Community Collaboration Workgroup

- MD created in 1989 by vote
- Created with a goal of 25% savings to average KCR homeowner
  - Possible tax savings
  - Possible savings due to operational efficiencies or tax benefits
  - Done by shifting as many applicable costs to MD as possible

MD Services Delivered Today	Services MD may deliver in the FUTURE if there is Community Demand
Park and Recreational Facilities	Television Relay and Translation Facilities
Park and Recreational Programs	Transportation Services
	Mosquito Control

Why Was This Workgroup Created?

Ken-Caryl Ranch Community

Our community THRIVES when both orgs thrive

KCRMD
"Metro District"
PUBLIC Entity

From the SERVICE PLAN:
Parks
Youth / Child Care
Tennis
Facilities / Rec Centers
Aquatics / Pools

KCRMA
"Master Assoc."
PRIVATE Entity

Coven/Arch. Control
Trash / Recycling
Community Planning
Open Space Mgmt
Equestrian Center
Communications

Common Functions: Admin, HR, Finance/Accounting, Legal

Goal: Create financial stability for our community and to facilitate predictable delivery of goods and services to the Ken-Caryl Ranch community. The group takes direction from the community.

What We Can Control and What We Can’t

WITHIN Our Control

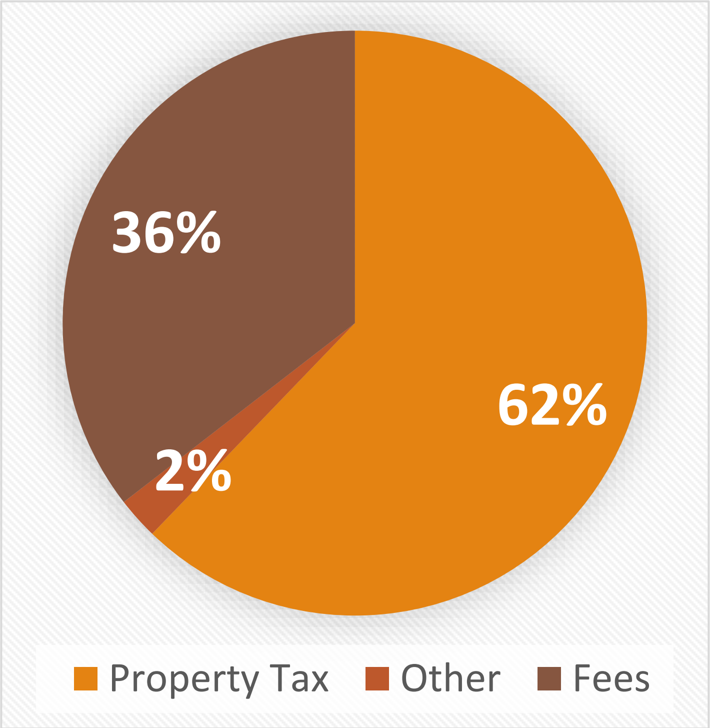
- Reducing expenses/creating efficiencies
- Eliminating services
- Request voter approved mill increases
- Establishing revenues through fees and services provided

OUTSIDE Our Control

- RAR anticipated 17% reduction for 2022 which equates to approximately $650,000
- Pandemics
- Gallagher limitations (repeal effort on November ballot)
- Home valuations
- Increase in the cost of doing business

MD Financial Condition

- Property tax is stable until 2022 (17% predicted reduction)
- Revenues are down $566K over same period last year; expenses are down $434K over same period last year
- Operations are unsustainable into 2021
  - Operating cuts and elimination (water, fertilizer, supplies, maintenance, staffing, etc.)
  - No forestry employees since May of 2020
  - $149,000 of unfunded/delayed capital projects



Triggers

Net tax revenue

Major expenses or reduction in revenue

Change in community priorities; change based on data

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Creates a conversation to:

Address the financial issues

Work together for the community

Create financial stability

Coming Back to Community Collaboration Workgroup

1 — 2 — 3 — 4 — 5 — 6

	1	2	3	4	5	6
	MD Dissolved	**MD Pays for Services provided by MA**	**MD is Rec-Only district**	**Status Quo (Do Nothing)**	**MA Pays for Services provided by MD**	**MA Dissolved**
PRO's	• Predictable rev's • More privatization • Reduce duplication of services & support services (HR, etc.)	• MA pays for Cap Ex for the MD • MD has small % of property	• Many of the MD expenses eliminated	• Path of least resistance • Wait-and-see approach	• Taxes could be reduced • No staffing changes	• May reduce $ of one of the managers • Reduce duplication of services & support services (HR, etc.)
CON's	• MD can't dissolve until 2024 when bonds repaid • Loss of MD tax benefits • Jeffco leases • Dissolution costs $90k & 1-year • MA would buy-back MD assets	• MD still needs funding to pay for services to the MA • Costs incurred to move some employees to the MA	• Service plan will need to be updated • District Manager with recreation director background may be difficult to find	• RAR year to year is unpredictable • Spend $20k if we ask for another tax increase in 2024 • Will MD need reserves to fund ops?	• HOA dues increase (unknown by how much) • Service plan will need to be updated • Will need to shift some $'s for services from MD/Taxes to MA/HOA fees	• Private OS lands become public lands • Doesn't address MD revenues that are unpredictable • Super-majority vote may be req'd