



CHEROKEE METROPOLITAN DISTRICT

LETTER OF BUDGET TRANSMITTAL

DATE: January 30, 2019

TO: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2019 Budget and Budget Message for the Cherokee Metropolitan District in El Paso, County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This Budget was adopted on Monday, December 17, 2018, pending final Board decision on a few minor line-items. Final ratification of the Budget was on Tuesday, January 15, 2019. If there are any questions on the budget, please contact:

Amy Lathen, General Manager
Cherokee Metropolitan District
6250 Palmer Park Boulevard
Colorado Springs, CO 80915
Tel: (719) 597-5080
Fax: (719) 597-5145

I, Amy Lathen, as General Manager of the Cherokee Metropolitan District, hereby certify that the attached is a true and correct copy of the 2019 Budget.

By: Amy Lathen

**CHEROKEE METROPOLITAN DISTRICT
RESOLUTION 2019-03**

A RESOLUTION ADOPTING A BUDGET FOR THE CHEROKEE METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO AND SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2019, AND ENDING ON THE LAST DAY OF DECEMBER, 2019.

WHEREAS, the Board of Directors of the Cherokee Metropolitan District has authorized its consultant and staff to prepare and submit a proposed budget to said governing body no later than October 15, 2018; and

WHEREAS, the proposed budget was submitted to the Board of the District for its consideration on October 15, 2018; and


WHEREAS, upon due and proper notice, posted in accordance with Colorado Law and published in a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 17, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHEROKEE METROPOLITAN DISTRICT OF EL PASO COUNTY, COLORADO, AS FOLLOWS:


Section 1. Adoption of the Budget for 2019. That the budget as submitted, attached hereto as **Exhibit A** and incorporated herein by this reference, is hereby approved and adopted by the Board as the true and accurate budget of the Cherokee Metropolitan District for fiscal year 2019. The budget having been conditionally approved in public hearing on December 17th, 2018, has been ratified and approved at the regularly scheduled meeting of the Board of Directors of Cherokee Metropolitan District on January 15th, 2019 and thence shall be included as the final adopted and ratified 2019 budget.

ADOPTED AND APPROVED this 15th day of January, 2019.



Steve Hasbrouck, Board President

ATTEST:



Rene Sintas, Secretary

**CHEROKEE METROPOLITAN DISTRICT
RESOLUTION 2018-14**

A RESOLUTION ADOPTING A BUDGET FOR THE CHEROKEE METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO AND SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2019, AND ENDING ON THE LAST DAY OF DECEMBER, 2019.

WHEREAS, the Board of Directors of the Cherokee Metropolitan District has authorized its consultant and staff to prepare and submit a proposed budget to said governing body no later than October 15, 2018; and

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WHEREAS, upon due and proper notice, posted in accordance with Colorado Law and published in a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 17, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

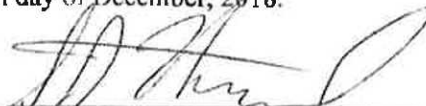
WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHEROKEE METROPOLITAN DISTRICT OF EL PASO COUNTY, COLORADO, AS FOLLOWS:

Section 1. Adoption of the Budget for 2019. That the budget as submitted, attached hereto as **Exhibit A** and incorporated herein by this reference, is hereby conditionally approved and adopted by the Board as the true and accurate budget of the Cherokee Metropolitan District for fiscal year 2019. Such conditions as listed below shall be heard on January 15th, 2019 at the regularly scheduled meeting of the Board of Directors of Cherokee Metropolitan District and thence shall be included in the final adopted and ratified 2019 budget.

- a. Water and Wastewater Enterprise Fund; Safety and Technical Services Department; Vehicle Replacement:
 - I. SCADA Technician Vehicle; ¾ ton pickup proposed at \$37,000.00.
 - II. Well Field Operator Vehicle; ¾ ton pickup proposed at \$37,000.00.
- b. Water and Wastewater Enterprise Fund; Employee Benefits:
 - I. Increase retirement match from 4% to 8% and remove participation requirement; proposed at \$129,000 additional operations.

ADOPTED AND APPROVED this 17th day of December, 2018.



