

Department Of Public Works
Notes to the Statement of Midyear Review OF Financial Condition

(A) Current year 2018

Revenue data includes five months of actual revenue (January - May 2018) and estimated revenue through year-end. Operating Expenditures data includes five months of actual expenses (January - May 2018) and estimated expenses through year-end. Projections are based on current year trends and historical trends.

(B) Operating Revenues – Sewer Maintenance Fee and Storm Water Fee

The 2018 Sewer Fee is calculated at the current rate of \$1.45 per CcF (hundred cubic feet) of sanitary sewer consumption, which is based on the amount of metered tap water. The 2018 Storm Water Fee is based on the amount of impervious surface (areas that do not allow storm water to penetrate into the soil). Each residential property is assumed to be 1 ERU (Equivalent Residential Unit) of 1,610 sq ft. Non-residential properties are assigned ERUs by dividing their actual impervious surface areas by 1,610 sq ft. Each ERU is charged \$20.79 in 2018. The rates for the 2019 Sewer Maintenance Fee and the 2019 Storm Water Fee have not been determined at the time of this report. The current rates were used for the 2019 estimates.

(C) Salaries and Wages 2018

Salaries and Fringes are actual cost through pay period 11. The 2018 projection assumes current spending levels through year-end. Employee benefits include an estimate for other post employment benefits. No cost of living increase was included in the calculation. The number of authorized positions will decrease by 1 Management & Accounting Officer (2GX) position for the year

(D) Budget Year 2019

The expenditure data for 2019 is based on the fund's 2019 proposed budget. The 2019 figures are subject to change in the final adopted budget by the Common Council and Mayor in November 2018. The current Salary and Wage Rate Schedule was used for determining the amounts to be included in the 2019 budget request. The number of authorized positions will be increased by 2 in 2019.

(E) Senior Bonds Maximum Annual Debt Service

Includes bonds issued in 2011, 2013, and 2016.

(F) Debt Service Coverage

Net Revenues Available for Debt Service divided by Maximum Annual Debt Service.

(G) Senior Bonds Minimum Required Coverage

Required by the Master Resolution, section 8.02, adopted by the CITY on August 2, 2001.

(H) Second Lien Revenues

Same as Net Revenues Available for Senior Debt Service.

(I) Second Lien and Senior Lien Debt Service

Debt issued through June 1, 2018. Assumes \$25 million of second lien debt issued by March 1, 2018 at a rate of 2.50%.

(J) Second Lien Debt Service Coverage

Second Lien Revenues divided by Second Lien and Senior Lien Debt Service.

(K) Second Lien Revenue Requirement

Required by the Second Lien Resolution, Section 11, adopted by the City on June 20, 2006.