasurer Effler and seconded by Director Baldwin and passed unanimously as amended with the changes to Article III, item 2 as shown below:

2. Hours of Operation. The Clubhouse and appurtenant properties (excluding swimming pools) are open year-round, except Thanksgiving, Christmas, and New

Year's Day. Hours of operation are 6:00 a.m. to 9:00 p.m., Monday through Saturday and 7:00 a.m. to 7:00 p.m. on Sundays. The hours of the operations may not be changed without the approval of the District's Board, provided however, in the event of an emergency, Management may adjust the hours of operations with the concurrence of the Board president, or in the Board president's absence, another Board member.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors, upon recommendation of the Clubhouse Committee, approve the Procedure Memorandum approved by the Clubhouse Committee on August 8, 2023.

Explanatory Comment: The Clubhouse Committee has been approved as a separate standing committee of the HGMD.

Note: President Taylor commented that a separate document includes the proposed class fee schedule increased by \$5 for 2024. The fee schedule was attached in the previous Procedure Memorandum ("PM"), but due to the fee schedule changing more often than the PM, it will be removed from the PM and in a separate document.

- b) **Approval to Assess ADA Compliance:** Motion made by Treasurer Effler and seconded by Director Baldwin and passed unanimously.

Text of Motion: Based upon the recommendation of the Clubhouse Committee, I move that the Heather Gardens Metropolitan District Board of Directors direct Management to complete an assessment of District facilities for Americans with Disabilities Act ("ADA") compliance, specifically access to the outdoor swimming pool and lift, and prepare a plan with costs to bring the District into compliance with ADA if there are deficiencies.

Explanatory Comment: Residents reported other residents having extreme difficulty exiting the indoor pool area to the outdoor pool. There are other entry doors that are not handicapped accessible. The management agreement states the Association will "manage the affairs and Properties of the District in full compliance with the requirements of all applicable laws."

- c) **Approval to Change Keypad Codes:** Motion made by Treasurer Effler and seconded by Director Baldwin and passed unanimously as amended to change the codes quarterly rather than monthly.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors, upon the recommendation of the Clubhouse Committee, direct the District's Agent to change the keypad code quarterly on all Clubhouse keypad locks on the last business day and immediately upon completion, inform Clubhouse staff and HGMD Directors via email of the new code.

Explanatory Comment: The purpose is to prevent non-residents from accessing District facilities without paying fees and to control trespassing.

- d) Approval to Install a 50th Anniversary Time Capsule and Plaque:** Motion made by Director Baldwin and seconded by Vice President Laubach and passed unanimously.

Text of Motion: Based on the recommendation of the Clubs and Activities Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the installation of a Heather Gardens 50th Anniversary Time Capsule and Plaque within the unpaved circle in front of the Heather Gardens Clubhouse near the military monument. All costs will be paid for by Heather Gardens 50th Anniversary funds.

Explanatory Comment: This will coincide with the 50th Anniversary, September 15, 2023, celebration theme of “Here’s to the next 50.” Contents will include but are not limited to, digital/electronic copies of a historical Heather Gardens overview on PowerPoint, the first four HG newsletters/fact sheets, a recent Heather and Yon magazine, a copy of the Aurora Sentinel, and photographs of our remaining original owners, current Board members, and staff. Other suggestions would be appreciated.

The motion to consider the RV Lot PM-1 Attachment was not on the agenda. There was concern amongst the Board whether the item could be considered, as it was not on the agenda. Ms. Ivey explained that by law, at least 24 hours before the meeting, the requirement is to post the notice and agenda with the date, time, and place and the known agenda items at that time. There is no broad prohibition that the Board can never change anything, but it should have been on the agenda if it was known 24 hours in advance, and only items that come up as an emergency should be considered. After reviewing the item, she advised that she ascertain the item as not being an emergency. President Taylor reported that there will be a special meeting on Thursday, September 7, at 1:00 p.m. to address this item.

PUBLIC COMMENTS:

A resident complained about another resident running a business from her home, using the CP2 cul-de-sac to run her business, and posting her business on the internet. He noted that he had reported this to security and stated nothing had been done. The resident reported that if the issue is not addressed, he will take the other resident and Heather Gardens too. President Taylor explained to the resident that this matter must be taken to the Association Board. HGA Board President Bacon commented that Security Manager Dave Marris is investigating the matter and, with HB 1137, has put some constraints, but it is being taken care of.

A resident commented how pleased she was with the HGMD Study Sessions on the 2024 budget held last week and strongly encouraged those who were unable to attend to listen to the recordings posted on the HG website.

A resident commented on how well the meeting was held today. He explained it will be difficult for residents to get used to the muting/unmuting, but it will help with the distributions. He said it was a good decision made by the Board.

Director Baldwin had three items to discuss: 1) to confirm that the District did not need to take action on the trash contract that the Association executed because the Association would bill the District, 2) at the Audit/Finance Committee, no action was taken for the Maintenance Lot asphalt project so it was not forwarded to the Board, and 3) on the CEO Report under projects, he asked Secretary O'Meara if she knew about the install of restaurant signage on Yale. She replied that she did not. Director Baldwin noted that he will follow up with CEO Rea on the restaurant signage. President Taylor said the District needs to get additional signage for the golf course parking to help direct golfers where to park and help mitigate the lack of parking for the Clubhouse.

A resident commented that she agreed with how helpful the HGMD Study Sessions were and hoped to see them on the website. President Taylor confirmed they were being posted on the website.

A resident distributed a document to the Board members with questions in case she exceeded her time limit. The resident asked the Board for help to create or reinstall the deployment of collaboration, cooperation, communication, creativity, transparency, and appreciation and support between the cost center leaders and residents. She noted that the canceling of two theme dinner dances and specialty fashion show without explanation, did not fit those parameters. President Taylor explained he had addressed the issue with CEO Rea, who did not know why the events were canceled; however, he explained that if the organizers are no longer involved or there is no participation in promoting or continuing, the planning loses steam. President Taylor advised her to work with Director Baldwin, who chairs the Clubs and Activities Committee.

EXECUTIVE SESSION: Motion made by Director Baldwin to convene into Executive Session pursuant to Section 24-6-402(4)(b) and 24-6-402 (4)(e), C.R.S for the purpose of receiving legal advice on specific legal questions and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators regarding the Management Agreement. The motion was seconded by Secretary O'Meara and passed unanimously for the Board to convene into Executive Session at 2:39 p.m.

Upon motion, second, and unanimous vote, the Board closed the executive session and reconvened the public meeting at approximately 4:41 p.m. Ms. Ivey asked if the Board wanted to provide direction in the open meeting.

In a motion made by President Taylor to have the District attorney, Ms. Ivey, revise the Management Agreement and prepare a timeline for approval per the Board's discussions and to bring it forward to the District Board and the HGA Board. The motion was seconded by Vice President Laubach and passed unanimously,

ADJOURNMENT: Upon motion by Director Baldwin, and seconded by President Taylor, and passed unanimously, the meeting adjourned at 4:42 P.M.

Robin O'Meara, Secretary

HGMD Treasurer's Report

From: Rita Effler, Treasurer HGMD

July 31, 2023

Highlights of District Operations:

Month of July 2023

	Actual	Budget
Clubhouse Profit (Loss)	(\$56,736)	(\$55,975)
Clubhouse Revenue	\$20,126	\$18,939
Golf Profit (Loss)	\$20,966	\$ 3,372
Golf Revenue	\$84,627	\$78,569
Restaurant Profit (Loss)	(\$4,590)	(\$ 2,438)
Restaurant Revenue	\$59,878	\$66,068

Year to Date through July 2023

	Actual	Budget
Clubhouse Profit (Loss)	(\$348,529)	(\$392,065)
Golf Profit (Loss)	(\$ 96,226)	(\$154,689)
Restaurant Profit (Loss)	(\$ 57,021)	(\$ 59,573)

Clubhouse: We are so sorry to lose Montrell! At a luncheon in The Rendezvous to say goodbye, attended by front desk staff, instructors and HGMD Board members, a brilliant idea emerged to have a talent contest for residents. Acting clubhouse manager Julie Racich agreed it could be a fun time for all. Aerial artists, sword swallowers, ventriloquists, comedians, impersonators, dancers, musicians. Imagine the fun a talent contest could be! We are working on the 2024 Budget. A look at spreadsheets showing how much revenue comes in and what an event costs should help us to make some decisions for next year. Montrell did not have time to provide these before he left. New classes have already been proposed. Do you know there are 55 clubs that use the facilities? We are discussing inexpensive ID options for residents. The latest one, and so smart, costs about 1 cent for each resident, plus 4 cents for their guests. This is what happens when committees are enthusiastic and encourage input.

Golf: Profit, in the black, kudos to the Golf staff and HGA management! Beautiful weather helps, too. Revenue was over Budget. So were expenses. Management keeps trying to find that balance. The savings from Wages and Benefits, the loss of the previous golf superintendent and his assistant, are almost the same as using HGA's Roads and Landscaping. The big savings for HGMD will come in the winter. Maximizing the use of the R & L crew saves HGA money.

Restaurant: Our restaurant is having a tough time. Budget restraints hinder staffing. Staffing hinders what the restaurant can provide. Sandwiches do not bring in the revenue steak and prime rib and fried chicken and braised beef and smothered burritos can generate! "Good help is hard to find." Staff is working hard. A big problem is we are not drinking enough booze. There is good profit in liquor. The average sale per customer is \$16.70. Seems like a lot, but it needs to be more to support The Rendezvous. It would take one more cocktail per customer or a piece of cherry pie. Just a subliminal suggestion.

Enterprise Fund: This is really our operating fund. What accumulates over operation expenses will pay for capital projects. They have been minimal this year. We do need a new freezer. Removal of the old one and installation of a new one involves different contractors and sub-contractors.

Conservation Trust Funds: These funds come from the State lottery profit. We've received about \$12,000 this year and should get that much one more time. \$151,845 is the current balance. These funds accumulated over many years. A report must be made annually on their use. Restrictions are minimal for the use of the funds. We are using them primarily for recreational enhancements, which is what they are supposed to be used for.

Debt Service Fund: We still owe about \$7.7 million to bond holders. Principle is paid from property tax revenue, as is interest.

Foundation Fund: The current balance is \$186,255. The Foundation Committee members are passionate about this money. Foundation money funded much of Sandberg Auditorium's theater production equipment as well as the Veterans' memorial in front of the clubhouse. The benches you enjoy as you walk the grounds were funded with foundation funds. The Foundation began in the early 90's. Its main purpose is to use the funds donated by those who love our community in a way that honors them and our community.

Rita Effler, Treasurer

HEATHER GARDENS METROPOLITAN DISTRICT

Budget Exceptions Report

Through: 8/31/2023

	YTD ACTUAL	YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% Variance from Budget	Annual Budget	% of Annual Budget Spent
Total Revenue	\$ 2,675,337	\$ 2,661,976	\$ 13,361	0.5%	\$ 3,705,026	72%
Cost of Goods Sold	\$ 141,107	\$ 157,425	\$ 16,318	10.4%	\$ 234,140	60%
Gross Profit	<u>\$ 2,534,230</u>	<u>\$ 2,504,551</u>	<u>\$ 29,679</u>	1.2%	<u>\$ 3,470,886</u>	
Operating Expenses	\$ 1,710,691	\$ 1,799,214	\$ 88,523	4.9%	\$ 3,009,041	57%
Net Operating Income/(Loss)	<u>\$ 823,539</u>	<u>\$ 705,337</u>	<u>\$ 118,202</u>		<u>\$ 461,845</u>	
Capital Improvements Exp	\$ 65,822	\$ 43,000	\$ (22,822)	-53.1%	\$ 822,414	8%
Non-Operating (Inc)/Exp	\$ (29,365)	\$ -	\$ 29,365		\$ -	
Net Surplus/(Loss)	<u>\$ 787,082</u>	<u>\$ 662,337</u>	<u>\$ 124,745</u>		<u>\$ (360,569)</u>	

Executive Summary

Club House

Revenue	\$ 122,641	\$ 134,266	\$ (11,625)	-8.7%	\$ 196,479	62%
Expenses	\$ 531,514	\$ 582,708	\$ 51,192	8.8%	\$ 881,232	60%
Net Subsidy	<u>\$ (408,873)</u>	<u>\$ (448,442)</u>	<u>\$ 39,567</u>		<u>\$ (684,753)</u>	

Golf

Revenue	\$ 365,094	\$ 357,600	\$ 7,494	2.1%	\$ 504,624	72%
Expenses	\$ 453,824	\$ 510,263	\$ 56,438	11.1%	\$ 760,610	60%
Net Subsidy	<u>\$ (88,730)</u>	<u>\$ (152,663)</u>	<u>\$ 63,932</u>		<u>\$ (255,986)</u>	

Restaurant

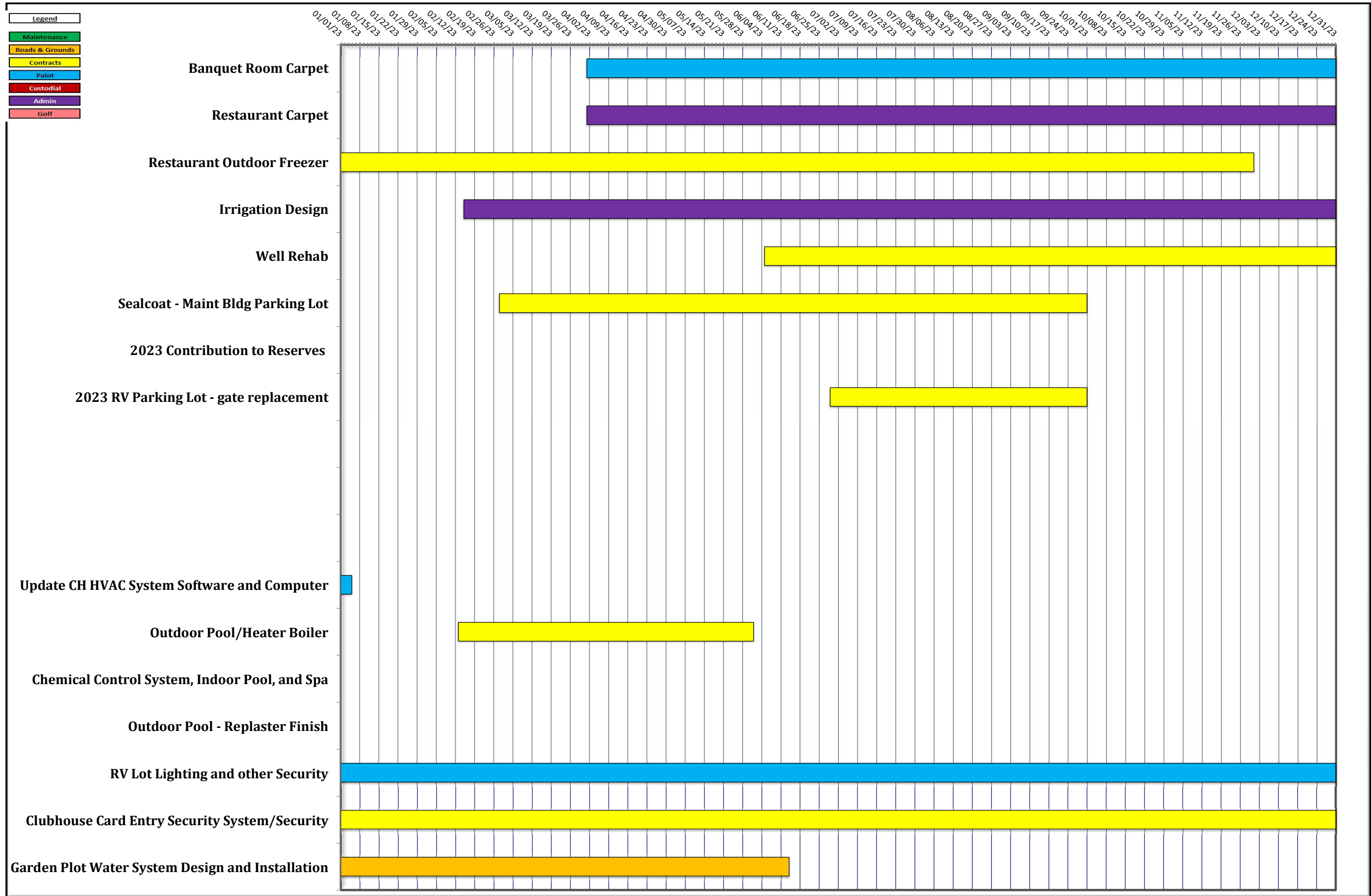
Revenue	\$ 406,097	\$ 456,220	\$ (50,123)	-11.0%	\$ 675,363	60%
Cost of Goods Sold	\$ 127,808	\$ 146,118	\$ 18,310	12.5%	\$ 216,506	59%
Gross Profit	<u>\$ 278,289</u>	<u>\$ 310,102</u>	<u>\$ (31,813)</u>	-10.3%	<u>\$ 458,857</u>	
Expenses	\$ 340,005	\$ 375,396	\$ 35,391	9.4%	\$ 562,957	60%
Net Subsidy	<u>\$ (61,716)</u>	<u>\$ (65,294)</u>	<u>\$ 3,578</u>		<u>\$ (104,100)</u>	

Restricted Funds	Total Total Revenue	Total Expenses	Net Surplus/(Loss)	Cash Balance
Conservation Trust Fund	\$ 12,067	\$ 11,384	\$ 683	\$ 150,417
Debt Service Fund	\$ 526,823	\$ 204,892	\$ 321,931	\$ 497,266
Foundation Fund	\$ 4,987	\$ 5,291	\$ (304)	\$ 185,320

HGMD MONTHLY CAPITAL RESERVE REPORT FOR PERIOD ENDING:

