

General Improvement Districts (GIDs) 2017 Budget Review





City Council Requested Action Acting as the GID Board of Directors

▶ Action:

- Approve Annual Work Plan and Budget for each of the 3 GIDs in Denver.

▶ Schedule:

- Nov. 7th & 14th – Announce Public Hearing for each GID Work Plan and Budget at City Council meeting.
- Nov. 8th – Land Use, Transportation, & Infrastructure Committee
- Nov. 15th – Mayor Council
- Nov. 21st – 3 Public Hearings for each Work Plan and Budget with City Council acting as each GID's Board.



Types of Districts

State Statutory **Special Districts**

Title 31

Business Improvement Districts

General Improvement Districts

- City Council acts as GID Board of Directors and approves Work Plans and Budgets

Urban Renewal Authority

Downtown Development Authority

Title 32: Special District Act of 1981

Metropolitan Districts

Ambulance Districts

Fire Protection Districts

Health Services Districts

Park and Rec Districts

Water and Sanitation Districts

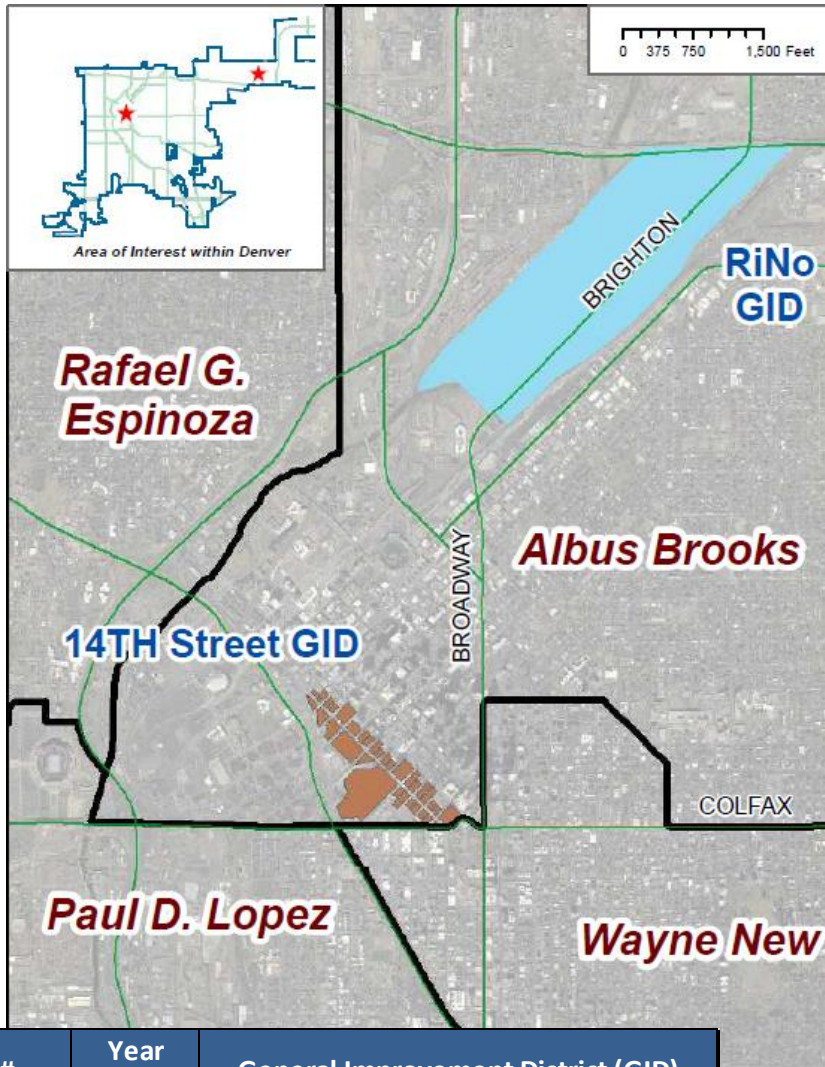
General Improvement Districts



DENVER
THE MILE HIGH CITY

- ▶ **Legal authority:** Colorado Revised Statutes Sections 31-25-601 through 31-25-632. (Consists of **residential and commercially assessed properties**).
- ▶ **Created:** Petition signed by at least 30% of the electors of the proposed district.
 - A **Public Hearing** is held and **City Council approves** the GID.
 - Once approved by Council a new governmental authority is created.
- ▶ **Powers:** Acquire, construct, install or acquire any public improvement except solid waste disposal.
- ▶ **Revenue Derived:** Mill levy, special assessment, rates, fees, tolls, or charges.
- ▶ **Board of Directors:** City Council is the ex-officio Board of Directors.
 - A **District Advisory Board (DAB)** is created via an ordinance. Must meet at least once a year as board to adopt budget, audit etc.

GIDs in the City



#	Year Created	General Improvement District (GID)
1	1994	Gateway Village GID
2	2009	Denver 14th St. GID
3	2015	RiNo GID



Required Budget Approval Process

GID Annual Work Plan and Budget Administrative Schedule	
Date	Action
8/16	Annual Work Plan and Budget Reminder Letter sent to District
9/1 - 9/30	District Advisory Board prepares Annual Work Plan and Budget and holds a Public Hearing
9/30	District files Annual Work Plan and Budget with City Clerk
