

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

INTRODUCTION AND OVERVIEW

This section of the budget outlines in summary form projected revenues and costs for the five fiscal years beyond 2019-20 for the Town's General Fund, Transit Fund and Debt Service Fund. A summary schedule is provided for each fund identifying differences between the projected revenues and costs.

The Projections section of the budget is an important tool in developing long-range financial strategies for the Town's major operations and in maintaining sound financial condition. We believe our projections include all the major elements and principal drivers of revenue and costs. In short, we have included in the projections the elements that are "big enough to matter," on both the revenue and cost sides of the budget. Our presentation includes projections for operations and for additions and adjustments to ongoing operations. The largest additions relate to capital programs and related debt service.

Capital Programs and Related Debt Service

In November 2015 the Town held a general obligation bond referendum consisting of five bond orders totaling \$40.3 million. All five bond orders were approved by the voters. There have been two issuances from the 2015 GO Bond authority. In February of 2017, \$9.0 million of bonds were issued and in April of 2018, and additional \$12.5 million of bonds were issued. The bond orders and amounts issued to date are shown in the table below:

Bond Order	Authority	February 2017 Issuance	April 2018 Issuance	Balance
Streets & Sidewalks	\$ 16,200,000	\$ 3,000,000	\$ 5,500,000	\$ 7,700,000
Trails & Greenways	5,000,000	5,000,000	-	-
Recreation Facilities	8,000,000	1,000,000	4,300,000	2,700,000
Solid Waste Facilities	5,200,000	-	-	5,200,000
Stormwater	5,900,000	-	2,700,000	3,200,000
Total	\$ 40,300,000	\$ 9,000,000	\$ 12,500,000	\$ 18,800,000

In addition to the referendum bonds, the Town is also planning on financing about \$33 million for public safety facilities sometime within the next 18 months.

There was also a sale of Two-Thirds General Obligation Bonds in February 2017 to purchase Public Safety Equipment. The sale included the following projects:

<u>Project</u>	<u>Amount</u>
100 Foot Fire Ladder Truck	\$ 1,348,000
Public Safety Radios	168,816
Body Cameras	72,506
Bond Issuance Expenses	25,381
Total	<u>\$ 1,614,703</u>

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The final sale of the General Obligation bonds approved by voters in November 2003 was held in the fall of 2010 and included the following projects:

<u>Project</u>	<u>Amount</u>
Library	\$14,260,000
Sidewalk/Street	2,450,000
Parks & Recreation	3,700,000
Total	<u>\$ 20,410,000</u>

The bonds were issued in two forms, \$12,250,000 in Build America Bonds (BABs) and \$8,160,000 in traditional general obligation debt. The FY19 annual debt service payment on the combined issuance totals \$1.57 million, but the BABs have a federal subsidy that will refund 32% of interest costs through the American Recovery and Reinvestment Act. The net debt service on this bond issuance is \$1.40 million for FY19.

In addition to the final issuance of authorized bonds, the Council approved the issuance of \$1.7 million in Two-Thirds Bonds in July 2012. NC General Statutes allow units to issue bonds in an amount equal to two-thirds of the principal amount of debt retired in the previous year. These bonds may be issued without a referendum but must be approved by the LGC and Council in the same manner as other debt financing. The Two-Thirds bonds were used for Parks and Recreation and Streets projects, and annual debt service on the bonds is \$113,000.

In June of 2012 the Town issued \$28,800,000 of limited obligation bonds. The bonds were used to pay for underground parking at the 140 West Project (\$6,700,000) as part of a mixed use development and to refund outstanding Certificates of Participation for the Wallace Deck and Town Operations Center (\$22,100,000). Construction of the 140 West Project was completed during FY13 for a total cost of \$5.96 million. The total debt service payment for FY19 is \$2.69 million, consisting of \$914,631 paid through the Parking Fund and \$1,847,000 paid from the General Fund. The projections assume that the Parking Fund will provide for the cost of this debt service (\$905,332) as a transfer to the Debt Fund.

Lower interest rates during the last few years have allowed the Town to refund some existing debt by issuing lower interest refunding bonds. Recent refunding issues include \$26.75 million in 2012 and \$3.05 million in 2013. Total savings for these transactions is \$746,580 over the life of the bonds.

