

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
LOVELAND MIDTOWN METROPOLITAN DISTRICT
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2020

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
LOVELAND MIDTOWN)
METROPOLITAN)
DISTRICT)

The Board of Directors of the Loveland Midtown Metropolitan District, Larimer County, Colorado, held a meeting at the office of Pinnacle Consulting Group, Inc., 550 West Eisenhower Boulevard, Loveland, CO 80537 on September 18, 2019, at 10:00 AM.

The following members of the Board of Directors were present:

Blaine Rappe, President
Nathan Klein, Secretary/Treasurer
Eric Holsapple, Vice President

Also in attendance were:

Deborah Early, Esq.; Icenogle, Seaver, Pogue, P.C.
Kammy Tinney, Molly Janzen, Carol VanBeber, and Doug Campbell; Pinnacle Consulting Group, Inc.
Chris Johnston; LC Real Estate Group, LLC
John and Marla Dirkes, Dan Petla, and Bette "Tina" Kuehl; District Residents

Ms. Tinney stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2020 budget. Director Rappe opened the public hearing on the District's proposed 2020 budget. There being no public comment on the District's budget, the public hearing was closed.

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

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE LOVELAND MIDTOWN METROPOLITAN DISTRICT, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020, AND ENDING ON THE LAST DAY OF DECEMBER 2020:

WHEREAS, the Board of Directors of the Loveland Midtown Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; 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 September 11, 2019 in The Loveland Reporter- Herald, 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 September 18, 2019, 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 so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LOVELAND MIDTOWN METROPOLITAN DISTRICT OF LARIMER COUNTY, COLORADO:

Section 1. 2020 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. 2020 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 2020. 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 as the budget of the Loveland Midtown Metropolitan District for calendar year 2020.

Section 4. 2020 Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget for the General Fund from property taxes for operating expenses is \$127,450, and for the Debt Service Fund from property taxes is \$104,278. That the 2019 valuation for assessment, as certified by the Larimer County Assessor, is \$5,203,756.

- A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2020 budget year, there is hereby levied a tax of 24.492 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

- B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bonds principal and interest payments during the 2020 budget year, there is hereby levied a tax of 20.039 mills upon each dollar of the 2019 total valuation of assessment of all taxable property within the District.

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 to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 44.531 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of this page left intentionally blank]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the Loveland Midtown Metropolitan District,
(taxing entity)^A

the Board of Directors,
(governing body)^B


of the Loveland Midtown Metropolitan District
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 5,203,756 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: \$ 5,203,756 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/13/2019 for budget/fiscal year 2020.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>24.492</u> mills	\$ <u>127,450.39</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	24.492 mills	\$ 127,450.39
3. General Obligation Bonds and Interest ^J	<u>20.039</u> mills	\$ <u>104,278.07</u>
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]	44.531 mills	\$ 231,728.46

Contact person: Brendan Campbell Daytime phone: (970) 669-3611
(print)
Signed:  Title: District Accountant

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) 866-2156.

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

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: | Repay Loveland Midtown Metropolitan District's Series 2011A Limited Tax General Obligation Bonds of \$1,100,000 to fund infrastructure improvement |
| | Series: | 2011A |
| | Date of Issue: | 12/28/2011 |
| | Coupon Rate: | Variable Rate |
| | Maturity Date: | 12/01/2051 |
| | Levy: | 20.039 |
| | Revenue: | 104,278.07 |
| | | |
| 2. | Purpose of Issue: | Repay Loveland Midtown Metropolitan District's Series 2011B Subordinate Limited Tax Obligation Bonds of \$250,000 to fund infrastructure improvement |
| | Series: | 2011B |
| | Date of Issue: | 12/28/2011 |
| | Coupon Rate: | Variable Rate |
| | Maturity Date: | 12/01/2051 |
| | Levy: | See Levy as listed above in 1. |
| | Revenue: | See Revenue as listed above in 1. |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

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.

Section 8. Budget Certification. That the budget shall be certified by Director Klein, Secretary/Treasurer of the District, and made a part of the public records of Loveland Midtown Metropolitan District.

