

# 2024 Proposed Budget

Presentation to the Committee of the Whole



November 1, 2023

## Considerations for this budget

- ACT12
- Expenditure Restraint change/pause
- Changing Equalized value, market, etc.
- Inflation
- New Budget requests
- Utility Funds
  - Plans to handle Debt Cover Ratio, Capital needs and Rates
- Strategic Plan Considerations



# Affects of ACT 12

## Repealed Personal Property taxes

- Effective January 1, 2024, exempting locally assessed personal property under Ch. 70, state assessed manufacturing personal property under Ch. 70, and state assessed real personal property under Ch. 76.
- These personal property taxes will be assessed and included on the December 2023 property tax bills (payable in 2024).

## Personal Property Aid

- Personal property aid will be paid to local governments in 2025 and each year thereafter, based on 2023 personal property values expected to be reported to DOR in the spring of 2024

## Personal Property Values within TIDs

- The Act also created a process for municipalities to request a Tax Incremental District (TID) base value adjustment to account for the exemption of personal property.
- Each municipality should review its TID(s) base values with the municipality's assessor to determine if the base value includes any personal property that will be exempt in 2024

## Expenditure Restraint Incentive Program

- Expenditure restraint incentive program is the new name for the once expenditure restraint program, and payments are frozen from 2024 to 2025 to avoid any negative impacts to municipalities considering the increased revenues and related general fund expenditures expected in 2024 municipal budgets.

## New Supplemental Municipal Aid

- The 2024 original shared revenue estimates were issued on September 15, 2023, including the new supplemental county and municipal aid (CMA) that will be issued in July (15%) and November (remaining) of 2024.
- In result, counties and municipalities will receive both CMA and supplemental CMA payments in 2024.
- Note: CMA payments in 2024 will be the same amounts as 2023. DOR recommends maintaining adequate records to show how supplemental CMA revenues are being used. Currently, current law does not require reporting to DOR



## New Supplemental Municipal Aid Continued

- 2025 and after for both CMA and supplemental CMA, counties and municipalities will receive a portion of the total payments from the CMA/supplemental CMA accounts they received in 2024 multiplied by the amount for the year in the CMA/supplemental CMA account, which is based on state sales tax revenues. (secs. 79.036, and 79.037, Wis. Stats.)
- For payments in 2025 (2025-26), and each year thereafter, both the annual supplemental county and municipal aid payments and the existing county and municipal aid payments will increase by the percentage change in state sales and use tax revenues in the prior state fiscal year over the preceding state fiscal year.

## Maintenance of Effort Reporting

- New maintenance of effort report to DOR, starting in 2024
- To certify Cities have maintained the level of law enforcement, fire, and emergency medical services equivalent to the prior year

## The Innovation Grant & Innovation Planning Grant

- This act also established two new grant programs.
- The innovation grant and innovation planning grant, which will be available to counties and municipalities.

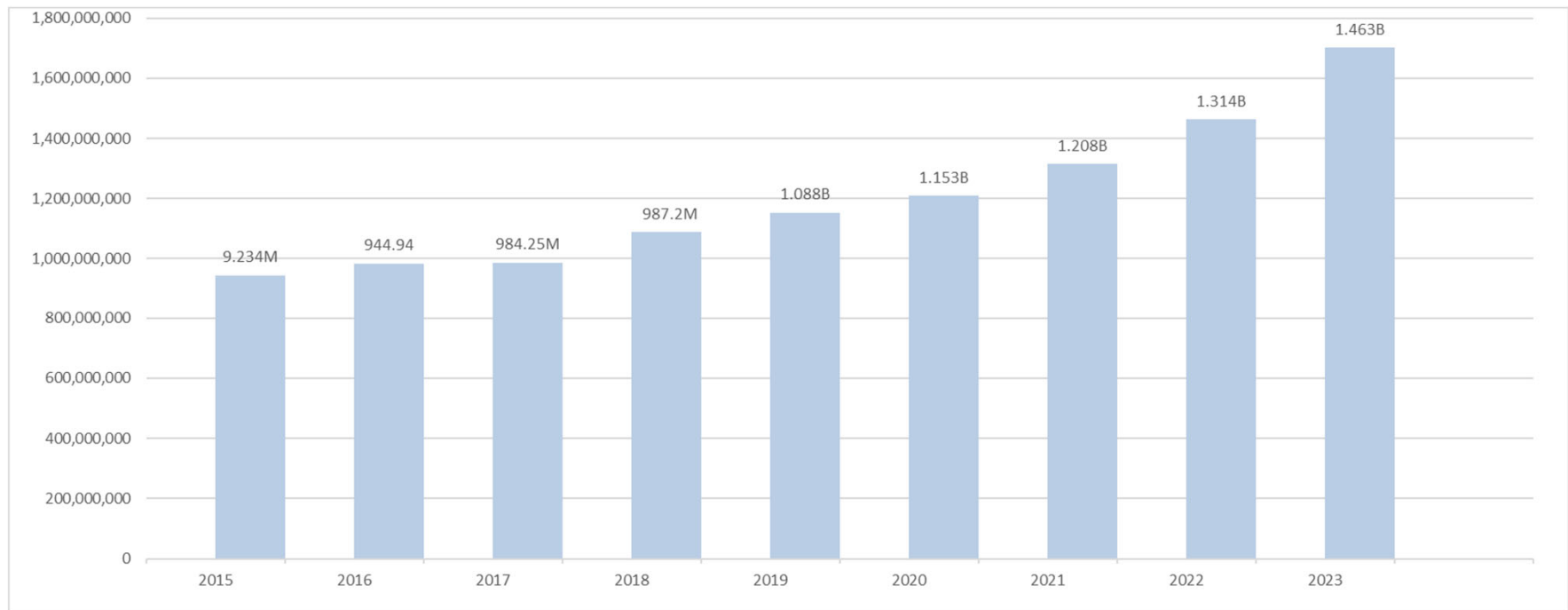


# Property Values

## What's Going on with Property Values

- Continue to have a healthy growth in citywide values
  - Equalized value increased 16.29%
- Healthy increase in assessed value
  - Increase of 1.99%
- Net new construction of 2.72%
- Personal Property Taxes Decrease 5.11%

# Equalized Value Comparison



## Equalized Values

- Equalized value changes have been steadily increasing over the past several years. Both 2022 and 2023 had increases greater than 13% over the prior year, a trend that has not been present in the market since 1974-1975.
- Significant increases such as this have an immediate impact on assessment compliance under state law (sec. 70.05(5), Wis. Stats.), which requires a municipality's assessed value of major classes of property to be within 10% of full value once every five years.