August 2023

STATUS	PROJECT OWNER	DEPT.	2023 APPROVED PROJECTS	ACCT	2023	2023	% VAR	START DATE	FINISH DATE	#DAYS	2023 INVOICES PAID	+/-	%	TOTAL	PROJECT
					APPROVED BUDGET AMOUNT A	SIGNED CONTRACT AMOUNT B						SIGNED CONTRACT AMOUNT B-C-D	VAR FROM CONTRACT	UNDER / (OVER) BUDGET A-C-D	
In Process	Cormac	Restaurant	Banquet Room Carpet	D601	\$11,966		-100%	04/01/23	12/31/23	274		\$0	#DIV/0!	\$11,966	7/5/23 - received pricing from 3 contractors. Waiting on contractors to provide carpet tile samples. 7/25/23 - delivered samples to the restaurant for them to make their color choices.
In Process	Cormac	Restaurant	Restaurant Carpet	D601	\$11,194		-100%	04/01/23	12/31/23	274		\$0	#DIV/0!	\$11,194	7/6/23 - received pricing from 3 contractors. Waiting on contractors to provide carpet tile samples. 7/25/23 - delivered samples to the restaurant for them to make their color choices.
In Process	Cormac	Restaurant	Restaurant Outdoor Freezer	D601	\$30,000		-100%	01/01/23	12/01/23	334		\$0	#DIV/0!	\$30,000	7/21/23 - Reached out to additional vendors for freezer pricing to get closer to "apples to apples" bids.
In Process	Brian/Greg	Golf	Irrigation Design	D601	\$13,031		-100%	02/15/23	12/31/23	319	\$5,000	(\$5,000)	#DIV/0!	\$8,031	2/3/23 - Researching
not-started	Brian/Greg	Golf	Well Rehab	D601	\$115,408		-100%	06/05/23	12/31/23	209		\$0	#DIV/0!	\$115,408	6/5/23 - L&G to discuss scope with Golf Pro
Cancelled	Don	Maint Bldg	Sealcoat - Maint Bldg Parking Lot	D601	\$35,000		-100%	02/28/23	10/01/23	215		\$0	#DIV/0!	\$35,000	8/14/23 - HGMD Finance/ Audit Committee decided to cancel the project due to believing this should be an HGA expense and not HGMD.
TOTAL 2023 FUNDED PROJECTS					\$216,599	\$0					\$5,000	(\$5,000)	#DIV/0!	\$211,599	
<i>2023 CONTINGENCY PROJECTS Future event or circumstance which is possible, but cannot be predicted with certainty</i>															
not-started	Management	Management	2023 Contribution to Reserves	D601	\$302,134					0		\$0	#DIV/0!	\$302,134	
In Process	Jon H	Admin.	2023 RV Parking Lot - gate replacement	D601	\$38,025			06/29/23	10/01/23	94	\$4,289	(\$4,289)	#DIV/0!	\$33,736	9/6/23 - Waiting on gate manufacturer to provide install dates to the installing contractor.
							#DIV/0!			0		\$0	#DIV/0!	\$0	
					\$340,159	\$0					\$4,289	(\$4,289)	#DIV/0!	\$335,870	
TOTAL CAPITAL RESERVE FUNDS					\$556,758	\$0					\$9,289	(\$9,289)	#DIV/0!	\$547,469	
2022 PROJECTS TO BE COMPLETED IN 2023															
Completed	Jon H	Clubhouse	Update CH HVAC System Software and Computer	D601.2	\$5,395	\$5,395	0%	01/01/23	01/05/23	4	\$5,395	\$0	0%	\$ -	
Completed	Jon H	Clubhouse	Outdoor Pool/Heater Boiler	D601.2	\$22,880	\$22,880	0%	02/13/23	06/01/23	108	\$22,880	\$0	0%	\$ -	
not-started	Jon H	Clubhouse	Chemical Control System, Indoor Pool, and Spa	D601.2	\$17,361		-100%			0		\$0	#DIV/0!	\$ 17,361	
not-started	Jon H	Clubhouse	Outdoor Pool - Replaster Finish	D601.2	\$60,020		-100%			0		\$0	#DIV/0!	\$ 60,020	
In Process	Don	Admin.	RV Lot Lighting and other Security	D601.2	\$50,000		-100%	01/01/23	12/31/23	364		\$0	#DIV/0!	\$ 50,000	4/15/23 - Met with Securitas, ADP, Dark Horse and J7. We are waiting on pricing.
In Process	Don	Clubhouse	Clubhouse Card Entry Security System/Security	D601.2	\$80,000		-100%	01/01/23	12/31/23	364		\$0	#DIV/0!	\$ 80,000	4/15/23 - Waiting on pricing from Securitas, Dark Horse, ADP and J7.
Completed	Matt	Admin.	Garden Plot Water System Design and Installation	D601.2	\$30,000	\$28,258	-6%	01/01/23	06/14/23	164	\$28,258	(\$0)	0%	\$1,742	7/5/23 - contractor completed their punchlist. Final invoice was received on 6/14/23.
TOTAL PRIOR YEAR PROJECTS					\$265,656	\$56,533					\$56,533	(\$0)	0%	\$209,123	
GRAND TOTAL PER BUDGET					\$822,414	\$56,533					\$65,822	(\$9,289)	16%	\$756,592	
PROJECTS TARGETED FOR COMPLETION IN 2023															
TOTAL PRIOR YEAR PROJECTS NOT BUDGETED IN 2023					\$0	\$0					\$0	\$0		\$0	
PROJECTS FUNDED BY THE CONSERVATION FUND															
In Process	Montrell	Pools	Pool Water Filter - (reimbursed through Conservation Fund)	D566	\$55,000		-100%	05/30/23	12/31/23	215		\$0	#DIV/0!	\$55,000	6/6/23 - collecting pricing
TOTAL PROJECTS FUNDED BY THE CONSERVATION FUND					\$55,000	\$0					\$0	\$0		\$55,000	
GRAND TOTAL					\$877,414	\$56,533					\$65,822	(\$9,289)		\$811,592	



**HEATHER GARDENS FOUNDATIONS
FOUNDATION DONATION SUMMARY
1/1/2023 - 8/31/2023**

Description	General	Roads & Grounds	Club House	Golf	Trees	Totals
Balance at beginning of January	170,246.99	324.50	425.70	40.00	15,217.59	186,254.78
Donations for Jan 2023	265.00			25.00		290.00
Jan Interest Income on US Treasury Bills and Notes	305.32					305.32
Donations for Feb 2023	50.00					50.00
Feb Interest Income on US Treasury Bills and Notes	341.21					341.21
Donations for Mar 2023	175.00				50.00	225.00
Mar Interest Income on US Treasury Bills and Notes	377.76					377.76
Donations for Apr 2023	100.00				500.00	600.00
Apr Interest Income on US Treasury Bills and Notes	365.57					365.57
Donations for May 2023	0.00					0.00
May Interest Income on US Treasury Bills and Notes	377.76					377.76
May Expenses - Soil and sod for Clubhouse and Yale Ave.	-2,709.29					-2,709.29
Donations for June 2023	160.00					160.00
June Interest Income on US Treasury Bills and Notes	428.07					428.07
June Expenses - Tree purchase and HGA labor for mulch removal and rock installation	-236.16				-389.99	-626.15
Donations for July 2023	50.00				25.00	75.00
July Interest Income on US Treasury Bills and Notes	633.04					633.04
July Expenses - Bench pad rocks, assorted flowers, four umbrellas	-1,955.19					-1,955.19
Donations for August 2023	100.00				25.00	125.00
August Interest Income on US Treasury Bills and Notes	633.03					633.03
Balance at end of the month 8/31/2023	169,708.11	324.50	425.70	65.00	15,427.60	185,950.91

RECONCILIATION TO GL

D103.5 Foundation Checking Account - August 2023	\$ 33,555.01
D112 Foundation's Share of Accrued Interest - August 2023	\$ 505.43
Add Bond Discount Amortization	\$ 1,766.09
D106.1/D106.11 Foundation Investment Accounts - August 2023	\$ 149,999.38
D121 Owed to the Foundation from MD	\$ 125.00
D121 Owed to MD from the Foundation	
	<u>\$ 185,950.91</u>

Heather Gardens Metropolitan District
Summary of Investments/Restricted Cash Accounts
08/31/23

Bank	Yield	Maturity	Interest Paid	Principal	Monthly Interest	Fund	Account
Foundation							
US Treasury Bills	4.577%	1/25/2024	Maturity	\$ 49,111	\$ 183.85	Foundation	D106.1/D106.11/D106.12
US Treasury Notes 3.000% Coupons	5.370%	6/30/2024	Semi Annual	\$ 98,108	\$ 439.83	Foundation	D106.1/D106.11/D106.12
Foundation - checking				\$ 33,555		Foundation	D103.5
				<u>\$ 180,774</u>	<u>\$ 623.69</u>		
Key Bank - Conservation Trust Fund/Lottery			Monthly	\$ 150,417	\$ 50.00	Conservation	D104
US Treasury Notes 2.125% Coupons	2.870%	7/31/2024	Semi Annual	\$ 246,396	\$ 592.86	Enterprise	D106
Fed Farm Credit Bank Bonds	3.375%	8/26/2024	Semi Annual	\$ 249,785	\$ 702.52	Enterprise	D106
US Treasury Notes 3.00% Coupons	3.00%	7/31/2024	Semi Annual	\$ 250,000	\$ 625.00	Enterprise	D106
Net Inc/(Decr) in FMV of Investments	(1)			<u>\$ (16,791)</u>			D106.01
				<u>\$ 729,390</u>	<u>\$ 1,920.38</u>		
Zion Bank - Cash Account for Bond P&I	4.96%			\$ 499,111	\$ 2,062.99	Bond P&I	D108.2/D108.21
KeyBanc Capital Mkts - Money Market							
Federated Hermis Govt Oblig SS	4.97%	N/A	Monthly	\$ 1,777,110	\$ 7,360.20	Enterprise	D103
Total Investments/Restricted Cash Accounts				<u><u>\$ 3,336,803</u></u>	<u><u>\$ 12,017.25</u></u>		

(1) - The Enterprise investments are held to maturity. Because the investments are considered LT, we are required to report them at market value. The net increase or decrease in fair market value will be eliminated at maturity. Adjustment will be made at the end of the year.

2888 So Heather Gardens Way
Aurora CO 80014

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
REVENUE							
D503 Conservation Trust (Lottery)	0	0	0	11,666	10,200	1,466	20,075
D504 Interest Income	8,789	130	8,659	50,722	1,040	49,682	1,560
D504.2 2010 Bond Restr Interest	2,027	28	1,999	10,528	224	10,304	336
D504.3 Interest Income Lottery	51	1	50	401	8	393	12
D505 Recreation Fee Income	145,156	144,948	208	1,159,693	1,159,584	109	1,739,378
Restaurant Income	59,898	63,420	(3,522)	406,097	456,220	(50,123)	675,363
D507 Golf Fees Daily	56,208	56,874	(666)	251,118	250,321	798	346,760
D507.1 Golf Simulator	10	13	(3)	2,140	983	1,157	1,393
D509.2 Golf Disc - 40 Play	3,186	2,999	187	15,156	15,448	(292)	19,735
D511 Golf Cart Rental Income	15,273	13,147	2,126	63,161	60,595	2,566	83,432
D511.1 Golf Merchandise	3,883	2,968	914	19,527	19,692	(165)	30,711
D511.2 Golf Lesson	1,390	1,051	339	8,320	6,210	2,110	8,893
D511.3 Golf Bag Storage	0	0	0	510	272	238	7,970
D511.4 Golf Pull Cart	1,216	1,269	(53)	5,162	4,078	1,084	5,730
D512 CH Building Rentals	717	2,086	(1,369)	16,607	20,070	(3,463)	25,185
D513 Events	1,777	2,639	(862)	18,703	21,112	(2,409)	31,668
D513.1 Trips Revenue	9,059	3,025	6,034	22,854	24,200	(1,346)	36,300
D514 RV Lot Income	198	0	198	23,803	24,000	(197)	32,000
D514.1 Garden Plot Income	0	0	0	2,745	2,450	295	2,450
D515 Classes	7,218	8,360	(1,143)	62,919	66,884	(3,965)	100,326
D515.1 Donation Revenue	125	0	125	1,525	0	1,525	0
D515.3 Interest Income - Foundation	633	0	633	3,462	0	3,462	0
D516 Miscellaneous Revenue	0	0	0	665	0	665	0
D516.1 Coffee Revenue	182	250	(68)	1,558	2,000	(442)	3,000
D517 Property Tax Revenue	6,352	9,050	(2,698)	494,711	497,050	(2,339)	503,745
D518 Specific Ownership Tax Revenue	2,715	2,417	298	21,584	19,336	2,248	29,004
TOTAL REVENUE	326,063	314,675	11,388	2,675,337	2,661,976	13,361	3,705,027
D590 Cost of Goods Sold	21,169	21,990	821	141,107	157,425	16,318	234,140
GROSS PROFIT	304,894	292,685	12,209	2,534,230	2,504,551	29,679	3,470,886
OPERATING EXPENSES							
D519 Zion Bank Payee Fee	0	0	0	900	1,000	100	1,000
D520 Debt Service Interest	24,683	24,683	0	197,467	197,464	(3)	295,230
D522 Services - Insurance	4,651	4,882	230	37,211	39,054	1,843	58,581
D523 Services - Audit	0	0	0	36,000	36,000	0	36,000
D524 Services - Professional	10,045	4,000	(6,045)	48,725	32,000	(16,725)	48,000
D525 County Collection Fee	98	139	41	7,425	7,743	318	7,855
D525.1 Election Expense	54	0	(54)	47,371	25,000	(22,371)	25,000
D526 Miscellaneous Expense	(438)	200	638	3,651	1,600	(2,051)	2,400
D526.1 SDA Membership Dues	0	0	0	1,238	1,250	13	1,250
D550 Club House Expenses	79,297	72,738	(6,559)	531,514	582,709	51,195	881,231
D555 Golf Course Expenses	71,223	74,593	3,370	440,525	498,956	58,431	742,978
D557 Restaurant Expenses	45,870	48,857	2,987	340,005	375,398	35,393	562,956
D560 RV Lot Expenses	117	105	(12)	1,866	840	(1,026)	1,260
D565 Garden Plot Expenses	118	25	(93)	118	200	82	300
D566 Conservation Expenses	1,478	0	(1,478)	11,384	0	(11,384)	55,000
D601 Capital Outlay	683	0	(683)	9,289	0	(9,289)	556,758
D601.2 2022 Cap Carry Foward Projects	0	0	0	56,533	43,000	(13,533)	265,656
D620 Foundation Expense	0	0	0	5,291	0	(5,291)	0
D700 Bond Principal Payment	0	0	0	0	0	0	290,000
TOTAL OPERATING EXPENSES	237,879	230,222	(7,657)	1,776,513	1,842,214	65,701	3,831,455
NET OPERATING REVENUE/EXPENSE	67,015	62,463	4,552	757,717	662,337	95,380	(360,569)
NON OPERATING EXPENSE							
D605 Gain/Loss Asset Disp	(29,365)	0	29,365	(29,365)	0	29,365	0
TOTAL NON OPERATING EXPENSE	(29,365)	0	29,365	(29,365)	0	29,365	0
NET REVENUE EXPENSE	96,381	62,463	33,918	787,082	662,337	124,746	(360,569)

2888 So Heather Gardens Way
Aurora CO 80014

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
ENTERPRISE FUND							
REVENUE							
D504 Bnk Intrst Rsv Acct	8,789	130	8,659	50,722	1,040	49,682	1,560
D505 Rec Fee Income	145,156	144,948	208	1,159,693	1,159,584	109	1,739,378
Restaurant Income	59,898	63,420	(3,522)	406,097	456,220	(50,123)	675,363
D507 Golf Fees Daily	56,208	56,874	(666)	251,118	250,321	798	346,760
D507.1 Golf Simulator	10	13	(3)	2,140	983	1,157	1,393
D509.2 Golf Disc - 40 Play	3,186	2,999	187	15,156	15,448	(292)	19,735
D511 Golf Cart Rental Income	15,273	13,147	2,126	63,161	60,595	2,566	83,432
D511.1 Golf Merchandise	3,883	2,968	914	19,527	19,692	(165)	30,711
D511.2 Golf Lesson	1,390	1,051	339	8,320	6,210	2,110	8,893
D511.3 Golf Bag Storage	0	0	0	510	272	238	7,970
D511.4 Golf Pull Cart	1,216	1,269	(53)	5,162	4,078	1,084	5,730
D512 CH Building Rentals	717	2,086	(1,369)	16,607	20,070	(3,463)	25,185
D513 Events	1,777	2,639	(862)	18,703	21,112	(2,409)	31,668
D513.1 Trips Revenue	9,059	3,025	6,034	22,854	24,200	(1,346)	36,300
D514 RV Lot Income	198	0	198	23,803	24,000	(197)	32,000
D514.1 Garden Plot Income	0	0	0	2,745	2,450	295	2,450
D515 Classes	7,218	8,360	(1,143)	62,919	66,884	(3,965)	100,326
D516 Miscellaneous Revenue	0	0	0	665	0	665	0
D516.1 Coffee Revenue	182	250	(68)	1,558	2,000	(442)	3,000
TOTAL ENTERPRISE REVENUE	314,160	303,179	10,981	2,131,461	2,135,158	(3,697)	3,151,855
D590 Cost of Goods Sold	21,169	21,990	821	141,107	157,425	16,318	234,140
GROSS PROFIT	292,991	281,189	11,802	1,990,354	1,977,733	12,621	2,917,714
OPERATING EXPENSES							
D550 Club House Expenses	79,297	72,738	(6,559)	531,514	582,709	51,195	881,231
D555 Golf Course Expenses	71,223	74,593	3,370	440,525	498,956	58,431	742,978
D557 Restaurant Expenses	45,870	48,857	2,987	340,005	375,398	35,393	562,956
D560 RV Lot Expenses	117	105	(12)	1,866	840	(1,026)	1,260
D522 Services - Insurance	4,651	4,882	230	37,211	39,054	1,843	58,581
D523 Services - Audit	0	0	0	36,000	36,000	0	36,000
D524 Services - Professional	10,045	4,000	(6,045)	48,725	32,000	(16,725)	48,000
D525.1 Election Expense	54	0	(54)	47,371	25,000	(22,371)	25,000
D526 Miscellaneous Expense	(438)	200	638	3,651	1,600	(2,051)	2,400
D526.1 SDA Membership Dues	0	0	0	1,238	1,250	13	1,250
D519 Zion Bank Payee Fee	0	0	0	900	1,000	100	1,000
D565 Garden Plot Expenses	118	25	(93)	118	200	82	300
D601 Capital Outlay	683	0	(683)	9,289	0	(9,289)	556,758
D601.2 2022 Cap Carry Foward Projects	0	0	0	56,533	43,000	(13,533)	265,656
TOTAL OPERATING EXPENSES	211,620	205,400	(6,220)	1,554,946	1,637,007	82,061	3,183,370
NET OPERATING REVENUE/EXPEN	81,371	75,789	5,583	435,408	340,726	94,682	(265,656)
NON OPERATING EXPENSE							
D605 Gain/Loss Asset Disp	(29,365)	0	29,365	(29,365)	0	29,365	0
TOTAL NON OPERATIN EXPENSE	(29,365)	0	29,365	(29,365)	0	29,365	0
NET ENTERPRISE FUND REVENUE/EX	110,737	75,789	34,948	464,773	340,726	124,047	(265,656)

2888 So Heather Gardens Way
Aurora CO 80014

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
RESTRICTED FUNDS							
CONSERVATION TRUST FUND (Lottery)							
REVENUE							
D503 Conservation Trust (Lottery Ac	0	0	0	11,666	10,200	1,466	20,075
D504.3 Interest Inc Lottery	51	1	50	401	8	393	12
TOTAL LOTTERY REVENUE	51	1	50	12,067	10,208	1,859	20,087
EXPENSES							
D566 Conservation Expenses	1,478	0	(1,478)	11,384	0	(11,384)	55,000
TOTAL LOTTERY EXPENSES	1,478	0	(1,478)	11,384	0	(11,384)	55,000
REVENUE OVER(UNDER) EXPENSES	(1,427)	1	1,428	683	10,208	9,525	(34,913)
FOUNDATION FUND							
REVENUE							
D515.1 Donation Revenue	125	0	125	1,525	0	1,525	0
D515.3 Interest Inc - Found	633	0	633	3,462	0	3,462	0
TOTAL FOUNDATION REVENUE	758	0	758	4,987	0	4,987	0
EXPENSES							
D620 Foundation Expense	0	0	0	5,291	0	(5,291)	0
TOTAL FOUNDATION EXPENSES	0	0	0	5,291	0	(5,291)	0
REVENUE OVER(UNDER) EXPENSES	758	0	758	(304)	0	(304)	0
DEBT SERVICE FUND 2010 BOND ISSUE							
REVENUE							
D517 Property Tax Revenue	6,352	9,050	(2,698)	494,711	497,050	(2,339)	503,745
D518 Specific Ownership Tax	2,715	2,417	298	21,584	19,336	2,248	29,004
Bond Restricted Interest	2,027	28	1,999	10,528	224	10,304	336
TOTAL DEBT SERVICE REVENUE	11,094	11,495	(401)	526,823	516,610	10,213	533,085
EXPENSES							
D520 Debt Serv Interest	24,683	24,683	0	197,467	197,464	(3)	295,230
D525 Cnty Collection Fee	98	139	41	7,425	7,743	318	7,855
D700 Bond Principal Pymnt	0	0	0	0	0	0	290,000
TOTAL DEBT SERVICE EXPENSES	24,781	24,822	41	204,892	205,207	315	593,085
REVENUE OVER (UNDER) EXPENSES	(13,687)	(13,327)	(360)	321,931	311,403	10,528	(60,000)

