

BUDGET RESOLUTION

(2024)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

At the regular meeting of the Board of Directors of Bromley Park Metropolitan District No. 3, County of Adams, Colorado, held at 11:30 AM on Tuesday, November 28, 2023, at 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111, by videoconference and by teleconference, there were present:

Robert A. Lembke
James A. Korpál
Joshua Shipman
Patrick Crumpton
Ronald E. von Lembke

Also present was Michael Davis and Marisa Davis of the Law Office of Michael E. Davis, LLC (“District Counsel”)

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a regular meeting of the Board of Directors of the District and that a notice of the meeting was posted on the District's public website or at a public place within the boundaries of the District pursuant to applicable statutes and at the Adams County Clerk and Recorder's Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Korpala introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE BROMLEY PARK METROPOLITAN DISTRICT NO. 3, ADAMS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024 AND ENDING ON THE LAST DAY OF DECEMBER, 2024.

WHEREAS, the Board of Directors (the “Board”) of the Bromley Park Metropolitan District No. 3 (the “District”) has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2023; and

WHEREAS, the proposed 2024 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on October 26, 2023 in the Brighton Standard-Blade, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 11:30 AM on Tuesday, November 28, 2023, 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 Article X, Section 20 of the Colorado Constitution; and

WHEREAS, 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.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BROMLEY PARK METROPOLITAN DISTRICT NO. 3, ADAMS COUNTY, COLORADO, AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein (the “Budget”), including without limitation the estimated revenues and expenditures for each fund included therein, is hereby 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. Appropriations. The amounts set forth as expenditures for each fund in the Budget are hereby appropriated for each such fund.

Section 3. Mill Levy Adjustment. When developing the Budget, consideration was given to any changes in 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 that 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 4. Budget Certification. The Budget shall be certified by a director on the board of directors of the District and shall be made a part of the public records of the District.

Section 5. Certification of Mill Levies. For the purposes of meeting all of the District's general operating expenses, debt service obligations, contractual obligations, and capital expenditure obligations, as well as funding any applicable refunds or abatements during the 2024 budget year, the applicable mill levies set forth in the Budget are hereby adopted and approved. The attorney, accountant or manager for the District is hereby authorized and directed to certify to the Adams County Board of County Commissioners, no later than January 10, 2024, the mill levies for the District as set forth in the Budget. Such certification shall be in compliance with the requirements of Colorado law.


Section 6. 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.

The foregoing Resolution was seconded by Director Shipman.

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 28, 2023.

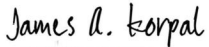
BROMLEY PARK METROPOLITAN DISTRICT NO. 3

By:


Robert A. Lembke, President

ATTEST:

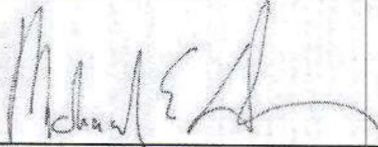
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James A. Korpala, Secretary/Treasurer

APPROVED AS TO FORM:
LAW OFFICE OF MICHAEL E. DAVIS, LLC
As General Counsel to the District



STATE OF COLORADO
COUNTY OF ADAMS
BROMLEY PARK METROPOLITAN DISTRICT NO. 3

I, James A. Korpall, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Bromley Park Metropolitan District No. 3 (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 11:30 AM on Tuesday, November 28, 2023, at 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111, by videoconference at <https://us06web.zoom.us/j/82637555286>, and by teleconference at (720) 707-2699, Meeting ID: 826 3755 5286, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on November 28, 2023.

DocuSigned by:

James A. Korpall

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James A. Korpall, Secretary/Treasurer

EXHIBIT A
2024 BUDGET DOCUMENT & BUDGET MESSAGE FOR
BROMLEY PARK METROPOLITAN DISTRICT NO. 3

BROMLEY PARK METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

BROMLEY PARK METROPOLITAN DISTRICT NO. 3
SUMMARY
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	\$ 2,434,804	\$ 14,980,708	\$ 9,929,303
REVENUES			
Property taxes	1,964,606	1,981,338	2,459,858
Specific ownership taxes	145,889	128,550	167,414
Interest income	13,051	36,828	50,050
Miscellaneous revenue	178	200	200
PILOT revenues	-	95,571	29,500
Reimbursed expenditures	102,849	-	-
Note proceeds	37,000,000	-	-
Total revenues	39,226,573	2,242,487	2,707,022
TRANSFERS IN	12,151	9,741	-
Total funds available	41,673,528	17,232,936	12,636,325
EXPENDITURES			
General Fund	225,554	343,163	361,000
Debt Service Fund	1,451,861	1,720,211	1,749,112
Capital Projects Fund	25,003,254	5,250,000	6,732,683
Total expenditures	26,680,669	7,313,374	8,842,795
TRANSFERS OUT	12,151	(9,741)	-
Total expenditures and transfers out requiring appropriation	26,692,820	7,303,633	8,842,795
ENDING FUND BALANCES	\$ 14,980,708	\$ 9,929,303	\$ 3,793,530
EMERGENCY RESERVE	\$ 7,000	\$ 9,800	\$ 23,200
AVAILABLE FOR OPERATIONS	609,312	498,880	895,201
REPLACEMENT RESERVES	-	100,000	100,000
TOTAL RESERVE	\$ 616,312	\$ 608,680	\$ 1,018,401

