



Heather Gardens Metropolitan District

HEATHER GARDENS METROPOLITAN DISTRICT SPECIAL BOARD MEETING Thursday, May 24, 2018

The special meeting of the Board of Directors of the Heather Gardens Metropolitan District was held in the office of the District, 2888 S. Heather Gardens Way, Arapahoe County, Colorado, on Thursday, May 24, 2018.

The Secretary certified that all Directors have been duly notified and at least three notices of the meeting were posted in public places within the limits of the District, all in accordance with Section 32-1-903, C.R.S. as amended; that a copy of the agenda with specific agenda items where possible for the meeting was duly posted in designated place within the limits of the District, in accordance with Section 24-6-402(2)(c), C.R.S.; that a quorum was present; and that the meeting hence was duly constituted and could lawfully transact business as contemplated.

CALL TO ORDER: President Baldwin called the meeting to order at 1:00 p.m. on Thursday, May 24, 2018. A quorum was present.

MEMBERS PRESENT: Directors Craig Baldwin, Gary Hizer, Bill Archambault, Bonnie McMullen, and Sandra Rosenberg.

MEMBERS ABSENT: None

STAFF PRESENT: Controller Brian Herrera, and Recording Secretary Stephanie Wyche.

GUESTS PRESENT: Jennifer Ivey with Icenogle Seaver and Pogue. Approximately 45 guests, Mary Hafka and Lynn Donaldson with Heather 'n Yon.

CHANGES OR ADDITIONS TO THE AGENDA: Added to the agenda under New Business: Purchase Clubhouse Furniture, Motion from the Foundation Committee, Move into Executive Session pursuant to Section 24-6-402(4)(b). Colorado Revised statutes for the purpose of conferencing with attorney, and motion from the Property Policy Committee.

APPOINT DIRECTOR: Only one Application for Appointment was received. Motion made by Director Baldwin, seconded by Director Hizer to appoint Bill Archambault to the HGMD Board.

OATH OF OFFICE: Stephanie Wyche, Recording Secretary administered the Oath of Office to Mr. Archambault.

ELECTION OF OFFICERS:



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Motion made by Director Rosenberg, seconded by Hizer to nominate Craig Baldwin as the 2018 HGMD President and passed unanimously to elect Craig Baldwin as President.

Motion made by Director McMullen, seconded by Hizer to nominate Bill Archambault as the 2018 HGMD Treasurer and passed unanimously to elect Archambault as Treasurer.

Motion made by Director McMullen, seconded by Director Rosenberg to nominate Gary Hizer as the 2018 HGMD Secretary and passed unanimously to elect Hizer as Secretary

APPOINT COMMITTEE CHAIRS: President Baldwin assigned Directors to the following Committees:

- Clubhouse/Restaurant – Sandra Rosenberg
- Foundation Committee – Bonnie McMullen
- Golf Committee – Gary Hizer
- Property Policy Committee – Bill Archambault
- Budget and Finance Committee – Bill Archambault
- Golf Ad Hoc Committee – Sandra Rosenberg

APPROVAL OF MINUTES:

- Motion made by Director Rosenberg, seconded by Director Hizer and passed unanimously that the Heather Gardens Metropolitan District Board of Directors approve the minutes from the Regular meeting on April 19, 2018 as corrected.
- Motion made by Director McMullen, seconded by Director Hizer and passed unanimously that the Heather Gardens Metropolitan District Board of Directors approve the minutes from the Executive Session on April 19, 2018 as written.

GENERAL MANAGER’S REPORT: A written report of staff accomplishments is on file with in the Business Office for residents to read as well as on the website.

REPORTS:

President:

Treasurers Report (Bill Archambault): Highlights of District Operations for the year to date through April 2018.

Year to Date through April, 2018

	Budget	Actual
Clubhouse Profit (loss)	(\$205,924)	(\$155,577)
Golf Profit (loss)	(\$ 76,196)	(\$ 83,116)



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Restaurant Profit (loss)

(\$ 27,310)

(\$ 19,499)

Enterprise Fund

Through April, Enterprise Fund revenue is \$750,767 which is about \$57,700 more than expected. Expenses have been \$685,497 which is about \$116,900 less than expected. Restaurant income, trip and events income and class income have been more than expected. Clubhouse expenses have been less than expected. Golf expenses are more than expected due to the timing of aerification and window cleaning. These were budgeted for later in the year. Restaurant expenses are more than expected. As restaurant sales goes up, the cost of goods sold, labor, and other operating expenses rise. Capital Outlay, due to timing of authorized purchases, are substantially less than expected. As the year progresses the capital items will be acquired.

Restricted Funds

Conservation Trust Fund (Lottery). There was no activity in this fund during the month of April. At the end of April, the Lottery bank account had a balance of \$98,034.

Foundation Fund has received donations of \$1,530 through April and \$10,332 has been spent so far this year, including removal of dead trees from the Golf Course during the month. At the end of April, the Foundation Bank account had a balance of \$192,572.

