

BUDGET RESOLUTION

(2024)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

At the regular meeting of the Board of Directors of Altamira Metropolitan District No. 5, Town of Lochbuie, County of Weld, 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
- Ronald E. von Lembke
- Jason VonLembke
- Joshua Shipman
- Stephanie Ruiz

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 Weld County Clerk and Recorder’s Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Jason VonLembke 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 ALTAMIRA METROPOLITAN DISTRICT NO. 5, TOWN OF LOCHBUIE, WELD 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 Altamira 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 ALTAMIRA METROPOLITAN DISTRICT NO. 5, WELD 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.

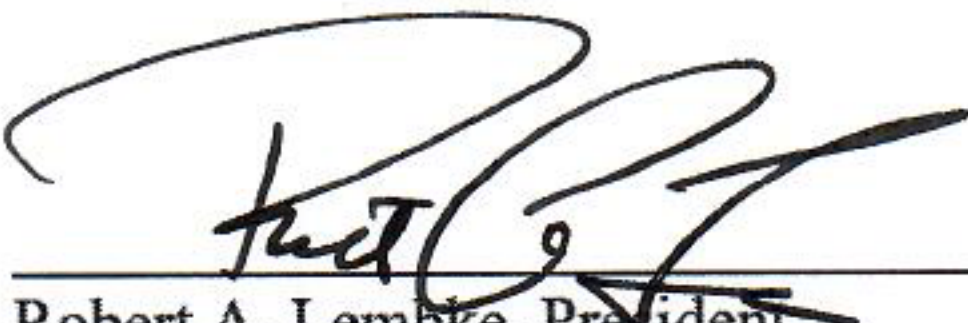
Section 5. Certification of Mill Levies. For the purposes of meeting all of the District's general operating expenses, debt service obligations, contractual obligations, and capital expenditure obligations, as well as funding any applicable refunds or abatements during the 2024 budget year, the applicable 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 Weld 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.

ALTAMIRA METROPOLITAN DISTRICT NO. 5

By: 
Robert A. Lembke, President

ATTEST:


Ronald E. von Lembke, Secretary/Treasurer

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



STATE OF COLORADO
COUNTY OF WELD
ALTAMIRA METROPOLITAN DISTRICT NO. 5

I, Ronald E. von Lembke, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Altamira 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.



Ronald E. von Lembke, Secretary/Treasurer

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

Altamira Metropolitan District No. 5

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**ALTAMIRA METROPOLITAN DISTRICT NO. 5
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	\$ 1,474,872	\$ 1,296,797	\$ 185,125
REVENUES			
Property taxes	384,382	461,692	456,910
Specific ownership taxes	22,722	19,897	18,277
Interest income	15,402	26,771	5,000
Miscellaneous revenue	-	1	-
Intergovernmental revenues	-	7,000,000	-
Total revenues	<u>422,506</u>	<u>7,508,361</u>	<u>480,187</u>
TRANSFERS IN			
Total funds available	<u>1,897,378</u>	<u>8,805,158</u>	<u>665,312</u>
EXPENDITURES			
General and administrative			
Accounting	22,663	23,000	25,300
Auditing	5,163	-	10,000
County Treasurer's fee	5,759	6,925	6,854
Directors' fees	2,600	2,500	2,500
Dues and membership	308	1,500	1,500
Insurance	-	2,608	3,500
District management	8,520	11,000	17,000
Legal	45,131	50,000	50,000
Miscellaneous	-	-	-
Banking fees	302	300	300
Payroll taxes	199	200	268
Repay developer advance - principal	493,968	-	-
Contingency	-	-	16,958
Accounting consulting	14,138	22,000	24,200
Support Services	1,062	-	-
Settlement expenditures	-	7,000,000	-
Capital outlay	-	-	445,000
Intergovernmental expenditures - BP6	-	1,500,000	-
Surveys and locates	767	-	-
Total expenditures	<u>600,580</u>	<u>8,620,033</u>	<u>603,380</u>
TRANSFERS OUT			
ENDING FUND BALANCES	<u>\$ 1,296,797</u>	<u>\$ 185,125</u>	<u>\$ 61,932</u>
EMERGENCY RESERVE	\$ 12,700	\$ 225,300	\$ 14,500
AVAILABLE FOR OPERATIONS	<u>1,284,097</u>	<u>(40,175)</u>	<u>47,432</u>
TOTAL RESERVE	<u>\$ 1,296,797</u>	<u>\$ 185,125</u>	<u>\$ 61,932</u>

No assurance provided. See summary of significant assumptions.