Steve Hasbrouck, Board President

ATTEST:



Rene Sintas, Secretary

EXHIBIT A
BUDGET DOCUMENT

CHEROKEE METROPOLITAN DISTRICT
GENERAL FUND (Street Lights)
Adopted 2019 Budget

	2017 Actual	2018 Estimate	Adopted 2019 Budget
REVENUES			
Fees - \$1.40 per month	\$ 134,227	\$ 135,000	\$ 135,000
Total Revenues	\$ 134,227	\$ 135,000	\$ 135,000
EXPENDITURES			
Lighting	\$ 128,934	\$ 130,000	\$ 131,000
Total Expenditures	\$ 128,934	\$ *130,000	\$ 131,000
NET CHANGE IN FUND BALANCE	\$ 5,293	\$ 5,000	\$ 4,000
FUND BALANCE - BEGINNING OF YEAR	\$ 131,846	\$ 137,139	\$ 142,139
FUND BALANCE - END OF YEAR	\$ 137,139	\$ 142,139	\$ 146,139

CHEROKEE METROPOLITAN DISTRICT
PARKS FUND
Adopted 2019 Budget

	2017 Actual	2018 Estimate	Adopted 2019 Budget
REVENUES			
Fees	\$ 170,748	\$ 168,000	\$ 168,000
Conservation Trust funds	\$ 114,296	\$ 115,000	\$ 110,000
Grant - GOCO	\$ -	\$ -	\$ -
Interest income/Miscellaneous	\$ 129	\$ 3,753	\$ 2,500
Total Revenues	\$ 285,173	\$ 286,753	\$ 280,500
EXPENDITURES			
Parks, landscape and open space	\$ 191,194	\$ 217,874	\$ 221,728
Capital outlay	\$ 121,661	\$ 73,323	\$ 40,000
Total Expenditures	\$ 312,855	\$ 291,197	\$ 261,728
NET CHANGE IN FUND BALANCE	\$ (27,682)	\$ (4,444)	\$ 18,772
FUND BALANCE - BEGINNING OF YEAR	\$ 172,964	\$ 145,282	\$ 140,838
FUND BALANCE - END OF YEAR	\$ 145,282	\$ 140,838	\$ 159,610

CHEROKEE METROPOLITAN DISTRICT
WATER AND WASTEWATER ENTERPRISE FUND
Adopted 2019 Budget

	2017 Actual	2018 Estimate	Adopted 2019 Budget
REVENUES			
Water sales	\$ 6,918,139	\$ 7,260,800	\$ 7,392,800
Sewer services	4,595,643	5,095,000	5,160,000
Water and wastewater tap fees	1,224,019	1,000,000	894,000
Grant	30,172	130,000	15,000
Interest income	68,002	100,000	90,000
Insurance reimbursements	170,672	-	-
Miscellaneous income	369,360	220,400	142,400
Loan proceeds	-	-	-
Total Revenues	<u>\$ 13,376,007</u>	<u>\$ 13,806,200</u>	<u>\$ 13,694,200</u>
EXPENDITURES			
Water system			
Purchased water	\$ 13,469	\$ 26,000	\$ 20,000
Pumping	951,807	915,666	987,000
Treatment	235,150	260,494	272,390
Transmission and distribution	951,845	1,182,543	1,341,470
Benefits and training	385,194	443,000	567,761
Total Water system	<u>\$ 2,537,465</u>	<u>\$ 2,827,703</u>	<u>\$ 3,188,621</u>
Wastewater system			
Treatment	\$ 1,772,563	\$ 1,796,226	\$ 1,875,050
Pretreatment	83,325	91,000	96,145
Collection	587,853	644,794	642,000
Benefits and training	48,872	109,295	155,530
Safety and Technical Services	154,938	360,000	454,735
Total Wastewater system	<u>\$ 2,647,551</u>	<u>\$ 3,001,315</u>	<u>\$ 3,223,460</u>
Other			
General and administrative	\$ 2,438,975	\$ 1,812,784	\$ 1,854,163
Capital expenditures	4,394,116	3,700,000	4,875,723
Debt principal payments	1,239,038	1,275,153	1,315,390
Interest and bond fees	844,932	900,974	865,853
	<u>8,917,061</u>	<u>7,688,911</u>	<u>8,911,129</u>
Total Expenditures	<u>\$ 14,102,077</u>	<u>\$ 13,517,929</u>	<u>\$ 15,323,210</u>
EXCESS OF REVENUE OVER (UNDER)			
EXPENDITURES	<u>\$ (726,070)</u>	<u>\$ 288,271</u>	<u>\$ (1,629,010)</u>
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>\$ 9,744,304</u>	<u>\$ 9,018,234</u>	<u>\$ 9,306,505</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 9,018,234</u>	<u>\$ 9,306,505</u>	<u>\$ 7,677,495</u>

