

**BUDGET RESOLUTION
(2022)**

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

At the regular meeting of the Board of Directors of the Meridian Ranch Metropolitan District, El Paso County, Colorado, held at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado, 80831 at 10:00 a.m., on December 8, 2021, there were present:

- Milton "Butch" Gabrielski
- Wayne Reorda
- Mike Fenton
- William Gessner
- Tom Sauer

Also present were:

- Jim Nikkel, General Manager, Meridian Service Metropolitan District
- Ron Fano, Esq.

The General Manager reported that, prior to the meeting, each of the directors of the date, time and place of this meeting and the purpose for which it was called, and 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 in accordance with statute.

Thereupon, Director Fenton 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 MERIDIAN RANCH METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2022 AND ENDING ON THE LAST DAY OF DECEMBER, 2022.

WHEREAS, the Board of Directors (the "Board") of the Meridian Ranch Metropolitan District (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, 2021; and

WHEREAS, the proposed 2022 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 November 17, 2021 in the Falcon Herald, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 10:00 am on December 8, 2021, 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 THE MERIDIAN RANCH METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2022 Revenues and 2022 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2022, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022.

Section 3. 2022 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$538,466, and that the 2021 valuation for assessment, as certified by the El Paso County Assessor, is \$97,902,950. That for the purposes of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 5.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2021.

Section 4. 2022 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$2,153,669 and that the 2022 valuation for assessment, as certified by the El Paso County Assessor, is \$97,902,950. That for the purposes of meeting all debt retirement expenses of the strict during the 2022 budget year, there is hereby levied a tax of 21.998 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2021.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the El Paso County Board of County Commissioners, no later than December 15, 2021, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Gessner.

RESOLUTION APPROVED AND ADOPTED ON DECEMBER 8, 2021.

MERIDIAN RANCH METROPOLITAN DISTRICT

By: 
President

ATTEST:


Secretary

STATE OF COLORADO
COUNTY OF EL PASO
MERIDIAN RANCH METROPOLITAN DISTRICT

I, Wayne Reorda, hereby certify that I am a director and the duly elected and qualified Secretary of Meridian Ranch Metropolitan District (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 10:00 a.m. on December 8, 2021, at Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado, 80831 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2022; 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. Further, I hereby certify that the attached budget is a true and accurate copy of the 2022 Budget as approved by the Board of Directors.

Subscribed and sworn to this 8th day of December, 2021.


Secretary

EXHIBIT A
2022 BUDGET DOCUMENT & BUDGET MESSAGE FOR
MERIDIAN RANCH METROPOLITAN DISTRICT

**MERIDIAN RANCH METROPOLITAN DISTRICT
GENERAL FUND
2022 PROPOSED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Estimated	2022 Proposed
REVENUES			
Property taxes	\$ 402,841	\$ 432,234	\$ 538,466
Specific ownership taxes	43,789	38,647	46,378
Interest	4,795	617	500
Miscellaneous	-	20	-
Subdistrict - IGA	-	8,677	-
Total revenues	451,425	480,195	585,344
EXPENDITURES			
Audit	11,276	10,000	10,000
Accounting and management	18,968	30,000	30,000
County treasurer fees	6,046	6,484	8,077
Director fees	6,900	12,000	12,000
Dues and memberships	552	600	1,500
Election	2,238	100	20,000
Insurance	4,652	5,000	5,000
Legal	5,358	1,000	5,000
Miscellaneous	1,231	1,000	1,000
Payroll taxes	528	918	918
IGA expense - MSMD General Fund	220,000	260,000	350,000
IGA expense - MSMD Subdistrict	-	8,677	-
3% TABOR reserve	-	-	17,600
Total expenditures	277,749	335,779	461,095
EXCESS OF REVENUES OVER EXPENDITURES	173,676	144,416	124,249
OTHER FINANCING USES			
Transfer to other funds	(18,307)	-	-
Total other financing uses	(18,307)	-	-
NET CHANGE IN FUND BALANCE	155,369	144,416	124,249
BEGINNING FUND BALANCE	538,793	694,162	838,578
ENDING FUND BALANCE	\$ 694,162	\$ 838,578	\$ 962,827

