RESOLUTION NO. 2020-10-03

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY RESOLUTION OF THE BOARD OF DIRECTORS OF

SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1, ADAMS COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2021

A. The Board of Directors of Second Creek Farm Metropolitan District No. 1 (the "**District**") has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body by October 15, 2020 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 19, 2020, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("**TABOR**") and other laws or obligations which are applicable to or binding upon the District.

E. 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.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1, ADAMS COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

RESOLUTION APPROVED AND ADOPTED on October 19, 2020.

SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1

Joel Farkas President By:

Attest:

Toni Serra Secretary By:

EXHIBIT A

Budget

SECOND CREEK METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

SECOND CREEK FARM METROPOLLITAN DISTRICT NO. 1 SUMMARY 2021 BUDGET WITH 2019 ACTUAL AND 2020 ESTIMATED For the Years Ended and Ending December 31,

	ACTUAL		ESTIMATED		BUDGET	
	2019		2020			2021
BEGINNING FUND BALANCES	\$	(19,367)	\$	(30,642)	\$	1,108
REVENUES						
Property taxes		-		136		84
Specific ownership taxes		-		11		6
Developer advance		981,354		5,729,135		135,000
Other revenue		-		37,196		-
Transfer from Second Creek Farm No. 2		430,217		136		242
Transfer from Second Creek Farm No. 3		9,849,947		4,821,590		1,726,268
Total revenues		11,261,518		10,588,204		1,861,600
TRANSFERS IN		5,000		-		-
		· ·				
Total funds available		11,247,151		10,557,562		1,862,708
EXPENDITURES						
General Fund		35,155		161,000		125,000
Capital Projects Fund		11,237,638		10,395,454		1,726,211
	_					
Total expenditures		11,272,793		10,556,454		1,851,211
TRANSFERS OUT		5,000		-		-
Total expanditures and transfers out						
Total expenditures and transfers out requiring appropriation		11,277,793		10,556,454		1,851,211
		11,277,790		10,000,404		1,001,211
ENDING FUND BALANCES	\$	(30,642)	\$	1,108	\$	11,497
	-		<u> </u>		÷	
EMERGENCY RESERVE	\$	-	\$	1,100	\$	100
TOTAL RESERVE	\$	-	\$	1,100	\$	100

SECOND CREEK FARM METROPOLLITAN DISTRICT NO. 1 PROPERTY TAX SUMMARY INFORMATION 2021 BUDGET WITH 2019 ACTUAL AND 2020 ESTIMATED For the Years Ended and Ending December 31,

		ACTUAL E 2019		TIMATED 2020	E	BUDGET 2021
ASSESSED VALUATION						
Agricultural State assessed	\$	2,380 -	\$	750 530	\$	3,870 140
Personal property		1,000		10,930		3,550
Certified Assessed Value	\$	3,380	\$	12,210	\$	7,560
MILL LEVY						
General	0.000			11.132		11.132
Total mill levy		0.000		11.132		11.132
PROPERTY TAXES						
General	\$	-	\$	136	\$	84
Levied property taxes Adjustments to actual/rounding		-		136 -		84 -
Budgeted property taxes	\$	-	\$	136	\$	84
BUDGETED PROPERTY TAXES						
General	\$	-	\$	136	\$	84
	\$	-	\$	136	\$	84

SECOND CREEK FARM METROPOLLITAN DISTRICT NO. 1 GENERAL FUND 2021 BUDGET WITH 2019 ACTUAL AND 2020 ESTIMATED For the Years Ended and Ending December 31,

	ACTUAL		ESTIMATED		В	UDGET
		2019		2020		2021
BEGINNING FUND BALANCE	\$	(16,588)	\$	(30,642)	\$	1,108
REVENUES Property taxes Specific ownership taxes Developer advance Other revenue Transfer from Second Creek Farm No. 2 Transfer from Second Creek Farm No. 3		- - 15,884 - 217 -		136 11 155,107 37,196 136 164		84 6 135,000 - 242 57
Total revenues		16,101		192,750		135,389
TRANSFERS IN Transfers from other funds		5,000		-		
Total funds available		4,513		162,108		136,497
EXPENDITURES General and administrative Accounting Audit Banking fees Contingency Dues and memberships Election expense Insurance and bonds Landscaping Legal services		15,525 28 - 568 100 6,992 3,577 8,365		50,000 12,500 - 6,544 808 1,672 9,720 1,171 45,000		50,000 12,500 - 10,000 1,000 - 11,000 5,000 35,000
Miscellaneous		-		-		500
Repay developer advance - interest		-		33,585		-
Total expenditures Total expenditures and transfers out requiring appropriation		35,155 35,155		161,000 161,000		125,000 125,000
ENDING FUND BALANCE	\$	(30,642)	\$	1,108	\$	11,497
EMERGENCY RESERVE	\$	-	\$	1,100	\$	100
TOTAL RESERVE	\$		\$	1,100	\$	100

