



2020 BUDGET WORKSHOP #3

September 18, 2019, 5:00 PM

Room 404, City Hall



2020 BUDGET PROCESS
COUNCIL / STAFF WORKSHOP #3
September 18, 2019, 5:00 PM
Room 404, City Hall

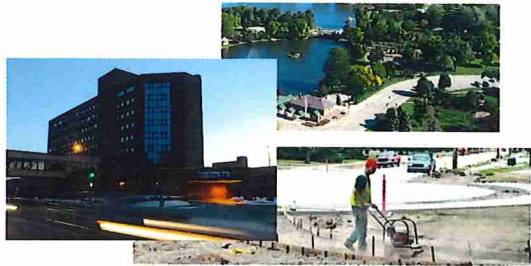
AGENDA

1. CIP Structure, Organization, Policy
2. G.O. Debt
 - i. Review current model for G.O. Debt management (\$12,500,000)
 - ii. Review proposed update in model to include flexibility in G.O. Debt borrowing
 - iii. Goal to adopt Debt Management Policy
3. Utility Revenue Debt and Rates – Jon Cameron, Ehlers

Remaining Workshops:

- i. Workshop #4 – October 28, 2019 8:00 a.m. – 4:30 p.m.
 - i. Review Department Proposed Budgets & CIP
- ii. Workshop #5 – October 29, 2019 8:00 a.m. – 4:30 p.m.
 - i. Review Department Proposed Budgets & CIP
- iii. Workshop #6 – November 6, 2019
 - i. Final Budget revisions/CIP Review


City of Oshkosh



2020– 2024
Capital Improvement Plan (CIP)
Budget Workshop


CIP Categories

City of Oshkosh

➤ Comprehensive Street/Utility Improvements ➤ Comprehensive Streets – New Development ➤ Other Streets ➤ Other Utilities ➤ Storm Water ➤ Wastewater Utility ➤ Water Utility ➤ Sidewalks	➤ Traffic Improvements ➤ Park Improvements ➤ Public Property Improvements – Non-Utility ➤ Public Property Improvements – Utility ➤ Major Equipment ➤ Tax Increment Finance (TIF) District Improvements
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CIP Funding Sources

City of Oshkosh

- Annual General Fund Tax Levy
- Developer Contributions
- General Obligation Debt (Bonds/Notes)
- Special Assessments
- State/Federal Grants or Funds
- Joint Funding with other agencies (County/Town/State)
- Utility Funds (User Fees)
- Utility Debt (Revenue Bonds/Notes)
- Tax Increment Funds (TIF)
- Donor TIF Funds
- Donations

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Cash or Credit???

City of Oshkosh

In practice, unless funds are direct expenditure offsets or cash contributions, city has to fund projects until actual revenues are realized.

Examples

- Special Assessments: Property owners have up to 15 years to repay
- Grants: In some cases, reimbursement occurs upon project completion
- Tax Increment Financing (TIF) Projects: Tax increment revenues often take years to realize, especially in redevelopment areas (e.g. South Shore)

If city has not incorporated some direct cash (i.e. levy) funding of capital projects, it relies on debt to fund its CIP

For these reasons, debt has typically been used as a funding mechanism to cash flow a project

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Four Forms of Debt

City of Oshkosh

- General Obligation Debt (Tax-Exempt)**
 - Bonds – 20 years
 - Notes – 10 years
 - Includes funds borrowed from State Trust Fund (taxable)
 - (e.g. WRS buyout, TIF borrowings)
- Water Utility Debt – Revenue Bonds/Notes**
- Sanitary Sewer Utility Debt**
- Storm Water Utility Debt**

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General Obligation (G.O.) Debt

City of Oshkosh

What is General Obligation?

- Backed by full faith and credit of city
- Tax dollars are pledged to ensure repayment
- Most reliable debt – widely recognized and available
- Lowest interest rate of all municipal debt – tax exempt
- Funding source for other debt

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City of Oshkosh

Samples of Other Uses of G.O. Debt

- Special Assessments to address cash flow issues
- TIF Projects
- Alternative to revenue debt if capacity available and rates are favorable
- Capital Outlay items with economic life > 10 years

When G.O. debt used as shown above, this impacts city's debt capacity and may eventually compete for traditional capital projects (i.e. streets, public building projects) and the refinancing of other long term obligations.

