RESOLUTION NO. 2023-11-02

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY RESOLUTION OF THE BOARD OF DIRECTORS OF ROCK CANYON METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2024

- A. The Board of Directors of Rock Canyon Metropolitan District (the "**District**") has appointed the District Accountant to prepare and submit a proposed budget to said governing body at the proper time.
- B. The District Accountant has submitted a proposed budget to this governing body on October 17, 2023 for its consideration.
- C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 17, 2023, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.
- D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District.
- E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.
- F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.
- G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ROCK CANYON METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO:

- 1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.
- 2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.
- 3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

{01116895.DOCX v:2}

[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY]

RESOLUTION APPROVED AND ADOPTED on November 17, 2023.

ROCK CANYON METROPOLITAN DISTRICT

By: Sean Allen
President

Attest:

By:

Secretary

EXHIBIT A

Budget

{01116895.DOCX v:2}

ROCK CANYON METRO DISTRICT ANNUAL BUDGET FOR THE YEAR ENDING DECEMBER 31, 2024

ROCK CANYON METRO DISTRICT SUMMARY 2024 BUDGET

WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

		ACTUAL 2022	ES	STIMATED 2023	В	SUDGET 2024
	<u> </u>	LULL	<u> </u>	2020		<u> </u>
BEGINNING FUND BALANCES	\$	235,509	\$	217,658	\$	221,259
REVENUES						
Property taxes		62,745		102,853		174,690
Specific ownership taxes		5,548		8,963		15,722
Interest income		3,811		8,350		11,000
Developer advance		50,227		-		-
Total revenues		122,331		127,093		201,412
Total funds available		357,840		344,751		422,671
EXPENDITURES						
General Fund		50,608		33,455		40,000
Debt Service Fund		89,574		90,037		111,000
Total expenditures		140,182		123,492		151,000
Total expenditures and transfers out						
requiring appropriation		140,182		123,492		151,000
ENDING FUND BALANCES	\$	217,658	\$	221,259	\$	271,671
EMERGENCY RESERVE	\$	500	\$	800	\$	1,400
SURPLUS FUND (Maximum:\$327,400)	φ	216,256	Ψ	220,459	Ψ	266,930
TOTAL RESERVE	\$	216,756	\$	221,259	\$	268,330

ROCK CANYON METRO DISTRICT PROPERTY TAX SUMMARY INFORMATION 2024 BUDGET

WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

	ACTUAL		ESTIMATED			BUDGET
		2022	2023			2024
ASSESSED VALUATION						
Residential	\$	_	\$	585,160	\$	2,228,930
Agricultural	•	_	*	-	Ψ.	-
State assessed		300		100		300
Vacant land		958,330		940,710		510
Personal property		-		35,360		67,060
Certified Assessed Value	\$	958,630	\$	1,561,330	\$	2,296,800
MILL LEVY		45.404		45.004		47.550
General		15.104		15.201		17.552
Debt Service		50.349		50.674		58.506
Total mill levy		65.453		65.875		76.058
PROPERTY TAXES General Debt Service	\$	14,479 48,266	\$	23,734 79,119	\$	40,313 134,377
Levied property taxes Adjustments to actual/rounding		62,745 -		102,853 -		174,690 -
Budgeted property taxes	\$	62,745	\$	102,853	\$	174,690
BUDGETED PROPERTY TAXES General Debt Service	\$ 	14,479 48,266 62,745	\$	23,734 79,119 102,853	\$	40,313 134,377 174,690

ROCK CANYON METRO DISTRICT GENERAL FUND 2024 BUDGET

WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

	Α	CTUAL 2022	ES	STIMATED 2023	E	BUDGET 2024
BEGINNING FUND BALANCES	\$	(13,976)	\$	1,402	\$	800
REVENUES						
Property taxes		14,479		23,734		40,313
Specific ownership taxes		1,280		1,842		3,628
Interest income		-		350		-
Other revenue		-		6,927		-
Developer advance		50,227		-		-
Total revenues		65,986		32,853		43,941
Total funds available		52,010		34,255		44,741
EXPENDITURES						
General and administrative						
Accounting		21,338		15,000		20,000
Auditing		4,700		4,900		5,000
County Treasurer's fee		217		356		605
Dues and membership		353		308		500
Insurance		2,927		3,024		3,500
Legal		18,620		8,000		10,000
Election		2,453		1,867		-
Contingency		-		-		395
Total expenditures		50,608		33,455		40,000
Total expenditures and transfers out						
requiring appropriation		50,608		33,455		40,000
ENDING FUND BALANCES	\$	1,402	\$	800	\$	4,741
EMERGENCY RESERVE	\$	500	\$	800	\$	1,400
TOTAL RESERVE	\$	500	\$	800	\$	1,400

