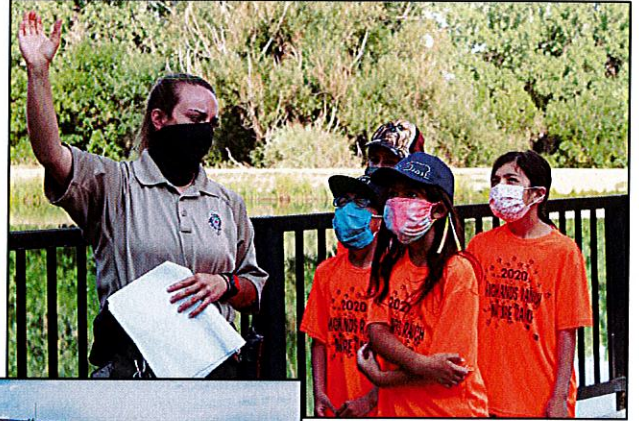




# HIGHLANDS RANCH Metro District



**2021 Adopted Budget**

**&**

**Mill Levy Certification**

December 10, 2020

Highlands Ranch, Colorado



HIGHLANDS RANCH  
**Metro District**

**2021 Proposed Budget,  
Mill Levy & Fees**

*December 10, 2020*



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I, Stephanie Stanley, certify that the attached is a true and accurate copy of the adopted 2021 budget of the Highlands Ranch Metropolitan District.



**Director, Finance and Administration  
Highlands Ranch Metropolitan District**





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Highlands Ranch, Colorado 80129

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December 10, 2020

Highlands Ranch Metropolitan District  
Board of Directors and Citizens;

The budget document presents the Metro District's expenditure plan for the ensuing year and identifies the resources and revenues available to fund it. The budget represents funding of the priorities and policies established by the Board of Directors.

The Highlands Ranch Metro District is committed to providing quality municipal services while managing resources wisely for the community of Highlands Ranch. The Board has identified specific objectives that help to guide the budget process:

- Present a balanced budget
- Maintain the current level of service
- Maintain a minimum General Fund balance of 40% of annual operating expenditures
- Maintain all assets owned by the District

### **MANAGING CHALLENGES AND OPPORTUNITIES**

The Highlands Ranch Metro District's primary source of revenue for operations is property tax. With the community at 98% of full build-out, the growth portion of the Taxpayer Bill of Rights ("TABOR") will be limited thus reducing future growth potential of increasing the property tax revenue stream.

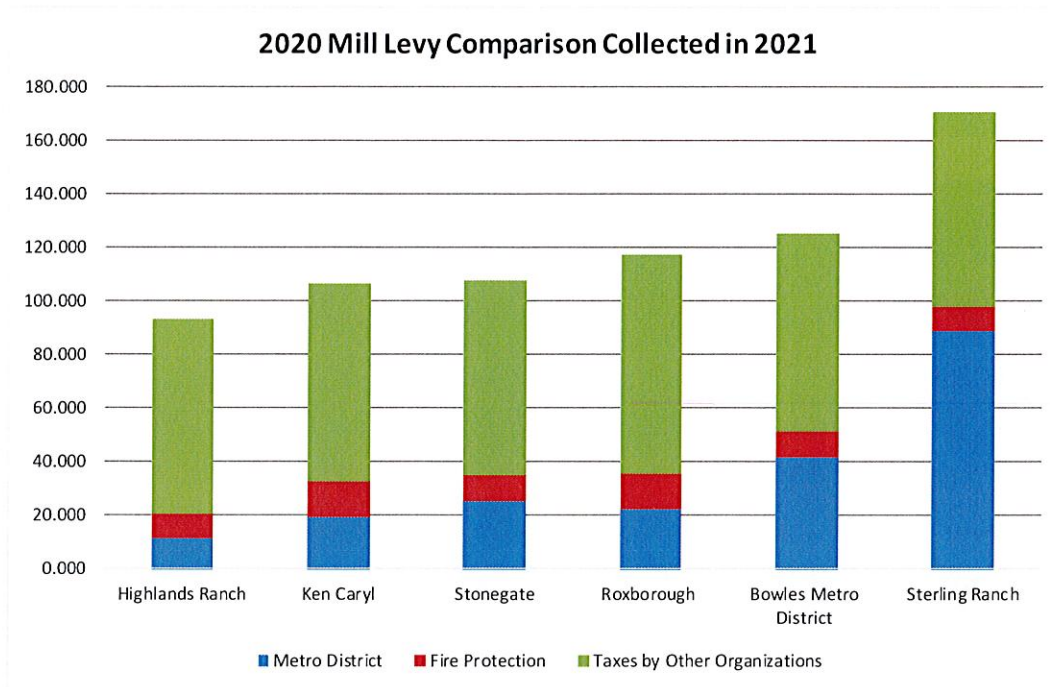
The mill levy for 2021 will remain the same as 2020 at 11.205. The 2021 Budget projects an increase in property tax revenue of \$86,360 from new construction and an increase in specific ownership tax of \$95,000 for a total of \$181,360 over the 2020 Adopted Budget.

The District's forecast focuses on controlled spending and planned spending down of excess fund balance including early retirement of the outstanding debt in 2021.

The 2021 budget was guided by direction from Board work sessions held during 2020 to review priorities and continue discussions on the long-range forecast. Enhancement of active aging adult programs including the construction of a Senior Center as well as upgrades needed for aging District facilities also were included as budget decisions were made.

## **STRONG FINANCIAL POSITION**

The Metro District prides itself on a very strong financial position with an AA+ rating from Standard and Poor's. Through long-term planning since its formation the District has been able to meet the needs of the community at a reasonable cost as evidenced by our lower property tax rate than many neighboring communities.



## **2021 BUDGET**

The 2021 Budget is a balanced allocation of resources to meet the continuing needs of the District to serve Highlands Ranch. The balanced budget meets all legal obligations mandated by federal, state and local laws. It is set forth as the financial plan and operations guide used to communicate to the citizens of Highlands Ranch.

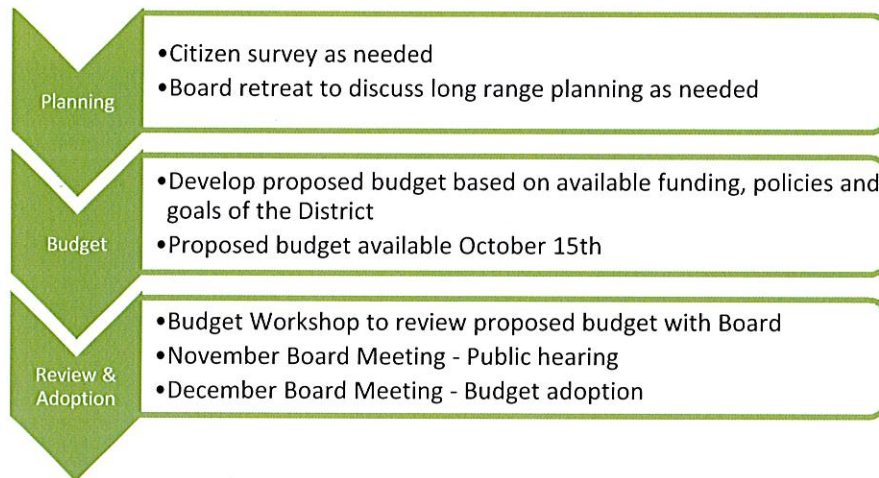
The 2021 Budget approved and adopted by the Board of Directors on December 10, 2020, anticipates total expenditures of \$91.3 million, which includes \$19.5 million for the early retirement of outstanding debt. The 2021 Budget represents an increase of \$16.3 million or 21.8% from the 2020 Budget.

The 2021 Budget anticipates \$69.7 million in revenues, an increase of \$1.07 million or 1.6% when compared to the 2020 Budget. These include:

- Budgeted tax revenues, including specific ownership taxes, are expected to increase by \$181,360. The total certified mill levy applied to the certified assessed value for 2021 collection remains the same as 2020 at 11.205.
- Water and Wastewater rate income is expected to increase by 8.2% or \$3.08 million due to rate increases from Centennial Water and Sanitation District to fund operations and necessary infrastructure improvements. These amounts are collected by the District and passed through to Centennial Water and Sanitation District.

- Development fees are projected based on known construction projects. The 2021 budget projects a decrease in development fees from 2020 of \$789,600 million or 31.3%. System Development Fees are the primary source of funding for basic infrastructure improvement projects. Tap Fees are collected and passed through in the form of the annual reserved capacity payment made to Centennial Water and Sanitation District to acquire reserved capacity in the Centennial facilities sufficient to serve the Metro District service area.

## **BUDGET PROCESS**



Since the District serves a stable community, the budget and forecast process is structured to match the re-assessment cycle.

Staff has developed a budget process with a cycle of zero based budgeting that can be managed effectively by staff. Below is the schedule for zero based budgeting:

- Special Revenue Funds will continue to be prepared as a zero-based budget annually
- The General Fund operation and maintenance functions will continue to be zero based every four years, however specific functions will be reviewed in each of the 4 year cycle on a rotating basis:
  - Parks, Recreation and Open Space Management & Administration, Planning, Facilities Management – 2021
  - Parks Maintenance, Parkway Maintenance – 2022
  - General Government, Public Works, Finance – 2023
  - Open Space, Forestry, Fleet - 2024
  - Vehicles & Equipment needs will continue to be evaluated annually
- Capital Projects, Major Repair, and Conservation Trust Funds use a 3-year budget projection to assist with planning.



## **PRIORITY BASED BUDGETING**

The 2021 Budget was developed to achieve the desired results for the community as defined by the Board. The result areas are:

- Well planned and maintained infrastructure
- Safe and prepared community
- Cultural and recreational opportunities for all ages
- Attractive and healthy place to live
- Governance

The current budget includes programs and services to meet these results in the short term while keeping a long term perspective. The District prepares a seven year forecast to ensure that we will be able to maintain level of service and meet desired results.

During 2020, Staff discussed the financial forecast with the Board to understand potential changes and discuss how those changes could affect the priorities of the District. At the Budget Workshop the Board confirmed the priority for use of any available funding including:

- Balancing the annual budget for the General Fund after the draw-down of fund balance is completed.
- Early Debt Retirement in 2021
- Major Repair and Water and Sewer Line Replacement funding
- Future Historic Park operations and maintenance
- Senior Center, Pickleball Courts, and enhanced active aging adult programs.

The Board reviewed timing of new capital projects and funding requirements for operations and capital improvements.

The planning effort forecasts expenses for personnel and utilities which are projected to increase three to five percent per year through 2027. Because the General Fund balance currently exceeds the 40% target, the District plans to spend down the existing balance to help bridge the gap between revenue and expenses. The current plan will allow the District to meet the Board's priorities.

### **Short-Term**

Current service levels are maintained as a priority of the budget. In addition to current services, the budget implements or continues programs that began in prior years including but not limited to:

#### **Conservation Trust Fund**

- Historic Park improvements
- Continued implementation of the ADA transition plan
- Highline Canal Signage
- Marcy Gulch Trail improvements
- Reserving funds for Historic Park



### Capital Projects/Major Repair Fund

- Continuation of Parkway Fence Replacement Program – The 2021 Budget includes the replacement of approximately 14,740 linear feet of fencing for an estimated cost of \$1.34 million. Prior to bidding of the 2021/2022 fence replacement, Staff will present on the current condition and replacement recommendation for the next four years.

### Long Term

Below is a brief discussion on the District's ongoing partnerships to provide services to Highlands Ranch.

- The Metro District has and will continue to partner with the Mile High Flood District (MHFD) formerly the Urban Drainage Flood Control District, on channel stabilization projects within Highlands Ranch. In 2016, staff worked with a consultant to update a long-range plan for stream stabilization projects. This update in project needs and estimated expenses drove a need for the first of three annual 5% increases of the Stormwater Fee in 2017, 2018, and 2019. The stormwater fee remains unchanged in 2021. Funds generated by this fee will be used to match funds with MHFD to complete these projects over the next 25 years.
- Transportation related issues including the ongoing maintenance of the roadways within the community, Santa Fe Corridor Improvements, and RTD service projects are important to the residents and businesses of Highlands Ranch. The Metro District built the major arterial roadways in Highlands Ranch and dedicated those roads to Douglas County for ongoing maintenance. Per a Memorandum of Understanding with the County, the Metro District provides significant input on the selection of enhancement and maintenance projects to be completed. In addition to working with Douglas County on local roads, staff and Board members participate on committees that review regional transportation issues such as C-470 initiatives and light rail service to Highlands Ranch.
- The Metro District cooperates with Douglas County to serve senior citizens and their families in northern Douglas County by employing a Senior Services Outreach Coordinator. This position is jointly funded by both organizations and provides guidance on the many agencies, programs and resources available to address the challenges facing our older citizens. After evaluation of existing services provided to seniors in Highlands Ranch and identification of needed programs the Metro District Board is moving forward with the design and construction of a Senior Center. Staff will revisit site selection and design is anticipated to begin in 2021.

The Metro District maintains a Capital Improvements Plan that includes:

- The Facility Plan which details the base infrastructure necessary at build-out of the community. The plan acts as a guide to stakeholders for the long term infrastructure plan including funding. Staff updates the plan annually and presents it to the Board for adoption. This plan is the basis for calculation of the System Development Fee charged to all new development. Since the community is near build-out the majority of the infrastructure has been completed. One of the few projects remaining is the completion of Historic Park which is anticipated to begin in 2026 after the remainder of the Historic Park is donated to the District by the developer. The District has completed all other neighborhood and community parks identified in the Facility Plan.
- The Long-Range Conservation Trust Fund Plan identifies parks, open space and recreation uses for the District's share of lottery money received from the state.

- The Stormwater Long Range Plan is a 30-year plan for improvements in the District. Funds for these improvements come from the Stormwater Fee and UHFD.
- The Major Repair Fund. On-going funding comes from two primary sources:
  1. Cell phone lease fees are deposited directly to the Major Repair Fund.
  2. The District has chosen to transfer monies from the General Fund:
    - \$2,000,000 annually from the General Fund to fund the increasing needs as the result of an aging infrastructure
    - \$189,343 for 2021 replacement of vehicles and major equipment

### **FINANCIAL POLICIES**

In addition to the numerous financial policies adopted internally by management, the Board of Directors has established financial policies for fund balances, transfers, investments, purchasing, and compensation.

#### **Budget Procedures**

The Metro District's budget procedures shall comply with Local Government Budget Law of Colorado as outlined in Colorado Revised Statutes (C.R.S.) Title 29 Article 1 Part 1 Budget Services Part 1, for the preparation, consideration, adoption execution and audit of the annual budget.

#### **Balanced Budget**

- The budget shall be balanced by fund.
- The budget will be considered balanced if:
  - Estimated revenues and resources for each fund will equal or exceed recommended appropriations.
  - Fund balances meet or exceed the targeted ending fund balances established by the Board.

#### **Fund Balances**

Targeted ending fund balances for the General Fund and the Debt Service Fund are adopted with the approval of the 2021 Budget.

- The General Fund will continue to maintain a fund balance (effectively working capital) equal to at least forty percent of the next year's estimated operating expenditures.
- The Debt Service Fund will maintain an ending fund balance equal to the following year's principal and interest payments.

#### **Investment Policy**

Colorado State Statutes specify investment instruments used by local governments must meet defined risk criteria. The Metro District has adopted an investment policy that is more restrictive than the State Statutes and is limited to:

1. U.S. Treasury Obligations: Treasury Bills, Treasury Notes, and Treasury Bonds with a final maturity not exceeding five years from the date of purchase and U.S. Treasury STRIPS with maturities not exceeding five years from the date of purchase.
2. Federal Instrumentality Securities: Debentures, discount notes, and callable securities with a final maturity not exceeding five years from the date of purchase issued by the following: Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and Student Loan Marketing Association (SLMA).

3. Repurchase Agreements, executed subject to an approved Master Purchase Agreement, with a termination date of 90 days or less collateralized by U.S. Treasury Securities listed above with maturities not exceeding ten years.
4. Corporate Debt: debt issued by any corporation or bank organized and operating within the United States with a maturity not exceeding three years from the date of trade settlement. The debt must be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs and rated not less than AA- by any Nationally Recognized Statistical Rating Organization (NRSRO) that rates it. The District shall limit investments in Corporate Debt to no more than 25 percent of the total portfolio and 5 percent per issuer.
5. Prime Commercial Paper with an original maturity of 180 days or less which is rated at least A-1 by Standard & Poors or P-1 by Moody's at the time of purchase by each service which rates the commercial paper.
6. Eligible Bankers Acceptances with original maturities not exceeding 180 days, issued on domestic banks whose senior long-term debt is similar to 4 above; that have a combined capital and surplus of at least \$250,000,000; and have deposits insured by the FDIC.
7. Local Government Investment Pools authorized under CRS 24-75-701 and 702.
8. Money Market Mutual funds which have a rating of AAA by Standard and Poors or AAAM by Moody's.

#### **Purchasing Guidelines**

Purchasing Guidelines are intended to ensure that purchases are made in accordance with good business practices while streamlining necessary administration. The Purchasing Guidelines were first implemented in the early 1980's and were most recently revised on September 1, 2020. The Purchasing Guidelines set the structure for delegated authority, levels for obtaining bids, and allowable purchases. In all circumstances, approvals cannot take place unless sufficient funds have been appropriated for the project by the Board of Directors. Any adjustment to the appropriations must also be presented to the Board of Directors for approval.

#### **Compensation Plan**

Personnel costs represent 55% of the operating budget for the Metro District. The 2021 Budget anticipates an average increase of 3.0% in wages for employee's which is consistent with current market conditions and the District's pay for performance matrix.

The Board has established guidelines for determining wage compensation. The Board's objective is to administer salary changes fairly and consistently for all types of increases. To meet this objective the Board has provided staff with the following guidelines:

- Produce a compensation plan, which is consistent with the budget expectations found in the annual budget.
- Attract and retain quality employees.
- Ensure market competitiveness by targeting the level of compensation to be at or slightly above market. This is accomplished by assigning ranges so that our midpoint falls within a range of 100% to 105% of the surveyed midpoint.
- Ensure consistency by establishing a list of organizations for benchmark position market comparison that will be used consistently over time for each category.
- Within budget constraints, treat employees fairly.
- Treat exempt and non-exempt employees comparably.

**Benefits**

The District benefit package offers benefits that are comparable with that offered by other local governments. There are no changes to benefit levels in the 2021 budget. The budget increase reflects the anticipated increase in premium costs.

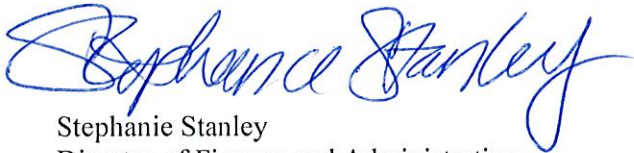
To provide cost effective benefits the Board has authorized the following:

1. Participation with Centennial Water and Sanitation District in a defined contribution retirement plan. The plan is in lieu of participation in social security for regular employees and the contribution is the same 6.2% as would be contributed to social security.
2. A 457 plan that allows for matching of employee contributions of up to 4% by the District depending on the employees contribution level.
3. Medical, dental and vision plans offered in conjunction with the Special District Association via the Colorado Educational Benefit Trust. These plans have historically provided premium increases less than the market. The medical plans that are offered are fully compliant with the Affordable Care Act.

Each year balancing available resources with the costs to provide quality services can be challenging. Highlands Ranch Metropolitan District is committed to providing quality municipal services while managing resources wisely. The 2021 Budget enables the Metro District to provide services which meet needs and enhance the quality of life for its citizens.

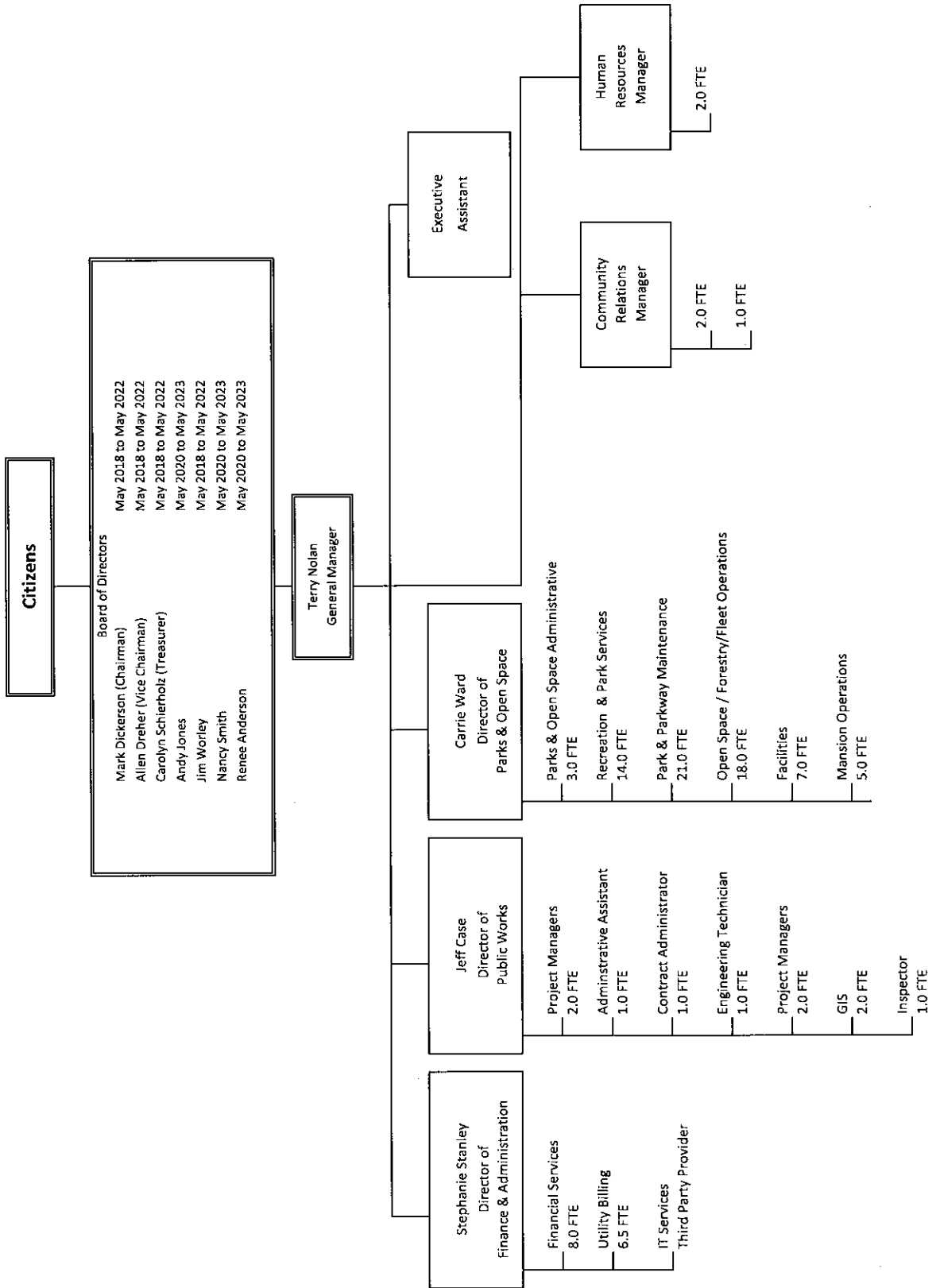
We encourage readers to read the Introduction and narrative for each fund for more detailed information on the Revenue Sources and the outflow of funds in addition to reviewing the financial summaries.

Sincerely,



Stephanie Stanley  
Director of Finance and Administration  
Highlands Ranch Metropolitan District







**Mission Statement:**

We are committed to providing quality municipal services while managing resources wisely for the community of Highlands Ranch.

