



CITY OF TAMARAC
NOTICE OF WORKSHOP MEETING
CITY COMMISSION OF TAMARAC, FL
City Hall - Conference Room 105
September 8, 2015

CALL TO ORDER:

9:30 a.m.

ROLL CALL:

PLEDGE OF ALLEGIANCE:

Vice Mayor Bushnell

1. Update - Public Art Projects

Update - Public Art Projects - ***Community Development Director Maxine Calloway, Public Art Administrators George Gadson and Beth Ravitz and Public Art Committee Chair Tobey Archer***

2. TR12672 - Taste of Tamarac 2015 - In-kind Support and Waiver of Fees

Item No. 6(b) on the Consent Agenda. (TR12672) A Resolution of the City Commission of the City of Tamarac, Florida, approving a request from the Tamarac Chamber of Commerce for in-kind support and to waive fees for the Taste of Tamarac event to be held at the Tamarac Community Center on Saturday, October 17, 2015, from 11:30 a.m. to 3:30 p.m.; providing for permits, proper insurance, and execution of a hold harmless agreement; providing for conflicts; providing for severability; and providing for an effective date. - ***Parks & Recreation Director Greg Warner and Tamarac Chamber of Commerce Executive Director Peter Mason***

3. Update on ISO Community Ranking System Annual Status Report

Update on ISO Community Ranking System Annual Status Report - ***Chief Building Official/Director Claudio Grande***

4. Presentation on Financial Transparency

Presentation on Financial Transparency - ***Financial Services Director Mark Mason and Assistant Financial Services Director/Controller Christine Cajuste***

5. TO2325 - Amending Chapter 22 "Utilities", Code of Ordinances

Item No. 8(a) on Ordinance(s) - First Reading. (TO2325) An Ordinance of the City Commission of the City of Tamarac, Florida, amending Chapter 22, "Utilities" of the Code of Ordinances of the City of Tamarac by amending Section 22-96 Rates and Charges Applicable to City Utility, to provide regulations relating to service availability charges and consumption rate adjustments; providing for codification; providing for conflicts; providing for severability; providing for an effective date. - ***Financial Services Director Mark Mason***

6. TR12664 - Banking Services Agreement

Item No. 6 (d) on the Consent Agenda. (TR12664) A Resolution of the City Commission of the City of Tamarac, Florida authorizing the appropriate city officials to exercise a three (3) year renewal with subsequent two (2) year. Renewal options to the original agreement between the City of Tamarac and TD Bank, NA, as the city's depository and provider of banking services, and to execute agreement amendment #2 effective for the term October 23, 2015 Through October 22, 2018;

providing for conflicts; providing for severability; and providing for an effective date. - **Financial Services Director Mark Mason**

The City Commission may consider and act upon such other business as may come before it. In the event this agenda must be revised, such revised copies will be available to the public at the City Commission meeting.

Pursuant to Chapter 286.0105, Florida Statutes, if a person decides to appeal any decision made by the City Commission with respect to any matter considered at such meeting or hearing, he may need to ensure that a verbatim record of the proceedings is made which record includes the testimony and evidence upon which the appeal is based.

The City of Tamarac complies with the provisions of the Americans with Disabilities Act. If you are a disabled person requiring any accommodations or assistance, please notify the City Clerk's Office at (954) 597-3505 of such need at least 48 hours (2 days) in advance. Additionally, if you are hearing or speech impaired and need assistance, you may contact the Florida Relay Service at either of the following numbers: 1-800-955-8770 or 1-800-955-8771.

A handwritten signature in blue ink, reading "Patricia Teufel". The signature is fluid and cursive, with the first name "Patricia" and last name "Teufel" clearly distinguishable.

Patricia Teufel, CMC
City Clerk



Title - 9:30 a.m.

9:30 a.m.



Title - Vice Mayor Bushnell

Vice Mayor Bushnell



Title - Update - Public Art Projects

Update - Public Art Projects - ***Community Development Director Maxine Calloway, Public Art Administrators George Gadson and Beth Ravitz and Public Art Committee Chair Tobey Archer***



Title - TR12672 - Taste of Tamarac 2015 - In-kind Support and Waiver of Fees

Item No. 6(b) on the Consent Agenda. (TR12672) A Resolution of the City Commission of the City of Tamarac, Florida, approving a request from the Tamarac Chamber of Commerce for in-kind support and to waive fees for the Taste of Tamarac event to be held at the Tamarac Community Center on Saturday, October 17, 2015, from 11:30 a.m. to 3:30 p.m.; providing for permits, proper insurance, and execution of a hold harmless agreement; providing for conflicts; providing for severability; and providing for an effective date. - ***Parks & Recreation Director Greg Warner and Tamarac Chamber of Commerce Executive Director Peter Mason***

ATTACHMENTS:

Description	Upload Date	Type
📎 TR12672 - Taste of Tamarac 2015 - MEMO	8/5/2015	Cover Memo
📎 TR12672 - Taste of Tamarac 2015 - RESO	8/5/2015	Resolution

**CITY OF TAMARAC
INTEROFFICE MEMORANDUM
PARKS AND RECREATION**

TO: Michael C. Cernech, City Manager DATE: July 30, 2015

**FROM: Gregory Warner, Director of Parks
and Recreation**

**RE: Temp. Reso. #12672 – Chamber
of Commerce 2015 Taste of
Tamarac event – Fee waiver and
in-kind support**

Recommendation:

I recommend approving a request from the Tamarac Chamber of Commerce for in-kind support and waiver of fees for the Taste of Tamarac event to be held at the Tamarac Community Center on Saturday, October 17, 2015, from 11:30 a.m. to 3:30 p.m.

Issue:

The Tamarac Chamber of Commerce has requested in-kind support and waiver of fees for their 12th annual Taste of Tamarac event.

Background:

The Tamarac Chamber of Commerce is a non-profit organization who has made a request to the Department of Parks and Recreation for in-kind support and waiver of fees for their annual Taste of Tamarac event.

The waiver of fees for the Taste of Tamarac event includes room rental fees at a cost of \$2,640.00 (includes \$340.00 for the gym floor cover), the callout of a Fire Inspector at a cost of approx. \$250.00, and the City Electrician scheduled to work at a cost of approx.. \$225.00. The Taste of Tamarac event features displays by local restaurants and other businesses located in Tamarac. The Taste of Tamarac event is the Chamber's biggest fundraiser of the year and they expect attendance to be over 1,200 once again this year. They strive to promote the businesses of our community and the Taste of Tamarac event is another step in creating public awareness for the Chamber and all who are involved.

For the Taste of Tamarac event, the Chamber has requested in-kind support from the City including:

- Waiver of Community Center room rental fees (Gymnasium, Aerobics Room and Ballroom) (Cost of approx. \$2,640.00)
- Use of the Parks and Recreation Department stage
- Use of driveway in front of the Community Center as approved by Tamarac Fire Rescue
- Advertisement of the Taste of Tamarac event on the marquee in front of the Community Center one week prior to the event
- Fire Inspector call out (Cost of \$250.00)
- Assistance in event operations from the Special Events and Parks Divisions (Cost of approx. \$1,500.00)
- City electrician to be scheduled to work on the day of the event to address any electrical issues (Cost of approx. \$225.00)

- Provide volunteer assistance for event activities
- City showcase area featuring departments and services of interest to the general public
- Permission to place signs and banners around the City 10 days prior to the event (all signs to be removed by Sunday, October 18th, 12:00 noon). The Chamber has requested to place signs and banners around the City 30 days prior to the event; however, we are recommending they be placed 10 days prior to the event.
- Recycling bins for discarded bottles and cans
- Use of the Electronic Billboards to publicize the event starting on October 7th
- Tamarac Fire Rescue to be on site for emergency medical services
- City will work with Chamber to coordinate parking

The Chamber's request for Tamarac Fire Rescue to be on site for emergency medical services will be met with the assignment of a Rescue Unit detail (on duty, no overtime).


In exchange for the waiver of fees and in-kind support for the Taste of Tamarac event, the Chamber will provide the following for the City:

- City logo will be included on all advertising for the event including print advertisements, flyers, posters and banners as a title sponsor.
- Provide a City showcase area for the display of departments and services of interest to the public

The Taste of Tamarac event has become a well-received and attended event by the residents and businesses in Tamarac. The event has been very positive for the exposure of the Chamber and the City over the years.

Fiscal Impact:

The fiscal impact to the City for the Taste of Tamarac event is approximately \$4,700.00, including waiver of fees, as well as, the cost of in-kind support, as listed above. In exchange, the Chamber will list the City as a title sponsor, at a value of \$5,000.00.



Gregory Warner

Attachment



April 20, 2015

Mr. Greg Warner
City of Tamarac
8601 W. Commercial Blvd.
Tamarac, Florida 33321

Dear Greg,

The Tamarac Chamber of Commerce is planning Taste of Tamarac 2015. This is our twelfth year and we expect it to be bigger and better than ever. This event is scheduled for Saturday, October 17th from 11:30 to 3:30 p.m. and we expect attendance to be over 1,200 this year.

In order to ensure the success of the event, I would like to request the following assistance from the City of Tamarac:

- The use of the Tamarac Community Center Gymnasium, ballroom and room adjacent to the gymnasium, from Friday, October 16th at 12:00 noon for set up – Saturday October 17th, 5:00 p.m. for take down and clean up.
- Permission to park on the easement on 57th Street.
- Permission to put TOT parking signs on the easement 57th street from 79th Ave to Pine Island Rd.
- Tamarac Fire Rescue to be on site for emergency medical services.
- Use of the stage in the gymnasium.
- Assistance in event operations from the Parks and Recreation Special Events Division.
- City Electrician to be scheduled to work on the day of the event to address electrical issues. Starting at 9:00 a.m.
- Assistance in event activities from Tamarac Teen Club.
- Permission to place signs & banners around the city 30 days prior to the event. (All signs will be removed by Sunday, October 18th, 12:00 noon.)
- Use of the Electronic Billboards to publicize the event starting 10 days prior.

- Recycling bins for the discarded water bottles and soft drink cans.
- Use of driveway in front of the Community Center.
- Have Taste of Tamarac advertised on the marquee in front of the Community Center for at least 1 week in advance of the event.
- Permission to tape parking lot on Friday evening/Saturday morning. Reserve the Community Center parking lot for Taste of Tamarac attendees.

In exchange for any assistance donated, the Chamber will be most accommodating in all publicity efforts for the City of Tamarac.

- City logo will be on all advertising for the event (includes, print advertisements, flyers, posters and banners.)
- We will provide a City Showcase Area featuring departments and services of interest to the General public.

The Greater Tamarac Chamber of Commerce strives to promote the businesses in our community and is our biggest fundraiser of the year. I believe that the Taste of Tamarac 2015 will be another step in creating public awareness for the Chamber and all who are involved.

As always, we are extremely grateful for your assistance and continued partnership!

Sincerely,

A handwritten signature in blue ink, appearing to be 'M. M. M.', written in a cursive style.

Executive Director

CITY OF TAMARAC, FLORIDA

RESOLUTION NO. R-2015-_____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF TAMARAC, FLORIDA, APPROVING A REQUEST FROM THE TAMARAC CHAMBER OF COMMERCE FOR IN-KIND SUPPORT AND TO WAIVE FEES FOR THE TASTE OF TAMARAC EVENT TO BE HELD AT THE TAMARAC COMMUNITY CENTER ON SATURDAY, OCTOBER 17, 2015, FROM 11:30 A.M. TO 3:30 P.M.; PROVIDING FOR PERMITS, PROPER INSURANCE, AND EXECUTION OF A HOLD HARMLESS AGREEMENT; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Director of Parks and Recreation has received a request from the Tamarac Chamber of Commerce to waive fees, and for certain in-kind support services for their Taste of Tamarac event to be held at the Tamarac Community Center on Saturday, October 17, 2015, from 11:30 a.m. to 3:30 p.m.; and

WHEREAS, the Tamarac Chamber of Commerce is a non-profit organization and is requesting waiver of fees for the Taste of Tamarac event and for the City to provide certain in-kind support services for the event; and

WHEREAS, the City of Tamarac, Florida, wishes to continue to support the Chamber of Commerce for their community events; and

WHEREAS, the City's Risk Management Division will ensure the appropriate levels of liability insurance coverage for this event are submitted to the City; and

WHEREAS, the Director of Parks and Recreation recommends approval of the request to waive fees and for the City of Tamarac to provide certain in-kind support services for the Taste of Tamarac event to be held October 17, 2015; and

WHEREAS, the City Commission of the City of Tamarac, Florida, deems it to be in the best interest of the citizens and residents of the City of Tamarac to waive fees and to provide certain in-kind support services for the Taste of Tamarac event to be held October 17, 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TAMARAC, FLORIDA:

SECTION 1: That the foregoing "WHEREAS" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution.

SECTION 2: That the request to waive fees, and for the City of Tamarac to provide certain in-kind support services as listed below for the Taste of Tamarac event to be held October 17, 2015, is HEREBY APPROVED.

- Waiver of Community Center room rental fees (Gymnasium, Aerobics Room and Ballroom)
- Use of the Parks and Recreation Department stage
- Use of driveway in front of the Community Center as approved by Tamarac Fire Rescue
- Advertisement of the Taste of Tamarac event on the marquee in front of the Community Center one week prior to the event
- Fire Inspector call out
- Assistance in event operations from the Special Events and Parks Divisions
- City electrician to be scheduled to work on the day of the event to address any electrical issues
- Provide volunteer assistance for event activities
- City showcase area featuring departments and services of interest to the general public
- Permission to place signs and banners around the City 10 days prior to the event (all signs to be removed by Sunday, October 18th, 12:00 noon).
- Recycling bins for discarded bottles and cans
- Use of the Electronic Billboards to publicize the event starting on October 7th
- Tamarac Fire Rescue to be on site for emergency medical services
- City will work with Chamber to coordinate parking

SECTION 3: That approval is subject to all other appropriate permits being obtained prior to the event and that proper insurance coverage and an executed Hold Harmless Agreement is provided to the City prior to the event in a form acceptable to the City's Risk/Safety Manager.

SECTION 4: All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 5: If any clause, section, other part or application of this Resolution is held by any court of competent jurisdiction to be unconstitutional or invalid, in part or application, it shall not affect the validity of the remaining portions or applications of this Resolution.

SECTION 6: This Resolution shall become effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED this day of , 2015.

HARRY DRESSLER, Mayor

ATTEST:

PATRICIA TEUFEL, CMC
CITY CLERK

I HEREBY CERTIFY that
I have approved this
RESOLUTION as to form.


SAMUEL S. GOREN
CITY ATTORNEY



Title - Update on ISO Community Ranking System Annual Status Report

Update on ISO Community Ranking System Annual Status Report - **Chief Building Official/Director Claudio Grande**

ATTACHMENTS:

Description	Upload Date	Type
 CRS Annual Progress Report	8/26/2015	Backup Material

CITY OF TAMARAC
INTEROFFICE MEMORANDUM
Building Department

TO: Michael C. Cernech, City Manager DATE: August 25, 2015

**THRU: Diane Phillips, Assistant City
Manager**

**FROM: Claudio Grande, Chief Building
Official/ Director, CRS
Coordinator**

**RE: 2015 Community Rating System
Annual Progress Report**

Recommendation:

The CRS Planning Committee continues to implement the recommendations provided for in the Broward County Local Mitigation Strategy (LMS) that help reduce incidents in flooding and property damage. The Committee, which includes The Chief Building Official, the City Engineer, the Flood Plain Manager and staff, continues to identify areas of improvement in our flood plain management activities to maximize participation and credit through the Community Rating System.

Issue:

Resolution R-2010-29 of the City Commission adopted the Broward County LMS which includes a Flood Hazard Mitigation element. The LMS provides for annual review of participating municipalities by January 1st of each year. This memorandum supports Flood Hazard Mitigation element of that review. For continued credit under the Community Rating System, this memo is being distributed to the media and also available to the public. It is sent to the Fort Lauderdale Sun-Sentinel and the Tamarac Forum. Copies of this report and the Broward County Local Mitigation Strategy are available for review at the City Clerk's Office at 7525 NW 88 Avenue. A notice of its availability is also posted on the City of Tamarac website.

Background:

The LMS was developed in 1997-1999 and adopted by the Broward County Board of County Commissioners in March 2000. It was last updated in 2009 and currently Broward County has updated their annual report for 2012. The LMS includes a detailed hazard identification and vulnerability analysis for a wide range of hazards including fresh water flooding.

The City of Tamarac's mitigation goals and objectives are consistent with the goals and objectives of the county's master plans, their codes and ordinances, as well as other endeavors that reflect the aspirations for the welfare, safety and quality of their citizens. The City of Tamarac has been a participant in the NFIP since 1992. During that time the City has placed priority on reducing the risk of flood throughout the Community. As a result of those efforts during the 5 year re-certification done in November of 2010, the City achieved a higher Classification of 6 from the Insurance Service Office. In October of 2011, the City received the

official letter from FEMA ratifying the increase to a Class 6 in the National Flood Insurance Program, Community Rating System, qualifying the residents of the City of Tamarac to receive a 20% discount in the premium cost of flood insurance for NFIP policies issued or renewed in Special Flood Hazard Areas on or after October 1, 2011. This discount will continue in effect until the next 5 year re-certification to be done in October of 2016 when the City of Tamarac will be re-evaluated by the Insurance Service Office in the Community Rating System Program.

In August 18, 2014, the new FIRM (Flood Insurance Rate Maps) became effective in Broward County including the City of Tamarac, removing a great amount of properties from the SFHA (Special Flood Hazard Areas) and placing some properties that were originally not in the SFHA, to be included in the SFHA after August 18th. A property that is no longer in the SFHA is not required to have Flood Insurance but it is always recommended to have a low-cost flood insurance policy known as a Preferred Risk Policy. It is always recommended to check with the lender and insurance agent on their requirements.

