

AGENDA

**CITY OF WESTMINSTER PARK 1200
GENERAL IMPROVEMENT DISTRICT
MEETING**

MONDAY, NOVEMBER 9, 2015

AT 7:00 P.M.

1. **Roll Call**
2. **Minutes of Previous Meeting** (August 24, 2015)
3. **New Business**
 - A. Resolution No. 2 re Contract and Administrative Authority for the City of Westminster Park 1200 General Improvement District
 - B. Intergovernmental Service Agreement with the City of Westminster
4. **Adjournment**

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE PARK 1200
GENERAL IMPROVEMENT DISTRICT MEETING
MONDAY, AUGUST 24, 2015, AT 7:58 P.M.

ROLL CALL

Present at roll call were Chairperson Atchison, Vice Chairperson Briggs, and Board Members Baker, De Cambra, Garcia, Pinter, and Seitz. Also present were Donald M. Tripp, Executive Director, David Frankel, Attorney, and Linda Yeager, Secretary.

RESOLUTION NO. 1 CALLING FOR A SPECIAL ELECTION

It was moved by Vice Chairperson Briggs, seconded by Board Member Pinter, to adopt Resolution No. 1 calling for a special election for the City of Westminster Park 1200 General Improvement District to be held in November 2015. On roll call vote, the motion carried by a 6:1 vote with Board Member Baker voting no.

ADJOURNMENT

There was no further business and the meeting adjourned at 8:00 p.m.

Chairperson

ATTEST:

Secretary

Park 1200 GID Agenda Item 3 A

Agenda Memorandum

City of Westminster Park 1200 General Improvement District Meeting
November 9, 2015



SUBJECT: Resolution No. 2 re Contract and Administrative Authority for the City of Westminster Park 1200 General Improvement District

Prepared By: Karen Creager, Special District Accountant

Recommended Board Action

Adopt Resolution No. 2 outlining the Executive Director's authority to enter into contracts and make purchases on behalf of the City of Westminster Park 1200 General Improvement District and to delegate these activities to appointed City of Westminster Staff in a manner consistent with practices established for the City under the Westminster Municipal Code, as it may be amended from time to time, and all current and future administrative memoranda.

Summary Statement

- The City of Westminster Park 1200 General Improvement District (District) was established on August 10, 2015, with the primary purpose of acquiring, constructing, installing, operating or maintaining Improvements, and/or providing services within and for the District.
- Westminster City Council serves as the ex-officio Board of the District.
- The District is a component unit of the City of Westminster (City). In accordance with Governmental Accounting Standards Board Statement (GASB) No. 14, *The Financial Reporting Entity*, and as amended by GASB Statement No. 61, *The Reporting Entity: Omnibus*, component units are legally separate entities for which the City is considered to be financially accountable. Financial accountability means that the City appoints a voting majority to the governing board and has the ability to impose its will upon the entity and/or accepts potential responsibility for the entity's financial benefits and burdens.
- Blended component units are, in substance, part of City operations. Therefore data from these units are combined with the City in its Comprehensive Annual Financial Report.
- The City's external auditors include the District as part of the City's annual audit in accordance with practices established by the City.
- Under a separate agenda action item for tonight's meeting, the City and the District are considering an intergovernmental cooperation agreement authorizing the City to provide certain administrative services and to bill the District for such services.
- The standard operating procedure (SOP) for the District is that the day-to-day activities are performed in accordance with City Code provisions and City administrative memoranda. The adoption of the attached resolution will formalize the SOP.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Should the Board adopt the attached Resolution outlining the Executive Director's authority to enter into contracts, make purchases and administer the day-to-day activities of the District?

Alternatives

1. One alternative is to not adopt the Resolution formalizing the administration of the day-to-day activities of the District. This alternative is not recommended. Without professional staff, the District utilizes City Staff for administrative services. Additionally, the District is a blended component unit of the City with the District audited as part of the City's annual audit and subject to the same financial reporting requirements as the City. It is prudent to have the component units that are required to be included within the City's financial report adhere to the same policies and procedures as the City. Therefore, it is recommended that this Resolution be adopted to formalize what has been standard practice.
2. Another alternative is to adopt separate procedures for entering into contracts, making purchases and administering the day-to-day activities of the District. This alternative is also not recommended. Adopting procedures that differ from the City's would be administratively cumbersome and would require the City's external auditors to change their audit program for the District, thereby increasing the fee for the City's annual audit.

