

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

The Board of Directors of Hawthorn Metropolitan District (the “**Board**”), County of Jefferson, Colorado (the “**District**”) held a special meeting via teleconference on Monday, December 4, 2023, at the hour of 2:00 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 2024 BUDGET

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

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

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Jefferson } ss

This Affidavit of Publication for the Golden Transcript, a weekly newspaper, printed and published for the County of Jefferson, 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 11/16/2023, 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.

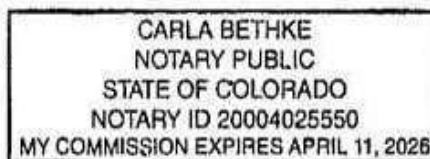


For the Golden Transcript

State of Colorado }
County of Jefferson } 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 11/16/2023. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-638845
Carla Bethke
Notary Public
My commission ends April 11, 2026



Public Notice

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

The Board of Directors (the "Board") of the HAWTHORN METROPOLITAN DISTRICT (the "District"), will hold a public hearing via teleconference on **December 4, 2023, at 2:00 p.m.**, to consider adoption of the District's proposed 2024 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2023 budget (the "Amended Budget"). **The public hearing may be joined using the following teleconference information:**

<https://us06web.zoom.us/j/82517578951?pwd=VE00eEd6dzZlZ0Z2empwalVwN1pFQT09>
Meeting ID: 825 1757 8951
Passcode: 902974
Call In: 720-707-2699

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111

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 <https://www.hawthornmetrodistrict.org/> or by calling (303) 858-1800.

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

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

Legal Notice No. 417228
First Publication: November 16, 2023
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Publisher: Golden Transcript

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 29.060 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 46.003 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 Jefferson 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 DECEMBER 4, 2023.

DISTRICT:

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

By: 
[Krystal L. Bigley \(Jan 13, 2024 18:52 MST\)](#)
Officer of the District

Attest:

By: *Stephen Daniels*
[Stephen Daniels \(Jan 16, 2024 15:16 MST\)](#)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF JEFFERSON
HAWTHORN 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 via teleconference on Monday, December 4, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16th day of January, 2024.

Stephen Daniels
[Stephen Daniels \(Jan 16, 2024 15:16 MST\)](#)
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

HAWTHORN METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**HAWTHORN METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 656,350	\$ 383,130	\$ 378,728
REVENUES			
Property taxes	792,419	688,364	925,491
Specific ownership taxes	54,490	49,418	64,785
Interest income	6,832	15,958	21,500
Loan Issuance	8,715,000	-	-
Total revenues	<u>9,568,741</u>	<u>753,740</u>	<u>1,011,776</u>
Total funds available	<u>10,225,091</u>	<u>1,136,870</u>	<u>1,390,504</u>
EXPENDITURES			
General Fund	256,055	316,773	405,000
Debt Service Fund	9,585,906	441,369	473,500
Total expenditures	<u>9,841,961</u>	<u>758,142</u>	<u>878,500</u>
Total expenditures and transfers out requiring appropriation	<u>9,841,961</u>	<u>758,142</u>	<u>878,500</u>
ENDING FUND BALANCES	<u>\$ 383,130</u>	<u>\$ 378,728</u>	<u>\$ 512,004</u>
EMERGENCY RESERVE AVAILABLE FOR OPERATIONS	\$ 7,800 101,611	\$ 8,600 70,427	\$ 11,700 49,204
TOTAL RESERVE	<u>\$ 109,411</u>	<u>\$ 79,027</u>	<u>\$ 60,904</u>

No assurance provided. See summary of significant assumptions.

**HAWTHORN METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 9,922,007	\$ 9,644,512	\$ 12,135,488
State assessed	-	1,867	1,858
Vacant land	203	203	-
Personal property	-	187,188	192,175
Certified Assessed Value	\$ 9,922,210	\$ 9,833,770	\$ 12,329,521

MILL LEVY

General	24.337	27.100	29.060
Debt Service	55.663	42.900	46.003
Total mill levy	80.000	70.000	75.063

PROPERTY TAXES

General	\$ 241,477	\$ 266,495	\$ 358,296
Debt Service	552,300	421,869	567,195
Levied property taxes	793,777	688,364	925,491
Adjustments to actual/rounding	(1,358)	-	-
Budgeted property taxes	\$ 792,419	\$ 688,364	\$ 925,491

