

# REQUEST FOR BOARD ACTION

---

**To:** ESD Board of Education  
**From:** ESD Chief Financial Officer, Rebekah Brooks  
**Date:** January 4, 2023  
**Business Date:** January 9, 2023  
**Subject:** State Treasurer's Interest Free Loan Program Revision

## **RECOMMENDATION:**

Approve Resolution Authorizing an increase from \$2,000,000 to \$3,000,000 in the District's Participation in the State Treasurer's Interest-Free Loan Program as presented.

## **BACKGROUND AND FINDINGS:**

The Colorado State Treasurer's Office offers to school districts interest free loans due to the nature of the funding mechanism the State uses to finance school districts. A portion of the funding for school districts using the School Finance Act is derived from local property taxes. Since nearly 90% of the District's property tax collections are not received until the months of March through June the District historically does experience lower levels of cash during the months of January and February.

Upon further review of our cash flow, we would like to increase the amount that we are able to borrow. This resolution allows the District to increase the amount we borrow from \$2,000,000 up to \$3,000,000. These funds will be borrowed in the months of January and February. Once we start receiving our property taxes the loan will be paid back, probably by the end of March. There is a lengthy cash flow worksheet attached for your review that the manager of the program created to assist districts in determining their financial needs.

## **RECOMMENDED MOTION:**

I move to approve the Resolution Authorizing an increase from \$2,000,000 to \$3,000,000 in the District's Participation in the State Treasurer's Interest-Free Loan Program and authorize the BOE President and Secretary to sign the agreement.

---

**CERTIFIED RECORD**

**OF**

**PROCEEDINGS OF**

**THE BOARD OF EDUCATION OF**

**ELIZABETH SCHOOL DISTRICT**

**RELATING TO A RESOLUTION**

**INCREASING THE AMOUNT OF BORROWING BY THE DISTRICT**

**UNDER THE STATE TREASURER'S**

**INTEREST-FREE LOAN PROGRAM**

**FOR COLORADO SCHOOL DISTRICTS**

**State of Colorado**  
**Interest-Free Loan Program**  
**School District Local Proceedings Certificate**

**ELIZABETH SCHOOL DISTRICT**

As the Secretary or Assistant Secretary of the Board of Education of the above-referenced School District (the "District"), I do hereby certify that:

1. Attached is a true and correct copy of a resolution (the "Resolution") adopted by the Board of Education (the "Board") of the District at a regular or special meeting held on the date indicated on the signature page to the Resolution. The Resolution increases the amount of borrowing by the District pursuant to the Colorado State Treasurer's Interest-Free Loan Program for the District's fiscal year 2022-2023.
2. Such meeting was duly noticed and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.
3. The Resolution was duly moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

<u>Board Member</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>	<u>Abstaining</u>
Cary Karcher	<u>X</u>	_____	_____	_____
Kim Frumveller	<u>X</u>	_____	_____	_____
Craig Blackham	<u>X</u>	_____	_____	_____
Rhonda Olsen	<u>X</u>	_____	_____	_____
Heather Booth	<u>X</u>	_____	_____	_____
	_____	_____	_____	_____

4. The Resolution was duly approved by the Board, signed by the President or Vice President of the Board, sealed with the District's seal, attested by the Secretary or Assistant Secretary of the Board and recorded in the minutes of the Board.
5. The above certifications are being made by me in my official capacity as the Secretary or Assistant Secretary of the District, as evidenced by my signature this 9th day of January 2023.

By   
[sign above] as Secretary or Assistant Secretary

Printed Name Craig M. Blackham  
(print the name of the person signing above)

## **RESOLUTION NO. 35a**

### **A RESOLUTION INCREASING THE BORROWING BY THE DISTRICT UNDER THE STATE TREASURER'S COLORADO SCHOOL DISTRICT INTEREST-FREE LOAN PROGRAM AND AUTHORIZING THE EXECUTION AND DELIVERY OF LOAN DOCUMENTS.**

WHEREAS, this Board has previously adopted one or more Resolutions (collectively, the "Prior Resolution") authorizing participation in the State Treasurer's Interest-Free Loan Program for Colorado School Districts (the "Loan Program"); and

WHEREAS, the amount of borrowing under the Prior Resolution is limited to an aggregate principal amount of up to \$ 2,000,000; and

