

**RESOLUTION (MSMD 19-3) TO AMEND 2019 BUDGET
MERIDIAN SERVICE METROPOLITAN DISTRICT**

WHEREAS, The Board of Directors of the **MERIDIAN SERVICE METROPOLITAN DISTRICT** appropriated funds for the fiscal year 2019 as follows:

General Fund	\$ 178,888
Parks and Recreation Fund	\$ 2,255,183
Capital Projects Fund	\$ 4,029,100
Water Fund	\$ 3,839,681
Sewer Fund	\$ 4,458,039

and;

WHEREAS, the necessity has arisen for additional expenditures or appropriations requiring the expenditure of funds in excess of those appropriated for the fiscal year 2019, and

WHEREAS, the necessity has arisen for additional appropriations and expenditures of funds as reflected by satisfactory evidence presented to the Board of Directors at this meeting and set out in the amended budget attached hereto as **Exhibit A**; and

WHEREAS, the District finds it desirable to create a separate fund for the Recreation Center; and

WHEREAS, funds are available for such expenditures from revenue funds available to the District; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget amendment was available for inspection by the public at a designated public office, a public hearing was held on July 10, 2019, and interested electors were given the opportunity to file or register any objections to said proposed budget amendment.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the **MERIDIAN SERVICE METROPOLITAN DISTRICT** shall, and hereby does, amend the budget for the fiscal year 2019 as follows:

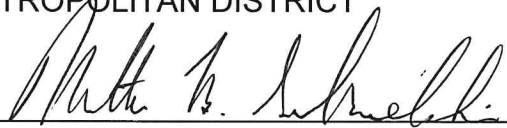
Parks and Grounds Fund	\$ 852,808
Recreation Fund	\$ 1,541,375
Water Fund	\$ 4,425,614
Sewer Fund	\$ 4,524,051

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the Funds referenced above for the purposes stated.

Adopted this 10th day of July, 2019.

MERIDIAN SERVICE

METROPOLITAN DISTRICT

By: 
Milton B. Gabrielski, President

ATTEST:

By: 
Wayne Reorda, Secretary/Treasurer

Attachment: 2019 Amended Budget

EXHIBIT A

**MERIDIAN SERVICE METROPOLITAN DISTRICT
PARKS AND GROUNDS FUND 15
2019 AMENDED BUDGET**

	BUDGET AMOUNTS	
	<u>Adopted</u>	<u>Amended 7/10/19</u>
REVENUES		
Recreation Center	\$ 1,576,656	\$ -
Landscape, parkways, parks, open space & Drainage	\$ 622,984	\$ 622,984
Parks and Open Space fees - Commercial	\$ 12,557	\$ 12,557
Falcon Freedom Days donations	\$ 30,000	\$ -
IGA revenue from MRMD (CTF)	\$ 29,000	\$ 29,000
Street lighting fees	\$ 135,779	\$ 135,779
Street lighting fees - The Shops	\$ 3,558	\$ 3,558
Total Revenues	\$ 2,410,533	\$ 803,877
EXPENDITURES		
General & Administrative		
CRS Mgmt & Acct	\$ 23,067	\$ 6,920
Tech Builders Staff Services	\$ 7,500	\$ 7,500
Employee Salaries & Benefits	\$ 857,772	\$ 203,522
Engineering/Consulting	\$ 6,000	\$ 2,000
Insurance	\$ 27,500	\$ 12,000
Legal	\$ 10,000	\$ 5,000
Miscellaneous	\$ 1,000	\$ 500
Training, Licenses & Certs	\$ 2,500	\$ 2,500
Office Expense	\$ 6,000	\$ 2,000
Subtotal General & Administrative	\$ 941,339	\$ 241,942
Operations and Maintenance		
Landscape Maintenance Subtotal	\$ 428,880	\$ 451,880
Landscape Repairs and Maint Subtotal	\$ 40,500	\$ 44,000
Utilities - Street lights	\$ 135,000.00	\$ 135,000.00
Utilities - Landscape & Parks - Electricity	\$ 22,000.00	\$ 22,000.00
Parks & Trails Subtotal	\$ 58,000	\$ 58,000
Pond Maintenance	\$ 15,000	\$ 15,000
Repairs and Maintenance	\$ 8,000	\$ 8,000
Rec Center Ops & Maint	\$ 84,800	\$ -
Rec Ctr Grounds & Maint	\$ 15,000	\$ -
IT/Digital/Software	\$ 22,400	\$ -
Equip & Furniture Replacement	\$ 75,000	\$ -
Pool Ops & Maint	\$ 39,500	\$ -
Recreation Center Utilities	\$ 181,200	\$ -
District events	\$ 15,000	\$ -
Falcon Freedom Days	\$ 62,000	\$ -
Subtotal Operations & Maintenance	\$ 1,202,280	\$ 733,880
Subtotal All Expenditures	\$ 2,143,619	\$ 975,822
Revenue Less Expenditures	\$ 266,914	\$ (171,945)
Capital:		
Dog pot stations	\$ 1,500	\$ 1,500
Vehicle	\$ 20,000	\$ 20,000
Subtotal Capital	\$ 21,500	\$ 21,500
Total Expenditures	\$ 2,165,119	\$ 997,322
EXCESS OF REVENUES OVER (UNDER)		
EXPENDITURES	\$ 245,414	\$ (193,445)
OTHER FINANCING SOURCES (USES)		
Transfer to Capital Fund	\$ (688,454)	\$ (563,454)
Transfer to Reserve Fund	\$ (110,610)	\$ (42,032)
Transfer to Reserve Fund:Repay Sewer Loan	\$ (41,000)	\$ -
Transfer from Sewer Fund	\$ 750,000	\$ 750,000
Total Other Financing Sources (uses)	\$ (90,064)	\$ 144,514
NET CHANGE IN FUND BALANCE	\$ 155,349	\$ (48,931)
BEGINNING FUND BALANCE	\$ 72,881	\$ 95,881
ENDING FUND BALANCE	\$ 228,230	\$ 46,950