City of Tamarac Community Rating System Annual Progress Report

The Broward County Local Mitigation Strategy (LMS) serves as the Flood Plain Management plan for the City of Tamarac for the purpose of the Community Rating System (CRS) Activity 510. One of the requirements to maintain credit for this activity is the preparation and distribution of an annual progress report. This document serves as that progress report. It is prepared by the City of Tamarac CRS Coordinator and Planning Committee and will continue to be prepared on an annual basis. It is submitted to our governing body, the Tamarac City Commission, and is available on our website for public review. Please see www.tamarac.org. A copy was also distributed to the local major newspaper, the Sun Sentinel, and the Tamarac Forum.

The following is a review of the progress:

Preventive Activities

City Staff continues to maintain and develop enhancements to the City's storm water management program. The integrity of the City's storm water management system is continually preserved through the execution of an aggressive storm water maintenance program and implementation of the City's Municipal Separate Storm Sewer System – National Pollution Discharge and Elimination System (MS4 – NPDES) Permit. The storm water maintenance program includes, but is not limited to, the following:

- ***Waterway inspections and maintenance*** – The City has approximately 522 acres of open waterways as part of the overall drainage system. The open waterways are periodically inspected for excessive surface water pollution and treated for excessive aquatic growth. Aquatic growth management includes controlled chemical spraying and mechanical harvesting.

- ***Pump Station inspections and maintenance*** – Since the adoption of the LMS, Tamarac has completed the replacement of all three (3) of the City's storm water pump stations at a cost of \$4,800,000. These stations are periodically inspected and maintained as necessary.
- ***Storm water pipe and catch basin inspection and maintenance*** – The City owns and operates approximately 82 miles of drainage pipes and 4,662 catch basins as part of the overall drainage system. Both pipes and catch basins are periodically inspected, cleaned, and/or repaired as necessary.
- ***Street Sweeping Program*** – The City owns and maintains approximately 137 miles of paved roadways throughout the City. The City's Street Sweeping Program includes daily mechanical sweeping of eligible roadways.
- ***Culvert Maintenance Cleaning Program*** – Annual cleaning, inspection, and maintenance of City Culverts will remove impediments affecting the flow of water through our storm water system, prevent the build-up of excess sediment, and will assist in identifying areas that may need additional repairs and maintenance to prevent more costly and complex repairs in the future.

Structural Projects and Storm water Studies

Current ongoing or recently completed Storm Water System Capital Improvement Projects/Studies include:

- ***Citywide Culvert and Headwall Improvements*** – This project consists of the repair and/or the replacement of culverts and headwalls due to normal deterioration resulting from time and weather. This is an ongoing citywide project with a bi-annual budget of \$800,000. Currently, the City is beginning the replacement of six (6) headwalls with a proposed budget of \$559,810.00
- ***Storm Water Pump Station Repair/Renovation Project*** – The City of Tamarac operates and maintains three storm water pump stations that collectively house eight (8) storm water pumps, all located along the C-14 Canal. The storm water pump stations are an integral part of the City's overall storm water management system. This project includes converting the drive shaft lubrication system of the eight (8) pumps to a fresh water lubrication system. This system will utilize fresh water instead of petroleum-based lubricants. This system will still provide adequate lubrication, but in the event of a leak, the negative impact to the environment is greatly reduced.

- **Storm Water Master Plan** - A Storm Water Master Plan is a comprehensive plan used to identify and characterize key components of a Storm Water Management System that must be implemented or properly maintained to protect the City against storm water related challenges. The City of Tamarac has an extensive network of canals, lakes and drainage systems to manage and control storm water throughout the City. The proposed Storm Water Master Plan will include, but not be limited to, the following scope of services:
 - Review existing information/collect data such as existing plans, as-built, models, GIS and field investigations. Research City of Tamarac, SFWMD and BCEPD records for permit information and design information.
 - Review the current development code requirements to determine if the existing code meets current local, state and federal regulatory standards.
 - Provide design criteria to meet NPDES requirements and reduce storm water pollutants.
 - Provide suitable low impact development (LID) guidelines for future development within the City.
 - Calculate, provide computer drainage modeling, and analyze data for 10-year 1-day, 25-year 3-day and 100-year 3-day storm events.
 - Analyze the entire drainage system, determine areas that have insufficient drainage systems and recommend solutions.
 - Coordinate with City Engineer to develop a CIP list for recommended drainage system improvements. CIP's will be developed based upon priority improvements needed to address the most critical areas of concern within the City.
 - Prepare preliminary cost estimates for drainage system improvements of each substandard area.

Floodplain Protection Activities

The City continues to work with Broward County through their bond program to acquire conservation land and green space sites. Below is an inventory of the Conservation Land and Green Space that is being preserved by the City of Tamarac.

CONSERVATION LAND AND GREEN SPACE SITES	
Site	Acres
Tamarac Reclamation Park	1.50
Sports Complex	39.00
Mainlands Park	23.00
Tephford Park	20.00
Gary B Jones Park (Dog Park)	3.50
Water's Edge	6.00
Tamarac Commons Park	0.50
Sunset Point Park	8.50
Woodmont Natural Preserve	16.00
Colony West Golf Course	332
Sabal Palm Park	9
Caporella Park	9.3
Tamarac Park	10.4
Veterans Park	6.3
Aquatic Center Annex	1.72
Wildlife Preserve	6.25
Total Acres of Land & Green Space:	493

Outreach Projects

The City of Tamarac actively pursues various methods to engage our citizens and businesses about flood hazards, flood prevention and flood insurance. The Tamarac Outreach program includes, but is not limited to, the following:

- ***Flood Protection Brochure***

The foremost outreach project is the mailing of our Flood Protection Brochure, it is delivered through the mail in conjunction with the City's Newsmagazine, (Tam-A-Gram) in the spring and fall issue each year. This newsmagazine reaches all residents and businesses within the City of Tamarac. This brochure covers topics such as; Local Flood Hazards, Flood Safety, Flood Insurance, Property Protection Measures, Natural Functions of the Floodplain, our Flood Warning System, Floodplain Development Permitting Procedures, Description and Substantial Improvement Requirements, Drainage System Maintenance and a Map of Tamarac's Floodplain. This brochure is also displayed and available at the Building Department, the City Clerk's office, the Tamarac branch of the Broward County Library, and new residents receive the Brochure in their welcoming package.

- ***Elevation Certificates***

The City's Building Department maintains all elevation certificates for new and substantially improved buildings. Copies of those elevation certificates when available are made available to the public upon request.

- ***Map Information Service***

The City's Building Department provides inquirers with flood zone information in a letter of map determination from the latest Flood Insurance Rate Map (FIRM). We publish this service bi-annually to all City of Tamarac residents and business owners, as well as maintain records of all the requests.

- ***Repetitive Loss properties***

The City of Tamarac to date has 3 repetitive loss properties. 5 repetitive loss properties were removed in 2010 from an area that was mitigated with the new construction of 3 Master Storm Water Pump Stations.

- ***Public Information –***

- The City's Building Department staff educates homeowners and business owners on the NFIP at neighborhood and association meetings by providing a brief presentation followed by question and answer period.
- During the City of Tamarac's Hurricane Awareness Expo held in April/May of each year, we provide information and the Flood Protection Brochure for the citizens and attendees.

- Tamarac has floodplain information on our website. It includes a pdf file of our flood protection brochure and multiple links to county and federal websites; it also includes a link to Broward County GIS which will automatically provide the special flood hazard designation, base flood elevation, and other flood related data for individual addresses.
- Multiple stories are written every year on flood insurance and hurricane protection in the Tam-A-Gram, the City's quarterly newsletter that is delivered to every household in the City.
- Tamarac takes part in FEMA's coastal Risk Mapping, Assessment and Planning (Risk MAP) project in an effort to assist community efforts to identify, assess, and reduce their flood risk.
- Tamarac developed in March of 2015 a Program for Public Information (PPI) committee, tailored to the community's needs for outreach about flood hazards and floodplain resources. The committee is made up of four City Employees, The Chief Building Official, Flood Plain Manager, the Assistant Building Official, the Housing Program Manager and twelve Community Leaders who are representative of the Chamber of Commerce, Crisis Housing Solutions, Habitat for Humanity, Broward Sheriff's Office, Local Realtors, Bank Administrator, Fair Housing Center, Broward County Housing Authority and a local Developer/Builder.
Meetings are scheduled quarterly to open channels of communication for current and potential ideas to create a plan for Public Outreach and Awareness.

The City of Tamarac continually seeks new ways to deploy the aforementioned information to our floodplain stakeholders. In addition, the City of Tamarac is committed in continuing the promotion of a comprehensive mitigation program to minimize the impact of natural, technological and societal hazards by increasing public awareness, documenting the resources for risk reduction and, identifying activities that will guide the City toward building a safer community.



Title - Presentation on Financial Transparency





Presentation on Financial Transparency - ***Financial Services Director Mark Mason and Assistant Financial Services Director/Controller Christine Cajuste***



Title - TO2325 - Amending Chapter 22 "Utilities", Code of Ordinances

Item No. 8(a) on Ordinance(s) - First Reading. (TO2325) An Ordinance of the City Commission of the City of Tamarac, Florida, amending Chapter 22, "Utilities" of the Code of Ordinances of the City of Tamarac by amending Section 22-96 Rates and Charges Applicable to City Utility, to provide regulations relating to service availability charges and consumption rate adjustments; providing for codification; providing for conflicts; providing for severability; providing for an effective date. - **Financial Services Director Mark Mason**

ATTACHMENTS:

Description	Upload Date	Type
 TO #2325 Memo Amending Chapter 22 "Utilities", Code of Ordinances	8/25/2015	Cover Memo
 TO #2325 Ordinance Amending Chapter 22 "Utilities", Code of Ordinances	8/25/2015	Ordinance
 TO #2325 Ordinance Amending Chapter 22 "Utilities", Code of Ordinance Attachment 1	8/25/2015	Exhibit
 TO #2325 Ordinance Amending Chapter 22 "Utilities", Code of Ordinance Attachment 2	8/25/2015	Exhibit

CITY OF TAMARAC
INTEROFFICE MEMORANDUM
FINANCE DEPARTMENT
ADMINISTRATION DIVISION

TO: Michael C. Cernech
City Manager

DATE: August 25, 2015

FROM: Mark C. Mason, Director of
Financial Services



RE: TO # 2325 Amending
Chapter 22 "Utilities", Code
of Ordinances

Recommendation:

I recommend that TO # 2325 amending Chapter 22 "Utilities" be placed on the September 9, 2015 Agenda for introduction with the final public hearing to be held September 22, 2015.

Issue:

Chapter 22 "Utilities" is recommended for amendment based upon the Revenue Sufficiency Study prepared by Burton & Associates.

Background:

In late 2010 and early 2011, the City of Tamarac contracted with Burton & Associates for the purpose of developing a multi-year financial management plan, evaluate the then rate structure and develop recommended modifications as necessary, and provide a comparative residential and commercial rate survey.

The results of the Long-Term Financial Plan were presented to the City Commission in March 2011 and Chapter 22 *Utilities* was amended to reflect the recommended changes to the ordinance provided for in the plan.

Specifically, Section 22-96 *Rates and charges applicable to city utility* was amended to provide for an annual rate adjustment using the annual Water & Sewerage Maintenance Series of the CPI or annual adjustment of 5.25%, whichever is greater.

In addition, the rate structure was modified to reflect a change in the tier structure for water & sewer rates, an adjustment to the service availability charges, and separating the Customer Service and Billing charges from the service availability charges all of which was revenue neutral and reflected savings to over 80% of the residential accounts.

In April 2015, City staff contracted with Burton & Associates to evaluate revenue sufficiency in light of changes in the forecasted need of a Reverse Osmosis plant in FY

2020 and a reallocation of funding towards inflow/infiltration projects and other infrastructure renewal and replacement projects.

On August 24, 2015, Burton and Associates presented their results of the Revenue Sufficiency Study (Attachment 1) to the City Commission providing their recommendations (Attachment 2) as follows:

- ▶ No water and sewer rate adjustments are needed to fund the Utility's expenditure requirements through FY 2018
- ▶ 2.50% annual rate adjustments required starting in FY 2019
- ▶ Should retain the ability to adjust rates according to the max of the recommended rate plan or the W&S Maintenance Index
- ▶ The City should maintain an R&R reserve balance of \$5 million

In accordance with the above recommendations, the ordinance has been modified to provide that the Water & Sewerage Index shall be used unless action is taken by the City Commission to use a different adjustment factor. Staff will provide an annual resolution to establish the adjustment factor for the ensuing year.

This change in language will provide the maximum flexibility to the City to set the annual adjustment to meet changing circumstances.

Fiscal Impact:

The fiscal impact of this ordinance change will be evaluated annually in accordance with the annual Water & Sewerage Maintenance Index.

ORDINANCE NO. 2015- _____

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF TAMARAC, FLORIDA, AMENDING CHAPTER 22, "UTILITIES" OF THE CODE OF ORDINANCES OF THE CITY OF TAMARAC BY AMENDING SECTION 22-96 RATES AND CHARGES APPLICABLE TO CITY UTILITY, TO PROVIDE REGULATIONS RELATING TO SERVICE AVAILABILITY CHARGES AND CONSUMPTION RATE ADJUSTMENTS; PROVIDING FOR CODIFICATION; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City has performed a revenue sufficiency study; and

WHEREAS, City Staff presented the results of the FY 2015 Water & Sewer Revenue Sufficiency Study for the City of Tamarac Utilities Department to the City Commission; and

WHEREAS, City Staff is in agreement with Burton & Associates Revenue Sufficiency Study which recommends that the City of Tamarac Utilities should retain the ability to incorporate rate adjustments according to the max of the recommended rate plan or the US CPI W&S Maintenance Index; and

WHEREAS, the City Commission deems the proposed amendment to the City of Chapter 22 "Utilities" to be in the best interests of the health, safety, and welfare of the citizens and residents of the City of Tamarac.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TAMARAC, FLORIDA, AS FOLLOWS:

Section 1. The foregoing "WHEREAS" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption hereof.

Section 2. That Chapter 22 "Utilities" of the City of Tamarac Code of Ordinances be amended by:

Sec. 22-96. Rates and charges applicable to city utility.

(a) The city commission shall, after a duly noticed public hearing, establish and adopt by resolution a schedule for fees and charges incidental to the operation of the city's utility system.

(b) Commencing on October 1, ~~2011~~2015, and effective on October 1, of each year thereafter, all water and wastewater service availability charges and consumption rates shall be adjusted, ~~without further action by the city commission,~~ by the U.S. Consumer Price Index Water and Sewerage Maintenance Index as determined in ~~June~~ April of the calendar year of the adjustment ~~or the annual calculated rate adjustment provided in the most recent Water and Sewer Long Term Financial Plan, whichever is greater unless action is taken by the city commission to use a different adjustment factor.~~

(c) In the event that the South Florida Water Management District or other authority having jurisdiction declares a water shortage requiring mandatory curtailment to the extent of a fifteen (15) percent reduction in water usage, the water consumption charges then in effect by resolution shall be increased eighteen (18) percent. In the event that a reduction of water use in excess of fifteen (15) percent is required, the city commission may establish by resolution an appropriate surcharge based upon a recommendation of the city administration as to the revenue required to comply with existing debt service covenants or to meet other requirements of the water system.

Section 3. It is the intention of the City Commission of the City of Tamarac that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Tamarac, Florida, and that the Sections of this ordinance may be renumbered, re-lettered and the word "Ordinance" may be changed to "Section", "Article" or such other word or phrase in order to accomplish such intention.

Section 4. If any clause, section, or other part or application of this Ordinance shall be held by any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and so not affecting the remaining portions or applications remaining in full force and effect.

Section 5. All Ordinances or parts of Ordinances, Resolutions or parts of Resolutions in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Section 6. This Ordinance shall become effective on immediately upon adoption, as provided by Florida law.

REMAINDER OF THIS PAGE LEFT BLANK. SIGNATURE PAGE FOLLOWS.

PASSED, FIRST READING this _____ day of _____, 2015.
PASSED, SECOND READING this _____ day of _____, 2015.

ATTEST: BY: _____
MAYOR HARRY DRESSLER

PAT TEUFEL, CMC
CITY CLERK

RECORD OF COMMISSION VOTE: 1ST Reading
MAYOR DRESSLER _____
DIST 1: V/M. BUSHNELL _____
DIST 2: COMM. GOMEZ _____
DIST 3: COMM. GLASSER _____
DIST 4: COMM. PLACKO _____

I HEREBY CERTIFY that
I have approved this
ORDINANCE as to form:

SAMUEL S. GOREN
CITY ATTORNEY

RECORD OF COMMISSION VOTE: 2ND Reading
MAYOR DRESSLER _____
DIST 1: V/M. BUSHNELL _____
DIST 2: COMM. GOMEZ _____
DIST 3: COMM. GLASSER _____
DIST 4: COMM. PLACKO _____



City of Tamarac, FL

FY 2015 Water & Sewer Revenue Sufficiency Analysis

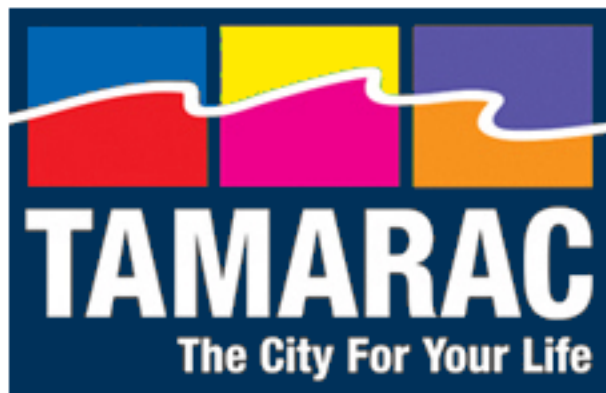
Final Report

August 14, 2015

Prepared by:

BURTON & ASSOCIATES

UTILITY RATES ■ ASSESSMENTS ■ FINANCIAL PLANNING



BURTON & ASSOCIATES

August 14, 2015

Mr. Mark Mason
Director of Financial Services
City of Tamarac
7525 NW 88th Ave
Tamarac, FL 33321

Re: FY 2015 Water & Sewer Revenue Sufficiency Analysis

Dear Mr. Mason:

Burton & Associates is pleased to present this Final Report of the FY 2015 Water & Sewer Revenue Sufficiency Analysis that we have performed for the City's Water and Sewer Enterprise Fund.

