



HIGHLANDS RANCH
Metro District

2023
ADOPTED BUDGET

December 12, 2022

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HIGHLANDS RANCH Metro District

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I, Heather Morgan, certify that the attached is a true and accurate copy of the adopted 2023 budget of the Highlands Ranch Metropolitan District.

*Budgeting and Financial Analysis Manager
Highlands Ranch Metropolitan District*



December 12, 2022

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.

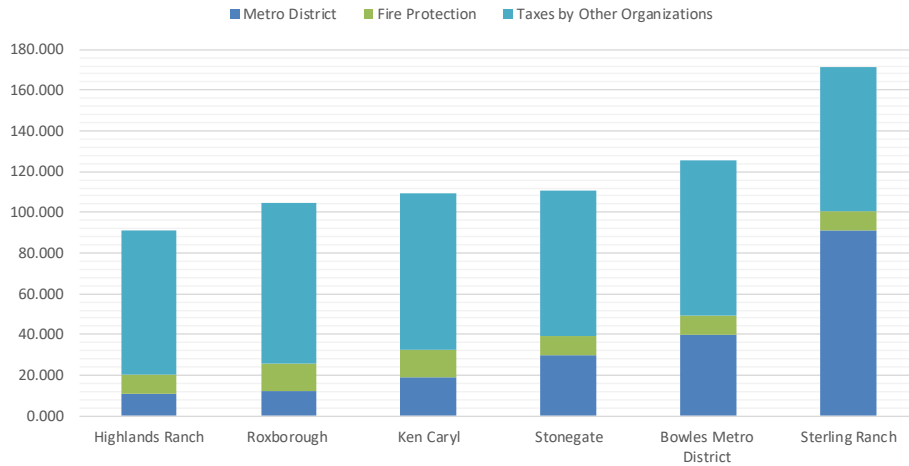
The mill levy for 2023 will remain the same as 2022 at 11.205. The 2023 Budget projects a decrease in property tax revenue of \$313,553 (1.6%) due to a decrease in the residential assessment rate and a projected decrease in specific ownership tax of \$137,000 for a total of \$450,553 under the 2022 Adopted Budget. See page 28 for more detail.

The 2023 budget was guided by Board priorities and objectives which includes construction of Senior Center to provide an opportunity to expand the active aging adult programs, addressing the citizen’s desire for additional pickleball courts, and upgrades needed for aging District infrastructure.

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.

2022 Mill Levy Comparison Collected in 2023



2023 BUDGET

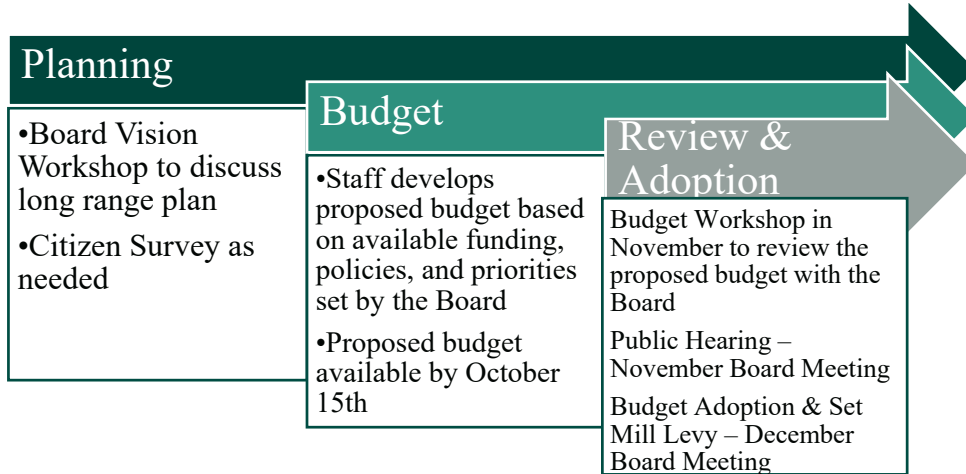
The 2023 Budget is a balanced allocation of resources to meet the continuing needs of the District to serve Highlands Ranch. The balanced budget meets all legal obligations mandated by federal, state and local laws. It is set forth as the financial plan and operations guide used to communicate to the citizens of Highlands Ranch.

The 2023 Budget approved and adopted by the Board of Directors on December 12, 2022, anticipates total expenditures of \$93.75 million. The 2023 Budget represents an increase of \$10.57 million or 12.7% from the 2022 Budget. The majority of this increase relates to the construction of the Highlands Ranch Senior Center beginning in 2023.

The 2023 Budget anticipates \$77.2 million in revenues, an increase of \$6.2 million or 8.8% when compared to the 2022 Budget.

- Budgeted tax revenues are expected to decrease by \$450,553. The total certified mill levy applied to the certified assessed value for 2023 collection remains the same as 2022 at 11.205.
- Water and Wastewater rate income is budgeted to increase by \$4.88 million over the 2022 budget. This income is collected by the District on behalf of Centennial Water and Sanitation District, which is passed through to them.
- Development fees are projected based on known construction projects. The 2023 budget projects an increase in development fees of \$52,620 or 3.5%. 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 an annual “reserved capacity payment” made to Centennial Water and Sanitation District to acquire capacity in Centennial’s facilities sufficient to serve the District’s service area.
- Capital Contributions are budgeted to increase by \$1.18 million. This is directly related to expected cost sharing from Mile High Flood Control for stormwater management projects within the District.

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:
 - General Government, Public Works, Finance – 2023
 - Open Space, Forestry, Fleet – 2024
 - Parks, Recreation and Open Space Management & Administration, Planning, Facilities Management – 2025
 - Parks Maintenance, Parkway Maintenance – 2026
 - 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 2023 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 2022, 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 for:

- Balancing the General Fund after the draw-down of fund balance is completed
- 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 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 Board reviewed timing of new capital projects and funding requirements for operations and capital improvements and determined 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:

- Continued implementation of the ADA transition plan
- Marcy Gulch Trail design and construction
- Reserving funds for Historic Park
- Planning for Toepfer Park expansion
- Mansion grounds improvements
- Installing new dog park shade structures

Capital Projects/Major Repair Fund:

- Continuation of the Parkway Fence Replacement Program – The 2023 Budget includes the replacement of approximately 11,200 linear feet of fencing for an estimated cost of \$1.2 million.
- Continued replacement of street signs to illuminated
- Completion of the Northridge athletic trail
- Redstone Park improvements
- Playground, court, and restroom replacements
- Continuation of the landscape conversion project and other parkway renovations
- Renovation of the Quebec street median
- Construction of the Senior Center

The Major Repair Fund's on-going funding comes from two primary sources:

- Cell phone tower lease fees, estimated to generate \$1.01 million in 2023
- General Fund transfers:
 - \$2,000,000 annually from the General Fund to fund increasing needs as the result of aging infrastructure

- \$392,673 for replacement of vehicles and major equipment

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. Funds generated by the Stormwater 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 approved the design and construction of a Senior Center which is projected to be completed by year-end 2023.

The Metro District maintains a Capital Improvements Plan that includes:

- A 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.

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 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 are adopted in the 2023 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 2023 budget anticipates Fund Balance exceeding net expenditures by 115%.

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. 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 54.5% of the operating budget for the Metro District. The 2023 Budget anticipates an average increase of 6.8% in wages as well as one-time incentive pay. The District utilizes a matrix formula to calculate average wage increases.

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, 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 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 2023 budget. The budget increase reflects the anticipated increase in premium costs.

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

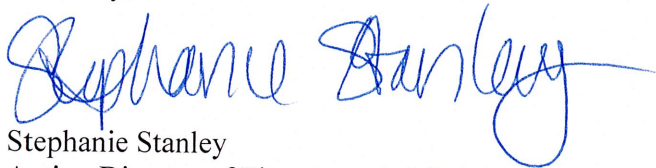
1. Participation with Centennial Water and Sanitation District in a defined contribution retirement plan which is in lieu of participation in social security and the contribution is the same 6.2% as would be contributed to social security.
2. A 457 plan that allows for matching of employee contributions of up to 6% by the District depending on the employee's contribution level. In 2023, the matching structure increased to 100% on the first 3% of employee contribution and 50% on employee contribution of 4% up to 6%.
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.

CONCLUSION

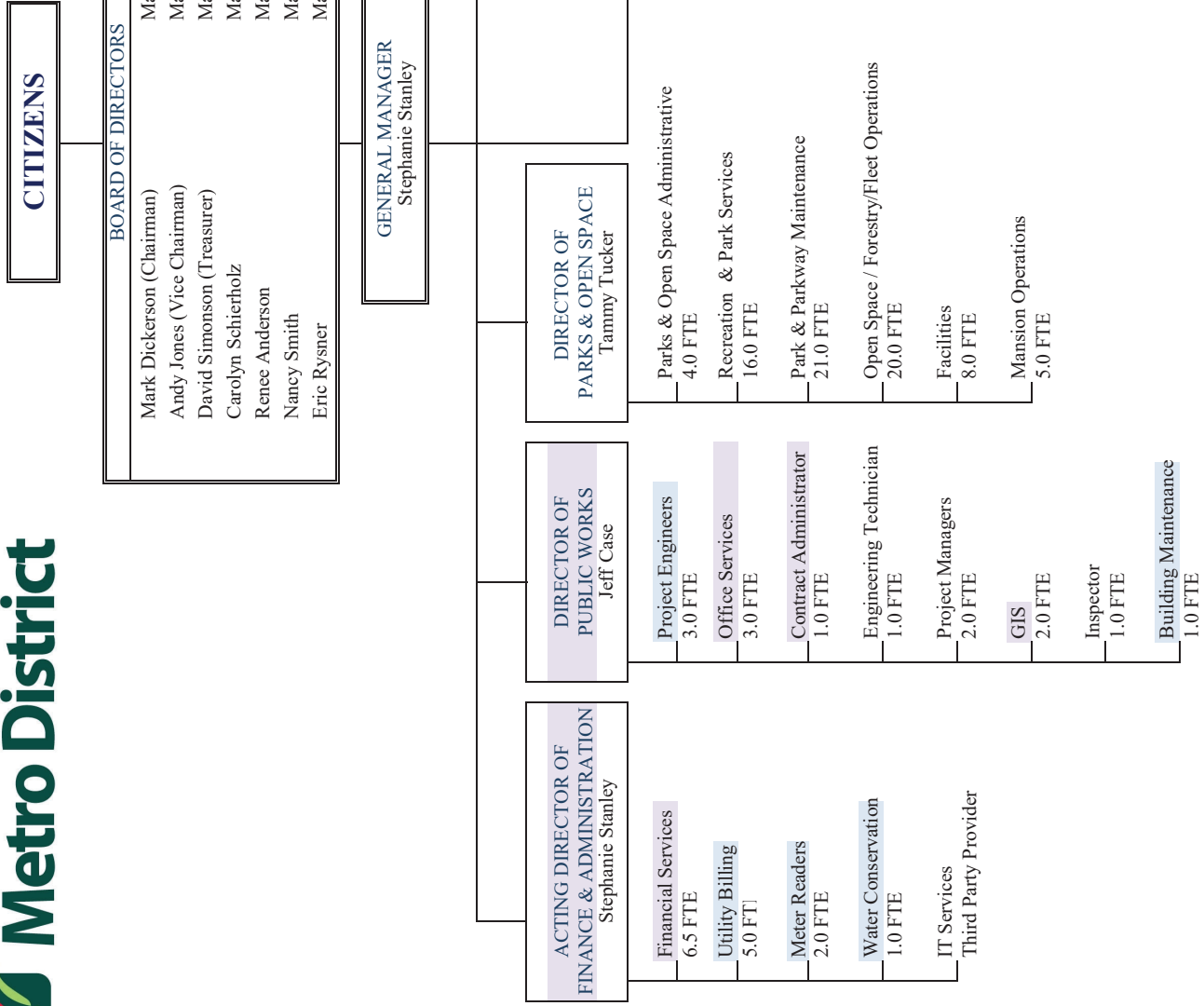
Each year balancing available resources with the costs to provide quality services can be challenging. Highlands Ranch Metropolitan District is committed to providing quality municipal services while managing resources wisely. The 2023 Budget enables the Metro District to provide services which meet 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
Acting 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.

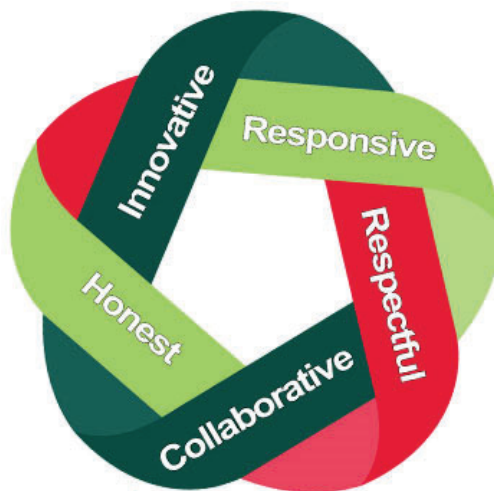
VISION

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



UNDERSTANDING 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:

- A Budget Transmittal which provides an overview of the District’s philosophy
- An organizational chart summarizing the structure of the District including the number of FTE in each department
- A recap of our mission, vision and guiding principals
- A Budget Highlights narrative that provides an overview of the budget
- 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:

- A combined statement of Revenues, Expenditures and Changes in Fund Balance for 2021 as well as the projected 2022 and proposed 2023 fiscal years (for all Funds)
- The calculation of property tax revenue which is used to drive the allowable expenditures for the General Fund

The final section of the document deals with the **BUDGET BY FUND** which includes summaries for each of the Fund budgets and the specific details related to the expenditures of each fund.

A fund is a self-balancing, segregated sum of money (or other resource) for the purpose of carrying out a specific activity or to obtain a specific objective. The fund is managed by identifiable objectives, regulations, and/or restrictions. 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 fund. The remainder of the fund sections contains the statements of Revenues, Expenditures and Changes in Fund Balance for the period 2021-2023. 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.

The District's Special Revenue Funds are as follows:

▪ **Utility Special Revenue Fund**

Water and wastewater operating revenues and the related expenditures for operations are accounted for in this special revenue fund. The District created this fund because the revenue from service fees is passed through to another entity - Centennial Water and Sanitation District (CWSD) - 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. Streetlight operating revenues, which are not passed through to CWSD, and related expenditures for operations are also accounted for in this fund. Similar to the Water and Wastewater operating revenues, service rates are established to recover the cost of operations of streetlights as 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. 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. 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, 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

▪ **Highlands Ranch Mansion Special Revenue Fund**

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

▪ **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 non-CTF funds (i.e. Capital Projects Fund, Stormwater Fund, and Major Repair Fund).

STORMWATER MANAGEMENT FUND

This fund collects and disburses funds related to the management of stormwater within 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 the Urban Drainage Flood Control District and other interested parties 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. In 2021, all outstanding debt of the District was retired therefore this fund is no longer budgeted for.

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 Comprehensive Annual Financial Report (ACFR).

- 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 Facility Plan or the annual Capital Improvement 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 District. As of December 31, 2021, the Metro District owns \$67.4 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.

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:

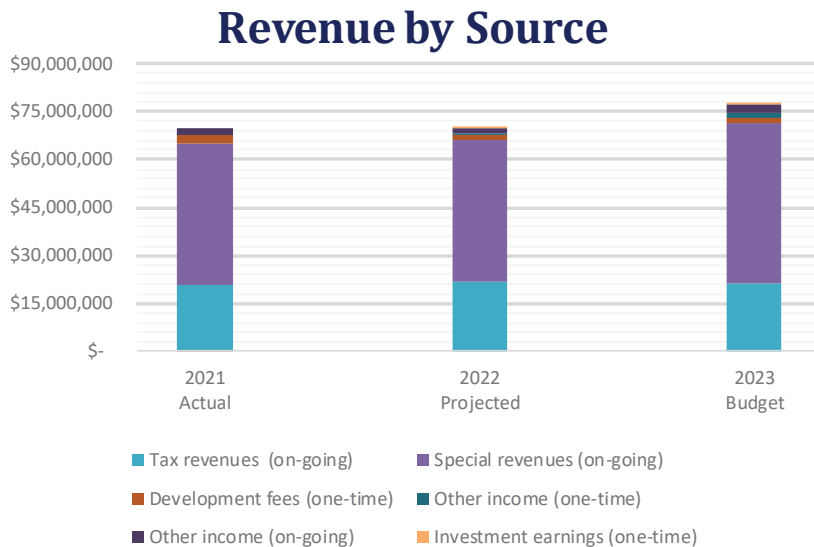
- Parks and parkway maintenance and construction
- Open space maintenance
- Street and storm drainage construction and miscellaneous maintenance
- Streetlight operations and maintenance
- Water and wastewater service
- Parks, recreation and cultural programs

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.

