

HAMILTON CREEK METROPOLITAN DISTRICT
RESOLUTION TO ADOPT BUDGET AND APPROPRIATE REVENUES

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE HAMILTON CREEK METROPOLITAN DISTRICT, COLORADO, SETTING THE MILL LEVY AND APPROPRIATING SUMS OF MONEY FOR THE 2025 CALENDAR YEAR.

WHEREAS, the Board of Directors of the Hamilton Creek Metropolitan District has appointed Tom Oberheide, District Administrator, to prepare and submit a proposed budget to the Board of Directors at the proper time; and;

WHEREAS, Mr. Oberheide has submitted a proposed budget to this Board on September 10th, 2024, for its consideration, and;

WHEREAS, the 2024 valuation for assessment for the Hamilton Creek Metropolitan District as certified by the County Assessor, subject to a final certification adjustment by December 10th, 2024, is \$17,016,220 (adjusted to ~~XXX~~ on December 15th, 2024) and;

\$16,999,384 10th

WHEREAS, upon due and proper notice, published in accordance with the law, the proposed budget was open for inspection by the public at a public place, a public hearing was held on November 12th, 2024, and interested taxpayers were given the opportunity to file or register any objections to the proposed budget.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAMILTON CREEK METROPOLITAN DISTRICT, COLORADO:

Section 1. That the budget as submitted and attached is approved and adopted as the budget of the Hamilton Creek Metropolitan District for 2025.

Section 2. That the budget approved and adopted shall be signed by the President of the District and made a part of the public records of the District.

Section 3. That for the purpose of meeting all bonds and interest and operating costs of the Hamilton Creek Metropolitan District during the 2025 budget year, there is levied a tax of 40.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District.

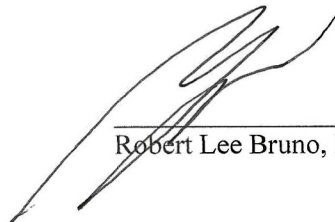
Section 4. That the President is hereby authorized and directed to immediately certify to the County Commissioners of Summit County, Colorado, the above mill levies for the Hamilton Creek Metropolitan District.

Section 5. That the sums set forth in the budget are appropriated from the revenue of each fund, to each fund, for purposes stated.

Adopted November 12th, 2024.



Attest:



Robert Lee Bruno, President

HAMILTON CREEK METROPOLITAN DISTRICT

2025 FINAL Budget Message

The Hamilton Creek Metropolitan District operates under a court approved bankruptcy plan agreed to by all bondholders in January 1990 and effective on February 1, 1990. Under the Plan, all revenues collected from ad valorem taxes, water taps, user fees, development fees and interest income go toward the payment of interest on the "New Bonds" after the District has first paid its operating expenses, bond principal and contribution to capital reserves. The principal on the Bonds was paid off December 1, 2004. There are no interest payment dates after December 1, 2004.

The District takes the position that the Tabor Amendment is a retrospective law and is not retroactive on the District's Amended Plan for Adjustment of Debt. It is the District's understanding that the spirit and intent of the Tabor Amendment is to prevent governmental entities from unnecessarily raising taxes and creating excessive and unwarranted burdens upon taxpayers. The District shares this philosophy. The District wishes to continue to provide service to its taxpayers in the most efficient and cost effective way possible without placing an unnecessary burden on them. The only viable means of promoting the health and welfare of the District is to proceed under the terms of the Plan.

Services to be delivered. The Hamilton Creek Metropolitan District is organized as a Colorado Special District. The 2025 budget includes funding to provide water service, septic system pumping, forest maintenance, road maintenance, and snow plowing.

System of accounting. The District utilizes a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are susceptible to accrual, i.e., both measurable and available. Available means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

Fund accounting. The District reports only a General Fund. The General Fund is the District's operating fund and accounts for all financial resources of the District. The Board approved a policy to keep \$200,000 minimum in cash reserves for emergencies.