We appreciate the fine assistance provided by you and all of the members of City staff who participated in the analysis. We respectfully request that you distribute this Final Report to the appropriate individuals at the City for their review and comment in addition to your own.

If you or others at the City have any questions, please do not hesitate to call me at (813) 443-5138. We sincerely appreciate the opportunity to be of continued service to you and the City.

Very Truly Yours,



Andrew J. Burnham
Senior Vice President

Enclosure

BURTON & ASSOCIATES

1000 N. Ashley Dr., Suite 513 • Tampa, Florida 33602 • Phone (813) 443-5138 • Fax (813) 443-8289
E-mail: aburnham@burtonandassociates.com

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

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SECTION 1. INTRODUCTION

The City of Tamarac (City) retained the services of Burton & Associates to conduct the FY 2015 Water & Sewer Revenue Sufficiency Analysis (RSA) for its Water and Sewer Utility System (Utility). This Report describes in detail the assumptions, procedures, and results of the RSA, including our conclusions and recommendations.

1.1 BACKGROUND

In 2011, the City retained Burton & Associates to develop a long-term water and sewer financial plan that determined the level of annual water and sewer revenue required to satisfy all requirements of the Utility over a ten-year projection period, from which a multi-year rate revenue adjustment plan was developed and recommended to the City for approval. As part of the analysis, the Utility also requested that we develop recommended adjustments to the existing rate structure to reflect a fair and equitable distribution of costs, enhance affordability for low and average water users, provide a stronger price signal to large volume users to conserve, and ensure conformance to accepted industry and local practices.

Using our financial forecasting model, we determined that a plan of annual rate increases equal to the greater of the annual change in the US CPI W&S Maintenance index or 5.25% (the ten-year average annual change in the US CPI Water and Sewerage Maintenance Index at the time of the prior study) would provide adequate revenue to meet the Utility's operating and capital cost, debt service coverage, and reserve requirements during the projection period.

The results of the study and recommendations were presented to the Tamarac City Commissioners (TCC) for approval at its regular meeting on May 11, 2011. At that meeting, the TCC voted to approve the water and sewer rate structure modifications and

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

INTRODUCTION

the plan of annual rate indexing adjustments. The past four years of resulting water and sewer rate adjustments for the Utility are presented in the following table:

Effective Date:	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>
Water Increase:	5.95%	6.71%	5.25%	5.25%
Sewer Increase:	5.95%	6.71%	5.25%	5.25%

Historically, the financial performance of the Utility is most affected by purchased sewer services and ongoing capital improvements. Broward County, the City's wholesale wastewater service provider, has continued to increase its rates for wastewater treatment and disposal services. Since the last study, Broward County wastewater treatment expense has increase by about 1.3% per year, and is projected to increase by approximately 3.9% per year through FY 2025. Additionally, aging infrastructure continues to drive the need for renewal and replacement projects within the Utility's capital improvement plan. However, construction of the Reverse Osmosis Water Treatment Facility, expected in the prior study to be constructed in FY 2019 – FY 2020 at a cost of \$19 million, has been deferred as a result of the City of Tamarac's securing an increase in the Water Withdrawal Permit as a result of its conservation efforts and will satisfy the City's needs through 2030.. The expectation is that this facility will not be constructed until after FY 2025, which is beyond the current ten-year projection period.

As part of its financial management planning practices, the City has again retained the services of Burton & Associates to evaluate the adequacy of its revenues and plan of annual water and sewer rate adjustments to allow for the incorporation of updated revenue and expense information, as well as changes in economic conditions, water consumption, regulatory requirements, and other factors. Doing so allows the Utility to meet its financial requirements and policy objectives while minimizing any rate impacts to its customers from future events occurring differently than projected.

1.2 OBJECTIVES

The objectives of the RSA were as follows:

Revenue Sufficiency Analysis – To ensure that the Utility has sufficient annual revenues to meet its financial requirements, and to identify a plan of future rate increases that would provide adequate revenue to fund the Utility’s operating, capital, debt service (including coverage), and reserve requirements over a multi-year projection period.

Residential Rate Survey – To compare the current monthly water and sewer bill for the Utility’s “typical” single-family residential user to the costs of other utility systems in the surrounding geographic area.

SECTION 2. REVENUE SUFFICIENCY ANALYSIS

The objective of the Revenue Sufficiency Analysis (RSA) was to determine the sufficiency of the Utility's current water and sewer revenue to satisfy the operating and capital requirements, and to then identify the appropriate level of annual water and sewer rate revenue (and corresponding rate adjustments) required over the remainder of the RSA's ten-year projection period (FY 2016 - FY 2025)¹. The following sub-sections describe the base data and assumptions of the RSA, including the results and our conclusions and recommendations.

2.1 DESCRIPTION

The RSA was performed using both historical and projected information. The detailed historical financial information used to establish the beginning FY 2015 balances for each of the various funds was obtained from Utility staff.

The revenue utilized in the RSA consists of retail rate revenue, interest earnings, impact fees, capital contributions, and other minor revenue from miscellaneous service charges. Water and sewer retail rate revenue projections were based upon FY 2014 actual revenues, adjusted annually based upon assumed customer growth and rate increases. Except as noted in Section 2.2, all non-rate revenues were based upon the FY 2015 Budget, the FY 2016 Proposed Budget, and the FY 2017 – FY 2018 Forecasted Budgets, as provided by staff. Non-rate revenues from FY 2019 – FY 2025 were projected based upon the FY 2018 Forecasted Budget.

¹ While the RSA begins with FY 2015 data, the majority of this information serves as the base data upon which projected FY 2016 beginning fund balances were determined. As such, for purposes of this Study, FY 2015 is not considered part of the projection/planning period.

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

REVENUE SUFFICIENCY ANALYSIS

Except as noted in Section 2.2, the FY 2015 - FY 2018 revenue requirements were based upon the FY 2015 Budget, FY 2016 Proposed Budget, and the FY2017 – FY 2018 Forecasted Budgets and include all O&M expenses, debt service requirements, and minor capital outlay requirements. Future projections were based upon the FY 2018 Forecasted Budget and were adjusted by the assumed cost escalation factors for individual expense categories and annual execution/spending assumptions.

Through FY 2025, annual capital requirements were per the current ten-year CIP Budget provided by City staff and are presented in project-level detail by year in Appendix A of this Report.

2.2 ASSUMPTIONS

The following portion of the report presents the key assumptions, base data, and parameters utilized in the RSA:

2.2.1 Beginning Fund Balances

The detailed historical financial information used to establish the beginning FY 2015 balances for each of the various funds was obtained from Utility staff. It is important to note that funds reserved or encumbered for specific capital projects were included in the beginning fund balances available for capital projects in FY 2015 and the associated capital project costs were included in the CIP in FY 2015.

2.2.2 Base Revenues

The revenue utilized in the RSA consists of retail rate revenue, interest earnings, impact fees, capital contributions, and other minor revenue from miscellaneous service charges. Water and sewer retail rate revenue projections were based upon FY 2014 actual revenues, adjusted annually based upon assumed customer growth and rate increases. All non-rate revenues, excluding interest earnings and impact fees, were projected based upon the FY 2015 Budget, the FY 2016 Proposed Budget, and the FY 2017 – FY 2018 Forecasted Budgets, as provided by staff. All other future non-rate revenues were based

upon the FY 2018 Forecasted Budget. Annual interest earnings revenue was calculated based upon projected fund balances and assumed interest rates in each year, as detailed in Section 2.2.5 below. Water and sewer impact fee revenues were calculated based upon the respective fee and assumed schedule of new units paying impact fees.

2.2.3 Customer Growth

New connection and demand/sales growth projections were based upon a review of multiple years of historical data and discussions with City staff regarding the anticipated number of active equivalent residential units (ERUs) expected to receive utility service. In each year of the projection period, it is assumed that the Utility will add 100 ERUs to the water system and sewer system. This growth schedule represents annual water system growth rates of 0.28% and annual sewer system growth rates of 0.30%. It is assumed that 100% of the projected growth in ERUs will be from new construction paying impact fees in each year of the projection period.

2.2.4 Price Elasticity

This adjustment is incorporated into the RSA to reflect that, as rates increase, discretionary water consumption (and therefore sewer sales, to a certain degree) will likely decline. Therefore, in order to generate sufficient revenue, projected rate increases will have to be adjusted to reflect a smaller revenue base to which they will be applied, thus causing the projected rate increases to be larger. The price elasticity adjustment reduces consumption-based revenues by the product of the annual rate increase and the annual assumed price elasticity coefficient. In each year of the projection period, the price elasticity coefficient assumed is 0.10. In other words, for every 10% increase in price the RSA reflects a 1.0% reduction in water and sewer consumption-based revenues.

2.2.5 Interest Earnings

The estimated interest earnings rate on invested funds is 0.50% in FY 2016; increasing to 0.75% in FY 2017, 1.00% in FY 2018, 1.25% in FY 2019, and 1.50% in FY 2020 as well as each year of the projection period thereafter.

2.2.6 Cost Escalation

Annual cost escalation factors for the various types of O&M expenses were discussed with City staff and applied in each year of the projection period beginning in FY 2019. The specific escalation factors assumed for each category of expense are presented in Appendix A of this Report and reflect recent historical trends, current industry observations, and Utility management expectations.

2.2.7 PILOT

Anticipated transfers out to the General Fund in the form of Payment in Lieu of Taxes (PILOT) were assumed to be equal to 6% of total operating revenues.

2.2.8 R&R Fund Transfers

Transfers to the Renewal & Replacement (R&R) Fund were assumed to be the amount necessary to cash fund the Utility's capital plan in each fiscal year, less impact fees used to pay for projects, with a minimum transfer of \$5 million.

2.2.9 Wastewater Volume

The forecasted wastewater volume for which the City will require wholesale treatment and disposal service from Broward County is based upon five months of flows in FY 2015, the average of the flows sent to Broward County in the preceding five fiscal years, and discussions with staff (approximately 7.9 million gallons per day), adjusted annually to reflect a 2% reduction per year in volume through FY 2021 due to the Utility's CIP program addressing inflow and infiltration. The annual amount of wastewater volume is multiplied by the projected wholesale rate of Broward County to determine annual wastewater treatment and disposal expenses.

2.2.10 Increases in Broward County Wholesale Rates

For purposes of this analysis, it is assumed that Broward County volumetric rates charged to the Utility for wastewater treatment and disposal services will increase by 3.00% in FY 2016, 3.50% in FY 2017, 4.00% in FY 2018, 4.50% in FY 2019 and then by 5.00% annually

thereafter. In addition, it is assumed that the Broward County debt charges to the Utility will not increase. In FY 2016, the IR&R Surcharge was raised from 5% to 10%, based on expected increases. These increase assumptions were based upon projections identified by Broward County and discussions with City staff at the time this analysis was conducted.

2.2.11 Capital Projects Funding

The CIP was provided by City staff in current day dollars. Therefore, beginning in FY 2017, a compounded annual cost inflation factor of 3.00% (based upon the five-year average increase in the Engineering News Record Construction Cost Index) is applied to each dollar of projected capital spending to account for inflation in the future cost of construction. Through FY 2017, the total budgeted CIP is approximately \$17.3 million; and approximately \$60.2 million through FY 2025. A detailed list of the specific projects and costs by year are presented in Appendix A of this Report.

In discussions with staff, it was determined that, due to expected cost savings and some ongoing projects not being fully completed as budgeted, the Utility is unlikely to execute 100% of its budgeted capital improvement spending in any year of the projection period. Consequently, the RSA assumes that 95% of the budgeted capital spending will be executed in each year of the projection period.

2.2.12 Borrowing Assumptions

To the extent new debt is required during any year of the projection period, it is assumed it would carry the following terms:

Long-Term Debt:

- Term: 30 Years
- Interest Rate: 3.50% in FY 2015, increasing to 3.75% in FY 2016, and increasing by 0.25% each year thereafter until FY 2021 when the cost of borrowing is assumed to be 5.00% in each remaining year of the projection period
- Cost of Issuance: 2.00% of Par
- Debt Service Reserve: Equal to 1 year of annual debt service expense

2.2.13 Debt Service and Coverage

The Utility must maintain net revenue (gross revenue minus operating expenses) that is at least 1.10 times greater than the annual debt service requirement (i.e. the annual principal and interest payments) on its outstanding senior-lien debt.

This coverage requirement is a minimum requirement. To the extent the Utility is unable to meet this requirement it could be found in technical default, resulting in the Utility having its credit rating downgraded, which would affect the interest rate and terms of future financing initiatives. As a policy decision, utilities often measure revenue sufficiency and set rates based upon a higher coverage level so as to ensure compliance with these covenants in the event future projections of revenue and expenses do not occur as predicted. This RSA targeted debt service coverage of at least 1.50 times net revenue throughout the projection period, which is indicative of a “Strong” utility system per the evaluation criteria published by the municipal utility ratings agency, Standard & Poor’s.

2.2.14 Minimum Working Capital Reserve

A minimum working capital reserve equal to 3 months of operating and maintenance expenses is maintained in each year of the projection period. Based upon our industry experience, water and sewer utilities will generally target a minimum working capital reserve, or operating reserve, in the range of 2 – 6 months of operating and maintenance expenses. This range is consistent with the results of a recent analysis performed by the Rates and Charges Sub-committee of the American Water Works Association (AWWA), which concluded that adequate working capital reserves for water and sewer utility systems should be between 2 – 6 months of operating and maintenance expenses. Furthermore, this range is consistent with a “Good” level of reserves for a municipal utility system per the evaluation criteria published by the municipal utility ratings agency, Standard & Poor’s.

2.2.15 Minimum Renewal & Replacement Reserve

This reserve is intended to be used for the funding of infrastructure improvements resulting from unanticipated emergencies or failure of a utility's most vulnerable system components. Establishing such a reserve provides funding for emergency repairs or replacements, typically those caused by natural disasters or unanticipated system failures.

One method for determining an appropriate R&R Reserve is to determine the cost of replacing the most expensive facility of a utility system and reserving an amount equal to that cost. Another method is to base the level of the reserve on the historical records and experience of the utility in dealing with such emergencies and disasters, reflecting the change of incidence of these situations. Determining the reserve is also a function of management objectives and overall system reliability.

Based upon discussions with staff relative to the Utility's critical system infrastructure and associated cost, we recommend establishing a replacement reserve target of \$5 million as opposed to the current reserve policy of \$500,000. At the end of FY 2014, the Utility's existing R&R Reserve was equal to approximately \$6.5 million. The financial management plan presented in this report reflects a minimum fund balance of \$5 million in each year of the projection period.

2.3 RESULTS

Upon completing the RSA using the data and assumptions detailed in Section 2.1 and Section 2.2, it was determined that the Utility does not require a rate increase to meet its revenue requirements during FY 2016 – FY 2018. Furthermore, inflationary-type increases of 2.50% per year beginning in FY 2019 were determined to be sufficient to fund all of the Utility's financial requirements and policy objectives in each remaining year of the projection period, through FY 2025. This change in the plan of annual rate increases from the FY 2011 Study is largely due to the deferred construction of the Reverse Osmosis Water Treatment Facility mentioned in Section 1.1. However, the Utility should retain its

ability to adjust its plan of annual rate increases according to the greater of the annual change in the US CPI W&S Maintenance index or the approved plan of rate increases, if the Utility's future financial situation is significantly different from what is projected in this study. Additionally, in the future, if the construction of the Reverse Osmosis Water Treatment Facility is anticipated, this study should be updated to determine any rate increases necessary to facilitate construction of the facility and to execute the rest of the capital plan while maintaining adequate reserves and debt service coverage.

The plan of annual water and sewer rate adjustments presented in this Report was predicated upon 1) maintaining a minimum working capital reserve balance equal to approximately three months of annual O&M spending, 2) maintaining annual debt service coverage equal to at least 1.50, and 3) funding the identified capital requirements in each year of the projection period without the issuance of additional debt.

2.4 CONCLUSIONS & RECOMMENDATIONS

Based upon the analysis presented herein and the results presented in the prior subsection, we have reached the following conclusions and recommendations:

- No water and sewer rate adjustments are needed to fund the Utility's expenditure requirements through FY 2018.
- Beginning in FY 2019, a plan of 2.50% annual water and sewer rate adjustments is sufficient to fund all of the Utility's financial requirements and policy objectives through FY 2025. However, if future inflationary pressures are significantly greater than forecasted herein, the utility should retain the ability to incorporate rate increases according to the max of the recommended rate plan or the US CPI W&S Maintenance Index.
- The City should maintain an R&R reserve balance of \$5 million, which more adequately represents the cost of replacing critical system infrastructure in the case of emergencies or system failures than the current reserve policy of \$500,000.

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

REVENUE SUFFICIENCY ANALYSIS

- Lastly, it is recommended that the City continue to update this analysis on an annual basis to evaluate the adequacy of its revenues and approved plan of annual water and sewer rate adjustments. Doing so will allow for the incorporation of updated revenue and expense information, as well as changes in economic conditions, water consumption, regulatory requirements, and other factors, so that any necessary adjustments can be made to the financial management plan presented herein.

