

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. 5, 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. Korpall
- Ronald E. von Lembke
- Joshua Shipman

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 Korpall 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. 5, 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. 5 (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. 5, 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.

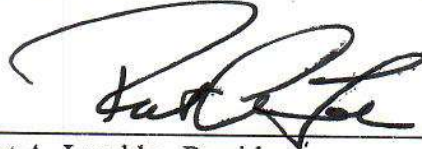
The foregoing Resolution was seconded by Director Shipman.

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RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 28, 2023.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5

By:



Robert A. Lembke, President

ATTEST:

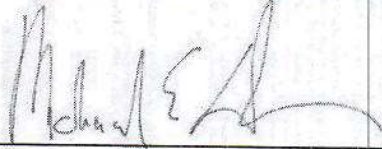
DocuSigned by:

James A. Korpala

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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. 5

I, James A. Korpak, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Bromley Park Metropolitan District No. 5 (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. Korpak

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James A. Korpak, Secretary/Treasurer

EXHIBIT A
2024 BUDGET DOCUMENT & BUDGET MESSAGE FOR
BROMLEY PARK METROPOLITAN DISTRICT NO. 5

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
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	\$ 644,027	\$ 137,781	\$ -
REVENUES			
Interest income	4,176	-	-
Miscellaneous revenue	368,213	-	-
Total revenues	<u>372,389</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>95,754</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,112,170</u>	<u>137,781</u>	<u>-</u>
EXPENDITURES			
General and Administrative			
Miscellaneous	1	-	-
Banking fees	3	-	-
Capital Projects			
Repay developer advance - principal	5,000	-	-
Repay developer advance interest	905	-	-
Capital outlay	968,480	-	-
Total expenditures	<u>974,389</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>137,781</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>974,389</u>	<u>137,781</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 137,781</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

12/16/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,094,020	\$ 485,012	\$ 468,684
REVENUES			
Property taxes	289,193	362,425	372,068
Specific ownership taxes	22,077	25,127	26,045
PILOT revenues	181,531	261,176	435,572
Interest income	8,434	10,400	6,400
Miscellaneous revenue	368,213	-	-
Total revenues	<u>869,448</u>	<u>659,128</u>	<u>840,085</u>
TRANSFERS IN	<u>267,940</u>	<u>237,871</u>	<u>460,966</u>
Total funds available	<u>2,231,408</u>	<u>1,382,011</u>	<u>1,769,735</u>
EXPENDITURES			
General Fund	150,871	297,025	238,258
Debt Service Fund	353,196	378,431	362,732
Capital Projects Fund	974,389	-	-
Total expenditures	<u>1,478,456</u>	<u>675,456</u>	<u>600,990</u>
TRANSFERS OUT	<u>267,940</u>	<u>237,871</u>	<u>460,966</u>
Total expenditures and transfers out requiring appropriation	<u>1,746,396</u>	<u>913,327</u>	<u>1,061,956</u>
ENDING FUND BALANCES	<u>\$ 485,012</u>	<u>\$ 468,684</u>	<u>\$ 707,779</u>
EMERGENCY RESERVE	\$ 3,100	\$ 3,900	\$ 4,600
AVAILABLE FOR OPERATIONS	260,092	328,386	703,179
TOTAL RESERVE	<u>\$ 263,192</u>	<u>\$ 332,286</u>	<u>\$ 707,779</u>

No assurance provided. See summary of significant assumptions.