In June 2015, the Town entered into an installment financing agreement to finance public safety equipment and improvements to public buildings. The Town borrowed \$2,395,000 for a 15-year term at a rate of 2.24%. The debt service payment for FY19 is \$204,668.

In March 2016, the Town entered into an installment financing agreement to fund the following projects:

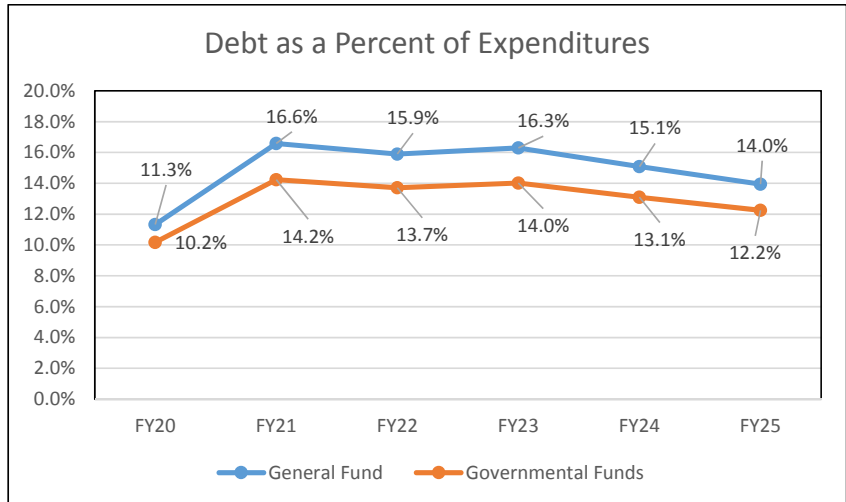
<u>Project</u>	<u>Amount</u>
Ephesus Fordham (Blue Hill) Road Improvements	\$ 4,779,000
Town Hall Renovations	1,865,000
Public Safety Facilities & Equipment	1,185,000
Community Center Pool Improvements	50,000
Total	<u>\$ 7,879,000</u>

The financing agreement has a 15-year term and a rate of 2.32%. The debt service payment for FY19 for this installment financing is \$684,310. The Ephesus Fordham (Blue Hill) Road portion of the borrowing is

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structured as a synthetic tax increment financing. Growth in tax receipts in the Ephesus Fordham District is being used to offset the cost of debt service for the project. In addition, NCDOT is reimbursing the Town approximately \$1.79 million for Phase I of the roadway construction.

While the Town has historically had low debt as a percentage of budgeted expenditures, recent borrowings have increased the Town's debt load. The Town's measures of debt capacity, including debt per capita and debt as a percent of assessed value, are slightly below the average of our peer group (Triple A rated Municipalities in North Carolina). The Town has traditionally kept debt service below 10% of budgeted general fund expenditures, but with the recent investment in public facilities, this ratio has risen to 11.3% in 2019-20 and to 10.2% as a percent of governmental revenues (general fund plus debt fund). Debt as a percentage of governmental revenues approximates the basis used before the debt fund was created in 2010. Debt service as a percentage of expenditures is expected to rise in the next few years as the Town continues to invest in public facilities and infrastructure.



Debt service as a percentage of expenditures is expected to rise in the next few years as the Town continues to invest in public facilities and infrastructure.

In response to the added debt burden, a Debt Management Plan was adopted for the FY2008-09 budget that includes dedicating a portion of the property tax rate to pay debt service instead of transferring funds for debt service needs from the General Fund. Previously, debt service costs competed with other priorities for General Fund revenues, but now have a dedicated revenue source, which also provides for future debt as existing debt is paid off. Maintaining affordable levels of debt is an important factor in retaining the Town's current AAA ratings.

The adopted budget for 2019-20 includes a tax rate at \$9.8 cents per \$100 valuation. The debt fund has capacity to pay existing and planned debt service through the 2022-2023 fiscal year.

Some of the other key factors affecting revenues and costs are outside the Town's control, such as State-shared revenues affected by State legislation, and numerous State and federal regulations which affect funding for the Transit system and the Housing Department, primarily. We project no significant withholding of State-shared revenues. The county has the option each year to change the sales tax distribution formula from the current per capita basis to an ad-valorem basis. Changing from a per capita basis to an ad-valorem distribution would reduce the Town's Sales Tax revenues by approximately \$2.5 million. The County has indicated that they will not make a change to the distribution for 2019-20, but they may revisit this option in subsequent fiscal years.