**Vision:**

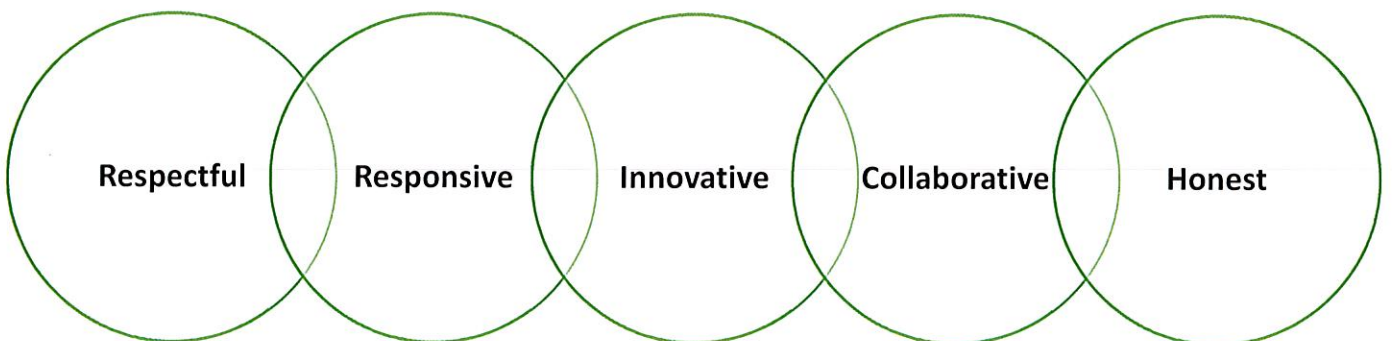
To lead cooperative efforts to assure quality, responsive service and support to our community in the creation and management of:

1. Parks and Recreation
2. Open Space
3. Public Works
4. Cultural Activities

We will ensure wise use of our resources by encouraging citizen involvement and public/private collaboration.

**Guiding Principles:**

We will be:



# ***HOW TO USE THE BUDGET DOCUMENT***

This section is intended to assist those readers not familiar with the Highlands Ranch Metropolitan District budget documents - or local government organizations - in gaining an understanding of how the budget is organized and what information is presented.

The first section of the Budget – the **INTRODUCTION**- is devoted to an overview of the Budget document. It includes:

- Budget Transmittal which overviews the philosophy related to the District
- An organization chart
- A recap of our mission, vision and guiding principals
- Budget Highlights narrative that provides an overview of the entire budget
- A tabular form of the key economic assumptions that are used to drive the significant expenditures in the budget.

The second section – the **SUMMARY**- includes a quick reference to basic information in a capsulated form. Included in this section is:

- Combined (All Funds) statement of Revenues, Expenditures and Changes in Fund Balance for 2019 as well as the projected 2020 and proposed 2021 fiscal years.
- Calculation and allocation of property tax revenue among the various funds.

The final section of the document deals with the **BUDGET BY FUND** which includes summaries for each of the Fund budgets adopted by the District and specific details related to each of the expenditures for the District's various funds. For those first reviewing a governmental document:

*Funds are a self-balancing group of accounts which are used to record the expenditures for various types of activities performed by the funds and to account for different monies coming into the District in different ways. The fund balance represents the difference between assets and liabilities reported in a governmental fund.*

The first part of each fund section is devoted to a narrative describing the purpose of the fund and listing the activities performed within the funds. The remainder of the fund sections contains the statements of Revenues, Expenditures and Changes in Fund Balance for the period 2019-2021.

The various fund types contained in the Budget and a description of each are as follows:

## **General Fund:**

The General Fund is the general operating fund of the District. This fund is used to account for all financial resources except those required to be accounted for in another fund. Typical activities associated with this fund include operation and maintenance of facilities and general management of the District. These activities, more fully described under the General Fund Narrative, include expenditures for such things as parkway landscape maintenance, open space maintenance, park maintenance, accounting, engineering, etc.

## **Special Revenue Funds:**

Special Revenue Funds are used to collect and disburse monies earmarked for specific purposes due to either legal or contractual arrangements.

### *Utility Special Revenue Fund:*

Water and wastewater operating revenues and the related expenditures for operations are accounted for in the special revenue fund. The District has chosen this type of fund because the revenue from service fees is essentially passed through to another entity - Centennial Water and Sanitation District - pursuant to terms of an intergovernmental agreement (IGA). The District does not, although it is authorized to, markup the rates approved by Centennial to recover other costs of the District or the cost of depreciation. Instead, the IGA with Centennial is a full-service contract that requires Centennial to provide all maintenance up to but not including replacement of the assets.

***Utility Special Revenue Fund Continued:***

Streetlight operating revenues and related expenditures for operations are also accounted for in the special revenue fund. Similar to the Water and Wastewater operating revenues, the service rates are established to recover the cost of the operations of the streetlights since the assets themselves are owned by Xcel Energy.

***Recreation Special Revenue Fund:***

This fund collects and segregates the revenues from fees paid for recreation programs offered by the District and the use of District owned facilities. To match expenses with revenues, this fund is used to account for:

- expenditures related to the direct cost of providing recreation programs.
- costs related to recreation services other than programs including, in addition to the base maintenance of facilities and fields, the enhanced maintenance necessary to provide the District's desired level of facilities and fields for our programs.

The base level of maintenance provided within this fund is subsidized by an operating transfer from the General Fund, which is not the primary funding source of the fund.

***Mansion Special Revenue Fund:***

This fund collects and segregates the revenues paid from private rental of the Highlands Ranch Mansion and the expenses related to providing for these rentals.

***Conservation Trust Special Revenue Fund (CTF):***

The CTF is a special revenue fund utilized only for the receipt of proceeds from the Colorado Lottery. Expenditures for CTF eligible projects are made from this fund. Projects with commingled funding from Lottery proceeds and other sources are paid from the non-CTF fund (i.e. Capital Projects Fund, Stormwater Fund, and Major Repair Fund).

**Stormwater Management Fund:**

For budgetary purposes this fund collects and disburses funds related to the management of stormwater within the District owned open space channels. A fee for stormwater management is charged to all properties in Highlands Ranch. The expenditures related to the stormwater management program include ongoing maintenance of our channels, water quality detention areas, educational programs and capital improvement projects designed to stabilize the open space. Additional funding comes from the District partnering with Urban Drainage Flood Control District and other interested parties whenever possible to complete these projects.

For financial statement purposes the revenues and operating expenditures are reflected in the General Fund. Capital expenditures are incurred in the Capital Projects Fund, funded by a transfer equal to the appropriated amount from the Stormwater Management Fund.

**Debt Service Fund:**

This fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and other costs related to the management and retirement of debt.

**Capital Projects Funds:**

This fund is comprised of three sub-funds – the General Government Capital Projects Fund, the Major Repair Fund, and the Water & Sewer Reserve Fund, all of which are discretely disclosed in the annual CAFR.

The General Government Capital Fund accounts for financial resources used for the acquisition or construction of major capital improvement projects. The capital improvement projects funded from these resources are those identified in either the District's Facilities Plan or the Capital Improvements Plan.

The Major Repair Fund accounts for financial resources used for major repairs, renovations or replacements of District facilities. Funding includes cell phone tower lease income as well as transfers from the General Fund.

The Water & Sewer Reserve Fund accounts for financial resources used for replacement of in-tract water and sewer lines. Initially, developers install and donate in-tract lines to the Metro District. As of December 31, 2019, the Metro District owns \$65.4 million of in-tract lines. In 2018, the Metro District amended the Water & Wastewater Agreement with Centennial Water and Sanitation District to manage the replacement program.

The appendix includes copies of all key resolutions and certifications required to demonstrate compliance with Colorado Statutes.



# ***BUDGET HIGHLIGHTS***

## **SERVICES**

Highlands Ranch Metropolitan District was organized for the purpose of providing municipal type services to the community of Highlands Ranch. The District's service plan (last amended in 2006) authorizes the District to provide the following services:

- Parks and parkway maintenance and construction
- Open space maintenance
- Street and storm drainage construction and miscellaneous maintenance
- Streetlight operations and maintenance
- Water and wastewater service
- Parks, recreation and cultural programs.

In accordance with Colorado State Budget Law, the District's Board of Directors holds a public hearing in the fall of each year to review the current year's budget, approve the following year's budget and appropriate the funds necessary to operate for the ensuing year. Although it is the intent of the Board of Directors to adopt a budget which will go unchanged, statutes do allow the Board to modify the budget and the appropriation resolutions upon completion of notification and publication requirements. This budget was prepared so that the subsequent accounting for the revenue and expenditures detailed in this document would comply with generally accepted accounting principles. The District uses the Modified Accrual Basis of Accounting.

## **FUND BUDGETS**

The District prepares budgets for the following funds:

- General Fund
- Special Revenue Funds
  - Utility
  - Recreation Programs
  - Highlands Ranch Mansion ("Mansion")
  - Conservation Trust Fund
- Stormwater Management Fund
- Debt Service Fund
- Capital Projects Fund includes the following sub funds:
  - General Government Capital
  - Major Repairs
  - Water & Sewer Reserve Fund

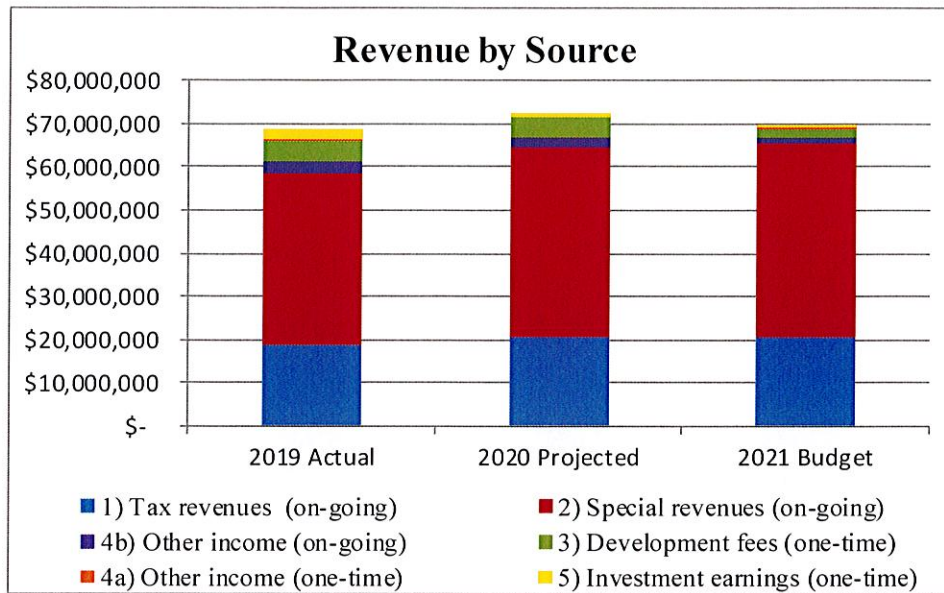
The rest of the Budget Highlights section provides a narrative description of the major revenue sources and expenditure items found in the Budget. Questions concerning the contents of this document can be answered by reading the section on How to Use the Budget Document.

## **REVENUE SOURCES**

The District has five primary categories of revenues as well as a collection of categories labeled as other:

1. Tax revenues - the major long-term source of revenue includes property tax and specific ownership tax
2. Special revenues - primarily rates and fees for services as well as Colorado Lottery Proceeds
3. Development fees
4. Other income (includes items such as licenses from cell phone towers and equipment, capital contributions from 3<sup>rd</sup> parties, and inter and intra governmental revenue from cost sharing agreements.)
5. Investment earnings on accumulated fund balances

	<u>2019 Actual</u>	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>% Change</u>
1) Tax revenues (on-going)	\$ 18,868,796	\$ 20,494,386	\$ 20,480,746	-0.07%
2) Special revenues (on-going)	39,844,013	44,271,600	44,916,380	1.46%
3) Development fees (one-time)	4,784,224	4,672,414	1,735,375	-62.86%
4a) Other income (one-time)	328,139	351,000	622,000	77.21%
4b) Other income (on-going)	2,565,508	1,952,705	1,690,000	-13.45%
5) Investment earnings (one-time)	2,265,831	719,837	282,200	-60.80%
	<b>\$ 68,656,511</b>	<b>\$ 72,461,942</b>	<b>\$ 69,726,701</b>	<b>-3.77%</b>



The following briefly describes the revenue sources. Detailed information on the revenue collection is found in the respective budget sections that receive the revenues.

**Taxes**

The District receives property related tax revenue from two sources:

- From the assessment of property taxes against real and personal property calculated by applying a mill levy against the current assessed value of the property; and
- From the District's share of specific ownership taxes collected on automobiles registered in Douglas County.

*Assessed Valuation.* The Assessed Valuation as of January 1 of each year to be collected in the following year has been certified as follows and has the impact on total property tax revenues as shown:

	2019 AV Collected 2020	2020 AV Collected 2021	Change	
			\$	%
Estimated	\$ 1,725,882,160	\$ 1,733,778,940	\$ 7,896,780	0.5%

*Specific Ownership Tax.* The District shares in the Specific Ownership Taxes (“SOT”) collected by Douglas County for all automobile licensing in the county. The allocation is based on a formula established by statute that proportions the collections first to specific entities such as the County and the school district with the remainder allocated to local entities based on their relative property tax burden. For budgetary purposes, it is assumed that the 2021 SOT collections as a percentage of total tax revenues will be 8% of total property tax revenues. The District saw its SOT distributions decrease in 2020 due to the reduced mill levy associated with change in fire and emergency service. The 2021 budget projects a slight decrease from 2020 projected collections.

Subject to limitations of the Taxpayers Bill of Rights (“TABOR”) a total mill levy is certified for both the General Fund and Debt Service Fund. Pursuant to the TABOR and the District’s long-range forecasting needs and consistent with Ballot Question 2 referenced below which allows the District to impose a mill levy of no more than 19.750. Voters approved inclusion into the South Metro Fire Rescue (SMFR) on May 8, 2018. In 2019, based on the intergovernmental agreement with SMFR, the Metro District reduced its maximum mill levy by 7.0 mills to 12.750. The total combined mill levies for the General Fund and Debt Service Fund have been allocated as follows:

	2020	2021	Numeric Change	% Change
General Fund mill levy	8.905	9.055	0.150	1.68%
GF allocated to capital projects			-	
Debt Service Fund mill levy	2.300	2.150	(0.150)	-6.52%
Total Mill Levy	11.205	11.205	0.000	0.00%

\* \$ value approximately \$3,600,000

Voter approval of Ballot Question 2 from the consolidation election held on May 2, 2006 overrode any imposed mill levy and revenue limitation for the District established in C.R.S. 29-1-301. Therefore, the voters determined that the District's General Fund mill levy **shall not be** constrained by what is commonly referred to as "Gallagher" or "5.5% adjustment." If the constraint had not been overridden, Gallagher would have restricted the annual increase in General Fund property tax revenue, after adjustment for new growth, to a 5.5% increase.

Property valuations are reassessed effective January 1 of each odd numbered year. Since 2019 was a reassessment year it provides the basis for valuation for the property taxes to be assessed for collection in 2020 and 2021. The Residential Assessment Rate established by the State to be used by County Assessors statewide was reduced in 2017 from 7.96% of market value to 7.2% and was reduced slightly in 2019 for 2020 collections to 7.15%. For the 2020 election year, there is an amendment on the Colorado State ballot, *Amendment B Repeal Gallagher Amendment*, which if passed will freeze the residential rate at 7.15% and keep the non-residential rate at 29%. Specific property taxes for any home are subject to the differing market value of the home which may change in value from year to year.

**Special Revenues**

**Utility revenues**

The District's utility rates are comprised of the following:

- A water and sewer base rate that is a pass-through of rates assessed by Centennial Water and Sanitation District ("Centennial") for providing water and wastewater service to the District's customers. Although the District is allowed to surcharge the base rate it has chosen not to.
- The Metro District may charge an infrastructure replacement fee in the future to fund replacement of in-tract water and sewer lines. The District is currently funding these replacements with a transfer from the General Fund.
- A streetlight fee assessed against:
  - Residential property in order to pay for streetlights located within residential subdivisions and adjacent to arterial roadways.
  - Nonresidential property to pay for streetlights located adjacent to arterial roadways.

The District passes through the rates charged by Centennial which are summarized on page SR 4 of this budget. The water rates charged by the District and Centennial are assessed based on actual usage subject to consumption levels determined by a "Water Budget" calculated for each individual customer.

The streetlight fee was initially calculated to "pass-through" the costs of providing streetlight service in residential areas and is anticipated to be similar to the unincorporated streetlight fee in other unincorporated areas that are based on the tariffs and allowed commodity adjustments charged by Xcel Energy Company. Since 2012, the streetlight fee has recovered the cost of streetlight service for residential areas as well as for streetlights adjacent to arterials. In 2015, the streetlight fee was increased to \$7.75 to recover costs associated with the replacement of light polls throughout Highlands Ranch. The 2021 proposed budget proposes a decrease of this fee to \$6.70.

The "typical" Highlands Ranch utility customer has a 7,500 square foot lot and has average historical annual water usage of 117,000 gallons which is the basis for the comparison shown below. Based upon the existing and proposed rate structures, the typical single-family customer would have the following annual costs:

	2020	2021	Increase (Decrease)
Water (typical residential customer)			
Centennial base rate	\$ 456	\$ 480	5.1%
Wastewater	317	331	4.6%
Water Service Availability Charge	190	201	5.7%
	964	1,012	5.1%
Streetlights	47	40	-13.5%
Stormwater	16	16	0.0%
Water & Sewer Replacement Fee	-	-	
	\$ 1,026	\$ 1,068	4.1%

Customer bills will vary from the table above if:

- The lot size is smaller than or larger than the typical lot, resulting in average bills less than or greater than respectively due to the water consumption portion.
- The usage is less than or greater than the historical average customer use.
- The customer exceeds their water budgets and is subject to additional fees based upon sharply increasing tiers for the

excess water use.

**Stormwater management fees**

These fees are the primary source for funding the storm water management program, and will generate approximately \$898,000 in 2021. The Metro District utilizes this fee, after funding expenses necessary to maintain conditions within the stormwater basins, to match funds from Urban Drainage Flood Control District for capital projects. The 2021 fee is unchanged from 2020:

	<u>2020 Annual Fee</u>	<u>2021 Annual Fee</u>	
Residential	\$ 15.84	\$ 15.84	per unit
Non-Residential	\$ 23.76	\$ 23.76	per 3,000 sq. ft. of impervious area

**Recreation program fees**

The primary source of funding for the Recreation Fund is program revenues related to recreation programs and reservations of park facilities. The fee schedule can be found in the appendix of the budget document.

**Mansion rental fees**

The primary source for funding the Mansion operations come from facility rental fees with additional revenues derived from ancillary charges related to the rental events for such items as liquor sales and catering kitchen use.

**Development Fees**

The District has established development fees that are imposed on new residential, commercial, and industrial development:

- A Tap Fee is collected from new customers at the time the customer requires the installation of a meter to obtain water service. The Tap Fee charged by the District is an amount equivalent to the Reserve Capacity Fee established by Centennial Water and Sanitation District plus Centennial assessed fees for 1) a one-time channel stabilization surcharge designed to protect the surface water supplies from runoff; and 2) a water acquisition fee.
- A Systems Development Fee is collected at the same time as, or prior to, the collection of the tap fees for the specific property. The Systems Development Fee, which is recalculated annually, is designed to recover the estimated costs for the construction of the base infrastructure for arterials, arterial landscaping, storm drainage facilities, parks and fire protection facilities. Effective January 1, 2019, Metro District is no longer responsible for fire protection services. The historical and future estimated costs for these improvements are found in the section of the comprehensive capital improvements planning document known as the District's Facilities Plan.
- In addition to the above, a fee is assessed to the builders for plan review of new connections to the water and wastewater system. Centennial assesses the entire fee and all costs are expensed when transmitted to Centennial.

**Other**

Other revenues to the District include:

- Contributions made by other governmental entities, the developer or other sources towards construction projects. These are one-time revenues and vary widely from year to year.
- Proceeds from an intergovernmental agreement with Centennial wherein the District recovers the cost of shared employees and expenses.
  - Certain employees in Public Works, Human Resources and Community Relations are shared District employees and revenues are received by the District pursuant to the agreement.
  - Finance and Administration department employees, except for the Director of Finance and Administration, are employees of Centennial and therefore 50% of the salaries and benefits paid by Centennial are an expense to the District.
- Agreements with providers of cellular service to lease space on District owned landscaping for antenna towers and/or electronic equipment.
- Other small reimbursements and miscellaneous charges.

**Investment earnings**

The District invests funds in excess of current requirements according to an investment policy approved by the Board of Directors. Because of the economic downturn in 2020, returns on investments are projected to be \$23,200 under budget. Anticipating continued volatile market conditions in 2021, we are assuming a 0.50% return on investments for the 2021 budget year.

	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>
Assumed interest rate on investments	1.50%	1.00%	0.50%



## BUDGET EXPENDITURES

The expenditures for the Budget are broken down into 4 distinct types as applicable to each fund:

1. Operations
2. Water and wastewater
3. Debt service
4. Capital outlay and reserved capacity payments

A brief summary of the highlights for each of these categories of expenditures is contained below. Detailed information on the expenditures is found in the respective specific sections.

### Operations

The operations expenditures relate to the funding of the major District activities – Parks, Recreation and Open Space, Public Works, Cultural which includes the Mansion operations and the support functions of various General Management Activities such as finance, IT and human resources.

### Water and wastewater

The District pays directly to Centennial Water and Sanitation District for the water and wastewater services acquired by the District on behalf of its customers. The revenues received from billings to its customers offset these expenditures.

### Debt Service

To the extent funding was not available from the collection of development fees, the District issued General Obligation debt in order to fund 1) capital improvements identified in the Facilities Plan section of the Capital Improvements Program, and 2) its obligation to acquire Reserved Capacity.

The debt, described in more detail in a later section of the Budget, can be summarized as follows:

	2020 Projected	2021 Budget
Principal payments	\$ 3,615,000	\$ 19,190,000
Interest payments	410,490	345,420
	<u>\$ 4,025,490</u>	<u>\$ 19,535,420</u>

### Capital Outlay and Reserved Capacity Payments

Appropriations for the Capital Improvements Program are made throughout the year based upon the actual projects required and the bids received for construction. Net available authorization for capital expenditures is calculated as follows:

- New appropriations made during the year;
- Plus any carry-forward unexpended appropriations from prior years;
- Less any unexpended prior year appropriations that are rescinded by the Board at the completion of a project.

For example, to the extent that the District does not expend authorized 2020 appropriations, which includes any net amount carried forward from 2019, the unexpended amount will be carried forward to 2021 and will be added to the actual 2021 appropriations to calculate the authority for 2021 expenditures. The anticipated expenditure pattern is summarized on the narrative for the Capital Projects Fund.

Pursuant to state regulations, a transfer from the Conservation Trust Fund to another fund is required to be shown as an expenditure in the Conservation Trust Fund and revenue in the receiving fund rather than the normal accounting as an operating transfer.

As explained more fully within the text of the Budget, the District is required to advance fund the acquisition of Reserved Capacity from Centennial Water and Sanitation District by purchasing capacity (i.e. taps) for new inclusions. Although funding of this advance payment may be done from bond proceeds, and was prior to 2000, as a result of the significant development within the Districts that has occurred since 1999, these payments have been, and continue to be, funded from collected Tap Fees. In addition to the annual base Reserved Capacity payment, the District is required to collect and remit all Centennial adopted surcharges. These currently include a channel stabilization surcharge and a water acquisition fee imposed by Centennial to be collected and remitted at the time of the sale of a tap. The surcharges from Centennial were \$1,730 per ¾" tap equivalent throughout 2020 and will remain the same in 2021.

## TARGETED FUND BALANCES and OPERATING TRANSFERS

### General Fund

The District has established a goal of maintaining an available ending fund balance equal to 40% of the following years net expenditures – operating expenditures minus the offsetting revenues described above. The year-end projection for 2020 is approximately 132% with a budgeted increase to 144% in 2021. The long term forecast prepared by staff plans to spend down excess fund balance until the outstanding District debt is either retired or significantly reduced. The drawdowns are projected based on numerous variables and may occur as the result of both increased spending from the General Fund as well as transfers to other funds for specific project funding.

### Debt Service Fund

The 2021 Budget maintains the Board's current policy of maintaining an ending fund balance for Debt Service equal to the following year's principal and interest payment.

### Transfers

Operating transfers represent transfers of available resources from one fund to another. The District has several operating transfers that are made each year. Automatic transfers include:

- Investment income earned in the various funds is retained by the respective fund except as denoted below:
  - Investment income collected in the Special Revenue Utility Fund is transferred to the General Fund except as noted below.
- The General Fund will transfer to the Recreation Services Special Revenue Fund sufficient funds to maintain a zero-ending fund balance at year-end.

