



Financial Management Plan

For

Village of Summit, Wisconsin

November 3, 2011

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Executive Summary

The following is a summary of key conclusions and observations developed as a result of the workshop process and developing the Financial Management Plan:

- Both Summit Utility District #2 and Silver Lake Utility District are spending down existing non-restricted cash balances. Both Districts need to improve their cash position to avoid depleting existing non-restricted cash funds.
- To address the Summit Utility District #2 cash flow position, the preferred option identified by the Village Board will increase existing quarterly charges. Increases in the quarterly charges were deferred until 2015. Total quarterly charges will increase \$30 every three years starting in 2015. The annual special charge will be increased starting in 2012 and remain at that level. The special charge was \$310 per DUE in 2011, and will increase to \$498 per DUE in 2012. Finally, the Village will implement a Village-wide levy to support District #2. The Village-wide levy support will be capped at a total of \$1.1 million. This is the estimated value of the road improvements completed when the Utility District was constructed. **This is an interim solution to the District #2 cash flow challenges.** The District is projected to continue to decrease its non-restricted cash and maintain minimal positive non-restricted cash balances until 2017. At that time, the Village Board has indicated the Village should consider several options in addition to revisiting the quarterly charges and special charges for the District. These options including refunding existing debt for savings if market conditions are favorable, and borrowing or advancing funds to the District and structuring a repayment schedule for District properties and/or users that takes into account existing debt service attributable to the District.
- To address the Silver Lake Utility District cash flow position, quarterly charges for treatment & license expenditures will increase modestly to cover anticipated cost increases. The quarterly charge for capital/debt increases \$19 in 2012, and is expected to decrease in 2017 once existing debt matures. If no additional debt service is incurred or significant capital costs incurred, the debt/capital charge could be eliminated in 2018. The District tax levy is increased to \$50,000 in 2012, and increased to \$60,000 in 2016. The levy is projected to decrease to \$30,000 in 2017 once existing debt matures. The District is still spending down cash reserves and the District is projected to maintain a minimal non-restricted cash balance in 2016.
- If the Village maintains existing service levels, financing projects identified in the Capital Improvement Plan Version #2 (described in this report), and implements a Village-wide levy for Utility District #2, the total property tax levy for the Village of Summit is projected to increase 1.28% - 1.94% per year from 2012-2016. The total annual taxes on

a \$300,000 home will increase \$34 total from 2012-2016. The projected levy from 2012-2016 is compliant with the levy limit law as written at the time this report was prepared.

Section 1 – Background

In April of 2011, Ehlers was engaged by the Village of Summit to prepare a comprehensive Five-Year Financial Management Plan to guide future financing decisions for the Village, Summit Utility District #2, and Silver Lake Utility District. This document summarizes the results of that planning effort, and is intended to be used as an analytical framework for making future decisions with respect to levels and timing of operational needs and capital projects. Because conditions can change rapidly, and assumptions may or may not be borne out over time, it is recommended that this plan be updated annually or at other key times prior to making long-term financing commitments. While this plan identifies operational and capital needs over a multi-year period and serves as a practical and realistic approach to meeting the Village's financial needs, nothing in this plan commits the Village Board to fund the projects identified in the manner or timeframe indicated. The Village Board will continue to appropriate funds during its annual budget process. If the Village proceeds with the proposed borrowings outlined in this plan, the Village Board will act separately to authorize these borrowings in accordance with Wisconsin Statutes.

Section 2 – Process

Development and refinement of the financial plan model was completed during a series of planning workshops with the Village Board. These workshops were held on May 13, June 1, July 21, and August 19, 2011 with final plan presentation on November 3, 2011. During these workshops, Village officials were briefed on the current status of the Village's financial position; capital financing alternatives; tax rate projections for operating, capital and debt service expenditures; and cash flow projections for Silver Lake Utility District and Summit Utility District #2.

Section 3 – Current Financial Position of the Village

As part of the planning process, the current financial position of the Village was reviewed. This review included an analysis of current general obligation debt structure, and a comparison of credit and financial indicators of the Village to state wide medians and to selected communities in Wisconsin with similar demographics in terms of location or size.

3.1 Existing Debt Outstanding

Table 1 provides a schedule of existing Village General Obligation (G.O.) debt and associated payments, including estimated payments for two State Trust Fund Loans being secured by the Village. G.O. debt is secured by the “full faith and credit” of the issuer, meaning the Village has an irrevocable duty to levy annually a property tax in an amount sufficient to ensure timely repayment of the debt. While the debt is ultimately secured by the ability to levy a property tax, the Village can, and does, abate portions of the levy with other sources of revenue available for debt payments. These other sources of revenue include:

- Quarterly charges and special charge from Summit Utility District #2.
- Quarterly charges and property tax levy for Silver Lake Utility District.

Table 1: General Obligation Debt Outstanding as of January 1, 2012

	Clean Water Fund		G.O. Notes		G.O. Refunding Bonds		G.O. Refunding		STF Loan		STF Loan		STF Loan				
DATED	6/13/2001		12/15/2002		4/15/2006		9/1/2006		12/4/2006		1/30/2012		11/15/2011				
AMT	\$5,895,593		\$800,000		\$2,015,000		\$5,200,000		\$41,822		\$72,290		\$65,000				
MAT	5/1		12/1		4/1		9/1		3/15		3/15		3/15				
PURPOSE	Utility District #2		Park Land Purchase		Silver Lake		Utility District #2		Town Hall Projects		UPL (Estimate)		Capital Projects (Est)				
YEAR															TOTAL	TOTAL	PRINC
	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	& INT
	3.50%		4.40%		4.0% - 4.125%		4.375% - 4.5%		5%		3.75%		3.25%				
2012	304,854	119,838	105,000	4,620	220,000	44,731	50,000	230,030	11,479.07	575.53					691,333	399,795	1,091,128
2013	315,524	108,981			230,000	35,450	50,000	227,780			16,841.57	3,045.09	14,962.54	2,112.50	627,328	377,369	1,004,697
2014	326,567	97,744			245,000	25,653	50,000	225,530			17,807.34	2,079.32	16,149.13	1,626.22	655,523	352,633	1,008,156
2015	337,997	86,115			255,000	15,500	55,000	223,280			18,475.12	1,411.54	16,673.98	1,101.37	683,146	327,408	1,010,554
2016	349,827	74,078			260,000	5,200	60,000	220,805			19,165.97	720.69	17,214.35	559.47	706,207	301,363	1,007,570
2017	362,071	61,619					75,000	218,105							437,071	279,724	716,795
2018	374,743	48,725					75,000	214,730							449,743	263,455	713,198
2019	387,859	35,380					85,000	211,355							472,859	246,735	719,594
2020	401,434	21,567					90,000	207,530							491,434	229,097	720,531
2021	415,484	7,271					95,000	203,615							510,484	210,886	721,370
2022							815,000	199,483							815,000	199,483	1,014,483
2023							860,000	164,030							860,000	164,030	1,024,030
2024							900,000	126,405							900,000	126,405	1,026,405
2025							950,000	86,805							950,000	86,805	1,036,805
2026							990,000	44,055							990,000	44,055	1,034,055
	3,576,360	661,318	105,000	4,620	1,210,000	126,534	5,200,000	2,803,538	11,479	576	72,290	7,257	65,000	5,400	10,240,129	3,609,242	13,849,371

Table 2 illustrates the Village's projected tax levy and equalized tax rate for existing G.O. debt if future revenues are available from utility district's to pay their proportionate share of debt service. For the proposed 2012 budget year, existing debt service not paid from any other source is equivalent to a tax rate of \$0.12 per \$1,000 of equalized property value.

Table 2: Projected Tax Levy and Equalized Tax Rate for General Obligation Debt

Year	Total General Obligation Debt			Less Silver Lake	Less Utility District #2	Net Debt Levy	Projected Equalized Value	Projected Eq. Rate for Debt Service
	Principal	Interest	Total P & I					
2012	691,333	399,795	1,091,128	(264,731)	(704,722)	121,675	987,268,000	0.12
2013	627,328	377,369	1,004,697	(265,450)	(702,285)	36,962	967,522,640	0.04
2014	655,523	352,633	1,008,156	(270,653)	(699,841)	37,662	967,522,640	0.04
2015	683,146	327,408	1,010,554	(270,500)	(702,392)	37,662	977,197,866	0.04
2016	706,207	301,363	1,007,570	(265,200)	(704,710)	37,660	986,969,845	0.04
2017	437,071	279,724	716,795		(716,795)	0	996,839,544	0.00
2018	449,743	263,455	713,198		(713,198)	0	1,006,807,939	0.00
2019	472,859	246,735	719,594		(719,594)	0	1,016,876,018	0.00
2020	491,434	229,097	720,531		(720,531)	0	1,027,044,779	0.00
2021	510,484	210,886	721,370		(721,370)	0	1,037,315,226	0.00
2022	815,000	199,483	1,014,483		(1,014,483)	0	1,047,688,379	0.00
2023	860,000	164,030	1,024,030		(1,024,030)	0	1,058,165,262	0.00
2024	900,000	126,405	1,026,405		(1,026,405)	0	1,068,746,915	0.00
2025	950,000	86,805	1,036,805		(1,036,805)	0	1,079,434,384	0.00
2026	990,000	44,055	1,034,055		(1,034,055)	0	1,090,228,728	0.00
Total	10,240,129	3,609,242	13,849,371	(1,336,534)	(12,241,216)	271,621		

Wisconsin State Statues limit the amount of G.O. debt principal that a community may have outstanding to 5% of its equalized value. The Village's equalized value as of January 1, 2011 was \$987,268,000 with a corresponding debt principal limit of \$49,363,400. The Village's outstanding debt principal as of December 31, 2011 will be \$10,240,129 which is 20.74% of the limit.

Table 3 illustrates the Village's outstanding Revenue Debt attributable to Summit Utility District #2. There is no statutory limit for principal on revenue debt outstanding.

Table 3: Revenue Debt Outstanding as of January 1, 2012

DATED AMT	Clean Water Fund Loan						
	6/13/2001						
	\$1,799,698						
MAT	5/1						
PURPOSE	Utility District #2						
YEAR	PRINC		INT	TOTAL PRINC	TOTAL INT	PRINC & INT	YEAR
2012	93,060.00	3.50%	36,582.00	93,060	36,582	129,642	2012
2013	96,317.00	3.50%	33,268.00	96,317	33,268	129,585	2013
2014	99,688.00	3.50%	29,838.00	99,688	29,838	129,526	2014
2015	103,177.00	3.50%	26,287.00	103,177	26,287	129,464	2015
2016	106,789.00	3.50%	22,613.00	106,789	22,613	129,402	2016
2017	110,526.00	3.50%	18,811.00	110,526	18,811	129,337	2017
2018	114,395.00	3.50%	14,874.00	114,395	14,874	129,269	2018
2019	118,399.00	3.50%	10,800.00	118,399	10,800	129,199	2019
2020	122,543.00	3.50%	6,584.00	122,543	6,584	129,127	2020
2021	126,832.00	3.50%	2,220.00	126,832	2,220	129,052	2021
	1,091,726.00		201,877.00	1,091,726	201,877	1,293,603	

3.2 Financial Indicators

Investors in municipal bonds and other forms of public debt may rely on ratings assigned by credit rating services as one determinant in judging the risk of a particular investment. As such, an issuer's rating affects the price and interest rate that will be paid when debt is issued. Bond ratings are provided, for a fee, by firms such as Moody's Investors Service, Standard & Poor's, and Fitch Ratings. **Table 4**, found below, defines the rating codes used by Moody's Investors Service and Standard & Poor's in evaluation of "Investment Grade" securities.

The Village first requested that its G.O. debt be rated in April 2006, at which time a rating of "A3" was assigned by Moody's Investors Service. Moody's upgraded the Village to "Aa3" in June 2010.

Table 4: Municipal Bond Rating Definitions

Moody's	S&P	Rating Description
Aaa	AAA	Highest rating assigned. The obligor's capacity to meet its financial commitment on the obligation is EXTREMELY STRONG
Aa1	AA+	Differs from the highest rated obligations only in small degree. The obligor's capacity to meet its financial commitment on the obligation is VERY STRONG
Aa2	AA	
Aa3	AA-	
A1	A+	Is somewhat more susceptible to the adverse affects of changes in circumstances and economic conditions than obligations in higher rated categories. The obligor's capacity to meet financial commitment on the obligation is still STRONG
A2	A	
A3	A-	
Baa1	BBB+	Exhibits ADEQUATE protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation
Baa2	BBB	
Baa3	BBB-	

In assigning a rating to a bond, credit rating services examine various measures designed to assess the debt issuer's financial condition. Local governments can calculate these same measures for themselves and use them as the basis for self-evaluation, and in the development of formal or informal financial management policies. Typical financial indicators include:

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- **Equalized Value of Community** – One of the most significant factors considered by credit rating services is the total value of all taxable property in the community. The size of a community's tax base is a reflection of its ability to pay, and accordingly, its creditworthiness. An additional qualitative indicator is the composition of the local tax base. A diverse property tax base of residential, commercial and industrial land uses that is not concentrated in a particular segment of the economy or in several large employers is considered more resilient to economic fluctuations.
 - **Average Annual Growth** – An indicator of economic health and ability to repay existing and future debt, this calculation represents the average percentage growth in equalized value over the most recent five-year period for which data is available.
 - **Per Capita Equalized Value** – Total equalized value, divided by population, this measure reflects the concentration of value relative to population. High value per capita may be an indicator of a large non-residential commercial or industrial base, or a community with comparatively large and high valued homes. In general, a greater value per capita is a positive indicator of ability to repay debt.
 - **Direct Debt Burden** – The total principal amount of debt outstanding, expressed as a percentage of the issuer's total equalized value, and as a total per capita. As opposed to Overall Debt Burden (see below), Direct Debt Burden calculations consider only that debt which is issued as an obligation of the municipality.
 - **Overall Debt Burden** – Similar to Direct Debt Burden, but includes the total principal amount of debt outstanding for all entities that have taxing authority within the community's boundaries, including the local government, the school district, the county, the technical college, and any special taxing jurisdictions. Both direct and overall debt burden are a reflection of the tax effort required of individual taxpayers, and the community as a whole, to repay incurred debt obligations.
 - **Payout Over Ten Years** – Expressed as a percentage, this indicator reflects the amount of debt principal of the issuer that will be retired within ten years. While various considerations must be taken into account when determining the appropriate term over which to repay a debt obligation, a rapid amortization of debt is considered to be a favorable credit indicator.
 - **Undesignated General Fund Balance** – Expressed as a percentage of annual operating revenues, this indicator is a reflection of the local government's financial flexibility and capability to deal with contingencies such as unexpected losses in revenue or emergency expenditures. Depending on the purpose for which it has been reserved, some portion of the undesignated reserved fund balance may also be included in this calculation.
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- **Percentage of Expenditures for Debt Service** – The total of a local government’s gross general obligation debt service payment expressed as a percentage of the sum of all operating and debt service fund expenditures. This measure assesses what proportions of a community’s resources are being utilized for debt repayment, and the relative reliance on debt financing. In some cases, non-tax levy resources such as revenues from Utility District’s, may be paying for a significant portion of the annual debt service payment. In these instances, it is also useful to calculate the percentage based on the net levy amount for debt service to reflect the application of these other resources.
 - **Adjusted Gross Income Per Tax Return** – The total reported gross income within a political subdivision divided by the number of returns filed. This indicator provides a measure that can be used to assess relative wealth as compared to communities with similar characteristics.
 - **Adjusted Gross Income as a Percentage of State Average** – Similar to Adjusted Gross Income per Tax Return, this indicator reflects the relative wealth of the community as compared to the State wide average.

Appendix A reflects the calculated factors for the Village based on information contained in the 2010 financial statements and other available sources. These factors are compared to State median “Aa3” and “Aa2” averages, and to other selected communities. Current favorable indicators for the Village are its direct debt burden, average annual growth, and income levels. Indicators that are weaker as compared to the median “A3” are payout of debt over 10 years (attributable to the Utility District #2 debt), direct debt per capita, and overall debt per capita.

Section 4 – Summit Utility District #2

4.1 Existing Financial Condition

Summit Utility District #2 (the “District”) users pay quarterly charges to provide revenue to the Utility District. In addition, District patrons also pay a special charge on the property tax bill.

Table 5 includes a summary of the existing revenue sources for Utility District #2.

Table 5: Existing Revenue Sources for Utility District #2

Charge Description	Amount	2011 Annual Revenue Estimate
Treatment Quarterly Charge	\$46.50	\$116,715
Operation & Maintenance Quarterly Charge	\$35.10	\$88,101
Debt/Capital Quarterly Charge	\$128.40	\$332,284
Annual Special Charge per DUE	\$309.26	\$194,058

The District also collects special assessment installments levied from 2002-2012. Finally, the District also collects a connection fee for new connections that occur within the District.

Expenditures for the District include treatment, operational and maintenance expenses, and debt service. The District also funds a “replacement fund” annually for future capital expenditures for the District pursuant to the covenants in the Clean Water Fund Loan estimated at \$25,000 annually.

Table 6 includes all of the General Obligation and Revenue Debt outstanding attributable to the District.

The Clean Water Fund Loans were secured through the Environmental Improvement Fund Loans administered by the State Department of Natural Resources and the Department of Administration. These loans offer subsidized interest rates for eligible sewer projects. These loans are non-callable, and require special approval from the State to pre-pay a portion of the loan. The 2006 G.O. Refunding Bonds are callable 9/1/2016 and are already extended to the maximum term for G.O. debt permitted by State Statutes. The ability to restructure the Utility District #2 debt at this time is limited.

Table 6: Debt Outstanding Attributable to Utility District #2

	Clean Water Fund Loan		G.O. Refunding Bonds		Clean Water Fund Loan					
DATED	6/13/2001		9/1/2006		6/13/2001					
AMT	\$5,895,593		\$5,200,000		\$1,799,698					
MAT	5/1		9/1		5/1					
PURPOSE	Utility District #2		Utility District #2		Utility District #2					
YEAR	PRINC	INT	PRINC	INT	PRINC	INT	TOTAL PRINC	TOTAL INT	PRINC & INT	YEAR
		3.50%				3.50%				
2012	304,854	119,838	50,000	4.50%	230,030	93,060.00	36,582.00	447,914	386,450	834,364 2012
2013	315,524	108,981	50,000	4.50%	227,780	96,317.00	33,268.00	461,841	370,029	831,870 2013
2014	326,567	97,744	50,000	4.50%	225,530	99,688.00	29,838.00	476,255	353,112	829,367 2014
2015	337,997	86,115	55,000	4.50%	223,280	103,177.00	26,287.00	496,174	335,682	831,856 2015
2016	349,827	74,078	60,000	4.50%	220,805	106,789.00	22,613.00	516,616	317,496	834,112 2016
2017	362,071	61,619	75,000	4.50%	218,105	110,526.00	18,811.00	547,597	298,535	846,132 2017
2018	374,743	48,725	75,000	4.50%	214,730	114,395.00	14,874.00	564,138	278,329	842,467 2018
2019	387,859	35,380	85,000	4.50%	211,355	118,399.00	10,800.00	591,258	257,535	848,793 2019
2020	401,434	21,567	90,000	4.35%	207,530	122,543.00	6,584.00	613,977	235,681	849,658 2020
2021	415,484	7,271	95,000	4.35%	203,615	126,832.00	2,220.00	637,316	213,106	850,422 2021
2022			815,000	4.35%	199,483			815,000	199,483	1,014,483 2022
2023			860,000	4.375%	164,030			860,000	164,030	1,024,030 2023
2024			900,000	4.40%	126,405			900,000	126,405	1,026,405 2024
2025			950,000	4.50%	86,805			950,000	86,805	1,036,805 2025
2026			990,000	4.45%	44,055			990,000	44,055	1,034,055 2026
	3,576,360	661,318	5,200,000		2,803,538	1,091,726	201,877	9,868,086	3,666,733	13,534,819

Table 7 includes a cash flow projection for District #2. The methodology used in this projection is summarized as follows:

- No changes to quarterly charges or the special charge per DUE.
- 1 new connection in 2012, 2 new connections added in 2013-2015, 5 new connections added in 2016-2017.
- Increases in treatment and operational expenditures of 1.5% annually after 2012.
- Replacement fund of \$25,000 annually.
- No changes to existing debt structure.

