

RESOLUTION
ADOPTING BUDGET, APPROPRIATING SUMS OF MONEY AND CERTIFYING
MILL LEVIES FOR THE CALENDAR YEAR 2025

The Board of Directors of Spring Hill Metropolitan District No. 2 (the “**Board**”), Town of Erie, Weld County, Colorado (the “**District**”), held a regular meeting, via teleconference on October 24, 2024, at the hour of 2:30 p.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2025 BUDGET

**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2025 BUDGETS
AND**

NOTICE OF PUBLIC HEARING ON THE AMENDED 2024 BUDGETS
The Boards of Directors (collectively the "Boards") of the SPRING HILL METROPOLITAN DISTRICT NOS. 1-4 (collectively the "Districts"), will hold a public hearing via teleconference on October 24th, 2024, at 2:30 p.m., to consider adoption of the Districts' proposed 2025 budgets (the "Proposed Budgets"), and, if necessary, adoption of an amendment to the 2024 budgets (the "Amended Budgets"). The public hearing may be joined using the following teleconference information:

https://us06web.zoom.us/j/84712028260?pwd=HWpeXbHPTTjbxkEcUGl8U1z4NlJUnj.1
Meeting ID: 847 1202 8260
Passcode: 606332
Call-in Number: +1-720-707-2699

The Proposed Budgets and Amended Budgets are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111. Any interested elector of the Districts may file any objections to the Proposed Budgets and Amended Budgets at any time prior to the final adoption of the Proposed Budgets or the Amended Budgets by the Boards.

The agenda for any meeting may be obtained at <https://springhillmetrodistrict.com/> or by calling (303) 858-1800.

BY ORDER OF THE BOARDS OF DIRECTORS:
SPRING HILL METROPOLITAN DISTRICT NOS. 1-4, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published: Colorado Hometown Weekly October 9, 2024-2078239

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

**County of Boulder
State of Colorado**

The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Colorado Hometown*.
2. The *Colorado Hometown* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Colorado Hometown* in Boulder County on the following date(s):

Oct 9, 2024



Signature

Subscribed and sworn to me before me this

9th day of October 2024.



Notary Public

(SEAL)

SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES July 31, 2025

Account: 1051175
Ad Number: 2078239
Fee: \$32.77

WHEREAS, the Board has appointed its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2025. 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. Levy of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2025 as more specifically set out in the budget attached hereto.

Section 3. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the 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 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. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Weld County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

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.

Section 7. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of Page Intentionally Left Blank]

ADOPTED OCTOBER 24, 2024.

DISTRICT:

SPRING HILL METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Sarah Hunsche*
Officer of the District

Attest:

By: *Corey Elliott*
Corey Elliott (Oct 25, 2024 14:41 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Kristi J. Bowers
General Counsel to the District

STATE OF COLORADO
COUNTY OF WELD
SPRING HILL METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Thursday, October 24, 2024, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25 day of October, 2024.

Corey Elliott
Corey Elliott (Oct 25, 2024 14:41 MDT)
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

SPRING HILL METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2025

**SPRING HILL METROPOLITAN DISTRICT NO. 2
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/25

| | ACTUAL 2023 | ESTIMATED 2024 | BUDGET 2025 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 1,572 | 845 | 697 |
| Specific ownership taxes | 78 | 34 | 28 |
| Other revenue | - | - | 275 |
| Total revenues | <u>1,650</u> | <u>879</u> | <u>1,000</u> |
| Total funds available | <u>1,650</u> | <u>879</u> | <u>1,000</u> |
| EXPENDITURES | | | |
| General Fund | - | - | - |
| Debt Service Fund | 1,650 | 879 | 1,000 |
| Total expenditures | <u>1,650</u> | <u>879</u> | <u>1,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>1,650</u> | <u>879</u> | <u>1,000</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