In addition to the automatic transfers, the Board considers and authorizes as necessary the other transfers described below. The major transfers in 2021 include:

- To the extent that the District needs additional funding to make debt service payments (primarily principal payments) and to maintain targeted fund balance in the Debt Service Fund, a transfer from either the Capital Projects Fund or the Utility Special Revenue Fund may be made. **The 2021 Budget does not anticipate a transfer from the Capital Projects Fund to the Debt Service Fund.**
- The District annually reviews whether to include in its General Fund budget funding for an annual transfer to the Major Repair Fund. **In 2021 a transfer is anticipated in the amount of \$2,189,343.**
- The District includes in its General Fund Budget funding for an annual transfer to the Recreation Special Revenue Fund to offset general recreation services that are intentionally not offset by program revenues. **In 2021 this transfer is estimated at \$590,760, a decrease compared to the 2020 projected.**
- Per its agreement with Centennial, the District is required to maintain a fund balance in the Water & Sewer Reserve Fund of \$500,000. **In 2021 General Fund Budget assumes there will a transfer of \$700,000 to the Water & Sewer Reserve Fund for this purpose.**

In addition, although none of these are anticipated in 2020, the fiscal policies state:

- To the extent that the District does not have Tap Fee collections, bond proceeds or other miscellaneous revenues available to fund the required reserve capacity payment to Centennial, the District will make a transfer from other funding sources to the Special Revenue Fund.
- To the extent that the District does not have Systems Development Fee collections, bond proceeds or other miscellaneous revenues available to fund the general government capital improvements program, a transfer from other funding sources to the General Government Capital Projects Fund.
- To the extent that the target General Fund ratio exceeds a 40% fund balance to expenditures ratio, the District may transfer from the General Fund to another fund.

# KEY BUDGET ASSUMPTIONS

## GENERAL ASSUMPTIONS

Based on historic trends, current YTD and builder provided information, it is assumed that the number of completed residential dwelling units will be as follows:

	2020 Budget	2020 Projected	2021 Budget
Single Family	115	70	50
Multi Family	125	397	175

Based on historic, current YTD and information currently being processed by the Public Works division, it is assumed that the number of acres of completed nonresidential development within the District will be as follows:

	2020 Budget	2020 Projected	2021 Budget
Nonresidential acres	0.00	0.00	0.00
Nonresidential tap equivalents - indoor	0	10	0
Nonresidential tap equivalents - irrigation	0	9	0

Investment earnings on accumulated cash in the District's treasury (net of management fees) are assumed to be:

	2020 Budget	2020 Projected	2021 Budget
Assumed interest rate on investments	1.50%	1.00%	0.50%

## OPERATIONS BUDGET

### Growth assumptions:

Open space areas maintained increase by	0 acres
Park areas maintained increase by	0 acres
Parkway landscaped areas maintained, net increase of	0.5 acres

### Changes in Personnel:

The 2021 budget includes the following assumptions for the personnel category expenditures:

The 2021 compensation budget would normally be based on a formula consistent with the Compensation Plan updated and adopted annually by the Board. The formula includes an adjustment to the range structure, merit pay based on performance and an adjustment to market conditions based on information supplied to the Board. Employers Council data is used to estimate a structure adjustment of 2.2% for 2021 and the existing performance matrix based on the employee census would estimate an average Districtwide increase for performance of 2.0%. Due to current economic conditions, staff is proposing a 3% increase for 2021. A final decision on performance increase is then made by the Board prior to final budget adoption.

The benefits program, which is reflected in the cost of payroll expenses, includes the following:

- **Health (medical/dental/vision) insurance.** In 2021 the District health plan options will still provide employees a choice between a PPO, EPO and Kaiser plan. The budget still identifies no cost sharing for the employee coverage and 25% contribution to the family portion of the monthly premiums.
- **Highlands Ranch Special Districts Retirement Plan** –The defined contribution plan is funded from 6.2% matching contributions from both the District and the employee. Since this plan is intended to be a replacement for social security the plan limits the individual maximum contribution to the social security maximum taxable earnings level each year.

- **Highlands Ranch Metropolitan District 457 Plan** – The plan offers voluntary contribution by the employee. Employees who participate in the 457 plan are eligible for a matching contribution up to 4%. For purposes of the budget, it is assumed that all employees that currently participate in this program will continue to do so in 2021. The matching structure is 100% on the first 2% of employee contribution and 50% on employee contribution of greater than 2% up to 6%.
- **FICA (Medicare portion and full coverage)** – All employees hired after 1984 are required to participate in Medicare. The contribution is estimated to continue at 1.45% of salary for those employees who are members of the pension plan. For temporary employees not eligible for participation in the Retirement Plan the full FICA contribution of 7.65% will be made.
- **Life/Disability insurance** – Contributions are estimated to be .14% and .52% of eligible wages respectively.
- **Unemployment taxes** – The District is subject to the governmental uniform unemployment tax. It is anticipated the rate will remain unchanged at .20% of wages.

Based on the above, the 2021 payroll expenses for benefits are estimated to be 31.9% of regular wages compared to the 34.9% in 2020. While the percentage has fluctuated due to changes in the employee mix, the fluctuation has been very minimal from 2020 to 2021.

In addition, the District provides **Workers Compensation** insurance. Rates are based on historical claims experience. The impact of a claim remains a part of the base for three years after the claim was incurred.

HIGHLANDS RANCH METROPOLITAN DISTRICT  
ALL FUNDS  
2019-2021

	GENERAL FUND		SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS		
	OPERATING	STORMWATER				Adopted 2021	Projected 2020	Actual 2019
<b>REVENUES</b>								
Taxes	\$ 16,842,584	\$ -	\$ -	\$ 3,638,162	\$ -	\$ 20,480,746	\$ 20,494,386	\$ 18,868,796
Special Revenues								
Water & Wastewater Rate income	-	-	40,483,000	-	-	40,483,000	40,600,000	35,064,778
Stormwater fee	-	898,000	-	-	-	898,000	898,000	889,103
Street light fee	-	-	1,213,000	-	-	1,213,000	1,473,000	1,470,363
Conservation Trust Fund	-	-	470,000	-	-	470,000	515,000	580,820
Program revenues	-	-	1,852,380	-	-	1,852,380	785,600	1,838,950
Development Fees	-	-	-	-	412,000	412,000	936,164	1,672,544
System Development Fees	-	-	1,323,375	-	-	1,323,375	3,736,250	3,111,680
Tap Fees	-	-	-	-	-	-	-	-
Other income	688,000	-	-	-	-	688,000	1,000,705	1,178,268
Inter and intragovernmental	-	500,000	-	-	-	500,000	227,000	-
Contribution offsetting capital outlay	122,000	-	-	-	-	122,000	124,000	328,139
Miscellaneous - one-time	-	-	102,000	-	900,000	1,002,000	952,000	1,387,240
Miscellaneous - on-going	62,100	4,900	48,000	13,600	153,600	282,200	719,837	2,265,831
Net Investment Income	17,714,683	1,402,900	45,491,755	3,651,762	1,465,600	69,726,701	72,461,942	68,656,511
<b>EXPENDITURES</b>								
Operations	12,761,414	178,000	3,913,035	-	-	16,852,449	15,649,109	14,921,027
General Government	-	-	-	500	-	500	500	300
Water and Wastewater	-	-	40,483,000	-	-	40,483,000	40,600,000	35,064,778
Debt Service	-	-	-	19,535,420	-	19,535,420	4,025,490	4,014,210
Capital Outlay	-	-	-	-	12,701,726	13,336,726	9,329,210	2,593,768
Capital Projects	-	-	635,000	-	-	635,000	295,705	326,100
Intergovernmental	-	-	1,076,214	-	-	1,076,214	1,792,244	1,008,272
Reserved Capacity	-	-	-	-	-	-	-	-
Revenue over (under) expenditures	12,761,414	178,000	46,107,249	19,535,920	12,701,726	91,284,309	71,692,258	57,928,455
	4,953,269	1,224,900	(615,494)	(15,884,158)	(11,236,126)	(21,557,608)	769,685	10,728,056
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers								
Interest income	17,800	-	(17,800)	-	-	-	-	167
General Fund to Stormwater Fund	4,900	(4,900)	-	-	-	-	-	-
General Fund to Special Revenue Fund	(538,960)	-	538,960	-	-	-	-	-
General Fund to Debt Service Fund	(10,000,000)	-	-	10,000,000	-	-	-	-
General Fund to Major Repair Fund	(2,885,343)	-	-	-	2,189,343	(700,000,000)	-	-
General Fund to Water and Sewer Reserve	-	-	-	-	-	-	-	-
Stormwater Fund to Capital Projects Fund	-	(1,320,000)	-	-	1,320,000	-	-	-
Debt Service Fund to Capital Projects Fund	-	-	-	500,000	(500,000)	-	-	-
	(13,405,603)	(1,324,900)	521,160	10,500,000	3,009,343	(700,000,000)	-	167
<b>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES</b>								
	(8,452,334)	(100,000)	(94,334)	(5,384,158)	(7,526,783)	(21,557,609)	769,685	10,728,223
<b>FUND BALANCE - BEGINNING</b>	18,920,661	983,524	12,680,293	5,411,311	36,973,095	74,968,884	74,199,199	63,470,975
<b>FUND BALANCE - ENDING</b>	\$ 10,468,327	\$ 883,524	\$ 12,585,959	\$ 27,153	\$ 29,446,312	\$ 53,411,275	\$ 74,968,884	\$ 74,199,199

Detail for capital projects can be found in the individual sections. Stormwater can be found beginning on page SW1. Special Revenue (CTF) can be found beginning on page CTF1. Capital Projects (General Government, Water & Sewer Reserve, and Major Repair Projects) can be found beginning on page CPT1.



HIGHLANDS RANCH METROPOLITAN DISTRICT  
 COMBINING SPECIAL REVENUE  
 2019-2021

	TOTALS						
	UTILITY	RECREATION	MANSION	CTF	Budget 2021	Projected 2020	Actual 2019
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenues							
Water & Wastewater Rate income	40,483,000	-	-	-	40,483,000	40,600,000	35,064,778
Street Light	1,213,000	-	-	-	1,213,000	1,473,000	1,470,363
Conservation Trust Fund	-	-	-	470,000	470,000	515,000	580,820
Program revenues	-	1,473,300	379,080	-	1,852,380	785,600	1,838,950
Development Fees							
Tap Fees	1,323,375	-	-	-	1,323,375	3,736,250	3,111,680
Other income							
Contribution offsetting capital outlay	-	-	-	-	-	-	-
Miscellaneous - one time	-	-	-	-	-	-	-
Miscellaneous - on going	-	-	102,000	-	102,000	46,000	227,715
Net Investment Income	17,800	-	21,600	8,600	48,000	105,332	254,169
	<u>43,037,175</u>	<u>1,473,300</u>	<u>502,680</u>	<u>478,600</u>	<u>45,491,755</u>	<u>47,261,183</u>	<u>42,548,475</u>
<b>EXPENDITURES</b>							
Operations	1,223,500	2,064,060	625,475	-	3,913,035	3,256,000	3,561,590
General Government	-	-	-	-	-	-	-
Water and Wastewater	40,483,000	-	-	-	40,483,000	40,600,000	35,064,778
Capital Outlay							
Capital Projects	-	-	-	635,000	635,000	415,736	77,112
Intergovernmental	-	-	-	-	-	295,705	326,100
Reserved Capacity	1,076,214	-	-	-	1,076,214	1,792,244	1,008,272
	<u>42,782,714</u>	<u>2,064,060</u>	<u>625,475</u>	<u>635,000</u>	<u>46,107,249</u>	<u>46,359,685</u>	<u>40,037,852</u>
Revenue over (under) expenditures	<u>254,461</u>	<u>(590,760)</u>	<u>(122,795)</u>	<u>(156,400)</u>	<u>(615,494)</u>	<u>901,498</u>	<u>2,510,623</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers							
Interest income	(17,800)	-	-	-	(17,800)	(34,400)	(6,814)
From (to) General Fund	-	590,760	(51,800)	-	538,960	788,000	418,318
From (to) Debt Service Fund	-	-	-	-	-	-	(54,663)
	<u>(17,800)</u>	<u>590,760</u>	<u>(51,800)</u>	<u>-</u>	<u>521,160</u>	<u>753,600</u>	<u>356,841</u>
<b>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES</b>							
	236,661	-	(174,595)	(156,400)	(94,334)	1,655,098	2,867,464
<b>FUND BALANCE - BEGINNING</b>	6,878,589	-	4,322,278	1,479,426	12,680,293	11,025,196	8,157,732
<b>FUND BALANCE - ENDING</b>	<u>\$ 7,115,250</u>	<u>\$ -</u>	<u>\$ 4,147,683</u>	<u>\$ 1,323,026</u>	<u>\$ 12,585,959</u>	<u>\$ 12,680,294</u>	<u>\$ 11,025,196</u>

HIGHLANDS RANCH METROPOLITAN DISTRICT  
 COMBINING CAPITAL PROJECTS  
 2019-2021

	GENERAL GOVERNMENT	WATER & SEWER RESERVES	MAJOR REPAIR PROJECTS	TOTALS		
				Budget 2021	Projected 2020	Actual 2019
<b>REVENUES</b>						
Development Fees						
System Development Fees	\$ 412,000	\$ -	\$ -	\$ 412,000	\$ 936,164	\$ 1,672,544
Other income	-	-	-	-	295,705	326,100
Intergovernmental	-	-	-	-	177,000	-
Contribution offsetting capital outlay	-	-	-	-	906,000	1,159,525
Miscellaneous/Other	132,500	-	21,100	153,600	360,700	570,489
Net investment income	544,500	-	921,100	1,465,600	2,675,569	3,728,658
<b>EXPENDITURES</b>						
Current						
Capital Outlay	5,172,263	900,000	6,629,463	12,701,726	8,913,474	2,516,656
Capital Projects	5,172,263	900,000	6,629,463	12,701,726	8,913,474	2,516,656
Revenue over (under) expenditures	(4,627,763)	(900,000)	(5,708,363)	(11,236,126)	(6,237,905)	1,212,002
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers						
Interest income	-	-	-	-	-	-
General Government Capital Fund to Stormwater Fund	1,320,000	-	-	1,320,000	1,300,852	577,658
General Government Capital Fund to Debt Service Fund	(500,000)	-	-	(500,000)	-	(545,743)
Major Repair Fund to General Fund	-	-	2,189,343	2,189,343	1,735,820	8,344,638
Water and Sewer Reserve Fund to General Fund	-	700,000	-	-	700,000	500,000
	820,000	700,000	2,189,343	3,009,343	3,736,672	8,876,554
<b>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES</b>	(3,807,763)	(200,000)	(3,519,020)	(7,526,783)	(2,501,233)	10,088,556
<b>FUND BALANCE - BEGINNING</b>	28,471,204	1,409,000	7,092,891	36,973,095	39,474,328	29,385,772
<b>FUND BALANCE - ENDING</b>	\$ 24,663,441	\$ 1,209,000	\$ 3,573,871	\$ 29,446,312	\$ 36,973,095	\$ 39,474,328

HIGHLANDS RANCH METROPOLITAN DISTRICT  
CALCULATION OF TAX REVENUE  
2019-2021

	2019	2020	2021
<b>ASSESSED VALUATION</b>			
Total Assessed Valuation	\$ 1,559,885,700	\$ 1,725,882,160	\$ 1,733,778,940
<b>GENERAL FUND</b>			
Mill levy			
Metro	8.600    \$ 13,415,017	8.905    \$ 15,368,981	9.055    \$ 15,699,368
Abatements and Refunds	(82,062)	(138,321)	(141,294)
Less Treasurer Fees	(200,109)	(230,535)	(235,491)
	<u>8.600</u> 13,132,845	<u>8.905</u> 15,000,126	<u>9.055</u> 15,322,583
Plus:			
Specific Ownership Tax	1,752,667	1,620,000	1,520,000
	<u>\$ 14,885,512</u>	<u>\$ 16,620,126</u>	<u>\$ 16,842,584</u>
<b>DEBT SERVICE FUND</b>			
Mill Levy			
General Government	2.605    \$ 4,063,502	2.300    \$ 3,969,529	2.150    \$ 3,727,625
Water and Sanitation	0.000	0.000	0.000
Abatements and Refunds	(19,517)	(35,726)	(33,549)
less Treasurer Fees	(60,701)	(59,543)	(55,914)
	<u>2.605</u> 3,983,285	<u>2.300</u> \$ 3,874,260	<u>2.150</u> \$ 3,638,162
<b>TOTAL TAX REVENUES</b>	<b>\$ 18,868,796</b>	<b>\$ 20,494,386</b>	<b>\$ 20,480,746</b>

# ***GENERAL FUND***

The General Fund is used to account for the revenues and expenditures necessary for the Highlands Ranch Metropolitan District to provide park and parkway operation and maintenance, public works and general government services to the Highlands Ranch community including the necessary personnel, materials and supplies, contracted services, utilities, repairs and maintenance, etc.

## **PRIMARY REVENUE SOURCES**

- Property taxes based on a mill levy established and certified for the General Fund
- 100% of the Specific Ownership Tax which is calculated as a percentage of total property taxes (General Fund and Debt Service Fund)
- Other revenues which include:
  - Payments from Centennial Water and Sanitation District (“Centennial”). Centennial and the District share in the cost of wages and other overhead costs based on an overhead sharing agreement between Centennial and the Metro District for the following: general management including human resources and community relations, public works and the director position for finance and administration.
  - Capitalization of staff labor reimbursed from other funds.
- Earnings on the General Fund investments.

## **EXPENDITURES BUDGET PROCESS**

Historically the operations budget is prepared using a “formulized methodology”. This methodology was intended to be used three out of every four years with every fourth year a “zero-based” budget prepared to “reset” the results of the budget prepared under the formulized methodology used in the prior three years.

The General Fund operation and maintenance functions will continue to be zero based every four years, on the following 4-year rotating cycle:

- Parks and Open Space Management & Administration, Planning, Facilities Management – 2021
- Parks Maintenance, Parkway Maintenance – 2022
- General Government, Public Works, Finance – 2023
- Open Space, Forestry, Fleet – 2024
- Vehicles & equipment needs will continue to be evaluated annually

In 2017, the District implemented Priority Based Budgeting (PBB). PBB is a process that will help the District develop a strategic budget that both reflects the community’s values and ensures that residents will continue to receive a high level of District services. The result areas identified as priorities by the board are:

- Well planned and maintained facilities and infrastructure
- Safe and prepared community
- Cultural and recreational opportunities for all ages
- Attractive and healthy place to live
- Strong Governance

The appendix provides further definition of the above result areas.

The Board continues to hold workshops to review long and short-term goals, assess current and future needs of the District, and to review TABOR calculations.

The following process is then followed:

1. Staff prepares a proposed budget in keeping with the priorities expressed by the Board.
2. Once the proposed budget is available to the public, workshops are held for the Board where staff presents the budget in detail. The process allows the Board to focus on those areas that they feel additional discussion is warranted.
3. Based on input from these workshops, staff incorporates any desired changes and provides updated summaries for the public hearing held at the regular Board meeting for November.

## EXPENDITURES BY COST CENTER

The General Fund Budget accounts for expenditures in various cost centers classified by the type of service or activity provided.

The cost center activities associated with the Budget include:

### Parks and Open Space

#### Planning & Administration:

- overall management of parks and open space
- management of park construction activity
- implementation of the long-term park master plan
- local and regional partnerships to provide outdoor recreation opportunities

#### Park Maintenance:

- management of the park operations activity management
- maintenance and irrigation of county right-of-way and District tracts or landscape easements adjacent to arterial roadways
- maintenance of parks including playgrounds, restrooms, field preparation and trails.  
Note: The District imposes fees for use/rental of some facilities located within the parks such as the pavilions and the fields. In addition, facility maintenance functions are included and provide for maintenance and other costs of operating both owned and leased facilities used for storage and maintenance of equipment; and staining of fences on District property adjacent to the arterial landscape.

#### Open Space Maintenance:

- mowing and other maintenance of the open space owned by the District (including storm drainage facilities within the open space area)
- maintenance of trails located in open-space.

#### Fleet Maintenance:

- maintenance of all on-road vehicles
- maintenance of equipment used in all operations.

### Public Works

#### Administration:

- central direction, coordination, contract administration and supervision of the various engineering activities and contract administration for the Metro District's operations.

#### Engineering:

- administration and facilitation of the design and construction of the facilities by the District and Centennial as identified in the respective facilities plans of the organizations.
- plan review and inspection of the in-tract water and sewer facilities that are required to be installed by the developer. The Districts impose plan review fees on all new development to help defray the cost of a portion of these services.

#### GIS:

- support the activities of the District and its citizens by providing and maintaining accurate, current and complete geospatial data. This support will be provided through leveraging the knowledge contained in this information by using a set of procedures and techniques collectively referred to as a Geographic Information System. Using the Geographic Information System (GIS), the staff will enable the Board of Directors and managers to make decisions impacting the future of the District in an informed and logical manner.



## **General Government**

### Office of the Manager:

- management implementation of policies set by the Board of Directors
- management of the overall operation of the District
- advice to the Board of Directors on administrative matters and policy issues.

### Community Relations:

- the undertaking of special events that the Board has determined are of a benefit to the community
- distribution of information about each district, and other public information materials
- assistance to Centennial concerning the provision of water and wastewater services.

### Human Resources and Safety & Training:

- centralized recruitment, selection and services to all departments
- maintenance of personnel files
- classifications and compensation system for both District and Centennial employees
- coordination of employee benefit programs
- safety and training for safety education; safety procedures compliance; provision of safety equipment
- coordination of training, in-house training, and organizational development.

## **Finance and Administration**

### Financial Services:

- Business Operations maintains a centralized accounting system for both the District and Centennial, including accounts receivable, accounts payable and payroll; preparation of financial reports and budgets; coordination of purchasing activities; and the coordination of the independent audits of each of the Districts.
- Revenue and Asset Management directs the third-party investment portfolio manager and obtaining and reviewing the risk management programs of each of the Districts.
- Financial Planning manages the outstanding debt, prepares the annual budget and supplemental appropriations, researches and analyzes various programs, and prepares the long-range financial forecasts.

### Information Systems:

- Manages and develops information and communications systems.

### Office Services:

- reception and clerical activities supporting all departments; and centralized purchasing of office supplies.

### Insurance:

- Accounts for the cost of insurance premiums for District property and general liability policies.

## EXPENDITURES BY OBJECT

The General Fund Budget accounts for the general government expenditures in five (5) main cost centers: public safety, park and open space operations, public works, general government and miscellaneous capital. The expenditures can also be allocated based on a classification by major object of expenditure. The following table summarizes the budget by the main object of expenditure categories.

By Object	2020	2021	INCREASE/ (DECREASE)	
	Budget	Budget	%	\$
Personnel Services	\$ 6,983,602	\$ 6,981,117	0.0%	\$ (2,485)
Materials and supplies	808,765	876,515	8.4%	67,750
Purchased services	1,508,494	1,473,754	-2.3%	(34,740)
Contracted Services	1,465,643	1,503,143	2.6%	37,500
Fuel and chemical products	175,800	182,800	4.0%	7,000
Utilities	1,615,815	1,699,615	5.2%	83,800
Miscellaneous capital/leases	31,000	44,470	43.5%	13,470
<b>TOTAL</b>	<b>\$ 12,589,119</b>	<b>\$ 12,761,414</b>	<b>1.4%</b>	<b>\$ 172,295</b>

Following is a description for the major object classifications:

### Personnel

Personnel includes expenditures directly related to employees such as wages, benefits, temporary wages, training, uniforms, and overtime.

### Contracted Services

Contracted services include expenditures for board approved contracts for general government operations including building rental, legal services, audit, and insurance.

### Materials and Supplies

Accounts for all expenditures relating to supplies purchased by the District including playground supplies, tree replacement, repair parts, safety equipment, and operating supplies.

### Purchased Services

Purchased services includes a wide variety of services acquired by the District in the normal course of business including printing and copying, memberships, equipment rental, repair services, licenses, postage, and conferences.