# Equalized Value By Comparison

- Wisconsin's 2023 equalized value as of January 1, 2023, is \$843 billion, a \$98 billion (13%) increase over the prior year.
  - \$13.1 billion due to new construction (2%)
  - \$83.1 billion due to market value increases (11%)
- Second Largest Percentage increase since 1985.
- Both residential and commercial property values in the state also achieved near-record growth in 2023, increasing 14.0% and 10.9% respectively and again topped only by higher increases in 2022
- Meanwhile, manufacturing values grew 12% statewide, the most since at least 1985 and more than twice any annual percentage increase since 2000
- Both new construction and market values changes are keeping pace with changes seen in 2022.



## Equated Assessed Values by Class

	JANUARY 1, 2022	JANUARY 1, 2023	INCREASE / (DECREASE)	%
<b>REAL ESTATE</b>				
Residential	1,044,777,000	1,073,412,500	28,635,500	2.74%
Commercial	207,911,000	211,371,100	3,460,100	1.66%
Manufacturing	94,445,300	91,500,500	(2,944,800)	-3.12%
Agricultural	42,700	43,600	900	2.11%
<b>TOTAL REAL ESTATE</b>	<b>1,347,176,000</b>	<b>1,376,327,700</b>	<b>29,150,800</b>	<b>2.16%</b>
<b>PERSONAL PROPERTY</b>				
Machinery, Tools & Patterns	19,790,700	17,814,100	(1,976,600)	-9.99%
Furniture, Fixtures & Equipment	9,231,700	9,996,900	765,200	8.29%
All Other Personal Property	4,710,500	4,202,000	(508,500)	-10.80%
<b>TOTAL PERSONAL PROPERTY</b>	<b>33,732,900</b>	<b>32,013,000</b>	<b>(1,719,900)</b>	<b>-5.10%</b>
<b>TOTAL ASSESSED VALUATION</b>	<b>1,380,908,900</b>	<b>1,408,340,700</b>	<b>27,430,900</b>	<b>1.99%</b>
<b>TOTAL ASSESSED VALUATION</b>				
Calumet County	63,700	63,800	100	0.16%
Outagamie County	1,380,908,900	1,408,340,700	27,431,800	1.99%
<b>TOTAL ASSESSED VALUATION</b>	<b>1,380,972,600</b>	<b>1,408,404,500</b>	<b>27,431,900</b>	<b>1.99%</b>

## Major Class Comparison

- Estimated total Ratio is 82.7%
- City can be less than +/- 10% of full value for up to 5 years
- If City is more than +/- 10% for more than 5 years and does not perform a revaluation, then the DOR issues an order for a supervised assessment

Year	Property Class	Municipal Assessed Value	DOR Base Value	% of DOR Base Value	Ratio (%)	Major Class Municipal Compliance Status
2023	Residential	1,073,412,500	1,314,664,600	84.07	81.65	NO
	Commercial	211,371,100	238,992,800	15.28	88.44	NO
	Agricultural	40,400	43,500	0.00	92.87	
	Sum Of 5, 5M, 6, 7	67,000	54,500	0.00	122.94	
	Personal	9,026,800	10,029,700	0.64	90.00	
	<b>Total</b>	1,293,917,800	1,563,785,100	100.00	82.74	NO



# Revenue and Expenses

## Overview of Revenue and Expense

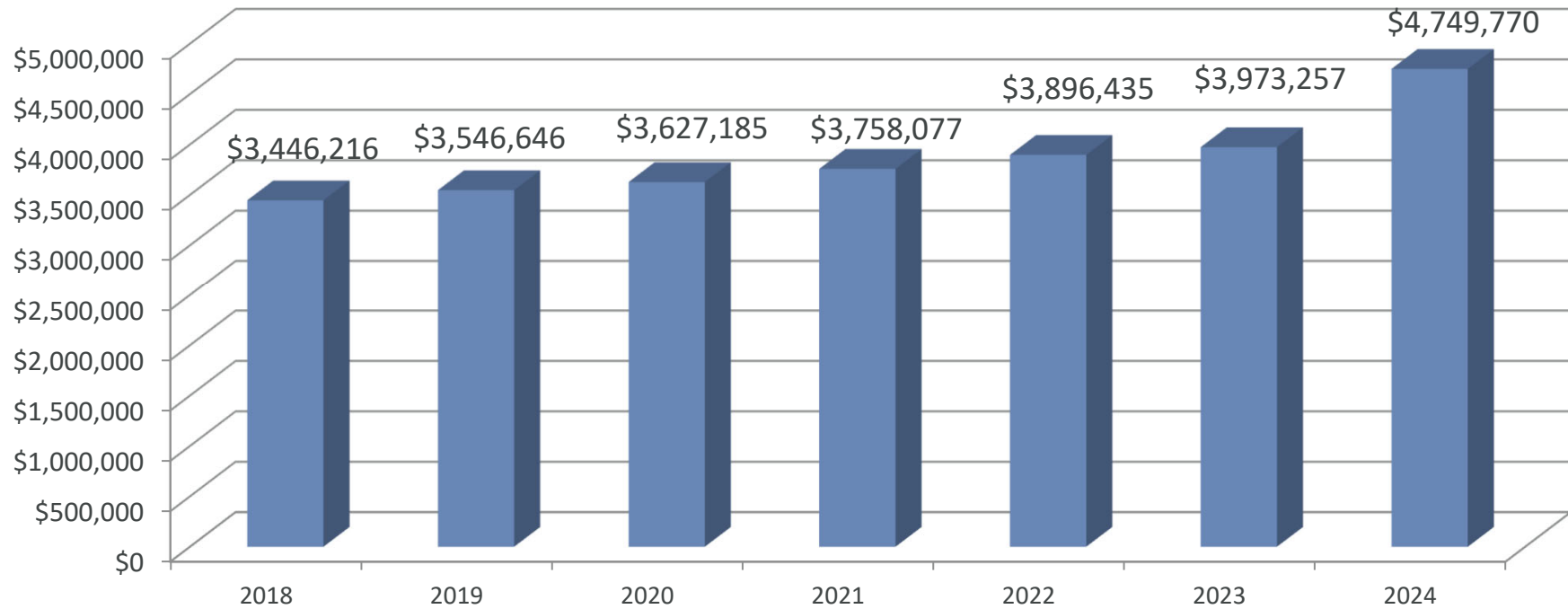
2023 BUDGET	2024 BUDGET	\$ Diff	% Diff
16,844,389	18,830,495	1,986,106	11.8%

With a balanced budget, both the revenues and expenses are increasing by 11.8% or about \$1.9m.

