

**CHERRY HILLS VILLAGE
COLORADO**

2460 E. Quincy Avenue
Cherry Hills Village, CO 80113
www.cherryhillsvillage.com

Joint Public Safety Facility
Telephone 303-789-2541
FAX 303-761-9386

**Notice of Meeting and Agenda
Cherry Hills Village Charlou Park 3rd Filing General Improvement District**

Tuesday, November 15, 2022

This meeting will be held in-person at City Hall with no electronic participation.

To attend in-person: There is no need to sign up to attend in-person; if you would like to speak during audience participation there will be a sign-up sheet in the Council Chambers.

To watch the meeting (no participation):

- 1) City website – [City Meeting Videos](#)
- 2) City YouTube channel – [City of Cherry Hills Village YouTube](#)

6:30 PM

(the meeting of the Board of Directors of the Cherry Hills Village Charlou Park 3rd Filing General Improvement District will be convened at the regular City Council meeting)

Board of Directors:

Russell Stewart, Mayor
Katy Brown, Mayor Pro Tem
Randy Weil
Afshin Safavi
Al Blum
Mike Gallagher
Dan Sheldon

1. Call to Order
2. Roll Call of Members
3. Consent Agenda
4. Items Removed From Consent Agenda
5. Unfinished Business
6. New Business
 - a. Public Hearing – Resolution 3, Series 2022; Amending the 2022 Budget and Approving Supplemental Appropriations for the GID Fund
 - b. Public Hearing – 2023 Proposed Budget
7. Adjournment

Notice: Agenda is subject to change.
If you will need special assistance in order to attend any of the General Improvement District's public meetings, please notify the City of Cherry Hills Village at 303-789-2541, 48 hours in advance.

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ITEM: 16a

MEMORANDUM

TO: THE CHERRY HILLS VILLAGE CHARLOU PARK 3RD FILING GENERAL IMPROVEMENT DISTRICT (GID) BOARD OF DIRECTORS

FROM: DOUG FARMEN, DIRECTOR OF FINANCE AND ADMINISTRATION

SUBJECT: PUBLIC HEARING - RESOLUTION 3, SERIES 2022; AMENDING THE 2022 BUDGET AND APPROVING SUPPLEMENTAL APPROPRIATIONS FOR THE GID FUND

DATE: NOVEMBER 15, 2022

ISSUE

Shall the Board of Directors approve Resolution 3, Series 2022, amending the 2022 Budget to utilize \$67,000 in excess funds to make a one-time principal reduction payment to Academy Bank, N.A., as the holder of the GID's Series 2019 Note (**Exhibit A**)?

DISCUSSION

During the development of the draft 2023 budget for the Cherry Hills Village Charlou Park 3rd Filing General Improvement District ("GID"), staff became aware of an excess fund balance for this GID and began research into how best to utilize the excess fund balance. In 2019, the GID issued its \$375,000 General Obligation Note (the "Series 2019 Note") to fund a utility undergrounding project. The project was completed under budget. After all project-related costs were paid including direct project costs, establishment of a debt service reserve, and payment of closing and issuance costs, there was \$39,137 in remaining funds. In 2020-2022, the GID collected approximately \$28,000 in property tax revenues over and above annual debt service and administrative cost requirements, leaving approximately \$67,000 in total excess funds (when added to the \$39,137 in remaining project funds from 2019).

Staff for the GID is recommending that the \$67,000 in excess funds (the "Supplemental Payment") be used to pay down outstanding principal on the Series 2019 Note, and that the Supplemental Payment be made on December 1, 2022. Academy Bank, N.A. ("Academy Bank") purchased the Series 2019 Note. The terms of the Series 2019 Note include a ten (10) year no-call provision.

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Specifically, the Series 2019 Note is subject to redemption prior to maturity, at the option of the GID, in whole or in part in authorized denominations on **December 1, 2029** (and thereafter) at a redemption price as specified in the Series 2019 Note. In order to permit the contemplated principal reduction / redemption payment, staff contacted Academy Bank and Academy Bank has agreed to consider the \$67,000 partial pre-payment (the “Supplemental Payment”) notwithstanding the 10-year no-call provision.

