

RESOLUTION NO. 2023-12-01
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BNC METROPOLITAN DISTRICT NO. 3
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the BNC Metropolitan District No. 3 (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, 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 December 4, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, 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; 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.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, 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, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the BNC Metropolitan District No. 3:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the BNC Metropolitan District No. 3 for the 2024 fiscal year.
2. That the budget, as 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. That 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.

ADOPTED this 4th day of December, 2023.

A handwritten signature in black ink, consisting of stylized, cursive letters, positioned above a horizontal line.

Secretary

EXHIBIT A
(Budget)

BNC METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**BNC METROPOLITAN DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 4,045,521	\$ 9,441,398	\$ 4,252,178
REVENUES			
Property taxes	38,895	4,984	37,517
Specific ownership taxes	2,645	579	2,627
Interest income	69,757	350,000	210,000
Developer advance	11,307,666	6,721,082	3,653,000
Bond issuance	16,605,298	-	-
Total revenues	<u>28,024,261</u>	<u>7,076,645</u>	<u>3,903,144</u>
Total funds available	<u>32,069,782</u>	<u>16,518,043</u>	<u>8,155,322</u>
EXPENDITURES			
General Fund	60,873	105,000	163,000
Debt Service Fund	-	-	7,417
Capital Projects Fund	22,567,511	12,160,865	7,961,763
Total expenditures	<u>22,628,384</u>	<u>12,265,865</u>	<u>8,132,180</u>
Total expenditures and transfers out requiring appropriation	<u>22,628,384</u>	<u>12,265,865</u>	<u>8,132,180</u>
ENDING FUND BALANCES	<u>\$ 9,441,398</u>	<u>\$ 4,252,178</u>	<u>\$ 23,142</u>
EMERGENCY RESERVE	<u>\$ 1,246</u>	<u>\$ 200</u>	<u>\$ 400</u>

**BNC METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Agricultural	\$ 1,980	\$ 4,090	\$ 2,850
State assessed	5,390	4,340	4,770
Vacant land	-	-	403,460
Personal property	546,180	62,640	123,840
Certified Assessed Value	\$ 553,550	\$ 71,070	\$ 534,920

MILL LEVY

General	70.135	70.135	18.148
Debt Service	0.000	0.000	51.987
Total mill levy	70.135	70.135	70.135

PROPERTY TAXES

General	\$ 38,823	\$ 4,984	\$ 9,708
Debt Service	-	-	27,809
Levied property taxes	38,823	4,984	37,517
Adjustments to actual/rounding	72	-	-
Budgeted property taxes	\$ 38,895	\$ 4,984	\$ 37,517

BUDGETED PROPERTY TAXES

General	\$ 38,895	\$ 4,984	\$ 9,708
Debt Service	-	-	27,809
	\$ 38,895	\$ 4,984	\$ 37,517

**BNC METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (5,815)	\$ (9,648)	\$ 415
REVENUES			
Property taxes	38,895	4,984	9,708
Specific ownership taxes	2,645	579	680
Developer advance	15,500	109,500	153,000
Total revenues	57,040	115,063	163,388
Total funds available	51,225	105,415	163,803
EXPENDITURES			
General and administrative			
Accounting	18,360	24,000	25,000
Auditing	5,500	6,100	7,000
County Treasurer's fees	583	75	146
Directors' fees	200	300	200
Dues and membership	312	311	400
Insurance	2,481	3,271	4,500
District management	14,535	15,000	17,000
Legal	17,366	25,000	25,000
Legal - Special Counsel	-	25,000	25,000
Miscellaneous	315	1,000	1,000
Election	1,221	928	-
Contingency	-	4,015	2,654
Operations and maintenance			
Landscaping	-	-	30,000
Repairs and maintenance	-	-	1,000
Pest control	-	-	1,000
Pet waste service	-	-	1,500
Snow removal	-	-	6,000
Water/ irrigation	-	-	11,400
Electricity	-	-	1,200
Storm drainage maintenance	-	-	3,000
Total expenditures	60,873	105,000	163,000
Total expenditures and transfers out requiring appropriation	60,873	105,000	163,000
ENDING FUND BALANCES	\$ (9,648)	\$ 415	\$ 803
EMERGENCY RESERVE	\$ 1,246	\$ 200	\$ 400

No assurance provided. See summary of significant assumptions.

**BNC METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	27,809
Specific ownership taxes	-	-	1,947
Total revenues	-	-	29,756
Total funds available	-	-	29,756
EXPENDITURES			
General and administrative			
County Treasurer's fees	-	-	417
Paying agent fees	-	-	7,000
Total expenditures	-	-	7,417
Total expenditures and transfers out requiring appropriation	-	-	7,417
ENDING FUND BALANCES	\$ -	\$ -	\$ 22,339

**BNC METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/18/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 4,051,336	\$ 9,451,046	\$ 4,251,763
REVENUES			
Interest income	69,757	350,000	210,000
Developer advance	11,292,166	6,611,582	3,500,000
Bond issuance	16,605,298	-	-
Total revenues	27,967,221	6,961,582	3,710,000
Total funds available	32,018,557	16,412,628	7,961,763
EXPENDITURES			
General and Administrative			
Bond issue costs	288,553	31,050	-
Engineering	6,683	10,000	10,000
Capital Projects			
Repay Developer advance	10,980,109	5,508,233	-
Capital outlay	11,292,166	6,611,582	7,951,763
Total expenditures	22,567,511	12,160,865	7,961,763
Total expenditures and transfers out requiring appropriation	22,567,511	12,160,865	7,961,763
ENDING FUND BALANCES	\$ 9,451,046	\$ 4,251,763	\$ -

**BNC METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation, was formed by Court Order issued on January 8, 2004 and recorded on January 27, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Commerce City, Adams County, Colorado.