## Revenue Increase/(Decrease)

Shared Revenue - Covered Services	557,988
Property Taxes - General	483,370
Ambulance Fees - Covered Services	140,436
Interest on Investments	100,000
Expenditure Restraint	99,252
General Transportation Aid - Covered Service	96,083
Swimming Pool Fees	59,775
State General Transportation Aid	27,864
County Sales Tax	20,000
State Law Enforcement Grants	20,000
State Connecting Hwy Aid	16,234
Recreation Fees	(59,000)
In Lieu of Taxes - Utilities	(211,140)

**State Financial Aid - General Fund**  
Shared Revenue, Highway Aid, Expenditure Restraint,  
Computer Aid, Fire Insurance Dues, Personal Property Aid





# Personnel Expenses

## Personnel Expenditure Increase/(Decrease)

### General Fund Personnel Services

Regular Payroll	\$490,227
Temporary Payroll (Seasonals)	(\$31,243)
Other	\$7,860
<hr/>	
Total Employee Wages	\$466,844

### *Benefits*

Group Health Insurance	\$744,654
Retirement Plans	\$94,423
Social Security	\$28,027
Residency	(\$42,749)
All Other Benefits	(\$6,822)
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Total Benefits	\$817,533

Total Personnel Services	\$1,284,377
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## Group Health Insurance

- City offers ten (10) different health plans through the State (Employee Trust Fund)
- All plans had a 15.1% increase
- Overall plan mix had a 10% increase in premiums
- Causes for premium hikes were attributed to increase costs, higher usage and stabilizing the Reserve Fund
- Budgeting for the unknowns
  - New and vacant positions don't have the previous year as a benchmark, so the City budgets for Family plans.

# Residency

- The City provides 401A Contribution of 6% of salary benefit as a residency incentive for those employee's who live within the city corporate limits.
- The city capped this overall benefit to an aggregate of \$250,000. If the City reaches this amount, it will then adjust the overall percentage by employee of the incentive to stay within that total amount.
- The City is at \$175,000 in the 2024 budget
- Big change this year is the new Police Union bargained to give up this benefit in favor of an increased wage in 2023 and 2024. This caused a \$42,000 in residency

# Retirement

- The City participates in the Wisconsin Retirement System (WRS). The City has 4 category classes within the system in which 2 had a slight increase and 2 had higher increases.

Category	2023	2024	% Diff
WRS General	6.80%	6.90%	0.10%
WRS Elected	6.80%	6.90%	0.10%
WRS Protective W	13.22%	14.32%	1.10%
WRS Protective W/O	18.12%	19.12%	1.00%

- Most of City employees eligible (1,200 hours or more worked in year) are in the General Category
- With this being tied to wages, it will fluctuate in the same direction as overall wages.

## Noteworthy Personnel Items (1 of 2)

### New Positions

- Marketing Communications Manager
- Pool Concession Lead Position – Staff, scheduling, ordering inventory

### Changed Positions

- Community Enrichment Program Manager Role Increase Grade 9 to Grade 14
- Regraded Recreation Program Manager Down from 17 to 14
- Increased Temporary Hours for Library Staff
- All Cost of the City Attorney Department will be covered by City. Kaukauna Utilities is obtaining separate legal service for their needs

## Noteworthy Personnel Items (2 of 2)

### Miscellaneous Changes

- Wage scale cost of living adjustment of 3%
- Several Employees making a step increase through the 7-step wage scale
- Seeing affects of the retiree health benefit that is being used
  - Budgeting 19 Participants in 2024
- Items Requested but not Included
  - Full-time Naturalist at the Environmental Center
  - Full-time Public Service Coordinator position at the Library



# Non-Personnel Expenses

## Non-Personnel Expenditure Increase/(Decrease)

Water, Sewer & Electric	\$30,100
Concession Product	\$20,000
Maintenance - Roads & Walks	\$17,000
Maintenance – Building	\$15,200
Library Material	\$15,000
Communications	\$14,098
Service Contracts	\$12,235
General Insurance	\$11,808
Bank & Credit Card Fees	(\$10,020)
Clothing Expense	(\$11,200)
Cybersecurity	(\$17,100)
Contractual Services	(\$55,379)
Others	\$28,381
<b>Total Non-Personnel Services</b>	<b>\$70,123</b>

## Contractual Services – Detailed Changes

- Building Inspections –Changed HVAC/Electric Commercial inspector Reduced cost by (-\$40k)
- Environmental Center –hiring an Wiscorp worker, someone 40 hours a week for 40-50 weeks (\$21k)
- Police Department – Flock cameras (\$18K)
- Police Department – Moved (-\$12k) of expenses for squad communications devices to Communications budget line
- Building Inspection – Removed (-\$10k) for implementing inspection software in 2023
- Planning – Master Park Plan Update (\$15k)
- Website Redesign (\$28k)
- Discontinue sharing Communication Coordinator Position with Kaukauna Utilities. Moved this position to the personnel (-\$50k)



## Noteworthy Items

- **Property and Liability Premium Coverage** - Estimated to increase 3%-10% across all the categories (\$11k)
- **Street Lighting** - Increase due to actual costs and additional subdivisions (\$30k)
- **Road Salt Cost increase** (\$16k)
- **Girls Softball** – No Longer having program (-\$6k)
- **Bank & Credit Card fees** – Card fees are now being covered by consumer (\$-10k)
- **Concession Product** – Will be offering more menu items at pool. (Revenue offsets this cost) (\$20k)
- **Water, Sewer, Electric** – Expecting a 30%+ increase in water and electrical rates (\$28.5k)
- **Library Material** – Working on getting back to material budget line from 5 years ago (\$15k)
- **Upgrading Camera Server** (\$30k)

