

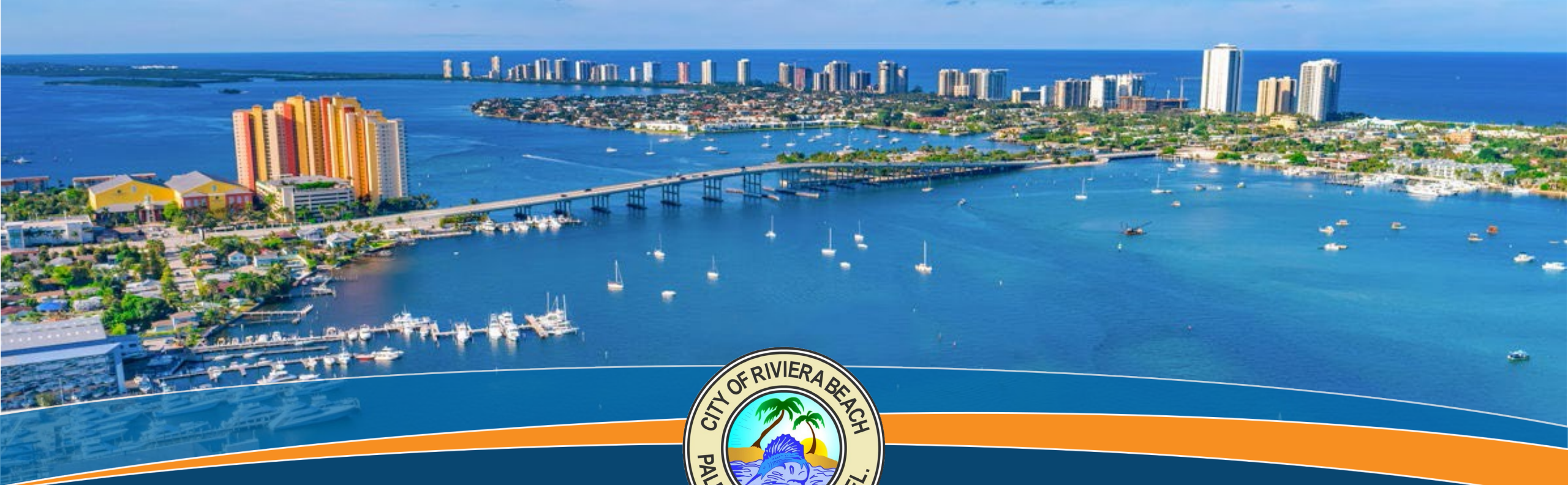


City of Riviera Beach
Fiscal Year 2021/2022
Budget Presentation Workshop

Riviera Beach Marina Event Center
Wednesday, June 16, 2021
6:00 p.m. - 9:00 p.m.

AGENDA

- | | | |
|------|--|---|
| I. | Call to Order | Chairperson |
| II. | Roll Call | City Clerk |
| III. | Invocation and Pledge of Allegiance | |
| IV. | Introduction and Purpose | Jonathan Evans, City Manager |
| V. | FY 2022 Budget Presentation | |
| | i. City's Finances | Jonathan Evans, City Manager
Randy Sherman, Director of Finance
and Administrative Services |
| | ii. Fire Services Assessment Program | Sandi Walker, Government Services
Group |
| | iii. Utility Revenue Sufficiency Study | Ryan Smith, Raftelis |
| VI. | Comments and Discussion | City Manager
City Attorney
Mayor and City Council |



FY 2021/2022 Budget Workshop

June 16, 2021



**FY 2021/2022
Budget Workshop
June 16, 2021**

Agenda

- City's Finances
- Fire Services Assessment Program
- Utility Revenue Sufficiency Study

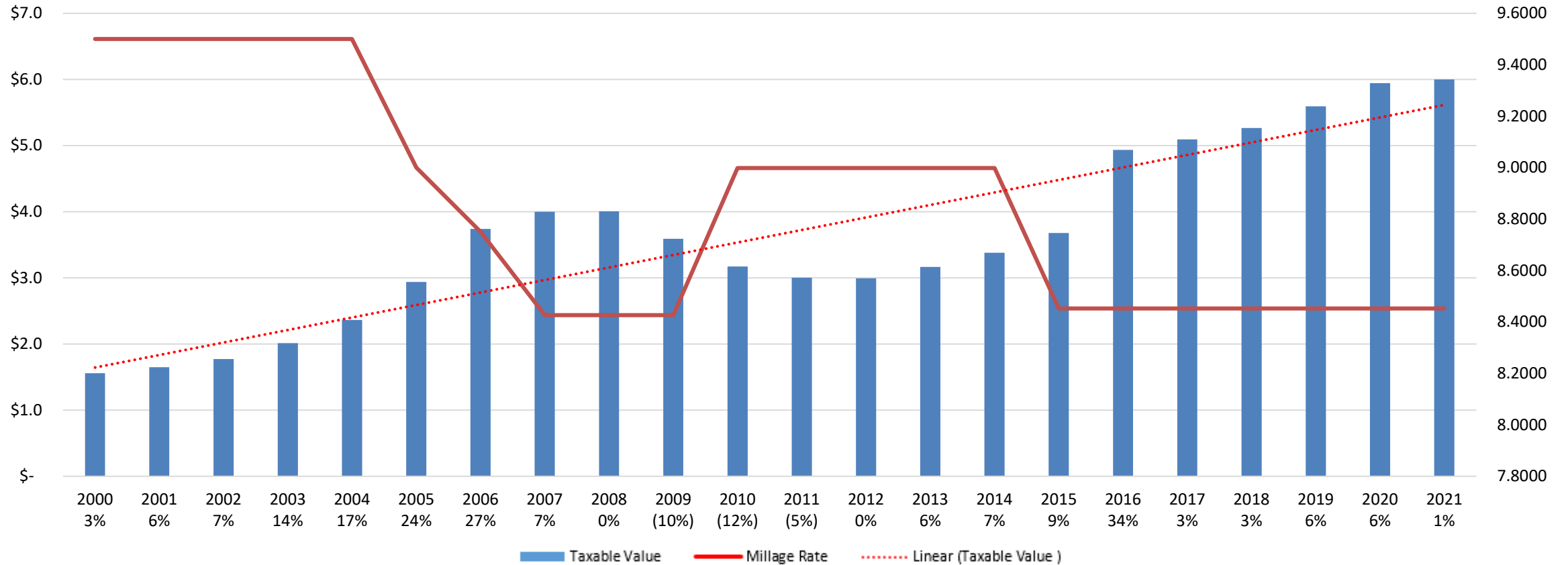
City's Finances



FY 2021/2022 Budget Workshop
June 16, 2021

Riviera Beach Assessed Taxable Values

Tax Years 2000 to 2021 (billions)



2000 v. 2021 Millage Rate decreased by 11 % and Taxable Values increased by 285%.



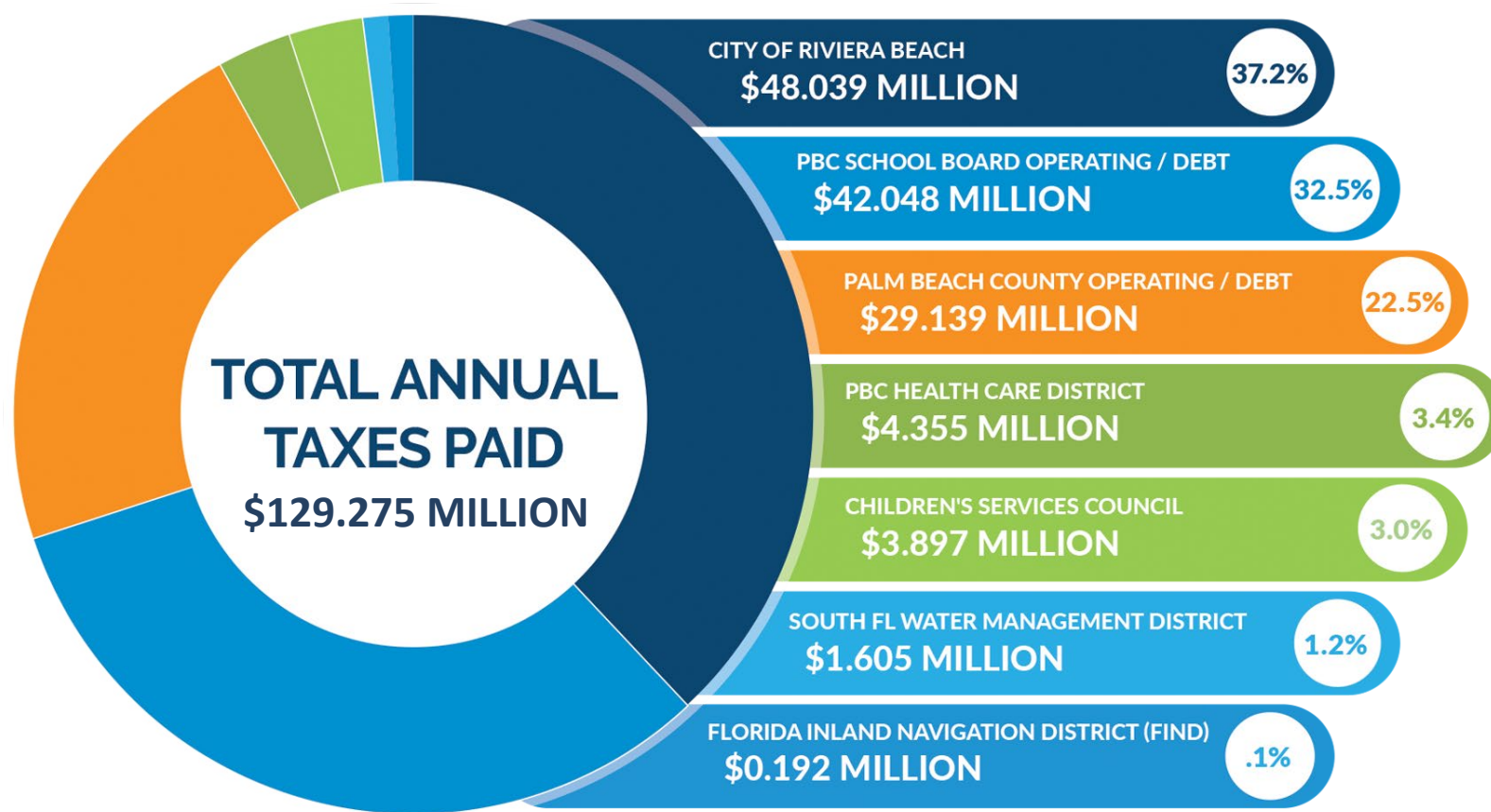
Taxes Paid by Property Owners

	Residential Property Value				FPL
Gross Property Value	\$75,000	\$100,000	\$200,000	\$2,000,000	\$945,391,526
Homestead Exemption	(50,000)	(50,000)	(50,000)	(50,000)	-
Net Property Value	25,000	50,000	150,000	1,950,000	945,391,526

