

December 5, 2022

Division of Local Government
State of Colorado
Department of Local Affairs
1313 Sherman Street, Room 521
Denver, Colorado 80203

Pinon Pines Metropolitan District #3 2023 Budget Message:

Enclosed for the Boards review is a Budget document for the year ended 12/31/2023. The following are the basic assumptions from which the 2023 Budget has been prepared.

Pinon Pines Metropolitan District #3 (along with Pinon Pines Metropolitan Districts #1 and #2) was formally established in calendar year 2004 as part of the reorganization of the then existing Forest Lakes Metropolitan District (FLMD). Pinon Pines #3 primarily serves as a Taxing District to provide the tax revenues to FLMD, which District serves as the service/control District for the Forest Lakes Development. FLMD will own all public infrastructure and will provide all necessary utility and general governmental services to the residents of the Pinon Pines Districts. The Pinon Pines Districts operate under the terms of an Intergovernmental Agreement between FLMD and the three Pinon Pines Districts. Under the terms of this IGA, Pinon Pines #3 will purchase all necessary services for its residents from FLMD; however, it will retain its statutory powers to provide water and sanitary sewer service, recreational facilities, safety protection, street improvements, and mosquito control if FLMD were ever to cease being the service provider for the area residents. The Pinon Pines #3 District was created by a Service Plan approved by the El Paso County Board of County Commissioners on July 24, 2003.

Pinon Pines District #3 will certify a mill levy for fiscal 2023 and thus will generate property tax revenues during 2023. Commercial development was started during 2018 within Pinon Pines #3. One commercial client – the Pilot Travel Center – commenced operation in mid-June 2018. A UPS distribution center opened for business in the Fall of 2022. The FCC developer – Forest Lakes LLC – will be controlling the infrastructure construction and Phase 1 public infrastructure was dedicated to Forest Lakes Metropolitan District at year-end 2022 in return for a pledge to reimburse those appropriate public infrastructure expenditures when funds become available. Construction is slated to commence in early 2023 on a QuikTrip convenience store and a liquor distribution warehouse. The commercial property within Pinon Pines #3 is covered by covenants that impose a 2.5% public improvement fee (PIF) on all retail sales activity within the District. Commercial facility development fees are also charged on new commercial structures. Funds were generated during 2018, 2019, 2020, 2021 and 2022 - including both facilities development fees and PIF revenues – from the Pilot Travel Center. Facilities development fees were paid by the UPS Distribution Center in 2021 and facilities development fees on the convenience store and liquor distribution warehouse were paid in 2022.. Additional commercial development is likely during 2023 but no revenues have been included in the 2023 budget for such development.

Since all operating and maintenance functions for the Forest Lakes Development will be administered by FLMD, Pinon Pines #3 will budget funds to purchase services from FLMD. For 2023 the cost of those purchased services is budgeted at \$ 650,000. For 2023, the purchased services will primarily cover basic management and administrative services for Pinon Pines #3. Pinon Pines #3 will also budget for \$1,000 in audit expenses, \$4,644 in Treasurer collection fees, \$5,000 in PIF collection agent fees, \$481 for SDA dues; and \$2,600 for liability insurance.

The Budget has been prepared using the accrual basis of accounting. The only uses of funds reflected in the 2023 Budget are as follows: O&M Expenses of \$ 663,725; and interest on long term debt of \$1,646.

The only sources of funding reflected in the 2023 Budget are: (1) Property tax revenue of \$340,586 from the imposition of a 50.000 mill levy on all property within the boundaries of Pinon Pines No. 3 and collection of the resulting specific ownership tax revenues and (3) PIF revenue of \$320,000.

The District has no employees and will contract with FLMD for all necessary services. Adequate provision has been made for fund balances in an amount sufficient to comply with the provisions of the TABOR amendment. The District has no operating or capital lease agreements.

If you have any questions concerning the 2023 Budget, please call Ann Nichols, the District Manager, at 719-327-5810.