The main points included in the revenue and cost projections for the General Fund, Transit Fund and the Debt Service Fund are summarized on the following pages. The differences between revenues and expenditures are expressed as tax rate equivalents.

As the budget increases, the total reserved fund balance needs to increase proportionally to maintain fund balance reserves at the target 22% of expenditures. The gap between revenues and costs could be closed by service reductions, revenue enhancements, tax rate adjustments or any combination of these options.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

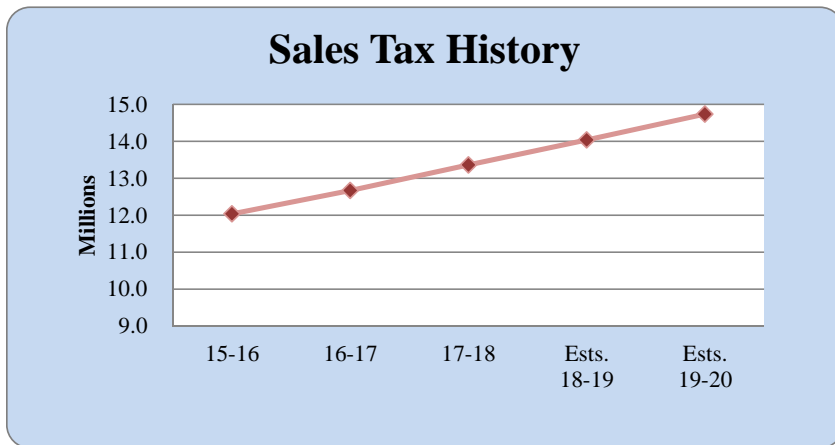
GENERAL FUND

Revenues

The most important revenue sources for General Fund operations continue to be property taxes and sales tax revenues that, combined, comprise about 69% of total General Fund revenues. The estimate of assessed valuation for the tax base in 2019-20 is about \$8.31 billion. There was a revaluation of property tax assessments effective for FY2017-18 budget. Real property values increased by approximately 24% and the motor vehicle and personal property valuations decreased by about 10%. The Council adopted a revenue neutral rate for the FY2017-18 Budget.

The tax levy projections assume that the General Fund tax rate will continue to be split with the Debt Service Fund. The rate adopted in FY12 moved \$1.8 cents of the tax rate from the Debt Fund to the General Fund.

Estimated additions to the tax base through growth yield increases in property tax revenues of about \$575,000 each year. This is based on 1.5% annual growth, which is slightly lower than the historical average, and a tax rate for 2019-20 of \$38.6 cents for the General Fund.



The second largest source of Town revenue, sales tax, is more volatile than property tax. Revenues from sales taxes tend to increase when the economy is strong and slow or decline when the economy weakens. Based on sales tax revenues to date, we estimate FY19 receipts at about \$14 million, an increase from what was originally budgeted. Based on local trends and state forecasts, we anticipate growth of about 5% for FY19-20.

Based on legislation adopted in 2002-03 by the North Carolina General Assembly (providing greater but not absolute protection for certain State-shared revenues withheld in past years), we believe it is reasonable to include full State-shared revenues in our five year projections for the General Fund. These State-shared revenues include revenue from utility sales taxes (estimated at about \$4.2 million in 2018-18 and \$4.2 million in 2019-20) and Video Programming Tax, estimated to remain relatively flat in FY19 and FY20.

State-shared revenues also include revenue from fuel tax funds for street maintenance (about \$1.45 million in 2018-19) with no projected growth over the next five years, and Beer and Wine Taxes. The State withheld two-thirds of its distribution of beer and wine tax to municipalities in 2009-10 but indications are that we will receive the full share in FY19 and thereafter.

State Fire Protection Funds have not changed significantly in the past few years and we anticipate they will remain stable. We do however recommend that the Council continue to seek additional fire protection funding consistent with the costs associated with providing fire protection for state owned property located in the Town.