Taxing Authority	Tax Rate	Annual Taxes Paid					% of Taxes Paid
Riviera Beach	8.4520	\$211	\$423	\$1,268	\$16,481	\$7,990,449	38.43%
PBC School Board	7.0100	\$175	526	1,227	13,845	6,627,195	} 53.96%
Palm Beach County	4.8580	\$121	243	729	9,473	4,592,712	
PBC Health Care District	0.7261	\$18	36	109	1,416	686,449	} 7.62%
Children's Services	0.6497	\$16	32	97	1,267	614,221	
Water Mgt District	0.2675	\$7	13	40	522	252,892	
F.I.N.D.	0.0320	\$1	2	5	62	30,253	
Total	21.9953	\$550	\$1,275	\$3,475	\$43,066	\$20,794,170	



Total Annual Taxes Paid by Property Owners



Riviera Beach's

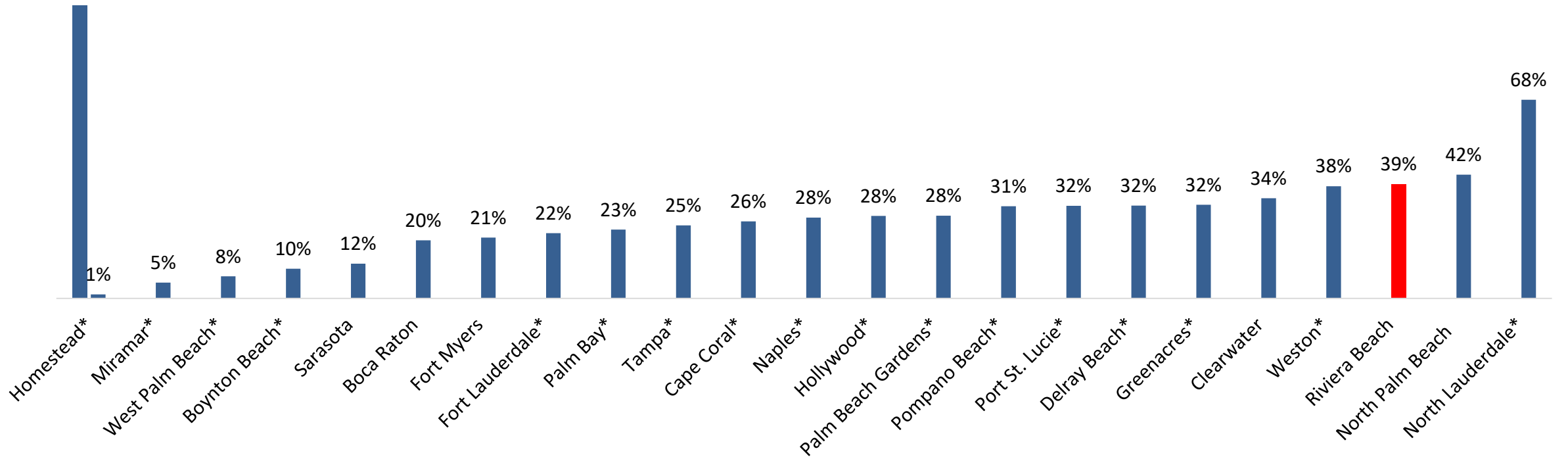
Composition of Taxes Levied for FY 2021

PROPERTY TYPE	% of Taxes Levied	Taxes Levied (millions)
Residential - Non-homestead	40.86%	\$ 19.63
Tangible Personal Property	20.79%	9.99
Residential - homestead	16.83%	8.08
Industrial	11.13%	5.34
Commercial	6.61%	3.18
Other – Non-residential	2.14%	1.03
Residential - Vacant	1.06%	0.51
Institutional	0.44%	0.21
Centrally Assessed (Railroads and Public Service Entities)	0.12%	0.06
Agriculture	0.03%	0.01

85% of Rental Properties are owned by non-Riviera Beach residents.



Unassigned Fund Balance as a % of General Fund Revenues (FY 2019* and FY 2020)

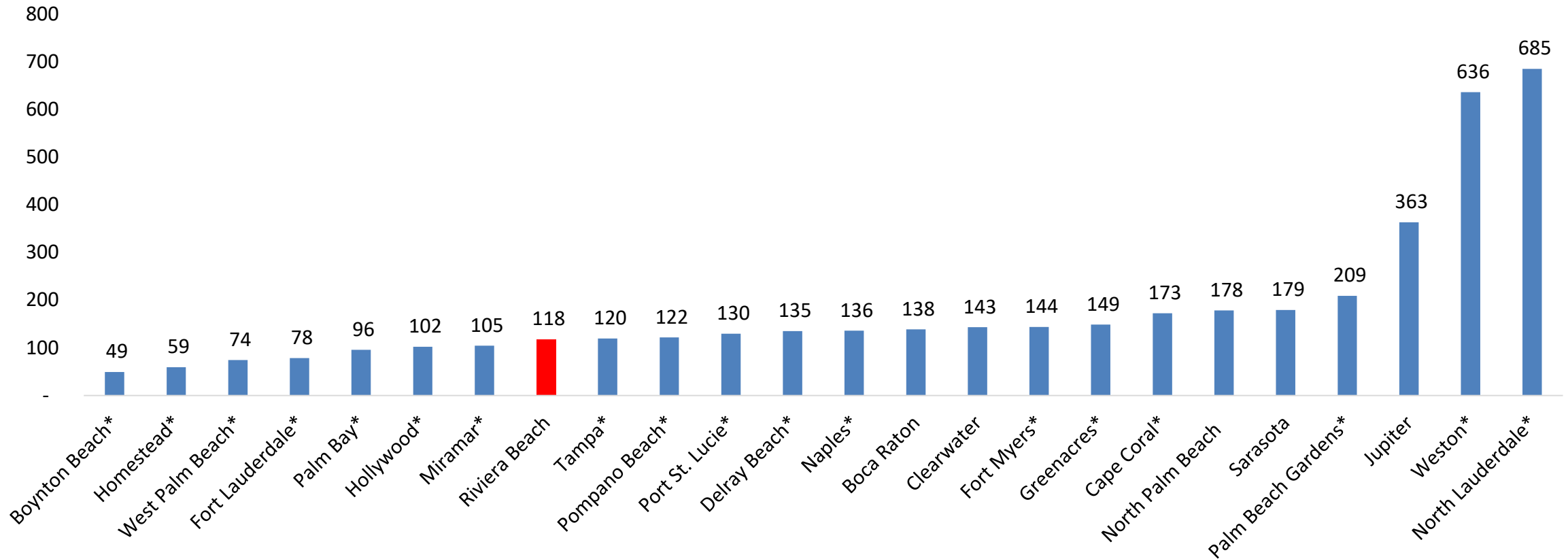


GFOA recommends a minimum of unrestricted fund balance in the General Fund of no less than two months of general fund operating revenues which is equivalent to 16.67%. However, governments that may be vulnerable to natural disasters, more dependent of a volatile revenue source, or potentially subject to cuts in state and/or federal grants may need to maintain a higher level of unrestricted fund balance.



Days Cash on Hand

(FY 2019* and FY 2020)

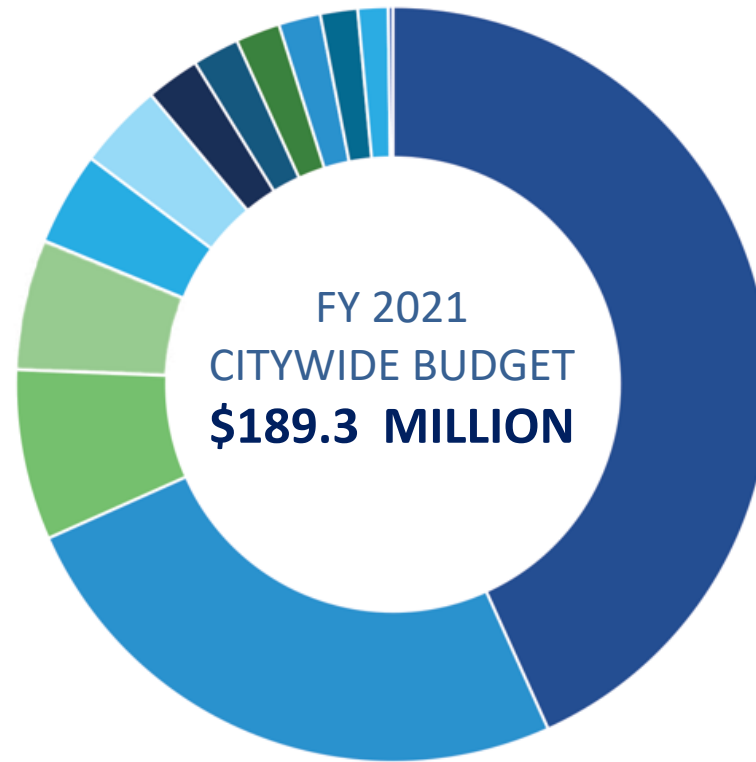


Days of Cash on Hand is the number of days that the entity can continue to pay its operating expenses given the amount of cash available.