To that end, City staff worked with the City Attorney’s Office, special public finance counsel, and the City’s financial consultant on the Series 2019 Note to finalize the form of a written “Consent of Purchaser” for execution by Academy Bank. The form of Consent of Purchaser is on file with the City Clerk. Three financing options were reviewed by staff and consultants with the district’s preferred option being submitted to Academy Bank for review. This selected option also provides a reduced maturity term through 2038, rather than 2040.

In addition to memorializing Academy Bank’s consent to the Supplemental Payment in writing, the Consent of Purchase also incorporates a revised amortization schedule as **Exhibit D** (revised schedule of principal and interest payments due on the Series 2019 Note resulting from the GID making the Supplemental Payment to Academy Bank on December 1, 2022). The revised amortization schedule results in measurable cost savings to the GID (approximately \$64,000 over the remaining term of the Series 2019 Note, net of the \$67,000 Supplemental Payment¹).

Another benefit of the Supplemental Payment and revised amortization schedule is the GID’s mill levy is reduced by approximately 33% in 2023 and future years should also result in taxpayer savings (the mill levy will remain dependent on the assessed value of properties within the GID). The one identified downside to this prepayment is the remote possibility that additional utility work may be needed in this district. Staff believes this is unlikely at this time.

The proposed Resolution (Resolution 3, Series 2022) amends the GID’s 2022 Budget to reflect the Supplemental Payment. The 2022 Amended Budget is shown in **Exhibit B** attached to this memorandum.

In addition to approving the GID’s amended 2022 Budget, the proposed Resolution also specifically authorizes the City Manager and Finance Director, acting in their capacity as administrative staff for the GID, to execute any and all documentation in connection with the Supplemental Payment as may be necessary, and to cause the delivery of the Supplemental Payment to Academy Bank on December 1, 2022, via wire transfer or otherwise.

PUBLIC HEARING NOTICE

Notice of the GID’s public hearing on the 2022 budget amendment was published in the November 10, 2022, issue of the Villager Newspaper. A copy of the publisher’s affidavit is on file with the City Clerk.

¹ Reference Exhibit C (Current Debt Service Schedule) and Exhibit D (Updated Debt Service Schedule) attached to this memorandum.

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STAFF RECOMMENDATION

Staff recommends approval of Resolution 3, Series 2022, amending the Cherry Hills Village Charlou Park 3rd Filing General Improvement District 2022 Budget.

RECOMMENDED MOTION

“I move to approve Resolution 3, Series 2022; A Resolution of the Cherry Hills Village Charlou Park 3rd Filing General Improvement District (GID) Board of Directors Amending the 2022 Budget and Approving Supplemental Appropriations for the GID Fund.”

NEXT STEPS

On December 14, 2022, the GID Board of Directors will consider a resolution to adopt the 2023 Budget and Set the 2022 Mill Levy for 2023 Collections.

ATTACHMENTS

- Exhibit A: Resolution 3, Series 2022
- Exhibit B: 2022 Amended Budget
- Exhibit C: Current Debt Service Schedule
- Exhibit D: Updated Debt Service Schedule

RESOLUTION NO. 3
SERIES OF 2022

INTRODUCED BY: _____
SECONDED BY: _____

**A RESOLUTION OF THE CHERRY HILLS VILLAGE CHARLOU PARK 3RD FILING
GENERAL IMPROVEMENT DISTRICT (GID) BOARD OF DIRECTORS AMENDING THE 2022
BUDGET AND APPROVING SUPPLEMENTAL APPROPRIATIONS FOR THE GID FUND**

WHEREAS, by Resolution No. 3, Series of 2021 the City Council, sitting ex officio as the Board of Directors of the Cherry Hills Village Charlou Park 3rd Filing General Improvement District (the "GID") approved the GID's 2022 budget and appropriated funds in accordance with such budget; and

