



MAYOR & COUNCIL COMMUNICATION

DATE: 9/15/15
REGULAR
ITEM # 28

AGENDA ITEM: Water and Sewer Projected Fund Balances Discussion

SUBMITTED BY: Clark Schroeder Interim City Administrator

THROUGH: Cathy Bendel

REVIEWED BY: Cathy Bendel

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Administrator
- Report/Presentation.....City Administrator
- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: City Council

FISCAL IMPACT: None

SUMMARY AND ACTION REQUESTED:

A request was made by Mayor Pearson to have an updated “pro-forma” model run to be able to review the City Water and Sewer Fund components of the model (the model also generates projections for the General and Storm Water Funds). The model contains a number of key drivers including the development build out and timing, building type (Commercial or Residential), 5 year CIP items and related bonding and special assessments and timing, timing of repayments to developers for pipe over sizing, the specific operational assumptions etc.

The current balance of these funds is healthy due to prepayments of availability fees by the land owners on the Lake Elmo Avenue water line. However, the concern is whether the City will have any long term cash flow issues over the life of the debt repayment stream.

The water and sewer segments of the model are attached. The build outs included in the model are those contractually committed to by the City. Please note that the results are changing daily as new homes are built and phases of developments are released.

RECOMMENDATION:

It is the recommendation of Staff that the summary reports generated by the pro-forma model be part of the monthly financial reporting packet presented to the City Council each month.

ATTACHMENTS:

- Most recent summary sheet from the Water Fund pro-forma model run 9/4/15
- Most recent summary sheet from the Sewer Fund pro-forma model run 9/4/15