



## **PROPOSED 2016 REVISED BUDGET**

**Public Hearing May 31, 2016**

**6:30pm**

**62 W. Plaza Drive, Highlands Ranch, CO 80129**

### Summary of Proposed Changes

Staff recommends two significant changes to the 2016 Budget which was adopted by the Board on December 9, 2015. (See Summary on page 2)

1. Recommend increasing the appropriation for the operations budget (General Fund) from \$19,359,001 to \$19,399,001 an increase of 0.2% or \$40,000. The increase results from a budget request to hire a contractor for the purpose of purchasing, inventorying and installing the holiday lighting display at designated locations in the community thus improving the appearance. (Details on pages 3-5)
2. Recommend a transfer from the Debt Service Fund to the Capital Projects Fund of up to \$8,250,000. The Debt Service Fund budgets have been funded from two sources: property tax revenues which have always been used in the then current budget year and transfers from the Capital Projects Fund to maintain an ending fund balance equal to the following year principal payment. The 2016 Budget similarly assumed transfers from the Capital Projects Fund to Debt Service Fund to maintain the targeted fund balance. As the District is in the process of refunding a portion of the outstanding debt the upcoming principal payments will change. Since the principal payments will change as a result of the refunding the target ending fund balance will decrease.

The refunding will allow the return at least a portion of the 2015 Debt Service ending fund balance of \$8,250,000 to the Capital Projects Fund. The Series 2016A refunding loan which refinance the Highlands Ranch Metropolitan District 2 and 3 Series 2005 bonds will allow for a transfer of \$6,735,000 (\$8,250,000 less the maximum remaining payment on the Series 2008 bonds). If we subsequently refund the Series 2008 Bonds the remaining \$1,510,000 can also be transferred. (Details on pages 6-7)

HIGHLANDS RANCH METROPOLITAN DISTRICT  
ALL FUNDS  
2014-2016

	GENERAL FUND		SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS		
	OPERATING	STORMWATER				Revised 2016	Projected 2015	Actual 2014
<b>REVENUES</b>								
Taxes	\$ 19,604,441	-	\$ -	\$ 7,470,340	\$ -	\$ 27,074,781	\$ 25,299,687	\$ 25,015,160
Special Revenues								
Rate income	-	-	31,000,000	-	-	31,000,000	29,000,000	27,451,048
Stormwater fee	-	735,000	-	-	-	735,000	732,000	725,968
Street light fee	-	-	1,386,000	-	-	1,386,000	1,342,000	1,163,641
Conservation Trust Fund	-	-	450,000	-	-	450,000	470,483	458,543
Program revenues	-	-	1,981,500	-	-	1,981,500	1,890,652	1,925,982
Development Fees								
System Development Fees	-	-	-	-	2,738,800	2,738,800	2,498,798	2,620,591
Tap Fees	-	-	2,676,980	-	-	2,676,980	2,767,410	3,068,780
Other income								
Inter and intragovernmental	665,970	-	-	-	-	665,970	631,520	626,666
Contribution offsetting capital outlay	-	-	-	-	384,000	384,000	605,025	87,762
Miscellaneous - one-time	158,350	-	33,000	-	-	191,350	472,380	283,263
Miscellaneous - on-going	-	-	165,760	-	460,000	625,760	625,000	576,744
Net Investment Income	118,600	7,100	83,200	60,600	104,800	374,300	258,300	344,591
	<u>20,547,360</u>	<u>742,100</u>	<u>37,776,440</u>	<u>7,530,940</u>	<u>3,687,600</u>	<u>70,284,441</u>	<u>66,593,255</u>	<u>64,348,739</u>
<b>EXPENDITURES</b>								
Operations	19,399,001	186,620	4,001,127	-	-	23,586,748	21,997,538	20,648,222
General Government	-	-	-	2,000	-	2,000	1,500	1,375
Water and Wastewater	-	-	31,000,000	-	-	31,000,000	29,000,000	27,451,048
Debt Service	-	-	-	3,643,273	-	3,643,273	11,873,320	11,875,060
Capital Outlay								
Capital Projects	-	-	285,900	-	5,312,981	5,598,881	4,731,656	2,822,525
Intergovernmental								
Reserved Capacity	-	-	3,832,778	-	-	3,832,778	2,177,670	2,645,632
	<u>19,399,001</u>	<u>186,620</u>	<u>39,119,805</u>	<u>3,645,273</u>	<u>5,312,981</u>	<u>67,663,680</u>	<u>69,781,684</u>	<u>65,443,862</u>
Revenue over (under) expenditures	1,148,359	555,480	(1,343,365)	3,885,667	(1,625,381)	2,620,761	(3,188,429)	(1,095,123)
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers								
Interest income	20,200	-	(20,200)	49,400	(98,400)	(49,000)	-	-
General Fund - Stormwater	7,100	(7,100)	-	-	-	-	-	-
General Fund - Special Revenue	(326,279)	-	326,279	-	-	-	-	-
General Fund - Debt Service	-	-	-	-	-	-	-	-
General Fund - Gen Gov Capital	-	-	-	-	-	-	-	-
General Fund - Major Repair	(1,725,560)	-	-	-	1,725,560	-	-	-
Stormwater - Capital Projects	-	(753,900)	-	-	753,900	-	-	-
Special Revenue - Capital Projects/Major Repair	-	-	165,118	-	(165,118)	-	-	-
Debt Service - Capital Projects	-	-	-	(8,250,000)	8,250,000	-	-	-
Lease Proceeds	-	-	-	-	-	-	-	-
	<u>(2,024,539)</u>	<u>(761,000)</u>	<u>471,197</u>	<u>(8,200,600)</u>	<u>10,465,942</u>	<u>(49,000)</u>	<u>-</u>	<u>-</u>
<b>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES</b>	(876,180)	(205,520)	(872,168)	(4,314,933)	8,840,561	2,571,760	(3,188,429)	(1,095,123)
<b>FUND BALANCE - BEGINNING</b>	14,923,331	705,400	11,402,475	8,252,200	8,076,668	43,360,075	46,548,504	47,643,627
<b>FUND BALANCE - ENDING</b>	<u>\$ 14,047,151</u>	<u>499,880</u>	<u>\$ 10,530,307</u>	<u>\$ 3,937,267</u>	<u>\$ 16,917,230</u>	<u>\$ 45,931,835</u>	<u>\$ 43,360,075</u>	<u>\$ 46,548,504</u>

