

**Resolution of the Banning Lewis Ranch Metropolitan District No. 5
regarding Funding Request Approval Procedures**

WHEREAS, Banning Lewis Ranch Metropolitan District No. 5 ("District No. 5") is a quasi-municipal corporation and political subdivision of the State of Colorado, organized and operating pursuant to Sec. 32-1-101, *et seq.*, C.R.S. ("Special District Act") and its service plan, as may be amended from time to time; and

WHEREAS, District No. 5 is governed by its five-member board of directors ("District 5 Board"); and

WHEREAS, the District 5 Board is authorized by the Special District Act and its service plan to have the management, control, and supervision of District No. 5 affairs and to adopt, amend, and enforce bylaws and rules and regulations for the benefit of District No. 5; and

WHEREAS, the District 5 Board desires to adopt a procedure for residents, resident clubs, and community special interest groups to submit funding requests for various activities and amenities that will benefit the District No. 5 community.

NOW, WHEREFORE, the Board of Directors for Banning Lewis Ranch Metropolitan District No. 5 RESOLVES to adopt the following procedure for funding request submittals as follows:

1. **Purpose.** This procedure describes how individual residents, resident clubs and community special interest groups, and committees ("Board Committees") established by the District 5 Board request consideration for funding uses from Banning Lewis Ranch Metropolitan District No. 1's Special Revenue Fund ("Funding Requests"). This procedure also describes how the finance committee established by the District 5 Board ("Finance Committee") will analyze and prioritize Funding Requests before submittal to the District 5 Board for approval. Upon approval by the District 5 Board, the Funding Requests will be submitted to the Board of Directors for Banning Lewis Ranch Metropolitan District No. 1 ("District 1 Board") for final consideration.
2. **Submittals.** All Funding Requests must be submitted directly in writing to the Finance Committee's designated point of contact, as identified below. The Finance Committee will review requests and make a determination on whether to approve, deny, or propose amendments to such Funding Requests. Upon approval of a Funding Request by the Finance Committee, the Funding Request will be presented to the District 5 Board for consideration and approval. The District 5 Board may approve, deny, or propose amendments to such Funding Requests. Upon approval of a Funding Request by the District 5 Board, a Funding Request will be presented to the District 1 Board or other authorized

representative of District 1 for final approval and distribution of funds in the manner set forth herein.

3. **Funding Requests.** All Funding Requests must contain the information described in the following subparagraphs.
 - a. Title of Request. Each request must begin with a short title to be used for reference when the request is discussed.
 - b. Original submittal date. Requests must include the date they are submitted to the Finance Committee.
 - c. Routine or Urgent. A routine Funding Request will be considered for inclusion in the following year's budget. An urgent Funding Request will be considered for the application of funds in the current year's budget or to request an amendment to the current year's budget, if necessary. Whether a Funding Request is routine or urgent shall be in the sole discretion of the District 5 Board.
 - d. Description. A description of the proposed use of funds. Requestors should provide sufficient detail to communicate to others the entire scope of what is being requested.
 - e. Explanation of Need and Benefit. The Funding Request must present the justification for the request. The justification should explain the requirement or need that will be satisfied and the benefits that will be provided to the community if the Funding Request is approved. The explanation should also include an estimate of the number of District 5 residents to be benefited by the Funding Request and the manner in which the residents will benefit.
 - f. Funding Date. The Funding Request must provide a date by which the funds are needed or desired.
 - g. Expected Impacts. The Funding Request must describe all anticipated impacts to other facilities, services, groups, or residents. It must also list other Board Committees that may have an interest in the proposal.
 - h. Estimated Total Cost. The Funding Request must include an estimate of all costs associated with the request with the costs broken down into applicable component parts. The Funding Request must also provide Requestor's assessment as to any uncertainties in the Requestor's estimate.
4. **Committee Point of Contact; Feedback.** Requestors may contact any member of the Finance Committee to initiate a Funding Request. The Finance Committee will then assign a member of the committee to be a designated point of contact

for the particular Funding Request. Requestors are responsible for preparing their own proposals. The Finance Committee's point of contact will be available to answer questions and offer suggestions to assist a Requestor in creating a thorough Funding Request.

5. **Committee Evaluation.** Once the Finance Committee's point of contact receives a completed Funding Request, the point of contact will place it on the agenda for the next Finance Committee meeting. When consideration of a new Funding Request is on the agenda, the committee will evaluate the request using the parameters listed below.
 - a. Confirm the request is complete.
 - b. Verify information presented when necessary.
 - c. Use reserve study information when appropriate.
 - d. Evaluate the need described in the request.
 - e. Evaluate the benefit(s) described in the request.
 - f. Evaluate the impacts described in the request.
 - g. Evaluate the total cost including its uncertainty.

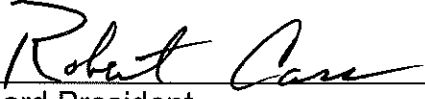
6. **Committee Prioritization.** When there are any Funding Requests that have been evaluated by the Finance Committee, the committee will prioritize all active requests that have been evaluated at each committee meeting. Priority rank should reflect the comparative needs, benefits, impacts, and total cost of the requests being ranked, in the Finance Committee's discretion. The Finance Committee may use the overall financial outlook in considering the following courses of action.
 - a. Routine and urgent requests may be ranked on separate lists since their impacts are in different budget years.
 - b. The Committee, in its sole discretion, may recategorize requests between routine and urgent.

7. **Board Report.** A Board member from the Finance Committee will report, on behalf of the Finance Committee, a current prioritized-ranked list of all active Funding Requests at each Board meeting when there are current Funding Requests being considered by the Finance Committee.

8. **Board Recommendations.** When the Finance Committee considers it is in the best interests of the District 5 Board, the Finance Committee will recommend the District 5 Board approve a Funding Request for submittal to the District 1 Board for final consideration.
- a. Board approved urgent Funding Requests may be submitted to the District 1 Board by the District 5 Board at any time.
 - b. Board approved routine budget requests will be forwarded to District Management in time to be included in the District 1 Board's draft budget presented to the Cooperation Committee.
9. **Revisions.** This procedure constitutes a legislative action of the District 5 Board and may be modified by the District 5 Board approval at any Board meeting.


This Resolution regarding Funding Request Approval Procedures is approved and adopted this 16th day of March, 2023.

Banning Lewis Ranch Metropolitan
District No. 5



Board President

ATTEST:



Board Secretary/Assistant Secretary