	8/31/2023	7/31/2023	6/30/2023	12/31/2022
CURRENT ASSETS				
Cash - Operating	20,995	40,413	27,422	537,432
Money Market	1,777,110	1,650,104	1,578,760	0
Capital Projects - Savings	2,495	2,495	2,795	799,028
Conservation (Lottery) Bank Acct	150,417	151,845	155,043	149,823
Enterprise Investments	729,390	729,390	729,390	729,390
Investments - Foundation	147,219	146,838	146,458	148,872
Zion Debt Service	499,111	488,115	399,787	127,813
Foundation Account	33,555	35,435	35,901	40,018
Accrued Interest	1,702	3,886	8,215	8,257
Accounts Receivable Net of Allowance	4,624	6,375	5,308	7,376
Inventory	45,720	44,776	46,448	43,040
Prepaid Expenses	23,630	27,892	29,533	59,117
Prop Tax Receivable	503,744	503,744	503,744	503,744
TOTAL CURRENT ASSETS	3,939,712	3,831,307	3,668,805	3,153,910
BUILDING, LAND & EQUIPMENT (Net of Depr)				
CIP Asset	1,625	1,625	10,460	10,460
Restaurant Equipment	128,042	128,042	128,042	128,042
Equipment	226,011	226,011	226,011	226,011
Property	8,134,445	8,134,445	8,123,985	8,123,985
Land At Cost	1,725,000	1,725,000	1,725,000	1,725,000
Intangible Assets	133,190	133,190	133,190	133,190
TOTAL BUILDING, LAND & EQUIPMENT	10,348,313	10,348,313	10,346,688	10,346,688
TOTAL ASSETS	14,288,025	14,179,621	14,015,493	13,500,598
CURRENT LIABILITIES				
Accounts & Interest Payable	74,207	51,521	31,644	26,000
Due To/From HGA	90,254	93,753	99,213	136,705
Bonds Payable - Short Term	290,000	290,000	290,000	290,000
Unearned Revenue	68,279	75,804	88,802	74,869
Prepaid Rec Fees	33,453	32,958	33,412	29,706
Gift Cards	11,437	11,710	11,340	11,859
Sales Tax Payable	5,093	5,108	4,827	6,087
Server Tips Payable	3,092	2,869	1,928	0
Deferred Property Tax	503,744	503,744	503,744	503,744
Deferred Insurance Claims	22,964	22,964	22,964	22,964
Deferred Revenue - PARQ	7,204	7,204	7,204	7,204
TOTAL CURRENT LIABILITIES	1,109,729	1,097,635	1,095,078	1,109,139
LONG TERM DEBT				
Bond Issue	7,115,000	7,115,000	7,115,000	7,115,000
Deferred Loss Series 2017 Refunding Bond	(582,096)	(582,096)	(582,096)	(582,096)
Original Issue Premium 2017 Bonds	600,681	600,681	600,681	600,681
RV Lot Gate Opener Deposit	1,085	1,155	1,260	1,330
TOTAL CURRENT & LONG TERM LIABILITIES	8,244,398	8,232,375	8,229,923	8,244,054
FUND EQUITY				
Investment In Property	2,912,134	2,912,134	2,912,134	2,912,134
Debt Service Fund	127,813	127,813	127,813	127,813
Conservation Trust Fund (Lottery)	149,735	149,735	149,735	149,735
Heather Gardens Foundation	186,255	186,255	186,255	189,393
Unrestricted Net Assets	1,864,624	1,864,624	1,864,624	1,715,059
Tabor Reserve	15,984	15,984	15,984	15,984
Net Income/(Loss)	787,082	690,702	529,026	146,427
Total Equity	6,043,627	5,947,246	5,785,570	5,256,544
TOTAL LIABILITIES AND EQUITY	14,288,025	14,179,621	14,015,493	13,500,598

**Heather Gardens Metropolitan District
Club House P&L
8/31/2023**

9/7/2023
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	CURRENT ACTUAL	CURRENT BUDGET	CURRENT VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET	
REVENUE								
D512	CH Building Rentals	717	2,086	(1,369)	16,607	20,070	(3,463)	25,185
D515	Classes	7,218	8,360	(1,143)	62,919	66,884	(3,965)	100,326
D513	Events	1,777	2,639	(862)	18,703	21,112	(2,409)	31,668
D516.1	Coffee Revenue	182	250	(68)	1,558	2,000	(442)	3,000
D513.1	Trips Revenue	9,059	3,025	6,034	22,854	24,200	(1,346)	36,300
	TOTAL REVENUE	18,953	16,360	2,592	122,641	134,266	(11,625)	196,479
WAGES/BENEFITS								
C500	Salaries - FTP	6,935	10,925	3,990	83,472	88,161	4,689	133,363
C510	Salaries - Part Time	6,913	6,013	(900)	56,897	49,544	(7,353)	73,595
C520	Salaries - Overtime	0	0	0	573	0	(573)	0
C530	Salaries - Teachers	8,546	10,306	1,760	60,309	71,607	11,298	104,159
C540	Taxes - Payroll	2,735	2,787	52	19,202	22,670	3,467	33,084
C550	Retirement Expense	448	0	(448)	2,277	0	(2,277)	0
C553	Insurance - Personnel	1,174	1,309	135	8,988	9,755	767	14,989
C574	Recruit/Train/Services	0	30	30	355	244	(111)	365
C588	Workers Comp Insurance	0	207	207	0	1,652	1,652	2,479
	TOTAL WAGES/BENEFITS	26,751	31,577	4,826	232,073	243,633	11,559	362,034
OPERATING EXPENSES								
C675.2	Salaries-Charge Out	(1,409)	(2,036)	(627)	(15,537)	(15,959)	(422)	(23,971)
C673	Maintenance Hours	12,363	6,534	(5,830)	52,103	52,268	165	87,742
C676	Golf Hours	0	0	0	3,751	1,773	(1,978)	1,963
C677	R & G Hours	0	110	110	148	3,621	3,474	5,403
C678	Custodial Hours	8,200	9,681	1,481	67,151	77,449	10,297	116,173
	CHARGE-OUT SUBTOTALS	19,154	14,289	(4,866)	107,616	119,152	11,536	187,310
C621.1	Mileage Reimbursement	0	9	9	0	69	69	103
C627	Pool Care & Supplies	1,403	1,791	388	10,187	16,521	6,334	23,685
C639	Software & IT	498	340	(158)	2,682	2,720	38	4,080
C640	Electric	8,076	9,107	1,031	63,622	65,628	2,006	98,884
C643	Gas	1,684	1,482	(202)	13,880	13,558	(322)	24,305
C662	Office Supplies & Postage	424	636	212	3,916	5,088	1,172	7,632
C662.1	CC & ActiveNet	965	591	(374)	7,677	8,299	622	13,489
C671	Outside Contractors	591	1,305	714	8,701	15,135	6,434	20,355
C683	Repairs - Equipment	73	513	440	1,762	4,104	2,342	6,156
C684	Supplies	739	1,125	386	7,664	13,124	5,460	21,000
C684.1	Custodial Supplies	1,605	2,000	395	13,837	16,000	2,163	24,000
C684.2	Coffee Supplies	277	230	(47)	1,883	1,840	(43)	2,760
C686.1	Special Event Supplies	3,835	515	(3,320)	8,200	5,872	(2,328)	7,933
C686.2	Special Event Contractors	450	790	340	3,850	6,323	2,473	9,484
C687	Trips Expense	9,807	3,025	(6,782)	24,140	24,200	60	36,300
C688	Non Capital Equipment	0	350	350	1,218	2,800	1,582	4,200
C689	Phone & Internet	208	377	169	3,591	3,016	(575)	4,524
C690	ROU Equip Leases	226	0	(226)	1,811	0	(1,811)	0
C698	Water & Sewer	2,529	2,687	158	13,204	15,626	2,423	22,998
	TOTAL OPERATING EXPENSES	52,544	41,162	(11,383)	299,441	339,075	39,635	519,198
	NET REVENUE & EXPENSE	(60,342)	(56,379)	(3,965)	(408,873)	(448,442)	39,569	(684,753)

**Heather Gardens Metropolitan District
Golf P&L
8/31/2023**

9/7/2023

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		CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
REVENUE								
D507	Golf Fees Daily	56,208	56,874	(666)	251,118	250,321	798	346,760
D507.1	Golf Simulator	10	13	(3)	2,140	983	1,157	1,393
D509.2	Golf Disc - 40 Play	3,186	2,999	187	15,156	15,448	(292)	19,735
D511	Golf Cart Rental Income	15,273	13,147	2,126	63,161	60,595	2,566	83,432
D511.1	Golf Merchandise	3,883	2,968	914	19,527	19,692	(165)	30,711
D511.2	Golf Lesson	1,390	1,051	339	8,320	6,210	2,110	8,893
D511.3	Golf Bag Storage	0	0	0	510	272	238	7,970
D511.4	Golf Pull Cart	1,216	1,269	(53)	5,162	4,078	1,084	5,730
	TOTAL REVENUE	81,166	78,321	2,844	365,094	357,599	7,496	504,624
WAGES/BENEFITS								
G500	Salaries - FTP	19,145	28,416	9,271	186,718	228,379	41,661	340,950
G510	Salaries - Part Time	7,234	13,020	5,786	48,772	67,414	18,642	84,639
G520	Salaries - Overtime	388	410	22	1,870	3,596	1,726	5,522
G540	Taxes - Payroll	2,152	3,390	1,238	23,239	26,965	3,726	37,635
G550	Retirement Expense	539	1,297	759	8,227	9,281	1,054	13,364
G553	Insurance - Personnel	1,810	1,998	188	15,733	14,898	(835)	22,891
G574	Recruit / Train / Service	0	100	100	1,954	5,098	3,144	5,498
G588	Workers Comp Insurance	0	383	383	0	3,067	3,067	4,601
	TOTAL WAGES/BENEFITS	31,268	49,014	17,747	286,513	358,698	72,185	515,100
OPERATING EXPENSES								
G675.2	Salaries - Charged Out	0	0	0	(3,751)	(1,773)	1,978	(1,963)
G675.2	Salaries - Chg from R&G	8,523	0	(8,523)	27,080	0	(27,080)	0
G450	COGS - Merchandise	2,445	1,704	(741)	13,299	11,307	(1,991)	17,634
G621	Fuel Expense	1,262	1,166	(96)	5,516	5,667	151	11,862
G621.1	Mileage Reimbursement	0	0	0	132	252	120	325
G624	Contingency-Water	0	6,000	6,000	313	6,280	5,967	10,400
G639	Software & IT	243	258	15	2,422	2,064	(358)	3,096
G640	Electric	1,082	888	(194)	6,851	5,879	(971)	8,546
G640.1	Electric - Pump	6,339	7,350	1,011	25,547	35,255	9,708	51,114
G643	Gas	21	22	1	912	814	(98)	1,549
G645	Uniforms	49	62	13	1,458	1,796	338	2,044
G662	Office Supplies & Postage	0	0	0	205	100	(105)	200
G662.1	Credit Card Expense	4,082	3,195	(887)	14,814	14,191	(623)	22,156
G665	Rent - Equipment	0	0	0	510	0	(510)	2,500
G671	Outside Contractors	7,980	1,209	(6,771)	15,712	10,966	(4,746)	26,095
G676.1	Golf Shop Supplies	0	176	176	400	1,452	1,052	2,112
G680	Radio Communications	0	0	0	294	400	106	400
G683	Repairs - Equipment	2,809	2,450	(359)	19,303	15,600	(3,703)	21,400
G684	Supplies	7,352	2,085	(5,267)	32,346	35,582	3,236	52,440
G688	Non Capital Equipment	0	0	0	0	0	0	5,000
G689	Telephone	61	300	239	2,108	2,400	292	3,600
G697	Marketing	150	417	267	1,840	3,332	1,492	5,000
	TOTAL OPERATING EXPENSES	42,398	27,282	(15,116)	167,311	151,564	(15,745)	245,510
	NET REVENUE & EXPENSE	7,500	2,025	5,475	(88,730)	(152,663)	63,936	(255,986)

AUGUST 2023

HGMD Golf Usage Report

Revenue

Daily Rates

85+
Resident
Resident Everyday
Guest of Resident- weekday
Guest of Resident- weekend
Non-Resident Sr. - No Timeframe
Non-Resident Sr. - Weekday
Non-Resident Sr. - Weekend
Non-Resident - Weekday
Non-Resident - Weekend
Junior- weekday
Junior- weekend
Twilight
2 for 20 Special
2 for 26 Special
2 for 1
2 for 1 (free player)
League - Weekend
League - Weekday
40 Play Punches
Complimentary Round-Employee
Complimentary Round
Adjustment to Income
Golf Daily Fee

Current Year

Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue
\$ 10.00	87	\$ 870	340	\$ 3,400
\$ 9.95		\$ -		
\$ 11.00	818	\$ 8,998	3,864	\$ 42,485
\$ 14.00	106	\$ 1,484	499	\$ 6,986
\$ 18.29	86	\$ 1,573	454	\$ 8,118
\$ 16.60	(10)	\$ (166)	(26)	\$ (426)
\$ 15.00	685	\$ 10,275	2,607	\$ 39,130
\$ 19.00	411	\$ 7,809	1,766	\$ 33,560
\$ 18.07	324	\$ 5,854	1,330	\$ 24,245
\$ 23.08	328	\$ 7,570	1,888	\$ 43,441
\$ 11.32	136	\$ 1,540	388	\$ 4,310
\$ 13.00	34	\$ 442	130	\$ 1,687
\$ 14.00	125	\$ 1,750	249	\$ 3,486
\$ -		\$ -		
\$ 13.00	436	\$ 5,668	2,048	\$ 26,637
\$ 18.00		\$ -		
\$ -		\$ -		
\$ 18.00		\$ -	1	\$ 18
\$ 15.00	21	\$ 315	906	\$ 13,590
\$ 9.34	344	\$ 3,214	1,699	\$ 15,555
\$ -		\$ -		
\$ -		\$ -		
\$ -		\$ 2,199		\$ 52
	3,931	\$ 59,395	18,143	\$ 266,274

Prior Year

Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue
\$ 9.00	76	\$ 684	346	\$ 3,114
\$ 9.95	0	\$ -	61	\$ 607
\$ 10.00	800	\$ 8,000	3,672	\$ 36,710
\$ 13.00	97	\$ 1,261	526	\$ 6,838
\$ 17.00	90	\$ 1,530	368	\$ 6,254
\$ 15.60	(15)	\$ (234)	(35)	\$ (614)
\$ 15.00	661	\$ 9,915	2,731	\$ 40,941
\$ 18.99	330	\$ 6,268	1,507	\$ 28,604
\$ 18.00	288	\$ 5,184	1,147	\$ 20,670
\$ 23.00	312	\$ 7,176	1,437	\$ 33,084
\$ 9.00	102	\$ 918	331	\$ 2,979
\$ 12.00	25	\$ 300	63	\$ 756
\$ 14.00	43	\$ 602	180	\$ 2,520
\$ -		\$ -		
\$ 12.00	398	\$ 4,778	2,164	\$ 25,973
\$ 18.00		\$ -		
\$ -		\$ -		
\$ 18.00	0	\$ -	51	\$ 918
\$ 15.00	0	\$ -	966	\$ 14,490
\$ 9.00	293	\$ 2,637	1,363	\$ 12,254
\$ -		\$ -		
\$ -		\$ -		
\$ -		\$ 2,523		\$ 654
\$ -	3,500	\$ 51,542	16,878	\$ 236,752

Other Golf Revenue

40 Play Card
Rider Carts
Pull Cart
Golf Simulator
Golf Merchandise D511.1
Golf Lessons
Golf Bag Storage
Golf Club Rentals

Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue
\$ 8.10		\$ -		
\$ 8.69	1,758	\$ 15,273	7,282	\$ 63,161
\$ 5.95	169	\$ 1,006	673	\$ 4,028
\$ 20.00	0.5	\$ 10	98	\$ 2,140
		\$ 3,883		\$ 19,528
\$ 115.83	12	\$ 1,390	70	\$ 8,320
\$ 50.00		\$ -	7	\$ 510
\$ 14.00	15	\$ 210	81	\$ 1,133

Rate	MTD Tally	MTD Revenue	YTD Tally	YTD Revenue
\$ 8.10	45	\$ 365	288	\$ 2,333
\$ 8.69	1,522	\$ 13,221	6,499	\$ 56,356
\$ 6.00	111	\$ 666	434	\$ 2,604
\$ 20.00	1	\$ 20	46	\$ 902
		\$ 3,258		\$ 18,462
	13	\$ 1,160	54	\$ 5,850
\$ 70.00	(1)	\$ (70)	2	\$ 177
\$ 14.00	19	\$ 266	63	\$ 882

Total Revenue
Golf Course Expenses
Profit/(Loss)

\$ 81,166
\$ 73,666
\$ 7,500

\$ 365,094
\$ 453,824
\$ (88,730)

\$ 70,427
\$ 72,144
\$ (1,717)

of Days Golf Course Closed

0
67

1
71

**Heather Gardens Metropolitan District
Restaurant P&L
8/31/2023**

9/7/2023
9:44 AM

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
SUMMARY							
Sales	59,899	63,420	(3,522)	406,097	456,220	(50,121)	675,363
Cost of Goods Sold	18,723	20,286	1,563	127,808	146,118	18,310	216,506
Gross Profit	41,176	43,134	(1,958)	278,289	310,102	(31,813)	458,857
Wages & Benefits	34,365	35,870	1,505	255,250	281,730	26,482	421,174
Operating Expense	11,503	12,988	1,483	84,755	93,666	8,913	141,783
Net Income/(Loss)	(4,692)	(5,724)	1,032	(61,716)	(65,294)	3,578	(104,100)
SALES							
D506 Restaurant Food	47,724	52,693	(4,969)	330,985	376,672	(45,687)	559,959
D506.1 Restaurant Beer	5,504	3,096	2,408	30,286	29,062	1,225	39,050
D506.2 Restaurant Wine	3,308	3,645	(337)	22,480	24,782	(2,301)	38,235
D506.3 Restaurant Liquor	3,363	3,986	(624)	22,346	25,704	(3,358)	38,119
TOTAL SALES	59,899	63,420	(3,522)	406,097	456,220	(50,121)	675,363
COST OF GOODS SOLD							
H450 COGS - Food	16,131	18,179	2,048	111,886	129,954	18,068	193,187
H455 COGS - Beer	1,255	771	(484)	6,900	7,236	336	9,723
H455.1 COGS - Wine	870	878	8	5,919	5,972	53	9,213
H455.2 COGS - Liquor	467	458	(9)	3,103	2,956	(147)	4,383
TOTAL COST OF GOODS	18,723	20,286	1,563	127,808	146,118	18,310	216,506
GROSS PROFIT	41,176	43,134	(1,958)	278,289	310,102	(31,813)	458,857
	69%	68%		69%	68%		
WAGES/BENEFITS							
H500 Salaries - Full Time	20,928	19,296	(1,632)	150,889	155,803	4,915	234,197
H510 Salaries - Part Time	6,242	9,030	2,788	56,054	64,955	8,901	96,156
H520 Salaries - Overtime	1,459	0	(1,459)	4,338	0	(4,338)	0
H540 Taxes - Payroll	3,308	3,087	(221)	25,811	27,206	1,395	39,152
H550 Retirement Expense	99	342	243	761	2,680	1,919	4,026
H553 Insurance Emp Health	2,329	3,349	1,020	17,029	24,963	7,934	38,357
H574 Recruiting/Training	0	451	451	368	3,607	3,240	5,511
H588 Workers Com Insurance	0	315	315	0	2,516	2,516	3,775
TOTAL WAGES/BENEFITS	34,365	35,870	1,505	255,250	281,730	26,482	421,174
OPERATING EXPENSES							
H673 Maintenance Hours	398	385	(13)	2,290	3,082	792	4,937
H674 Custodial Hours	812	716	(96)	6,636	5,728	(907)	8,593
CHARGE-OUTS SUBTOTAL	1,210	1,101	(109)	8,926	8,810	(115)	13,530