### Contracted Maintenance

Contracted Maintenance refers to maintenance contracts and professional services agreements entered into by the District to perform such services as parkway mowing, open space mowing, and engineering studies. Parkway mowing and open space mowing are bid every other year to ensure competitive pricing.

### Fuel and Chemical Products

Fuel and Chemical Products include the purchase of fuel for the District's fleet and chemicals and fertilizers used in the maintenance of District parks, parkways, and open space.

### Utilities

Utilities include payments for electricity, water and sewer, and natural gas. The biggest component is water for parks and parkways.

### Miscellaneous Capital

Miscellaneous capital includes the purchase and lease payments associated with the acquisition of a variety of new equipment types including vehicles, field equipment and office equipment. Once a part of the fleet/inventory, the equipment replacement is scheduled through Major Repair.

## EXPENDITURE AUTHORIZATION

The expenditure portion of the General Fund Budget is broken down both by functional activity (cost center) and by type or major object of expenditure:

- There are five functional cost centers or departments: Parks and Open Space Operations; Public Works; General Government; Finance & Administration; and Miscellaneous Capital. Each of these cost centers has several specific activities associated with them.
- There are eight broad expenditure types or object of expenditure categories: Personnel, Contract Services, Materials and Supplies, Fuel and Chemical Products, Purchased Services, Contract Maintenance, Utilities, and Miscellaneous Capital.

### Specific Authority granted with the adoption of the Budget

#### Budget Authority by Cost Center

Budgetary authority can be transferred as follows:

- Transfers between cost centers or departments require the approval of the General Manager.
- Transfers between activities within a cost center require the approval of the Department Head.

\*These transfers are limited by the budget authority related to object of expenditures detailed below.

#### Budget Authority by Object of Expenditure

Transfers of unexpended budget by Object of Expenditures are limited as follows:

- Budgetary approval for expenditures for Personnel and Miscellaneous Capital are specifically granted within the budget document. Unexpended funds allocated to these two categories cannot be transferred to other object categories without Board approval.
- Each functional cost center has the latitude to control the aggregate funding from the remaining object categories with the following exceptions:
  - i. The General Manager can authorize transferring of funds from one of the remaining categories unless restricted to item ii, Personnel, or Miscellaneous Capital, but only to the extent that additional funding is required for specifically identified positions or capital items within the adopted budget.
  - ii. Unexpended budget for Water, which is included under Utilities, can only be transferred with the approval of the General Manager for the purchase of other materials and services which directly improve the efficiency of water use.

## LEASE/PURCHASE FINANCING

The District, when economically viable based on rate and matching of expenses with revenue streams, utilizes municipal lease/purchase agreements to fund portions of the Miscellaneous Capital Budget. Municipal lease/purchase agreements do not constitute a general obligation of the District as these agreements must include a non-appropriation clause if annual appropriations are not approved.

Various pieces of equipment and vehicles have been financed through lease/purchase agreements and when purchased using this method, the budget appropriates funds for the payment of existing lease/purchase agreements. The budget does not anticipate a new lease/purchase agreement to be entered into during 2021 for the financing of additional miscellaneous capital.

Vendor	Equipment	2021 Appropriations
Toshiba	Toshiba Copier	42,000
Pitney Bowes	Postage Machine	-
All Copy	Toshiba Copier	-
Total		\$ 42,000

In the normal course of administrative operations, the District enters into multi-year lease agreements for printers, copiers and other office equipment. Below is a schedule of annual lease payments included in the 2020 and 2021 budget. Some agreements have additional charges for overages on copies and therefore the amounts shown below may be variable. An estimated amount is included in the budget for these overages but not shown in the schedule below.

The District will not opt to avoid appropriation on existing agreements as long as the equipment and service is consistent with what was and still is required.

If a lease shows no 2021 payments, it is due to either a recommended termination as of December 31, 2020 or expiration of the lease agreement.

Many times, a lease is scheduled to terminate during the course of the business year. Under that circumstance a new lease will be bid consistent with District purchasing policy if the equipment still meets the requirements and needs of the District.

Although District staff has attempted to summarize all of the multi-year leases it is possible that there are others that do exist. In that case the lease will terminate at the original termination date and be subject to a new lease agreement as described above.

HIGHLANDS RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<b>REVENUES</b>				
Taxes <i>(see detail)</i>	\$ 14,885,512	\$ 16,425,126	\$ 16,620,126	\$ 16,842,584
Inter/Intra-governmental	767,168	750,000	705,000	688,000
Miscellaneous	328,139	134,000	124,000	122,000
Net Investment Income	1,259,876	200,900	177,000	62,100
<b>TOTAL REVENUES</b>	<u>17,240,695</u>	<u>17,510,026</u>	<u>17,626,126</u>	<u>17,714,683</u>
<b>EXPENDITURES</b>				
Operations Budget	11,190,977	12,589,119	12,180,763	12,761,414
<b>TOTAL EXPENDITURES</b>	<u>11,190,977</u>	<u>12,589,119</u>	<u>12,180,763</u>	<u>12,761,414</u>
Revenue over (under) expenditures	6,049,718	4,920,907	5,445,363	4,953,269
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers				
Net investment income	6,981	44,700	47,479	22,700
From (to) Recreation Fund	(436,118)	(585,250)	(828,400)	(590,760)
From (to) Mansion Special Revenue Fund	17,800	51,000	40,400	51,800
From (to) Debt Service Fund				(10,000,000)
From (to) Stormwater Fund	30,873	-	-	-
From (to) Water and Sewer Reserve	(500,000)	(700,000)	(700,000)	(700,000)
From (to) Major Repair Fund	(8,344,638)	(1,735,820)	(1,735,820)	(2,189,343)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(9,225,102)</u>	<u>(2,925,370)</u>	<u>(3,176,341)</u>	<u>(13,405,603)</u>
<b>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>(3,175,384)</u>	<u>1,995,537</u>	<u>2,269,022</u>	<u>(8,452,334)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>19,827,023</u>	<u>14,079,518</u>	<u>16,651,639</u>	<u>18,920,661</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 16,651,639</u>	<u>\$ 16,075,055</u>	<u>\$ 18,920,661</u>	<u>\$ 10,468,327</u>
Reserved for Debt	-	(5,000,000)		
<b>FUND BALANCE - Available</b>	<u>\$ 16,651,639</u>	<u>\$ 11,075,055</u>	<u>\$ 18,920,661</u>	<u>\$ 10,468,327</u>



HIGHLANDS RANCH METRO DISTRICT  
BY ACTIVITY

	2019 ACTUAL	2020 BUDGET	2020 REVISED	BASE	One-Time	On going	2021 BUDGET
<b>PARKS AND OPEN SPACE</b>							
705 Park Planning & Admin	719,542	1,039,504	1,015,127	1,006,135	-	10,000	1,016,135
712 Park Maintenance	5,568,165	6,178,525	5,910,239	6,239,685	25,000	39,540	6,304,225
719 Open Space Maint.	1,013,217	1,037,747	980,603	1,050,547	-	2,900	1,053,447
793 Fleet Maintenance	567,254	665,140	628,680	635,490	-	-	635,490
Total Parks/Open Space	7,868,178	8,920,916	8,534,649	8,931,857	25,000	52,440	9,009,297
<b>PUBLIC WORKS</b>							
801 Administration	533,929	540,900	540,082	543,201	-	-	543,201
880 Engineering	181,250	383,458	340,347	357,076	-	-	357,076
615 Street Lighting	13,510	10,000	10,000	10,000	-	-	10,000
Total Public Works	728,689	934,358	890,429	910,277	-	-	910,277
<b>GENERAL GOVERNMENT</b>							
900 Board of Directors	59,187	149,590	127,590	93,490	-	-	93,490
905 Community Relations	360,281	432,775	441,257	451,025	10,000	-	461,025
910 Office of the Manager	394,576	384,790	385,605	397,355	-	-	397,355
920 Human Resources	328,330	389,275	426,040	428,295	-	-	428,295
Total General Govt	1,142,374	1,356,430	1,380,492	1,370,165	10,000	-	1,380,165
<b>FINANCE AND ADMINISTRATION</b>							
930 Financial Services	639,623	684,285	684,124	713,115	-	-	713,115
950 Information Systems	226,119	177,750	177,750	211,000	-	-	211,000
970 Office Services	281,527	319,380	317,319	328,090	-	-	328,090
980 Insurance	122,695	165,000	165,000	165,000	-	-	165,000
Total Finance & Admin	1,269,964	1,346,415	1,344,193	1,417,205	-	-	1,417,205
<b>MISC. CAPITAL</b>							
6xx Public Safety	-	-	-	-	-	-	-
7xx Park Operations	181,772	31,000	31,000	-	44,470	-	44,470
8xx Public Works	-	-	-	-	-	-	-
9xx General Government	-	-	-	-	-	-	-
xxx Lease payments	-	-	-	-	-	-	-
Total Misc. Capital	181,772	31,000	31,000	-	44,470	-	44,470
<b>GROSS GENERAL FUND BUDGET</b>	<b>\$ 11,190,977</b>	<b>\$ 12,589,119</b>	<b>\$ 12,180,763</b>	<b>\$ 12,629,504</b>	<b>\$ 79,470</b>	<b>\$ 52,440</b>	<b>\$ 12,761,414</b>

HIGHLANDS RANCH METRO DISTRICT  
BY OBJECT

	2019 ACTUAL	2020 BUDGET	2020 REVISED	BASE	ONE TIME	ON GOING	2021 BUDGET
<b>BOARD DIRECTED BUDGET</b>							
<b>Personnel Services</b>							
111 Regular Wages	4,303,106	4,643,520	4,566,265	4,658,520	-	-	4,658,520
113 Temporary Wages	188,348	188,430	123,250	194,000	-	16,440	210,440
12* Overtime Wages	13,266	18,817	18,817	18,817	-	-	18,817
13* Payroll Expense	1,394,912	1,623,400	1,457,600	1,558,000	-	-	1,558,000
182 Training	31,403	65,685	41,285	66,935	-	-	66,935
184 Uniforms	36,217	32,950	29,570	33,605	-	-	33,605
191 Board of Director Fees	12,100	16,800	16,800	16,800	-	-	16,800
195 Admin Contract	404,174	394,000	394,000	418,000	-	-	418,000
<b>Total Personnel Services</b>	<b>6,383,526</b>	<b>6,983,602</b>	<b>6,647,587</b>	<b>6,964,677</b>	<b>-</b>	<b>16,440</b>	<b>6,981,117</b>
<b>Contracted Services</b>							
351 Building Rental	180,700	181,100	181,100	191,100	-	-	191,100
352 Legal Services	40,742	30,000	30,000	34,000	-	-	34,000
354 Audit Services	17,300	26,000	26,000	28,000	-	-	28,000
362 Fire Protection Contract	6,241	-	-	-	-	-	-
368 Insurance	122,695	165,000	165,000	165,000	-	-	165,000
<b>Total Contracted Services</b>	<b>367,678</b>	<b>402,100</b>	<b>402,100</b>	<b>418,100</b>	<b>-</b>	<b>-</b>	<b>418,100</b>
<b>Miscellaneous Capital</b>							
941 Office Equipment	-	-	-	-	-	-	-
942 Transportation Equipment	62,500	-	-	-	38,380	-	38,380
943 Field Equipment	119,272	31,000	31,000	-	6,090	-	6,090
944 Shop and Garage Equipment	-	-	-	-	-	-	-
946 Engineering Equipment	-	-	-	-	-	-	-
947 Communication Equipment	-	-	-	-	-	-	-
948 Computer Equipment	-	-	-	-	-	-	-
949 Other Equipment	-	-	-	-	-	-	-
950 Major Repairs	-	-	-	-	-	-	-
Lease Payments	-	-	-	-	-	-	-
<b>Total Miscellaneous Capital</b>	<b>181,772</b>	<b>31,000</b>	<b>31,000</b>	<b>-</b>	<b>44,470</b>	<b>-</b>	<b>44,470</b>
<b>TOTAL BOARD DIRECTED COST</b>	<b>6,932,976</b>	<b>7,416,702</b>	<b>7,080,687</b>	<b>7,382,777</b>	<b>44,470</b>	<b>16,440</b>	<b>7,443,687</b>
<b>DEPT. DIRECTED NONVARIABLE</b>							
<b>Materials and Supplies</b>							
219 Office Supplies	5,028	8,500	8,500	8,500	-	-	8,500
220 Meeting Supplies	7,556	12,425	9,625	14,325	-	-	14,325
222 Empl Relations	17,907	19,450	19,450	19,450	-	-	19,450
224 Playground Supplies	46,689	47,000	47,000	47,000	-	-	47,000
226 Safety Supplies	18,372	21,300	73,300	61,300	-	-	61,300
227 Janitorial Supplies	10,196	18,450	19,000	20,500	-	-	20,500
229 Operating Supplies	201,897	211,010	197,210	223,310	-	-	223,310
230 Computer Equip/Supplies	-	-	-	-	-	-	-
243 Tree Replacement	83,177	80,000	80,000	80,000	-	-	80,000
244 Repair Parts	276,124	365,630	342,130	377,130	-	-	377,130
246 Tires, Tubes, Etc	19,241	25,000	25,000	25,000	-	-	25,000
<b>Total Material and Supplies</b>	<b>686,187</b>	<b>808,765</b>	<b>821,215</b>	<b>876,515</b>	<b>-</b>	<b>-</b>	<b>876,515</b>
<b>Purchased Services</b>							
301 Bank Charges	35,149	42,000	42,000	42,000	-	-	42,000
311 Postage	10,383	14,425	14,225	14,275	-	-	14,275
313 Licenses	1,815	1,800	1,800	1,800	-	-	1,800
319 Communication Svc	79,466	98,780	98,780	75,780	-	-	75,780
325 Legal Notice/Advertise	7,910	10,330	8,330	10,330	-	-	10,330
326 Personnel Advertising	22	200	200	100	-	-	100
329 Print & Copy	29,593	56,560	56,560	57,160	-	-	57,160
331 Memberships	9,966	14,885	14,769	14,969	-	-	14,969
335 Publications	3,033	1,300	1,300	1,300	-	-	1,300
342 Computer Rental	27,119	27,399	27,399	-	-	-	-
343 Equipment Rental	29,501	37,710	37,710	37,400	-	-	37,400
344 Repair Services	370,773	498,400	488,400	509,500	-	-	509,500
346 Contract Temp	-	-	-	-	-	-	-
347 Janitorial Service	16,188	17,120	17,120	23,000	-	-	23,000
349 Landfill Services	33,868	45,000	45,000	45,000	-	-	45,000
369 Misc O/Services	529,365	638,740	575,865	565,495	35,000	36,000	636,495
371 Auto Reimb	2,660	3,845	3,945	4,645	-	-	4,645
372 Conferences	614	-	-	-	-	-	-
<b>Total Purchased Services</b>	<b>1,187,425</b>	<b>1,508,494</b>	<b>1,433,403</b>	<b>1,402,754</b>	<b>35,000</b>	<b>36,000</b>	<b>1,473,754</b>

HIGHLANDS RANCH METRO DISTRICT  
BY OBJECT

	2019 ACTUAL	2020 BUDGET	2020 REVISED	BASE	ONE TIME	ON GOING	2021 BUDGET
<b>Contracted Services</b>							
348 Contract Maintenance	892,682	964,943	964,943	986,143	-	-	986,143
355 Prof Services	10,133	98,600	98,900	98,900	-	-	98,900
Total Contracted Services	902,815	1,063,543	1,063,843	1,085,043	-	-	1,085,043
<b>TOTAL DEPT. DIRECTED NONVARIABLE</b>	<b>2,776,427</b>	<b>3,380,802</b>	<b>3,318,461</b>	<b>3,364,312</b>	<b>35,000</b>	<b>36,000</b>	<b>3,435,312</b>
<b>DEPT DIRECTED VARIABLE</b>							
<b>Fuel and Chemical Services</b>							
260 Chemicals/Fertilizers	53,016	75,800	65,800	82,800	-	-	82,800
271 Gas/Fuel Products	88,655	100,000	100,000	100,000	-	-	100,000
Total Fuel and Chemical Services	141,671	175,800	165,800	182,800	-	-	182,800
<b>Utilities</b>							
391 Electricity and Power	122,771	136,750	136,750	146,750	-	-	146,750
392 Water/Sewer	1,210,988	1,470,000	1,470,000	1,542,000	-	-	1,542,000
394 Natural Gas	6,144	9,065	9,065	10,865	-	-	10,865
Total Utilities	1,339,903	1,615,815	1,615,815	1,699,615	-	-	1,699,615
<b>TOTAL DEPT DIRECTED VARIABLE</b>	<b>1,481,574</b>	<b>1,791,615</b>	<b>1,781,615</b>	<b>1,882,415</b>	<b>-</b>	<b>-</b>	<b>1,882,415</b>
<b>TOTAL DEPARTMENTS</b>	<b>11,190,977</b>	<b>12,589,119</b>	<b>12,180,763</b>	<b>12,629,504</b>	<b>79,470</b>	<b>52,440</b>	<b>12,761,414</b>

HIGHLANDS RANCH METROPOLITAN DISTRICT  
SCHEDULE OF APPROVED POSITIONS - REGULAR POSITIONS

REGULAR POSITIONS (FTE)	2020	2020	2021	Change	2021
	Budget	Actual	Budget	2020 Budget	Budget
				to 2021	adj. for Sch. I
				Budget	Shared Emp.
<b>PARKS, RECREATION and OPEN SPACE and CULTURAL</b>					
<b>Parks &amp; Open Space Planning &amp; Admin.</b>					
Director, Parks & Open Space	1.000	1.000	1.000	-	1.000
Administrative Assistant	1.000	1.000	1.000	-	1.000
Park Operations Secretary	1.000	1.000	1.000	-	1.000
Receptionist	1.000	1.000	1.000	-	1.000
Park Planning Manager	** 1.000	1.000	1.000	-	1.000
Park Project Coordinator	** 1.000	1.000	1.000	-	1.000
<b>Recreation Services / Programs</b>					
Recreation Manager	1.000	1.000	1.000	-	1.000
Recreation Supervisor	1.000	1.000	1.000	-	1.000
Recreation Coordinator	2.000	2.000	2.000	-	2.000
Assistant (Recreation Services)	1.000	1.000	1.000	-	1.000
Reservation Specialist	1.000	1.000	1.000	-	1.000
Sports Fields Supervisor	1.000	1.000	1.000	-	1.000
Park Technicians - Sports Fields	7.000	7.000	7.000	-	7.000
Senior Services Coordinator	1.000	1.000	1.000	-	1.000
<b>Park Operations</b>					
Park Operations Manager	1.000	1.000	1.000	-	1.000
Irrigation Supervisor	1.000	1.000	1.000	-	1.000
Park Technicians - Irrigation	8.000	8.000	8.000	-	8.000
Forestry Supervisor	1.000	1.000	1.000	-	1.000
Park Technicians - Forestry	4.000	4.000	4.000	-	4.000
Park Maintenance Supervisor	1.000	1.000	1.000	-	1.000
Park Technicians	9.000	9.000	9.000	-	9.000
Facilities Coordinator	1.000	1.000	1.000	-	1.000
Facilities Technicians	5.000	5.000	5.000	-	5.000
<b>Open Space Operations</b>					
Open Space Operations Manager	1.000	1.000	1.000	-	1.000
Open Space Coordinator	1.000	1.000	1.000	-	1.000
Open Space Technicians	4.000	4.000	4.000	-	4.000
Park Ranger	4.000	4.000	4.000	-	4.000
<b>Fleet Maintenance</b>					
Fleet Supervisor	1.000	1.000	1.000	-	1.000
Fleet Technician	3.000	3.000	3.000	-	3.000
<b>Mansion</b>					
Mansion Manager	* 1.000	1.000	1.000	-	1.000
Mansion Operations Coordinator	1.400	1.400	1.400	-	1.400
Mansion Sales and Service	* 1.000	1.000	1.000	-	1.000
Mansion Administrative Assistant	1.000	1.000	1.000	-	1.000
<b>PUBLIC WORKS</b>					
<b>Administration</b>					
Director - Engineering	* 1.000	1.000	1.000	-	0.500
Administrative Assistant	* 1.000	1.000	1.000	-	0.500
Contract Administrator	* 1.000	1.000	1.000	-	0.500
Clerk	* 1.000	1.000	1.000	-	0.400
<b>Engineering</b>					
Development Eng. Mgr.	** 1.000	1.000	1.000	-	1.000
Project Engineer	** 1.000	1.000	1.000	-	1.000
GIS Technician	*** -	-	-	-	0.400

REGULAR POSITIONS (FTE)	2020 Budget	2020 Actual	2021 Budget	Change 2020 Budget to 2021 Budget	2021 Budget adj. for Sch. I Shared Emp.
<b>GENERAL MANAGEMENT</b>					
<b>Office of the Manager</b>					
General Manager	1.000	1.000	1.000	-	1.000
Administrative Assistant	1.000	1.000	1.000	-	1.000
<b>Community Relations</b>					
Community Relations Mgr.	* 1.000	1.000	1.000	-	0.750
Community Relations Coord.	* 2.000	2.000	2.000	-	1.500
<b>Human Resources</b>					
Human Resource Manager	* 1.000	1.000	1.000	-	0.500
Human Resources Assistant	* 1.000	1.000	1.000	-	0.500
Administrative Assistants	0.800	0.800	0.800	-	0.400
<b>Financial Services</b>					
Director - Finance & Admin.	* 1.000	1.000	1.000	-	0.500
Accounting Manager	***			-	0.500
Accounting Assistants	***			-	2.000
Revenue and Assets Manager	***			-	0.400
Financial Reporting Analyst	***			-	0.500
Administrative Analysts	***			-	0.250
Administrative Assistant	***			-	0.500
<b>Information Systems</b>					
Network Administrator	***			-	-
IT Specialist	***			-	-
<b>OFFICE SUPPORT</b>					
<b>Office Services</b>					
Office Assistant	***	-	-	-	0.500
Receptionist	* 1.000	1.000	1.000	-	0.500
	86.200	86.200	86.200	-	86.000
<b>TEMPORARIES - ALL GROUPS</b>					
Recreation Services / Programs	6.100	6.100	6.100	-	6.100
Irrigation	0.749	0.749	0.749	-	0.749
Forestry	1.000	1.000	1.000	-	1.000
Park Mnt	1.700	1.700	1.700	-	1.700
Facilities	0.600	0.600	0.600	-	0.600
Open Space	0.400	0.400	0.400	-	0.400
Park Ranger	-	-	-	-	-
Fleet	-	-	-	-	-
Engineering	0.500	0.500	0.500	-	0.500
	97.249	97.249	97.249	-	97.049

- \* Employee cost partially allocated to Centennial Water & Sanitation District pursuant to Employee, Office Svc.'s and Cap. Equip. Sharing Contract ("Schedule III" employees)
- \*\* Majority of employee cost is capitalized
- \*\*\* Employee cost partially allocated from Centennial Water & Sanitation District pursuant to Employee, Office Svc.'s and Cap. Equip. Sharing Contract ("Schedule III" employees)

# ***STORMWATER MANAGEMENT FUND***

Established in 2011, the Fund accounts for the receipt of the following source of funds for the purpose of meeting the District's obligation in complying with federal and state regulations for municipal stormwater systems and to protect our open space areas consistent with these regulations:

- a fee charged to all Highlands Ranch properties
- a partnership with Mile High flood District (formerly Urban Drainage Flood Control District) on funding capital and maintenance projects
- contributions from other entities benefitted by the programs.

Prior to the establishment of the fund expenditures were recorded as follows:

- Those related to permit compliance were shown as part of the General Fund
- Capital outlay and offsetting contributions from partners were recorded in the Capital Projects Fund.

The funds collected are used to pay District expenses associated with the following activities:

## **Maintenance**

Maintenance of our open space channels including but not limited to spraying for noxious weeds, trail line mowing, and water quality detention ponds.

## **Capital Improvement Projects**

Channel Stabilization projects as detailed in the District's Facilities Plan.

Any other transfer of funds from the Special Revenue Fund to another fund requires action by the Board of Directors. Such transfers are used when there are economic advantages to the District.