**BROMLEY PARK METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/16/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Residential	\$ -	\$ 32,900	\$ 28,030
Commercial	7,535,150	8,774,230	7,291,510
Agricultural	-	700	517,500
State assessed	-	73,920	3,130
Vacant land	-	92,030	309,180
Personal property	-	-	1,152,360
	<u>7,535,150</u>	<u>8,973,780</u>	<u>9,301,710</u>
Certified Assessed Value	<u>\$ 7,535,150</u>	<u>\$ 8,973,780</u>	<u>\$ 9,301,710</u>
MILL LEVY			
General	14.000	14.000	14.000
Debt Service	26.000	26.000	26.000
Total mill levy	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>
PROPERTY TAXES			
General	\$ 105,492	\$ 125,633	\$ 130,224
Debt Service	195,914	233,318	241,844
Levied property taxes	<u>301,406</u>	<u>358,951</u>	<u>372,068</u>
Adjustments to actual/rounding	(12,213)	3,474	-
Budgeted property taxes	<u>\$ 289,193</u>	<u>\$ 362,425</u>	<u>\$ 372,068</u>
BUDGETED PROPERTY TAXES			
General	\$ 101,218	\$ 126,849	\$ 130,224
Debt Service	187,975	235,576	241,844
	<u>\$ 289,193</u>	<u>\$ 362,425</u>	<u>\$ 372,068</u>

No assurance provided. See summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

12/16/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 140,488	\$ 263,192	\$ 332,286
REVENUES			
Property taxes	101,217	126,848	130,224
PILOT revenues	-	-	22,161
Interest income	172	1,400	400
Total revenues	<u>101,389</u>	<u>128,248</u>	<u>152,785</u>
TRANSFERS IN			
Transfers from other funds	<u>172,186</u>	<u>237,871</u>	<u>460,966</u>
Total funds available	<u>414,063</u>	<u>629,311</u>	<u>946,037</u>
EXPENDITURES			
General and administrative			
Accounting	38,457	44,000	46,414
Auditing	15,500	9,000	9,900
County Treasurer's fee	1,642	1,911	1,953
Directors' fees	3,400	3,000	3,000
Dues and membership	736	1,500	1,500
Insurance	-	6,000	6,000
District management	14,196	96,080	50,000
Legal	28,633	48,000	40,000
Miscellaneous	90	-	22,161
Banking fees	-	98	100
Payroll taxes	260	230	230
Accounting consulting	42,913	75,207	45,000
Operations and maintenance			
Repairs and maintenance	143	5,000	5,000
Support Services	4,901	7,000	7,000
Total expenditures	<u>150,871</u>	<u>297,025</u>	<u>238,258</u>
Total expenditures and transfers out requiring appropriation	<u>150,871</u>	<u>297,025</u>	<u>238,258</u>
ENDING FUND BALANCES	<u>\$ 263,192</u>	<u>\$ 332,286</u>	<u>\$ 707,779</u>
EMERGENCY RESERVE	\$ 3,100	\$ 3,900	\$ 4,600
AVAILABLE FOR OPERATIONS	260,092	328,386	703,179
TOTAL RESERVE	<u>\$ 263,192</u>	<u>\$ 332,286</u>	<u>\$ 707,779</u>

No assurance provided. See summary of significant assumptions.

BROMLEY PARK METROPOLITAN DISTRICT NO. 5
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	\$ 309,505	\$ 84,039	\$ 136,398
REVENUES			
Property taxes	187,976	235,577	241,844
Specific ownership taxes	22,077	25,127	26,045
PILOT revenues	181,531	261,176	413,411
Interest income	4,086	9,000	6,000
Total revenues	<u>395,670</u>	<u>530,880</u>	<u>687,300</u>
Total funds available	<u>705,175</u>	<u>614,919</u>	<u>823,698</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,050	3,550	3,628
Miscellaneous	-	19,270	-
Banking fees	-	33	50
Paying agent fees	1,500	3,500	3,500
Debt Service			
Loan Interest - Series 2019	239,046	234,278	229,154
Loan Principal - Series 2019	109,600	117,800	126,400
Total expenditures	<u>353,196</u>	<u>378,431</u>	<u>362,732</u>
TRANSFERS OUT			
Transfers to other fund	<u>267,940</u>	<u>100,090</u>	<u>460,966</u>
Total expenditures and transfers out requiring appropriation	<u>621,136</u>	<u>478,521</u>	<u>823,698</u>
ENDING FUND BALANCES	<u>\$ 84,039</u>	<u>\$ 136,398</u>	<u>\$ 0</u>

No assurance provided. See summary of significant assumptions.

