

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

The Board of Directors of Cottonwood Metropolitan District (the “**Board**”), Douglas County, Colorado (the “**District**”), held a regular meeting, at 8334 Sandreed Circle, Parker, Colorado on November 26, 2024, at the hour of 7:00 p.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

Public Notice

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

Cottonwood Metro District (wba) **
c/o White, Bear & Ankele, P.C.
2154 East Commons Avenue, Suite 2000
Centennial CO 80122

The Board of Directors (the "Board") of the COTTONWOOD METROPOLITAN DISTRICT (the "District"), will hold a public hearing at 8334 Sandreed Circle, Parker, Colorado and via teleconference on **November 26, 2024, at 7:00 P.M.** to consider adoption of the District's proposed 2025 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2024 budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of White Bear Ankele Tanaka and Waldron, 2154 E. Commons Ave., Suite 2000, Centennial, CO 80122.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at <http://www.cottonwoodmetro.org/> or by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS: COTTONWOOD METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ **WHITE BEAR ANKELE TANAKA & WALDRON**
Attorneys at Law

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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 11/21/2024, 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 11/21/2024. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20134029363-417110

Jean Schaffer
Notary Public
My commission ends January 16, 2028



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 26, 2024.

DISTRICT:

COTTONWOOD METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: Richard Nielsen, Chairman
Officer of the District

ATTEST:

By: Paul Cantrell

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

George Lowley
General Counsel to the District

STATE OF COLORADO
COUNTY OF DOUGLAS
COTTONWOOD METROPOLITAN DISTRICT

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 at 8334 Sandreed Circle, Parker, Colorado on Tuesday, November 26, 2024, 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 November, 2024.

Paul Cantrell
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

COTTONWOOD METROPOLITAN DISTRICT
2025 BUDGET MESSAGE

BACKGROUND

The District was established to provide and maintain an open space park, recreational facilities and programs, landscaping improvements, subdrain systems and provide mosquito control.

ACCOUNTING

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The District follows the modified accrual basis of accounting.

BUDGET HIGHLIGHTS

1. The Assessed Valuation of the District has changed as follows:

Current year	\$ 108,766,198
Prior year	<u>107,009,447</u>
Increase	1,756,751

2. Mill Levy

	<u>2025</u>	<u>2024</u>	<u>Change</u>
General Fund	8.300	8.300	.000

3. The 2025 Budget includes park maintenance, administrative costs and subdrain vault maintenance.

4. Capital Improvements General Fund

Maintenance Yard Structure	\$ 300,000
Jordan Road & Cottonwood Drive Improvements	200,000
Concrete Replacement Rights of Way	100,000
New Playground West Park	<u>25,000</u>
	\$ 625,000

5. Capital Improvements Conservation Trust Fund

New Playground West Park	\$ 150,000
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COTTONWOOD METROPOLITAN DISTRICT
2025
GENERAL FUND

	Actual 2023	Estimated 2024	Budget 2025
REVENUE			
Property Taxes	715,762	922,000	902,760
Specific Ownership Taxes	71,327	70,000	69,000
Interest Income	1,739	48,000	52,000
Other Income	200	400	420
TOTAL REVENUE	<u>789,028</u>	<u>1,040,400</u>	<u>1,024,180</u>
EXPENDITURES			
Audit	6,300	6,300	6,500
Directors Fees	6,400	5,600	7,000
Insurance	13,231	13,100	16,500
Legal	15,852	12,700	50,000
Maintenance - Vaults	9,582	12,000	14,800
Maintenance - Park	433,451	450,000	492,100
Vandalism	2,392	1,800	12,000
Management Fees	28,678	28,300	37,600
Accounting	36,000	39,600	39,600
Miscellaneous Expense	7,077	8,000	5,000
Mosquito Control	5,449	5,694	7,500
Treasurers Fees	10,743	13,900	13,600
Utilities	46,013	64,000	77,600
Website Compliance			12,000
Capital Projects	10,851	23,300	625,000
TOTAL EXPENDITURES	<u>632,019</u>	<u>684,294</u>	<u>1,416,800</u>
Net Change in Fund Balance	157,009	356,106	-392,620
BEGINNING FUND BALANCE	<u>948,052</u>	<u>1,105,061</u>	<u>1,461,167</u>
ENDING FUND BALANCE	<u><u>1,105,061</u></u>	<u><u>1,461,167</u></u>	<u><u>1,068,547</u></u>

COTTONWOOD METROPOLITAN DISTRICT
2025
CONSERVATION TRUST FUND

	Actual 2023	Estimated 2024	Budget 2025
REVENUE			
Lottery Proceeds	47,379	42,600	42,000
Interest Income	363	5,000	5,900
TOTAL REVENUE	<u>47,742</u>	<u>47,600</u>	<u>47,900</u>
EXPENDITURES			
Maintenance Park			
Capital Expenditures	2,869	10,510	150,000
TOTAL EXPENDITURES	<u>2,869</u>	<u>10,510</u>	<u>150,000</u>
NET CHANGE	44,873	37,090	-102,100
BEGINNING FUND BALANCE	<u>58,201</u>	<u>103,074</u>	<u>140,164</u>
ENDING FUND BALANCE	<u><u>103,074</u></u>	<u><u>140,164</u></u>	<u><u>38,064</u></u>