### **2021 Stormwater Management Fund Capital Improvement Projects**

- Marcy Gulch:
  - Santa Fe to HR Golf Course (M0.5)
- Big Dry Creek Gulch:
  - Links Golf Course Holes 7 & 9 (BDE 0.5)
  - Links Golf Course Cresthill to golf cart bridge (BDW 1.0d)
- Trail Crossings:
  - West Fork Trail Crossing Removal and Replacement



HIGHLANDS RANCH METROPOLITAN DISTRICT  
 STORMWATER MANAGEMENT FUND  
 2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<i>REVENUES</i>				
Special Revenues				
Rate Income	\$ 889,103	\$ 880,000	\$ 898,000	\$ 898,000
Contribution Offsetting Capital Outlay	85,000	425,000	50,000	500,000
Net Investment Income	30,873	8,700	13,079	4,900
<b>TOTAL REVENUES</b>	<b>1,004,976</b>	<b>1,313,700</b>	<b>961,079</b>	<b>1,402,900</b>
<i>EXPENDITURES</i>				
Operations Budget	168,459	215,146	212,346	178,000
Operations Request	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>168,459</b>	<b>215,146</b>	<b>212,346</b>	<b>178,000</b>
Revenue over (under) expenditures	836,517	1,098,554	748,733	1,224,900
<i>OTHER FINANCING SOURCES (USES)</i>				
Net investment income	-	(8,700)	(13,079)	(4,900)
From (to) General Fund	(30,873)	-	-	-
From (to) General Government Capital Fund	(577,658)	(951,000)	(1,300,852)	(1,320,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(608,531)</b>	<b>(959,700)</b>	<b>(1,313,931)</b>	<b>(1,324,900)</b>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	227,986	138,854	(565,198)	(100,000)
<i>FUND BALANCE - BEGINNING</i>	1,320,736	576,708	1,548,722	983,524
<b>FUND BALANCE - ENDING</b>	<b>\$ 1,548,722</b>	<b>\$ 715,562</b>	<b>\$ 983,524</b>	<b>\$ 883,524</b>



HIGHLANDS RANCH METRO DISTRICT  
STORMWATER MANAGEMENT FUND

Acct No.	2020		2021		2022		2023		Remaining Future
	Budget	11/30/2020 Actual	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
<b>BIG DRY CREEK GULCH</b>									
BDE 0.5 Links Golf Course Holes 7 & 9	-	38,875	-	-	140,000	-	-	-	1,975,000
Glencages to PSCo easement BDE 1.0	-	-	-	-	-	-	-	-	685,500
PSCo easement to University BDE 2E (Big Dry by Cheese Ranch)	-	-	-	-	-	-	-	-	-
Reach BDE 5E - Quebec to Highlands Ranch Boundary	-	-	-	-	-	-	-	-	2,400,000
Reach BDE 5E - midpoint of reach	-	-	-	-	-	-	-	-	-
BDM 1.0.S. Madras to University	-	-	-	-	-	-	-	-	110,000
BDE 2W PSCo Easement to University	-	-	-	-	-	-	-	-	550,000
CIG Easement to confluence BDE 4W	-	-	-	-	-	-	-	-	690,000
Confluence to McArthur (west) BDE 5W	-	-	-	-	-	-	-	-	70,000
Confluence to McArthur (east)	-	-	-	-	-	-	-	-	360,000
BDE 7.1W Griggs to Confluence	-	-	-	-	-	-	-	-	100,000
BDE 7.2W Confluence to OSCA (west)	-	-	-	-	-	-	-	-	175,000
BDE 7.3W Confluence to OSCA (east)	-	-	-	-	-	-	-	-	50,000
BDE 8W McArthur to HR Boundary (middle)	-	-	-	-	-	-	-	-	575,000
BDE 9W and 9.2W McArthur to HR Boundary (east)	-	-	-	-	-	-	-	-	640,000
BDW 1.0a Links Golf Course Cannongate to C470	-	-	-	-	-	-	-	-	260,000
BDW 1.0b West Big Dry Creek (C470 to Glencages / Creshill)	-	-	-	-	-	-	-	-	-
BDW 1.0c Links Golf Course, cart bridge to middle headcut	-	-	-	-	-	-	-	-	425,000
BDW 1.0d Links Golf Course Creshill to golf cart bridge	-	-	500,000	(250,000)	-	-	-	-	-
BDW 4.0 Lark Sparrow to University (107C)	-	-	-	-	-	-	-	-	300,000
BDW 5.0 Lark Sparrow to University (107B)	-	-	-	-	-	-	-	-	240,000
Big Dry Creek with trail crossing	-	-	-	-	-	-	-	-	-
<b>OTHER REACHES</b>									
Otero Tributary	-	-	-	-	-	-	-	-	165,000
C-470 to County Line Road	-	-	-	-	-	-	-	-	509,000
Quebec to Palomino Park (QUE 1.0,1.1,2.0,2.1)	-	-	-	-	-	-	-	-	-
<b>TRAIL CROSSINGS</b>									
West Fork Trail Crossing Removal and Replacement	-	-	180,000	-	-	-	-	-	-
Various	-	-	-	-	-	-	-	-	-
<b>TOTAL Channel Stabilization</b>	\$ 951,000	\$ 599,875	\$ -	\$ (50,000)	\$ 1,320,000	\$ (500,000)	\$ 300,000	\$ (150,000)	\$ 1,500,000
									\$ 4,505,000
									\$ 33,774,250

# ***UTILITY SPECIAL REVENUE FUND***

The Utility Special Revenue Fund accounts for rate revenues imposed by action of the Board of Directors related to:

- Water and Wastewater Rate Revenue for operation of the Centennial system
- Water and Wastewater Reserved Capacity payments to Centennial
- Streetlight Rate Revenues.

**Water and Wastewater Rate Revenue**

This Fund accounts for the receipt of revenues for water and wastewater services provided to District customers. Pursuant to the District's agreement with Centennial, these receipts must be segregated from the General Fund. The District chose not to establish an Enterprise Fund (a fund which would account for all of the costs related to the water and wastewater operations including debt service and capital) because:

- The District does not own and operate the water and wastewater treatment system nor the backbone transmission and collection systems but purchases these services from Centennial;
- The District does not include an amount in their rates which would cover the cost of depreciation on the system infrastructure which is District owned as a result of being donated to them; and
- The District intends to fund future replacement of infrastructure through either debt issuance or reserves to be established for replacement (which does not tie to depreciation expense).

The Fund does include all costs paid to Centennial to operate and maintain the Districts systems and for Centennial to deliver potable water to and treat wastewater for the customers of the District.

Source of funds to make the above expenditures include:

- Revenue from utility rate income. These rates are established by the Board of Directors.
- Revenue from plan review fees.

The funds collected are used to:

- Pay Centennial for wholesale services provided.

Any other transfer of funds from the Special Revenue Fund to another fund requires action by the Board of Directors. Such transfers are used when there are economic advantages to the District.

**Reserved Capacity Payments**

Prior to consolidation, the reserved capacity payments were recorded as capital assets. Post-consolidation the District has changed the reporting of these payments so they are now expenses and are accounted for in the Special Revenue Fund. Payments are made to Centennial to acquire Reserved Capacity in the Centennial facilities sufficient to serve the District service areas.

The primary source of revenues to fund the Reserved Capacity costs currently comes from Tap Fees, however in the early development years the proceeds were generated by the sale of general obligation bonds. The retirement of the debt generated by the issuance of these bonds is paid from the Debt Service Funds.

The outlay for Reserved Capacity Costs can be summarized as follows:

	2020 Projected	2021 Budget
Reserved Capacity Cost		
HRMD	\$ 942,814	\$ 686,964
Surcharge Remittance	849,430	389,250
	\$ 1,792,244	\$ 1,076,214

\*Based on calculation of reserved capacity cost as set forth in Exhibit B to the Water & Wastewater Service Agreement. See page SR 6.

### Streetlight Revenues

The Special Revenue Fund also accounts for the receipt of revenues for streetlight services provided within the District and passed through on the water bill to all customers.

The District chose not to establish an Enterprise Fund (a fund which would account for all of the costs related to the streetlight operations including debt service and capital) because, solely based on Excel's interpretation of Public Utilities Commission (PUC) rules, the District does not own and operate the streetlight system. The residential subdivision lights are initially installed by the developer and transferred to Xcel Energy for operation and maintenance pursuant to said PUC rules. Similarly, the arterial streetlights are installed by the District in conjunction with the construction of the arterials by the District but are required to be transferred to Xcel.

The streetlight fee is calculated to "pass-through" the costs of providing streetlight service based on the tariffs and allowed commodity adjustments charged by Xcel Energy Company. The 2021 proposed budget proposes the residential streetlight fee to be reduced from \$7.75 to \$6.70, the multi-family fee to be reduced from \$1.17 to \$1.00, and a reduction in the commercial property fee from \$1.17 to \$1.00 for every 7,500 square foot of lot size.

The average cost to replace an arterial streetlight is \$3,500 and a residential streetlight is \$1,400. The annual budget assumes replacement of 24 arterial lights. Residential streetlights have an average life of 50 years. Since the oldest residential streetlights are 40 years old no replacements are assumed in the 2021 budget.

The source of funds to make the streetlight expenditures for electrical and regular maintenance and repair is collected from the utility billing.

HIGHLANDS RANCH METROPOLITAN DISTRICT  
 UTILITY SPECIAL REVENUE FUND  
 2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<i>REVENUES</i>				
Development Fees				
Tap Fees	\$ 3,111,680	\$ 1,554,975	\$ 3,736,250	\$ 1,323,375
Special Revenues				
Water and Wastewater Rate Income	35,064,778	37,400,000	40,600,000	40,483,000
Streetlight Fees	1,470,363	1,450,000	1,473,000	1,213,000
Other	-	-	-	-
Net Investment Income	61,477	36,000	34,400	17,800
<b>TOTAL REVENUES</b>	<b>39,708,298</b>	<b>40,440,975</b>	<b>45,843,650</b>	<b>43,037,175</b>
<i>EXPENDITURES</i>				
Water and Wastewater Operations	35,064,778	37,400,000	40,600,000	40,483,000
Public Safety - Streetlights - Operations	1,142,622	1,300,000	1,200,000	1,223,500
Investment in Reserved Capacity Exhibit B	394,122	942,814	942,814	686,964
Current Year Collections	614,150	415,200	849,430	389,250
<b>TOTAL EXPENDITURES</b>	<b>37,215,672</b>	<b>40,058,014</b>	<b>43,592,244</b>	<b>42,782,714</b>
Revenue over (under) expenditures	2,492,626	382,961	2,251,406	254,461
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
Net investment income	(6,814)	(36,000)	(34,400)	(17,800)
From (to) Debt Service Fund	(54,663)	-	-	-
<b>TOTAL FINANCING SOURCES (USES)</b>	<b>(61,477)</b>	<b>(36,000)</b>	<b>(34,400)</b>	<b>(17,800)</b>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
<b>FUND BALANCE - BEGINNING</b>	<b>2,431,149</b>	<b>346,961</b>	<b>2,217,006</b>	<b>236,661</b>
<b>FUND BALANCE - ENDING</b>	<b>2,230,434</b>	<b>4,452,896</b>	<b>4,661,583</b>	<b>6,878,589</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 4,661,583</b>	<b>\$ 4,799,857</b>	<b>\$ 6,878,589</b>	<b>\$ 7,115,250</b>
Reserved for capacity payment	(341,584)	(830,939)	(830,939)	(780,446)
Reserved for streetlight replacement	(400,000)	(550,000)	(550,000)	(900,000)
<b>FUND BALANCE - Available</b>	<b>\$ 3,919,999</b>	<b>\$ 3,418,918</b>	<b>\$ 5,497,650</b>	<b>\$ 5,434,804</b>

## RATE INCOME

Rates are established by the Board of Directors in order to fund the cost of providing water and wastewater service to the customers of the District. The primary function of the various rates are to cover:

1. The operations cost of providing water supply, treatment and distribution.
2. The operations cost of providing wastewater collection and treatment.
3. The cost of providing periodic billing statements, maintaining meters and administrative costs .
4. Debt service payments
5. The cost to fund a reserve for the repair and replacement of equipment
6. Accumulation of reserves for the acquisition of additional water supplies

	2020			2021		
<b>Metered Water Consumption</b>	<u>Rate per 1,000 Gallons</u>			<u>Rate per 1,000 Gallons</u>		
Usage Relative to "Water Budget" *	Summer	Winter	Irrig Only	Summer	Winter	Irrig Only
Up to 100% of WB	\$3.90	\$3.90	\$3.99	\$4.10	\$4.10	\$4.20
101% to 120% of WB**	\$5.25	\$5.25	\$5.40	\$5.52	\$5.52	\$5.70
121% to 140% of WB**	\$7.97	\$5.25	\$9.40	\$8.38	\$5.52	\$9.90
Over 140% of WB**	\$12.07	\$8.69	\$15.90	\$12.68	\$9.13	\$16.80
<b>Wastewater Treatment Service</b>						
<u>Residential - Single Family</u>						
Fixed fee	\$ 19.70	Bi-monthly		\$ 21.52	Bi-monthly	
Minimum charge -Fixed fee plus 3,000 gallons Use	\$ 30.74			\$ 32.77		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$ 3.68	per 1,000 gallons		\$ 3.75	per 1,000 gallons	
<u>Residential - Multi Family (per unit)</u>						
Fixed fee	\$ 9.85	Monthly		\$ 10.76	Monthly	
Minimum charge -Fixed fee plus 1,500 gallons	\$ 15.37			\$ 16.39		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$ 3.68	per 1,000 gallons		\$ 3.75	per 1,000 gallons	
<u>Nonresidential</u>						
Fixed fee per 3/4" equiv. tap size (Rate times 80% of water consumed)	\$ 9.85	Monthly		\$ 10.76	Monthly	
	\$ 3.68	per 1,000 gallons		\$ 3.75	per 1,000 gallons	
<b>Water Service Availability Fee</b>						
Residential - Single Family	\$ 31.72	bimonthly		\$ 33.50	bimonthly	
Residential - Multi Family	\$ 9.92	monthly		\$ 10.47	monthly	
Nonresidential (per 3/4" equivalent)	\$ 15.86	monthly		\$ 16.75	monthly	

\* Water Budget per residential customer = 12,000 gallons bimonthly for indoor use + outdoor usage equivalent to 27" of irrigation annually on the irrigated area of the lot (irrigated area = 45% of gross lot size). Water budget for irrigation only customers = 27" annually of irrigation on actual irrigated area.

\*\* Rates subject to change due to, but not limited to, water supply conditions such as drought, and the provision of sufficient funds for the operation of the district.



## *TAP FEES*

The District collects a Tap Fee from each new customer at the time the customer requires the installation of a meter to obtain service.

Proceeds from the collection of tap fees are used as follows:

1. The portion of the tap fee related to the amount originally advanced to Centennial for the purchase of a license for capacity in Centennial facilities is retained by the District and used to make debt service payments (Base Capacity Fee)
2. Centennial can and does assess a surcharge to its established capacity fee. The difference between the amount required to be collected for by Centennial and the portion defined in 1 above is remitted to Centennial at the time of collection pursuant to the license agreement.

The projected fee for a residential 3/4" water and sewer tap will be as follows:

	Prior to Jan. 1, 2020	As of Jan. 1, 2020	Effective Jan. 1, 2021
<u>Single Family Residential 3/4"</u>			
Base Capacity Fee	\$ 5,960	\$ 5,960	\$ 5,960
Centennial Surcharges			
Channel Stabilization surcharge	250	250	250
Water Acquisition Fee	1,480	1,480	1,480
	<u>\$ 7,690</u>	<u>\$ 7,690</u>	<u>\$ 7,690</u>

The estimate of Tap Fees to be collected for 2016 and 2017 is:

	2020 Budget	2020 Projected	2021 Budget
Tap Fee Received By District			
Single Family Residential	\$ 1,153,500	\$ 576,750	\$ 384,500
Based on # of SF DUs	115	75	50
Multi Family Residential	\$ 670,625	\$ 2,129,905	\$ 938,875
Based on # of MF DUs	125	397	175
Non-residential	\$ 356,765	\$ 180,165	\$ -
Full service (3/4" equiv)	-	10	-
Irrigation (3/4" equiv.)	-	9	-
	<u>\$ 2,180,890</u>	<u>\$ 2,886,820</u>	<u>\$ 1,323,375</u>
Remitted to CW&SD			
Channel Stabilization surcharge	\$ 60,000	\$ 122,750	\$ 56,250
Water Acquisition	355,200	726,680	333,000
	<u>\$ 415,200</u>	<u>\$ 849,430</u>	<u>\$ 389,250</u>

HIGHLANDS RANCH METROPOLITAN DISTRICT  
EXHIBIT B TO THE WATER AND WASTEWATER SERVICE AGREEMENT  
CALCULATION OF RESERVED CAPACITY COST

**REMAINING NONRESIDENTIAL RESERVED CAPACITY**

Reserved Capacity Cost for Undeveloped Nonresidential

Total Number of Acres Platted	1,160.183
Total Number of Acres Service Not Requested	(126.258)
Less total acres placed in service	(1,007.052)
Total remaining acres with requested service	26.873
No. of taps at two 3/4" per undeveloped acre	54
Multiplying by the Capacity Fee per Nonresidential 3/4" tap	<b>\$ 9,650</b>
Estimated Reserved Capacity Cost - Nonresidential undeveloped	<b>\$ 521,100</b>

**REMAINING SINGLE FAMILY RESIDENTIAL RESERVED CAPACITY**

Reserved Capacity Cost for Undeveloped Single Family Residential

Total Number of Dwelling Units Platted	29,312
Total Number of Dwelling Units - Service not requested	(48)
Less Total Number of dwelling units placed in service	(29,045)
No. of remaining Single Family Residential taps	219
Multiplying by the Capacity Fee per Single Family Residential 3/4" tap	<b>\$ 5,960</b>
Estimated Reserved Capacity Cost - Residential undeveloped	<b>\$ 1,305,240</b>

**REMAINING MULTI-FAMILY RESIDENTIAL RESERVED CAPACITY**

Reserved Capacity Cost for Undeveloped Multi-Family Residential

Total Number of Dwelling Units Platted	8,391
Total Number of Dwelling Units - Service not requested	(241)
Less Total Number of dwelling units placed in service	(7,901)
No. of remaining Multi-Family Residential taps	249
Multiplying by the Capacity Fee per Multi-Family Residential 3/4" tap	<b>\$ 3,780</b>
Estimated Reserved Capacity Cost - Residential undeveloped	<b>\$ 941,220</b>

**CALCULATION OF RESERVED CAPACITY PAYMENTS DUE**

Remaining					
Nonresidential	\$ 521,100				
Single Family	1,305,240				
Multi Family	941,220				
				\$ 2,767,560	
Collected thru 9/30/2019					
Metro 1	\$ 42,491,983				
Metro 2	40,937,336				
Metro 3	40,963,220				
Metro 4	44,026,216				
Consolidated	<b>30,944,278</b>				
				\$ 199,363,033	
					\$ 202,130,593

**RESERVED CAPACITY PAYMENTS MADE TO DATE**

As of 12/31/19 per CWSD general ledger (951 -410-10-xxxx)	\$ (201,252,332)
Present value discount on 1992 Metro 1 payment	(353,665)
4/01/2020 Payment	<b>942,814</b>
	\$ (200,663,183)
<b>TOTAL DUE</b>	<b>\$ 1,467,410</b>

**PAYMENT DUE APRIL 1**

	Collected in Excess of Amount Paid	Minimum	% of excess	Total	Cumulative
2021	\$ -	\$ 100,000	\$ 586,964	\$ 686,964	\$ 686,964
2022		\$ 100,000	\$ 312,178	\$ 412,178	\$ 1,099,143
2023		\$ 100,000	\$ 147,307	\$ 247,307	\$ 1,346,450
2024		\$ 100,000	\$ 48,384	\$ 148,384	\$ 1,494,834
2025		\$ 100,000	\$ (10,969)	\$ 89,031	\$ 1,583,864
2026		\$ 100,000	\$ (46,582)	\$ 53,418	\$ 1,637,283
2023		\$ 100,000	\$ (67,949)	\$ 32,051	\$ 1,669,334

# ***RECREATION SPECIAL REVENUE FUND***

In 2010, the District established a Special Revenue Fund that accounts for Recreation Program and Park Services revenues and expenditures. Prior to this time the revenues and expenditures were shown as part of the General Fund.

The Fund accounts for revenues for recreation programs offered by the District as well as fees charged for field and shelter reservations provided to District customers.

Sources include:

- As part of the provision of various services, the District receives fees for recreation services and park use permits. The fee schedules used in the construction of the 2021 budget are summarized in Exhibits to the adopting resolutions for the Budget.
- An operating transfer from the General Fund in an amount equal to expenditures in excess of revenues as approved by the Board of Directors.

The funds collected are used to pay District expenses associated with the following activities:

**Park Services**

Administration and management of maintenance and scheduling of various fields managed by the District

**Recreation Programs**

Administration and management of various recreational sports programs for adults and youth managed by the District

**Senior Services**

Administration of programs geared towards the senior population managed by the District and partially funded by Douglas County

To the extent that the fees collected do not offset the expenditures for the referenced programs, the budget anticipates the following transfers will be made:

	Actual 2018	Actual 2019	Projected 2020	Budget 2021
General Fund Transfers				
Recreation/Park Services	\$ 334,460	\$ 380,523	\$ 752,575	\$ 523,210
Senior Services	50,349	55,595	75,825	67,550
<b>TOTAL</b>	<b>\$ 384,809</b>	<b>\$ 436,118</b>	<b>\$ 828,400</b>	<b>\$ 590,760</b>

In 2020, due to COVID-19, the District had fewer program options therefore the subsidy is higher in 2020 to recover fixed costs.

Any other transfer of funds from the Recreation Special Revenue Fund to another fund requires action by the Board of Directors. Such transfers are used when there are economic advantages to the District.

HIGHLANDS RANCH METROPOLITAN DISTRICT  
 RECREATION SPECIAL REVENUE FUND  
 2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<i>REVENUES</i>				
Reservations	\$ 432,683	\$ 397,856	\$ 241,000	\$ 397,075
Internal Field Reservations	144,044	154,236	59,000	148,800
Programs	775,336	949,494	365,000	882,000
Other	-	13,575	5,600	14,875
Recreation / Park Services	29,981	31,900	16,000	30,550
<i>TOTAL REVENUES</i>	<u>1,382,044</u>	<u>1,547,061</u>	<u>686,600</u>	<u>1,473,300</u>
<i>EXPENDITURES</i>				
Operations Budget				
Recreation / Park Services	1,732,585	2,009,330	1,423,175	1,944,960
Senior Services	85,577	106,981	91,825	98,100
Budget Request ( <i>one-time</i> )	-	16,000	-	21,000
<i>TOTAL EXPENDITURES</i>	<u>1,818,162</u>	<u>2,132,311</u>	<u>1,515,000</u>	<u>2,064,060</u>
Revenue over (under) expenditures	<u>(436,118)</u>	<u>(585,250)</u>	<u>(828,400)</u>	<u>(590,760)</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
From (to) General Fund	436,118	585,250	828,400	590,760
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>436,118</u>	<u>585,250</u>	<u>828,400</u>	<u>590,760</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>	-	-	-	-
<i>FUND BALANCE - BEGINNING</i>	-	-	-	-
<i>FUND BALANCE - ENDING</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# ***MANSION SPECIAL REVENUE FUND***

This fund collects and disburses funds for the specific purpose of operating the Highlands Ranch Mansion.

Funding is available from:

- Rental fees for private events. These fees have been established consistent with the surrounding market for similar venues.
- Net revenue from liquor sales from the private events and kitchen catering fees assessed to third party caterers using the Districts facilities.
- Investment income generated from a \$4 million “endowment” established from previously collected System Development Fees that the District chose to set aside and that the primary developer, Shea Homes, did not object to be used for the endowment. This funding was earmarked in an agreement with the developer to establish the endowment to assist with funding the on-going operation and maintenance of the mansion.

The revenue portion of the Budget is based on pre-rentals for 2021 as of September 30, 2020.

