

GARDENS AT NORTH CAREFREE METROPOLITAN DISTRICT

ANNUAL TOWN HALL MEETING

November 6, 2024 at 5:30 p.m.



Held In Person and Virtual:

Falcon Fire Station #4

2710 Capital Drive, Colorado Springs, CO 80939

-or-

<https://video.cloudoffice.avaya.com/join/217916951>

Phone: +1 (213) 463-4500

Meeting ID: 217916951

AGENDA

- 1) Call to Order
- 2) Current Public Infrastructure Projects
- 3) Current Bond and Debt Status
- 4) Year-to-Date Unaudited Financial Statements
- 5) 2025 Adopted Budget and Implementation of Fees
- 6) Questions
- 7) Adjourn

Agenda Item 2)

District Assets and Responsibilities

Assets under District Care

- Landscape
- Retaining Wall
- Perimeter Fencing
- Mailbox Kiosk
- Irrigation Controller
- Drainage Facilities

All Public Tracts (A, B, C, D, E, F, G, H, & I) have been reviewed by the County and accepted by the District



Agenda Item 2) Current Public Infrastructure

Native Landscape
Manicured Landscape
Detention Pond
Snow Removal
Mailbox Cluster Pad



Agenda Item 3)

Current Bond and Debt Status

Bond Amount	Lender/Trustee	Interest Rate	Issued	BALANCE AS OF 12/31/2024
Series 2023 - \$2,960,556 Maturity: Dec. 1, 2052	Covington Homes	8.50%	11/01/2023	\$2,960,556

Operations & Maintenance Mill Levy
10.000

Debt Service Mill Levy
40.000

How to Calculate your Property Taxes:

Market Value of your home x (times) Residential Assessment Rate (RAR) = Assessed Valuation (AV)
AV x (times) Mill Levy Rate ÷ (divided by) 1,000 = Annual Property Tax

EXAMPLE assuming a home value of \$400,000:

\$400,000 x 6.7% (current RAR) = 26,800 (AV)

26,800 x 50.000 (total mill levy) = 1,340,000 ÷ 1,000 = \$1,340 per year

The District continues to operate in accordance with a Reimbursement Agreement between
Gardens at North Carefree Metropolitan District and Covington Homes, LLC.