## Capital Outlay Expenditure Increase/(Decrease)

Machinery, Tools and Instruments	\$12,423
Automotive	(\$4,067)
Infrastructure	(\$7,000)
Others	(\$2,750)
<b>Total Capital Outlay</b>	<b>(\$1,394)</b>

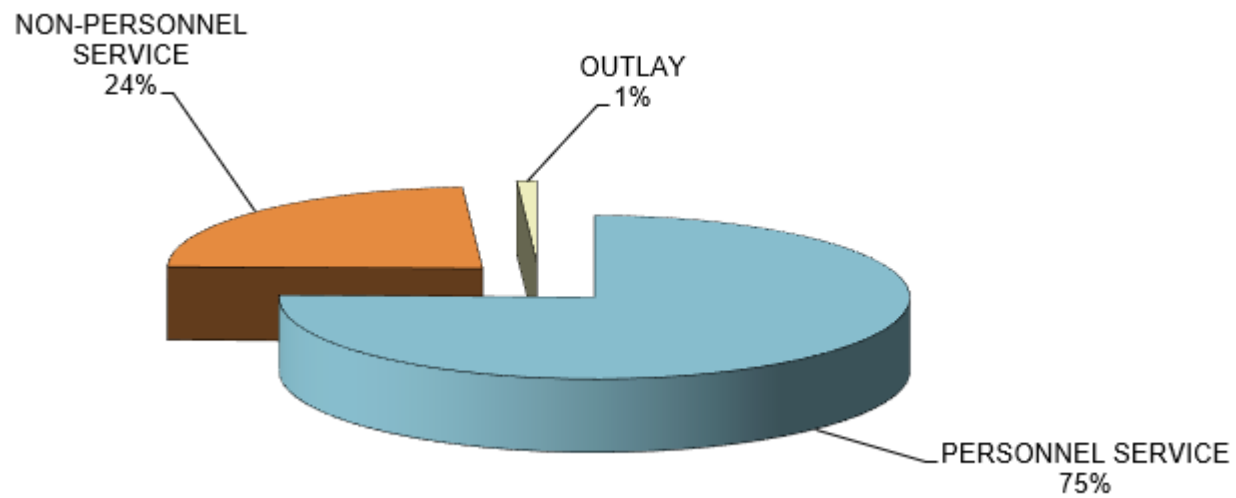
## Noteworthy Capital Outlay Items

- Fire Department – Looking to add a laundry room upstairs so that sheets, clothes, etc. doesn't need to be washed with stuff that has blood, vomit etc. (\$10k)
- Parks - Underground Utilities to Lafollette Park was in budget last year. There is \$5k in the budget his year to bring power to Jonen Pavilion(-\$7k)
- Police – Automotive line estimated less (-\$4k)

## One Time Expenses in 2024 Budget

Redesign of Website	\$ 28,000.00
Replacing last wave of old computers in library lab	\$ 4,800.00
WisCorp Temporary Services at Environmental Center	\$ 21,000.00
Implementation of RecTrac At Environmental	\$ 2,000.00
Replacement of Sinks at Environmental Center	\$ 5,000.00
Phone Replacements	\$ 8,000.00
Laundry Room in 2nd Floor Fire Department	\$ 10,000.00
Flock Camera 1 year expense accrual	\$ 18,000.00
MSB Conference Room Monitors	\$ 5,000.00
Master Parks Plan	\$ 15,000.00
<b>Total</b>	<b>\$ 116,800.00</b>

## General Fund Expenditures by Type





# Tax Rate and Fund Balance

## Tax Rates

	2023 <u>Budget</u>	2024 Proposed <u>Budget</u>	Increase/ (Decrease)	% <u></u>
Assessed Tax Rate	\$9.43	\$9.896	\$0.466	4.95%
<u>Assessed Rate Adjustment</u>	<u>Levy Adjustment (Based on Current value of \$1.7 Billion)</u>			
\$0.01 Increase or Decrease =	\$12,550			
\$0.05 Increase or Decrease =	\$62,750			
\$0.10 Increase or Decrease =	\$125,500			
<u>Percent Levy Adjustment</u>				
1.0% Increase or Decrease =	\$124,000			

## Tax Rate – If the Ratio was 100%

	<b><u>2023</u></b> <b><u>Budget</u></b>	<b>2024</b> <b><u>Proposed</u></b> <b><u>Budget</u></b>	<b><u>Increase/</u></b> <b><u>(Decrease)</u></b>	<b><u>%</u></b>
<b>Assessed Tax Rate</b>	<b>\$9.43</b>	<b>\$8.19</b>	<b>(\$1.24)</b>	<b>(13.13)%</b>

- With the assessed values 82.8% of Equalized value, rates and percent differences are much higher
- With the revaluation happening just 2 years ago, most new construction is already undervalued in terms of the assigned assessment



## Tax Levy Distribution

<i>FUND</i>	<i>2022 LEVY</i>	<i>2023 LEVY</i>	<i>INCREASE / (DECREASE)</i>	<i>PERCENT CHANGE</i>
<b>GENERAL</b>	7,562,310	8,045,681	483,370	6.39%
<b>DEBT SERVICE (301 Fund)</b>	4,222,817	4,435,704	212,887	5.04%
<b>Nelson Crossing (224 Fund)</b>	3,500	3,500	0	0.00%
<b>Park &amp; Pool Improvement (422 Fund)</b>	500,000	500,000	0	0.00%
<b>TOTAL MUNICIPAL LEVY</b>	12,288,627	12,984,885	696,257	5.67%

## Levy Limit Calculation

2023 Expenditure Restraint Actual Levy	\$12,381,809
Increase (Decrease) In Debt Service	(\$3,967,650)
New Construction Allowance (2.72%)	\$229,033
Less 2022 Personal Property Aid	(\$93,179)
Total 2024 Adjustments	<u>\$3,634,693</u>
2023 Allowable Levy	\$12,985,717
2023 Proposed Levy	<u>\$12,984,885</u>
Under (Over) Levy Limit	\$832