The District’s stated objective is to fund all operations and maintenance as well as a reserve for the majority of major repairs without using tax revenues. To date the District has met this objective. As a result, when Mansion work is performed by District staff that are paid from the General Fund, the Mansion Special Revenue Fund reimburses by transfer to the General Fund for estimates of these costs. The Budget includes the following transfers:

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
Transfers to General Fund				
Landscape Services	\$ (18,200)	\$ 15,000	\$ 4,400	\$ 14,800
Facilities Maintenance	36,000	36,000	36,000	37,000
<b>TOTAL</b>	<b>\$ 17,800</b>	<b>\$ 51,000</b>	<b>\$ 40,400</b>	<b>\$ 51,800</b>

A portion of the fund balance is “assigned” to create a reserve for repairs that are not of a recurring scheduled nature. Currently 10% of the rental revenues are being assigned annually as part of the process. As we are still accumulating data from the early years of operation this amount appears appropriate. In the future staff will prepare a more detailed analysis of the reserve requirements in order to refine the annual set aside.

	2019 Actual	2020 Budget	2020 Revised	2021 Budget
Reserve Calculation				
Beginning Balance	\$ 123,653	\$ 113,012	\$ 128,839	\$ 81,739
10% of Reservation Revenues	45,289	46,400	9,900	37,908
Adj. to target fund balance		-		
Use of reserves	(40,103)	(63,375)	(57,000)	(20,375)
Ending Balance	<b>\$ 128,839</b>	<b>\$ 96,037</b>	<b>\$ 81,739</b>	<b>\$ 99,272</b>

HIGHLANDS RANCH METROPOLITAN DISTRICT  
MANSION SPECIAL REVENUE FUND  
2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<i>REVENUES</i>				
Reservations Programs	\$ 452,889	\$ 464,000	\$ 99,000	\$ 379,080
Other - Sales	4,017	-	-	-
Net Investment Income	227,715	187,500	46,000	102,000
	106,218	68,800	45,000	21,600
<i>TOTAL REVENUES</i>	<u>790,839</u>	<u>720,300</u>	<u>190,000</u>	<u>502,680</u>
<i>EXPENDITURES</i>				
Operations Budget	512,161	630,150	477,000	570,100
Cost of sales	48,542	42,000	7,000	35,000
Use of reserve	40,103	63,375	57,000	20,375
Budget Request (one-time)	-	6,000	-	-
Budget Request (ongoing)	-	21,550	-	-
<i>TOTAL EXPENDITURES</i>	<u>600,806</u>	<u>763,075</u>	<u>541,000</u>	<u>625,475</u>
Revenue over (under) expenditures	<u>190,033</u>	<u>(42,775)</u>	<u>(351,000)</u>	<u>(122,795)</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
From (to) General Fund	(17,800)	(51,000)	(40,400)	(51,800)
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>(17,800)</u>	<u>(51,000)</u>	<u>(40,400)</u>	<u>(51,800)</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
<i>FUND BALANCE - BEGINNING</i>	172,233	(93,775)	(391,400)	(174,595)
<i>FUND BALANCE - ENDING</i>	<u>4,541,445</u>	<u>4,589,558</u>	<u>4,713,678</u>	<u>4,322,278</u>
	\$ 4,713,678	\$ 4,495,783	\$ 4,322,278	\$ 4,147,683
Reserve for repairs	(128,839)	(96,037)	(81,739)	(99,272)
Endowment	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
<i>FUND BALANCE - Available</i>	<u>584,839</u>	<u>399,746</u>	<u>240,539</u>	<u>48,411</u>
	\$ 584,839	\$ 399,746	\$ 240,539	\$ 48,411

# ***CONSERVATION TRUST FUND***

## ***SPECIAL REVENUE FUND***

This Special Revenue Fund accounts for the proceeds from the Colorado Lottery. The amounts received are subject to the population estimates of the District in relation to the population of all participating entities multiplied by a per capita amount as calculated by the State of Colorado. The per capita amount is dependent upon receipts from the various Lottery games.

### **2021 Conservation Trust Fund Capital Projects**

- Marcy Gulch Trail improvements
- Toepfer Park planning
- Mansion/ Historic Park Interpretative Signage
- Mansion Courtyard/ Front Lawn improvements
- ADA transition plan
- Highline Canal signage



HIGHLANDS RANCH METRO DISTRICT  
 CONSERVATION TRUST FUND  
 2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<i>REVENUES</i>				
Conservation Trust Fund	\$ 580,820	\$ 470,000	\$ 515,000	\$ 470,000
Net Investment Income	86,474	23,600	25,932	8,600
<i>TOTAL REVENUES</i>	<u>667,294</u>	<u>493,600</u>	<u>540,932</u>	<u>478,600</u>
<i>EXPENDITURES</i>				
Capital Outlay	77,112	1,035,000	415,736	635,000
Intragovernmental				
Transfer to General Government Capital Projects	226,100	93,900	250,705	-
Transfer to Major Repair Fund	100,000	-	45,000	-
<i>TOTAL EXPENDITURES</i>	<u>403,212</u>	<u>1,128,900</u>	<u>711,441</u>	<u>635,000</u>
Revenue over (under) expenditures	264,082	(635,300)	(170,509)	(156,400)
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers	-	-	-	-
Net Investment Income	-	-	-	-
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>	264,082	(635,300)	(170,509)	(156,400)
<i>FUND BALANCE - BEGINNING</i>	1,385,853	1,335,405	1,649,935	1,479,426
<i>FUND BALANCE - ENDING</i>	<u>\$ 1,649,935</u>	<u>\$ 700,105</u>	<u>\$ 1,479,426</u>	<u>\$ 1,323,026</u>
Less Assigned Fund Balance	-	-	(200,000)	(400,000)
Available Fund Balance	<u>\$ 1,649,935</u>	<u>\$ 700,105</u>	<u>\$ 1,279,426</u>	<u>\$ 923,026</u>

HIGHLANDS RANCH METRO DISTRICT  
CONSERVATION TRUST FUND

	Budget	2020		Total	2021		2022		2023	
		11/30/20	Remaining		Projected	Projected	Projected	Projected		
Trails										
Trail 6.4.0 Upper Marcy Gulch Trail	-	-	-	-	175,000	-	-	-	-	-
Highline Canal Crossing with DC	70,000	-	-	-	-	-	70,000	-	-	-
Park Parking Improvements/Trail Crossings	100,000	-	-	-	-	-	-	-	-	-
Mansion Driveway Sidewalks	-	-	-	-	-	-	-	-	-	100,000
Elementary School Field Improvements										
Toeffer Park School Site	100,000	-	-	-	-	-	40,000	-	-	-
Community Parks										
Central Park	250,000	-	-	-	-	-	-	-	-	-
Tanks Park - Pickleball improvements	-	-	-	-	-	-	-	-	-	-
Mansion/Historic Park										
Historic Park Signage - Way Finding Plan	150,000	-	-	-	150,000	-	150,000	-	-	-
Mansion Front Yard/Courtyard - Grounds improvements	195,000	138,000	-	138,000	140,000	-	90,000	-	-	90,000
Mansion Driveway Landscape Improvements	-	55,000	-	55,000	-	-	-	-	-	-
Other										
ADA Transition Pan	120,000	45,000	-	45,000	120,000	-	120,000	-	-	120,000
Disc Golf	93,900	250,705	-	250,705	-	-	-	-	-	-
Highline Canal Signage	50,000	-	-	-	50,000	-	50,000	-	-	-
<b>Total</b>	<b>\$ 1,128,900</b>	<b>\$ 488,705</b>	<b>\$ -</b>	<b>\$ 488,705</b>	<b>\$ 635,000</b>	<b>\$ -</b>	<b>\$ 520,000</b>	<b>\$ -</b>	<b>\$ 310,000</b>	<b>\$ -</b>

**CHANGES IN FUND BALANCE TO BE ASSIGNED**

Community Park - Historic Park	-	-	-	200,000	200,000
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# ***DEBT SERVICE FUND***

The Debt Service Fund provides centralized accounting for all interest, principal payments and other expenditures incurred by the District related to the outstanding debt. Accounted for within the Fund are specific bond sub-funds established pursuant to the resolutions authorizing issuance of the District debt.

The Debt Service Fund is currently supported by revenue generated from:

- Property taxes as delineated on the Calculation of Tax Revenue schedule.
- Interest on the Debt Service Fund balance.
- Transfers from the Capital Projects Fund:
  - Interest earned on the fund balance in the General Government portion of the Capital Projects Fund is automatically transferred to the Debt Service Fund.
  - Systems Development Fees are initially deposited into the Capital Projects Fund. To the extent that taxes and other revenues/transfers are not sufficient to maintain the Board directed targeted fund balance, a transfer is made from the Capital Projects Fund in an amount sufficient to meet the target.

Staff annually prepares a debt management plan for the Board to review. This plan analyzed the ability of the District to continue on track to retire all outstanding debt of the District as soon after the first call date of 2016 as possible. While the current management plan indicated that all debt could have been retired the District Board, in order to fund the capital requirements reviewed as part of the June 2016 visioning workshop, determined that the Metro 2 and 3 debt should be refunded with a present value savings in order to allow for the capital improvements identified in the workshop.

**The debt as of 12/31/2021 can be summarized as follows:**

- Outstanding debt service will be \$15,505,000.
- Current debt authorized by election but unissued is \$69,455,000 became stale in 2016 and is, dependent on any future legal decision, not available for issuance.

District debt was issued to fund the infrastructure identified in the Facilities Plan section of the Capital Improvements Program for the base improvements necessary to serve Highlands Ranch. The Facilities Plan identified the infrastructure in the following major categories:

- Arterial roadways
- Storm drainage / channel stabilization
- Parkway landscaping
- Traffic Signals
- Parks and trails
- Fire stations and the initial equipping
- C-470 highway interchange

## Consolidated Metro

The Highlands Ranch Metropolitan District Series 2016 General Obligation Refunding Bonds, dated May 20, 2016 in the original principal amount of \$29,800,000 is a tax-exempt loan due in varying amounts annually through 2025. Interest on the remaining outstanding debt is at fixed rates of 1.920% payable semi-annually June 1 and December 1.

HIGHLANDS RANCH METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<b>REVENUES</b>				
Taxes (see detail)	\$ 3,983,285	\$ 3,874,260	\$ 3,874,260	\$ 3,638,162
Net Investment Income	150,422	70,900	63,726	13,600
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>4,133,707</b>	<b>3,945,160</b>	<b>3,937,987</b>	<b>3,651,762</b>
<b>EXPENDITURES (see detail)</b>				
General Government				
Paying Agent Fees	300	500	500	500
Debt Service				
Principal	3,540,000	3,615,000	3,615,000	19,190,000
Interest	474,210	410,490	410,490	345,420
Bond Issue Expense	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,014,510</b>	<b>4,025,990</b>	<b>4,025,990</b>	<b>19,535,920</b>
Revenue over (under) expenditures	119,197	(80,830)	(88,003)	(15,884,158)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond issue				
Bond Proceeds	-	-	-	-
Transferred to Escrow	-	-	-	-
Operating transfers				
From (to) General Fund	-	-	-	10,000,000
From (to) Special Revenue Funds	54,663	-	-	-
From (to) General Government Capital Projects Fund	545,743	-	-	500,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>600,406</b>	<b>-</b>	<b>-</b>	<b>10,500,000</b>
<b>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>719,603</b>	<b>(80,830)</b>	<b>(88,003)</b>	<b>(5,384,158)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>4,779,711</b>	<b>4,802,280</b>	<b>5,499,314</b>	<b>5,411,311</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 5,499,314</b>	<b>\$ 4,721,450</b>	<b>\$ 5,411,311</b>	<b>\$ 27,153</b>
<b>TARGETED FUND BALANCE</b>	<b>\$ 4,027,490</b>	<b>\$ 4,032,420</b>	<b>\$ 4,032,420</b>	<b>\$ 4,041,090</b>

## **DEBT SERVICE REQUIREMENTS**

The projected outstanding principal for the District is as follows:

<u>Long Term Debt</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Retirements/ Refunding</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2022</u>
Series 2016	\$ 19,190,000	-	19,190,000	-	-	-	\$ -
<b>TOTAL</b>	<b>\$ 19,190,000</b>	<b>-</b>	<b>19,190,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>

Below is the future annual principal and interest payments on the debt:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,615,000	\$ 410,490	4,025,490
2021	3,685,000	345,420	4,030,420
2022	3,760,000	279,090	4,039,090
2023	3,835,000	211,410	4,046,410
2024	3,915,000	142,380	4,057,380
2025	3,995,000	71,910	4,066,910
	<u>\$ 22,805,000</u>	<u>\$ 1,460,700</u>	<u>24,265,700</u>

The projected expenditures related to interest during 2020 and 2021 can be summarized as follows:

	<u>TOTAL</u>	
	<u>2020</u>	<u>2021</u>
Consolidated Series 2016	\$ 410,490	\$ 345,420
<b>TOTAL</b>	<b>\$ 410,490</b>	<b>\$ 345,420</b>

# ***CAPITAL PROJECT FUNDS***

The Capital Projects Fund is comprised of three sub-funds:

- The General Government Capital Project Fund
- Major Repair Fund
- Water and Sewer Reserve Fund

## General Government Capital Project Fund

The General Government Capital Projects Fund provides centralized accounting for all major general governmental capital improvement projects, the preponderance of which are identified in the District's Facilities Plan according to the following:

*Capital Improvement Projects funded are projects to acquire or construct an asset generally with a value exceeding \$25,000 and an expected life of ten years or more. Capital project appropriations continue in effect for the duration of the project period. It is characteristic that these projects span several years due to the scope of work being done.*

The Facility Plan, a comprehensive planning document that attempts to identify the long-range capital improvement projects necessary to serve Highlands Ranch, is the basis for the calculation of Systems Development Fees (SDF) assessed on properties within the District. The collection of SDF is designed to be equal to the total ultimate cost of all facilities. Due to the need to build infrastructure prior to being able to collect fees, debt may be issued to fund projects with the ultimate repayment of this debt recovered from future SDF collections.

Therefore, the primary source of revenues to construct these projects comes from either:

- The proceeds generated by the sale of general obligation bonds.
- Systems Development Fees.

The retirement of the debt generated by the issuance of these bonds is paid from the Debt Service Fund.

During the design phase of a project, appropriations are made as each new commitment is made. Once a project has been bid, a construction budget is prepared and approved by the Board of Directors. The construction budget generally includes funds for: the bid amount for construction, construction administration and inspection services, other engineering necessary for the construction of the project, allocations of design costs previously committed and a contingency factor generally equal to 10% of the above items. The project appropriation is then increased in an amount sufficient to equal the amount of the construction budget. Appropriations do not lapse at the end of each year, but instead carry forward until rescinded by the Board of Directors. The schedule below shows the anticipated appropriation status for various capital projects in 2020 and 2021.

	Capital Projects Fund				
	Gen. Govt	Major Repair	Transfer from Stormwater	Water & Sewer Reserve	CTF
Carried forward from 2019	\$ 1,073,308	\$ 1,738,859	\$ 700,977	\$ -	\$ 222,736
Net new appropriations anticipated	250,705	8,222,930	599,875	91,000	488,705
Carried forward to 2020	-	(4,000,000)	-	-	-
<b>Total Expenditures / Transfers 2021</b>	<b>\$ 1,324,013</b>	<b>\$ 5,961,789</b>	<b>\$ 1,300,852</b>	<b>\$ 91,000</b>	<b>\$ 711,441</b>
Carried Forward from 2020	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -
Net new appropriations anticipated	3,852,263	2,440,120	1,320,000	900,000	635,000
Carried forward to 2021	-	-	-	-	-
<b>Total Expenditures / Transfers 2021</b>	<b>\$ 3,852,263</b>	<b>\$ 6,440,120</b>	<b>\$ 1,320,000</b>	<b>\$ 900,000</b>	<b>\$ 635,000</b>

## 2021 Capital Improvement Projects

### **Arterial Roadways**

- Streetlights on Wildcat Reserve Parkway (east of Broadway)

### **Parkway Landscape**

- Per District policy qualified landscape projects can be submitted for reimbursement. The 2021 budget anticipates \$28,200 in reimbursements for parkway landscape projects. Once the property is reimbursed the ongoing operation and maintenance of the property will be paid for from the General Fund. The approximate cost is \$6,800 per acre for maintenance and water. It is anticipated there will be landscape and sidewalk work on Plaza Drive in 2021.

### **Storm Drainage**

- NOTE: Channel Stabilization – Future Channel Stabilization work will be funded directly by the Stormwater Management Fund. There are no anticipated projects in 2021.

### **Traffic Signal**

- Signal at Plaza & Falkel (near Avaya)

### **Parks Projects**

- There are no park projects planned for 2021.

### **Community Enhancements**

- In 2013 Douglas County committed to fund several projects for improvements on the Mansion Grounds and in the Historic Park. Projects began in 2013 however it is anticipated that there will be no project work in 2021.
- Design of improvements for the Flynn' B House and associated parking is expected to begin in 2021.
- Repairs to the Veteran's Monument's brick pavers and concrete is expected to begin in 2021.

### **Trails**

- Work on the Marcy Gulch Trail, west of Mountain Vista High School is expected to begin in 2021.

## Major Repair Fund

The Metro District's Major Repair Fund is used to account for the funds set aside by the District for "major" repairs to infrastructure either owned by the District or which the District is contractually obligated to maintain. Routine operation and maintenance costs are already included in the budget and the major repair and renovation will occasionally result in a reduction in maintenance costs.

### Revenue sources:

- Income from license agreements for cell phone towers and electronic equipment, which were previously recognized as other income in the General Fund, is deposited directly into the Major Repair Fund.
  - Lease agreements are done on a site specific basis often requiring a deposit and installation of enhanced landscaping at the site. Zoning approval for each site by Douglas County is the responsibility of the respective carrier. Each agreement stipulates the annual fee and renewal terms.
  - The average annual lease fee is \$24,000. In 2020 the District projects revenues of \$900,000 for permits and leases on existing sites. The 2021 budget assumes collections of \$900,000 as well.
- During the budget process, the District identified \$1,500,000 (approximately .889 mills) to be transferred from the General Fund to the Major Repair Fund to fund various identified projects.

Use of the accumulated proceeds is determined annually by the Board of Directors.

A portion of the fund balance is assigned for:

1. An intergovernmental agreement with Douglas County School District which reserves \$15,000 per year for future replacement of shared artificial turf field at Pronghorn Park. It is anticipated that the turf will be replaced in 2021.

### HISTORY NOTE:

Prior to 2004, major repairs to the District's comparatively new infrastructure were not material. What repairs were necessary were handled from operating funding from the General Fund Budget.

Since the inception of the fund in 2004, the primary source of revenue prior to 2011 was:

- A transfer from the General Fund which was generally calculated based on cell phone site leases and from General Fund balances in excess of the 50% target.
- An amount generally equivalent to the HB 1006 property taxes which were collected in counties designated as fast growing. In 2009 this designation was removed from Douglas County and no funding has been received since.
- Since 2001 income generated from cell site lease agreements has grown from \$12,600 to an estimated \$900,000 in 2021.



HIGHLANDS RANCH METROPOLITAN DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS FUND  
2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<i>REVENUES</i>				
System Development Fees	\$ 1,672,544	\$ 970,000	\$ 936,164	\$ 412,000
Intragovernmental	226,100	93,900	250,705	-
Contribution Offsetting Capital Outlay	-	337,000	177,000	-
Other	-	-	-	-
Net Investment Income	545,743	381,900	281,700	132,500
<b>TOTAL REVENUES</b>	<b>2,444,387</b>	<b>1,782,800</b>	<b>1,645,569</b>	<b>544,500</b>
<i>EXPENDITURES (see detail)</i>				
Capital Outlay				
Facility Plan	12,355	806,401	-	-
Community Enhancements	1,594,676	2,999,606	1,324,013	3,852,263
Stormwater Plan	397	951,000	1,300,852	1,320,000
Other	1,289	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,608,717</b>	<b>4,757,007</b>	<b>2,624,865</b>	<b>5,172,263</b>
Revenue over (under) expenditures	835,670	(2,974,207)	(979,296)	(4,627,763)
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
From (to) Stormwater Fund	577,658	951,000	1,300,852	1,320,000
From (to) Debt Service Fund	(545,743)	-	-	(500,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>31,915</b>	<b>951,000</b>	<b>1,300,852</b>	<b>820,000</b>
<i>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	867,585	(2,023,207)	321,556	(3,807,763)
<b>FUND BALANCE - BEGINNING</b>	<b>27,282,063</b>	<b>27,138,693</b>	<b>28,149,648</b>	<b>28,471,204</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 28,149,648</b>	<b>\$ 25,115,486</b>	<b>\$ 28,471,204</b>	<b>\$ 24,663,441</b>

HIGHLANDS RANCH METROPOLITAN DISTRICT  
 MAJOR REPAIR FUND  
 2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<i>REVENUES</i>				
Intergovernmental				
Transfer from Conservation Trust Fund	\$ 100,000	\$ -	\$ 45,000	\$ -
Other - Cell Site Lease Revenue	859,525	900,000	906,000	900,000
Contribution Offsetting Capital Outlay	-	-	-	-
Net Investment Income	24,746	6,800	79,000	21,100
<b>TOTAL REVENUES</b>	<b>984,271</b>	<b>906,800</b>	<b>1,030,000</b>	<b>921,100</b>
<i>EXPENDITURES</i>				
Capital Outlay (net of transfer to Utility Fund)	770,605	8,066,415	5,961,789	6,440,120
Vehicle and Equipment Replacement	137,334	235,820	235,820	189,343
<b>TOTAL EXPENDITURES</b>	<b>907,939</b>	<b>8,302,235</b>	<b>6,197,609</b>	<b>6,629,463</b>
Revenue over (under) expenditures	76,332	(7,395,435)	(5,167,609)	(5,708,363)
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
From (to) General Fund	8,344,638	1,735,820	1,735,820	2,189,343
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>8,344,638</b>	<b>1,735,820</b>	<b>1,735,820</b>	<b>2,189,343</b>
<i>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
<b>FUND BALANCE - BEGINNING</b>	8,420,970	(5,659,615)	(3,431,789)	(3,519,020)
<b>FUND BALANCE - ENDING</b>	2,103,709	8,965,350	10,524,679	7,092,891
Less Assigned Fund Balance	\$ 10,524,679	\$ 3,305,735	\$ 7,092,891	\$ 3,573,871
Available Fund Balance	(165,000)	(180,000)	(180,000)	-
	\$ 10,359,679	\$ 3,125,735	\$ 6,912,891	\$ 3,573,871

HIGHLANDS RANCH METROPOLITAN DISTRICT  
WATER AND SEWER RESERVE FUND  
2019-2021

	Actual 2019	Budget 2020	Projected 2020	Budget 2021
<i>REVENUES</i>				
Special Revenues				
Rate Income	\$ -	\$ -	\$ -	\$ -
Contributed Capital	-	-	-	-
Other	300,000	-	-	-
Net Investment Income	-	-	-	-
<i>TOTAL REVENUES</i>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>EXPENDITURES</i>				
Water and Wastewater Capital				
Water Line Replacement (Chesapeake)	-	675,000	91,000	900,000
Water Line Replacement (Bellflower)	-	100,000	-	-
<i>TOTAL EXPENDITURES</i>	<u>-</u>	<u>775,000</u>	<u>91,000</u>	<u>900,000</u>
Revenue over (under) expenditures	300,000	(775,000)	(91,000)	(900,000)
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
From (to) General Fund	500,000	700,000	700,000	700,000
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>500,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>	800,000	(75,000)	609,000	(200,000)
<i>FUND BALANCE - BEGINNING</i>	-	800,000	800,000	1,409,000
<i>FUND BALANCE - ENDING</i>	<u>\$ 800,000</u>	<u>\$ 725,000</u>	<u>\$ 1,409,000</u>	<u>\$ 1,209,000</u>

## ***SYSTEM DEVELOPMENT FEES***

The District has approved the establishment of a fee for residential, commercial and industrial property owners which is collected at the same time as or prior to the collection of the tap fees for the specific property. The fee, which is calculated annually, is designed to recover the historical and future estimated costs of the construction of arterial roadways, parkway landscaping, storm drainage facilities, parks and trails, and fire and emergency facilities as found in the District's Facility Plan. Effective January 1, 2019, South Metro Fire Rescue is responsible for construction of any new fire and emergency facilities.

