

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
CITY OF LAKEWOOD, JEFFERSON COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2019

STATE OF COLORADO)
)
CITY OF LAKEWOOD)ss.
COUNTY OF JEFFERSON)
)
FOSSIL RIDGE METROPOLITAN)
DISTRICT NO. 1)

The Board of Directors of the Fossil Ridge Metropolitan District No. 1, City of Lakewood, Jefferson County, Colorado, held a regular meeting at The Retreat at Solterra at 15250 W. Evans Avenue, Lakewood, Colorado 80228, on Tuesday, December 4, 2018, at 5:30 p.m.

Present were the following members of the Board:

Tom Waterman – President
Craig Brown – Vice President
Kim Hussey – Treasurer
Dave McGraw – Secretary
Terry Larson – Assistant Secretary

Also present were:

Dino Ross, Esq.; Ireland Stapleton Pryor and Pascoe, P.C. (for a portion of the meeting)
Jennie Heinze, Community Manager; Overlook Property Management
Sue Blair and Marcos Pacheco, District Managers; Community Resource Services of Colorado, LLC
Leeann Fabec, District Accountant; Community Resource Services of Colorado, LLC
Peggy Waterman; Resident
Carls Neugerbauer; Resident
Jim Chamberlin; Resident
John Hauser; Resident
JD Lobue; Resident
Rod Pope; Resident
Nadine Pope; Resident
Nancy Sheffield; Resident
John Henderson; Resident
Carolyn Mulkornin; Resident
Libby Vernon; Resident
Ed DuBray; Resident

Ms. Blair stated that proper publication was made to allow the Board to conduct a public hearing to adopt the District's 2019 budget. The Chairman opened the public hearing on the District's proposed 2019 budget. Public comment was received and the public hearing was closed.

Thereupon, Director Larson introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1, CITY OF LAKEWOOD, COUNTY OF JEFFERSON, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2019, AND ENDING ON THE LAST DAY OF DECEMBER, 2019,

WHEREAS, the Board of Directors of the Fossil Ridge Metropolitan District No. 1 has authorized its Finance Committee and consultants to prepare and submit a proposed budget to said governing body no later than October 15, 2018; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 23, 2018, in a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 4, 2018 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves of fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue -0-; and

WHEREAS, the 2018 evaluation for assessment for the District as certified by the County Assessor for Jefferson County is \$2,561,108; and

WHEREAS, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO.1, CITY OF LAKEWOOD, JEFFERSON COUNTY, COLORADO:

Section 1. 2019 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2019 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2019. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted by the Board of Directors as the true and accurate budget of Fossil Ridge Metropolitan District No. 1 for calendar year 2019.

Section 4. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

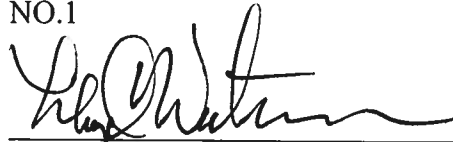
Section 5. Certification. The District's manager is hereby authorized and directed to certify by December 15, 2018, to the Board of County Commissioners of Jefferson, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Jefferson, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2018, in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

The foregoing Resolution was seconded by Director McGraw.

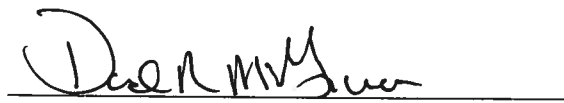
ADOPTED AND APPROVED this 4th day of December, 2018.

FOSSIL RIDGE METROPOLITAN DISTRICT
NO.1



President

ATTEST:



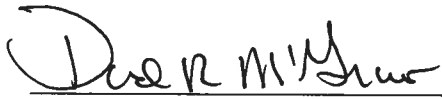
Secretary

STATE OF COLORADO)
)
CITY OF LAKEWOOD)ss.
COUNTY OF JEFFERSON)
)
FOSSIL RIDGE METROPOLITAN)
DISTRICT NO. 1)

I, Craig Brown, Secretary of the Board of Directors of the Fossil Ridge Metropolitan District No. 1, City of Lakewood, Jefferson County, Colorado, do hereby certify that the foregoing pages numbered 1 to 7, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a regular meeting of the Board held at 15250 W. Evans Avenue, Lakewood, CO 80228, on December 4, 2018, at 5:30 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2019; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2019 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 4th day of December, 2018.

