



APPROVED
BUDGET ADVISORY BOARD MEETING
CITY OF FORT LAUDERDALE
JUNE 15, 2023 – 5:00 P.M.
Fort Lauderdale Executive Airport
Red Tails Conference Room
6000 NW 21st Avenue
Fort Lauderdale, FL 33309

Board Member	Attendance	10/2022 through 9/2023	
		Cumulative Attendance Present	Absent
Brian Donaldson, Chair	P	4	0
Jeff Lowe, Vice Chair	P	4	0
William Brown	P	3	1
Ross Cammarata	A	3	1
John Rodstrom	P	3	0
Christian Macellari	P	2	2
Michael Marshall [via Zoom]	P	4	0
Prabhuling Patel	A	3	1

Staff

Greg Chavarria, City Manager
 Susan Grant, Assistant City Manager
 Anthony Fajardo, Assistant City Manager
 Laura Reece, Director, Office of Management and Budget
 Linda Short, Director of Finance
 Phil Thornburg, Director of Parks and Recreation
 Alan Dodd, Director of Public Works
 Stephen Gollan, Fire Chief [via Zoom]
 Charmaine Crawford, OMB Department and Board Liaison
 J. Opperlee, Prototype Inc. Recording Secretary

Others

Jeremy Niedfeldt, PFM Financial Advisors LLC
 Mara Lugo PFM Financial Advisors LLC
 Andrew Burnham, Stantec Inc.

Communications to the City Commission

Water/Sewer Rate Structures, Fire Assessment Fee, and Ad valorem Rate

I. Call to Order

The meeting of the Budget Advisory Board was called to order at 5:00 p.m.

II. Roll Call

Roll was called, and it was determined a quorum was present.

Motion made by Mr. Brown, seconded by Mr. Lowe to allow Mr. Marshall to attend via Zoom. In a voice vote, motion passed unanimously.

VII. Infrastructure Task Force Update

Mr. Marshall said they had discussed staff's takeaways from the flooding event and repairs to City Hall. They had also discussed water treatment plant funding options.

III. Approval of Meeting Minutes – May 17, 2023

Motion made by Mr. Lowe, seconded by Mr. Brown to approve the minutes of the Board's May 17, 2023 meeting. In a voice vote, motion passed unanimously.

IV. Floor Open for Neighbor Input

None

V. Old Business

Chair Donaldson had attended the last City Commission meeting and discussed the BAB's suggestion of reinstating a convenience fee for credit card utility payments. The Commission had directed the City Manager to restart those fees. Ms. Reece said they anticipated a six-month implementation period. Ms. Short stated they needed a new contract that would work with each payment system and each software system would require reprogramming.

VI. New Business

• Water/Sewer Rate Structures

Ms. Grant reported the City Commission had approved the comprehensive agreement for the water treatment plant in February. PFM and Stantec were present via Zoom to discuss four financing scenarios and water/sewer rates.

Jeremy Niedfeldt and Mara Lugo, PFM Financial Advisors LLC, provided a presentation on the Water Plant financing, a copy of which is attached to these minutes for the public record. Ms. Grant said these scenarios related to construction of the water treatment plant only, not for ongoing maintenance costs; bonding for this would be included in the rate structure presentation. She confirmed that City staff and PFM recommended Scenario 3.

Mr. Rodstrom asked if they had explored variable rate demand notes and Ms. Lugo said they had not. Mr. Niedfeldt said the recent contraction on the liquidity market would present an interest rate risk. Mr. Rodstrom said Scenario 3 was the best option and it would probably save significant money.

Mr. Lowe asked if they had considered three tranches instead of two and Ms. Lugo explained the tranches were based on when they needed the funds. Ms. Grant stated

three tranches presented an interest rate risk. She explained that IRS rules dictated when the funds must be drawn down.

Mr. Brown and Chair Donaldson noted the difference in total interest in different scenarios and Ms. Grant said they had considered the impact on rates over time.

Andrew Burnham, Stantec Inc., provided a presentation on water/sewer rates, a copy of which is included with these minutes for the public record.

Ms. Grant said their original estimate of rates rising 140% over 10 years was now 126%, due to the next \$200 million going toward sewer, because they had already been increasing rates for water.

Mr. Brown asked if Mr. Dodd anticipated there being any major infrastructure updates needed from the treatment plant to the individual properties that would require bonding in the next 30 years. Mr. Dodd said a portion of the \$200 million bonds was for distribution projects and was built into the long-term Master Plan. Mr. Burnham agreed they had anticipated and factored in renewal/replacements needs.

Board members all preferred Funding Scenario 3.

Motion made by Mr. Brown, seconded by Mr. Macellari to state the Board agreed with staff's recommendation of Funding Scenario 3 for the Water Treatment Plant. In a roll call vote, motion passed 6-0.

- **City Manager's Update and Initial Recommendations - FY 2024 Budget**

Ms. Reece stated the first budget hearing would be at 5:01 PM on September 5, prior to the regular City Commission meeting. The second budget hearing would be on September 13.

Chair Donaldson thought it was premature for Mr. Chavarria to indicate that increased property values would allow the City to maintain the same ad valorem rate. He felt this should have waited until after the BAB met with the City Commission to weigh in. Ms. Reece said she had replicated the format from prior years. Mr. Chavarria said the property value figures had allowed staff a sigh of relief and acknowledged that "it's not over until we jointly go together [to the City Commission] and you present what your Board recommends."

Mr. Chavarria provided a presentation on the preliminary budget, a copy of which is attached to these minutes for the public record.

Fire Assessment Fee

Mr. Chavarria proposed annual adjustments [instead of the current adjustment every three years. This year, he proposed increasing the residential rate from \$321 to \$338, which would provide an additional \$3 million in revenue to the General Fund.

