

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Sweetgrass Metropolitan District No. 1 (the “**Board**”), City of Dacono, Weld County, Colorado (the “**District**”), held a regular meeting, via teleconference on October 26, 2023, at 1:00 PM.

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 2024 BUDGET

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

Sweetgrass MD No.1-3 (wba)**
c/o White Bear Ankele Tanaka & Waldron
2154 E. Commons Ave., Ste #2000
Centennial CO 80122

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Weld } ss

This Affidavit of Publication for the Fort Lupton Press, a weekly newspaper, printed and published for the County of Weld, 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 10/19/2023, 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 Fort Lupton 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 10/19/2023, Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-802119

Carla Bethke
Notary Public
My commission ends April 11, 2026

CARLA BETHKE NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20004025550 MY COMMISSION EXPIRES APRIL 11, 2026

Public Notice

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDGETS AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2023 BUDGETS

The Boards of Directors (collectively the "Boards") of the SWEETGRASS METROPOLITAN DISTRICT NOS. 1-3 (collectively the "Districts"), will hold a public hearing via teleconference on October 25, 2023, at 1:00 PM, to consider adoption of the Districts' proposed 2024 budgets (the "Proposed Budgets"), and, if necessary, adoption of an amendment to the 2023 budgets (the "Amended Budgets"). This public hearing may be joined using the following teleconference information:

Zoom Meeting Link:
<https://us09web.zoom.us/j/94221178415?pwd=qbyUdUJRa0pCFkpsZm1GMltpa0k4e.1>
Meeting ID: 942 2117 8415
Passcode: 543265
Call In Numbers: 1(719) 355-4580
or 1(720) 707-2899

The Proposed Budgets and Amended Budgets are available for inspection by the public at the offices of CIBOLA, LARSON, 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://www.sweetgrassmetrodistricts.org/> or by calling (303) 858-1500.

BY ORDER OF THE BOARDS OF DIRECTORS:

SWEETGRASS METROPOLITAN DISTRICT NOS. 1-3, quasi-municipal corporations and political subdivisions of the State of Colorado

BY WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

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WHEREAS, the Board has designated 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 open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the 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 2024. 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 for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 64 .879 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of

0 .000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. 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 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Weld 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 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. 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 10. 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 OCTOBER 26, 2023.

DISTRICT:

SWEETGRASS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

By: Jon Lee
Jon Lee (Nov 30, 2023 10:56 MST)
Officer of the District

Attest:

By: Jessie Brothel

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

[Signature]

General Counsel to the District

STATE OF COLORADO
COUNTY OF WELD
SWEETGRASS METROPOLITAN DISTRICT NO. 1

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 October 26, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 26th day of October, 2023.

Jessie Brothel

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

SWEETGRASS METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**SWEETGRASS METRO DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/2024

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential	\$ -	\$ -	\$ 904,160
Agricultural	40	40	9,380
State assessed	-	-	3,990
Vacant land	-	-	457,710
Personal property	-	-	59,370
Oil & Gas Production	-	-	4,380
	40	40	1,438,990
Adjustments	-	-	(1,140)
Certified Assessed Value	\$ 40	\$ 40	\$ 1,437,850

MILL LEVY

General	55.663	57.220	64.879
Total mill levy	55.663	57.220	64.879

PROPERTY TAXES

General	\$ 2	\$ 2	\$ 93,286
Levied property taxes	2	2	93,286
Budgeted property taxes	\$ 2	\$ 2	\$ 93,286

BUDGETED PROPERTY TAXES

General	\$ 2	\$ 2	\$ 93,286
	\$ 2	\$ 2	\$ 93,286

**SWEETGRASS METRO DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

10/25/2023

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (28,882)	\$ 25,173	\$ 166,655
REVENUES			
Property taxes	2	2	93,286
Specific ownership taxes	-	-	3,731
Interest income	24	10	5
Transportation Impact Fees	208,802	179,931	-
Transfers from Sweetgrass MD No. 2	155,000	-	-
Transfers from Sweetgrass MD No. 3	17,500	50,000	-
Debt proceeds	4,624,030	-	50,000
Total revenues	<u>5,005,358</u>	<u>229,943</u>	<u>97,022</u>
Total funds available	<u>4,976,476</u>	<u>255,116</u>	<u>263,677</u>
EXPENDITURES			
General and administrative			
Accounting	21,170	20,000	25,000
Auditing	12,075	13,125	6,500
Directors' fees	60	-	-
Insurance	3,257	2,491	3,000
Legal	35,269	15,000	20,000
County Treasurer's Fee	-	-	1,399
Dues and memberships	-	321	500
Banking fees	4,411	351	-
Miscellaneous	1,237	500	5,000
Website	-	233	600
Capital outlay	146,058	25,000	75,000
Transfers to other districts - Sweetgrass MD No. 2	4,551,267	-	-
Transfers to other districts - Sweetgrass MD No. 3	8,999	11,440	12,500
Debt Issuance Costs	167,500	-	-
Total expenditures	<u>4,951,303</u>	<u>88,461</u>	<u>136,999</u>
Total expenditures and transfers out requiring appropriation	<u>4,951,303</u>	<u>88,461</u>	<u>136,999</u>
ENDING FUND BALANCES	<u>\$ 25,173</u>	<u>\$ 166,655</u>	<u>\$ 126,678</u>
EMERGENCY RESERVE	\$ 11,500	\$ 6,900	\$ 1,500
AVAILABLE FOR OPERATIONS	13,673	159,755	125,178
TOTAL RESERVE	<u>\$ 25,173</u>	<u>\$ 166,655</u>	<u>\$ 126,678</u>

No assurance provided. See summary of significant assumptions.

**SWEETGRASS METROPOLITAN DISTRICT NO. 1
2024 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 the City of Dacono, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Service Plan, as amended and restated in 2021, provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the District. The Service Plan also provides limits on the issuance of general obligation debts for District Nos. 1 and 3 of \$47,000,000 and District No. 2 of \$11,500,000.

On June 16, 2022, the District issued the (i) Series 2022B, Subordinate General Obligation Limited Tax Bonds in the aggregate principal amount not to exceed of \$51,500,000 (the 2022B Subordinate Bonds) for the purposes of financing public improvements and paying costs of issuance in connection with the 2022B Subordinate Bonds. The outstanding principal balance as of December 31, 2023 is \$4,624,030.

At a special election of the eligible electors of the District, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, operations and maintenance of the public improvements within the District including streets, parks and recreation, water and wastewater facilities, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

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

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

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.

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.

**SWEETGRASS METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 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%			

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 the District's share will be equal to approximately 4% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

Debt Proceeds

The District anticipates a draw on its 2022B draw-down Bonds in 2024.

**SWEETGRASS METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative

Administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

Intergovernmental Transfers

The District anticipates a transfer to Sweetgrass Metro District No. 3 to fund operations and administrative costs of District No. 3.

Capital Projects

Anticipated expenditures for capital projects are reflected in the General Fund.

Debt and Leases

On June 16, 2022, the District issued Series 2022B Bonds (draw-down bonds) in the aggregate principal amount of up to \$51,500,000. The Bonds have an interest rate of 7.95%.

The District has no operating or capital 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.

This information is an integral part of the accompanying budget.