The most important revenue sources for the General Fund are shown in the two tables which follow, titled Projected Tax Base and Projected State-Shared Revenues.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

Operating and Capital Improvement Costs

Projected costs for general operations are based on a continuation of most service levels and programs for 2019-20. Personnel and operating costs are based on assumptions as noted on the attached tables. The projections also include estimated contributions required to provide needed capital maintenance for future years. To date, the Town has issued \$21.5 million of 2015 referendum bonds to pay for streets and sidewalks, trails and greenways, stormwater improvements and recreation facilities. With the availability of bond funds, the amount of pay-go capital funding in the areas of greenways and streets and sidewalks decreased by about \$337,000.

Personnel costs for FY 2019-20 include a 3% of market rate pay adjustment effective July 2019 and an increase in medical insurance costs of 4.5% based on the contract agreement with Blue Cross Blue Shield. Projections include the following assumptions:

- Annual pay increases of 3%
- 5% annual increases in medical insurance
- An increase of 1.2% for 3 years after FY20 for the employer's retirement system contribution rate.
- Operating costs increase of about 3% annually

Our analysis indicates projected costs for basic operations and the proposed additions to operations would exceed revenues in FY2019-20 and beyond. As we come closer to the actual projected years, we will need to update assumptions. Under the current projection assumptions, the Council would need to increase revenues or decrease costs for each of the next five years.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

TRANSIT FUND

The budget for 2019-20 assumes the continuation of fare-free transit services as well as the continuation of the cost-sharing arrangement with the University of North Carolina and Carrboro. Due to the occasional unknown nature of the State operating assistance, we are conservatively budgeting \$2.25 million for this revenue source. Federal assistance is estimated to continue at \$1.96 million next year, which is in line with FY19.

The 2019-20 Adopted Budget represents a 4.3% increase from the previous year largely due to an increase in revenue generated from TTA fees. The Transit budget also includes \$716,000 for debt payments on the purchase of new buses that began in 2016-17. The adopted budget for 2019-20 includes contribution increases on behalf of the partners. The projections assume continuation of the 6.0 cent rate in the next five years. Subsequent years show the need for a tax increase from 0.2 to 0.7 cents through 2024-25.

Adopted Tax Rate	Cents per \$100 valuation		
	FY17-18	FY18-19	\$ Change
General Fund	38.6	38.6	0.0
Debt Fund	8.2	9.8	1.6
Transit Fund	6.0	6.0	0.0
Total Tax Rate	52.8	54.4	1.6

DEBT SERVICE FUND

The projections for the Debt Service Fund include maintaining the adopted tax rate of 9.8 cents. This tax rate will generate about \$8.11 million in revenues in 2019-20 which, along with the transfer from Parking, will provide for projected debt service costs. Cost projections include debt service on the \$12.5 million general obligations issued in April 2018. Our projections include the planned issuance of about \$50 million of new debt in the next 5 years, including the balance of the GO bonds authorized in the 2015 referendum and the financing of public safety facilities. In addition, our projections indicate an increase will be needed in the tax rate for debt service for 2022-23 however, the timing of Debt Fund's cash flow needs suggest an earlier and considerably smaller tax increase would be preferable.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

CONCLUSION

Based on the assumptions contained in the analysis of projected revenues and costs for the Town's tax-funded operating funds for the next five years, differences between revenues and costs for future years could require cost or service reductions, revenue enhancements, or tax rate adjustments. The differences expressed as tax rate equivalents are summarized as follows:

Tax Rate Equivalents of Needed Revenue (in cents)						
	2019-20	2020-21	2021-22	2022-22	2023-24	2024-25
	Adopted	Estimated	Estimated	Estimated	Estimated	Estimated
	Increase	Increase	Increase	Increase	Increase	Increase
General Fund	0.0	2.3	1.4	0.9	1.1	1.0
Debt Service	1.6	0.0	0.0	0.0	0.0	0.0
Transit Fund	0.0	0.7	(0.2)	0.2	0.2	0.2
Total	1.6	3.0	1.2	1.1	1.3	1.2

The largest concern in the budget projection is the expected imbalance between revenues and expenditures in the General Fund. In past years, fund balance has been available to supplement revenues and eliminate or reduce the need to increase taxes. We will need to more closely balance spending with available revenues in future budget years due to the diminishing availability of fund balance available for appropriation.