FY 2021

Citywide Budget

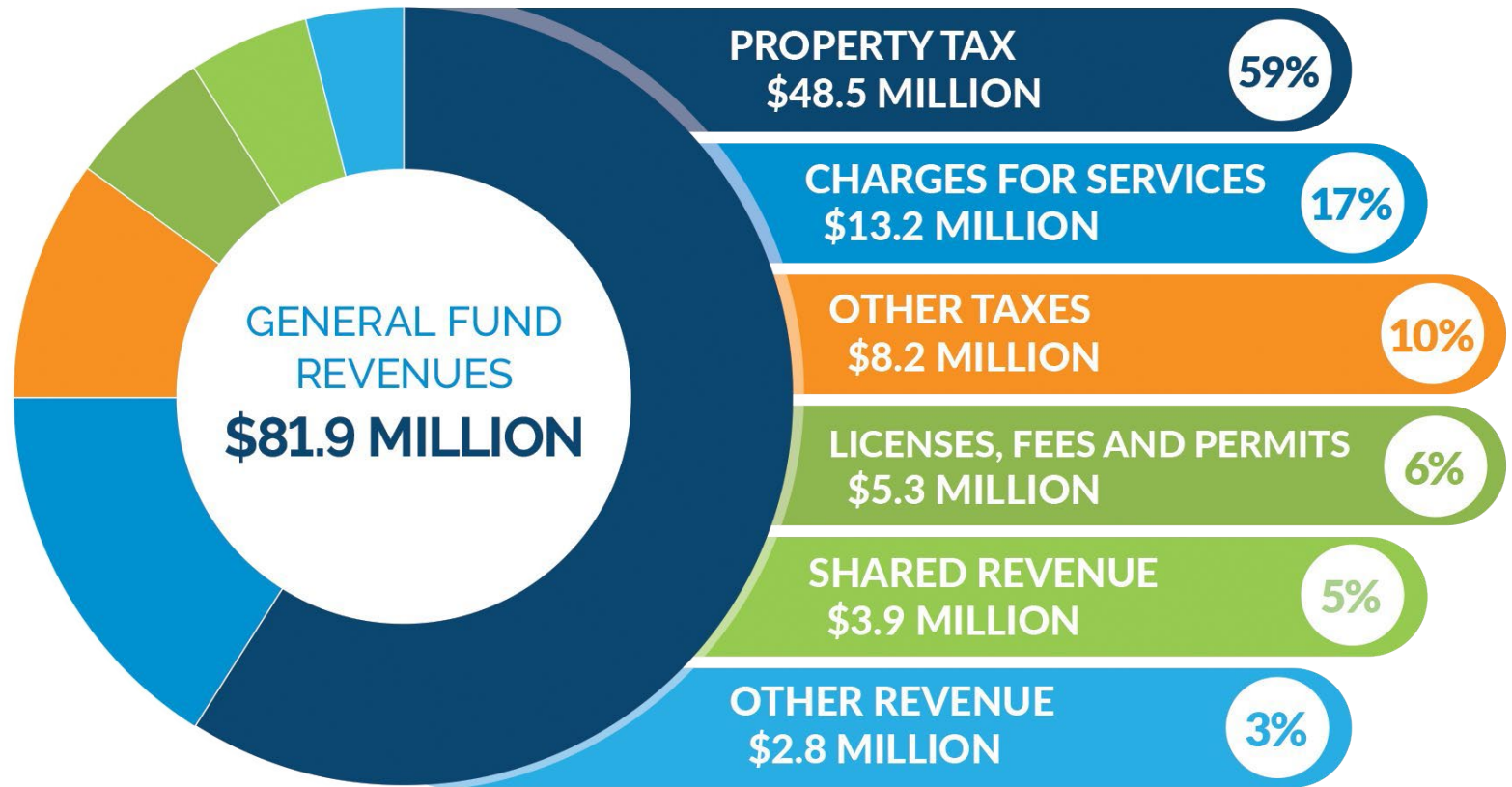


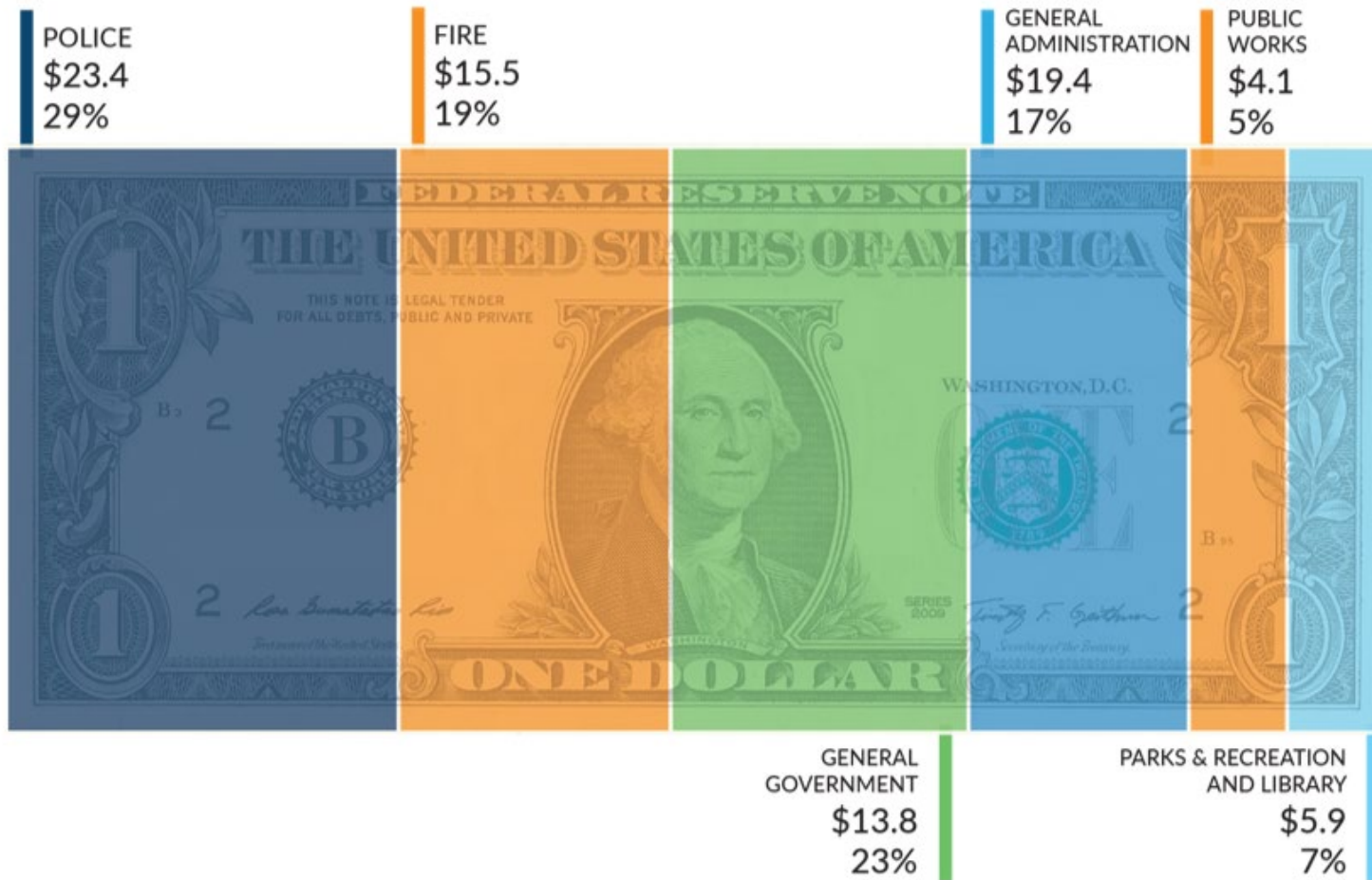
■	43.3%	\$81.9	General Fund
■	25.1%	\$47.5	Utility Special District
■	7.3%	\$13.8	Community Redevelopment Agency (CRA)
■	5.6%	\$10.7	Capital Projects Funds
■	4.0%	\$7.5	Marina
■	3.7%	\$7.0	Debt Service Fund
■	2.3%	\$4.3	Solid Waste Collection
■	2.0%	\$3.8	Information Technology
■	1.9%	\$3.5	Fleet
■	1.8%	\$3.4	Stormwater
■	1.6%	\$3.0	Special Revenue Funds
■	1.3%	\$2.5	General Insurance
■	0.2%	\$0.4	Parking



FY 2021

General Fund Operating Budget – Revenues





FY 2021
 General Fund
 Operating Budget
 - Expenditures
 \$81.9 Million



Fire Services Assessment Program



Residential Properties in Riviera Beach

Assessed Value	Number of Units	% of Total	Approximate Property Taxes Paid
\$0	355	3%	\$ -
\$1 to \$25,000	1,664	13%	\$ -
\$25,001 to \$75,000	3,530	27%	\$210 to \$632
\$75,001 to \$100,000	1,156	9%	\$632 to \$843
Over \$100,000	6,273	48%	over \$843
Total Residential Units	12,978		

Average Taxable Value of a Residential Property = \$232,302



Why implement a Fire Services Assessment Fee?

- Revenues from fire assessments will only be used for the provision of fire protection services which includes:
 - Fire stations
 - Equipment and apparatus
 - Training
 - Salaries and benefits for staffing
- Financing mechanism for the construction on new fire stations
- General fund revenues that would normally fund fire protection services would be reassigned to other city services and infrastructure projects
- Tax equity mechanism
- Create liquidity for the General fund
- Discussed annually



How the Fire Services Assessment Fees will be used?

1. Salaries for positions to meet NFPA, Accreditation and ISO standards
2. Replacement of 3 Fire Stations
3. Renovation of 1 Fire Station
4. Purchase of new aerial apparatus
5. Replacement/Maintenance of aging apparatus
6. Replacement/Maintenance of Extrication equipment
7. Replacement/Maintenance of Self Contained Breathing Apparatus (SCBA)
8. Replacement/Maintenance of Air Compressors for SCBA's
9. Replacement/Maintenance of Bunker Gear
10. Replacement/Maintenance of Bunker Gear Washer (Extractor)
11. Training on advanced level courses i.e. (Special Operations, Live Fire, Rope Rescue, Hazardous Materials etc.)



Consequences of Not Implementing the Fire Assessment Fee

- The City does not have the cash on hand to construct the fire stations.
- The City has the capacity to borrow for the construction of fire stations.
- The Fire Assessment Fee program would provide a source of funding to make the debt service payments of principal and interest.





City of Riviera Beach Fire Services Assessment Program

June 16, 2021



GOVERNMENT SERVICES GROUP, INC.

What is a Fire Assessment?

Charge imposed against real property to pay for fire protection services

Does **NOT** include EMS-type services above level of first responder

Case Law Requirements

1. Special Benefit to property and
2. Fair and reasonable apportionment



Purpose and Goals of a Fire Assessment Program



GOVERNMENT SERVICES GROUP, INC.

Revenue

- Will generate revenue for fire protection services

Diversification

- Non-ad valorem revenue source
- Dependent on cost of services, not taxable values
- Broadens “tax base” of those paying for fire protection services

Accountability

- Legally restricted funds for the provision of fire protection services, facilities and programs

Equity

- Property value bears no relationship to the provision of or demand for fire services
- Patchwork of exemptions from property taxes and limitations on fair valuation (Save Our Homes) further distort and limit those properties that pay for fire services under ad valorem system
- Fire assessments are driven by service costs and demand
- All property fairly and reasonably pays for the availability and provision of fire protection services regardless of taxable value or available exemptions

Historical Demand Methodology*



GOVERNMENT SERVICES GROUP, INC.

- Court tested and approved
- Most widely adopted
- Historical demand is the driving factor
- Based on initial response; therefore, treats all calls equally
- One rate for residential structures regardless of size

*Methodology was upheld by the Fourth District Court of Appeals in Desiderio Corporation, et al. vs. The City of Boynton Beach, Florida, et al., 39 So.3d 487 (Fla. 4th DCA 2010).

Data Components



GOVERNMENT SERVICES GROUP, INC.

1. **Service Delivery**
 - ALS with Transport
 - Apparatus and fire flow available
 - 191,400 non-residential sq. ft. cap
 - Benefit area
 - Incorporated City of Riviera Beach
2. **Fire Assessable Budget**
 - Fire vs. EMS expenditures
 - Develop 5-year assessable budget for fire protection services
3. **Develop Cost Apportionment**
 - Call/Incident Data
4. **Develop Parcel Apportionment/Preliminary Assessment Roll**
 - Ad Valorem Tax Roll Data
 - Building/Property Use
 - Dwelling Units
 - Square Footage

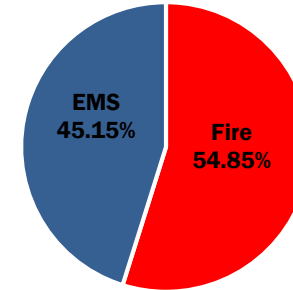
5-Year Fire Assessable Budget (FY 2021 through FY 2025)



GOVERNMENT SERVICES GROUP, INC.