SECTION 3. RESIDENTIAL RATE SURVEY

As part of the RSA, we also performed a comparative survey of the single-family residential water and sewer rates of other communities providing utility service in the City’s surrounding geographic area. The survey presents the combined water and sewer monthly bill calculations for each community assuming the rates in effect for FY 2015 and 4,000 gallons per month of consumption (the average monthly consumption for a “typical” single-family residential customer served by the Utility).

The results of the survey indicate that the Utility’s charges for a combined water and sewer monthly bill to its “typical” single-family residential customer (4,000 gallons per month) is very comparable to the other utility systems in Broward County. The results of the survey are presented in Appendix B of this Report.

It is important to note that each monthly bill in the survey was calculated based upon the current FY 2015 water and sewer rates. It is very likely that the majority of municipalities surveyed will implement rate adjustments effective at the beginning of FY 2016. The ten-year average annual change in the US CPI – Water & Sewerage Maintenance Series is approximately 5%. Therefore, it is reasonable to expect that the City will continue to move down the survey as other municipalities implement their own rate adjustments (presumably comparable to national trends).

Appendix A – Supporting Financial Schedules for the RSA

Schedule 1 contains the assumptions of the RSA

Schedule 2 identifies the end of FY 2014 fund balances that serve as the FY 2015 beginning balances of the analysis

Schedule 3 provides a listing of the ten-year capital improvement program that was utilized in the RSA

Schedule 4 presents a detailed list of all projected cash inflows from FY 2015 – FY 2025

Schedule 5 presents a detailed list of all projected cash outflows from FY 2015 – FY 2025

Schedule 6 presents the list of specific annual cost escalation factors, in line-item detail

Schedule 7 contains the FAMS-XL © Control Panel that presents a summary of the financial management plan, including annual rate increases, debt service coverage ratios, annual O&M execution rates, customer impacts, and fund balances

Schedule 8 presents the projected annual net income, debt service coverage, and cash flow results

Schedule 9 shows the projected funding sources for the capital improvement program

Schedule 10 contains the calculation of projected annual long-term borrowing

Schedule 11 presents a fund-level cash flow reconciliation, providing the beginning balance in each year, the amount utilized for project funding or payment of debt service, interest calculations, and the end of year fund balance

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 1 – Assumptions

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<u>Annual Revenue Growth - Water:</u>											
Number of ERU's	35,480	35,580	35,680	35,780	35,880	35,980	36,080	36,180	36,280	36,380	36,480
Percent Increase in ERU's	N/A	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.27%
Percent Increase in Water Use	N/A	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.27%
Projected Growth in Impact Fee Paying ERU's	N/A	100	100	100	100	100	100	100	100	100	100
<u>Annual Revenue Growth - Sewer:</u>											
Number of ERU's	33,458	33,558	33,658	33,758	33,858	33,958	34,058	34,158	34,258	34,358	34,458
Percent Increase in ERU's	N/A	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.29%
Percent Increase in Sewer Flow	N/A	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.29%
Projected Growth in Impact Fee Paying ERU's	N/A	100	100	100	100	100	100	100	100	100	100
<u>Price Elasticity Coefficient:</u>											
Applied to Usage Charge Rate Revenue	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
<u>Impact Fees:</u>											
Water Fee	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
Sewer Fee	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
<u>Average Annual Interest Earnings Rate:</u>											
Water & Sewer Enterprise Fund	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
<u>Annual Spending Execution Rate:</u>											
Percent of Personal Services	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percent of Operating Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percent of CIP Budget	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
<u>Operating Cost Escalation Factors: ⁽¹⁾</u>											
Weighted Average Annual Cost Escalation	N/A	8.15%	2.64%	3.56%	5.53%	3.68%	3.74%	4.17%	4.24%	6.20%	4.31%
<u>Capital Outlay Cost Escalation Factors: ⁽¹⁾</u>											
Weighted Average Annual Cost Escalation	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<u>CIP Budget Annual Cost Inflation:</u>											
Compounded Annual Cost Escalation	0.00%	0.00%	3.00%	6.10%	9.30%	12.60%	15.90%	19.40%	23.00%	26.70%	30.50%
<u>Operating Fund Reserve Target:</u>											
Number of Months of Annual Operating Expense	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

(1) See Schedule 6 for list of specific annual cost escalation factors, in line-item detail.

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS
Schedule 2 – Beginning Balances APPENDIX A

FUND BALANCES	9/30/2014
R&R	\$ 6,499,074
Revenue Fund	\$ 20,558,737
Restricted Reserves	\$ 896,953
TOTAL CONSOLIDATED FUND BALANCE	\$ 27,954,764

FUND BALANCE DETAIL	Revenue Fund	R&R	Restricted Reserves
Cash & Cash Equivalents	\$ 20,346,096	-	-
Investments	4,974,884	-	-
Accounts Receivable	4,155,730	-	-
Estimated Unbilled Water and Sewer Revenue	-	-	-
Accounts Receivable - 120+ Days Old	-	-	-
Accounts Receivable - 90+ Days Old	-	-	-
Accounts Receivable - 60+ Days Old	-	-	-
Current Bills	-	-	-
Prepays	500	-	-
Restricted Cash & Equity in Pooled Cash & Investments	1,485,597	-	-
Inventory	258,564	-	-
TOTAL ASSETS	\$ 31,221,371	-	-
Less: Customer Deposits	\$ (1,485,597)	-	-
Less: Accounts Payable & Other Accrued Liabilities	(1,249,534)	-	-
Less: Due to Other Governments	(31,862)	-	-
Less: Current Bonds Payable	-	-	-
Less: Accrued Payroll	(171,343)	-	-
Less: Compensated Absences	(69,707)	-	-
Less: Accrued Interest Payable	-	-	-
CALCULATED FUND BALANCE (ASSETS - LIABILITIES)	\$ 28,213,328	-	-
Plus/(Less): Inventory	\$ (258,564)	-	-
Plus/(Less): Restricted for R&R	(6,499,074)	6,499,074	-
Plus/(Less): Restricted for Debt Service	(896,953)	-	896,953
NET UNRESTRICTED FUND BALANCE	\$ 20,558,737	6,499,074	896,953

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 3 – Capital Improvement Plan

<u>PROJECT DESCRIPTION</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
WTP Well Upgrade Project (UT06A)	\$ 60,000	60,000	60,000	60,000	60,000	60,000	65,000	65,000	65,000	65,000	65,000
Wastewater Pump Station Renewal	-	-	350,000	-	350,000	-	350,000	-	350,000	-	400,000
WTP Renewal/Replacement	100,000	100,000	100,000	100,000	100,000	125,000	125,000	125,000	125,000	125,000	150,000
Electrical/Mechanical Pump Station Renewal	-	-	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	150,000
Irrigation Replacement	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Sewer Main Rehabilitation (I & I) (UT15A)	1,600,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	500,000	500,000	500,000	500,000
Tamarac West System Rehabilitation (UT15E)	240,000	240,000	240,000	240,000	240,000	240,000	300,000	300,000	300,000	300,000	300,000
Scada Redundancy in Hardened Rm on 1st Floor	1,100,000	400,000	-	-	-	-	-	-	-	-	-
Peplace Tract 27 Small Pump/Motor with VFD Drive	100,000	-	-	-	-	-	-	-	-	-	-
Water Distribution System Upgrade	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
SCADA Upgrades for Wastewater Pump Stations	-	200,000	-	-	200,000	-	-	-	-	-	-
Install Wastewater Flowmeter on 30-In BC line	-	350,000	-	-	-	-	-	-	-	-	-
Paint Storage Tanks/ filters/Accelators/Piping	-	250,000	-	-	-	-	-	-	300,000	-	-
Shaker Village Pipe Bursting (Zones 2-6)	-	1,250,000	-	-	-	-	-	-	-	-	-
Rate Study	-	-	-	-	-	-	55,000	-	-	-	-
University Drive Water Main Upgrade (UW14B)	-	-	1,150,000	-	-	-	-	-	-	-	-
Replace Bleach Generator Electrodes and Rectifier	-	-	200,000	-	-	-	-	-	-	-	-
Rehab Accelators - Internals	-	-	350,000	-	-	-	-	400,000	-	-	-
Relocate Backyard Water Mains - Tamarac East	-	-	100,000	1,100,000	-	-	-	-	-	-	-
WTP Stormwater Improvements	-	-	100,000	500,000	-	-	-	-	-	-	-
Replace Greenleaf Filter Media/Sandblast/Paint	-	-	750,000	-	-	-	-	-	-	-	-
Replace WTP Package Filter Media - Filters 5&6	-	-	-	350,000	-	-	-	-	-	-	-
Replace Wastewater Force Mains	-	-	-	500,000	-	-	-	-	500,000	-	-
Replace Tr 27 pumps with VFd's and New MCC	-	-	-	100,000	1,150,000	-	-	-	-	-	-
Tract 27 Generator & ATS replacement	-	-	-	35,000	350,000	-	-	-	-	-	-
Grants/TAM Sq. WM Replacement	-	-	-	450,000	-	-	-	-	-	-	-
Grants Shopping Center Generator Replacement	-	-	-	25,000	250,000	-	-	-	-	-	-
Replace WTP Package Filter Media - Filters 3& 4	-	-	-	-	350,000	-	-	-	-	-	-
Water Master Plan Study	-	-	-	-	250,000	-	-	-	-	-	-
Replace Lime Silos and Slaker Systems	-	-	-	-	-	50,000	750,000	-	-	-	-
Rehabilitation of West 8 MG Accelator	-	-	-	-	-	-	-	1,000,000	-	-	-
Replace Bleach Generator with Bulk Bleach System	-	-	-	-	-	-	-	500,000	-	-	-
McNab Force Main, 92nd Ave/Nob Hill Rd. (US03E)	-	-	-	-	-	-	-	750,000	-	-	-
MIEX @ Pretreatment System	-	-	-	-	-	-	-	350,000	3,000,000	3,000,000	-
Wastewater System Master Plan (Study)	-	-	-	-	-	-	-	300,000	-	-	-
Rehabilitation of of East 8 MG Accelator	-	-	-	-	-	-	-	-	-	-	1,250,000
Lime Concentration (Thickener + Vacuum Filters)	-	-	-	-	-	-	-	-	-	-	300,000
Total CIP Budget (in FY 2015 dollars)	\$ 3,775,000	6,425,000	7,100,000	7,160,000	7,000,000	4,175,000	5,345,000	4,990,000	5,840,000	4,690,000	3,690,000
Compounded Annual Cost Escalation	0.0%	0.0%	3.0%	6.1%	9.3%	12.6%	15.9%	19.4%	23.0%	26.7%	30.5%
Annual Capital Spending Execution Percentage	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Final CIP Funding Level	\$ 3,586,250	6,103,750	6,947,350	7,216,922	7,268,450	4,465,998	5,885,112	5,660,157	6,824,040	5,645,119	4,574,678

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 4 – Projection of Cash Inflows

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<u>Rate Revenue Growth Assumptions</u>											
Growth in Water ERUs	N/A	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.27%
Growth in Water Usage	N/A	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.27%
Growth in Sewer ERUs	N/A	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.29%
Growth in Sewer Usage	N/A	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.29%
<u>Assumed Rate Revenue Adjustments</u>											
Assumed Water Rate Adjustment	N/A	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Assumed Sewer Rate Adjustment	N/A	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<u>Water & Sewer Rate Revenue</u> ⁽¹⁾											
Water Rate Revenue											
Base Facility Charges	\$ 4,214,696	4,226,575	4,238,454	4,250,333	4,368,767	4,490,467	4,615,521	4,744,021	4,876,062	5,011,739	5,151,153
Usage Charges	5,232,928	5,247,676	5,262,425	5,277,174	5,410,661	5,547,480	5,687,716	5,831,452	5,978,775	6,129,773	6,284,537
Sewer Rate Revenue											
Base Facility Charges	6,329,677	6,348,652	6,367,627	6,386,602	6,565,716	6,749,794	6,938,973	7,133,392	7,333,195	7,538,530	7,749,548
Usage Charges	9,272,679	9,300,476	9,328,274	9,356,071	9,594,419	9,838,752	10,089,220	10,345,974	10,609,170	10,878,969	11,155,534
Total Water & Sewer Rate Revenue	\$ 25,049,980	25,123,380	25,196,780	25,270,179	25,939,562	26,626,493	27,331,429	28,054,839	28,797,202	29,559,011	30,340,773
<u>Other Operating Revenue</u> ⁽²⁾											
Backflow Recertification	\$ 11,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Fire Line Charges	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Grease Trap/Dumpster Chg	6,400	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350
Late Charges	270,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Misc Service Charges	270,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000
Miscellaneous Revenues	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Repair/ Maint. Charges	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Labor / Overtime Charges	1,000	-	-	-	-	-	-	-	-	-	-
Equipment Usage Charges	2,000	-	-	-	-	-	-	-	-	-	-
Total Other Operating Revenue	\$ 738,400	770,350	770,350	770,350	770,350	770,350	770,350	770,350	770,350	770,350	770,350
Interest Earnings Revenue	\$ 54,231	109,822	163,515	213,190	245,897	270,397	259,425	244,506	224,100	194,616	160,255
<u>Capital Project Funding Sources</u> ⁽³⁾											
Water Impact Fees	\$ 140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Sewer Impact Fees	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
R&R Transfer	5,600,000	5,600,000	5,600,000	5,439,568	7,209,563	5,000,000	5,208,294	5,183,076	5,452,495	5,381,182	5,000,000
Total Capital Project Funding Sources	\$ 5,920,000	5,920,000	5,920,000	5,759,568	7,529,563	5,320,000	5,528,294	5,503,076	5,772,495	5,701,182	5,320,000
TOTAL CASH INFLOWS	\$ 31,762,611	31,923,551	32,050,645	32,013,287	34,485,372	32,987,241	33,889,498	34,572,771	35,564,147	36,225,159	36,591,378

(1) Future water and sewer rate revenue projections were based upon estimated FY 2015 results, adjusted annually to reflect additional revenue from assumed rate increases and customer growth.

(2) Other operating revenues for FY 2016 were based off the FY 2016 Proposed Budget, as provided by staff. Revenue projections for FY 2017 - FY 2018 were based off the FY 2017 - FY 2018 Forecasted Budgets. The rest of the projection period was based off the FY 2018 Forecasted Budget.

(3) Impact fee revenues were calculated based upon the current water and sewer impact fees and the projected growth in impact fee paying accounts (see Schedule 1 for annual growth projections).

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

	FY 2015 ⁽¹⁾	FY 2016 ⁽²⁾	FY 2017 ⁽³⁾	FY 2018 ⁽³⁾	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<u>Operating Expenses</u>											
<u>Personal Services</u>											
Regular Salaries & Wages	\$ 3,349,903	3,505,739	3,637,712	3,787,327	3,900,947	4,017,975	4,138,514	4,262,670	4,390,550	4,522,267	4,657,934
Premium	54,500	61,310	62,830	64,400	66,009	67,659	69,349	71,082	72,858	74,679	76,545
Overtime-Straight	64,500	157,952	163,402	149,145	153,619	158,228	162,975	167,864	172,900	178,087	183,430
Longevity	59,245	65,340	66,440	68,290	70,339	72,449	74,622	76,861	79,167	81,542	83,988
Fica Taxes	248,336	279,017	288,512	297,730	306,662	315,862	325,338	335,098	345,151	355,505	366,170
Pension - General	501,395	503,647	520,824	536,460	552,554	569,130	586,204	603,790	621,904	640,561	659,778
Non Rep Employees	255,429	246,496	258,485	272,958	282,512	292,399	302,633	313,226	324,188	335,535	347,279
Life Insurance	3,921	3,839	3,839	3,839	3,916	3,994	4,074	4,155	4,239	4,323	4,410
Emergency Standby Pay	9,600	9,600	9,600	9,600	9,792	9,988	10,188	10,391	10,599	10,811	11,027
Benefit Option	100,617	105,325	105,325	105,325	108,485	111,739	115,091	118,544	122,101	125,764	129,536
Health Insurance	694,660	788,932	758,462	758,462	834,308	917,739	1,009,513	1,110,464	1,221,511	1,343,662	1,478,028
Health Insurance- Retiree	33,000	33,000	33,000	33,000	36,300	39,930	43,923	48,315	53,147	58,462	64,308
Dental Insurance	2,522	3,252	3,252	3,252	3,268	3,285	3,301	3,318	3,334	3,351	3,368
Workers' Compensation	62,986	68,258	70,748	73,331	75,531	77,797	80,131	82,535	85,011	87,561	90,188
Disability - Long Term	4,168	4,224	4,430	4,680	4,820	4,965	5,114	5,267	5,425	5,588	5,756
Automobile Allowance	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888
Cell Phone Allowance	13,939	13,339	13,339	13,339	13,339	13,339	13,339	13,339	13,339	13,339	13,339
Sub-Total: Personal Services	\$ 5,462,609	5,853,158	6,004,088	6,185,026	6,426,289	6,680,366	6,948,198	7,230,808	7,529,312	7,844,924	8,178,972
<u>Fixed Operating & Maintenance Expenses</u>											
Auditing Services	\$ 26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400	26,400
Engineering Services	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Contractual Svcs	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Other Contractual Svcs	66,100	31,300	31,870	32,440	33,089	33,751	34,426	35,114	35,816	36,533	37,263
Water Purchased Resale	273,660	273,660	281,870	290,330	304,847	320,089	336,093	352,898	370,543	389,070	408,523
Security Services	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Irrigation	180,000	192,500	192,500	192,500	196,350	200,277	204,283	208,368	212,536	216,786	221,122
Travel, Meals, Lodging	5,630	5,730	6,030	6,030	6,151	6,274	6,399	6,527	6,658	6,791	6,927
Training & Seminars	13,850	13,850	13,850	13,850	14,127	14,410	14,698	14,992	15,292	15,597	15,909
Telephone Service	7,430	7,480	7,570	7,650	7,727	7,804	7,882	7,961	8,040	8,121	8,202
Wireless Phones & Pagers	4,860	8,700	8,300	8,700	9,135	9,592	10,071	10,575	11,104	11,659	12,242
Postage	6,200	6,200	6,200	6,200	6,324	6,450	6,579	6,711	6,845	6,982	7,122
Electric Service	528,284	571,000	592,720	616,400	641,026	666,636	693,269	720,966	749,770	779,724	810,875
Sludge Removal	135,000	120,000	120,000	120,000	122,400	124,848	127,345	129,892	132,490	135,139	137,842
Irrigation-Electricity	33,500	33,500	34,840	36,240	37,690	39,197	40,765	42,396	44,092	45,855	47,689
Rentals & Leases - Copier	5,460	3,350	3,350	3,430	3,516	3,604	3,694	3,786	3,881	3,978	4,077
Equipment Rentals	7,000	7,000	7,000	7,000	7,140	7,283	7,428	7,577	7,729	7,883	8,041
R & M - Office Equipment	300	15,300	300	300	306	312	318	325	331	338	345
R & M - Service Contracts	60,920	67,680	69,000	69,770	71,165	72,589	74,040	75,521	77,032	78,572	80,144
R & M - Gravity Sewer Sys	3,100	3,100	3,100	3,100	3,162	3,225	3,290	3,356	3,423	3,491	3,561
R & M - Water Mains	26,000	26,000	26,000	26,000	26,520	27,050	27,591	28,143	28,706	29,280	29,866
R & M - Water Serv Lines	43,100	48,500	48,500	48,500	49,470	50,459	51,469	52,498	53,548	54,619	55,711
R & M - Street Repairs	25,500	25,500	25,500	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291
R & M - Other	75,750	75,750	85,250	88,170	89,933	91,732	93,567	95,438	97,347	99,294	101,280