Background Information

The District was established on August 10, 2015, with the primary purpose of acquiring, constructing, installing, operating or maintaining Improvements that may include but are not limited to site grading, sidewalks, parking improvements, water and sewer lines, landscaping, irrigation, site lighting, drainage improvements, site amenities such as benches, fountains, and required signage and providing services that may include but are not limited to police and fire protection, municipal and building code enforcement, professional services including but not limited to planning, engineering, building and construction inspection, financial administration and legal services, and any other service that the City is authorized to provide within and for the District. City Council serves as the ex-officio Board of the District. Since the District does not employ its own professional staff, the City and the District are considering authorizing an intergovernmental service agreement that provides for the City to provide administrative services, including but not limited to legal, accounting, management, clerical, information technology, and similar services in exchange for consideration to the City. This agreement is being presented for approval to the Board of the District and the Westminster City Council under a separate agenda at tonight's meeting.

The District is a blended component unit of the City of Westminster. In accordance with Governmental Accounting Standards Board Statement (GASB) No. 14, *The Financial Reporting Entity*, and as amended by GASB Statement No. 61, *The Reporting Entity: Omnibus*, component units are legally separate entities for which the City is considered to be financially accountable. Financial accountability means that the City appoints a voting majority to the governing board and has the ability to impose its will upon the entity and/or accepts potential responsibility for the entity's financial benefits and burdens.

On August 26, 2002, the Westminster Housing Authority (WHA), another blended component unit of the City, adopted a resolution outlining the authority of the Executive Director. This resolution provided for WHA to operate in a manner consistent with practices established for the City under the Westminster Municipal Code and various policies and procedures outlined in Administrative Memoranda issued by the City Manager's Office. This action was prudent as WHA has no professional staff and contracts with the City to provide such Staff. The City's other blended component units including seven general improvement districts and the Westminster Economic Development Authority followed suit and formalized the SOP by resolution on October 13, 2014. Additionally, the City's audit includes each blended component unit as part of the City's annual audit in accordance with the practices established for the City. In order to formalize

this SOP for the Park 1200 General Improvement District, the attached resolution is presented to the Board for approval.

The action requested in this agenda memorandum relates to the City's Strategic Plan goal of Visionary Leadership, Effective Governance and Proactive Regional Collaboration and Dynamic, Diverse Economy by setting forth the policies and procedures by which the City's component units operate to ensure that their resources are used for the purposes intended.

Respectfully submitted,

Stephen P. Smithers
Acting Executive Director

Attachment: Resolution

CITY OF WESTMINSTER PARK 1200 GENERAL IMPROVEMENT DISTRICT

RESOLUTION

RESOLUTION NO. **2**

INTRODUCED BY BOARD MEMBERS

SERIES 2015

**A RESOLUTION CONCERNING CONTRACT AND ADMINISTRATIVE AUTHORITY
FOR
THE CITY OF WESTMINSTER PARK 1200 GENERAL IMPROVEMENT DISTRICT**

WHEREAS, the City of Westminster Park 1200 General Improvement District (District) is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized, existing, and acting pursuant to the provisions of Part 6, Article 25, Title 31, Colorado Revised Statutes; and

WHEREAS, the District was established on August 10, 2015; and

WHEREAS, a general description of the improvements to be acquired, constructed and installed within the District and the services to be provided are as follows:

IMPROVEMENTS generally to be acquired, constructed, installed, operated and/or maintained may include but are not limited to site grading, sidewalks, parking improvements, water and sewer lines, landscaping, irrigation, site lighting, drainage improvements, site amenities such as benches, fountains, and required signage, and

SERVICES generally to be provided may include but are not limited to police and fire protection, municipal and building code enforcement, professional services including but not limited to planning, engineering, building and construction inspection, financial administration and legal services, and any other service that the City is authorized to provide; and

WHEREAS, the Board of Commissioners wishes to formalize policies and procedures for the daily operations of the District; and

WHEREAS, the District is a blended component unit of the City of Westminster with the District's financial activities required to be included as part of the City's annual audit and included in the City's Comprehensive Annual Financial Report; and

WHEREAS, the District and the City are cooperating by authorizing an intergovernmental service agreement on November 9, 2015 that provides for the City to provide administrative services in order to accomplish District's goals and activities.

NOW, THEREFORE, the Board of Commissioners of the District resolves that:

The scope of the District's Executive Director's authority to enter into contracts and make purchases on behalf of the District shall be consistent with the limits set forth in Title XV of the Westminster Municipal Code, as it may be amended from time to time, and all current and future City

Manager administrative memoranda and the Executive Director is further authorized, but not required, to delegate such contract and purchasing authority to City staff who may be appointed by the Executive Director, acting as the City Manager, from time to time.