COGS Percentages	
Current	YTD
33.8%	33.8%
22.8%	22.8%
26.3%	26.3%
13.9%	13.9%
31.3%	31.5%

**Heather Gardens Metropolitan District
Restaurant P&L
8/31/2023**

9/7/2023
9:44 AM

	CURR MONTH ACTUAL	CURR MONTH BUDGET	CURR MONTH VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL BUDGET
H639 Software & IT	626	500	(126)	4,931	4,000	(931)	6,000
H640 Electric	2,019	2,277	258	15,906	16,407	501	24,721
H643 Gas	421	370	(51)	3,470	3,390	(80)	6,076
H644 Water	262	272	9	1,284	1,515	231	2,229
H645 Phone & TV	35	350	315	2,500	2,800	300	4,200
H646 Trash Removal	335	430	95	3,138	3,440	302	5,160
H651 Uniforms	0	0	0	1,575	1,200	(375)	1,200
H652 Discounts & Comps	779	500	(279)	2,987	4,000	1,013	6,000
H655 Linen Service	622	350	(272)	3,409	2,800	(609)	4,200
H662 Office Supplies	20	0	(20)	309	1,200	891	2,100
H671 Outside Contractors	680	500	(180)	3,586	4,000	414	6,000
H681 Credit Card Fees	1,855	3,563	1,707	11,173	15,404	4,232	23,717
H683 Repairs - Equipment	0	150	150	4,680	1,200	(3,480)	1,800
H684 China/Glass/Flatware	120	125	5	254	1,000	746	1,500
H684.1 Kitchen Supplies	1,419	1,000	(419)	8,147	8,000	(147)	12,000
H685 Cleaning Supplies	662	500	(162)	3,331	4,000	669	6,000
H688 Non Capital Equipment	0	500	500	0	4,000	4,000	6,000
H689 Marketing	438	500	62	2,614	4,000	1,386	6,000
H690 Licenses	0	0	0	2,535	2,500	(35)	3,350
TOTAL OPERATING EXPENSES	11,503	12,988	1,483	84,755	93,666	8,913	141,783
NET REVENUE & EXPENSE	(4,692)	(5,724)	1,030	(61,716)	(65,294)	3,582	(104,100)

To: HGMD Board

Audit/Finance Committee

From: Rita Effler, Chair

August 14, 2023

Audit/Finance Committee Heather Gardens Metropolitan District.

Report from Meeting held in the Boardroom August 14, 2023

The Meeting was called to order about 1:10 P.M. and adjourned about 4:40 P.M.

1. Members Present: Criag Baldwin, Forrest McClure, T.Lee Keene, Carol Anne Mayne, Nancy Reid with Debbie Parker attending via Zoom and esteemed consultant and former Treasurer Bill Archambault attending via Zoom. Quorum present. Patty Langlois not present.

Other attendees via Zoom included Candy Compton, Greg Winslow, Don O’Gorman, Jill Bacon.

Lee Nicholson attended in person.

2. Quorum was declared.
3. Chair’s report was attached. Added to the report was an announcement that there may be a study session regarding the budget with Jon Rea and Jerry Counts at 8 AM to 11 AM on August 15th and 16th.
4. Financial Reports were discussed.

Questions to be answered someday:

Should things like tables and TVs and computers be inventoried and identified?

Does the Audit combining enterprises “for Reporting Purposes only” comply with Special District law?

Would separating out two “profit centers” be the legal way to do it? Can Enterprises’ profits and losses be “co-mingled”, or must they be carried separately?

5. A. Added: Audit/Finance PM Discussion . Carol Anne will make the changes requested regarding disbursement of funds. Committee is recommending that all expenditures be approved prior to payment by Treasurer or President of HGMD. The Committee recommended presenting a revised PM for Audit/Finance to the Board for adoption.
B. Added: Brought from the earlier in the day Joint Budget and Finance meeting. Asked about the security cameras and lighting improvements, committee members at the B&F committee were told the project was canceled. Greg Winslow, Security Committee HGA Chair, commented, at this Audit/Finance HGMD meeting that the project got convoluted and absorbed into an overall community project that has had little progress. There will be some co-operative

adjustments relative to who has keys to trail cameras located in the RV area. RV committee Chair and committee member of Audit/Finance Forrest McClure will follow up. The A/F committee had no objection to RV chair obtaining additional cards for the cameras and/or having keys for padlocks for access to said cards for monitoring purposes, HGMD legal advice may be sought.

- a. Budget Schedule was discussed, but its adoption will not be recommended until the Committee and/or HGMD Board gets a sense for content of the HGMD portion of the Budget. The primary concern is the timeline to present the final draft and get consent from the electors for said Budget for HGMD.
 - b. The Asphalt Replacement Request for the HGMD owned maintenance building lot , forwarded from HGA Budget and Finance committee, will not be recommended to take the the full HGMD board for approval.
6. Nancy Reid will prepare a Request for Proposal to secure an Auditor to perform the annual audit, required for Special Districts, who specializes in Special District matters. The engagement letter for Rubin-Brown will not be approved at this time.
 7. There were no additional comments from guests.
 8. Meeting was adjourned at approximately 4:30 P.M.

The next regular meeting of the Audit/Finance Committee will be held on Monday, September 18, 2023 at 1:00 PM in the Board room at the Heather Gardens Clubhouse.

This meeting is regularly scheduled for the Monday before the 3rd Thursday so that the CFO has ample time to prepare financial reports and the Committee has at least a couple of days to prepare a report for the Thursday HGMD Board Meeting. Occasionally, the time will conflict with the RV Committee and will be one hour later, but always with notice.

To: Clubhouse Committee

HGMD Board

From: Rita Effler, Clubhouse Committee Chair

Report of Meeting Held August 8, 2023

For HGMD August 17 Package

The meeting, held in the clubhouse Boardroom, was called to order by Rita Effler, Chair, at 1:00 P.M.

Present in person were members Linda Worthey, Sandy McCurdy, and Connie Burns. Carol Anne Mayne attended via Zoom. Debbie Parker was excused. Carol Reed resigned.

A quorum of members was determined.

There were three guests present in person, Phil Hughes, Vicki Rodgers and Paula Ulibarri.

The July 25th report and later report of action taken on July 25th meeting were briefly discussed.

Chair will prepare a list containing "discussion" and "action" items that of necessity get carried forward. Chair will add to and subtract from list as appropriate and attach each month with packet.

From July 25th Agenda:

Unfinished Business carried from

- a. Other district fees—Sandy made a report and offered several documents. These will be kept and used in budget preparation and fee adjustments.
- b. Discuss past trips and activities offered—Presented some of Debbie Parker's findings. These will be kept for discussion with new Clubhouse manager.
- c. Badges/ID alternatives—discussion included a simple solution, in expensive, for quick implementation (color coded plastic bracelet). Discussion will continue after Comcast presentation regarding access.
- d. Meeting with Montrell—Will need to request spreadsheets from Julie through Jon Rea.
- e. Pool Rules—much difference of opinion! Will use slow winter months to get it right.
- f. Finalize PM—YES<YES<YES with some minor alterations.
- g. Definition of Guest—brief discussion. Immediate evidence of a myriad of opinions. We will address this as we progress, inviting input.

New Business Carry to September 5

- a. Discuss Changes in Fees—Some discussion, need data from interim Clubhouse manager
- b. Recommend fee changes—must obtain data, wait for Manager's budget, make recommendations

See Attached Spread Sheet for all unfinished business/continuing discussion.

Golf Committee Report to the HGMD Board of Directors

We held our first official committee meeting on August 22 at 1:00 in the Board Room and via recorded Zoom.

All members were present.

The course YTD and monthly financials were presented and discussed. All figures show that revenue is ahead of projections and doing very well. A recent analysis of similar courses completed by Greg shows that since the 2023 fee rates are still competitive or better, the Committee is not recommending any fee increases at this time for 2024.

We discussed at length some issues experienced about getting tee times, call backs, slow play, marshals and staffing which were explained/resolved. Greg itemized the many leagues, events, tournaments, junior play, and other groups that play weekly showing just how busy the course is. The course is marketed through Heather 'N Yon, Facebook, signs and a few magazines. Other means of marketing were discussed. The committee gave Greg and his staff a round of applause for their exemplary work in the management and operations of the course.

Daily routine maintenance continues and includes more bunker work. Green speed is 10-1/2 slightly faster on the stim meter than previously. Harold explained flag placement and more challenging placement when the Ladies and Men's clubs play. We discussed the inherent danger that can happen when walking on the sidewalks and cart paths that errant golf shots can come from anywhere and that no one should ever walk on the course when not playing a paid round. The goose problem will be addressed soon. The Maintenance Department was thanked for their continued good work.

The Ladies and Men's club are each preparing for their club championship matches and both have had a stellar year. The Ladies club has started playing some shotgun starts with lunch afterwards at the Rendezvous Restaurant and Cormac has provided some wonderful menu items. The Men's club typically has 80 players weekly and 30% of their players are non-residents.

A clock will be installed on the Pro Shop outer wall by the cart door that will help practicing players make their tee times.

A discussion of a GloBall tournament will be put on our next Agenda.

Our September committee meeting is cancelled, and the next meeting will be October 24 at 1:00 in the Boardroom.

Meeting adjourned at 2:25

ASSOCIATION and METROPOLITAN DISTRICT

Joint Long Range Planning Committee Zoom Work Session Wednesday, August 16, 2023 Notes

Chairpersons: HGA – David Kennedy Co-Chair; HGMD – TBD

Staff: Jon Rea (CEO)

- 1) Meeting to order at 10:05 am. Present were David Kennedy (Chair), Corby Kasten, David Beck, Sid Vollema, Sue McBeth
- 2) Unfinished Business:
 - Members of the committee reviewed and discussed a letter to the ARO and Community soliciting Planning Topics (Draft attached)
 - David Kennedy reported on the HGA Board Approval of JLRPC recommendation for Develop a mechanism and process for communicating quarterly and annual reports to the community of the status of Capital Expenditures. Additional discussion and review of the approval and implementation process is needed.
- 3) New Business:
 - Prioritize remaining Long Range Planning Topics/Subjects: The committee members present discussed and reviewed the current committee recommended topics/projects (Attached). It was decided that the next recommendation should be to develop a long range plan for the Physical Security for Employees and Residents and Prevention of Property Crimes.
 - Members discussed and endorsed the development of a Prefilter or Screening Tool to help narrow the selection process for Long Range Planning topics and projects.
- 4) There were no residents wishing to speak on non-agenda items.
- 5) Adjournment was at approximately 11:45 am.

Draft Memo: 8/14/23: Version II

TO: Area Representative

FROM: JLRPC

SUBJECT: Long-range planning items for consideration

The Joint Long-range Planning Committee (JLRPC), was formed by the HGA and HGMD boards to study, and make recommendations regarding projects and practices that have the potential to improve the quality of life at Heather Gardens. The committee does not make decisions regarding the implementation of a subject, but rather rigorously analyzes items and formulates recommendations.

Heather Gardens is a large community with each owner and resident having unique experiences. The JLRPC believes its work will be made more meaningful with input from the owners and residents in respect to projects or practices that believe would improve the operations, amenities, and practices at Heather Gardens. The committee seeks your assistance in gaining input and suggestions from the residents in your area.

Please ask the following question at your next meeting: "WHAT ONE THING CAN THE BOARD(S) DO TO IMPROVE THE QUALITY OF LIFE EXPERIENCED AT HEATHER GARDENS?" As there is no "correct" response, the committee is open to receiving multiple responses from all areas. Once collected, you may email your responses to:xxxxxxxxxxxxx@xxxxxxx.

As the work of the committee is ongoing there is no timeline for your response but, the sooner the better. For the record, the responses submitted will be grouped into categories, i.e., governance, physical plant, safety/security, with similar items being combined for the sake of efficiency.

As a reminder, the JLRPC meets twice a month, and all residents and owners are welcome to attend in person or via ZOOM. The committee regularly welcomes comments and suggestions during meetings.

Thanks for your assistance.

Vision: To be the most desirable senior living community in the greater Metro area. To provide safe, affordable, high quality and diverse housing alternative with inclusive activities and amenities to support an active lifestyle. HGA and HGMD strive to be a financially sound community with a superb management and support infrastructure.

Mission: It is the purpose of HGA and HGMD in concert with the residents to provide a safe, structurally and financially sound, beautiful, caring and compassionate home environment for the owners and residents of the community. It is the duty of the two mutually dependent organizations to provide first class amenities, recreational opportunities, staff and management to sustain the inherent value of the community.

Joint Long Range Planning

Pre-screen Process Recommendations: **Draft 2**

The Pre-screening Process is designed to provide a means for a brief systematic review of all suggested topics for considerations by the committee. Those items that are found to be consistent with the purpose of the committee will move forward to a more thorough review.

This proposal is intended to be the basis for committee discussions that will eventually result in an functional Pre-screening Process. The elements for consideration and discussion are presented in an order that will guide the discussion and move it along at a rapid pace. If you will, discussions at the Pre-screen level will be at the "30,000 foot level "with more in-depth review and discussion reserved for those items selected to move on to review using the filters.

Step One: A "no" answer to any two of the questions automatically disqualifies the item.(see step four)

1. Is the item already assigned to an existing committee?
2. Will the project impact a small segment of the population?
3. Does the project fit the "long range" focus of the committee?
4. On first glance, is the cost vs. benefit ratio favorable?
5. Does the cost potentially exceed \$150,000.00

Step Two: Use a re-aligned structure for categorizing proposed projects/programs consistent with the filters system already in use.

Current Categorization System:

1. Administration/Management? Personnel
2. Vision of the Future
3. Community Wellbeing/Quality of Life
4. Safety/Security
5. Infrastructure
6. Governance

Proposed Categorization System:

1. Governance/Best Practice (combines 1, 4 & 6)
2. Physical Plant/infrastructure (replaces 5)
3. Programming (replaces 3)

Number 2 is dropped completely as that is implicit in the charge of the committee and in

Vision and Mission Statement.

In the process of recombining categories, it is recommended that the content in each existing category be reviewed and only the top three items in the view of the committee be retained.

This leaves three items in each category for consideration via the filters and discussion.

This is necessary as the Boards(s) and Committees have limited time and resources and the committee itself can only reasonably consider a finite number of items annually.

A top three approach will help keep the work of the committee focused on the most essential items.

Step Three: Consider the suggested item in respect to the existing items on the list.

1) Does this item have a greater potential value than another item on the list? and 2) Where does it fit among the top three on the list? If not a top three, then it is eliminated.

If during review the item under consideration it is thought that with modification it may fit with another item on the list then those two items, once combined, can be positioned on the top three list.

Step Four: Repurposing rejected items.

For any item not achieving top three status on the list of items to be further reviewed, the Committee will discuss the potential to refer the item to the Board(s) as a possible item for assignment to another committee for consideration. Such recommendations will be made on a quarterly basis.

Recommended Projects and Topics for Long Range Planning

REPORT OUT FORM: JOINT LONG RANGE PLANNING PROJECTS, PROGRAMS AND TASKS

Subject/Task/Initiative

Increase the physical security for residents and employees and preventing of property crimes.

Definition

Introduction, description, problem definition, scope, history, pre-requisites, and conditions.

Security and Safety are important issues for HG residents and personnel. In the July 2020 Heather Gardens Security Survey, it was determined how residents felt about their personal safety and the security of their personal property. At that time regarding their personal safety 13% of the respondents felt “Very or Somewhat insecure”. Regarding the security of their personal property 30% responded feeling “Very or Somewhat insecure”. To make sure that over time the feelings about personal safety, security of their personal property and their well-being and in part even the health of residents and personnel will be increased, we should work and invest on this project.

Instead of implementing physical security improvements in a kind of ad-hoc way we should develop a (multiyear) Strategic Safety Plan. By preparing and implementing a Strategic Safety Plan the focus will be on how to keep HG for the future a safe and secure urban enclave. The project itself should focus on experienced safety and the effects of surveillance, policing and building a security culture. The Strategic Plan should propose physical security improvements and measures, and a plan to build a security culture to better prevent property crimes, both on a timeline, with estimated costs by building type (i.e. 4-6 story, CP, TH, Parking Structures, Clubhouse, Restaurant, Maintenance building, RV lot and Community Gardens).

In the July 2020 Heather Gardens Security Survey, also the willingness of the residents was measured to support certain capital projects that might enhance either actual security or the feeling of security in the community: Sixty percent said they are somewhat or very willing to support surveillance cameras in the high-rise buildings, with 42% supporting surveillance cameras in the CP/TH clusters. Almost half of respondents were somewhat or very willing to support secure entrance to the parking structures near the Alpha buildings.

Pre-requisites and conditions:

-1- The resulting “Strategic Safety and Security Plan” should propose physical security improvements and measures, and a plan to build a security culture, to better prevent property crimes, on a timeline, with estimated costs by building type (i.e. 4-6 story, CP/TH, Parking Structures, Clubhouse,

Restaurant, Maintenance building, RV lot and Community Gardens).

- 2- Ensure all security and safety projects and assessments which staff and committees are currently working on, are integrated in this project. Example: Fire safety planning, Safety & Security Measures regarding access control in the clubhouse (including the ID Badges initiative).
- 3- Apply where possible Crime Prevention Through Environmental Design (CPTED) which is based upon the theory that: the proper (re-)design and effective use of the built environment (i.e. Natural Surveillance and Natural Control Access) can lead to a reduction in incidents and fear of crime, and an improvement in the quality of life.
- 4- Where possible and applicable include the results of the 2020 Heather Gardens Security Survey Report.
- 5- Use the expertise in this area of our Security Emergency Preparedness Community Resources Committee (SEC) members, our Security Staff and our management.

Assessment conclusions of JLRP committee

Pass / Fail assessment including 3 most important reasons why:

- This project reduces the risks of resident and or staff injury.
- This project reduces the risks to property in common areas.
- Will increase the quality of life/lived experience of residents.

Link back to Mission / Vision:

The project is focused on providing safe housing.

Current situation / baseline with available relevant data, metrics to give context and/or urgency.

See “Definition paragraph” above, for results of the 2020 Heather Gardens Security Survey.

Project Structure (proposal)

Description of expected result/successful end state (if possible measurable).

Recommended (existing) committee for assignment.

Proposed project team setup.

Exit criteria for project phases (deliverables).