REVENUE SOURCES

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

1. Tax revenues - this 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 rental income from cell phone towers, capital contributions from 3rd parties, and inter and intra governmental revenue from cost sharing agreements
5. Investment earnings on accumulated fund balances



	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
Tax revenues (on-going)	\$ 20,958,305	\$ 21,954,000	\$ 21,446,000
Special revenues (on-going)	44,125,912	44,368,640	50,166,325
Development fees (one-time)	2,570,995	1,429,970	1,557,745
Other income (one-time)	196,893	250,950	1,647,000
Other income (on-going)	2,097,521	1,664,730	2,283,405
Investment earnings (one-time)	(148,759)	127,300	113,900
Total Revenue by Source	<u>\$ 69,800,867</u>	<u>\$ 69,795,590</u>	<u>\$ 77,214,375</u>

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

TAXES

The District receives property related tax revenue from two sources:

- 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
- The District's share of specific ownership taxes collected on automobiles registered in Douglas County.

Assessed Valuation

The Assessed Valuation as of January 1st 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:

	<u>2021 AV Collected 2022</u>	<u>2022 AV Collected 2023</u>	<u>Change</u>	
	\$	\$	\$	%
Assessed Value	\$ 1,843,672,700	\$ 1,802,115,600	\$ (41,557,100)	-2.3%

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 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 District however imposes only 11.250 of the maximum allowable mill levy.

In 2021, the District retired their debt obligations therefore the entirety of the 11.250 mill levy is solely allocated to the General Fund. In 2021 the combined General Fund and Debt Fund property tax collections totaled \$19,084,799. The 2022 projected collections of \$20,324,670 represent a 6.2% increase from 2021.

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 1st of each odd numbered year. Since 2021 was a

reassessment year it provides the basis for valuation for the property taxes to be assessed for collection in 2022 and 2023. In 2020, there was an amendment on the Colorado State ballot, *Amendment B Repeal Gallagher Amendment*, which passed, freezing the residential rate at 7.15% and kept the non-residential rate at 29%. While the residential rate was set in statute at 7.15%, it has been temporarily reduced to 6.95% for 2022 and 2023 tax years. As result the assessed value decreased for collection year 2023 by 2.3%.

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 2023 SOT collections as a percentage of total tax revenues will be 7.4% of total property tax revenues, or \$1,597,000. The District projects its SOT distributions to decrease in 2022 and the 2023 budget projects a decrease from 2022 projected collections.

SPECIAL REVENUES

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

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 50. 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. The 2023 proposed budget proposes the fee to remain unchanged at \$6.70 (bi-monthly).

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:

	2022	2023	Increase (Decrease)
Water (typical residential customer)			
Centennial base rate	\$ 504	\$ 529	4.9%
Wastewater	350	379	8.4%
Water Service Availability Charge	209	219	4.8%
	1,063	1,127	6.0%
Streetlights	40	40	0.0%
Stormwater	16	16	0.0%
Water & Sewer Replacement Fee	-	-	
	\$ 1,119	\$ 1,183	5.7%

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 is projected to generate approximately \$901,000 in 2023. 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 2023 fee is unchanged from 2022:

	<u>2022 Annual Fee</u>	<u>2023 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. The fee schedule can be found in the appendix of the budget document.

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 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. For 2022, interest earnings on investments are projected to be slightly over budget. For the 2023 budget year, we are assuming a 0.25% return on investments.

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.

In 2021, the District Board directed staff to utilize funds from the General Fund to retire all remaining debt earlier than the 2024 pay-off date.

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 2022 appropriations, which includes any net amount carried forward from 2021, the unexpended amount will be carried forward to 2023 and will be added to the actual 2023 appropriations to calculate the authority for 2023 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 2022 and will remain the same in 2023.

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 2022 is approximately 128% with a budgeted decrease to 115% in 2023. The long term forecast prepared by staff plans to spend down excess fund balance and 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 District retired all outstanding debt in 2021 therefore no fund balance is required in 2023.

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 Investment income collected in the Special Revenue Utility Fund is transferred to the General Fund.
- 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 2023 include:

- Since the District retired its outstanding debt in 2021 a portion of the mill levy that was funding annual debt service payments beginning in 2022 will be transferred to the Capital Projects Fund to build fund balance for future capital needs including by not limited to Historic Park. **The 2023 Budget anticipates a transfer from the General Fund to the Capital Projects Fund in the amount of \$3,610,000.**
- The District annually reviews whether to include in its General Fund budget funding for an annual transfer to the Major Repair Fund. **In 2023 a transfer is anticipated in the amount of \$2,392,673.**
- 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 2023 this transfer is estimated to be \$1,284,863, an increase of \$705,742 from the 2022 projected. The significant increase relates to funding for the new Senior Center.**
- Per its agreement with Centennial, the District is required to maintain a fund balance in the Water & Sewer Reserve Fund of \$500,000. **In 2023 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 2023, 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:

	2022 Budget	2022 Projected	2023 Budget
Single Family	50	90	50
Multi Family	125	0	125

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

	2022 Budget	2022 Projected	2023 Budget
Nonresidential acres	0.00	0.00	0.00
Nonresidential tap equivalents - indoor	0	0	4
Nonresidential tap equivalents - irrigation	0	13	1

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

	2022 Budget	2022 Projected	2023 Budget
Assumed interest rate on investments	0.25%	0.25%	0.25%

OPERATIONS BUDGET ASSUMPTIONS

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 acres

CHANGES IN PERSONNEL

The 2023 budget includes requests for one new full-time equivalents offset by a reduction in seasonal wages; a request for three full-time and three part-time staff for the Senior Center; a one-time wage increase for seasonal Parkways staff. In addition to the requests the following assumptions are made for the Personnel category:

- The 2023 compensation budget is 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. Employers Council data is used to estimate a structure adjustment of 4.8% for 2023 and the existing

performance matrix based on the employee census would estimate an average Districtwide increase for performance of 6.8%.

- The benefits program, which is reflected in the cost of payroll expenses, includes the following:
 - **Health (medical/dental/vision) insurance.** In 2023 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 6% of a 9% personal contribution. For purposes of the budget, it is assumed that all employees that currently participate in this program will continue to do so in 2023. The matching structure is as follows:

<u>Employee</u>	<u>Employer</u>	<u>Total</u>
2.0%	2.0%	4.0%
3.0%	3.0%	6.0%
4.0%	3.5%	7.5%
5.0%	4.0%	9.0%
6.0%	4.5%	10.5%
7.0%	5.0%	12.0%
8.0%	5.5%	13.5%
9.0%	6.0%	15.0%

- **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 of 0.20% of wages.

The 2023 payroll expenses for benefits are estimated to be 33.8% of regular wages compared to the 34.1% in 2022.

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.

In 2020, Colorado enacted a statewide Paid Family and Medical Leave insurance program (FAMLI) as approved by a statewide vote. The act creates a statewide program that, beginning in 2024, allows employees to take 12 weeks of paid leave for qualifying incidents at a reduced percentage of their weekly wages. Per the Act there would be a 0.45% premium paid by both the employee and employer. The act however allows for Local Governments to opt out of the program. By a vote of the Board in September 2022, the District chose to opt out of the program and restructure the current paid medical leave to allow employees to reach 12 weeks of paid leave at their full wage at a faster rate than currently offered.

BUDGET SUMMARY

**HIGHLANDS RANCH METROPOLITAN DISTRICT
ALL FUNDS
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	2023			TOTAL ADOPTED
				GENERAL FUND OPERATING	STORMWATER	SPECIAL REVENUE	
REVENUES							
Taxes	\$ 20,958,305	\$ 21,896,553	\$ 21,954,000	\$ 21,446,000	\$ -	\$ -	\$ 21,446,000
Special Revenues							
Water & Wastewater Rate income	39,833,112	40,483,000	39,710,000	-	-	45,365,000	45,365,000
Stormwater fee	904,349	915,000	901,000	901,000	-	-	901,000
Street light fee	1,292,616	1,213,000	1,260,000	-	-	1,260,000	1,260,000
Conservation Trust Fund	633,903	500,000	623,000	-	-	538,000	538,000
Program revenues	1,461,931	1,981,900	1,874,640	-	-	2,102,325	2,102,325
Development Fees							
System Development Fees	466,375	450,000	459,840	-	-	450,000	450,000
Tap Fees	2,104,620	1,055,125	970,130	-	-	1,107,745	1,107,745
Other income							
Inter and intragovernmental	741,638	913,000	757,300	682,405	-	-	1,067,405
Contribution offsetting capital outlay	8,000	314,250	-	-	1,500,000	-	1,500,000
Miscellaneous - one-time	188,893	136,000	250,950	147,000	-	-	147,000
Miscellaneous - on-going	1,355,883	1,002,000	907,430	-	-	206,000	1,216,000
Net Investment Income	(148,759)	118,300	127,300	25,300	2,700	24,400	113,900
Total Revenues	69,800,867	70,978,128	69,795,590	22,300,705	2,403,700	50,603,470	77,214,375
EXPENDITURES							
Operations	14,878,738	17,953,034	17,174,409	14,300,042	272,855	4,938,063	19,510,960
General Government	300	-	-	-	-	-	-
Water and Wastewater	39,833,112	40,483,000	39,710,000	-	-	45,365,000	45,365,000
Debt Service	19,535,420	-	-	-	-	-	-
Capital Outlay							
Capital Projects	7,925,952	21,109,565	5,576,724	-	-	27,282,973	27,904,973
Intergovernmental	-	295,000	98,300	-	-	385,000	385,000
Reserved Capacity	1,090,054	3,336,782	3,212,222	-	-	586,291	586,291
Total Expenditures	83,263,576	83,177,381	65,771,655	14,300,042	272,855	51,896,354	93,752,224
REVENUE OVER (UNDER) EXPENDITURES	(13,462,710)	(12,199,254)	4,023,935	8,000,663	2,130,845	(1,292,883)	(16,537,849)
OTHER FINANCING SOURCES (USES)							
Operating transfers							
Interest income	2,520	-	-	9,100	(2,700)	(6,400)	-
General Fund from (to) Stormwater Fund	-	-	-	-	-	-	-
General Fund from (to) Special Revenue Fund	-	-	-	(1,226,663)	-	1,226,663	-
General Fund from (to) General Capital Projects Fund	-	-	-	(3,610,000)	-	-	3,610,000
General Fund from (to) Major Repair Fund	-	-	-	(2,392,673)	-	-	2,392,673
General Fund from (to) Water and Sewer Reserve	(2,520)	-	-	(700,000)	-	-	700,000
Stormwater Fund from (to) General Capital Projects Fund	-	-	-	-	(2,900,000)	-	2,900,000
Lease Proceeds	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(7,920,236)	(2,902,700)	1,220,263	9,602,673
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(13,462,710)	(12,199,254)	4,023,935	80,427	(771,855)	(72,620)	(15,773,800)
FUND BALANCE - BEGINNING	79,272,336	60,408,858	65,809,626	20,250,181	2,198,088	12,058,892	69,833,561
FUND BALANCE - ENDING	\$ 65,809,627	\$ 48,209,604	\$ 69,833,561	\$ 20,330,608	\$ 1,426,233	\$ 11,986,272	\$ 53,295,713

**HIGHLANDS RANCH METROPOLITAN DISTRICT
COMBINING SPECIAL REVENUE
2021-2023**

	2023							TOTAL ADOPTED
	Actual 2021	Budget 2022	Projected 2022	UTILITY	RECREATION	MANSION	CTF	
REVENUES								
Taxes	-	-	-	\$ -	-	-	-	-
Special Revenues								
Water & Wastewater Rate income	39,833,112	40,483,000	39,710,000	45,365,000	-	-	-	45,365,000
Street Light	1,292,616	1,213,000	1,260,000	1,260,000	-	-	-	1,260,000
Conservation Trust Fund	633,903	500,000	623,000	-	-	-	538,000	538,000
Program revenues	1,461,931	1,981,900	1,874,640	-	1,622,325	480,000	-	2,102,325
Development Fees								
Tap Fees	2,104,620	1,055,125	970,130	1,107,745	-	-	-	1,107,745
Other income								
Contribution offsetting capital outlay	-	-	-	-	-	-	-	-
Miscellaneous - one time	-	-	-	-	-	-	-	-
Miscellaneous - on going	88,905	102,000	207,000	-	-	206,000	-	206,000
Net Investment Income	(25,320)	23,000	24,800	6,400	-	10,700	7,300	24,400
Total Revenues	<u>45,389,767</u>	<u>45,358,024</u>	<u>44,669,570</u>	<u>47,739,145</u>	<u>1,622,325</u>	<u>696,700</u>	<u>545,300</u>	<u>50,603,470</u>
EXPENDITURES								
Operations	3,293,347	4,074,346	3,789,551	1,229,000	2,907,188	801,875	-	4,938,063
General Government								
Water and Wastewater	-	-	-	-	-	-	-	-
Capital Outlay								
Capital Projects	191,314	540,000	80,172	-	-	-	622,000	622,000
Intergovernmental	-	295,000	98,300	-	-	-	385,000	385,000
Reserved Capacity	1,090,054	3,336,782	3,212,222	586,291	-	-	-	586,291
Total Expenditures	<u>44,407,826</u>	<u>48,729,127</u>	<u>46,890,245</u>	<u>47,180,291</u>	<u>2,907,188</u>	<u>801,875</u>	<u>1,007,000</u>	<u>51,896,354</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>981,940</u>	<u>(3,371,104)</u>	<u>(2,220,675)</u>	<u>558,854</u>	<u>(1,284,863)</u>	<u>(105,175)</u>	<u>(461,700)</u>	<u>(1,292,884)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers								
Interest income	2,520	(6,100)	(9,100)	(6,400)	-	-	-	(6,400)
From (to) General Fund	363,454	528,707	535,821	-	1,284,863	(58,200)	-	1,226,663
Lease Proceeds	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>365,974</u>	<u>522,607</u>	<u>526,721</u>	<u>(6,400)</u>	<u>1,284,863</u>	<u>(58,200)</u>	<u>-</u>	<u>1,220,263</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>1,347,914</u>	<u>(2,848,497)</u>	<u>(1,693,954)</u>	<u>552,454</u>	<u>-</u>	<u>(163,375)</u>	<u>(461,700)</u>	<u>(72,621)</u>
FUND BALANCE - BEGINNING	<u>12,404,931</u>	<u>13,681,170</u>	<u>13,752,846</u>	<u>5,109,167</u>	<u>-</u>	<u>4,297,199</u>	<u>2,652,526</u>	<u>12,058,892</u>
FUND BALANCE - ENDING	<u>\$ 13,752,846</u>	<u>\$ 10,832,673</u>	<u>\$ 12,058,892</u>	<u>\$ 5,661,621</u>	<u>\$ -</u>	<u>\$ 4,133,824</u>	<u>\$ 2,190,826</u>	<u>\$ 11,986,271</u>