Table 7: Existing Cash Flow Projection for Summit Utility District #2

		Del-Hart Quarterly Charge	Change from Prior Year	Del-Hart Treatment Revenues	Operation Quarterly Charge	Change from Prior Year	Operation/ Maintenance Revenues	Debt/Capital Quarterly Charge	Change from Prior Year	Debt/ Capital Revenues	Less: Treatment Expense	Less: Oper./Maint. Expense	Net Operating Revenues	Add: District Special Charge	Add: Village Tax Levy	Change from Prior Year	Add: Investment Income	Add: Special Asmt. Revenue	Add: New DUE Connections	Bonds Debt Service Total P & I	Less: Replacement Fund	Net Cash Flow	Ending Non-Restricted Cash	Year	
Units/DUE	Year																								
614.5	2010																						288,040	2010	
627.5	2011	\$46.50		\$116,715	\$35.10		\$88,101	\$128.40		\$322,284	(\$114,200)	(\$131,380)	\$281,520	\$194,375			\$4,321	\$256,071			(\$784,599)	(\$25,000)	(\$73,312)	\$214,728	2011
628.75	2012	\$46.50	\$0.00	\$116,948	\$35.10	\$0.00	\$88,277	\$128.40	\$0.00	\$322,926	(\$115,913)	(\$133,351)	\$278,886	\$194,375	\$0	\$0	\$3,221	\$226,967	\$0		(\$834,364)	(\$25,000)	(\$155,915)	\$58,813	2012
630.5	2013	\$46.50	\$0.00	\$117,273	\$35.10	\$0.00	\$88,522	\$128.40	\$0.00	\$323,825	(\$117,652)	(\$135,351)	\$276,617	\$194,375	\$0	\$0	\$882		\$33,452		(\$831,870)	(\$25,000)	(\$351,543)	(\$292,731)	2013
632.5	2014	\$46.50	\$0.00	\$117,645	\$35.10	\$0.00	\$88,803	\$128.40	\$0.00	\$324,852	(\$119,416)	(\$137,381)	\$274,502	\$194,375	\$0	\$0	(\$4,391)		\$33,452		(\$829,367)	(\$25,000)	(\$356,429)	(\$649,159)	2014
634.5	2015	\$46.50	\$0.00	\$118,017	\$35.10	\$0.00	\$89,084	\$128.40	\$0.00	\$325,879	(\$121,208)	(\$139,442)	\$272,330	\$194,375	\$0	\$0	(\$9,737)		\$33,452		(\$831,856)	(\$25,000)	(\$366,436)	(\$1,015,595)	2015
639.5	2016	\$46.50	\$0.00	\$118,947	\$35.10	\$0.00	\$89,786	\$128.40	\$0.00	\$328,447	(\$123,026)	(\$141,534)	\$272,621	\$194,375	\$0	\$0	(\$15,234)		\$83,630		(\$834,112)	(\$25,000)	(\$323,720)	(\$1,339,316)	2016
644.5	2017	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$124,871)	(\$143,657)	\$272,852	\$194,375	\$0	\$0	(\$20,090)		\$83,630		(\$846,132)	(\$25,000)	(\$340,365)	(\$1,679,680)	2017
644.5	2018	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$126,744)	(\$145,811)	\$268,824	\$194,375	\$0	\$0	(\$25,195)				(\$842,467)	(\$25,000)	(\$429,463)	(\$2,109,143)	2018
644.5	2019	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$128,645)	(\$147,999)	\$264,736	\$194,375	\$0	\$0	(\$31,637)				(\$848,793)	(\$25,000)	(\$446,319)	(\$2,555,462)	2019
644.5	2020	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$130,575)	(\$150,219)	\$260,586	\$194,375	\$0	\$0	(\$38,332)				(\$849,658)	(\$25,000)	(\$458,029)	(\$3,013,491)	2020
644.5	2021	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$132,534)	(\$152,472)	\$256,374	\$194,375	\$0	\$0	(\$45,202)				(\$850,422)	(\$25,000)	(\$469,875)	(\$3,483,366)	2021
644.5	2022	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$134,522)	(\$154,759)	\$252,099	\$194,375	\$0	\$0	(\$52,250)				(\$1,014,483)	(\$25,000)	(\$645,259)	(\$4,128,625)	2022
644.5	2023	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$136,540)	(\$157,080)	\$247,760	\$194,375	\$0	\$0	(\$61,929)				(\$1,024,030)	(\$25,000)	(\$668,824)	(\$4,797,449)	2023
644.5	2024	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$138,588)	(\$159,437)	\$243,356	\$194,375	\$0	\$0	(\$71,962)				(\$1,026,405)	(\$25,000)	(\$685,636)	(\$5,483,085)	2024
644.5	2025	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$140,667)	(\$161,828)	\$238,885	\$194,375	\$0	\$0	(\$82,246)				(\$1,036,805)	(\$25,000)	(\$710,791)	(\$6,193,876)	2025
644.5	2026	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$142,777)	(\$164,255)	\$234,348	\$194,375	\$0	\$0	(\$92,908)				(\$1,034,055)	(\$25,000)	(\$723,240)	(\$6,917,116)	2026
644.5	2027	\$46.50	\$0.00	\$119,877	\$35.10	\$0.00	\$90,488	\$128.40	\$0.00	\$331,015	(\$144,918)	(\$166,719)	\$229,743	\$194,375	\$0	\$0	(\$103,757)				\$0	(\$25,000)	\$295,361	(\$6,621,755)	2027
Total				\$2,024,192			\$1,527,938			\$5,589,380	(\$2,192,795)	(\$2,522,674)	\$4,426,041	\$3,304,375	\$0	\$0	(\$646,448)	\$483,038	\$267,616		(\$14,319,418)	(\$425,000)			

Methodology Summary

- Users adjusted for known growth in 2011, increased modestly thereafter.
- Expenditure increases at 1.5% annually from 2012-2027.
- Conservative assumptions for special assessment collections through 2012.
- 1 new connections in 2012, 2 connections 2013-2015, 5 connections 2016-2017.
- No General Fund Transfers

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Treatment Charge	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186	\$186
Operations Charge	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140
Debt Charge	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514
District Charge Per DUE	\$310	\$309	\$308	\$307	\$306	\$304	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302
District Total	\$1,150	\$1,149	\$1,148	\$1,147	\$1,146	\$1,144	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142
Village Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equalized Value	1,006,660,800	987,268,000	967,522,640	967,522,640	977,197,866	986,969,845	996,839,544	1,006,807,939	1,016,876,018	1,027,044,779	1,037,315,226	1,047,688,379	1,058,165,262	1,068,746,915	1,079,434,384	1,090,228,728	1,101,131,015
Equalized Tax Rate	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Impact on \$300,000 Home	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL TOTAL	\$1,150	\$1,149	\$1,148	\$1,147	\$1,146	\$1,144	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142
Change from Prior Year		-\$1	-\$1	-\$1	-\$1	-\$2	-\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Quarterly Charge Per Year	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00
Change From Prior Year		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

District #2 has been spending down its non-restricted cash, cash that is not reserved or committed for a specific purpose. The current revenue structure for the District is not sufficient to maintain a positive cash flow for District #2 beyond 2012. Several factors are worth noting regarding the history of Utility District #2, which was obtained from the Village of Summit. This information is included in **Appendix B**.

The existing cash flow position of the District requires changes to the revenue structure of the District. During the workshops held to develop this Financial Management Plan, the Village Board reviewed several scenarios to improve the District's cash position.

4.2 Proposed Options to Improve District #2 Cash Flow Position

Appendix C includes several cash flow projection models for District #2 that analyzes the impact of various adjustments to the revenue structure for the District. During the course of the workshops held to develop this Financial Management Plan, the Village Board reviewed numerous cash flow alternatives, and additional updates were completed once the 2012 budget was prepared. Initially, four base options were established and various modifications to the four base models were developed. The methodology for each base option is summarized as follows:

- 1 new connection in 2012, 2 new connections added in 2013-2015, 5 new connections added in 2016-2017.
- Increases in treatment and operational expenditures of 1.5% annually after 2012.
- Replacement fund of \$25,000 annually.
- No changes to existing debt structure.

Option #1 increased operational and maintenance charges modestly to cover anticipated increases in costs over time. The special charge per DUE is increased 5% annually from 2012-2014. A \$50 increase is proposed for the debt/capital quarterly charge from 2012-2014, followed by a \$35 increase in 2015, and a \$15 increase in 2016. Option #1 improved the District's cash position, but the Village Board felt the non-restricted cash balances were excessive and higher than what the District needed to maintain.

Option #2 increased operational and maintenance charges modestly to cover anticipated increases in costs over time. The special charge per DUE remained unchanged. Introduced in Option #2 is a Village-wide levy to support District #2. The Village-wide levy totals \$6,850,000 from 2012-2026. Option #2 improved the District's cash position, but the Village Board felt the non-restricted cash balances were excessive and higher than what the District needed to maintain.

Option #3 increased operational and maintenance charges modestly to cover anticipated increases in costs over time. The debt/capital charge quarterly charge is also increased \$12 from 2012-2020, and \$11 from 2021-2027 . The special charge per DUE remained unchanged. Option #3 also includes a Village-wide levy to support District #2. The Village-wide levy totals \$3,600,000 from 2012-2026. Option #3 improved the District's cash position, but the Village Board felt the non-restricted cash balances were excessive and higher than what the District needed to maintain.

Option #4 increased operational and maintenance charges modestly to cover anticipated increases in costs over time. The debt/capital quarterly charge is increased \$30 every three years. The special charge per DUE is decreased. Option #4 also includes a Village-wide levy to support District #2. The Village-wide levy totals \$4,500,000 from 2012-2026. Option #4 improved the District's cash position, but the Village Board felt the non-restricted cash balances were excessive and higher than what the District needed to maintain.

The 2006 G.O. Refunding Bonds attributable to the District are callable 9/1/2016 and are already extended to the maximum term for G.O. debt permitted by State Statutes, but could be refunded for savings as the call date approaches if market conditions are favorable. If 2011 market conditions remain until 2016 (unlikely), the estimated maximum debt service savings District #2 can achieve by refunding the 2006 G.O. Bonds is estimated at \$617,000 from 2017-2026, or average annual savings of approximately \$62,000. While any savings are beneficial, the refunding of the 2006 G.O. Refunding Bonds will not independently resolve the challenges with the District's cash flow.

4.3 Preferred Option to Improve District #2 Cash Flow Position

The Village Board established the following parameters for establishing a preferred option to improve the cash position of District #2.

1. Use a combination of increases to the two the quarterly charges and special DUE charge.
2. The Village wide levy support will be capped at a total of \$1.1 million. This is the estimated value of the road improvements completed when the Utility District was constructed.
3. Increases in the quarterly charges were deferred until 2015. Total quarterly charges will increase \$30 every three years starting in 2015.
4. The annual special charge will be increased starting in 2012 and remain at that level. The special charge was \$310 per DUE in 2011, and will increase to \$498 per DUE in 2012.

Table 8 includes a cash flow projection based on the preferred model. **This is an interim solution to the District #2 cash flow challenges.**

The District is projected to continue to decrease its non-restricted cash and maintain minimal positive non-restricted cash balances until 2017. The District is projected to continue to decrease its non-restricted cash and maintain minimal positive non-restricted cash balances until 2017. At that time, the Village Board has indicated the Village should consider several options in addition to revisiting the quarterly charges and special charges for the District. These options including refunding existing debt for savings if market conditions are favorable, and borrowing or advancing funds to the District and structuring a repayment schedule for District properties and/or users that takes into account existing debt service attributable to the District. If existing G.O. debt can be refunded for savings, the positive non-restricted cash balance could remain for a few additional years.

The cash flow projections will need to be revisited annually during the budget process by the Village and District. New growth can improve the District's financial position, but significant new growth is not projected.

The preferred option does not solve cash flow concerns indefinitely. The District will continue to draw on its non-restricted cash reserves and additional revenue may be required for the District to maintain a positive cash flow position. The Village has integrated the Village-wide levy into its multi-year financial plan for the Village.

Table 8: Preferred Cash Flow Option For Summit Utility District #2

Preferred Option
\$30 Quarterly Charge Increase in 2015, 2018, 2021, & 2024.
Implement Village Wide Levy up to \$1.1 Million
Increase Special Charge
Modest Revenue from New DUE Connections

		Del-Hart Quarterly Charge	Change from Prior Year	Del-Hart Treatment Revenues	Operation Quarterly Charge	Change from Prior Year	Operation/ Maintenance Revenues	Debt/Capital Quarterly Charge	Change from Prior Year	Debt/ Capital Revenues	Less: Treatment Expense	Less: Oper./Maint. Expense	Net Operating Revenues	Add: District Property Taxes	Add: Village Tax Levy	Change from Prior Year	Add: Investment Income	Add: Special Asmt. Revenue	Add: New DUE Connections	Bonds Debt Service Total P & I	Less: Replacement Fund	Net Cash Flow	Ending Non-Restricted Cash	Estimated Equalized Value	Estimated Equalized Tax Rate	Year	
Units/DUE	Year	Charge		Revenues	Charge		Revenues	Charge		Revenues	Expense	Expense	Revenues										Cash	Value	District Levy	2010	
614.5	2010																						288,040			2010	
627.5	2011	\$46.50		\$116,715	\$35.10		\$88,101	\$128.40		\$322,284	(\$114,200)	(\$131,380)	\$281,520	\$194,375			\$4,321	\$256,071			(\$784,599)	(\$25,000)	(\$73,312)	\$214,728	262,642,992	\$0.74	2011
628.75	2012	\$46.50	\$0.00	\$116,948	\$35.10	\$0.00	\$88,277	\$128.40	\$0.00	\$322,926	(\$147,107)	(\$126,853)	\$254,190	\$313,218	\$0	\$0	\$3,221	\$226,967		\$0	(\$834,364)	(\$25,000)	(\$61,768)	\$152,960	262,642,992	\$1.19	2012
630.5	2013	\$46.50	\$0.00	\$117,273	\$35.10	\$0.00	\$88,522	\$128.40	\$0.00	\$323,825	(\$149,314)	(\$128,756)	\$251,551	\$313,218	\$200,000	\$200,000	\$2,294		\$33,452	(\$831,870)	(\$25,000)	(\$56,355)	\$96,605	265,269,422	\$1.18	2013	
632.5	2014	\$46.50	\$0.00	\$117,645	\$35.10	\$0.00	\$88,803	\$128.40	\$0.00	\$324,852	(\$151,553)	(\$130,687)	\$249,060	\$313,218	\$200,000	\$0	\$1,449		\$33,452	(\$829,367)	(\$25,000)	(\$57,188)	\$39,416	267,922,116	\$1.17	2014	
634.5	2015	\$47.50	\$1.00	\$120,555	\$36.10	\$1.00	\$91,622	\$156.40	\$28.00	\$396,943	(\$153,827)	(\$132,647)	\$322,646	\$313,218	\$150,000	(\$50,000)	\$591		\$33,452	(\$831,856)	(\$25,000)	(\$36,949)	\$2,467	270,601,338	\$1.16	2015	
639.5	2016	\$47.50	\$0.00	\$121,505	\$36.10	\$0.00	\$92,344	\$156.40	\$0.00	\$400,071	(\$156,134)	(\$134,637)	\$323,149	\$313,218	\$150,000	\$0	\$37		\$83,630	(\$834,112)	(\$25,000)	\$10,922	\$13,389	273,307,351	\$1.15	2016	
644.5	2017	\$47.50	\$0.00	\$122,455	\$36.10	\$0.00	\$93,066	\$156.40	\$0.00	\$403,199	(\$158,476)	(\$136,657)	\$323,587	\$313,218	\$150,000	\$0	\$201		\$83,630	(\$846,132)	(\$25,000)	(\$496)	\$12,893	276,040,424	\$1.13	2017	
644.5	2018	\$48.50	\$1.00	\$125,033	\$37.10	\$1.00	\$95,644	\$184.40	\$28.00	\$475,383	(\$160,853)	(\$138,707)	\$396,500	\$313,218	\$125,000	(\$25,000)	\$193			(\$842,467)	(\$25,000)	(\$32,555)	(\$19,662)	278,800,829	\$1.12	2018	
644.5	2019	\$48.50	\$0.00	\$125,033	\$37.10	\$0.00	\$95,644	\$184.40	\$0.00	\$475,383	(\$163,266)	(\$140,787)	\$392,007	\$313,218	\$125,000	\$0	(\$295)			(\$848,793)	(\$25,000)	(\$43,863)	(\$63,525)	281,588,837	\$1.11	2019	
644.5	2020	\$48.50	\$0.00	\$125,033	\$37.10	\$0.00	\$95,644	\$184.40	\$0.00	\$475,383	(\$165,715)	(\$142,899)	\$387,446	\$313,218	\$0	(\$125,000)	(\$953)			(\$849,658)	(\$25,000)	(\$174,947)	(\$238,472)	284,404,725	\$1.10	2020	
644.5	2021	\$49.50	\$1.00	\$127,611	\$38.10	\$1.00	\$98,222	\$212.40	\$28.00	\$547,567	(\$168,201)	(\$145,042)	\$460,157	\$313,218	\$0	\$0	(\$3,577)			(\$850,422)	(\$25,000)	(\$105,624)	(\$344,096)	287,248,773	\$1.09	2021	
644.5	2022	\$49.50	\$0.00	\$127,611	\$38.10	\$0.00	\$98,222	\$212.40	\$0.00	\$547,567	(\$170,724)	(\$147,218)	\$455,458	\$313,218	\$0	\$0	(\$5,161)			(\$1,014,483)	(\$25,000)	(\$275,968)	(\$620,064)	290,121,260	\$1.08	2022	
644.5	2023	\$49.50	\$0.00	\$127,611	\$38.10	\$0.00	\$98,222	\$212.40	\$0.00	\$547,567	(\$173,285)	(\$149,426)	\$450,689	\$313,218	\$0	\$0	(\$9,301)			(\$1,024,030)	(\$25,000)	(\$294,424)	(\$914,488)	293,022,473	\$1.07	2023	
644.5	2024	\$50.50	\$1.00	\$130,189	\$39.10	\$1.00	\$100,800	\$240.40	\$28.00	\$619,751	(\$175,884)	(\$151,668)	\$523,188	\$313,218	\$0	\$0	(\$13,717)			(\$1,026,405)	(\$25,000)	(\$228,716)	(\$1,143,203)	295,952,698	\$1.06	2024	
644.5	2025	\$50.50	\$0.00	\$130,189	\$39.10	\$0.00	\$100,800	\$240.40	\$0.00	\$619,751	(\$178,522)	(\$153,943)	\$518,275	\$313,218	\$0	\$0	(\$17,148)			(\$1,036,805)	(\$25,000)	(\$247,460)	(\$1,390,663)	298,912,225	\$1.05	2025	
644.5	2026	\$50.50	\$0.00	\$130,189	\$39.10	\$0.00	\$100,800	\$240.40	\$0.00	\$619,751	(\$181,200)	(\$156,252)	\$513,288	\$313,218	\$0	\$0	(\$20,860)			(\$1,034,055)	(\$25,000)	(\$253,409)	(\$1,644,072)	301,901,347	\$1.04	2026	
644.5	2027	\$50.50	\$0.00	\$130,189	\$39.10	\$0.00	\$100,800	\$240.40	\$0.00	\$619,751	(\$183,918)	(\$158,596)	\$508,226	\$313,218	\$0	\$0	(\$24,661)			\$0	(\$25,000)	\$771,783	(\$872,289)	304,920,360	\$1.03	2027	
Total				\$2,111,784			\$1,615,530			\$8,041,956	(\$2,752,177)	(\$2,406,155)	\$6,610,938	\$5,205,863	\$1,100,000	\$0	(\$83,366)	\$483,038	\$267,616	(\$14,319,418)	(\$425,000)						

Methodology Summary

1. Users adjusted for known growth in 2011, increased modestly thereafter.
2. Expenditure increases at 1.5% annually from 2012-2027.
3. Conservative assumptions for special assessment collections through 2012.
4. 1 new connections in 2012, 2 connections 2013-2015, 5 connections 2016-2017.
5. No General Fund Transfers

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Treatment Charge	\$186	\$186	\$186	\$186	\$190	\$190	\$190	\$194	\$194	\$194	\$198	\$198	\$198	\$202	\$202	\$202	\$202
Operations Charge	\$140	\$140	\$140	\$140	\$144	\$144	\$144	\$148	\$148	\$148	\$152	\$152	\$152	\$156	\$156	\$156	\$156
Debt Charge	\$514	\$514	\$514	\$514	\$626	\$626	\$626	\$738	\$738	\$738	\$850	\$850	\$850	\$962	\$962	\$962	\$962
District Levy Per DUE	\$310	\$498	\$497	\$495	\$494	\$490	\$486	\$486	\$486	\$486	\$486	\$486	\$486	\$486	\$486	\$486	\$486
District Total	\$1,150	\$1,338	\$1,337	\$1,335	\$1,454	\$1,450	\$1,446	\$1,566	\$1,566	\$1,566	\$1,686	\$1,686	\$1,686	\$1,806	\$1,806	\$1,806	\$1,806
Village Levy	\$0	\$0	\$200,000	\$200,000	\$150,000	\$150,000	\$150,000	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equalized Value	1,006,660,800	987,268,000	967,522,640	967,522,640	977,197,866	986,969,845	996,839,544	1,006,807,939	1,016,876,018	1,027,044,779	1,037,315,226	1,047,688,379	1,058,165,262	1,068,746,915	1,079,434,384	1,090,228,728	1,101,131,015
Equalized Tax Rate	\$0	\$0.00	\$0.21	\$0.21	\$0.15	\$0.15	\$0.15	\$0.12	\$0.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Impact on \$300,000 Home	\$0	\$0	\$62	\$62	\$46	\$46	\$45	\$37	\$37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL TOTAL	\$1,150	\$1,338	\$1,399	\$1,397	\$1,500	\$1,495	\$1,491	\$1,603	\$1,603	\$1,566	\$1,686	\$1,686	\$1,686	\$1,806	\$1,806	\$1,806	\$1,806
Change from Prior Year		\$188	\$61	-\$2	\$102	-\$4	-\$4	\$112	\$0	-\$37	\$120	\$0	\$0	\$120	\$0	\$0	\$0
Quarterly Charge Per Year	\$210.00	\$210.00	\$210.00	\$210.00	\$240.00	\$240.00	\$240.00	\$270.00	\$270.00	\$270.00	\$300.00	\$300.00	\$300.00	\$330.00	\$330.00	\$330.00	\$330.00
Change From Prior Year		\$0.00	\$0.00	\$0.00	\$30.00	\$0.00	\$0.00	\$30.00	\$0.00	\$0.00	\$30.00	\$0.00	\$0.00	\$30.00	\$0.00	\$0.00	\$0.00

Section 5 – Silver Lake Utility District

5.1 Existing Financial Condition

Silver Lake Utility District (the “District”) users pay quarterly charges to provide revenue to the Utility District. In addition, District patrons also pay a tax levy on the property tax bill designated for the District. **Table 9** includes a summary of the primary existing revenue sources for Silver Lake Utility District.