CHEROKEE METROPOLITAN DISTRICT
GOLF COURSE ENTERPRISE FUND
Adopted 2019 Budget

	2017	2018	Adopted
	Actual	Estimate	2019
			Budget
REVENUES			
Golf revenues	\$ 757,843	\$ 797,440	\$ 815,000
Resale	\$ 215,596	\$ 232,000	\$ 235,000
Miscellaneous	\$ 257	\$ -	\$ -
Total Revenues	<u>\$ 973,696</u>	<u>\$ 1,029,440</u>	<u>\$ 1,050,000</u>
EXPENDITURES			
Operating expense	\$ 597,854	\$ 569,173	\$ 636,241
Resale expense	\$ 145,468	\$ 196,000	\$ 152,500
General and administrative	\$ 169,268	\$ 182,900	\$ 208,582
Capital expenditures	\$ 128,902	\$ 96,894	\$ 50,000
Total Expenditures	<u>\$ 1,041,492</u>	<u>\$ 1,044,967</u>	<u>\$ 1,047,323</u>
EXCESS OF REVENUE OVER (UNDER)			
EXPENDITURES	<u>\$ (67,796)</u>	<u>\$ (15,527)</u>	<u>\$ 2,677</u>
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>\$ 129,078</u>	<u>\$ 61,282</u>	<u>\$ 45,755</u>
FUNDS AVAILABLE - END OF YEAR	<u><u>\$ 61,282</u></u>	<u><u>\$ 45,755</u></u>	<u><u>\$ 48,432</u></u>



CHEROKEE METROPOLITAN DISTRICT

2019 BUDGET MESSAGE

The Cherokee Metropolitan District is a political subdivision of the State of Colorado. The District provides water and wastewater services, maintains District owned parks and medians, facilitates the installation and maintenance of street lighting and owns and operates the Cherokee Ridge Golf Course.

The District is governed by a five-member Board, has 42 full-time employees, and hires seasonal workers for golf course and parks operations. The District contracts with various professionals to provide General Counsel and Chief Financial Officer functions as well as representation regarding specific legal matters (e.g. water rights negotiations and litigation). Engineers specializing in water and wastewater planning and infrastructure projects have historically provided services to the District along with various professional consultants, through separate agreements.

Basis of Accounting

The District prepares its budget on the modified accrual basis of accounting and uses both governmental and proprietary funds to budget and report on its financial position.

Revenues

Rates and Fees

The District collects no ad valorem taxes and does not certify any mill levy. The District is financed through rates and fees that are charged to consumers residing within the District's boundaries, as well as from extra-territorial consumers that have contracted with the District for the provision of water and wastewater services.

Intergovernmental Revenue

The District receives additional revenues from the State of Colorado's Conservation Trust Fund (CTF). The Department of Local Affairs distributes CTF monies quarterly to the District for the provision of park and recreational services.

Funds

Street Lighting

The Street Lighting fund accounts for the revenue derived from District residents for the provision of street lighting.

Parks Fund

The Parks Fund accounts for revenues generated from monthly Park Fees assessed by the District, CTF monies derived from the State of Colorado, park facilities rental fees and any grants received for park related projects. Expenditures are used for park maintenance and capital improvements.

Golf Course Enterprise Fund

The Golf Course Enterprise Fund reflects revenues generated from greens and range fees, cart rentals, community leagues (including numerous youth organizations and schools), tournaments and retail sales. Expenditures range from routine operating expenses to capital expenditures to improve the facility.