**HIGHLANDS RANCH METROPOLITAN DISTRICT
COMBINING CAPITAL PROJECTS
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	2023			TOTAL ADOPTED
				GENERAL GOVERNMENT	WATER & SEWER RESERVES	MAJOR REPAIR PROJECTS	
REVENUES							
Development Fees							
System Development Fees	\$ 466,375	\$ 450,000	\$ 459,840	\$ 450,000	\$ -	\$ -	\$ 450,000
Other income							
Intergovernmental	-	175,000	98,300	175,000	-	210,000	385,000
Contribution offsetting capital outlay	8,000	14,250	-	-	-	-	-
Miscellaneous/Other	1,266,978	900,000	700,430	-	-	1,010,000	1,010,000
Net investment income	(75,241)	61,300	82,700	50,400	-	11,100	61,500
Total Revenues	<u>1,666,112</u>	<u>1,600,550</u>	<u>1,341,270</u>	<u>675,400</u>	<u>-</u>	<u>1,231,100</u>	<u>1,906,500</u>
EXPENDITURES							
Current							
Capital Outlay							
Capital Projects	7,734,638	20,569,565	6,458,552	21,988,535	1,200,000	4,094,438	27,282,973
Total Expenditures	<u>7,734,638</u>	<u>20,569,565</u>	<u>6,458,552</u>	<u>21,988,535</u>	<u>1,200,000</u>	<u>4,094,438</u>	<u>27,282,973</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(6,068,525)</u>	<u>(18,969,014)</u>	<u>(5,117,282)</u>	<u>(21,313,135)</u>	<u>(1,200,000)</u>	<u>(2,863,338)</u>	<u>(25,376,473)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers							
Capital Projects Fund to Stormwater Fund	880,459	1,436,000	1,224,456	2,900,000	-	-	2,900,000
Capital Projects Fund to Debt Service Fund	(389,025)	-	-	-	-	-	-
General Fund to Capital Projects Fund	-	3,690,000	-	3,610,000	-	-	3,610,000
General Fund to Major Repair Fund	2,076,808	2,384,201	2,284,659	-	-	2,392,673	2,392,673
General Fund to Water and Sewer Reserve Fund	701,843	700,000	700,000	-	700,000	-	700,000
	<u>3,270,085</u>	<u>8,210,201</u>	<u>4,209,115</u>	<u>6,510,000</u>	<u>700,000</u>	<u>2,392,673</u>	<u>9,602,673</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES	<u>(2,798,440)</u>	<u>(10,758,813)</u>	<u>(908,167)</u>	<u>(14,803,135)</u>	<u>(500,000)</u>	<u>(470,665)</u>	<u>(15,773,800)</u>
FUND BALANCE - BEGINNING	39,033,008	32,464,478	36,234,566	27,574,984	1,876,482	5,874,934	35,326,401
FUND BALANCE - ENDING	<u>\$ 36,234,568</u>	<u>\$ 21,705,665</u>	<u>\$ 35,326,399</u>	<u>\$ 12,771,849</u>	<u>\$ 1,376,482</u>	<u>\$ 5,404,269</u>	<u>\$ 19,552,601</u>

**HIGHLANDS RANCH METROPOLITAN DISTRICT
CALCULATION OF TAX REVENUE
2021-2023**

	2021 Actual	2022 Adopted	2022 Projected	2023 Final
ASSESSED VALUATION	\$ 1,733,778,940	\$ 1,843,672,700	\$ 1,843,672,700	\$ 1,802,115,600
GENERAL FUND				
Mill levy				
Metro	\$ 15,699,368	\$ 20,658,353	\$ 20,606,000	\$ 20,192,705
Abatements and Refunds	(39,287)	(185,925)	28,000	(40,522)
Less Treasurer Fees	(234,918)	(309,875)	(309,330)	(302,891)
	<u>9.055</u>	<u>11.205</u>	<u>11.205</u>	<u>11.205</u>
Specific Ownership Tax	1,873,506	1,734,000	1,629,950	1,597,000
TOTAL GENERAL FUND	<u>17,298,669</u>	<u>21,896,553</u>	<u>21,954,620</u>	<u>21,446,293</u>
DEBT SERVICE FUND				
Mill Levy				
General Government	3,727,625	-	-	-
Water and Sanitation	0.000	0.000	0.000	0.000
Abatements and Refunds	(12,217)	-	-	-
less Treasurer Fees	(55,772)	-	-	-
TOTAL DEBT SERVICE FUND	<u>2.150</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
TOTAL TAX REVENUES	<u>\$ 20,958,305</u>	<u>\$ 21,896,553</u>	<u>\$ 21,954,620</u>	<u>\$ 21,446,000</u>

ROUNDED

BUDGET BY FUND

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:

- General Government, Public Works, Finance – 2023
- Open Space, Forestry, Fleet – 2024
- Parks and Open Space Management & Administration, Planning, Facilities Management – 2025
- Parks Maintenance, Parkway Maintenance – 2026
- 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

Page 80 in 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

- General 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.
- Graphic Information System (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.

	<u>2022</u> <u>Budget</u>	<u>2023</u> <u>Budget</u>	<u>INCREASE/ (DECREASE)</u>	
Personnel Services	\$ 7,398,926	\$ 7,786,397	5.2%	\$ 387,471
Materials and supplies	762,860	974,137	27.7%	211,277
Purchased services	1,879,759	2,043,493	8.7%	163,734
Contracted Services	1,557,800	1,605,300	3.0%	47,500
Fuel and chemical products	184,000	182,800	-0.7%	(1,200)
Utilities	1,746,165	1,707,915	-2.2%	(38,250)
Miscellaneous capital/leases	144,658	0	-100.0%	(144,658)
TOTAL	<u>\$ 13,674,168</u>	<u>\$ 14,300,042</u>	<u>4.6%</u>	<u>\$ 625,874</u>

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.

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.

*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 2023 for the financing of additional miscellaneous capital.

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 2022 and 2023 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.

Vendor	Equipment	2023 Appropriations
Toshiba	Toshiba Copier	42,000
Pitney Bowes	Postage Machine	-
All Copy	Toshiba Copier	7,800
Total		\$ 49,800

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 2023 payments, it is due to either a termination as of December 31, 2022 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.

**HIGHLANDS RANCH METROPOLITAN DISTRICT
GENERAL FUND
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
Taxes <i>(see detail)</i>	\$ 17,298,669	\$ 21,896,553	\$ 21,954,000	\$ 21,446,000
Inter/Intra-governmental	741,638	738,000	659,000	682,405
Miscellaneous	188,893	136,000	250,950	147,000
Net Investment Income	(44,326)	31,400	17,600	25,300
Total Revenues	<u>18,184,874</u>	<u>22,801,953</u>	<u>22,881,550</u>	<u>22,300,705</u>
EXPENDITURES				
Operations Budget	11,466,883	13,674,168	13,180,338	14,300,042
Total Expenditures	<u>11,466,883</u>	<u>13,674,168</u>	<u>13,180,338</u>	<u>14,300,042</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>6,717,991</u>	<u>9,127,785</u>	<u>9,701,212</u>	<u>8,000,663</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers				
Net investment income	-	8,700	11,300	9,100
From (to) Recreation Fund	(363,454)	(585,307)	(579,121)	(1,284,863)
From (to) Mansion Special Revenue Fund	-	56,600	43,300	58,200
From (to) Debt Service Fund	(10,000,000)	-	-	-
From (to) Water and Sewer Reserve	(704,363)	(700,000)	(700,000)	(700,000)
From (to) General Government Capital Fund	-	(3,690,000)	-	(3,610,000)
From (to) Major Repair Fund	(2,076,808)	(2,384,201)	(2,284,659)	(2,392,673)
Total Other Financing Sources (Uses)	<u>(13,144,625)</u>	<u>(7,294,208)</u>	<u>(3,509,180)</u>	<u>(7,920,236)</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(6,426,634)	1,833,577	6,192,031	80,427
FUND BALANCE - BEGINNING	20,484,784	13,216,791	14,058,150	20,250,181
FUND BALANCE - ENDING	<u>\$ 14,058,150</u>	<u>\$ 15,050,368</u>	<u>\$ 20,250,181</u>	<u>\$ 20,330,608</u>

**HIGHLANDS RANCH METRO DISTRICT
EXPENDITURES BY ACTIVITY**

	2021 ACTUAL	2022 BUDGET	2022 REVISED	2023 BASE	REQUESTS		2023 BUDGET
					ONE-TIME	ON-GOING	
PARKS AND OPEN SPACE							
705 Park Planning & Admin	716,206	1,215,729	1,105,964	1,191,480	78,000	1,180	1,270,660
712 Park Maintenance	5,862,550	6,394,665	6,405,800	6,746,743	42,637	64,562	6,853,942
719 Open Space Maint.	1,014,166	1,287,865	1,251,715	1,396,795	18,000	177,220	1,592,015
793 Fleet Maintenance	586,769	694,440	690,340	729,630	-	960	730,590
Total Parks/Open Space	8,179,691	9,592,699	9,453,819	10,064,648	138,637	243,922	10,447,207
PUBLIC WORKS							
801 Administration	446,814	508,215	441,065	448,290	-	-	448,290
880 Engineering	300,475	362,250	297,750	346,040	-	-	346,040
615 Street Lighting	1,305	10,000	10,000	10,000	-	-	10,000
Total Public Works	748,594	880,465	748,815	804,330	-	-	804,330
GENERAL GOVERNMENT							
900 Board of Directors	47,442	113,665	186,815	177,490	-	-	177,490
905 Community Relations	358,382	499,765	441,760	473,360	6,000	120	479,480
910 Office of the Manager	378,883	410,405	318,205	456,555	-	40	456,595
920 Human Resources	378,717	679,560	418,360	488,015	-	-	488,015
Total General Government	1,163,424	1,703,395	1,365,140	1,595,420	6,000	160	1,601,580
FINANCE AND ADMINISTRATION							
930 Financial Services	707,046	726,225	748,565	755,245	-	-	755,245
950 Information Systems	199,032	225,000	220,000	211,000	-	-	211,000
970 Office Services	302,147	301,430	309,045	300,680	-	-	300,680
980 Insurance	161,325	175,000	175,000	180,000	-	-	180,000
Total Finance & Administration	1,369,550	1,427,655	1,452,610	1,446,925	-	-	1,446,925
MISC. CAPITAL							
6xx Public Safety	-	-	-	-	-	-	-
7xx Park Operations	5,625	69,954	159,954	-	-	-	-
8xx Public Works	-	-	-	-	-	-	-
9xx General Government	-	-	-	-	-	-	-
xxx Lease payments	-	-	-	-	-	-	-
Total Misc. Capital	5,625	69,954	159,954	-	-	-	-
GROSS GENERAL FUND BUDGET	\$ 11,466,884	\$ 13,674,168	\$ 13,180,338	\$ 13,911,323	\$ 144,637	\$ 244,082	\$ 14,300,042

**HIGHLANDS RANCH METRO DISTRICT
EXPENDITURES BY OBJECT**

	2021 ACTUAL	2022 BUDGET	2022 REVISED	2023 BASE	2023		2023 BUDGET
					REQUESTS ONE TIME	ON GOING	
BOARD DIRECTED BUDGET							
Personnel Services							
111 Regular Wages	4,245,375	4,903,016	4,445,750	5,166,730	-	29,902	5,196,632
113 Temporary Wages	94,235	202,640	180,340	158,000	10,000	-	168,000
12* Overtime Wages	25,590	16,920	36,300	31,800	-	-	31,800
13* Payroll Expense	1,476,072	1,749,000	1,629,830	1,781,720	-	24,550	1,806,270
182 Training	35,390	62,315	59,510	93,030	-	2,000	95,030
184 Uniforms	28,682	15,360	33,560	33,665	-	1,450	35,115
191 Board of Director Fees	16,800	16,800	16,800	16,800	-	-	16,800
195 Admin Contract	414,055	432,875	442,550	436,750	-	-	436,750
Total Personnel Services	6,336,199	7,398,926	6,844,640	7,718,495	10,000	57,902	7,786,397
Contracted Services							
351 Building Rental	191,100	168,900	182,865	170,300	-	-	170,300
352 Legal Services	26,007	32,000	62,000	44,000	-	-	44,000
354 Audit Services	31,700	29,000	29,000	28,000	-	-	28,000
368 Insurance	161,325	175,000	175,000	180,000	-	-	180,000
Total Contracted Services	410,132	404,900	448,865	422,300	-	-	422,300
Miscellaneous Capital							
941 Office Equipment	-	-	-	-	-	-	-
942 Transportation Equipment	-	74,704	90,000	-	-	-	-
943 Field Equipment	5,625	69,954	69,954	-	-	-	-
944 Shop and Garage Equipment	-	-	-	-	-	-	-
946 Engineering Equipment	-	-	-	-	-	-	-
947 Communication Equipment	-	-	-	-	-	-	-
948 Computer Equipment	-	-	-	-	-	-	-
949 Other Equipment	-	-	-	-	-	-	-
950 Major Repairs	-	-	-	-	-	-	-
Lease Payments	-	-	-	-	-	-	-
Total Miscellaneous Capital	5,625	144,658	159,954	-	-	-	-
TOTAL BOARD DIRECTED COST	6,751,956	7,948,484	7,453,459	8,140,795	10,000	57,902	8,208,697

**HIGHLANDS RANCH METRO DISTRICT
EXPENDITURES BY OBJECT**

	2021 ACTUAL	2022 BUDGET	2022 REVISED	2023 BASE	2023		2023 BUDGET
					REQUESTS ONE TIME	ON GOING	
DEPT. DIRECTED NONVARIABLE							
Materials and Supplies							
219 Office Supplies	4,506	8,500	6,000	6,000	-	-	6,000
220 Meeting Supplies	12,698	15,625	17,825	15,125	-	-	15,125
222 Empl Relations	13,093	19,485	20,295	19,695	-	-	19,695
224 Playground Supplies	20,940	47,000	47,100	54,000	-	-	54,000
226 Safety Supplies	38,983	62,000	62,650	42,650	-	-	42,650
227 Janitorial Supplies	21,096	21,500	24,200	26,000	-	-	26,000
229 Operating Supplies	203,385	212,050	215,050	232,850	6,000	-	238,850
230 Computer Equip/Supplies	9,980	-	500	-	2,637	-	2,637
243 Tree Replacement	77,684	82,100	40,000	120,000	-	-	120,000
244 Repair Parts	317,757	262,000	372,250	413,580	-	-	413,580
246 Tires, Tubes, Etc	13,407	32,600	32,600	35,600	-	-	35,600
Total Material and Supplies	733,529	762,860	838,470	965,500	8,637	-	974,137
Purchased Services							
301 Bank Charges	39,627	42,000	42,000	42,000	-	-	42,000
311 Postage	31,678	25,275	22,825	25,475	-	-	25,475
313 Licenses	958	2,500	2,500	2,000	-	-	2,000
319 Communication Svc	74,522	97,080	104,330	114,820	-	9,480	124,300
325 Legal Notice/Advertise	9,662	10,280	17,580	12,230	-	-	12,230
326 Personnel Advertising	-	-	-	100	-	-	100
329 Print & Copy	23,565	51,960	52,260	52,160	-	-	52,160
331 Memberships	16,789	27,150	27,250	24,325	-	-	24,325
335 Publications	4,258	1,100	4,000	4,400	-	-	4,400
342 Computer Rental	-	900	-	-	-	-	-
343 Equipment Rental	22,546	41,200	41,200	40,800	-	-	40,800
344 Repair Services	411,995	567,200	548,000	486,700	48,000	176,700	711,400
347 Janitorial Service	21,741	35,000	28,500	38,000	-	-	38,000
349 Landfill Services	50,678	46,000	45,000	48,620	-	-	48,620
369 Misc O/Services	490,410	924,694	899,739	831,263	78,000	-	909,263
371 Auto Reimb	1,661	4,120	4,120	4,620	-	-	4,620
372 Conferences	1,235	3,300	3,290	3,800	-	-	3,800
Total Purchased Services	1,201,325	1,879,759	1,842,594	1,731,313	126,000	186,180	2,043,493