Table 9: Primary Existing Revenue Sources for Silver Lake Utility District

Charge Description	Amount	2011 Annual Revenue Estimate
Treatment Quarterly Charge	\$64.08	\$42,036
License Quarterly Charge	\$28.92	\$18,972
Debt/Capital Quarterly Charge	\$87.00	\$57,072
Property Tax Levy		\$24,750

The District also collects special assessment installments levied until 2016. Expenditures for the District include treatment, license, administrative, and debt service.

Table 10 includes all of the General Obligation and Revenue Debt outstanding attributable to the District.

Table 10: Debt Outstanding Attributable to Silver Lake Utility District

DATED AMT MAT PURPOSE	G.O. Refunding Bonds						
	4/15/2006						
	\$2,015,000						
	4/1						
	Silver Lake Utility District #1						
YEAR	PRINC		INT	TOTAL PRINC	TOTAL INT	PRINC & INT	YEAR
2012	220,000	4.125%	44,731	220,000	44,731	264,731	2012
2013	230,000	4.125%	35,450	230,000	35,450	265,450	2013
2014	245,000	4.125%	25,653	245,000	25,653	270,653	2014
2015	255,000	4.00%	15,500	255,000	15,500	270,500	2015
2016	260,000	4.00%	5,200	260,000	5,200	265,200	2016
	1,210,000		126,534	1,210,000	126,534	1,336,534	

Table 11 includes a cash flow projection for the District. The methodology used in this projection is summarized as follows:

- No changes to quarterly charges or the special charge per DUE.
- No added units (DUE).
- Increases in treatment, license and operational expenditures of 2% annually.
- No changes to existing debt structure.

The District has been spending down its non-restricted cash, cash that is not reserved or committed for a specific purpose. The current revenue structure for the District is not sufficient to maintain a positive cash flow for the District beyond 2014.

The existing cash flow position of the District requires changes to the revenue structure of the District. During the workshops held to develop this Financial Management Plan, the Village Board reviewed several scenarios to improve the District's cash position.

Table 11: Existing Cash Flow Projection for Silver Lake Utility District

DUE	Year	Treatment Quarterly Charge	Change from from Prior Year	License Quarterly Charge	Change from from Prior Year	Treatment & License Revenues	Debt/Capital Quarterly Charge	Change from from Prior Year	Debt Repayment/ Capital Charges Revenues	Less: Treatment/ License Expense Annual Increase	Less: Oper./Maint. Expense Annual Increase	Net Operating Revenues	Add: Property Taxes	Change from Prior Year	Add: Investment Income 1.50%	Add: Special Asmt. Revenue Per Village Est.	Less: Debt Service Total P & I	Net Cash Flow	Ending Non-Restricted Cash 395,703	Estimated Equalized Value	Estimated Equalized Tax Rate District Only	Year
164	2010									2.00%	2.00%											
	2011	\$64.08		\$28.92		\$61,008	\$87.00		\$57,072	(\$59,730)	(\$30,420)	\$27,930	\$24,750		\$5,936	\$124,237	(\$263,600)	(\$80,747)	\$314,956	66,665,912	\$0.37	2011
	2012	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$60,925)	(\$31,028)	\$26,127	\$24,750	\$0	\$2,772	\$116,457	(\$264,731)	(\$94,625)	\$220,330	66,665,912	\$0.37	2012
	2013	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$62,143)	(\$31,649)	\$24,288	\$24,750	\$0	\$3,305	\$110,029	(\$265,450)	(\$103,078)	\$117,252	67,332,571	\$0.37	2013
	2014	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$63,386)	(\$32,282)	\$22,412	\$24,750	\$0	\$1,759	\$104,953	(\$270,653)	(\$116,779)	\$473	68,005,897	\$0.36	2014
	2015	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$64,654)	(\$32,928)	\$20,499	\$24,750	\$0	\$7	\$101,230	(\$270,500)	(\$124,014)	(\$123,541)	68,685,956	\$0.36	2015
	2016	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$65,947)	(\$33,586)	\$18,547	\$24,750	\$0	(\$1,853)	\$97,506	(\$265,200)	(\$126,250)	(\$249,791)	69,372,815	\$0.36	2016
	2017	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$67,266)	(\$34,258)	\$16,556	\$24,750	\$0	(\$3,747)		\$0	\$37,560	(\$212,232)	70,066,544	\$0.35	2017
	2018	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$68,611)	(\$34,943)	\$14,526	\$24,750	\$0	(\$3,183)			\$36,093	(\$176,139)	70,767,209	\$0.35	2018
	2019	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$69,983)	(\$35,642)	\$12,455	\$24,750	\$0	(\$2,642)			\$34,563	(\$141,576)	71,474,881	\$0.35	2019
	2020	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$71,383)	(\$36,355)	\$10,342	\$24,750	\$0	(\$2,124)			\$32,969	(\$108,608)	72,189,630	\$0.34	2020
	2021	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$72,811)	(\$37,082)	\$8,188	\$24,750	\$0	(\$1,629)			\$31,309	(\$77,299)	72,911,526	\$0.34	2021
	2022	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$87.00	\$0.00	\$57,072	(\$74,267)	(\$37,823)	\$5,990	\$24,750	\$0	(\$1,159)			\$29,580	(\$47,719)	73,640,642	\$0.34	2022
Total						\$732,096			\$684,864	(\$801,104)	(\$407,996)	\$207,860	\$297,000	\$0	(\$2,559)	\$654,412	(\$1,600,134)					

Methodology Summary

1. Users held constant.
2. Expenditure increases at 2% annually.
3. Conservative assumptions for special assessment collections through 2016.
4. No collection of deferred special assessments related to new connections.
5. No transfer from General Fund.

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Treatment Charge	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32
License Charge	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68
Debt/Capital Charge	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00
District Levy Per DUE	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>	<u>\$150.91</u>
ANNUAL TOTAL	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91
Change from Prior Year		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Quarterly Charge Per Year	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00
Change from Prior Year		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

5.2 Proposed Options to Improve Silver Lake District Cash Flow Position

Appendix D includes several cash flow projection models for the Silver Lake District that analyzes the impact of various adjustments to the revenue structure for the District. During the course of the workshops held to develop this Financial Management Plan, the Village Board reviewed numerous cash flow alternatives. Initially, five base options were developed. The methodology for each base option is summarized as follows:

- No changes to the current number of DUE.
- Increases in treatment and operational expenditures of 2.0% annually.
- No changes to existing debt structure (unless noted).

Option #1 increases quarterly charges for treatment and license fees to cover expenditures. Quarterly debt/capital charges are increased \$30 from 2012-2016. The District tax levy remains the same. No changes are proposed to the debt structure of the District. Option #1 improves the District's cash flow position, but the Village Board determined the non-restricted cash balances were excessive.

Option #2 proposes no changes to the existing quarterly charges, but increases the District tax levy from 2012-2016, but decreases the levy to the 2011 level in 2017. Option #2 improves the District's cash flow position, but the Village Board determined the non-restricted cash balances were excessive.

Option #3 increases all quarterly charges for the District. Quarterly charges for treatment & license expenditures are increased \$1 from 2012-2024, and debt/capital quarterly charges are increased \$11 from 2012-2024. No changes are proposed to the District tax levy. The existing G.O. debt attributable to the District matures in 2016. In Option #3, the debt service is extended until 2021. While improving the cash flow of the District, the District will incur estimated future value loss of \$218,600 by extending the debt, or in present value terms, a loss of \$78,500 by extending the debt an additional 5 years. The Village Board was not in favor of extending the debt service for the District.

Option #4 also includes the extension of existing General Obligation Debt to 2021. No changes are proposed to the District tax levy. The debt/capital quarterly charge is increased \$20 in 2012 and remains at that level until 2015. Treatment and license quarterly charges remain unchanged from 2012-2015. The debt/capital quarterly charge is increased \$30 every three years from 2015-2024, while the treatment & license quarterly charges are increased \$1.00 during that period. Compared to Option #3, Option #4 phased in increases to the debt/capital charge as opposed to annual increases. The Village Board was not in favor of extending the debt service for the District.

Option #5 does not include an extension of existing G.O. debt. Quarterly charges for debt/capital are increased \$20 in 2012, and reduced in 2017 when existing debt matures. Quarterly charges are increased modestly to cover increases in costs. The District tax levy increases to \$50,000 in 2012 and to \$75,000 in 2015. The levy is reduced to \$25,000 in 2017 once existing debt matures. In Option #5, the District is still spending down cash reserves. The District is projected to maintain a minimal non-restricted cash balance in 2016.

5.3 Preferred Option to Improve Silver Lake District Cash Flow Position

Table 12 includes the preferred option for Silver Lake Utility District. The preferred option is comparable to Option #5. Existing debt is not restructured. Quarterly charges for treatment & license expenditures increase modestly to cover anticipated cost increases. The quarterly charge for capital/debt increases \$19 in 2012, and is expected to decrease in 2017 once existing debt matures. If no additional debt service is incurred or significant capital costs incurred, the debt/capital charge could be eliminated as shown in 2018. The District tax levy is increased to \$50,000 in 2012, and increased to \$60,000 in 2016. The levy is projected to decrease to \$30,000 in 2017 once existing debt matures. The District is still spending down cash reserves and the District is projected to maintain a minimal non-restricted cash balance in 2016. The cash flow of the District should be reviewed and revisited annually by the District and the Village.

Table 12: Preferred Option for Silver Lake Utility District

Preferred Option

Increase Quarterly Treatment/License Fees to cover expenditures.
Increase Quarterly Debt/Capital Charge \$20 in 2012. Decrease charge in 2017 once debt matures.
District Levy Increases to \$50,000 in 2012 and \$75,000 in 2015. Reduced to \$25,000 in 2017 once debt matures.
No Changes to Existing Debt

Users	Year	Treatment Quarterly Charge	Change from from Prior Year	License Quarterly Charge	Change from from Prior Year	Treatment & License Revenues	Debt/Capital Quarterly Charge	Change from from Prior Year	Debt Repayment/ Capital Charges Revenues	Less: Treatment/ License Expense	Less: Oper./Maint. Expense	Net Operating Revenues	Add: Property Taxes	Change from Prior Year	Add: Investment Income	Add: Special Asmt. Revenue	Less: Debt Service Total P & I	Net Cash Flow	Ending Non-Restricted Cash	Estimated Equalized Value	Estimated Equalized Tax Rate	
164	2010									Annual Increase	Annual Increase				1.50%	Per Village Est.			395,703		District Only	
										2.00%	2.00%											
	2011	\$64.08		\$28.92		\$61,008	\$87.00		\$57,072	(\$59,730)	(\$30,420)	\$27,930	\$24,750		\$5,936	\$124,237	(\$263,600)	(\$80,747)	\$314,956	66,665,912	\$0.37	2011
	2012	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$106.00	\$19.00	\$69,536	(\$55,279)	(\$31,116)	\$44,149	\$50,000	\$25,250	\$2,772	\$116,457	(\$264,731)	(\$51,353)	\$263,602	66,665,912	\$0.75	2012
	2013	\$65.08	\$1.00	\$29.92	\$1.00	\$62,320	\$106.00	\$0.00	\$69,536	(\$56,385)	(\$31,738)	\$43,733	\$50,000	\$0	\$3,954	\$110,029	(\$265,450)	(\$57,734)	\$205,868	67,332,571	\$0.74	2013
	2014	\$66.08	\$1.00	\$30.92	\$1.00	\$63,632	\$106.00	\$0.00	\$69,536	(\$57,512)	(\$32,373)	\$43,283	\$50,000	\$0	\$3,088	\$104,953	(\$270,653)	(\$69,329)	\$136,539	68,005,897	\$0.74	2014
	2015	\$67.08	\$1.00	\$31.92	\$1.00	\$64,944	\$106.00	\$0.00	\$69,536	(\$58,663)	(\$33,021)	\$42,797	\$60,000	\$10,000	\$2,048	\$101,230	(\$270,500)	(\$64,425)	\$72,114	68,685,956	\$0.87	2015
	2016	\$68.08	\$1.00	\$32.92	\$1.00	\$66,256	\$106.00	\$0.00	\$69,536	(\$59,836)	(\$33,681)	\$42,275	\$60,000	\$0	\$1,082	\$97,506	(\$265,200)	(\$64,337)	\$7,777	69,372,815	\$0.86	2016
	2017	\$69.08	\$1.00	\$33.92	\$1.00	\$67,568	\$81.00	-\$25.00	\$53,136	(\$61,032)	(\$34,355)	\$25,317	\$30,000	(\$30,000)	\$117		\$0	\$55,434	\$63,211	70,066,544	\$0.43	2017
	2018	\$70.08	\$1.00	\$34.92	\$1.00	\$68,880	\$0.00	-\$81.00	\$0	(\$62,253)	(\$35,042)	(\$28,415)	\$30,000	\$0	\$948			\$2,533	\$65,744	70,767,209	\$0.42	2018
	2019	\$71.08	\$1.00	\$35.92	\$1.00	\$70,192	\$0.00	\$0.00	\$0	(\$63,498)	(\$35,743)	(\$29,049)	\$30,000	\$0	\$986			\$1,937	\$67,681	71,474,881	\$0.42	2019
	2020	\$72.08	\$1.00	\$36.92	\$1.00	\$71,504	\$0.00	\$0.00	\$0	(\$64,768)	(\$36,457)	(\$29,722)	\$30,000	\$0	\$1,015			\$1,294	\$68,975	72,189,630	\$0.42	2020
	2021	\$73.08	\$1.00	\$37.92	\$1.00	\$72,816	\$0.00	\$0.00	\$0	(\$66,064)	(\$37,187)	(\$30,434)	\$30,000	\$0	\$1,035			\$601	\$69,576	72,911,526	\$0.41	2021
	2022	\$74.08	\$1.00	\$38.92	\$1.00	\$74,128	\$0.00	\$0.00	\$0	(\$67,385)	(\$37,930)	(\$31,187)	\$30,000	\$0	\$1,044			(\$143)	\$69,432	73,640,642	\$0.41	2022
Total						\$804,256			\$457,888	(\$732,404)	(\$409,062)	\$120,678	\$474,750	\$5,250	\$24,024	\$654,412	(\$1,600,134)					

Methodology Summary

1. Users held constant.
2. Expenditure increases at 2% annually.
3. Conservative assumptions for special assessment collections through 2016.
4. No collection of deferred special assessments related to new connections.
5. No transfer from General Fund.

Annual Impact to User


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Treatment Charge	\$256.32	\$256.32	\$260.32	\$264.32	\$268.32	\$272.32	\$276.32	\$280.32	\$284.32	\$288.32	\$292.32	\$296.32
License Charge	\$115.68	\$115.68	\$119.68	\$123.68	\$127.68	\$131.68	\$135.68	\$139.68	\$143.68	\$147.68	\$151.68	\$155.68
Debt/Capital Charge	\$348.00	\$424.00	\$424.00	\$424.00	\$424.00	\$424.00	\$324.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tax Levy per DUE	\$150.91	\$304.88	\$304.88	\$304.88	\$365.85	\$365.85	\$182.93	\$182.93	\$182.93	\$182.93	\$182.93	\$182.93
ANNUAL TOTAL	\$870.91	\$1,100.88	\$1,108.88	\$1,116.88	\$1,185.85	\$1,193.85	\$918.93	\$602.93	\$610.93	\$618.93	\$626.93	\$634.93
Change from Prior Year		\$229.96	\$8.00	\$8.00	\$68.98	\$8.00	-\$274.93	-\$316.00	\$8.00	\$8.00	\$8.00	\$8.00
Quarterly Charge Per Year	\$180.00	\$199.00	\$201.00	\$203.00	\$205.00	\$207.00	\$184.00	\$105.00	\$107.00	\$109.00	\$111.00	\$113.00
Change from Prior Year		\$19.00	\$2.00	\$2.00	\$2.00	\$2.00	-\$23.00	-\$79.00	\$2.00	\$2.00	\$2.00	\$2.00
Tax Levy on \$300,000 Home	\$111.38	\$225.00	\$222.77	\$220.57	\$262.06	\$259.47	\$128.45	\$127.18	\$125.92	\$124.67	\$123.44	\$122.22

Section 6 – Capital Improvement Plan

6.1 First Version of the Capital Improvement Plan

As part of the Financial Management Plan process, the Village updated its multi-year capital improvement plan. One of the projects included in the plan was a new Village Hall. Other projects consisted of street improvements, park improvements, equipment, and capital outlay for several departments. **Table 13** includes a summary of the first version of the CIP and proposed financings for the projects.

Table 13: First Version of the Capital Improvement Plan and Proposed Financings

Village of Summit, WI					
Estimated Project Costs & Financing Plan					
	11/12 Projects	12/13 Projects	14/15 Projects	2016 Projects	Total Project Costs
	G.O. Bond	G.O. Promissory Note	G.O. Promissory Note	State Trust Fund Loan	
	2012	2012	2014	2016	All Phases
Projects					
<u>2012 -2013 Parks, Public Buildings, Facilities</u>					
Village Hall & Public Works Facility Design & Construction	5,263,000				5,263,000
Less Existing Village Funds on Hand	(1,217,073)				(1,217,073)
Genesee Lake Road Park (concession/restroom/septic/signage)		255,000			255,000
2012 -2013 Capital Equipment/General Outlay		56,300			56,300
2012-2013 Street Paving Program & Seal Coating		213,048			213,048
2012 - 2013 Highway Capital Equipment		10,000			10,000
2012 - 2013 Police Capital Equipment		104,300			104,300
2012 - 2013 Park Improvements		2,500			2,500
					0
2014-2015 Park Improvements			98,000		98,000
2014-2015 Street Paving Program & Seal Coating			1,060,252		1,060,252
2014-2015 Capital Equipment/General Outlay			39,200		39,200
2014 - 2015 Highway Capital Equipment			205,000		205,000
2014- 2015 Police Capital Equipment			141,000		141,000
					0
2016 Park Improvements				160,000	160,000
2016 Street Paving Program & Seal Coating				183,437	183,437
2016 Capital Equipment/General Government Outlay				7,400	7,400
2016 Highway Outlay				34,000	34,000
2016 Police Outlay				42,500	42,500
2016 Cemetery Outlay				15,000	15,000
Subtotal Needed for Projects	4,045,927	641,148	1,543,452	442,337	6,672,864
Finance Related Expenses					
Financial Advisor	23,200	10,750	16,350	0	
Bond Counsel (Estimate)	11,500	9,000	10,000	0	
Rating Agency Fee	11,000	8,000	8,000	0	
Paying Agent (if Term Bonds)	675	675	675	0	
Max. Underwriter's Discount	\$12.50 51,750	\$10.00 6,750	\$10.00 15,950	\$0.00 0	
Total Financing Required	4,144,052	676,323	1,594,427	442,337	
<i>Estimated Interest Earnings</i>	0.50% (6,500)	0.50% (3,200)	0.50% (4,300)	0.00% 0	
Rounding	2,448	1,877	4,873	0	
NET ISSUE SIZE	4,140,000	675,000	1,595,000	442,337	

The Village Hall project was evaluated independently of the other projects identified in the CIP, since the project will likely require additional study and public involvement. **Table 14** includes the projected debt service cost for the Village Hall project with a 20 year term and level debt service payments.

