

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS

(2021)

The Board of Directors of Kent Place Metropolitan District No. 2 (the “**Board**”), City of Englewood, Colorado (the “**District**”) held a special meeting via teleconference on Tuesday December 1, 2020, at the hour of 2:30 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 2021 BUDGET

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

Kent Place Metropolitan District (wba) **
c/o White, Bear & Ankele P.C.
2154 East Commons Ave., Ste 2000
Centennial CO 80122

Description: No. 300830 PROPOSED 2021 BUDGET

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Arapahoe } ss

This Affidavit of Publication for the Englewood Herald, a weekly newspaper, printed and published for the County of Arapahoe, 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 11/26/2020, 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.



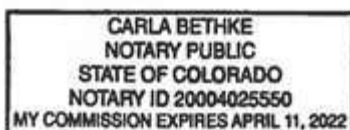
For the Englewood Herald

State of Colorado }
County of Arapahoe } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before by the above named Gerard Healey, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 11/26/2020. Gerard Healey has verified to me that he has adopted an electronic signature to function as his signature on this document.

20004025550-256773

Carla Bethke
Notary Public
My commission ends April 11, 2022



Public Notice

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2021 BUDGET AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2020 BUDGET

NOTICE IS HEREBY GIVEN that proposed 2021 budgets have been submitted to the Boards of Directors (the "Boards") of the KENT PLACE METROPOLITAN DISTRICT NOS. 1 & 2 (the "Districts"). A copy of each of the proposed budgets is on file in the office of CliftonLarsonAllen, LLP 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2020 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of CliftonLarsonAllen, LLP 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a public hearing during a joint meeting of the Districts to be held on **Tuesday, December 1, 2020 at 2:30 P.M.** Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Public Health and Environment, and the threat posed by the COVID-19 coronavirus, this meeting will be held via teleconferencing and can be joined through the directions below:

Link: <https://zoom.us/j/4248605924>
Meeting ID: 424 860 8924

Any interested elector of the Districts may file or register any objections to the proposed budgets or amended budgets at any time prior to final adoption of the budgets and amended budgets by the governing body of the District.

BY ORDER OF THE BOARDS OF DIRECTORS:

KENT PLACE METROPOLITAN DISTRICT
NOS. 1 & 2

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

Legal Notice No. 300830
First Publication: November 26, 2020
Last Publication: November 26, 2020
Publisher: The Englewood Herald

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2021 AND ENDING ON THE LAST DAY OF DECEMBER 2021.

WHEREAS, the Board has authorized 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 on December 1, 2020, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to 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 2021. 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 2021 budget year, there is hereby levied a tax of 10.250 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 2021 budget year, there is hereby levied a tax of

37.000 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 2021 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 2021 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. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe 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 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. 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 9. 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.

[Remainder of page intentionally left blank.]

ADOPTED THIS 1st DAY OF DECEMBER, 2020.

KENT PLACE METROPOLITAN DISTRICT NO. 2


Dan Murphy (Jan 26, 2021 13:30 MST)

Officer of the District

ATTEST:


Lenn A. Moldenhauer (Jan 26, 2021 13:55 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
KENT PLACE 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 on Tuesday, December 1, 2020, via teleconference as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 1st day of December 2020.


Lenn A. Moldenhauer (Jan 26, 2021 13:55 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

KENT PLACE METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

KENT PLACE METROPOLITAN DISTRICT NO. 2
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 152,239	\$ 148,883	\$ 7
REVENUE			
Property taxes	188,033	196,690	187,950
Specific ownership tax	14,968	14,050	13,156
Interest income	1,497	1,080	600
Bond proceeds	-	1,870,000	-
Other revenue	-	1,102	1,000
Total revenue	204,498	2,082,922	202,706
Total funds available	356,737	2,231,805	202,713
EXPENDITURES			
General Fund	44,995	47,000	44,726
Debt Service Fund	162,859	2,184,798	157,987
Total expenditures	207,854	2,231,798	202,713
Total expenditures and transfers out requiring appropriation	207,854	2,231,798	202,713
ENDING FUND BALANCES	\$ 148,883	\$ 7	\$ -

No assurance provided. See summary of significant assumptions.

KENT PLACE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/15/21

ACTUAL	ESTIMATED	BUDGET
2019	2020	2021

ASSESSED VALUATION

Commercial	\$ 4,034,756	\$ 4,074,732	\$ 3,971,510
State assessed	5,500	8,350	5,850
Vacant land	435	435	435
Certified Assessed Value	<u>\$ 4,040,691</u>	<u>\$ 4,083,517</u>	<u>\$ 3,977,795</u>

MILL LEVY

General	10.250	10.250	10.250
Debt Service	37.000	37.000	37.000
Total mill levy	<u>47.250</u>	<u>47.250</u>	<u>47.250</u>

PROPERTY TAXES

General	\$ 41,417	\$ 41,856	\$ 40,772
Debt Service	149,506	151,090	147,178
Levied property taxes	<u>190,923</u>	<u>192,946</u>	<u>187,950</u>
Adjustments to actual/rounding	(2,890)	(900)	-
Refunds and abatements	-	4,644	-
Budgeted property taxes	<u>\$ 188,033</u>	<u>\$ 196,690</u>	<u>\$ 187,950</u>

BUDGETED PROPERTY TAXES

General	\$ 40,790	\$ 42,668	\$ 40,772
Debt Service	147,243	154,022	147,178
	<u>\$ 188,033</u>	<u>\$ 196,690</u>	<u>\$ 187,950</u>

No assurance provided. See summary of significant assumptions.

