

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2
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. 2)

The Board of Directors of the Fossil Ridge Metropolitan District No. 2, 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:

Dave McGraw	President
Terry Larson	Vice President
Andrew Martin	Treasurer
Theodore Michelson	Secretary
Tom Waterman	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 Waterman introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, CERTIFYING MILL LEVIES FOR COLLECTION OF PROPERTY TAXES, 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. 2, 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. 2 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 \$119,055; and

WHEREAS, the amount of money necessary to balance the budget for debt service purposes from property tax revenue \$833,475; and

WHEREAS, the 2018 evaluation for assessment for the District as certified by the County Assessor for Jefferson County is \$21,813,016; 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. 2, 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. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2019 as follows:

A. Levy for General Operating Fund Expenses. That for the purposes of meeting all general operating expense of the District during the 2019 budget year, there is hereby levied a tax of 5.458 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

B. Levy for Debt Service Fund (General Obligation Bonds and Interest). That for the purposes of meeting all debt retirement expenses of the District during the 2019 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 38.210 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

Section 5. 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 6. 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 7. 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 LARSON.

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

FOSSIL RIDGE METROPOLITAN DISTRICT
NO. 2



President

ATTEST:



Secretary

STATE OF COLORADO)
)
CITY OF LAKEWOOD)ss.
COUNTY OF JEFFERSON)
)
FOSSIL RIDGE METROPOLITAN)
DISTRICT NO. 2)

TERRENCE LARSON, V.P.

I, ~~Tom Waterman, Assistant Secretary~~ of the Board of Directors of the Fossil Ridge Metropolitan District No. 2, City of Lakewood, Jefferson County, Colorado, do hereby certify that the foregoing pages numbered 1 to 6 , 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~~ VICE PRESIDENT

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**

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FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2 2019 BUDGET MESSAGE

The Fossil Ridge Metropolitan District No. 2 budget has two separate funds; a General Fund to provide for general operating expenditures and transfers to Fossil Ridge Metropolitan District No. 1 for the payment of property management, grounds, retreat, utilities and sewer operation expenditures; and a Debt Service Fund to provide for transfers to Fossil Ridge Metropolitan District No. 1 for payments on outstanding revenue refunding bonds and transfer to Fossil Ridge Metropolitan District No. 3 for payments on outstanding general obligation 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 \$21,813,016. The primary source of revenue for the District in 2019 will be property taxes.

For tax year 2019, the District adopted a total mill levy of 43.668 mills; 5.458 mills for the General Fund resulting in revenue of \$119,055 and 38.210 mills for the Debt Service Fund resulting in revenue of \$833,475. However, due to a clerical error, 32.210 mills were certified in the Debt Service Fund generating \$702,597 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.

**FOSSIL RIDGE METROPOLITAN DISTRICT #2
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			
Property taxes	\$ 105,159	\$ 118,916	\$ 119,055
Specific ownership taxes	10,285	9,513	10,000
Interest income	29	30	30
Total Revenue	115,473	128,459	129,085
Expenditures:			
Treasurer fees	1,578	1,784	1,786
Transfer to District #1	107,586	-	227,419
Audit	-	-	10,000
Miscellaneous expense	14	-	-
Legal	-	-	-
Litigation - Legal	-	-	-
Contingency	-	-	-
Reserve	-	-	-
Emergency reserve (3%)	-	-	3,873
Total Expenditures	109,178	1,784	243,077
NET CHANGE IN FUND BALANCE	6,295	126,675	(113,992)
BEGINNING FUND BALANCE	-	6,295	132,970
ENDING FUND BALANCE	\$ 6,295	\$ 132,970	\$ 18,978
Assessed valuation		21,787,559	21,813,016
Mill Levy		5.458	5.458

**FOSSIL RIDGE METROPOLITAN DISTRICT #2
DEBT SERVICE 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:			
Property taxes	\$ 736,116	\$ 832,503	\$ 833,475
Specific ownership taxes	71,996	66,600	65,000
Interest Income	336	75	400
Total Revenues	808,448	899,178	898,875
Expenditures:			
Treasurer's fees	11,044	12,488	12,500
Transfer to District #1	262,416	290,493	258,638
Transfer to District #3	534,855	393,585	670,362
Miscellaneous Expense	-	4,000	4,000
Total Expenditures	808,315	700,566	945,500
REVENUE OVER EXPENDITURES	133	198,612	(46,625)
BEGINNING FUND BALANCE	-	133	198,745
ENDING FUND BALANCE	\$ 133	\$ 198,745	\$ 152,120
Assessed valuation		21,787,559	21,813,016
Mill Levy		38.210	38.210
Total Mill Levy		43.668	43.668

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of JEFFERSON COUNTY, Colorado.

On behalf of the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2 (taxing entity)^A

the BOARD OF DIRECTORS (governing body)^B

of the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 21,813,016 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)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY², and REVENUE². Rows include General Operating Expenses, Temporary General Property Tax Credit, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, and Other. Total: 43.668 mills, \$ 821,653.

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960 Signed: [Signature] 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).

CERTIFICATION OF TAX LEVIES, continued
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2

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: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

- 2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: Payment of property taxes to District No. 1 for debt service
 Title: Amended and Restated Joint Funding Agreement with District No. 1 and District No. 3
 Date: September 3, 2010
 Principal Amount: N/A
 Maturity Date: N/A
 Levy: 10.629
 Revenue: \$231,857

- 4. Purpose of Contract: Payment of property to District No. 3 for debt service
 Title: Joint Funding Agreement with District No. 3
 Date: December 22, 2014
 Principal Amount: N/A
 Maturity Date: N/A
 Levy: 21.581
 Revenue: \$470,740

Use multiple copies of this page as necessary to report all bond and contractual obligations.