EXHIBIT A

MERIDIAN SERVICE METROPOLITAN DISTRICT RECREATION FUND 16 2019 AMENDED BUDGET

	BUDGET AMOUNTS	
	Adopted	Amended 7/10/19
REVENUES		
Rec Center Service Fees	\$ -	\$ 1,437,656
Fee Based Program: Facility	\$ -	\$ 15,000
Fee Based Programming	\$ -	\$ 124,000
Falcon Freedom Days donations	\$ -	\$ 30,000
Total Revenues	\$ -	\$ 1,606,656
EXPENDITURES		
General & Administrative		
CRS Mgmt & Acct	\$ -	\$ 16,147
Employee Salaries & Benefits MRRC	\$ -	\$ 654,250
Engineering/Consulting	\$ -	\$ 4,000
Insurance	\$ -	\$ 15,500
Legal	\$ -	\$ 5,000
Miscellaneous	\$ -	\$ 500
Office Expense	\$ -	\$ 4,000
Subtotal General & Administrative	\$ -	\$ 699,397
Events:		
District Events	\$ -	\$ 15,000
Falcon Freedom Days	\$ -	\$ 62,000
Subtotal District Events	\$ -	\$ 77,000
Operations & Maintenance		
Program Expense	\$ -	\$ 27,500
Repairs & Maintenance	\$ -	\$ 129,500
Supplies	\$ -	\$ 26,500
Security	\$ -	\$ 3,800
Rec Ctr Grounds & Maint	\$ -	\$ 15,000
IT/Digital/Software	\$ -	\$ 22,400
Equip & Furniture Replacement	\$ -	\$ 85,000
Pool Ops & Maint	\$ -	\$ 39,500
Telephone	\$ -	\$ 8,000
TV/Internet	\$ -	\$ 3,500
Gas	\$ -	\$ 68,000
Electric	\$ -	\$ 100,000
Trash	\$ -	\$ 1,700
Subtotal Operations & Maintenance	\$ -	\$ 530,400
Subtotal All Expenditures	\$ -	\$ 1,306,797
Revenue Less Expenditures	\$ -	\$ 299,858
Total Expenditures	\$ -	\$ 1,306,797
EXCESS OF REVENUES OVER (UNDER)		
EXPENDITURES	\$ -	\$ 299,858
OTHER FINANCING SOURCES (USES)		
Transfer to Capital Fund	\$ -	\$ (125,000)
Transfer to Reserve Fund	\$ -	\$ (68,578)
Transfer to Reserve Fund:Repay Sewer Loan	\$ -	\$ (41,000)
Total Other Financing Sources (uses)	\$ -	\$ (234,578)
NET CHANGE IN FUND BALANCE	\$ -	\$ 65,280
BEGINNING FUND BALANCE	\$ -	\$ 26,000
ENDING FUND BALANCE	\$ -	\$ 91,280