COTTONWOOD METROPOLITAN DISTRICT
BUDGET ASSUMPTIONS 2025

GENERAL FUND

INCOME

1. PROPERTY TAX REVENUE

Assessed Valuation	Mill Levy	Total
108,766,198	8.300	902,760

2. SPECIFIC OWNERSHIP TAXES

69,000

3. INTEREST INCOME

General

52,000

4. OTHER INCOME

This includes rental tax collected and paid
by Douglas County Treasurer

420

TOTAL 2025 GENERAL FUND INCOME

1,024,180

EXPENSES

5. AUDIT

Annual audit

6,500

6. DIRECTORS' FEES

12 Regular Meeting, 2 Special Meetings

7,000

7. INSURANCE

Property & General Liability Coverage

16,500

8. LEGAL

Notices, Audit letter etc.

12,000

Elections (Capital Expenditures/Fence)

28,000

Miscellaneous

6,000

Contract reviews, developer items

4,000

50,000

9. MAINTENANCE - VAULTS

Monthly Estimate

400

12

4,800

Motor replacements & major repairs

10,000

14,800

10.	MAINTENANCE - PARK				
	Maintenance Contract				
	Monthly Fee		17,081		
			<u>12</u>		204,972
	Sanolet				
	Monthly		704.40		
	Billed every four weeks		<u>13.00</u>		
			9,157.20		
	Projected Increase 10 %		<u>10,072.92</u>		10,073
	Trash Removal				
	1,736.00	7.00	12,152		
	430.00	5.00	<u>2,150</u>		
			14,302		
	Projected Increase 10 %				15,732
	<u>Other Park Maintenance</u>				
	Sprinkler Repairs & Replacement			3,000	
	Weed Control			12,000	
	Small Capital Improvement Projects			20,000	
	Cottonwood Highlands Maintenance			167,386	
	Snow Removal			9,000	
	Tree Care/Removal			8,000	
	Playground Repair			10,000	
	Parking Lots Sealing			5,000	
	Dog Waste & Trash Cans			10,000	
	Miscellaneous			<u>16,937</u>	
	Total Other Maintenance			261,323	
	Total Park Maintenance				492,100
11	Vandalism	\$1,000 per month			12,000
12	MANAGEMENT FEES				
	Special Projects			19,600	
	Website Compliance			6,000	
	Elections			<u>12,000</u>	
					37,600
13	ACCOUNTING				
	Monthly Fee			3,300	
				<u>12</u>	
					39,600
14	MISCELLANEOUS EXPENSE				
	Phone			1,200	
	Special District Dues			800	
	Other			<u>3,000</u>	
					5,000

15	MOSQUITO CONTROL			
	Current Monthly Fee		1,138	
	Projected Increase 10 %		1,252	
	Current contract for 5 months, assume 6 months 2024		<u>6</u>	
			7,511	
	Round to			7,500
16	TREASURER'S FEES			
	Fee paid to Douglas County Treasurer for collections of Property taxes		902,760	
			<u>1.50%</u>	
			13,541	
	Round to			13,600
17	UTILITIES	Dollars		
	Water	Paid thru 8/23/24 reading	<u>30,323</u>	
		September estimate	16,000	
		October estimate	12,000	
		Small meter for year	<u>500</u>	
	Water Bill Estimate for 2024		58,823	
	Electric Bill Estimate for 2024		<u>8,400</u>	
	Total Estimated Utility Bill for 2024		67,223	
	2025 Budget Estimate based on average of 2020 thru 2023			
	Water		58,800	
	Assume 10 % increase		64,680	
	Electric Bill Estimate for 2024		<u>12,920</u>	
	TOTAL 2025 Utility Budget			77,600
18	WEBSITE COMPLIANCE Estimate (New Expense Category)			12,000
19	GENERAL FUND CAPITAL EXPENDITURES			
	Maintenance Building		300,000	
	Portion of New West Playground		25,000	
	Jordan Road Landscape & Fence Improvements		200,000	
	Concrete Replacements Rights of Way		<u>100,000</u>	
				<u>625,000</u>
	GENERAL FUND TOTAL EXPENDITURES			<u>1,416,800</u>
	NET INCOME (LOSS) GENERAL FUND			<u><u>(392,620)</u></u>

CONSERVATION TRUST FUND

INCOME

20	Lottery Proceeds	42,000
21	Interest Income	<u>5,900</u>
		47,900

EXPENDITURES

22	New Playground West Park	<u>150,000</u>
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Net Income (Loss) Conservation Trust Fund (102,100)