## Expenditure Restraint Calculation

- *Formula – 60% of % of net new construction to a maximum of 2% plus CPI*
- Expenditure Restraint Incentive program is the new name for the once expenditure restraint program
- Payments are frozen from 2024 to 2025 (City of Kaukauna will receive \$415,685 in 2024 and 2025)
- Reason for freezing
  - To avoid any negative impacts to municipalities considering the increased revenues and related general fund expenditures expected in 2024 municipal budgets.
- No Restraint to meet in the 2024 Budget

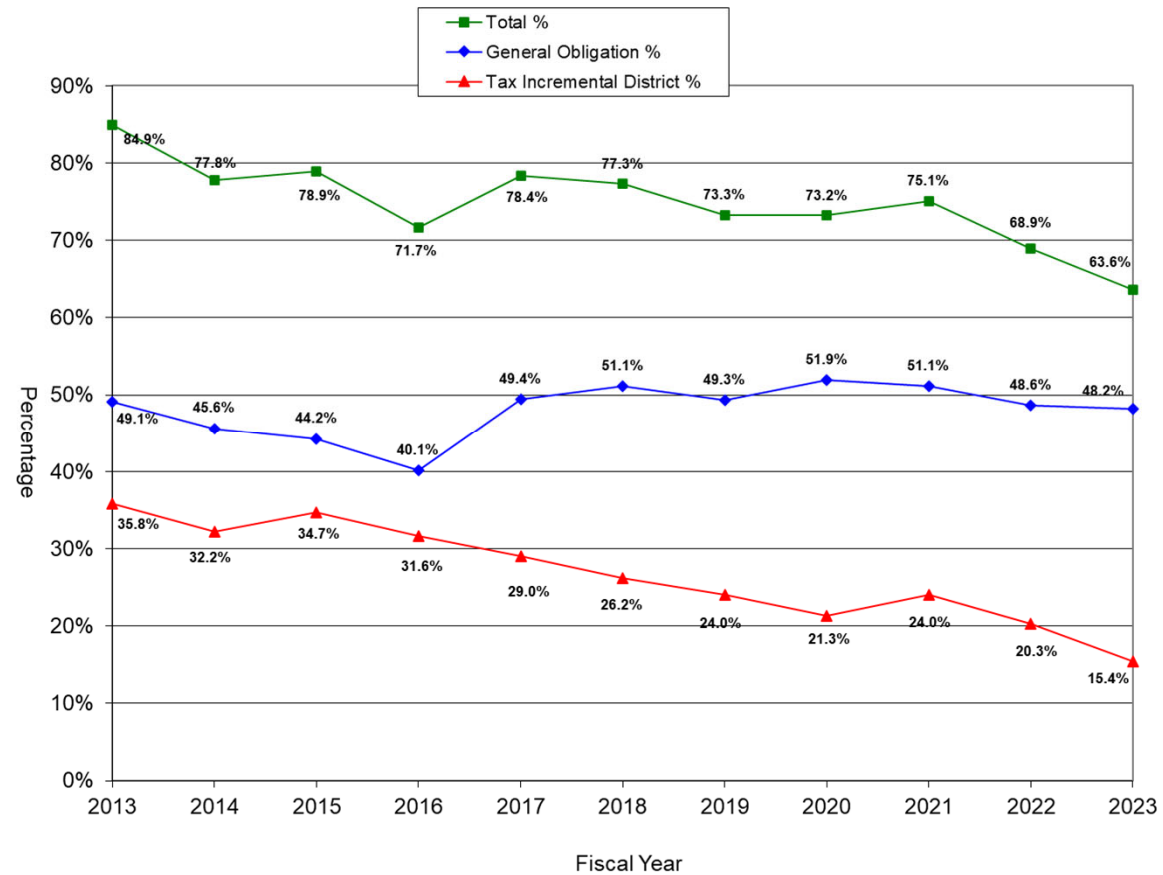
## General Fund Balance

Projected Balance 12/31/2022	\$ 6,319,334
Less: Assigned for Subsequent Years	\$ 410,000
Less Inventories & Prepaid	\$ 72,988
Projected Unassigned Balance 12/31/2023	\$ 5,836,346
Targeted Fund Balance (15% of Operating Budget)	\$ 2,824,574
Optimal Bond Rating Fund Balance (30% of Operating Budget)	\$ 5,649,149
Amount Over Target Balance	\$ 3,011,772
Amount Over(under) Optimal Fund Balance	\$ 187,198
Projected Unassigned Fund Balance as a % of Operating Budget	30.99%



# Debt Service

# Percent of Legal Debt Limit



# Bonds Issuances

## **2023 Issuance**

- 2023A G. O. Note \$6,000,000
- 2023B G. O. Note \$6,000,000

## **Bonds to be Retired in 2024**

- 2014A – ERTIF - \$1M
- 2014B – TID4 - \$875k
- 2014C- \$1.3M

## **Bonds to be Added in 2024**

- 2024A G.O Note of \$5,000,000
- 2023C G.O Note TID5 of \$6,000,000

## 2024 Tentative Projects 1 of 4

YEAR	Fund	CLASSIFICATIONS/ DESCRIPTIONS	PROJECT TOTAL
<b>2024</b>		<b>EQUIPMENT</b>	
	421 - Equipment	Replace Dew eze hill mow er	\$48,000
	421 - Equipment	Replace 1991 John Deere Grader #21	\$500,000
	421 - Equipment	Athletic Field Groomer (new fleet)	\$26,000
	421 - Equipment	Replace 2008 Skid Steer Loader (Fleet #30)	\$50,000
	421 - Equipment	Platform Ladder Truck	\$1,700,000
	421 - Equipment	Replace 2000 Pick Up Truck #19 w ith EV - Environmental Center	\$60,000
	421 - Equipment	Concrete buster for backhoe (new attachment)	\$12,000
<b>2024</b>		<b>PARK &amp; POOL IMPROVEMENTS</b>	
	422- Parks and Pools	Park Pavilion Updates - Park TBD	\$600,000
	422- Parks and Pools	Plazas 1st & 2nd Street Ally	\$400,000
	422- Parks and Pools	Municipal Tree Replacement / Reforestation - EAB	\$50,000