The foregoing resolution was seconded by Director Klein.


[Remainder of page intentionally left blank]

ADOPTED AND APPROVED this 18th day of September 2019.



President

ATTEST:



Secretary/Treasurer

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
LOVELAND MIDTOWN)
METROPOLITAN)
DISTRICT)

I, Nathan Klein, Secretary/Treasurer to the Board of Directors of the Loveland Midtown Metropolitan District, Larimer County, Colorado, do hereby certify that the foregoing pages numbered 1 to 9, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held at the office of Pinnacle Consulting Group, Inc., 550 West Eisenhower Boulevard, Loveland, CO 80537 on September 18, 2019, at 10:00 AM, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2020; 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 2020 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 18th day of September, 2019.



Nathan Klein, Secretary/Treasurer



Accountant's Financial Statement Preparation Report

BOARD OF DIRECTORS
LOVELAND MIDTOWN METROPOLITAN DISTRICT

I have prepared the accompanying forecasted budget of revenues, expenditures and fund balances of the Loveland Midtown Metropolitan District for the year ending December 31, 2020, including the forecasted estimate of comparative information for the year ending December 31, 2019. I have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America.

The actual historical information for the year 2018 is presented for comparative purposes only.

Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

A handwritten signature in black ink, appearing to read "Brendan Campbell", is written over a light blue horizontal line.

Brendan Campbell, CPA
January 20, 2020

LOVELAND MIDTOWN METROPOLITAN DISTRICT				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2018 Actual, 2019 Amended or Adopted Budget and Projected Actual				
2020 Adopted Budget				
Modified Accrual Budgetary Basis				
GENERAL FUND	2018	2019	2019	2020
	Unaudited	Amended	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$ 110,450	\$ 110,502	\$ 110,502	\$ 127,450
Specific Ownership Taxes	9,603	8,840	9,118	10,196
ARC Fees	250	200	300	300
Covenant Violations	-	300	375	1,000
Interest Income & Other	1,772	2,000	2,200	2,000
Total Revenues	\$ 122,075	\$ 121,842	\$ 122,495	\$140,946
Expenditures				
Accounting	\$ 9,699	\$ 11,644	\$ 11,644	\$ 13,020
District Management, Admin & Facilities	27,878	27,485	27,485	31,920
Covenant Enforcement/ARC Admin/Title	-	5,290	7,130	8,280
Election	859	-	-	1,500
Insurance & Risk Management	3,510	3,861	3,644	4,081
Legal	3,686	7,000	5,000	7,000
Landscape Maintenance	19,347	20,368	20,368	21,467
Hardscape Maintenance	7,306	7,660	4,950	21,076
Repairs and Replacements	1,389	4,555	6,500	9,500
Utilities	22,204	25,795	20,000	22,200
Website Maintenance	300	350	300	300
Office, Dues, Newsletters & Other	1,082	3,200	2,377	2,850
Treasurer's Fees	2,209	2,210	2,210	2,549
Repay Developer Advances	20,190	15,378	15,378	20,000
Total Operating Expenditures	\$ 119,659	\$ 134,796	\$ 126,986	\$ 165,743
Revenues Over/(Under) Expenditures	\$ 2,416	\$ (12,954)	\$ (4,491)	\$ (24,797)
Beginning Fund Balance	61,133	55,583	63,549	59,058
Ending Fund Balance	\$ 63,549	\$ 42,629	\$ 59,058	\$ 34,261
Components of Ending Fund Balance				
Emergency Reserve	\$ 3,662	\$ 3,655	\$ 3,810	\$ 4,972
Nonspendable	-	4,247	4,008	4,489
Operating Reserve	24,867	29,855	27,902	24,800
Capital Reserve	20,000	4,872	23,338	-
Unassigned	15,020	-	-	-
Total Fund Balance	\$ 63,549	\$ 42,629	\$ 59,058	\$ 34,261

