

## Roxborough Village Metropolitan District

January 28, 2025

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## Introductions

- > Board of Directors
  - > Ephram Glass, President
  - > Debra Prysby, Vice-President
  - > Mark Rubic, Treasurer
  - > Travis Jensen, Secretary
  - > Brendan Coupe, Assistant Secretary
- > District General Counsel - Dino Ross
- > District Manager - Peggy Ripko

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## Why are we here?

- > RVMD has been providing landscaping and snow removal services for three HOAs at no additional cost to those HOAs without voter approval.
- > After public meetings and correspondence with representatives of these HOAs, those services were terminated on December 31, 2024.
- > The Board cannot spend taxpayer money to provide services benefitting private corporations and their private landowner members without voter approval, unless the Board can clearly demonstrate all those services benefit forward and RVMD's residents -- including the half who are not members of those HOAs -- in a way that equals or exceeds the value of the taxpayer funds being spent.
- > The HOAs are aware that voter approval is required for RVMD to enter into agreements to provide these services moving forward and have all indicated that they want this put on the ballot in May 2025.
- > As many RVMD residents are not members of these HOAs, the RVMD Board believes it important to inform all of its residents of the situation and give them an opportunity to provide feedback before deciding to spend the money to put this on the ballot

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## Development History

- > Development began in 1985.
- > Built out in "Fillings" (subdivisions).
- > Subdivisions built prior to 2000 relied on open space and parks originally deeded to RVMD.
- > Subdivisions built after 2000, including Arrowhead Shores and Chatfield Farms, had new open space and parks built. Only some of these areas were deeded to RVMD.
- > HOAs were created for some subdivisions.
- > Some HOAs have dissolved since initial development.

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## Development History (continued)

- > Of the 9 remaining HOAs within RVMD, RVMD entered into contracts to provide maintenance services without charge to the following HOAs:
  - > Arrowhead Shores
  - > Roxborough Village First
  - > Filing 14B
  - > Chatfield Farms 1A
  - > Chatfield Farms 1B
  - > Chatfield Farms Estates
- > Approximately 50% of the area within RVMD is within these six HOA development areas.

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### Development History (continued)

- > RVMD's contracts with the Arrowhead Shores, Filing 14B, and Roxborough Village First HOAs required RVMD to maintain the majority of the areas privately owned by those HOAs without charge. Even though these areas were not deeded to RVMD, taxes collected from all RVMD landowners have been used to pay for these services.
- > RVMD provides maintenance services to private property owned by the three Chatfield Farms HOAs without charge as part of a contract with the developer of Chatfield Farms signed at the time Chatfield Farms was included into RVMD. Those contracts, which were for 30 years, will end in 2030. At the time Chatfield Farms was included, voters approved the agreements between RVMD and the developer.
- > No ballot was voted on to allow RVMD to perform maintenance on HOA owned land at no cost, exclusive of Chatfield Farms.

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### Colorado Law - TABOR

- > RVMD is a political subdivision of the State and a local government.
- > Since 1992, Colorado's Constitution (TABOR) prohibits State and local governments from having a direct or indirect multiple-fiscal year financial obligation without prior voter approval.
- > Colorado Courts permit a multiple-fiscal year financial obligation IF the local government has the absolute right to terminate the obligation without liability by not appropriating funds ("non-appropriation").
- > Arrowhead Shores & Roxborough Village First contracts have non-appropriation provisions. The Filing 14B contract does not and may be invalid. It has a 30-day termination provision, but termination by contract is different than termination by non-appropriation.

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### Colorado Law - Board's Fiduciary Duty

- > Holding public office is a public trust, created by the confidence of the voters in the integrity of their local government officials. A local government official whose conduct departs from their fiduciary duty is liable to the people of Colorado the same as a private fiduciary would suffer for abuse of their trust.
- > Fiduciary obligation includes proper use of taxpayer money.
- > A Director has a fiduciary obligation to RVMD. This obligation does not extend to each individual resident of RVMD, but rather to RVMD itself. As a fiduciary, the Director has the duty to exercise the utmost good faith, business sense, and astuteness on behalf of RVMD.
- > Governmental entity should not use taxpayer money to benefit a private individual or entity. HOAs, while non-profit, are private corporations.
- > The Board cannot spend taxpayer money to provide services benefitting private corporations and their private landowner members, unless the Board can clearly demonstrate all those services benefit all of RVMD's residents -- including the half who are not members of those HOAs -- in a way that equals or exceeds the value of the taxpayer money being spent.