**HIGHLANDS RANCH METRO DISTRICT
EXPENDITURES BY OBJECT**

	2021 ACTUAL	2022 BUDGET	2022 REVISED	2023 BASE	2023		
					REQUESTS ONE TIME	ON GOING BUDGET	
Contracted Services							
348 Contract Maintenance	953,290	1,078,400	1,030,400	1,115,500	-	-	1,115,500
355 Prof Services	4,689	74,500	73,500	67,500	-	-	67,500
Total Contracted Services	957,979	1,152,900	1,103,900	1,183,000	-	-	1,183,000
TOTAL DEPT. DIRECTED NONVARIABLE	2,892,833	3,795,519	3,784,964	3,879,813	134,637	186,180	4,200,630
DEPT. DIRECTED VARIABLE							
Fuel and Chemical Services							
260 Chemicals/Fertilizers	41,689	84,000	69,000	82,800	-	-	82,800
271 Gas/Fuel Products	122,594	100,000	100,000	100,000	-	-	100,000
Total Fuel and Chemical Services	164,283	184,000	169,000	182,800	-	-	182,800
Utilities							
391 Electricity and Power	135,786	125,000	145,750	145,750	-	-	145,750
392 Water/Sewer	1,509,955	1,608,500	1,608,500	1,543,500	-	-	1,543,500
394 Natural Gas	12,070	12,665	18,665	18,665	-	-	18,665
Total Utilities	1,657,811	1,746,165	1,772,915	1,707,915	-	-	1,707,915
TOTAL DEPT. DIRECTED VARIABLE	1,822,094	1,930,165	1,941,915	1,890,715	-	-	1,890,715
TOTAL ALL DEPARTMENTS	\$ 11,466,883	\$ 13,674,168	\$ 13,180,338	\$ 13,911,323	\$ 144,637	\$ 244,082	\$ 14,300,042

**HIGHLANDS RANCH METROPOLITAN DISTRICT
SCHEDULE OF APPROVED POSITIONS - REGULAR POSITIONS**

Department	2022 Budget	2022 Actual	2023 Budget	Variance	2023 Adj. for Shared Emp.
PARKS, RECREATION, OPEN SPACE, CULTURAL					
<u>Parks and Open Space Planning & Administration</u>					
Director - Parks, Recreation & Open Space	1.000	1.000	1.000	-	1.000
Office Manager	1.000	1.000	1.000	-	1.000
Operations Assistant	1.000	1.000	1.000	-	1.000
Receptionist	1.000	1.000	1.000	-	1.000
** Construction & Facilities Manager	1.000	1.000	1.000	-	1.000
** Park Planner II	1.000	1.000	1.000	-	1.000
Facilities Supervisor	1.000	1.000	1.000	-	1.000
Facilities Technicians	5.000	5.000	5.000	-	5.000
<u>Recreation Services / Programs</u>					
Recreation & Park Services 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
Recreation Assistant	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	8.000	8.000	8.000	-	8.000
Senior Services Coordinator	1.000	1.000	1.000	-	1.000
<u>Park & Parkways Operations</u>					
Park & Parkways Manager	1.000	1.000	1.000	-	1.000
Parkways Supervisor	1.000	1.000	1.000	-	1.000
Parkways Technicians	8.000	8.000	8.000	-	1.000
Park Maintenance Supervisor	1.000	1.000	1.000	-	1.000
Park Technicians	10.000	10.000	10.000	-	10.000
<u>Open Space Operations</u>					
Open Space Operations Manager	1.000	1.000	1.000	-	1.000
Open Space & Ranger Supervisor	1.000	1.000	1.000	-	1.000
Open Space Technicians	3.000	4.000	4.000	-	4.000
Park Rangers	4.000	4.000	4.000	-	4.000
Forestry Supervisor	1.000	1.000	1.000	-	1.000
Forestry Technicians	4.000	4.000	5.000	1.000	5.000
<u>Fleet Maintenance</u>					
Fleet Supervisor	1.000	1.000	1.000	-	1.000
Fleet Technicians	3.000	3.000	3.000	-	3.000
<u>Mansion</u>					
Mansion Manager	*	1.000	1.000	-	1.000
Mansion Event Technicians		1.600	1.600	2.000	0.400
Mansion Sales and Event Coordinator	*	1.000	1.000	-	1.000
Volunteer & Programs Coordinator		1.000	1.000	-	1.000
PUBLIC WORKS					
<u>Administration</u>					
* Director - Engineering	1.000	1.000	1.000	-	0.600
Administrative Assistant	1.000	1.000	1.000	-	1.000
* Contract Administrator	1.000	1.000	1.000	-	0.500
Support Specialist	1.000	1.000	1.000	-	1.000

**HIGHLANDS RANCH METROPOLITAN DISTRICT
SCHEDULE OF APPROVED POSITIONS - REGULAR POSITIONS**

Department	2022 Budget	2022 Actual	2023 Budget	Variance	2023 Adj. for Shared Emp.
Engineering					
** Manager of Engineering	1.000	1.000	1.000	-	1.000
** Project Engineer	1.000	1.000	1.000	-	1.000
*** GIS Technicians	-	-	-	-	0.500
GENERAL MANAGEMENT					
Office of the Manager					
General Manager	1.000	1.000	1.000	-	1.000
Administrative Assistant	1.000	1.000	1.000	-	1.000
Community Relations					
Community Relations Manager	1.000	1.000	1.000	-	1.000
Community Relations Coordinator	1.000	2.000	2.000	-	2.000
Human Resources					
* Human Resource Manager	1.000	1.000	1.000	-	0.500
* Human Resources Assistant	1.800	2.000	2.000	-	1.000
Financial Services					
* Director - Finance & Admin.	1.000	1.000	1.000	-	0.500
*** Asset & Revenue Manager	-	-	-	-	0.500
*** Accounting Manager	-	-	-	-	0.500
*** Accounting Supervisor	-	-	-	-	0.500
*** Manager, Financial and Budget Reporting	-	-	-	-	0.500
*** Accounting Assistants/Payroll	-	-	-	-	1.750
OFFICE SUPPORT					
Office Services					
* Receptionist	1.000	1.000	1.000	-	0.500
*** Office Assistant	-	-	-	-	0.500
TOTAL PERMANENT FTE					
	<u>86.400</u>	<u>88.600</u>	<u>90.000</u>	<u>1.400</u>	<u>84.350</u>
* Employee cost partially allocated TO Centennial Water & Sanitation District pursuant to Employee, Office Services and Capital Equipment Sharing Contract ("Schedule III" employees)					
** Majority of employee cost is capitalized					
*** Employee cost partially allocated FROM Centennial Water & Sanitation District pursuant to Employee, Office Services and Capital Equipment 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.

2023 Stormwater Management Fund Capital Improvement Projects

- Big Dry Creek Gulch:
 - Links Golf Course Cresthill to golf cart bridge (BDW 1.0d)
- Trail Crossings:
 - West Fork Trail Crossing Removal and Replacement
- Dad Clark Gulch:
 - Tresana Clubhouse to Highlands Ranch Parkway (DC 3.0)
 - Upper Dad Clark – Summit View to Wildcat West Tributary DC5.0W (B)

**HIGHLANDS RANCH METROPOLITAN DISTRICT
STORMWATER MANAGEMENT FUND
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
Special Revenues				
Rate Income	\$ 904,349	\$ 915,000	\$ 901,000	\$ 901,000
Contribution Offsetting Capital Outlay	-	300,000	-	1,500,000
Net Investment Income	(4,897)	2,600	2,200	2,700
Total Revenues	<u>899,452</u>	<u>1,217,600</u>	<u>903,200</u>	<u>2,403,700</u>
EXPENDITURES				
Operations Budget	118,508	204,520	204,520	272,855
Operations Request	-	-	-	-
Capital Outlay	880,459	-	-	-
Total Expenditures	<u>998,967</u>	<u>204,520</u>	<u>204,520</u>	<u>272,855</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(99,515)</u>	<u>1,013,080</u>	<u>698,680</u>	<u>2,130,845</u>
OTHER FINANCING SOURCES (USES)				
Net investment income	-	(2,600)	(2,200)	(2,700)
From (to) General Fund	-	-	-	-
From (to) General Government Capital Fund	-	(1,436,000)	(262,456)	(2,900,000)
Total Other Financial Sources (Uses)	<u>-</u>	<u>(1,438,600)</u>	<u>(264,656)</u>	<u>(2,902,700)</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(99,515)	(425,520)	434,024	(771,855)
FUND BALANCE - BEGINNING	1,863,579	1,046,419	1,764,064	2,198,088
FUND BALANCE - ENDING	<u>\$ 1,764,064</u>	<u>\$ 620,899</u>	<u>\$ 2,198,088</u>	<u>\$ 1,426,233</u>

**HIGHLANDS RANCH METRO DISTRICT
STORMWATER MANAGEMENT FUND**

	2022		Actuals		2023		2024		2025		Remaining Future
	Budget	Appropriations 11/30/2022	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
SPRING GULCH											
S2.0b HR Pkwy to Spring Gulch Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,000
S2.1W Park to Foothills easement (west)	-	-	-	-	-	-	-	-	-	-	189,500
S2.1E Park to Foothills easement (east)	-	-	-	-	-	-	-	-	-	-	365,750
S3.0 Foothills to Stone Mountain Drive	-	-	-	-	-	-	-	-	-	-	282,500
S3.1 Stone Mountain to Weathersfield Way (west)	-	-	-	-	-	-	-	-	-	-	104,000
S3.1E Stone Mountain to Weathersfield Way (east)	-	-	-	-	-	-	-	-	-	-	435,000
DAD CLARK GULCH											
DC 0.5 North of Highline Canal	-	-	-	-	-	-	-	-	-	-	180,000
DC 1.0a Broadway to Foothills easement	-	-	-	-	-	-	-	-	-	-	1,834,500
DC 1.0c/d Broadway to Foothills easement	-	-	-	-	-	-	-	-	-	-	979,000
DC 1.1a Northridge to Foothills easement	-	-	-	-	-	-	-	-	-	-	342,000
Reach DC 2.0											
Foothills to Venneford DC 2.0 lower reach	-	-	-	-	-	-	-	-	-	-	430,000
Foothills to Venneford DC 2.0 middle reach	-	-	-	-	-	-	-	-	-	-	-
Foothills to Venneford DC 2.0 upper reach	-	-	-	-	-	-	-	-	-	-	378,000
DC 3.0 Venneford to HR Parkway											
Venneford to Toepfer Park Bridge	-	-	-	-	-	-	-	-	-	-	600,000
Toepfer to Tresana Clubhouse	-	-	-	-	-	-	-	-	-	-	1,000,000
Clubhouse (Toepfer) to HRP	200,000	159,000	-	-	2,000,000	(1,100,000)	-	-	-	-	1,375,000
DC 4.0 HR Parkway to Summit View	-	-	-	-	-	-	-	-	-	-	-
Upper Dad Clark - Summit to Wildcat Middle Trib. (DC 5.0M)	-	-	-	-	-	-	-	-	-	-	-
Upper Dad Clark - Summit View to Wildcat West Trib DC5.0W (-	-	-	-	-	-	-	-	-	-	-
Upper Dad Clark - Summit View to Wildcat West Trib DC5.0W (l	-	-	-	-	100,000	-	250,000	(125,000)	-	-	-
DC 5.0E Summit View to Wildcat East Trib.	-	-	-	-	-	-	-	-	-	-	710,000
DC 6.0W Wildcat to OSCA Boundary (west trib)	-	-	-	-	-	-	-	-	-	-	250,000
DCM 1.0 Foothills Easement to HR Pkwy	-	-	-	-	-	-	-	-	-	-	1,375,000
DCM2.0a HR Pkwy to Historic Park	-	-	-	-	-	-	-	-	-	-	45,000
DCM 3.0 HR Pkwy to Venneford	-	-	-	-	-	-	-	-	-	-	260,000
DCM 4.0 Venneford to Summit View	-	-	-	-	-	-	-	-	-	-	125,000
Reach DCW 4.0 Foothills to Salford	-	-	-	-	-	-	-	-	-	-	-
DCM 3.0W/4.0W Mansion Historic Park	-	-	-	-	-	-	-	-	-	-	245,000
Future Historic Park Drainage DCM5.0W	-	-	-	-	-	-	-	-	-	-	346,500
DCW 1.0a/b Plaza to HR Pkwy	-	-	-	-	-	-	-	-	-	-	750,000
DCW 2.0a Broadway to Autum Ash	-	-	-	-	-	-	-	-	-	-	35,000
DCW2.0Eb Broadway to Foothills easement	-	-	-	-	-	-	-	-	-	-	60,000
DCW 3.0Ea/b/c Foothills to Burntwood	-	-	-	-	-	-	-	-	-	-	60,000
DCW 4.0E Burntwood to Historic Park	-	-	-	-	-	-	-	-	-	-	80,000
DCW 5.0E Burntwood to Gateway Dr.	-	-	-	-	-	-	-	-	-	-	80,000

**HIGHLANDS RANCH METRO DISTRICT
STORMWATER MANAGEMENT FUND**

	2022		Actuals		2023		2024		2025		Remaining Future
	Budget	Appropriations 11/30/2022	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
MARCY GULCH											
M0.5 Santa Fe to HR Golf Course	-	-	-	-	-	-	-	-	600,000	(325,000)	1,200,000
M0.7 through HR Golf Course to Town Center Dr	-	-	-	-	-	-	-	-	-	-	1,100,000
HRP to Foothills Trail M2.0	-	-	-	-	-	-	-	-	-	-	1,100,000
Foothills to Broadway M3.0	-	-	-	-	-	-	-	-	-	-	375,000
Wildcat to Filing 119 (M4.0E)	-	-	-	-	-	-	-	-	-	-	825,000
Broadway to Wildcat (west) (M4.0W)	-	-	-	-	-	-	-	-	-	-	550,000
Mountain Vista HS to Wildcat M5.1E (and Wildcat to	-	-	-	-	-	-	-	-	-	-	810,000
BIG DRY CREEK GULCH											
BDE 0.5 Links Golf Course Holes 7 & 9	-	20,000	-	-	-	-	-	-	-	-	1,975,000
Gleneagles 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	-	-	-	-	-	-	-	-	-	-	175,000
BDE 7.2W Confluence to OSCA (west)	-	-	-	-	-	-	-	-	-	-	100,000
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 Gleneagles / Cresthill)	-	-	-	-	-	-	-	-	-	-	-
BDW 1.0c Links Golf Course, cart bridge to middle headcut	-	-	-	-	-	-	-	-	-	-	425,000
BDW 1.0d Links Golf Course Cresthill to golf cart bridge	1,036,000	825,000	-	(300,000)	600,000	(300,000)	-	-	-	-	-
BDW 4.0 Lark Sparrow to University (107C)	-	-	-	-	-	-	-	-	-	-	-
BDW 5.0 Lark Sparrow to University (107B)	-	-	-	-	-	-	-	-	-	-	240,000
Big Dry Creek with trail crossing	-	-	-	-	-	-	-	-	-	-	-
OTHER REACHES											
Otero Tributary	-	-	-	-	-	-	-	-	-	-	-
C-470 to County Line Road	-	-	-	-	-	-	-	-	-	-	165,000
Quebec to Palomino Park (QUE 1.0,1.1,2.0,2.1)	-	-	-	-	-	-	-	-	-	-	509,000
TRAIL CROSSINGS											
West Fork Trail Crossing Removal and Replacement	200,000	-	-	-	200,000	(100,000)	-	-	-	-	-
Various	-	-	-	-	-	-	-	-	-	-	4,505,000
TOTAL STORMWATER FUND	\$1,436,000	\$1,004,000	\$	\$ (300,000)	\$2,900,000	\$ (1,500,000)	\$ 350,000	\$ (125,000)	\$ 600,000	\$ (325,000)	\$ 33,474,250

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:

	2022 Projected	2023 Budget
Reserved Capacity Cost		
HRMD	\$ 3,034,032	\$ 274,891
Surcharge Remittance	178,190	311,400
	<u>\$ 3,212,222</u>	<u>\$ 586,291</u>

*Based on calculation of reserved capacity cost as set forth in Exhibit B to the Water & Wastewater Service Agreement. See page 52.