Chair Donaldson was concerned about contract increases and staff confirmed these would go into the following year's budget. Mr. Chavarria noted it was not just salary increases; there was some very important equipment they needed to purchase. Ms. Reece pointed out the new Las Olas Station needed to be built out and they could not afford this without the increase. Ms. Reece explained why the Police budget request for positions was so much more than for Fire Rescue.

Mr. Chavarria said they would further study what could be done to improve Police presence and have more patrol staff. Chair Donaldson said he looked forward to discussing in August how they could shift more officers to patrol.

Mr. Macellari said the Police Department could consider a better fleet program and use the money they saved to pay for more officers.

Chair Donaldson was concerned about the amount of money going to non-profits and events and wanted some of those funds reallocated to public safety. Mr. Lowe agreed, and said he got a lot of questions about this every year. He said many of the non-profits had deep pockets and did not need the City's money. He felt the process was flawed as well; there were many non-profits that did not have the opportunity to participate. Mr. Macellaria suggested the City could fund an incubator program to train organizations how to operate and to do their own fundraising. Mr. Marshall agreed regarding non-profits and events.

Mr. Rodstrom asked about the Riverwalk "activation" and Ms. Reece said a portion of the non-profit funding for Riverwalk was for them to light up and activate Riverwalk. The \$100,000 difference was for additional lighting Riverwalk had requested for the upcoming year.

Chair Donaldson asked who was responsible for cleaning the benches along Riverwalk and Phil Thornburg, Director of Parks and Recreation, stated Parks and Recreation was responsible for maintenance of Riverwalk. He explained what "activation" was along Riverwalk: working with promoters to bring in events to get more people there. Mr. Rodstrom thought the \$100,000 for lights on Riverwalk could be spent on another officer. He agreed they could cut aid to non-profits and events but did not want to do anything to negatively affect the homeless population.

Mr. Brown supported the other Board Members' comments regarding non-profits and events. He suggested staff examine why they were funding a Riverwalk magazine when they did not fund neighborhood magazines.

Mr. Brown requested 17 years' worth of the assessed values. Chair Donaldson wanted to differentiate between single-family home and condominium values and to know the average taxable value.

Regarding events, Mr. Chavarria said Mr. Thornburg was analyzing what the City charged those who used the parks and they thought there were opportunities to lease beach and park space for events. Mr. Thornburg said Tortuga Fest paid \$500 per day to use the beach.

Chair Donaldson said when they met with the City Commission the following week, he would bring up the Board's remarks regarding shifting funding away from non-profits and events.

Motion made by Mr. Brown, seconded by Mr. Macellari to adjust the Fire Assessment Fee annually and to increase it to full cost recovery. In a roll call vote, motion passed 6-0.

Motion made by Mr. Brown, seconded by Mr. Macellari to keep the ad valorem rate flat for the 17th consecutive year. In a roll call vote, motion passed 5-1 with Mr. Lowe opposed.

- **Discussion of FY 2024 Department Budget Presentations**
- **Joint City Commission Workshop Preparation**
 - Tuesday, June 20, 2023; 11:30am – 1:00pm
 - The Parker, 707 Northeast 8th Street, Fort Lauderdale, FL 33304

VIII. Communications to/from the City Commission

None

IX. Board Member Comments

None

X. Adjourn

The meeting was adjourned at 7:06 p.m.

FY 2024

PRELIMINARY BUDGET



OVERVIEW

- Ad Valorem
- Fire Assessment
- Tax Bill Rate Adjustments
- Key Revenue and Expenditure Changes
- Strategic Enhancements
- Budget Balancing Strategies
- Commission Priorities
- Community Investment Plan
- Replacement Plans





Increase in property value =
low millage rate
(for the 17th year at 4.1193)

47.3% of the General Fund Revenues

AD VALOREM



Anticipated increase of
11.7% (\$5.7 billion)
in City's taxable property value
Of the increase, \$1.0 million
associated with new construction

\$1.2 million of additional revenue
transferred to CRA

Yields **\$20.9 million**
of additional City revenue



FIRE ASSESSMENT FEE

- Transitioning from 3-year full cost recovery adjustments to annual adjustment
 - A more accurate assessment of costs each year
- Increase fees for Residential Dwelling Units
 - Increase fees from \$321 to \$338 (annually)*
 - Provides an increase of \$3.0 million revenue for General Fund
 - \$52,892,14 Total Revenue

**This is an update from the published preliminary memo*



FY 2024 Average Single Family Home Tax Bill Rate Adjustments

Rate/Assessment	FY 2023	FY 2024	Increase/ (Decrease)	Percent Increase/ (Decrease)
Millage Rate - 4.1193	\$1,442	\$1,442	0	0%
Voter Approved Debt FY 2023 - 0.2833 FY 2024 - 0.2737	\$99	\$96	\$(3)	-3%
Stormwater Assessment	\$258	\$284	\$26	10%
Fire Assessment	\$321	\$338	\$17	5%
Total	\$2,120	\$2,160	\$40	2%

* Voter approved debt assessment is decreasing primarily due to the increase in Citywide taxable values



KEY REVENUE CHANGES

Highlights of Revenue Changes \$17.8 Million Increase from FY 2023

- Increase in Ad Valorem Revenues (10.7% increase over FY 2023) – \$20.9 million
- Increase in Electric, Water and Gas Utility Franchise Fees and Utility Tax Revenues – \$5.5 million
 - Increase in Sanitation Franchise Fee Revenues – \$4.2 million
 - Increase in Fire Assessment Fee Revenue - \$2.9 million
- Increase in Police and Firefighter Pension Insurance Premium Tax - \$855 thousand
 - Increase in Interfund Service Charge Revenue - \$791 thousand
 - Increase in Parks and Recreation Service Charge Revenue - \$668 thousand
 - Increase in Pooled Investment Revenue - \$545 thousand
- Increase in School Resource Officer Reimbursement Revenue - \$418 thousand
 - Increase in Development Services Permit Revenue - \$234 thousand
 - Increase in Alarm Response Revenue - \$224 thousand
 - Increase in Business Tax Revenue - \$210 thousand
- Decrease in Local Ordinance Fines Revenue - \$(440 thousand)
 - Decrease in City Hall Rent Revenue – \$(1.1 million)
 - Decrease in American Rescue Plan Revenue – \$(18.1 million)