5-Year Average Assessable Expenditures -- \$13,942,186

- Utilized City's FY 2021 Adopted and FY 2022 Proposed Fire Department Budget
 - Removed EMS Costs
 - Applied annual increases
 - Included Capital Improvement Costs
- Expenditures – Revenues = Net Expenditures
- Included Miscellaneous Assessment Expenditures
 - Study, Implementation and Annual Maintenance Costs
 - First Class Notice Costs
 - Collection Costs – Tax Collector and Property Appraiser
 - Statutory Discount
- Net Assessable Expenditures

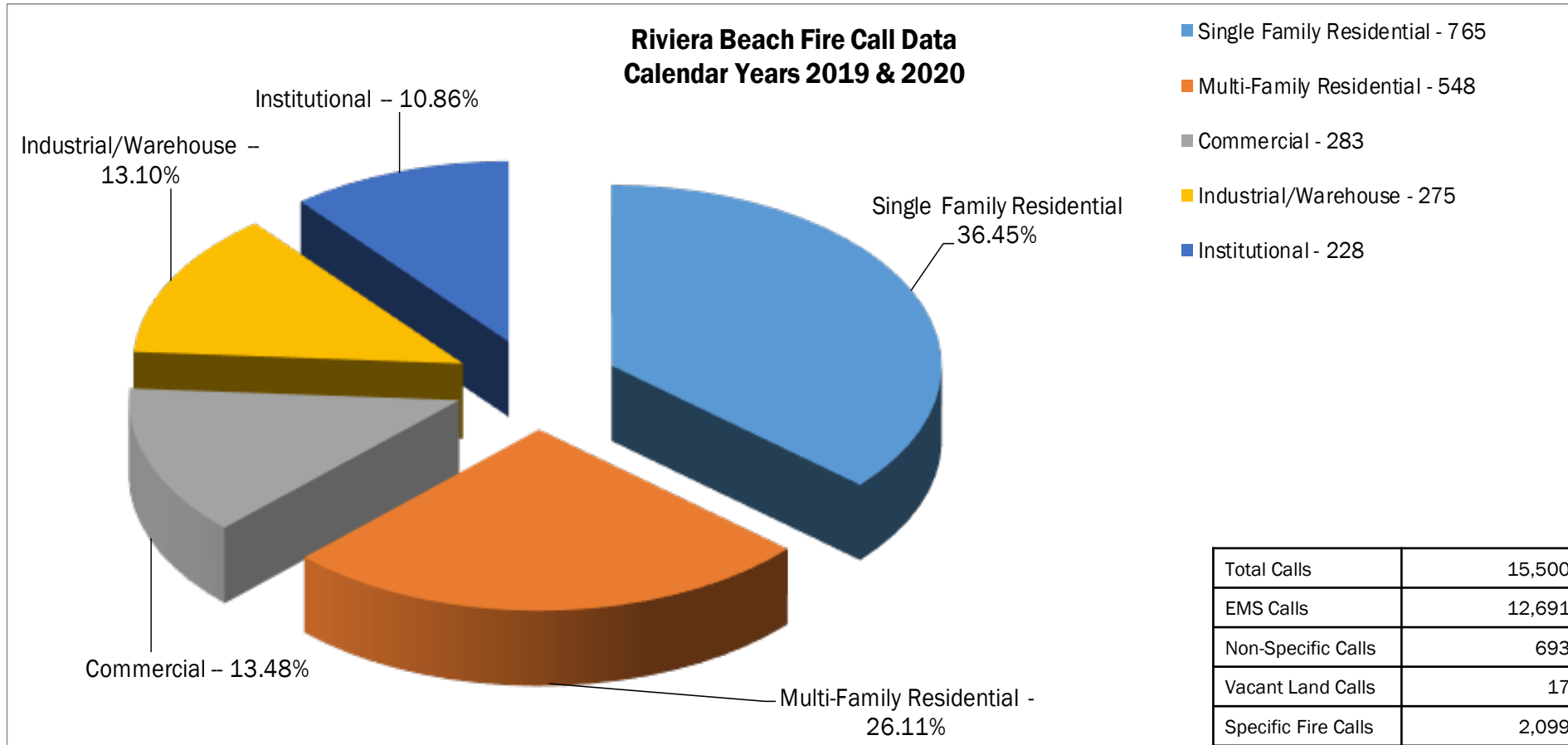


Cost Apportionment

Based on Calendar Years 2019 and 2020 Fire Call Data



GOVERNMENT SERVICES GROUP, INC.



Parcel Apportionment



GOVERNMENT SERVICES GROUP, INC.

Category	Parcel Apportionment
Residential Single Family (includes mobile homes) Multi-Family	Dwelling Unit
Non-Residential Commercial Industrial/Warehouse Institutional	Square Footage (capped at 191,400 sq. ft.)

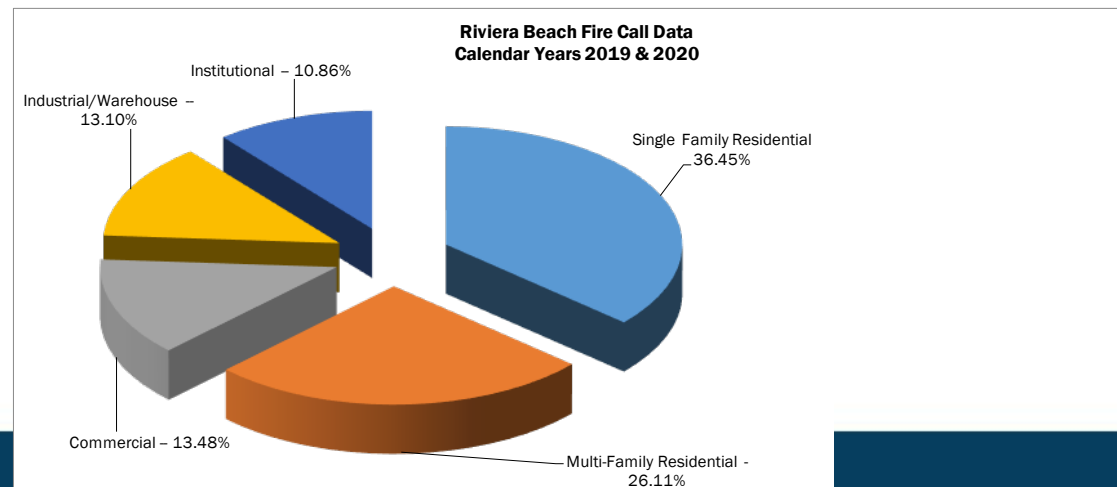
Apportionment Methodology: Based on Historical Demand for Fire Services

(Fiscal Year 2021-22)



GOVERNMENT SERVICES GROUP, INC.

Category	Total Fire Calls	Percentage of Calls	Percentage of Assessable Costs	Unit Counts (Dwelling Units and Square Footage)	Per Unit Rate
Single-Family Residential	765	36.45%	\$5,081,359	9,697	\$525.00
Multi-Family Residential	548	26.11%	\$3,639,980	7,457	\$489.00
Commercial	283	13.48%	\$1,879,771	2,631,586	\$0.72
Industrial/Warehouse	275	13.10%	\$1,826,632	8,767,765	\$0.21
Institutional	228	10.86%	\$1,514,444	1,996,217	\$0.76
Total	2,099	100%	\$13,942,186		



Rate Scenarios



GOVERNMENT SERVICES GROUP, INC.

	33.25%	29.5%	25%	21%	19%
Single Family Residential	\$175.00	\$155.00	\$132.00	\$111.00	\$100.00
Multi-Family Residential	\$163.00	\$145.00	\$123.00	\$103.00	\$93.00
Commercial	\$0.24	\$0.22	\$0.18	\$0.16	\$0.14
Industrial/Warehouse	\$0.07	\$0.07	\$0.06	\$0.05	\$0.04
Institutional	\$0.26	\$0.23	\$0.19	\$0.16	\$0.15
Estimated Gross Revenue	\$4,635,777	\$4,112,945	\$3,485,547	\$2,927,859	\$2,649,015
Estimated Buy-Down	(\$644,150)	(\$582,044)	(\$482,876)	(\$408,811)	(\$371,668)
Government	\$549,756	\$498,542	\$413,895	\$350,722	\$317,210
Institutional	\$94,394	\$83,502	\$68,980	\$58,089	\$54,458
Estimated Net Certified Revenue	\$3,991,627	\$3,530,901	\$3,002,671	\$2,519,048	\$2,277,347
Estimated Net Realized Revenue (after statutory discount and collection costs)	\$3,712,213	\$3,283,738	\$2,792,484	\$2,342,715	\$2,117,933

Other Florida Cities

FY 20-21 Adopted Fire Assessment Rates



GOVERNMENT SERVICES GROUP, INC.

	Proposed Riviera Beach	West Palm Beach	Boynton Beach	Margate	Pembroke Pines	Miramar	Deerfield Beach	Hollywood	Oakland Park	North Lauderdale
Single Family Residential	\$132.00	\$100.00	\$120.00	\$300.00	\$312.32	\$398.23	\$235.00	\$285.00	\$199.00	\$233.00
Multi-Family Residential	\$123.00	\$100.00	\$120.00	\$300.00	\$312.32	\$398.23	\$235.00	\$285.00	\$199.00	\$396.00
Commercial	\$0.22	\$0.103	\$0.27	\$0.30	\$0.5231	\$0.7457	\$437 – \$21,839	\$497 – \$74,532	\$347 – \$34,664	\$549 – \$27,439
Industrial/Warehouse use	\$0.07	\$0.018	\$0.06	\$0.03	\$0.1073	\$0.1191	\$106 – \$5,287	\$148 – \$22,096	\$56 – \$5,559	\$118 – \$5,880
Institutional	\$0.23	\$0.123	\$0.30	\$0.69	\$0.4994	\$0.6194	\$1,225 – \$61,245	\$684 – \$102,499	\$303 – \$30,266	\$592 – \$29,597
Nursing Home	\$0.23	\$0.372	\$0.30	\$0.69	\$0.4994	\$0.6194	\$1,225 – \$61,245	\$684 – \$102,499	\$303 – \$30,266	\$592 – \$29,597
Estimated Net Revenue	\$3,530,000	\$8,386,000	\$7,175,000	\$9,400,000	\$27,400,000	\$22,000,000	\$15,000,000	\$32,000,000	\$5,900,000	\$5,200,000

Policy Direction



GOVERNMENT SERVICES GROUP, INC.

- Proceed with Implementation
- Rates
- Exemption Policy
 - Government Parcels
 - Institutional Tax-Exempt (non-government) Parcels*
 - Institutional uses include schools, hospitals, churches, dormitories, non-profit services, etc.
 - 2-prong test
 1. Must be wholly tax exempt;
 - and**
 2. Building must be of institutional use
- Schedule
- Other

*The importance of special assessments on non-governmental, tax exempt parcels has been addressed by the Florida Supreme Court in Sarasota County v. Sarasota Church of Christ, 667 So.2d 180 (Fla. 1995) noting that religious organizations or entities owning developed real property that are exempt from ad valorem taxes but not from special assessments.