Property taxes. The mill levy for 2025 is 40 mills, the amount set by the 1990 bankruptcy ruling. The District is unsure at this time regarding how long the mill levy imposed by the ruling will apply as the principal of the bonds has been paid off and the documentation (bonds) returned by the holders.

The assessed valuation of the District is \$17,016,220 as certified by the County Assessor, subject to a final certification adjustment on December 10th, of \$ 16,999,384 . Based on the mill levy this will realize \$680,648.80 in tax revenue (\$ 679,975.36 as adjusted per the final certification). The Summit County Treasurer collection fee of 5% will be \$33,998.77.

Development fees. A fee of \$5,000 is collected on the original sale of property from the developer. A \$5,000 fee is also collected on any property on which an accessory unit (as defined and/or

approved by Summit County) is built. The last developer lot was sold in 2014 and the development fee collected.

Water tap fees. Tap fees are collected prior to authorizing a building permit. Tap fees for 2025 are \$10,000. The District has 110 improved lots. There are 10 unimproved lots. The District cannot assume all of these properties will be built on as owners may abandon lot lines (subject to approval by Summit County Government), or not build on lots to provide more open space around their property. The District does not budget for any new tap fees for construction to be sold in 2025.

Bond interest and principal. The District has no outstanding bond principal after the principal payment on December 1, 2004. The principal payment was funded by US Treasury Strips purchased in 1985 from proceeds from the original bond. The 1990 bankruptcy ruling allowed the District to first pay operating expenses, bond principal and reserve a capital fund amount prior to any interest payment. Interest not paid to the bondholders is referred to as accrued interest and is paid prior to any current interest payments. As the 1990 bankruptcy ruling allows the District to operate on a “cash flow” basis, the 10th Circuit Court of Appeals held the District would never be in default as long as it operated in accordance with the plan. Language in the opinion stated the debt was perpetually escapable from contingencies in the Plan. The District no longer accrues or reflects accrued interest as a payable per the legal interpretation of the court rulings.

User fees. District customers in 2025 will be billed in arrears. The quarterly rates per residence are:

Base rate	\$ 130	
Usage from 0 to 15,000 gallons	\$ 3	per 1,000 gallons
Usage from 15,001 to 25,000 gallons	\$ 5	per 1,000 gallons
Usage from 25,001 to 40,000 gallons	\$ 10	per 1,000 gallons
Usage over 40,000 gallons	\$ 15	per 1,000 gallons

The District will provide service to 110 homes and is projected to realize \$65,000 in user fees for 2025.

Interest. All District funds are held in interest bearing accounts. Funds are transferred to a non-interest-bearing checking account as payment checks are issued. Interest is paid to the District from Summit County collection of past due property taxes.

Snow removal. The District contracts for snow removal on the main roads and designated side roads within the District. The 2025 budget for snow removal is \$80,000.

Road maintenance. The District will include all road improvement costs under the Capital Roads Expenses in 2025.

Water system maintenance. The District contracts operation of the water system to a licensed water operator. The contract includes routine water testing as required by the State of Colorado and overall supervision of the operation of the District’s wells, water tank and distribution system. Maintenance work required beyond the contracted services is an additional cost. The District has used surface water from Hamilton Creek as the exclusive source of water since August 2003.

Major water system maintenance projects budgeted for 2025 include \$30,000 for routine maintenance and testing, and \$100,000 for water plant repair and upgrade projects.

Forest Maintenance. Substantial portions of the area served by the Metropolitan District are forested. The District will rely on the County's chipping program to dispose of deadfall gathered by community volunteers. The budget allocated \$750 for materials for weed control which is expected to be completed by volunteers.

Utilities. The utility billing is for the cost of electricity to run the well pump and heat the pump house. The cost will fluctuate based on the water volume used by the District and the season.

Septic pumping. The District is following a schedule of pumping individual septic systems on a three-year cycle. It is anticipated this schedule may be modified in the future to reflect the year round occupancy of some District residents. There are 35 systems scheduled for pumping in 2025.

Administration. Services provided by the administrator include financial management, budget preparation and the general supervision of District operations.

Bookkeeping. Services provided by the bookkeeper include billing and financial statements.