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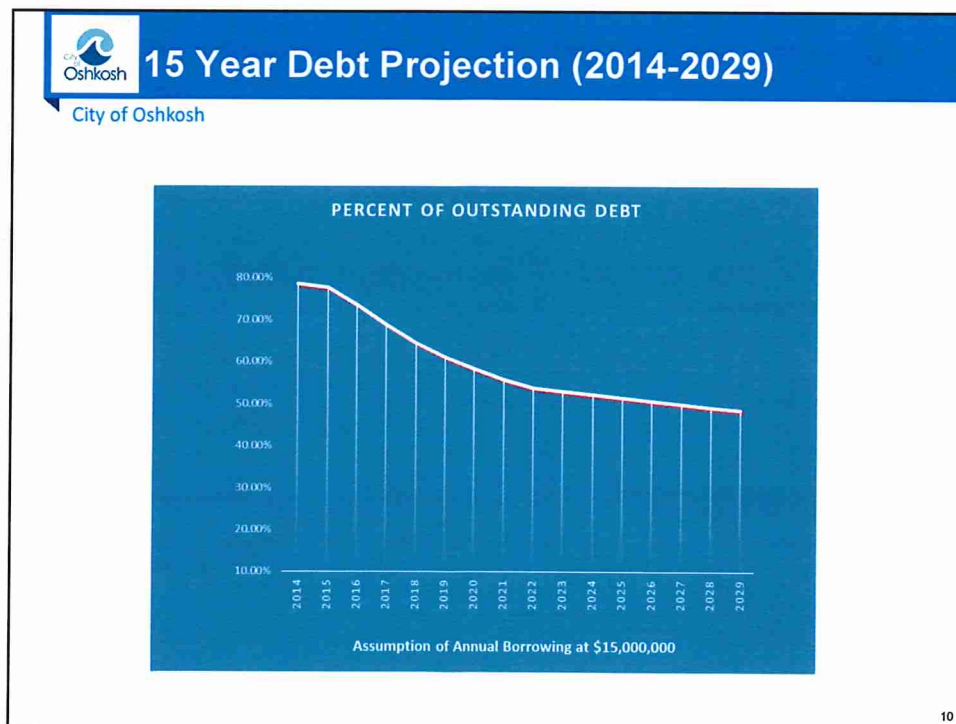
City of Oshkosh

Recent Applications and Strategies for General Obligation Debt

- Aggressive street/storm water program
- Shift of utility debt to revenue bonds
- High profile TIF/economic development projects – long payback
 - Best Western Hotel
 - Aviation Business Park
 - Oshkosh Corporation Global Headquarters - Infrastructure
- Matching funds for grants – Riverwalk
- Limit use of debt (10 year notes) to fund capital outlay
- Borrowing for Special Assessments (***started in 2018***)

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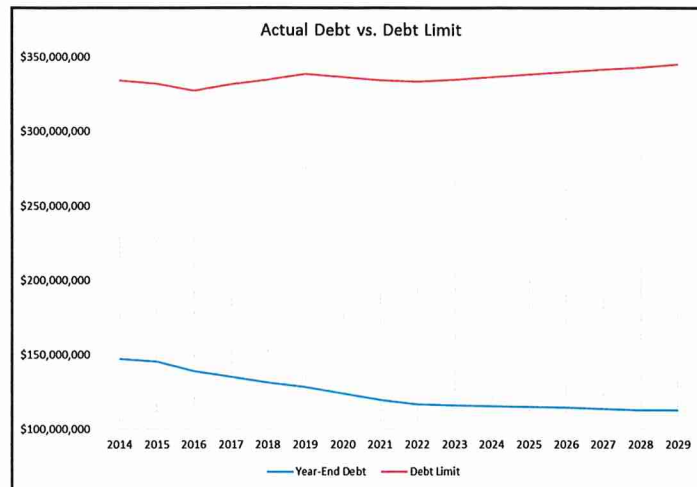
 Projection Model of 2019 G.O. Debt City of Oshkosh								
DEBT Projection Debt Analysis Updated 09/18/2019								
General Obligation Debt								EXHIBIT A
Year	Debt Principal Retired	Debt Principal Taken On	Net Balance as of 12/31	Change from Previous Year	Equalized Value		Debt Limit	Percentage of Debt Limit Used
2014	\$21,469,770	\$27,303,802	\$147,228,959	\$5,834,032	\$3,748,827,600	Act.	\$187,441,380	78.55%
2015	\$26,028,424	\$24,210,000	\$145,410,535	(\$1,818,424)	\$3,743,645,000	Act.	\$187,182,250	77.68%
2016	\$36,635,510	\$30,101,300	\$138,876,325	(\$6,534,210)	\$3,776,225,300	Act.	\$188,811,265	73.55%
2017	\$14,846,403	\$11,270,000	\$135,299,922	(\$3,576,403)	\$3,931,778,200	Act.	\$196,588,910	68.82%
2018	\$15,426,315	\$11,440,000	\$131,313,607	(\$3,986,315)	\$4,073,682,600	Act.	\$203,684,130	64.47%
2019	\$24,754,035	\$21,855,000	\$128,414,571	(\$2,899,035)	\$4,211,595,500	Est.	\$210,579,775	60.98%
2020	\$16,972,138	\$12,500,000	\$123,942,433	(\$4,472,138)	\$4,253,711,455	Proj.	\$212,685,573	58.27%
2021	\$16,781,516	\$12,500,000	\$119,660,917	(\$4,281,516)	\$4,296,248,570	Proj.	\$214,812,428	55.70%
2022	\$15,571,325	\$12,500,000	\$116,589,592	(\$3,071,325)	\$4,339,211,055	Proj.	\$216,960,553	53.74%
2023	\$15,632,319	\$15,000,000	\$115,957,273	(\$632,319)	\$4,382,603,166	Proj.	\$219,130,158	52.92%
2024	\$15,444,082	\$15,000,000	\$115,513,191	(\$444,082)	\$4,426,429,197	Proj.	\$221,321,460	52.19%
2025	\$15,622,960	\$15,000,000	\$114,890,231	(\$622,960)	\$4,470,693,489	Proj.	\$223,534,674	51.40%
2026	\$15,535,149	\$15,000,000	\$114,355,082	(\$535,149)	\$4,515,400,424	Proj.	\$225,770,021	50.65%
2027	\$15,585,000	\$15,000,000	\$113,770,082	(\$585,000)	\$4,560,554,429	Proj.	\$228,027,721	49.89%
2028	\$15,840,000	\$15,000,000	\$112,930,082	(\$840,000)	\$4,606,159,973	Proj.	\$230,307,999	49.03%
2029	\$14,970,000	\$15,000,000	\$112,960,082	\$30,000	\$4,652,221,573	Proj.	\$232,611,079	48.56%
Assumed 1.00%								
								9





