



Biennial Budget

City of Commerce City, Colorado



2017-18



NORTHERN INFRASTRUCTURE GID

2017-2018 BIENNIAL BUDGET

October 17, 2016

President and Members of the Board

City of Commerce City Northern Infrastructure General Improvement District (NIGID)

SECTION 1: Introduction

The proposed budget beginning January 1, 2017 and ending on December 31, 2017 is hereby submitted.

As required by Colorado statutes, this proposed budget is in balance with anticipated and existing revenues equal to or greater than the 2017 proposed expenditures.

SECTION 2: Certification of Mill Levy and Assessed Valuation

The assessed valuation of the NIGID as estimated by the Adams County Assessor's Office on August 16, 2016 is \$214,906,290. A final valuation is to be received from the County Assessor no later than December 10, 2016.

For the 2016 fiscal year, it is proposed that the mill levy be certified at 27.00 mills, which will generate a district property tax of \$5,802,470. This is the nineteenth year that the NIGID has received an assessed valuation and the nineteenth year that a property tax mill levy is proposed.

SECTION 3: Authorization and Issuance of District Limited General Obligation Bond Series 1998

On November 4, 1997, the electors of the NIGID approved the issuance of bonds for two purposes, one of which was for \$5,000,000 for the financing of water improvements and one of which was for \$10,000,000 for the financing of sewer improvements for a total authorization of \$15,000,000.

On June 2, 1998, the NIGID issued a limited general obligation bond issue in the par amount of \$11,500,000 of the authorized \$15,000,000 for the water and sewer improvements project. These bonds were privately placed with Consumer Services, Inc., a division of United Power, Incorporated. In addition to the bond proceeds, the City of Commerce City and the South Adams County Water and Sanitation District provided for a reimbursable loan of \$1,000,000 and \$500,000 respectively. The bonds carried a coupon rate of 8.750% with the initial debt service payment being made on December 1, 1998, and a term ending December 1, 2017. This debt is solely the responsibility of the NIGID with no financial responsibilities of the City of Commerce City.

SECTION 4: Authorization and Issuance of General Obligation Variable Rate Refunding Bonds Series 2002

On January 8, 2002, the NIGID issued General Obligation Variable Rate Refunding Bonds Series 2002 in the amount of \$14,140,000 with A+ rated bonds. The refunding bonds were for the purpose of refinancing the 1998 Limited General Obligation Bond, Series 1998 held by Consumer Services, Inc., a division of United Power, Incorporated and to repay a December 2000 Loan to the District from various property owners in the District in the aggregate amount of \$22,752. The new bonds were all purchased by a single buyer at an interest rate of 1.75% for year 2002. We were able to obtain this interest rate with the issuance of a Letter of Credit (LOC) and with the annual remarketing of the bonds. The net interest cost was calculated to be approximately 4% over the 30-year term of the bond. The Series 1998 Bonds and the Developer Loan were redeemed and paid on January 15, 2002, the date of issuance of the Bonds (plus accrued interest on the Series 1998 Bonds). In 2004, \$1,850,000 of the bonds were called early and retired. And in 2006, \$2,100,000 of the bonds were called early and retired.

SECTION 5: Authorization to Increase Debt

On November 1, 2005, the electors of the NIGID approved the debt be increased \$79,900,000 for improvements to East 104th Avenue and other street improvements as deemed necessary for the benefit of the District. The first \$44,400,000 in bonds was issued in 2006 and the remainder to be issued as determined.

SECTION 6: Authorization and Issuance of General Obligation Variable Rate Bonds, Series 2006

On February 15, 2006, the NIGID issued General Obligation Variable Rate Bonds Series 2006 in the amount of \$44,400,000 with AA rated bonds to be used to construct street improvements and to pay the costs of issuing the Bonds. The Bonds were structured to bear interest in the weekly mode. The adjusted interest rate for any Bond in the weekly mode was the rate of interest per annum determined by the Remarketing Agent on and as of each Wednesday. The adjusted interest rate could not exceed the maximum rate. The net interest cost was calculated to be approximately 4% over the 30-year term of the bond.

