

HIGHLANDS RANCH METROPOLITAN DISTRICT  
BUDGET WORKSHOP MINUTES  
62 W. PLAZA DRIVE  
HIGHLANDS RANCH, CO 80129

November 8, 2014

The Board of Directors of the Highlands Ranch Metropolitan District met for a budget workshop on Saturday, November 8, 2014 held in the District Boardroom and opened the meeting at 8:30am.

**ATTENDANCE** (Chairman in bold face: \* = absent \*\*=excused absence)

**BOARD OF DIRECTORS**

**R. Owens**

A. Dreher

V. Starkey

C. Schierholz

N. Smith

R. Anderson

**STAFF**

Terry Nolan, General Manager

Jeff Case, Director of Public Works

Bruce Lebsack, Director of Finance and Administration

Carrie Ward, Director of Parks, Recreation and Open Space

Stephanie Stanley, Financial Reporting Analyst

**OTHERS**

None

**Presentations**

Terry Nolan began the meeting with an overview of the workshop agenda and objectives for the meeting. Terry reviewed the long term objectives set by the board and identified how they relate to the 2015 proposed budget.

Bruce Lebsack presented the tri-cycle forecast looking at the projected revenues and expenses for the three assessment cycles (2014/2015, 2016/2017, 2018/2019). Bruce emphasized the focus of the forecast on early debt retirement in 2018. He explained how staff balances funds available with meeting the priorities set forth by the board.

Bruce discussed the implications of TABOR on future property tax revenues. While the early discussions indicate a potential significant increase in home values the forecast remains conservative because the District revenues will be limited by the TABOR calculation.

Terry presented the Operations budget explaining the process that staff follows including the zero-based budget rotation. Terry discussed the components relating to the fire contract and the

changes from 2014 to 2015. Carrie Ward presented the budget requests for 2015. The Board expressed no concerns regarding the vehicle and equipment requests or the supplies and services requests.

The 2015 budget requests an increase of 2.5 FTE. Board asked about contracting versus additional staffing. Carrie explained that for the positions requested the District can provide a higher level of service with our staff than by use of contracted services. Jeff Case presented the request to contract with Centennial for GIS services. The Board supported the effort and questioned if the proposed estimate was enough. Jeff explained that the amount represents a minimum and will be revised as we begin working with GIS. Board supported the staffing requests as presented.

Terry presented the Major Repair Fund five year forecast. Discussion was had on various alternatives for adjusting project timing. Board requested that staff evaluate shifting landscaping for elevation signs from 2016 to 2015 and deferring the University Median from 2015 to 2016. Terry shared information on two studies that are in process, in-tract lines and parkway renovations. Staff will follow up with the Board when completed. Board members requested to see the asset list used by staff for the long range Major Repair Plan that was adopted by the Board in July 2014.

Bruce presented the Capital Projects three year forecast with an emphasis on remaining Facility Plan projects. Bruce reviewed the forecasted under collection of System Development Fees that was presented to the Board in July. Staff recommended changes in collection assumptions and changes to future projects were accepted by the Board. The table below highlights the staff recommendation.

	Risk Levels		
	To be collected or eliminated		
	Likely	Not likely	
<b>Revenues</b>			
Planning Area 85	\$ 372,587		\$ (348,395)
Erickson	110,277	108,636	
Big Brown		(160,255)	
Schomp	50,000		301,591
	<b>\$ 532,864</b>	<b>\$ (51,619)</b>	<b>\$ (46,804)</b>
	To be required for development		
	Not likely	Likely	
<b>Expenses</b>			
Traffic signals	\$ 486,000		\$ 87,500
Trails	182,800		
Emergency signal		125,000	
Plaza Drive landscape	100,000		
Lucent monument	81,426		
	<b>\$ 850,226</b>	<b>\$ 125,000</b>	<b>\$ 87,500</b>
	<b>\$ 1,383,090</b>	<b>\$ 73,381</b>	<b>\$ 40,696</b>

Bruce discussed the three year forecast for Conservation Trust Fund. Board asked if there was a time limit on reserving funds for future projects. The District has reserved funds for Wildcat Regional Park. With potential for other regional parks the label will be changed to "Future Regional Park". These funds could then be used for Wildcat, Historic Park, or other regional parks that serve Highlands Ranch.

Stephanie Stanley presented the following special revenue funds: Utility, Recreation & Park Services, Mansion, and Stormwater. The proposed rate and fee changes for water, wastewater, and streetlights were discussed. Board supported the proposed increase to streetlight fee. Board supported the Park Services request for increased seasonal hours and event specialist. Stephanie reviewed the Mansion revenues. In 2014 the number of private events were less than 2013, although enough to fund operations and maintenance. Staff feels this is not a reflection of the

rate increase but that 2013 was higher because it was a new facility. Stephanie is working with the Mansion Manager, Maggie Glass, to adjust the liquor pricing to match the market. An update on pricing will be provided at the Quarterly Financial Update. Stephanie presented the five year forecast for Stormwater Management Fund. Based on the five year forecast there is no proposed change to the fee.

Workshop concluded at 1:10 p.m.