Audit. The CPA firm of McMahan & Associates prepared the 2023 audit for the District.

Director fees. The District compensates directors \$100 for each board meeting attended. There are five directors and quarterly meetings.

Insurance. The District is a member of the Special District insurance pool that provides competitive rates on property, content, liability and public officer insurance.

Office supplies and postage. Costs are for billing, correspondence postage, Consumer Confidence Report preparation, web site maintenance and office supplies. All records of the District are being scanned and stored electronically. The District web site has public information available including budgets, board minutes and the annual audit.

Membership dues. The District belongs to the Special Districts Association of Colorado. The Association provides newsletters, seminars and lobbying efforts on behalf of special districts. Also, the insurance for the District is through a liability pool organized by the Special District Association. Membership cost is based on the District budget. The District also belongs to the Rural Water Association. This Association provides specialized information for small public water suppliers, training seminars and an annual trade show attended by representatives of the District. The District also shares cost with other entities to maintain the meter reading system infrastructure and online mapping capabilities.

Miscellaneous expenses. Bank fees and other minor expenses not allocated to other areas.

Capital Fund and Notes Payable. The District completed construction of a new water treatment facility in 2014. The facility utilizes microfiltration for water treatment. The facility was funded by existing reserves and \$600,000 in loans from residents. The loans from the residents were paid

annually with a final payment in 2018.

Capital Projects. Capital projects for 2025 include \$85,000 for water tank valve engineering and Hamilton Creek flow monitoring. The District has appropriated \$600,000 to capital road improvement projects for 2025.

EXHIBIT A

	2023 Annual Actual	2024 (Jan-Sep) Actual	2024 (Oct-Dec) Forecast	2024 Annual Budget	2024 Annual Bud to Act Variance	2025 Final Annual Budget	NOTES
Ordinary Income/Expense							
Income							
Legal Settlement Income	1,391.73	2,481.95	0.00	0.00	2,481.95	0.00	
Insurance Claim	0.00	0.00	0.00	0.00	0.00	0.00	
Property Tax Income	429,013.83	675,323.19	6,000.00	681,354.00	-30.81	679,975.36	based on 40 mills on Prelim Cert published in 11/2024
Specific Ownership Tax Income	21,341.90	19,620.86	5,000.00	21,000.00	3,620.86	21,000.00	
Tap Fees	10,000.00	20,000.00	0.00	0.00	20,000.00	0.00	
User Fees	67,323.53	51,820.69	15,000.00	65,000.00	1,820.69	65,000.00	assumes no rate increase for 2025
Late Fee Income	1,725.00	1,050.00	0.00	0.00	1,050.00	0.00	
Status Request Fees	0.00	0.00	0.00	0.00	0.00	0.00	
Total Income	530,795.99	770,296.69	26,000.00	767,354.00	28,942.69	765,975.36	
Expense							
Administration Expense							
Bookkeeping	6,585.00	5,070.00	2,100.00	7,124.25	45.75	7,124.25	
Administrator	32,615.88	25,781.94	8,594.06	34,376.00	0.00	35,029.14	1.9% increase based on July/July CPI for Denver Boulder
Office Supplies	873.13	467.91	300.00	1,300.00	-532.09	1,300.00	
Bank Fees	192.00	109.00	100.00	200.00	9.00	200.00	
Director Fees	1,700.00	1,400.00	500.00	2,000.00	-100.00	2,000.00	
Total Insurance Expense	7,260.00	8,151.00	0.00	7,500.00	651.00	9,000.00	increase based on 2023-2024 increase
Membership Dues	1,384.77	921.57	0.00	1,400.00	-478.43	1,400.00	
Miscellaneous	-10,898.99	1,016.92	300.00	500.00	816.92	500.00	
Professional Fees	0.00	165.00	3,000.00	5,000.00	-1,835.00	5,000.00	
Audit	7,700.00	8,200.00	0.00	8,000.00	200.00	9,000.00	increase based on 2023-2024 increase
Legal	8,880.50	-3,114.00	1,000.00	12,000.00	-14,114.00	8,000.00	
Litigation	0.00	0.00	0.00	0.00	0.00	0.00	
Summit Co Treasurer Fees	21,407.92	33,740.92	2,000.00	35,800.84	-59.92	33,998.77	5% of prop tax income
Operations Expense							
Forest Maintenance	0.00	0.00	0.00	750.00	-750.00	750.00	
Road Maintenance	38,469.73	2,730.09	0.00	20,000.00	-17,269.91	0.00	all road costs moved to Capital Road expenses for 2025
Septic System Cleaning	17,200.00	14,010.00	0.00	12,995.00	1,015.00	20,000.00	based on 35 homes to be serviced in 2025
Snow Removal	52,128.13	68,821.50	25,000.00	70,000.00	23,821.50	80,000.00	Increased per board comments at September meeting
Internet & Telephone	2,252.92	1,731.59	1,000.00	2,700.00	31.59	2,700.00	
Utilities	11,318.91	8,809.01	4,200.00	13,000.00	9.01	13,000.00	
Maintenance	29,651.54	19,743.67	110,000.00	130,000.00	-256.33	30,000.00	for routine operations/maintenance
Manager	57,314.04	44,275.14	14,758.34	59,033.48	0.00	60,804.48	3% increase per WSI current contract (which needs revision)
Total Expense	286,035.48	242,031.26	172,852.40	423,679.57	-8,795.91	319,806.64	
Net Ordinary Income	244,760.51	528,265.43	-146,852.40	343,674.43	37,738.60	446,168.72	
Other Income/Expense							
Other Income							
Interest Income	60,257.00	45,655.20	10,000.00	20,000.00	35,655.20	50,000.00	
Total Other Income	60,257.00	45,655.20	10,000.00	20,000.00	35,655.20	50,000.00	
Other Expense							
Capital Expense							
Water System Capital	37,522.10	17,017.68	5,000.00	100,000.00	-77,982.32	85,000.00	water tank valve, stream flow monitoring
Road System Capital	402,282.00	0.00	0.00	0.00	0.00	600,000.00	pending roads capital improvement plan
Total Capital Expense	439,804.10	17,017.68	5,000.00	100,000.00	-77,982.32	685,000.00	