KEY EXPENSE CHANGES

Highlights of Expenditure Changes \$13.5 Million Increase from FY 2023

- Increase in Salary and Wage Expense – \$11.0 million
- Increase in Transfer to Sanitation Fund - \$4.2 million
- Increase in Fleet Replacement, Overhead, and Maintenance Allocations – \$3.0 million
- Increase in Fringe Benefits Expense - \$1.7 million
- Increase in Equipment Expense - \$1.3 million
- Increase in Building Lease Expense for the Temporary City Hall Location - \$1.6 million
- Increase in Transfer to Community Redevelopment Agency – \$1.2 million
- Increase in Workers' Compensation Expenses - \$836 thousand
- Increase in Insurance Expenses - \$798 thousand
- Increase in Water & Sewer Expense - \$752 thousand
- Increase in Roadway Maintenance Materials and Project Management Services - \$466 thousand
- Increase in Lawn and Tree Services Expense - \$426 thousand
- Decrease in Electricity Expense - \$(321 thousand)
- Decrease in General Fund Grant Match Expense - \$(500 thousand)
- Decrease in Professional Services for One-time Assessments and Studies – \$(1.3 million)
- Decrease in Transfer to Special Obligation Bonds - \$(1.6 million)
- Decrease in General Liability Expense - \$(2.1 million)
- Decrease in Transfer to Fund Community Investment Plan Projects – \$(8.0 million)

****Preliminary Budget surplus is prior to the incorporation of recommended reduction strategies and enhancements.***



STRATEGIC ENHANCEMENTS

Department	Request	Number of Positions Added	FY 2024 Preliminary Budget
City Attorney's Office	Cloud Subscription	0	\$170,793
City Manager's Office	Housing Navigation	0	\$315,260
	Public Affairs Admin. Aide	.5	\$50,000
	Public Affairs Program Manager	1	\$36,495
	Public Affairs- FTL Magazine	0	\$60,000
	OPS Hotline	0	\$14,599
Development Services	Mixed Use Code Update	0	\$225,000
Finance	Sr. Procurement Specialist	1	\$114,958



STRATEGIC ENHANCEMENTS, CONTINUED

Department	Request	Number of Positions Added	FY 2024 Preliminary Budget
Fire Rescue	Third Person Staffing Two Medical Rescue Units And Public Info. Specialist	10	\$1,041,949
	Fire Engine for Heron Garage	0	\$1,099,391
	Equipment replacement, repair, & maintenance	0	\$151,217
Parks and Recreation	Part Time Employee Salary increase	0	\$112,199
Police	Patrol Officers and Homeless Outreach	14	\$2,766,075
Total		26.5	\$6,157,936



BUDGET BALANCING STRATEGIES

Department	Request	Number of Positions Adjusted	FY 2024 Preliminary Budget
City Managers Office	Reduction of Fellows Program	2	(\$119,994)
	Strategic Comm. Vacancies	3	(\$296,261)
Development Services	GIS Position	1	(\$17,873)
	Nighttime Economy Program	2	(\$181,042)
Human Resources	Chief Diversity Officer Vacancy	1	(\$161,288)
Other General Gov.	Reduction on Nonprofit Funding	0	(\$475,000)
Citywide	Reduction of Merchant Card Fees*	0	(\$618,390)
Total		9	(\$1,869,848)

*Only six (6) months of this annual cost will be provided in FY 2024



COMMISSION PRIORITIES

Priority	Examples of Initiatives	
Economic Development	<ul style="list-style-type: none"> • Business Incentive Programs • Historic Preservation Programs 	<ul style="list-style-type: none"> • Reimagined Public Affairs Division
Housing Accessibility	<ul style="list-style-type: none"> • Grant funding for Housing and Community Development 	<ul style="list-style-type: none"> • Housing Navigation Program • Police Homeless Outreach Unit
Infrastructure & Resilience	<ul style="list-style-type: none"> • Advanced Metering Infrastructure • Restoration of Bridges 	<ul style="list-style-type: none"> • Water/Sewer and Stormwater Capital Projects
Public Places	<ul style="list-style-type: none"> • Parks Bond Improvements • Lighting Enhancements 	<ul style="list-style-type: none"> • Streetscape Improvements • Parks and Facilities Maintenance
Public Safety	<ul style="list-style-type: none"> • Additional Staff for Fire and Police • Replacement Equipment for Fire and Police 	<ul style="list-style-type: none"> • Replacement of 104 Public Safety Vehicles • New Police HQ and Fire Stations
Transportation	<ul style="list-style-type: none"> • New Traffic Alert Message Boards • Traffic Flow Improvements 	<ul style="list-style-type: none"> • Continuation of Las Olas Mobility Plan

*For the full list of City Commission Priorities, please see Attachment #3 in the Preliminary Budget Memo