The Debt Service Fund has received \$231,980 in property taxes and \$13,121 of Specific Ownership tax through April. At the end of April, the Debt Service bank account had a balance of \$537,933. An interest payment on the outstanding bonds in the amount of \$161,576 will be due on June 1st. A principal payment of \$20,000 and an interest payment of \$159,800 will be due on December 1st. There are sufficient funds currently available to meet the year's obligation

Clubhouse/Restaurant Committee (Rosenberg): Report Distributed.

Foundation Committee (McMullen): Report Distributed.

Golf Committee (Hizer): Report Distributed.

Golf Staffing Adhoc Committee (Rosenberg): Report Distributed.

Subcommittee on Reserves Committee (Rosenberg): Report Distributed.

Property Policy Committee (Archambault): Report Distributed

UNFINISHED BUSINESS:

1. **Management Agreement**: It was decided to have Jennifer Ivey review the last version of the Management Agreement that includes revisions made by Mark Payne the Association's attorney.



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NEW BUSINESS:

1. **Purchase Furniture for Clubhouse:** Director Rosenberg decided to review the order with Linda Aluise and bring back to the Board next month for approval.
2. **Approve Foundation Check for Sweatshirts:** Motion made by Director McMullen, seconded by Director Hizer and passed unanimously that the Heather Gardens Metropolitan District Board of Directors purchase 100 Foundation sweatshirts. Total cost with shipping not to exceed \$3,200.
3. **Motion for Property Policy Committee:** Motion made by Director Archambault, seconded by McMullen and passed unanimously that the Heather Gardens Metropolitan District Board of Directors submit to the electors of the District for their comments at the June, 2018 Board meeting the following proposed policy: " Heather Gardens Metropolitan District provides designated use for its properties. The Golf Course, RV Storage Lot, Maintenance Shop, and other parking lots, roadways and other District properties have specific uses based on the activities designed for those areas. These areas are not to be used as open parks and are restricted for the designated uses. Remote controlled devices, drones, skateboards, unleashed pets, etc. are prohibited."
4. **Carry Forward Funds:** Each year when the HGMD District Board approves the budget for the following year, the District Board also adopts a resolution which states that the appropriation approved by the budget is intended for expenses incurred beginning January 1st of the budget year and ending December 31st of the budget year.

The appropriation and authority to spend money authorized by the budget ceases at the close of business on December 31st of the budget year. Spending any funds after December 31st is an unauthorized use of the budget unless the Board of Directors approves, by separate motion, the carry forward to the current year of specific amounts from the prior year budget.

There is a situation from the 2017 budget which must be addressed.

In 2017 the District Board authorized and approved a capital project for \$10,200.00 for the Inventory Shop Remodeling. The contract awarded to complete the project was for \$9,999.00. During 2017, \$8,150.84 was paid to the vendor for the project and \$1,848.16 remained due on the project.



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Unless the HGMD Board of Directors approves the carry forward of the remaining amount due from 2017 to 2018, the remaining amount due when paid must be an expense of the 2018 HGMD budget.

Motion made by Director Archambault, seconded by Director Hizer and passed unanimously that the Heather Gardens Metropolitan District Board of Directors approve the carry forward of 2017 capital budgeted funds to 2018 in the amount of \$1,849.00 to allow for the completion of the Inventory Shop Remodeling Project. The calculation for the amount is as follow:

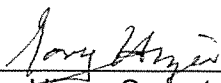
5. **Additional Twilight Golf Fee:** Motion made by Director Hizer, seconded by Director Rosenberg and passed unanimously that the Heather Gardens Metropolitan District Board of Directors approve the special twilight golf rates starting June 1, 2018 on a trial temporary basis. The rates of \$10.00 walking only, will be from 6:30 – 7:30 p.m. and will require participants to call for a tee time.
6. **Foundation:** Based on the recommendation of the Foundation Committee, I move that the Heather Gardens Metropolitan District Board of Directors authorize the investment of excess cash as follows \$100,000 in a two-year CD, \$50,000 in a 1-year CD.
7. **Motion to Adjourn to Executive Session:** Motion made by Director Baldwin, seconded by Director Hizer and passed unanimously that the Heather Gardens Metropolitan District Board of Directors move into Executive Session pursuant to section 24-6-402(4) (b) Colorado Revised Statutes for the purpose of conferencing with the attorney to receive legal advice on specific questions related to contracts.
8. **Motion to come out of Executive Session:** Motion made by Director Baldwin, seconded by Director Hizer and passed unanimously that the Heather Gardens Metropolitan District Board of Directors come out of Executive Session at 2:45 p.m.

OTHER BUSINESS:

RESIDENTS WISHING TO ADDRESS THE BOARD:

1. A resident asked if the parties booked in the Restaurant would be honored.
2. A resident made a statement regarding the Management Agreement between HGMD and the Association. (statement attached)
3. Many residents made comments regarding the Restaurant and the Restaurant Manager.

MEETING ADJOURNED: 2:45 p.m. The Special HGMD Meeting is Thursday, June 24, 2018 at 1:00 p.m.



Gary Hizer, Secretary