Non-governmental tax exemptions must be based upon a determination that such exemptions constitute a valid public purpose. The funding of exemptions for non-governmentally owned institutional property wholly exempt from ad valorem taxes could be based on a finding that such properties provide facilities and uses to their ownership, occupants or membership, as well as the public in general, that otherwise might be required to be provided by the City. Such a finding would be the basis for a determination that such properties serve a legitimate public purpose or provided a public benefit that merited the City's funding of an exemption from the fire assessment.

Whenever crafting an exemption, it is important to understand that the fair apportionment element required by Florida case law prohibits the shifting of the fiscal costs of any special assessment from exempt landowners to other non-exempt landowners. In other words, the funding for an exemption from a special assessment must come from a legally available external revenue source, such as the City's general fund. Funding for fire assessment exemptions cannot come from the proceeds derived directly from the imposition of special assessments for fire services and facilities. Because any exemption must be funded by an external funding source, the grant of any exemption will not have any impact upon the fire assessment to be imposed upon any other non-exempt parcels.



GOVERNMENT SERVICES GROUP, INC.

Questions?

Utility Revenue Sufficiency Study



Why a rate increase for water and sewer services?

USD Operating Funds are Financially Stressed:

- Operating Cash has decreased \$12.4 since the close of FY 2017
 - September 30, 2017 - \$36.6 million
 - May 31, 2021 - \$24.2 million
- FY2021 Operating Revenues through May are \$900,000 less than through May of FY2020
 - May FY 2020 - \$21.2 million
 - May FY2021 - \$19.3 million
- USD is currently operating with a \$3.4 million FY2021 deficit
- USD is operating with 13 vacancies
- FY2022 Preliminary budget reflects a \$2.5 million funding deficit



Why a rate increase for water and sewer services?

USD in need of Capital Funding:

- On February 17, 2021, April 21, 2021 and June 2, 2021 USD staff and engineering consultants outlined the dire conditions at the current treatment facility and other critical District infrastructure
- The FY 2021-2025 Capital reflects \$155.9 million in capital spending requirements.
- Construction of a new Water Treatment Facility alone is estimated at \$121million
- A 26% rate increase is needed to support future debt service to support the cost of the new facility
- The USD A+ rating is jeopardy
 - Looming FY2021 Operating deficit
 - Decreasing Coverage of Revenues available to meet Debt Service payments (Requirement is 1.2X)
 - FY 2018 Coverage 2.15X
 - FY 2019 Coverage 1.87X
 - FY 2020 Coverage 1.52X
 - Failure of rate increase passage
- The goal is to have a new facility in 3 years, the District does not have the financial capacity to finance the new facility without the adoption of supporting rates



Consequences of Not Increasing the water and sewer rates

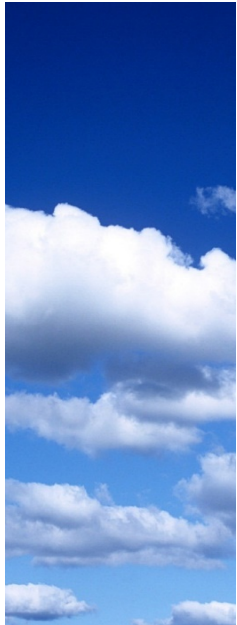
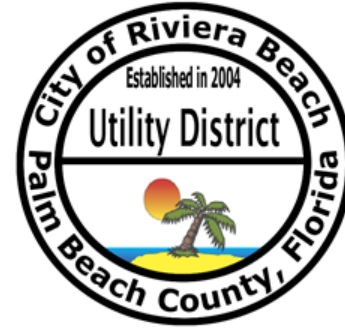
If no rate increase then the construction of a new water treatment plant at an estimated cost of \$121 million will not be possible.



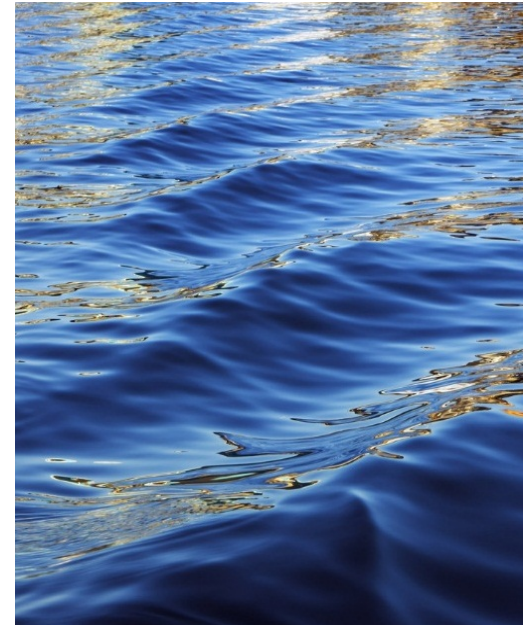
Projects - Water and Sewer Revenue Bonds, Series 2016

ORIGINAL ISSUE AMOUNT		\$40,000,000
PROJECT TITLE	PROJECT STARTED DURING FISCAL YEAR:	TOTAL
ROADWAY WATER & SEWER IMPROVEMENTS	2018	7,855,849
WATER & SEWER IMPROVEMENTS	2019	5,117,630
LIME SOFTENING UNITS	2019	1,883,201
NORTH TOWER BUILDING	2020	1,174,806
LIFT STATION REHABILITATION	2018	844,640
WATER TREATMENT PLANT DISINFECTION	2017	705,317
SILVER BEACH ROAD IMPROVEMENTS	2018	543,885
RAW WATER WELLS	2019	497,960
LIME SYSTEM REPLACEMENT	2020	382,659
SCADA REPLACEMENT	2020	199,001
AQUEOUS AMMONIA SYSTEM	2019	189,150
GENERATORS	2019	170,787
LIFT STATION 47 IMPROVEMENTS	2018	148,347
UNIDIRECTIONAL FLUSHING	2020	82,785
LIFT STATION #47 REHABILITATION	2020	73,980
INTRACOASTAL FORCE MAIN	2018	71,412
GARDEN ROAD IMPROVEMENT	2020	67,283
FACILITY ENHANCEMENTS	2020	54,136
INTRACOASTAL WATER MAIN	2020	47,454
WATER TANKS	2020	43,142
AVENUE U REPUMP STATION	2017	35,924
PALM BEACH SHORES WATER MAINS	2018	32,552
TOTAL PROJECT AMOUNT		\$20,221,899



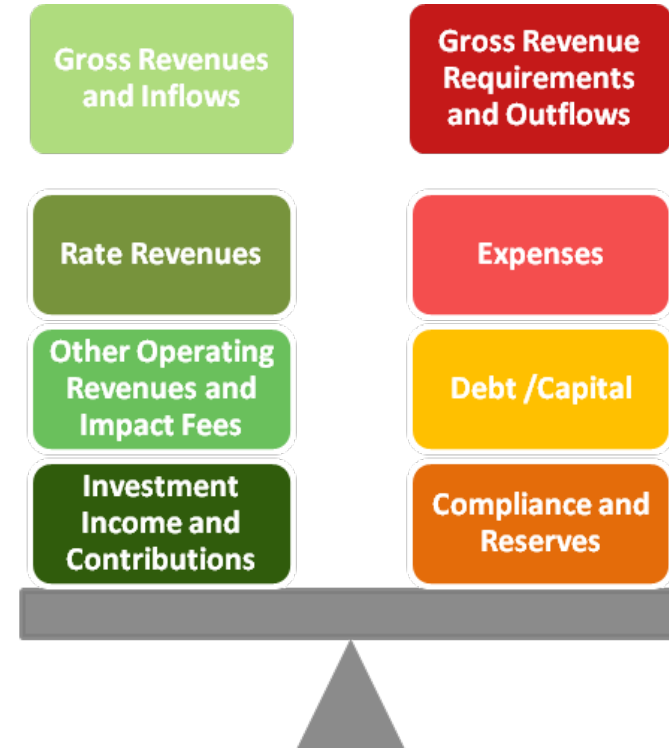


Utility Revenue Sufficiency Study



Summary of Study Purpose

- Objective: Develop Sustainable Rate and Financial Plan
- Evaluate the Sufficiency of Revenues
 - Review of Historical Trends in Revenues and Expenses
 - Forecast of Operating Expenses and Revenues
 - Summary of Capital Needs
 - Develop Capital Funding Plan
 - Identify Available Cash/Funding Resources
- Develop Financial Plan
 - Revenue Requirements (Funding Needs)
 - Bond Covenants
 - Financial Targets
 - Identify Rate Implementation Plan





Existing Rate Structure

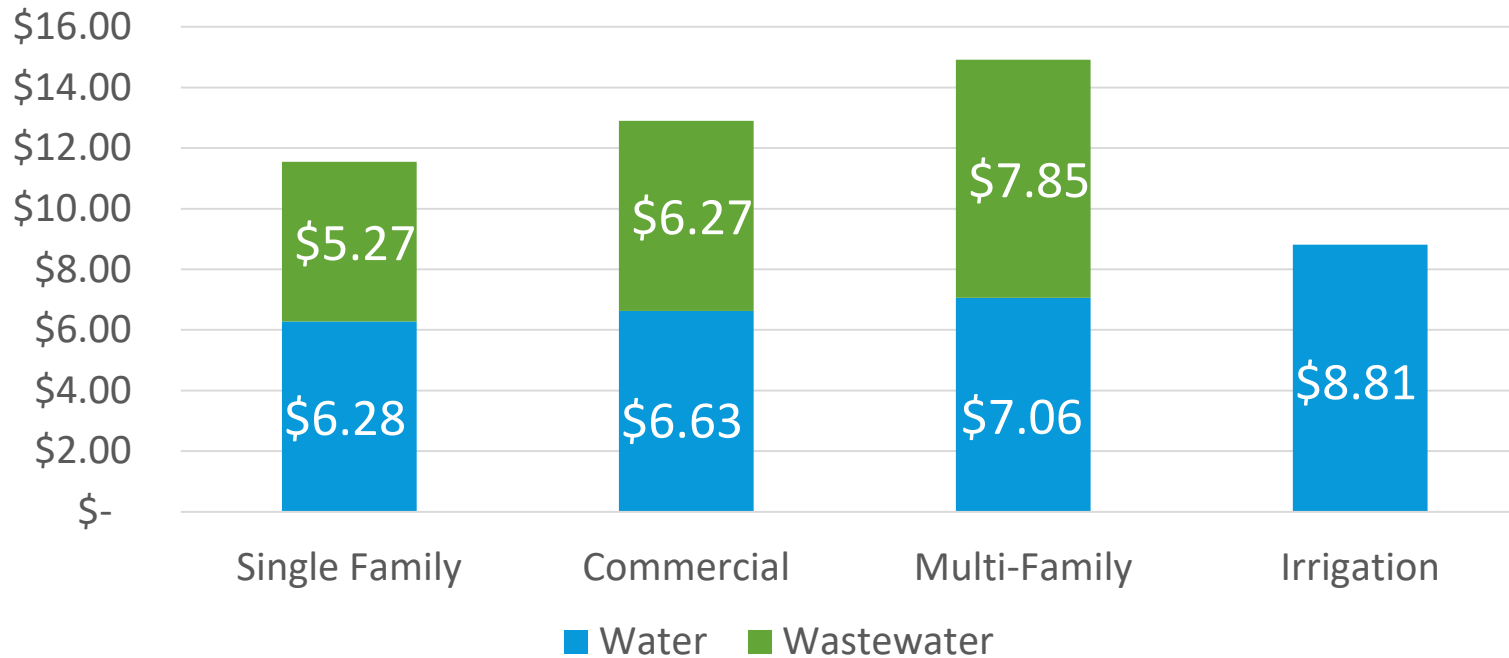
Fiscal Year 2021	Water	Wastewater
Residential		
Readiness to Serve (Fixed)		
Single-Family (3/4-Inch Meter)	\$18.13	\$17.54
Multi-Family (Per Dwelling)	12.88	15.28
Usage Charge (Per 1,000 Gallons)		
0-5,000	\$2.61	\$2.82
5,001-10,000	3.57	2.82
10,001-20,000	4.70	N/A
20,001 Gallons and above	5.91	N/A
Commercial		
Readiness to Serve		
¾-Inch Metered Customer	\$18.13	\$17.54
2-Inch Metered Customer	76.31	83.70
6-Inch Metered Customer	438.33	511.58
Usage Charge		
0-10,000 Gallons	\$4.68	\$4.17
10,001-30,000 Gallons	5.83	4.17
30,001 Gallons and Above	7.02	4.17