EXHIBIT A

	2023 Annual	2024 (Jan-Sep)	2024 (Oct-Dec)	2024 Annual	2024 Annual Bud to Act Variance	2025 Final
	Actual	Actual	Forecast	Budget		Annual Budget
<i>Total Other Expense</i>	439,804.10	17,017.68	5,000.00	100,000.00	-77,982.32	685,000.00
Net Other Income	-379,547.10	28,637.52	5,000.00	-80,000.00	113,637.52	-635,000.00
Net Income	-134,786.59	556,902.95	-141,852.40	263,674.43	151,376.12	-188,831.28
Beginning Fund Balance		826,771.00	1,383,673.95	613,988.18		1,241,821.55
Ending Fund Balance	826,771.00	1,383,673.95	1,241,821.55	877,662.61		1,052,990.27

NOTES

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of SUMMIT, Colorado.

On behalf of the HAMILTON CREEK METROPOLITAN DISTRICT

(taxing entity)^A

the BOARD OF DIRECTORS

(governing body)^B

of the HAMILTON CREEK METROPOLITAN DISTRICT

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 16,999,384 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: \$ 16,999,384 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/2024 for budget/fiscal year 2025 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)

LEVY²

REVENUE²

Table with 3 columns: PURPOSE, LEVY, REVENUE. Rows include General Operating Expenses, Temporary General Property Tax Credit, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, and Other.

TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]

40.000

mills

\$

679,975

Contact person: (print) Thomas Oberheide Daytime phone: (970) 468-6875

Signed: [Signature] Title: District Administrator

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

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:	General Obligation	
	Series:	1985	
	Date of Issue:	July 15, 1985	
	Coupon Rate:	11.25%	
	Maturity Date:	December 1, 2001, Addendum Additional Provisions	
	Levy:	40.000	
	Revenue:	\$679,975	

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

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.