PASSED AND ADOPTED this 9th day of November, 2015.

ATTEST:

Mayor, Presiding Officer of the District
APPROVED AS TO LEGAL FORM:

District Secretary

By _____
City Attorney, Attorney for the District

Park 1200 GID Agenda Item 3 B

Agenda Memorandum

City of Westminster Park 1200 General Improvement District Meeting
November 9, 2015



SUBJECT: Intergovernmental Service Agreement with the City of Westminster

Prepared By: Karen Creager, Special Districts Accountant

Recommended Board Action

Authorize the Executive Director to execute an Intergovernmental Service Agreement with the City of Westminster in substantially the same form as the attached agreement regarding the payment of a service fee to the City.

Summary Statement

- The City of Westminster Park 1200 General Improvement District (District) was created on August 10, 2015, with the primary purpose of acquiring, constructing, installing, operating or maintaining Improvements and/or providing services within and for the District.
- The District has no Staff; therefore, the City provides crucial administrative services to the District.
- The Intergovernmental Service Agreement (IGSA) between the City and the District will outline the obligations with regard to administrative services provided to the District by the City and the District's compensation to the City for such services.
- This agreement is retroactive to January 1, 2015.
- If the Park 1200 Development is not approved, the District would be dissolved and the agreement would be terminated as there would be no services provided by the City.

Expenditure Required: Administrative Fee: \$10,000/year for 2015-2017. Future expenditures to be determined each year during the annual budget process and pursuant to the terms of the IGSA.

Source of Funds: Revenues for the District including property taxes, ownership taxes and interest earnings

Policy Issue

Should the Board authorize the attached IGSA with the City?

Alternative

An alternative would be to not authorize the attached IGSA between the District and the City. This is not recommended as the City provides crucial administrative services that could be more costly if the District were to outsource the services. Additionally, the City is compensated by seven other General Improvement Districts (GIDs) located within the City that utilize City Staff for administrative services.

Background Information

The City of Westminster Park 1200 General Improvement District was created on August 10, 2015, and is generally located on the south side of 120th Avenue between Pecos Street and Huron Street. The District was established with the primary purpose of acquiring, constructing, installing, operating or maintaining Improvements that may include but are not limited to site grading, sidewalks, parking improvements, water and sewer lines, landscaping, irrigation, site lighting, drainage improvements, site amenities such as benches, fountains, and required signage and providing services that may include but are not limited to police and fire protection, municipal and building code enforcement, professional services including but not limited to planning, engineering, building and construction inspection, financial administration and legal services, and any other service that the City is authorized to provide within and for the District.

As the District does not have its own professional staff, the City provides various necessary administrative services. These services include but are not limited to, legal (provided no conflict of interest exists between the City and the District), accounting, management and clerical. The District benefits by having the City provide these services as the services would be more costly if the District were to outsource them. Currently, the City has IGSA's with seven other GIDs located within the City for such administrative services provided to these Districts.

The attached IGSA outlines the services that the City will provide and the fee the District will pay to the City for those services. The fee is to be set annually through the budget process and is labeled "Administration" in the District's budget. The fee is due on or before August 1 each year. Services have been provided to the District beginning in 2015; however, no IGSA was in place allowing for the payment of the fee. The attached IGSA is retroactive to January 1, 2015. The IGSA sets the fee at \$10,000 annually for 2015-2017 and provides for repayment of the fee from future excess revenues if the fee is not fully paid when due. The first year the District will receive revenue is 2017. It is anticipated that revenues in 2017 will not be sufficient to pay the full amount of fee due until the development progresses.

The action requested in this agenda memorandum relates to the City's Strategic Plan goal of Visionary Leadership, Effective Governance and Proactive Regional Collaboration and Dynamic, Diverse Economy by assuring that the City receives payment, when appropriate, for the services it provides to the Park 1200 General Improvement District.

Respectfully submitted,

Stephen P. Smithers
Acting Executive Director

Attachment: IGSA Agreement

INTERGOVERNMENTAL SERVICE AGREEMENT

THIS INTERGOVERNMENTAL SERVICE AGREEMENT (the "Agreement") is made and entered into this day ___ of _____ (the "Effective Date") by and between THE CITY OF WESTMINSTER, COLORADO, a Colorado home-rule municipality, and the CITY OF WESTMINSTER PARK 1200 GENERAL IMPROVEMENT DISTRICT (the "Parties.")