WHEREAS, based upon a revised cash flow of the District for the current fiscal year ending June 30, 2023 (the "Fiscal Year") attached to this resolution as Exhibit A, this Board has determined that it is in the best interests of the District to increase the amount of the borrowing by the District under the Loan Program to \$ 3,000,000; and

WHEREAS, the State Treasurer is expected to approve the increase in the amount of the borrowing by the District under the Loan Program;

NOW, THEREFORE, BE IT RESOLVED BY THIS BOARD OF EDUCATION, AS FOLLOWS:

**Section 1.** The Prior Resolution is hereby amended by increasing the Maximum Principal Amount (as such term is defined in the Prior Resolution) to \$ 3,000,000.

**Section 2.** The District is hereby authorized to issue a restated District Note (as such term is defined in the Prior Resolution) in the Maximum Principal Amount set forth in Section 1 of this Resolution. Such District Note (the form of which is attached to this resolution as Exhibit B) shall be exchanged for the District Note currently being held by the State Treasurer. The substitute District Note shall be executed on behalf of the District in the manner set forth in Prior Resolution.

**Section 3.** The cash flows of the District in the form attached hereto as Exhibit A are hereby substituted for the cash flows of the District attached as an Exhibit to the Prior Resolution. Except as otherwise amended pursuant to Section 1 of this Resolution, the Prior Resolution, and the representations and covenants made therein, are hereby reaffirmed as of the date of this Resolution.

**Section 4.** This Resolution shall be in force and effect from and after its passage on the date shown below.

(The remainder of this page is intentionally blank.)

ADOPTED AND APPROVED this 9th day of January, 2023.



[DISTRICT SEAL]

**ELIZABETH SCHOOL DISTRICT**

By *Cary A Keschke*  
President, Board of Education

Attest:

By *Craig M. Blum*  
Secretary, Board of Education

(Signature page to the Loan Program Resolution)

**EXHIBIT B**  
**FORM OF DISTRICT NOTE**

**Name of School District:** ELIZABETH SCHOOL DISTRICT

**Maximum Principal Amount:** \$3,000,000

FOR VALUE RECEIVED, the above-referenced school district (the "District"), a political subdivision and body corporate of the State of Colorado (the "State"), hereby promises to pay to the Treasurer of the State (the "State Treasurer") from Taxes, no later than June 25, 2023, the Principal Amount, which shall not exceed the Maximum Principal Amount stated above, with no interest accruing thereon; provided however, that in the event the Principal Amount is not paid in full on June 25, 2023, interest shall accrue on the unpaid Principal Amount at the Default Rate (as each such capitalized term and other capitalized terms used but not defined herein are otherwise defined in the Resolution referenced in the following paragraph).

This Note is issued by the Board of Education of the District, on behalf of the District, in accordance with a Resolution (the "Resolution") of the Board of Education of the District duly adopted prior to the issuance hereof. The above recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after its delivery for value.

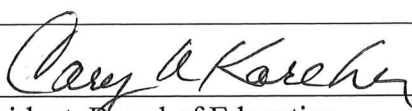
Principal of this Note is payable in immediately available funds only to the State Treasurer. This Note is subject to prior prepayment by the District in whole or in part at any time prior to the Maturity Date. This Note is nontransferable but may be assigned and pledged by the State Treasurer to secure the Loan Program Notes of the State Treasurer issued on behalf of the District. All of the terms, conditions and provisions of the Resolution are, by this reference thereto, incorporated herein as part of this Note.

It is hereby certified, recited and warranted that all acts, conditions and things required to be done, occur or be performed precedent to and in the issuance of this Note have been done, have occurred and have been performed in due form and manner as required by law, including the Loan Program Statutes, and that the obligations represented by this Note do not contravene any constitutional or statutory debt limitation of the District.

IN TESTIMONY WHEREOF the Board of Education of the District has caused this Note to be executed on the date indicated below, with the manual signature of its President or Vice President, attested with the manual signature of its Secretary or Assistant Secretary, and sealed with a facsimile or manual seal of the District.

[DISTRICT SEAL]

Dated: 1/9/23

By:   
President, Board of Education

Attest:  
By   
Secretary, Board of Education