

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

The Board of Directors of Pinery Commercial Metropolitan District No. 2 (the “**Board**”), Douglas County, Colorado (the “**District**”), held a regular meeting, via teleconference on November 8, 2024, at the hour of 11:00 A.M.

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

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NOTICE AS TO PROPOSED 2025 BUDGET


Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Pinery Commercial MD1- 2 ** (WBA)
c/o White Bear Ankele
2154 E. Commons Ave. Ste. 2000
Centennial CO 80122

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Douglas } ss

This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 11/7/2024, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.



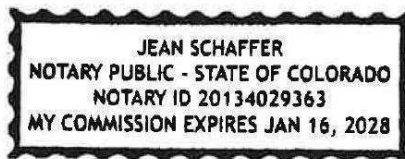
For the Douglas County News-Press

State of Colorado }
County of Arapahoe } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 11/7/2024. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20134029363-445228

Jean Schaffer
Notary Public
My commission ends January 16, 2028



Public Notice

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2025 BUDGETS AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2024 BUDGETS

The Boards of Directors (collectively the "Boards") of the PINERY COMMERCIAL METROPOLITAN DISTRICT NOS. 1 AND 2 (collectively the "Districts"), will hold a public hearing via teleconference on **NOVEMBER 8, 2024, at 11:00 A.M.**, to consider adoption of the Districts' proposed 2025 budgets (the "Proposed Budgets"), and, if necessary, adoption of an amendment to the 2024 budgets (the "Amended Budgets"). **This public hearing may be joined using the following teleconference information:**

<https://us06web.zoom.us/j/81556526955>;
Meeting ID: 815 5652 6955; 720-707-2699

The Proposed Budgets and Amended Budgets are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111.

Any interested elector of the Districts may file any objections to the Proposed Budgets and Amended Budgets at any time prior to the final adoption of the Proposed Budgets or the Amended Budgets by the Boards.

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

BY ORDER OF THE
BOARDS OF DIRECTORS:

PINERY COMMERCIAL METROPOLITAN DISTRICT NOS. 1 AND 2, quasi-municipal corporations and political subdivisions of the State of Colorado

/s/ WHITE BEAR ANKELE
TANAKA & WALDRON

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Publisher: Douglas County News-Press

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

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

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

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2025. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2025 as more specifically set out in the budget attached hereto.

Section 3. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut, or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Douglas County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

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

Section 6. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager, or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

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

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ADOPTED NOVEMBER 8, 2024.

DISTRICT:

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

By: *Craig Campbell*
Officer of the District

ATTEST:

By: *Jack Hoagland*
Jack Hoagland (Jan 24, 2025 10:22 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Bob Dh
General Counsel to the District

STATE OF COLORADO
COUNTY OF DOUGLAS
PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Friday, November 8, 2024, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 8 day of November, 2024.

Jack Hoagland
Jack Hoagland (Jan 24, 2025 10:22 MST)
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

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

1/27/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 154,132	\$ 154,132	\$ 154,132
REVENUES			
Property taxes	29,665	30,516	32,431
Specific ownership taxes	2,751	2,746	2,919
Interest Income	8,128	10,000	177,000
Other Revenue	-	770	13,650
Bond issuance proceeds	-	-	25,680,000
Total revenues	<u>40,544</u>	<u>44,032</u>	<u>25,906,000</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>7,862,800</u>
Total funds available	<u>194,676</u>	<u>198,164</u>	<u>33,922,932</u>
EXPENDITURES			
General Fund	40,544	44,032	50,000
Debt Service Fund	-	-	1,812,000
Capital Projects Fund	-	-	17,827,200
Total expenditures	<u>40,544</u>	<u>44,032</u>	<u>19,689,200</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>7,862,800</u>
Total expenditures and transfers out requiring appropriation	<u>40,544</u>	<u>44,032</u>	<u>27,552,000</u>
ENDING FUND BALANCES	<u>\$ 154,132</u>	<u>\$ 154,132</u>	<u>\$ 6,370,932</u>
CAPITALIZED INTEREST RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,595,200</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,595,200</u>