BUDGETED PROPERTY TAXES

General	\$ 241,064	\$ 266,495	\$ 358,296
Debt Service	551,355	421,869	567,195
	\$ 792,419	\$ 688,364	\$ 925,491

**HAWTHORN METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 107,714	\$ 109,411	\$ 79,027
REVENUES			
Property taxes	241,064	266,495	358,296
Specific ownership taxes	16,576	19,132	25,081
Interest income	112	762	3,500
Total revenues	<u>257,752</u>	<u>286,389</u>	<u>386,877</u>
Total funds available	<u>365,466</u>	<u>395,800</u>	<u>465,904</u>
EXPENDITURES			
General and administrative			
Accounting	28,134	32,920	35,000
Auditing	4,900	5,100	6,000
County Treasurer's fee	3,618	3,997	5,374
Covenant Enforcement	318	1,208	5,000
Directors' fees	2,000	2,000	2,000
District management	13,437	14,114	18,000
Dues and membership	554	582	750
Election	2,879	3,732	-
Insurance	10,993	12,169	13,400
Legal	51,237	47,014	52,000
Miscellaneous	2,680	3,998	4,651
Operations and maintenance			
Electricity	-	1,264	1,300
Grounds cleanup	1,793	2,060	3,500
Irrigation repairs	1,647	4,932	4,500
Landscape improvements	20,538	76,594	130,000
Landscape maintenance contract	29,055	30,000	31,500
North Table Mtn IGA	16,618	17,657	18,275
Snow removal	12,625	6,732	17,250
Trash Collection	47,389	47,624	51,000
Water	5,076	2,068	5,000
Website	564	346	500
Fence and sign maintenance	-	662	-
Total expenditures	<u>256,055</u>	<u>316,773</u>	<u>405,000</u>
Total expenditures and transfers out requiring appropriation	<u>256,055</u>	<u>316,773</u>	<u>405,000</u>
ENDING FUND BALANCES	<u>\$ 109,411</u>	<u>\$ 79,027</u>	<u>\$ 60,904</u>
EMERGENCY RESERVE	\$ 7,800	\$ 8,600	\$ 11,700
AVAILABLE FOR OPERATIONS	101,611	70,427	49,204
TOTAL RESERVE	<u>\$ 109,411</u>	<u>\$ 79,027</u>	<u>\$ 60,904</u>

No assurance provided. See summary of significant assumptions.

**HAWTHORN METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 548,636	\$ 273,719	\$ 299,701
REVENUES			
Property taxes	551,355	421,869	567,195
Specific ownership taxes	37,914	30,286	39,704
Interest income	6,720	15,196	18,000
Loan Issuance	8,715,000	-	-
Total revenues	<u>9,310,989</u>	<u>467,351</u>	<u>624,899</u>
Total funds available	<u>9,859,625</u>	<u>741,070</u>	<u>924,600</u>
EXPENDITURES			
County Treasurer's fee	8,274	6,328	8,508
Paying agent fees	8,000	8,000	8,000
Loan Interest - Series 2022	125,018	337,041	333,493
Loan Principal - Series 2022	165,000	90,000	115,000
Loan issue costs	244,400	-	-
Bond Interest - Series 2017A	145,313	-	-
Refunding bond payment	8,889,901	-	-
Contingency	-	-	8,499
Total expenditures	<u>9,585,906</u>	<u>441,369</u>	<u>473,500</u>
Total expenditures and transfers out requiring appropriation	<u>9,585,906</u>	<u>441,369</u>	<u>473,500</u>
ENDING FUND BALANCES	<u>\$ 273,719</u>	<u>\$ 299,701</u>	<u>\$ 451,100</u>

**HAWTHORN METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado (originally as Hawthorn Metropolitan District No. 2), was organized by court order and decree of the District Court for the County of Jefferson on December 5, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation/storm sewer, streets, park and recreation, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security. The District was organized in conjunction with Hawthorn Metropolitan District No. 1, which is now dissolved.

The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided as part of an intergovernmental agreement with the County.

