

RESOLUTION NO. 2022-11-03

**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 2023**

- 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 10, 2022, 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 10, 2022.

**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, 2023

**PALISADE METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 18,803,994	\$ 12,428,254	\$ 5,350,120
REVENUES			
Property Taxes	7,101	7,323	7,820
Specific Ownership Tax	31,907	23,939	28,631
Interest Income	6,021	55,262	9,475
BURA - City	63,834	15,775	76,472
BURA - St. Vrain	473,512	300,000	566,763
BURA - NARA/TIF	-	245,330	-
BURA - District	439,617	288,539	533,574
Sales Tax	60,235	58,739	64,613
Use Tax	-	1,959	2,155
Payment in Lieu of Taxes	864,778	951,295	987,759
Intergovernment Revenue	1,182,703	-	-
Bond Proceeds	19,647,000	-	9,355,000
Total revenues	<u>22,776,708</u>	<u>1,948,161</u>	<u>11,701,507</u>
TRANSFERS IN	<u>343,684</u>	<u>584,347</u>	<u>698,903</u>
Total funds available	<u>41,924,386</u>	<u>14,960,762</u>	<u>17,750,530</u>
EXPENDITURES			
General Fund	259,101	425,424	531,989
Debt Service Fund	25,257,642	2,175,118	2,533,880
Capital Projects Fund	3,979,389	7,010,100	14,391,963
Total expenditures	<u>29,496,132</u>	<u>9,610,642</u>	<u>17,457,832</u>
Total expenditures and transfers out requiring appropriation	<u>29,496,132</u>	<u>9,610,642</u>	<u>17,457,832</u>
ENDING FUND BALANCES	<u>\$ 12,428,254</u>	<u>\$ 5,350,120</u>	<u>\$ 292,698</u>

No assurance provided. See summary of significant assumptions.

**PALISADE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential Multi Family	\$ 3,783,780	\$ 4,426,850	\$ 5,033,710
Commercial	5,172,140	5,323,310	5,248,080
Agricultural	1,790	1,300	1,180
State assessed	52,170	55,710	73,750
Vacant land	50	180	551,150
	<u>9,009,930</u>	<u>9,807,350</u>	<u>10,907,870</u>
TIF Increment	(8,864,355)	(9,656,877)	(10,753,109)
Certified Assessed Value	<u>\$ 145,575</u>	<u>\$ 150,473</u>	<u>\$ 154,761</u>
 MILL LEVY			
General	12.000	12.000	12.994
Debt Service	36.336	36.665	37.536
Total mill levy	<u>48.336</u>	<u>48.665</u>	<u>50.530</u>
 PROPERTY TAXES			
General	\$ 1,747	\$ 1,806	\$ 2,011
Debt Service	5,290	5,517	5,809
Budgeted property taxes	<u>\$ 7,037</u>	<u>\$ 7,323</u>	<u>\$ 7,820</u>
 BUDGETED PROPERTY TAXES			
General	\$ 1,747	\$ 1,806	\$ 2,011
Debt Service	5,290	5,517	5,809
Net General Fund TIF taxes	104,458	113,797	137,211
Net Debt Service TIF taxes	316,297	347,696	396,363
	<u>\$ 427,792</u>	<u>\$ 468,816</u>	<u>\$ 541,394</u>

No assurance provided. See summary of significant assumptions.