RECITALS

WHEREAS, the City of Westminster, Colorado (the "City") is a Colorado home-rule municipality, created, established, existing, and acting under the provisions of Article XX of the Constitution of the State of Colorado and the City Charter; and

WHEREAS, the City of Westminister Park 1200 General Improvement District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado, established, existing, and acting pursuant to the provisions of Part 6, Article 25, Title 31, Colorado Revised Statutes (the "Act"); and

WHEREAS, Section 18(2)(a) of Article XIV of the Constitution of the State of Colorado provides that nothing in the Constitution shall be construed to prohibit the State or any of its political subdivisions from cooperating or contracting with one another or with the government of the United States to provide any function, service or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt; and

WHEREAS, Part 2 of Article 1 of Title 29 of the Colorado Revised Statutes, as amended, authorizes and enables governments of the State of Colorado to enter into cooperative agreements or contracts; and

WHEREAS, the Constitution and the laws of the State of Colorado permit and encourage local government entities to cooperate with each other to make the most efficient and effective use of their powers and responsibilities; and

WHEREAS, the District does not have its own professional staff and is in need of administrative services, including but not limited to legal, accounting, management, financial, clerical and similar services; and

WHEREAS, the City is willing to provide such services in exchange for the consideration set forth in this Agreement; and

WHEREAS, pursuant to C.R.S. § 32-25-611, the District has the power to enter into contracts and agreements affecting the affairs of the District.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, and other good and valuable consideration, the Parties covenant and agree as follows:

ARTICLE I

TERM OF AGREEMENT

SECTION 1. Effective Date of the Agreement; Duration of Agreement Term. The Initial Term of this Agreement shall be January 1, 2015 through December 31, 2015. Thereafter, this Agreement shall automatically renew for additional one-year periods commencing on each January 1 following the Initial Term, provided, however, that either party may terminate this Agreement upon at least thirty (30) days advance notice to the other, in which case this Agreement shall be deemed terminated as of the last day of the month next following the month in which said notice is given, or such other date to which the Parties may agree.

ARTICLE II

SERVICES

SECTION 2.1 City Services. The City agrees to provide to the District administrative services reasonably required to operate the District to fulfill the purposes for which it was created. Such services shall include, but are not limited to, legal (provided no conflict of interest exists between the City and the District), accounting, management, financial, and clerical services (the "Services"). Said Services shall be provided by City staff on an as-needed basis as may be required by the applicable laws and regulations pertaining to the operations of a General Improvement District.

SECTION 2.2 Compensation. As compensation for the Services, the District shall pay the City the lump sum annual fee labeled "Administration" as specified in the Annual Budget as adopted by the District. However, the Administration fee for the initial term of the Agreement and the two subsequent terms will be \$10,000 for each term. This Administration fee shall be due on or before August 1 of the year in which the Services are provided. If the Administration fee is not paid by the District when due, and so long as this Agreement is not terminated, unpaid fees shall accrue and be due and owing without interest when District future excess revenues are available subject to the right of the District to terminate this Agreement. In the event of any termination of this Agreement prior to the August 1 payment date, the District shall pay the City a pro-rated fee based on the length of time the Services were actually provided without payment. In the event of termination, however, there shall be no refund of any previously paid fees to the City.

ARTICLE III

MISCELLANEOUS PROVISIONS

SECTION 3.1 Remedies. A breach by either party to this Agreement shall entitle the non-breaching party to any and all remedies at law or in equity. In any action brought to enforce this Agreement, the prevailing party shall be entitled to recover from the other its reasonable attorneys fees and costs. Before bringing any such action, however, the Parties agree to attempt in good faith a mediated resolution of their dispute using a mutually acceptable professional and independent mediator.

SECTION 3.2 Amendments. This Agreement may be amended at any time by mutual written agreement of the Parties.

SECTION 3.3 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such determination shall not affect, impair or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

SECTION 3.4 TABOR. Nothing in this Agreement shall be deemed or construed as creating a multiple fiscal year obligation within the meaning of Colorado Constitution Article X, Section 20, commonly known as "TABOR." The obligations of the Parties hereto shall be subject to appropriation of the necessary funds to meet said obligations on an annual basis by the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused their names and seals to be affixed as of the date and year noted above.

CITY OF WESTMINSTER, COLORADO

By: _____
City Manager, City of Westminster

(SEAL)

ATTEST:

City Clerk

**CITY OF WESTMINSTER PARK 1200
GENERAL IMPROVEMENT DISTRICT**

By: _____
Mayor, Presiding Officer of the District

ATTEST:

APPROVED AS TO LEGAL FORM:

Secretary

By _____
City Attorney, Attorney for the District