



# NIGID Mill Levy-City Council Request for Additional Information

Nov 5, 2018

# Key Considerations When Setting a Mill Levy Rate

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- Predictability & Stabilization of Property Tax Payments for Homeowners
- Fluctuation of Property Valuations – Market Driven
  - Impact – some years we collect more revenue from property taxes than our debit service payments and some years we collect less revenue than the debit service payments
- Debit services payments fluctuate year to year
- Economic Sustainability – Ensuring funding exists year over year to make debit service payments



# 2019 Budget

Revenues		2019 Budget
Property Taxes	\$	7,670,663
Specific Ownership	\$	519,979
Capacity Fee	\$	43,336
Misc	\$	8,976
Transfer In	\$	3,077,629
Total	\$	11,320,583

Expenditures		2019 Budget
Recording/Advertising Fees	\$	100
Auditing Fees	\$	15,000
Legal Fees	\$	1,000
Property Tax Collection Fees	\$	90,000
Transfer to CIPP	\$	196,833
Total	\$	302,933

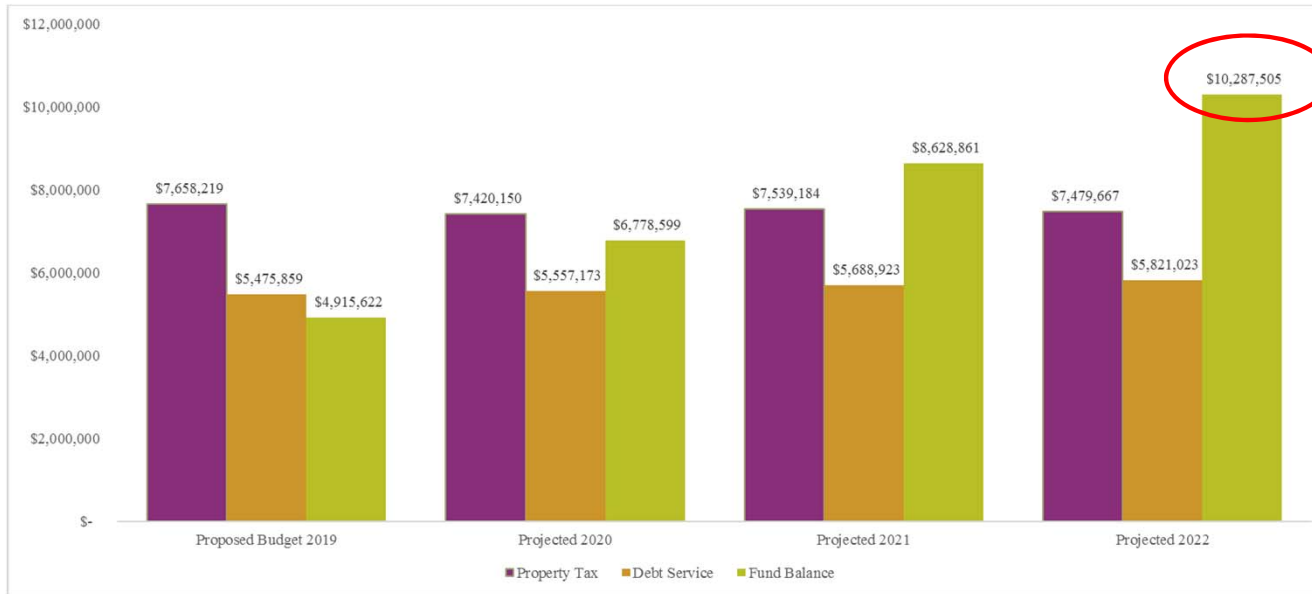
Debt Service		2019 Budget
Administrative Cost - 2002	\$	7,750
Administrative Cost - 2013	\$	33,137
Interest - 2002	\$	267,556
Interest - 2013	\$	3,072,416
Principal - 2002	\$	475,000
Principal - 2013	\$	1,620,000
Total	\$	5,475,859

Fund Balance		2019 Budget
Property tax	\$	5,272,433
Operational	\$	269,358
Total Fund Balance	\$	5,541,791

\* Property Taxes at 27 mils



# Projected Debt Service



Series 2002 GID Bonds : 12/1/2022,  
payoff amount \$6,240,000 plus interest

Series 2013 GID Bonds : 12/1/2022,  
payoff amount \$63,860,000 plus  
interest

- Historically collection of property tax has not been equal to debt service.
- Assessed values fluctuate on annual basis, which has an impact to revenue.
- During Economic corrections a surplus can offset expenditures exceeding revenues.
- Debt Service amounts change year over year.



## Projected Fund Balance

- 2018 Projected Property Tax Fund Balance- 2,733,262
- 2019 Projected Property Tax Fund Balance- 4,915,622
- 2020 Projected Property Tax Fund Balance- 6,778,599
- 2021 Projected Property Tax Fund Balance- 8,628,861
- 2022 Projected Property Tax Fund Balance- 10,287,505



If Series 2002 is retired in December 2022 the amount of saving annually is estimated at \$743,000 (Debt Service payment). This amount is equivalent to 2.5 Mills using present assessed values.

\* Property Taxes projected on revenue average analysis



## **Series 2002 General Obligation Refunding Bonds**

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Issued January 15, 2002, in the amount of \$10,120,000 to refinance the Series 1998 General Obligation Bonds issued

Debt was issued to finance water and sewer improvements in the amount of \$11,500,000

Debt Retirement: 12/1/2031

Optional Redemption: 12/1/2022, payoff amount \$6,240,000 plus interest

Reserve Requirement: None

Pledged Revenue: Ad valorem mill levy within the NIGID



## **Series 2013 General Obligation Refunding Bonds**

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Issued February 1, 2013, in the amount of \$76,280,000 to refinance and combine the Series 2006 General Obligation Refunding Bonds in the amount of \$44,400,000 and the Series 2008 General Obligation Refunding Bonds in the amount of \$35,500,000.

Debt was issued to finance improvements on 104<sup>th</sup> Ave and other street improvements deemed necessary for the district authorization amount of \$79,900,000

Debt Retirement: 12/1/2038

Optional Redemption: 12/1/2022, payoff amount \$63,860,000 plus interest

Reserve Requirement: None

Pledged Revenue: Ad valorem mill levy within the NIGID



# Distribution of Property tax

If your house is worth \$100,000

27 mill Levy

25 mill Levy

24 mill Levy

22 mill Levy



- Of the property taxes Adams County collects, Northern Range General Improvement District receives revenue. The following are 4 examples prepared by staff.





# Options

- Keep Mill Levy at 27 Mills and undergo further analysis in 2019
  - Potential debt retirement 2023
  - Sustain future economic corrections
- Lower Mill Levy 2 Mills to 25 Mills (conservative)
  - Annual reduction projected \$567,275
- Lower Mill Levy 3 Mills to 24 Mills (middle)
  - Annual reduction projected \$850,913
- Lower Mill Levy 5 Mills to 22 Mills (aggressive)
  - Annual reduction projected \$1,454,189

\*Based on the assessed value of \$283,637,740 provided on August 25<sup>th</sup>, 2018

\*Assessed values fluctuate on annual basis, which has an impact to revenue



## Policy Discussion

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Does Council wish to:

- Adopt the Resolution as submitted at 27 mills
- Amend the Resolution setting a new mill levy