LOVELAND MIDTOWN METROPOLITAN DISTRICT				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2018 Actual, 2019 Amended or Adopted Budget and Projected Actual				
2020 Adopted Budget				
Modified Accrual Budgetary Basis				
DEBT SERVICE FUND				
	2018	2019	2019	2020
	Unaudited	Adopted	Projected	Adopted
Revenues	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Property Taxes	\$ 90,369	\$ 90,412	\$ 90,412	\$ 104,278
Specific Ownership Tax	7,857	7,233	7,233	8,342
Total Revenues	\$ 98,226	\$ 97,645	\$ 97,645	\$ 112,620
Expenditures				
Bond Interest - 2011A	\$ 66,490	\$ 65,880	\$ 65,880	\$ 65,270
Bond Principal - 2011A	29,459	10,000	10,000	10,000
Bond Interest - 2011B	662	22,373	22,121	35,264
Treasurer's Fees	1,808	1,808	1,808	2,086
Total Debt Service Expenditures	\$ 98,419	\$ 100,061	\$ 99,809	\$ 112,620
Revenues Over/(Under) Expenditures	\$ (193)	\$ (2,416)	\$ (2,164)	\$ -
Beginning Fund Balance	2,357	2,416	2,164	-
Ending Fund Balance	\$ 2,164	\$ -	\$ -	\$ -
See Accompanying Accountant's Report				

LOVELAND MIDTOWN METROPOLITAN DISTRICT

2020 BUDGET MESSAGE

Loveland Midtown Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was formed in May 2004. The District was established for the North Boise Village area located in the City of Loveland, Colorado and organized to provide financing for the acquisition, construction, and installation of water, sanitation, storm drainage, irrigation, water distribution, parks and recreation improvements, and to provide for the operation and maintenance of the landscaping/recreation improvements and covenant enforcement activities.

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

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2020 budget, the following goals are foremost for the District:

- Provide maintenance of parks and open space and covenant enforcement as desired by the property owners and residents of the District in the most economical manner possible.

General Fund

Revenues

The District has an assessed value of \$5,203,756 and a certified mill levy in the General Fund of 24.492 mills, which will produce property tax revenues of \$127,450. Specific ownership taxes are estimated at 8% of property tax revenues in the amount of \$10,196. The District also estimates \$2,000 in interest and other income, \$300 in ARC fees and \$1,000 in revenues related to covenant violations.

Expenditures

In 2020, the District's budget for total operating expenditures is \$165,743, an increase of \$38,757 from the 2019 projected amount primarily attributable to additional costs associated with repayment of developer advances and operations and maintenance.

Debt Service

Revenues

The District has an assessed value of \$5,203,756 and a certified mill levy in the Debt Service Fund of 20.039 mills, which will produce property tax revenue of \$104,278. Specific ownership tax is estimated at 8% of property tax revenues in the amount of \$8,342.

Expenditures

Expenditures for interest and other payments budgeted in the amount of \$112,620 are primarily for debt-related payments (principal and interest) in the total amount of \$110,534 with the other \$2,086 budgeted for treasurer's fees (2% of property tax revenues).

Debt

On December 28, 2011, the District issued Limited Tax General Obligation Bonds, Series 2011A, in the amount of \$1,100,000 and Subordinate Limited Tax General Obligation Bonds, Series 2011B, in the amount of \$250,000. The Series 2011A bonds carry an interest rate of 3.4% to 6.5% due and payable semi-annually on June 1 and December 1. Principal payments are due semi-annually on June 1 and December 1. The Series 2011B bonds are subordinate to the 2011A bonds and carry an interest rate of 9.0% due and payable semi-annually on June 1 and December 1 through 2051. The 2011A bonds mature in 2051. The 2011B bonds are not subject to mandatory redemption; therefore, the principal is not expected to be repaid until it matures in 2051.

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2020, as defined under TABOR. Anticipated General Fund 2020 ending fund balance is \$34,261.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: **141 - LOVELAND MIDTOWN METRO DISTRICT**

IN LARIMER COUNTY ON 11/21/2019

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,543,302
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$5,203,756
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$5,203,756
5. NEW CONSTRUCTION: **	\$3,916
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ### OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$245.47

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2019

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$72,512,100
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$54,700
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
<small>(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)</small>	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
---	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2019

Data Date: 11/20/2019