Sincerely,



Ann E. Nichols
District Manager

Cc Forest Lakes Metropolitan District Board of Directors
 Pinon Pines Metropolitan District #3 Board of Directors

PINON PINES METROPOLITAN DISTRICT #3
GENERAL FUND
FORECASTED 2023 BUDGET
2021 ACTUAL, 2022 BUDGET AND ESTIMATE

ACCOUNT NUMBER		2020 ACTUAL	ORIGINAL 2022 BUDGET	ESTIMATED 2022 ESTIMATE	2023 BUDGET
	BEGINNING FUNDS AVAILABLE	447,176	568,779	568,779	682,194
	REVENUE:				
3305	PROPERTY TAX				
	O&M EXPENSE	13,223	42,952	42,952	61,925
	DEBT SERVICE	95,209	171,808	171,808	247,699
3310	SPECIFIC OWNERSHIP TAX	11,786	21,476	21,476	30,962
3315	DELINQUENT TAX INTEREST	1	0	0	0
3500	PIF REVENUE	301,175	240,000	240,000	320,000
	OTHER SOURCES OF FUNDS:				
	DEVELOPER ADVANCE -	0	0	0	0
1250	Accounts Payable	0	0	0	0
	Dividend Income - Colotrust	2,179	0	0	0
			0	0	0
4203	Facilities Development Fee	0	0	0	0
1253	Bond reserve fund	0	0	0	0
8010	ADVANCE INTEREST PAYABLE	0	1,646	1,646	1,646
3330	ADVANCES FUNDING AGREEMENT	0	0	0	0
	TOTAL SOURCES OF FUNDS	423,573	477,882	477,882	662,232
	TOTAL FUNDS AVAILABLE	870,749	1,046,661	1,046,661	1,344,426
	EXPENDITURES				
see detail	OPERATING EXPENSES	159,398	362,821	362,821	663,725
6695	INTEREST ON LONG TERM DEBT	1,652	1,646	1,646	1,646
see detail	CAPITAL EXPENSES	0			
	MCI CAPITAL EXPENSES	0			
	ADJ. AUDIT	30,976			
	DEFEASE 1987B BANS	0			
	BOND RESERVE FUND	0	0	0	0
	TRANSFER TO FLMD PER IGA	0	0	0	0
	BOND ISSUANCE EXPENSE	0	0	0	0
	EMERGENCY RESERVE FUND	0	0	0	0
	CAPITALIZED INTEREST FUND	0	0	0	0
	CONTINGENCY	0	0	0	0
	TOTAL EXPENDITURES	192,026	364,467	364,467	665,371
95	ENDING FUNDS AVAILABLE	678,723	682,194	682,194	679,055
	ASSESSED VALUATION		0	6,192,480	6,192,480
	MILL LEVY		50.000	10.000	40.000
			0	61,924.80	247,699.20

PINON PINES METROPOLITAN DISTRICTS #3
GENERAL FUND
FORECASTED 2023 DRAFT BUDGET
2021 ACTUAL, 2022 BUDGET AND ESTIMATE

	2020 ACTUAL	ORIGINAL 2021 BUDGET	ESTIMATED 2021 ESTIMATE	2023 BUDGET
EXPENDITURES				
OPERATING EXPENSES				
5001 Purchased Services - under IGA	150,000	350,000	350,000	650,000
5015 Professional Organizations	261	500	500	481
5005 Bank Service Fees	0	0	0	0
5035 Audit	850	1,000	1,000	1,000
5011 Collection Agent Fees	4,141	5,600	5,600	5,000
Errors & Omissions				
5215 Directors Liability Insurance	2,520	2,500	2,500	2,600
5350 Treasurer's Collection Fee	1,626	3,221	3,221	4,644
5310 General District Counsel	0	0	0	0
6250 Water Treatment - Operations				
7040 Wastewater Treatment - Operations				
6740 Site Maintenance - dams & reservoirs				
7050 Maintenance Waste Water Treatment				
TOTAL OPERATING EXPENSES	159,398	362,821	362,821	663,725
INTEREST ON LONG TERM DEBT	1,652	1,646	1,646	1,646
Bond Issuance Expense - Act 181		0	0	0
CAPITAL PROJECTS				
WATER				
Arapahoe Well				
Plant				
Plant - electric				
Lake Intake				
Measuring Flume				
Water Tank				
Water Transmission lines				
Water Distribution lines				
SEWER				
Collection System				
Lift Stations				
OTHER				
ROADS				
DRAINAGE SYSTEMS				
PARKS AND TRAILS				
TOTAL CAPITAL EXPENDITURES	0	0	0	0
MONUMENT CREEK INTERCEPTOR CAPITAL PROJECTS				
REIMBURSE DEVELOPER ADVANCES				
DEFEASE 1987B BANS				
DEPOSIT TO BOND RESERVE FUND	0	0	0	0
TRANSFER TO FLMD PER IGA - CAPITAL	0	0	0	0
6005 EMERGENCY RESERVE FUND	0	0	0	0
DEPOSIT TO CAPITALIZED INTEREST	0	0	0	0
TOTAL EXPENDITURES	161,050	364,467	364,467	665,371
OUTSTANDING LONG TERM DEBT				0
INT EARNINGS:				
acquisition fund		0		
bond reserve fund		0		
replacement reserve		0		
capitalized int fund		0		
TOTAL BONDS				570
calculated emergency reserve			8,157	10,585
current emergency reserve			331	10,813