EXHIBIT A

MERIDIAN SERVICE METROPOLITAN DISTRICT WATER FUND 40 2019 AMENDED BUDGET

	BUDGET AMOUNTS	
	Adopted	Amended 7/10/19
REVENUES		
Water Service Fees	\$ 2,320,749	\$ 2,320,749
Meter service	\$ 135,000	\$ 135,000
Facilities fees - MRMD	\$ 1,800,000	\$ 1,800,000
WHMD shared cost reimbursement	\$ 10,000	\$ 10,000
Total Revenues	\$ 4,265,749	\$ 4,265,749
EXPENDITURES		
General & Administration		
CRS Mgmt & Acct	\$ 86,534	\$ 86,534
Tech Builders Staff Services	\$ 6,726	\$ 6,726
Employee Salaries & Benefits	\$ 418,021	\$ 418,021
Dues and Subscriptions	\$ 1,000	\$ 1,000
Insurance	\$ 55,000	\$ 55,000
Legal	\$ 75,000	\$ 75,000
Bank Charges	\$ 5,000	\$ 5,000
Miscellaneous	\$ 1,000	\$ 1,000
Training, Licenses & Certs	\$ 3,000	\$ 3,000
Office Expense	\$ 8,000	\$ 8,000
Subtotal General & Administrative	\$ 659,281	\$ 659,281
Operations and Maintenance		
Engineering / Consulting	\$ 65,000	\$ 65,000
Facilities Fees Paid - IGA MRMD	\$ 1,800,000	\$ 1,800,000
Permits and Fees	\$ 1,000	\$ 1,000
Repairs & Maintenance	\$ 56,000	\$ 56,000
Utilities	\$ 357,900	\$ 357,900
Water Operations & Maintenance	\$ 224,000	\$ 238,000
Water Well Guthrie - Shared Cost	\$ 3,000	\$ 3,000
Infiltration Galleries	\$ 18,500	\$ 18,500
Water Diversion Structure	\$ 5,000	\$ 5,000
Water Diversion Structure - Shared	\$ 20,000	\$ 20,000
Tank cleaning and maintenance	\$ -	\$ 335,933
WHMD Water Treatment & Supply	\$ -	\$ 236,000
Subtotal Operations & Maintenance	\$ 2,550,400	\$ 3,136,333
Subtotal All Expenditures	\$ 3,209,681	\$ 3,795,614
Revenue Less Expenditures	\$ 1,056,069	\$ 470,136
Capital:		
Replacement vehicle (PU)	\$ 30,000	\$ 30,000
Subtotal Capital	\$ 30,000	\$ 30,000
Total Expenditures	\$ 3,239,681	\$ 3,825,614
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,026,069	\$ 440,136
OTHER FINANCING SOURCES (USES)		
Transfer to Reserve Fund	\$ (300,000)	\$ (300,000)
Transfer to Rate Stabilization Reserve	\$ (300,000)	\$ (300,000)
Total Other Financing Sources (uses)	\$ (600,000)	\$ (600,000)
NET CHANGE IN FUND BALANCE	\$ 426,069	\$ (159,864)
BEGINNING FUND BALANCE	\$ 729,715	\$ 1,315,648
ENDING FUND BALANCE	\$ 1,155,784	\$ 1,155,784