SPRING HILL METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/10/25

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2023 | 2024 | 2025 |

ASSESSED VALUATION

| | | | |
|--------------------------|-----------|-----------|-----------|
| Agricultural | \$ 13,300 | \$ 11,220 | \$ 11,220 |
| State assessed | 17,140 | - | 340 |
| Other - Oil & Gas | 1,430 | 2,920 | - |
| Certified Assessed Value | \$ 31,870 | \$ 14,140 | \$ 11,560 |

MILL LEVY

| | | | |
|-----------------|--------|--------|--------|
| General | 0.000 | 0.000 | 0.000 |
| Debt Service | 57.260 | 59.745 | 60.321 |
| Total mill levy | 57.260 | 59.745 | 60.321 |

PROPERTY TAXES

| | | | |
|--------------------------------|----------|--------|--------|
| General | \$ - | \$ - | \$ - |
| Debt Service | 1,825 | 845 | 697 |
| Levied property taxes | 1,825 | 845 | 697 |
| Adjustments to actual/rounding | (253) | - | - |
| Budgeted property taxes | \$ 1,572 | \$ 845 | \$ 697 |

BUDGETED PROPERTY TAXES

| | | | |
|---------------------|-----------------|---------------|---------------|
| General | \$ - | \$ - | \$ - |
| Debt Service | 1,572 | 845 | 697 |
| | \$ 1,572 | \$ 845 | \$ 697 |

**SPRING HILL METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/25

| | ACTUAL 2023 | ESTIMATED 2024 | BUDGET 2025 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Total revenues | - | - | - |
| Total funds available | - | - | - |
| EXPENDITURES | | | |
| General and administrative | | | |
| Total expenditures | - | - | - |
| Total expenditures and transfers out requiring appropriation | - | - | - |
| ENDING FUND BALANCES | \$ - | \$ - | \$ - |

**SPRING HILL METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/25

| | ACTUAL 2023 | ESTIMATED 2024 | BUDGET 2025 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 1,572 | 845 | 697 |
| Specific ownership taxes | 78 | 34 | 28 |
| Other revenue | - | - | 275 |
| Total revenues | 1,650 | 879 | 1,000 |
| Total funds available | 1,650 | 879 | 1,000 |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 24 | 13 | 10 |
| Intergovernmental expenditure - District No. 3 | 1,626 | 866 | 715 |
| Contingency | - | - | 275 |
| Total expenditures | 1,650 | 879 | 1,000 |
| Total expenditures and transfers out requiring appropriation | 1,650 | 879 | 1,000 |
| ENDING FUND BALANCES | \$ - | \$ - | \$ - |

**SPRING HILL METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Spring Hill Metropolitan District No. 2 (“District”), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District’s service area is located in the Town of Erie, Colorado (“Town”). The District was established to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of public improvements, including streets improvements, traffic and safety controls, park and recreation improvements and facilities, drainage improvements, and irrigation system, and all related operation and maintenance services.

The Town approved a Consolidated Service Plan, on October 26, 2021, for the District and Spring Hill Metropolitan District Nos. 1, 3, and 4. Such Service Plan limits the aggregate amount of debt that they may issue together to \$60,000,000.

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, sale 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.

**SPRING HILL METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

For property tax collection year 2025, SB22-238, SB23B-001, SB24-233, HB24B-1001 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% | | |

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 by the Debt Service Fund.

Expenditures

Intergovernmental Transfers

Pursuant to a certain pledge agreement, the District will transfer tax revenues, net of collection fees, to Spring Hill Metropolitan District No. 3 (District No. 3) for the purpose of paying the principal and interest on the bonds issued by District No. 3 in October 2022.

County Treasurer’s Fees

County Treasurer’s collection fees have been computed at 1.5% of property taxes.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

**SPRING HILL METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District has not provided for an emergency reserve fund equal to 3% of fiscal year spending, as defined under TABOR, because the District does not have operating revenue and expenditures.

This information is an integral part of the accompanying budget.