The Basic Systems Development Fee for 2021 will be based upon the 2019 Facility Plan effective August 1, 2018. The increase in fees assume a net increase in the estimated cost of facilities of 0.00%.

The fee structures used in the budget are as follows:

	2020 Budget	2021 Adopted August 1, 2020
Residential (per adjusted gross acre)	\$36,056	\$36,056
Non-residential (per adjusted gross acre)	\$32,051	\$32,051

The revenues generated from the above rates are estimated as follows:

	2020 Budget	2020 Projected	2021 Budget
Single Family Residential	\$ 750,000	\$ 395,000	\$ 300,000
Based on # of SF DUs	115	70	50
Multi Family Residential	\$ 300,000	\$ 541,164	\$ 112,000
Based on # of MF DUs	125	397	175
Nonresidential	\$ -	\$ -	\$ -
Based on # of Acres	0.0	15.0	0.0
Total	<u>\$ 1,050,000</u>	<u>\$ 936,164</u>	<u>\$ 412,000</u>

HIGHLANDS RANCH METRO DISTRICT  
MAJOR REPAIR FUND

PROJECT	2020					Actuals		2021		2022		2023	
	Budget	Appropriations		Remaining	Total	2021 Projected	2022 Projected	2023 Projected	2021 Projected	2022 Projected	2023 Projected	2023 Projected	
		\$	\$										\$
<b>Illuminated Street Name Signs</b>	\$ 40,000	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 40,000	\$ 20,000	\$ 20,000	\$ 40,000	\$ 20,000	\$ 20,000	\$ 20,000	
<b>Parkway Fence Replacement Program</b>	992,895	992,895	-	992,895	-	-	-	-	-	-	-	-	
South Quebec - east side, East Big Dry Trail/ Dad Clark south side	-	-	-	-	-	-	-	-	-	-	-	-	
Lucent West Side (Town Center to HRPkwy)	-	-	-	-	210,000	-	-	-	-	-	-	-	
Colorado - both sides from University to end	-	-	-	-	547,000	-	-	-	-	-	-	-	
Wildcat - both sides from HR Pkwy to Broadway	-	-	-	-	-	-	1,272,000	-	-	-	-	-	
South Ranch Rd. - both sides	-	-	-	-	274,000	-	-	-	-	-	-	-	
Venneford Ranch Rd. - University to Colorado	-	-	-	-	314,000	-	-	-	-	-	-	-	
Wildcat - Stonbury Neighborhood	-	-	-	-	-	-	-	-	-	-	171,000	-	
Wildcat - from MVHS to Fairview both sides	-	-	-	-	-	-	-	-	-	-	954,000	-	
Total Parkway Fence Replacement Program	992,895	992,895	-	992,895	1,345,000	-	1,272,000	-	1,345,000	1,272,000	1,125,000	-	
<b>Entries &amp; Medians</b>													
<b>Medians</b>													
University Median (north tip)/North Median (north of Dad Clark Dr.	-	-	-	-	-	-	-	-	-	-	127,690	-	
University corridor	100,000	88,000	-	88,000	-	-	-	-	-	-	-	-	
Community Entries													
C-470 (2)	315,000	302,235	-	302,235	-	-	-	-	-	-	-	-	
Total Entries & Medians	415,000	390,235	-	390,235	-	-	-	-	-	-	127,690	-	
<b>Park Improvements</b>													
Redstone Parking Lot CS&TC and re-stripe	-	-	-	-	-	103,800	-	-	103,800	-	-	80,000	
Green Ash St TC & CS and stripe	15,520	-	-	-	-	115,520	-	-	115,520	-	-	-	
Mansion TC & CS and stripe	-	-	-	-	-	70,400	-	-	70,400	-	-	-	
Falcon Park - parking lot TC & CS and stripe	-	-	-	-	-	-	20,800	-	-	20,800	-	-	
Redstone ballfield lighting upgrades	-	-	-	-	-	-	400,000	-	-	400,000	-	-	
Northridge Parking Lots	-	-	-	-	-	-	-	-	-	-	-	-	
Tanks Park - Skate Park	146,000	-	161,100	161,100	-	-	-	-	-	-	-	-	
Redstone Park Scoreboard	-	32,100	-	32,100	-	-	-	-	-	-	-	-	
Total Park Improvements	161,520	32,100	161,100	193,200	289,720	-	420,800	-	289,720	420,800	-	80,000	
<b>Playgrounds / Courts/ Turf</b>													
Cougar Run Park Playground Replacement	175,000	220,000	-	220,000	-	-	-	-	-	-	-	-	
Wetlie Park Playground Replacement	-	-	-	-	-	-	-	-	-	-	175,000	-	
Toepfer Park Playground Replacement	-	-	-	-	-	-	175,000	-	-	175,000	-	-	
Plum Valley Playground Replacement	-	-	-	-	-	175,000	-	-	175,000	-	-	-	
Marcy Park Court	-	-	-	-	-	-	180,000	-	-	180,000	-	-	
Pronghorn Park Turf Replacement (shared with DCSD)	-	-	-	-	-	-	400,000	-	-	400,000	-	-	
Redtail & Plum valley concrete replacement	-	-	-	-	-	120,000	-	-	120,000	-	-	-	
Total Playgrounds/Courts/Turf	175,000	220,000	-	220,000	295,000	-	755,000	-	295,000	755,000	-	175,000	

HIGHLANDS RANCH METRO DISTRICT  
MAJOR REPAIR FUND

PROJECT	2020		Actuals			2021 Projected	2022 Projected	2023 Projected
	Budget	Appropriations Thru 11/30	Remaining	Total	2020 Projected			
<b>Restrooms</b>								
Big Dry Creek Park	45,000	45,000	-	45,000	-	-	-	-
Toepfer Park Restroom Replacement	-	-	-	-	-	45,000	-	-
Spring Gulch Park Restroom Replacement	-	-	-	-	90,000	-	-	-
Dad Clark Park Restroom Replacement	-	-	-	-	-	-	-	45,000
Total Restrooms	45,000	45,000	-	45,000	90,000	45,000	45,000	45,000
<b>Building Improvements</b>								
Service Center Improvement Plan	6,077,000	6,316,600	-	6,316,600	305,400	-	-	-
<b>Parkway Landscape renovations</b>								
Landscape conversion	100,000	40,000	-	40,000	-	400,000	400,000	400,000
Trouble spot renovation	60,000	-	-	-	75,000	75,000	75,000	75,000
Total Parkway Landscape Renovations	160,000	40,000	-	40,000	75,000	475,000	475,000	475,000
<b>TOTAL MAJOR REPAIR</b>	<b>\$ 8,066,415</b>	<b>\$ 8,061,830</b>	<b>\$ 161,100</b>	<b>\$ 8,222,930</b>	<b>\$ 2,440,120</b>	<b>\$ 2,987,800</b>	<b>\$ 2,047,690</b>	
<b>CHANGES IN FUND BALANCE TO BE ASSIGNED</b>								
Synthetic Turf Replacement - Pronghorn	\$ 15,000	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000

**HIGHLANDS RANCH METROPOLITAN DISTRICT  
MISCELLANEOUS CAPITAL 2020-2021  
Major Repair**

	2020 PROJECTED	2021				CULTURAL
		PUBLIC SAFETY	PARKS AND OPEN SPACE	PUBLIC WORKS	GENERAL MGMT.	
<i>942 TRANSPORTATION EQUIPMENT</i>						
Full size truck - Facilities	65,705	-	-	-	-	-
Compact truck - Parks	45,705	-	-	-	-	-
Compact truck - Parkways (2)	91,410	-	-	-	-	-
Full Size Truck - Forestry	-	-	39,935	-	-	-
Compact Truck - Sports Fields	-	-	41,935	-	-	-
Full Size Truck - Parks	-	-	50,880	-	-	-
	202,820	-	132,750	-	-	-
<i>943 FIELD EQUIPMENT</i>						
Fleet tungsten inert gas welder	20,000	-	-	-	-	-
Water tank trailer	13,000	-	-	-	-	-
Toro Grandstand mower	-	-	10,802	-	-	-
Pressure Washer with trailer	-	-	19,225	-	-	-
Toro Sand Pro infield groomer	-	-	26,566	-	-	-
	33,000	-	56,593	-	-	-
<b>SUBTOTAL DIRECT CAPITAL PURCHASES</b>	<b>\$ 235,820</b>	<b>\$ -</b>	<b>\$ 189,343</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<i>Combined Total of Direct Purchases and Capital acquired under lease</i>						
Lease Payments	-	-	-	-	-	-
Capital acquired under lease	-	-	-	-	-	-
Direct capital purchases	235,820	-	189,343	-	-	-
	<b>\$ 235,820</b>	<b>\$ -</b>	<b>\$ 189,343</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

HIGHLANDS RANCH METROPOLITAN DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS SUMMARY

	Prior Years Unexpended Approp.	2020		2021		2022		2023		Remaining Future	
		Budget	11/30/2020 Actual	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets
ARTERIAL ROADWAYS	-	170,000	-	115,000	-	55,000	-	-	-	-	-
PARKWAY LANDSCAPE	-	396,402	-	448,602	-	56,500	-	-	-	1,357,186	-
STORM DRAINAGE	1,075,979	-	-	-	-	-	-	-	-	-	-
TRAFFIC SIGNALS	-	-	-	318,000	-	-	-	318,000	-	87,500	-
PARKS											
BASIC PARK SYSTEM	-	-	-	-	-	-	-	-	-	-	-
MANSSION AND HISTORIC PARK	-	-	-	-	-	-	-	-	-	1,724,177	-
TRAILS	-	-	-	71,055	-	-	-	-	-	-	-
COMMUNITY ENHANCEMENTS	2,839	3,103,500	250,705	2,899,606	(177,000)	13,000,000	-	-	-	-	-
	<u>\$ 1,078,818</u>	<u>\$ 3,669,902</u>	<u>\$ 250,705</u>	<u>\$ 3,852,263</u>	<u>\$ (177,000)</u>	<u>\$ 13,111,500</u>	<u>\$ -</u>	<u>\$ 318,000</u>	<u>\$ -</u>	<u>\$ 3,168,863</u>	<u>\$ -</u>



**HIGHLANDS RANCH METRO DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS - ARTERIAL ROADWAYS**

	Prior years Appropriation	Prior years Unexpended Appropriation	2020		2021		2022		2023		Remaining Future
			Budget	11/30/2020 Actual	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
<b>ARTERIAL ROADWAYS</b>											
<b>STREETLIGHTS</b>											
Plaza (W of Lucent Blvd)	-	-	55,000	-	-	-	55,000	-	-	-	-
Wildcat Reserve Parkway (east of Broadway)	-	-	115,000	-	115,000	-	-	-	-	-	-
<b>Total - Arterial Roadways</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 170,000</b>	<b>\$ -</b>	<b>\$ 115,000</b>	<b>\$ -</b>	<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**HIGHLANDS RANCH METRO DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS - LANDSCAPE**

	2020		2021		2022		2023		Remaining Future	Removed from Plan
	Budget	11/30/2020 Actual	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
<b>PARKWAY LANDSCAPE</b>										
<b>BUSINESS PARK - EXISTING DEVELOPMENT</b>										
Medians in Lucent	-	-	-	-	-	-	-	-	-	-
Lucent - N. of Town Center (reimbursement)	-	-	-	-	-	-	-	-	108,000	-
Lucent Entry	-	-	-	-	-	-	-	-	72,000	-
Filing 153	-	-	-	-	-	-	-	-	-	-
Lucent N of C-470 East Side	-	-	-	-	-	-	-	-	66,000	-
Landscap	-	-	-	-	-	-	-	-	18,600	-
Sidewalk	-	-	-	-	-	-	-	-	-	102,415
Filing 134A - Childrens Hospital	-	-	-	-	-	-	-	-	-	-
Filing 140 - Lucent/Avaya site	-	-	-	-	-	-	-	-	-	-
Plaza Drive - N. side - Lucent/Avaya site	-	-	-	-	-	-	-	-	-	-
Lot 4	-	-	-	-	-	-	-	-	60,000	-
Filing 145	-	-	-	-	-	-	-	-	-	-
Lot 1 (D1)	-	-	-	-	-	-	-	-	-	-
Plaza Drive (s) - Landscape	-	-	-	22,000	-	-	-	-	-	-
Plaza Drive (s) - Sidewalk	-	-	-	6,200	-	-	-	-	-	-
Filing 148 (Town Center East)	-	-	-	-	-	-	-	-	-	-
Town Center	-	-	-	-	-	-	-	-	-	-
Landscap	37,400	-	-	37,400	-	-	-	-	-	-
Sidewalk	10,546	-	-	10,546	-	-	-	-	-	-
Highlands Ranch Parkway	-	-	-	-	-	-	-	-	-	-
Landscap	30,681	-	-	30,681	-	-	-	-	-	-
Sidewalk	8,649	-	-	8,649	-	-	-	-	-	-
Filing 149 (Town Center North)	-	-	-	-	-	-	-	-	-	-
Lot 1C-1B; 1D-1A; 1D-1B (Town CenterNorth)	-	-	-	-	-	-	-	-	-	-
Lucent Blvd	-	-	-	-	-	-	-	-	-	-
Landscap	22,000	-	-	22,000	-	-	-	-	-	-
Sidewalk	6,200	-	-	6,200	-	-	-	-	-	-
Town Center	-	-	-	-	-	-	-	-	-	-
Landscap	16,775	-	-	16,775	-	-	-	-	-	-
Sidewalk	4,728	-	-	4,728	-	-	-	-	-	-
Lot 1C-2E	-	-	-	-	-	-	-	-	-	-
Highlands Ranch Parkway	-	-	-	-	-	-	-	-	-	-
Landscap	12,375	-	-	12,375	-	-	-	-	-	-
Sidewalk	3,488	-	-	3,488	-	-	-	-	-	-
Town Center Drive - West of Lucent - Corner to Lucent	-	-	-	-	-	-	-	-	-	-
North Side - Filing 134-A, 6th	-	-	-	-	-	-	-	-	-	-
Landscap	46,200	-	-	46,200	-	-	-	-	-	-
Sidewalk	13,020	-	-	13,020	-	-	-	-	-	-
<b>TOTAL BUSINESS PARK - EXISTING DEVELOPMENT</b>	<b>\$ 212,062</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240,262</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 324,600</b>	<b>\$ 102,415</b>
<b>BUSINESS PARK - BIG IDEA</b>										
Englewood Property	-	-	-	-	-	-	-	-	68,750	-
Lucent Blvd	-	-	-	-	-	-	-	-	19,375	-
Landscap	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	-	-
Towncenter Drive	-	-	-	-	-	-	-	-	119,507	-
Landscap	-	-	-	-	-	-	-	-	-	-
<b>TOTAL BUSINESS PARK - BIG IDEA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207,632</b>	<b>-</b>

**HIGHLANDS RANCH METRO DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS - LANDSCAPE**

	2020		2021		2022		2023		Remaining Future	Removed from Plan
	Budget	11/30/2020 Actual	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
<b>TOWN CENTER AREA - EXISTING DEVELOPMENT</b>										
Filing 141A - (Town Center area)	-	-	-	-	-	-	-	-	-	-
Lot 4B	-	-	-	-	-	-	-	-	-	-
Landscape - HRP south side - Lucent to Hepburn	-	-	-	-	-	-	-	-	-	35,750
Sidewalk	-	-	-	-	-	-	-	-	-	10,075
Landscape - Lucent est side - HRP to Mayberry	-	-	-	-	-	-	-	-	-	29,150
Sidewalk	-	-	-	-	-	-	-	-	-	8,215
<b>TOTAL TOWN CENTER AREA - EXISTING DEVELOPMENT</b>	-	-	-	-	-	-	-	-	-	<b>83,190</b>
<b>OTHER PROJECTS - NONRESIDENTIAL</b>										
Filing 118L Lot 88 B (NE corner Bdwy/Wildcat)	-	-	-	-	-	-	-	-	-	-
Wildcat	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	32,500
Filing 118-M (HRP/	-	-	-	-	-	-	-	-	-	-
Lot 2	-	-	-	-	-	-	-	-	-	-
HR Parkway	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	12,980
Lot 3	-	-	-	-	-	-	-	-	-	-
Wildcat	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	12,620
Filing 105 - Lot 11	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	10,175
Sidewalk	-	-	-	-	-	-	-	-	-	2,868
<b>TOTAL OTHER PROJECTS - NONRESIDENTIAL</b>	-	-	-	-	-	-	-	-	-	<b>71,143</b>
<b>OTHER PROJECTS - RESIDENTIAL</b>										
Town Center Drive	-	-	-	-	-	-	-	-	-	-
Ironwood to existing landscape	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	-	25,761
Ironwood to Cactus Bluff	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	-	19,065
Filing 118N - Back County	-	-	-	-	-	-	-	-	-	-
Broadway East Section 2 and 3	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	-	-
Admin	-	-	-	-	-	-	-	-	-	-
Admin	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	-	-
Admin	-	-	-	-	-	-	-	-	-	-
Filing 150	-	-	-	-	-	-	-	-	-	-
Lots 4A-1 (Tresana II)	-	-	-	-	-	-	-	-	-	-
Landscape - University s. side	-	-	-	-	-	-	-	-	-	-
Lots 1A (Tresana)	-	-	-	-	-	-	-	-	-	-
Landscape - University s. side	-	-	-	-	-	-	-	-	-	-
Filing 132-A CIG to next lots-east side (CHCC site)	-	-	-	-	-	-	-	-	-	-
Fairview	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	82,500
Sidewalk	-	-	-	-	-	-	-	-	-	-
Filing 122 Y Tracts B,J,I and portion of A & C	-	-	-	-	-	-	-	-	-	22,435
Design	-	-	-	-	-	-	-	-	-	-

**HIGHLANDS RANCH METRO DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS - LANDSCAPE**

	2020		2021		2022		2023		Remaining Future	Removed from Plan
	Budget	11/30/2020 Actual	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
Landscape	-	-	-	-	-	-	-	-	-	-
Street Lights (moved to arterial roadways)	-	-	-	-	-	-	-	-	-	-
Filing 118L Lot 88 B (NE corner Bdwy/Wildcat Broadway)	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	30,800	-
Sidewalk	-	-	-	-	-	-	-	-	-	-
Hunting Hill - County Line Road	-	-	-	-	-	-	-	-	60,500	-
<b>TOTAL OTHER PROJECTS - RESIDENTIAL</b>	-	-	-	-	-	-	-	-	<b>241,061</b>	-
<b>Metro District Sidewalk Construction Projects</b>	184,340	-	-	-	208,340	-	-	-	-	-
Wildcat Reserve Parkway (MVHS to Backcountry)/McArthur/Broadway	-	-	-	-	-	-	-	-	-	-
Plaza West of Lucent	-	-	-	-	-	-	-	-	136,000	-
Plaza Drive Medians	-	-	-	-	-	-	-	-	35,570	-
Englewood	-	-	-	-	-	-	-	-	24,700	-
Fly'n B Park	-	-	-	-	-	-	-	-	-	-
Greensborough to Erickson - sidewalk - north side	-	-	-	-	-	-	-	-	17,400	-
Children's Hospital	-	-	-	-	-	-	-	-	19,500	-
Plaza Circle to Plaza Circle	-	-	-	-	-	-	-	-	-	-
Solana to Highline Canal	-	-	-	-	56,500	-	-	-	-	-
Highline Canal to Erickson	-	-	-	-	-	-	-	-	20,000	-
Englewood - Greensborough to Shea Property north side	-	-	-	-	-	-	-	-	73,645	-
Shea property west of Greensborough	-	-	-	-	-	-	-	-	68,860	-
Plaza Drive - WTP Landscape only	-	-	-	-	-	-	-	-	98,816	-
Erickson between WTP and Fly'n B	-	-	-	-	-	-	-	-	18,260	-
<b>TOTAL METRO DISTRICT PROJECTS</b>	<b>184,340</b>	-	-	-	<b>208,340</b>	<b>56,500</b>	-	-	<b>512,751</b>	-
<b>TOTAL ATERIAL LANDSCAPE</b>	<b>\$ 396,402</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 448,602</b>	<b>\$ 56,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,357,186</b>	<b>\$ 185,605</b>

HIGHLANDS RANCH METRO DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS - STORM

	Prior Years Approp.	Prior Years Unexpended Approp.	2020		2021		2022		2023		Remaining Future
			Budget	11/30/2020 Actual	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
STORM DRAINAGE											
Pipe 51 Ph. I (Englewood Property)	790,630	-	-	-	-	-	-	-	-	-	-
Pipe 51 Ph. II (Englewood Property)	1,311,585	1,037,607	-	-	-	-	-	-	-	-	-
Pipe 51 Ph. III (Englewood Property)	-	-	-	-	-	-	-	-	-	-	-
Pipe 79, Phase III (Filing 97 - N. of Salford)	467,403	17,808	-	-	-	-	-	-	-	-	-
CHANNEL STABILIZATION											
Otero Tributary / C-470 and County line	38,500	20,564	-	-	-	-	-	-	-	-	-
Subtotal - Storm Drainage	\$ 2,608,118	\$ 1,075,979	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HIGHLANDS RANCH METRO DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS - TRAFFIC SIGNALS

Budget	2020		2021		2022		2023		Remaining Future	Removed from Plan
	11/30/2020 Actual	Remaining	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
-	-	-	-	-	-	-	-	-	-	240,000
-	-	-	-	-	-	-	318,000	-	-	-
-	-	-	318,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	87,500	-
\$ -	\$ -	\$ -	\$ 318,000	\$ -	\$ -	\$ -	\$ 318,000	\$ -	\$ 87,500	\$ 240,000

Subtotal - Traffic Signals

TRAFFIC SIGNALS

ARTERIAL/COLLECTOR

- University/White Bay
- Plaza / East Plaza Circle
- Plaza/ Falkel (near Avaya)
- County Line/ Verona

**HIGHLANDS RANCH METRO DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS - PARKS**

Budget	2020		2021		2022		2023		Remaining Future
	11/30/2020 Actual	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	1,724,177
-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,724,177

MANSION AND HISTORIC PARK  
 Historic Park  
 Original Study  
 Mansion area  
 Trails 4.1,4.3,4.6

**HIGHLANDS RANCH METRO DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS - COMMUNITY ENHANCEMENTS**

	2020		2021		2022		2023		Remaining Future
	Budget	9/30/2020 Actual	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
<b>COMMUNITY ENHANCEMENTS</b>									
Fly'n B Park (W/interest concurrency payment based)									
PHASE II - funding dependent									
Fly'n B House	50,000	-	-	-	-	-	-	-	-
Fly'n B House remodel	343,000	-	-	50,000	-	-	-	-	-
Fly'n B Park - Parking Lot	258,300	-	-	393,000	-	-	-	-	-
Fly'n B Park site improvements & root cellar stabilization	40,000	-	-	258,306	-	-	-	-	-
Fly'n B Park other improvements	81,300	-	-	40,000	-	-	-	-	-
Disc Golf	253,900	250,705	-	(250,705)	-	-	-	-	-
Senior Center	1,900,000	-	-	1,900,000	-	10,500,000	-	-	-
Pickelball Facility	-	-	-	-	-	2,500,000	-	-	-
Mansion Grounds/Historic Park (Douglas County Funding)	177,000	-	-	177,000	(177,000)	-	-	-	-
Outbuilding improvements	-	-	-	-	-	-	-	-	-
Central Park	40,000	-	-	40,000	-	-	-	-	-
Veterans Monument: Brick paver/concrete paint repairs	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY ENHANCEMENTS</b>	<b>\$ 3,103,500</b>	<b>\$ 250,705</b>	<b>\$ -</b>	<b>\$ (250,705)</b>	<b>\$ 2,899,606</b>	<b>\$ (177,000)</b>	<b>\$ 13,000,000</b>	<b>\$ -</b>	<b>\$ -</b>



HIGHLANDS RANCH METRO DISTRICT  
GENERAL GOVERNMENT CAPITAL PROJECTS - TRAILS

	2020		2021		2022		2023		Removed from	
	Budget	11/30/20 Actual	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Remaining Future	Facility Plan
	\$ -	\$ -	\$ -	\$ -	\$ 71,055	\$ -	\$ -	\$ -	\$ -	\$ -

TRAILS

Marcy Gulch

6.4.0 - 5200' W of Mountain Vista HS

# Appendix

**HIGHLANDS RANCH METROPOLITAN DISTRICT**  
**BOARD COMMUNICATION**

<b>DATE</b>	<b>SUBJECT</b>	<b>AGENDA NUMBER</b>
12/10/20	APPROVE 2021 BUDGET, CERTIFY THE 2020 MILL LEVY TO BE COLLECTED IN 2021 AND APPROPRIATE FUNDS	HRMD 20-173

**INITIATED BY** Stephanie Stanley

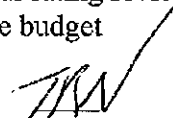
**STAFF RECOMMENDATION**  
Adopt Resolution No. 20-173 with the following actions:

- Adopt 2021 budget.
- Certify the 2020 Mill Levy to be collected in 2021
- Appropriate funds for the 2021 budget.
- Adopt Reserve Policies.