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### Legal Issue

- > Through the previous contracts, RVMD was contractually required to provide maintenance services to the aforementioned three HOAs at no charge.
- > These contracts required RVMD to maintain the privately owned areas and improvements of these three HOAs and, in doing so, RVMD was providing different services than it was providing to the rest of its residents.
- > These contracts result in all RVMD homeowners, including those who do and do not reside in these three HOAs, having their tax dollars used to maintain these HOA owned areas. By using RVMD tax funds for this purpose, this reduces the cost these HOAs would otherwise incur to maintain their property, lowering the HOA dues to their homeowners.
- > Without these contracts, RVMD will continue to provide services to RVMD owned property within the three HOAs that it provides to the rest of the areas it owns throughout RVMD. What RVMD has stopped providing is maintenance services at no cost to those areas within these three HOAs boundaries that are privately owned by the HOAs.

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### Possible Solutions

- > The HOAs pay RVMD to provide the services (new contracts).
- > The HOAs pay for any services they want for the property they own.
- > RVMD conducts an election in May 2025 to ask all its voters if RVMD should continue to provide the three HOAs services for their privately owned areas without charge, as well as for any other HOA that may want the same services.
- > One or more of the HOAs and RVMD agree that certain HOA owned property will be deeded to RVMD without charge.


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RVMD  
Established 1985  
2,392 Property Owners




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**Imperial Homes**  
No HOA  
Construction from 1986  
167 Property Owners




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**Pulte Homes**  
No HOA  
Construction from 1986  
213 Property Owners




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**US Homes**  
No HOA  
Construction from 1987  
179 Property Owners




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**Executive Homes**  
No HOA  
Construction from 1986  
194 Property Owners




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**Roxborough Village 1st**  
HOA  
District Provides Maintenance to HOA Property  
Construction from 1996  
178 Property Owners



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**Filing 14A**  
No HOA  
Construction from 1998  
84 Property Owners




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**Filing 14B**  
HOA  
District Provides Maintenance to HOA Property  
Construction from 1999  
94 Property Owners



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**Roxborough Ridge**  
HOA  
No District Maintenance of HOA Property  
Construction from 2001  
68 Property Owners




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**Filing 16B**  
HOA  
No District Maintenance of HOA Property  
Construction from 2000  
51 Property Owners




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**Arrowhead Shores**  
HOA  
District Provides Maintenance to HOA Property  
Construction from 2001  
755 Property Owners




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**Chatfield Farms**  
Three HOAs  
District Provides Maintenance to HOA Property  
Construction from 2000  
377 Property Owners



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**Verandah Court**  
HOA  
No District Maintenance of HOA Property  
Construction from 2009  
22 Property Owners



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### Effects of a Ballot Measure Passing

- > It would allow RVMD to enter into maintenance contracts with the three HOAs, and any other HOA at no cost and eliminate this issue moving forward.
- > RVMD may be able to perform the maintenance more cost efficiently than any individual HOA due to economies of scale thereby saving those individual HOA homeowners money.
- > As a government entity, RVMD may have access to more grants to enact water saving measures or other initiatives on HOA owned land.

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### Effects of a Ballot Measure Passing (continued)

- > The current tax revenue is projected to cover maintenance costs in the near term. It is estimated that continuing landscape and snow removal maintenance on HOA-owned land, excluding Chatfield Farms, is estimated in the first year to cost \$110,000 or more if other HOAs seek to enter into contracts for their private property. Adding playground maintenance and sidewalk maintenance (which RVMD has not historically covered), will increase RVMD's costs.
- > The ballot measure will also allow the contracts between the three Chatfield Farms HOAs and RVMD to be extended beyond 2030, which is when the Chatfield Farms inclusion contract will end. Currently, RVMD is spending more than \$200,000 per year on Chatfield Farms maintenance.

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### Effects of a Ballot Measure Failing

- > RVMD will continue to provide maintenance services to all property it owns throughout RVMD regardless of whether the property is within the boundaries of an HOA.
- > RVMD and the Board will comply with their fiduciary obligation, which includes not using its public funds to benefit any private individual or entity.
- > RVMD, with reduced expenses, especially after the end of the Chatfield Farms inclusion contract in 2030, may be in a position to consider a reduction in property tax.
- > RVMD will incur some costs associated with separating its irrigation assets which are currently part of one system.

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### Public Comment Period

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