- Readiness to Serve
 - Minimum Bill (0 Use)
 - Billed By Instantaneous Demand of Meter Size
 - Charge Recovers the Cost
 - Immediate Pressurized Water
 - Average Demands
 - Cost of Billing
 - 42% of Rate Revenue
- Usage Charge
 - Billed Per 1,000 Gallons
 - Inverted Block Structure
 - Incentivizes Conservation
 - High Use Customers Pay More
 - Maintains System Capacity
 - Charge Recovers the Cost
 - Treatment
 - Peak Hour Demands
 - Transmission Oversizing
 - 58% of Rate Revenue

Rate Structure Application



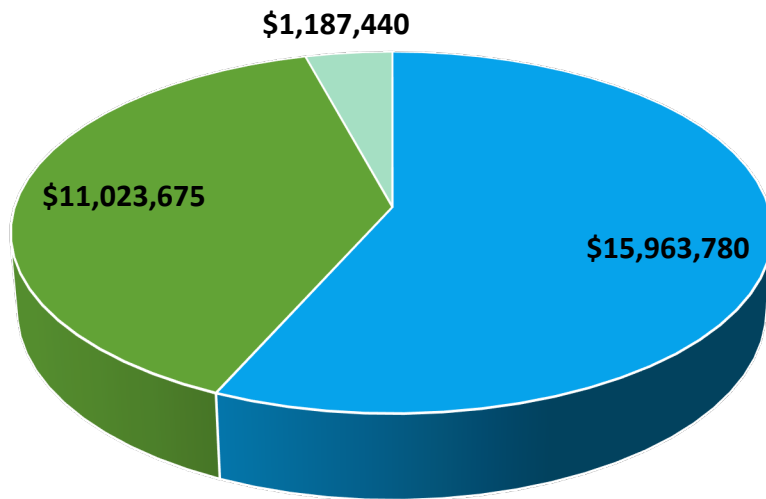
Average Revenue Per 1,000 Gallons by Customer Class



- Total Revenue Divided By Total Meter Gallons
- Actual Charge to Customer Per 1,000 Gallons of Water/Wastewater
- System Average = \$13.46 (Water = \$7.01 & Wastewater = \$6.45)
- Single Family Pays to Lowest Average Cost = \$11.54



System Attributes – Fiscal Year 2020 Revenues

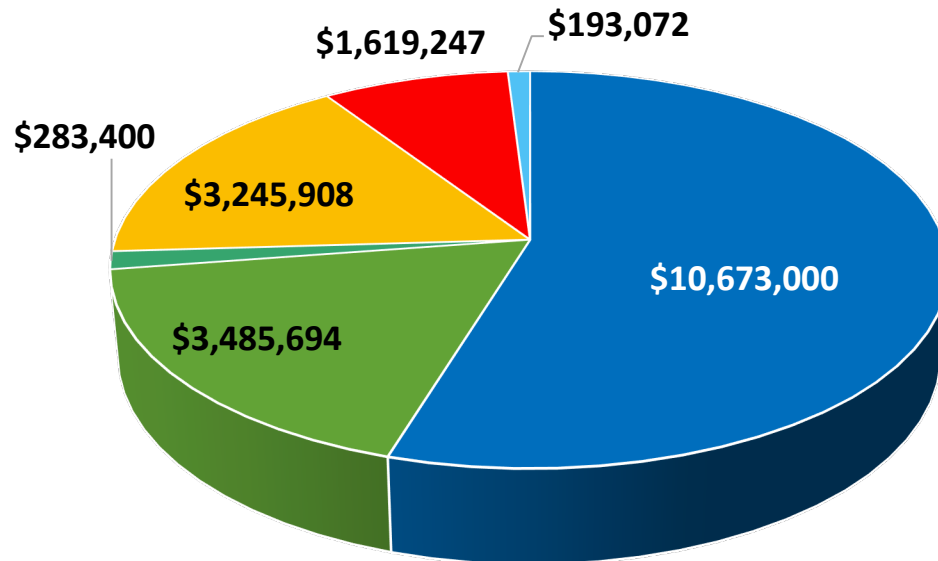


- Water Rate Revenues
- Sewer Rate Revenues
- Miscellaneous Fees and Interest Income

- Total Gross Revenues = \$28,174,895
- Rate Revenues = **96%**
 - Water = 57% / Sewer = 39%
 - Single-Family = 34%, Multi-Family = 24%, Commercial = 27%, Irrigation = 15%
- Miscellaneous Fees and Interest = **4%**
 - Miscellaneous Fees – Penalties, Connections, etc.
 - Interest Income

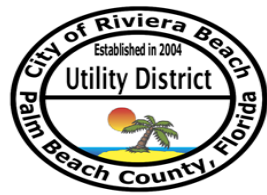


System Attributes – Fiscal Year 2020 Operating Expenses

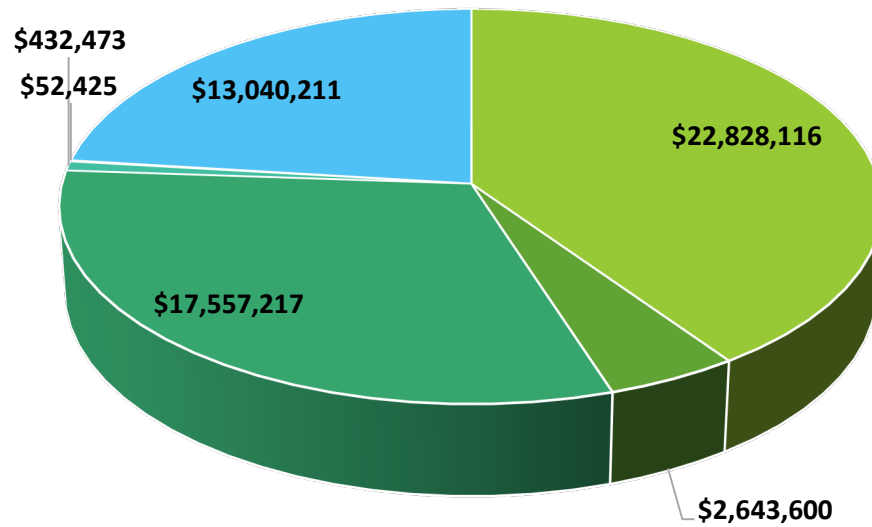


- Personnel Expenses
- ECR Payments
- Professional Services
- Other Operating Expenses
- Pilot
- Contingency

- Fiscal Year 2020 Operating Expenses = \$19,500,321
- Represents 72% of Rate Revenues
- Wastewater Treatment
 - ECRWRF = 18% of Total OpEx
 - District has Little Control Over Potential Increases
- PILOT = 6% of Total Revenues



System Attributes – Fund Balance – October 1, 2019



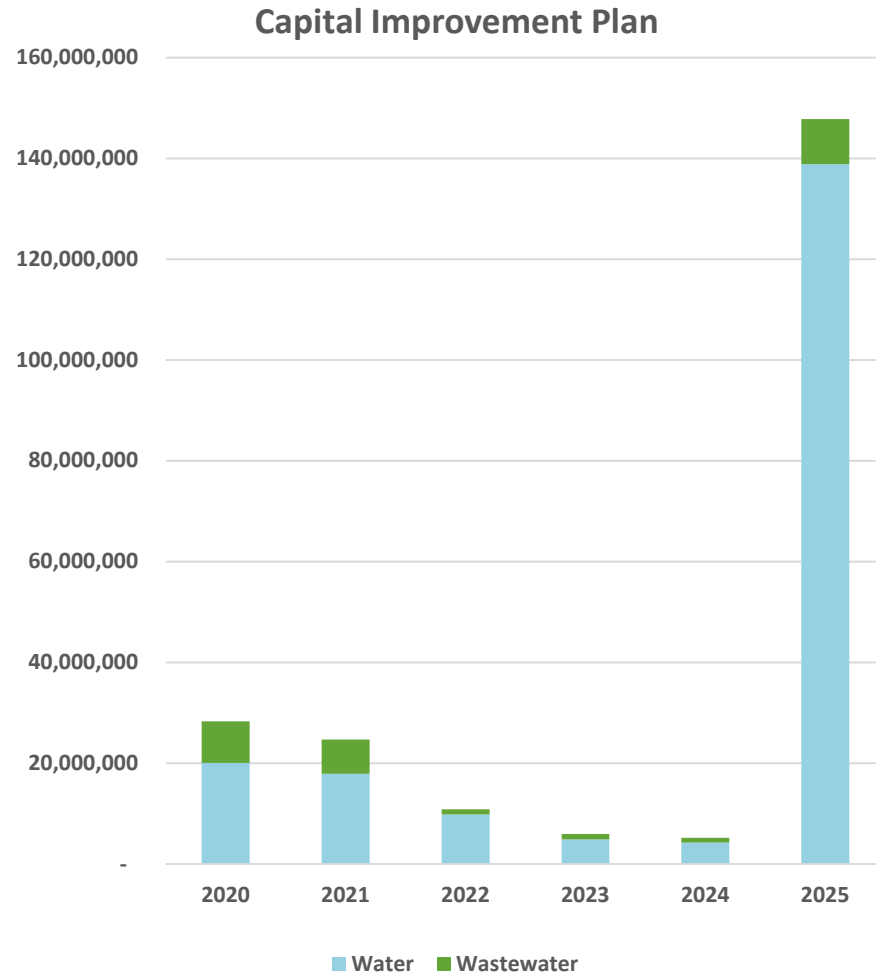
- Revenue Fund
- R&R Fund
- Debt Service Fund
- Customer Deposit Fund
- Impact Fee Fund
- Series 2016 Capital Fund

