

RESOLUTION NO. 2021-11-03

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

**PALISADE METROPOLITAN DISTRICT NO. 2, CITY AND COUNTY OF
BROOMFIELD, 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 2022**

- A. The Board of Directors of Palisade Metropolitan District No. 2 (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 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 November 17, 2021, 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 PALISADE METROPOLITAN DISTRICT NO. 2, CITY AND COUNTY OF BROOMFIELD, 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 NOVEMBER 17, 2021.

**PALISADE METROPOLITAN DISTRICT
NO. 2**

By: 

President

Attest:

By: 

Secretary

EXHIBIT A

Budget

PALISADE METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING December 31, 2022

**PALISADE METROPOLITAN DISTRICT NO. 2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 28,997,864	\$ 18,803,994	\$ 14,340,611
REVENUES			
Property Taxes	6,708	7,101	7,323
Specific Ownership Tax	30,225	32,546	23,863
Interest Income	174,451	9,005	11,665
BURA - City	11,241	63,040	68,676
BURA - County	14,973	-	-
BURA - HHS	2,206	-	-
BURA - St. Vrain	210,649	467,213	508,984
BURA - NARA/TIF	188,824	-	-
BURA - District	185,973	431,231	461,493
Facilities Fees	8,000	-	-
Sales Tax	38,859	55,000	55,000
Use Tax	96,513	-	-
SEF Tax	51,028	-	-
Payment in Lieu of Taxes	134,941	864,778	951,295
Intergovernment Revenue	1,042,678	-	-
Developer Advance	560,830	-	-
Total revenues	<u>2,758,099</u>	<u>1,929,914</u>	<u>2,088,299</u>
TRANSFERS IN	<u>3,016,917</u>	<u>336,860</u>	<u>584,347</u>
Total funds available	<u>34,772,880</u>	<u>21,070,768</u>	<u>17,013,257</u>
EXPENDITURES			
General Fund	252,232	191,793	204,327
Debt Service Fund	4,281,806	2,027,964	1,164,882
Capital Projects Fund	8,227,045	4,510,400	10,228,260
Total expenditures	<u>12,761,083</u>	<u>6,730,157</u>	<u>11,597,469</u>
TRANSFERS OUT	<u>3,207,803</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>15,968,886</u>	<u>6,730,157</u>	<u>11,597,469</u>
ENDING FUND BALANCES	<u>\$ 18,803,994</u>	<u>\$ 14,340,611</u>	<u>\$ 5,415,788</u>

No assurance provided. See summary of significant assumptions.

PALISADE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/28/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Residential	\$ 3,783,780	\$ 3,783,780	\$ 4,426,850
Commercial	7,237,400	5,172,140	5,323,310
Agricultural	1,760	1,790	1,300
State assessed	31,760	52,170	55,710
Vacant land	173,790	50	180
	<u>11,228,490</u>	<u>9,009,930</u>	<u>9,807,350</u>
TIF Increment	(11,025,877)	(8,864,355)	(9,656,877)
Certified Assessed Value	<u>\$ 202,613</u>	<u>\$ 145,575</u>	<u>\$ 150,473</u>
MILL LEVY			
General	12.000	12.000	12.000
Debt Service	36.336	36.665	36.665
Total mill levy	<u>48.336</u>	<u>48.665</u>	<u>48.665</u>
PROPERTY TAXES			
General	\$ 2,431	\$ 1,747	\$ 1,806
Debt Service	7,362	5,338	5,517
Budgeted property taxes	<u>\$ 9,793</u>	<u>\$ 7,085</u>	<u>\$ 7,323</u>
BUDGETED PROPERTY TAXES			
General	\$ 2,431	\$ 1,747	\$ 1,806
Debt Service	7,362	5,338	5,517
Net General Fund TIF taxes	129,929	104,458	113,797
Net Debt Service TIF taxes	393,425	319,161	347,696
	<u>\$ 533,147</u>	<u>\$ 430,704</u>	<u>\$ 468,816</u>

No assurance provided. See summary of significant assumptions.