## 2024 Tentative Projects 2 of 4

YEAR	Fund	CLASSIFICATIONS/ DESCRIPTIONS	PROJECT TOTAL	STORM WATER UTILITY	SANITARY SEWER UTILITY
<b>2024</b>		<b>STORM SEWER*</b>			
	601 - Storm	Quinney/Metoxen Street Area Phase 2	\$400,000	\$350,000	
	601 - Storm	Alley Storm Sewer Downtown	\$100,000	\$90,000	
	601 - Storm	Glenview Avenue Storm Sewer	\$350,000	\$350,000	
	601 - Storm	Kenneth Ave Storm Sewer (Possibly Move based on Grant determination)	\$300,000	\$300,000	
	601 - Storm	Erosion Control / Remediation - Shoreline/Outfalls/Streambank	\$35,000	\$35,000	
<b>2024</b>		<b>SANITARY SEWER*</b>			
	602- Sanitary	Thilmany Interceptor ( Change to MS 6 Wet Well?)	\$90,000		\$80,000
	602- Sanitary	Kenneth Avenue/3rd Street	\$600,000		\$500,000
	602- Sanitary	Kaukauna Street Area Relay (Kaukauna, Brothers, Division, Oviatt) Tob. to Taylor	\$1,300,000		\$1,100,000

## 2024 Tentative Projects 3 of 4

YEAR	Fund	CLASSIFICATIONS/ DESCRIPTIONS	PROJECT TOTAL	GENERAL OBLIGATION BORROWING
2024		<b>STREET PAVING</b>		
		<b>New Concrete Streets</b>		
		<b>Reconstruction</b>		
	420 - Streets and Sidewalk	Quinney/Metoxen Street Area Phase 2	\$1,500,000	\$750,000
	420 - Streets and Sidewalk	Alley Paving Downtown	\$250,000	\$150,000
	420 - Streets and Sidewalk	Pool Road and Parking Lot	\$225,000	\$225,000
	420 - Streets and Sidewalk	Horseshoe Parking Lot	\$60,000	\$60,000
	420 - Streets and Sidewalk	3rd Avenue & Kenneth Avenue (3rd to 10th) (Possibly Mo	\$2,600,000	
	420 - Streets and Sidewalk	Asphalt overlay Kenneth Ave	\$400,000	\$100,000
	420 - Streets and Sidewalk	Concrete Street Patch Program	\$200,000	\$200,000
2024		<b>SIDEWALKS</b>		
	420 - Streets and Sidewalk	Replace Defective Walks	\$200,000	\$25,000

## 2024 Tentative Projects 4 of 4

YEAR	Fund	CLASSIFICATIONS/ DESCRIPTIONS	PROJECT TOTAL	GENERAL OBLIGATION BORROWING
<b>2024</b>		<b>MISCELLANEOUS</b>		
	423 - Buildings and Misc	Library Offices/Sorting Machine/Workroom Redesign	\$400,000	\$400,000
	423 - Buildings and Misc	New Siding on Nature Center	\$35,000	\$35,000
	423 - Buildings and Misc	Fox Shores RR Site Remediation	\$60,000	\$60,000
		<b>TOTAL</b>	<b>\$12,551,000</b>	<b>\$5,401,000</b>