RESOLUTION NO. 22- _____

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE PINON PINES METROPOLITAN DISTRICT NO. 3, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors of Pinon Pines Metropolitan District No. 3 appointed Ann Nichols to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, Ann Nichols submitted a proposed budget to this governing body for its consideration, and:

WHEREAS, upon due and proper notice, posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 5, 2022, and interested taxpayers 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 THE PINON PINES METROPOLITAN DISTRICT NO. 3, EL PASO COUNTY, COLORADO:

Section 1. That the budget as submitted, amended, and hereinabove summarized by fund, hereby is approved and adopted as the budget of the Pinon Pines Metropolitan District No. 3 for the year stated above.

Section 2. That the budget hereby approved and adopted and made a part of the public records of the Pinon Pines Metropolitan District No. 3.

ADOPTED December 5, 2022.

PINON PINES METROPOLITAN DISTRICT
NO. 3

By:


President

Attest:


Secretary

I, JAMES SOULTON, hereby certify that I am a Director and the duly elected and qualified Secretary of the Pinon Pines Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Pinon Pines Metropolitan District No. 3 held on December 5, 2022.

PINON PINES METROPOLITAN DISTRICT
NO. 3

By: 

Secretary

RESOLUTION NO. 22- _____

RESOLUTION TO APPROPRIATE SUMS OF MONEY

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE PINON PINES METROPOLITAN DISTRICT NO. 3, EL PASO COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors adopted an annual budget in accordance with the Local Government Budget Law, on December 5, 2022, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the Pinon Pines Metropolitan District No. 3.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PINON PINES METROPOLITAN DISTRICT NO. 3, EL PASO COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenue of each fund, to each fund, for purposes stated:


General Fund: \$ 665,371

ADOPTED December 5, 2022.

PINON PINES METROPOLITAN DISTRICT
NO. 3

By: 
President

Attest:


Secretary

RESOLUTION TO SET MILL LEVIES

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2022, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE PINON PINES METROPOLITAN DISTRICT NO 3, EL PASO COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the Pinon Pines Metropolitan District No. 3, has adopted an annual budget in accordance with the Local Government Budget Law, on December 5, 2022, and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses from property tax revenue is \$ 61,924.80, and;

WHEREAS, the amount of money necessary to balance the budget for capital and debt retirement expenses is \$ 247,699.20, and;

WHEREAS, the 2022 valuation for assessment for the Pinon Pines Metropolitan District No. 3 as certified by the County Assessor(s) is \$ 6,192,480.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PINON PINES METROPOLITAN DISTRICT NO. 3, EL PASO COUNTY, COLORADO:

Section 1. That for the purpose of meeting all general operating expenses of the Pinon Pines Metropolitan District No. 3 during the 2023 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation for assessment of all taxable property within the Pinon Pines Metropolitan District No. 3 for the 2023 budget year.