PALISADE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/28/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 528,282	\$ 389,191	\$ 531,490
REVENUES			
Property Taxes	1,554	1,751	1,806
Specific Ownership Tax	7,504	8,080	5,884
Interest Income	-	5	-
BURA - District	94,770	106,335	113,797
Payment in Lieu of Taxes	9,313	217,921	234,574
Total revenues	<u>113,141</u>	<u>334,092</u>	<u>356,061</u>
Total funds available	<u>641,423</u>	<u>723,283</u>	<u>887,551</u>
EXPENDITURES			
General and administrative			
Accounting	42,219	55,000	60,000
Auditing	5,000	6,000	6,000
County Treasurer's Fee	23	26	27
Dues and licenses	-	599	1,000
Insurance and Bonds	5,183	5,183	5,500
Legal Services	36,199	21,300	22,000
Miscellaneous	485	485	-
Banking Fees	485	700	800
Election Expense	419	-	2,000
District Management	-	-	-
Repay Developer Advance Principal	31,372	-	-
Repay Developer Advance Interest	28,996	-	-
Operations and maintenance			
Repairs and Replacement	5,550	-	-
Irrigation	37,600	30,000	30,000
Electrical	1,207	1,500	2,000
Snow Removal	5,270	16,000	15,000
Common Area Maintenance	52,224	55,000	60,000
Total expenditures	<u>252,232</u>	<u>191,793</u>	<u>204,327</u>
Total expenditures and transfers out requiring appropriation	<u>252,232</u>	<u>191,793</u>	<u>204,327</u>
ENDING FUND BALANCES	<u>\$ 389,191</u>	<u>\$ 531,490</u>	<u>\$ 683,224</u>
EMERGENCY RESERVE	\$ 3,400	\$ 10,100	\$ 10,700
AVAILABLE FOR OPERATIONS	385,791	521,390	672,524
TOTAL RESERVE	<u>\$ 389,191</u>	<u>\$ 531,490</u>	<u>\$ 683,224</u>

No assurance provided. See summary of significant assumptions.

PALISADE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/28/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 4,064,287	\$ 3,690,808	\$ 3,588,526
REVENUES			
206320 Property Taxes	5,154	5,350	5,517
206340 Specific Ownership Tax	22,721	24,466	17,979
206360 Interest Income	24,411	2,000	4,000
206801 Payment in Lieu of Taxes	125,628	646,857	716,721
206802 BURA - City	11,241	63,040	68,676
206803 BURA - County	14,973	-	-
206804 BURA - HHS	2,206	-	-
206805 BURA - St. Vrain	210,649	467,213	508,984
206806 BURA - NARA/TIF	188,824	-	-
206807 BURA - District	91,203	324,896	347,696
206380 Facilities Fees	8,000	-	-
206350 Sales tax	38,859	55,000	55,000
206351 Use Tax	96,513	-	-
206352 SEF Tax	51,028	-	-
Total revenues	<u>891,410</u>	<u>1,588,822</u>	<u>1,724,573</u>
TRANSFERS IN			
206501 Transfer from Palisade No. 1	-	-	-
206900 Transfers from District No. 1	803,799	336,860	584,347
206901 Transfers from Other Funds	2,213,118	-	-
Total transfers in	<u>3,016,917</u>	<u>336,860</u>	<u>584,347</u>
Total funds available	<u>7,972,614</u>	<u>5,616,490</u>	<u>5,897,446</u>
EXPENDITURES			
General and administrative			
207200 County Treasurer's Fee	77	80	83
207490 Banking Fees	2,948	400	1,000
207592 Trustee fees	11,500	11,500	11,500
207813 Office Supplies	-	-	-
207825 Bond Interest - 2016	1,231,281	1,090,425	-
207836 Loan Principal	-	-	600,000
207826 Loan Interest Payment	-	-	552,299
207827 Bond Interest - 2019	-	90,559	-
207830 Bond principal -2016	3,036,000	835,000	-
Total expenditures	<u>4,281,806</u>	<u>2,027,964</u>	<u>1,164,882</u>
Total expenditures and transfers out requiring appropriation	<u>4,281,806</u>	<u>2,027,964</u>	<u>1,164,882</u>
ENDING FUND BALANCES	<u>\$ 3,690,808</u>	<u>\$ 3,588,526</u>	<u>\$ 4,732,564</u>
DEBT SERVICE RESERVE	\$ 2,014,895	\$ 2,014,895	\$ 2,014,895
DEBT SERVICE SURPLUS	2,000,000	2,000,000	2,000,000
AVAILABLE FOR FUTURE DEBT SERVICE	(324,087)	(426,369)	717,669
TOTAL RESERVE	<u>\$ 3,690,808</u>	<u>\$ 3,588,526</u>	<u>\$ 4,732,564</u>

No assurance provided. See summary of significant assumptions.