**GENERAL FUND
PROJECTED TAX BASE
2019/2020- 2024/2025**

Category	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Assessed Valuation (Real & Personal Property)	\$ 8,307,698,997	\$ 8,457,240,000	\$ 8,609,470,000	\$ 8,764,440,000	\$ 8,922,200,000	\$ 9,082,800,000
Tax Levy - General Fund Only*	32,068,000	32,645,000	33,233,000	33,831,000	34,440,000	35,060,000
Estimated Collections at 99%	31,950,000	32,520,000	33,110,000	33,700,000	34,310,000	34,930,000
Estimated Prior Year Collections	115,000	115,000	115,000	115,000	115,000	115,000
TOTALS	\$ 32,065,000	\$ 32,635,000	\$ 33,225,000	\$ 33,815,000	\$ 34,425,000	\$ 35,045,000
Tax rate	38.6	38.6	38.6	38.6	38.6	38.6

1¢ on the tax rate = \$ 828,000

* Based on continuing the General Fund tax rate of \$38.6 cents/\$100, with estimated growth as follows:

2021	1.8%
2022	1.8%
2023	1.8%
2024	1.8%
2025	1.8%

GENERAL FUND

PROJECTED STATE-SHARED REVENUES

2019-2020 - 2024/2025

Category	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Utility Sales Tax ¹	\$ 4,225,000	\$ 4,246,000	\$ 4,267,000	\$ 4,288,000	\$ 4,309,000	\$ 4,331,000
Video Programming Tax	650,000	650,000	650,000	650,000	650,000	650,000
Supplemental PEG support	81,000	81,000	81,000	81,000	81,000	81,000
Beer, Wine Tax ²	260,000	260,000	260,000	260,000	260,000	260,000
1% Local Option Sales Tax (Article 39) ³	5,121,000	5,377,000	5,646,000	5,928,000	6,224,000	6,535,000
1/2% Local Option Sales Tax (Article 40) ³	3,419,000	3,590,000	3,770,000	3,959,000	4,157,000	4,365,000
1/2% Local Option Sales Tax (Article 42) ³	2,561,000	2,689,000	2,823,000	2,964,000	3,112,000	3,268,000
1/2% Local Option Sales Tax (Article 44 Hold Harmless) ³	78,000	82,000	86,000	90,000	95,000	100,000
City Hold Harmless ³	3,562,000	3,740,000	3,927,000	4,123,000	4,329,000	4,545,000
Total Local Option Sales Taxes	14,741,000	15,478,000	16,252,000	17,064,000	17,917,000	18,813,000
Fuel Tax (Powell Bill) ⁴	1,432,000	1,432,000	1,432,000	1,432,000	1,432,000	1,432,000
State Fire Protection ⁵	1,106,000	1,106,000	1,106,000	1,106,000	1,106,000	1,106,000
Solid Waste Disposal Tax	38,000	38,000	38,000	38,000	38,000	38,000
TOTAL	\$ 22,533,000	\$ 23,291,000	\$ 24,086,000	\$ 24,919,000	\$ 25,793,000	\$ 26,711,000

¹ Utility sales tax distribution has been changed in recent years and is now distributed to municipalities based on the application of the 7% combined general sales tax rate of sales of electricity and natural gas to public utility providers.

² Except when withheld by the state in recent years, beer and wine taxes have been stable. Distributed based on population, they are expected to remain flat in the future.

³ Estimating a normal growth of 5% in FY20 and thereafter.

⁴ Powell Bill revenues are distributed by a formula that is based on both street miles and population.

⁵ State Fire Protection funding is subject to annual appropriation, and is expected to return to prior levels in future years.

GENERAL FUND
REVENUE PROJECTIONS
2019/2020 - 2024/2025

Category	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Property Taxes*	\$ 32,118,000	\$ 32,635,000	\$ 33,225,000	\$ 33,815,000	\$ 34,425,000	\$ 35,045,000
Sales Taxes	\$ 14,742,000	\$ 15,478,000	\$ 16,252,000	\$ 17,064,000	\$ 17,917,000	\$ 18,813,000
Other Taxes & Licenses	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000
Licenses/Permits/Fines/ Forfeitures	2,842,000	2,842,000	2,842,000	2,842,000	2,842,000	2,842,000
State-Shared Revenues	7,791,000	7,813,000	7,834,000	7,855,000	7,876,000	7,898,000
Grants	679,000	688,000	697,000	706,000	715,000	724,000
Service Charges	5,003,000	5,013,000	5,023,000	5,033,000	5,043,000	5,053,000
Interest on Investments	80,000	50,000	50,000	50,000	50,000	50,000
Other Revenues	441,000	441,000	441,000	441,000	441,000	441,000
Interfund Transfers	45,000	45,000	45,000	45,000	45,000	45,000
TOTAL	\$ 65,127,000	\$ 66,391,000	\$ 67,795,000	\$ 69,237,000	\$ 70,740,000	\$ 72,297,000