WHEREAS, the GID has obtained the written consent of Academy Bank, N.A. ("Bank"), as the sole purchaser and owner of the GID's General Obligation Note, Series 2019, originally issued in the amount of \$375,000 (the "Series 2019 Note"), to apply excess proceeds of the Series 2019 Note in the amount of sixty-seven thousand dollars (\$67,000.00) (the "Excess Proceeds") as an early partial redemption of the Series 2019 Note; and

WHEREAS, the proceeds of the Series 2019 Note were used to complete the GID's utility undergrounding project (the "Project"); and

WHEREAS, the Excess Proceeds exist due to the Project being completed under budget; and

WHEREAS, the GID desires to reflect the early partial redemption payment (the "2022 Supplemental Payment") in its approved 2022 budget, as amended; and

WHEREAS, the GID anticipates causing the 2022 Supplemental Payment to be delivered to the Bank on Thursday, December 1, 2022; and

WHEREAS, the GID is authorized by § 29-1-109, C.R.S. to establish and amend an annual budget and to make transfers and supplemental appropriations of budgeted funds; and

WHEREAS, the GID provided notice of public hearing concerning this Resolution in accordance with C.R.S. § 29-1-106 by publishing notice once in a newspaper of general circulation and held such public hearing as required by state statute; and

WHEREAS, the Board of Directors desires to amend the 2022 budget and approve supplemental budget appropriations for the General Improvement District Fund ("GID Fund") as set forth in this Resolution; and

WHEREAS, the additional appropriations contemplated by this Resolution do not exceed the amount of estimated revenues and fund balance in budget year 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO, SITTING EX-OFFICIO AS THE BOARD OF DIRECTORS OF THE CHERRY HILLS VILLAGE CHARLOU PARK 3RD FILING GENERAL IMPROVEMENT DISTRICT, THAT:

Section 1. The Board of Directors hereby amends the 2022 Budget for the GID Fund as follows:

GID Fund – 2022 <u>Revenues</u>	2022 Budget As Approved	2022 Amended	\$ Change
Total Revenue	\$39,851	\$106,851*	\$67,000

** to reflect use of Excess Funds in the amount of \$67,000*

GID Fund – 2022 <u>Expenditures</u>	2022 Budget As Approved	2022 Amended	\$ Change
Bond Principal Payment (40-470-7073)	\$10,000	\$77,000*	\$67,000
Total Expenditures	\$33,076	\$100,076	\$67,000

** to reflect 2022 Supplemental Payment in the amount of \$67,000*

Section 2. The Board of Directors hereby approves the following supplemental appropriations in the GID Fund for Fiscal Year 2022:

GID Fund – 2022 Revenues

Use of Excess Funds \$67,000

GID Fund – 2022 Expenditures

2022 Supplemental Payment \$67,000
(additional bond principal Payment)

Section 3. The Finance Director of the City of Cherry Hills Village is authorized to make mathematical computations to the 2022 Budget to ensure that the amendments provided by this Resolution are properly accounted for and such Budget properly reflects the approved amendments.

Section 4. The City Council of the City of Cherry Hills Village, sitting ex officio as the Board of Directors of the GID specifically authorizes the 2022 Supplemental Payment to be made on the date set forth above (December 1, 2022) utilizing the Excess Proceeds. The Board of Directors of the GID authorizes the City Manager and Finance Director, acting in their capacity as administrative staff for the GID, to execute any and all documentation in connection with the 2022 Supplemental Payment as may be necessary, and to cause the delivery of the Excess Proceeds to the Bank on December 1, 2022 via wire transfer or otherwise.

Section 5. This Resolution shall be effective immediately upon adoption.

ADOPTED by a vote of ___ in favor and ___ against this 15th day of November, 2022.