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 5 – Projection of Cash Outflows

R & M-Lift Stations	70,000	70,000	70,000	70,000	71,400	72,828	74,285	75,770	77,286	78,831	80,408
R & M - Special Equipment	500	500	500	500	510	520	531	541	552	563	574
R & M - Telemetry Eqpm.	12,000	12,000	12,000	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784
R & M - Machinery	101,000	101,000	103,000	103,380	105,448	107,557	109,708	111,902	114,140	116,423	118,751
Meters And Meter Boxes	60,000	60,000	60,000	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921
Hydrants And Valves	45,000	48,000	48,000	48,000	48,960	49,939	50,938	51,957	52,996	54,056	55,137
Lawn Maint/Debris Removal	14,500	18,160	21,390	22,110	23,216	24,376	25,595	26,875	28,219	29,630	31,111
Printing & Binding	10,900	11,700	11,700	11,700	11,993	12,292	12,600	12,915	13,237	13,568	13,908
Licenses & Permits	18,160	18,160	18,610	19,080	19,557	20,046	20,547	21,061	21,587	22,127	22,680
Water Testing	24,380	24,380	24,380	24,380	24,868	25,365	25,872	26,390	26,917	27,456	28,005
R & M - Facilities	32,900	37,730	37,360	37,730	38,485	39,254	40,039	40,840	41,657	42,490	43,340
Debris Removal	7,000	7,000	7,000	7,000	7,140	7,283	7,428	7,577	7,729	7,883	8,041
Rebate Programs	60,000	90,000	90,000	90,000	91,800	93,636	95,509	97,419	99,367	101,355	103,382
Common Area Maint Chgs	16,800	16,800	16,800	16,800	17,136	17,479	17,828	18,185	18,549	18,920	19,298
Office Supplies	4,100	4,100	4,800	4,800	4,896	4,994	5,094	5,196	5,300	5,406	5,514
Gasoline/Diesel	139,600	142,200	142,200	142,200	149,310	156,776	164,614	172,845	181,487	190,562	200,090
Supplies - Chemicals	524,030	542,110	557,570	575,090	592,343	610,113	628,416	647,269	666,687	686,688	707,288
Supplies - Computer	500	500	500	500	510	520	531	541	552	563	574
Supplies - Materials	29,000	29,000	29,000	29,000	29,580	30,172	30,775	31,391	32,018	32,659	33,312
Supplies - Paint	2,000	2,000	2,000	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297
Drafting	2,000	2,000	2,000	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297
Equipment Less Than \$1000	28,650	14,010	14,010	14,010	14,290	14,576	14,868	15,165	15,468	15,778	16,093
Minor Tools	7,880	7,880	7,880	7,880	8,038	8,198	8,362	8,530	8,700	8,874	9,052
Supplies -Other	33,500	33,500	33,980	34,480	34,997	35,522	36,055	36,596	37,145	37,702	38,267
Supplies - Safety	500	500	500	500	510	520	531	541	552	563	574
Supp-Landscaping & Irrig	1,500	1,500	1,500	1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723
Supplies - Laboratory	23,500	23,500	23,500	23,500	23,970	24,449	24,938	25,437	25,946	26,465	26,994
Protective Clothing	7,100	7,700	7,700	7,700	7,854	8,011	8,171	8,335	8,501	8,671	8,845
Uniforms	21,950	21,950	22,120	22,300	22,523	22,748	22,976	23,205	23,438	23,672	23,909
Water Conservation Device	2,500	2,500	2,500	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872
Backflows	20,000	20,000	20,000	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974
Books/Pubs/Subscriptions	1,100	1,100	1,100	1,100	1,122	1,144	1,167	1,191	1,214	1,239	1,264
Dues & Memberships	8,910	9,010	9,180	9,300	9,440	9,581	9,725	9,871	10,019	10,169	10,322
Interfund Service Charges	2,230,709	2,547,253	2,728,499	2,920,458	3,124,890	3,343,632	3,577,687	3,828,125	4,096,093	4,382,820	4,689,617
Insurance Service Chgs	330,310	389,490	422,085	466,408	513,049	564,354	620,789	682,868	751,155	826,270	908,897
Sub-Total: Fixed Operating & Maintenance Expenses	\$ 5,460,523	5,919,733	6,183,514	6,578,416	6,924,318	7,292,478	7,684,488	8,102,067	8,547,061	9,021,462	9,527,416
<u>Variable Operating & Maintenance Expenses</u>											
Wastewater Disposal Chgs	\$ 5,313,445	5,786,326	5,835,139	5,900,685	6,346,343	6,448,190	6,552,964	6,736,626	6,929,381	7,566,712	7,779,034
Sub-Total: Variable Operating & Maintenance Expenses	\$ 5,313,445	5,786,326	5,835,139	5,900,685	6,346,343	6,448,190	6,552,964	6,736,626	6,929,381	7,566,712	7,779,034
Sub-Total: Operating Expenses	\$ 16,236,577	17,559,217	18,022,741	18,664,127	19,696,951	20,421,033	21,185,650	22,069,500	23,005,753	24,433,098	25,485,421
Operating Expenses Execution Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total: Personal Services and O&M Funding Level	\$ 16,236,577	17,559,217	18,022,741	18,664,127	19,696,951	20,421,033	21,185,650	22,069,500	23,005,753	24,433,098	25,485,421

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Schedule 5 – Projection of Cash Outflows

Minor Capital Outlay

Eqpmt - \$1000 Or Greater	\$ 253,326	210,400	296,500	65,000	66,300	67,626	68,979	70,358	71,765	73,201	74,665
Motor Vehicles	835,000	75,000	116,000	161,000	164,220	167,504	170,854	174,272	177,757	181,312	184,938
Engineering Services	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total: Minor Capital Outlay	\$ 1,103,326	300,400	427,500	241,000	245,520	250,130	254,833	259,630	264,522	269,513	274,603

Debt Service Expenses

Series 2009 - Principal	\$ 285,000	300,000	310,000	325,000	345,000	355,000	370,000	385,000	400,000	420,000	435,000
Series 2009 - Interest	600,431	587,269	573,544	559,256	544,181	529,319	514,819	499,478	483,038	465,350	446,103
Service Costs	15,000	15,000	15,000	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230
Total: Senior-Lien Debt Service Expenses	\$ 900,431	\$ 902,269	\$ 898,544	\$ 899,256	\$ 904,481	\$ 899,925	\$ 900,737	\$ 900,715	\$ 899,599	\$ 902,242	\$ 898,333

Transfers Out

Payment In Lieu Of Taxes	\$ 1,511,431	1,553,624	1,558,028	1,562,432	1,602,595	1,643,811	1,686,107	1,729,511	1,774,053	1,819,762	1,866,667
Transfer To Fund 441	5,600,000	5,600,000	5,600,000	5,439,568	7,209,563	5,000,000	5,208,294	5,183,076	5,452,495	5,381,182	5,000,000
Transfer To 410	17,346	17,866	18,402	18,954	19,523	20,108	20,711	21,333	21,973	22,632	23,311
Total: Transfers Out	\$ 7,128,777	7,171,490	7,176,430	7,020,954	8,831,681	6,663,919	6,915,112	6,933,920	7,248,521	7,223,575	6,889,978

TOTAL CASH OUTFLOWS	\$ 25,369,111	25,933,375	26,525,214	26,825,337	29,678,632	28,235,007	29,256,331	30,163,764	31,418,395	32,828,429	33,548,335
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(1) FY 2015 expenses are per the FY 2015 Budget.

(2) FY 2016 expenses are per the Proposed FY 2016 Budget.

(3) FY 2017 - FY 2018 expenses are per the Forecasted FY 2017 - FY 2018 Budgets.

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

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Schedule 6 – Cost Escalation Factors

Annual Cost Escalation Factors:	FY 2015 ⁽¹⁾	FY 2016 ⁽²⁾	FY 2017 ⁽³⁾	FY 2018 ⁽⁴⁾	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<u>Personal Services:</u>											
REGULAR SALARIES & WAGES	N/A	N/A	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
PREMIUM	N/A	N/A	N/A	N/A	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
OVERTIME-STRAIGHT	N/A	N/A	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
LONGEVITY	N/A	N/A	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COMP ABSENCES PAYOUT	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
ACCRUAL OPEB OBLIGATIONS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
FICA TAXES	N/A	N/A	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
PENSION - GENERAL	N/A	N/A	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
401(A) - MGMT/PROF	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
NON REP EMPLOYEES	N/A	N/A	N/A	N/A	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
LIFE INSURANCE	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
EMERGENCY STANDBY PAY	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BENEFIT OPTION	N/A	N/A	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
HEALTH INSURANCE	N/A	N/A	N/A	N/A	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
HEALTH INSURANCE- RETIREE	N/A	N/A	N/A	N/A	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
DENTAL INSURANCE	N/A	N/A	N/A	N/A	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
WORKERS' COMPENSATION	N/A	N/A	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
DISABILITY - LONG TERM	N/A	N/A	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
AUTOMOBILE ALLOWANCE	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CELL PHONE ALLOWANCE	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Operating & Maintenance Expenses:</u>											
PROFESSIONAL SERVICES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
AUDITING SERVICES	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ENGINEERING SERVICES	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CONTRACTUAL SVCS	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OTHER CONTRACTUAL SVCS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BILLING SERVICES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
WATER PURCHASED RESALE	N/A	N/A	N/A	N/A	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
LOCKBOX SERVICES	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SECURITY SERVICES	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WASTEWATER DISPOSAL CHGS	N/A	N/A	N/A	N/A	7.55%	1.60%	1.62%	2.80%	2.86%	9.20%	2.81%
IRRIGATION	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
CAPITAL ASSET-CONTRA	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TRAVEL, MEALS, LODGING	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
TRAINING & SEMINARS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
TELEPHONE SERVICE	N/A	N/A	N/A	N/A	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
WIRELESS PHONES & PAGERS	N/A	N/A	N/A	N/A	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

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Schedule 6 – Cost Escalation Factors

POSTAGE	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
ELECTRIC SERVICE	N/A	N/A	N/A	N/A	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
WATER & SEWER	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SLUDGE REMOVAL	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
IRRIGATION-ELECTRICITY	N/A	N/A	N/A	N/A	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
RENTALS & LEASES - COPIER	N/A	N/A	N/A	N/A	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
EQUIPMENT RENTALS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - OFFICE EQUIPMENT	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - SERVICE CONTRACTS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - BASINS & SWALES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - GRAVITY SEWER SYS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - WATER MAINS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - WATER SERV LINES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - STREET REPAIRS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - OTHER	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M-LIFT STATIONS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - SPECIAL EQUIPMENT	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - TELEMETRY EQPMT.	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - MACHINERY	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
METERS AND METER BOXES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
HYDRANTS AND VALVES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
LAWN MAINT/DEBRIS REMOVAL	N/A	N/A	N/A	N/A	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PRINTING & BINDING	N/A	N/A	N/A	N/A	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
LICENSES & PERMITS	N/A	N/A	N/A	N/A	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
WATER TESTING	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
R & M - FACILITIES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
DEBRIS REMOVAL	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
REBATE PROGRAMS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
CREDIT CARD MERCHANT FEES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
COMMON AREA MAINT CHGS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OFFICE SUPPLIES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
GASOLINE/DIESEL	N/A	N/A	N/A	N/A	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
GREASE & OIL	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
FIRST AID SUPPLIES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
SUPPLIES - CHEMICALS	N/A	N/A	N/A	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
SUPPLIES - SOFTWARE	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
SUPPLIES - COMPUTER	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 6 – Cost Escalation Factors

SUPPLIES - MATERIALS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
SUPPLIES - PAINT	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
DRAFTING	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
EQUIPMENT LESS THAN \$1000	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
SIGNS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
MINOR TOOLS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BARRICADES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
SUPPLIES -OTHER	N/A	N/A	N/A	N/A	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
SUPPLIES - SAFETY	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
SUPP-LANDSCAPING & IRRIG	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
SUPPLIES - LABORATORY	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
PROTECTIVE CLOTHING	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
UNIFORMS	N/A	N/A	N/A	N/A	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
WATER CONSERVATION DEVICE	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BACKFLOWS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BOOKS/PUBS/SUBSCRIPTIONS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
DUES & MEMBERSHIPS	N/A	N/A	N/A	N/A	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
INTERFUND SERVICE CHARGES	N/A	N/A	N/A	N/A	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
INSURANCE SERVICE CHGS	N/A	N/A	N/A	N/A	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Minor Capital Outlay:											
INFRASTRUCTURE	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BUILDINGS	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
LIFT STATIONS REHAB	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
CONSTRUCTION- WATER PLANT	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
CONSTRUCTION-DISTRIBUTION	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
CONST-SERVICE LINE REPLAC	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
CONSTRUCTION-WW COLLECT	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
FIXED ASSET-CONTRA	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
EQPMT - \$1000 OR GREATER	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
COMPUTER EQUIPMENT	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
LABORATORY EQUIPMENT	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
MOTOR VEHICLES	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
FIXED ASSETS- CONTRA EXP.	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Default Inflation Factor (if expense not listed above)	N/A	N/A	N/A	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

- (1) FY 2015 expenses are per the FY 2015 Budget.
 (2) FY 2016 expenses are calculated from the FY 2016 Proposed Budget.
 (3) FY 2017 expenses are calculated from the FY 2017 Forecasted Budget.
 (4) FY 2018 expenses are calculated from the FY 2018 Forecasted Budget.

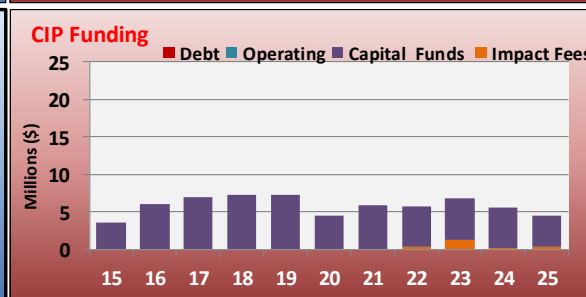
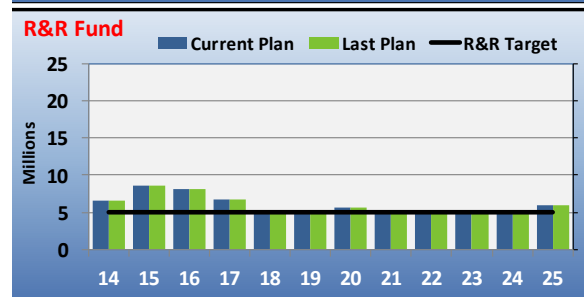
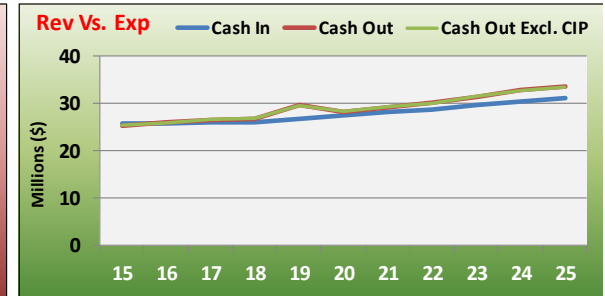
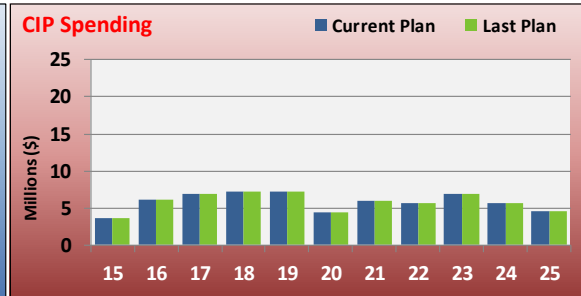
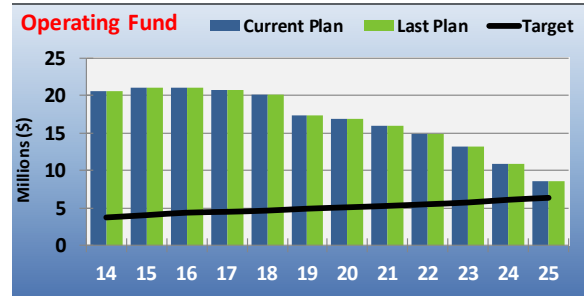
FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