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 2023 proposed budget proposes a residential streetlight fee of \$6.70 for the multi-family households. The commercial property fee is \$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 2023 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
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
Development Fees				
Tap Fees	\$ 2,104,620	\$ 1,055,125	\$ 970,130	\$ 1,107,745
Special Revenues				
Water and Wastewater Rate Income	39,833,112	40,483,000	39,710,000	45,365,000
Streetlight Fees	1,292,616	1,213,000	1,260,000	1,260,000
Other	-	-	-	-
Net Investment Income	(15,656)	6,100	9,100	6,400
Total Revenues	<u>43,214,691</u>	<u>42,757,225</u>	<u>41,949,230</u>	<u>47,739,145</u>
EXPENDITURES				
Water and Wastewater Operations	39,833,112	40,483,000	39,710,000	45,365,000
Public Safety - Streetlights - Operations	1,236,934	1,265,000	1,187,000	1,229,000
Investment in Reserved Capacity				
Exhibit B	686,964	3,034,032	3,034,032	274,891
Current Year Collections	403,090	302,750	178,190	311,400
Total Expenditures	<u>42,160,100</u>	<u>45,084,782</u>	<u>44,109,222</u>	<u>47,180,291</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>1,054,592</u>	<u>(2,327,557)</u>	<u>(2,159,992)</u>	<u>558,854</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers				
Net investment income	2,520	(6,100)	(9,100)	(6,400)
Total Financing Sources (Uses)	<u>2,520</u>	<u>(6,100)</u>	<u>(9,100)</u>	<u>(6,400)</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,057,112	(2,333,657)	(2,169,092)	552,454
FUND BALANCE - BEGINNING	6,221,147	7,204,908	7,278,259	5,109,167
FUND BALANCE - ENDING	<u>\$ 7,278,259</u>	<u>\$ 4,871,251</u>	<u>\$ 5,109,167</u>	<u>\$ 5,661,621</u>
Reserved for capacity payment	(341,584)	(537,850)	(537,850)	(262,337)
Reserved for streetlight replacement	(400,000)	(900,000)	(900,000)	(900,000)
FUND BALANCE - Available	<u>\$ 6,536,675</u>	<u>\$ 3,433,401</u>	<u>\$ 3,671,317</u>	<u>\$ 4,499,284</u>

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

	2022			2023		
	Rate per 1,000 Gallons			Rate per 1,000 Gallons		
	Summer	Winter	Irrig Only	Summer	Winter	Irrig Only
METERED WATER CONSUMPTION						
Usage Relative to "Water Budget" *						
Up to 100% of WB	\$ 4.31	\$ 4.31	\$ 4.41	\$ 4.52	\$ 4.52	\$ 4.62
101% to 120% of WB**	\$ 5.80	\$ 5.80	\$ 6.00	\$ 6.08	\$ 6.08	\$ 6.20
121% to 140% of WB**	\$ 8.81	\$ 5.80	\$ 10.40	\$ 9.23	\$ 6.08	\$ 10.90
Over 140% of WB**	\$ 13.33	\$ 9.60	\$ 17.70	\$ 13.97	\$ 10.06	\$ 18.50
Drought Rates - Stage 1						
101% to 120% of WB**	\$ 7.25		\$ 7.50	\$ 7.60		\$ 7.75
121% to 140% of WB**	\$ 11.01		\$ 13.00	\$ 11.54		\$ 13.63
Drought Rates - Stage 2						
101% to 120% of WB**	\$ 8.70		\$ 9.00	\$ 9.12		\$ 9.30
121% to 140% of WB**	\$ 13.21		\$ 15.60	\$ 13.85		\$ 16.35
WASTEWATER TREATMENT						
Residential - Single Family						
Fixed fee	\$ 23.68	Bi-monthly		\$ 26.96	Bi-monthly	
Minimum charge -Fixed fee plus 3,000 gallons Use	\$ 35.26			\$ 39.08		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$ 3.86	per 1,000 gallons		\$ 4.04	per 1,000 gallons	
Residential - Multi Family (per unit)						
Fixed fee	\$ 11.84	Monthly		\$ 13.48	Monthly	
Minimum charge -Fixed fee plus 1,500 gallons	\$ 17.63			\$ 19.54		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$ 3.86	per 1,000 gallons		\$ 4.04	per 1,000 gallons	
Nonresidential						
Fixed fee per 3/4" equiv. tap size	\$ 11.84	Monthly		\$ 13.48	Monthly	
(Rate times 80% of water consumed)	\$ 3.86	per 1,000 gallons		\$ 4.04	per 1,000 gallons	
WATER SERVICE AVAILABILITY FEE						
Residential - Single Family	\$ 34.82	bimonthly		\$ 36.50	bimonthly	
Residential - Multi Family	\$ 10.88	monthly		\$ 11.42	monthly	
Nonresidential (per 3/4" equivalent)	\$ 17.41	monthly		\$ 18.25	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.

HIGHLANDS RANCH METRO 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, 2022	As of Jan. 1, 2022	Effective Jan. 1, 2023
<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 2022 and 2023 is:

	2022 Budget	2022 Projected	2023 Budget
<u>Tap Fee Received By District</u>			
Single Family Residential	\$ 384,500	\$ 692,100	\$ 384,500
Based on # of SF DUs	50	90	50
Multi Family Residential	670,625	-	670,625
Based on # of MF DUs	125	0	125
Non-residential	-	99,840	52,620
Full service (3/4" equiv)	-	-	4
Irrigation (3/4" equiv.)	-	13	1
	<u>\$ 1,055,125</u>	<u>\$ 791,940</u>	<u>\$ 1,107,745</u>
<u>Remitted to CW&SD</u>			
Channel Stabilization surcharge	\$ 43,750	\$ 25,750	\$ 45,000
Water Acquisition	259,000	152,440	266,400
	<u>\$ 302,750</u>	<u>\$ 178,190</u>	<u>\$ 311,400</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	(1,009,678)
Total remaining acres with requested service	<u>24,247</u>
No. of taps at two 3/4" per undeveloped acre	48
Multiplied by the Capacity Fee per Nonresidential 3/4" tap	\$ 9,650
Estimated Reserved Capacity Cost - Nonresidential undeveloped	<u>\$ 463,200</u>

REMAINING SINGLE FAMILY RESIDENTIAL RESERVED CAPACITY

Reserved Capacity Cost for Undeveloped Single Family Residential

Total Number of Dwelling Units Platted	29,500
Total Number of Dwelling Units - Service not requested	0
Less Total Number of dwelling units placed in service	(29,370)
No. of remaining Single Family Residential taps	130
Multiplied by the Capacity Fee per Single Family Residential 3/4" tap	\$ 5,960
Estimated Reserved Capacity Cost - Residential undeveloped	<u>\$ 774,800</u>

REMAINING MULTI-FAMILY RESIDENTIAL RESERVED CAPACITY

Reserved Capacity Cost for Undeveloped Multi-Family Residential

Total Number of Dwelling Units Platted	8,525
Total Number of Dwelling Units - Service not requested	0
Less Total Number of dwelling units placed in service	(8,285)
No. of remaining Multi-Family Residential taps	240
Multiplied by the Capacity Fee per Multi-Family Residential 3/4" tap	\$ 3,780
Estimated Reserved Capacity Cost - Residential undeveloped	<u>\$ 907,200</u>

CALCULATION OF RESERVED CAPACITY PAYMENTS DUE

Remaining			
Nonresidential	\$ 463,200		
Single Family	774,800		
Multi Family	907,200		
		<u>\$ 2,145,200</u>	
Collected thru 9/30/2022			
Metro 1	\$ 42,491,983		
Metro 2	40,937,336		
Metro 3	40,963,220		
Metro 4	44,026,216		
Consolidated	36,279,156		
		<u>\$ 204,697,911</u>	\$ 206,843,111

RESERVED CAPACITY PAYMENTS MADE TO DATE

As of 12/31/21 per CWSD general ledger (951 -410-10-xxxx)	\$ (203,018,186)
Present value discount on 1992 Metro 1 payment	(353,665)
4/01/2022 Payment	<u>(3,034,032)</u>
	\$ (206,405,883)
TOTAL DUE	\$ 437,228

PAYMENT DUE APRIL 1	Collected in Excess of Amount Paid	Minimum	% of excess	Total	Cumulative
2023	\$ -	\$ 100,000	\$ 174,891	\$ 274,891	\$ 274,891
2024		\$ 100,000	\$ 64,935	\$ 164,935	\$ 439,826
2025		\$ 100,000	\$ (1,039)	\$ 98,961	\$ 538,787
2026		\$ 100,000	\$ (40,623)	\$ 59,377	\$ 598,163
2027		\$ 100,000	\$ (64,374)	\$ 35,626	\$ 633,789
2028		\$ 100,000	\$ (78,624)	\$ 21,376	\$ 655,165
2029		\$ 100,000	\$ (87,175)	\$ 12,825	\$ 667,990

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 2023 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 2019	Actual 2020	Actual 2021	Projected 2022	Budget 2023
General Fund Transfers					
Recreation/Park Services	\$ 436,118	\$ 786,869	\$ 285,378	\$ 498,131	\$ 1,103,741
Senior Services			78,076	80,990	181,122
TOTAL	<u>\$ 436,118</u>	<u>\$ 786,869</u>	<u>\$ 363,454</u>	<u>\$ 579,121</u>	<u>\$ 1,284,863</u>

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
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
Reservations	\$ 275,541	\$ 436,895	\$ 474,365	\$ 509,000
Internal Field Reservations	154,236	144,030	119,000	142,200
Programs	767,930	966,450	797,765	924,000
Other				
Recreation / Park Services	394	13,325	3,400	23,325
Senior Services	18,312	21,200	5,010	23,800
Total Revenues	<u>1,216,413</u>	<u>1,581,900</u>	<u>1,399,540</u>	<u>1,622,325</u>
EXPENDITURES				
Operations Budget				
Recreation / Park Services	1,483,479	2,036,872	1,892,661	2,215,499
Senior Services	96,388	100,200	86,000	204,922
Budget Request (<i>one-time</i>)	-	30,134	-	137,167
Budget Request (<i>on-going</i>)	-	-	-	349,600
Total Expenditures	<u>1,579,867</u>	<u>2,167,206</u>	<u>1,978,661</u>	<u>2,907,188</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(363,454)</u>	<u>(585,307)</u>	<u>(579,121)</u>	<u>(1,284,863)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers				
From (to) General Fund	363,454	585,307	579,121	1,284,863
Total Other Financing Sources (Uses)	<u>363,454</u>	<u>585,307</u>	<u>579,121</u>	<u>1,284,863</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	<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 2023 as of September 30, 2022.

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.

	Budget 2022	Projected 2022	Budget 2023
Transfers to General Fund			
Landscape Services	\$ 14,800	\$ 14,800	\$ 14,800
Facilities Maintenance	37,000	37,000	37,000
TOTAL	\$ 51,800	\$ 51,800	\$ 51,800

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.

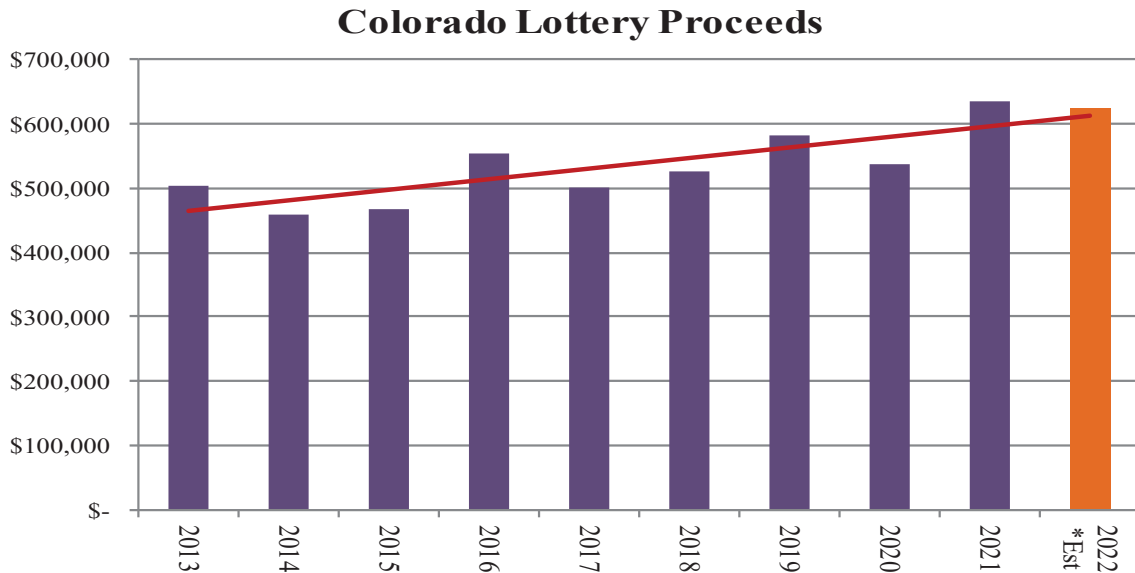
	Actual 2021	Budget 2022	Projected 2022	Budget 2023
Reserve Calculation				
Beginning Balance	\$ 81,757	\$ 92,182	\$ 94,582	\$ 101,492
10% of Reservation Revenues	24,336	40,000	47,200	47,700
Adj. to target fund balance		-		
Use of reserves	(11,511)	(40,290)	(40,290)	(32,675)
Ending Balance	\$ 94,582	\$ 91,892	\$ 101,492	\$ 116,517

**HIGHLANDS RANCH METROPOLITAN DISTRICT
MANSION SPECIAL REVENUE FUND
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
Reservations	\$ 243,358	\$ 400,000	\$ 472,000	\$ 477,000
Programs	2,160	-	3,100	3,000
Other	88,905	102,000	207,000	206,000
Net Investment Income	(10,488)	10,600	10,100	10,700
Total Revenues	<u>323,935</u>	<u>512,600</u>	<u>692,200</u>	<u>696,700</u>
EXPENDITURES				
Operations Budget	458,343	566,850	543,600	662,600
Cost of sales	6,693	35,000	40,000	50,000
Use of reserve	11,511	40,290	40,290	32,675
Budget Request (one-time)	-	-	-	-
Budget Request (ongoing)	-	-	-	56,600
Total Expenditures	<u>476,547</u>	<u>642,140</u>	<u>623,890</u>	<u>801,875</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(152,612)</u>	<u>(129,540)</u>	<u>68,310</u>	<u>(105,175)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers				
Net investment income	-	-	-	-
From (to) General Fund	-	(56,600)	(43,300)	(58,200)
From (to) Recreation Fund	-	-	-	-
From (to) Major Repair Fund	-	-	-	-
Lease proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(56,600)</u>	<u>(43,300)</u>	<u>(58,200)</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(152,612)	(186,140)	25,010	(163,375)
FUND BALANCE - BEGINNING	4,424,801	4,226,179	4,272,189	4,297,199
FUND BALANCE - ENDING	<u>\$ 4,272,189</u>	<u>\$ 4,040,039</u>	<u>\$ 4,297,199</u>	<u>\$ 4,133,824</u>
Reserve for repairs	(94,582)	(91,892)	(101,492)	(116,517)
Endowment	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
FUND BALANCE - Available	<u>\$ 177,606</u>	<u>\$ (51,853)</u>	<u>\$ 195,706</u>	<u>\$ 17,306</u>

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. The chart below provides the last ten years of Colorado Lottery Proceeds received by the District.