15 Year Debt Limit Projection (2014 – 2029)

City of Oshkosh



Assumption of Annual Borrowing at \$15,000,000

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Summary of 2020 CIP Requests and Impact on G.O. Borrowing

City of Oshkosh

SUMMARY OF 2020 G.O. BORROWING

	GO Bonds	TID Contribution	GO Notes and State Trust Fund	Subtotal
Comp Streets/Utility Improvement	4,619,900			4,619,900
Other Streets	750,000			
Sidewalks	988,000			988,000
Traffic Improvements				-
Park Improvements	570,000			570,000
Public Property Imp - Non-Utility			2,004,000	2,004,000
Major Equipment			494,100	494,100
Major Equipment - Vehicles			3,054,000	3,054,000
Tax Increment Finance District Improvements		1,153,100	20,000	1,173,100
Special Assessment Borrowing				-
Total	6,927,900	1,153,100	5,572,100	12,903,100
				13,653,100
Subtotal - G.O. Bonds and Notes			12,500,000	
Projected Available Funding through Borrowing			12,500,000	
Amount above/(below) projected borrowing			-	



2020 CIP

City of Oshkosh

- 2020 CIP Plan ~~proposed to~~ ^{not} exceed borrowing cap of \$12,500,000
- Proposed G.O. borrowing or \$12,500,000 in 2021, 2022
- Placeholder of \$15,000,000 in 2023 - 2029
- With an assumed 1% equalized value growth, percent of debt limit used will be 48.56 % in 2029
- Monies that are levied (cash) are being applied to items that are considered maintenance and reoccurring

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2015 CIP Prioritization

City of Oshkosh

Factors used in prioritizing:

- Imminent failure or in critical need of replacement
- Contractual obligations / deadlines
- Previously established long term commitments
- Required for maintaining grant eligibility
- Adherence to equipment replacement schedules
- Public and employee health, safety, and security
- Ensuring long-term infrastructure needs are met
- Items at or nearing the end of useful life

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2015 CIP Prioritization (continued)

City of Oshkosh

Factors used in prioritizing (continued):

- Adhere to replacement schedule - “avoid log jams” & minimize financial impact
- Proactive projects to avoid future costs
- Continued investment in cultural, recreational, & educational facilities
- Neighborhood development and improvement
- Avoidance of increased maintenance costs
- Adherence to recommended replacement schedules
- Meeting other goals of the City’s strategic plan

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CIP Criteria

City of Oshkosh

- Conformity to Approved City Strategic Plan or Department Plan(s)
- Financial Commitments and Leverage of Outside Funding
- Mandates
- Public Health and Safety
- Implementation Feasibility
- Operating Budget Impact
- Percentage of Population Served
- Project/Item Life
- Estimated Frequency of Use (Average Per Year)
- Service Level
- Linkages to Other CIP Projects or Other Organization Projects
- Infrastructure Investment/ Protection
- Encouragement of Economic Development