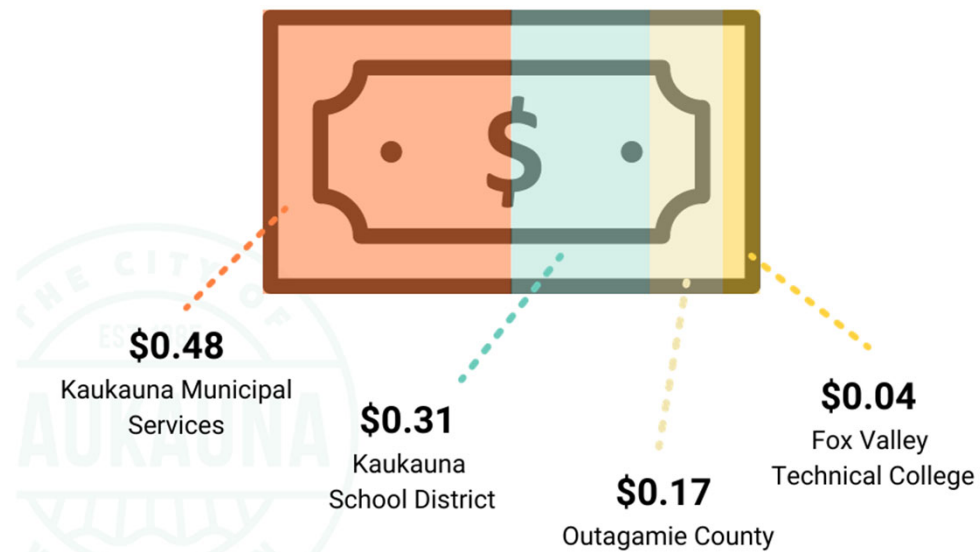


# The Almighty Tax Dollar

# Tax Bill Breakdown

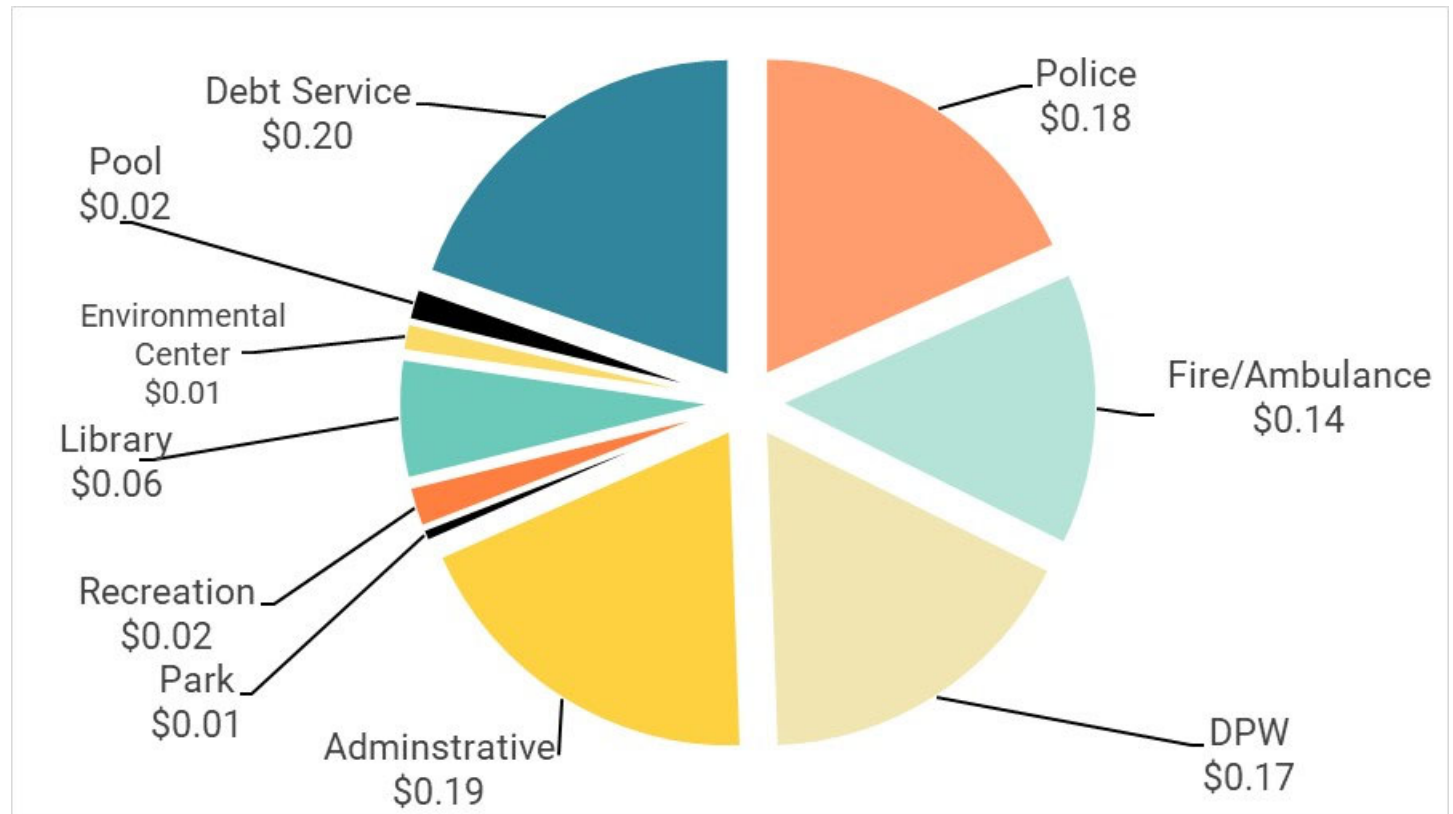
How One Tax Dollar gets split between taxing Jurisdictions

## YOUR TAX DOLLAR AT WORK



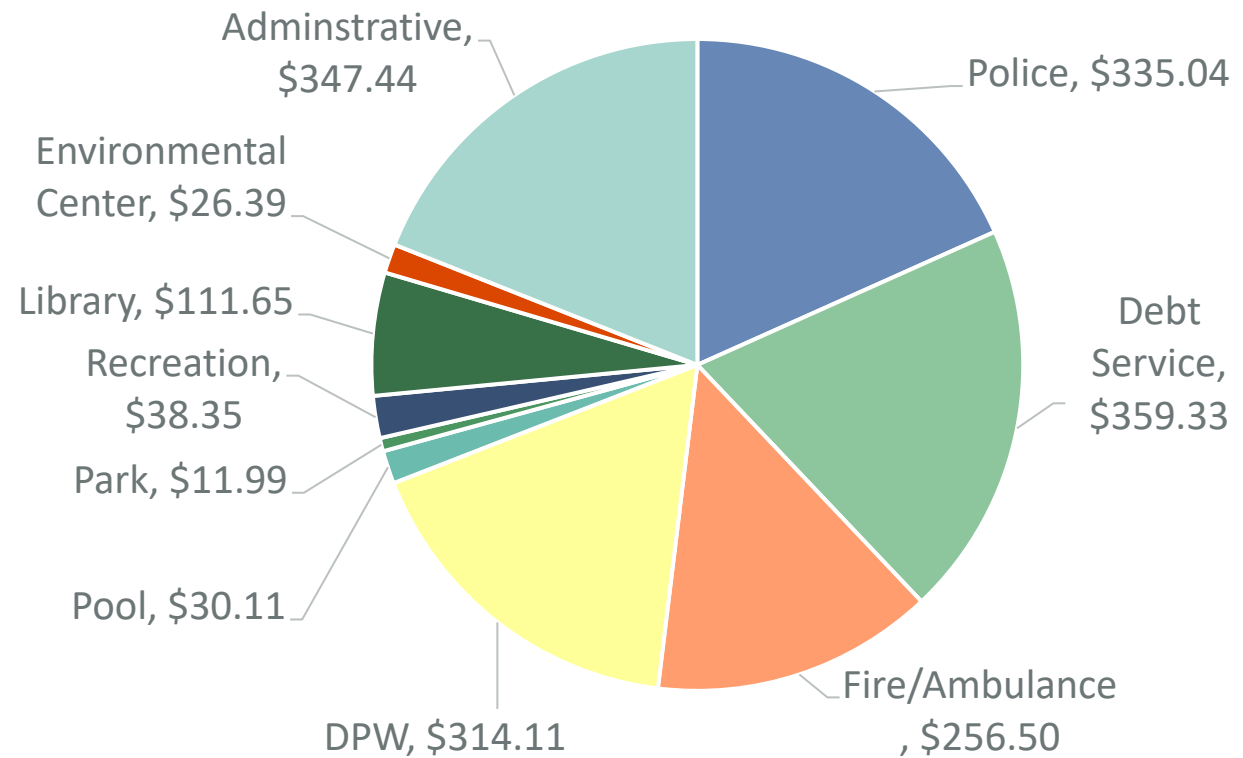
## Tax Dollar by Service

What one tax dollar is spent on for City services



## Cost of Each Service for an Average Home Value

The graph to the right shows how much each service costs for a home valued at \$185,000 and current tax rate of \$9.89/1,000