ROCK CANYON METRO DISTRICT DEBT SERVICE FUND 2024 BUDGET

WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

	ACTUAL 2022		ESTIMATED 2023		E	BUDGET 2024
BEGINNING FUND BALANCES	\$	249,485	\$	216,256	\$	220,459
REVENUES						
Property taxes		48,266		79,119		134,377
Specific ownership taxes		4,268		7,121		12,094
Interest income		3,811		8,000		11,000
Total revenues		56,345		94,240		157,471
Total funds available		305,830		310,496		377,930
EXPENDITURES						
General and administrative						
County Treasurer's fee		724		1,187		2,016
Paying agent fees		7,000		7,000		7,000
Contingency		-		-		1,134
Debt Service						
Bond interest		81,850		81,850		81,850
Bond Principal		-		-		19,000
Total expenditures		89,574		90,037		111,000
Total expenditures and transfers out						
requiring appropriation		89,574		90,037		111,000
ENDING FUND BALANCES	\$	216,256	\$	220,459	\$	266,930
SURPLUS FUND (Maximum:\$327,400)	\$	216,256	\$	220,459	\$	266,930
TOTAL RESERVE	\$	216,256	\$	220,459	\$	266,930

Services Provided

The District was organized by Order and Decree of the District Court of Douglas County, Colorado on February 28, 2019, to provide financing for design, acquisition, construction and installation and financing of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, and sewer and drainage facilities, and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of Douglas County, Colorado.

The budget is in accordance with the TABOR Amendment limitations, which were modified by the voters in an election held on November 6, 2018. Additionally, the election allows the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

On November 6, 2018, the District's voters authorized general obligation indebtedness of \$50,000,000 for District improvements, \$5,000,000 for the purpose of refunding debt, \$5,000,000 in intergovernmental agreements, and \$5,000,000 for operations and maintenance debt. The service plan has a limitation on the issuance of debt to \$5,000,000.

The initial and maximum debt service mill levy is 50.000 mills subject to changes in the method of calculating assessed valuation. The initial and maximum operations and maintenance mill levy is 15.000 mills. The combined initial and maximum mill levy for the District is 65.000 mills, subject to adjustment. For collection year 2024, the District will levy a general fund mill levy of 17.552 mills and a debt service mill levy of 58.506 mills for a combined mill levy of 76.058 mills.

The District has no employees and all 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.T.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, sale 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 primary source of revenue is property taxes. The calculation of the taxes levied is displayed on the Property Tax Summary pages of the budget using the adopted mill levy imposed by the District.

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				Single-Family	\$55,000
Residential	6.70%	Agricultural Land	26.40%	Residential	
Multi-Family		Renewable		Multi-Family	\$55,000
Residential	6.70%	Energy Land	26.40%	Residential	
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 9% of the property taxes collected by the District.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, and meeting costs.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020A Bonds (discussed under Debt and Leases).

Debt and Leases

The District issued Senior Bonds and the Subordinate Bonds on January 7, 2020, in the respective amounts of \$1,637,000 and \$398,000.

Proceeds from the sale of the Senior Bonds were used to: (a) pay or reimburse the Project Costs; (b) make a deposit to the Senior Surplus Fund; (c) fund capitalized interest on the Senior Bonds; and (d) pay costs of issuance of the Bonds. Proceeds from the sale of the Subordinate Bonds were used to: (a) pay or reimburse Project Costs; and (b) pay other costs incurred in connection with the issuance of the Subordinate Bonds.

The Senior Bonds bear interest of 5.000% and are payable semi-annually on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Senior Bonds mature on December 1, 2049. To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Senior Bond. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each interest payment date at the rate then borne by the Senior Bonds. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Senior Bonds.

The Subordinate Bonds were issued at the rate of 8.750% (with a combined yield with the Senior Bonds of 5.8152% per Form 8038-G) per annum and are payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Subordinate Bonds. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2059 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

Debt and Leases – (continued)

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, which includes:

- (a) the Senior Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection, which includes:

- (a) the Subordinate Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

The Senior Bonds are additionally secured by capitalized interest which will be funded from the proceeds of the Senior Bonds and by amounts, if any, in the Senior Surplus Fund.

Except for an initial deposit of \$129,000 from proceeds of the Senior Bonds, the Senior Surplus Fund will be funded solely from Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year up to the Maximum Surplus Amount of \$327,400. Pursuant to the Senior Indenture, the Senior Surplus Fund shall be maintained for so long as any Senior Bond is outstanding. The use of moneys released from the Senior Surplus Fund when no Senior Bonds are outstanding shall be subject to any pledges, liens, or other encumbrances, including any pledge, lien, or encumbrance created under the terms of any other Parity Bonds or Subordinate Bonds.