PRELIMINARY FY 2024 – FY 2028

Capital Investment Plan (CIP) Funding

Preliminary City of Fort Lauderdale FY 2024 - FY 2028 Community Investment Plan					
FUND	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
108.Housing and Community Development Grants Total	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 550,000
127.American Rescue Plan Act Total	\$ (425,000)	\$ -	\$ -	\$ -	\$ -
331.General Capital Projects Total	\$ 22,492,888	\$ 21,788,456	\$ 21,008,231	\$ 20,382,611	\$ 20,396,324
332.Gas Tax Total	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,100,000
338.Transportation Surtax Fund Total	\$ 2,762,500	\$ -	\$ -	\$ -	\$ -
352.GO BondD 2019 Construction - Police Total	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -
353.GO BOND 2020 CONSTRUCTION - PARKS Total	\$ -	\$ 60,000,000	\$ -	\$ -	\$ -
430.Cemetery System Total	\$ 448,000	\$ 1,975,316	\$ 180,000	\$ -	\$ -
451/455.Central Regional Wastewater System Total	\$ 19,359,761	\$ 20,787,913	\$ 21,299,301	\$ 22,115,736	\$ 22,520,479
454.Water and Sewer - General Capital Projects Total	\$ 30,906,397	\$ 30,053,304	\$ 30,000,000	\$ 30,000,000	\$ 30,506,874
461.Parking System Total	\$ 3,846,829	\$ 2,900,000	\$ 2,650,000	\$ 150,000	\$ 1,650,000
468.Airport Total	\$ 741,036	\$ 1,378,092	\$ 978,750	\$ 152,500	\$ 368,265
470.Stormwater Total	\$ 7,843,448	\$ 8,239,633	\$ 8,955,777	\$ 8,815,817	\$ 9,404,370
495.WATER & SEWER MASTER PLAN 2017 Total	\$ 77,377,641	\$ -	\$ -	\$ -	\$ -
496.WATER & SEWER REGIONAL MASTER PLAN 2017 Total	\$ 122,622,359	\$ -	\$ -	\$ -	\$ -
581.Central Services(Information Technology Services) Total	\$ 300,000	\$ 300,000	\$ 273,000	\$ 240,400	\$ 275,000
583.Vehicle Rental (Fleet) Total	\$ 213,677	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
778.Florida Department of Transportation (FDOT) Total	\$ 756,261	\$ 2,948,380	\$ 833,650	\$ 37,500	\$ 340,000
779.Federal Aviation (FAA) Total	\$ 8,360,307	\$ 7,332,840	\$ 15,005,700	\$ 675,000	\$ 6,120,000
Grand Total	\$ 299,106,104	\$ 162,303,934	\$ 102,784,409	\$ 84,169,564	\$ 93,231,312



PRELIMINARY FY 2024-2028 CIP

General Fund: Key Projects Funded



REPLACEMENT PLANS

Replacement Plan	Equipment Replaced	Total Cost
Fleet (All Funds)	212 Vehicles	\$19,439,981
Fire Rescue Equipment	171 Self-Contained Breathing Apparatus, 105 Sets of Bunker Gear, and 13 Stretchers	\$4,256,955
Police Equipment	Various Technology and 2 Boats	\$135,796
License Plate Reader	11 License Plate Readers	\$315,408
Police, Animal and Bullet Proof Vests	104 Vests and 3 Animals	\$286,596
Personal Computer	201 Desktops and 164 Laptops	\$561,700
Grand Total		\$24,996,436



QUESTIONS





City of Fort Lauderdale, Florida

Prospect Lake Clean Water Center *Preliminary Financing Scenarios*

Prepared by PFM Financial Advisors LLC

PFM Financial Advisors LLC

2222 Ponce De Leon Blvd.,
3rd Floor
Coral Gables, FL 33134

pfm.com



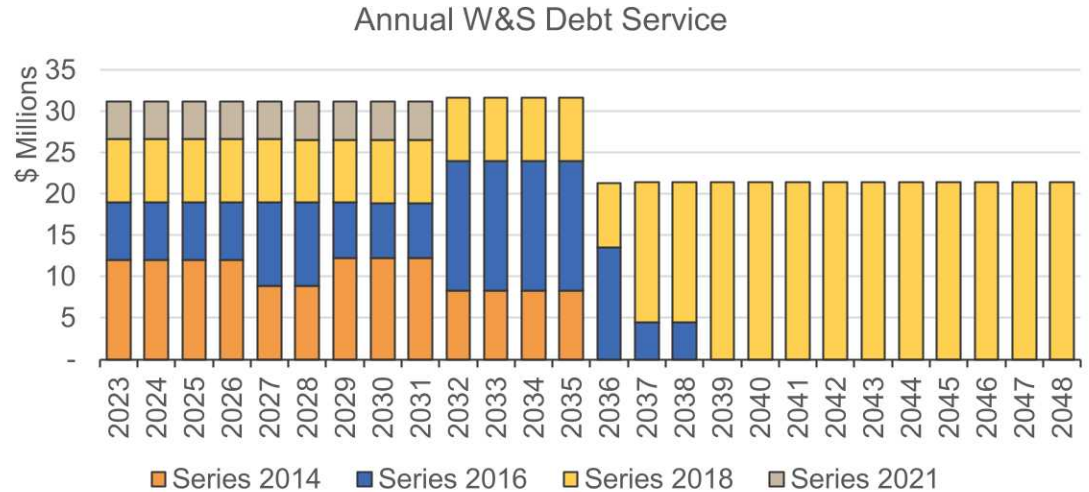
Executive Summary

- Objectives:
 - Fully fund the City's capital obligations for Prospect Lake
 - Structure the financing in a cost-effective manner
 - Mitigate the impact to rate payers
- Includes:
 - Key terminology
 - Various financing scenarios for consideration
 - Discussion of scenario results and impact



Water and Sewer Revenue Bonds (Existing)

Debt Summary		
Total Outstanding Debt		
Principal Outstanding	457,420,000	
Final Maturity	9/1/2048	
Maximum Annual Debt Service	31,717,125	
Refunding Breakdown		
Callable Debt	435,365,000	
Non-Callable Debt	22,055,000	
Bond Ratings		
S&P	Moody's	Fitch
AA+	Aa1	-