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City of Oshkosh

CIP Prioritization System

- Long Range Finance Committee – Developed a CIP Policy
- Policy adopted in 2015 and applied in the 2016-2020 CIP Process
- This policy implemented a new scoring system be used in the prioritization of Capital Improvement Projects

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Scoring Sheet

City of Oshkosh

Criteria	Possible Scores			
	15	10	5	0
Conformity to Approved City Strategic Plan or Department Plan(s)	Implements a major project in the City Strategic Plan or Comprehensive Plan. Received prior Council direction/approval	Significantly adds to the completion of an approved department plan	Minimally adds to the completion of an approved department plan, i.e. Comprehensive Outdoor Rec. Plan (CORP)	Does not contribute toward any approved or adopted plan
Financial Commitments and Leverage of Outside Funding	Financial commitments obtained and substantial	Financial commitments likely but amount is unclear	Financial commitments possible but amount is unclear	No identified funds
Mandates	Court decision or regulatory requirement	Pending legal action or strong evidence of potential legal action	Possible but uncertain legal action	Normal project liability
Public Health and Safety	Project will correct a highly probable safety or health issue which has highly severe consequences if not remedied	Project with less probable chance of a safety or health issue occurring but may have severe consequences without action	Project corrects a highly probable safety or health issue that has less than severe consequences without action	Project corrects no perceived safety or health issue
Implementation Feasibility	No implementation obstacles	Minor implementation obstacles	Major implementation obstacles	Implementation not likely
Operating Budget Impact	Significantly decreases operating/maintenance costs	Minimally decreases operating/maintenance costs	Net impact of zero	Increases operating/maintenance costs
Percentage of Population Served	100%	50-99%	10-49%	<10%
Project/Item Life	> 20 years with no extraordinary maintenance	> 20 years with routine maintenance	10-20 Years	<10 years
Estimated Frequency of Use (Average Per Year)	7 days/week	Several days a week	Several days a month.	Once a month or less.
Service Level	Project will correct or have measurable and dramatic improvement on the level of service offered by department	Project will maintain the level of service criteria as measured by department	Project will enhance the already acceptable level of service or have a minimal impact on service as measured by the department	No impact on service level
Linkages to Other CIP Projects or Other Organization Projects	Continuation of a project currently underway or satisfies arrangement made with outside organization	Critical that project is done in conjunction with another project underway or other organization	Potential for project to be done in conjunction with another project on proposed CIP project list or other organization	No linkage to other projects or outside organizations
Infrastructure Investment/Protection	Exclusion of project will result in complete loss of prior investments or infrastructure	The project improves and / or protects the City's infrastructure.	The project maintains the City's infrastructure.	The project does not protect or preserve the City's infrastructure.
Encouragement of Economic Development	The project will directly encourage increased economic development in the City's corridors	Removal/non-inclusion of the project would deter econ dev, inclusion would not increase econ dev	The project will help to maintain the current level of economic development in the City	The project will not encourage increased economic development in the City



Sewer, Water and Stormwater Utilities Capital Improvement Plan Cash Flow Analysis - DRAFT

September 18, 2019



Scope and Objective of Analysis

Develop financing plan to pay the costs of capital projects included in the three Utilities' Capital Improvement Plan (CIP) for budget years 2020 through 2029

Develop Utility Cash Flow Analysis to Evaluate impacts on:

- Utility User Charges
- Revenue Bond Debt Service Coverage Ratios
- Utility Reserves



Capital Projects Funding Summary

The City's planned capital projects for the years 2020 through 2029 are projected to require approximately \$328 million in long term financing.

	Sewer Utility	Stormwater Utility	Water Utility	Total Costs
CIP Projects	121,373,076	101,238,565	116,660,132	339,271,773
Less: Cash on Hand	(12,000,000)	(19,500,000)	(16,000,000)	(47,500,000)
Debt Service Reserve Req	4,652,513	5,772,660	1,807,775	12,232,949
Issuance Costs	2,358,513	1,904,775	1,817,238	6,080,525
Estimated Interest Earnings	(27,343)	(51,087)	(19,705)	(98,135)
Rounding	28,242	25,087	22,327	75,655
Net Bond Size	119,225,000	89,390,000	119,251,970	327,866,970