EXHIBIT A

MERIDIAN SERVICE METROPOLITAN DISTRICT SEWER FUND 50 2019 AMENDED BUDGET

	BUDGET AMOUNTS	
	Adopted	Amended 7/10/19
REVENUES		
Sewer Fees	\$ 1,350,686	\$ 1,350,686
Facilities Fees - MRMD	\$ 1,800,000	\$ 1,800,000
Sterling Ranch - Tap Fees	\$ 1,120,137	\$ 1,120,137
Sterling Ranch - Misc Income	\$ -	\$ 105,696
Lift station fees from Woodmen Hills	\$ 100,000	\$ 100,000
Total Revenues	\$ 4,370,823	\$ 4,476,519
EXPENDITURES		
General & Administration		
CRS Mgmt & Acct	\$ 19,204	\$ 19,204
Tech Builders Staff Services	\$ 518	\$ 518
Employee Salaries & Benefits Subtotal	\$ 246,197	\$ 246,197
Dues & Subscriptions	\$ 500	\$ 500
Insurance	\$ 17,000	\$ 17,000
Legal	\$ 30,000	\$ 30,000
Office Expense	\$ 4,000	\$ 4,000
Miscellaneous	\$ 3,500	\$ 3,500
Subtotal General & Administration	\$ 320,919	\$ 320,919
OPERATIONS & MAINTENANCE		
Engineering/Consulting	\$ 25,000	\$ 25,000
Engineering - Lift Station MSMD	\$ 10,000	\$ 10,000
Facilities Fees Paid -IGA with MRMD	\$ 1,800,000	\$ 1,800,000
Repairs & Maintenance	\$ 26,500	\$ 26,500
R & M - Lift Station - Shared	\$ 85,500	\$ 107,500
Vehicle Repairs, Maint & Fuel	\$ 8,000	\$ 8,000
Training, Licenses & Certs	\$ 4,000	\$ 4,000
Utilities - electric	\$ 2,400	\$ 2,400
Sewer Operations	\$ 346,800	\$ 316,812
Lift Station Operations	\$ 142,300	\$ 131,300
Subtotal Operations & Maintenance	\$ 2,450,500	\$ 2,431,512
Subtotal All Expenditures	\$ 2,771,419	\$ 2,752,431
Revenue Less Expenditures	\$ 1,599,404	\$ 1,724,088
Capital Expenditures		
Combination Jet/Vac Truck - used	\$ -	\$ 85,000
Crew Truck (PU) Replacement	\$ 30,000	\$ 30,000
Subtotal Capital	\$ 30,000	\$ 115,000
Total Expenditures	\$ 2,801,419	\$ 2,867,431
EXCESS OF REVENUE OVER EXPENDITURES	\$ 1,569,404	\$ 1,609,088
OTHER FINANCING USES		
Transfer to Parks & Rec Fund	\$ (750,000)	\$ (750,000)
Transfer to Reserve Fund	\$ (300,000)	\$ (300,000)
Transfer to Reserve Fund (\$2)	\$ (58,620)	\$ (58,620)
Transfer to Rate Stabilization Reserve	\$ (300,000)	\$ (300,000)
Transfer to Capital Projects Fund	\$ (248,000)	\$ (248,000)
Total Other Financing Sources (uses)	\$ (1,656,620)	\$ (1,656,620)
NET CHANGE IN FUND BALANCE	\$ (87,216)	\$ (47,532)
BEGINNING FUND BALANCE	\$ 773,561	\$ 809,561
ENDING FUND BALANCE	\$ 686,345	\$ 762,029

**MERIDIAN SERVICE METROPOLITAN DISTRICT
RESERVE FUND FOR EMERGENCY REPAIRS
2019 AMENDED BUDGET**

	BUDGET AMOUNTS	
	<u>Adopted</u>	<u>Amended 7/10/19</u>
REVENUES AND FINANCING SOURCES		
Emergency Repair		
Transfer from Parks and Grounds Fund	\$ 110,610	\$ 42,032
Transfer from Recreation Center Fund		\$ 68,578
Transfer from Water Fund	\$ 300,000	\$ 300,000
Transfer from Sewer Fund	\$ 300,000	\$ 300,000
Transfer from Sewer Fund (\$2)	\$ 58,620	\$ 58,620
Interest	\$ -	\$ -
Total Revenues and Financing Sources	\$ 769,230	\$ 769,230
EXPENDITURES		
Roof replacement Transfer to P&R from P&R	\$ -	\$ -
Roof replacement Transfer to P&R from Sewer	\$ -	\$ -
Total Expenditures	\$ -	\$ -
EXCESS OF REVENUE OVER (UNDER)		
EXPENDITURES	\$ 769,230	\$ 769,230
OTHER FINANCING SOURCES (USES)		
Transfer (to) Water Fund	\$ -	\$ -
Transfer from P&R Fund: repay Sewer Loan	\$ 41,000	\$ -
Transfer from Recreation Fund: repay Sewer Loan	\$ -	\$ 41,000
Transfer to/from Park and Rec Fund	\$ -	\$ -
Total Other Financing Sources	\$ 41,000	\$ 41,000
NET CHANGE IN FUND BALANCE	\$ 810,230	\$ 810,230
BEGINNING FUND BALANCE	\$ 229,736	\$ 229,736
ENDING FUND BALANCE	\$ 1,039,966	\$ 1,039,966