Overview of Fund Balance	
	Beginning of Fiscal Year 2020
Total Starting Fund Balances	\$77,959,188
Less Restricted / Claimed Funds:	
Customer Deposits	(\$2,643,600)
Impact Fees Funds	(\$432,473)
Series 2016 Bond Proceeds	(\$31,381,841)
Operating Reserves (180 of OpEx)	(\$9,521,383)
Capital Reserves (1 Year's Depreciation)	<u>(\$2,171,419)</u>
Total Restricted Funds:	(\$46,150,716)
Funds Available for Future Capital and Other Purposes:	\$31,808,473
Total CIP (Excluding 2016 Bond Projects)	\$152,797,037
Remaining CIP Required Funding	\$120,988,564

- Remaining CIP Funding
 - Annual Deposits to R&R Fund from Rates
 - Additional Bonds



System Attributes – Capital Improvement Plan

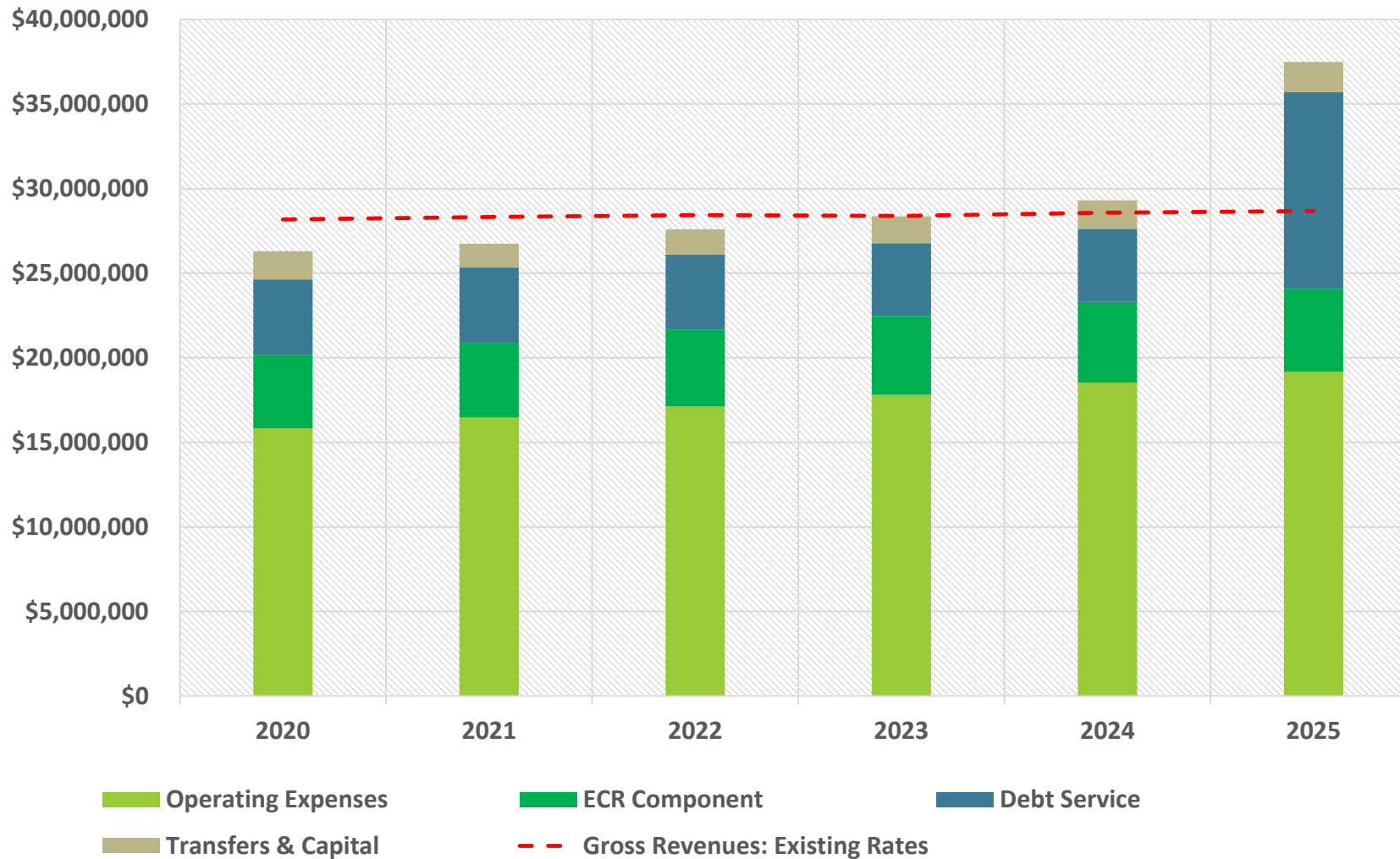


Identified Funding Sources	FY 2020-2025
Annual Rate Revenues	\$0
Revenue Fund (411)	0
Impact Fees	0
Renewal and Replacement Fund	41,797,037
Series 2016 Bond Proceeds	31,364,467
Series 2025 Bond Proceeds (Proposed)	<u>111,000,000</u>
Total Capital Funding Sources:	\$184,161,504

- New Water Treatment Plant
 - Originally Constructed In 1958 (60 Years Old)
 - Provides All Water to District Customers
 - Older Treatment Technology
- Series 2016 Bond Projects Previously Identified and Scheduled/Underway



Results – Revenue Requirements



- Revenue Requirements – Amount to be Funded from Annual Revenues



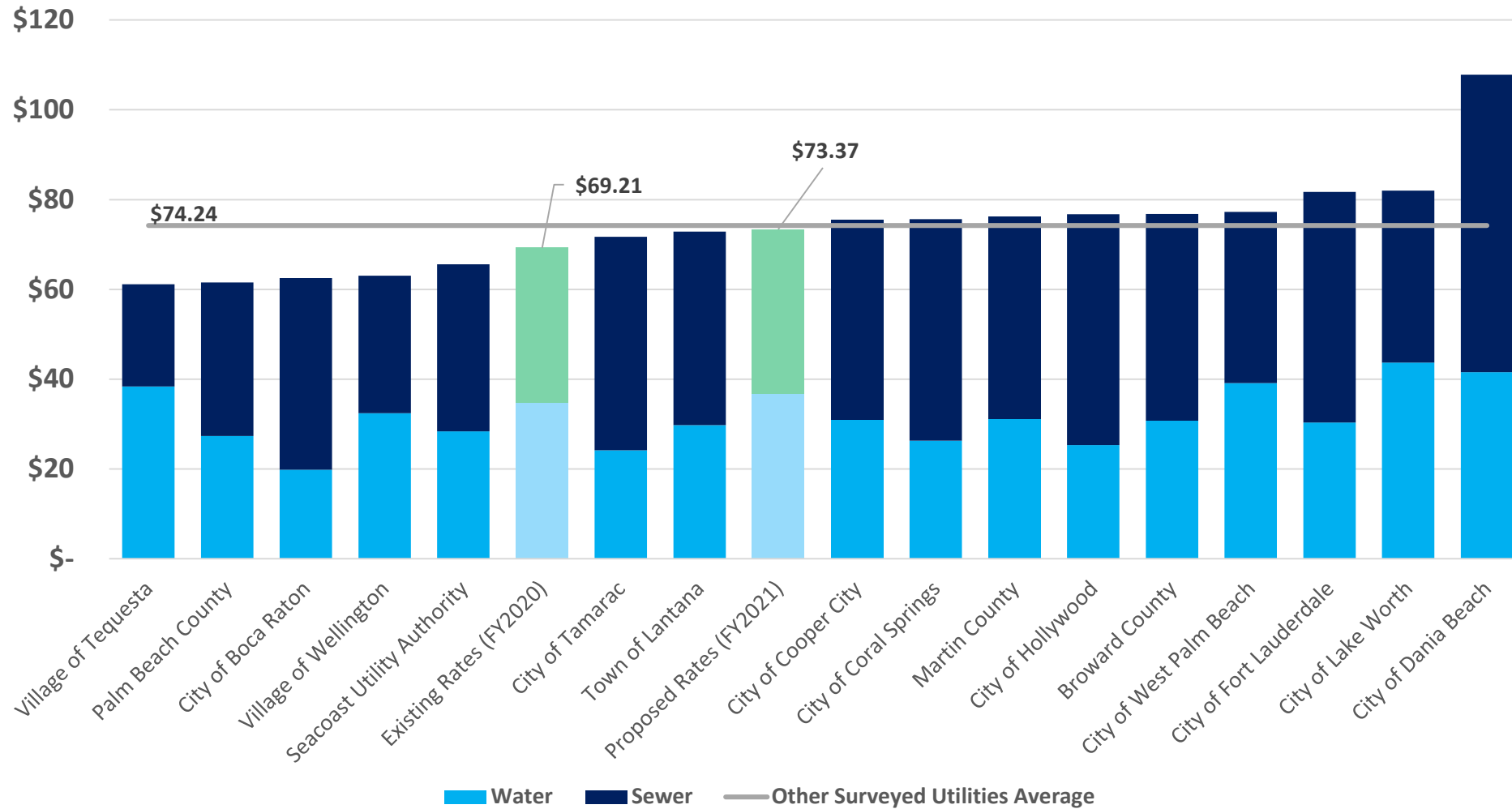
Results

- CIP Funding
 - Utilize Existing Cash and Projected R&R Fund Deposits
 - Issue Additional Bonds in 2025 to Fund Water Treatment Plant
- Rate Adjustment Recommendations
 - Inflationary Rate Indexing + 3% Additional Adjustments
 - Adopted Annual Inflationary Rate Indexing Provision Based on Water and Sewer Maintenance Index
 - Adopt Additional Adjustments for FY2021 – FY2025 in Anticipation of 2025 Bonds

Proposed Rate Adjustments for Financial Forecast					
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Rate Indexing (Estimated)	2.80%	2.80%	2.80%	2.80%	2.80%
Additional Adjustment	<u>3.20%</u>	<u>3.20%</u>	<u>3.20%</u>	<u>3.20%</u>	<u>3.20%</u>
Total Adjustment (Estimated)	6.00%	6.00%	6.00%	6.00%	6.00%
Increase to Monthly Bill @ 6,000	\$4.15	\$4.40	\$4.67	\$4.95	\$5.24