2023 Conservation Trust Fund Capital Projects

- Marcy Gulch Trail design and construction
- Toepfer Park planning
- Mansion Courtyard/ Front grounds improvements
- ADA transition plan
- Dog Park Shade Structures

**HIGHLANDS RANCH METRO DISTRICT
CONSERVATION TRUST FUND
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
Conservation Trust Fund	\$ 633,903	\$ 500,000	\$ 623,000	\$ 538,000
Net Investment Income	825	6,300	5,600	7,300
Total Revenues	<u>634,728</u>	<u>506,300</u>	<u>628,600</u>	<u>545,300</u>
EXPENDITURES				
Capital Outlay	191,314	540,000	80,172	622,000
Intragovernmental				
Transfer to General Government Capital Projects	-	175,000	-	175,000
Transfer to Major Repair Fund	-	120,000	98,300	210,000
Total Expenditures	<u>191,314</u>	<u>835,000</u>	<u>178,472</u>	<u>1,007,000</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>443,414</u>	<u>(328,700)</u>	<u>450,128</u>	<u>(461,700)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers				
Net Investment Income	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	443,414	(328,700)	450,128	(461,700)
FUND BALANCE - BEGINNING	1,758,984	2,250,083	2,202,398	2,652,526
FUND BALANCE - ENDING	<u>\$ 2,202,398</u>	<u>\$ 1,921,383</u>	<u>\$ 2,652,526</u>	<u>\$ 2,190,826</u>
Less Assigned Fund Balance	(400,000)	(600,000)	(600,000)	(800,000)
FUND BALANCE - Available	<u>\$ 1,802,398</u>	<u>\$ 1,321,383</u>	<u>\$ 2,052,526</u>	<u>\$ 1,390,826</u>

**HIGHLANDS RANCH METRO DISTRICT
CONSERVATION TRUST FUND**

	2022				
	Budget	Actuals			2025 Projected
		Appropriations Thru 11/30/2022	Remaining	Total	
Trails					
Trail 6.4.0 Upper Marcy Gulch Trail	\$ 175,000	\$ -	\$ -	\$ -	\$ -
Highline Canal Crossing with DC	70,000	-	-	70,000	-
Elementary School Field Improvements					
Toepfer Park School Site	40,000	-	-	100,000	500,000
Mansion/Historic Park					
Historic Park Signage - Way Finding Plan	150,000	-	-	-	200,000
Mansion Front Yard/Courtyard - Grounds improvements	230,000	-	-	320,000	90,000
Mansion Driveway Sidewalks	-	-	-	-	100,000
ADA Automatic Door Openers	-	-	-	12,000	-
Other					
ADA Transition Pan	120,000	98,300	-	120,000	120,000
Highline Canal Signage	50,000	-	-	-	-
Dog Park Shade Structures	-	-	-	210,000	-
Nature Play Area	-	-	-	-	30,000
Total	\$ 835,000	\$ 98,300	\$ -	\$ 1,007,000	\$ 840,000
					\$ 610,000
CHANGES IN FUND BALANCE TO BE ASSIGNED					
Community Park - Historic Park	200,000	-	-	200,000	200,000
					\$200,000

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 however as part of the June 2016 visioning workshop it was 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.

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

All outstanding debt was retired in 2021.

**HIGHLANDS RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
Taxes <i>(see detail)</i>	\$ 3,659,636	\$ -	\$ -	\$ -
Net Investment Income	1,025	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>3,660,662</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES (see detail)				
General Government				
Paying Agent Fees	300	-	-	-
Debt Service				
Principal	19,190,000	-	-	-
Interest	345,420	-	-	-
Bond Issue Expense	-	-	-	-
Total Expenditures	<u>19,535,720</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(15,875,058)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Bond issue				
Bond Proceeds	-	-	-	-
Transferred to Escrow	-	-	-	-
Operating transfers				
Net investment income	-	-	-	-
From (to) General Fund	10,000,000	-	-	-
From (to) General Government Capital Projects Fund	389,025	-	-	-
Total Other Financing Sources (Uses)	<u>10,389,025</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(5,486,033)	-	-	-
FUND BALANCE - BEGINNING	5,486,033	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TARGETED FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAPITAL PROJECTS FUND

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.

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.

2023 Capital Improvement Projects:

Arterial Roadways:

- Streetlights on Wildcat Reserve Parkway (east of Broadway)
- Streetlights on Plaza Dr. west of Lucent Blvd.

Parkway Landscape

- Per District policy qualified landscape projects can be submitted for reimbursement. 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 that there will be no reimbursements in 2023.

Storm Drainage

- Channel Stabilization – Future Channel Stabilization work will be funded directly by the Stormwater Management Fund. There are no anticipated projects in 2023.

Traffic Signal

- There are no plans for traffic signals in 2023

Parks Projects

- There are no park projects planned for 2023.

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 2023.
- In 2022, the District began planning for a Senior Center to be constructed on the southeast side of Broadway and Highlands Ranch Parkway. Construction of this Center will begin in 2023.
- Pickelball is becoming popular with Highlands Ranch residents. As such, the Board asked the District to begin planning for the instillation of Pickelball courts in the area. In the Fall of 2022, the District partnered with South Suburban who has allotted land on Broadway and County Line for the courts. Funding and operating agreements are in negotiation and expected to be finalized early 2023.

Trails

- Work on the Marcy Gulch Trail, west of Mountain Vista High School began in 2022 and is expected to be completed in 2023.

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.

- For 2022, the District projects revenues of \$700,430 for leases on existing sites. The 2023 budget assumes collections of \$1,010,000. The variance is primarily due to timing of payments made by the lessees.
- During the budget process, the District identified \$2,000,000 (approximately 1.1 mills) to be transferred from the General Fund to the Major Repair Fund to fund various identified projects, with an additional \$392,673 for the purchase of vehicle and equipment replacement.

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

A portion of the fund balance is assigned for:

- An intergovernmental agreement with Douglas County School District which reserves \$20,000 per year for future replacement of shared artificial turf field at Pronghorn Park.

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 \$1,010,000 in 2023.

**HIGHLANDS RANCH METROPOLITAN DISTRICT
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
System Development Fees	\$ 466,375	\$ 450,000	\$ 459,840	\$ 450,000
Intragovernmental	-	175,000	-	175,000
Contribution Offsetting Capital Outlay	8,000	-	-	-
Net Investment Income	(67,497)	54,100	70,100	50,400
Total Revenues	<u>406,878</u>	<u>679,100</u>	<u>529,940</u>	<u>675,400</u>
EXPENDITURES (see detail)*				
Capital Outlay				
Facility Plan	293,984	-	73,903	265,055
Community Enhancements	304,159	15,046,496	1,426,097	18,823,480
Stormwater Plan	880,459	1,436,000	262,456	2,900,000
Other	306,144	-	-	-
Total Expenditures	<u>1,784,746</u>	<u>16,482,496</u>	<u>1,762,456</u>	<u>21,988,535</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(1,377,868)</u>	<u>(15,803,396)</u>	<u>(1,232,516)</u>	<u>(21,313,135)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers				
Net Investment Income	-	-	-	-
From (to) Stormwater Fund	880,459	1,436,000	262,456	2,900,000
From (to) Debt Service Fund	(389,025)	-	-	-
From (to) General Fund	-	3,690,000	-	3,610,000
Total Other Financing Sources (Uses)	<u>491,434</u>	<u>5,126,000</u>	<u>262,456</u>	<u>6,510,000</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(886,434)	(10,677,396)	(970,060)	(14,803,135)
FUND BALANCE - BEGINNING	29,431,477	27,021,600	28,545,043	27,574,984
FUND BALANCE - ENDING	<u>\$ 28,545,043</u>	<u>\$ 16,344,204</u>	<u>\$ 27,574,984</u>	<u>\$ 12,771,849</u>

*Expenditure budget may not match project detail due to appropriation and/or project timing

**HIGHLANDS RANCH METROPOLITAN DISTRICT
GENERAL GOVERNMENT CAPITAL PROJECTS SUMMARY**

	2022		2023		2024		2025		Remaining Future	
	Budget	Actuals		Projected	Expend. Offsets	Projected	Expend. Offsets	Projected		Expend. Offsets
		Appropriations Thru 11/30/2022	Remaining							
ARTERIAL ROADWAYS	150,000	-	-	225,000	-	-	-	-	-	
PARKWAY LANDSCAPE	146,496	49,950	-	-	56,500	-	-	-	1,249,186	
STORM DRAINAGE	-	-	-	-	-	-	-	-	-	
TRAFFIC SIGNALS	-	-	-	-	650,000	-	-	-	737,500	
PARKS										
BASIC PARK SYSTEM	-	-	-	-	-	-	-	-	-	
MANSION AND HISTORIC PARK	-	-	-	-	1,000,000	-	-	-	724,177	
TRAILS	71,500	31,445	40,055	40,055	-	-	-	-	-	
COMMUNITY ENHANCEMENTS	14,678,500	1,676,888	13,021,712	3,984,800	-	-	-	-	176,997	
	<u>\$ 15,046,496</u>	<u>\$ 1,758,283</u>	<u>\$ 13,061,767</u>	<u>\$ 4,249,855</u>	<u>\$ -</u>	<u>\$ 1,706,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,887,860</u>	

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

	2022		2023		2024		2025		Remaining Future	Removed from Plan
	Actual		Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
	Budget	Appropriations Thru 11/30/2022								
ARTERIAL ROADWAYS STREETLIGHTS										
Plaza (W. of Lucent Blvd)	-	-	-	75,000	-	-	-	-	-	-
Wildcat Reserve Parkway (east of Broadway)	150,000	-	-	150,000	-	-	-	-	-	-
Total Arterial Roadways	\$ 150,000	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STORM DRAINAGE										
Pipe 51 Ph. I (Englewood Property)	-	-	-	-	-	-	-	-	-	-
Pipe 51 Ph. II (Englewood Property)	-	-	-	-	-	-	-	-	-	-
Pipe 51 Ph. III (Englewood Property)	-	-	-	-	-	-	-	-	-	-
Pipe 79, Phase III (Filing 97 - N. of Salford)	-	-	-	-	-	-	-	-	-	-
Total Storm Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CHANNEL STABILIZATION										
Otero Tributary / C-470 and County line	-	-	-	-	-	-	-	-	-	-
Total Channel Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRAFFIC SIGNALS										
ARTERIAL/COLLECTOR										
University/White Bay	-	-	-	-	-	-	-	-	-	240,000
Plaza / East Plaza Circle	-	-	-	-	-	-	-	-	650,000	-
Plaza/ Falkel (near Avaya)	-	-	-	-	650,000	-	-	-	-	-
Town Center/ Falkel	-	-	-	-	-	-	-	-	-	-
County Line/ Verona	-	-	-	-	-	-	-	-	87,500	-
Total Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ 650,000	\$ -	\$ -	\$ -	\$ 737,500	\$ 240,000
PARKS										
Basic Park System	-	-	-	-	-	-	-	-	-	-
Historic Park	-	-	-	-	1,000,000	-	-	-	724,177	-
Total Mansion and Historic Park	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 724,177	\$ -
TRAILS										
Marcy Gulch	71,500	31,445	40,055	-	-	-	-	-	-	-
6,400 - 5200' W of Mountain Vista HS	-	-	-	40,055	-	-	-	-	-	-
Total Trails	\$ 71,500	\$ 31,445	\$ 40,055	\$ 40,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2022		2023		2024		2025		Remaining Future	Removed from Plan
	Budget	Appropriations Thru 11/30/2022	Actual Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
BUSINESS PARK - EXISTING DEVELOPMENT										
Lucent Median/Filing 145 Lot 1/Filing 149										
Medians Lucent - N. of Town Center (reimbursement)										
Filing 145										
Lot 1 (D1)										
Plaza Drive (s) - Landscape										
Plaza Drive (s) - Sidewalk										
Filing 149 (Town Center North)										
Lot 1C-1B; 1D-1A; 1D-1B (Town Center/North)										
Lucent Blvd										
Landscape										
Sidewalk										
Town Center										
Landscape										
Sidewalk										
Lot 1C-2E										
Highlands Ranch Parkway										
Landscape										
Sidewalk										
Lucent Entry										
Filing 153										
Lucent N of C-470 East Side									72,000	
Landscape										
Sidewalk										
Filing 134A - Childrens Hospital									66,000	
Filing 140 - Lucent/Avaya site									18,600	
Plaza Drive - N. side - Lucent/Avaya site										102,415
Lot 4										
Filing 148 (Town Center East)									60,000	
Town Center										
Landscape	37,400	15,483								
Sidewalk	10,546	7,828								
Highlands Ranch Parkway										
Landscape	30,681	18,425								
Sidewalk	8,649	8,214								
Town Center Drive - West of Lucent - Corner to Lucent										
North Side - Filing 134-A, 6th										
Landscape	46,200									
Sidewalk	13,020									
TOTAL BUSINESS PARK - EXISTING DEVELOPMENT	\$ 146,496	\$ 49,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,600	\$ 102,415
BUSINESS PARK - BIG IDEA										
Englewood Property										
Lucent Blvd										
Landscape									68,750	
Sidewalk									19,375	
Towncenter Drive										
Landscape									119,507	
TOTAL BUSINESS PARK - BIG IDEA									207,632	

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

	2022		2023		2024		2025		Remaining Future	Removed from Plan
	Budget	Appropriations Thru 11/30/2022	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
TOWN CENTER AREA - EXISTING DEVELOPMENT										
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
TOTAL TOWN CENTER AREA - EXISTING DEVELOP	-	-	-	-	-	-	-	-	-	83,190
OTHER PROJECTS - NONRESIDENTIAL										
Filing 118L Lot 88 B (NE corner Bdwy/Wildecat) Wildecat	-	-	-	-	-	-	-	-	32,500	-
Landscape	-	-	-	-	-	-	-	-	-	-
Filing 118-M (HRP/ Lot 2	-	-	-	-	-	-	-	-	-	-
HR Parkway	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	12,980	-
Lot 3	-	-	-	-	-	-	-	-	-	-
Wildecat	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	-
Filing 105 - Lot 11	-	-	-	-	-	-	-	-	12,620	-
Landscape	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	10,175	-
TOTAL OTHER PROJECTS - NONRESIDENTIAL	-	-	-	-	-	-	-	-	71,143	-
OTHER PROJECTS - RESIDENTIAL										
Town Center Drive	-	-	-	-	-	-	-	-	-	-
Ironwood to existing landscape	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	25,761	-
Ironwood to Cactus Bluff	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	19,065	-
Filing 132-A C/G to next lots- east side (CHCC site) Fairview	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	82,500	-
Filing 122 Y Tracts B,J,I and portion of A & C	-	-	-	-	-	-	-	-	-	-
Design	-	-	-	-	-	-	-	-	22,435	-
Landscape	-	-	-	-	-	-	-	-	-	-
Street Lights (moved to arterial roadways)	-	-	-	-	-	-	-	-	-	-
Filing 118L Lot 88 B (NE corner Bdwy/Wildecat) Broadway	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	30,800	-
Hunting Hill - County Line Road	-	-	-	-	-	-	-	-	-	-
Landscape	-	-	-	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-	-	60,500	-
TOTAL OTHER PROJECTS - RESIDENTIAL	-	-	-	-	-	-	-	-	241,061	-

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

	2022		2023		2024		2025		Remaining Future	Removed from Plan
	Budget	Actual	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
METRO DISTRICT SIDEWALK CONSTRUCTION PROJECTS										
Wildcat Reserve Parkway (MVHS to Backcountry)/Mearthur/Broad Plaza West of Lucent	-	-	-	-	-	-	-	-	-	-
Plaza Drive Medians	-	-	-	-	-	-	-	-	136,000	-
Englewood	-	-	-	-	-	-	-	-	35,570	-
Fly'n B Park	-	-	-	-	-	-	-	-	24,700	-
Greensborough to Erickson - sidewalk - north side	-	-	-	-	-	-	-	-	17,400	-
Children's Hospital (667')	-	-	-	-	-	-	-	-	19,500	-
Plaza Circle to Plaza Circle (730')	-	-	-	-	-	-	-	-	-	-
Solana to Highline Canal (2174')	-	-	-	-	56,500	-	-	-	20,000	-
Highline Canal to Erickson	-	-	-	-	-	-	-	-	73,645	-
Englewood - Greensborough to Shea Property north side (duplic;	-	-	-	-	-	-	-	-	68,860	-
Shea property west of Greensborough (duplicate)	-	-	-	-	-	-	-	-	98,816	-
Plaza Drive - WTP Landscape only	-	-	-	-	-	-	-	-	18,260	-
Erickson between WTP and Fly'n B	-	-	-	-	-	-	-	-	-	-
TOTAL METRO DISTRICT PROJECTS	-	-	-	-	56,500	-	-	-	512,751	-
TOTAL ATERIAL LANDSCAPE	\$ 146,496	\$ 49,950	\$ -	\$ -	\$ 56,500	\$ -	\$ -	\$ -	\$ 1,249,186	\$ 185,605

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

	2022		Actuals		2023		2024		2025		Remaining Future
	Budget	Appropriations Thru 11/30/2022	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
COMMUNITY ENHANCEMENTS											
PHASE II - Fly'n B House, Parking & Site Improvements	\$ 459,900	\$ -	\$ -	\$ -	\$ 334,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Center	11,718,600	1,676,888	13,021,712	-	1,000,000	-	-	-	-	-	-
Pickelball Facility	2,500,000	-	-	-	2,650,000	-	-	-	-	-	-
Mansion Grounds/Historic Park (Douglas County Funding) Outbuilding improvements	-	-	-	-	-	-	-	-	-	-	176,997
TOTAL COMMUNITY ENHANCEMENTS	\$ 14,678,500	\$ 1,676,888	\$ 13,021,712	\$ -	\$ 3,984,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,997

