

FRMD Budget Work Session

District Revenues

September 14, 2022

Agenda

- General Fund Fees
 - General Fund Revenue Sources
 - Homeowner Assessment (Operations) Fee
 - General Fund Mill Levy
 - Sewer Fees
- Maintenance Fees/Private Access Fees/Townhomes Fees
 - Private Access Area Fees
 - Townhome Area Fees
- Capital Projects Fund Fees
 - Development Fee
 - Storm Drainage Development Fee
 - Administrative Set-up Fee
- Debt Service Fund
 - 2020 Bond Series
 - Mill Levy
- Revenue Neutral Example

General Fund Fees

General Fund Revenues Sources

- Homeowner Assessment Fee
 - Budgeted \$1,680,000 for 2022
- General Fund mill levy
 - Budgeted \$397,568 for 2022, collected in the taxing districts and transferred to FRMD1
 - FRMD2 budgeted \$146,946 for 2022
 - FRMD3 budgeted \$250,622 for 2022
 - These amounts are not equal because there are more homes in FRMD3
- Other revenues
 - Other revenues are either smaller amounts or are revenues collected to offset corresponding expenses, such as the sewer fees.

Homeowner Assessment Fee

- Main source of revenue for General Fund (Operations and Maintenance)
- Appears on your quarterly statement as 'Public Facilities/Service Fees'
- 2022 fee is \$350 per quarter or \$1,400 per year
 - Same fee amount as for 2020 and 2021
- Charged to every homeowner in FRMD
- For 2023, the Finance Committee is using \$350 per quarter for preliminary budgets. That may change as we gather more information on 2023 expenses.
- As of 7/1/22, 1,196 homeowners in FRMD
- Finance Committee takes a conservative approach to estimating the number of homes when developing a budget. Better to predict less revenue than to be too optimistic and fall short of the estimate.
- Estimate 1,220 homeowners for 2023. (Used 1,200 for 2022).

General Fund Mill Levy

- 2022 Mill Levy
 - General Fund: 5.500
- Revenue Neutral 2023 Mill Levy (see example at end of presentation)
 - General Fund: 5.800
- The Proposed General Fund mill levy could change for two reasons.
 - The Finance Committee is still in the process of accumulating budget estimates for 2023.
 - Preliminary Assessed Values (AV) for 2022 (taxes payable in 2023), are lower than anticipated a year ago due to the reduced RAR (Residential Assessment Rate). Final AV are not available until December. The Boards will make the final decision on the 2023 Mill Levy at the December 2022 board meeting.

Sewer Fees

- This is a General Fund Fee. Green Mountain Water & Sanitation (GMW&S) bills FRMD, providing bill details by home. FRMD then bills each home.
- The goal is to break even between GMW&S invoices to FRMD and the Sewer Fees revenue collected from FRMD residents.
- Bills consist of two Sewer charges, that are set by GMW&S and are available on their website. 2023 rates will not be available until GMW&S completes their 2023 budget.
 - Sewer Charge: Based on the amount of water used in the winter months to exclude lawn irrigation water usage. In 2022, billed at \$5.11 per 1,000 gallons.
 - Sewer Service Fee: Set at \$22.08 per home per quarter for 2022 for most homes. A few pay more due to larger pipes servicing their homes.
- Charged to every home in FRMD

Maintenance/Private Access Fees/Townhome Fees

Private Access Area (PAA) Fees and Townhome(THA) Fees

- PAA Fees and THA Fees.
 - Starting with the 4th Quarter of 2021, MFA Fees were replaced by Private Access Area Fees and Townhome Fees.
 - These fees are charged to specific areas for services that vary based on the area. For more detail on the homes included in a PAA and the services provided, please refer to the “Fifth Amended and Restated Joint Resolution of the Boards of Directors of the Fossil Ridge Metropolitan Districts Nos. 1-3 Concerning the Imposition of District’s Fees” on Solterra-Connect.
 - In addition, for the THA Fees, some services are defined in the FRMD/Cardel agreements.
 - Since a major component of these fees is snow removal, they are re-evaluated every spring, after winter snow removal costs are known. Adjustments to fees become effective July 1st of each year.
 - If unexpected expenses are incurred, fees can be adjusted other than July 1st or special assessments can be levied.
 - A portion of each fee is held in escrow to cover future costs for replacement of plants and concrete.