**BACKGROUND INFORMATION**  
A preliminary budget dated October 15, 2020 was submitted to the Board of Directors. On November 6, 2020, District staff and the Board of Directors held a workshop to consider and adjust as necessary the 2020 budget, the 2021 proposed budget, and 2021 proposed rates and fees. In addition, a Public Hearing was held on November 18, 2020 on the 2021 Proposed Budget and fees including adjustments recommended during the workshops. At the public hearing one member of the public expressed opposition to including \$12 million in the Budget with respect to the Highlands Ranch Parkway site for the Senior Center.

The proposed resolution is comprised of several parts, each of which must be adopted by the Board.

- 1) The first item is the adoption of the budget. Changes as the result of the workshop and updating of estimates have been made to the proposed budget. It is recommended that the budget be adopted incorporating the changes. Included in the budgeted amounts for revenue and expenditure in the District's Special Revenue Fund are the "pass-through" amounts of water and wastewater revenue that the District collects and then remits to Centennial Water & Sanitation District. The budget is based on the assumption that the rate increases will be adopted as proposed by the Centennial Board at their regularly scheduled meeting on December 14, 2020.
- 2) The second item requiring action relates to the establishment of the 2020 mill levy to be collected in 2021. The tax revenues for the district have been recalculated based on the final certified Assessed Values from the County Assessor. This item requires adoption of the resolution by the Board with authorization for the Director, Finance and Administration to certify the mill levy to the County Commissioners. The total mill levy is to be set at 11.205 mills as shown in the preliminary budget document.
- 3) The third item related to the budget is the appropriation of funds sufficient to implement the 2021 budget. This appropriation is required pursuant to state statutes.
- 4) The fourth item is the formal adoption of the Reserve policies that have been part of the budget for numerous years. Based on comments from Standard and Poor's as part of our rating reviews, these reserve policies are included in the budget resolution rather than just in the budget document.

  
TRN

DATE	SUBJECT	PAGE
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12/10/20

APPROVE 2021 BUDGET, CERTIFY  
THE 2020 MILL LEVY TO BE COLLECTED  
IN 2021 AND APPROPRIATE FUNDS

HRMD 20-173

**FINANCIAL DETAILS**

The 2021 proposed budget is summarized on the following exhibits:  
Summary budget schedules – attached as Exhibit A to the Resolution  
Multi-year leases status of appropriation – attached as Exhibit B to the resolution

  
SS

**HIGHLANDS RANCH METROPOLITAN DISTRICT**

**RESOLUTION NO. 20-173**

**APPROVE 2021 BUDGET, CERTIFY THE 2020 MILL LEVY TO BE COLLECTED IN 2021 AND APPROPRIATE FUNDS**

WHEREAS, staff has submitted a proposed 2021 budget to this Board on or before October 15, 2020 for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on November 18, 2020 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highlands Ranch Metropolitan District:

1. That Estimated expenditures for each fund are as follows:

General Fund /Stormwater Operations	\$ 12,939,414
Debt Service Fund	19,535,920
Special Revenue Funds	
Utility Special Revenue Fund	42,782,714
Recreation Special Revenue Fund	2,064,060
Mansion Special Revenue Fund	625,475
Conservation Trust Fund	635,000
Capital Projects Fund	12,701,726

2. That estimated revenues and other sources of funding for each fund are as follows:

General Fund	
From the general property taxes (net of treasurers fees & uncollectible estimates)	\$ 16,842,584
From sources other than general property taxes	872,100
From (to) interfund transfers	(12,205,503)
From (to) unappropriated surpluses	7,252,233
	<u>\$ 12,761,414</u>
Stormwater Management Fund	
From sources other than general property taxes	1,402,900
From (to) interfund transfers	(1,324,900)
From (to) unappropriated surpluses	100,000
	<u>\$ 178,000</u>
Utility Special Revenue Fund	
From sources other than general property taxes	\$ 43,037,275
From (to) interfund transfers	(17,900)
From (to) unappropriated surpluses	(236,661)
	<u>\$ 42,782,714</u>
Recreation Special Revenue Fund	
From sources other than general property taxes	1,473,300
From (to) interfund transfers	590,760
From (to) unappropriated surpluses	-
	<u>\$ 2,064,060</u>

Mansion Special Revenue Fund	
From sources other than general property taxes	502,680
From (to) interfund transfers	(51,800)
From (to) unappropriated surpluses	174,595
	<u>\$ 625,475</u>
Conservation Trust Fund	
From sources other than general property taxes	478,600
From (to) interfund transfers	-
From (to) unappropriated surpluses	156,400
	<u>\$ 635,000</u>
Debt Service Funds	
From the general property taxes (net of treasurers fees and uncollectible estimates)	\$ 3,638,162
From sources other than general property taxes	13,600
From (to) interfund transfers	10,500,000
From (to) unappropriated surpluses	5,384,158
	<u>\$ 19,535,920</u>
Capital Projects Fund	
From the general property taxes	\$ -
From sources other than general property taxes	1,465,600
From (to) interfund transfers	2,509,343
From (to) unappropriated surpluses	8,726,783
	<u>\$ 12,701,726</u>

3. That the budget, as submitted, amended including interfund transfers and herein summarized by fund and as shown on Exhibit A and Exhibit B, be, and the same hereby is, approved and adopted as the budget of the Highlands Ranch Metropolitan District for the 2021 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Secretary and/or General Manager of the District to all appropriate agencies and is made a part of the public records of the District.

#### SET MILL LEVIES

WHEREAS, District voters in the Consolidation Election authorized the consolidated Highlands Ranch Metropolitan District to levy as necessary each year a Mill Levy up to 19.75 mills for operating purposes, of which in 2020 the District would require only 18.205 mills if Fire Services were continued to be supplied by the District; and

WHEREAS, since the Fire Service obligation has been removed from Highlands Ranch Metropolitan District and this unification resulted in a reduction of 7.0 mills, the District will be utilizing only 11.205 mills for 2021 Operating purposes, and without further voter approval now maintains a new upper limit of 12.75 mills; and

WHEREAS, the gross amount of money from property taxes necessary to balance the budget for general operating expenses is \$15,699,368 prior to the netting of treasurer fees and estimated uncollectibles; and

WHEREAS, the gross amount of money from property taxes necessary to balance the budget for debt service expenses is \$3,727,625 prior to the netting of treasurer fees and estimated uncollectibles; and

WHEREAS, the 2020 valuation for assessment for the District, as certified by the Douglas County Assessor, is \$1,733,778,940; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highlands Ranch Metropolitan District

1. That for the purposes of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of 9.055 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$15,699,368 in gross revenue and \$15,322,583 in net revenue.
2. That for the purposes of meeting all debt service expenses of the District during the 2021 budget year, there is hereby levied a tax of 2.150 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$3,727,625 in gross revenue and \$3,638,162 in net revenue.
3. That the Assistant Secretary and/or Director, Finance and Administration of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as herein above determined and set.

APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the District has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highlands Ranch Metropolitan District that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

**Funds Appropriated with Budget Adoption**

General Fund	\$ 12,761,414
Stormwater Management Fund	\$ 178,000
Debt Service Funds	\$ 19,535,920
Utility Special Revenue Fund	\$ 42,782,714
Recreation Special Revenue Fund	\$ 2,064,060
Mansion Special Revenue Fund	\$ 625,475
Major Repair Fund (Vehicle & Equipment Replacement)	\$ 189,343
Water & Wastewater Management	\$ 900,000
<b>SUBTOTAL</b>	<b>\$ 79,036,926</b>

RESERVES

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has established the following policies for maintaining sufficient reserves for the operation of the District.

- The General Fund will maintain a fund balance (effectively working capital) equal to at least forty percent of the next year's estimated operating expenditures.
- The Debt Service Fund will maintain an ending fund balance equal to at least the principal and interest payment for the following year.

**HIGHLANDS RANCH METROPOLITAN DISTRICT**

**RESOLUTION NO. 20-173**

**APPROVE 2021 BUDGET, CERTIFY THE 2020 MILL LEVY TO BE COLLECTED IN 2021  
AND APPROPRIATE FUNDS**

Adopted this 10<sup>th</sup> day of December, 2020

Ayes 7 Nays 0 Abstained 9 Absent 0

Certified by , Secretary



**Highlands Ranch Metro District  
ASSESSED VALUES**

	Valuation year >>		Preliminary Mill Levy	2020		2021 Final Certification	% Change from Preliminary	\$ Change from Preliminary
	Collected year >>	2020 Preliminary Certification		2021 Final Mill Levy				
Current		\$ 1,730,090,638		\$ 1,733,778,940			\$ 3,688,302	
New Growth (HB 1006)		-		-			-	
<b>Total AV</b>		<b>\$ 1,730,090,638</b>		<b>\$ 1,733,778,940</b>		<b>0.21%</b>	<b>\$ 3,688,302</b>	
General Fund								
Mill Levy	9.055	\$ 15,665,971	9.055	\$ 15,699,368			\$ 33,398	
Specific Ownership Tax		1,514,000		1,520,000			6,000	
Debt Service Fund								
Mill Levy	2.150	3,719,695	2.150	3,727,625			7,930	
<b>TOTAL TAX REVENUES</b>		<b>\$ 20,899,666</b>		<b>\$ 20,946,993</b>		<b>0.23%</b>	<b>\$ 47,327</b>	
Treasurer Fees		(290,785)		(291,405)			(620)	
Less uncollectibles		(174,471)		(174,842)			(371)	
<b>NET PROPERTY TAX REVENUE</b>	<b>11.2050</b>	<b>20,434,410</b>	<b>11.205</b>	<b>20,480,746</b>		<b>0.23%</b>	<b>46,337</b>	

**Highlands Ranch Metropolitan District 2021 Budget**  
**BUDGET RECONCILIATION - PRELIMINARY TO FINAL**

EXPENDITURES	Date	General Fund		Stormwater Operations	Debt	Capital Improvements*	Conservation Trust	Special Revenue	Combined Total
		ORM	Misc. Capital						
Proposed Budget Total	10/15/2020	\$ 12,716,944	\$ 44,470	\$ 178,000	\$ 4,030,920	\$ 6,203,924	\$ 625,000	\$ 44,332,749	\$ 68,132,007
Board Review	11/6/2020								
Debt Service - Retire Debt Early					15,505,000				15,505,000
Moved from Future to 2021 Senior Center						1,900,000			1,900,000
Staff Adjustments									
Capital Projects									
Moved from 2020 to 2021 Sidewalk Construction						208,340			208,340
Fly'n B House						50,000			50,000
Mainstem Outbuildings						177,000			177,000
Various Parkway Landscape Reimbursements						212,062			212,062
Major Repair									
Moved from 2020 to 2021 Service Center (adjusted cash flow)						4,305,400			4,305,400
Project Changes									
Toepler Park Playground & Restroom moved to 2022						(220,000)			(220,000)
Spring Gulch Restroom moved from 2022 to 2021						90,000			90,000
Plum Valley Playground moved from 2022 to 2021						175,000			175,000
Pronghorn Synthetic Turf Replacement moved to 2022						(400,000)			(400,000)
CTF Projects									
Moved from 2021 to 2022 Toepler Park							(40,000)		(40,000)
Project Changes									
Upper Nancy Gulch Trail revised estimate							50,000		50,000
Utility Special Revenue Fund									
Correct formula error in Streetlight Expenses								1,139,500	1,139,500
NET CHANGES		\$ -	\$ -	\$ -	\$ 15,505,000	\$ 6,497,802	\$ 10,000	\$ 1,139,500	\$ 23,152,302
Final Budget Total	12/10/2020	\$ 12,716,944	\$ 44,470	\$ 178,000	\$ 19,535,920	\$ 12,701,726	\$ 635,000	\$ 45,472,249	\$ 91,284,309

\*Capital Improvements Includes: General Government Capital, Major Repair, Stormwater Capital, and Water & Sewer Reserve

**EXHIBIT B**  
**Multi-year leases status of appropriation**

In the normal course of administrative operations, the District enters into multi-year lease agreements for printers, copiers and other office equipment. Below is a schedule of annual lease payments included in the 2021 budget. Some agreements have additional charges for overages on copies and therefore the amounts shown below may be variable. An estimated amount is included in the budget for these overages but not shown in the schedule below.

If the lease shows no 2021 payments it is due to either recommended termination or expiration of the lease agreement.

<u>Vendor</u>	<u>Equipment</u>	<u>2021 Appropriations</u>
Toshiba	Toshiba Copier	42,000
Pitney Bowes	Postage Machine	-
All Copy	Toshiba Copier	-
Total		<u>\$ 42,000</u>

Many times, a lease is scheduled to terminate during the course of the business year. Under that circumstance a new lease will be bid consistent with District purchasing policy if the equipment meets the requirements and needs of the District.

Although District staff has attempted to summarize all of the multi-year leases it is possible that there are others that do exist. In that case the lease will terminate at the original termination date and be subject to a new lease agreement as described above.

Highlands Ranch Metro District – Priority Based Budgeting: Result Areas

Well planned and maintained facilities and infrastructure	Safe and Prepared Community	Cultural and Recreational Opportunities for all ages	Attractive and Healthy Place to Live	Governance
<p>... well-maintained quality facilities and infrastructure to support quality neighborhoods and businesses</p>	<p>... prepared to respond to emergencies</p>	<p>... provides a variety of park experiences</p>	<p>... promotes clean, safe, well maintained and attractive public spaces</p>	<p>... maintains regulatory compliance</p>
<p>... plans regionally with partners</p>	<p>... protects properties</p>	<p>... creates recreational opportunities for all ages</p>	<p>... provides and maintains attractive parks and open space</p>	<p>... assists and supports decision makers</p>
<p>... works with partners to support access to multi-modal travel options</p>	<p>... protects the environment</p>	<p>... encourages active lifestyle</p>	<p>... conserves natural resources</p>	<p>... stewardship of financial, human and physical resources</p>
<p>... supports enabling affordable, high-speed internet access/ cellular communication</p>	<p>... supports access to safe drinking water</p>	<p>... supports accessible parks, trails and open space</p>	<p>... provides attractive parkways</p>	<p>... attracts, develops and retains talented staff</p>
<p>... contributes to efficient water and sewer system</p>	<p>... engages in emergency preparation and service delivery with partners</p>	<p>... creates and supports opportunities for cultural and educational enrichment</p>	<p>... partners to ensure clean stormwater runoff</p>	<p>... enhances accountability and transparency in operations</p>
<p>... ensures the character and value of the community is preserved</p>	<p>... supports safe travel, adequate lighting</p>	<p>... provides and supports community events</p>	<p>... participates in programs and services to support community wellbeing</p>	<p>... implements best practices in public administration and customer service</p>
<p>... supports our history and historic buildings</p>	<p>... works with partners to support quality fire, EMT and law enforcement services</p>	<p>... encourages community engagement</p>	<p>... deliver services and programs in a cost effective manner</p>	

## Highlands Ranch Metro Districts Fee Schedule

Exhibit I

The Highlands Ranch Metropolitan District receive revenue from a variety of sources that are based on fees paid by the users of various facilities. The Districts also operate a Recreation program for adult and youth sports that is funded primarily from user fees. The following tables show the fee schedules that were used in construction of the 2021 budget. These fees are budgeted and accounted for with the Master Budget Internal Service Fund. The fees shown are preliminary, subject to change at any time with the Board of Directors' approval.

Revenue related to the provision of utility services (water and wastewater, street lights) is budgeted and accounted for within the Special Revenue funds of each Metropolitan District and are detailed in those sections of each Districts' budget.

Facility	Proposed 2021 Fees (Used in Budget)		2020 Fees	
	Resident	Non-resident	Resident	Non-resident
Neighborhood Park Shelters (2-Hour Minimum)	\$18	\$27	\$18	\$27
Community Park Shelters (2-Hour Minimum)	\$30	\$45	\$30	\$45
Civic Green Amphitheater				
Stage Shelter	\$50	\$75	\$50	\$75
Plaza/Stage	\$110	\$165	\$110	\$165
Amphitheater	\$150	\$225	\$150	\$225
Staff Support for Events	\$25	\$25	\$25	\$25
Parking Lots	\$8	\$12	\$8	\$12
Public Event Impact Fee				
Not for Profit	\$125/event + \$25 addl series/days		\$125/event + \$25 addl series/days	
For Profit	\$350/event - \$50 addl days		\$350/event - \$50 addl days	
Community Gardens	\$50	\$58	\$50	N/A
Vending Permit (one day)	\$35	\$35	\$35	\$35
Access Permit	\$15	\$23	\$15	\$23
Race Application	\$30	\$30	\$30	\$30
Special Event Permit (75+)	\$45	\$45	\$45	\$45
Staking Management Fee	\$75	\$75	\$75	\$75
Commercial Drone Permit	\$15	\$15	\$15	\$15
Disc Golf Tag Play Fee (outside groups)	\$10	\$15	\$10	\$15
Disc Golf Small Tournament (outside group)	\$40	\$60	\$40	\$60
Disc Golf Large Tourm. (outside group)	\$100	\$150	\$100	\$150
Disc Private Instruction	\$25	\$30	\$25	\$30
Disc Private Instruction	\$150	\$175	\$150	\$175
Sports Fields (Parks and School Fields)	\$16	\$24	\$16	\$24
Lighted Baseball Fields (2-Hour Minimum)	\$30	\$45	\$30	\$45
Shea Stadium (3-Hour Minimum)	\$110	\$165	\$110	\$165
Shea - practice only	\$46	\$69	\$46	\$69
Stadium Staffing Fee	\$25	\$25	\$25	\$25
Field Prep Fee	\$35	\$35	\$35	\$35
Baseball/Softball	\$75	\$75	\$75	\$75
Football/Soccer				

Highlands Ranch Metro Districts  
Fee Schedule

Exhibit I

Facility	Proposed 2021 Fees (Used in Budget)		2020 Fees	
	Resident	Non-resident	Resident	Non-resident
Basketball Courts	\$5	\$8	\$5	\$8
In-Line Rink	\$20	\$30	\$20	\$30
Pickleball Courts	\$6	\$9	\$5	\$6
Bocce/Horseshoe court	\$6	\$8	\$6	\$8
Picnic packs	\$25	\$29	avg. \$25	avg. \$25
Picnic Pack Volleyball	\$42	\$48	\$42	\$48
Picnic pack Cornhole	\$35	\$40	\$35	\$40
Adult Softball	\$425	\$425	\$425	\$425
Spring	\$695	\$695	\$685	\$685
Summer	\$495	\$495	\$485	\$485
Fall	\$15/\$20	\$18/\$23		
Disc golf Intro Clinics	\$45/\$60	\$52/\$69		
Disc golf Lesson	\$40	\$40	\$40	\$40
Adult Bocce Leagues	\$165	\$190	\$165	\$190
Golf	\$18	\$18	\$15	\$15
Pickleball/Bocce Clinic	\$45	\$45	\$45	\$45
Pickleball league	\$78	\$90	\$78	\$90
Youth Recreational Base T-ball Club	\$87	\$100	\$87	\$100
Coed Tee-Ball	\$95	\$109	\$95	\$109
Boys 7 year old	\$119	\$137	\$119	\$137
Boys 8 year old	\$125	\$144	\$125	\$144
Boys 9 year old	\$125	\$144	\$125	\$144
Boys 10 year old	\$137	\$157	\$137	\$157
Boys 11-12 year old	\$137	\$157	\$137	\$157
Boys 13-14 year old	\$87	\$100	\$87	\$100
Girls 5/6	\$95	\$109	\$95	\$109
Girls 7 year old	\$106	\$122	\$106	\$122
Girls 8 year old	\$125	\$144	\$125	\$144
Girls 9-10 year old	\$137	\$157	\$137	\$157
Girls 11-12 year old	\$137	\$157	\$137	\$157
Girls 13-14 year old	\$1,800	\$1,700	\$1,700	\$1,700
Fall League Team Fee 9 & older	\$1,600	\$1,575	\$1,575	\$1,575
Team fee 7/8				
Player fee 7/8				
Player Fee (9 & older)				



Highlands Ranch Metro Districts  
Fee Schedule

Exhibit I

Facility	Proposed 2021 Fees (Used in Budget)		2020 Fees	
	Resident	Non-resident	Resident	Non-resident
Youth Flag Football Fall	\$112	\$129	\$107	\$117
Youth Flag - Spring	\$90	\$104	\$86	\$99
YouthSkate Park	Range \$30 - \$120		Range \$45 - \$200	
CARA Lacrosse	\$135	\$155	\$135	\$155
Track & Field CARA	\$100	\$115	\$100	\$115
CARA Cross Country	\$68	\$78	\$68	\$78
Rugby	Range \$45 - \$200	Range \$52 - \$23	\$200	\$230
Recreation Program "late fees"	\$15		\$15	
Youth Sports Camps and Summer sports programs				
Outdoor Education Programs				
Misc. Adult Sports				
Batting Cages				
Senior Services/Education				



	<u>Current</u>	<u>2021</u>
<b>Off-Peak (January - April, November)</b>		
Monday - Thursday	\$ 2,900	\$ 2,900
Sunday	\$ 4,000	\$ 4,000
Friday	\$ 5,100	\$ 5,100
Saturday	\$ 6,200	\$ 6,200
<b>Peak (May - October, December)</b>		
Monday - Thursday	\$ 4,000	\$ 4,000
Sunday	\$ 5,700	\$ 5,700
Friday	\$ 6,200	\$ 6,200
Saturday	\$ 7,300	\$ 7,300

The fees listed above are for a five-hour event. Holidays that fall on Monday-Thursday will be priced the same as Sundays during the respective season.



# HIGHLANDS RANCH METROPOLITAN DISTRICT

## *GLOSSARY*

<b><i>Capital Outlay:</i></b>	A capital expenditure either adds a fixed asset unit or increases the value of an existing fixed asset.
<b><i>Enterprise Fund:</i></b>	In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting.
<b><i>Facilities Plan</i></b>	The Facilities Plan collectively includes multiple sections. The section related to the base infrastructure development requirements is, pursuant to the Highlands Ranch Metropolitan District IGA, the singular Facility Plan. In addition, there are sections for the Conservation Trust Fund, community enhancement and major repair related capital.
<b><i>Fund Balance:</i></b>	The excess of a governmental fund's assets and revenues over its liabilities, reserves, and expenditures at the close of the fiscal year.
<b><i>Governmental Funds:</i></b>	Funds generally used to account for tax-supported activities.
<b><i>Modified Accrual Basis</i></b>	Method under which revenues are recognized in the period they become available and measurable, and expenditures are recognized in the period the associated liability is incurred.
<b><i>System Development Fees:</i></b>	A fee imposed by the District pursuant to the provisions of the Special District Act and the Amended Joint Highlands Ranch Agreement for the purpose of paying a portion of the costs of capital facilities and for other lawful purposes.
<b><i>Target Fund Balances:</i></b>	A minimum level fund balance established by the Board with the primary objective of a fund balance that maintains adequate resources to cope with contingencies.
<b><i>Water Acquisition Fee:</i></b>	A portion of the tap fee paid by developers prior to installation of the tap. The fee is designed to generate revenues to develop additional water resources such as acquisition of water rights, construction of storage reservoirs, and other associated projects.