* Based on continuing the current General Fund tax rate of \$38.6 cents/\$100, with estimated growth as follows:

2021	1.80%
2022	1.80%
2023	1.80%
2024	1.80%
2025	1.80%

**GENERAL FUND
PROJECTED COSTS
2019/2020 - 2024/2025**

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Personnel Services ¹	\$ 49,988,000	\$ 52,094,000	\$ 54,164,000	\$ 55,896,000	\$ 57,688,000	\$ 59,544,000
Operations						
Operating & Maintenance ²	16,370,000	16,790,000	17,218,000	17,554,000	18,059,000	18,525,000
Capital						
Equipment ³	85,000	85,000	85,000	85,000	85,000	85,000
Transfer to Capital Improvements Program ⁴	322,000	600,000	700,000	800,000	900,000	1,000,000
Other						
Human Service contracts, hotel/ motel allocations and grants to other agencies	1,218,000	1,218,000	1,218,000	1,218,000	1,218,000	1,218,000
Other Post Employment Benefits	500,000	500,000	500,000	500,000	500,000	500,000
TOTAL COSTS OF CURRENT PROGRAMS AND ADDITIONS/						
TOTALS	\$ 68,483,000	\$ 71,287,000	\$ 73,885,000	\$ 76,053,000	\$ 78,450,000	\$ 80,872,000

Assumptions for years after 2020, reflected on base cost estimates for 2019-20:

¹ Assumptions include:

- Annual increase of 3%.
- 5% increase in medical insurance each year
- Increase of 1.20% of the Retirement rate per year until 2021-22.

² Increase in most operating costs of 2.5% each year.

³ Estimated cost of routine replacement of miscellaneous non-vehicular capital equipment.

⁴ General Fund contribution for Capital Improvements Program.

GENERAL FUND

ANALYSIS OF REVENUE AND COST PROJECTIONS 2019/2020 - 2024/2025

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Estimated Total Costs	\$ 68,483,000	\$ 71,287,000	\$ 73,885,000	\$ 76,053,000	\$ 78,450,000	\$ 80,872,000
Estimated Total Revenues	65,127,000	66,391,000	67,795,000	69,237,000	70,740,000	72,297,000
Revenues Needed	3,356,000	4,896,000	6,090,000	6,816,000	7,710,000	8,575,000
Fund Balance Available	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
One-time use of Fund Balance	356,000	-	-	-	-	-
Additional Revenue Needed/ (Available)	\$ -	\$ 1,896,000	\$ 3,090,000	\$ 3,816,000	\$ 4,710,000	\$ 5,575,000
Change in Tax Rate in cents in Specific Years*	-	2.3	1.4	0.9	1.1	1.0

*Value of a cent = \$828,000

TRANSIT FUND
REVENUE PROJECTIONS
2019/2020 - 2024/2025

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Taxes ¹	\$ 4,983,702	\$ 4,984,000	\$ 5,064,000	\$ 5,164,000	\$ 5,254,000	\$ 5,344,000
Vehicle Taxes ²	454,350	456,000	458,000	460,000	462,000	464,000
TTA-Shared Revenues	3,321,849	3,355,000	3,389,000	3,423,000	3,457,000	3,492,000
Federal Operating Assistance ³	4,213,503	4,214,000	4,214,000	4,214,000	4,214,000	4,214,000
UNC Contract (Net) ⁴	8,719,868	8,851,000	8,984,000	9,119,000	9,256,000	9,395,000
Carrboro Contract (Net) ⁴	1,835,146	1,863,000	1,891,000	1,919,000	1,948,000	1,977,000
Service Charges ⁵	1,012,497	1,033,000	1,054,000	1,075,000	1,097,000	1,119,000
Advertising	185,000	185,000	185,000	185,000	185,000	185,000
Other	3,000	3,000	3,000	3,000	3,000	3,000
Appropriated Fund Balance	-	-	-	-	-	-
TOTAL	\$ 24,792,491	\$ 24,944,000	\$ 25,242,000	\$ 25,562,000	\$ 25,876,000	\$ 26,193,000

Revenue Notes:

¹ Based on the adopted tax rate of 6.0 cents through 2024-25.