(S E A L)


Secretary

TO BE ATTACHED TO PROCEEDINGS:

- **2019 BUDGET, AS ADOPTED, WITH BUDGET MESSAGE**
- **COPY OF THE SIGNED CERTIFICATION OF TAX LEVIES FOR FISCAL YEAR 2019, AS SUBMITTED TO THE BOARD OF COUNTY COMMISSIONERS**

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1 2019 BUDGET MESSAGE

The Fossil Ridge Metropolitan District No. 1 budget has three separate funds a General Fund to provide for the payment of property management, grounds, retreat, utilities and sewer operation expenditures; a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the Fossil Ridge Metropolitan districts; and a Debt Service Fund to provide for payment on outstanding revenue refunding bonds.

The District utilizes the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications and public hearing.

The district's total assessed valuation for tax year 2019 is \$2,561,108. The primary sources of revenue for the District in 2019 will be homeowner assessments, development fees, storm drainage and sewer fees, sewer service fees and a transfer of property taxes from Fossil Ridge Metropolitan District Nos. 2 and 3.

For tax year 2019, the District adopted a zero mill levy; however, due to a clerical error, 5.000 mills were certified in the General Fund generating \$12,806 in tax revenue. When the error was identified, the District immediately notified the County of the errors, but the County declined to correct them. The District is very disappointed that the County would not correct the errors, which would have quickly and efficiently resolved the matter. Consequently, this tax revenue will be reimbursed by the District to each respective tax payer.

**FOSSIL RIDGE METROPOLITAN DISTRICT #1
GENERAL FUND
2019 ADOPTED BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2017 Actual	2018 Estimated	2019 Adopted
Revenues			
Homeowner Assessments	\$ 852,686	\$ 941,645	\$ 1,245,500
Sewer Service Fees-Homeowner	171,430	200,203	266,000
Sewer Operations Fee - Homeowner	82,550	92,153	93,500
Sewer Admin Fee	25,469	27,588	28,000
Maintenance Fee #1	3,128	3,300	4,000
Maintenance Fee #2	13,733	21,088	26,000
Maintenance Fee #3	14,000	24,482	34,000
Amenity User Fees	29,472	102,640	75,000
Transfer from District 2	107,586	-	227,419
Transfer from District 3	145,524	-	375,546
Late & Legal Fee Income	-	11,852	-
Miscellaneous Income	12,252	-	5,000
Total Revenue	1,457,830	1,424,951	2,379,965
Expenditures:			
Accounting	10,466	12,329	80,000
Audit	5,704	8,250	13,000
Legal - General	53,688	193,296	60,000
Legal - Litigation	109,290	-	20,000
Reserve Study Update	-	-	10,000
Insurance (No. 1, 2, & 3)	41,535	35,198	55,000
District Office Administration	5,179	21,275	80,000
Property Management Expenses	41,481	154,030	53,000
Website	-	-	5,000
Grounds Expenses	322,676	369,932	603,100
Repairs and Maintenance	32,775	-	-
Retreat Expenses	310,173	226,811	316,890
Sewer Operations Expenses	279,857	320,095	387,500
Utilities Expenses	168,214	167,085	210,800
Transfer to R&R Reserve Fund	-	-	225,000
Transfer to Maintenance Fee #2 Reserve	-	-	40,000
Transfer to Maintenance Fee #3 Reserve	-	-	38,000
Emergency Reserve (3%)	-	-	71,399
Total Expenditures	1,381,038	1,508,301	2,268,689
NET CHANGE IN FUND BALANCE (DEFICIT)	76,792	(83,350)	44,338
BEGINNING FUND BALANCE	281,960	358,752	275,402
ENDING FUND BALANCE	\$ 358,752	\$ 275,402	\$ 319,740
Assessed valuation		1,392	2,561,108
Mill Levy		-	-