By: _____
Russell O. Stewart, GID Chairperson

ATTEST:

Approved as to Form:

By: _____
Laura Gillespie, GID Secretary

By: _____
Kathie Guckenberger, Attorney for GID

Prior Bond Debt Service
Cherry Hills Charlou Park General Improvement District
General Obligation Bonds, Series 2019 Defeasance

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/1/2022	\$ 10,000.00		\$ 9,762.50	\$ 9,762.50	\$ 19,762.50
6/1/2023			9,487.50	9,487.50	
12/1/2023	10,000.00	5.50%	9,487.50	19,487.50	28,975.00
6/1/2024			9,212.50	9,212.50	
12/1/2024	10,000.00	5.50%	9,212.50	19,212.50	28,425.00
6/1/2025			8,937.50	8,937.50	
12/1/2025	15,000.00	5.50%	8,937.50	23,937.50	32,875.00
6/1/2026			8,525.00	8,525.00	
12/1/2026	15,000.00	5.50%	8,525.00	23,525.00	32,050.00
6/1/2027			8,112.50	8,112.50	
12/1/2027	15,000.00	5.50%	8,112.50	23,112.50	31,225.00
6/1/2028			7,700.00	7,700.00	
12/1/2028	15,000.00	5.50%	7,700.00	22,700.00	30,400.00
6/1/2029			7,287.50	7,287.50	
12/1/2029	15,000.00	5.50%	7,287.50	22,287.50	29,575.00
6/1/2030			6,875.00	6,875.00	
12/1/2030	15,000.00	5.50%	6,875.00	21,875.00	28,750.00
6/1/2031			6,462.50	6,462.50	
12/1/2031	20,000.00	5.50%	6,462.50	26,462.50	32,925.00
6/1/2032			5,912.50	5,912.50	
12/1/2032	20,000.00	5.50%	5,912.50	25,912.50	31,825.00
6/1/2033			5,362.50	5,362.50	
12/1/2033	20,000.00	5.50%	5,362.50	25,362.50	30,725.00
6/1/2034			4,812.50	4,812.50	
12/1/2034	20,000.00	5.50%	4,812.50	24,812.50	29,625.00
6/1/2035			4,262.50	4,262.50	
12/1/2035	20,000.00	5.50%	4,262.50	24,262.50	28,525.00
6/1/2036			3,712.50	3,712.50	
12/1/2036	25,000.00	5.50%	3,712.50	28,712.50	32,425.00
6/1/2037			3,025.00	3,025.00	
12/1/2037	25,000.00	5.50%	3,025.00	28,025.00	31,050.00
6/1/2038			2,337.50	2,337.50	
12/1/2038	25,000.00	5.50%	2,337.50	27,337.50	29,675.00
6/1/2039			1,650.00	1,650.00	
12/1/2039	30,000.00	5.50%	1,650.00	31,650.00	33,300.00
6/1/2040			825.00	825.00	
12/1/2040	30,000.00	5.50%	825.00	30,825.00	31,650.00
	\$355,000.00		\$218,762.50	\$563,762.50	\$573,762.50

**Cherry Hills Charlou Park General Improvement District
 General Obligation Bonds, Series 2019 Defeasance
 Updated Debt Service Schedule**

