

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
MERIDIAN RANCH METROPOLITAN DISTRICT
EL PASO COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2020

STATE OF COLORADO)
)
COUNTY OF EL PASO)ss.
)
MERIDIAN RANCH)
METROPOLITAN DISTRICT)

The Board of Directors of the Meridian Ranch Metropolitan District, El Paso County, Colorado, held a regular meeting at Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado, on Wednesday, December 4, 2019 at 10:00 a.m.

Present were the following members of the Board:

Milton B. Gabrielski, President
Wayne Reorda, Secretary/Treasurer
Tom Sauer, Asst Secretary/Treasurer
William Gessner, Asst Secretary/Treasurer
Mike Fenton, Asst Secretary/Treasurer

Also present were:

Angie Kelly; Community Resource Services of Colorado, LLC

Ms. Kelly stated that proper publication was made to conduct a public hearing on the District's 2020 budget. The Chairman opened the public hearing on the District's proposed 2020 budget. The District heard public comment and the public hearing was closed.

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

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF 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 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020

WHEREAS, the Board of Directors of the Meridian Ranch Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body no later than October 15, 2019; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 22, 2019, in a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 4, 2019 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves of fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$402,893; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest from property tax revenue is \$1,611,427; and

WHEREAS, the 2019 valuation for assessment for the District as certified by the County Assessor for El Paso County is \$73,253,360; and

WHEREAS, at an election held on November 7, 2000, the District eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-3-1, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MERIDIAN RANCH METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO:

Section 1. 2020 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2020 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2020. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted by the Board of Directors as the true and accurate budget of the Meridian Ranch Metropolitan District for calendar year 2020.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2020 as follows:

A. Levy for General Operating Fund Expenses. That for the purposes of meeting all general operating expense of the District during the 2020 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 for the year 2020.

B. Levy for Debt Service Fund (General Obligation Bonds and Interest). That for the purposes of meeting all debt retirement expenses of the District during the 2020 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," 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 for the year 2020.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

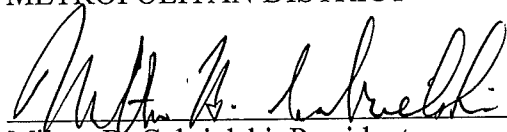
Section 6. Certification. The District's manager is hereby authorized and directed to certify by December 15, 2019, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2019, in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. 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.


The foregoing Resolution was seconded by Director Fenton.

ADOPTED AND APPROVED this 4th day of December, 2019.

MERIDIAN RANCH
METROPOLITAN DISTRICT


Milton B. Gabrielski, President

ATTEST:


Wayne Reorda, Secretary/Treasurer

STATE OF COLORADO)
)
COUNTY OF EL PASO)ss.
)
MERIDIAN RANCH)
METROPOLITAN DISTRICT)

I, Wayne Reorda, Secretary/Treasurer of the Board of Directors of the Meridian Ranch Metropolitan District, El Paso County, Colorado, do hereby certify that the foregoing pages numbered 1 to 7, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a regular meeting of the Board held at Meridian Ranch Recreation Center, 10301 Angeles Rd., Peyton, Colorado on December 4, 2019, at 10:00 a.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2019; 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 2019 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 4th day of December, 2019.

(S E A L)


Wayne Reorda, Secretary/Treasurer

**MERIDIAN RANCH METROPOLITAN DISTRICT
GENERAL FUND
2020 ADOPTED BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Adopted</u>
REVENUES			
Property taxes	\$ 285,797	\$ 334,792	\$ 402,893
Specific ownership taxes	36,101	40,000	32,206
Interest	10,621	10,000	8,500
Certified UB - MSMD	-	4,392	4,500
Total revenues	<u>332,519</u>	<u>389,184</u>	<u>448,099</u>
EXPENDITURES			
Audit	9,754	15,000	10,000
Accounting and management	37,077	30,000	30,000
Certified UB - MSMD	-	4,392	4,500
County treasurer fees	4,289	5,022	6,043
Director fees	6,300	6,000	6,000
Dues and memberships	506	600	1,500
Election	7,982	-	1,500
Insurance	3,308	5,000	5,000
Legal	10,030	10,000	28,000
Miscellaneous	222	1,000	1,000
Payroll taxes	482	440	400
IGA expense - MSMD General Fund	180,000	220,000	220,000
IGA expense - MSMD Subdistrict	45,380	-	-
3% Tabor reserve	-	-	13,500
Total expenditures	<u>305,330</u>	<u>297,454</u>	<u>327,443</u>
NET CHANGE IN FUND BALANCE	27,189	91,730	120,656
BEGINNING FUND BALANCE	<u>393,379</u>	<u>420,568</u>	<u>512,298</u>
ENDING FUND BALANCE	<u><u>\$ 420,568</u></u>	<u><u>\$ 512,298</u></u>	<u><u>\$ 632,954</u></u>