SECTION 7: Authorization and Issuance of General Obligation Variable Rate Bonds, Series 2008

On June 26, 2008, the NIGID issued General Obligation Variable Rate Bonds Series 2008 in the amount of \$35,500,000 with AA rated bonds to be used to construct street improvements and to pay the costs of issuing the Bonds. The Bonds were structured to bear interest in the weekly mode. The adjusted interest rate for any Bond in the weekly mode was the rate of interest per annum determined by the Remarketing Agent on and as of each Wednesday. The adjusted interest rate could not exceed the maximum rate. The net interest cost was calculated to be approximately 4% over the 30-year term of the bond.

SECTION 8: Remarketing of General Obligation Variable Rate Refunding Bonds Series 2002 and Refinancing of General Obligation Variable Rate Bonds, Series 2006, and General Obligation Variable Rate Bonds, Series 2008

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On February 02, 2013, the NIGID remarketed the General Obligation Variable Rate Refunding Bonds Series 2002 and refinanced the General Obligation Variable Rate Bonds, Series 2006, and General Obligation Variable Rate Bonds, Series 2008 fix the interest rate on all of the bonds. The true interest cost of the bonds was calculated to be 3.645104% over the 30-year term of the bond.

Section 9: The 2017 Budget Process

The proposed 2017 budget expenditures total \$6,457,717 including bond interest payments plus additional operational costs. NIGID revenues for 2017 are estimated at \$6,457,717.

The proposed budget is scheduled for public hearing on Monday, October 17, 2016 with a continuation of the public hearing to November 7, 2016. Following the November 7th public hearing, the NIGID budget is scheduled for adoption and certification of the mill levy. The NIGID does not have any authorized staff.

Respectfully Submitted

Sheryl L. Carstens, Treasurer to the Board

NORTHERN INFRASTRUCTURE GID

SUMMARY OF RESOURCES AND REQUIREMENTS BY FUND - 2017

GENERAL IMPROVEMENT DISTRICT

2017 Budget	
<u>Resources</u>	
Revenues	\$ 6,457,717
Total Resources	\$ 6,457,717
<u>Requirements</u>	
Administrative Cost	\$ 91,100
Transfers To:	
02 General Improvement District Debt	\$ 745,907
13 General Improvement District Debt	\$ 4,506,542
Fund Balance	\$ 1,114,168
Total Requirements	\$ 6,457,717

GENERAL IMPROVEMENT DISTRICT DEBT

2017 Budget	
<u>Resources</u>	
Transfers From	
02 General Improvement District Fund	\$ 745,907
13 General Improvement District Fund	4,506,542
Total Resources	\$ 5,252,449
<u>Requirements</u>	
02 Administrative Cost	\$ 7,750
13 Administrative Cost	50,500
02 Interest	303,157
13 Interest	3,201,042
02 Principal	435,000
13 Principal	1,255,000
Total Requirements	\$ 5,252,449

NORTHERN INFRASTRUCTURE GID

SUMMARY OF RESOURCES AND REQUIREMENTS BY FUND - 2018

GENERAL IMPROVEMENT DISTRICT

	2018 Plan
<u>Resources</u>	
Revenues	\$ 6,585,371
Total Resources	\$ 6,585,371
<u>Requirements</u>	
Administrative Cost	\$ 92,500
02 Administrative Cost	
02 General Improvement District Debt	\$ 748,507
13 General Improvement District Debt	\$ 4,623,792
Fund Balance	\$ 1,120,572
Total Requirements	\$ 6,585,371

GENERAL IMPROVEMENT DISTRICT DEBT

	2018 Plan
<u>Resources</u>	
Transfers From	
02 General Improvement District Fund	\$ 748,507
13 General Improvement District Fund	4,623,792
Total Resources	\$ 5,372,299
<u>Requirements</u>	
02 Administrative Cost	\$ 7,750
13 Administrative Cost	50,500
02 Interest	285,757
13 Interest	3,138,292
02 Principal	455,000
13 Principal	1,435,000
Total Requirements	\$ 5,372,299