Water and Wastewater Enterprise Fund

This is the major accounting fund for District revenues and operating expenditures. Revenue is derived from rates and fees charged to consumers for the provision of water and wastewater services, loan proceeds, and grant funds. Expenditures reflected in this fund include, but may not be limited to District administration, water and wastewater operations, purchase of water resources, capital improvements, and debt service.

Emergency Reserve

At the end of each year the District, where applicable, reserves that portion of the District's governmental funds' balances necessary to comply with the TABOR Amendment. This is done within the governmental funds of Parks and Street Lighting.

Capital Improvements

Categorized under regular and operational maintenance are several proposed projects for 2019, which are expected to total \$4,504,319. In addition to regular operations and maintenance, the District is anticipating major capital improvements beginning in 2019 and running through 2022. These projects are necessitated by a compliance order mandated by the State of Colorado regulating effluent Total Dissolved Solids (TDS) groundwater discharge limits as well as consideration to begin purchasing renewable water resources to ensure adequate water supply resources for the future. These capital projects will be financed through bonds or notes that are envisioned to be implemented in phases beginning in 2019.

A District-wide rate study will be undertaken in 2019, to determine the best course of action to consider in response to generally flat revenue and increasing operational and capital costs.

PUBLISHER'S AFFIDAVIT

STATE OF COLORADO }
COUNTY OF ELBERT } ss.

I, Jenna Lister, do solemnly affirm that I am the Publisher of RANGLAND NEWS; that the same is a weekly newspaper published at Simla, County of Elbert, State of Colorado, and has a general circulation therein; that said newspaper has been continuously and uninterruptedly published in said County of Elbert for a period of at least 52 consecutive weeks next prior to the first publication of the annexed notice, that said newspaper is entered in the post office at Cathan, Colorado as second class mail matter and that said newspaper is a newspaper within the meaning of the Act of the General Assembly of the State of Colorado, approved March 30, 1923, and entitled "Legal Notices and Advertisements," with other Acts relating to the printing and publishing of legal notices and advertisements. That the annexed notice was published in the regular and entire issue of said newspaper, once each week for one successive weeks; that the first publication of said notice was in the issue of said newspaper dated;

December 13, 2018

and the last publication of said notice was in the issue of said newspaper dated;

and that copies of each number of said paper in which said notice and/or list was published were delivered by carriers or transmitted by mail to each of the subscribers of said newspaper, Ranchland News, according to the accustomed mode of business in this office.

Jenna Lister
Publisher

The above certificate of publication was subscribed and affirmed to before me, a Notary Public, to be the identical person described in the above certificate, on the

13 day of December, 2018

Susan Lister
Notary Public

9/20/20

(My Notary Public Commission Expiration Date)

Notice of Regular Meeting
CHEROKEE METROPOLITAN
DISTRICT

NOTICE OF REGULAR MEETING

NOTICE IS HEREBY GIVEN that the Board of Directors of the Cherokee Metropolitan District of the County of El Paso, State of Colorado, will be conducting a regularly scheduled meeting to discuss the 2019 Budget, including a Public Hearing for the 2019 Budget; business items, and other matters that may come before the Board at 5:30 p.m. on Monday, December 17, 2018 in the Conference Room at the Cherokee Metropolitan District office located at 6250 Palmer Park Blvd., Colorado Springs, Colorado 80915.

NOTICE IS FURTHER GIVEN that any customer or other interested party may appear at said time and place for the purpose of providing input, comments or objections regarding the proposed 2019 Budget. Any objections may be filed with the District at any time prior to final adoption. The budget draft is open for public inspection, and any customer or other interested party may inspect the draft budget at the Cherokee Metropolitan District Office at 6250 Palmer Park Blvd., Colorado Springs, Colorado 80915.

This meeting is open to the public.
Respectfully submitted,
Board of Directors, Cherokee Metropolitan District
Published December 13, 2018
In Ranchland News
Legal No. 380

SUSAN LISTER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19964014317
MY COMMISSION EXPIRES 09/20/2020