**HIGHLANDS RANCH METROPOLITAN DISTRICT
MAJOR REPAIR FUND
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
Transfer from Conservation Trust Fund	\$ -	\$ -	\$ 98,300	\$ 210,000
Other - Cell Site Lease Revenue	1,266,978	900,000	700,430	1,010,000
Contribution Offsetting Capital Outlay	-	14,250	-	-
Net Investment Income	(5,901)	7,200	12,600	11,100
Total Revenues	<u>1,261,077</u>	<u>921,450</u>	<u>811,330</u>	<u>1,231,100</u>
EXPENDITURES				
Capital Outlay*	4,940,567	3,602,868	3,449,437	3,701,765
Vehicle and Equipment Replacement	76,808	384,201	284,659	392,673
Total Expenditures	<u>5,017,375</u>	<u>3,987,069</u>	<u>3,734,096</u>	<u>4,094,438</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(3,756,297)</u>	<u>(3,065,619)</u>	<u>(2,922,766)</u>	<u>(2,863,338)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers				
Net investment income	-	-	-	-
From (to) General Government Capital	-	-	-	-
From (to) Recreation Fund	-	-	-	-
From (to) General Fund	2,076,808	2,384,201	2,284,659	2,392,673
Total Other Financing Sources (Uses)	<u>2,076,808</u>	<u>2,384,201</u>	<u>2,284,659</u>	<u>2,392,673</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	(1,679,490)	(681,418)	(638,107)	(470,665)
FUND BALANCE - BEGINNING	8,192,531	4,403,659	6,513,040	5,874,934
FUND BALANCE - ENDING	<u>\$ 6,513,040</u>	<u>\$ 3,722,241</u>	<u>\$ 5,874,934</u>	<u>\$ 5,404,269</u>
Less Assigned Fund Balance	(195,000)	(20,000)	(71,250)	(86,250)
FUND BALANCE - Available	<u>\$ 6,318,040</u>	<u>\$ 3,702,241</u>	<u>\$ 5,803,684</u>	<u>\$ 5,318,019</u>

*Expenditure budget may not match project detail due to appropriation and/or project timing

**HIGHLANDS RANCH METRO DISTRICT
MAJOR REPAIR FUND**

PROJECT	2022									
	Budget		Actuals		2023		2024		2025	
			Appropriations Thru 11/30/2022	Remaining	Total	Projected	Projected	Projected	Projected	
Illuminated Street Name Signs	\$ 40,000	\$ 29,000	\$ 15,000	\$ 44,000	\$ 49,000	\$ 44,000	\$ -	\$ -	\$ -	
Parkway Fence Replacement Program										
Lucent West Side (Town Center to HRPkwy)	2,300	If -	-	-	-	-	-	-	-	
Colorado - both sides from University to end	6,000	If -	-	-	-	-	-	-	-	
South Ranch Rd. - both sides	3,000	If -	-	-	-	-	-	-	-	
Venneford Ranch Rd. - University to Colorado	3,440	If -	-	-	-	-	-	-	-	
Wildcat - both sides from HR Pkwy to Broadway	13,300	If 1,363,248	-	1,363,248	-	-	-	-	-	
Wildcat - Stonbury Neighborhood	1,700	If -	-	-	183,000	-	-	-	-	
Wildcat - from MVHS to Fairview both sides	9,500	If -	-	-	1,020,000	-	-	-	-	
Wildcat - Fairview to University (both sides)	10,000	If -	-	-	-	1,158,000	-	-	-	
Grace Blvd	1,615	If -	-	-	-	-	201,100	-	-	
Fairview Parkway	5,687	If -	-	-	-	-	708,000	-	-	
Total Parkway Fence Replacement Program	1,322,748	1,363,248	-	1,363,248	1,203,000	1,158,000	909,100	-	-	
Entries & Medians										
Medians										
University & Dad Clark Electrical Upgrades	-	-	-	-	-	65,000	-	-	-	
University Median (north tip)/North Median (north of Dad Clark Dr.	-	-	-	-	-	127,690	-	-	-	
Total Entries & Medians	-	-	-	-	-	192,690	-	-	-	
Park Improvements										
Redstone Parking Lot CS&TC and re-stripe	103,800	59,428	-	59,428	-	-	-	-	-	
Green Ash St TC & CS and stripe	115,520	-	-	-	115,520	-	-	-	-	
Mansion TC & CS and stripe	-	-	-	-	-	-	-	-	-	
Highline Canal loc TC & CS Stripe	-	-	-	-	-	16,920	-	-	-	
Falcon Pool lot	-	-	-	-	-	20,245	-	-	-	
Falcon Park - parking lot TC & CS and stripe	20,800	17,250	-	17,250	-	-	-	-	-	
Park sign replacements	-	-	-	-	-	-	75,000	-	-	
Northridge Athletic Trail Completion (360')	-	-	-	-	-	-	-	-	-	
Redstone ballfield lighting upgrades	600,000	-	-	-	80,000	-	-	-	-	
Redstone Batting Cage Equipment Replacement	-	-	-	-	600,000	-	-	-	-	
Total Park Improvements	840,120	76,678	-	76,678	935,765	91,920	75,000	-	-	
Playgrounds / Courts/ Turf										
Welte Park and Tanks Playground Replacement	-	-	-	-	-	-	-	-	250,000	
Spring Gulch Playground Replacement	-	182,577	-	182,577	-	-	-	-	-	
Big Dry Playground Replacement	-	-	-	-	250,000	-	-	-	-	
Toepfer Park Playground Replacement	175,000	-	-	-	-	250,000	-	-	-	
Marcy Park Court	180,000	-	-	-	-	-	-	-	-	
Proughorn Park Turf Replacement (shared with DCSD)	400,000	138,750	-	138,750	-	-	-	-	-	

**HIGHLANDS RANCH METRO DISTRICT
MAJOR REPAIR FUND**

PROJECT	2022						2025 Projected
	Budget	Actuals			2023 Projected	2024 Projected	
		Appropriations Thru 11/30/2022	Remaining	Total			
Plum Valley Court Concrete Replacement	75,000	-	-	-	95,000	-	
Toepfer Court Replacement	-	-	-	-	-	103,500	
Springer Court Replacement	-	-	-	-	84,000	-	
Total Playgrounds/Courts/Turf	830,000	321,327	-	321,327	429,000	250,000	
Restrooms							
Toepfer Park Restroom Replacement	45,000	-	-	-	-	55,000	
Dad Clark Park Restroom Replacement	-	-	-	-	80,000	-	
Total Restrooms	45,000	-	-	-	80,000	55,000	
Building Improvements							
Service Center Improvement Plan	50,000	50,000	-	50,000	-	-	
Service Center Roof Replacement	-	-	-	-	-	255,000	
Total Building Improvements	50,000	50,000	-	50,000	-	255,000	
Parkway Landscape renovations							
Landscape conversion	400,000	70,800	-	70,800	400,000	400,000	
Quebec Median Renovation	-	-	-	-	300,000	-	
Trouble spot renovation -Parkways	75,000	-	-	-	75,000	75,000	
Total Parkway Landscape Renovations	475,000	70,800	-	70,800	775,000	475,000	
TOTAL MAJOR REPAIR	\$ 3,602,868	\$ 1,911,053	\$ 15,000	\$ 1,926,053	\$ 3,471,765	\$ 2,625,110	
CHANGES IN FUND BALANCE TO BE ASSIGNED							
Synthetic Turf Replacement - Pronghorn	\$ 15,000	\$ 138,750	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	

**HIGHLANDS RANCH METROPOLITAN DISTRICT
MISCELLANEOUS CAPITAL 2022-2023
MAJOR REPAIR**

	2022 <u>PROJECTED</u>	2023			
		<u>PARKS AND OPEN SPACE</u>	<u>PUBLIC WORKS</u>	<u>GENERAL MGMT.</u>	<u>CULTURAL</u>
942 TRANSPORTATION EQUIPMENT					
Compact Truck - Park Services	\$ 28,156	\$ -	\$ -	\$ -	\$ -
Compact Truck - Public Works	29,901	-	-	-	-
Full Size Truck - Open Space	35,141	-	-	-	-
Carried over from 2021*	129,164	-	-	-	-
Emergency Replacement	44,783	-	-	-	-
Facilities Full-Size Truck - Replace #702	-	76,585	-	-	-
PROS Managers EV Truck - Replace #904	-	-	-	81,050	-
Open Space Full Size Truck - Replace #753	-	76,644	-	-	-
Open Space Full Size Truck - Replcae #750	-	76,644	-	-	-
Parks Full-Size Truck - Replace #715	-	67,250	-	-	-
Total Transportation Equipment	<u>267,145</u>	<u>297,123</u>	<u>-</u>	<u>81,050</u>	<u>-</u>
*Delayed due to supply chain					
943 FIELD EQUIPMENT					
Upfit Plow	17,514	-	-	-	-
Hustler Trim Mower	-	14,500	-	-	-
Total Field Equipment	<u>17,514</u>	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DIRECT MISC. CAPITAL PURCHASES	<u>\$ 284,659</u>	<u>\$ 311,623</u>	<u>\$ -</u>	<u>\$ 81,050</u>	<u>\$ -</u>

**HIGHLANDS RANCH METROPOLITAN DISTRICT
WATER AND SEWER RESERVE FUND
2021-2023**

	Actual 2021	Budget 2022	Projected 2022	Budget 2023
REVENUES				
Rate Income	\$ -	\$ -	\$ -	\$ -
Contributed Capital	-	-	-	-
Other	-	-	-	-
Net Investment Income	(1,843)	-	-	-
Total Revenues	<u>(1,843)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Water and Wastewater Capital				
Water Line Replacement (Chesapeake)	932,518	-	-	-
Water Line Replacement (Bellflower)	-	100,000	-	1,200,000
Water Line Replacement (Shadow Mountain Drive)	-	-	-	-
Water Line Replacement (Crestmore)	-	-	-	-
Total Expenditures	<u>932,518</u>	<u>100,000</u>	<u>-</u>	<u>1,200,000</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(934,361)</u>	<u>(100,000)</u>	<u>-</u>	<u>(1,200,000)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers				
From (to) General Fund	701,843	700,000	700,000	700,000
Total Other Financing Sources (Uses)	<u>701,843</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(232,518)	600,000	700,000	(500,000)
FUND BALANCE - BEGINNING	1,409,000	1,039,219	1,176,482	1,876,482
FUND BALANCE - ENDING	<u>\$ 1,176,482</u>	<u>\$ 1,639,219</u>	<u>\$ 1,876,482</u>	<u>\$ 1,376,482</u>

HIGHLANDS RANCH METRO DISTRICT 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 2023 will be based upon the 2022 Facility Plan effective August 1, 2022. 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:

	2022 Budget	2023 Adopted August 1, 2022
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:

	2022 Budget	2022 Projected	2023 Budget
Single Family Residential Based on # of SF DUs	\$ 200,000 50	\$ 360,000 90	\$ 200,000 50
Multi Family Residential Based on # of MF DUs	\$ 250,000 125	\$ - 0	\$ 250,000 125
Nonresidential Based on # of Acres	\$ - 0.0	\$ 99,840 3.1	\$ - 0.0
Total	<u>\$ 450,000</u>	<u>\$ 459,840</u>	<u>\$ 450,000</u>

APPENDIX

GLOSSARY

<i>Capital Outlay:</i>	A capital expenditure either adds a fixed asset unit or increases the value of an existing fixed asset.
<i>Enterprise Fund:</i>	In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting.
<i>Facilities Plan</i>	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.
<i>Fund Balance:</i>	The excess of a governmental fund's assets and revenues over its liabilities, reserves, and expenditures at the close of the fiscal year.
<i>Governmental Funds:</i>	Funds generally used to account for tax-supported activities.
<i>Modified Accrual Basis</i>	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.
<i>System Development Fees:</i>	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.
<i>Target Fund Balances:</i>	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.
<i>Water Acquisition Fee:</i>	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.

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
...well-maintained quality facilities and infrastructure to support quality neighborhoods and businesses	...prepared to respond to emergencies	...provides a variety of park experiences	...promotes clean, safe, well maintained and attractive public spaces	...maintains regulatory compliance
...plans regionally with partners	...protects properties	...creates recreational opportunities for all ages	...provides and maintains attractive parks and open space	...assists and supports decision makers
...works with partners to support access to multi-modal travel options	...protects the environment	...encourages active lifestyle	...conserves natural resources	...stewardship of financial, human and physical resources
...supports enabling affordable, high-speed internet access/ cellular communication	...supports access to safe drinking water	...supports accessible parks, trails and open space	...provides attractive parkways	...attracts, develops and retains talented staff
...contributes to efficient water and sewer system	...engages in emergency preparation and service delivery with partners	...creates and supports opportunities for cultural and educational enrichment	...partners to ensure clean stormwater runoff	...enhances accountability and transparency in operations
...ensures the character and value of the community is preserved	...supports safe travel, adequate lighting	...provides and supports community events	...participates in programs and services to support community wellbeing	...implements best practices in public administration and customer service
...supports our history and historic buildings	...works with partners to support quality fire, EMT and law enforcement services	...encourages community engagement		...deliver services and programs in a cost effective manner
...utilize innovative planning tools and leverage technology for best use of our resources to maintain our assets	...utilize best practices and implement innovative policies and technology solutions wherever feasible to support emergency management	...apply forward-leaning creativity and innovative practices in development of high quality programs	...use of innovative solutions for planning an maintenance to support high quality of life for residents and businesses	...use of innovative solutions wherever possible to improve efficiencies of programs and services delivered and support decision making

HIGHLANDS RANCH METRO DISTRICT

2023 BUDGET REQUESTS

VEHICLES AND EQUIPMENT - REPLACEMENT					
Description	Objective	One-Time/ On going	Cost	Offset	Net
Facilities Full-Size Truck - Replace #702	Unavailable in 2022 - request moved to 2023	one-time	76,585	(2,500)	74,085
PROS Managers EV Truck - Replace #904	Unavailable in 2022 - request moved to 2023	one-time	81,050	(2,500)	78,550
Open Space Full Size Truck - Replace #753	Replacement	one-time	76,644	(5,000)	71,644
Open Space Full Size Truck - Repleac #750	Replacement	one-time	76,644	(5,000)	71,644
Parks Full-Size Truck - Replace #715	Replacement	one-time	67,250	(5,000)	62,250
Hustler Trim 54" Mower	Current mower has exceeded industry life expectancy	one-time	14,500	(500)	14,000
SUB TOTAL			\$ 392,673	\$ (20,500)	\$ 372,173

VEHICLES AND EQUIPMENT - NEW					
Description	Objective	One-Time/ On going	Cost	Offset	Net
Snowrator - Senior Center	Snow removal equipment for Senior Center	one-time	18,231	-	18,231
Utility Trailer - Sports Fields	Existing trailer too wide for sports fields	one-time	6,922	-	6,922
Toro Field Laser Grader	Move from outside services to in-house	one-time	45,603	(7,000)	38,603
SUB TOTAL			\$ 70,756	\$ (7,000)	\$ 63,756

HIGHLANDS RANCH METRO DISTRICT

2023 BUDGET REQUESTS

RECREATION/ PARK SERVICES					
Description	Objective	One-Time/ On going	Cost	Offset	Net
Redstone Ballfields Dugout Roofs	Provide more durable 4-season cover	one-time	17,800	-	17,800
Resurface Courts 6, 7, 8	Rotation of court resurfacing	one-time	30,000	-	30,000
Cell Phone Allowance Increase	Increased use due to new software	on-going	1,560	-	1,560
Uniform Increase	Additional funding for employees who wear uniforms regularly	on-going	280	-	280
New PC Computers	Additional resources for Park Services staff	one-time	1,758	-	1,758
TOTAL			\$ 51,398	\$ -	\$ 51,398

MANSION					
Description	Objective	One-Time/ On going	Cost	Offset	Net
Event Tables Replacement	Replace 10 year old event tables - funded by Reserve	one-time	19,175	-	19,175
Outdoor Event Chair Replacement	Replace 10 year old outdoor ceremony chairs - funded by Reserve	one-time	13,500	-	13,500
Full-Time Event Associates	Increase two existing part-time positions to full-time	on-going	56,600	-	56,600
TOTAL			\$ 89,275	\$ -	\$ 89,275