Approach to Cash Flow Analysis & Financing Plan

Utility projects to be funded with utility revenue bonds

- Rate covenants
 - ✓ Sewer Utility (1.10x)
 - ✓ Water Utility (1.30x)
 - ✓ Stormwater (1.20x)
 - Debt service reserve requirements
- Develop recommended user rate increases necessary to meet future revenue bond debt service payments and meet debt service coverage requirements



Sewer Utility Cash Flow Analysis

	Actual	Estimated	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2029
Revenues													
Total Revenues from User Rates	\$14,458,482	\$14,523,000	\$15,684,840	\$16,939,627	\$17,956,005	\$19,033,365	\$20,175,367	\$21,285,012	\$22,349,263	\$23,466,726	\$24,170,728	\$24,895,850	\$24,895,850
Annual Percent Increase to User Rates Required	7.42%	8.50%	8.00%	8.00%	6.00%	6.00%	6.00%	5.50%	5.00%	5.00%	3.00%	3.00%	3.00%
Cumulative Percent Rate Increase	7.42%	16.55%	24.55%	34.51%	40.51%	48.95%	54.95%	63.47%	71.64%	80.22%	85.63%	85.63%	85.63%
Dollar Amount Increase to Revenues Required	\$950,429	\$64,518	\$1,161,840	\$1,254,787	\$1,016,378	\$1,077,360	\$1,142,002	\$1,109,645	\$1,064,251	\$1,117,463	\$704,002	\$725,122	\$725,122
Total Other Revenues	\$706,236	\$769,800	\$769,800	\$167,611	\$195,046	\$194,396	\$191,081	\$185,644	\$190,529	\$199,457	\$222,623	\$249,478	\$249,478
Total Revenues	\$15,164,718	\$15,292,800	\$16,454,640	\$17,107,238	\$18,151,051	\$19,227,761	\$20,366,449	\$21,470,657	\$22,539,792	\$23,666,183	\$24,393,351	\$25,145,327	\$25,145,327
Expenses													
Operating and Maintenance	\$6,183,961	\$6,969,796	\$7,103,000	\$7,586,513	\$8,149,169	\$8,277,315	\$8,423,931	\$8,596,087	\$8,771,777	\$8,951,076	\$9,134,058	\$9,320,797	\$9,320,797
Net Before Debt Service and Capital Expenditures	\$8,980,757	\$8,323,004	\$9,351,640	\$9,520,725	\$10,001,882	\$10,950,446	\$11,942,518	\$12,874,570	\$13,768,015	\$14,715,107	\$15,259,294	\$15,824,530	\$15,824,530
Debt Service													
Existing GO Bond P&I	\$1,389,815	\$1,245,504	\$1,154,193	\$907,034	\$905,252	\$833,188	\$729,702	\$575,419	\$469,339	\$203,432	\$197,461	\$57,731	\$57,731
Existing Revenue Bond P&I	\$5,375,785	\$5,367,293	\$5,612,318	\$5,614,425	\$5,303,502	\$5,213,960	\$5,164,034	\$4,857,910	\$4,771,151	\$4,643,087	\$4,544,855	\$4,557,868	\$4,557,868
New Debt Service P&I	\$0	\$0	\$0	\$1,189,330	\$2,355,895	\$3,644,043	\$4,931,460	\$5,636,163	\$6,453,335	\$6,845,650	\$7,248,562	\$7,674,948	\$7,674,948
Total Debt Service	\$6,765,600	\$6,612,797	\$6,766,511	\$7,710,789	\$8,564,649	\$9,691,191	\$10,825,197	\$11,069,492	\$11,693,825	\$11,692,169	\$11,990,878	\$12,290,547	\$12,290,547
Cash Funded Capital Improvements	\$10,563,993	\$817,708	\$0	\$0	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Net Annual Cash Flow	(\$8,348,836)	\$892,499	\$2,585,129	\$1,809,936	(\$62,767)	(\$240,745)	(\$382,679)	\$305,078	\$574,190	\$1,522,939	\$1,768,416	\$2,033,983	\$2,033,983