Sponsor(s) from Board(s) and Management.

Project phases:

1- Project Initiation

Board formalizes the project definition/scope.

Board assigns members to the project team with roles and responsibilities.

Board decides project is a “go”.

2- Project Definition and Planning.

Deliverables: Strategic Safety and Security Plan, including (capital reserve) budget.

Communication Plan.

Risk Management assessment.

3- Project Execution (Final preparation and implementation).

Final Detailed Safety and Security Implementation Plan.

Detailed Project plan with WBS, costs and KPIs.

Approval Board.

Start implementation.

4- Project Monitoring (Coincides with Project execution)

Measure project performance:

-Review timeline.

-Review budget.

-Review and decide on changes to prevent scope creep, costs etc.

-Review KPIs to assess performance.

5- Project Close

-Project closure report. Identify and account for differences between baseline plan and results.

Lessons learnt.

Risk Management and mitigation

Anticipated potential challenges and (external) help needed.

Lack of up-to-date knowledge, in-house skills regarding Safety and Security trends. Invest in expert consultancy/assessment.

New codes may apply when buildings (security and safety systems) are upgraded.

Scope creep: Scope of the project needs to be defined in a very detailed, clear way.

Communication

Frequency status reporting.

Change management and external communication guidance (community and management involvement).

Monthly Status reporting to the Board and Community is recommended.

External communications:

This project is a community wide effort with relatively a lot of impact, so periodically reassuring the Heather Gardens residents is critical. Creating a Communication Plan in the Project Planning Phase is recommended. In the communications, the need to build a security culture where active participation of all residents is critical needs to be explained. A balance and right tone need to be found in all communications to avoid "safety paranoia".

Project or Issue to be Rated: Develop Plan to Increase the Physical Security for Employees and Residents and Prevention of Property Crimes					
Programming Filter					Score
Tier I: Safety: 1 Point for Each "Yes" Answer					
Potentially reduces the risks to property in common areas.	Yes	No			
Potentially reduces the risks of resident and or staff injury.	Yes	No			
Cost is commensurate with the potential benefit.	Yes	No			3
Tier I : Score					
Tier II: Valued Lifestyle: 1 Point for Each "Yes" Answer					
Quality Amenities					
Project or Process enhances the amenities offered.	Yes	No			
Makes amenities more accessible for all residents.	Yes	No			
Encourages more friend and family participation.	Yes	No			3
Quality Activities					
Increases the availability of activities.	Yes	No			
Expands the capacity of activities allow more to participate.	Yes	No			
Increases cultural diversity and awareness.	Yes	No			
Increases the number of amenities.	Yes	No			4
Affordability					
Cost of participation will be consistant with resident means.	Yes	No			
Cost of participation reflects the actual cost of the activity.	Yes	No			
Cost of the amenity will not require a participation fee.	Yes	No			
The amenity will not require an annual subsidy to operate.	Yes	No			
Can be sustained without compromising existing amenities.	Yes	No			5
Tier II Score:					
Tier III: The Aesthetic: 1/2 Point for Each "Yes" Answer.					
Beautiful Home					
Will enhance the enjoyment of residents within their unit.	Yes	No			
Will increase a sense of neighborhood.	Yes	No			
Will allow for enhance personalization of living space.	Yes	No			
Will avoid a negative impact on the neighborhood.	Yes	No			1
Beautiful Environment					
Project will sustain the current acceptable standard.	Yes	No			
Project will enhance curb appeal of the community.	Yes	No			
Will sustain natural resources best practices.	Yes	No			
Will encourage more community involvement & amenity use.	Yes	No			1
Tier III Score:					
Tier IV: Desirability: 1/4 Point for Each "Yes" Answer					
Will sustain a valued element in the community.	Yes	No			
Will enhance the profile of HGA/HGMD as "state-of-the-art".	Yes	No			
Will increase the quality of life/lived experience of residents.	Yes	No			
Increases the appeal of HGA to prospective owners/residents.	Yes	No			1
Tier IV Score:					
Total Score: A minimum of 16 points for further consideration.					18
Discussion Notes:					

DRAFT 2: 01/10/23)

JOINT LONG RANGE PLANNING COMMITTEE

SUBJECT: FIRE SAFETY: The potential for a fire to cause life altering health issues, death, a disruption to the peaceful enjoyment of property, or emotional distress associated with the subsequent demands fiscally and legally all, in and of themselves, are important reasons to ensure that a comprehensive fire prevention, response, and education system be in place and regularly discussed and practiced. The Joint Long Range Planning Committee recommends that the Boards consider a full-scale review of the current plan regarding fire suppression equipment, alarms, communications, policy, education, and evacuation rehearsal practice with appropriate enhancements made to improve the safety of residents.

Definition: Heather Gardens is a community with a variety of architectural structures and specialized spaces that each present their own unique fire safety challenges. The commercial kitchen presents challenges different from those present in the maintenance shop. Multi-story buildings present challenges different from those found in patio or town homes. Buildings built in the 1970's do not have the added safety of modern fire suppression systems. For every space, the challenge is unique. A comprehensive plan must address all challenges.

Heather Gardens residents vary greatly in ambulatory capabilities, cognitive acuity, and memory function. Fire safety plans must be written for not only the most robust in our community but particularly for those who are coping with declines that alter their ability to understand, recall, and comply with safety protocols.

The Security and Emergency Preparedness Committee is charged with developing policies and practices for adoption by the Boards addressing the safety and welfare of residents and guests and the protection of all property. Comprehensive emergency preparedness plans to assist residents in the event of a disabling incident or natural disaster are part of the charge given this committee. The Committee has addressed these issues, and on paper, there is a plan. But having a plan on paper, in and of itself is not sufficient, useful, and truly comprehensive. The JLRPC has entertained reports, that in respect to the plan on file, resident awareness is lacking, resident education and training is lacking, and certain residents are physically lacking in their capacity to respond? There are multiple versions of often contradicting fire safety instructions and no practice in place to ensure that residents have a copy of the current plan in hand or to assure they are fully aware of how and when to respond. In addition there is no training in accordance with the plan. Failure to have full implementation of the plan compromises the integrity of the plan, and compromises the potential benefit of the plan, and creates avoidable risk to person and property.

Education is a key component to any fire safety plan or any other type of safety plan, i.e., active shooters, bomb threats, gas leak, weather related disaster. As offered, there is mention of the fire evacuation plan in the "Orientation Program" benefiting those who attend. The Resident Orientation Handbook does dedicate a full page to the subject and recommends posting the information in a conspicuous location. Yet, the information itself is unclear, possibly contradictory, incomplete, and therefore potentially confusing: something undesirable at the time of an actual fire. Paraphrasing.

"Report a fire: call 911". If there is smoke or fire in your unit: "get out safely," "activate the alarm if (if applicable)".

“When the Alarm Sounds (**Remain in your unit**),” “If you don’t smell smoke or see fire (stay put).” “Use the end stairwells if possible”, “Fire Department and security personnel will assist handicapped residents evacuate accordingly.”

So, do you go or stay? “Use the end stairwells: Don’t use the center stairwell as that is reserved for firefighters.” If you must evacuate, who will instruct you to do so? Who will direct you to a safe egress? Security will assist with “handicapped” evacuations, but nowhere does it indicate how and when security is notified. Who helps with other residents? Who decides to evacuate? Who gives the “all clear”?

How does this apply to the club house? Maintenance building? Golf shop? Town homes? Patio homes?

One page in the middle of the handbook may not be sufficient. One mention at orientation does not seem to be sufficient education. The directions in the handbook seem to be pointed to the multi-story buildings. As such the adequacy of the publication and training are questionable. Is the fire training at orientation something that will be remembered one year, five years, or twenty years after moving in? There is a more comprehensive plan with detail in the security office. How do residents become familiar with the full plan? How can there be a timely response by security when residents are not instructed to contact security in case of fire?

In general, having a plan is different from operationalizing the plan. In an emergency, such as a fire, it is education and the repetition of action steps to be taken that increases the likelihood of a safe result. The Boards are encouraged to enhance the fire suppression systems in all buildings, and take more complete steps to operationalize plans, update publications and encourage the rehearsal of best practices.

ASSESSMENT AND CONCLUSIONS

The JLRPC recognizes that the Boards and committees, having been charged with the safety of residents and guests, have put a consistent and ongoing effort to address safety concerns. Our review has determined that there appear to be areas that need to be addressed or revisited to enhance the safety of the community as it relates to fire safety.

The current system of resident education needs reconsideration. The written information is not clear, is lacking in detail, is potentially contradictory, fails to include instruction as to when to contact security and relies on the assumption that someone else called the fire department. It employs a one and done educational approach that is, if a resident attends orientation.

The lack of fire suppression equipment in multi-story buildings is of concern and a plan to improve/install such equipment should be considered.

The current plan lacks a discernable multi-tiered system for ensuring the fire department and security are notified in a timely manner: the residents role in this must be made clear. Redundancy is key, as time is essential.

The system currently in place lacks any requirement for buildings to regularly review and practice fire related practices. Given the frequent changes in the population across the residences it is not likely that all residents will be well versed in proper fire safety practices if not regularly made aware of what are the best practices regarding fire emergencies. There is no easily identifiable means to self-identify as a person who is

“handicapped” and requires evacuation assistance. Nor is there clear direction for action should a person have a change in health status, permanent or temporary, on how to let the fire department or security know that evacuation assistance will be needed.

Highly developed emergency preparedness, including fire prevention and safety potentially reduces risk and may have a positive impact on insurance rates for the Boards and ownership.

There may be additional areas where consideration be given to prevention and response type items. Should all kitchen remodels include the installation of fire suppression hoods? Should all units be required to have ABC type fire extinguishers? Should there be a training session on how to effectively use fire extinguishers?

PROJECT STRUCTURE

The JLRPC recognizes that multiple committees can make a positive impact on fire safety in respect to safety, communications, and education and that enhancement of the current plan may require the working across committees to achieve a truly comprehensive plan and impactful system of education and training.

Phase I: Establish the lead committee to update and enhance the comprehensive fire safety plan.

- a. conduct an internal review process to fully identify strengths and weaknesses of the current plan.
- b. determine what plans are already in place or under consideration for improvement to the current plan.
- c. Create a work prioritized work plan based on findings.

Phase II: As appropriate consult with outside authorities and experts to address needs.

- a. Aurora fire department.
- b. Insurance carrier
- c. Others as appropriate

Phase III. Establishment of new education and training programs for residents and staff.

- a. Regular review of policy and best practices ensuring elements are applicable to all residential and common spaces
- b. Implement practice fire response exercises for residents.
- c. Create methods for reminding residents of policy and practice.
- d. Establish a system for the identification of those who need evacuation assistance.

Phase IV: Establish a plan for timely review and updates of fires safety plans.

- a. Broadly distribute the plan

- b. Annually report the completion of the offering and completion of training

Conclusion

Of the many threats to the peaceful enjoyment of the residences and amenities at Heather Gardens and through the Heather Gardens Municipal District, none is more frightening and devastating than fire. Though fire cannot be absolutely prevented, a proper safety plan that takes advantage of mechanical means to reduce the impact of fire, state of the art preventive measures, and well developed, taught, and practiced response pattern can potentially limit the tragic impact of fire. The questions raised leading to this recommendation did not question the existence of a plan, or the thoughtful work that supports the plan, but rather, it raised questions asking if the plan is sufficiently comprehensive, does what is reasonable and prudent in educating residents, and incorporates all possible mechanical devices to help achieve the goal of reducing the risk of a catastrophic fire related event. To this end, our sense is that there is more that can be done. Some expensive, some quite inexpensive, and all worthy of consideration to create an even safer Heather Gardens community.

Project or Issue to be Rated: *Community Wide Modern Fire Safety Plan*

Governance/Best Practice Filter (One Point Per Item)	Score
Tier I	
The responsibility for this item is undetermined?	Yes No
This item needs to be addressed regularly?	Yes No
A timely report on this issue would be helpful?	Yes No
Regular timely review and or management is needed?	Yes No
Tier I Score	4
Tier II	
The committee should have established objectives and goals?	Yes No
The committee should seek the input of experts, leaders, residents?	Yes No
The committee should consider fiscal impacts?	Yes No
The committee should consider legal impacts?	Yes No
The committee should produce a product that is timely and useful?	Yes No
Tier II Score	5
Tier III	
Does this item require a unique committee?	Yes No
Failure to address this issue in a timely manner will potentially result in adverse consequences.	Yes No
Is the nature of this item long-term?	Yes No
Does this item have the potential to produce or sustain a best practice?	Yes No
Does this item have the potential to improve operational effectiveness?	Yes No
Does this item have the potential to improve the quality of life?	Yes No
Is this a matter that should be reported to the Board(s) annually?	Yes No
Tier III Score	7
Discussion Notes: No common warning system in Alpha Bldgs; Requires consolidated efforts of current committees; Need committee representation; Need comprehensive inventory and analysis	

Total Score: A minimum of 13 points for further consideration: 16

D-R-A-F-T (version 02)

REPORT OUT FORM: JOINT LONG RANGE PLANNING PROJECTS, PROGRAMS AND TASKS

Subject/Task/Initiative

Employ Solar Power Systems to augment our current HGA/HGMD energy sources.

Definition

Introduction, description, problem definition, scope, history, pre-requisites, and conditions.

The project encompasses the implementation (Design, Installation and Maintenance) of Solar Power Systems in Heather Gardens. The project should result in multiple “behind-the-meter applications” (HGA, HGMD or owners should not pay the utility company for solar power generated) of Solar Power with Sun Panels (Electricity) and Sun Collectors (Warm water and heating) to contribute to the transition to sustainable energy resources and a reduction of energy costs.

Solar Power systems will be used in the amenities, common areas and by the individual homeowners in the HGA community. The current traditional energy sources (Electricity and Natural gas) need to be augmented by solar energy. This means installing solar panels and solar collectors and replacing and converting the existing electrical and heating systems.

Pre-requisites and conditions:

- 1-The implementation of and transformation to solar systems must result in reduced energy costs. Reduction of the current “Gas and Electric category” part of the HOA Dues.
- 2-Solar energy systems need to be reliable, secure, and integrated with the current energy grid. -3- Ensure continuous electricity regardless of the weather or an unforeseen event.
- 4-The Solar Panels solution must be capable of selling excess generation to the grid.

Assessment conclusions of JLRP committee

Pass / Fail assessment including 3 most important reasons why:

- This project potentially sustains and will increase property values.
- This project addresses an urgent or emergent need.
- Will sustain natural resources best practices.

Link back to Mission / Vision:

The project will reduce energy costs, contribute to the transition to sustainable, renewable energy resources, and will sustain the property value.

Current situation / baseline with available relevant data, metrics to give context and/or urgency.

Get data/current raising expenses for energy used for electricity and heating.

Project Structure (proposal)

Description of expected result/successful end state (if possible measurable).

Recommended (existing) committee for assignment.

Proposed project team setup.

Exit criteria for project phases (deliverables).

Sponsor(s) from Board(s) and Management.

Project phases:

1- Project Initiation

Deliverables: Scope document broadly defines the project. Board assigns members to the project management team with roles and responsibilities. Board decides project is a “go”.

2- Project Definition and Planning.

Deliverables: Project Plan with: Finalized Scope document, Project team with roles and responsibilities.

High level Solar system design with high level Project Plan (including budget).

Communication Plan.

Risk Management assessment

RFQ document.

Vendor selection.

3- Project Execution

Final Detailed Solar system design.

Final Detailed Project plan with WBS and costs.

Final Maintenance Plan.

4- Project Monitoring (Coincides with Project execution)

Measure project performance:

-Review timeline.

-Review budget.

-Review changes to prevent scope creep, costs etc.

-Review KPIs to assess performance.

5- Project Close

-Project closure report. Identify and account for differences between baseline plan and results.

Lessons learnt.

Risk Management and mitigation

Anticipated potential challenges and (external) help needed.

Lack of up-to-date knowledge, in-house skills regarding Solar Energy technology and subsidies: Invest in expert Solar Energy consultancy.

Scope creep: Scope of the project needs to be defined in a very detailed, clear way.

Avoid interference with maintenance projects: Identify overlap and ensure integration with existing energy structure and any current maintenance work in progress which could potentially interfere with the installation of the Solar Energy infrastructure.

Communication

Frequency status reporting.

Change management and external communication guidance (community and management involvement).

Status reporting on a monthly basis to the Board is recommended.

External communications:

This project is a community wide effort with relatively a lot of impact, so periodically reassuring the Heather Gardens residents is critical. Creating a Communication Plan in the Project Planning Phase is recommended. In the communications the need to implement renewable and sustainable energy resources needs to be explained. Cost effectiveness of these new energy resources needs to be described in conjunction with the positive impact on the property value.

Reporting on already implemented Solar Energy projects in similar communities is recommended to make the future state more clear and understandable.