Private Access Areas (PAA) Fees

- Private Access Area (PAA) Fees
 - Private Access Area #1: 13 homes in the gated area on Evan's Place near the Retreat.
 - Changing to \$300 per quarter per Unit for Scope of Services.
 - Private Access Area #2: 107 Brookfield Duets or Signature homes that access their garage from an FRMD owned alley/private road. These homes are located south of W. Wesley Ave. and west of the Tributary.
 - TBD per quarter per Unit for Scope of Services. Until Brookfield submits and FRMD accepts the filing, Brookfield will be responsible for these services and the associated costs to provide.
 - Private Access Area #3 - F15: 43 Cardel townhomes in Filing 15. These homes are located south of W. Wesley Ave. and east of McIntyre St.
 - TBD per quarter per Unit for Scope of Services. Until Brookfield submits and FRMD accepts the filing, Brookfield will be responsible for these services and the associated costs to provide.
 - Private Access Area #3 – F16N: 29 Cardel townhomes in Filing 16. These homes are located north of W. La Salle Ave. , east of McIntyre St., and west of S. Orion St..
 - TBD per quarter per Unit for Scope of Services. Until Brookfield submits and FRMD accepts the filing, Brookfield will be responsible for these services and the associated costs to provide.
 - Private Access Area #3 – F16S: 42 Cardel townhomes in Filing 16. These homes are located north of W. Washburn Ave., east of S. Orion St., south of W. Vassar Ave., and west of S. Orchard St.
 - TBD per quarter per Unit for Scope of Services. Until Brookfield submits and FRMD accepts the filing, Brookfield will be responsible for these services and the associated costs to provide.

Townhome Areas (THA) Fees

- Townhome Area (THA) Fees
 - THA #3-15: 43 Cardel townhomes in Filing 15. These homes are located south of W. Wesley Ave. and east of McIntyre St.
 - Currently, \$85 per quarter per Unit for fees associated with Cardel/FRMD agreements.
 - THA #3-16N: 29 Cardel townhomes in Filing 16. These homes are located north of W. La Salle Ave. , east of McIntyre St., and west of S. Orion St.
 - Currently, \$150 per quarter per Unit for fees associated with Cardel/FRMD agreements.
 - THA #3-16S: 42 Cardel townhomes in Filing 16. These homes are located north of W. Washburn Ave., east of S. Orion St., south of W. Vassar Ave., and west of S. Orchard St.
 - Currently, \$150 per quarter per Unit for fees associated with Cardel/FRMD agreements.

Capital Project Fund Fees

Development Fees

- Capital Projects Fund revenue source
- Due when a builder is approved for a permit to build in FRMD.
- Three fees based on the type of structure in the permit. Per the Service Plan, each fee can be increased by up to 5% every year, rounded to the nearest \$25. The 2023 rates will be set at the December FRMD Boards meeting. The new rates will be effective January 1, 2023.
 - Detached Single Family (SFH):
 - Set at \$7,900 for 2022. Recommend increase by 5% for 2023 to approximately \$8,300.
 - For 2023, no permits are anticipated.
 - Town Home (TH), Condominium or other attached “for sale” residential unit:
 - Set at \$5,900 for 2022. Recommend increase by 5% for 2023 to approximately \$6,200.
 - For 2023, currently plan to estimate 39 permits.
 - Rental unit within an apartment building:
 - Set at \$2,900 for 2022. Recommend increase by 5% for 2023 to approximately \$3,050.
 - For 2023, no permits are anticipated.
- As of June 30, 2022, FRMD has received Development Fee revenue on 72 SFHs in Filing 17, 23 THs in Filing 19, 3 THs in Filing 18, and 4 THs in Filing 20.