**FOSSIL RIDGE METROPOLITAN DISTRICT #1
CAPITAL PROJECTS FUND
2019 ADOPTED BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2017 Actual</u>	<u>2018 Estimated</u>	<u>2019 Adopted</u>
Revenues:			
Developer Advances	\$ 7,529,600	\$ 1,200,000	\$ -
Development Fees (x SFHs @ SFH Fee)	365,400	42,000	13,600
Development Fees (x THs @ TH Fee)	-	-	102,000
Storm Drainage Fees (x SFHs @ SFH Fee)	-	-	2,000
Storm Drainage Fees (x THs @ TH Fee)	87,000	10,000	15,000
Sewer Fees (x homes @ Fee)	24,042	2,610	5,742
Interest Income	1,662	500	500
CTF Income	3,375	3,200	3,200
Miscellaneous Income	12,412	-	1,200
Transfer from District #3	-	-	-
Total Revenue	<u>8,023,491</u>	<u>1,258,310</u>	<u>143,242</u>
Expenditures:			
Accounting and audit	44,313	40,000	3,000
Legal	255,640	40,000	-
District Engineer	-	-	100,000
Miscellaneous	768	4,000	-
Capital Expenditures	7,325,189	1,000,000	100,000
Drainage Improvements	-	120,000	-
Lower Pool Access	-	75,000	-
Cost of Issuance	16,000	-	-
Transfer to General - Developer Fees	-	-	-
Total Expenditures	<u>7,641,910</u>	<u>1,279,000</u>	<u>203,000</u>
NET CHANGE IN FUND BALANCE	381,581	(20,690)	(59,758)
BEGINNING FUND BALANCE	-	381,581	360,891
Ending Fund Balance	<u>\$ 381,581</u>	<u>\$ 360,891</u>	<u>\$ 301,133</u>

**FOSSIL RIDGE METROPOLITAN DISTRICT #1
DEBT SERVICE FUND
2019 ADOPTED BUDGET
WITH 2017 AND 2018 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2017 Actual</u>	<u>2018 Estimated</u>	<u>2019 Adopted</u>
Revenues:			
Transfers from District #2	\$ 262,416	\$ 290,493	\$ 258,638
Transfer from District #3	355,667	464,098	421,988
Interest Income	4,413	150	-
Total Revenues	<u>622,496</u>	<u>754,741</u>	<u>680,625</u>
Expenditures:			
Bond Principal - 2010 Bonds	65,000	75,000	90,000
Bond Interest - 2010 Bonds	593,775	589,063	583,625
Trustee/Paying Agent Fees	6,500	5,000	5,000
Miscellaneous Expense	-	2,000	2,000
Total Expenditures	<u>665,275</u>	<u>671,063</u>	<u>680,625</u>
NET CHANGE IN FUND BALANCE	(42,779)	83,678	-
BEGINNING FUND BALANCE	<u>1,775,581</u>	<u>1,732,802</u>	<u>1,816,480</u>
ENDING FUND BALANCE	<u>\$ 1,732,802</u>	<u>\$ 1,816,480</u>	<u>\$ 1,816,480</u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of JEFFERSON COUNTY, Colorado.

On behalf of the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1,
(taxing entity)^A

the BOARD OF DIRECTORS,
(governing body)^B

of the FOREST VIEW ACRES WATER DISTRICT,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,561,108 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: \$ _____ (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/2018 for budget/fiscal year 2019.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>5.000</u> mills	\$ <u>12,806</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	5.000 mills	\$ 12,806
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
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]	5.000 mills	\$ 12,806

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960

Signed:  Title: District Manager

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).