**ALTAMIRA METROPOLITAN DISTRICT NO. 5
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	\$ 1,474,872	\$ 1,296,797	\$ 185,125
REVENUES			
Property taxes	384,382	461,692	456,910
Specific ownership taxes	22,722	19,897	18,277
Interest income	15,402	26,771	5,000
Miscellaneous revenue	-	1	-
Intergovernmental revenues	-	7,000,000	-
Total revenues	<u>422,506</u>	<u>7,508,361</u>	<u>480,187</u>
Total funds available	<u>1,897,378</u>	<u>8,805,158</u>	<u>665,312</u>
EXPENDITURES			
General Fund	600,580	8,620,033	603,380
Total expenditures	<u>600,580</u>	<u>8,620,033</u>	<u>603,380</u>
Total expenditures and transfers out requiring appropriation	<u>600,580</u>	<u>8,620,033</u>	<u>603,380</u>
ENDING FUND BALANCES	<u>\$ 1,296,797</u>	<u>\$ 185,125</u>	<u>\$ 61,932</u>
EMERGENCY RESERVE	\$ 12,700	\$ 225,300	\$ 14,500
AVAILABLE FOR OPERATIONS	1,284,097	(40,175)	47,432
TOTAL RESERVE	<u>\$ 1,296,797</u>	<u>\$ 185,125</u>	<u>\$ 61,932</u>

**ALTAMIRA METROPOLITAN DISTRICT NO. 5
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	\$ -	\$ 59,360	\$ 36,510
Agricultural	-	54,400	48,990
Oil & Gas	5,645,180	6,363,340	6,602,350
State assessed	-	305,510	20,410
Vacant land	-	-	4,100
	<u>5,645,180</u>	<u>6,782,610</u>	<u>6,712,360</u>
Certified Assessed Value	<u>\$ 5,645,180</u>	<u>\$ 6,782,610</u>	<u>\$ 6,712,360</u>
MILL LEVY			
General	68.000	68.070	68.070
Total mill levy	<u>68.000</u>	<u>68.070</u>	<u>68.070</u>
PROPERTY TAXES			
General	\$ 383,872	\$ 461,692	\$ 456,910
Levied property taxes	383,872	461,692	456,910
Adjustments to actual/rounding	510	-	-
Budgeted property taxes	<u>\$ 384,382</u>	<u>\$ 461,692</u>	<u>\$ 456,910</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 384,382</u>	<u>\$ 461,692</u>	<u>\$ 456,910</u>
	<u>\$ 384,382</u>	<u>\$ 461,692</u>	<u>\$ 456,910</u>

No assurance provided. See summary of significant assumptions.

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

Services Provided

The District a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Lochbuie on November 12, 2004 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town on August 26, 2004 and as modified on October 6, 2004. The District was established to finance the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of local and regional public improvements, including streets and traffic signals, and water, sewer, storm drainage and park, open space and recreation facilities. The District's service area is located in Weld 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 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%			

**ALTAMIRA METRO DISTRICT NO. 5
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 4% 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 Expenditures

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

Capital Outlay

Anticipated capital outlay expenditures are based on 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.

Intergovernmental Expenditures

As part of the Settlement and Release Agreement between the District the South Beebe Metropolitan District, and Verdad LLC et al, Verdad has agreed to include certain real property into the District including 5 wells in 2023 and 9 additional in 2024. 25% of the gross property taxes received from these inclusions will be paid to the South Beebe Metropolitan District as pledged revenues for their Series 2023 Bonds.

Debts and Leases

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.

This information is an integral part of the accompanying budget.