**PALISADE METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 24,405,295	\$ 14,723,995	\$ 10,220,595
REVENUES			
Interest Income	150,040	7,000	7,665
Intergovernment Revenue	1,042,678	-	-
Developer Advance	560,830	-	-
Total revenues	<u>1,753,548</u>	<u>7,000</u>	<u>7,665</u>
Total funds available	<u>26,158,843</u>	<u>14,730,995</u>	<u>10,228,260</u>
EXPENDITURES			
General and Administrative			
Accounting	1,234	-	-
Banking Fees	3,322	1,400	2,000
Repay Developer Advance Principal	1,408,647	-	-
Repay Developer Advance Interest	177,200	-	-
Engineering	13,150	9,000	10,000
Capital Projects			
Intergovernment Expense	62,554	-	-
Capital Outlay	6,560,938	4,500,000	10,216,260
Total expenditures	<u>8,227,045</u>	<u>4,510,400</u>	<u>10,228,260</u>
TRANSFERS OUT			
Transfer to District No. 1	994,685	-	-
Transfers to Other Fund	2,213,118	-	-
Total Transfers Out	<u>3,207,803</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>11,434,848</u>	<u>4,510,400</u>	<u>10,228,260</u>
ENDING FUND BALANCES	<u>\$ 14,723,995</u>	<u>\$ 10,220,595</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PALISADE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

SERVICES PROVIDED

Palisade Metropolitan District No. 2 (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 the City and County of Broomfield on August 16, 2007, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City and County of Broomfield, Colorado (Broomfield). The District's service area is located in Broomfield. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors. On September 12, 2006, Broomfield approved the Service Plan (the Original Service Plan). On December 2, 2014, Broomfield approved the First Amended and Restated Service Plan for the District as further amended on August 20, 2019 (the Amended Service Plan), which is intended to modify, replace, restate, and supersede the Original Service Plan in its entirety.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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.

As of December 31, 2021, the adjusted maximum mill levy for debt service is 36.665 mills.

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 5% of the property taxes collected.

**PALISADE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenue – Continued

BURA – Broomfield Urban Renewal Authority

On October 9, 2007, the District entered into a Reimbursement Agreement by and among the Broomfield Urban Renewal Authority (BURA) and Palisade Metropolitan District No. 1 (District No. 1, and collectively with the District, the Districts) (Reimbursement Agreement) whereby BURA agreed to reimburse the Districts for eligible improvements in an amount of the lesser of the total certified costs, or \$15,809,807 (Reimbursement Obligation). Pursuant to the Reimbursement Agreement, the Districts are expected to issue bonds to finance the eligible improvements described therein and, to assist in supporting the repayment of such bonds, BURA agreed to transfer 50% of the 3.5% sales taxes imposed upon all transactions subject to sales tax within the Districts, 50% of the 3.5% use tax revenue produced by initial construction of Private Improvements within the Districts, and 50% of the Service Expansion Fee collected for residential uses developed and constructed within the Districts.

Additionally, BURA will deposit into a separate account and transfer to the Districts all property tax revenue paid to BURA as a result of the Districts' mill levies. The funds generated from the operating mill levy will be used by the Districts to pay for normal operating and maintenance expense, and the portion attributable to the debt service mill levy will be used for payment on the bonds. The debt service mill levy transfer will expire on the first to occur of the 25th anniversary of the Reimbursement Agreement or the defeasance in full of the bonds. The District's mill levies do not count against or otherwise reduce the Reimbursement Obligation.