Section 2. That for the purpose of meeting all capital and debt retirement expenses of the Pinon Pines Metropolitan District No. 3 during the 2023 budget year, there is hereby levied a tax of 40.000 mills upon each dollar of the total valuation for assessment of all taxable property within the Pinon Pines Metropolitan District No. 3 for the 2023 budget year.

Section 3. That the Secretary is hereby authorized and directed to immediately certify to the County Commissioners of El Paso County, Colorado, the mill levies for the Pinon Pines Metropolitan District No. 3 as hereinabove determined and set forth in the attached Certification of Mill Levies.

ADOPTED, this 5th day of December, 2022.

By:

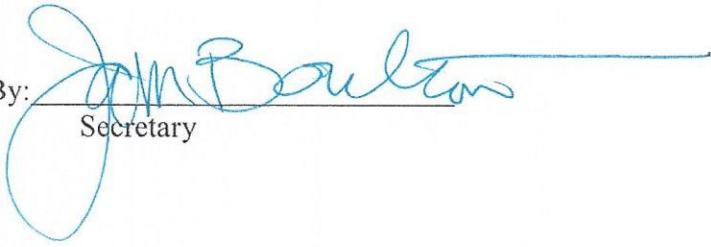
President

A handwritten signature in blue ink, appearing to read "Lance A. Lopez", is written over the printed name "President".

Attest:

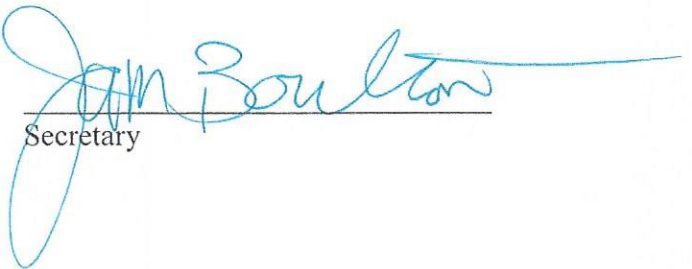
By:

Secretary

A handwritten signature in blue ink, appearing to read "John Boulton", is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

(Attach a copy of the Certification
of Mill Levies.)

I, JAMES BOULTON, hereby certify that I am a Director and
the duly elected and qualified Secretary of the Pinon Pines Metropolitan District No. 3, and that
the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year
2023, duly adopted at a meeting of the Board of Directors of the Pinon Pines Metropolitan
District No. 3 held on the 5th day of December, 2022.


Secretary

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of El Paso County, Colorado.On behalf of the Pinon Pines Metropolitan District No. 3,
(taxing entity)^Athe Board of Directors,
(governing body)^Bof the Pinon Pines Metropolitan District No. 3,
(local government)^C**Hereby** officially certifies the following millsto be levied against the taxing entity's GROSS \$ 6,192,480

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 \$ 6,192,480calculated 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:(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)Submitted: 12/14/2022 for budget/fiscal year 2023.
(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>1 0.000</u> mills	<u>\$61,924.80</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u><</u> <u>></u> mills	<u>\$ < ></u>
SUBTOTAL FOR GENERAL OPERATING:	<u></u> mills	<u>\$</u>
3. General Obligation Bonds and Interest ^J	<u></u> mills	<u>\$</u>
Contractual Obligations ^K	<u>4 0.000</u> mills	<u>\$ 247,699.20</u>
5. Capital Expenditures ^L	<u></u> mills	<u>\$</u>
6. Refunds/Abatements ^M	<u></u> mills	<u>\$</u>
7. Other ^N (specify): <u></u>	<u></u> mills	<u>\$</u>
	<u></u> mills	<u>\$</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>50.000</u> mills	<u>\$ 309,624.00</u>

Contact person:
(print)George Lenz

Daytime

phone: (719) 592-9333

Signed:

Title: President¹ 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:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	
2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	

CONTRACTS^K:

3.	Purpose of Contract:	Repay pro-rata share of administrative and legal expenses of Forest Lakes Metropolitan District per FFC&O Agreement
	Title:	Facilities Funding, Construction and Operations Agreement
	Date:	July 19, 2004
	Principal Amount:	
	Maturity Date:	
	Levy:	40.000
	Revenue:	247,699.20
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.