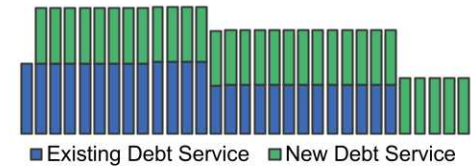
Series	Issue Type	Tax Status	Purpose	Issue Size	Final Maturity	Outstanding Par	Next Call Date	Refunding Status			
								Forward	Current	Non-Callable	
						As of 9/30/2020					
Series 2012	Bond Offering	Tax-Exempt	Refunding	64,585,000	9/1/2031	44,795,000	9/1/2021	41,595,000	-	3,200,000	
Series 2014	Bond Offering	Tax-Exempt	Refunding	121,520,000	9/1/2035	117,485,000	9/1/2024	90,410,000	-	27,075,000	
Series 2016	Bond Offering	Tax-Exempt	Refunding	158,930,000	9/1/2038	125,665,000	9/1/2024	110,690,000	-	14,975,000	
Series 2018	Bond Offering	Tax-Exempt	New Money	196,035,000	9/1/2048	196,035,000	9/1/2027	196,035,000	-	-	
Total						483,980,000		438,730,000	-	45,250,000	



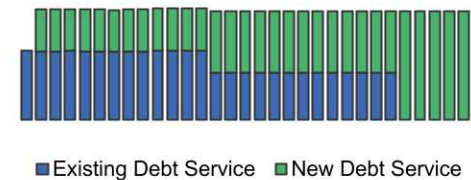
Key Terminology

- Level Debt Service: Principal is amortized to create level debt service payments over the life of a series of bonds
- Wrapped Debt Service: Principal is amortized to “wrap” around existing debt service (or other anticipated debt service) in order to create level debt service on an *aggregate basis*
- Rate Covenant: Covenant of the Issuer to the bondholder that rates and charges will be set at the level sufficient such that net revenues meet or exceed the Principal and Interest payment each year. Usually expressed as a percentage.
- Maximum Annual Debt Service: The maximum principal and interest payment due in a given year over the life of a bond issuance
- Additional Bonds Test: A required test of the issuer, prior to the issuance of Additional Bonds, satisfying that either the prior year’s revenue or projected revenue will be sufficient to meet or exceed MADS. Usually expressed as a percentage