SECOND CREEK FARM METROPOLLITAN DISTRICT NO. 1 CAPITAL PROJECTS FUND 2021 BUDGET WITH 2019 ACTUAL AND 2020 ESTIMATED For the Years Ended and Ending December 31,

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (2,779)	\$-	\$-
REVENUES Developer advance Transfer from Second Creek Farm No. 2 Transfer from Second Creek Farm No. 3	965,470 430,000 9,849,947	5,574,028 - 4,821,426	- - 1,726,211
Total revenues	11,245,417	10,395,454	1,726,211
Total funds available	11,242,638	10,395,454	1,726,211
EXPENDITURES Capital Projects Accounting Capital outlay Design review Engineering Legal services Repay developer advance - interest Repay developer advance - principal Total expenditures	29,824 5,359,807 9,455 893,335 107,713 1,777,040 3,060,464 11,237,638	- 7,791,231 - 321,084 87,000 126,998 2,069,141 10,395,454	- 1,726,211 - - - - - 1,726,211
TRANSFERS OUT Transfers to other fund	5,000	-	-
Total expenditures and transfers out requiring appropriation	11,242,638	10,395,454	1,726,211
ENDING FUND BALANCE	\$-	\$-	\$-

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 Adams County on December 5, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Commerce City, Adams County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including streets and safety controls, street lighting, landscaping, monuments, signage, mosquito control, television relay, water, sanitary-sewer, storm drainage, and park and recreation improvements and facilities.

Pursuant to an Amended and Restated Facilities Funding, Construction & Operations Agreement among the District and Second Creek Farms Metropolitan District Nos. 2, 3 and 4, dated July 15, 2019, with an effective date of January 1, 2019 ("FFCOA"), District No. 1 provides District Administration and Project Administration for all District Nos. 1-4 and District Nos. 2, 3 and 4 serve as the Financing Districts.

On November 5, 2002, the electorate approved general obligation indebtedness of \$3,539,171 for street improvements, \$5,870,144 for parks and recreation, \$2,670,360 for water supply system, \$1,920,323 for sanitary sewer system, \$14,000,000 for refinancing of District debt, and \$50,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$50,000 for general operations and maintenance.

On November 1, 2005, the electorate approved general obligation indebtedness of \$560,000,000 representing \$70,000,000 for each of the following public improvements: streets, water, sewer, parks and recreation, traffic and safety, mosquito control, public transportation, and television relay and translation. The voters also approved general obligation indebtedness of \$70,000,000 for refinancing of District debt, \$70,000,000 for intergovernmental contracts and \$2,000,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$2,000,000 for general operations and maintenance and \$2,000,000 for payments under intergovernmental agreements.

On May 6, 2014, the electorate approved general obligation indebtedness of \$700,000,000 representing \$70,000,000 for each of the following public improvements: streets, water, sewer, parks and recreation, traffic and safety, mosquito control, public transportation, television relay and translation, fire protection, and security services. The voters also approved general obligation indebtedness of \$70,000,000 for refinancing of District debt, \$70,000,000 for intergovernmental contracts, and \$70,000,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$2,000,000 for general operations and maintenance, \$70,000,000 for payments under intergovernmental agreements for regional improvements, and \$2,000,000 for \$2,000,000 for \$2,000,000 for regional improvements, and \$2,000,000 for payments under intergovernmental agreements. The election also approved the imposition of fees of \$2,000,000 for general operations and maintenance.

The Service Plan limits total general obligation indebtedness to \$70,000,000.

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

Services Provided (Continued)

The District prepares its budget on the modified accrual basis of accounting, in accordance with 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.

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 7.0% of the property taxes collected by the District.