PALISADE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 389,191	\$ 466,076	\$ 354,994
REVENUES			
Property Taxes	1,751	1,806	2,011
Specific Ownership Tax	7,909	5,960	7,060
Interest Income	2	2	2
BURA - District	108,403	72,000	137,211
Payment in Lieu of Taxes	217,921	234,574	247,409
Total revenues	335,986	314,342	393,693
TRANSFERS IN			
Transfer from Palisade No. 1	-	-	76,000
Total funds available	725,177	780,418	824,687
EXPENDITURES			
General and administrative			
Accounting	53,137	60,000	69,000
Auditing	5,000	6,000	6,600
County Treasurer's Fee	26	27	29
Dues and licenses	599	445	489
Insurance and Bonds	3,695	17,000	3,871
Legal Services	21,868	45,000	49,500
Banking Fees	662	800	500
Election Expense	-	1,600	2,000
Operations and maintenance			
Repairs and Replacement	28,144	15,500	50,000
Irrigation	38,072	78,650	90,000
Electrical	910	41,000	2,000
Snow Removal	9,240	28,452	42,000
Winter Watering	-	450	-
Common Area Maintenance	97,748	128,000	185,715
Contingency	-	2,500	20,285
Management			10,000
Total expenditures	259,101	425,424	531,989
Total expenditures and transfers out requiring appropriation	259,101	425,424	531,989
ENDING FUND BALANCES	\$ 466,076	\$ 354,994	\$ 292,698
EMERGENCY RESERVE	\$ 10,100	\$ 9,500	\$ 11,900
AVAILABLE FOR OPERATIONS	455,976	345,494	280,798
TOTAL RESERVE	\$ 466,076	\$ 354,994	\$ 292,698

No assurance provided. See summary of significant assumptions.

PALISADE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 3,690,808	\$ 30,174	\$ 34,442
REVENUES			
Property Taxes	5,350	5,517	5,809
Specific Ownership Tax	23,998	17,979	21,571
Interest Income	1,324	16,480	2,439
Payment in Lieu of Taxes	646,857	716,721	740,350
BURA - City	63,834	15,775	76,472
BURA - St. Vrain	473,512	300,000	566,763
BURA - NARA/TIF	-	245,330	-
BURA - District	331,214	216,539	396,363
Sales tax	60,235	58,739	64,613
Use Tax	-	1,959	2,155
Bond Proceeds	19,647,000	-	-
Total revenues	21,253,324	1,595,039	1,876,535
TRANSFERS IN			
Transfer from Palisade No. 1	343,684	584,347	622,903
Total transfers in	343,684	584,347	622,903
Total funds available	25,287,816	2,209,560	2,533,880
EXPENDITURES			
General and administrative			
County Treasurer's Fee	80	90	87
Banking Fees	193	225	100
Trustee Fees	17,500	6,000	6,000
Bond Interest - 2016	545,213	-	-
Loan Principal	-	600,000	605,000
Loan Interest Payment	-	559,803	523,793
Sub Bond Interest - 2019	68,390	1,002,500	1,398,900
Loan Issue Cost	401,683	-	-
Payment to Refund Escrow	24,224,583	-	-
Contingency	-	6,500	-
Total expenditures	25,257,642	2,175,118	2,533,880
Total expenditures and transfers out requiring appropriation	25,257,642	2,175,118	2,533,880
ENDING FUND BALANCES	\$ 30,174	\$ 34,442	-
DEBT SERVICE RESERVE	\$ 2,041,923	\$ -	-
DEBT SERVICE SURPLUS	1,557,851	-	-
AVAILABLE FOR FUTURE DEBT SERVICE	(3,569,601)	34,442	-
TOTAL RESERVE	\$ 30,174	\$ 34,442	-

No assurance provided. See summary of significant assumptions.

**PALISADE METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 14,723,995	\$ 11,932,004	\$ 4,960,684
REVENUES			
Interest Income	4,695	38,780	7,034
Intergovernment Revenue	1,182,703	-	-
Developer Advance	-	-	69,245
Bond Proceeds	-	-	9,355,000
Total revenues	<u>1,187,398</u>	<u>38,780</u>	<u>9,431,279</u>
Total funds available	<u>15,911,393</u>	<u>11,970,784</u>	<u>14,391,963</u>
EXPENDITURES			
General and Administrative			
Banking Fees	713	100	100
Engineering	5,752	10,000	3,330
Bond Premium	-	-	1,122,600
Cost of Issuance	-	-	530,650
Capital Projects			
Intergovernment Expense	62,989		2,650
Capital Outlay	3,909,935	7,000,000	12,732,633
Total expenditures	<u>3,979,389</u>	<u>7,010,100</u>	<u>14,391,963</u>
Total expenditures and transfers out requiring appropriation	<u>3,979,389</u>	<u>7,010,100</u>	<u>14,391,963</u>
ENDING FUND BALANCES	<u>\$ 11,932,004</u>	<u>\$ 4,960,684</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PALISADE METROPOLITAN DISTRICT NO. 2
2023 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, 2022, the adjusted mill levy for debt service is 37.536 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
2023 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
2023 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 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 2023 to be approximately \$64,613.

