

GALLAGHER IMPACTS

RAR Adjustment Impacts to District Revenue

&

Potential Changes to Services

2019 RAR Adjustment

(RAR = Residential Assessment Rate)

In 2019 the CO Legislature is slated to adjust the RAR down again. Below are two new rates being discussed and the impact to tax revenue for KCRMD.

- RAR to 5.8 - \$475,000 reduction in tax revenue
- RAR to 6.11 - \$375,000 reduction in tax revenue

Potential Solutions for Nov. 2018:

- Ballot initiative for mill levy increase
- Ballot initiative to DeGallagherize

Current Mills Compared to Other Communities

	<u>KCRMD</u>	<u>Solterra</u>	<u>Willow Springs</u>	<u>Sterling Ranch (douglas)</u>	<u>HR (douglas)</u>	<u>Whispering Pines (arapahoe)</u>
County	22.42	22.42	22.42	19.774	19.774	12.817
School	42.878	42.878	42.878	38.996	38.996	49.687
Urban						
drain/flood	0.557	0.557	0.557	0.557	0.557	0.557
Fire	13.2188	13.2188	13.2188	9.25	0	0
MD	20.685	65.517	0	88.444	18.205	72.965
Law						
Enforcement	2.707	2.148	2.707	4.5	4.5	0
Library	0	0	0	4.021	4.021	5.853
Water & San	0	0	1.858	0	0	0.453
City	0	0	0	0	0	8.605
other	0	0	0	0	0	1
TOTAL	102.4658	146.7388	83.6388	165.542	86.053	151.937

Mill Levy Increase Discussion

NOTE: Figures are for discussion purposes only.

Increase of 6 mills = \$1,050,000 in additional tax revenue

- This would allow the District to:
 - Build reserves
 - Plan for future capital expenses
 - Address staffing challenges
 - Funding to provide service at level community desires

Increase of 2-3 mills to keep MD budget at status quo depending on RAR adjustment in 2019.

- ~\$400,000 to \$500,000 in additional tax revenue
- Does not provide funding for reserves without cuts to current budget

Proposed Impacts

No Mill Levy Increase

\$375,000 - \$475,000 Loss in revenue

Potential impacts to programs and services:

- Revenue / Program Fee Changes - \$360,000 (increased revenue)
 - Leaving approximately \$115,000 to cut
- Parks Maintenance Cuts - \$25,500 (decreased expenses)
- Project, Program, Admin. Cuts - \$95,000 (decreases expenses)

NOTE: *None of these cuts has been formally decided. These are suggested areas to adjust programs and services.*

Proposed Impacts

No Mill Levy Increase

\$475,000 – Loss in revenue

• <u>Revenue / Program Fee Changes -</u>	<u>\$360,000 (increased revenue)</u>
• New MA / MD H ₂ O Split	\$150,000
• Charge for Pool Access	\$120,000*
• *assumes same attendance rate	
• Increase Preschool Fees	\$50,000
• Increase Tennis Fees	\$25,000
• Increase / Restructure Wellness Fees	\$10,000
• Increase Swim Club Fees	\$5,000

Proposed Impacts

No Mill Levy Increase

\$475,000 – Loss in revenue

- Parks Maintenance Cuts - \$25,500 (decreased expenses)
 - Eliminate one herbicide application \$11,500
 - Eliminate one fertilizer application \$9,000
 - *Herbicide and fertilizer application is already low for recommended and industry standard. This lowers it further to one application of each per year.*
 - Reduce tree program – MA funded only \$5,000

NOTE: *None of these cuts have been formally decided. These are suggested areas to adjust programs and services.*

Proposed Impacts

No Mill Levy Increase / Not DeGallagherized

\$475,000 – Loss in revenue

• <u>Project, Program, Admin. Cuts -</u>	<u>\$95,000 (decreases expenses)</u>
• Delay all Capital Expenses Need	\$50,000
• Close Bradford Pool	\$30,000
• Discontinue Foothills Project	\$7,500
• Vendor Changes	\$7,500

NOTE: *None of these cuts have been formally decided. These are suggested areas to adjust programs and services.*

Proposed Impacts

No Mill Levy Increase

\$475,000 – Loss in revenue

Revenue / Program Fee Changes - \$360,000 (increase revenue)

- New MA / MD H2O Split \$150,000
- Charge for Pool Access \$120,000
- Increase Preschool Fees \$50,000
- Increase Tennis Fees \$25,000
- Increase / Restructure Wellness Fees \$10,000
- Increase Swim Club Fees \$5,000

Parks Maintenance Cuts - \$25,500 (decreased expenses)

- Eliminate one herbicide application \$11,500
- Eliminate one fertilizer application \$9,000
- Reduce tree program – MA \$ only \$5,000

Project, Prog., Admin. Cuts - \$95,000 (decreases expenses)

- Delay all Capital Expenses Need \$50,000
- Close Bradford Pool \$30,000
- Discontinue Foothills Project \$7,500
- Vendor Changes \$7,500

Alternate Cuts:

- Tier I Parks Staff Cuts \$21,000
 - Impact seasonal operations
- Tier II Parks Staff Cuts \$21,000 (additional)
 - Minimal seasonal maintenance conducted
- Close CC one day a week \$7,000
 - Potential revenue impact as well

NOTE: *None of these cuts have been formally decided. These are suggested areas to adjust programs and services.*