HIGHLANDS RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
2014-2016

	Actual 2014	Budget 2015	Projected 2015	2016 Revised
<b>REVENUES</b>				
Taxes (See detail)	17,038,423	\$ 16,995,177	\$ 17,218,914	\$ 19,604,441
Inter/Intra-governmental	626,666	565,385	631,520	665,970
Miscellaneous	251,598	105,500	447,380	158,350
Net Investment Income	222,453	34,800	90,900	118,600
	<u>18,139,140</u>	<u>17,700,862</u>	<u>18,388,714</u>	<u>20,547,360</u>
<b>EXPENDITURES</b>				
Operations Budget	16,815,752	18,177,498	17,909,210	19,399,001
	<u>16,815,752</u>	<u>18,177,498</u>	<u>17,909,210</u>	<u>19,399,001</u>
Revenue over (under) expenditures	<u>1,323,388</u>	<u>(476,636)</u>	<u>479,504</u>	<u>1,148,359</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers				
Net investment income	5,945	9,904	36,500	27,300
General - Recreation	(139,885)	(331,603)	(345,867)	(339,079)
Mansion- General	12,200	10,600	13,600	12,800
Debt Service - General	-	-	-	-
Gen Gov Capital - General	-	-	-	-
Major Repair - General	(2,123,500)	-	(720,334)	(1,725,560)
Lease proceeds	-	-	-	-
	<u>(2,245,240)</u>	<u>(1,031,433)</u>	<u>(1,016,101)</u>	<u>(2,024,539)</u>
<b>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	(921,852)	(1,508,070)	(536,597)	(876,180)
FUND BALANCE - BEGINNING	16,381,780	13,863,805	15,459,928	14,923,331
FUND BALANCE - ENDING	<u>\$ 15,459,928</u>	<u>\$ 12,355,735</u>	<u>\$ 14,923,331</u>	<u>\$ 14,047,151</u>
	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2015 Projected</u>	<u>2016 Proposed</u>
Ratio of ending fund balance/ net expenditures (for 2015 add 3%)	83%	64%	78%	71.8%