Exhibit D

Date	Refunding Debt Service	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/1/22	\$ 77,000.00	\$ 77,000.00		\$ 9,762.50	\$ 86,762.50	\$ 86,762.50
6/1/23	7,700.00			7,645.00	7,645.00	
12/1/23	17,700.00	10,000.00	5.50%	7,645.00	17,645.00	25,290.00
6/1/24	7,425.00			7,370.00	7,370.00	
12/1/24	17,425.00	10,000.00	5.50%	7,370.00	17,370.00	24,740.00
6/1/25	7,150.00			7,095.00	7,095.00	
12/1/25	22,150.00	15,000.00	5.50%	7,095.00	22,095.00	29,190.00
6/1/26	6,737.50			6,682.55	6,682.55	
12/1/26	21,737.50	15,000.00	5.50%	6,682.50	21,682.50	28,365.05
6/1/27	6,325.00			6,270.00	6,270.00	
12/1/27	21,325.00	15,000.00	5.50%	6,270.00	21,270.00	27,540.00
6/1/28	5,912.50			5,857.50	5,857.50	
12/1/28	20,912.50	15,000.00	5.50%	5,857.50	20,857.50	26,715.00
6/1/29	5,500.00			5,445.00	5,445.00	
12/1/29	20,500.00	15,000.00	5.50%	5,445.00	20,445.00	25,890.00
6/1/30	5,087.50			5,032.50	5,032.50	
12/1/30	20,087.50	15,000.00	5.50%	5,032.50	20,032.50	25,065.00
6/1/31	4,675.00			4,620.00	4,620.00	
12/1/31	24,675.00	20,000.00	5.50%	4,620.00	24,620.00	29,240.00
6/1/32	4,125.00			4,070.00	4,070.00	
12/1/32	24,125.00	20,000.00	5.50%	4,070.00	24,070.00	28,140.00
6/1/33	3,575.00			3,520.00	3,520.00	
12/1/33	23,575.00	20,000.00	5.50%	3,520.00	23,520.00	27,040.00
6/1/34	3,025.00			2,970.00	2,970.00	
12/1/34	23,025.00	20,000.00	5.50%	2,970.00	22,970.00	25,940.00
6/1/35	2,475.00			2,420.00	2,420.00	
12/1/35	22,475.00	20,000.00	5.50%	2,420.00	22,420.00	24,840.00
6/1/36	1,925.00			1,870.00	1,870.00	
12/1/36	26,925.00	25,000.00	5.50%	1,870.00	26,870.00	28,740.00
6/1/37	1,237.50			1,182.50	1,182.50	
12/1/37	26,237.50	25,000.00	5.50%	1,182.50	26,182.50	27,365.00
6/1/38	550.00			495.00	495.00	
12/1/38	20,550.00	18,000.00	5.50%	495.00	18,495.00	18,990.00
	\$ 503,850.00	\$ 355,000.00		\$ 154,852.55	\$ 509,852.55	\$ 509,852.55

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ITEM: 16b

MEMORANDUM

TO: THE CHERRY HILLS VILLAGE CHARLOU PARK 3RD FILING GENERAL IMPROVEMENT DISTRICT BOARD OF DIRECTORS

FROM: DOUG FARMEN, DIRECTOR OF FINANCE AND ADMINISTRATION

SUBJECT: PUBLIC HEARING - 2023 PROPOSED BUDGET

DATE: NOVEMBER 15, 2022

DISCUSSION

Attached as Exhibit A is a copy of the proposed 2023 budget for Cherry Hills Village Charlou Park 3rd Filing General Improvement District Fund (GID). Estimated 2023 revenues in the GID Fund total \$28,998 and estimated 2023 expenditures in the GID Fund total \$28,840, inclusive of City administrative costs, legal expenses, annual audit expenses and bond principal and interest payments. The projected 2023 ending fund balance is \$34,781, which includes debt service reserve of \$33,300 and TABOR restricted fund balance of \$900.

PUBLIC HEARING NOTICE

Notice of the GID's public hearing on the proposed 2023 budget was published in the November 3, 2022, issue of the Villager Newspaper. A copy of the publisher's affidavit is on file with the City Clerk.

NEXT STEPS

No action is required of the GID Board at the November 15, 2022, meeting beyond holding the public hearing on the proposed 2023 budget. At the December 14, 2022 meeting, staff will present a resolution for the GID Board's consideration to: (1) adopt the 2023 budget, and (2) delegate authority to the City Manager and Finance Director, acting in their capacity as administrative staff for the GID, to certify the GID's mill levy to the Arapahoe County BOCC on or before December 15, 2022.

ATTACHMENTS

Exhibit A: 2023 Proposed Budget