Schedule 7 – FAMS-XL © Control Panel

APPENDIX A

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	<i>Cumulative Change</i>	
SAVE CALC ROLL													
Override ▶	2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50%											FY 2020	FY 2025
Water Rate Increases	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	5.04%	18.93%
Last Plan	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	5.04%	18.93%
Override ▶	2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50%											PS FY16 ▶	100.0%
Sewer Rate Increases	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	OMV FY16 ▶	100.0%
Last Plan	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	OMF FY16 ▶	100.0%
Rate Covenant	10.85	9.52	9.18	8.58	8.16	8.19	8.11	7.91	7.68	6.88	6.57	R&R Transfer	5,000,000
Last Plan	10.85	9.52	9.18	8.58	8.16	8.19	8.11	7.91	7.68	6.88	6.57		
CIP Execution % ▶	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%		
Operating Reserve Mo ▶	3	3	3	3	3	3	3	3	3	3	3		
Average Bill (4,000 gals.)	\$57.39	57.39	57.39	57.39	58.81	60.28	61.81	63.36	64.94	66.58	68.24	Elasticity	10.0%
Last Plan	\$57.39	57.39	57.39	57.39	58.81	60.28	61.81	63.36	64.94	66.58	68.24	Check	\$ -



FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 8 – Pro Forma

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
1 Rate Revenue Subject to Growth & Rate Adjustments											
2 Water and Sewer Rate Revenue	\$25,049,980	25,049,980	25,123,380	25,196,780	25,270,179	25,939,562	26,626,493	27,331,429	28,054,839	28,797,202	29,559,011
3 Additional Rate Revenue From Partial PY Rate Increase	-	-	-	-	-	-	-	-	-	-	-
4 Additional Revenue From Growth	-	73,400	73,400	73,400	73,400	75,126	76,893	78,701	80,552	82,447	84,386
5 Weather Normalization And Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
6 Subtotal: Base Revenue With Growth	\$25,049,980	25,123,380	25,196,780	25,270,179	25,343,579	26,014,688	26,703,386	27,410,130	28,135,391	28,879,648	29,643,397
7 Weighted Average Rate Increase	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
8 Additional Rate Revenue From Rate Increase	\$ -	-	-	-	633,589	650,367	667,585	685,253	703,385	721,991	741,085
9 Price Elasticity Adjustment	-	-	-	-	(37,607)	(38,562)	(39,541)	(40,545)	(41,574)	(42,628)	(43,709)
10 Total Rate Revenue	\$25,049,980	25,123,380	25,196,780	25,270,179	25,939,562	26,626,493	27,331,429	28,054,839	28,797,202	29,559,011	30,340,773
11 Plus: Other Operating Revenues											
12 Other Operating Revenues	\$ 738,400	770,350	770,350	770,350	770,350	770,350	770,350	770,350	770,350	770,350	770,350
13 Equals: Total Operating Revenue	\$25,788,380	25,893,730	25,967,130	26,040,529	26,709,912	27,396,843	28,101,779	28,825,189	29,567,552	30,329,361	31,111,123
14 Less: Operating Expenses											
15 Personal Services	\$ (5,462,609)	(5,853,158)	(6,004,088)	(6,185,026)	(6,426,289)	(6,680,366)	(6,948,198)	(7,230,808)	(7,529,312)	(7,844,924)	(8,178,972)
16 Variable O&M Expenses	(5,313,445)	(5,786,326)	(5,835,139)	(5,900,685)	(6,346,343)	(6,448,190)	(6,552,964)	(6,736,626)	(6,929,381)	(7,566,712)	(7,779,034)
17 Fixed O&M Expenses	(5,460,523)	(5,919,733)	(6,183,514)	(6,578,416)	(6,924,318)	(7,292,478)	(7,684,488)	(8,102,067)	(8,547,061)	(9,021,462)	(9,527,416)
18 Equals: Net Operating Income	\$ 9,551,803	8,334,513	7,944,389	7,376,403	7,012,962	6,975,810	6,916,130	6,755,688	6,561,798	5,896,263	5,625,701
19 Plus: Non-Operating Income/(Expense)											
20 Interest Earned On Fund Balances	\$ 54,231	109,822	163,515	213,190	245,897	270,397	259,425	244,506	224,100	194,616	160,255
21 Water Impact Fees	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
22 Sewer Impact Fees	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
23 R&R Reserve Contributions	5,600,000	5,600,000	5,600,000	5,439,568	7,209,563	5,000,000	5,208,294	5,183,076	5,452,495	5,381,182	5,000,000
24 Equals: Net Income	\$15,526,034	14,364,334	14,027,904	13,349,160	14,788,422	12,566,207	12,703,849	12,503,271	12,558,394	11,792,061	11,105,957
25 Less: Revenues Excluded From Coverage Test											
26 Impact Fees	\$ (320,000)	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)	(320,000)
27 Other Capital Funding Sources	(5,600,000)	(5,600,000)	(5,600,000)	(5,439,568)	(7,209,563)	(5,000,000)	(5,208,294)	(5,183,076)	(5,452,495)	(5,381,182)	(5,000,000)
28 Equals: Net Income Available For Debt Service	\$ 9,606,034	8,444,334	8,107,904	7,589,592	7,258,859	7,246,207	7,175,555	7,000,195	6,785,899	6,090,879	5,785,957
29 Senior-Lien Debt Service Coverage Test											
30 Existing Debt Service	\$ 885,431	887,269	883,544	884,256	889,181	884,319	884,819	884,478	883,038	885,350	881,103
31 Cumulative New Debt Service	-	-	-	-	-	-	-	-	-	-	-
32 Total Senior-Lien Debt Service	\$ 885,431	887,269	883,544	884,256	889,181	884,319	884,819	884,478	883,038	885,350	881,103
33 Calculated Debt Service Coverage (Test I) 1.50 Req.	10.85	9.52	9.18	8.58	8.16	8.19	8.11	7.91	7.68	6.88	6.57
34 Calculated Debt Service Coverage (Test II) 1.50 Req.	11.21	9.88	9.54	8.94	8.52	8.56	8.47	8.28	8.05	7.24	6.93
35 Net Income Available For SRF Debt Service	\$ 8,632,060	7,468,339	7,136,006	6,616,910	6,280,759	6,273,457	6,202,254	6,027,269	5,814,557	5,116,994	4,816,743

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 8 – Pro Forma

41	Cash Flow Test											
42	Net Income Available For Debt Service	\$ 9,606,034	8,444,334	8,107,904	7,589,592	7,258,859	7,246,207	7,175,555	7,000,195	6,785,899	6,090,879	5,785,957
43	Transfers In - Release of Debt Service Reserve	-	-	-	-	-	-	-	-	-	-	-
44	Transfers Out - Cash Contribution to Debt Service Reserve	(7,128,777)	(7,171,490)	(7,176,430)	(7,020,954)	(8,831,681)	(6,663,919)	(6,915,112)	(6,933,920)	(7,248,521)	(7,223,575)	(6,889,978)
45	Total Senior-Lien Debt Service	(885,431)	(887,269)	(883,544)	(884,256)	(889,181)	(884,319)	(884,819)	(884,478)	(883,038)	(885,350)	(881,103)
46	Total SRF Debt Service	-	-	-	-	-	-	-	-	-	-	-
47	Total Short-Term Debt Service	-	-	-	-	-	-	-	-	-	-	-
48	Payment Of Debt Service With Water Impact Fees	-	-	-	-	-	-	-	-	-	-	-
49	Payment Of Debt Service With Sewer Impact Fees	-	-	-	-	-	-	-	-	-	-	-
50	Capital Outlay	(1,103,326)	(300,400)	(427,500)	(241,000)	(245,520)	(250,130)	(254,833)	(259,630)	(264,522)	(269,513)	(274,603)
51	Other Below the Line Expenses	(15,000)	(15,000)	(15,000)	(15,000)	(15,300)	(15,606)	(15,918)	(16,236)	(16,561)	(16,892)	(17,230)
52	Net Cash Flow	\$ 473,500	70,176	(394,570)	(571,618)	(2,722,823)	(567,767)	(895,127)	(1,094,069)	(1,626,743)	(2,304,451)	(2,276,958)
53	Unrestricted Working Capital Reserve Fund Test											
54	Balance At Beginning Of Fiscal Year	\$20,558,737	21,032,237	21,102,412	20,707,843	20,136,225	17,413,402	16,845,635	15,950,509	14,856,439	13,229,696	10,925,245
55	Cash Flow Surplus/(Deficit)	473,500	70,176	-	-	-	-	-	-	-	-	-
56	Cash Flow Deficit Paid with Unrestricted Reserve Fund Balance	-	-	(394,570)	(571,618)	(2,722,823)	(567,767)	(895,127)	(1,094,069)	(1,626,743)	(2,304,451)	(2,276,958)
57	Projects Paid with Unrestricted Reserve Fund Balance	-	-	-	-	-	-	-	-	-	-	-
58	Balance At End Of Fiscal Year	\$21,032,237	21,102,412	20,707,843	20,136,225	17,413,402	16,845,635	15,950,509	14,856,439	13,229,696	10,925,245	8,648,287
59	Minimum Working Capital Reserve Target	4,059,144	4,389,804	4,505,685	4,666,032	4,924,238	5,105,258	5,296,412	5,517,375	5,751,438	6,108,275	6,371,355
60	Excess Working Capital Above Target	\$16,973,092	16,712,608	16,202,158	15,470,193	12,489,164	11,740,377	10,654,096	9,339,064	7,478,258	4,816,971	2,276,932

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

Schedule 9 – Capital Projects Funding Sources

APPENDIX A

<u>CIP Funding Sources:</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Water Impact Fees	\$ -	-	-	-	-	-	-	-	-	-	371,925
Sewer Impact Fees	-	-	-	-	-	-	-	397,005	1,295,944	188,370	-
R&R	3,586,250	6,103,750	6,947,350	7,216,922	7,268,450	4,465,998	5,885,112	5,263,152	5,528,096	5,456,749	4,202,753
Projects Designated To Be Paid With Cash	-	-	-	-	-	-	-	-	-	-	-
Total CIP Funding Sources	\$ 3,586,250	6,103,750	6,947,350	7,216,922	7,268,450	4,465,998	5,885,112	5,660,157	6,824,040	5,645,119	4,574,678
Total CIP Input	3,586,250	6,103,750	6,947,350	7,216,922	7,268,450	4,465,998	5,885,112	5,660,157	6,824,040	5,645,119	4,574,678
Variance	-	-	-	-	-	-	-	-	-	-	-

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

Schedule 10 – Projection of Long-Term Borrowing

APPENDIX A

		<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Term (Years)		30	30	30	30	30	30	30	30	30	30	30
Interest Rate		3.50%	3.75%	4.00%	4.25%	4.50%	4.75%	5.00%	5.00%	5.00%	5.00%	5.00%
<u>Sources of Funds</u>												
Par Amount		\$ -	-	-	-	-	-	-	-	-	-	-
<u>Uses of Funds</u>												
Proceeds		\$ -	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	2.00% of Par	-	-	-	-	-	-	-	-	-	-	-
Underwriter's Discount	\$0.00 per \$1,000	-	-	-	-	-	-	-	-	-	-	-
Bond Insurance	- times total Debt Service	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest	0 Years Interest	-	-	-	-	-	-	-	-	-	-	-
Debt Service Surety	0.00% of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve	1 Years of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Other Costs		-	-	-	-	-	-	-	-	-	-	-
Total Uses		\$ -	-	-	-	-	-	-	-	-	-	-
1 Year Interest		\$ -	-	-	-	-	-	-	-	-	-	-
Annual Debt Service		\$ -	-	-	-	-	-	-	-	-	-	-
Total Debt Service		\$ -	-	-	-	-	-	-	-	-	-	-
Cumulative New Annual Debt Service ⁽¹⁾		\$ -	-	-	-	-	-	-	-	-	-	-

(1) Cumulative new annual debt service assumes interest-only payments in first year of debt issuance.

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 11 – Funding Summary by Fund

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<u>WATER IMPACT FEES</u>											
Balance At Beginning Of Fiscal Year	\$ -	140,175	281,226	423,860	568,799	716,784	868,585	1,022,664	1,179,054	1,337,790	1,498,907
Additional Annual Revenues	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Less: Payment Of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 140,000	280,175	421,226	563,860	708,799	856,784	1,008,585	1,162,664	1,319,054	1,477,790	1,638,907
Less: Restricted Funds	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available For Projects	\$ 140,000	280,175	421,226	563,860	708,799	856,784	1,008,585	1,162,664	1,319,054	1,477,790	1,638,907
Amount Paid For Projects	-	-	-	-	-	-	-	-	-	-	(371,925)
Subtotal	\$ 140,000	280,175	421,226	563,860	708,799	856,784	1,008,585	1,162,664	1,319,054	1,477,790	1,266,982
Add Back: Restricted Funds	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	175	1,051	2,634	4,939	7,985	11,802	14,079	16,390	18,736	21,117	20,744
Less: Interest Allocated To Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance At End Of Fiscal Year	\$ 140,175	281,226	423,860	568,799	716,784	868,585	1,022,664	1,179,054	1,337,790	1,498,907	1,287,726
<u>SEWER IMPACT FEES</u>											
Balance At Beginning Of Fiscal Year	\$ -	180,225	361,576	544,963	731,313	921,579	1,116,753	1,314,854	1,115,944	8,370	63
Additional Annual Revenues	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Less: Payment Of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 180,000	360,225	541,576	724,963	911,313	1,101,579	1,296,753	1,494,854	1,295,944	188,370	180,063
Less: Restricted Funds	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available For Projects	\$ 180,000	360,225	541,576	724,963	911,313	1,101,579	1,296,753	1,494,854	1,295,944	188,370	180,063
Amount Paid For Projects	-	-	-	-	-	-	-	(397,005)	(1,295,944)	(188,370)	-
Subtotal	\$ 180,000	360,225	541,576	724,963	911,313	1,101,579	1,296,753	1,097,849	-	-	180,063
Add Back: Restricted Funds	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	225	1,351	3,387	6,350	10,266	15,174	18,101	18,095	8,370	63	1,351
Less: Interest Allocated To Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance At End Of Fiscal Year	\$ 180,225	\$ 361,576	544,963	731,313	921,579	1,116,753	1,314,854	1,115,944	8,370	63	181,414
<u>R&R</u>											
Balance At Beginning Of Fiscal Year	\$ 6,499,074	8,531,589	8,069,237	6,777,354	5,058,887	5,062,868	5,676,819	5,080,076	5,075,601	5,075,567	5,075,567
Additional Annual Revenues	5,600,000	5,600,000	5,600,000	5,439,568	7,209,563	5,000,000	5,208,294	5,183,076	5,452,495	5,381,182	5,000,000
Less: Payment Of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 12,099,074	14,131,589	13,669,237	12,216,922	12,268,450	10,062,868	10,885,112	10,263,152	10,528,096	10,456,749	10,075,567
Less: Restricted Funds	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Total Amount Available For Projects	\$ 7,099,074	9,131,589	8,669,237	7,216,922	7,268,450	5,062,868	5,885,112	5,263,152	5,528,096	5,456,749	5,075,567
Amount Paid For Projects	(3,586,250)	(6,103,750)	(6,947,350)	(7,216,922)	(7,268,450)	(4,465,998)	(5,885,112)	(5,263,152)	(5,528,096)	(5,456,749)	(4,202,753)
Subtotal	\$ 3,512,824	3,027,839	1,721,887	-	-	596,871	-	-	-	-	872,814
Add Back: Restricted Funds	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Plus: Interest Earnings	18,765	41,399	55,467	58,887	62,868	79,948	80,076	75,601	75,567	75,567	82,113
Less: Interest Allocated To Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance At End Of Fiscal Year	\$ 8,531,589	8,069,237	6,777,354	5,058,887	5,062,868	5,676,819	5,080,076	5,075,601	5,075,567	5,075,567	5,954,927