Developer Advances

The District is in the development stage. As such, the operating and administrative costs for 2021 are to be funded primarily by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Revenues (Continued)

Developer Advances (Continued)

Estimated Developer advances as of December 31, 2020 are as follows:

	Balance			Est. Balance	
	December 3	1,		December 31,	
	2019	Additions	Retirements	2020	
Developer Advances - Capital					
Principal	\$ 147,27	3 \$ 5,574,028	\$ 2,069,141	\$ 3,652,160	
Interest	2,43	3 240,823	126,998	116,258	
Developer Advances - Operating					
Principal	674,87	155,107	-	829,984	
Interest	588,64	58,260	33,585	613,322	
	\$ 1,413,23) \$ 6,028,218	\$ 2,229,724	\$ 5,211,724	

Transfers from District Nos. 2 & 3

The District anticipates the collection of taxes in District No. 2 and District No. 3 which will be transferred to the District to partially fund operations of the Districts. Per the FFCOA, District No. 1 provides Project Administration for the other Districts and monies associated with Project Administration is remitted to District No. 1.

Expenditures

County Treasurer's Fees

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

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, engineering, insurance, banking, meeting expense and other administrative expenses.

Debt and Leases

The District has no debt or operating or capital leases.

Reserves

The District has provided for an Emergency Reserve fund equal to at least 3.0% of fiscal year spending for 2021 as defined under TABOR.

This information is an integral part of the accompanying budget.

I, Toni L. Serra, hereby certify that I am the duly appointed Secretary of the Second Creek Farm Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Second Creek Farm Metropolitan District No. 1 held on October 19, 2020.

Toni Serra

Secretary

RESOLUTION NO. 2020-10-04

RESOLUTION TO SET MILL LEVIES

RESOLUTION OF THE SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1 LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE YEAR 2020, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2021 BUDGET YEAR

A. The Board of Directors of the Second Creek Farm Metropolitan District No. 1 (the "**District**") has adopted an annual budget in accordance with the Local Government Budget Law, on October 19, 2020.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Second Creek Farm Metropolitan District No. 1, Adams County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2021 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2021 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2021 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District's Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

By:

RESOLUTION APPROVED AND ADOPTED on October 19, 2020.

SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1

Joel Farkas

President

Attest:

By: Toni Serra Secretary

EXHIBIT 1

Certification of Tax Levies

County Tax Entity Code	for NON-S	CHOOL G	dola lgid/sid <u>65105</u>
TO: County Commissioners ¹ of ADAMS COUN	ГҮ		, Colorado.
On behalf of the SECOND CREEK FARM METR	OPOLITAN	DISTRICT N	O.1 ,
	axing entity) ^A		
the <u>BOARD OF DIRECTORS</u>	governing body) ^B		
of the SECOND CREEK FARM METR	OPOLITAN	DISTRICT N	0.1
	ocal government) ^C		
Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 7,	560		
assessed valuation of: $(GROSS^{D} a)$	ssessed valuation, L	ine 2 of the Certifica	tion 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	560		
property tax revenue will be derived from the mill levy USE VAL	UE FROM FINAL	CERTIFICATION	ion of Valuation Form DLG 57) OF VALUATION PROVIDED
multiplied against the NET assessed valuation of: Submitted: 12/03/2020 for	· budget/fiscal	NO LATER THAN year 20.	
(no later than Dec. 15) (mm/dd/yyyy)	budget/fised	•	(yyyy)
PURPOSE (see end notes for definitions and examples)	LEVY	2	REVENUE ²
1. General Operating Expenses ^H	11.13	2mills	<u>\$ 84</u>
 <minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction^I</minus> 	<	> mills	<u></u> \$< >
SUBTOTAL FOR GENERAL OPERATING:	11.13	32 mills	\$ 84
3. General Obligation Bonds and Interest ^J		mills	\$
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]	11.13	2 mills	\$ 84
Contact person: (print) Jason Carroll	Daytime phone: (303) 779-571	0
Signed: Jarson Canol	_ 1	Accountant for	
Include one copy of this tax entity's completed form when filing the local gov	vernment's budget	by January 31st, p	

¹ 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 <u>NET assessed valuation</u> (Line 4 of Form DLG57 on the County Assessor's **<u>FINAL</u>** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

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:	 _
	Series:	 _
	Date of Issue:	 _
	Coupon Rate:	 _
	Maturity Date:	
	Levy:	
	Revenue:	 _
2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	
CON	ΤRACTS^κ:	
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 separately report all bond and contractual obligations per 32-1-1603, C.R.S.

I, Toni L. Serra, hereby certify that I am the duly appointed Secretary of the Second Creek Farm Metropolitan District No. 1, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Second Creek Farm Metropolitan District No. 1 held on October 19, 2020.

Toni Serra

Secretary