Level Debt Service

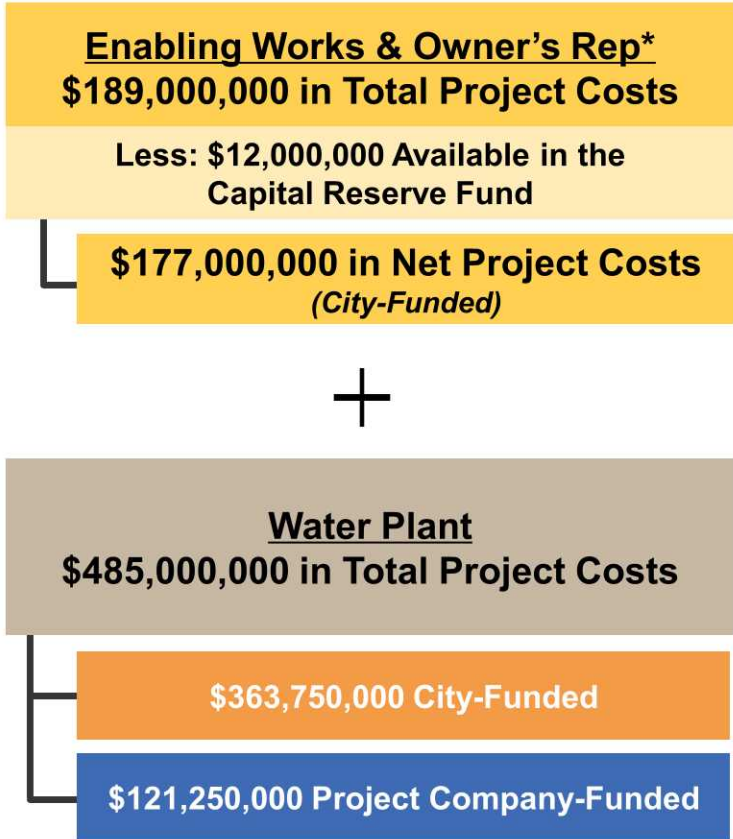


Wrapped Debt Service





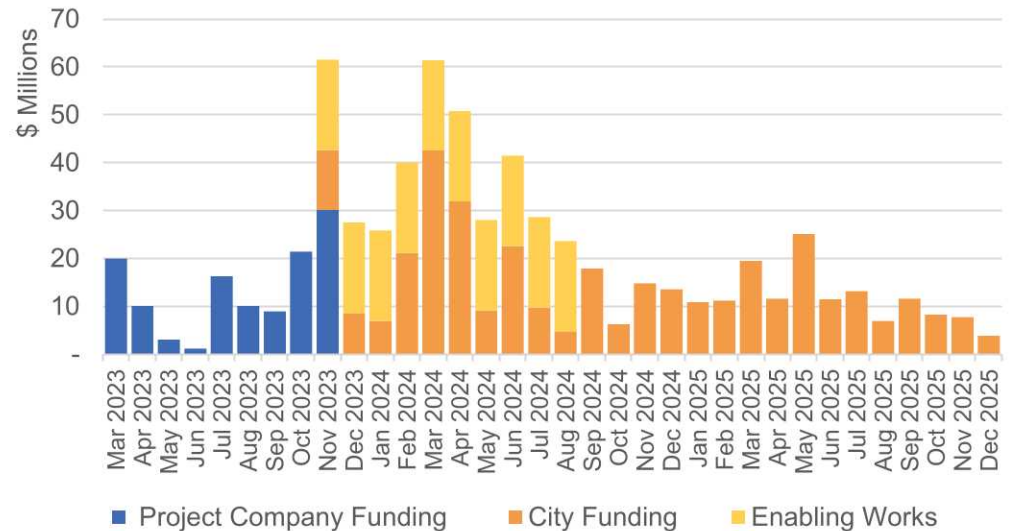
Project Funding Summary



Funding Components



Monthly Capital Expenditure Schedule



*All references to Enabling Works include \$8 million for Owner's Rep



Included Financing Scenarios

- For the City’s portion of the total project costs, PFM prepared preliminary analysis based on different scenarios
 - Each scenario assumes the City issues 2023A Bonds to fund \$177 million in net project costs for the Enabling Works and Owner’s Rep portions⁽¹⁾
 - To fund the \$364 million in project costs for the Water Plant portion⁽²⁾, the City can issue a single standalone series, or use a phased approach funding the project over multiple issuances

Scenario #	Structure	Term	Enabling Works	Water Plant	Description of Funding Approach for Water Plant
1	Level	30 Years	Series 2023A	Series 2023B	Single issuance to fund 100% of Water Plant project costs
2	Level	40 Years	Series 2023A	Series 2023B	Single issuance to fund 100% of Water Plant project costs
3	Wrapped	30 Years	Series 2023A	Series 2023B	Single issuance to fund 100% of Water Plant project costs
4	Wrapped	30 Years	Series 2023A	Series 2023B Series 2024	Phased issuances to initially fund ~50% of Water Plan project costs, followed by a second tranche in 2024 (assuming current market rates)

(1) Assumes net-funded project fund based on equal draws over 10 months at 2% earnings rate

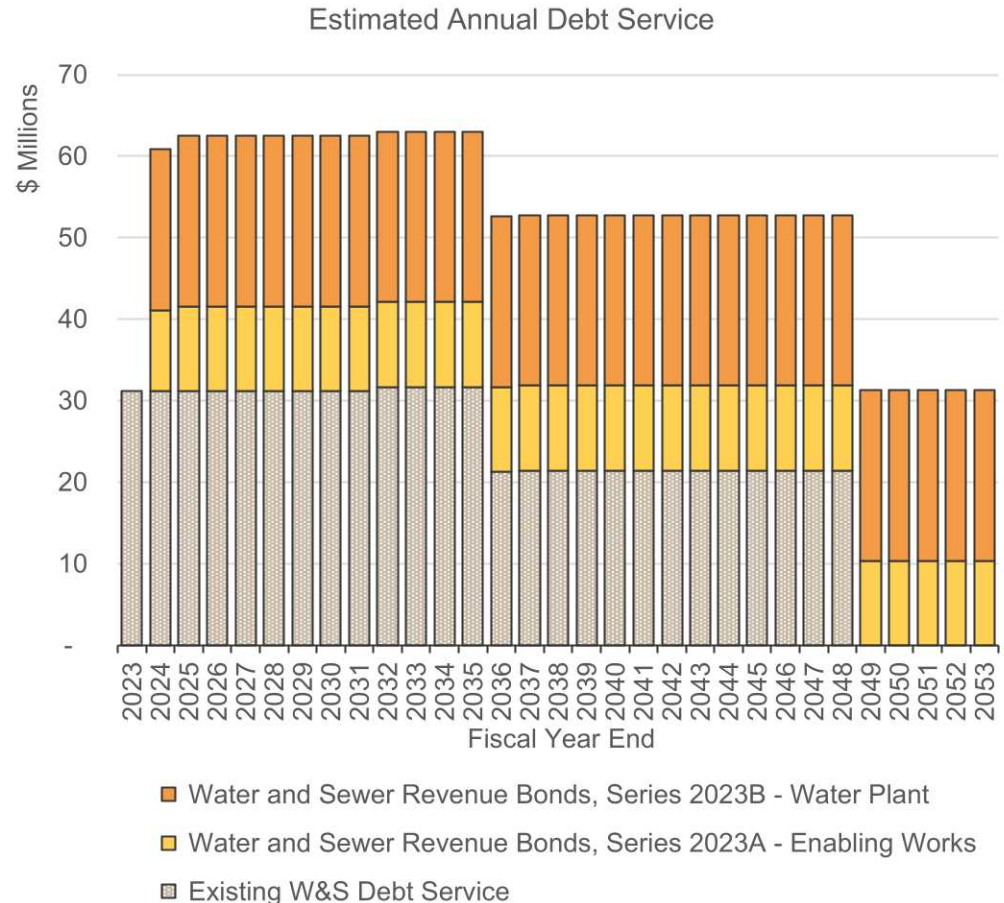
(2) Assumes net-funded project fund based on draw schedule at 3% earnings rate



Preliminary Financing Scenario #1: Level Debt Service, 30 Years (Single Issuance for Water Plant)

Summary Statistics:

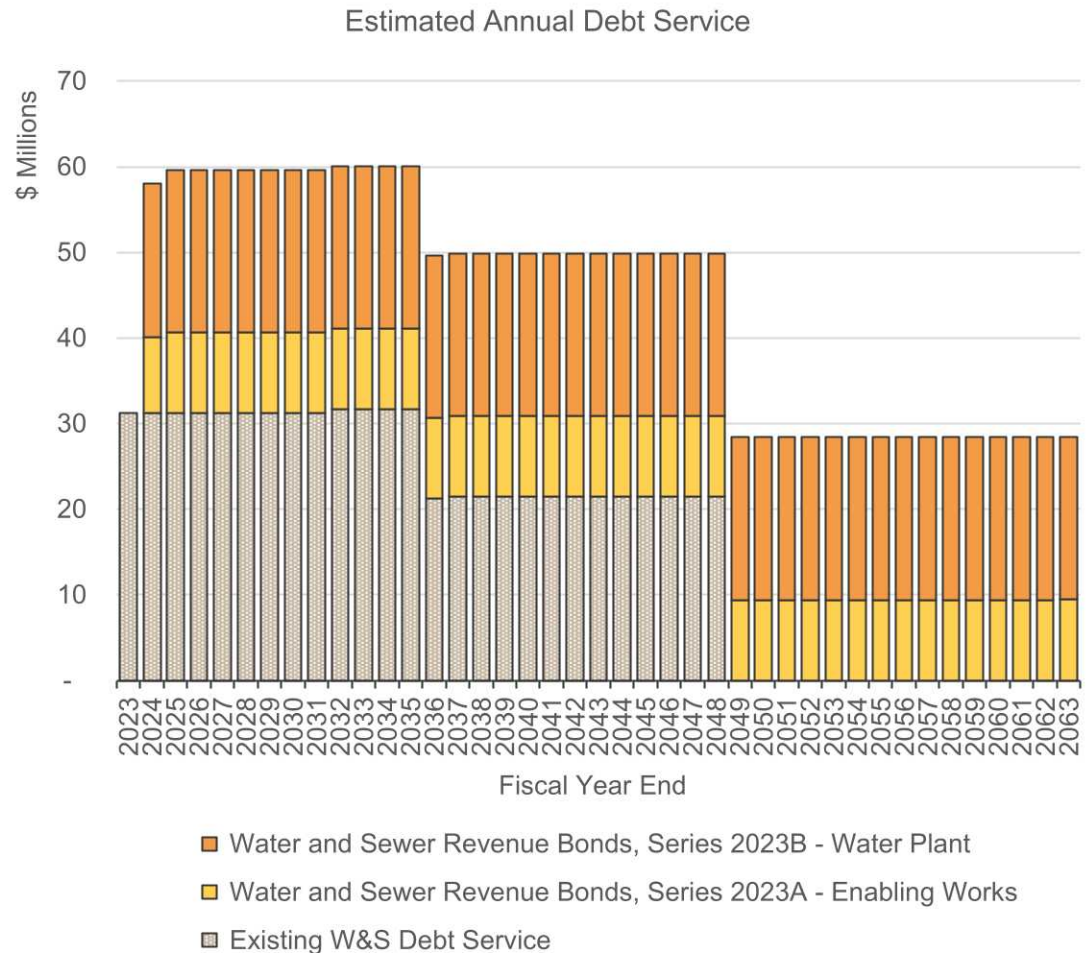
- All-In TIC: 4.22%
 - Par Amount: \$482,840,000
 - Total Interest: \$465,181,700
 - Total Debt Service: \$948,021,700
 - Avg. Annual Debt Service: \$32,107,758
- Aggregate MADS: \$63,032,213





Preliminary Financing Scenario #2: Level Debt Service, 40 Years (Single Issuance for Water Plant)

- ◆ Combined Summary Statistics
 - All-In TIC: 4.43%
 - Par Amount: \$488,725,000
 - Total Interest: \$645,128,333
 - Total Debt Service: \$1,133,853,333
 - Avg. Annual Debt Service: \$28,441,137
- ◆ Aggregate MADS: \$60,103,053

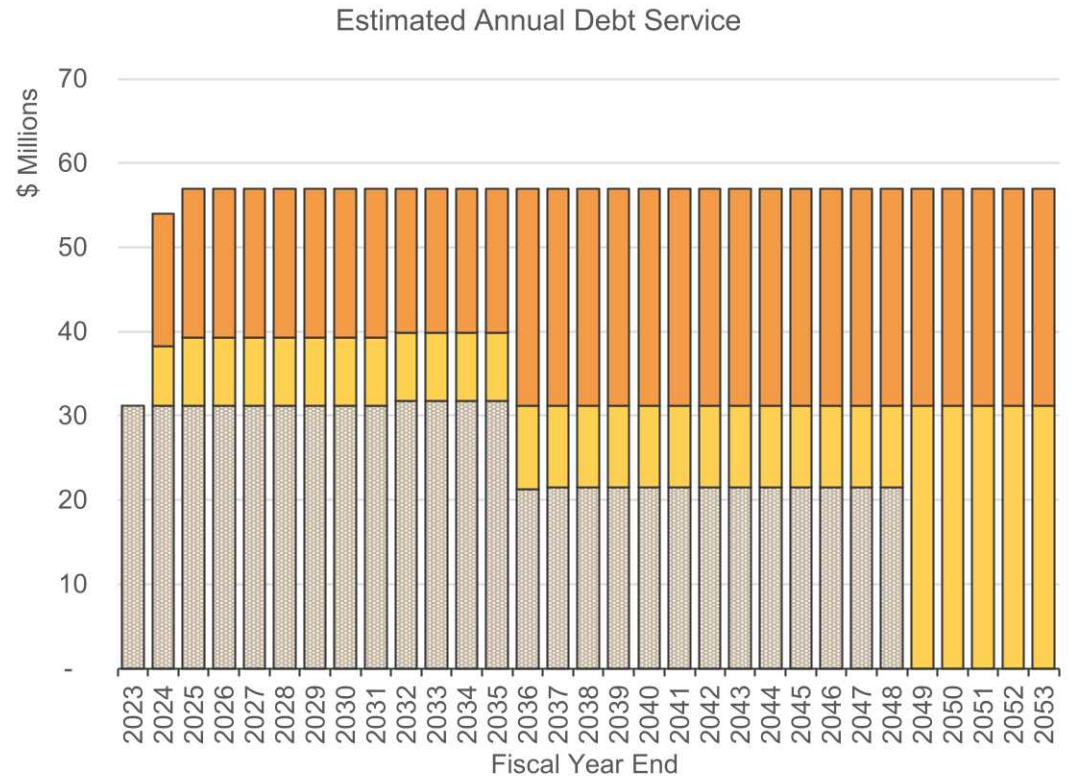




Preliminary Financing Scenario #3: Wrapped Debt Service, 30 Years

(Single Issuance for Water Plant)