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 Second Amended and Restated Capital Pledge Agreement for payment of the District's Series 2019 Bonds and 2021 Loan (as described under the Debts and Leases section).

**PALISADE METROPOLITAN DISTRICT NO. 2
2023 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 2019 Bonds and Series 2021 Loan (discussed under Debt and Leases).

Debt and Leases

Subordinate General Obligation Limited Tax and Revenue Bonds Series 2019

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); (e) the

**PALISADE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – Continued

portion of the Specific Ownership Tax which is collected 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 2021 Loan.

Tax-Exempt General Obligation Refunding Loan Series 2021

On November 23, 2021, the District entered into a loan agreement with Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado (Lender) in the principal amount of \$19,647,000 (Series 2021 Loan). Proceeds of the Series 2021 Loan were used to (i) refund, pay, and cancel the Series 2016 Bonds; and (ii) pay the costs of issuing the Series 2021 Loan.

The Series 2021 Loan matures on December 1, 2046 and bears interest at 2.75% (Base Rate) from the closing date to December 1, 2036 (Interest Reset Date). For the period ranging from the Reset Date to the Maturity Date, the Base Rate shall be equal the sum of the Index plus 150 basis points, multiplied by 80%; (i) provided, however, for so long as the Series 2019 Subordinate Bonds remain outstanding, in no event shall the Base Rate cause the debt service payable on the Series 2021 Loan to exceed the debt service for such comparable year set forth in the Loan Agreement; and (ii) provided, further, in no event shall the Base Rate be less than 3.00%.

Interest is payable semiannually on June 1 and December 1, beginning on June 1, 2022 and principal is payable on December 1, beginning on December 1, 2022. Interest not paid when due shall compound on each payment date at the then-applicable interest rate.

The principal and interest on the Series 2021 Loan shall be payable solely from and to the extent of the Pledged Revenue and the funds and accounts held for the payment of the Series 2021. Pledged Revenue means the money derived by the District from the following sources, net of any costs of collection; (a) the Required Mill Levy, including any District No. 2 TIF produced from the imposition of the Required Mill Levy; (b) District No. 1's Capital Revenue (except for the sales tax revenues); (c) BURA Agreement Revenue (except for the sales tax revenues); (d) PILOT Revenue; (e) the portion of Specific Ownership Tax which is collected as a result of 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.

\$9,355,000 Junior Subordinate General Obligation Series 2023C(3) Bonds

The district anticipates issuing general obligation bonds in 2023. The Bonds are structured as cash flow bonds that pay each year on December 16. Any Junior Pledged Revenue available to the Bonds will be used to pay current interest, accrued interest, and then principal. Interest not paid when due will accrue and compound annually at the rate on the Bonds. Any amount unpaid at the maturity date will remain outstanding and continue to accrue and compound.

**PALISADE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – Continued

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2022 and 2023.

	Balance - January 1, 2021	Additions	Deletions	Balance - December 31, 2022	Due Within One Year
Governmental Activities:					
Series 2019 Subordinate					
G.O. Bonds	\$ 23,558,000			\$ 23,558,000	\$ -
Series 2021 Loan	19,647,000		600,000	19,047,000	605,000
Accrued and Unpaid:					
Interest Series 2021	-	559,803	559,803	-	
Interest Series 2019				-	
Subordinate G.O. Bonds	3,977,383	1,907,374	1,002,500	4,882,257	-
Total Bonds Payable	\$ 47,182,383	\$ 2,467,177	\$ 2,162,303	\$ 47,487,257	\$ 605,000
	Balance - January 1, 2022	Additions	Deletions	Balance - December 31, 2023	Due Within One Year
Governmental Activities:					
Series 2019 Subordinate					
G.O. Bonds	\$ 23,558,000			\$ 23,558,000	\$ -
Series 2021 Loan	19,047,000		605,000	18,442,000	700,000
Series 2023(C) Bonds	-	9,355,000		9,355,000	
Accrued and Unpaid:					
Interest Series 2021	-	523,793	523,793	-	
Interest Series 2019				-	
Subordinate G.O. Bonds	4,882,257	2,134,600	1,398,900	5,617,957	-

Operating and Capital Leases

The District has no operating leases.