Storm Drainage Development Fees

- Capital Projects Fund revenue source
- Due when a builder is approved for a permit to build in FRMD.
- Three fees based on the type of structure in the permit. The 2023 rates will be set at the December FRMD Boards meeting.
 - Detached Single Family (SFH):
 - Set at \$1,000 for 2022. Recommend no change for 2023.
 - For 2023, no permits are anticipated.
 - Town Home (TH), Condominium or other attached “for sale” residential unit:
 - Set at \$750 for 2022. Recommend no change for 2023.
 - For 2023, currently plan to estimate 39 permits.
 - Rental unit within an apartment building:
 - Set at \$500 for 2021. Recommend no change for 2023.
 - For 2022, no permits are anticipated.
- As of June 30, 2022, FRMD has received Storm Drainage Development Fee revenue on 72 SFHs in Filing 17, 23 THs in Filing 19, 3 THs in Filing 18, and 4 THs in Filing 20.

Administrative Set-up Fees

- Capital Projects Fund revenue source
- Due when a builder is approved for a permit to build in FRMD.
- Covers the cost of setting up the new home.
 - Set at \$261 for 2022
 - For 2023, currently plan to estimate 39 permits.
- As of June 30, 2022, FRMD has received Administrative Set-up Fee revenue on 72 SFHs in Filing 17, 23 THs in Filing 19, 3 THs in Filing 18, and 4 THs in Filing 20

Debt Service Fund

2020 Bonds Series

- FRMD successfully issued \$33,105,000 in new bonds in October 2020, the 2020 Bonds Series.
- The proceeds of these bonds were used to refinance the existing 2010, 2014, and 2016 bonds with significant savings.
 - Debt Service prior to the 2020 Bonds Series was approximately \$2,000,000 per year.
 - Debt Service for the 2020 Bond Series is approximately \$1,720,000 per year, an annual savings of \$280,000.
- The \$33,105,000 in bonds included \$10,000,000 of new bonds and the net proceeds (\$9,811,962.12) was used to reduce Developer Advances owed to Brookfield.

Debt Service (DS) Fund Cash Flows

- For 2022, FRMD budgeted the following amounts to be applied to total bond debt service (P+I) totaling approx. \$2.3 million. This includes building a DS Reserve equal to one year of P+I over a four-year period.
- As of the August Collection/September Distribution of taxes from Jefferson County, FRMD Property Tax collection is at 99.2% and SOT is at 93.1%.

Pledged Revenue for DS	FRMD #2	FRMD #3	TOTAL
Ad Valorem Property Taxes	\$801,523	\$1,367,031	\$2,168,554
Special Ownership Taxes (SOT)	\$40,076	\$68,352	\$108,428
TOTAL	\$841,599	\$1,435,383	\$2,276,982

Debt Service Mill Levy

- 2022 Mill Levy
 - Debt Service Fund: 30.000
- Revenue Neutral 2023 Mill Levy
 - Debt Service Fund: 30.7
- Preliminary Assessed Values (AV) for 2022 (taxes payable in 2023), are lower than anticipated a year ago due to the reduced RAR (Residential Assessment Rate). Final AV are not available until December. The Boards will make the final decision on the 2023 Mill Levy at the December 2022 board meeting.

Revenue Neutral Example

- 2022 Mill Levy
 - Debt Service Fund: 30.000 + General Fund: 5.500 = Total Mill Levy of 35.500
- Revenue Neutral 2023 Mill Levy
 - Debt Service Fund: 30.7 + General Fund: 5.800 = Total Mill Levy of 36.500

Tax Year Info	Residential Assessment Rate (RAR)	Actual Total Value	Assessed Total Value	FRMD Total Mill Levy	FRMD Property Taxes
2021 payable 2022	7.15%	\$724,938	\$51,833	35.500	\$1,840.07
2022 payable 2023	6.95%	\$724,938	\$50,383	36.500*	\$1,838.99

* The '2022 payable 2023' FRMD Total Mill Levy is an estimate at this time. It will not be finalized until the December board meeting, currently scheduled for December 5, 2022.