NORTHERN INFRASTRUCTURE GID

2017-2018 BIENNIAL BUDGET

Revenues		<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Adopted</u>	<u>2016 Estimated</u>	<u>2017 Budget</u>	<u>2018 Plan</u>
Account Number	Description						
190-420-000	Earnings On Investments	\$ 312,719	\$ 54,051	\$ 150,000	\$ (20,962)	\$ 50,000	\$ 50,000
190-445-001	Property Tax	4,381,015	4,572,537	5,635,146	5,624,013	5,802,470	5,918,519
190-445-003	Specific Ownership Tax	353,876	393,019	563,515	267,659	580,247	591,852
190-482-001	Sale Of Assets Water Rights	-	101,650	-	-	-	-
190-490-002	One Time Fee	4,804	-	-	-	-	-
190-490-003	Capacity Fee	21,012	8,127	25,000	17,254	25,000	25,000
190-489-000	Bond Proceeds	-	-	-	-	-	-
190-586-003	Bond Misc Net Premium	-	-	-	-	-	-
190-590-000	Transfer From Fund Balance	-	-	-	-	-	-
190-595-000	Transfers In	7,685,000	-	-	-	-	-
Total Available Revenues		\$12,758,426	\$5,129,384	\$ 6,373,661	\$ 5,887,963	\$6,457,717	\$6,585,371
Expenditures							
190-731-026	Outside Services Project Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190-731-062	Recording/Advertising Fees	-	-	100	-	100	100
190-731-006	Auditing Fees	9,500	9,500	15,000	13,030	15,000	15,000
190-731-086	Legal Fees	165	-	1,000	-	1,000	1,000
190-740-000	Property Tax Collection Fees	65,758	68,603	67,000	84,369	70,000	71,400
190-751-001	Project Expense - Water Acq Fee	1,500	-	-	-	-	-
190-751-003	Project Expense - Water Rights Sold	-	79,999	-	-	-	-
190-790-000	Unclassified Expense	-	-	-	-	-	-
190-790-006	Unclassified Expense Closing Costs	-	-	-	-	-	-
190-790-019	Unclassified Expense Bond Escrow Agent	-	-	-	-	-	-
190-784-000	Insurance Premiums	-	-	5,000	-	5,000	5,000
190-891-000	Transfer To Fund 195 - 2002	728,306	733,306	742,507	742,507	745,907	748,507
190-891-000	Transfer To Fund 195 - 2013	4,177,391	4,237,491	4,397,542	4,397,542	4,506,542	4,623,792
190-891-000	Transfer To Fund 191 - NIGID Construction Fund	12,034,621	8,463,088	-	-	-	-
190-891-000	Transfer To CIPP Fund	-	130,000	-	-	-	-
190-891-001	Transfer To Fund Balance	(4,258,816)	(8,592,603)	1,145,512	650,516	1,114,168	1,120,572
Total Expenditures		12,758,426	5,129,384	6,373,661	5,887,963	6,457,717	6,585,371
Net Position		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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2017-2018 BIENNIAL BUDGET

Revenues		<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Adopted</u>	<u>2016 Estimated</u>	<u>2017 Budget</u>	<u>2018 Plan</u>
Account Number	Description						
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
195-420-008	Interest/Us Bank 2002	-	-	-	-	-	-
195-420-026	Interest/Us Bank 2013						
195-595-000	Transfer From Fund 190/2002	728,306	733,306	742,507	737,507	745,907	748,507
195-595-000	Transfer From Fund 190/2013	4,177,391	4,237,491	4,397,542	4,345,542	4,506,542	4,623,792
Total Available Revenues		\$ 4,905,698	\$ 4,970,798	\$ 5,140,049	\$ 5,083,049	\$ 5,252,449	\$ 5,372,299
Expenditures							
195-731-090	2002 Outside Services	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 5,000
195-731-205	2013 Outside Services	50,000	-	50,000	-	50,000	50,000
195-790-007	2002 Unclassified Expense	2,750	2,750	2,750	2,750	2,750	2,750
195-790-020	2013 Unclassified Expense	500	500	2,500	500	500	500
195-792-001	2002 Bond Principal Payments	375,000	395,000	415,000	415,000	435,000	455,000
195-792-005	2013 Bond Principal Payments	830,000	965,000	1,100,000	1,100,000	1,255,000	1,435,000
195-793-001	2002 Bond Interest Payments	350,556	335,556	319,757	319,757	303,157	285,757
195-793-005	2013 Bond Interest Payments	3,296,891	3,271,991	3,245,042	3,245,042	3,201,042	3,138,292
Total Expenditures		\$ 4,905,698	\$ 4,970,798	\$ 5,140,049	\$ 5,083,049	\$ 5,252,449	\$ 5,372,299
Net Position		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



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