Table 14: Proposed Debt Service Costs for Village Hall Project

Year	Proposed 2012 G.O. Bonds Dated 4/1/2012				Projected Equalized Value	Projected Equalized Rate for Debt Service	
	Princ (4/1)	Est. Rate	Interest	Total P&I			
2011					1,006,660,800	0.00	2011
2012			83,875	83,875	987,268,000	0.08	2012
2013	150,000	1.30%	166,775	316,775	967,522,640	0.33	2013
2014	150,000	1.66%	164,555	314,555	967,522,640	0.33	2014
2015	155,000	2.02%	161,744	316,744	977,197,866	0.32	2015
2016	155,000	2.36%	158,350	313,350	986,969,845	0.32	2016
2017	160,000	2.77%	154,305	314,305	996,839,544	0.32	2017
2018	165,000	3.15%	149,490	314,490	1,006,807,939	0.31	2018
2019	170,000	3.50%	143,916	313,916	1,016,876,018	0.31	2019
2020	175,000	3.75%	137,660	312,660	1,027,044,779	0.30	2020
2021	185,000	3.94%	130,734	315,734	1,037,315,226	0.30	2021
2022	190,000	4.15%	123,147	313,147	1,047,688,379	0.30	2022
2023	200,000	4.31%	114,895	314,895	1,058,165,262	0.30	2023
2024	210,000	4.46%	105,902	315,902	1,068,746,915	0.30	2024
2025	220,000	4.59%	96,170	316,170	1,079,434,384	0.29	2025
2026	230,000	4.70%	85,716	315,716	1,090,228,728	0.29	2026
2027	240,000	4.79%	74,563	314,563	1,101,131,015	0.29	2027
2028	250,000	4.87%	62,727	312,727	1,112,142,325	0.28	2028
2029	265,000	4.94%	50,094	315,094	1,123,263,749	0.28	2029
2030	275,000	4.94%	36,756	311,756	1,134,496,386	0.27	2030
2031	290,000	5.00%	22,714	312,714	1,145,841,350	0.27	2031
2032	305,000	5.07%	7,732	312,732	1,157,299,764	0.27	2032
Total	4,140,000		2,231,814	6,371,814			

Notes

1. Rates for 2012 Bonds based on MMD "A" Scale of 7/11/2011 plus 25 basis points.

Table 15 includes the financing plan for Capital Improvement Plan Version #1. The payment structure for the proposed financings takes into account the initial projections developed for the General Fund and the proposed Village-wide levy for District #2.

Table 15: Financing Plan for Capital Improvement Plan Version #1

Year	Existing General Obligation Debt			Proposed G.O. Notes Dated 4/1/2012				Proposed G.O. Notes Dated 4/1/2014				Proposed State Trust Fund Loan Dated 4/1/2016				Existing & Proposed P&I	Projected Equalized Value	Projected Equalized Rate for Debt Service	
	Principal	Interest	Total P&I	Princ (4/1)	Est. Rate	Interest	Total P&I	Princ (4/1)	Est. Rate	Interest	Total P&I	Princ (3/15)	Est. Rate	Interest	Total P&I				
2011	154,701	12,250	166,951													166,951	1,006,660,800	0.17	2011
2012	116,479	5,196	121,675			9,094	9,094									130,769	987,268,000	0.13	2012
2013	0	0	0	100,000	1.30%	17,538	117,538									117,538	967,522,640	0.12	2013
2014				120,000	1.66%	15,892	135,892			32,070	32,070					167,962	967,522,640	0.17	2014
2015				30,000	2.02%	14,593	44,593	135,000	2.52%	62,439	197,439					242,032	977,197,866	0.25	2015
2016				65,000	2.36%	13,523	78,523	145,000	2.86%	58,665	203,665					282,188	986,969,845	0.29	2016
2017				60,000	2.77%	11,925	71,925	140,000	3.27%	54,302	194,302	37,923	3.75%	15,850	53,773	320,000	996,839,544	0.32	2017
2018				60,000	3.15%	10,149	70,149	150,000	3.65%	49,276	199,276	38,607	3.75%	15,166	53,773	323,198	1,006,807,939	0.32	2018
2019				60,000	3.50%	8,154	68,154	155,000	4.00%	43,438	198,438	40,055	3.75%	13,718	53,773	320,365	1,016,876,018	0.32	2019
2020				60,000	3.75%	5,979	65,979	160,000	4.25%	36,938	196,938	41,557	3.75%	12,216	53,773	316,690	1,027,044,779	0.31	2020
2021				60,000	3.94%	3,672	63,672	165,000	4.44%	29,875	194,875	43,116	3.75%	10,657	53,773	312,320	1,037,315,226	0.30	2021
2022				60,000	4.15%	1,245	61,245	175,000	4.65%	22,143	197,143	44,733	3.75%	9,040	53,773	312,161	1,047,688,379	0.30	2022
2023								185,000	4.81%	13,625	198,625	46,410	3.75%	7,363	53,773	252,398	1,058,165,262	0.24	2023
2024								185,000	4.96%	4,588	189,588	48,150	3.75%	5,623	53,773	243,361	1,068,746,915	0.23	2024
2025												49,956	3.75%	3,817	53,773	53,773	1,079,434,384	0.05	2025
2026												51,829	3.75%	1,944	53,773	53,773	1,090,228,728	0.05	2026
2027																0	1,101,131,015	0.00	2027
Total	271,180		288,626	675,000		111,764	786,764	1,595,000		407,359	2,002,359	442,337		95,393	537,730	3,615,479			

Notes

1. Rates for 2012 G.O. Notes based on MMD "A" Scale of 7/11/2011 plus 25 basis points.
2. Rates for 2014 G.O. Notes based on MMD "A" Scale of 7/11/2011 plus 75 basis points.
3. Rates for 2016 State Trust Fund Loan based on current loan rate.

6.2 Financial Forecast with Version #1 of Capital Improvement Plan

One of the primary objectives of the Financial Management Plan is to integrate capital and operating budgets to determine the multi-year impact on the tax levy. During the workshops, initial projections were completed for the Village's General Fund and we later refined as part of the 2012 budget process (described later in this report). Version 1 of the capital improvement plan (not including the Village Hall project) was integrated with **initial operating budget projections for the Village**, and also included a proposed Village wide levy for Utility District #2.

Table 16 illustrates the total projected levy for operations based on the initial projections, debt service for the Capital Improvement Plan Version #1, and the Utility District #2 levy. Financing all of these initiatives required an annual levy increase of 3.5% -3.92% from 2012-2016. The Village Board determined additional cuts in capital improvement projects were necessary to lessen the levy impact.

Table 16: Initial Multi-Year Levy Projections for Operations, Village-Wide Utility District #2 Levy, and Version 1 of the Capital Improvement Plan (Not including the Village Hall Project).

	2010 Actual	2011 Budget	2012 Proposed	2013 Proposed	2014 Proposed	2015 Proposed	2016 Proposed
<u>Operating Revenues</u>							
Taxes (Excluding Property Tax)	60	60	60	60	60	60	60
Intergovernmental Revenues	609,382	519,461	387,587	389,300	409,039	392,803	394,594
Regulation and Compliance	150,960	140,825	140,825	140,825	142,105	143,402	144,715
Public Charges for Services	435,849	432,825	452,641	473,448	495,296	518,235	542,322
Commercial Revenues	325,637	197,950	82,750	232,750	234,150	235,578	237,035
TOTAL OPERATING REVENUES	1,521,888	1,291,121	1,063,863	1,236,383	1,280,649	1,290,078	1,318,726
<u>Operating Expenditures</u>							
General Government	513,738	546,405	534,577	536,776	544,087	546,512	554,054
Protection of Persons & Property	1,040,263	1,054,600	1,067,237	1,080,102	1,093,708	1,107,560	1,121,664
Health and Sanitation	383,804	396,324	416,140	436,947	458,795	481,734	505,821
Public Works	336,822	372,189	366,002	370,140	374,363	378,672	383,071
Recreation	130,000	25,215	25,100	25,230	25,361	25,494	25,628
Other	356,199	149,770	0	0	0	0	0
TOTAL OPERATING EXPENDITURES	2,760,826	2,544,503	2,409,056	2,449,196	2,496,313	2,539,972	2,590,238
TOTAL OPERATING LEVY	1,239,921	1,253,382	1,345,193	1,212,812	1,215,664	1,249,894	1,271,512
Change from Prior Year		13,461	91,810	(132,380)	2,851	34,230	21,618
% Change from Prior Year		1.09%	7.33%	-9.84%	0.24%	2.82%	1.73%
<u>Debt Service</u>							
Principal Existing Debt	159,435	154,701	116,479	0	0	0	0
Interest Existing Debt	19,120	12,250	5,196	0	0	0	0
Principal on Proposed Debt	0	0	0	100,000	120,000	165,000	210,000
Interest on Proposed Debt	0	0	9,094	17,538	47,962	77,032	72,188
TOTAL DEBT SERVICE EXPENDITURES	178,555	166,951	130,769	117,538	167,962	242,032	282,188
TOTAL DEBT SERVICE LEVY	178,555	166,951	130,769	117,538	167,962	242,032	282,188
SUMMIT UTILITY DISTRICT #2 LEVY	0	0	0	200,000	200,000	150,000	150,000
TOTAL OPERATIONS, DEBT, & DISTRICT #2 LEVY	1,418,476	1,420,333	1,475,961	1,530,350	1,583,626	1,641,926	1,703,699
Change from Prior Year		1,857	55,628	54,389	53,275	58,300	61,774
% Change from Prior Year		0.13%	3.92%	3.68%	3.48%	3.68%	3.76%
Projected Equalized Value	1,056,596,700	1,006,660,800	987,268,000	967,522,640	967,522,640	977,197,866	986,969,845
Percentage Change in Equalized Value		-5%	-2%	-2%	0%	1%	1%
Impact on \$300,000 Home	\$403	\$423	\$448	\$475	\$491	\$504	\$518

6.3 Second Version of the Capital Improvement Plan

Table 17 includes the second version of the Capital Improvement Plan that reduces capital expenditures from the first version. **Table 18** illustrates the proposed financing plan for CIP Version #2. The proposed debt service structure in Table 18 takes into account several factors including existing General Obligation debt service payments, and the proposed Village-wide levy for Utility District #2 from 2013-2019.

Table 17: Capital Improvement Plan Version #2 and Proposed Financings


Village of Summit, WI				
Estimated Project Costs & Financing Plan				
	2012 Projects	2013/14 Projects	2015/16 Projects	Total Project Costs
	State Trust Fund Loan	G.O. Promissory Note	State Trust Fund Loan	All Phases
	2012	2014	2016	
Projects				
<u>2012 Projects</u>				
Annual Street Paving	55,350			55,350
Annual Seal Coating	64,988			64,988
General Capital Equipment	27,000			27,000
Police Capital Equipment	41,800			41,800
Highway Department Capital Equipment	5,000			5,000
<u>2013 & 2014 Projects</u>				
Storm Sewer Map		2,000		2,000
Park, Public Buildings, Facilities		440,000		440,000
Annual Street Program		538,841		538,841
Annual Seal Coating Program		88,456		88,456
General Capital Equipment		37,200		37,200
Police Capital Equipment		156,200		156,200
Highway Department Capital Equipment		155,000		155,000
<u>2014 & 2015 Projects</u>				
Dredging Bark River/Upper Nemahbin			275,000	275,000
Park, Public Buildings, Facilities			658,101	658,101
Annual Street Program			604,771	604,771
Annual Seal Coating Program			102,331	102,331
General Capital Equipment			7,700	7,700
Police Capital Equipment			79,800	79,800
Highway Department Capital Equipment			89,000	89,000
Cemetery Capital Equipment			15,000	15,000
Total Projects	194,138	1,417,697	1,831,703	3,443,538
Finance Related Expenses				
Financial Advisor	0	15,700	18,000	
Bond Counsel (Estimate)	0	10,000	10,000	
Rating Agency Fee	0	8,000	80,000	
Paying Agent (if Term Bonds)	0	675	675	
Max. Underwriter's Discount	\$0.00 0	\$10.00 14,700	\$10.00 19,600	
Total Financing Required	0	1,466,772	1,959,978	
<i>Estimated Interest Earnings</i>	0	(1,000)	(1,250)	
Rounding	0	4,228	1,272	
NET ISSUE SIZE	194,138	1,470,000	1,960,000	

Table 18: Financing Plan for Capital Improvement Plan Version #2

Year	Existing Village General Obligation Debt			Proposed State Trust Fund Loan Dated 4/1/2012				Proposed G.O. Notes Dated 10/1/2014				Proposed G.O. Bonds Dated 10/1/2016				Existing & Proposed P&I	
	Principal	Interest	Total P&I	Princ (3/15 Est.	Rate	Interest	Total P&I	Princ (10/1)	Est. Rate	Interest	Total P&I	Princ (10/1)	Est. Rate	Interest	Total P&I		
2012	116,479	5,196	121,675													121,675	2012
2013	31,804	5,158	36,962	40,000	3.25%	6,309	46,309									83,271	2013
2014	33,956	3,706	37,662	65,000	3.25%	5,009	70,009									107,671	2014
2015	35,149	2,513	37,662	40,000	3.25%	2,897	42,897			70,852	70,852					151,410	2015
2016	36,380	1,280	37,660	49,138	3.25%	1,597	50,735		2.80%	70,852	70,852					159,247	2016
2017	0	0	0					20,000	3.10%	70,852	90,852			98,000	98,000	188,852	2017
2018								35,000	3.45%	70,232	105,232			98,000	98,000	203,232	2018
2019								40,000	3.81%	69,024	109,024			98,000	98,000	207,024	2019
2020								65,000	4.04%	67,500	132,500	65,000	5.00%	98,000	163,000	295,500	2020
2021								70,000	4.19%	64,874	134,874	65,000	5.00%	94,750	159,750	294,624	2021
2022								70,000	4.25%	61,941	131,941	70,000	5.00%	91,500	161,500	293,441	2022
2023								70,000	4.49%	58,966	128,966	80,000	5.00%	88,000	168,000	296,966	2023
2024								75,000	4.61%	55,823	130,823	80,000	5.00%	84,000	164,000	294,823	2024
2025								75,000	4.72%	52,366	127,366	90,000	5.00%	80,000	170,000	297,366	2025
2026								75,000	4.83%	48,826	123,826	95,000	5.00%	75,500	170,500	294,326	2026
2027								85,000	4.93%	45,203	130,203	95,000	5.00%	70,750	165,750	295,953	2027
2028								90,000	5.02%	41,013	131,013	100,000	5.00%	66,000	166,000	297,013	2028
2029								90,000	5.15%	36,495	126,495	110,000	5.00%	61,000	171,000	297,495	2029
2030								100,000	5.08%	31,860	131,860	110,000	5.00%	55,500	165,500	297,360	2030
2031								105,000	5.15%	26,780	131,780	115,000	5.00%	50,000	165,000	296,780	2031
2032								110,000	5.22%	21,372	131,372	120,000	5.00%	44,250	164,250	295,622	2032
2033								115,000	5.28%	15,630	130,630	125,000	5.00%	38,250	163,250	293,880	2033
2034								180,000	5.31%	9,558	189,558	90,000	5.00%	32,000	122,000	311,558	2034
2035												270,000	5.00%	27,500	297,500	297,500	2035
												280,000	5.00%	14,000	294,000	294,000	2036
Total	253,769		271,621	194,138		15,813	209,951	1,470,000		990,014	2,460,014	1,960,000		1,365,000	3,325,000	6,266,586	

Notes

1. Rates for 2012 State Trust Fund Loan based on current loan rate.
2. Rates for 2014 G.O. Notes based on MMD "A" Scale of 10/5/2011 plus 75 basis points.

Section 7 – Village General Fund

7.1 Village General Fund Revenues

The Village's General Fund Revenues are summarized into several categories:

- Intergovernmental: State shared revenues, contracted services payments, recycling, and state aids. Proceeds from long-term borrowing have historical been identified as an intergovernmental revenue. We recommend long-term borrowing proceeds be deposited into a Capital Project Fund in the future.
- Regulation and Compliance: Permits, licenses, fines and forfeitures.
- Public Charges for Services: Garbage and refuse collection, cemetery revenue, police and ambulance revenue.
- Commercial: Interest on investments, sale of fixed assets, Village Hall rental, and Aurora PILOT payments. Applied fund balance is also identified as commercial revenue.
- Property Tax Levy: annual property tax levy.

7.2 Revenue Projection Methodology

Appendix E includes revenue projections for the Village General Fund from 2013-2016 using the 2012 budget as the "base" for the projections. The methodology for the revenue projections is summarized as follows:

Intergovernmental

- Contract services revenue increasing 1.5% per year.
- Shared revenues and state aids held at 2012 levels.
- Recycling rebate held at 2012 levels.
- No transfers from designated funds.

Regulation and Compliance

- Liquor, operator, cigarette, dog, and other licenses held at 2012 levels.
- Building permits increasing 1.5% per year from 2014-2016.
- Traffic fines increasing 1% per year from 2014-2026.

Public Charges for Services

- Garbage and Refuse revenue increases 5% per year from 2013-2016.
- Revenue from all other charges held flat at 2012 levels.

Commercial

- Interest income from investments increases 2% per year from 2014-2016.
- Aurora PILOT payments are \$150,000 per year from 2013-2016.
- All other Commercial revenues held at 2012 levels.

7.3 Expenditure Projection Methodology

Appendix F includes expenditure projections for the Village General Fund from 2013-2016 using the 2012 budget as the “base” for the projections. The following methodology applies to all Departments.

- Staff wages increasing at 1% annually.
- Insurance expense increasing at 3% annually.
- Property, liability, and workers compensation insurance increasing at 3% annually.
- Fuel costs increasing 3% annually.

The following is a summary of specific items included in the expenditure projection methodology for various service areas.

General Government

- Retirement contributions based on 5.9% of salary (assumes employees pay “employee” share of contribution).
- All other expenditures held at 2012 levels.

Protection of Persons & Property

- Employee and Employer share of retirement contributions are budgeted based on 18.9% of salary.
- Building Permit expenditures increasing 1.5% annually starting in 2014.
- All other expenditures held at 2012 levels.

Public Works and Recreation

- Expenditures held at 2011 levels.

Section 8 – Integrated Budget

8.1 Integrated Operating, Debt Service Budget with Capital Improvement Plan Version 2, and Village Wide-levy for Utility District #2

Table 19 integrates the Village operating budget (including the proposed 2012 budget prepared after the Financial Management Plan workshops were completed) and projections from 2013-2016. Also included is the proposed Summit Utility District #2 levy and debt service for Capital Improvement Plan Version #2.

If all of the projects identified in the Capital Improvement Plan Version #2 are financed, and existing service levels are maintained based on the methodology outlined in Section 7, the total property tax levy for the Village of Summit is projected to increase 1.28% - 1.94% per year from 2012-2016. The total annual taxes on a \$300,000 home will increase \$34 total from 2012-2016.

Table 19: Multi-year Levy Projections for Operations, Village-wide Utility District #2 Levy, and Version 2 of the Capital Improvement Plan (Not including the Village Hall Project).