**BROMLEY PARK METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide construction, installation, financing, and operation of public improvements, including streets and safety control, street lighting, landscaping, water, sanitary sewer, storm drainage, television relay facilities, park and recreation, transportation and mosquito control improvements for primarily commercial, retail, and office development within Bromley Park. The District operates under a Service Plan approved by the City on March 7th, 2000. 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:

**BROMLEY PARK METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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 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 and Operating Expenditures

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

County Treasurer's Fees

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

**BROMLEY PARK METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - Continued

Capital Outlay

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

Debt Service Expenditures

On July 24, 2019, the District issued a \$5,750,000 Refunding and Improvement Revenue Note Series 2019 (Series 2019 Note). The Series 2019 Note matures on July 24, 2029. The interest rate on the Series 2019 Note is 4.35% per annum. Principal and interest payments on the Series 2019 Note are due annually on December 1. The Series 2019 Note is secured by and payable from pledged revenues, which consist primarily of ad valorem property taxes, payments in lieu of taxes and specific ownership taxes remitted to the District from collections by the county primarily from motor vehicle licensing. The note is currently callable without Premium.

On January 26, 2010, the District entered into an amended and restated advance and reimbursement agreement for capital advances between the District and the Bromley Companies, whereby the balance on the Series 2009A Note plus advances and interest accrued since October 27, 2009, were converted to the Annual Appropriation Converting to General Obligation Subordinate Promissory Note Series 2010A (Series 2010A Note) in the amount of \$7,706,260. Payments on the Series 2010A Note are due annually on December 20th through the maturity date of December 20, 2050, subject to the condition precedent that all operations and maintenance expenses are satisfied, all bond covenants are fulfilled and the total aggregate amount of the District's debt must be equal to or less than fifty percent (50%) of the assessed valuation of all of the property located with the District, as certified by the Assessor for Adams County, Colorado. The balance outstanding at December 31, 2023 totaled \$9,638,337. On August 22, 2023 the District approved a resolution for the assignment of the amended and restated advance and reimbursement agreement for capital advances between The Bromley Companies, LLC to District 5, LLC. No payments are anticipated for 2023 or 2024.

The District has a \$35,000,000 debt limitation per the service plan.

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 2023 (excluding any bonded debt service) pursuant to TABOR.

This information is an integral part of the accompanying budget.

**BROMLEY PARK METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Schedule of Long-Term Obligations

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Direct borrowing debt:					
Series 2019 Refunding and Improvement Revenue Note	\$ 5,267,900	\$ -	\$ 126,400	\$ 5,141,500	\$ 135,500
Direct placement debt:					
Promissory Note Series 2010A					
Principal	4,860,260	-		4,860,260	
Interest	4,778,077	388,821		5,166,898	
Developer advances					
Principal	-	-	-	-	-
Interest	1,347		-	1,347	1,347
	<u>\$ 14,907,584</u>	<u>\$ 388,821</u>	<u>\$ 126,400</u>	<u>\$ 15,170,005</u>	<u>\$ 136,847</u>

**\$5,750,000 Series 2019
Refunding and Improvement Revenue Note
Dated July 1, 2019
Interest Rate of 4.35%
Principal and Interest Due December 1**

	Principal	Interest	Total Debt Service Payments
2024	\$ 126,400	\$ 229,154	\$ 355,554
2025	135,500	223,655	359,155
2026	144,900	217,761	362,661
2027	154,900	211,458	366,358
2028	165,200	204,720	369,920
2029	4,541,000	127,848	4,668,848
	<u>\$ 5,267,900</u>	<u>\$ 1,214,596</u>	<u>\$ 6,482,496</u>