**MERIDIAN RANCH METROPOLITAN DISTRICT
DEBT FUND
2022 PROPOSED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2020 Actual</u>	<u>2021 Estimated</u>	<u>2022 Proposed</u>
REVENUES			
Property taxes	\$ 1,611,218	\$ 1,728,777	\$ 2,153,669
Specific ownership taxes	175,157	154,589	185,510
Facilities fees transferred from MSMD	6,188,000	1,917,000	4,750,000
Interest	10,376	1,500	1,500
Miscellaneous	-	50,000	-
Total revenues	<u>7,984,751</u>	<u>3,851,866</u>	<u>7,090,679</u>
EXPENDITURES			
County treasurer fees	24,182	25,932	32,305
Bond interest (Subordinate)	350,000	350,000	350,000
Loan interest (2013 \$33.5 M)	866,942	837,450	807,036
Loan principal (2013 \$33.5M)	960,000	990,000	1,060,000
Loan interest (2014 \$3.5 M)	98,831	95,617	92,243
Loan principal (2014 \$3.5M)	100,000	105,000	110,000
Loan interest (2018 \$24M)	860,244	851,170	840,281
Loan principal (2018 \$24M)	250,000	300,000	350,000
Paying agent fees	200	1,000	1,000
Transfer to Meridian Service MD	4,184,000	750,000	750,000
Miscellaneous	736	1,000	1,000
Total expenditures	<u>7,695,135</u>	<u>4,307,169</u>	<u>4,393,865</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>289,616</u>	<u>(455,303)</u>	<u>2,696,814</u>
OTHER FINANCING SOURCES			
Transfer from other funds	18,307	-	-
Total other financing sources	<u>18,307</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	307,923	(455,303)	2,696,814
BEGINNING FUND BALANCE	<u>4,934,788</u>	<u>5,242,711</u>	<u>4,787,408</u>
ENDING FUND BALANCE	<u>\$ 5,242,711</u>	<u>\$ 4,787,408</u>	<u>\$ 7,484,222</u>

**MERIDIAN RANCH METROPOLITAN DISTRICT
 CONSERVATION TRUST FUND
 2022 PROPOSED BUDGET - MODIFIED ACCRUAL BASIS
 WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Estimated	2022 Proposed
REVENUES			
Conservation trust entitlements	\$ 30,300	\$ 51,000	\$ 55,000
Total revenues	<u>30,300</u>	<u>51,000</u>	<u>55,000</u>
EXPENDITURES			
Transfer to Meridian Service MD	30,300	51,000	55,000
Total expenditures	<u>30,300</u>	<u>51,000</u>	<u>55,000</u>
NET CHANGE IN FUND BALANCE	-	-	-
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the MERIDIAN RANCH METROPOLITAN DISTRICT,
(taxing entity)^A

the BOARD OF DIRECTORS,
(governing body)^B

of the MERIDIAN RANCH METROPOLITAN DISTRICT,
(local government)^C


Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 97,902,950 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F 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: (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 1208/2021 for budget/fiscal year 2022.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>5.500</u> mills	\$ <u>538,466</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	5.500 mills	\$ 538,466
3. General Obligation Bonds and Interest ^J	<u>21.998</u> mills	\$ <u>2,153,669</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	27.498 mills	\$ 2,692,135

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960

Signed:  Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG) Room 521 1313 Sherman Street Denver CO 80203 Questions? Call DLG at (303) 864-7720

If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued
MERIDIAN RANCH METROPOLITAN DISTRICT

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.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: Capital Improvements
 Series: 2008
 Date of Issue: October 1, 2008
 Coupon Rate: 3.00 % - 8.00 %
 Maturity Date: December 15, 2037
 Levy: 21.998
 Revenue: \$2,153,669

- 2. Purpose of Issue: Capital Improvements
 Series: 2013
 Date of Issue: March 28, 2013
 Coupon Rate: Variable
 Maturity Date: December 1, 2042
 Levy: Included Above
 Revenue: Included Above

CONTRACTS^K:

- 3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

- 4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to report all bond and contractual obligations.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government ^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* Gross Assessed Value found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the Certification of Valuation (DLG 57 Line 11) the amount of revenue from property tax that the *local government* did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.