**HIGHLANDS RANCH METRO DISTRICT**

BY OBJECT

	2014 ACTUAL	2015 BUDGET	2015 REVISED	2016 BUDGET	REVISED	2016 PROPOSED (revised)
<b>BOARD DIRECTED BUDGET</b>						
Personal Services						
111 Regular Wages	3,749,447	4,039,120	3,890,736	4,065,200		4,065,200
113 Temporary Wages	129,710	188,040	180,840	188,040		188,040
12* Overtime Wages	13,642	18,817	18,817	18,817		18,817
13* Payroll Expense	1,203,142	1,218,796	1,218,796	1,292,400		1,292,400
182 Training	12,981	33,880	34,650	39,658		39,658
184 Uniforms	18,849	19,775	30,735	30,970		30,970
191 Board of Director Fees	10,650	11,200	11,200	11,200		11,200
195 Admin Contract	432,206	425,840	425,840	441,275		441,275
Contracted Services						
351 Building Rental	156,167	159,660	159,660	161,260		161,260
352 Legal Services	37,129	54,000	54,000	54,000		54,000
354 Audit Services	20,000	20,750	20,500	20,500		20,500
362 Fire Protection Contract	7,001,446	7,585,782	7,585,782	8,462,339		8,462,339
368 Insurance	91,919	96,300	111,000	114,200		114,200
Miscellaneous Capital						
941 Office Equipment	-	-	-	-		-
942 Transportation Equipment	187,928	160,660	160,660	-		-
943 Field Equipment	63,119	125,000	125,000	-		-
944 Shop and Garage Equipmen	-	-	-	-		-
946 Engineering Equipment	-	-	-	-		-
947 Communication Equipment	-	-	-	-		-
948 Computer Equipment	-	-	-	-		-
949 Other Equipment	-	-	-	-		-
950 Major Repairs	-	-	-	-		-
Lease Payments	21,320	-	-	-		-
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Total Board Directed Cost	13,149,654	14,157,620	14,028,216	14,899,859	-	14,899,859
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<b>DEPT. DIRECTED NONVARIABLE</b>						
Materials and Supplies						
219 Office Supplies	7,168	23,860	9,000	8,500		8,500
220 Meeting Supplies	13,294	47,670	12,510	12,325		12,325
222 Empl Relations	13,055	17,875	17,875	21,525		21,525
224 Playground Supplies	24,273	22,000	22,000	47,000		47,000
226 Safety Supplies	15,444	11,800	11,800	19,300		19,300
227 Janitorial Supplies	15,963	16,650	16,650	16,650		16,650
229 Operating Supplies	186,969	206,309	195,000	255,200		255,200
230 Computer Equip/Supplies	-	-	-	-		-
243 Tree Replacement	34,890	40,000	40,000	80,000		80,000
244 Repair Parts	356,011	339,080	502,080	349,680		349,680
246 Tires, Tubes, Etc	12,251	10,000	10,000	16,000		16,000

**HIGHLANDS RANCH METRO DISTRICT**

BY OBJECT

	2014 ACTUAL	2015 BUDGET	2015 REVISED	2016 BUDGET	REVISED	2016 PROPOSED (revised)
<b>Purchased Services</b>						
301 Bank Charges	-	-	-	-		
311 Postage	12,236	14,225	14,225	14,625		14,625
313 Licenses	1,397	1,250	1,250	1,700		1,700
319 Communication Svc	75,112	68,385	68,385	72,085		72,085
325 Legal Notice/Advertise	(846)	5,050	5,050	5,150		5,150
326 Personnel Advertising	3,163	200	200	3,000		3,000
329 Print & Copy	31,240	54,360	54,360	55,485		55,485
331 Memberships	11,357	16,725	16,725	15,855		15,855
335 Publications	4,204	2,035	2,035	1,700		1,700
342 Computer Rental	27,120	26,414	26,414	26,414		26,414
343 Equipment Rental	22,778	32,885	32,885	37,385		37,385
344 Repair Services	332,724	283,350	308,150	378,650		378,650
346 Contract Temp	-	-	-	-		-
347 Janitorial Service	15,108	17,120	17,120	17,120		17,120
349 Landfill Services	34,497	20,100	32,900	20,100		20,100
369 Misc O/Services	319,220	422,715	350,000	496,760	40,000	536,760
371 Auto Reimb	2,458	2,725	2,725	3,175		3,175
372 Conferences	3,298	-	-	-		-
<b>Contracted Services</b>						
348 Contract Maintenance	692,283	765,430	765,430	824,943		824,943
355 Prof Services	22,982	27,500	35,060	77,000		77,000
<b>Total Dept Dir Nonvariable</b>	<b>2,289,649</b>	<b>2,495,713</b>	<b>2,569,829</b>	<b>2,877,327</b>	<b>40,000</b>	<b>2,917,327</b>
<b>DEPT DIRECTED VARIABLE</b>						
<b>Fuel and Chemical Services</b>						
260 Chemicals/Fertilizers	49,086	82,800	82,800	81,000		81,000
271 Gas/Fuel Products	116,518	125,000	125,000	125,000		125,000
<b>Utilities</b>						
391 Electricity and Power	135,313	118,000	118,000	136,750		136,750
392 Water/Sewer	1,069,646	1,189,300	976,300	1,230,000		1,230,000
394 Natural Gas	5,789	9,065	9,065	9,065		9,065
<b>Total Dept dir variable</b>	<b>1,376,353</b>	<b>1,524,165</b>	<b>1,311,165</b>	<b>1,581,815</b>	<b>-</b>	<b>1,581,815</b>
<b>TOTAL DEPARTMENTS</b>	<b>16,815,657</b>	<b>18,177,498</b>	<b>17,909,210</b>	<b>19,359,001</b>	<b>40,000</b>	<b>19,399,001</b>