FY 2015 WATER & SEWER REVENUE SUFFICIENCY ANALYSIS

APPENDIX A

Schedule 11 – Funding Summary by Fund

REVENUE FUND

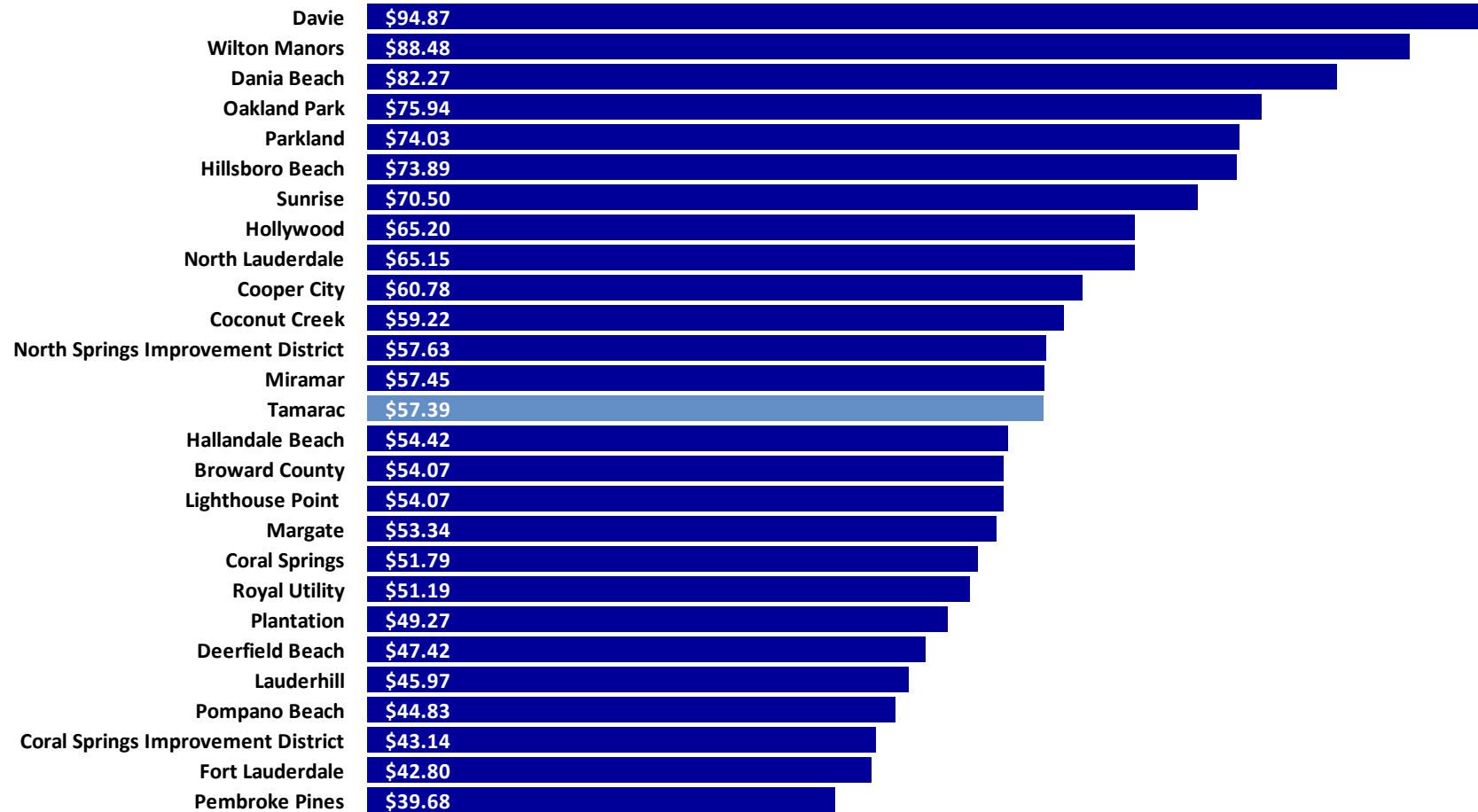
Balance At Beginning Of Fiscal Year	\$ 20,558,737	21,032,237	21,102,412	20,707,843	20,136,225	17,413,402	16,845,635	15,950,509	14,856,439	13,229,696	10,925,245
Additional Annual Revenues	473,500	70,176	(394,570)	(571,618)	(2,722,823)	(567,767)	(895,127)	(1,094,069)	(1,626,743)	(2,304,451)	(2,276,958)
Less: Cash-Funded Capital Projects	-	-	-	-	-	-	-	-	-	-	-
Less: Payment Of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 21,032,237	21,102,412	20,707,843	20,136,225	17,413,402	16,845,635	15,950,509	14,856,439	13,229,696	10,925,245	8,648,287
Less: Restricted Funds	(4,059,144)	(4,389,804)	(4,505,685)	(4,666,032)	(4,924,238)	(5,105,258)	(5,296,412)	(5,517,375)	(5,751,438)	(6,108,275)	(6,371,355)
Total Amount Available For Projects	\$ 16,973,092	16,712,608	16,202,158	15,470,193	12,489,164	11,740,377	10,654,096	9,339,064	7,478,258	4,816,971	2,276,932
Amount Paid For Projects	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 16,973,092	16,712,608	16,202,158	15,470,193	12,489,164	11,740,377	10,654,096	9,339,064	7,478,258	4,816,971	2,276,932
Add Back: Restricted Funds	4,059,144	4,389,804	4,505,685	4,666,032	4,924,238	5,105,258	5,296,412	5,517,375	5,751,438	6,108,275	6,371,355
Plus: Interest Earnings	51,989	105,337	156,788	204,220	234,685	256,943	245,971	231,052	210,646	181,162	146,801
Less: Interest Allocated To Cash Flow	(51,989)	(105,337)	(156,788)	(204,220)	(234,685)	(256,943)	(245,971)	(231,052)	(210,646)	(181,162)	(146,801)
Balance At End Of Fiscal Year	\$ 21,032,237	21,102,412	20,707,843	20,136,225	17,413,402	16,845,635	15,950,509	14,856,439	13,229,696	10,925,245	8,648,287

RESTRICTED RESERVES

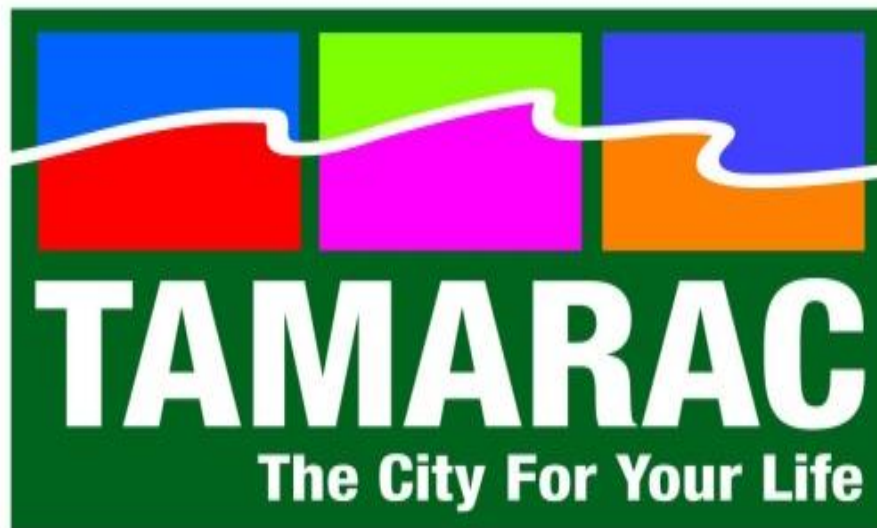
Balance At Beginning Of Fiscal Year	\$ 896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953
Additional Funds:	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve On New Debt	-	-	-	-	-	-	-	-	-	-	-
Other Additional Funds	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953
Plus: Interest Earnings	2,242	4,485	6,727	8,970	11,212	13,454	13,454	13,454	13,454	13,454	13,454
Less: Interest Allocated To Cash Flow	(2,242)	(4,485)	(6,727)	(8,970)	(11,212)	(13,454)	(13,454)	(13,454)	(13,454)	(13,454)	(13,454)
Balance At End Of Fiscal Year	\$ 896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953	896,953

Appendix B – Combined Water & Sewer Monthly Bill Survey

Schedule 1 presents the FY 2015 monthly combined water and sewer bill survey for “typical” single-family residential customers in the City’s surrounding geographic area, assuming consumption of 4,000 gallons per month

Combined Water & Sewer Bill Survey at 4,000 Gallons per Month

Water & Sewer Revenue Sufficiency Analysis



Commission Workshop: August 24, 2015

Presented by:

BURTON & ASSOCIATES

Summary of Background Information

- ▶ FY 2010 Water & Sewer Long-Term Financial Plan:
 - ▶ Identified rate structure modifications for FY 2011
 - ▶ Provide an equitable distribution of costs
 - ▶ Reflect current accepted industry practices
 - ▶ Provide greater price incentives for water conservation
 - ▶ Maintain affordability for low and average volume users
 - **Result: reductions in over 80% of residential bills in FY 2011**
- ▶ Developed a multi-year forecast of revenue requirements
 - ▶ Resulted in annual rate indexing policy starting in FY 2012
 - Greater of change in US CPI Water & Sewer Maintenance Series or 5.25%

Effective Date:	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>
Water Increase:	5.95%	6.71%	5.25%	5.25%
Sewer Increase:	5.95%	6.71%	5.25%	5.25%

Key Issues, Policies & Notable Changes

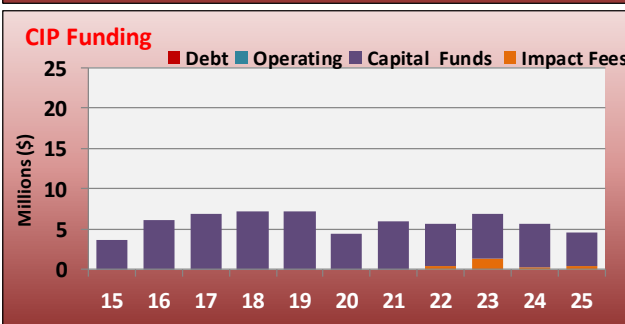
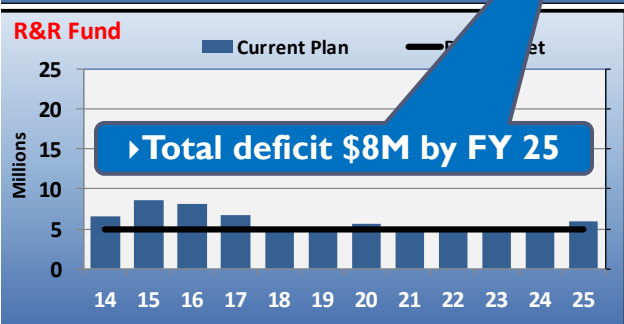
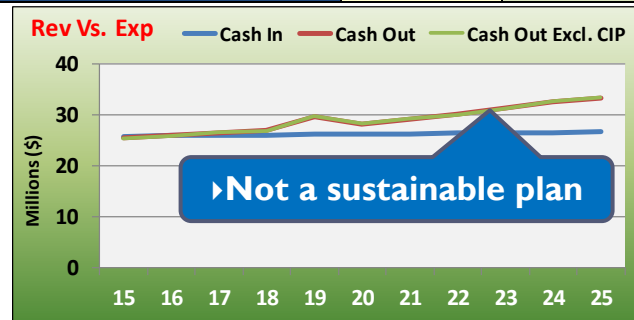
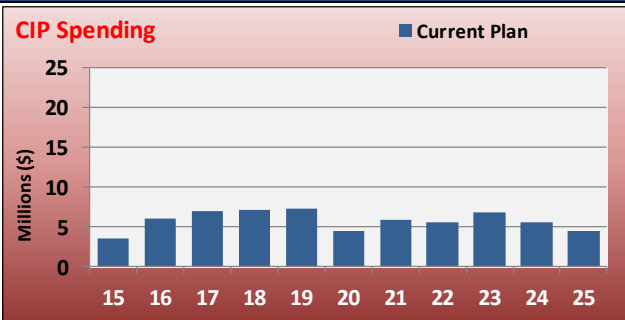
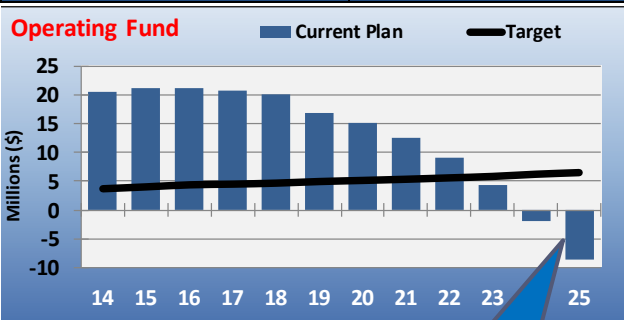
- ▶ Utility continues to face challenges of aging infrastructure and increases in costs from Broward County (wastewater)
- ▶ Maintaining Sufficient Operating Reserves
 - ▶ Target: 3 months of Operating & Maintenance Expenses (\$5 million in FY 11)
 - ▶ Indicative of “Good” Utility Systems per Guidance Published by the Municipal Utility Rating Agency, Standard & Poor’s
- ▶ Maintaining Sufficient Debt Service Coverage
 - ▶ Target: Net Revenues at least 1.5 times greater than annual debt service
 - ▶ Indicative of “Strong” Utility Systems per Guidance Published by the Municipal Utility Rating Agency, Standard & Poor’s
- ▶ Deferral of Reverse Osmosis Water Treatment Facility
 - ▶ Due to increase in City’s Water Withdrawal Permit as a result of conservation
 - ▶ Prior study: FY 2019-FY 2020 at cost of \$19 Million
 - ▶ Current study: No longer needed at least FY 2030 (if not later)

Financial Forecast: Diagnostic View

► Assumes no rate increases during forecast period

►Rate covenant less than target

FINANCIAL ANALYSIS MANAGEMENT SYSTEM (FAMS) SUMMARY

[illegible]

Financial Forecast: Recommended Plan

►No increases through FY 18

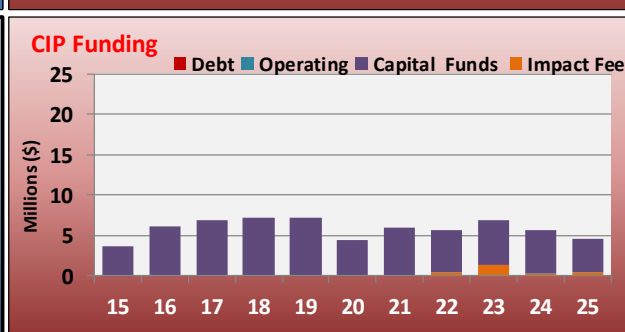
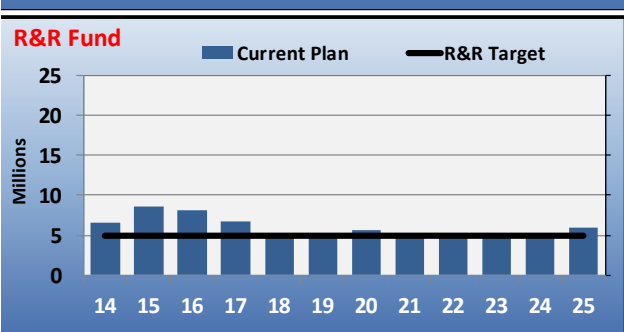
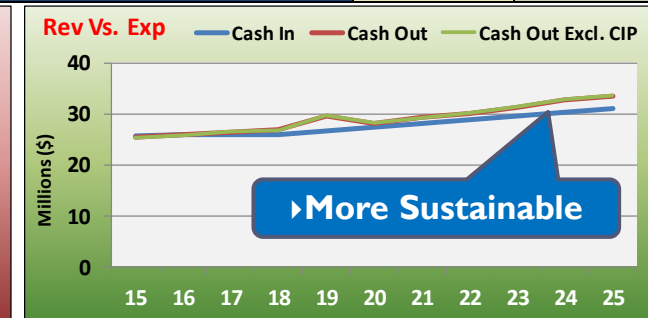
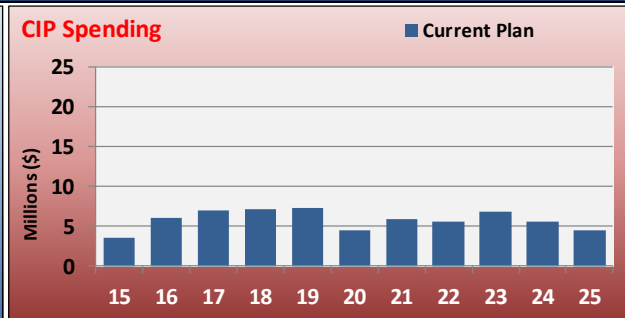
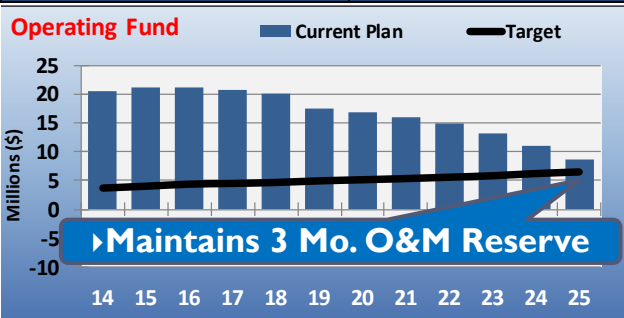
►2.5% annual increases; FY 19 – FY 25

FINANCIAL ANALYSIS AND MANAGEMENT SYSTEM (FAMS) SUMMARY

SAVE	CALC	ROLL	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Cumulative Change	
			Water Rate Increases	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	5.04%	18.93%
			Sewer Rate Increases	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%		
			Rate Covenant	10.85	9.52	9.18	8.58	8.16	8.19	8.11	7.91	7.68	6.88	6.57	
			CIP Execution % ►	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%		
			Operating Reserve Mo ►	3	3	3	3	3	3	3	3	3	3		
			Average Bill (4,000 gals.)	\$57.39	57.39	57.39	57.39	58.81	60.28	61.81	63.36	64.94	66.58	68.24	

