

2012 Proposed Budget

Priorities:

- Structure a balanced budget with a long term goal of paying off all outstanding debt early in 2018
- Fire & emergency services continue to be the highest priority
- Maintain level of service wherever possible

Significant Change:

- 4.2 percent decrease in total assessed value, reducing property tax revenues by \$1.0 million from 2011, which on average will reduce the taxes paid to the Metro District on a home with a value of \$350,000 by \$23 per year
- Decrease in number of employees
- Increase in street light fees to cover arterial lights in addition to residential lights
- First year of revenues and operating expenses for the Highlands Ranch Mansion

	2010 Actual	2011 Projected	2012 Budget	% Change
1)Property tax revenues	\$24,492,498	\$24,666,489	\$23,565,354	(4.46)%
2)Special revenues	28,009,429	30,031,646	31,903,877	6.23%
3)Development fees	2,890,551	3,809,440	4,200,690	10.27%
4)Investment earnings	749,688	679,000	600,500	(11.56)%
5)Other income.	2,421,829	2,376,930	2,408,540	1.33%
	<u>\$58,563,995</u>	<u>\$61,563,505</u>	<u>\$62,678,962</u>	1.81%

2)Special revenues include pass through of water and wastewater to Centennial Water & Sanitation District, street light fees, Mansion rentals, stormwater fees, shelter & park reservations and recreation program revenues.

3)Development fees are fees paid by the developer to fund capital improvement projects.

5)Other income includes capital contributions, cell site revenues and intergovernmental revenues.

Strategy for reducing expenditures:

- Evaluate options for replacement as positions become vacant through attrition:
 - Use of temporary/seasonal
 - Reorganize and shift responsibilities
 - Rehire as part-time
 - Reduced Metro District Park Ranger patrol hours
- Manage health insurance costs by offering new plans and increasing the employee paid amount
- Continue to evaluate opportunities for savings with minimal perceptual impact. Some examples in the 2011 and 2012 budget are:
 - Reduce number of mowings in the areas of parkways, fence lines and trail shoulders
 - Change in fertilizer used
 - Reduction in training expenditures
 - Reduce the number of community events

By Object	2011 Budget	2012 Budget	% INCREASE/ (DECREASE)
Personnel Services	\$ 5,737,519	\$ 5,370,982	(6.4)%
Contracted services(Fire & Emergency)	7,192,983	7,179,350	(0.2)%
Miscellaneous capital/leases	178,939	127,090	(29.0)%
Materials and supplies	677,711	663,161	(2.1)%
Purchased services	958,111	794,831	(17.0)%
Contract Maintenance	727,614	731,134	0.5%
Fuel and chemical products	154,360	172,800	11.9%
Utilities	1,473,400	1,150,766	(21.9)%
	<u>\$ 17,100,637</u>	<u>\$ 16,190,114</u>	(5.32)%



HIGHLANDS RANCH Metro District

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Increase in Street Light Fees:

During the formative years of Highlands Ranch, it was determined the Metro District would be billed for residential street lights rather than Xcel Energy billing residents on their electrical bill, as is done in other unincorporated areas in Colorado. It was also determined that Highlands Ranch would have significant arterial street lighting, an added safety feature many other communities did not feature.

The cost to operate and maintain all street lights was originally paid for by property taxes. During the economic downturn in 1992, the Metro District began assessing a fee on water bills to cover the cost of residential street lights. The fee charged by the Metro District has always been comparable to the unincorporated street light fee charged by Xcel Energy, and has always been used to pay Xcel Energy for this service. As a result of the increasing cost of electricity and maintenance and the reduction in property tax revenue, the 2012 budget proposes that the fee recover not only the cost of the residential street lights but also the cost of arterial street lights.

For residential customers who have had bimonthly billing, the bimonthly fee will increase from \$4.80 to \$6.45. On an annual basis this will cost a residential customer \$9.90 more than in 2011.