	2010 Actual	2011 Budget	2012 Proposed	2013 Proposed	2014 Proposed	2015 Proposed	2016 Proposed
Operating Revenues							
Taxes (Excluding Property Tax)	60	60	60	60	60	60	60
Intergovernmental Revenues	609,382	519,461	699,402	686,963	710,540	698,201	703,946
Regulation and Compliance	150,960	140,825	134,703	134,703	135,937	137,187	138,454
Public Charges for Services	435,849	432,825	435,072	455,572	477,097	499,698	523,430
Commercial Revenues	325,637	197,950	51,200	201,200	202,200	203,220	204,260
TOTAL OPERATING REVENUES	1,521,888	1,291,121	1,320,437	1,478,498	1,525,834	1,538,366	1,570,151
Operating Expenditures							
General Government	513,738	546,405	592,722	579,338	588,701	591,200	600,837
Protection of Persons & Property	1,040,263	1,054,600	1,247,234	1,260,272	1,276,400	1,292,820	1,309,539
Health and Sanitation	383,804	396,324	410,000	430,500	452,025	474,626	498,358
Public Works	336,822	372,189	342,311	346,359	350,488	354,702	359,001
Recreation	130,000	25,215	21,010	21,139	21,269	21,401	21,534
Other	356,199	149,770	24,000	24,000	24,000	24,000	24,000
TOTAL OPERATING EXPENDITURES	2,760,826	2,544,503	2,637,277	2,661,608	2,712,884	2,758,749	2,813,269
TOTAL OPERATING LEVY	1,239,921	1,253,382.27	1,316,840	1,183,110	1,187,050	1,220,383	1,243,118
Change from Prior Year		13,461	63,458	(133,730)	3,940	33,333	22,735
% Change from Prior Year		1.09%	5.06%	-10.16%	0.33%	2.81%	1.86%
Debt Service							
Principal Existing Debt	159,435	154,701	116,479	31,804	33,956	35,149	35,149
Interest Existing Debt	19,120	12,250	5,196	5,158	3,706	2,513	1,280
Principal Proposed Debt	0	0	0	40,000	65,000	40,000	49,138
Interest Proposed Debt	0	0	0	6,309	5,009	73,748	72,448
TOTAL DEBT SERVICE EXPENDITURES	178,555	166,951	121,675	83,271	107,671	151,410	158,016
TOTAL DEBT SERVICE LEVY	178,555	166,951	121,675	83,271	107,671	151,410	158,016
SUMMIT UTILITY DISTRICT #2 LEVY				200,000	200,000	150,000	150,000
TOTAL OPERATIONS & DEBT LEVY	1,418,476	1,420,333	1,438,515	1,466,381	1,494,722	1,521,793	1,551,134
Change from Prior Year		1,857	18,182	27,866	28,341	27,072	29,341
% Change from Prior Year		0.13%	1.28%	1.94%	1.93%	1.81%	1.93%
Projected Equalized Value	1,056,596,700	1,006,660,800	987,268,000	967,522,640	967,522,640	977,197,866	986,969,845
Percentage Change in Equalized Value		-5%	-2%	-2%	0%	1%	1%
Impact on \$300,000 Home	\$403	\$423	\$437	\$455	\$463	\$467	\$471

Section 9 – Levy Limit Compliance

The current version of State levy limits restricts levy increases to the percentage increase due to net new construction. Since levy limits were first introduced, there have been several adjustments that can be applied to the levy limit. The most notable adjustment is for debt service. The Village has several debt service adjustments it can apply if needed. First, General Obligation Debt Service Authorized after July 1, 2005 is excluded from levy limits. In addition, the Village can also claim a levy limit adjustment for any shortfall in revenue from Utility District #2 for its share of revenue bond debt service. Other levy limit adjustments the Village can evaluate include increases in costs for charges assessed by a Joint Fire Department, or transfers of services from other governmental units.

In summary, based on the total levy amounts identified annually from 2012-2016 in Table 18, the Village can levy these amounts legally in compliance with levy limits once permitted adjustments to the levy limit are applied. More importantly, the Village needs to consider the financial impact these levies will have on taxpayers to determine if the appropriate balance between affordable taxes, service delivery, and infrastructure maintenance is achieved.

Section 10 – Fund Balance & Debt Management Policies

Appendix G includes a Fund Balance Policy and Debt Management Policy that were provided to the Village Board. The Fund Balance policy has been adopted by the Village Board. The Debt Management Policy has been presented, but not formally adopted.

Section 11 – Recommendations

To capitalize on its investment in this planning process, the Village should undertake the following actions as extensions of this plan:

- Annually review the Fund Balance Policy as part of the annual budget process.
- Formally approve the proposed Debt Management Policy and review annually as part of the budget process.
- Update its CIP annually so that it maintains a five-year planning horizon, and accurately reflects planned projects and associated costs. Maintaining a current CIP also allows this information to be integrated into current year financing plans so that the impact of probable future borrowings can be assessed in addition to the notes or bonds currently proposed for issuance.
- Create a “Capital Project Fund” for tacking borrowed funds for capital projects. If the Village chooses to borrow funds for several years worth of projects at one time, the

Village can track expenditures in a separate fund making it easier to budget these projects. Since projects may extend from one fiscal year to the next, the Village does not have to reconcile borrowed fund within its annual operating budget.

- Review status of financial indicators in conjunction with proposed debt financings. As new debt issues are considered, their impact should be evaluated in the context of the guidelines set forth in the Debt Management Policy.
- Consider annual or other periodic updates to this Five-Year Financial Management Plan. Changes in economic conditions, local priorities, state legislation and other variables require that the models be updated periodically if they are to remain a viable planning tool.
- In particular, the Village should update the cash flow forecasts for the Silver Lake Utility District and Summit Utility District #2 to monitor non-restricted cash levels.

RATING FACTORS OF COMPARABLE COMMUNITIES



Municipality	Current Rating	Overall Debt Burden	Direct Debt Burden	Payout, 10-Years	Direct Debt Per Capita	Overall Debt Per Capita	Average Annual Growth FV	Undesignated Gen. Fund % of Total Op. Rev.	% of Exp. for Debt Service	Adj Gross Inc Per Return (2009)	Adj Gross Inc as % of State (2009)	Per Capita Eq. Value (2010)	Eq. Value TID - IN (2010)	Population (2010)
Summit	Aa3 GSR	2.12%	1.07%	58.05%	\$2,124	\$4,217	2.89%	17.23%	5.88%	\$101,302	223.27%	\$198,670	1,006,660,800	5,067
Median Aa3 (WI GSR)	Aa3 GSR	3.80%	2.20%	76.50%	\$1,415	\$2,737	6.10%	24.90%	16.90%	n/a	n/a	\$66,569	731,931,000	10,995
Mukwonago	Aa3 GSR	4.10%	3.70%	100.00%	\$3,899	\$4,313	7.60%	12.00%	39.60%	\$51,306	113.08%	\$100,366	738,193,000	7,355
Sussex	Aa3 GSR	3.10%	2.40%	60.70%	\$2,710	\$3,616	3.00%	22.20%	34.60%	\$59,791	131.78%	\$115,193	1,156,534,800	10,040
Jefferson	Aa3 GSR	4.94%	1.26%	92.60%	\$807	\$3,170	3.52%	22.16%	7.94%	\$40,995	90.35%	\$64,146	504,511,400	7,865
Beaver Dam	Aa3 GSR	2.20%	1.30%	100.00%	\$882	\$1,502	4.50%	18.30%	9.40%	\$38,150	84.08%	\$67,659	1,097,023,700	16,214
Median Aa2 (WI GSR)	Aa2 GSR	4.00%	1.80%	85.00%	\$1,756	\$3,031	3.40%	18.00%	22.20%	n/a	n/a	\$87,197	1,485,833,000	17,040
Elm Grove	Aa2 GSR	2.39%	1.21%	62.49%	\$2,098	\$4,130	1.37%	23.17%	12.11%	\$139,598	307.67%	\$172,934	1,065,098,100	6,159
Pewaukee, Village	Aa2 GSR	220.00%	1.30%	58.50%	\$1,425	\$2,491	5.20%	3400.00%	1070.00%	\$53,515	117.95%	\$104,892	931,756,400	8,883
Hartland	Aa2 GSR	2.10%	1.18%	53.76%	\$1,643	\$2,916	2.62%	28.57%	9.73%	\$88,830	195.78%	\$138,794	1,182,801,000	8,522
Delafield	Aa2 GSR	2.10%	1.40%	58.80%	\$2,831	\$4,311	7.50%	180.00%	24.70%	\$91,477	201.62%	\$193,160	1,351,345,000	6,996

Source: Moody's Investor's Service Most Recent Credit Reports & Village or City Audits, State of Wisconsin (DOR)

Appendix B: Historical Summary of Summit Utility District #2 Provided by Village Administrator for September 8, 2011 Meeting

As you all know, the Town of Summit converted to the Village of Summit in July, 2010. Many of you participated in the first Village Board election in September, 2010. That group of elected officials immediately faced approval of the 2011 budgets. Although they did not have any major concerns, one of the first things the new Village Board identified as needed information related to the financial situation of the Village. To form an objective opinion on the Village's finances, the new Village Board hired Ehler's Associates to review the overall Village's finances along with the three utility district accounts.

Tonight we have Mr. Greg Johnson of Ehlers Associates here to assist us with the financial direction of the Summit Utility District. But, before we get into the future numbers, I want to share some of the history with you.

The original district plan was proposed by residents in the area to the Town of Summit Town Board in 1996. Their estimated costs \$6,762,000 would serve 525 residential units. After additional study by the new sanitary district, the initial engineered cost prepared by Fred Welch of Welch-Hanson Associates fell within this cost at between \$11,000 and \$15,500 per residential unit. These numbers were the basis for continuing with a full construction project in 1998.

In 1999 the Sanitary Commission hired Ruekert and Mielke to design and manage the construction of the system as District Engineers. At a meeting in February, 1999 they estimated the costs at \$12.2 million and suggested special assessments of \$7,900 per residential unit. A report reviewed by the sanitary commission ten months later in December, 1999 identified possible costs of \$15.3 million. The final costs of the project, as reported in April, 2002, were \$15,141,515. The final assessment placed on each residential unit was \$9,900.

To build this project the Sanitary District arranged for \$6 million in financing from the Wisconsin Clean Water Fund. They assumed special assessments to pay for \$7.5 million, and they assumed \$1,350,000 in connection charges from the individual property owners. Unfortunately, the special assessments only totaled \$5,800,000 and no connection charges were collected from property owners since the District did not inform the Town to collect this money. So we began short by over \$3 million dollars in the original financing package. There were other assumptions built into the financing that added to the district shortfall.

I have already mentioned the beginning user numbers: the group assumed 755 residential units paying into the system and adding sixteen more homes each year; by 2010 they estimated 883 units connected. [we started with 585 units in 2002 and **currently** have only 627];

When completed, the commission assigned a \$9,900 special assessment per residential dwelling unit [actual costs were closer to \$24,000];

The financial program was based on \$13,700,000 construction costs [actual project costs were \$15,141,000 – nearly \$1.4 million more than estimated].

The commission established a monthly service costs of \$50 per unit [actual start-up operating costs were \$63.58].

In an internal Ruekert/Mielke memo in March, 2001, the consulting engineer reviewed the likely quarterly billing for the new system and \$9,900 assessment proposal. Based on these numbers, they identified the need for a \$60 per month charge beginning in 2002 and rising at 13% annually to \$180.00 **monthly** charge in 2011. And this was to cover the expenses if there were 755 units connected charging \$9,900 for a connection.

The sanitary commission adopted the \$9,900 assessment and \$55.00 per month charges at a meeting on April 24, 2002. Connections began in July, 2002. The Town of Summit coordinated the connections via plumbing permits and inspections by the Town inspector. The Sanitary District commission had its own attorney, engineer, secretary and commissioners until March, 2003.

As you know, the Village Board currently serves as the Summit Utility District Commission. The Town Board took on this responsibility in May of 2003 after the two of the three sanitary district commissioners resigned. These commissioners were Mike Krzykowski and Maury Sullivan. The third commissioner (Frank Geers) had his term expire in February of 2003 and the Town Board chairman, Maury Sullivan, chose not to reappoint him. Following the 2003 Town elections, the Town Board converted this organization to a utility district under the auspices of the Town of Summit.

Utility District #2 owns the collection system (includes 41,100 lineal feet of gravity sewer line, 24,500 lineal feet of force main), six lift stations and operates the system. As owners and operators of a sewage collection system we have costs to maintain and operate these facilities. The current budget and quarterly charges cover the operating expenses. We remain deficient in our debt payment structure and financing.

The District has three sources of revenue. The first source, and the one most familiar to you is the quarterly billing received by all developed properties. Currently we bill 542 single family residential units and 85 non-residential customers (Rogers Hospital, taverns on Delafield Road, and several small office operations). All of the developed properties in the District are connected to the system. All the developed properties receive quarterly bills for the sewer service. All billing is at the same \$210 per quarter rate. The non-residential accounts are based on anticipated use. For example Ole's Tavern pays 3 times the rate, Rogers Hospital pays at 61 times the rate. Altogether, this currently totals 627.5 units.

The second source of revenue is the special assessments from 2002 when the system was installed. At that time property owners were given a choice of one-time payment or a ten-year payment plan. If you chose the ten-year plan you still have two years remaining on that schedule, December billings in 2011 and 2012. However, the amount of these payments goes down with time and as people pay off the charges early.

The third source of revenue for the District is the annual tax levy. This amount had originally been identified as the administrative costs of the Village for completing the quarterly bills, annual audits and other operational expenses related to the Utility District. In the past two years it has been increased to supplement the debt payments and keep the district solvent.

So, where does all this leave us today, September 8, 2011?

The Village and District hired Ehlers Associates to identify the current cash flow situation and long-term financial balance sheet for the District and Village of Summit. We also requested that they assist us in preparing alternatives for mitigating the financial deficits. Mr. Greg Johnson is here tonight from Ehlers to describe their findings. After his presentation the two of us will describe the current proposal to satisfy the funding needs of the District. We will also take questions at that time.

Appendix C: Cash Flow Projection Models for Summit Utility District #2

Option #1

Village of Summit Utility District #2

Option #1

Increase Operations and Maintenance Charges to Cover Expenditures.
Increase debt capital charge from 2012-2016.
Increase in District Special Charge of 5% annually until 2014.
No debt restructuring



Units/DUE	Year	Del-Hart Quarterly Charge	Change from Prior Year	Del-Hart Treatment Revenues	Operation Quarterly Charge	Change from Prior Year	Operation/ Maintenance Revenues	Debt/Capital Quarterly Charge	Change from Prior Year	Debt/ Capital Revenues	Less: Treatment Expense	Less: Oper./Maint. Expense	Net Operating Revenues	Add: District Special Charge	Change from Prior Year	Add: Investment Income	Add: Special Asmt. Revenue	Add: New DUE Connections	Bonds Debt Service Total P & I	Less: Replacement Fund	Net Cash Flow	Ending Non-Restricted Cash	Year
614.5	2010													5% increase to 2014								288,040	2010
627.5	2011	\$46.50		\$116,715	\$35.10		\$88,101	\$128.40		\$322,284	(\$114,200)	(\$131,380)	\$281,520	\$194,375		\$4,321	\$256,071		(\$784,599)	(\$25,000)	(\$73,312)	\$214,728	2011
628.75	2012	\$46.50	\$0.00	\$116,948	\$35.10	\$0.00	\$88,277	\$178.40	\$50.00	\$448,676	(\$147,107)	(\$126,853)	\$379,940	\$204,094	\$9,719	\$3,221	\$226,967	\$0	(\$834,364)	(\$25,000)	(\$45,142)	\$169,585	2012
630.5	2013	\$46.50	\$0.00	\$117,273	\$35.10	\$0.00	\$88,522	\$228.40	\$50.00	\$576,025	(\$149,314)	(\$128,756)	\$503,751	\$214,298	\$10,205	\$2,544		\$33,452	(\$831,870)	(\$25,000)	(\$102,825)	\$66,760	2013
632.5	2014	\$46.50	\$0.00	\$117,645	\$35.10	\$0.00	\$88,803	\$278.40	\$50.00	\$704,352	(\$151,553)	(\$130,687)	\$628,560	\$225,013	\$10,715	\$1,001		\$33,452	(\$829,367)	(\$25,000)	\$33,659	\$100,419	2014
634.5	2015	\$46.50	\$0.00	\$118,017	\$35.10	\$0.00	\$89,084	\$313.40	\$35.00	\$795,409	(\$153,827)	(\$132,647)	\$716,036	\$225,013	\$0	\$1,506		\$33,452	(\$831,856)	(\$25,000)	\$119,152	\$219,571	2015
639.5	2016	\$47.50	\$1.00	\$121,505	\$36.10	\$1.00	\$92,344	\$328.40	\$15.00	\$840,047	(\$156,134)	(\$134,637)	\$763,125	\$225,013	\$0	\$3,294		\$83,630	(\$834,112)	(\$25,000)	\$215,950	\$435,521	2016
644.5	2017	\$47.50	\$0.00	\$122,455	\$36.10	\$0.00	\$93,066	\$328.40	\$0.00	\$846,615	(\$158,476)	(\$136,657)	\$767,003	\$225,013	\$0	\$6,533		\$83,630	(\$846,132)	(\$25,000)	\$211,047	\$646,568	2017
644.5	2018	\$48.50	\$1.00	\$125,033	\$37.10	\$1.00	\$95,644	\$328.40	\$0.00	\$846,615	(\$160,853)	(\$138,707)	\$767,732	\$225,013	\$0	\$9,699			(\$842,467)	(\$25,000)	\$134,977	\$781,545	2018
644.5	2019	\$49.50	\$1.00	\$127,611	\$38.10	\$1.00	\$98,222	\$328.40	\$0.00	\$846,615	(\$163,266)	(\$140,787)	\$768,395	\$225,013	\$0	\$11,723			(\$848,793)	(\$25,000)	\$131,338	\$912,884	2019
644.5	2020	\$50.50	\$1.00	\$130,189	\$39.10	\$1.00	\$100,800	\$328.40	\$0.00	\$846,615	(\$165,715)	(\$142,899)	\$768,990	\$225,013	\$0	\$13,693			(\$849,658)	(\$25,000)	\$133,039	\$1,045,923	2020
644.5	2021	\$51.50	\$1.00	\$132,767	\$40.10	\$1.00	\$103,378	\$328.40	\$0.00	\$846,615	(\$168,201)	(\$145,042)	\$769,517	\$225,013	\$0	\$15,689			(\$850,422)	(\$25,000)	\$134,797	\$1,180,720	2021
644.5	2022	\$52.50	\$1.00	\$135,345	\$41.10	\$1.00	\$105,956	\$328.40	\$0.00	\$846,615	(\$170,724)	(\$147,218)	\$769,974	\$225,013	\$0	\$17,711			(\$1,014,483)	(\$25,000)	(\$26,784)	\$1,153,935	2022
644.5	2023	\$53.50	\$1.00	\$137,923	\$42.10	\$1.00	\$108,534	\$328.40	\$0.00	\$846,615	(\$173,285)	(\$149,426)	\$770,361	\$225,013	\$0	\$17,309			(\$1,024,030)	(\$25,000)	(\$36,346)	\$1,117,589	2023
644.5	2024	\$54.50	\$1.00	\$140,501	\$43.10	\$1.00	\$111,112	\$328.40	\$0.00	\$846,615	(\$175,884)	(\$151,668)	\$770,676	\$225,013	\$0	\$16,764			(\$1,026,405)	(\$25,000)	(\$38,951)	\$1,078,638	2024
644.5	2025	\$55.50	\$1.00	\$143,079	\$44.10	\$1.00	\$113,690	\$328.40	\$0.00	\$846,615	(\$178,522)	(\$153,943)	\$770,919	\$225,013	\$0	\$16,180			(\$1,036,805)	(\$25,000)	(\$49,693)	\$1,028,945	2025
644.5	2026	\$56.50	\$1.00	\$145,657	\$45.10	\$1.00	\$116,268	\$328.40	\$0.00	\$846,615	(\$181,200)	(\$156,252)	\$771,088	\$225,013	\$0	\$15,434			(\$1,034,055)	(\$25,000)	(\$47,519)	\$981,425	2026
644.5	2027	\$57.50	\$1.00	\$148,235	\$46.10	\$1.00	\$118,846	\$328.40	\$0.00	\$846,615	(\$183,918)	(\$158,596)	\$771,182	\$225,013	\$0	\$14,721			\$0	(\$25,000)	\$985,917	\$1,967,343	2027
Total				\$2,196,898			\$1,700,644			\$12,999,560	(\$2,752,177)	(\$2,406,155)	\$11,738,770	\$3,762,954	\$30,638	\$171,342	\$483,038	\$267,616	(\$14,319,418)	(\$425,000)			

Methodology Summary

1. Users adjusted for known growth in 2011, increased modestly thereafter.
2. Expenditure increases at 1.5% annually from 2012-2027.
3. Conservative assumptions for special assessment collections through 2012.
4. 1 new connections in 2012, 2 connections 2013-2015, 5 connections 2016-2017.
5. No General Fund Transfers

Annual Impact To User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Treatment Charge	\$186	\$186	\$186	\$186	\$186	\$190	\$190	\$194	\$198	\$202	\$206	\$210	\$214	\$218	\$222	\$226	\$230
Operations Charge	\$140	\$140	\$140	\$140	\$140	\$144	\$144	\$148	\$152	\$156	\$160	\$164	\$168	\$172	\$176	\$180	\$184
Debt Charge	\$514	\$714	\$914	\$1,114	\$1,254	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314	\$1,314
District Charge Per DUE	\$310	\$325	\$340	\$356	\$355	\$352	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349	\$349
District Total	\$1,150	\$1,365	\$1,580	\$1,796	\$1,935	\$2,000	\$1,997	\$2,005	\$2,013	\$2,021	\$2,029	\$2,037	\$2,045	\$2,053	\$2,061	\$2,069	\$2,077
Change from Prior Year		\$215	\$215	\$216	\$139	\$65	-\$3	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8
Quarterly Charge Per Year	\$210.00	\$260.00	\$310.00	\$360.00	\$395.00	\$412.00	\$412.00	\$414.00	\$416.00	\$418.00	\$420.00	\$422.00	\$424.00	\$426.00	\$428.00	\$430.00	\$432.00
Change from Prior Year		\$50.00	\$50.00	\$50.00	\$35.00	\$17.00	\$0.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00

Option #2



Village of Summit Utility District #2

Option #2:
Increase in Quarterly Charges for Operations/Maintenance
Implement Village wide levy.
Increase in District Special Charge of 5% annually until 2014.