10/1 - 10/15	City Staff Review and Analysis
10/31	Resolution Request to City Council submitted to ensure deadlines are met
12/5	Deadline for City Council acting as Ex-Officio Board of Directors to conduct a Public Hearing and vote on the Annual Work Plan and Budget
12/15	Deadline for Mill Levy Certification to the City

Annual GID Data Requested

Financial:

- ▶ 2017 Work Plan and Budget.
- ▶ 2016 year-to-date “budget to actual” financial reports.
- ▶ Any material departures from the 2016 Work Plan and Budget, and an explanation.
- ▶ The status of any planned or outstanding indebtedness.
- ▶ The results of any audits conducted during the year
 - 2015 Annual Audited Financial Statement

Informational:

- ▶ Current list of all District Advisory Board members.

Finance Department

Components of Analytic Review

Financial Review:

- ▶ Examine results of any audits conducted during the year, where applicable.
- ▶ Identify the status of any planned or outstanding indebtedness.
- ▶ Review Bonded Debt, where applicable.
- ▶ Perform 2016 actual performance analysis. Identify any material departures from the 2016 budget, and request additional information on changes.
- ▶ Perform a 2017 budget comparative summary for City Council Review.

Reporting:

- ▶ Material variations from 2016 budget, audit findings, debt review, and 2017 budget comparative summary.

Reporting: 2015 GID Audits*

Positive Results:

- **Gateway Village GID**
 - Unqualified audit opinion
- **Denver 14th St. GID**
 - Unqualified audit opinion
- **RiNo GID**
 - Created during 2015, first audit expected next year.

***DOLA required yearly audits and provides for an exemption on entities with budgets under \$750,000.**



Reporting: Debt Review

- **Gateway Village GID:**
 - Bond debt service payments are current.
 - Issued \$2.2 million refunding bonds during 2009.
 - As of 2015 Audit, there was approximately \$500,000 of outstanding principal remaining on bonds.
 - Anticipated payoff of bonds in Dec. 2016.
- **Denver 14th St. GID:**
 - Bond debt service payments are current.
 - \$4 million of issued bonds during 2010.
 - As of 2015 Audit, there was approximately \$3.6 million of outstanding principal remaining on bonds.
 - Anticipated payoff of bonds is in 2034.
- **RiNo GID:**
 - District obtained a \$3 million loan during 2016 as District's contribution for street improvements along Brighton Blvd.