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

1/27/25

ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
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ASSESSED VALUATION

Commercial	\$ -	\$ -	\$ 365,150
State assessed	200	200	1,600
Vacant land	2,946,880	3,016,990	2,816,870
Personal property	19,400	34,400	59,500
Certified Assessed Value	\$ 2,966,480	\$ 3,051,590	\$ 3,243,120

MILL LEVY

General	10.000	10.000	10.000
Total mill levy	10.000	10.000	10.000

PROPERTY TAXES

General	\$ 29,665	\$ 30,516	\$ 32,431
Budgeted property taxes	\$ 29,665	\$ 30,516	\$ 32,431

BUDGETED PROPERTY TAXES

General	\$ 29,665	\$ 30,516	\$ 32,431
	\$ 29,665	\$ 30,516	\$ 32,431

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

1/27/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	29,665	30,516	32,431
Specific ownership taxes	2,751	2,746	2,919
Interest Income	8,128	10,000	1,000
Other Revenue	-	770	13,650
Total revenues	<u>40,544</u>	<u>44,032</u>	<u>50,000</u>
Total funds available	<u>40,544</u>	<u>44,032</u>	<u>50,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	445	458	486
Transfer to District No. 1	40,099	43,574	35,864
Contingency	-	-	13,650
Total expenditures	<u>40,544</u>	<u>44,032</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>40,544</u>	<u>44,032</u>	<u>50,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

1/27/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 154,132	\$ 154,132	\$ 154,132
REVENUES			
Interest Income	-	-	166,000
Total revenues	-	-	166,000
TRANSFERS IN			
Transfers from other funds	-	-	7,862,800
Total funds available	154,132	154,132	8,182,932
EXPENDITURES			
Paying agent fees	-	-	4,000
Contingency	-	-	10,400
Bond interest	-	-	1,797,600
Total expenditures	-	-	1,812,000
Total expenditures and transfers out requiring appropriation	-	-	1,812,000
ENDING FUND BALANCES	\$ 154,132	\$ 154,132	\$ 6,370,932
CAPITALIZED INTEREST RESERVE	\$ -	\$ -	\$ 3,595,200
TOTAL RESERVE	\$ -	\$ -	\$ 3,595,200

**PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Bond issuance proceeds	-	-	25,680,000
Interest Income	-	-	10,000
Total revenues	<u>-</u>	<u>-</u>	<u>25,690,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>25,690,000</u>
EXPENDITURES			
Intergovernmental expenditures	-	-	17,013,600
Bond issue costs	-	-	813,600
Total expenditures	<u>-</u>	<u>-</u>	<u>17,827,200</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>7,862,800</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>25,690,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County recorded on December 12, 2005 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan, with Pinery Commercial Metropolitan District No. 1 (Operating District), approved by Douglas County on September 26, 2005. The District's service area is located entirely within Douglas County.

The District was established to finance, construct, acquire, operate and maintain both onsite and offsite public facilities and improvements, including sanitation, water, streets, traffic and safety controls and parks and recreation.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$10,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

At a special election of the eligible electors of the District on May 8, 2018, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness of \$600,000,000 for the above listed facilities. The District's qualified voters also authorized the issuance of indebtedness of \$150,000,000 for refunding debt and debt related to intergovernmental agreements and other contracts with public entities.

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

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 do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2025, SB22-238, SB23B-001, SB24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

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 9.00% of the property taxes collected.

Net Interest Income

Interest earned on the District's funds has been estimated based on historical earnings.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

Intergovernmental Expenditures - Transfer to Other Districts

The District is obligated to impose a mill levy, not to exceed 10.00 mills, subject to certain adjustments, and remit property taxes derived from such mill levy and a portion of specific ownership taxes applicable to property within the District, after deducting administrative expenditures, to the Operating District.

**PINERY COMMERCIAL METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District anticipates issuing bonds in 2025.

The District has no capital or operating leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% of fiscal year spending. Since substantially all funds received by the District are transferred to the Operating District, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.