# Utility Funds



## What are they and what do they do?

- Storm Water
  - Was established back in 2009 as a utility fund
  - Kaukauna is one of 29 regulated MS4 Permittees that discharge storm water to the Lower Fox River with a TMDL (Total Maximum Daily Load)
  - Federal and state regulations require implementation of TMDLs through programs such as the WPDES program; including the City's Municipal Separate Storm Sewer System (MS4) General Permit. The City committed to a TMDL work plan in 2018 which extends projects out to 2043 and shows that by completing these projects, the City would be in compliance with TMDL mandates.
  - Expenses include street cleaning , sewer maintenance, Capital, and administrative costs.
- Sanitary Sewer
  - Established back in 2012 as a utility fund
  - Provides the service of collection, transmission, and treatment of wastewater
  - Expenses include treatment, collection system Maintenance, Capital, and administrative costs

## Financial Overview

- Overall net position for both Storm and Sanitary are improving
- Debt Service for capital improvement is set for 2024 from the borrowing in 2022
- Rates
  - Rate adjustment for Storm of \$0.70 is in the 2024 Budget
  - Sanitary is showing stability in the coverage ratio, so no rate increase is needed.
- Plan has been developed to continue the capital improvements while maintaining debt coverage ratios

# Storm Water Utility Fund Balance

DESCRIPTION		BALANCE
<b>BALANCE AS OF JANUARY 1, 2023</b>		
Unassigned Cash And Receivable Balance		2,667,515
Restricted Cash And Receivable Balance		4,983,382
Total Cash And Receivable Balance Net of Current Liabilities		7,650,897
<b>PROJECTED CHANGE IN CASH BALANCE FOR 2023</b>		
Revenues & Other Financing Sources	1,533,500	
Expenses Net of Depreciation	(404,344)	
Debt Service - Principal and Interest	(938,248)	190,908
<b>PROJECTED CASH BALANCE AS OF DECEMBER 31 2023</b>		
Projected Cash Balance Net of Current Liabilities		7,841,805

Annual Operating Expense

1,419,802

Months of Reserve

22.55

# Sanitary Utility Fund Balance

DESCRIPTION		BALANCE
<b>BALANCE AS OF JANUARY 1, 2022</b>		
Unassigned Cash And Receivable Balance		2,978,140
Restricted Cash And Receivable Balance		512,829
Total Cash And Receivable Balance Net of Current Liabilities		3,490,969
<b>PROJECTED CHANGE IN CASH BALANCE FOR 2022</b>		
Revenues & Other Financing Sources	3,775,029	
Expenses Net of Depreciation	(2,774,622)	
Debt Service - Principal and Interest	(919,075)	81,332
<b>PROJECTED CASH BALANCE AS OF DECEMBER 31 2022</b>		
Projected Cash Balance Net of Current Liabilities		3,572,301

<b>Annual Operating Expense</b>	3,566,732
<b>Months of Reserve</b>	10.02

# 2024 Utility Fund Debt Service Coverage Ratio

Storm Water Coverage	2023 ESTIMATED	2024 BUDGET
Operating Income	1,533,500	1,824,101
Operating Expense - Net Depreciation	404,344	456,114
Net Operating Income	1,129,156	1,367,987
Debt Service Cost	938,248	966,688
Coverage Ratio (Operating Income / Debt Service Cost)	1.20	1.42
Need Revenue	1,172,810	1,208,359
Revenue Surplus (Deficit)	(43,654)	159,628

*Note: Current rate is \$9.80/ERU/month.  
Numbers above reflect a \$0.70 increase in the  
rates to \$10.50/ERU/Month on January 1, 2024*

Sanitary Coverage	2023 ESTIMATED	2024 BUDGET
Operating Income	4,106,922	4,560,000
Operating Expense - Net Depreciation	2,710,659	2,781,439
Net Operating Income	1,396,263	1,778,561
Debt Service Cost	884,189	870,439
Coverage Ratio (Operating Income / Debt Service Cost)	1.58	2.04
Need Revenue	1,105,236	1,088,048
Revenue Surplus (Deficit)	291,027	690,513

*Note: Current rate is \$7.00/100 cubic foot. No  
Rate increase is budgeted in 2024*

# Storm Water Debt service

	12/31/2023 BALANCE	12/31/2024 BALANCE	PRINCIPAL MATURITIES	INTEREST	TOTAL PRINCIPAL AND INTEREST
2015B G.O. Notes	480,000	256,000	224,000	11,040	235,040
2016C Revenue Bond	800,000	700,000	100,000	24,000	124,000
2022C Revenue Bond	8,890,000	8,640,000	250,000	357,648	607,648
Totals	10,170,000	9,596,000	574,000	392,688	966,688

# Sanitary Debt service

<i>DEBT ISSUE</i>	<i>12/31/2023 BALANCE</i>	<i>12/31/2024 BALANCE</i>	<i>PRINCIPAL MATURITIES</i>	<i>INTEREST</i>	<i>TOTAL PRINCIPAL AND INTEREST</i>
2013 Revenue Bond	775,000	625,000	150,000	33,531	183,531
2015 Revenue Bond	650,000	575,000	75,000	21,375	96,375
2016 Revenue Bond	725,000	650,000	75,000	22,250	97,250
2018 Revenue Bond	975,000	925,000	50,000	36,375	86,375
2022 Revenue Bond	8,020,000	7,945,000	75,000	331,908	406,908
Totals	11,145,000	10,720,000	425,000	445,439	870,439

# Future of the Utility Funds

- Planning ahead
  - Capital Infrastructure Needs
    - Sanitary is forecasting an average of \$1.2M per year in capital infrastructure
    - Storm is forecasting an average of \$1M per year in capital infrastructure
- Debt Coverage Ratio
  - Continue to strengthen coverage ratio
  - Need to maintain a debt coverage ratio of at least 1.25 times the revenue
  - This measure is done at the time of bonding and looks at the entire length of the bond
- Revenue Bonding Plans
  - Continue with Bond Anticipation Notes and Revenue Bonds as needed
- Necessary Rate Adjustments
  - Planned Rate adjustments over the next few years to allow for capital improvements in both utilities funds



# Save the Date

## November 21

### Public Hear and Budget Adoption



# Questions or Comments?



THANK YOU