Projected Sewer Debt Coverage Analysis

Year	Operating Revenues	Less:		Amount Available for Debt Service	Total Existing Revenue Bond P&I	New Revenue Bond P&I	Total Sewer	
		Operating Expenses	Debt Service				Debt Service	Coverage
2018	15,164,718	(6,183,961)		8,980,757	5,375,785	-	5,375,785	1.67
2019	15,292,800	(6,969,796)		8,323,004	5,367,293	-	5,367,293	1.55
2020	16,454,640	(7,103,000)		9,351,640	5,612,318	-	5,612,318	1.67
2021	17,107,238	(7,586,513)		9,520,725	5,614,425	1,189,330	6,803,755	1.40
2022	18,151,051	(8,149,169)		10,001,882	5,303,502	2,355,895	7,659,397	1.31
2023	19,227,761	(8,277,315)		10,950,446	5,213,960	3,644,043	8,858,003	1.24
2024	20,366,449	(8,423,931)		11,942,518	5,164,034	4,931,460	10,095,494	1.18
2025	21,470,657	(8,596,087)		12,874,570	4,857,910	5,636,163	10,494,073	1.23
2026	22,539,792	(8,771,777)		13,768,015	4,771,151	6,453,335	11,224,486	1.23
2027	23,666,183	(8,951,076)		14,715,107	4,643,087	6,845,650	11,488,737	1.28
2028	24,393,351	(9,134,058)		15,259,294	4,544,855	7,248,562	11,793,417	1.29
2029	25,145,327	(9,320,797)		15,824,530	4,557,868	7,674,948	12,232,816	1.29



Water Utility Cash Flow Analysis

	Actual 2018	Estimated 2019	Budget 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Revenues												
Total Revenues from User Rates	\$15,254,456	\$15,806,800	\$17,491,700	\$17,491,700	\$18,891,036	\$18,891,036	\$20,402,319	\$20,402,319	\$21,422,435	\$21,422,435	\$21,422,435	\$22,493,557
Annual Percent Increase to User Rates Required	6.64%	0.00%	10.66%	0.00%	8.00%	0.00%	8.00%	0.00%	5.00%	0.00%	0.00%	5.00%
Cumulative Percent Rate Increase	6.64%	6.64%	18.01%	18.01%	27.45%	27.45%	37.64%	37.64%	44.53%	44.53%	44.53%	51.75%
Dollar Amount Increase to Revenues Estimated	\$349,875	\$552,344	\$1,684,900	\$0	\$1,399,336	\$0	\$1,511,283	\$0	\$1,020,116	\$0	\$0	\$1,071,122
Total Other Revenues	\$687,807	\$785,900	\$774,600	\$461,055	\$471,346	\$484,660	\$492,682	\$505,978	\$514,960	\$524,060	\$534,099	\$541,548
Total Revenues	\$15,942,263	\$16,592,700	\$18,266,300	\$17,952,755	\$19,362,382	\$19,375,696	\$20,895,001	\$20,908,296	\$21,937,395	\$21,946,495	\$21,956,534	\$23,035,105
Expenses												
Operating and Maintenance	\$5,669,951	\$6,596,145	\$7,373,700	\$7,765,755	\$7,930,012	\$8,108,989	\$8,292,007	\$8,479,157	\$8,670,533	\$8,866,229	\$9,066,343	\$9,270,976
Taxes & PILOT	\$1,146,440	\$1,149,369	\$1,152,356	\$1,155,403	\$1,158,511	\$1,161,682	\$1,164,915	\$1,168,214	\$1,171,578	\$1,175,009	\$1,178,510	\$1,182,080
Net Before Debt Service and Capital Expenditures	\$9,125,872	\$8,847,186	\$9,740,244	\$9,031,597	\$10,273,858	\$10,105,025	\$11,438,079	\$11,260,926	\$12,095,284	\$11,905,257	\$11,711,681	\$12,582,049
Debt Service												
Existing GO Bond P&I	\$1,064,909	\$974,009	\$886,500	\$851,744	\$689,095	\$534,949	\$429,829	\$278,427	\$274,521	\$172,656	\$167,946	\$53,795
Existing Revenue Bond P&I	\$6,937,354	\$6,163,173	\$5,518,059	\$5,532,923	\$5,108,778	\$4,822,106	\$4,666,269	\$4,486,608	\$4,477,670	\$3,770,679	\$3,620,466	\$3,153,553
New Debt Service P&I	\$0	\$0	\$91,594	\$1,100,833	\$1,855,426	\$3,216,640	\$3,787,541	\$4,336,135	\$5,192,436	\$5,657,005	\$6,170,275	\$6,631,961
Total Debt Service	\$8,002,263	\$7,137,182	\$6,496,153	\$7,485,499	\$7,653,298	\$8,573,695	\$8,883,639	\$9,101,170	\$9,944,627	\$9,600,340	\$9,958,687	\$9,839,309
Cash Funded Capital Improvements	\$500,000	\$729,833	\$500,000	\$1,000,000	\$1,500,000	\$1,500,000	\$1,500,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Net Annual Cash Flow	\$623,609	\$980,171	\$2,744,090	\$546,097	\$1,120,560	\$31,330	\$1,054,440	\$159,755	\$150,657	\$304,917	(\$247,006)	\$742,740