**PALISADE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

**PALISADE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Year Ending December 31,	\$23,558,000 Subordinate General Obligation Bonds Dated October 10, 2019 Interest Rate 7.25% Principal Due December 15 Interest Payable December 15			\$19,647,000 Tax-Exempt General Obligation Refunding Loan - Dated November 23, 2021 Interest Rate Ranging from 2.75 % to 4.50% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total	Principal	Interest	Total
	2022	\$ -	\$ 1,967,226	\$ 1,967,226	\$ 600,000	\$ 552,299
2023	-	2,038,722	2,038,722	605,000	523,793	1,128,793
2024	-	2,003,498	2,003,498	700,000	507,155	1,207,155
2025	1,015,000	1,972,063	2,987,063	1,000,000	487,905	1,487,905
2026	3,577,000	1,810,120	5,387,120	1,200,000	460,405	1,660,405
2027	3,663,000	1,634,368	5,297,368	1,150,000	427,405	1,577,405
2028	1,647,000	1,375,035	3,022,035	1,150,000	395,780	1,545,780
2029	1,825,000	1,109,468	2,934,468	525,000	364,155	889,155
2030	1,956,000	990,060	2,946,060	525,000	349,718	874,718
2031	2,161,000	857,748	3,018,748	525,000	335,280	860,280
2032	2,317,000	715,938	3,032,938	525,000	320,843	845,843
2033	2,545,000	559,265	3,104,265	525,000	306,405	831,405
2034	2,729,000	391,283	3,120,283	525,000	291,968	816,968
2035	123,000	206,770	329,770	525,000	277,530	802,530
2036	-	8,918	8,918	546,000	263,093	809,093
2037	-	-	-	700,000	405,945	1,105,945
2038	-	-	-	750,000	374,445	1,124,445
2039	-	-	-	805,000	340,695	1,145,695
2040	-	-	-	875,000	304,470	1,179,470
2041	-	-	-	905,000	265,095	1,170,095
2042	-	-	-	950,000	224,370	1,174,370
2043	-	-	-	975,000	181,620	1,156,620
2044	-	-	-	1,000,000	137,745	1,137,745
2045	-	-	-	1,025,000	92,745	1,117,745
2046	-	-	-	1,036,000	46,620	1,082,620
Total	\$ 23,558,000	\$ 17,640,482	\$ 41,198,482	\$ 19,647,000	\$ 8,237,482	\$ 27,884,482

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

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 2023, duly adopted at a meeting of the Board of Directors of the Palisade Metropolitan District No. 2 held on November 10, 2022.



Secretary

RESOLUTION NO. 2022-11-04

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 2022, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2023
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 10, 2022.

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 2023 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 2023 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 2023 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 10, 2022.

**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 \$ 10,907,870 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: \$ 154,761 (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: 12/01/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>12.994</u> mills	<u>\$2,011</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>12.994</u> mills	<u>\$2,011</u>
3. General Obligation Bonds and Interest ^J	<u>37.536</u> mills	<u>\$ 5,809</u>
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]	<u>50.530</u> mills	<u>\$7,820</u>

Contact person: William Branyan Daytime phone: (303) 779-5710

Signed:  Title: Assistant Secretary

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:	Subordinate General Obligation – Limited Tax & Revenue Bonds
	Series:	Series 2019
	Date of Issue:	10/10/2019
	Coupon Rate:	7.250%
	Maturity Date:	12/15/2049
	Levy:	0.000
	Revenue:	\$0
2.	Purpose of Issue:	Loan Agreement w/ Zions Bancorporation, d/b/a Vectra Bank Colorado
	Series:	2021
	Date of Issue:	11/23/2021
	Coupon Rate:	2.750%
	Maturity Date:	12/01/2046
	Levy:	37.536
	Revenue:	5,809

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, 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 2023, duly adopted at a meeting of the Board of Directors of the Palisade Metropolitan District No. 2 held on November 10, 2022.


Secretary