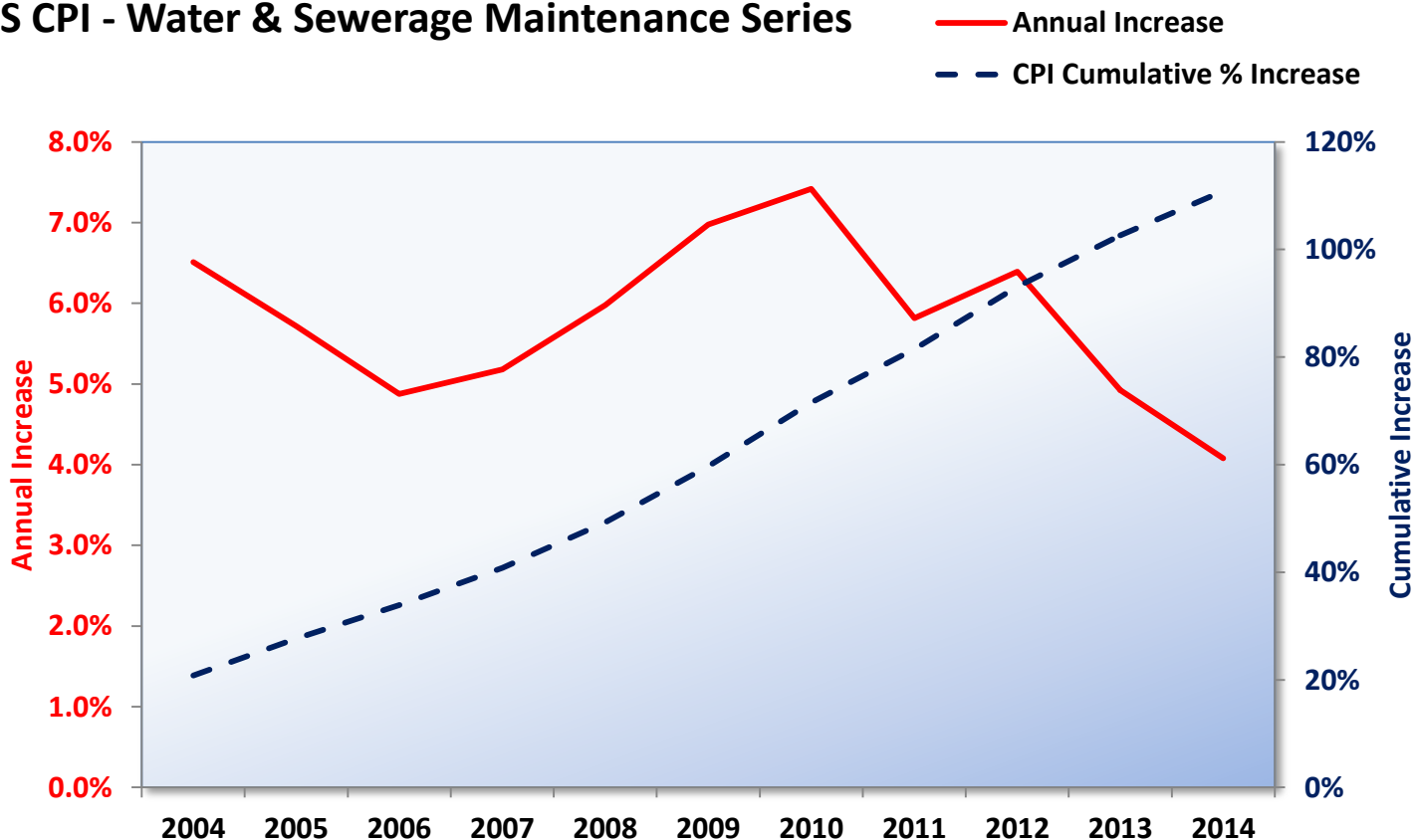
OM FY16 ►	100.0%
R&R Transfer	5,000,000
Elasticity	10.0%

►Strong debt service coverage



National Industry Trends

US CPI - Water & Sewerage Maintenance Series

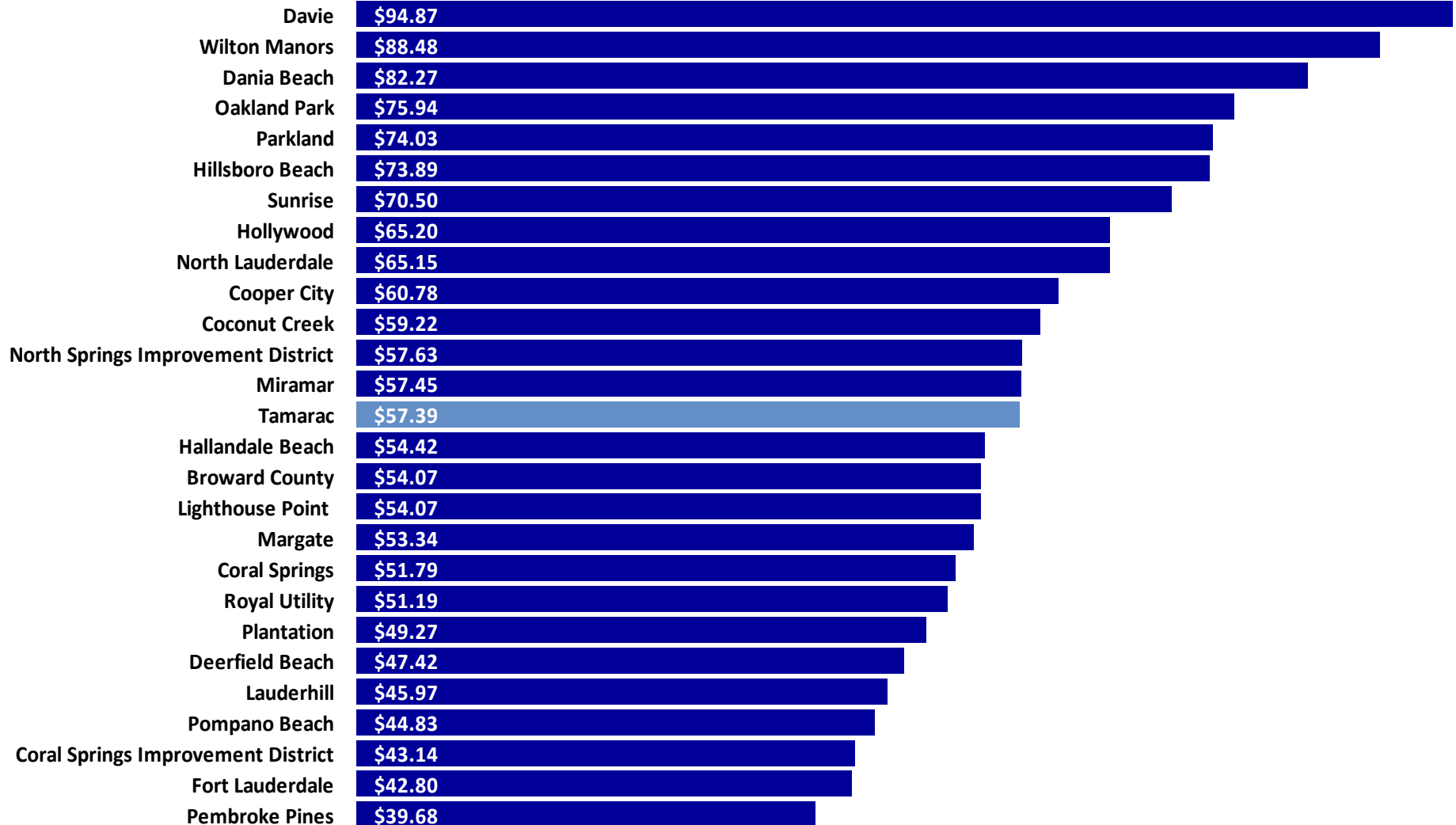


- ▶ Measures the national average change in the cost of water and sewer service to households
- ▶ Much more specific and relevant to utilities than overall CPI; 10-year avg. annual increase = 5.7%

“Typical” Residential Bill Survey

(Based upon current FY 2015 rates per publicly available data)

Combined Water & Sewer Bill Survey at 4,000 Gallons per Month



Conclusions & Recommendations

- ▶ No water and sewer rate adjustments are needed to fund the Utility's expenditure requirements through FY 2018
- ▶ 2.50% annual rate adjustments required starting in FY 2019
- ▶ Should retain the ability to adjust rates according to the max of the recommended rate plan or the W&S Maintenance Index
- ▶ The City should maintain an R&R reserve balance of \$5 million
 - ▶ More adequately represents the cost of replacing critical system infrastructure in the case of emergencies or system failures than current reserve of \$500,000
- ▶ Review/Update Financial Model Annually
 - ▶ To reflect changes in cost requirements, demands, regulations, etc.

Discussion



**PROVIDING SOLUTIONS
THROUGH CLEAR VISION**

Presentation Contact Information:

Andrew Burnham, Senior Vice President

Office: 813-443-5138 • Mobile: 904-631-5109

Email: aburnham@burtonandassociates.com



Title - TR12664 - Banking Services Agreement

Item No. 6 (d) on the Consent Agenda. (TR12664)A Resolution of the City Commission of the City of Tamarac, Florida authorizing the appropriate city officials to exercise a three (3) year renewal with subsequent two (2) year. Renewal options to the original agreement between the City of Tamarac and TD Bank, NA, as the city's depository and provider of banking services, and to execute agreement amendment #2 effective for the term October 23, 2015 Through October 22, 2018; providing for conflicts; providing for severability; and providing for an effective date. - ***Financial Services Director Mark Mason***

ATTACHMENTS:

Description	Upload Date	Type
▣ TR #12664 Banking Services Agreement Memo	8/27/2015	Cover Memo
▣ TR 12664 Banking Services Agreement Resolution	8/13/2015	Cover Memo
▣ TR 12664 Banking Services Agreement Amendment	8/12/2015	Exhibit

CITY OF TAMARAC
INTEROFFICE MEMORANDUM
FINANCIAL SERVICES DEPARTMENT

TO: Michael Cernech
City Manager

DATE: August 10, 2015

THRU: Mark C. Mason, CPA 
Director of Financial Services

RE: Temporary Resolution # 12664
Banking Services Agreement
Extension

FROM: Christine Cajuste, CPA
Controller

Recommendation:

I recommend the City Commission approve a three (3) year extension with additional two (2) year renewal options and execute an Agreement Amendment to renew the current Agreement for City Depository and Banking Services with TD Bank, N.A.

Issue:

Section 7.08(a) of the City Charter requires the City Commission to annually designate a City Depository. Additionally, the City requires various banking services, including account maintenance, custodial services and other miscellaneous services on an ongoing basis. The current Agreement with TD Bank will expire on October 22, 2015, and it is recommended that the contract be extended.

Background:

The City solicited proposals for Banking Services through RFP-08-14R, dated June 8, 2008, and on the basis of the proposal, TD Bank N.A DBA Commerce Bank was awarded the Agreement to provide banking services for the City's operating funds by resolution R-2008-131.

The City's relationship with TD Bank N.A has been positive and they have responded well to any issues that have arisen during the contract period. The bank continues to address the City's needs. On May 31, 2013 the Director of Financial Services recommended and was approved for a two (2) year extension of the contract, this was approved via resolution R-2013-61 on June 26, 2013. It is the recommendation of the Director of Financial Services that this Agreement be further extended for a three (3) year period with additional two (2) year renewal options.

The present economic situation is a major consideration in the recommendation for extension; this will provide continuity and stability to our Banking Services as well as excellent earnings rates. Additionally, I checked with other bankers to determine whether banks would provide both an Earnings Credit Rate and an Interest Rate and the answer was that would not be the case. The majority of banking services agreements provide for an earnings credit only. The agreement will provide the City with a Managed Earnings Credit Rate with a floor of 50 basis points (compared to the 40 basis points earned under the previous agreement) to offset Service charges and a Managed Interest Rate, with a floor of 30 basis points (the same as

what is provided under the previous agreement) on balances in excess of those needed to offset bank service charges.

Fiscal Impact:

The City has continually earned sufficient earnings credit per month to offset its service charges of approximately \$4,200 per month, as well as earning interest from TD Bank on its monthly balances with the bank in the amount of \$126,771.83, \$150,030.12 and \$140,131.51 for fiscal year 2013, 2014 and year-to-date 2015, respectively.

CITY OF TAMARAC, FLORIDA

RESOLUTION NO. 2015_____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF TAMARAC, FLORIDA AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AGREEMENT AMENDMENT #2 TO EXTEND THE ORIGINAL AGREEMENT BETWEEN THE CITY OF TAMARAC AND TD BANK, NA, AS THE CITY'S DEPOSITORY AND PROVIDER OF BANKING SERVICES, FOR A PERIOD OF THREE YEARS FOR THE TERM OCTOBER 23, 2015 THROUGH OCTOBER 22, 2018 WITH SUBSEQUENT TWO (2) YEAR RENEWAL OPTIONS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City Charter, Section 7.06(a) stipulates that the City Commission of the City of Tamarac shall designate the City's depository; and

WHEREAS, in addition to naming a City depository, it is necessary to contract with a financial institution to provide the City with various Banking Services, including depository services, custodial services and account maintenance services; and

WHEREAS, in 2008, the City utilized due diligence in seeking responses for qualified firms to provide Banking Services to the City through the issuance of a Request for Proposal; and

WHEREAS, Resolution R-2008-131 dated September 10, 2008, approved by the City Commission at its regular meeting of September 10, 2008, awarded Request for Proposal #08-14R for Banking Services, and authorized execution of an agreement with TD Bank, NA (Contractor) to provide Banking Services for a five (5) year period, with an option to renew for an additional two (2) year period, a copy of said proposal, resolution and agreement is on file in the City Clerk's office; and

WHEREAS, TD Bank, NA, has successfully performed Banking Services on behalf of the City during the term of the original Agreement; and

WHEREAS, Resolution R-2013-61 dated June 26, 2013, approved by the City Commission at its regular meeting of June 26, 2013, approved Agreement Amendment #1 which authorized the exercising of a two (2) year renewal option, a copy of said resolution and agreement amendment is on file in the City Clerk's office; and

WHEREAS, the Director of Financial Services and the Assistant Director of Financial Services / Controller have conducted a market analysis, and have determined that TD Bank, NA is providing the City with the highest available interest rates on our deposits in the marketplace; and

WHEREAS, as a result of the increased interest yield on deposits, the Director of Financial Services and the Assistant Director of Financial Services / Controller have determined that extending the Agreement with TD Bank, NA, and providing for additional renewal options is in the best interest of the City of Tamarac; and

WHEREAS, the Director of Financial Services and the Assistant Director of Financial Services / Controller recommend that the original agreement with TD Bank, NA be extended for a period of three (3) years, with additional two (2) year renewal options, and that the appropriate City Officials be authorized to execute Agreement Amendment #2, included herein as Exhibit "1"; for the period October 23, 2015 through October 22, 2018; and

WHEREAS, the City Commission of the City of Tamarac, Florida deems it to be in the best interests of the citizens and residents of the City of Tamarac that the original agreement with TD Bank, NA be extended for a period of three (3) years, with additional two (2) year renewal options, and that the appropriate City Officials be authorized to

execute Agreement Amendment #2, included here as Exhibit “1”, for the period effective October 23, 2015 through October 22, 2018.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TAMARAC, FLORIDA:

SECTION 1: The foregoing “WHEREAS” clauses are HEREBY ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon adoption hereof and all exhibits referenced and attached hereto are incorporated herein and made a specific part of this resolution.

SECTION 2: The appropriate City officials are hereby authorized to execute Agreement Amendment Number 2, attached hereto as Exhibit “1” to authorize the extension of the original agreement with TD Bank, NA for a period of three (3) years, with additional two (2) year renewal options, for the period effective October 23, 2015 through October 22, 2018.

SECTION 3: The appropriate City Officials furthermore are hereby authorized to approve and accept any renewal options as provided for in Agreement Amendment #2, attached hereto as Exhibit “1”.

SECTION 4: All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 5: If any clause, section, other part or application of this Resolution is held by any court of competent jurisdiction to be unconstitutional or invalid, in part or application, it shall not affect the validity of the remaining portions or applications of this Resolution.

SECTION 6: This Resolution shall become effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED this ____ day of _____, 2015.

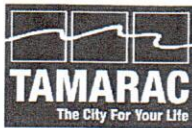
HARRY DRESSLER,
MAYOR

ATTEST:

Patricia Teufel, CMC
CITY CLERK

I HEREBY CERTIFY that I
have approved this
RESOLUTION as to form.

SAMUEL S. GOREN
CITY ATTORNEY

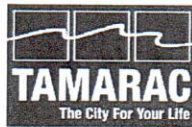


AGREEMENT AMENDMENT # 2
BETWEEN THE CITY OF TAMARAC
AND
TD BANK, NA

The CITY OF TAMARAC (City) and TD Bank, N.A., a national association, with principal offices located at 1700 Marlton Pike East, Cherry Hill, NJ 08034, (the "Contractor"), agree to amend the original Agreement as follows:

1. Pursuant to the terms of Section 4, "Contract Term", of the original Agreement for Banking Services for the City of Tamarac; dated October 23, 2008, the City and the Contractor agree to extend the Agreement for a period of three (3) years, with subsequent two (2) year renewal options for the term October 23, 2015 – October 22, 2018 at the same terms, conditions and pricing except as provided in provision 2 herein.
2. Contractor agrees to extend to City a Managed Earnings Credit Rate with a floor of fifty (50) basis points in lieu of an Indexed Federal Funds Rate. In addition, Contractor agrees to extend to City a Managed Interest Rate on excess funds not needed to compensate Contractor for service charges with a floor of thirty (30) basis points in lieu of an Indexed Federal Funds Rate.
3. All other portions of the original Agreement are in effect as written.

Remainder of Page Intentionally Blank



IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature. CITY OF TAMARAC, signing by and through its City Manager, and CONTRACTOR, signing by and through its Vice President duly authorized to execute same.

CITY OF TAMARAC

Harry Dressler, Mayor

Date

ATTEST:

Michael C. Cernech, City Manager

Pat Teufel, CRC
City Clerk

Date

Approved as to form and legal
sufficiency:

Date

City Attorney

Date

ATTEST:

TD BANK, NA

Company Name

Signature of Corporate Secretary

Pamela Ramkalawan

Signature of Vice President

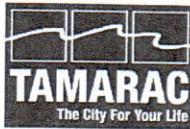
Pamela Ramkalawan

Vice President

(CORPORATE SEAL)

July 9th, 2015

Date



CORPORATE ACKNOWLEDGEMENT

STATE OF Florida :
COUNTY OF Broward :SS

I HEREBY CERTIFY that on this day, before me, an Officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared Pamela Ramkalawan, Vice President, of TD Bank, N.A., a National Banking Association, to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged before me that he/she executed the same.

WITNESS my hand and official seal this day of July 9th, 2015.

Tonya England

Signature of Notary Public
State of Florida at Large

Tonya England

Print, Type or Stamp
Name of Notary Public



Personally known to me or
Produced Identification

Type of I.D. Produced



DID take an oath, or
DID NOT take an oath.