On April 19, 2011 the Districts and BURA entered into Amendment No. 1 to the Reimbursement Agreement to acknowledge issuance of a Promissory Note by the District to finance certain specified public improvements (Amendment Improvements) for the benefit of certain property within the District (Amendment Property). Pursuant to Amendment No. 1, BURA agreed to pledge to the District for repayment of the Promissory Note that portion of increment revenues BURA receives as a result of 7.242 mills levied by Broomfield associated with the Amendment Property, and that portion of the increment revenues BURA receives as a result of the mill levy imposed by the Saint Vrain School District on the Amendment Property (Amendment Revenues).

On December 2, 2014, the Districts and BURA entered into Amendment No. 2 to the Reimbursement Agreement to provide for additional Pledged Revenue to pay for Eligible Expenditures of those Public Improvements defined in Amendment No. 2, including certain property tax increment revenues BURA receives as a result of the following, but excluding any Amendment No. 1 Property Tax Revenue attributed to the Amendment Property, (i) the levy of 7.242 mill by the Broomfield upon certain property, (ii) 100% of the levy of the St. Vrain School District on certain property within District No. 2, and (iii) 75% of the levy of the St. Vrain School District on certain property within District No. 1. Amendment No. 2 also increased the Maximum Net Reimbursement Obligation of BURA to the lesser of the total cost for the Public Improvements, as certified and approved in accordance with the Reimbursement Agreement, or \$23,633,446.

**PALISADE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenue – Continued

On July 15, 2015, the Districts and BURA entered into a Corrected Amendment No. 3 to the Reimbursement Agreement (Amendment No. 3) in order to clarify certain definitions and authorized uses of the Pledged Revenues.

Sales Tax

Sales tax is calculated by Broomfield. The tax is used to pay for certain eligible expenses of the District associated with the construction of public improvements up to the Maximum Gross Reimbursement Obligation. Certain of such proceeds received by the District are pledged to the payment of the Series 2016 Bonds and Series 2019 Bonds. BURA agreed to transfer 50% of the 3.5% sales taxes imposed upon all transactions subject to sales tax within the Districts. Sales Tax is calculated for 2022 to be approximately \$55,000.

Payments in Lieu of Taxes

The District and Kevamra, LLC (Kevamra) entered into an Agreement Regarding Children's Payments in Lieu of Taxes on July 12, 2011 (Children's Agreement) whereby Kevamra agreed to transfer, convey, and assign all of its rights title and interest in certain payments made by the Children's Hospital Association (Children's). Specifically, Kevamra had previously entered into various agreements with Children's whereby Children's agreed to promptly pay all taxes, assessments, fees, and other lawful charges levied by the District, or alternatively to pay the District an amount equivalent to the fees assessments or taxes if it is deemed that Children's is tax exempt (Children's PILOT). Pursuant to the Children's Agreement, the District has the right to enforce and collect the Children's PILOT.

The District, Kevamra, and The Oxford Fund/NARA-CO, LLC (Oxford) entered into a Declaration of Covenants Relating to Payments in Lieu of Ad Valorem Taxes on July 12, 2011 (Declarations), whereby Kevamra and Oxford agreed that if (1) any tax-exempt entity becomes an owner of the property that is the subject of the Declarations, or (2) any owner that is taxable subsequently becomes tax exempt, then such property shall be subject to a payment in lieu of taxes (PILOT). The amount of the PILOT payment shall be an amount equal to what would have been derived from the District's operations and maintenance mill levy and debt service mill levy plus, during the term of the Reimbursement Agreement, an amount equal to the Amendment Revenues, prorated of any portion of the year during which a change in status occurs. The Declarations terminate upon the later of dissolution of the District or repayment of all obligations under bonds issued by the District.

Transfers from Other Districts

The District anticipates receipt of the District No. 1 Capital Revenue as required by the Amended and Restated Capital Pledge Agreement for payment of the District's Series 2016 Bonds and Series 2019 Bonds (as described under the Debts and Leases section).

**PALISADE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenue – Continued

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.15%.

EXPENDITURES

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included the General Fund budget.

County Treasurer's Fees

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

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2016 Bonds and Series 2019 Bonds (discussed under Debt and Leases).