Projected Water Utility Debt Coverage Analysis

Year	Operating Revenues	Less: Operating Expenses	Amount Available for Debt Service	Total Existing Revenue Bond Debt P&I	Projected New Revenue Bond Debt P&I	Total Revenue Bond Debt Service	Coverage*
2018	15,942,263	(5,816,391)	10,125,872	6,937,354	-	6,937,354	1.46
2019	16,592,700	(6,745,514)	9,847,186	6,163,173	-	6,163,173	1.60
2020	18,266,300	(7,526,056)	10,740,244	5,518,059	91,594	5,609,653	1.91
2021	17,952,755	(7,921,159)	10,031,597	5,532,923	1,100,833	6,633,756	1.51
2022	19,362,382	(8,088,523)	11,273,858	5,108,778	1,855,426	6,964,204	1.62
2023	19,375,696	(8,270,671)	11,105,025	4,822,106	3,216,640	8,038,746	1.38
2024	20,895,001	(8,456,922)	12,438,079	4,666,269	3,787,541	8,453,810	1.47
2025	20,908,296	(8,647,371)	12,260,926	4,486,608	4,336,135	8,822,743	1.39
2026	21,937,395	(8,842,110)	13,095,284	4,477,670	5,192,436	9,670,106	1.35
2027	21,946,495	(9,041,238)	12,905,257	3,770,679	5,657,005	9,427,684	1.37
2028	21,956,534	(9,244,853)	12,711,681	3,620,466	6,170,275	9,790,741	1.30
2029	23,035,105	(9,453,056)	13,582,049	3,153,553	6,631,961	9,785,514	1.39



Stormwater Utility Cash Flow Analysis

Audit	Estimate		Budget	Projected							Projected		Projected		Projected	
	2018	2019		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029			
Revenues																
Total Revenues from User Rates																
	\$9,983,418	\$11,657,600	\$11,535,862	\$12,343,372	\$13,207,409	\$14,131,927	\$15,013,410	\$15,799,998	\$16,589,998	\$17,293,574	\$17,985,317	\$18,568,530				
Percent Increase to User Rates Required																
Dollar Amount Increase to Revenues Required	7.50%	7.00%	7.00%	7.00%	7.00%	7.00%	6.00%	5.00%	5.00%	4.00%	4%	3%				
	\$754,759	\$1,674,182	\$1,121,738	\$807,510	\$864,036	\$924,519	\$881,483	\$786,588	\$790,000	\$703,576	\$691,743	\$583,213				
Total Other Revenues																
	\$2,303,011	\$232,300	\$143,491	\$145,827	\$142,502	\$143,402	\$146,023	\$149,305	\$278,074	\$288,515	\$298,861	\$310,077				
Total Revenues																
	\$12,286,429	\$11,889,900	\$11,679,353	\$12,489,199	\$13,349,911	\$14,275,329	\$15,159,433	\$15,949,303	\$16,868,072	\$17,582,089	\$18,284,178	\$18,878,607				
Expenses																
Operating and Maintenance																
	\$2,172,504	\$2,550,150	\$2,669,300	\$2,735,683	\$2,803,719	\$2,873,448	\$2,944,914	\$3,018,159	\$3,093,227	\$3,170,164	\$3,249,017	\$3,329,833				
Net Before Debt Service and Capital Expenditures																
	\$10,113,925	\$9,339,750	\$9,010,053	\$9,753,516	\$10,546,192	\$11,401,880	\$12,214,520	\$12,931,144	\$13,774,845	\$14,411,925	\$15,035,161	\$15,548,774				
Debt Service																
Existing GO Bond P&I	\$208,157	\$907,397	\$895,784	\$858,528	\$851,224	\$759,782	\$473,599	\$457,877	\$444,490	\$431,128	\$417,466	\$17,232				
Existing Revenue Bond P&I	\$6,154,828	\$6,164,038	\$6,749,218	\$6,766,613	\$6,769,481	\$6,768,822	\$6,769,081	\$6,769,081	\$6,548,175	\$6,592,309	\$6,580,431	\$6,620,816				
New (2019-2028) Debt Service P&I	\$0	\$0	\$0	\$397,213	\$855,752	\$1,636,529	\$2,426,222	\$2,998,600	\$3,795,468	\$4,412,502	\$4,975,486	\$5,737,314				
Total Debt Service	\$6,362,985	\$7,071,434	\$7,645,001	\$8,022,353	\$8,472,539	\$8,985,792	\$9,668,643	\$10,225,558	\$10,768,133	\$11,435,939	\$11,973,383	\$12,375,362				
Cash on Hand/Prior Issue Bond Proceeds/Grants																
	\$0	\$750,000	\$1,000,000	\$2,500,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000				
Net Annual Cash Flow																
	\$6,030,185	\$1,518,316	\$365,052	(\$768,837)	\$73,653	\$416,089	\$545,877	\$705,586	\$986,712	\$975,985	\$1,061,778	\$1,173,412				