KENT PLACE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 907	\$ -	\$ -
REVENUE			
Property taxes	40,790	42,668	40,772
Specific ownership tax	3,247	3,050	2,854
Interest income	51	180	100
Other revenue	-	1,102	1,000
Total revenue	44,088	47,000	44,726
Total funds available	44,995	47,000	44,726
EXPENDITURES			
General and administrative			
County Treasurer's fee	612	642	612
Contingency	-	1,102	972
Intergovernmental expenditures	44,383	45,256	43,142
Total expenditures	44,995	47,000	44,726
Total expenditures and transfers out requiring appropriation	44,995	47,000	44,726
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

KENT PLACE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/15/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 151,332	\$ 148,883	\$ 7
REVENUE			
Property taxes	147,243	154,022	147,178
Specific ownership tax	11,721	11,000	10,302
Bond proceeds	-	1,870,000	-
Interest income	1,446	900	500
Total revenue	160,410	2,035,922	157,980
Total funds available	311,742	2,184,805	157,987
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,209	2,319	2,208
Interest on subordinate note	48,000	42,600	49,000
Bond issue costs	-	119,900	-
Contingency	-	-	799
Debt Service			
Bond interest - Series 2016	93,650	59,673	-
Bond principal - Series 2016	19,000	1,854,000	-
Bond interest - Series 2020	-	56,306	70,980
Bond principal - Series 2020	-	50,000	35,000
Total expenditures	162,859	2,184,798	157,987
Total expenditures and transfers out requiring appropriation	162,859	2,184,798	157,987
ENDING FUND BALANCE	\$ 148,883	\$ 7	\$ -

No assurance provided. See summary of significant assumptions.

**KENT PLACE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Kent Place Metropolitan District No.2 ("District") was organized by Court Order on January 14, 2008, to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of public improvements, including street improvements, park and recreation facilities, sewer and drainage improvements, traffic and safety controls, water, television relay and translators, public transportation, fire protection, security services, mosquito and pest control, and other improvements needed for the Development. The District was organized in conjunction with Kent Place Metropolitan District No. 1. District No. 1 is anticipated to be the Operating District and District No. 2 is anticipated to be the Financing District. The Operating District will construct all, and may own and operate some of the public facilities. The Financing District will generate the majority of tax revenues sufficient to pay the costs of the capital improvements. The functions of the Districts will be clarified in an intergovernmental agreement between the Districts. The District's service area is located entirely within the City of Englewood ("City"), Arapahoe County, Colorado.

On November 6, 2007, District electors approved revenue indebtedness of \$30,000,000 for street improvements, \$30,000,000 for parks and recreation, \$30,000,000 for water improvements, \$30,000,000 for sanitary sewer system, \$30,000,000 for public transportation system, \$30,000,00 for mosquito control, \$30,000,000 for traffic and safety, \$30,000,000 for fire protection, \$30,000,000 for television relay system, \$30,000,000 security services, \$30,000,000 for debt associated with intergovernmental contracts, \$30,000,000 for refinancing of District debt, \$30,000,000 for debt associated with private party contracts, and \$30,000,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$5,000,000 for general operations and maintenance, and \$5,000,000 in revenues other than ad valorem taxes.

Pursuant to the Consolidated Service Plan, the Districts shall not issue debt in excess of \$30,000,000 without the permission of the City. The Districts are also limited to a maximum debt mill levy of 50.000 mills as adjusted for changes in the ratio of actual value to assessed value, for debt which exceeds fifty percent of the District's assessed valuation.

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

The District prepares its budget on the modified accrual basis of accounting, accordance with the requirements of Section 29-1-105, C.R.S., 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.

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 sales of the tax liens on delinquent properties are held in November or December.

**KENT PLACE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 37.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal and interest on the Bonds as the same become due and payable. The calculation of the taxes levied is displayed on the property tax summary page of the Budget at the adopted mill levy of 10.250 mills for the General Fund and 37.000 mills for the Debt Service Fund.

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 7% of the property taxes collected.

Interest Income

Interest earned on the District's funds has been estimated at an annual rate of 0.50%.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Transfer to District No. 1

The District levies a general fund mill levy of 10.250 mills. The District transfers these net property taxes to District No. 1 to help fund administrative expenditures.