² Assumes continuing levy of \$15 vehicle tax for Transit

³ Assumes continuing level of State and Federal Operating Assistance.

⁴ Assumes continued participation by the University and Carrboro, including assumptions on cost sharing for adopted fare-free services, assuming 1.5% growth each year.

⁵ Based on continuing fare-free services, with remaining service charge revenue generated primarily by Tarheel Express and Triangle Transit routes, assuming 2% growth each year.

TRANSIT FUND
COST PROJECTIONS
2019/2020 - 2024/2025

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Personnel Services ¹	\$ 15,473,789	\$ 15,973,000	\$ 16,605,000	\$ 17,138,000	\$ 17,690,000	\$ 18,261,000
Operations ²	9,318,702	9,576,000	9,863,000	10,159,000	10,465,000	10,781,000
Capital Reserve Fund ³	-	-	-	-	-	-
TOTAL	\$ 24,792,491	\$ 25,549,000	\$ 26,468,000	\$ 27,297,000	\$ 28,155,000	\$ 29,042,000

Assumptions for years after 2019-20

¹ Assumptions include:

- Annual increase of 3%.
- 5% increase in medical insurance each year
- Increase of 1.2% of the Retirement rate per year until 2021-22.

² Increase in operating costs of 2.5% annually for most operating costs and 5% for fuel and tires.

³ Amounts allocated for Capital Equipment Reserve Fund for replacement of buses, purchase of capital equipment, and local cost of Transit facilities.

***TRANSIT FUND
REVENUE AND COST PROJECTIONS
2019/20 - 2024/25***

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Estimated Costs	\$ 24,792,491	\$ 25,549,000	\$26,468,000	\$ 27,297,000	\$ 28,155,000	\$ 29,042,000
Estimated Revenues	24,792,491	24,944,000	25,242,000	25,562,000	25,876,000	26,193,000
Revenue Needed/(Excess)	-	605,000	1,226,000	1,735,000	2,279,000	2,849,000
Additional Revenue Needed	\$ -	\$ 605,000	\$ 1,226,000	\$ 1,735,000	\$ 2,279,000	\$ 2,849,000
Change in Tax Rate in Specific Years	-	0.7	(0.2)	0.2	0.2	0.2

1 cent on the tax rate = \$828,000

Assumptions on future revenues and costs:

- Same revenue sources as available in 2019-20 (assumes current level of State funding for operating assistance).
 - Assumes constant level of federal operating assistance.
 - Includes estimated adjustments of 3% in salaries and most operating costs after FY20.
 - Includes estimated adjustments of 5% in fuel and tire costs after FY20.
-