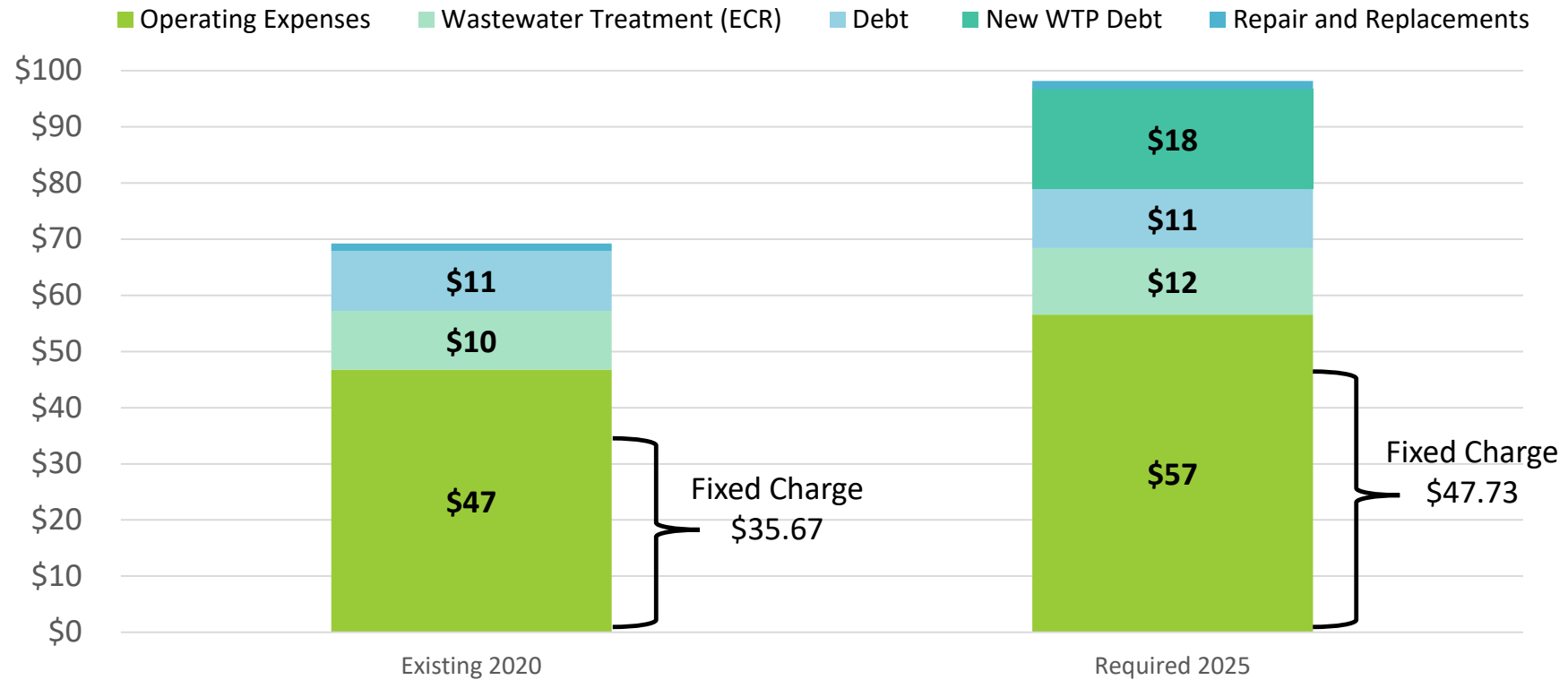


Comparison of Fiscal Year 2020 Monthly Residential Bill Combined Water and Wastewater at 6,000 Gallons





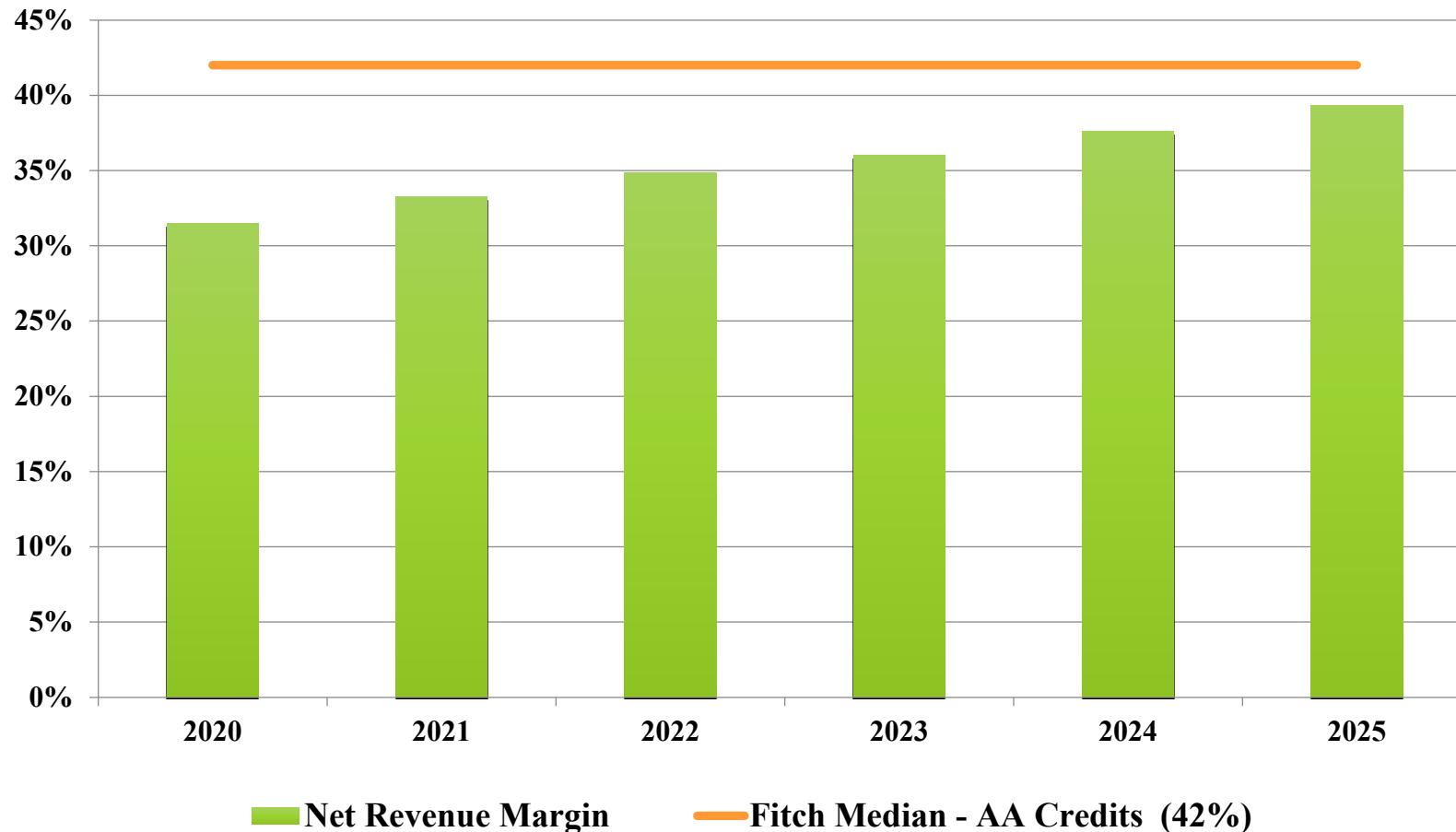
Comparison of Existing vs Required Monthly Residential Bill 6,000 Gallons By Expense Component

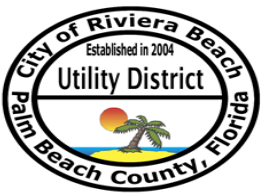




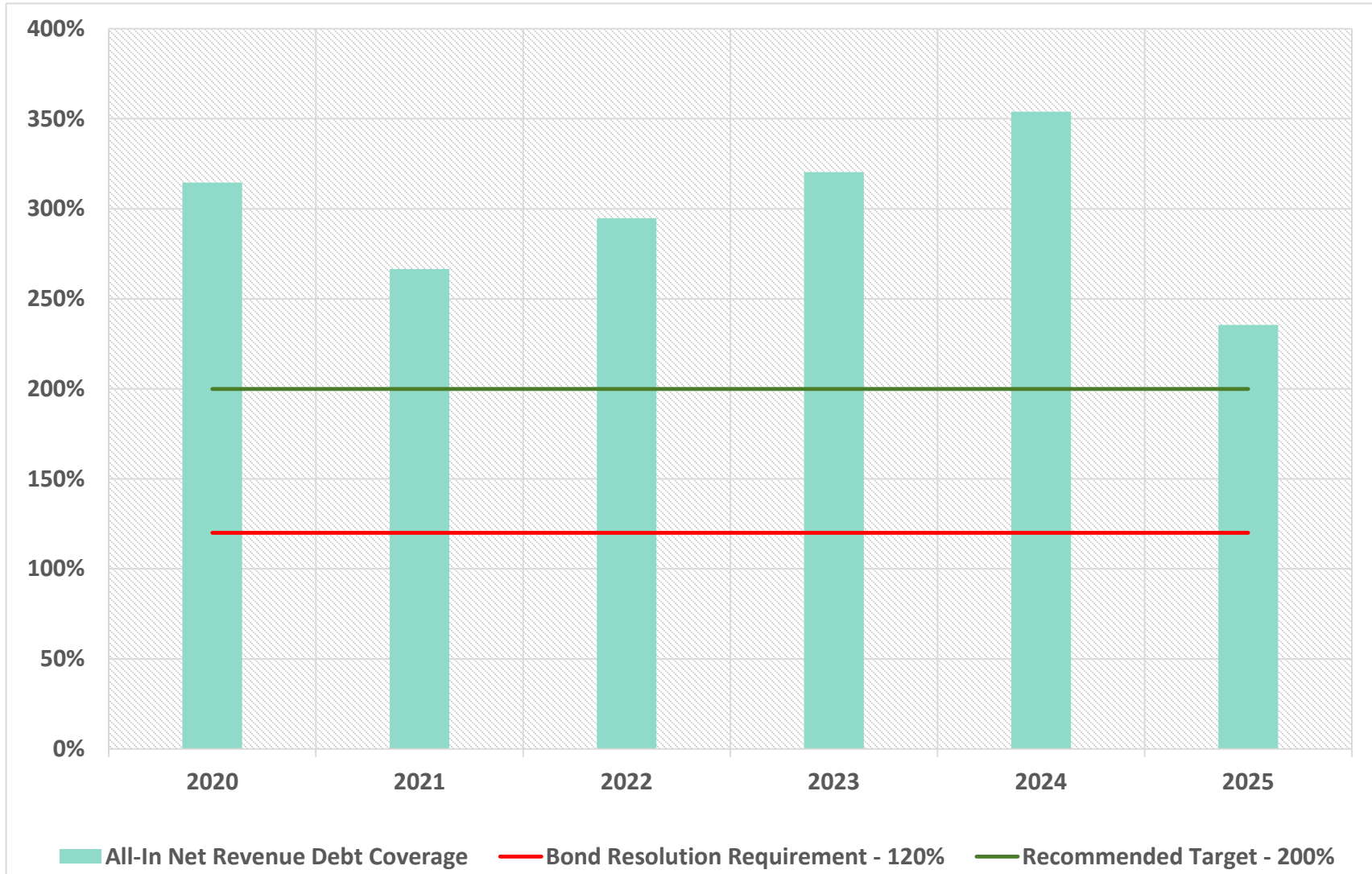
Results – Operating Margin

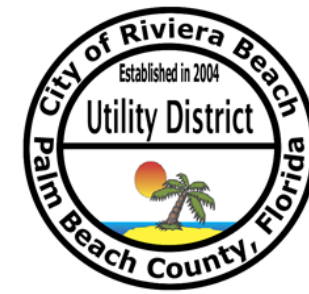
Operating Margin = Revenues – Operating Expenses (No Depreciation) / Revenues





Results – Debt Service Coverage Ratio





Questions

Next Steps?