No assurance provided. See summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 3
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	\$ 31,576,430	\$ 28,806,010	\$ 34,957,040
Multi-Family Resid	-	1,386,810	\$ 3,318,330
Commercial	-	-	952,350
Agricultural	320	290	410
State assessed	2,030	16,360	14,310
Vacant land	539,440	642,120	638,470
Personal property	686,050	930,070	1,115,140
Natural Resources	1,620	1,620	1,570
	<u>32,805,890</u>	<u>31,783,280</u>	<u>40,997,620</u>
Certified Assessed Value	<u>\$ 32,805,890</u>	<u>\$ 31,783,280</u>	<u>\$ 40,997,620</u>

MILL LEVY

General	6.608	6.795	17.000
Debt Service	54.014	55.544	43.000
Refund and abatements	0.236	0.000	0.000
Total mill levy	<u>60.858</u>	<u>62.339</u>	<u>60.000</u>

PROPERTY TAXES

General	\$ 216,781	\$ 215,967	\$ 696,960
Debt Service	1,771,977	1,765,371	1,762,898
Refund and abatements	7,742	-	-
Levied property taxes	<u>1,996,500</u>	<u>1,981,338</u>	<u>2,459,858</u>
Adjustments to actual/rounding	(31,894)	-	-
Budgeted property taxes	<u>\$ 1,964,606</u>	<u>\$ 1,981,338</u>	<u>\$ 2,459,858</u>

BUDGETED PROPERTY TAXES

General	\$ 214,149	\$ 215,967	\$ 696,960
Debt Service	1,750,457	1,765,371	1,762,898
	<u>\$ 1,964,606</u>	<u>\$ 1,981,338</u>	<u>\$ 2,459,858</u>

BROMLEY PARK METROPOLITAN DISTRICT NO. 3
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	\$ 611,500	\$ 616,312	\$ 608,680
REVENUES			
Property taxes	214,142	215,967	696,960
PILOT revenues	-	95,571	29,500
Specific ownership taxes	15,902	14,012	44,011
Interest income	144	40	50
Miscellaneous revenue	178	200	200
Total revenues	230,366	325,790	770,721
TRANSFERS IN			
Transfers from other funds	-	9,741	-
Total funds available	841,866	951,843	1,379,401
EXPENDITURES			
General and administrative			
Accounting	30,671	41,000	45,100
Auditing	8,500	9,000	9,500
County Treasurer's fee	3,220	3,239	9,431
Directors' fees	3,400	4,000	4,000
Dues and membership	1,238	2,500	2,500
Insurance	798	7,000	7,000
District management	13,456	38,000	38,000
Legal	29,563	35,000	38,500
Miscellaneous	56	8	1,000
Payroll taxes	260	306	306
Contingency	-	-	12,163
Accounting consulting	47,013	29,610	30,000
Repairs and maintenance	70,518	135,000	135,000
Engineering	-	10,000	10,000
Surveys and locates	-	20,000	10,000
Utilities	7,358	8,500	8,500
Support Services	9,503	-	-
Total expenditures	225,554	343,163	361,000
Total expenditures and transfers out requiring appropriation	225,554	343,163	361,000
ENDING FUND BALANCES	\$ 616,312	\$ 608,680	\$ 1,018,401
EMERGENCY RESERVE	\$ 7,000	\$ 9,800	\$ 23,200
AVAILABLE FOR OPERATIONS	609,312	498,880	895,201
REPLACEMENT RESERVES	-	100,000	100,000
TOTAL RESERVE	\$ 616,312	\$ 608,680	\$ 1,018,401