Project or Issue to be Rated: <i>Employ Solar Systems to Augment Current Energy Sources</i>					
Physical Plant Filter					Score
Tier I : Fiscally Sound : 1 point each yes answer					
Is this a long-range project(anticipated lifespan3 years plus)?	Yes		No		
Is this potentially a capital project (needs dedicated funding)?	Yes		No		
Has potential to reduce annual maintenance costs.	Yes		No		
Potential alternative funding source for the project?	Yes		No		
Project does not have the potential to increase HOA dues?	Yes		No		
Project potentially sustains or increases property values?	Yes		No		
Structurally Sound					
Reduces risk of infrastructure damage that displaces residents	Yes		No		N/A
Reduces the risk of critical safety systems failure.	Yes		No		
Project will enhance safety systems.	Yes		No		
Will sustain basic sanitary systems i.e., water, sewer, air flow?	Yes		No		
Useful life extends beyond the depreciation life of the project	Yes		No		
Project addresses an urgent or emergent need.	Yes		No		
Safety					
Potentially reduces the risk to property in common areas.	Yes		No		
Potentially reduces the risk of resident and or staff injury.	Yes		No		
Project cost is commensurate with the potential benefit.	Yes		No		
Project increases the safety of residents and their property.	Yes		No		
Tier I Score					
Tier II: 1 Point per "Yes" Answer					
Quality Amenities					
Project or process enhances amenities available.	Yes		No		N/A
Makes amenities more accessible to all residents.	Yes		No		N/A
Quality Activities					
Project or process increases the availability of activities.	Yes		No		N/A
Expands capacity of the activity allowing more to participate.	Yes		No		N/A
Increase the number of amenities.	Yes		No		N/A
Affordability					
The amenity will be fee free for users.	Yes		No		N/A
There is no annual subsidy required to sustain this operation.	Yes		No		N/A
Tier II Score:					
Discussion Notes:					
Total Score: A minimum of 12 points(75%) for further consideration.					16

Project or Issue to be Rated: Develop Plan to Increase the Effectiveness of the Recycling Program Effort				
Programming Filter				Score
Tier I: Safety: 1 Point for Each "Yes" Answer				
Potentially reduces the risks to property in common areas.	Yes	No		
Potentially reduces the risks of resident and or staff injury.	Yes	No		
Cost is commensurate with the potential benefit.	Yes	No		2
Tier I : Score				
Tier II: Valued Lifestyle: 1 Point for Each "Yes" Answer				
Quality Amenities				
Project or Process enhances the amenities offered.	Yes	No		
Makes amenities more accessible for all residents.	Yes	No		
Encourages more friend and family participation.	Yes	No		2
Quality Activities				
Increases the availability of activities.	Yes	No		
Expands the capacity of activities allow more to participate.	Yes	No		
Increases cultural diversity and awareness.	Yes	No		
Increases the number of amenities.	Yes	No		4
Affordability				
Cost of participation will be consistant with resident means.	Yes	No		
Cost of participation reflects the actual cost of the activity.	Yes	No		
Cost of the amenity will not require a participation fee.	Yes	No		
The amenity will not require an annual subsidy to operate.	Yes	No		
Can be sustained without compromising existing amenities.	Yes	No		4
Tier II Score:				
Tier III: The Aesthetic: 1/2 Point for Each "Yes" Answer.				
Beautiful Home				
Will enhance the enjoyment of residents within their unit.	Yes	No		
Will increase a sense of neighborhood.	Yes	No		
Will allow for enhance personalization of living space.	Yes	No		
Will avoid a negative impact on the neighborhood.	Yes	No		2
Beautiful Environment				
Project will sustain the current acceptable standard.	Yes	No		
Project will enhance curb appeal of the community.	Yes	No		
Will sustain natural resources best practices.	Yes	No		
Will encourage more community involvement ;ent & amenity use.	Yes	No		4
Tier III Score:				
Tier IV: Desirability: 1/4 Point for Each "Yes" Answer				
Will sustain a valued element in the community.	Yes	No		
Will enhance the profile of HGA/HGMD as "state-of-the-art".	Yes	No		
Will increase the quality of life/lived experience of residents.	Yes	No		
Increases the appeal of HGA to prospective owners/residents.	Yes	No		1
Tier IV Score:				
Total Score: A minimum of 16 points for further consideration.				19
Discussion Notes: Cost neutral fiscal mentality; Expand the scope of what the Green Team currently does				

HGMD RV Storage Lot Committee Report September 11, 2023

- I. Members attending: Forrest McClure (chair), Al Lindeman, Glenn Riggs, Lynn and Lee Nicholson, Tom Sandquist, Tom Parko, Patty Langlois. Quorum established.
- II. Chair's Opening remarks
 - A. Gate progress: Per Jon Howell, the gate is in the process of being powder coated and AJI Fence anticipates receiving the gate this week and provided there are no issues hopes to begin installation next week.
 - B. Motions for padlocks/zip ties were approved by the HGMD Board on 9/7/23. Chair has purchased these items from Amazon and will request HGMD to reimburse **\$85.44**.
 - C. Requested a city code enforcement officer consultation on 8/18/23. The only response thus far has been, "Thank you for contacting the City of Aurora. Your inquiry has been forwarded to Code Enforcement for further assistance. Please allow 24-48 business hours for a response. Thank you in advance for your patience."
- III. No HGA management report.
- IV. Unfinished business
 - A. Several committee members are willing to help monitor the trail cameras and there will be a trail camera orientation in the RV Lot at 10:00 a.m. Friday, September 15, 2023.
 - B. Should non-resident owners be given resident rates? After a lengthy discussion, the subject was tabled until the committee's next meeting.
- V. New business.
 - A. RV Lot Security (lighting & cameras)
 1. The Darkhorse study session was discussed. The committee's recommendation is that due to the length of time it will take to implement both Darkhorse and Comcast projects (2 to 7 years depending on which plan is chosen) HGMD should not wait to implement other less expensive security projects for the RV lot.
 2. Solar lighting and security cameras.
 - a. The committee prefers this model, [OKPRO streetlight](#), as it is 1,200 watts and recommends purchasing and installing one for testing. Tom Sandquist volunteered to study methods of mounting this light. **Total cost \$105.25**
 - b. [Landscape spotlights](#) were rejected by the committee.
 - c. The committee recommends purchasing and installing this [Cellular-Security Camera](#) for testing as an alternative to more expensive commercial security cameras. **Total cost \$75.87**.
- VI. There were no public comments on non-agenda items.
- VIII. Adjourned at about 2:30 p.m.



**HEATHER GARDENS METROPOLITAN DISTRICT
BOARD ACTION**

DATE: SEPTEMBER 21, 2023

MOTION NUMBER: 1-9-21-23

MOTION: APPROVE RV LOT PM -1 ATTACHMENTS

Based on the recommendation of the RV Lot Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the attachments to the RV Lot PM-1 Attachments.

Motion by: Daniel Taylor

Seconded by: _____

Rationale: The prior attachments have been revised with no significant changes..

Debate: _____

Secondary Motion to : _____

Secondary Motion by: _____ Second by: _____

VOTE:

	Yes	No
Craig Baldwin		
Rita Effler		
Eloise Laubach		
Robin O'Meara		
Daniel Taylor		
Total		

	Yes	No

The secondary motion does/does not have a majority and passes/fails.

The main motion does/does not have a majority and passes/fails.

Robin O'Meara, Secretary
HGMD Board of Directors

Daniel J. Taylor, President
HGMD Board of Directors

**RV LOT COMMITTEE
PROCEDURE MEMORANDUM 1
ATTACHMENTS 1 - 3**

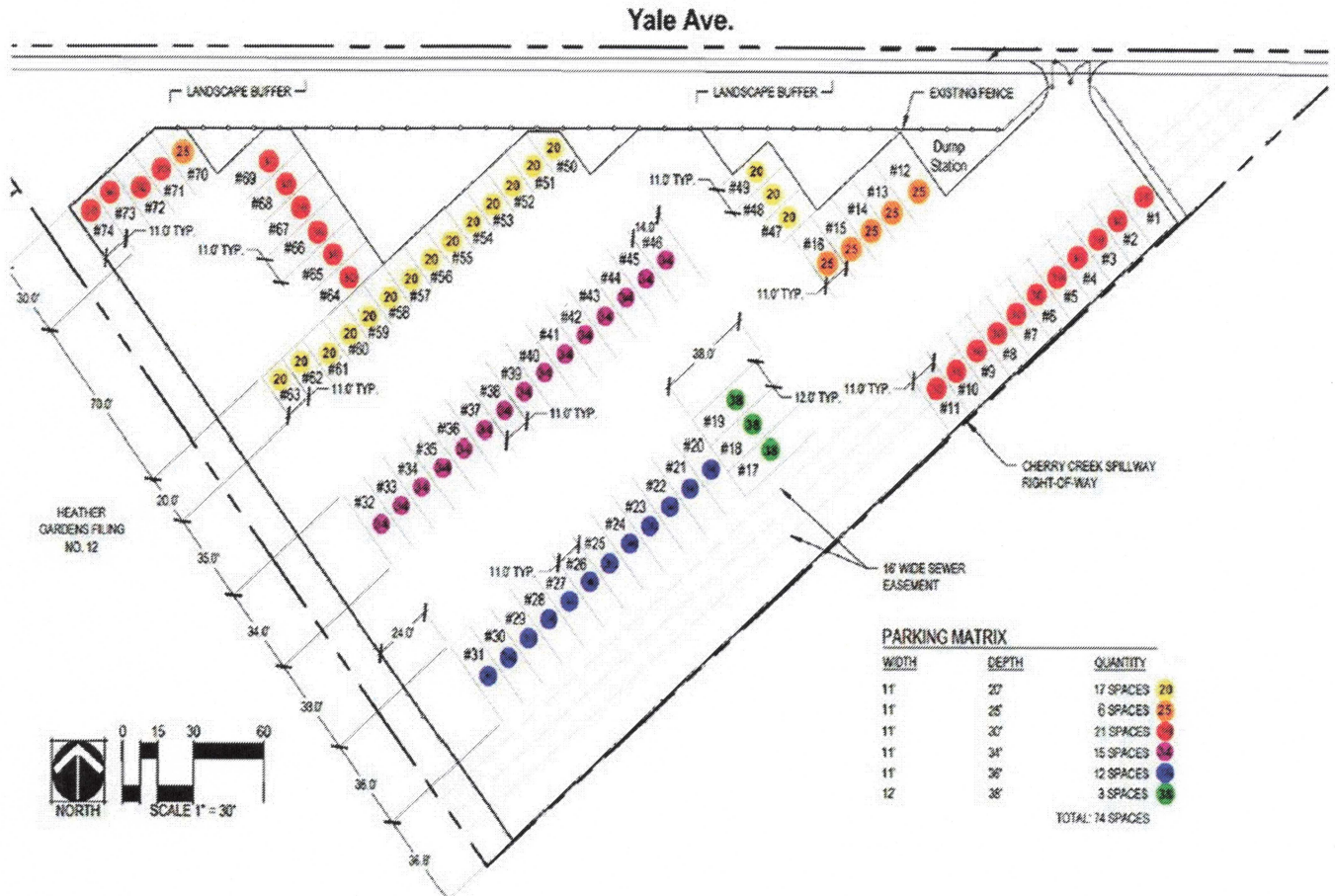
Attachment 1 through 3 of the RV Lot Committee PM - 1 are hereby adopted this 17th day of August, 2023, by the Board of Directors of the Heather Gardens Metropolitan District.

Daniel Taylor, President

ATTEST:

Robin O'Meara, Secretary

**RV LOT COMMITTEE
PROCEDURE MEMORANDUM 1
ATTACHMENT 1 - RV LOT SCHEMATIC**



**RV LOT COMMITTEE
PROCEDURE MEMORANDUM 1
ATTACHMENT 2 - RV LOT SPACE RENTAL AGREEMENT**

DATE: _____

LEASE PERIOD FROM: _____ TO: _____

SPACE #: _____

LESSEE: _____

LESSEE'S PHONE #: _____

LESSEE'S ADDRESS: _____

EMERGENCY CONTACT, OTHER THAN ABOVE:

Name: _____

Address: _____

Phone #: _____

VEHICLES:

Make/Type	Color	Length	Year	License No.

INSURANCE: _____

Pursuant to Section 38-21.5-101.5, C.R.S., please disclose any lienholders with an interest in property that is or will be stored in the RV Lot:

This RV Lot Space Rental Agreement (Agreement) is made and entered into the effective date first written above (Effective Date) by and between Heather Gardens Metropolitan District (HGMD), a quasi-municipal corporation and political subdivision of the State of Colorado, and the above-named lessee (Lessee). In consideration of the mutual covenants and stipulations contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

This RV Lot Space Rental Agreement (Agreement) is made and entered into the effective date first written above (Effective Date) by and between Heather Gardens Metropolitan District (HGMD), a quasi-municipal corporation and political subdivision of the State of Colorado, and the above-named lessee (Lessee). In consideration of the mutual covenants and stipulations contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. In consideration of the annual rental charge of _____ (Rent) which is due and payable by the Lessee to the HGMD on the Effective Date and on January 1 of each subsequent year this Agreement remains in effect (at the then current rate), the HGMD hereby grant the Lessee a revocable lease of the space described above by space # (Space) which is generally located at the far north-eastern corner of the Heather Gardens community, with entry along E. Yale Ave. to be used solely for the purpose of storage of the vehicle(s) described above. Notwithstanding the foregoing, the Rent may be paid quarterly in the amount of _____ by the Lessee in advance of each calendar quarter on January 1, April 1, July 1 and October 1. If the terms of this Agreement commence in the middle of a payment period, the first rental installment shall be prorated through the end of December for an annual term or through the end of the calendar quarter for the quarterly term, and thereafter, rental payment shall be due on the dates set forth in this paragraph.
2. Rent is due and payable on January 1 of each year (which may be paid quarterly as provided above) that this Agreement remains in effect. If Rent payment is not received by the due date, a late charge of 20% of the applicable Rent will be assessed. It is understood by Lessee that pursuant to Section 38-21.5-101.5, C.R.S. if no payment has been received for a continuous thirty-day period all articles stored under the terms of such agreement will be sold or otherwise disposed of by HGMD. Lessee hereby agrees that failure to timely pay Rent and any late fees constitutes a breach of this Agreement and shall be a basis for immediate termination of this Agreement by HGMD.
3. Checks for the payment of Rent and gate opener deposits are to be made payable to "Heather Gardens Metropolitan District" and delivered to Accounts Receivable, 2888 S. Heather Gardens Way, Aurora, CO 80014.
4. Lessee hereby acknowledges receipt of _____ Automatic Gate Opener(s) for purposes of gaining entry to the RV facility. There is a \$35.00 deposit per gate opener which is refundable when the gate opener is returned, in operating condition, upon termination of this Agreement.
5. This Agreement shall automatically renew on January 1 of each calendar year at the then current rental rate unless the Lessee notifies HGMD in writing at least thirty (30) days prior to December 31 of its intent to terminate this Agreement.

6. Either party may terminate this Agreement by providing the other party with a written notice of intent to terminate at least thirty (30) days prior to the last day of any calendar quarter in which this Agreement is in effect. If the Lessee is in default of the terms of this Agreement HGMD may terminate this Agreement at any time after notice of a violation has been provided in accordance with the HGMD Rules and Regulations and the Lessee has been afforded an opportunity to cure or appeal the violation in accordance with the HGMD Rules and Regulations. In the event of the termination of this Agreement at any time other than at the end of a quarterly period, the rent for that entire quarter shall still be due and payable, and the Lessee shall not be entitled to reimbursement for any prepaid rent for any portion of that quarter which is unused due to such termination.
7. If Lessee is a resident of or owner of property in HGMD and moves away from or sells their property in Heather Gardens, the Lessee and Lessor hereby agree that this Agreement shall remain in effect but shall be automatically amended such that Rent is converted to the then current rate applicable to non-residents/non-owners.
8. HGMD may change the terms of this Agreement for any renewal term hereof by providing notice of the new terms to the Lessee in writing at least thirty (30) days prior to December 31.
9. Lessee hereby agrees to keep all vehicle(s) stored in the Space insured and current on registration with the State of Colorado. The Lessee shall provide HGMD and its agent(s) with a current copy of Lessee's insurance policy, the insurance agent's name and contact number, and current proof of registration. If at any time a Lessee's vehicle registration and/or insurance expire Lessee shall be considered in default of this Agreement.
10. For purposes of this Agreement, a "Recreational Vehicle" is defined as a motor vehicle or trailer which includes living quarters designed for accommodation, such as but not limited to, a bathroom, bedroom, and or kitchen. Recreational Vehicles allowed to be parked in the RV Lot include: motorhomes, camper vans, caravans, fifth-wheel trailers, pop-up campers, camper trailers, and truck campers. In addition, boats on a trailer will be considered recreational vehicles. All items listed must fit into the designated spot, RVs stored in this lot may not exceed 38 feet in length. Measurements of RVs are determined in the following ways: class A, class B, and class C motorhomes including vans and truck mounted campers' lengths are measured from the front bumper to rear bumper. Travel trailers are measured from the rear bumper to the ball socket on the hitch tongue. Fifth wheel trailers are measured from the rear bumper to the center of the kingpin. No commercial vehicles may be parked in the RV storage area. Any exceptions shall be at the discretion of HGMD or its agent(s).
11. The Lessee's vehicle(s) described above shall be the only vehicle(s) authorized to park in the Space; any passenger car, truck and/or van that may be left in

place of the recreational vehicle (RV) while the RV is being used must be included in the description above or may be subject to removal by HGMD. Any exceptions to this shall be at the discretion of HGMD or its agent(s). Lessee hereby agrees that parking an unauthorized vehicle in the Space or anywhere in the RV Lot may result in removal of the unauthorized vehicle, constitutes a breach of this Agreement, and shall be a basis for immediate termination of this Agreement by HGMD.

12. The Lessee shall not have the right to sublease the Space.
13. Lessee agrees to abide by the HGMD Property Policy Procedure Memorandum, HGMD Rules and Regulations, and all local, state and federal rules, regulations, and laws applicable to the Space and use thereof, all of which may be amended from time to time.
14. Lessees are responsible for all repairs and maintenance to the vehicles parked in the RV Lot and shall keep such vehicles in a working and serviceable condition (e.g., drivable, towable with no flat tires and appropriately licensed) and the area within the individual space in a neat, orderly, and aesthetically pleasing manner free from debris and trash. No other storage, except within the vehicle(s), is allowed. However, other than built-in factory equipped containers that are an integral part of the RV, storage of flammable liquids, explosives, contraband, illegal substances, such as, but not by way of limitation, gasoline, gunpowder, ammunition, fireworks, stolen property, illicit drugs, etc. is prohibited. Lessee agrees not to store any items that might cause damage to the property, present danger to persons, or create offensive appearances or noxious odors.
15. HGMD or its agents reserve the right to enter the Space to inspect the Space and to notify Lessee of any deficiencies in the care or use of the Space and surrounding areas.
16. Storage of and access to the vehicle(s) shall be on a 24-hour basis, by means of a gate opener. Lessee agrees to keep his/her vehicle(s) locked at all times. Lessee understands that **NO ATTENDANT WILL BE ON DUTY AT ANY TIME**. Lessee hereby releases HGMD and its employees, consultants, licensees, invitees, agents, successors, and assigns for any responsibility for articles left in the vehicle(s), for loss or damage to the vehicle(s) caused by other Lessees, for loss or damage to the vehicle(s) caused by rain, hail, wind, freezing, acts of God, personal injuries or property damage during entry or exit, theft of the entire vehicle or any part thereof, fire explosion, riots, civil commotion, malicious mischief, vandalism or any other cause beyond the control of HGMD.
17. Lessee hereby acknowledges that entering into this Agreement establishes a lien on all personal property located in the Space in favor of HGMD in accordance with Section 38-21.5-102, C.R.S., which lien may be enforced in accordance with Section 38-21.5-103, C.R.S. and any other applicable laws.

18. Use of RV Dump Station:

- A. Lessee may only use the dump station for the vehicle(s) that is the subject of this Agreement.
- B. Lessee must use a discharge hose to dump the contents of the RV holding tanks.
- C. The dump station may only be used to dump the contents of the RV holding tanks, i.e. wash water, known as "gray" water, and toilet water, known as "black" water. The discharge of any other materials is strictly prohibited.
- D. Accidental spillage of holding tank contents outside of the curbed containment area must be immediately reported to Security at (303) 750-9477.
- E. There are separate water faucets with hoses labeled potable (meaning suitable for drinking) and non-potable. DO NOT USE the potable hose to flush holding tanks or rinse discharge hoses. Potable water is to be used only for filling an RV's freshwater tank.
- F. Use of the dump station to wash vehicles is prohibited.

19. Indemnification and Accidents:

- A. Lessee agrees to take, use, provide, and maintain all necessary precautions, safeguards, and protection to prevent accidents or injury to persons or property on, about, or adjacent to the Space.
- B. Lessee shall continuously maintain adequate protection to the HGMD's property from injury or loss arising in connection with the Lessee's activities and shall make good any such damages, injury, or loss except for ordinary wear and tear incidental to the use of the Space by the Lessee.
- C. Lessee hereby agrees on behalf of itself and its successors and assigns, to waive and release all liability and to forever defend, indemnify, and hold harmless, HGMD, HGMD's employees, consultants, licensees, invitees, agents, successors, and assigns from any and all injuries, loss, claims, liability, damages, and costs, including, without limiting the generality of the foregoing, court costs and attorney's fees, caused by, resulting from, or in any way arising out of, or alleged to arise out of, in whole or in part, the use of the Space and HGMD RV Lot by the Lessee, its licensees, invitees, agents, contractors, subcontractors, employees, successor, and/or assigns and on account of or in any way growing out of any personal injuries or property damage resulting from the storage of the vehicle(s) involved by HGMD and its employees, consultants, licensees, invitees, agents, successors, and assigns under this Agreement.

D. The Lessee agrees to report any accidents, injury, or damage to the appropriate authorities and HGMD Security immediately.