***DEBT SERVICE FUND
PROJECTED TAX BASE AND OTHER REVENUES
2019/2020- 2024/2025***

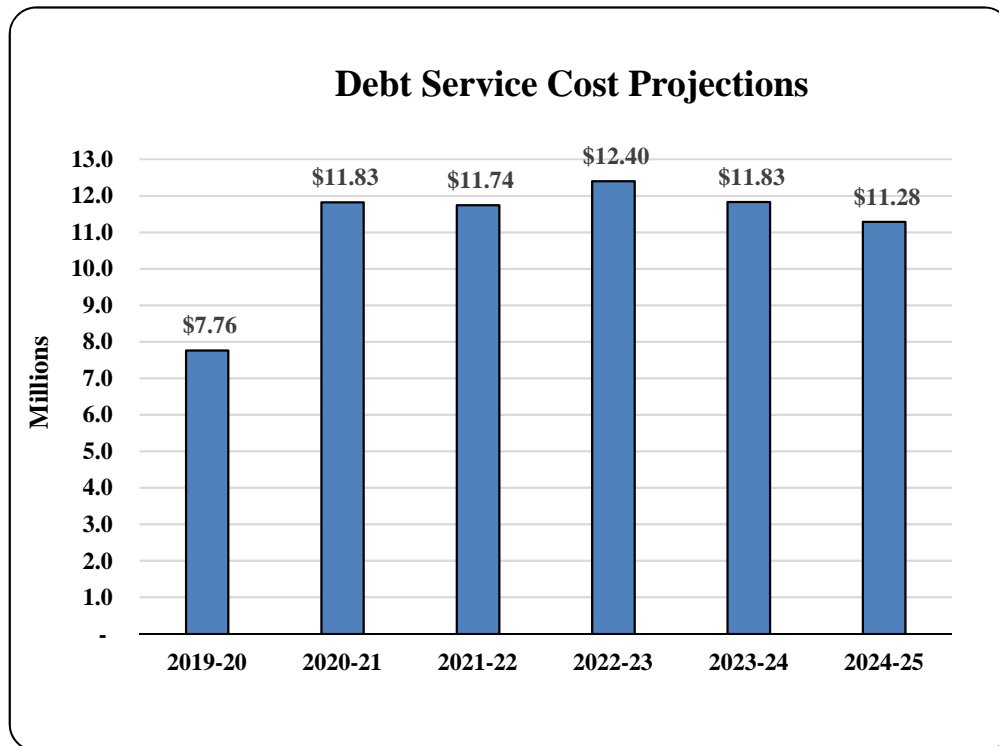
Category	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Assessed Valuation (Real & Personal Property)	\$ 8,307,699,000	\$ 8,457,240,000	\$ 8,609,470,000	\$ 8,764,440,000	\$ 8,922,200,000	\$ 9,082,800,000
Tax Levy - Debt Service Fund Only*	8,142,000	8,288,000	8,437,000	8,589,000	8,744,000	8,901,000
Estimated Collections at 99%	8,110,000	8,260,000	8,400,000	8,560,000	8,710,000	8,870,000
Estimated Prior Year Collections	40,000	40,000	40,000	40,000	40,000	40,000
TOTAL TAXES	\$ 8,150,000	\$ 8,300,000	\$ 8,440,000	\$ 8,600,000	\$ 8,750,000	\$ 8,910,000
BABS Interest Subsidy	170,000	165,000	152,000	138,000	124,000	110,000
Interest Income	175,000	175,000	175,000	175,000	175,000	175,000
Transfer from General Fund	445,000	481,000	740,000	903,000	903,000	903,000
Transfer from Parking	905,000	915,000	917,000	912,000	681,000	464,000
TOTAL REVENUES	\$ 9,845,000	\$ 10,036,000	\$ 10,424,000	\$ 10,728,000	\$ 10,633,000	\$ 10,562,000

* Based on a continued tax rate of \$9.8 cents for the Debt Fund through 2024-25, with estimated growth as

2021	1.80%
2022	1.80%
2023	1.80%
2024	1.80%
2025	1.80%

**DEBT SERVICE FUND
PROJECTED COSTS
2019/2020 - 2024/2025**

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Existing Debt	\$ 7,761,000	\$ 7,425,000	\$ 7,133,000	\$ 6,946,000	\$ 6,525,000	\$ 6,116,000
Future Issuance	-	4,400,000	4,608,000	5,450,000	5,308,000	5,166,000
TOTALS	\$ 7,761,000	\$ 11,825,000	\$ 11,741,000	\$ 12,396,000	\$ 11,833,000	\$ 11,282,000



DEBT SERVICE FUND
ANALYSIS OF REVENUE AND COST PROJECTIONS
2019/2020 - 2024/2025

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Estimated Total Costs	\$ 7,761,000	\$ 11,825,000	\$ 11,741,000	\$ 12,396,000	\$ 11,833,000	\$ 11,282,000
Estimated Total Revenues	9,845,000	10,036,000	10,424,000	10,728,000	10,633,000	10,562,000
Revenue (Needed)/Available	2,084,000	(1,789,000)	(1,317,000)	(1,668,000)	(1,200,000)	(720,000)
Fund Balance Available	-	1,789,000	1,317,000	1,668,000	1,200,000	720,000
Reserved for future debt	2,084,000	-	-	-	-	-
Additional Revenue (Needed)/Available	-	-	-	-	-	-
Change in Tax Rate in Specific Years*	0.0	0.0	0.0	0.0	0.0	0.0

Value of a cent = \$828,000