Debt and Leases

In October 10, 2019, the District issued \$23,558,000 of Subordinate General Obligation Limited Tax and Revenue Bonds, Series 2019 (Series 2019 Bonds), for the purpose of funding and reimbursing a portion of the costs of certain public infrastructure and paying the costs of issuance of the Series 2019 Bonds. The Series 2019 Bonds bear interest at rate of 7.250% payable annually on December 15 each year, commencing on December 15, 2019.

The Series 2019 Bonds are subject to mandatory redemption to the extent Pledged Revenue is available therefore and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, commencing on December 15, 2024, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

The Series 2019 Bonds are "cash flow" bonds secured by the Pledged Revenue consisting of the following, net of any costs of collection: (a) the Sales Tax Revenue; (b) the Subordinate Required Mill Levy, including any District No. 2 TIF produced from the imposition of the Subordinate Required Mill Levy; (c) any Additional PILOT Revenue; (d) collectively, any District No. 1 Capital Revenue, BURA Agreement Revenue (exclusive of the Sales Tax Revenue and as and to the extent received by the District), and PILOT Revenue, remaining in each Fiscal Year after the payment of any Senior Bonds (including the Series 2016 Bonds); (e) the portion of the Specific Ownership Tax which is collected

**PALISADE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – Continued

as a result of the imposition of the Subordinate Required Mill Levy; and (f) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. Excluding Sales Tax Revenue, the Series 2019 Bonds are secured by the Pledged Revenue on a subordinate basis to the Series 2016 Bonds.

On November 23rd of 2021 the District entered into a loan agreement for \$19,647,000.00 Tax-Exempt General Obligation Refunding Loan for the purpose of refunding the 2016 Bonds. The Loan has an interest rate of 2.750% and a matures on December 1st 2046, with interest and principal payments due on the 1st of December.

The Series 2021 Loan is secured by (a) the Required Mill Levy, including any District No. 2 TIF produced as a result of the imposition of the Required Mill Levy; (b) District No. 1 Capital Revenue (including BURA Agreement Revenue); (c) BURA Agreement Revenue (subject to certain provisions with respect to Sales Tax Revenue); (d) the PILOT Revenue; (e) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (f) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Operating and Capital Leases

The District has no operating leases.

Reserves

Emergency Reserve

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

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2016 Bonds.

This information is an integral part of the accompanying forecasted budget.



\$19,647,000

Palisade Metropolitan District No. 2

Tax-Exempt General Obligation Refunding Loan, Series 2021

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2021	-	-	-	-
12/01/2022	600,000.00	2.750%	552,299.00	1,152,299.00
12/01/2023	605,000.00	2.750%	523,792.50	1,128,792.50
12/01/2024	700,000.00	2.750%	507,155.00	1,207,155.00
12/01/2025	1,000,000.00	2.750%	487,905.00	1,487,905.00
12/01/2026	1,200,000.00	2.750%	460,405.00	1,660,405.00
12/01/2027	1,150,000.00	2.750%	427,405.00	1,577,405.00
12/01/2028	1,150,000.00	2.750%	395,780.00	1,545,780.00
12/01/2029	525,000.00	2.750%	364,155.00	889,155.00
12/01/2030	525,000.00	2.750%	349,717.50	874,717.50
12/01/2031	525,000.00	2.750%	335,280.00	860,280.00
12/01/2032	525,000.00	2.750%	320,842.50	845,842.50
12/01/2033	525,000.00	2.750%	306,405.00	831,405.00
12/01/2034	525,000.00	2.750%	291,967.50	816,967.50
12/01/2035	525,000.00	2.750%	277,530.00	802,530.00
12/01/2036	546,000.00	2.750%	263,092.50	809,092.50
12/01/2037	700,000.00	4.500%	405,945.00	1,105,945.00
12/01/2038	750,000.00	4.500%	374,445.00	1,124,445.00
12/01/2039	805,000.00	4.500%	340,695.00	1,145,695.00
12/01/2040	875,000.00	4.500%	304,470.00	1,179,470.00
12/01/2041	905,000.00	4.500%	265,095.00	1,170,095.00
12/01/2042	950,000.00	4.500%	224,370.00	1,174,370.00
12/01/2043	975,000.00	4.500%	181,620.00	1,156,620.00
12/01/2044	1,000,000.00	4.500%	137,745.00	1,137,745.00
12/01/2045	1,025,000.00	4.500%	92,745.00	1,117,745.00
12/01/2046	1,036,000.00	4.500%	46,620.00	1,082,620.00
Total	\$19,647,000.00	-	\$8,237,481.50	\$27,884,481.50