Signatures below indicate approval and acceptance of the above-mentioned terms and conditions:

LESSEE

Signature

**RV LOT COMMITTEE
PROCEDURE MEMORANDUM 1
ATTACHMENT 3 - RV LOT FACT SHEET**

Features:

- Capacity of 74 spaces
- Uncovered spaces for vehicles 20 ft. to 38 ft.
- Wide-drive aisles
- Six-foot security fence with three strands of barbed wire around the top
- Remote-controlled gate
- 24/7 security patrol
- 24/7 access
- Dump station (water and electricity outlet available)
- Entire storage facility is paved and lighted at night.

Rental Rates: Space (Length)	Resident	Non-Resident
38 feet	\$137 per quarter	\$411 per quarter
36 feet	\$119 per quarter	\$357 per quarter
34 feet	\$112 per quarter	\$336 per quarter
30 feet	\$ 99 per quarter	\$297 per quarter
25 feet	\$ 83 per quarter	\$249 per quarter
20 feet	\$ 66 per quarter	\$198 per quarter

Rental Payment: Rent must be paid on a quarterly basis. Checks can be made payable to:

Heather Gardens Metropolitan District (HGMD)
Attn: RV Lot
2888 S. Heather Gardens Way
Aurora, CO. 80014

Access Ability: A Lessee has access to the RV facility on a 24-hour basis.

Insurance & Registration: Proof of insurance and registration of vehicle in the name of the lessee shall be provided on all vehicles. The Lessee shall provide current copies of this information.

Administration: The Heather Gardens Association Resident Services Coordinator will be responsible for lease preparations, collections, refunds, gate opener, etc. Telephone inquiries may be made by calling (303) 755-0652. Waitlist: A waitlist will be maintained by the District. Once a person is offered an appropriate size space for the vehicle in the RV lot, a Lease must be executed within three (3) business days or be placed at the end of the respective waitlist.



**HEATHER GARDENS METROPOLITAN DISTRICT
BOARD ACTION**

DATE: SEPTEMBER 21, 2023

MOTION NUMBER: 2-9-21-2023

MOTION: ADOPTION OF EXPENDITURE POLICY

I move that the Heather Gardens Metropolitan District Board of Directors adopt the following policy with regard to oversight of expenditures on behalf of HGMD. All expenditures shall be approved by the HGMD Treasurer. The Treasurer may pre-approve reoccurring expenditures, and budgeted capital expenditures under \$2,500. All unbudgeted expenditures and budgeted capital expenditures over \$2,500 shall be approved by the District Board. Any contracts that bind or obligate the District or require the expenditure of District funds must be signed by the District President and the District Secretary.

**ECONOMIC COST TO THE DISTRICT: NONE
APPROPRIATED BY: N/A**

Motion by: Daniel Taylor

Second by: _____

Rationale:

Whereas the Management Agreement between HGA and HGMD, dated August 23, 2018, delegates to HGA “the authority to engage independent contractors, within District budget constraints, on behalf of the District and in the District’s name or in the Association’s name to assist with the execution of the Delegated Duties...”(IV.4.); and

Such HGA authority is limited “subject to the District’s Board of Directors’ policies, budgeting, finances, and oversight” (I.1.); and

The District established a policy in the Joint Budget & Finance Committee Procedure Memorandum (JPM B-1), dated April 20, 2023, regarding spending authority without prior review by the District; and

The District Board intending to preserve its oversight of the propriety and reasonableness of expenditures of public money, whether budgeted or unbudgeted, hereby adopts this policy intended to supersede any and all prior policies, and to define the District’s policy regarding expenditures under the Management Agreement;

Therefore, the District Board of Directors hereby adopts the following policy regarding expenditures. All expenditures shall be approved by the HGMD Treasurer. The Treasurer may pre-approve reoccurring expenditures, and budgeted capital expenditures under \$2,500. All unbudgeted expenditures and budgeted capital

expenditures over \$2,500 shall be approved by the District Board. Any contracts that bind or obligate the District or require the expenditure of District funds must be signed by the District President and the District Secretary.

Debate: _____

Secondary Motion to : _____
Secondary Motion by: _____ Second by: _____

VOTE:

	Yes	No
Craig Baldwin		
Rita Effler		
Eloise Laubach		
Robin O'Meara		
Daniel Taylor		
Total		

Yes	No

The secondary motion does/does not have a majority and passes/fails.

The main motion does/does not have a majority and passes/fails.

Daniel J. Taylor, President
HGMD Board of Directors

Robin O'Meara, Secretary
HGMD Board of Directors



**HEATHER GARDENS METROPOLITAN DISTRICT
BOARD ACTION**

DATE: SEPTEMBER 21, 2023

MOTION NUMBER: 3-9-21-23

MOTION: APPROVE AUDIT/FINANCE COMMITTEE PM

Based on the recommendation of the Audit/Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the Audit/Finance Procedure Memorandum 1.

Motion by: Rita Effler

Seconded by: _____

Rationale: This is the initial procedure memorandum for the new committee.

Debate: _____

Secondary Motion to : _____

Secondary Motion by: _____ Second by: _____

VOTE:

	Yes	No
Craig Baldwin		
Rita Effler		
Eloise Laubach		
Robin O'Meara		
Daniel Taylor		
Total		

	Yes	No

The secondary motion does/does not have a majority and passes/fails.
The main motion does/does not have a majority and passes/fails.

Robin O'Meara, Secretary
HGMD Board of Directors

Daniel J. Taylor, President
HGMD Board of Directors



**HEATHER GARDENS METROPOLITAN DISTRICT
AUDIT/FINANCE COMMITTEE
PROCEDURE MEMORANDUM 1**

ADOPTED AND EFFECTIVE SEPTEMBER 21, 2023

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**AUDIT/FINANCE COMMITTEE
PROCEDURE MEMORANDUM 1**

Proposed on _____
Adopted by Committee on _____

Adopted by HGMD Board on September 21, 2023

This Procedure Memorandum shall supersede all previous versions of the Procedure Memorandum and Functions and Policy Manuals for Board Administration, as well as all previous resolutions, actions and informal practices and policies of the District or portions thereof which may be in conflict with the provisions hereof.

ARTICLE I - PURPOSE

The purpose of the Audit/Finance Committee is to ensure the propriety and reasonableness of all public expenditures on behalf of the Heather Gardens Metropolitan District (District).

ARTICLE II - COMPOSITION

The Audit/Finance Committee shall be composed of the District Treasurer, the District's Manager (without vote), the Chief Financial Officer of the District's Manager, and a minimum of (4) four and a maximum of (9) nine eligible electors of the District. The Audit/Finance Committee Chair shall appoint the committee members consistent with the Bylaws, Article VII, Section 4.

1. Committee Chairperson. The District Treasurer serves as chair, and makes recommendations directly to the District Board of Directors.

A. The District Board has delegated to the District Treasurer the responsibility of executing approved investment transactions, approving the payment of budgeted expenditures, and the payment of unbudgeted expenditures approved by the District Board. All expenditures must be approved by the Treasurer. The Treasurer may approve the payment of certain reoccurring expenditures not to exceed a certain amount, including:

- 1) **Payroll:** Payroll is processed every two (2) weeks to pay the employees, taxes, garnishments, fees, and 401K.
- 2) **Tax Payments:** Use taxes and sales tax collected may be paid to the Colorado Department of Revenue as appropriate.

3) **Employee mileage and other employee reimbursements:** A monthly mileage reimbursement is paid to employees. Employees who have purchased supplies or paid for work-related travel expenses will be reimbursed upon submission of required support.

4) **Lease:** Leases include (but are not limited to) the copier/printer, postage equipment, and fitness equipment.

5) **Utilities:** Examples include trash, internet, telephone, electricity, natural gas, and water.

6) **Reimbursements:** Any person entitled to a reimbursement and who has Direct Deposit may be paid by an ACH.

B. In the absence of the District Treasurer, it is expected that the District President or Vice President or other members of the Board or the Audit/Finance Committee, as approved by the Board, will complete the duties of the District Treasurer.

C. The chair conducts all meetings of the Audit/Finance Committee and appoints all Audit/Finance Committee members from eligible electors of the District who have applied for membership. The chair also consults with residents, and interested parties regarding the District's finances. The chair reports to the Board.

2. Committee Duties and Responsibilities.

A. Annually reviews rules, regulations, policies, and procedures applicable to the Audit/Finance and recommends changes to the Board.

B. Annually reviews the Manager's Operating and Capital Reserve Budgets including fees and rate increases recommended by the appropriate committee, and recommends changes to the Board.

C. Assist committees as requested in the preparation of their annual budgets with the assistance and coordination with the District's Manager and staff.

D. Reviews the monthly profit & loss statements and monitors, and reports listed in Article VIII – Reports, in cooperation with the District's Manager.

E. Recommends to the District's Manager a Recreation Fee to be paid by HGA for the use of the District's properties which will balance the annual budget.

F. Reviews the monthly operating analysis prepared by Management, and proposes operational changes to the Board to improve the efficiency of the District while maintaining or improving the quantity and quality of services provided to the residents of Heather Gardens and its electors.

G. Analyze and make recommendations as appropriate to the Board regarding the District's business insurance programs, taking care to consider the significance of the District's insurance program noting the significant risks being insured against and costs to the District and our electors.

H. Prepare, update, and recommend the District's capital projects financing plans, including the review and recommendation of all unbudgeted capital projects over \$2,500, and budgeted capital projects over \$20,000. Capital projects under these amounts may be recommended to the Board by the Capital Project Chair.

I. Review the financial terms for new or renegotiated contracts within the timeframes available for the specific contract being considered. The District's Manager shall provide advanced notice of the required periods as much in advance as possible to allow for meaningful reviews by the Committee. The contract will be sent to the Compliance Committee for further review, and then submission to the Board. Examples of these contracts include a Professional Employee Organization (PEO), trash service, gas pricing and insurance. Given the nature and complexity of some of these contracts it may be necessary for either special meetings or study sessions to be called.

J. Conduct a monthly internal audit of all checks paid, ACH payments, EFT payments, petty cash, and internal controls, and prepare a report and send it to Management and the District Board.

K. Reviews the quarterly inventory reports for consistency with the capital projects and reports losses or retirement of assets to the District Board.

L. Oversees the annual external audits of the District's financial statements as required by law, and recommends the acceptance or rejection of the audit report to the District Board.

M. Reviews proposed donations using the following guidelines:

1) Reviews non-cash donations, with a value of \$500 or more, including, but not limited to, machinery, electronic equipment and large appliances and determines if they are suitable and appropriately intended for the benefit of the District and its Residents and Owners and makes recommendations to the Board regarding acceptance of donations.

2) Persons wishing to donate as described in paragraph (1) above must complete a donation form available at the Clubhouse reception desk.

Items under \$500 in value may be accepted or rejected at the discretion of the District's Manager, or appropriate department manager based on the need, condition or alignment of the facility functions or decor.

- 3) The Audit/Finance Committee, the District, or the District's Manager may require an inspection and approval by the HGA Maintenance Department, or another qualified professional, prior to accepting the donation.
- 4) The District will not accept donations with any restrictions or conditions, and all items donated become the property of the District.
- 5) The donating party agrees to pay the cost incurred for moving and delivery of the item to be donated.
- 6) The District reserves the right to refuse any item at any time during the donation process.
- 7) The District, in its sole discretion, has the prerogative of using the donated item immediately or may reserve it for the future.

N. Conduct other duties as requested by the District Board.

3. Ad Hoc Committees. The Audit/Finance Committee may create Ad Hoc Committees, as needed and with the approval of the Board, to perform its duties and advise the Committee and the District Board. When an Ad Hoc Committee is created, a chair will be named by the District Board. The chair shall determine the membership and duration of the Ad Hoc Committee. The Board can disband the Ad Hoc Committee at any time.

4. Sub-Committees. The Audit/Finance Committee may create a Sub-Committee to do internal audits of District transactions. The chair shall be appointed from applicants and shall not be a Director. The chair shall determine the membership and duration of the Ad Hoc Committee. The Sub-Committee shall consist of the Chair and 4 to 6 other eligible electors, who can be members of the Audit/Finance Committee.

ARTICLE III - RULES AND REGULATIONS

Article VI of the District's General Rules and Regulations regarding Enforcement, Violations, and Penalties is applicable to non-compliance with these Rules and Regulations. In addition, the District's General Rules and Regulations are applicable to all Residents, Owners, and Users of District Facilities and these Rules and Regulations are supplemental thereto.

ARTICLE IV - BUDGET PREPARATION PROCEDURES

1. Budget Initiation. Budget preparation begins with input from the Standing Committees, Department Managers, and District Manager. Committees and Department Managers should take care to include the desires of our residents and unit owners relative to programs and operations. They should also reflect the Board's and

Management's plans for increased operational efficiencies, and the impacts of inflation. Management is responsible for the preparation of the budget.

2. Budget Schedule. Each committee shall determine proposed changes to the upcoming annual budget for the area of their concern in July of each year, and submit their proposed changes to the Board by the end of July. The District Board shall meet with the District's Manager and the District Manager's Chief financial Officer in August of each year to review and request any changes to the Manager's Budget prior to the publishing of the Manger's Budget. These meetings shall be scheduled in coordination with the District Manager. Such schedule shall comply with Colorado laws that apply to the District.

3. Manager's Budget. Based on input from the District Standing Committees and Department Managers, the District's Manager prepares the District budget draft for Operations and Capital Projects and contributions to Capital Reserves.

A. The Manager's Budget shall contain revenues, expenditures, and asset accounts for the District's operation, maintenance, capital accounts, capital improvements, and capital reserves, only.

B. The Budget Summary shall contain sections for budget preparation assumptions, staff increases or decreases and the rationale, anticipated revenue increases or decreases and the rationale, and significant changes in user fees.

C. Each fund shall be accounted for separately, and restricted funds identified.

D. Each cost center should be separately accounted for including the clubhouse, garden plots, golf course, restaurant, and RV lot.

E. Each cost center will have an Expense Summary as well as separate summary for Wages/Benefits and Operating Expenses. Also, see prior budget submissions for further guidance as to expenditure codes needing additional detail.

F. Wages/Benefits for each cost center shall contain the number of employees by job title and the budgeted salary range or hourly rate per job title. The information provided must allow the District Board to analyze staffing levels, including:

- 1) Number of full time staffing positions
- 2) Number of hours for part-time staffing positions
- 3) Number of part-time staffing positions
- 4) Number of overtime hours

5) Number of hours for teachers and the amount paid

G. The budget will contain three separate years. The first column will contain the full details for the proposed year. The second column will contain the details for the current year as budgeted. The third column will contain the details for the percentage of change. The fourth column will contain the details for the current actual as forecasted. The fifth and sixth columns will contain the details of the percentage of change between the current year budget and forecast, and the percentage of change from the current year forecast and the proposed year budget. The final column will contain the details for the prior year audited, actual amounts.

H. The Manager's Budget will contain written justification for changes in cost center staffing including a current organization chart and descriptions of the key changes from the current year. This should cover not only increases in staffing but also possible reductions in staffing resulting from technology or changes in internal procedures which permit such reductions. Proposed staffing changes should be accompanied by a revised organization chart.

I. The Manager's Budget will include the status of the current year capital project completion with details on potential carryover projects and why they are not expected to be completed in the current year.

ARTICLE V - BUDGET REVIEW

1. Upon receipt of the Manager's Budget, the District will immediately publish the budget on the District's website. The Audit/Finance Committee will schedule meetings for public comment and review, and will endeavor to complete such meetings within 2 weeks subsequent to receipt and publication of the Manager's Budget.
2. At the completion of the public comment and review meetings, the Audit/Finance Committee shall submit its proposed budget to the District Board for adoption.
3. Any elector of the District may object to the proposed budget at any time prior to adoption of the budget. But in no case will the public comment period be less than 30 days prior to adoption of the budget.

ARTICLE VI - BUDGET ADOPTION

1. The District Board shall vote on the adoption of the proposed budget at a special meeting for that purpose noticed with at least 30 days prior notice.

ARTICLE VII - USER FEES & OTHER COSTS

1. The Audit/Finance Committee shall maintain a current list of all District user fees, rental rates, and other costs (User Fees) relevant to the District properties. Each

committee chair shall be responsible to submit a list of User Fees for its area of authority any time such fees are revised.

ARTICLE VIII - REPORTS

1. The Audit/Finance Committee monitors a broad range of budget-related information at its monthly meetings. The Committee and the District's Manager may suggest more abbreviated reviews for areas of less materiality or of little variance from the budget.

2. the District's Manager shall provide the following monthly reports to the Audit/Finance Committee unless agreed otherwise:

- A. District Profit and Loss Statement
- B. District Balance Sheet
- C. District Capital Assigned Fund Report
- D. District Profit and Loss - Restricted Fund
- E. District Profit and Loss - Enterprise Fund
- F. District Budget Exceptions Report
- G. District Investment Listing
- H. District Clubhouse Profit and Loss Report
- I. District Restaurant Profit and Loss Report
- J. District Golf Profit and Loss Report
- K. District Golf Usage Report
- L. District Conservation Trust Report
- M. District Foundation Fund Report
- N. District RV Lot Profit and Loss Report
- O. District Garden Plots Profit and Loss Report
- P. Any special reports requested by the committee
- Q. District Related Staffing Status Report
- R. Quarterly Work Completion Status Report

3. All reports shall be sent to the District Board, the Audit/Finance Committee members at least 6 days in advance of the Audit/Finance Committee's monthly meetings, if possible.

ARTICLE IX - CAPITAL EXPENDITURES

1. Capital Expenditure Request Review. Capital Expenditure Requests will be reviewed by the Audit/Finance Committee to insure that the expenditure has been budgeted or if unbudgeted, a review of the proposed reallocation of a budgeted capital project.

2. Uncompleted Capital Projects. Capital projects that are not expected to be completed during the year may be carried forward to the subsequent year.

3. Capital Project Initiation. Most capital expenditure requests will begin as a project in a committee or club responsible for the subject area. The project will be submitted to the District President who shall assign a contact person responsible for the project, (Project Chair), normally a committee chair, and will assign the Director responsible for the project.

4. Responsibilities of the Project Chair:

A. The Project Chair shall coordinate the development of a complete description of the project and the project's goal.

B. This description should be specific enough to develop project specifications for a Request for Proposal (RFP), obtain funding requirements, and include any further research the Project Chair wishes the committee or club to consider.

C. Upon approval of the project by the committee or club with a recommendation to submit the proposal to the District Board, the proposal shall be forwarded to the Director responsible for the project.

5. Responsibilities of the Responsible Director:

A. Upon receipt of the committee or club approved capital project request, the Director responsible for the project shall review the information submitted.

B. If the capital project is relatively straight forward and the request contains all of the information necessary to submit the request to the Board for approval, the Responsible Director shall ask the Audit/Finance Committee or the District Treasurer to complete the Capital Expenditure Advisory Form, and submit that form with the Capital Expenditure Request Form, and motion for approval to the Board President for inclusion on the agenda as a motion for approval for the next meeting of the District Board.

- C. The motion for approval shall contain the following information:
 - 1) Capital Expenditure Request Form
 - 2) Request for Proposals, if completed
 - 3) All proposals received
 - 4) Capital Expenditure Advisory Form from the Audit/Finance Committee or the District Treasurer
 - 5) HGMD Standard Contract
- D. The Responsible Director shall make the motion for approval of the capital project at the Board Meeting.
- E. If the capital project request is complex or the request is not complete, the project shall be submitted to the District President with a request for assistance from the District's Manager.

