

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Erie Commons Metropolitan District No. 2 (the “**Board**”), Town of Erie, Weld County, Colorado (the “**District**”), held a regular meeting, via teleconference on October 25, 2023, at 6:30 PM.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2024 BUDGET

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDGETS AND

NOTICE OF PUBLIC HEARING ON THE AMENDED 2023 BUDGETS
The Boards of Directors (collectively the "Boards") of the ERIE COMMONS METROPOLITAN DISTRICT NOS. 1-3 (collectively the "Districts"), will hold a public hearing via teleconference on October 26, 2023, at 6:30 PM, to consider adoption of the Districts' proposed 2024 budgets (the "Proposed Budgets"), and, if necessary, adoption of an amendment to the 2023 budgets (the "Amended Budgets"). This public hearing may be joined using the following teleconference information:

Zoom Meeting Link:
https://us06web.zoom.us/j/88460822052?pwd=LCLkS54ExSDUY9tR6JaemHAuL1p4u.1
Meeting ID: 884 6082 2052
Passcode: 957690

Call In Numbers: 1(719) 359-4580 or 1(720) 707-2699

The Proposed Budgets and Amended Budgets are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111.

Any interested elector of the Districts may file any objections to the Proposed Budgets and Amended Budgets at any time prior to the final adoption of the Proposed Budgets or the Amended Budgets by the Boards.

The agenda for any meeting may be obtained at eriecommonsmetrodistricts.org or by calling (303) 858-1800.
BY ORDER OF THE BOARDS OF DIRECTORS:

ERIE COMMONS METROPOLITAN DISTRICT NOS. 1-3, quasi-municipal corporations and political subdivisions of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published: Colorado Hometown Weekly October 18, 2023-2010194

Prairie Mountain Media, LLC


PUBLISHER'S AFFIDAVIT

**County of Boulder
State of Colorado**

The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the Colorado Hometown.
2. The Colorado Hometown is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the Colorado Hometown in Boulder County on the following date(s):

Oct 18, 2023



Signature

Subscribed and sworn to me before me this 18th day of October, 2023



Notary Public

**SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES July 31, 2025**

(SEAL)

Account: 1051175
Ad Number: 2010194
Fee: \$36.83

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 5.950 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of 58.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 . _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Weld County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of Page Intentionally Left Blank]

ADOPTED OCTOBER 25, 2023.

DISTRICT:

ERIE COMMONS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Patrick Hofmann*
Patrick Hofmann (Jan 30, 2024 08:56 MST)

Officer of the District

Attest:

By: *Kelly A. Farmer*
Kelly A. Farmer (Jan 29, 2024 11:32 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

K. Sean Allen
General Counsel to the District

STATE OF COLORADO
COUNTY OF WELD
ERIE COMMONS METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on October 25, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of October, 2023.

Kelly A. Farmer
Kelly A. Farmer (Jan 29, 2024 11:32 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

ERIE COMMONS METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

EREI COMMONS HILL METRO DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Residential	\$ 23,923,990	\$ 24,098,360	\$ 31,821,630
Commercial	21,010	540	1,030
State assessed	377,160	453,810	402,530
Vacant land	356,570	283,550	1,253,010
Oil & Gas	366,260	71,410	166,960
	<u>25,044,990</u>	<u>24,907,670</u>	<u>33,645,160</u>
Adjustments	(9,607)	(11,249)	(214,021)
Certified Assessed Value	<u>\$ 25,035,383</u>	<u>\$ 24,896,421</u>	<u>\$ 33,431,139</u>
MILL LEVY			
General	3.663	3.765	5.950
Debt Service	52.000	53.455	58.000
Total mill levy	<u>55.663</u>	<u>57.220</u>	<u>63.950</u>
PROPERTY TAXES			
General	\$ 91,705	\$ 93,735	\$ 198,915
Debt Service	1,301,840	1,330,838	1,939,006
	<u>1,393,545</u>	<u>1,424,573</u>	<u>2,137,921</u>
Levied property taxes	1,393,545	1,424,573	2,137,921
Adjustments to actual/rounding	2	-	-
Refunds and abatements	-	(677)	-
Budgeted property taxes	<u>\$ 1,393,547</u>	<u>\$ 1,423,896</u>	<u>\$ 2,137,921</u>
ASSESSED VALUATION			
TIF District Increment	\$ 9,607	\$ 11,249	\$ 214,021
Certified Assessed Value	<u>\$ 9,607</u>	<u>\$ 11,249</u>	<u>\$ 214,021</u>
MILL LEVY			
General	3.663	3.765	5.950
Debt Service	52.000	53.455	58.000
Total mill levy	<u>55.663</u>	<u>57.220</u>	<u>63.950</u>
PROPERTY TAXES			
General	\$ 35	\$ 42	\$ 1,273
Debt Service	500	601	12,413
	<u>535</u>	<u>643</u>	<u>13,686</u>
Levied property taxes	535	643	13,686
Budgeted property taxes	<u>\$ 535</u>	<u>\$ 643</u>	<u>\$ 13,686</u>
BUDGETED PROPERTY TAXES			
General	\$ 91,740	\$ 93,777	\$ 200,188
Debt Service	1,302,340	1,331,439	1,951,419
	<u>\$ 1,394,080</u>	<u>\$ 1,425,216</u>	<u>\$ 2,151,607</u>

No assurance provided. See summary of significant assumptions.