- Combined Summary Statistics
 - All-In TIC: 4.39%
 - Par Amount: \$486,985,000
 - Total Interest: \$565,538,683
 - Total Debt Service: \$1,052,523,683
 - Avg. Annual Debt Service: \$35,240,748
- Aggregate MADS: \$57,032,300



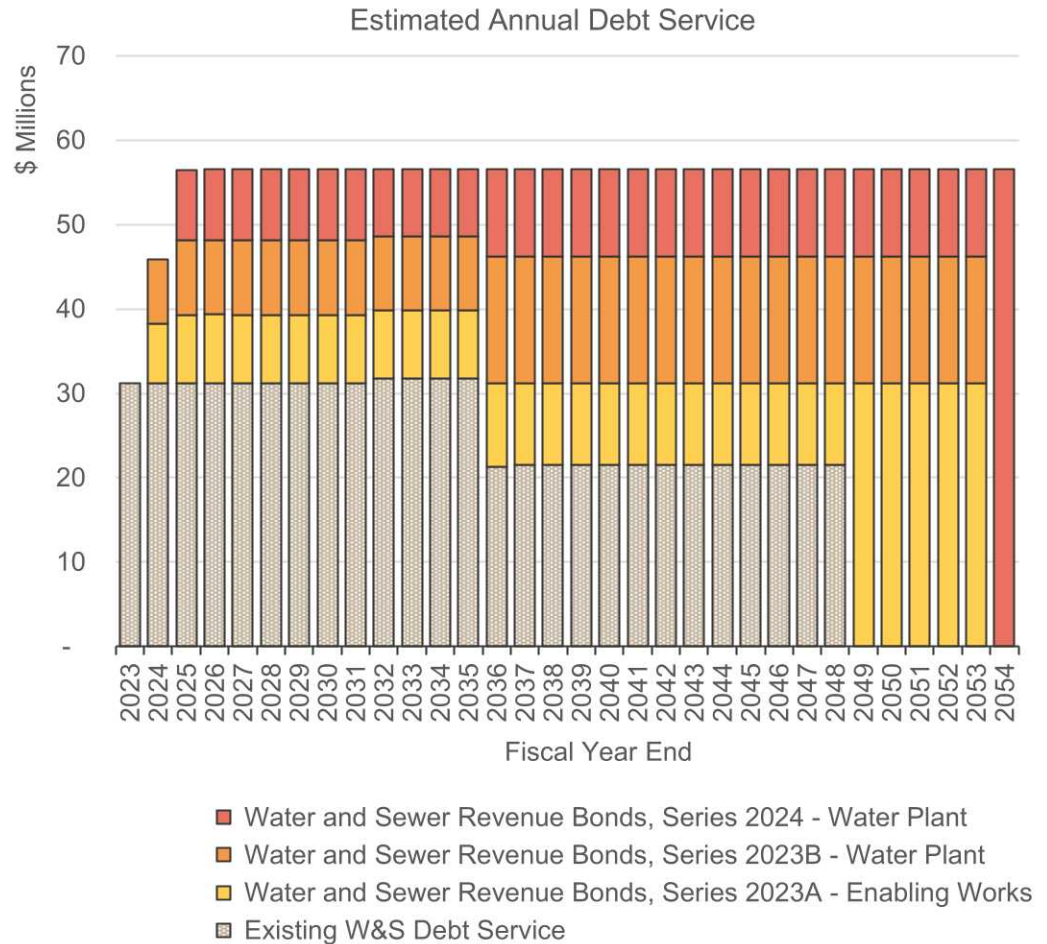
- Water and Sewer Revenue Bonds, Series 2023B - Water Plant
- Water and Sewer Revenue Bonds, Series 2023A - Enabling Works
- Existing W&S Debt Service



Preliminary Financing Scenario #4: Wrapped Debt Service, 30 Years

(Phased Issuances for Water Plant, Assuming Current Rates for 2024 Bonds)

- Combined Summary Statistics
 - All-In TIC: 4.42%
 - Par Amount: \$492,650,000
 - Total Interest: \$596,358,867
 - Total Debt Service: \$1,089,008,867
 - Avg. Annual Debt Service: \$35,281,065
- Aggregate MADS: \$56,625,053





Summary Comparison of Preliminary Financing Scenarios #1-4

	Scenario #1 <i>30 Years, Level Debt Service</i>	Scenario #2 <i>40 Years, Level Debt Service</i>	Scenario #3 <i>30 Years, Wrapped Debt Service</i>	Scenario #4 <i>30 Years, Wrapped Debt Service (w/ 2024 Issuance)</i>
All-In TIC	4.22%	4.43%	4.39%	4.42%
Par Amount	\$482,840,000	\$488,725,000	\$486,985,000	\$492,650,000
Total Interest	\$465,181,700	\$645,128,333	\$565,538,683	\$596,358,867
Total Debt Service	\$948,021,700	\$1,133,853,333	\$1,052,523,683	\$1,089,008,867
Average Annual Debt Service	\$32,107,758	\$28,441,137	\$35,240,748	\$35,281,065
Aggregate Maximum Debt Service (MADS)	\$63,032,213	\$60,103,053	\$57,032,300	\$56,625,053



Annual Debt Service Comparison

- Chart below indicates the total annual debt service for each scenario, upon fully funding the project.
- The table and chart to the right indicate the Maximum Annual Debt Service (“MADS”) for the first three years of each scenario
 - Scenarios 1-3 lock-in the cost of funds immediately, while increasing MADS right away
 - Scenario 4 would issue bonds in two phases, stepping-up MADS over two years

FULL FUNDING MADS