Reporting: 2016 GID Budget Performance Analysis

#	GID Name	2016 Projected Year End Revenue & Debt Proceeds (change from budget)	2016 Projected Year End Expense & Debt Proceeds (change from budget)
1	Gateway GID	\$617,146 (0.1%)	\$809,627 (-2.8%)
2	14th St. GID	\$570,859 (0.0%)	\$570,859 (0.0%)
3	RiNo GID	\$3,598,603 (0.0%)	\$3,342,006 (-10.8%)

Notes:	
Gateway GID	Revenues higher due to realizing higher than budgeted net investment income, expenses lower than budgeted due to not spending contingency and not spending all irrigation water budgeted for during 2016. District's expected expenses include using the debt reserve fund to make the final bond payment.
14th St. GID	No significant differences between budget and actual.
RiNo GID	Expenses lower than budgeted due to lower than expected debt service payments during first year of operation.



Reporting: 2017 Budget Comparative Summary

#	Year Created	District	Admin	Capital Improvements	Maintenance	Debt Service	Reserves	Other	Total Expenditures	% of Grand Total
1	1988	Gateway Village GID	\$63,700	\$65,000	\$124,040	\$0	\$0	\$62,260	\$315,000	21%
		% of Total Expenditures	20%	21%	39%			20%		
2	1989	14th St. GID	\$64,150	\$0	\$116,790	\$352,950	\$50,351	\$0	\$584,241	38%
		% of Total Expenditures	11%		20%	60%	9%			
3	2015	RiNo GID	\$139,500	\$0	\$0	\$300,000	\$10,000	\$182,324	\$631,824	41%
		% of Total Expenditures	22%			47%	2%	29%		
Totals			\$267,350	\$65,000	\$240,830	\$652,950	\$60,351	\$244,584	\$1,531,065	100%
% of Total Expenditures			17%	4%	16%	43%	4%	16%		

No concerns for 2017 budgets.



Reporting: 2016 to 2017 Budget Change Summary

#	GID Name	2017 Projected Mills/Charges (Change from 2016)	2017 Budgeted Revenue (Change from 2016)	2017 Budgeted Expense (Change from 2016)	Forecasted '16 Debt
1	Gateway Village GID				
	General Fund	20.000 (29.0%)	\$484,022 (-21.5%)	\$315,000 (-62.2%)	\$0
	Debt Service Mill	Paid Off			
Total	20.000 (-22.2%)				
2	14th St. GID				
	Capital Charge	\$356,300 (0.9%)	\$584,240 (2.3%)	\$584,241 (2.3%)	\$3,535,000
	Maintenance Charge	\$195,177 (2.3%)			
Total	\$551,477 (1.4%)				
3	RiNo GID				
	General Fund	4.000 (0.0%)	\$631,824 (-82.4%)	\$631,824 (-83.1%)	\$3,000,000
	Assessment Charge	\$22.43 (6.8%)			

Notes:

Gateway Village GID	The GID is lowering the overall mill rate 22% for the '17 budget, they are able to do this due to the extinguishment of debt by the end of '16. Significant changes in budgeted expenses from '16 to '17 due to debt service payments ending in '16.
14th St. GID	Budgeted revenue increase driven by District's banner rental program and increases in capital and maintenance charges. Additional expenses budgeted in '17 are for operating reserve for future unexpected expenses.
RiNo GID	In '16 the District issued \$3MM of debt, the revenue drop shown in '17 is attributable to this. Exclusive of debt proceeds '17 budgeted revenue is up appx. 10% due to AV growth and specific ownership taxes. The significant expense drop shown in '17 is attributable to spending of debt proceeds received in '16. Exclusive of debt proceeds '17 budgeted expenses are down appx. 15% from '16 budgeted expenses due to more accurate debt service projections after debt issuance.

Finance Department

GID Summary Analysis

- ▶ There were no material budget to actual variations for 2016.
- ▶ GID audits were positive “unqualified” opinions.
- ▶ All 3 GIDs have issued debt and are current on payments.
 - Gateway Village expecting to payoff debt in Dec. 2016
 - RiNo issued new \$3 million loan during 2016.
- ▶ No material changes to budgets for 2017 exclusive of debt related activities.



Recommendation

Approve Budgets and Work Plans as filed with City Clerk.