The District was established to provide for acquisition, construction, and installation of water, sanitation, drainage, street improvements, parks and recreational facilities, television relay and translation, and mosquito control.

On November 4, 2003, voters of the District elected to approve general obligation indebtedness not to exceed \$60,000,000 at an interest rate not to exceed 15%. They also passed an election question to increase property taxes \$500,000 annually, without limitation of rate, to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue, other than ad valorem taxes, without regard to any limitations under TABOR.

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 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 is required to impose a maximum Required Mill Levy of 51.987 mills for collection in 2024. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up and deficiencies in the Reserve Fund].

The calculation of the taxes levied is displayed on Property Tax Summary page of the budget at the adopted total mill levy of 70.135 mills.

**BNC METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

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%		

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% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded 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.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

Expenditures

Administrative and Operating Expenditures

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Operations and maintenance expenditures related to streetscape, landscaping, snow removal, and utilities are also included.

**BNC METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

County Treasurer’s Fees

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

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

On December 29, 2022 the District issued the Limited Tax General Obligation Bonds, Series 2022A (the "Senior Bonds") and Subordinate Cash Flow Bonds, Series 2022B (the "Subordinate Bonds"), in the respective amounts of \$11,815,297.50 and \$4,790,000.

Proceeds of the Senior and Subordinate Bonds will be used for the purpose of paying Project Costs, which are the costs attributing to the acquisition, construction, and installation of approved public facilities and costs of issuing the Senior and Subordinate Bonds.

The District has outstanding Developer advances. The anticipated Developer advances are as follows:

	Balance - December 31, 2022	Additions	Reductions	Balance - December 31, 2023*	Additions	Reductions	Balance - December 31, 2024*
Developer Advances:							
Operations	\$ 241,141	\$ 109,500	\$ -	\$ 350,641	\$ 153,000	\$ -	\$ 503,641
Capital	312,057	6,611,582	5,443,233	1,480,406	3,500,000	-	4,980,406
Accrued Interest on Developer Advances:							
Operations	143,247	23,671	-	166,918	34,171	-	201,090
Capital	137	71,699	65,000	6,836	258,432	-	265,268
Total	\$ 696,582	\$ 6,816,452	\$ 5,508,233	\$ 2,004,801	\$ 3,945,604	\$ -	\$ 5,950,405

*Estimated balances

Reserves

Emergency Reserve Funds

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2024, as defined under TABOR.

This information is an integral part of the accompanying budget.


BNC METROPOLITAN DISTRICT NO. 3

\$11,815,297.50 (Value at Issuance)
 \$12,750,000 (Value at Conversion Date)
 General Obligation Limited Tax
 Convertible Capital Appreciation Bonds
 Series 2022A
 Dated December 29, 2022
 Interest Rate 4.00%
 Principal Due December 1
 Interest Payable June 1 and December 1

<u>Year Ending December 31.</u>	<u>Value at Issuance</u>	<u>Accretion</u>	<u>Accreted Value</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$11,815,297.50	\$ 495,210	\$ 12,750,000	\$ -	\$ -	\$ -
2025				-	510,000	510,000
2026				180,000	510,000	690,000
2027				200,000	502,800	702,800
2028				225,000	494,800	719,800
2029				230,000	485,800	715,800
2030				255,000	476,600	731,600
2031				265,000	466,400	731,400
2032				290,000	455,800	745,800
2033				305,000	444,200	749,200
2034				330,000	432,000	762,000
2035				345,000	418,800	763,800
2036				375,000	405,000	780,000
2037				390,000	390,000	780,000
2038				420,000	374,400	794,400
2039				435,000	357,600	792,600
2040				470,000	340,200	810,200
2041				490,000	321,400	811,400
2042				525,000	301,800	826,800
2043				545,000	280,800	825,800
2044				585,000	259,000	844,000
2045				605,000	235,600	840,600
2046				650,000	211,400	861,400
2047				675,000	185,400	860,400
2048				720,000	158,400	878,400
2049				745,000	129,600	874,600
2050				795,000	99,800	894,800
2051				825,000	68,000	893,000
2052				875,000	35,000	910,000
Total				<u>\$ 12,750,000</u>	<u>\$ 9,350,600</u>	<u>\$ 22,100,600</u>

No assurance provided. See summary of significant assumptions.

I, David Solin, hereby certify that I am the duly appointed Secretary of the BNC Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the BNC Metropolitan District No. 3 held on December 4, 2023.

By:  _____
Secretary

RESOLUTION NO. 2023-12-02
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BNC METROPOLITAN DISTRICT NO. 3
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the BNC Metropolitan District No. 3 (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on December 4, 2023; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BNC Metropolitan District No. 3:

1. That for the purposes of meeting all general fund expenses of the District during the 2024 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 purposes of meeting all debt service fund expenses of the District during the 2024 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 the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** 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.

ADOPTED this 4th day of December, 2023.



Secretary

EXHIBIT A
(Certification of Tax Levies)

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: | Public Infrastructure |
| | Series: | General Obligation (Limited Tax Convertible to Unlimited Tax) Convertible Capital Appreciation Bonds, Series 2022A |
| | Date of Issue: | 12/29/2022 |
| | Coupon Rate: | 4.00% |
| | Maturity Date: | 12/01/2052 |
| | Levy: | 51.987 |
| | Revenue: | 27,809 |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

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 separately report all bond and contractual obligations per 32-1-1603, C.R.S.

I, David Solin, hereby certify that I am the duly appointed Secretary of the BNC Metropolitan District No. 3, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the BNC Metropolitan District No. 3 held on December 4, 2023.



Secretary