SENIOR CENTER					
Description	Objective	One-Time/ On going	Cost	Offset	Net
Staff	Staffing for Senior Center	on-going	345,600	-	345,600
Rec Trac - Software	Integrate with current software	on-going	2,160	-	2,160
Rec Trac - Equipment	Cost of equipment, set-up, and training	one-time	1,853	-	1,853
Branding and Website Expansion	Develop logo/branding/website	one-time	15,000	-	15,000
TOTAL			\$ 364,613	\$ -	\$ 364,613

HIGHLANDS RANCH METRO DISTRICT

2023 BUDGET REQUESTS

OPERATIONS					
Description	Objective	One-Time/ On going	Cost	Offset	Net
Concrete Trail Remove & Replace Program	Replace 46,000 sq.ft. of class 3, 4 and 5 panels over 3 years	on-going	236,700	(60,000)	176,700
Foothills Trail Improvement	Convert existing trail to concrete	one-time	18,000	-	18,000
Forestry Technician	Permanent position - discontinue seasonal staff	on-going	74,962	(18,000)	56,962
Parkways Seasonal Staff Wage Increase	Recruit candidates with irrigation experience	one-time	10,000	-	10,000
Summit View Controller Power	Replace current solar controller with permanent	one-time	30,000	-	30,000
Cell Phone Allowance Increase	Increased use do to new software	on-going	9,480	-	9,480
New PC Computers	Additional resources for staff	one-time	2,637	-	2,637
Uniform Budget Increase	Additional funding for employees who wear uniforms regularly	on-going	940	-	940
Senior Center Grand Opening	Supplies for ceremony	one-time	6,000	-	6,000
Park & Trail Rule Signs	Update park rule signs regarding firearms	one-time	78,000	-	78,000
TOTAL			\$ 466,719	\$ (78,000)	\$ 388,719
GRAND TOTAL ALL REQUESTS			\$ 1,435,434	\$ (105,500)	\$ 1,329,934

Highlands Ranch Metro District Fee Schedule

The Highlands Ranch Metropolitan District receives revenue from a variety of sources that are based on fees paid by the users of various facilities. The District also operates a variety of programs for adults and youth, with associated costs offset by user fees according to the District cost recovery goal. The following tables show the fee schedules that were used in developing the 2023 budget. These fees are budgeted and accounted for with the Master Budget Internal Service Fund. The fees shown are preliminary, and subject to change at any time with the Board of Directors' approval.

FACILITY	Proposed 2023 Fees (Used in Budget)			2022 Fees		
	Non-resident	Resident	Description	Non-resident	Resident	Description
Neighborhood Park Shelters (2-Hour Minimum)	\$27	\$18	per hour	\$27	\$18	per hour
Community Park Shelters (2-Hour Minimum)	\$45	\$30	per hour	\$45	\$30	per hour
Civic Green Amphitheater						
Stage Shelter	\$75	\$50	per hour	\$75	\$50	per hour
Plaza/Stage	\$165	\$110	per hour	\$165	\$110	per hour
Amphitheater	\$225	\$150	per hour	\$225	\$150	per hour
Staff Support for Events	\$25	\$25	per hour	\$25	\$25	per hour
Parking Lots	\$12	\$8	per hour	\$12	\$8	per hour
Public Event Impact Fee						
Not for Profit	\$125	\$125	per event	\$125/event + \$25 addl series/days		
Not for Profit	\$25	\$25	per add'l day			
For Profit	\$350	\$350	per event	\$350/event - \$50 addl days		
For Profit	\$50	\$50	per add'l day			
Community Gardens	\$58	\$50	per season	\$58	\$50	per season
Vending Permit (one day)	\$35	\$35		\$35	\$35	
Access Permit	\$23	\$15	per event	\$23	\$15	per event
Race Application	\$30	\$30	per event	\$30	\$30	per event
Special Event Permit (75+)	\$45	\$45	per event	\$45	\$45	per event
Staking Management Fee	\$75	\$75	per event	\$75	\$75	per event
Commercial Drone Permit	\$15	\$15	per event	\$15	\$15	per event
Disc Golf Tag Fee (outside groups)	\$15	\$10	per event	\$15	\$10	per event
Disc Golf Small Tournament (outside group)	\$60	\$40	per event	\$60	\$40	per event
Disc Golf Large Tourn. (outside group)	\$150	\$100	per event	\$150	\$100	per event
Disc Private Instruction	\$30/\$175	\$25/\$150	single/season	\$30/\$175	\$25/\$150	single/season
Sesonal Park Instruction Fee						
<16 hours/mo.	\$225/mo	\$150/mo.		\$225/mo	\$150/mo.	
>16 hours/mo.	\$375/mo.	\$250/mo.		\$375/mo.	\$250/mo.	
Sports Fields (Parks and School Fields)	\$27	\$18	per hour	\$27	\$18	per hour
Lighted Baseball Fields (2-Hour Minimum)	\$45	\$30	per hour	\$45	\$30	per hour

Highlands Ranch Metro District
Fee Schedule

Field Prep Fee	Proposed 2023 Fees (Used in Budget)			2022 Fees		Description
	Non-resident	Resident	Description	Non-resident	Resident	
Baseball/Softball Football/Soccer	\$36 \$80	\$36 \$80	per prep. per prep.	\$36 \$80	\$36 \$80	per prep. per prep.
Event: 3-Hour Min. Stadium Staffing Fee Practice only	\$165 \$25 \$69 \$8 \$30 \$9 \$9 \$9	\$110 \$25 \$46 \$5 \$20 \$6 \$6 \$6	per hour per hour per hour per hour per hour per hour per hour per hour	\$165 \$25 \$69 \$8 \$30 \$9 \$9 \$9	\$110 \$25 \$46 \$5 \$20 \$6 \$6 \$6	per hour per hour per hour per hour per hour per hour per hour per hour
Basketball Courts In-Line Rink Pickleball Courts Bocce Court Horseshoe Court Picnic packs	\$29 \$48 \$40	\$25 \$42 \$35	per rental per rental per rental	\$29 \$48 \$40	\$25 \$42 \$35	per rental per rental per rental
PROGRAMS Adult Softball	\$440 \$710 \$510	\$440 \$710 \$510	per team per team per team	\$435 \$700 \$500	\$435 \$700 \$500	per team per team per team
Disc Golf	\$18/\$23 \$52/\$69	\$15/\$20 \$45/\$60	per participant per participant	\$18/\$23 \$52/\$69	\$15/\$20 \$45/\$60	youth/adult youth/adult
Adult Bocce	\$40 \$23	\$40 \$20	per participant per participant	\$40 \$18	\$40 \$18	per participant per participant
Golf	\$190	\$175	per participant	\$190	\$175	per participant
Pickleball	\$23 \$50	\$20 \$50	per participant per participant	\$18 \$45	\$18 \$45	per participant per participant

Highlands Ranch Metro District
Fee Schedule

	Proposed 2023 Fees (Used in Budget)			2022 Fees	
	Non-resident	Resident	Description	Non-resident	Resident
Youth Rec Baseball					
T-ball Club	\$99	\$86	per participant	\$99	\$86
Coed Tee-Ball	\$110	\$96	per participant	\$110	\$96
Boys 7 year old	\$138	\$120	per participant	\$138	\$120
Boys 8 year old	\$158	\$138	per participant	\$158	\$138
Boys 9 year old	\$172	\$150	per participant	\$172	\$150
Boys 10 year old	\$172	\$150	per participant	\$172	\$150
Boys 11-12 year old	\$190	\$165	per participant	\$190	\$165
Boys 13-14 year old	\$190	\$165	per participant	\$190	\$165
Girls 5/6	\$110	\$96	per participant	\$110	\$96
Girls 7 year old	\$138	\$120	per participant	\$138	\$120
Girls 8 year old	\$138	\$120	per participant	\$138	\$120
Girls 9-10 year old	\$172	\$150	per participant	\$172	\$150
Girls 11-12 year old	\$190	\$165	per participant	\$190	\$165
Girls 13-14 year old	\$190	\$165	per participant	\$190	\$165
Fall League	\$1,650	\$1,650	per team	\$1,650	\$1,650
	\$1,850	\$1,850	per team	\$1,850	\$1,850
	\$2,000	\$2,000	per team	\$2,000	\$2,000
Youth Flag Football					
Fall Ball 5/6	\$115	\$100	per participant		
	\$163	\$142	per participant	\$163	\$142
	\$110	\$96		\$110	\$96
CARA					
Track & Field	\$138	\$120	per participant	\$138	\$120
Cross Country	\$83	\$72	per participant	\$83	\$72
Recreation Program "late fees"	\$15	\$15	per participant	\$15	\$15

Highlands Ranch Metro District
Fee Schedule

PROGRAM FEE RANGE	Proposed 2023 Fees (Used in Budget)		2022 Fees	
	Non-resident	Resident	Non-resident	Resident
Rugby	Range \$213 - \$253	\$185 - \$220		per participant
Youth Sports Camps	Range \$85 - \$225			per participant
Summer Sport Programs	Range \$85 - \$225			per participant
Misc. Adult Sports	Range \$20 - \$165			per participant
Misc. Adult Sports	Range \$175 - \$250			per team
Horseback	Range \$51 - \$250			per participant
Lacrosse	Range \$75 - \$138		\$86 - 138	Range \$75 - \$120 per participant
Youth Skate Programs	Range \$50 - \$135		\$86 - 138	Range \$75 - \$120 per participant
Senior Programs	Range \$5 - \$125			Range \$30 - \$120 per participant
Outdoor Education Programs	Range \$10 - \$15			
Outdoor Education Camps	Range \$130 - \$150			Horseback programs range from \$51 to \$250
BATTING CAGE				Misc. Adult Sports
Season Pass	\$195	\$195		2022 Fee Range \$20 - \$165 per person
(1) Rounds (16 pitches)	\$1.50	\$1.50		\$175 - \$250 / league
(5) Rounds	\$7	\$7		Batting Cage 2022 Season Pass \$185
(10) Rounds	\$13	\$13		
10 Punch Card	\$13	\$13		
25 Punch Card	\$28	\$28		
Cage Rental	\$35	\$35		Rentals range from \$28 - \$38
Cage Rental	\$25	\$25		AAPS/Senior progr: 2022 Fees Range \$5 - \$125
SENIOR CENTER - PRELIMINARY				
Membership				
Annual Household +1	\$69 / \$92	\$60 / \$80		
Monthly	50% x annual	50% x annual		
Day Pass	\$28	\$24		
Punch Visit	\$2.88	\$2.50		
Drop-In Class	\$2.88	\$2.50		
Punch Visit	\$8.00	\$7.00		
Annual Fitness	\$6.80	\$5.95		
	TBD	TBD		

HIGHLANDS RANCH METROPOLITAN DISTRICT

RESOLUTION NO. 22-165

**APPROVE 2023 BUDGET, CERTIFY THE 2022 MILL LEVY TO BE COLLECTED IN
2023
AND APPROPRIATE FUNDS**

WHEREAS, staff has submitted a proposed 2023 budget to this Board on or before October 15, 2022 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 29, 2022 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	\$ 14,572,897
Special Revenue Funds	
Utility Special Revenue Fund	47,180,291
Recreation Special Revenue Fund	2,907,188
Mansion Special Revenue Fund	801,875
Conservation Trust Fund	1,007,000
Capital Projects Fund	27,282,973
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)	\$ 21,446,000
From sources other than general property taxes	854,705
From (to) interfund transfers	(7,920,736)
From (to) unappropriated surpluses	(79,928)
	<u>\$ 14,300,041</u>
Stormwater Management Fund	
From sources other than general property taxes	2,403,200
From (to) interfund transfers	(2,902,200)
From (to) unappropriated surpluses	771,855
	<u>\$ 272,855</u>
Utility Special Revenue Fund	
From sources other than general property taxes	\$ 47,739,145
From (to) interfund transfers	(6,400)
From (to) unappropriated surpluses	(52,454)
	<u>\$ 47,180,291</u>
Recreation Special Revenue Fund	
From sources other than general property taxes	1,622,325
From (to) interfund transfers	1,284,863
From (to) unappropriated surpluses	-
	<u>\$ 2,907,188</u>
Mansion Special Revenue Fund	
From sources other than general property taxes	696,700
From (to) interfund transfers	(58,200)
From (to) unappropriated surpluses	163,375
	<u>\$ 801,875</u>
Conservation Trust Fund	
From sources other than general property taxes	545,300
From (to) interfund transfers	-
From (to) unappropriated surpluses	461,700
	<u>\$ 1,007,000</u>
Capital Projects Fund	
From the general property taxes	\$ -
From sources other than general property taxes	1,906,500
From (to) interfund transfers	9,602,673
From (to) unappropriated surpluses	15,773,800
	<u>\$ 27,282,973</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 2023 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 2022 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 2023 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 \$20,192,705 prior to the netting of treasurer fees and estimated uncollectibles; and

WHEREAS, the 2022 valuation for assessment for the District, as certified by the Douglas County Assessor, is \$1,802,115,600; 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 2023 budget year, there is hereby levied a tax of 11.205 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$20,192,705 in gross revenue and \$19,849,293 in net revenue.

2. 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	\$ 14,300,042
Stormwater Management Fund	272,855
Utility Special Revenue Fund	47,180,291
Recreation Special Revenue Fund	2,907,188
Mansion Special Revenue Fund	801,875
Major Repair Fund (Vehicle & Equipment Replacement)	392,673
Water & Sewer Reserve Fund	1,200,000
<hr/> SUBTOTAL	<hr/> \$ 67,054,924

RESERVES

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has established the following policy 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.

Adopted this 12th day of December, 2022

Ayes 5 Nays 0 Abstained 0 Absent 2

Certified by *Stephanie Stanley*, Secretary

**HIGHLANDS RANCH METROPOLITAN DISTRICT
RESOLUTION NO. 22-164
2023 FEES SCHEDULES WITH FUND BALANCE DESIGNATIONS PER GASB 54**

WHEREAS, staff has submitted a proposed 2023 Budget to the Board on or before October 15, 2022 for its consideration; and

WHEREAS, as regard the Stormwater Fee, the Board has paid special attention to the success of the Mile High Flood District ability to provide matching funds for drainage projects, the substantial needs of the District's overall drainage and flood control facilities, the broad power to provide the operation of drainage and storm sewer systems in the Service Plan, and the authority to set fees and charges as is necessary to meet these needs and obligations; 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 29, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, no objections were filed or registered, and

WHEREAS, the Board desires to, pursuant to GASB 54 entitled Fund Balance Reporting and Governmental Fund Type Definitions, delineate the nature of certain revenues that are a significant portion of various fund balances for 2023 based on the various revenue streams of the District as described in the 2023 Budget;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highlands Ranch Metropolitan District that the following Exhibits that are attached to the Budget document be hereby adopted.

- Exhibit I – Parks and Recreation Fee Schedule
- Exhibit II – Stormwater Management Fee
- Exhibit III – Streetlight Fee
- Exhibit IV – District Office Building Lease
- Exhibit V – Mansion Private Event Rental Fees

BE IT FURTHER RESOLVED, that the Board has determined that the following revenues will result in fund balances in the appropriated funds being designated as follows:

	Restricted	Committed	Assigned	Fund
Special Revenues				
Conservation Trust Fund	X			Conservation Trust
Park and Recreation		X		Recreation Special Revenue
Utility related				Utility Special Revenue
Street lights		X		Utility Special Revenue
Water and wastewater		X		Utility Special Revenue
Tap Fees		X		Utility Special Revenue
Other revenues				
Stormwater Management		X		Stormwater Management
Systems Development		X		Capital Projects
Fees				
Cell Leases			X	Major Repair


BE IT FURTHER RESOLVED, that in addition to the above designations, the District will restrict General Fund balance to meet the requirements of TABOR.

BE IT FURTHER RESOLVED, the fund will be utilized in the following spending order within a fund:

- Committed
- Assigned
- Unassigned
- Restricted

Adopted this 12^h day of December, 2022

Ayes 5 Nays 0 Abstained 0 Absent 2

Certified by , Secretary