**MERIDIAN SERVICE METROPOLITAN DISTRICT
2019 BUDGET
BUDGET MESSAGE (Pursuant to 29-1-103(1)(e), C.R.S.)**

Services Provided

Meridian Service Metropolitan District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, was formed in 2000, concurrently with Meridian Ranch Metropolitan District (collectively, the “Districts”) to provide water and wastewater service, street improvements, safety protection, parks and recreation facilities, drainage, landscape, mosquito control, transportation and television relay for public and private purposes by any available means. The Districts’ service area is located in El Paso County, Colorado. The District is intended to be the Operating District related to Meridian Ranch Metropolitan District, the Financing District.

Budgetary Basis of Accounting

The District prepares its budget on the modified accrual basis of accounting. For financial statement reporting under generally accepted accounting principles (GAAP), the Enterprise uses the full accrual basis of accounting. Consequently, the terminology of “Funds Available” is used in the budget to distinguish the difference from GAAP accounting for Fund Balance. Funds Available represents the Enterprise Fund’s current assets less its current liabilities except for the current portion of long-term debt. For the District’s other funds, Developer Advances are recorded as revenue and the repayment of Developer Advances are recorded as expenditures whereas the financial statement presentation, in accordance with GAAP, records these transactions as fund liabilities and does not affect the operating statement.

Important Features of 2019 Budget

The attached 2019 Budget for Meridian Service Metropolitan District includes these important Features:

- MSMD has multiple Funds, each with its own budget. These Funds are:
 - Fund 10 – General Fund
 - Fund 15 – Parks & Recreation Fund
 - Fund 30 – Capital Fund
 - Fund 40 – Water Fund
 - Fund 50 – Sewer Fund
- Revenue estimates for 2019 assume 225 new taps and an average over the year of 100 new taps.
- Budgeted salaries and wages for 2019 are based on a 6.6% increase over 2018 rates plus budget estimates for budgeted new positions. The 6.6 % increase is intended to cover cost of living salary adjustments, equity adjustments, and performance based year-end bonuses.

General Fund 10:

- In 2019, expenditures and revenues related to District special events and Falcon Freedom Days have been moved from the General Fund 10 to the Parks & Recreation Fund 15.

- The 2019 Budget includes 7 months of an additional staff person (Administrative Assistant or Account Tech) needed to continue the in-sourcing of accounting functions.

Parks & Rec Fund 15:

- The 2019 Budget assumes a 9% increase in service fee revenues. It also assumes program fee revenues at the Recreation Center equal to the average of the last 3 years of program fees reported by the YMCA.
- Added in 2019:
 - Meridian Ranch Recreation Center staff per approved transition plan. However, the Facility Maintenance Supervisor position is funded in Water Fund 40 where the facility maintenance function has historically been provided.
 - One Irrigation Technician and vehicle as a result of increased irrigated landscape areas due to continued land development and need for increased supervision of contractors.
 - Expenditures and revenues associated with District special events and Falcon Freedom Days which were previously budgeted in General Fund 10.
- The 2019 Budget includes a repayment of the loan from the Sewer Fund 50 for the repair of the Recreation Center Gym roof.
- Parks & Recreation Fund 15 is depending on a \$750,000 contribution from the Sewer Fund 50 to balance the 2019 Budget.

Capital Fund 30:

- The 2019 Budget uses the Capital Fund 30 for capital projects. Fund 30 is now arranged to handle a multi-year capital improvement program. The 2019 proposed capital projects are funded by a combination of contributions from the other funds and by 2018 bond proceeds.
- The proposed Buildout Capital Improvement Program and Funding Master Plan expected in 2019 will guide the preparation of a multi-year Capital Improvement Program.

Water Fund 40:

- The 2019 Budget assumes service fee revenue increases of 4.5% over 2018.
- The 2019 Budget includes replacement of one vehicle with over 290,000 miles.

Sewer Fund 50:

- The 2019 Budget assumes service fee revenue increases of 4.5% over 2018.
- The 2019 Budget includes replacement of one vehicle with over 235,000 miles.

Reserves:

- The 2019 Budget results in a year-end balance of the emergency repair reserve of approximately \$1 million.
- The 2019 Budget results in a year-end balance of a new rate stabilization reserve of \$600,000.