6. Responsibilities of the District President:

- A. The District President shall review the proposed capital project request for completeness. If the request is sufficient to bring before the Board, the request shall be placed on the agenda for the next Board meeting as a motion for approval.
- B. If additional work is needed, the District President shall submit the capital project request to the District's Manager with a request for assistance to complete the project pursuant to the procedures outlined below.

7. Responsibilities of the District's Manager:

- A. **If the capital expenditure request is less than \$50,000:**
 - 1) Review or prepare a RFP with appropriate specifications for the complexity or expenditure amount of the project.
 - 2) Obtain at least 3 proposals for the project. If less than 3 proposals are obtained, include an explanation.
 - 3) Prepare the Capital Expenditure Request Form providing the justification for the project, copies of all proposals received, an HGMD Standard Contract, and a Capital Expenditure Advisory Form from the Audit/Finance Committee or the District Treasurer stating whether the project was budgeted or unbudgeted and the funding options.

B. If the capital expenditure request is more than \$50,000:

- 1) Review or prepare a specific RFP including a detailed scope of work, general conditions, technical specifications, and bid requirements for the project.
- 2) Obtain at least 3 proposals for the project. If less than 3 proposals are obtained, include an explanation. All proposals shall be comparable with the same type and capability of equipment, same quantities, similar accessories, similar configurations, similar specifications, etc. If proposals do not meet general comparability standards, provide an explanation for the reason for the differences.
- 3) Prepare specific specifications for the project including a detailed scope of work, general conditions, technical specifications, issues to be considered, a project timeline with specific milestones, and probable or potential contingencies.
- 4) The project timeline shall include all requirements to complete the project as stated in the scope of work, including site preparation, waste removal, complete installation including all contractor and subcontractor tasks, city permits, if required, technical implementation including software, personnel training, or ongoing support or maintenance costs.
- 5) All contractor, subcontractor, or product limitations shall be specifically stated.
- 6) The project timeline shall state who is responsible for oversight of specific tasks. The Project Chair shall oversee the project on behalf of the District with the assistance of the District President, if required.
- 7) The District's Manager shall notify the District President if it assigns staff to work directly with the Project Chair to oversee and monitor the capital project.
- 8) The longevity of the project shall be stated so that the capital project may be placed on the capital program spreadsheet for depreciation and replacement planning.
- 9) HGMD Extended Contract shall be reviewed by the District's Attorney.

C. If the capital expenditure request is more than \$120,000: When goods, projects, or services for HGMD are expected to cost \$120,000 or more the following additional requirements should be met:

- 1) Advertise in a local newspaper with wide distribution an invitation to prospective bidders that the District will be obtaining bids for goods, projects or services including a brief description. Interested bidders should

be told who to contact for additional information, including the contact's name, address, and phone number on or before a specified date.

- 2) The advertisement shall include the date and time of the public opening of the bids.
- 3) The District's Attorney shall draft the required advertisement.

D. Emergency Expenditures: If the District's Manager determines that an emergency exists, it should determine the nature and extent of the emergency and the necessary repairs that must be made. Verbal approval for an emergency expenditure for a repair should be obtained from the District's President or Treasurer.

- 1) The District's Manager or delegated employee must complete the Capital Expenditure Request Form with a copy of the expenditure receipts to the District Board President.
- 2) The District President may schedule an emergency Board meeting to approve the expenditure or place the approval on the agenda for the next Board meeting.
- 3) The Capital Expenditure Request shall state the nature of the emergency as well as all steps taken to mitigate any damage and to repair or correct the problem.

ARTICLE X - INVESTMENT PROCEDURES

1. The process for making investments on behalf of the District involves several participants and steps. The following provides a brief summary of the process and is followed by more detailed descriptions of the responsibilities of those involved in the process. The investment procedure for the District is summarized as follows:
 2. Assess the District's expected future cash flows to determine what funds are expected to be needed at what points in time.
 3. The District may invest public funds in an authorized investment vehicle. C.R.S 24-75-601, et seq., subject to rating categories and maturity dates.
 4. Determine appropriate investment vehicles that are consistent with the investment strategy, including:
 - A. United States Treasury obligations.
 - B. Certain United States Agency obligations.
 - C. Repurchase agreements collateralized by appropriate United States Treasury or Agency obligations.

- D. Colorado Local Government investment pools; and,
5. Follow appropriate safekeeping, record-keeping, and reporting procedures.
- 6. Audit and Finance Committee Responsibilities:**
- A. Research and develop suggestions, conforming with policy, for a draft investment strategy for review and discussion with the Committee.
 - B. Based on cash flow projections provided by the District's Manager, recommend specific investment vehicles that will help accomplish the objectives.
 - C. Monitor investment performance and provide regular reports to the Committee.
- 7. District's Manager's Responsibilities:**
- A. Prepare an annual cash flow projection for the District for each fund source using current balances and expected inflows/outflows and present to the Committee.
 - B. Arrange movement of funds to the appropriate location/account for timely closings of investment transactions.
 - C. Reconcile investment records received to accounting records and record income as realized, including amortization and/or accretion entries for any discounts or premiums.
 - D. Consult with the auditor to determine the most appropriate means of completing the compliance review of the District investing activities with its policy.
- 8. District Treasurer Responsibilities:**
- A. Present reports, recommendations, and other matters related to investing to the Board.
 - B. With the assistance of the District's Manager, execute Board-approved purchases and/or sales of investments for the District. Keep accurate records of all completed transactions, Report such information to Management in settling the transactions.
- 9. District Board of Directors' Responsibilities:**
- A. Review and approve the District's investment strategy as recommended by the Committee, and the investments suggested to meet the strategic objectives.

ARTICLE XI - BANKING PROCEDURES

The volume of transactions conducted for the District in most months requires bank balances that may exceed the protection offered by the FDIC.

- 1.** All District accounts must follow the requirements of the Public Deposit Protections Act (PDPA).
- 2.** Decisions as to changes in the District's banking arrangements and selection of banks are the responsibility of the Board of Directors, based upon recommendations of the Audit/Finance Committee.
- 3.** The Audit/Finance Committee will make banking recommendations to the Board of Directors based upon information that contains, but is not limited to, the following criteria:
 - A.** Strength of the bank as shown by its rating as set forth by the various bank rating services.
 - B.** Service charges for such items as:
 - 1) ACH Fees.
 - 2) Internet availability of monthly bank statements and related items.
 - 3) Deposits and electronic checks.
 - 4) General Account Maintenance.
 - 5) Online Banking.
 - 6) Investment Services.
 - C.** Account earnings allowance rate.
- 4.** Management shall report any problems in dealings with the banks to the Audit/Finance Committee and the Board.
- 5.** The Treasurer and Audit/Finance Committee will review the banking reconciliation statements.
- 6.** Refer to District rules and regulations, policies, and procedure memorandum. At least annually a resolution shall be presented to the Board for approval naming all authorized signers on all bank accounts.

ARTICLE XII - ANNUAL EXTERNAL AUDIT PREPARATION**1. Management Responsibilities:**

- A.** Work with the contracted Audit Firm to establish the process and schedule for each annual audit.
- B.** Provide appropriate workspace for the Audit Firm's staff to do their on-site work on the audit.
- C.** In a timely manner, provide copies of all requested documents and respond to all questions.
- D.** Review the initial draft of the audit report in concert with the Audit Partner and Senior Manager to assure that all issues have been properly addressed and that changes requested by the Audit Firm make sense from the viewpoint of the District Manager's Chief Financial Officer, the District's Manager, and the District Treasurer.
- E.** Make all adjusting entries and other final entries to the year-end financials as requested by the Auditor; and
- F.** Facilitate the posting of the completed Audit report on the District website and make paper copies of the Audit report(s) for interested parties as requested.
- G.** In a timely manner, file the accepted Audit reports with the relevant State organizations.

2. Audit/Finance Committee Responsibilities:

- A.** In collaboration with District's Manager, oversee the conduct of the annual external Audit of the District financial statements for each fiscal year and recommend acceptance of the audit reports to the District Board of Directors, including the following:
 - 1) Monitor the status of the conduct of the District Audits.
 - 2) Receive and review the draft audit report and provide feedback to the auditors.
 - 3) Receive and review the parts of the Report on Governance, Internal Controls, Material Weaknesses Audit Management Letter that relate to financial policies and procedures and make appropriate recommendations for change to management and the Board (Note: Parts of the Management Letter that may result in a personnel action will be presented by the Auditor in Executive Session to the Board.); and

4) Make a recommendation to the Board as to acceptance of the annual audit reports.

B. An important responsibility of the Audit/Finance Committee is to evaluate the external auditor's performance. This is done to recommend to the Board the appointment, re-appointment, and if required, the replacement or removal of the auditor. The Audit/Finance committee should solicit the input of the District's Manager in performing this evaluation. The assessment should cover the professional competencies in conducting the audit and value-added recommendations made by the auditor and client service issues. This process should be formalized by the Audit/Finance Committee and conducted annually.

3. District Board of Directors Responsibilities:

- A.** Receive copies of the Audit report from the selected Audit Firm.
- B.** Based on recommendations from the Audit/Finance Committee, accepts the final Audit reports.
- C.** Receive copies of the Management Letter and act as appropriate on recommendations made by the Audit/Finance Committee and the Auditor; and
- D.** Assure that the accepted audit report is filed with the relevant State organizations and posted on the Heather Gardens Metropolitan District website for review by interested parties. A paper copy of the audit report will be made available to interested parties upon request.
- E.** To provide the external auditor the opportunity to communicate candidly with the Board and members of the Audit/Finance Committee.

ARTICLE XIII - BUDGETING & ACCOUNTING TERMS

The purpose of this article is to provide a glossary of terms and definitions as a means of enhancing understanding of the matters deliberated by the Audit/Finance Committee and minimizing misunderstanding in District's management activities. Some terms are specific to accounting for the District as a quasi-governmental entity which has requirements different from that of a private company or an homeowners association.

The following terms have specific definitions when discussing District budgeting and accounting:

- 1. Accrual Basis of Accounting.** Accrual accounting is a financial accounting method that allows an enterprise to record revenue when earned rather than when received, and record expenses as they are incurred regardless of when they are paid.
- 2. Percentage of Completion.** The percentage of completion method is used for long-term projects or contracts. Revenue, expenses and gross profit are recognized for each period based on the percentage of work completed or costs incurred.

- 3. Accrual Timing.** During the year, major expenses are accrued monthly. At year-end, all expenses for the year are accrued.
- 4. Depreciation and Accumulated Depreciation.** Many assets purchased by the District will be used for many years. Depreciation is a method of deducting the cost of an asset over the period of years that it will be used. Accumulated depreciation is the total amount of cost that has been deducted for an asset over its life.
- 5. Audit.** When used relative to the District, the annual external audit refers to the process of examining the District's financial statements (Profit and Loss Statement and the Balance Sheet) to determine if they are accurate and in accordance with any applicable rules (including accepted accounting standards), regulations, and laws. This audit is conducted by a certified public accounting firm hired by the District, and is filed with the state.
- 6. Balance Sheet.** A financial statement that summarizes the District's assets, liabilities, and equity at a specific date. The balance sheet is prepared monthly and annually by the District's Manager. The annual reports are published in the audited financial statements.
- 7. Capital Property.** Capital property is property that has a useful life of more than one year and a cost in excess of \$2,500.
- 8. Capital Project.** A capital project is a major repair, improvement or construction of capital property.
- 9. Capital Projects Financing Plan.** The capital projects financing plan is a thirty-year plan that is updated annually to project and plan for the costs of capital projects. The Plan should list all capital property for the District, the estimated life, and the cost of replacement. The Capital Projects Financing Plan will be based on these estimated needs and adjusted annually to provide sufficient funds for current needs and to accumulate funds for future estimated needs while maintaining a stable annual assessment rate.
- 10. Capital Project Expenditure.** A cost incurred to acquire capital property. (See Capital Property and Capital Project above) or a reconditioning or major overhaul that will extend the useful life of an item beyond the original estimated life is considered a capital project expenditure or capital reserve expenditure. Obsolescence can be a factor limiting the useful life of the item.
- 11. Capital Reserve Fund.** The District uses this fund to accumulate money to be used for the acquisition of capital property through purchase, construction, or significant maintenance or improvement of capital property.
- 12. Carry Forward Appropriation.** Money that is not spent in the prior accounting period is carried forward to the next accounting period. This is usually in reference to capital project expenditures.

- 13. Conservation Trust Fund.** The District uses this fund to account for money obtained from the Colorado State Lottery to be used for park and/or recreational improvements.
- 14. Cost Principal.** The District's policy of accounting for assets at their acquisition cost.
- 15. Debt Service Fund.** The District uses this fund to account for funds that come from a property tax mill levy and used for the payment of bonds, long-term debts, principal, interest, and related costs as authorized by the District electors.
- 16. Enterprise Fund.** An enterprise is a business run by a government entity providing goods or services to the general public. Examples for the District are the restaurant, golf course, clubhouse, RV lot and garden plots. For HGMD, the enterprise fund is the general operating fund. Other money must be kept separate. See the Debt Service Fund, Conservation Trust Fund, and Foundation Fund definitions.
- 17. Heather Gardens Foundation Fund.** The District uses this fund to account for the receipt and expenditure of donations from individuals and/or trusts for the improvement of Heather Gardens landscaping and outdoor enjoyment.
- 18. Inventory.** Supplies and goods on hand and available for use and sale by the District. Inventory also refers to all personal property owned by the District, furniture, equipment, appliances, tools, etc.
- 19. Monthly Operating Analysis (MOA).** A analysis of the variance between actual revenue and expenses compared to the budgeted revenue and expenses for the District.
- 20. Operating Budget.** An annual plan for revenue and expenditures for the District operation. The operating budget is adopted by the District Board each fall for the upcoming year. The operating budget determines the anticipated Recreation Fee that will be required for the upcoming year. This budget applies to the day-to-day operations of the organization and the purchase of non-capital property.
- 21. Pooled Cash and Interest.** Management and District each follow the practice of pooling cash and investments to maximize interest earnings. District funds, as well as all capital program funds, are recorded separately. All District cash, except when required by a trust or other agreements, is deposited to, and disbursed from a single bank account.

Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. By District Board action, all interest earned from the Debt Service Fund reduces the mill levy.

HEATHER GARDENS METROPOLITAN DISTRICT

**PM
AUDIT-1**

Adopted the _____ day of _____, 2023, by the Board of Directors of the Heather Gardens Metropolitan District.

Daniel Taylor, President

Robin O'Meara, Secretary

**HEATHER GARDENS METROPOLITAN DISTRICT
ACH PAYMENT AUTHORIZATION FORM**

Date: _____

Vendor: _____

Amount: _____

Account Code: _____

Payment Start Date: _____ Payment End Date: _____

Payment Frequency: _____

Other Conditions: _____

Description of Goods or Service: _____

District Manager's Approval:

Chief Financial Officer Approval: _____ Date: _____

Chief Executive Officer Approval: _____ Date: _____

HGMD Approval:

HGMD Treasurer Approval: _____ Date: _____

HGMD President Approval: _____ Date: _____

**HEATHER GARDENS METROPOLITAN DISTRICT
CAPITAL EXPENDITURE REQUEST FORM**

Project: _____

Cost Center: _____ Date: _____

Budget	Budget Amount: _____	Contract Amount: _____	
Year: _____		Change Order Reserve: _____	
Tab: _____	Expended YTD: _____	Total Project Cost: _____	
Pg: _____	Unexp. Balance: _____	Add. Funds Request: _____	

DESCRIPTION:

JUSTIFICATION:

BID COMPARISON:

RECOMMENDATION:

PROJECT MANAGER: _____

PROJECT TIMELINE: Please list the components of the project and the start and finish dates:

- | | | | |
|----|-------|--------------|---------------|
| 1. | _____ | Start: _____ | Finish: _____ |
| 2. | _____ | Start: _____ | Finish: _____ |
| 3. | _____ | Start: _____ | Finish: _____ |
| 4. | _____ | Start: _____ | Finish: _____ |

PROJECT MANAGER: _____

PROJECT TIMELINE: Please list the components of the project and the start and finish dates:

- | | | |
|----------|--------------|---------------|
| 1. _____ | Start: _____ | Finish: _____ |
| 2. _____ | Start: _____ | Finish: _____ |
| 3. _____ | Start: _____ | Finish: _____ |
| 4. _____ | Start: _____ | Finish: _____ |

PROJECT MANAGER: _____

PROJECT TIMELINE: Please list the components of the project and the start and finish dates:

- | | | |
|----------|--------------|---------------|
| 1. _____ | Start: _____ | Finish: _____ |
| 2. _____ | Start: _____ | Finish: _____ |
| 3. _____ | Start: _____ | Finish: _____ |
| 4. _____ | Start: _____ | Finish: _____ |

PROJECT MANAGER: _____

PROJECT TIMELINE: Please list the components of the project and the start and finish dates:

- | | | |
|----------|--------------|---------------|
| 1. _____ | Start: _____ | Finish: _____ |
| 2. _____ | Start: _____ | Finish: _____ |
| 3. _____ | Start: _____ | Finish: _____ |
| 4. _____ | Start: _____ | Finish: _____ |

Manager or Dept Head	Committee Chair	Contracts	District's Manager's CFO	District's Manager's CEO	HGMD Treasurer	HGMD President
<input type="checkbox"/> Concur <input type="checkbox"/> Non-Concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-Concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-Concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-Concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-Concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-Concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-Concur

**HEATHER GARDENS METROPOLITAN DISTRICT
CAPITAL EXPENDITURE ADVISORY**

Project: _____

Cost Center: _____ Date: _____

Budget	Budget Amount: _____	Contract Amount: _____
Year: _____	Expended YTD: _____	Change Order Reserve: _____
Tab: _____	Unexp. Balance: _____	Total Project Cost: _____
Pg: _____		Add. Funds Request: _____

AUDIT/FINANCE REVIEW:

- This expenditure has been recommended by the _____ Committee.
- This expenditure was planned and budgeted in the Capital Projects Financing Plan. If not, explain why the project is being untaken at this time. _____

- Three bids were evaluated and the attached proposal is recommended as the most beneficial to the District. If not, explain why _____
- This project is at or below the budgeted amount.
- No additional money will be required to complete the project. If yes, explain why _____
- All required signatures have been obtained. If not, explain _____

NOTES/EXPLANATION:

Date

Audit/Finance Committee Chair



**HEATHER GARDENS METROPOLITAN DISTRICT
BOARD ACTION**

DATE: SEPTEMBER 21, 2023

MOTION NUMBER: 4-9-21-23

MOTION: ACCEPTANCE OF HGA MEDIATION REQUEST AND APPOINTMENT OF MEDIATOR

I move that the Heather Gardens Metropolitan District enter into mediation with HGA pursuant to the management agreement's dispute resolution protocol. The District selects _____ as its mediator.

Motion by: Daniel Taylor

Seconded by: _____

Rationale: Heather Gardens Association has requested that the joint negotiations between the Association and the District cease, and that pursuant to the management agreement the parties enter into mediation with each party choosing an eligible elector of both the HGA and HGMD elections to serve, and both parties together selecting a professional mediator.

Debate: _____

Secondary Motion to : _____

Secondary Motion by: _____ Second by: _____

VOTE:

	Yes	No
Craig Baldwin		
Rita Effler		
Eloise Laubach		
Robin O'Meara		
Daniel Taylor		
Total		

	Yes	No

The secondary motion does/does not have a majority and passes/fails.
The main motion does/does not have a majority and passes/fails.

Robin O'Meara, Secretary
HGMD Board of Directors

Daniel J. Taylor, President
HGMD Board of Directors