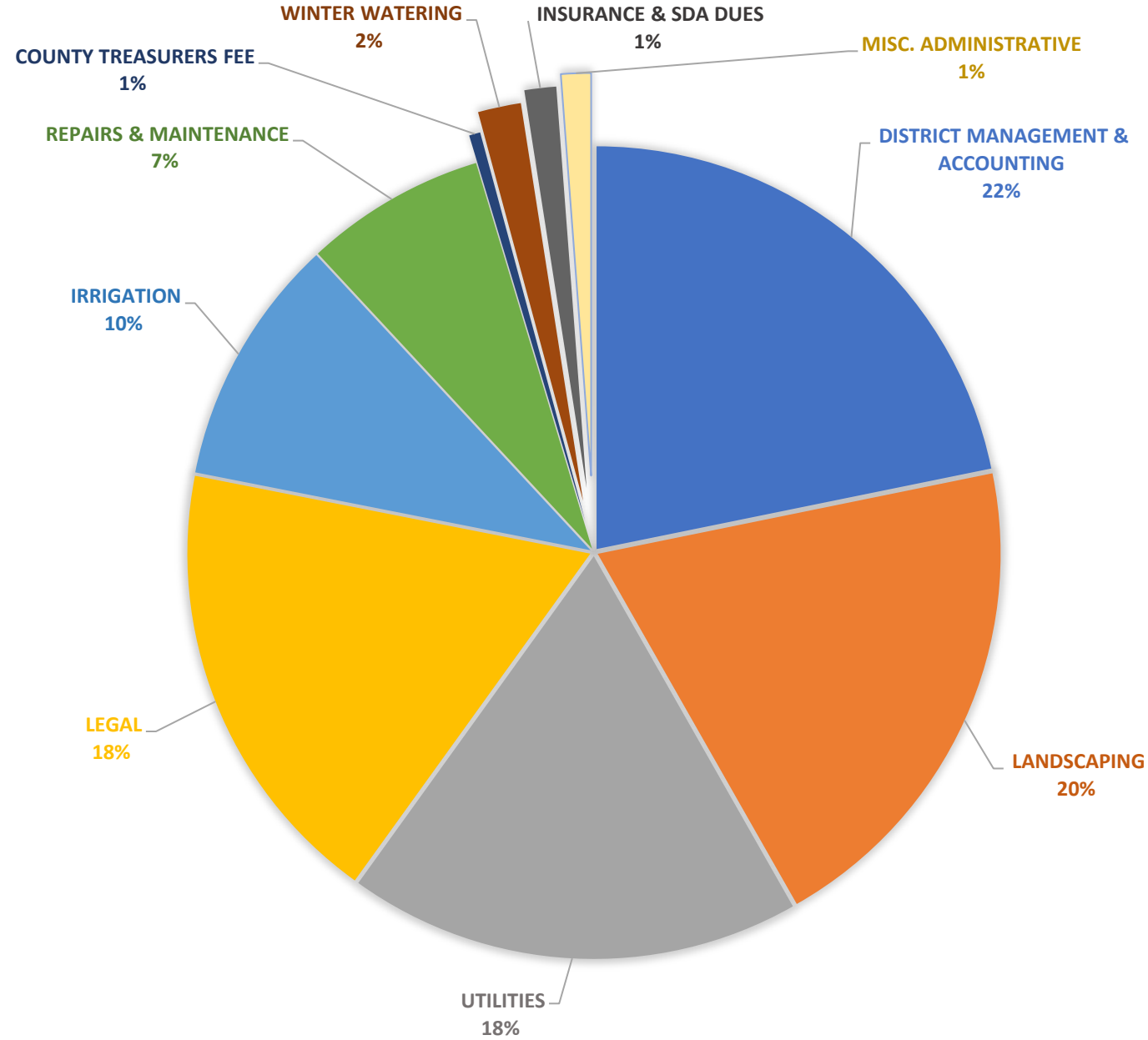
Agenda Item 4)

Unaudited Financial Statements

Year-to-Date Expense Summary – October 23, 2024

Expense	Jan 1 - Oct 23, 24	Budget	Variance
Detention Pond Maintenance	0.00	4,000.00	-4,000.00
Utilities	13,555.27	10,000.00	3,555.27
Snow Removal	0.00	5,000.00	-5,000.00
Landscaping			
Irrigation	4,064.12	0.00	4,064.12
Winter Watering	420.32	0.00	420.32
Landscaping - Other	10,886.76	11,000.00	-113.24
Total Landscaping	15,371.20	11,000.00	4,371.20
Repairs & Maintenance	1,927.00	4,000.00	-2,073.00
Bank Fees	5.00	0.00	5.00
District Management	9,034.50	12,000.00	-2,965.50
Insurance	-1,119.00	1,000.00	-2,119.00
Office Expense	12.00	0.00	12.00
Postage	0.55	200.00	-199.45
Miscellaneous	144.00	0.00	144.00
SDA Dues	0.00	700.00	-700.00
Treasurer Collection Fee - O&M	247.12	245.00	2.12
Electric	38.45	0.00	38.45
Legal	3,043.75	10,000.00	-6,956.25
Total Expense	42,259.84	58,145.00	-15,885.16

2024 EXPENSES BY CATEGORY



Agenda Item 4)

Unaudited Financial Statements

Budget vs. Actual – October 23, 2024

Ordinary Income/Expense		Jan 1 - Oct 23, 24	Budget	Variance
Income				
	Current Year Property Tax - O&M	16,473.53	16,313.00	160.53
	Specific Ownership Tax - O&M	1,137.79	1,142.00	-4.21
	Delinquent Interest - O&M	0.91	0.00	0.91
	Developer Advance O&M	38,768.00	0.00	38,768.00
	Total Income	56,380.23	17,455.00	38,925.23
Total Expense		42,259.84	58,145.00	-15,885.16
Net Ordinary Income		14,120.39	-40,690.00	54,810.39