HIGHLANDS RANCH METROPOLITAN DISTRICT  
DEBT SERVICE FUND - restated for refunding of Series MD2 2005, MD3 2005 and MD 2008  
2014-2016

	Actual 2014	Budget 2015	Projected 2015	Revised 2016
<b>REVENUES</b>				
Taxes (see detail)	\$ 7,976,737	\$ 8,081,893	\$ 8,080,773	\$ 7,470,340
Net Investment Income	32,870	22,500	44,600	60,600
Miscellaneous	-			
	<u>8,009,607</u>	<u>8,104,393</u>	<u>8,125,373</u>	<u>7,530,940</u>
<b>EXPENDITURES (see detail)</b>				
General Government				
302 Paying Agent Fees	1,375	2,000	1,500	2,000
303 Treasurers Fees		-	-	-
329 Printing		-	-	-
Debt Service				
510 Principal - Existing	9,330,000	9,770,000	9,770,000	2,310,000
Principal - Refi				
520 Interest- Existing	2,545,060	2,103,320	2,103,320	987,723
Interest- Refi				345,550
	<u>11,876,435</u>	<u>11,875,320</u>	<u>11,874,820</u>	<u>3,645,273</u>
Revenue over (under) expenditures	<u>(3,866,828)</u>	<u>(3,770,927)</u>	<u>(3,749,447)</u>	<u>3,885,667</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers				
Net investment income	-	11,100	34,900	49,400
Debt Service - General Fund	-	-	-	-
Debt Service - Special Revenue	17,324		-	
Debt Service - Gen. Govt.Capital	3,849,504	2,245,142	2,636,647	(8,250,000)
	<u>3,866,828</u>	<u>2,256,242</u>	<u>2,671,547</u>	<u>(8,200,600)</u>
<b>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	-	(1,514,685)	(1,077,900)	(4,314,933)
FUND BALANCE - BEGINNING	9,330,000	9,767,000	9,330,000	8,252,100
FUND BALANCE - ENDING	<u>\$ 9,330,000</u>	<u>\$ 8,252,315</u>	<u>\$ 8,252,100</u>	<u>\$ 3,937,167</u>
TARGETED FUND BALANCE			<u>\$ 8,250,000</u>	<u>\$ 3,950,000</u>

HIGHLANDS RANCH METROPOLITAN DISTRICT  
DEBT SERVICE FUND - restated for refunding of Series MD2 2005, MD3 2005  
2014-2016

	Actual 2014	Budget 2015	Projected 2015	Revised 2016
<b>REVENUES</b>				
Taxes (see detail)	\$ 7,976,737	\$ 8,081,893	\$ 8,080,773	\$ 7,470,340
Net Investment Income	32,870	22,500	44,600	58,900
Miscellaneous	-			
	<u>8,009,607</u>	<u>8,104,393</u>	<u>8,125,373</u>	<u>7,529,240</u>
<b>EXPENDITURES (see detail)</b>				
General Government				
302 Paying Agent Fees	1,375	2,000	1,500	2,000
303 Treasurers Fees		-	-	-
329 Printing		-	-	-
Debt Service				
510 Principal - Existing	9,330,000	9,770,000	9,770,000	4,160,000
Principal - Refi				
520 Interest- Existing	2,545,060	2,103,320	2,103,320	987,723
Interest- Refi				297,300
	<u>11,876,435</u>	<u>11,875,320</u>	<u>11,874,820</u>	<u>5,447,023</u>
Revenue over (under) expenditures	<u>(3,866,828)</u>	<u>(3,770,927)</u>	<u>(3,749,447)</u>	<u>2,082,217</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers				
Net investment income	-	11,100	34,900	49,400
Debt Service - General Fund	-	-	-	-
Debt Service - Special Revenue	17,324		-	
Debt Service - Gen. Govt.Capital	3,849,504	2,245,142	2,636,647	(6,790,000)
	<u>3,866,828</u>	<u>2,256,242</u>	<u>2,671,547</u>	<u>(6,740,600)</u>
<b>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	-	(1,514,685)	(1,077,900)	(4,658,383)
FUND BALANCE - BEGINNING	9,330,000	9,767,000	9,330,000	8,252,100
FUND BALANCE - ENDING	<u>\$ 9,330,000</u>	<u>\$ 8,252,315</u>	<u>\$ 8,252,100</u>	<u>\$ 3,593,717</u>
TARGETED FUND BALANCE			<b>\$ 8,250,000</b>	<b>\$ 4,000,000</b>