**MERIDIAN RANCH METROPOLITAN DISTRICT
DEBT FUND
2020 ADOPTED BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Adopted</u>
REVENUES			
Property taxes	\$ 1,143,084	\$ 1,339,045	\$ 1,611,427
Specific ownership taxes	144,405	135,868	128,824
Facilities fees transferred from MSMD	5,265,000	2,384,000	3,485,000
Interest	17,638	15,000	15,000
Total revenues	<u>6,570,127</u>	<u>3,873,913</u>	<u>5,240,251</u>
EXPENDITURES			
County treasurer fees	17,153	20,086	24,171
Bond interest (Subordinate)	560,000	140,000	350,000
Loan interest (2013 \$33.5 M)	926,057	921,011	869,317
Loan principal (2013 \$33.5M)	860,000	860,000	960,000
Loan interest (2014 \$3.5 M)	105,351	104,777	99,102
Loan principal (2014 \$3.5M)	90,000	90,000	100,000
Loan interest (2018 \$24M)	548,933	867,504	862,601
Loan principal (2018 \$24M)	100,000	200,000	250,000
Loan issuance costs	254,000	-	-
Paying agent fees	200	1,000	1,000
Transfer to Meridian Service	26,927,571	750,000	750,000
Miscellaneous	547	1,000	1,000
Total expenditures	<u>30,389,812</u>	<u>3,955,378</u>	<u>4,267,191</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(23,819,685)</u>	<u>(81,465)</u>	<u>973,060</u>
OTHER FINANCING SOURCES			
Loan proceeds	24,000,000	-	-
Total other financing sources	<u>24,000,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	180,315	(81,465)	973,060
BEGINNING FUND BALANCE	<u>3,206,373</u>	<u>3,386,688</u>	<u>3,305,223</u>
ENDING FUND BALANCE	<u>\$ 3,386,688</u>	<u>\$ 3,305,223</u>	<u>\$ 4,278,283</u>

MERIDIAN RANCH METROPOLITAN DISTRICT
CONSERVATION TRUST FUND
2020 ADOPTED BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Adopted</u>
REVENUES			
Conservation trust entitlements	\$ 28,305	\$ 33,500	\$ 37,000
Total revenues	<u>28,305</u>	<u>33,500</u>	<u>37,000</u>
EXPENDITURES			
Transfer to Meridian Service	28,305	33,500	37,000
Total expenditures	<u>28,305</u>	<u>33,500</u>	<u>37,000</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 \$ 73,253,360 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: 12/10/19 for budget/fiscal year 2020 (not later than Dec. 15) (dd/mm/yyyy) (yyyy)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY², and REVENUE². Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, and Other. Total: 27.498 mills, \$ 2,014,320.

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4977 Signed: [Signature] Title: CEO

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:	\$1,611,427

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.

**MERIDIAN RANCH METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

SERVICES PROVIDED

Meridian Ranch Metropolitan District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 5, 1998, concurrently with Meridian Service Metropolitan District (collectively, the “Districts”) to provide water and wastewater service, street improvements, safety protection, parks and recreation facilities, drainage, landscape, mosquito control, transportation and television relay for public and private purposes by any available means. The Districts also have limited fire protection powers in a cooperative manner with Falcon Fire Protection District. The District’s service area is located in El Paso County, Colorado. The Meridian Ranch Metropolitan District is intended to be the Financing District related to Meridian Service Metropolitan District, the Operating District.

In an election held on November 7, 2000, the District’s voters approved general obligation indebtedness of \$29,435,000 for street improvements, \$7,620,000 for parks and recreation, \$35,765,000 for water supply system, \$7,320,000 for sanitary sewer system, \$1,740,000 for safety protection, \$1,305,000 for mosquito control, \$1,055,000 for television relay and translation, \$260,000 for public transportation, \$85,000,000 for refinancing of District debt, and \$500,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$150,000 for general operations and maintenance. The service plan limits debt authorization to \$85,000,000.

The District prepares its budget on the modified accrual basis of accounting.

The District has no employees and all administrative functions are contractual.

REVENUE

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 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 District’s maximum Required Mill Levy is 50.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. For collection year 2020, the District adopted a mill levy of 5.500 for operations and 21.998 for debt service. The District’s assessed valuation is \$73,253,360.

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.