Agenda Item 5)

2025 Proposed Budget

Historical Expense

EXPENDITURES	2021	2022	2023	2024	2025
BANK FEES		0	0	5	50
COUNTY TREASURERS FEE	0	155	168	247	251
DISTRICT MANAGEMENT/ACCOUNTING	7,021	2,250	9,000	12,000	12,000
DUES - SDA	0	0	700	700	616
ELECTION	0	0	293	0	4,000
INSURANCE	0	100	5,947	0	6,392
LEGAL	7,500	2,126	9,736	10,000	5,000
MISCELLANEOUS	1,507	0	0	144	0
OFFICE EXPENSE	0	0	0	12	50
POSTAGE & PRINTING	0	0	111	500	800
REPAIRS & MAINTENANCE	0	0	17,553	4,000	4,000
IRRIGATION	0	0	0	5,500	5,000
WINTER WATERING	0	0	0	951	1,000
LANDSCAPING	0	4,312	10,267	11,000	12,000
SNOW REMOVAL	0	0	0	0	5,000
UTILITIES	0	191	9,197	10,000	9,000
DETENTION POND MAINTENANCE	0	0	0	0	4,000
EMERGENCY RESERVE: State Required 3%	481	274	1,883	1,652	2,073
TOTAL EXPENDITURES	16,509	9,408	64,855	56,711	71,232

Agenda Item 5)

2025 Proposed Budget

Historical Income vs Expense

INCOME		2021	2022	2023	2024	2025
	PROPERTY TAXES - O&M	6,028	10,073	11,209	16,474	16,766
	SPECIFIC OWNERSHIP TAXES - O&M	0	1,047	1,172	1,142	1,174
	O&M FEES	0	0	0	0	50,400
	OTHER INCOME (Delinquent Interest)	0	407	6	1	0
TOTAL INCOME		6,028	11,527	12,386	17,616	68,340
TOTAL EXPENDITURES		16,509	9,408	64,855	56,711	71,232
	VARIANCE: surplus / shortfall	-10,481	2,119	-52,469	-39,095	-2,893
DEVELOPER FUNDING		2021	2022	2023	2024	2025
	DEVELOPER ADVANCE	10,000	0	0	38,768	0
	TRANSFER IN DEBT SERVICE FUND	0	0	41,496	0	0
TOTAL DEVELOPER FUNDING		10,000	0	41,496	38,768	0
ADJUSTED VARIANCE: surplus / shortfall		-481	2,119	-10,973	-327	-2,893

Agenda Item 5)

Implementation of Fees

Help from the Developer

Since the approval of the District's Service Plan on July 23, 2019, inflation has outpaced taxation, resulting in an annual shortfall of funds.

Covington Homes contributions conception through 2023 were reimbursed through the establishment of a Bond in 2023.

The District made payments on the Bond totaling \$38,768 so far in 2024, which Covington Homes immediately reverted to the District as new Developer Advance to keep the community afloat.

A new Developer Reimbursement Agreement was established in 2024.

Covington Homes has agreed to continue providing Advances until the District's income meets its expenses.

Agenda Item 5) Implementation of Fees

Resolving the Shortfall

Title 32 of the Colorado Revised Statutes provides the Board of Directors with the power to, “fix and from time to time to increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the special district”.

Considerations:

- Tax income is insufficient to fund the expenses
- The projected shortfall is \$50,400 (\$720 per home)
- Residents have requested funding be increased to upgrade public landscaping
- Neighboring Homeowners Associations range between \$140 and \$275 per month
- Fees can be assessed annual, quarterly, or monthly – but increased billing increases administrative expenses

2025 Proposed Fee - \$60 per home per month

Questions?