No assurance provided. See summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 3
DEBT SERVICE 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	\$ 1,825,218	\$ 2,381,713	\$ 2,587,940
REVENUES			
Property taxes	1,750,464	1,765,371	1,762,898
Specific ownership taxes	129,987	114,538	123,403
Interest income	12,905	36,788	50,000
Reimbursed expenditures	102,849	-	-
Total revenues	1,996,205	1,916,697	1,936,301
TRANSFERS IN			
Transfers from other funds	12,151	-	-
Total funds available	3,833,574	4,298,410	4,524,241
EXPENDITURES			
General and administrative			
County Treasurer's fee	26,320	26,479	23,176
Legal	86,100	-	-
Banking fees	-	-	-
Paying agent fees	347	12,000	12,000
Debt Service			
Note interest	1,030,594	1,328,232	1,315,436
Note principal	308,500	353,500	398,500
Total expenditures	1,451,861	1,720,211	1,749,112
TRANSFERS OUT			
Transfers to other fund	-	(9,741)	-
Total expenditures and transfers out requiring appropriation	1,451,861	1,710,470	1,749,112
ENDING FUND BALANCES	\$ 2,381,713	\$ 2,587,940	\$ 2,775,129

No assurance provided. See summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS 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	\$ (1,914)	\$ 11,982,683	\$ 6,732,683
REVENUES			
Interest income	2	-	-
Note proceeds	37,000,000	-	-
Total revenues	37,000,002	-	-
Total funds available	36,998,088	11,982,683	6,732,683
EXPENDITURES			
General and Administrative			
Capital Projects			
Capital outlay	-	250,000	6,732,683
Intergovernmental expenditures	823,192	5,000,000	-
Note interest	521,562	-	-
Note principal	23,655,000	-	-
Paying agent fees	3,500	-	-
Total expenditures	25,003,254	5,250,000	6,732,683
TRANSFERS OUT			
Transfers to other fund	12,151	-	-
Total expenditures and transfers out requiring appropriation	25,015,405	5,250,000	6,732,683
ENDING FUND BALANCES	\$ 11,982,683	\$ 6,732,683	\$ -

BROMLEY PARK METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized principally to provide water, sanitary sewer and storm drainage services, and to provide for the construction, installation, financing, operation and maintenance of streets, park and recreation, mosquito control, transportation and television relay systems and improvements for primarily commercial, retail, and office development within Bromley Park. The District's service area is located in Adams County, Colorado.

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.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.

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%			

BROMLEY PARK METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (cont)

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 7% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical data.

Expenditures

Administrative Expenses

Administrative expenses have been budgeted to include the services traditionally associated with government such as legal, accounting, support services, insurance, maintenance, utilities and other administrative expenses.

Capital Outlay

Anticipated capital outlay expenditures are based on the potential capital projects the district may construct.

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property tax collected.

Debt and Leases

Debt Service

Debt service expenditures have been budgeted based on scheduled debt service payments and administrative costs associated with debt obligations. On February 24, 2022 a loan was entered into for \$37,000,000 for General Obligation Limited Tax (Convertible to Unlimited Tax) Refunding and Improvement Bonds Series 2022. In 2024 a total principal amount of \$ 398,500 and interest of \$1,315,436 are budgeted to cover debt service on the 2022 loan. Principal payments are due annually on December 1. Interest payments are due semiannually on June 1 and December 1. The interest rate on the series 2022 loan is 3.62%.

<u>Optional Redemption Dates</u>					<u>Redemption Prices</u>
Date of issuance of the Series 2022 Note through February 24, 2025					103%
February 25, 2025 through February 24, 2027					102%
February 25, 2027 through February 24, 2029					101%
February 25, 2029 and thereafter					100%

**BROMLEY PARK METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (cont)

Leases

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to 3% or more of its fiscal year spending for 2024 (excluding any bonded debt service) pursuant to TABOR.

Designated

The district has designated \$100,000 for the replacement of recreational assets.

This information is an integral part of the accompanying budget.

BROMLEY PARK METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$37,000,000 Series 2022
General Obligation Limited Tax (Convertible to Unlimited Tax)
Refunding and Improvement Bonds
Interest Rate of 3.62
Payable on June 1 and December 1
Principal Due on December 1

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2024	398,500	1,315,436	1,713,936
2025	448,500	1,301,010	1,749,510
2026	493,500	1,284,774	1,778,274
2027	548,500	1,266,910	1,815,410
2028	603,500	1,247,054	1,850,554
2029	663,500	1,225,207	1,888,707
2030	728,500	1,201,188	1,929,688
2031	788,500	1,174,817	1,963,317
2032	853,500	1,146,273	1,999,773
2033	923,500	1,115,376	2,038,876
2034	998,500	1,081,946	2,080,446
2035	1,073,500	1,045,800	2,119,300
2036	27,816,000	1,006,939	28,822,939
	<u>\$ 36,338,000</u>	<u>\$ 15,412,730</u>	<u>\$ 51,750,730</u>