Optional Redemption. The Series 2020A Senior Bonds are also subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest and a redemption premium of a percentage of the principal amount so redeemed as follows:

Debt and Leases – (continued)

Date of Redemption	Redemption Premium
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

Optional Redemption. The Series 2020B₍₃₎ Subordinate Bonds are also subject to redemption prior to maturity, at the option of the District, as a whole or integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest and a redemption premium of a principal so redeemed, as follows:

<u>Date of Redemption</u>	Redemption Premium
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

The District has no operating or capital leases.

Reserves

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending as defined under TABOR.

ROCK CANYON METROPOLITAN DISTRICT SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$1,637,000 General Obligation Bonds, Series 2020A Dated January 7, 2020 Principal due December 1 Interest Rate 5.000% Payable

Year Ended	June 1 and December 1								
December 31,	per 31, Principal Interest		Interest		Total				
2024	\$	19,000	\$	81,850	\$	100,850			
2025	*	20,000	Ψ	80,900	Y	100,900			
2026		23,000		79,900		102,900			
2027		25,000		78,750		103,750			
2028		28,000		77,500		105,500			
2029		29,000		76,100		105,100			
2030		33,000		74,650		107,650			
2031		35,000		73,000		108,000			
2032		38,000		71,250		109,250			
2033		40,000		69,350		109,350			
2034		44,000		67,350		111,350			
2035		47,000		65,150		112,150			
2036		51,000		62,800		113,800			
2037		54,000		60,250		114,250			
2038		59,000		57,550		116,550			
2039		62,000		54,600		116,600			
2040		67,000		51,500		118,500			
2041		71,000		48,150		119,150			
2042		77,000		44,600		121,600			
2043		80,000		40,750		120,750			
2044		87,000		36,750		123,750			
2045		91,000		32,400		123,400			
2046		98,000		27,850		125,850			
2047		103,000		22,950		125,950			
2048		111,000		17,800		128,800			
2049		245,000		12,250		257,250			
	\$	1,637,000	\$	1,465,950	\$	3,102,950			

I, Selket Allen, hereby certify that I am the duly appointed Secretary of the Rock Canyon Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Rock Cayon Metropolitan District held on November 17, 2023.

Secretary

RESOLUTION NO. 2023-12-03

RESOLUTION TO SET MILL LEVIES

RESOLUTION OF THE ROCK CANYON METROPOLITAN DISTRICT LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE YEAR 2023, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2024 BUDGET YEAR

- A. The Board of Directors of the Rock Canyon Metropolitan District (the "**District**") has adopted an annual budget in accordance with the Local Government Budget Law, on November 17, 2023.
- B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.
- C. The amount of money necessary to balance the budget for general operating/general fund expenses from property tax revenue is identified in the budget.
- D. The amount of money necessary to balance the budget for debt retirement/debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Rock Canyon Metropolitan District, Douglas County, Colorado, that:

- 1. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
- 2. That for the purpose of meeting all debt retirement expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
- 3. That for the purpose of meeting all contractual obligation expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
- 4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District as set forth in the District's Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on November 17, 2023.

ROCK CANYON METROPOLITAN **DISTRICT**

By: Sean Allen
President

Attest:

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO The County Commissioners of Douglas County, Colorado On behalf of the Rock Canyon Metro District the Board of Directors of the Rock Canyon Metro District

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: \$2,296,800 Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity 's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$2,296,800

Submitted: Rob Lange for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	17.552 mills	\$40,313
2. <minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction</minus>	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	17.552 mills	\$40,313
3. General Obligation Bonds and Interest4. Contractual Obligations5. Capital Expenditures6. Refunds/Abatements7. Other	58.506 mills 0.000 mills 0.000 mills 0.000 mills 0.000 mills	\$134,377 \$0 \$0 \$0 \$0
8. Judgment	0.000 mills	\$0
TOTAL:	76.058 mills	\$174,690

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary.

The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

<u>CERTIFY A SEPARATE MILL LEVY FOR EACH BOND, CONTRACT, OTHER, AND/OR JUDGMENT:</u>

BONDS

1. Purpose of Issue: Public infrastructure

Series: 2020B - Subordinate GO Limited Tax Bonds

Date of Issue: 2020-01-07

Coupon Rate: 8.75

Maturity Date: 2049-12-15

Levy: 0.000 Revenue: \$0

2. Purpose of Issue: Public infrastructure

Series: 2020A - GO Limited Tax Bonds

Date of Issue: 2020-01-07

Coupon Rate: 5.00

Maturity Date: 2049-12-01 Levy: 58.506 Revenue: \$134,377

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 10 Jan 2024

I, Selket Allen, hereby certify that I am the duly appointed Secretary of the Rock Canyon Metropolitan District, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Rock Canyon Metropolitan District held on November 17, 2023.

Secretary