		Del-Hart Quarterly Charge	Change from Prior Year	Del-Hart Treatment Revenues	Operation Quarterly Charge	Change from Prior Year	Operation/ Maintenance Revenues	Debt/Capital Quarterly Charge	Change from Prior Year	Debt/ Capital Revenues	Less: Treatment Expense	Less: Oper./Maint. Expense	Net Operating Revenues	Add: District Special Charge	Add: Village Tax Levy	Change from Prior Year	Add: Investment Income	Add: Special Asmt. Revenue	Add: New DUE Connections	Bonds Debt Service Total P & I	Less: Replacement Fund	Net Cash Flow	Ending Non-Restricted Cash	Year	
Units/DUE	Year	Charge			Charge			Charge																Year	
614.5	2010																						288,040	2010	
627.5	2011	\$46.50		\$116,715	\$35.10		\$88,101	\$128.40		\$322,284	(\$114,200)	(\$131,380)	\$281,520	\$194,375			\$4,321	\$256,071			(\$784,599)	(\$25,000)	(\$73,312)	\$214,728	2011
628.75	2012	\$46.50	\$0.00	\$116,948	\$35.10	\$0.00	\$88,277	\$128.40	\$0.00	\$322,926	(\$147,107)	(\$126,853)	\$254,190	\$194,375	\$250,000	\$0	\$3,221	\$226,967	\$0		(\$834,364)	(\$25,000)	\$69,389	\$284,117	2012
630.5	2013	\$46.50	\$0.00	\$117,273	\$35.10	\$0.00	\$88,522	\$128.40	\$0.00	\$323,825	(\$149,314)	(\$128,756)	\$251,551	\$194,375	\$400,000	\$150,000	\$4,262		\$33,452		(\$831,870)	(\$25,000)	\$26,769	\$310,886	2013
632.5	2014	\$46.50	\$0.00	\$117,645	\$35.10	\$0.00	\$88,803	\$128.40	\$0.00	\$324,852	(\$151,553)	(\$130,687)	\$249,060	\$194,375	\$400,000	\$0	\$4,663		\$33,452		(\$829,367)	(\$25,000)	\$27,183	\$338,069	2014
634.5	2015	\$46.50	\$0.00	\$118,017	\$35.10	\$0.00	\$89,084	\$128.40	\$0.00	\$325,879	(\$153,827)	(\$132,647)	\$246,506	\$194,375	\$400,000	\$0	\$5,071		\$33,452		(\$831,856)	(\$25,000)	\$22,548	\$360,617	2015
639.5	2016	\$47.50	\$1.00	\$121,505	\$36.10	\$1.00	\$92,344	\$128.40	\$0.00	\$328,447	(\$156,134)	(\$134,637)	\$251,525	\$194,375	\$400,000	\$0	\$5,409		\$83,630		(\$834,112)	(\$25,000)	\$75,827	\$436,444	2016
644.5	2017	\$47.50	\$0.00	\$122,455	\$36.10	\$0.00	\$93,066	\$128.40	\$0.00	\$331,015	(\$158,476)	(\$136,657)	\$251,403	\$194,375	\$425,000	\$25,000	\$6,547		\$83,630		(\$846,132)	(\$25,000)	\$89,823	\$526,267	2017
644.5	2018	\$48.50	\$1.00	\$125,033	\$37.10	\$1.00	\$95,644	\$128.40	\$0.00	\$331,015	(\$160,853)	(\$138,707)	\$252,132	\$194,375	\$425,000	\$0	\$7,894				(\$842,467)	(\$25,000)	\$11,934	\$538,201	2018
644.5	2019	\$49.50	\$1.00	\$127,611	\$38.10	\$1.00	\$98,222	\$128.40	\$0.00	\$331,015	(\$163,266)	(\$140,787)	\$252,795	\$194,375	\$425,000	\$0	\$8,073				(\$848,793)	(\$25,000)	\$6,450	\$544,651	2019
644.5	2020	\$50.50	\$1.00	\$130,189	\$39.10	\$1.00	\$100,800	\$128.40	\$0.00	\$331,015	(\$165,715)	(\$142,899)	\$253,390	\$194,375	\$425,000	\$0	\$8,170				(\$849,658)	(\$25,000)	\$6,277	\$550,928	2020
644.5	2021	\$51.50	\$1.00	\$132,767	\$40.10	\$1.00	\$103,378	\$128.40	\$0.00	\$331,015	(\$168,201)	(\$145,042)	\$253,917	\$194,375	\$425,000	\$0	\$8,264				(\$850,422)	(\$25,000)	\$6,134	\$557,062	2021
644.5	2022	\$52.50	\$1.00	\$135,345	\$41.10	\$1.00	\$105,956	\$128.40	\$0.00	\$331,015	(\$170,724)	(\$147,218)	\$254,374	\$194,375	\$575,000	\$150,000	\$8,356				(\$1,014,483)	(\$25,000)	(\$7,377)	\$549,684	2022
644.5	2023	\$53.50	\$1.00	\$137,923	\$42.10	\$1.00	\$108,534	\$128.40	\$0.00	\$331,015	(\$173,285)	(\$149,426)	\$254,761	\$194,375	\$575,000	\$0	\$8,245				(\$1,024,030)	(\$25,000)	(\$16,649)	\$533,036	2023
644.5	2024	\$54.50	\$1.00	\$140,501	\$43.10	\$1.00	\$111,112	\$128.40	\$0.00	\$331,015	(\$175,884)	(\$151,668)	\$255,076	\$194,375	\$575,000	\$0	\$7,996				(\$1,026,405)	(\$25,000)	(\$18,958)	\$514,078	2024
644.5	2025	\$55.50	\$1.00	\$143,079	\$44.10	\$1.00	\$113,690	\$128.40	\$0.00	\$331,015	(\$178,522)	(\$153,943)	\$255,319	\$194,375	\$575,000	\$0	\$7,711				(\$1,036,805)	(\$25,000)	(\$29,400)	\$484,678	2025
644.5	2026	\$56.50	\$1.00	\$145,657	\$45.10	\$1.00	\$116,268	\$128.40	\$0.00	\$331,015	(\$181,200)	(\$156,252)	\$255,488	\$194,375	\$575,000	\$0	\$7,270				(\$1,034,055)	(\$25,000)	(\$26,922)	\$457,756	2026
644.5	2027	\$57.50	\$1.00	\$148,235	\$46.10	\$1.00	\$118,846	\$128.40	\$0.00	\$331,015	(\$183,918)	(\$158,596)	\$255,582	\$194,375	\$0	(\$575,000)	\$6,866			\$0	(\$25,000)	\$431,824	\$889,580	2027	
Total				\$2,196,898			\$1,700,644			\$5,589,380	(\$2,752,177)	(\$2,406,155)	\$4,328,590	\$3,304,375	\$6,850,000	(\$250,000)	\$112,339	\$483,038	\$267,616	(\$14,319,418)	(\$425,000)				

Methodology Summary

- Users adjusted for known growth in 2011, increased modestly thereafter.
- Expenditure increases at 1.5% annually from 2012-2027.
- Conservative assumptions for special assessment collections through 2012.
- 1 new connections in 2012, 2 connections 2013-2015, 5 connections 2016-2017.
- No General Fund Transfers

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Treatment Charge	\$186	\$186	\$186	\$186	\$186	\$190	\$190	\$194	\$198	\$202	\$206	\$210	\$214	\$218	\$222	\$226	\$230
Operations Charge	\$140	\$140	\$140	\$140	\$140	\$144	\$144	\$148	\$152	\$156	\$160	\$164	\$168	\$172	\$176	\$180	\$184
Debt Charge	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514	\$514
District Charge Per DUE	\$310	\$309	\$308	\$307	\$306	\$304	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302
District Total	\$1,150	\$1,149	\$1,148	\$1,147	\$1,146	\$1,152	\$1,150	\$1,158	\$1,166	\$1,174	\$1,182	\$1,190	\$1,198	\$1,206	\$1,214	\$1,222	\$1,230
Village Levy	\$0	\$250,000	\$400,000	\$400,000	\$400,000	\$400,000	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000	\$0
Equalized Value	1,006,660,800	987,268,000	967,522,640	967,522,640	977,197,866	986,969,845	996,839,544	1,006,807,939	1,016,876,018	1,027,044,779	1,037,315,226	1,047,688,379	1,058,165,262	1,068,746,915	1,079,434,384	1,090,228,728	1,101,131,015
Equalized Tax Rate	\$0	\$0.25	\$0.41	\$0.41	\$0.41	\$0.41	\$0.43	\$0.42	\$0.42	\$0.41	\$0.41	\$0.55	\$0.54	\$0.54	\$0.53	\$0.53	\$0.00
Impact on \$300,000 Home	\$0	\$76	\$124	\$124	\$123	\$122	\$128	\$127	\$125	\$124	\$123	\$165	\$163	\$161	\$160	\$158	\$0
ANNUAL TOTAL	\$1,150	\$1,225	\$1,272	\$1,271	\$1,269	\$1,274	\$1,277	\$1,284	\$1,291	\$1,298	\$1,305	\$1,354	\$1,361	\$1,367	\$1,373	\$1,380	\$1,230
Change from Prior Year		\$75	\$47	-\$1	-\$2	\$4	\$4	\$7	\$7	\$7	\$7	\$50	\$6	\$6	\$6	\$6	-\$150
Quarterly Charge Per Year	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$212.00	\$212.00	\$214.00	\$216.00	\$218.00	\$220.00	\$222.00	\$224.00	\$226.00	\$228.00	\$230.00	\$232.00
Change From Prior Year		\$0.00	\$0.00	\$0.00	\$0.00	\$2.00	\$0.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00

Option #3



Village of Summit Utility District #2

Option #3:
Increases in All Quarterly Charges
Implement Village Wide Levy
Increase in District Special Charge of 5% annually until 2014.

		Del-Hart Quarterly Charge	Change from Prior Year	Del-Hart Treatment Revenues	Operation Quarterly Charge	Change from Prior Year	Operation/ Maintenance Revenues	Debt/Capital Quarterly Charge	Change from Prior Year	Debt/ Capital Revenues	Less: Treatment Expense	Less: Oper./Maint. Expense	Net Operating Revenues	Add: District Special Charge	Add: Village Tax Levy	Change from Prior Year	Add: Investment Income	Add: Special Asmt. Revenue	Add: New DUE Connections	Bonds Debt Service Total P & I	Less: Replacement Fund	Net Cash Flow	Ending Non-Restricted Cash	Year	
Units/DUE	Year																							Year	
614.5	2010																						288,040	2010	
627.5	2011	\$46.50		\$116,715	\$35.10		\$88,101	\$128.40		\$322,284	(\$114,200)	(\$131,380)	\$281,520	\$194,375			\$4,321	\$256,071			(\$784,599)	(\$25,000)	(\$73,312)	\$214,728	2011
628.75	2012	\$46.50	\$0.00	\$116,948	\$35.10	\$0.00	\$88,277	\$140.40	\$12.00	\$353,106	(\$147,107)	(\$126,853)	\$284,370	\$194,375	\$250,000	\$250,000	\$3,221	\$226,967	\$0		(\$834,364)	(\$25,000)	\$99,569	\$314,297	2012
630.5	2013	\$46.50	\$0.00	\$117,273	\$35.10	\$0.00	\$88,522	\$152.40	\$12.00	\$384,353	(\$149,314)	(\$128,756)	\$312,079	\$194,375	\$250,000	\$0	\$4,714		\$33,452		(\$831,870)	(\$25,000)	(\$62,250)	\$252,047	2013
632.5	2014	\$46.50	\$0.00	\$117,645	\$35.10	\$0.00	\$88,803	\$164.40	\$12.00	\$415,932	(\$151,553)	(\$130,687)	\$340,140	\$194,375	\$250,000	\$0	\$3,781		\$33,452		(\$829,367)	(\$25,000)	(\$32,620)	\$219,427	2014
634.5	2015	\$46.50	\$0.00	\$118,017	\$35.10	\$0.00	\$89,084	\$176.40	\$12.00	\$447,703	(\$153,827)	(\$132,647)	\$368,330	\$194,375	\$250,000	\$0	\$3,291		\$33,452		(\$831,856)	(\$25,000)	(\$7,408)	\$212,019	2015
639.5	2016	\$47.50	\$1.00	\$121,505	\$36.10	\$1.00	\$92,344	\$188.40	\$12.00	\$481,927	(\$156,134)	(\$134,637)	\$405,005	\$194,375	\$250,000	\$0	\$3,180		\$83,630		(\$834,112)	(\$25,000)	\$77,078	\$289,097	2016
644.5	2017	\$48.50	\$1.00	\$125,033	\$37.10	\$1.00	\$95,644	\$200.40	\$12.00	\$516,631	(\$158,476)	(\$136,657)	\$442,175	\$194,375	\$250,000	\$0	\$4,336		\$83,630		(\$846,132)	(\$25,000)	\$103,385	\$392,482	2017
644.5	2018	\$49.50	\$1.00	\$127,611	\$38.10	\$1.00	\$98,222	\$212.40	\$12.00	\$547,567	(\$160,853)	(\$138,707)	\$473,840	\$194,375	\$250,000	\$0	\$5,887				(\$842,467)	(\$25,000)	\$56,636	\$449,118	2018
644.5	2019	\$50.50	\$1.00	\$130,189	\$39.10	\$1.00	\$100,800	\$224.40	\$12.00	\$578,503	(\$163,266)	(\$140,787)	\$505,439	\$194,375	\$250,000	\$0	\$6,737				(\$848,793)	(\$25,000)	\$82,758	\$531,875	2019
644.5	2020	\$51.50	\$1.00	\$132,767	\$40.10	\$1.00	\$103,378	\$236.40	\$12.00	\$609,439	(\$165,715)	(\$142,899)	\$536,970	\$194,375	\$250,000	\$0	\$7,978				(\$849,658)	(\$25,000)	\$114,665	\$646,540	2020
644.5	2021	\$52.50	\$1.00	\$135,345	\$41.10	\$1.00	\$105,956	\$247.40	\$11.00	\$637,797	(\$168,201)	(\$145,042)	\$565,855	\$194,375	\$225,000	(\$25,000)	\$9,698				(\$850,422)	(\$25,000)	\$119,506	\$766,046	2021
644.5	2022	\$53.50	\$1.00	\$137,923	\$42.10	\$1.00	\$108,534	\$258.40	\$11.00	\$666,155	(\$170,724)	(\$147,218)	\$594,670	\$194,375	\$225,000	\$0	\$11,491				(\$1,014,483)	(\$25,000)	(\$13,947)	\$752,100	2022
644.5	2023	\$54.50	\$1.00	\$140,501	\$43.10	\$1.00	\$111,112	\$269.40	\$11.00	\$694,513	(\$173,285)	(\$149,426)	\$623,415	\$194,375	\$225,000	\$0	\$11,281				(\$1,024,030)	(\$25,000)	\$5,042	\$757,141	2023
644.5	2024	\$55.50	\$1.00	\$143,079	\$44.10	\$1.00	\$113,690	\$280.40	\$11.00	\$722,871	(\$175,884)	(\$151,668)	\$652,088	\$194,375	\$225,000	\$0	\$11,357				(\$1,026,405)	(\$25,000)	\$31,416	\$788,557	2024
644.5	2025	\$56.50	\$1.00	\$145,657	\$45.10	\$1.00	\$116,268	\$291.40	\$11.00	\$751,229	(\$178,522)	(\$153,943)	\$680,689	\$194,375	\$225,000	\$0	\$11,828				(\$1,036,805)	(\$25,000)	\$50,088	\$838,645	2025
644.5	2026	\$57.50	\$1.00	\$148,235	\$46.10	\$1.00	\$118,846	\$302.40	\$11.00	\$779,587	(\$181,200)	(\$156,252)	\$709,216	\$194,375	\$225,000	\$0	\$12,580				(\$1,034,055)	(\$25,000)	\$82,116	\$920,760	2026
644.5	2027	\$58.50	\$1.00	\$150,813	\$47.10	\$1.00	\$121,424	\$313.40	\$11.00	\$807,945	(\$183,918)	(\$158,596)	\$737,668	\$194,375	\$0	(\$225,000)	\$13,811			\$0	(\$25,000)	\$920,855	\$1,841,615	2027	
Total				\$2,225,256			\$1,729,002			\$9,717,544	(\$2,752,177)	(\$2,406,155)	\$8,513,470	\$3,304,375	\$3,600,000	\$0	\$129,494	\$483,038	\$267,616		(\$14,319,418)	(\$425,000)			

Methodology Summary

1. Users adjusted for known growth in 2011, increased modestly thereafter.
2. Expenditure increases at 1.5% annually from 2012-2027.
3. Conservative assumptions for special assessment collections through 2012.
4. 1 new connections in 2012, 2 connections 2013-2015, 5 connections 2016-2017.
5. No General Fund Transfers

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Treatment Charge	\$186	\$186	\$186	\$186	\$186	\$190	\$194	\$198	\$202	\$206	\$210	\$214	\$218	\$222	\$226	\$230	\$234
Operations Charge	\$140	\$140	\$140	\$140	\$140	\$144	\$148	\$152	\$156	\$160	\$164	\$168	\$172	\$176	\$180	\$184	\$188
Debt Charge	\$514	\$562	\$610	\$658	\$706	\$754	\$802	\$850	\$898	\$946	\$990	\$1,034	\$1,078	\$1,122	\$1,166	\$1,210	\$1,254
District Charge Per DUE	\$310	\$309	\$308	\$307	\$306	\$304	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302
District Total	\$1,150	\$1,197	\$1,244	\$1,291	\$1,338	\$1,392	\$1,446	\$1,502	\$1,558	\$1,614	\$1,666	\$1,718	\$1,770	\$1,822	\$1,874	\$1,926	\$1,978
Village Levy	\$0	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$0
Equalized Value	1,006,660,800	987,268,000	967,522,640	967,522,640	977,197,866	986,969,845	996,839,544	1,006,807,939	1,016,876,018	1,027,044,779	1,037,315,226	1,047,688,379	1,058,165,262	1,068,746,915	1,079,434,384	1,090,228,728	1,101,131,015
Equalized Tax Rate	\$0	\$0.25	\$0.26	\$0.26	\$0.26	\$0.25	\$0.25	\$0.25	\$0.25	\$0.24	\$0.22	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.00
Impact on \$300,000 Home	\$0	\$76	\$78	\$78	\$77	\$76	\$75	\$74	\$74	\$73	\$65	\$64	\$64	\$63	\$63	\$62	\$0
ANNUAL TOTAL	\$1,150	\$1,273	\$1,322	\$1,369	\$1,415	\$1,468	\$1,521	\$1,576	\$1,631	\$1,687	\$1,731	\$1,782	\$1,833	\$1,885	\$1,936	\$1,988	\$1,978
Change from Prior Year		\$123	\$49	\$47	\$46	\$53	\$53	\$55	\$55	\$55	\$44	\$51	\$51	\$51	\$51	\$51	-\$10
Quarterly Charge Per Year	\$210.00	\$222.00	\$234.00	\$246.00	\$258.00	\$272.00	\$286.00	\$300.00	\$314.00	\$328.00	\$341.00	\$354.00	\$367.00	\$380.00	\$393.00	\$406.00	\$419.00
Change From Prior Year		\$12.00	\$12.00	\$12.00	\$12.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00

Option #4

Village of Summit Utility District #2

Option #4:

Increase in Quarterly Charges for Operations/Maintenance
Increase in Capital/Debt Quarterly Charge \$30 every three years starting in 2012.
Implement Village Wide Levy of \$300,000
District Special Charge Decreased
Increase in District Special Charge of 5% annually until 2014.