Yield Statistics

Bond Year Dollars	\$265,976.60
Average Life	13.538 Years
Average Coupon	3.0970700%
Net Interest Cost (NIC)	3.0970700%
True Interest Cost (TIC)	3.0060310%
Bond Yield for Arbitrage Purposes	2.7499490%
All Inclusive Cost (AIC)	3.1648120%

IRS Form 8038

Net Interest Cost	3.0970700%
Weighted Average Maturity	13.538 Years

I, William R. Branyan, hereby certify that I am the duly appointed Secretary of the Palisade Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a meeting of the Board of Directors of the Palisade Metropolitan District No. 2 held on November 17, 2021.



Secretary

RESOLUTION NO. 2021-11-04

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE PALISADE METROPOLITAN DISTRICT NO. 2 LEVYING
GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE
YEAR 2021, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2022
BUDGET YEAR**

A. The Board of Directors of the Palisade Metropolitan District No. 2 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 17, 2021.

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 Palisade Metropolitan District No. 2, City and County of Broomfield, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2022 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 2022 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.

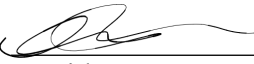
3. That for the purpose of meeting all contractual obligation expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Assessor of the City and County of Broomfield, 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]

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 17, 2021.

**PALISADE METROPOLITAN DISTRICT
NO. 2**

By:  _____
President

Attest:


By:  _____
Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of City and County of Broomfield, Colorado.

On behalf of the Palisade Metropolitan District No. 2,
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Palisade Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 9,807,350 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: \$ 150,473 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/08/2021 for budget/fiscal year 2022.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	12.000 mills	\$1,806
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	12.000 mills	\$1,806
3. General Obligation Bonds and Interest ^J	36.665 mills	\$ 5,517
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]	48.665 mills	\$7,323

Contact person: Jason Carroll Daytime phone: (303) 779-5710
(print)

Signed:  Title: Accountant for the District

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.

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 NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** 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: | <u>Subordinate General Obligation – Limited Tax & Revenue Bonds</u> |
| | Series: | <u>Series 2019</u> |
| | Date of Issue: | <u>10/10/2019</u> |
| | Coupon Rate: | <u>7.250%</u> |
| | Maturity Date: | <u>12/15/2049</u> |
| | Levy: | <u>0.000</u> |
| | Revenue: | <u>\$0</u> |
| | | |
| 2. | Purpose of Issue: | <u>Loan Agreement w/ Zions Bancorporation, d/b/a Vectra Bank Colorado</u> |
| | Series: | <u>2021</u> |
| | Date of Issue: | <u>11/23/2021</u> |
| | Coupon Rate: | <u>2.750%</u> |
| | Maturity Date: | <u>12/01/2046</u> |
| | Levy: | <u>36.665</u> |
| | Revenue: | <u>\$5,517</u> |

CONTRACTS^K:

- | | | |
|----|----------------------|----------|
| 3. | Purpose of Contract: | <u> </u> |
| | Title: | <u> </u> |
| | Date: | <u> </u> |
| | Principal Amount: | <u> </u> |
| | Maturity Date: | <u> </u> |
| | Levy: | <u> </u> |
| | Revenue: | <u> </u> |
| | | |
| 4. | Purpose of Contract: | <u> </u> |
| | Title: | <u> </u> |
| | Date: | <u> </u> |
| | Principal Amount: | <u> </u> |
| | Maturity Date: | <u> </u> |
| | Levy: | <u> </u> |
| | Revenue: | <u> </u> |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

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.

I, William R. Branyan, hereby certify that I am the duly appointed Secretary of the Palisade Metropolitan District No. 2, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2022, duly adopted at a meeting of the Board of Directors of the Palisade Metropolitan District No. 2 held on November 17, 2021.


Secretary