Debt and Leases

Series 2020 Bonds

On February 26, 2020, the District issued General Obligation Refunding Bonds, Series 2020. The proceeds of these bonds were used to refund the 2016 Bonds and pay for costs of issuance.

The Series 2020 Bonds bear simple interest at the rate of 3.90% per annum, payable on June 1 and December 1 beginning June 1, 2020. The Bonds are subject to mandatory redemption in any order of maturity and in whole or partial maturities, on December 1 in each year, commencing December 1, 2020. The Series 2020 Bonds mature on December 1, 2044.

**KENT PLACE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000 in any order of maturity and in whole or partial maturities

Subordinate Note – Series 2013

On September 15, 2013, the District entered into a Subordinate Limited Tax General Obligation Note, Series 2013. On August 25, 2020, the Subordinate Note was replaced by two new Subordinate Notes (R1 and R2). Each new Subordinate Notes has a principal amount of \$450,000 with a maturity date of September 15, 2053, and carries a simple interest rate of 8.00%, payable annually on December 15. The principal of and interest on the Subordinate Notes are payable solely from and to the extent of the Series 2013 Subordinate Pledged Revenue on a basis subordinate to the Senior 2020 Bonds and other obligations of the District specifically set forth in the Note Resolution, which may or may not be sufficient to pay the principal of and interest on the Subordinate Notes. Failure of the District to make any interest payment on the Subordinate Notes when the same shall come due shall not constitute an “Event of Default” under the Note Resolution. Interest on the Subordinate Notes shall continue to accrue and shall be paid on the next Interest Payment Date when funds are available for such payment. Furthermore, if any amount of principal or interest remains due and owing on the Subordinate Notes on September 15, 2053, such amounts shall be discharged and no further amounts shall be due on the Subordinate Notes.

Accrued and outstanding interest was at \$132,304 at December 31, 2019. See below for the estimated activity on the Subordinate Notes.

	Balance at 12/31/2019	Additions	Reductions	Balance at 12/31/2020
Subordinate Note - Series 2013	\$ 900,000		\$ 900,000	\$ -
Subordinate Note - R1	-	450,000	-	450,000
Subordinate Note - R2	-	450,000	-	450,000
Accrued interest on Subordinate Notes	132,304	72,000	42,600	161,704
	<u>\$ 1,032,304</u>	<u>\$ 972,000</u>	<u>\$ 942,600</u>	<u>\$ 1,061,704</u>

	Balance at 12/31/2020	Additions	Reductions	Balance at 12/31/2020
Subordinate Note - R1	\$ 450,000	\$ -	\$ -	\$ 450,000
Subordinate Note - R2	450,000	-	-	450,000
Accrued interest on Subordinate Notes	161,704	72,000	49,000	184,704
	<u>\$ 1,061,704</u>	<u>\$ 72,000</u>	<u>\$ 49,000</u>	<u>\$ 1,084,704</u>

**KENT PLACE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

Infrastructure Acquisition and Reimbursement Agreement

The District has entered into an Infrastructure Acquisition and Reimbursement Agreement, as amended, with the Developer to repay for advances and infrastructure acquisition made by the Developer for public infrastructure and improvements. The District agrees to repay the Developer along with annual compounding interest of 8% from the date of the advance. As of December 31, 2017, the district had no debt obligations to the Developer.

The District has no operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all TABOR funds received by the District are transferred to District No. 1, which pays for the District's 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.

KENT PLACE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

**\$1,870,000 Series 2020,
Limited Tax General Obligation
Refunding and Improvement Bonds
Interest Rate 3.9%**

Year Ended December 31,	Interest Payable June 1 and December 1		
	Principal	Interest	Total
2021	\$ 35,000	\$ 70,980	\$ 105,980
2022	40,000	69,615	109,615
2023	40,000	68,055	108,055
2024	45,000	66,495	111,495
2025	45,000	64,740	109,740
2026	50,000	62,985	112,985
2027	50,000	61,035	111,035
2028	55,000	59,085	114,085
2029	60,000	56,940	116,940
2030	65,000	54,600	119,600
2031	65,000	52,065	117,065
2032	70,000	49,530	119,530
2033	75,000	46,800	121,800
2034	80,000	43,875	123,875
2035	80,000	40,755	120,755
2036	90,000	37,635	127,635
2037	90,000	34,125	124,125
2038	95,000	30,615	125,615
2039	100,000	26,910	126,910
2040	105,000	23,010	128,010
2041	110,000	18,915	128,915
2042	120,000	14,625	134,625
2043	125,000	9,945	134,945
2044	130,000	5,070	135,070
	<u>\$ 1,820,000</u>	<u>\$ 1,068,405</u>	<u>\$ 2,888,405</u>

No amortization schedule is provided for the Subordinate Notes, as subordinate revenue may or may not be sufficient to pay the principal and interest when due.