Units/DUE	Year	Del-Hart Quarterly Charge	Change from Prior Year	Del-Hart Treatment Revenues	Operation Quarterly Charge	Change from Prior Year	Operation/ Maintenance Revenues	Debt/Capital Quarterly Charge	Change from Prior Year	Debt/ Capital Revenues	Less: Treatment Expense	Less: Oper./Maint. Expense	Net Operating Revenues	Add: District Special Charge	Add: Village Tax Levy	Change from Prior Year	Add: Investment Income	Add: Special Asmt. Revenue	Add: New DUE Connections	Bonds Debt Service Total P & I	Less: Replacement Fund	Net Cash Flow	Ending Non-Restricted Cash	Year
614.5	2010																						288,040	2010
627.5	2011	\$46.50		\$116,715	\$35.10		\$88,101	\$128.40		\$322,284	(\$114,200)	(\$131,380)	\$281,520	\$194,375			\$4,000	\$256,071		(\$784,599)	(\$25,000)	(\$73,633)	\$214,407	2011
628.75	2012	\$46.50	\$0.00	\$116,948	\$35.10	\$0.00	\$88,277	\$158.40	\$30.00	\$398,376	(\$147,107)	(\$126,853)	\$329,640	\$150,000	\$300,000	\$300,000	\$4,000	\$226,967	\$0	(\$834,364)	(\$25,000)	\$151,243	\$365,650	2012
630.5	2013	\$46.50	\$0.00	\$117,273	\$35.10	\$0.00	\$88,522	\$158.40	\$0.00	\$399,485	(\$149,314)	(\$128,756)	\$327,211	\$150,000	\$300,000	\$0	\$7,000		\$33,452	(\$831,870)	(\$25,000)	(\$39,207)	\$326,443	2013
632.5	2014	\$46.50	\$0.00	\$117,645	\$35.10	\$0.00	\$88,803	\$158.40	\$0.00	\$400,752	(\$151,553)	(\$130,687)	\$324,960	\$150,000	\$300,000	\$0	\$7,000		\$33,452	(\$829,367)	(\$25,000)	(\$38,955)	\$287,487	2014
634.5	2015	\$46.50	\$0.00	\$118,017	\$35.10	\$0.00	\$89,084	\$188.40	\$30.00	\$478,159	(\$153,827)	(\$132,647)	\$398,786	\$150,000	\$300,000	\$0	\$7,000		\$33,452	(\$831,856)	(\$25,000)	\$32,382	\$319,869	2015
639.5	2016	\$47.50	\$1.00	\$121,505	\$36.10	\$1.00	\$92,344	\$188.40	\$0.00	\$481,927	(\$156,134)	(\$134,637)	\$405,005	\$150,000	\$300,000	\$0	\$7,000		\$83,630	(\$834,112)	(\$25,000)	\$86,523	\$406,392	2016
644.5	2017	\$48.50	\$1.00	\$125,033	\$37.10	\$1.00	\$95,644	\$188.40	\$0.00	\$485,695	(\$158,476)	(\$136,657)	\$411,239	\$150,000	\$300,000	\$0	\$7,000		\$83,630	(\$846,132)	(\$25,000)	\$80,737	\$487,129	2017
644.5	2018	\$49.50	\$1.00	\$127,611	\$38.10	\$1.00	\$98,222	\$218.40	\$30.00	\$563,035	(\$160,853)	(\$138,707)	\$489,308	\$150,000	\$300,000	\$0	\$7,000			(\$842,467)	(\$25,000)	\$78,841	\$565,971	2018
644.5	2019	\$50.50	\$1.00	\$130,189	\$39.10	\$1.00	\$100,800	\$218.40	\$0.00	\$563,035	(\$163,266)	(\$140,787)	\$489,971	\$150,000	\$300,000	\$0	\$7,000			(\$848,793)	(\$25,000)	\$73,178	\$639,148	2019
644.5	2020	\$51.50	\$1.00	\$132,767	\$40.10	\$1.00	\$103,378	\$218.40	\$0.00	\$563,035	(\$165,715)	(\$142,899)	\$490,566	\$150,000	\$300,000	\$0	\$7,000			(\$849,658)	(\$25,000)	\$72,908	\$712,056	2020
644.5	2021	\$52.50	\$1.00	\$135,345	\$41.10	\$1.00	\$105,956	\$248.40	\$30.00	\$640,375	(\$168,201)	(\$145,042)	\$568,433	\$150,000	\$300,000	\$0	\$7,000			(\$850,422)	(\$25,000)	\$150,011	\$862,067	2021
644.5	2022	\$53.50	\$1.00	\$137,923	\$42.10	\$1.00	\$108,534	\$248.40	\$0.00	\$640,375	(\$170,724)	(\$147,218)	\$568,890	\$150,000	\$300,000	\$0	\$7,000			(\$1,014,483)	(\$25,000)	(\$13,592)	\$848,475	2022
644.5	2023	\$54.50	\$1.00	\$140,501	\$43.10	\$1.00	\$111,112	\$248.40	\$0.00	\$640,375	(\$173,285)	(\$149,426)	\$569,277	\$150,000	\$300,000	\$0	\$7,000			(\$1,024,030)	(\$25,000)	(\$22,753)	\$825,722	2023
644.5	2024	\$55.50	\$1.00	\$143,079	\$44.10	\$1.00	\$113,690	\$278.40	\$30.00	\$717,715	(\$175,884)	(\$151,668)	\$646,932	\$150,000	\$300,000	\$0	\$7,000			(\$1,026,405)	(\$25,000)	\$52,527	\$878,250	2024
644.5	2025	\$56.50	\$1.00	\$145,657	\$45.10	\$1.00	\$116,268	\$278.40	\$0.00	\$717,715	(\$178,522)	(\$153,943)	\$647,175	\$150,000	\$300,000	\$0	\$7,000			(\$1,036,805)	(\$25,000)	\$42,370	\$920,620	2025
644.5	2026	\$57.50	\$1.00	\$148,235	\$46.10	\$1.00	\$118,846	\$278.40	\$0.00	\$717,715	(\$181,200)	(\$156,252)	\$647,344	\$150,000	\$300,000	\$0	\$7,000			(\$1,034,055)	(\$25,000)	\$45,289	\$965,909	2026
644.5	2027	\$58.50	\$1.00	\$150,813	\$47.10	\$1.00	\$121,424	\$278.40	\$0.00	\$717,715	(\$183,918)	(\$158,596)	\$647,438	\$150,000	\$0	(\$300,000)	\$7,000			\$0	(\$25,000)	\$779,438	\$1,745,347	2027
Total				\$2,225,256			\$1,729,002			\$9,447,770	(\$2,752,177)	(\$2,406,155)	\$8,243,696	\$2,594,375	\$4,500,000	\$0	\$113,000	\$483,038	\$267,616	(\$14,319,418)	(\$425,000)			

Methodology Summary

- Users adjusted for known growth in 2011, increased modestly thereafter.
- Expenditure increases at 1.5% annually from 2012-2027.
- Conservative assumptions for special assessment collections through 2012.
- 1 new connections in 2012, 2 connections 2013-2015, 5 connections 2016-2017.
- No General Fund Transfers

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Treatment Charge	\$186	\$186	\$186	\$186	\$186	\$190	\$194	\$198	\$202	\$206	\$210	\$214	\$218	\$222	\$226	\$230	\$234
Operations Charge	\$140	\$140	\$140	\$140	\$140	\$144	\$148	\$152	\$156	\$160	\$164	\$168	\$172	\$176	\$180	\$184	\$188
Debt Charge	\$514	\$634	\$634	\$634	\$754	\$754	\$754	\$874	\$874	\$874	\$994	\$994	\$994	\$1,114	\$1,114	\$1,114	\$1,114
District Charge Per DUE	\$310	\$239	\$238	\$237	\$236	\$235	\$233	\$233	\$233	\$233	\$239	\$302	\$233	\$233	\$233	\$233	\$233
District Total	\$1,150	\$1,199	\$1,198	\$1,197	\$1,316	\$1,323	\$1,329	\$1,457	\$1,465	\$1,473	\$1,607	\$1,678	\$1,617	\$1,745	\$1,753	\$1,761	\$1,769
Village Levy	\$0	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$0
Equalized Value	1,006,660,800	987,268,000	967,522,640	967,522,640	977,197,866	986,969,845	996,839,544	1,006,807,939	1,016,876,018	1,027,044,779	1,037,315,226	1,047,688,379	1,058,165,262	1,068,746,915	1,079,434,384	1,090,228,728	1,101,131,015
Equalized Tax Rate	\$0	\$0.30	\$0.31	\$0.31	\$0.31	\$0.30	\$0.30	\$0.30	\$0.30	\$0.29	\$0.29	\$0.29	\$0.28	\$0.28	\$0.28	\$0.28	\$0.00
Impact on \$300,000 Home	\$0	\$91	\$93	\$93	\$92	\$91	\$90	\$89	\$89	\$88	\$87	\$86	\$85	\$84	\$83	\$83	\$0
ANNUAL TOTAL	\$1,150	\$1,290	\$1,291	\$1,290	\$1,409	\$1,414	\$1,419	\$1,546	\$1,553	\$1,560	\$1,694	\$1,763	\$1,702	\$1,829	\$1,836	\$1,843	\$1,769
Change from Prior Year		\$140	\$1	-\$1	\$118	\$5	\$5	\$127	\$7	\$7	\$133	\$70	-\$62	\$127	\$7	\$7	-\$75
Quarterly Charge Per Year	\$210.00	\$240.00	\$240.00	\$240.00	\$270.00	\$272.00	\$274.00	\$306.00	\$308.00	\$310.00	\$342.00	\$344.00	\$346.00	\$378.00	\$380.00	\$382.00	\$384.00
Change From Prior Year		\$30.00	\$0.00	\$0.00	\$30.00	\$2.00	\$2.00	\$32.00	\$2.00	\$2.00	\$32.00	\$2.00	\$2.00	\$32.00	\$2.00	\$2.00	\$2.00

Appendix D: Cash Flow Projection Models for Silver Lake Utility District

Option #1



Village of Summit Silver Lake Utility District

Option #1
Increase Quarterly Treatment/License Fees to cover expenditures.
Increase Quarterly Debt/Capital Charge \$30 from 2012-2016
District Levy the same.
No Changes to Existing Debt

DUE	Year	Treatment Quarterly Charge	Change from from Prior Year	License Quarterly Charge	Change from from Prior Year	Treatment & License Revenues	Debt/Capital Quarterly Charge	Change from from Prior Year	Debt Repayment/ Capital Charges Revenues	Less: Treatment/ License Expense Annual Increase	Less: Oper./Maint. Expense Annual Increase	Net Operating Revenues	Add: Property Taxes	Change from Prior Year	Add: Investment Income	Add: Special Asmt. Revenue	Less: Debt Service Total P & I	Net Cash Flow	Ending Non-Restricted Cash	Estimated Equalized Value	Estimated Equalized Tax Rate	
164	2010									2.00%	2.00%				1.50%	Per Village Est.			395,703		District Only	
	2011	\$64.08		\$28.92		\$61,008	\$87.00		\$57,072	(\$59,730)	(\$30,420)	\$27,930	\$24,750		\$5,936	\$124,237	(\$263,600)	(\$80,747)	\$314,956	66,665,912	\$0.37	2011
	2012	\$64.08	\$0.00	\$28.92	\$0.00	\$61,008	\$117.00	\$30.00	\$76,752	(\$60,925)	(\$31,028)	\$45,807	\$24,750	\$0	\$2,772	\$116,457	(\$264,731)	(\$74,945)	\$240,010	66,665,912	\$0.37	2012
	2013	\$65.08	\$1.00	\$29.92	\$1.00	\$62,320	\$147.00	\$30.00	\$96,432	(\$62,143)	(\$31,649)	\$64,960	\$24,750	\$0	\$3,600	\$110,029	(\$265,450)	(\$62,111)	\$177,899	67,332,571	\$0.37	2013
	2014	\$66.08	\$1.00	\$30.92	\$1.00	\$63,632	\$177.00	\$30.00	\$116,112	(\$63,386)	(\$32,282)	\$84,076	\$24,750	\$0	\$2,668	\$104,953	(\$270,653)	(\$54,206)	\$123,694	68,005,897	\$0.36	2014
	2015	\$67.08	\$1.00	\$31.92	\$1.00	\$64,944	\$207.00	\$30.00	\$135,792	(\$64,654)	(\$32,928)	\$103,155	\$24,750	\$0	\$1,855	\$101,230	(\$270,500)	(\$39,510)	\$84,184	68,685,956	\$0.36	2015
	2016	\$68.08	\$1.00	\$32.92	\$1.00	\$66,256	\$237.00	\$30.00	\$155,472	(\$65,947)	(\$33,586)	\$122,195	\$24,750	\$0	\$1,263	\$97,506	(\$265,200)	(\$19,486)	\$64,698	69,372,815	\$0.36	2016
	2017	\$69.08	\$1.00	\$33.92	\$1.00	\$67,568	\$87.00	-\$150.00	\$57,072	(\$67,266)	(\$34,258)	\$23,116	\$24,750	\$0	\$970		\$0	\$48,837	\$113,535	70,066,544	\$0.35	2017
	2018	\$70.08	\$1.00	\$34.92	\$1.00	\$68,880	\$87.00	\$0.00	\$57,072	(\$68,611)	(\$34,943)	\$22,398	\$24,750	\$0	\$1,703			\$48,851	\$162,386	70,767,209	\$0.35	2018
	2019	\$71.08	\$1.00	\$35.92	\$1.00	\$70,192	\$87.00	\$0.00	\$57,072	(\$69,983)	(\$35,642)	\$21,639	\$24,750	\$0	\$2,436			\$48,825	\$211,211	71,474,881	\$0.35	2019
	2020	\$72.08	\$1.00	\$36.92	\$1.00	\$71,504	\$87.00	\$0.00	\$57,072	(\$71,383)	(\$36,355)	\$20,838	\$24,750	\$0	\$3,168			\$48,757	\$259,967	72,189,630	\$0.34	2020
	2021	\$73.08	\$1.00	\$37.92	\$1.00	\$72,816	\$87.00	\$0.00	\$57,072	(\$72,811)	(\$37,082)	\$19,996	\$24,750	\$0	\$3,900			\$48,645	\$308,612	72,911,526	\$0.34	2021
	2022	\$74.08	\$1.00	\$38.92	\$1.00	\$74,128	\$87.00	\$0.00	\$57,072	(\$74,267)	(\$37,823)	\$19,110	\$24,750	\$0	\$4,629			\$48,489	\$357,101	73,640,642	\$0.34	2022
Total						\$804,256			\$980,064	(\$801,104)	(\$407,996)	\$575,220	\$297,000	\$0	\$34,900	\$654,412	(\$1,600,134)					

Methodology Summary

- Users held constant.
- Expenditure increases at 2% annually.
- Conservative assumptions for special assessment collections through 2016.
- No collection of deferred special assessments related to new connections.
- No transfer from General Fund.

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Treatment Charge	\$256.32	\$256.32	\$260.32	\$264.32	\$268.32	\$272.32	\$276.32	\$280.32	\$284.32	\$288.32	\$292.32	\$296.32
License Charge	\$115.68	\$115.68	\$119.68	\$123.68	\$127.68	\$131.68	\$135.68	\$139.68	\$143.68	\$147.68	\$151.68	\$155.68
Debt/Capital Charge	\$348.00	\$468.00	\$588.00	\$708.00	\$828.00	\$948.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00
District Levy Per DUE	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91
ANNUAL TOTAL	\$870.91	\$990.91	\$1,118.91	\$1,246.91	\$1,374.91	\$1,502.91	\$910.91	\$918.91	\$926.91	\$934.91	\$942.91	\$950.91
Change from Prior Year		\$120.00	\$128.00	\$128.00	\$128.00	\$128.00	-\$592.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Quarterly Charge Per Year	\$180.00	\$210.00	\$242.00	\$274.00	\$306.00	\$338.00	\$190.00	\$192.00	\$194.00	\$196.00	\$198.00	\$200.00
Change from Prior Year		\$30.00	\$32.00	\$32.00	\$32.00	\$32.00	-\$148.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00

Option #2

Village of Summit Silver Lake Utility District

Option #2:

- Quarterly Charges Remian the Same
- No Changes to Existing Debt
- Increase to Silver Lake District Property Tax



DUE	Year	Treatment Quarterly Charge	License Quarterly Charge	Treatment & License Revenues	Debt/Capital Quarterly Charge	Debt Repayment/ Capital Charges Revenues	Less: Treatment/ License Expense	Less: Oper./Maint. Expense	Net Operating Revenues	Add: Property Taxes	Change from Prior Year	Add: Investment Income	Add: Special Asmt. Revenue	Less: Debt Service Total P & I	Net Cash Flow	Ending Non-Restricted Cash	Estimated Equalized Value	Estimated Equalized Tax Rate	Taxes on a \$300,000 Home	Year
164	2010						Annual Increase	Annual Increase				1.50%	Per Village Est.			395,703		District only	District only	
							2.00%	2.00%												
	2011	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$59,730)	(\$30,420)	\$27,930	\$24,750		\$5,936	\$124,237	(\$263,600)	(80,747)	314,956	66,665,912	\$0.37	\$111.38	2011
	2012	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$60,925)	(\$31,028)	\$26,127	\$44,750	\$20,000	\$2,772	\$116,457	(\$264,731)	(74,625)	240,330	66,665,912	\$0.67	\$201.38	2012
	2013	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$62,143)	(\$31,649)	\$24,288	\$64,750	\$20,000	\$3,605	\$110,029	(\$265,450)	(62,778)	177,552	67,332,571	\$0.96	\$288.49	2013
	2014	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$63,386)	(\$32,282)	\$22,412	\$84,750	\$20,000	\$2,663	\$104,953	(\$270,653)	(55,875)	121,677	68,005,897	\$1.25	\$373.86	2014
	2015	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$64,654)	(\$32,928)	\$20,499	\$104,750	\$20,000	\$1,825	\$101,230	(\$270,500)	(42,196)	79,481	68,685,956	\$1.53	\$457.52	2015
	2016	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$65,947)	(\$33,586)	\$18,547	\$135,750	\$31,000	\$1,192	\$97,506	(\$265,200)	(12,205)	67,277	69,372,815	\$1.96	\$587.05	2016
	2017	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$67,266)	(\$34,258)	\$16,556	\$24,750	(\$111,000)	\$1,009		\$0	42,316	109,592	70,066,544	\$0.35	\$105.97	2017
	2018	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$68,611)	(\$34,943)	\$14,526	\$24,750	\$0	\$1,644			40,920	150,512	70,767,209	\$0.35	\$104.92	2018
	2019	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$69,983)	(\$35,642)	\$12,455	\$24,750	\$0	\$2,258			39,463	189,975	71,474,881	\$0.35	\$103.88	2019
	2020	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$71,383)	(\$36,355)	\$10,342	\$24,750	\$0	\$2,850			37,942	227,917	72,189,630	\$0.34	\$102.85	2020
	2021	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$72,811)	(\$37,082)	\$8,188	\$24,750	\$0	\$3,419			36,356	264,273	72,911,526	\$0.34	\$101.84	2021
	2022	\$64.08	\$28.92	\$61,008	\$87.00	\$57,072	(\$74,267)	(\$37,823)	\$5,990	\$24,750	\$0	\$3,964			34,704	298,977	73,640,642	\$0.34	\$100.83	2022
Total				\$732,096		\$684,864	(\$801,104)	(\$407,996)	\$207,860	\$608,000		\$33,136	\$654,412	(\$1,600,134)						

Methodology Summary

- Users held constant.
- Expenditure increases at 2% annually.
- Conservative assumptions for special assessment collections through 2016.
- No collection of deferred special assessments related to new connections.
- No transfer from General Fund.