Projected Stormwater Debt Coverage Analysis

Year	Operating Revenues	Less: Operating Expenses	Amount Available for Debt Service	Total Existing Revenue Bond P&I	Future Revenue Bond P&I	Total Debt Service	Coverage
2018	12,286,429	(2,172,504)	10,113,925	5,425,832	-	5,425,832	1.86
2019	11,889,900	(2,550,150)	9,339,750	6,164,038	-	6,164,038	1.52
2020	11,679,353	(2,669,300)	9,010,053	6,749,218	-	6,749,218	1.33
2021	12,489,199	(2,735,683)	9,753,516	6,766,613	397,213	7,163,825	1.36
2022	13,349,911	(2,803,719)	10,546,192	6,765,563	855,752	7,621,315	1.38
2023	14,275,329	(2,873,448)	11,401,880	6,769,481	1,636,529	8,406,010	1.36
2024	15,159,433	(2,944,914)	12,214,520	6,768,822	2,426,222	9,195,044	1.33
2025	15,949,303	(3,018,159)	12,931,144	6,769,081	2,998,600	9,767,681	1.32
2026	16,868,072	(3,093,227)	13,774,845	6,548,175	3,795,468	10,343,643	1.33
2027	17,582,089	(3,170,164)	14,411,925	6,592,309	4,412,502	11,004,811	1.31
2028	18,284,178	(3,249,017)	15,035,161	6,580,431	4,975,486	11,555,917	1.30
2029	18,878,607	(3,329,833)	15,548,774	6,620,816	5,737,314	12,358,130	1.26



Estimated Impacts on Utility Rates

Year	Water User Charge	Water User Charge	Change Over Prior Year	Sewer User Charge	Sewer User Charge	Utility Bill (Monthly)	Change Over Prior Year	Stormwater User Charge	Utility Bill (Monthly)	Change Over Prior Year	Total	Change Over Prior Year	Percentage Change Over Prior Year	Year
2019	Varies	CCF	11.98	Varies	CCF	5.22	9.66	15.34	15.34	15.34	\$ 92.27			2019
2020	Varies	Meter+PFP	13.26	Varies	CCF	5.80	10.74	16.41	16.41	1.07	\$ 101.74	\$ 9.47	10.26%	2020
2021	Varies	Varies	13.26	Varies	CCF	6.27	11.60	17.56	17.56	1.15	\$ 106.23	\$ 4.49	4.41%	2021
2022	Varies	Varies	14.32	Varies	CCF	6.64	12.29	18.79	18.79	1.23	\$ 113.65	\$ 7.42	6.99%	2022
2023	Varies	Varies	14.32	Varies	CCF	7.04	13.03	20.11	20.11	1.32	\$ 117.84	\$ 4.18	3.68%	2023
2024	Varies	Varies	15.46	Varies	CCF	7.46	13.81	21.31	21.31	1.21	\$ 125.85	\$ 8.01	6.80%	2024
2025	Varies	Varies	15.46	Varies	CCF	7.88	14.57	22.38	22.38	1.07	\$ 129.87	\$ 4.02	3.20%	2025
2026	Varies	Varies	16.24	Varies	CCF	8.27	15.30	23.50	23.50	1.12	\$ 136.36	\$ 6.49	5.00%	2026
2027	Varies	Varies	16.24	Varies	CCF	8.68	16.07	24.44	24.44	0.94	\$ 140.28	\$ 3.92	2.87%	2027
2028	Varies	Varies	16.24	Varies	CCF	8.94	16.55	25.42	25.42	0.98	\$ 143.13	\$ 2.85	2.03%	2028
2029	Varies	Varies	17.05	Varies	CCF	9.21	17.05	26.18	26.18	0.76	\$ 148.49	\$ 5.36	3.75%	2029

NOTES:

1) Water utility bill includes monthly charge of \$8.60 plus \$3.38 for public fire protection for a 5/8" or 3/4" meter and assumes 4,000 gallons usage per month.

Water utility bills also includes volumetric rate of \$5.12 first 30 CCF, \$4.90 next 70 CCF, \$4.55 next 1,900 CCF.

2) Sewer utility bill includes monthly charge of \$9.66 for a 5/8" or 5/8" x 3/4" meter and assumes 4,000 gallons usage per month.

3) Stormwater rate is per equivalent runoff unit (ERU).

For Discussion Only

