

FOR IMMEDIATE RELEASE

November 18, 2011

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Reduced Assessed Value Impacts Metro District's 2012 Proposed Budget

Values on property within the Highlands Ranch Metro District boundaries decreased from July 1, 2008 through June 30, 2010, resulting in a decrease in assessed value, the basis for calculating property tax revenues of 4.2 percent. This reduction has a significant impact on the Metro District's 2012 primary source of revenue, decreasing the Metro District's property tax revenue of \$995,000 from 2011. A typical single family home that was previously valued at \$350,000 would, after the 4.2 percent reduction, be valued at approximately \$335,000, decreasing the amount of property tax paid to the Metro District by such a home by \$23 annually.

Property taxes are the primary funding source to meet the Metro District's operations and debt service requirements. The proposed budget anticipates a mill levy of 19.713 mills, which is unchanged since 2010. The Metro District updated its long term forecasts through 2018 that, because the community is nearing build out, projects minimal growth in forecasted future tax revenues. The 2012 budget specifically identifies opportunities for permanent and one-year reductions to maintain our financial stability without impacting the perceived level of service. Examples of cost control measures include a reduction in the full time equivalents for personnel, a decrease in percent of health insurance paid by the Metro District, and a decrease in building lease expenses. Changes include reduced mowing of parkways, fence lines and trail shoulders; reduced employee training; reduced number of community events, and reduced park ranger patrol hours.

The Metro District's proposed 2012 General Fund budget totals approximately \$16.2 million. The General Fund accounts for the operations but not capital projects and debt service which are accounted for in

their own funds. Operations include fire protection, maintenance of parks, parkway landscape, facilities and open space, park planning, engineering, general management and accounting. The \$16.2 million budget represents a decrease of approximately 4.1 percent from the \$16.9 million 2011 adopted budget. This budget maintains the most critical current levels of service and continues to keep up with increasing maintenance requirements of a mature community. The majority of the decrease relates to staffing changes and shifting arterial street light costs to the utility special revenue fund to be paid by an increase in the street light fee which covers the cost to operate and maintain the arterial street lights in Highlands Ranch.

Fire protection represents the largest component, 41 percent, of the operations budget. The Metro District partners with the City of Littleton and the Littleton Fire Protection District to provide fire protection services. Under the contract, the City of Littleton provides staffing for Metro District-owned fire stations, which results in significant cost savings as the result of economies of scale.

The 2012 budget for the Recreation Special Revenue Fund anticipates an increase of 1.6 percent in expenditures from the 2011 adopted budget. This increase is offset by a 3.5 percent increase in anticipated program revenues. This budget maintains existing programs and services with a slight fee increase for youth flag football, youth lacrosse and the rental fee for Shea Stadium based on comparable market rates. The fund is supported by a transfer from the General Fund for the portion of its budget that supplies basic maintenance of fields and shelters for general public use as well as staff support for community events. Revenues from program fees offset all direct expenses related to the recreation programs as well as indirect charges such as allocated administrative costs.

The long range planning for the community identifies services and infrastructure needs. Four Metro District funds account for the infrastructure needs: Stormwater Management, Capital Projects, Conservation Trust and Major Repair.

The Stormwater Management Fund is funded by the Stormwater Management Fee and from historical funding contributions from community partners including Urban Drainage Flood Control District (UDFCD), Douglas County, and Centennial Water & Sanitation District. Projects are identified in a long range plan and staff works closely with UDFCD to schedule work based on priority and available funding.

The Capital Projects Fund is primarily funded by system development fees paid by the developer. The projects are identified in a comprehensive long-term Facility Plan that is updated and adopted annually by the board of directors.

The Conservation Trust Fund is funded by Colorado Lottery Proceeds required to be utilized for parks and open space projects. The 2012 budget projected revenues are \$430,000. The 2012 projects include a trail crossing, park identification signs, and improvements to elementary school sports field facilities. Portions of the ending fund balance are reserved for the future Wildcat Regional Park and Highlands Ranch Historic Park.

The Metro District's Major Repair Fund provides a long-term source of funding that is available to replace or repair maturing infrastructure such as fire stations, park facilities and Metro District buildings. The primary source of funding in 2012 is revenue from leasing cell sites on Metro District property. That is projected to be \$500,000, an increase of \$50,000 from 2011. The most significant projected expense is for the replacement of fences adjacent to arterial landscaping as it becomes warranted.

The Metro District also maintains a Special Revenue Utility Fund for the collection and pass through of costs related to the operation and maintenance of street lights to Xcel Energy and the water and wastewater revenues collected by the Metro District pursuant to a contract with and on behalf of Centennial Water & Sanitation District.

The Metro District has proposed a change to the street light fee. In prior years the fee was set to cover the cost of operations and maintenance for residential street lights only. Arterial street lights were funded from the General Fund and subsidized by property tax revenue. In 2012 the fee will cover the cost of all street lights. The increase to a single family residence will be \$9.90 annually.

Centennial Water has proposed changes to the 2012 water and wastewater rates. The proposed rate changes will increase the 2012 typical single family annual bill by 1.6 percent or \$11. A public hearing related to this increase will be held by Centennial Water at their board meeting on Monday, November 28 at 6:30 p.m.

The Metro District has prepared its 2012 budget for consideration and adoption. The proposed budget is available on the Metro District website at www.highlandsranch.org. A public hearing will be held on Tuesday, November 29 at 6:30 p.m. at the District Office Building, 62 W. Plaza Drive in Highlands Ranch before the elected board of directors, which then considers the budget for final adoption in December. For more information, please call the Metro District at 303-791-0430.

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