**EREI COMMONS HILL METRO DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 135,449	\$ 197,277	\$ 234,418
REVENUES			
Property taxes	1,393,547	1,423,896	2,137,921
Specific ownership taxes	82,509	55,996	107,580
TIF revenue	535	643	13,686
Interest income	13,002	26,366	9,000
Transfers from Erie Commons MD No. 3	53,863	89,141	135,553
Total revenues	1,543,456	1,596,042	2,403,740
Total funds available	1,678,905	1,793,319	2,638,158
EXPENDITURES			
General and administrative			
Accounting	10,376	12,500	12,500
Auditing	10,500	11,025	12,500
County Treasurer's fee	20,926	21,369	32,274
Directors' fees	200	100	200
Insurance	2,006	13,000	13,000
Legal	-	7,544	5,000
Miscellaneous	1,397	1,179	2,500
Paying agent fees	6,000	8,000	6,000
Transfer to Erie Commons MD No. 1	10,000	25,000	35,000
Debt Service			
Bond interest	1,165,223	1,204,184	1,789,030
Bond Principal	255,000	255,000	285,000
Total expenditures	1,481,628	1,558,901	2,193,004
Total expenditures and transfers out requiring appropriation	1,481,628	1,558,901	2,193,004
ENDING FUND BALANCES	\$ 197,277	\$ 234,418	\$ 445,154
EMERGENCY RESERVE	\$ 46,400	\$ 47,900	\$ 72,200
AVAILABLE FOR OPERATIONS	150,877	186,518	372,954
TOTAL RESERVE	\$ 197,277	\$ 234,418	\$ 445,154

No assurance provided. See summary of significant assumptions.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

In accordance with its Service Plan, Erie Commons Metropolitan District No. 2 was formed to provide the funding and tax base needed to support the financing of its operations and capital improvements for the property known as “Erie Commons,” which is located in Erie, Colorado. Such improvements include, but are not limited to, sanitation, water, wastewater, streets, traffic and safety controls, and parks and recreation improvements.

The Service Plan provides the ability for the District to impose a maximum mill levy for its debt service requirements as well as a maximum aggregate mill levy for combined debt service and operational and maintenance requirements of the District. The Service Plan also provides a combined new money revenue and general obligation debt limit of \$50,000,000 for Erie Commons District Nos. 1, 2, and 3, exclusive of surety requirements, but inclusive of organizational costs, financing costs and costs of construction and operation of public infrastructure.

The District has no employees and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District’s Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes – (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 4% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

Intergovernmental Transfers

The District anticipates that it will receive \$135,553 in pledged revenues from District No. 3 to fund a portion of the debt service obligations of the District.

Expenditures

General and Administrative

General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative expenses.

Intergovernmental Transfers

The District expects to transfer \$35,000 of revenues derived from property taxes and specific ownership taxes to Erie Commons Metropolitan District No. 1 for operating expense.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2019A and 2019B Bonds.

Debt and Leases

On December 19, 2019, the District issued the (i) Series 2019A Senior general Obligation Limited Tax Bonds in the aggregate principal amount of \$20,250,000 and (ii) Series 2019B Subordinate General Obligation Limited Tax Bonds in the aggregate principal amount of \$12,400,000 for the purposes of (i) paying and discharging the Series 2009 Bonds; and (ii) paying costs of issuance and other costs in connection with the Bonds.

The Series 2019A Senior Bonds bear interest at 3.5% per annum which is payable semi-annually on June 1 and December 1. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. The Bonds mature on December 1, 2049. The Bonds are payable from pledged revenue consisting primarily of property tax revenues and specific ownership tax revenues.

The Series 2019B Subordinate Bonds bear interest at 6.95% per annum which is payable annually on December 15 subject to the extent of available pledged revenues. The Bonds are structured as cash flow bonds meaning there are no scheduled payments on the Bonds prior to their maturity date which is December 15, 2054.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

Erie Commons Metropolitan District No. 2
\$20,250,000
Senior General Obligation
Limited Tax Bonds
Series 2019A
December 19, 2019
Interest Rate of 3.00% - 4.00%
Interest Payable June 1 and December 1
Principal Payable December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 285,000	\$ 714,450	\$ 999,450
2025	295,000	700,200	995,200
2026	315,000	685,450	1,000,450
2027	330,000	669,700	999,700
2028	375,000	653,200	1,028,200
2029	395,000	634,450	1,029,450
2030	445,000	614,700	1,059,700
2031	465,000	592,450	1,057,450
2032	520,000	569,200	1,089,200
2033	545,000	543,200	1,088,200
2034	605,000	515,950	1,120,950
2035	635,000	485,700	1,120,700
2036	700,000	453,950	1,153,950
2037	730,000	425,950	1,155,950
2038	795,000	396,750	1,191,750
2039	825,000	364,950	1,189,950
2040	895,000	331,950	1,226,950
2041	920,000	305,100	1,225,100
2042	985,000	277,500	1,262,500
2043	1,015,000	247,950	1,262,950
2044	1,085,000	217,500	1,302,500
2045	1,115,000	184,950	1,299,950
2046	1,185,000	151,500	1,336,500
2047	1,225,000	115,950	1,340,950
2048	1,300,000	79,200	1,379,200
2049	1,340,000	40,200	1,380,200
Total	<u>\$ 19,325,000</u>	<u>\$ 10,972,050</u>	<u>\$ 30,297,050</u>

No assurance provided. See summary of significant assumptions.