On November 6, 2012, the District's voters authorized total indebtedness of \$300,000,000 for the above listed facilities and \$30,000,000 for operations and maintenance, \$30,000,000 for both intergovernmental and private agreements, and \$30,000,000 for refunding. The election also approved an annual increase in property taxes of \$5,000,000 without limitation of rate, to pay the District's operation and maintenance costs. Per the District's service plan, the maximum debt mill levy is 50.000 mills, as adjusted. The maximum mill levy is 55.663 mills. Additionally, the service plan limits the total amount of debt issued between both Districts to \$10,000,000.

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

The District prepares its budget on the modified accrual basis of accounting and 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.

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

**HAWTHORN METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

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 that the District's share will be equal to approximately 7% 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 5%.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Administrative Expenditures

Administration expenses include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, dues and membership, and other administrative expenses.

**HAWTHORN METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Operations and Maintenance Expenditures

Anticipated operations and maintenance expenditures, such as landscaping, trash removal and snow removal, are shown on the General Fund page of the budget.

Debt Service

Principal and interest payments in 2024 are provided based on the debt amortization schedule from the Series 2022 General Obligation Refunding Loan (discussed under Debt and Leases).

On August 3, 2022, the District issued its \$8,715,000 General Obligation Refunding Loan, Series 2022 (2022 Loan). The proceeds from the 2022 Loan was applied to refunding the 2017 Bonds of the District, reimbursing and paying the costs of issuing the 2022 Loan. The 2022 Loan bears interest at 3.942% and 4.928%, payable semi-annually on June 1 and December 1, beginning on December 1, 2022. Principal payments are due on December 1, beginning on December 1, 2022. The 2022 Loan matures on December 1, 2052.

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023*
Other Debts:			-	
Series 2022 Loan	\$ 8,550,000	\$ -	\$ 90,000	\$ 8,460,000
Developer Advances	120,000	-	-	120,000
Accrued Interest - Developer Advance	79,413	9,600	-	89,013
Total	<u>\$ 8,749,413</u>	<u>\$ 9,600</u>	<u>\$ 90,000</u>	<u>\$ 8,669,013</u>
	Balance at December 31, 2023*	Additions	Reductions	Balance at December 31, 2024*
Other Debts:				
Series 2022 Loan	\$ 8,460,000	\$ -	\$ 115,000	\$ 8,345,000
Developer Advances	120,000	-	-	120,000
Accrued Interest - Developer Advance	89,013	9,600	-	98,613
Total	<u>\$ 8,669,013</u>	<u>\$ 9,600</u>	<u>\$ 115,000</u>	<u>\$ 8,563,613</u>

*Estimated

The District has no operating or capital leases.

Reserve Funds

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

This information is an integral part of the budget.

**HAWTHORN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$8,715,000

General Obligation Refunding Loan

Series 2022, Dated August 3, 2022

Interest Rate 3.942% to 4.928%

Payable June 1 and December 1

Principal Due December 1

Year Ending December 31,	Principal	Interest	Total
2024	\$ 115,000	\$ 333,493	\$ 448,493
2025	120,000	328,960	448,960
2026	130,000	324,230	454,230
2027	140,000	319,105	459,105
2028	155,000	313,586	468,586
2029	160,000	307,476	467,476
2030	175,000	301,169	476,169
2031	180,000	294,270	474,270
2032	200,000	287,175	487,175
2033	205,000	279,290	484,290
2034	225,000	271,210	496,210
2035	235,000	262,340	497,340
2036	250,000	253,076	503,076
2037	260,000	243,221	503,221
2038	280,000	232,972	512,972
2039	295,000	221,935	516,935
2040	315,000	210,306	525,306
2041	325,000	197,888	522,888
2042	340,000	193,955	533,955
2043	340,000	195,975	535,975
2044	365,000	180,675	545,675
2045	390,000	164,250	554,250
2046	405,000	146,700	551,700
2047	425,000	128,475	553,475
2048	445,000	109,350	554,350
2049	465,000	89,325	554,325
2050	485,000	68,400	553,400
2051	505,000	46,575	551,575
2052	530,000	23,850	553,850
	<u>\$ 8,460,000</u>	<u>\$ 6,329,232</u>	<u>\$ 14,789,232</u>

No assurance provided. See summary of significant assumptions.