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Treatment Charge	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32	\$256.32
License Charge	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68	\$115.68
Debt/Capital Charge	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00
District Levy Per DUE	\$150.91	\$272.87	\$394.82	\$516.77	\$638.72	\$827.74	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91
ANNUAL TOTAL	\$870.91	\$992.87	\$1,114.82	\$1,236.77	\$1,358.72	\$1,547.74	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91	\$870.91
Change from Prior Year		\$121.95	\$121.95	\$121.95	\$121.95	\$189.02	-\$676.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Quarterly Charge Per Year	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00	\$180.00
Change from Prior Year		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Option #3

Village of Summit Silver Lake Utility District

Option #3:
Restructure Debt
Increase All Quarterly Charges
District Tax Levy Unchanged



DUE	Year	Treatment Quarterly Charge	Change from from Prior Year	License Quarterly Charge	Change from from Prior Year	Treatment & License Revenues	Debt/Capital Quarterly Charge	Change from from Prior Year	Debt Repayment/ Capital Charges Revenues	Less: Treatment/ License Expense Annual Increase	Less: Oper./Maint. Expense Annual Increase	Net Operating Revenues	Add: Property Taxes	Add: Investment Income 1.50%	Add: Special Asmt. Revenue Per Village Est.	Less: Debt Service Total P & I	Net Cash Flow	Ending Non-Restricted Cash 395,703	Estimated Equalized Value	Estimated Equalized Tax Rate District Only	Year
164	2010									2.00%	2.00%										
	2011	\$64.08		\$28.92		61,008	\$87.00		\$57,072	(\$59,730)	(\$30,420)	\$27,930	\$24,750	\$5,936	\$124,237	(\$263,600)	(80,747)	314,956	66,665,912	\$0.37	2011
	2012	\$65.08	\$1.00	\$29.92	\$1.00	62,320	\$98.00	\$11.00	\$64,288	(\$60,925)	(\$31,028)	\$34,655	\$24,750	\$2,772	\$116,457	(\$157,355)	21,279	336,235	66,665,912	\$0.37	2012
	2013	\$66.08	\$1.00	\$30.92	\$1.00	63,632	\$109.00	\$11.00	\$71,504	(\$62,143)	(\$31,649)	\$41,344	\$24,750	\$5,044	\$110,029	(\$155,664)	25,502	361,737	67,332,571	\$0.37	2013
	2014	\$67.08	\$1.00	\$31.92	\$1.00	64,944	\$120.00	\$11.00	\$78,720	(\$63,386)	(\$32,282)	\$47,996	\$24,750	\$5,426	\$104,953	(\$154,077)	29,049	390,786	68,005,897	\$0.36	2014
	2015	\$68.08	\$1.00	\$32.92	\$1.00	66,256	\$131.00	\$11.00	\$85,936	(\$64,654)	(\$32,928)	\$54,611	\$24,750	\$5,862	\$101,230	(\$156,955)	29,497	420,283	68,685,956	\$0.36	2015
	2016	\$69.08	\$1.00	\$33.92	\$1.00	67,568	\$142.00	\$11.00	\$93,152	(\$65,947)	(\$33,586)	\$61,187	\$24,750	\$6,304	\$97,506	(\$154,401)	35,347	455,629	69,372,815	\$0.36	2016
	2017	\$70.08	\$1.00	\$34.92	\$1.00	68,880	\$153.00	\$11.00	\$100,368	(\$67,266)	(\$34,258)	\$67,724	\$24,750	\$6,834		(\$156,355)	(57,046)	398,584	70,066,544	\$0.35	2017
	2018	\$71.08	\$1.00	\$35.92	\$1.00	70,192	\$164.00	\$11.00	\$107,584	(\$68,611)	(\$34,943)	\$74,222	\$24,750	\$5,979		(\$157,609)	(52,659)	345,925	70,767,209	\$0.35	2018
	2019	\$72.08	\$1.00	\$36.92	\$1.00	71,504	\$175.00	\$11.00	\$114,800	(\$69,983)	(\$35,642)	\$80,679	\$24,750	\$5,189		(\$153,248)	(42,631)	303,295	71,474,881	\$0.35	2019
	2020	\$73.08	\$1.00	\$37.92	\$1.00	72,816	\$186.00	\$11.00	\$122,016	(\$71,383)	(\$36,355)	\$87,094	\$24,750	\$4,549		(\$153,365)	(36,971)	266,324	72,189,630	\$0.34	2020
	2021	\$74.08	\$1.00	\$38.92	\$1.00	74,128	\$197.00	\$11.00	\$129,232	(\$72,811)	(\$37,082)	\$93,468	\$24,750	\$3,995		(\$157,895)	(35,683)	230,641	72,911,526	\$0.34	2021
	2022	\$75.08	\$1.00	\$39.92	\$1.00	75,440	\$208.00	\$11.00	\$136,448	(\$74,267)	(\$37,823)	\$99,798	\$24,750	\$3,460			128,007	358,648	73,640,642	\$0.34	2022
	2023	\$76.08	\$1.00	\$40.92	\$1.00	76,752	\$219.00	\$11.00	\$143,664	(\$75,752)	(\$38,580)	\$106,084	\$24,750	\$5,380			136,214	494,862	74,377,048	\$0.33	2023
	2024	\$77.08	\$1.00	\$41.92	\$1.00	78,064	\$230.00	\$11.00	\$150,880	(\$77,267)	(\$39,352)	\$112,325	\$24,750	\$7,423			144,498	639,361	75,120,818	\$0.33	2024
Total						973,504			\$1,455,664	(\$954,123)	(\$485,927)	\$989,117	\$346,500	\$74,152	\$654,412	(\$1,662,628)					

Methodology Summary

- Users held constant.
- Expenditure increases at 2% annually.
- Conservative assumptions for special assessment collections through 2016.
- No collection of deferred special assessments related to new connections.
- No transfer from General Fund.

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Treatment Charge	\$256.32	\$260.32	\$264.32	\$268.32	\$272.32	\$276.32	\$280.32	\$284.32	\$288.32	\$292.32	\$296.32	\$300.32	\$304.32	\$308.32
License Charge	\$115.68	\$119.68	\$123.68	\$127.68	\$131.68	\$135.68	\$139.68	\$143.68	\$147.68	\$151.68	\$155.68	\$159.68	\$163.68	\$167.68
Debt/Capital Charge	\$348.00	\$392.00	\$436.00	\$480.00	\$524.00	\$568.00	\$612.00	\$656.00	\$700.00	\$744.00	\$788.00	\$832.00	\$876.00	\$920.00
District Levy Per DUE	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91
ANNUAL TOTAL	\$870.91	\$922.91	\$974.91	\$1,026.91	\$1,078.91	\$1,130.91	\$1,182.91	\$1,234.91	\$1,286.91	\$1,338.91	\$1,390.91	\$1,442.91	\$1,494.91	\$1,546.91
Change from Prior Year		\$52.00	\$52.00	\$52.00	\$52.00	\$52.00	\$52.00	\$52.00	\$52.00	\$52.00	\$52.00	\$52.00	\$52.00	\$52.00
Quarterly Charge Per Year	\$180.00	\$193.00	\$206.00	\$219.00	\$232.00	\$245.00	\$258.00	\$271.00	\$284.00	\$297.00	\$310.00	\$323.00	\$336.00	\$349.00
Change from Prior Year		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00

Option #4

Village of Summit Silver Lake Utility District

Option #4

Restructure Debt
Total Quarterly Charges at \$200 from 2012-2014
Increase in Debt/Capital Quarterly Charge by \$20 per year in 2012, and by \$30 every three years from 2015-2024.
Treatment & License Charges adjusted to cover expenditures
District Tax Levy Remains Unchanged



DUE	Year	Treatment Quarterly Charge	Change from Prior Year	License Quarterly Charge	Change from Prior Year	Treatment & License Revenues	Debt/Capital Quarterly Charge	Change from Prior Year	Debt Repayment/ Capital Charges Revenues	Less: Treatment/ License Expense	Less: Oper./Maint. Expense	Net Operating Revenues	Add: Property Taxes	Add: Investment Income	Add: Special Asmt. Revenue	Less: Debt Service Total P & I	Net Cash Flow	Ending Non-Restricted Cash	Estimated Equalized Value	Estimated Equalized Tax Rate	Year
164	2010									Annual Increase	Annual Increase			1.50%	Per Village Est.			395,703		District Only	
										2.00%	2.00%										
	2011	\$64.08		\$28.92		61,008	\$87.00		\$57,072	(\$59,730)	(\$30,420)	\$27,930	\$24,750	\$5,936	\$124,237	(\$263,600)	(80,747)	314,956	66,665,912	\$0.37	2011
	2012	\$64.08	\$0.00	\$28.92	\$0.00	61,008	\$107.00	\$20.00	\$70,192	(\$60,925)	(\$31,028)	\$39,247	\$24,750	\$2,772	\$116,457	(\$157,355)	25,871	340,827	66,665,912	\$0.37	2012
	2013	\$64.08	\$0.00	\$28.92	\$0.00	61,008	\$107.00	\$0.00	\$70,192	(\$62,143)	(\$31,649)	\$37,408	\$24,750	\$5,112	\$110,029	(\$155,664)	21,635	362,462	67,332,571	\$0.37	2013
	2014	\$64.08	\$0.00	\$28.92	\$0.00	61,008	\$107.00	\$0.00	\$70,192	(\$63,386)	(\$32,282)	\$35,532	\$24,750	\$5,437	\$104,953	(\$154,077)	16,595	379,057	68,005,897	\$0.36	2014
	2015	\$65.08	\$1.00	\$29.92	\$1.00	62,320	\$137.00	\$30.00	\$89,872	(\$64,654)	(\$32,928)	\$54,611	\$24,750	\$5,686	\$101,230	(\$156,955)	29,321	408,379	68,685,956	\$0.36	2015
	2016	\$66.08	\$1.00	\$30.92	\$1.00	63,632	\$137.00	\$0.00	\$89,872	(\$65,947)	(\$33,586)	\$53,971	\$24,750	\$6,126	\$97,506	(\$154,401)	27,952	436,331	69,372,815	\$0.36	2016
	2017	\$67.08	\$1.00	\$31.92	\$1.00	64,944	\$137.00	\$0.00	\$89,872	(\$67,266)	(\$34,258)	\$53,292	\$24,750	\$6,545		(\$156,355)	(71,767)	364,564	70,066,544	\$0.35	2017
	2018	\$68.08	\$1.00	\$32.92	\$1.00	66,256	\$167.00	\$30.00	\$109,552	(\$68,611)	(\$34,943)	\$72,254	\$24,750	\$5,468		(\$157,609)	(55,137)	309,427	70,767,209	\$0.35	2018
	2019	\$69.08	\$1.00	\$33.92	\$1.00	67,568	\$167.00	\$0.00	\$109,552	(\$69,983)	(\$35,642)	\$71,495	\$24,750	\$4,641		(\$153,248)	(52,362)	257,065	71,474,881	\$0.35	2019
	2020	\$70.08	\$1.00	\$34.92	\$1.00	68,880	\$167.00	\$0.00	\$109,552	(\$71,383)	(\$36,355)	\$70,694	\$24,750	\$3,856		(\$153,365)	(54,064)	203,001	72,189,630	\$0.34	2020
	2021	\$71.08	\$1.00	\$35.92	\$1.00	70,192	\$197.00	\$30.00	\$129,232	(\$72,811)	(\$37,082)	\$89,532	\$24,750	\$3,045		(\$157,895)	(40,569)	162,432	72,911,526	\$0.34	2021
	2022	\$72.08	\$1.00	\$36.92	\$1.00	71,504	\$197.00	\$0.00	\$129,232	(\$74,267)	(\$37,823)	\$88,646	\$24,750	\$2,436			115,832	278,264	73,640,642	\$0.34	2022
	2023	\$73.08	\$1.00	\$37.92	\$1.00	72,816	\$197.00	\$0.00	\$129,232	(\$75,752)	(\$38,580)	\$87,716	\$24,750	\$4,174			116,640	394,904	74,377,048	\$0.33	2023
	2024	\$74.08	\$1.00	\$38.92	\$1.00	74,128	\$227.00	\$30.00	\$148,912	(\$77,267)	(\$39,352)	\$106,421	\$24,750	\$5,924			137,095	531,999	75,120,818	\$0.33	2024
Total						926,272			\$1,402,528	(\$954,123)	(\$485,927)	\$888,749	\$346,500	\$67,158	\$654,412	(\$1,662,628)					

Methodology Summary

- Users held constant.
- Expenditure increases at 2% annually.
- Conservative assumptions for special assessment collections through 2016.
- No collection of deferred special assessments related to new connections.
- No transfer from General Fund.

Annual Impact to User

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Treatment Charge	\$256.32	\$256.32	\$256.32	\$256.32	\$260.32	\$264.32	\$268.32	\$272.32	\$276.32	\$280.32	\$284.32	\$288.32	\$292.32	\$296.32
License Charge	\$115.68	\$115.68	\$115.68	\$115.68	\$119.68	\$123.68	\$127.68	\$131.68	\$135.68	\$139.68	\$143.68	\$147.68	\$151.68	\$155.68
Debt/Capital Charge	\$348.00	\$428.00	\$428.00	\$428.00	\$548.00	\$548.00	\$548.00	\$668.00	\$668.00	\$668.00	\$788.00	\$788.00	\$788.00	\$908.00
District Levy Per DUE	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91	\$150.91
ANNUAL TOTAL	\$870.91	\$950.91	\$950.91	\$950.91	\$1,078.91	\$1,086.91	\$1,094.91	\$1,222.91	\$1,230.91	\$1,238.91	\$1,366.91	\$1,374.91	\$1,382.91	\$1,510.91
Change from Prior Year		\$80.00	\$0.00	\$0.00	\$128.00	\$8.00	\$8.00	\$128.00	\$8.00	\$8.00	\$128.00	\$8.00	\$8.00	\$128.00
Quarterly Charge Per Year	\$180.00	\$200.00	\$200.00	\$200.00	\$232.00	\$234.00	\$236.00	\$268.00	\$270.00	\$272.00	\$304.00	\$306.00	\$308.00	\$340.00
Change from Prior Year		\$20.00	\$0.00	\$0.00	\$32.00	\$2.00	\$2.00	\$32.00	\$2.00	\$2.00	\$32.00	\$2.00	\$2.00	\$32.00

Appendix E: Revenue Projections for Village General Fund

Revenues	2010 ACTUAL	2011 Budget	Percentage Change	2012 Budget	Adjustment Factor	2013 Budget	Adjustment Factor	2014 Budget	Adjustment Factor	2015 Budget	Adjustment Factor	2016 Budget
<u>Taxes</u>												
Woodland Tax Receipts	60	60	0%	60	0	60	0	60	0	60	0	60
Total Taxes	60	60		60		60		60		60		60
<u>Intergovernmental Revenues</u>												
Long-Term Borrowing	0	64,400	-100%	0	-100%	0	-100%	0	-100%	0	-100%	0
State Shared Revenues	81,774	88,745	4%	92,468	0%	92,468	0%	92,468	0%	92,468	0%	92,468
Fire Inspection Dues	24,242	24,000	4%	25,000	0%	25,000	0%	25,000	0%	25,000	0%	25,000
Contract Services - Utility District #2	42,752	42,752	2%	43,394	1.50%	44,045	1.50%	44,706	1.50%	45,376	1.50%	46,057
Contract Services - Silver Lake	24,750	24,750	1%	25,121	1.50%	25,498	1.50%	25,880	1.50%	26,268	1.50%	26,663
Contract Services - Utility District #3	20,000	20,000	2%	20,300	1.50%	20,605	1.50%	20,914	1.50%	21,227	1.50%	21,546
Contract Services - Genesee Lakes UD	0	25,000	-40%	15,000	1.50%	15,225	1.50%	15,453	1.50%	15,685	1.50%	15,920
Contract Services - Dousman Police	0	0		262,500	1.50%	266,438	1.50%	270,434	1.50%	274,491	1.50%	278,608
Recycling Rebate	28,619	28,000	4%	29,000	0%	29,000	0%	29,000	0%	29,000	0%	29,000
Off Road Fuel Tax Refund	330	400	25%	500	0%	500	0%	500	0%	500	0%	500
TRIP Fund	0	18,642	-100%	0		0		18,000		0		0
Exempt Computer Aid	184	2,264	28%	2,900	0%	2,900	0%	2,900	0%	2,900	0%	2,900
State Aids - Roads	131,324	133,328	-10%	119,984	0%	119,984	0%	119,984	0%	119,984	0%	119,984
State Aids - Water Patrol	6,663	6,000	-42%	3,500	0%	3,500	0%	3,500	0%	3,500	0%	3,500
State Aid- In lieu of Taxes	17,785	17,000	0%	17,000	0%	17,000	0%	17,000	0%	17,000	0%	17,000
State Aid - Police School	4,180	4,180	-45%	2,300	0%	2,300	0%	2,300	0%	2,300	0%	2,300
Federal Highway Safety	0	15,000	17%	17,501	0%	17,501	0%	17,501	0%	17,501	0%	17,501
FEMA Reimbursement	0	0		0	0%	0	0%	0	0%	0	0%	0
Other Gifts and Grants	12,000	5,000	359%	22,934		5,000	0%	5,000	0%	5,000	0%	5,000
Transfer from Designated Fund	214,779	0		0	-100%	0	0%	0	0%	0	0%	0
Total Intergovernmental Revenues	609,382	519,461		699,402		686,963		710,540		698,201		703,946
<u>Regulation and Compliance</u>												
Liquor and Malt Licenses	1,525	1,500	0%	1,500	0%	1,500	0%	1,500	0%	1,500	0%	1,500
Operators Licenses	900	900	11%	1,000	0%	1,000	0%	1,000	0%	1,000	0%	1,000
Cigarette licenses	15	10	50%	15	0%	15	0%	15	0%	15	0%	15
Dog Licenses	3,500	3,000	7%	3,200	0%	3,200	0%	3,200	0%	3,200	0%	3,200
Soda Licenses	20	15	-100%	0	0%	0	0%	0	0%	0	0%	0
Other Licenses and Permits	800	800	0%	800	0%	800	0%	800	0%	800	0%	800
Franchise Fees	32,500	32,500	0%	32,500	0%	32,500	0%	32,500	0%	32,500	0%	32,500
Heating Permits	6,600	5,000	4%	5,200	0%	5,200	1.50%	5,278	1.50%	5,357	1.50%	5,438
Plumbing Permits	6,000	5,000	32%	6,624	0%	6,624	1.50%	6,723	1.50%	6,824	1.50%	6,927
Electric Permits	9,000	5,000	69%	8,472	0%	8,472	1.50%	8,599	1.50%	8,728	1.50%	8,859
Building Permits	50,000	30,000	10%	33,012	0%	33,012	1.50%	33,507	1.50%	34,010	1.50%	34,520
Zoning Permits	0	7,000	-67%	2,280	0%	2,280	1.50%	2,314	1.50%	2,349	1.50%	2,384
Traffic Fines and Forfeitures	40,000	50,000	-20%	40,000	0%	40,000	1.00%	40,400	1.00%	40,804	1.00%	41,212
Dog Fines and Forfeitures	100	100	0%	100	0%	100	0%	100	0%	100	0%	100
Total Regulation and Compliance	150,960	140,825		134,703		134,703		135,937		137,187		138,454

Revenues	2010 ACTUAL	2011 Budget	Percentage Change	2012 Budget	Adjustment Factor	2013 Budget	Adjustment Factor	2014 Budget	Adjustment Factor	2015 Budget	Adjustment Factor	2016 Budget
<u>Public Charges for Services</u>												
Public Hearing -- Appeals Board	2,400	7,200	-75%	1,800	0%	1,800	0%	1,800	0%	1,800	0%	1,800
Publication Fees	50	100	-50%	50	0%	50	0%	50	0%	50	0%	50
Plan Commission Fees	4,200	5,000	-50%	2,500	0%	2,500	0%	2,500	0%	2,500	0%	2,500
SFPO Application Fees	0	3,000	-89%	320	0%	320	0%	320	0%	320	0%	320
Miscellaneous Revenue	18,000	1,000	0%	1,000	0%	1,000	0%	1,000	0%	1,000	0%	1,000
Police Revenue	7,500	7,500	0%	7,500	0%	7,500	0%	7,500	0%	7,500	0%	7,500
Ambulance Service Revenue	300	500	100%	1,000	0%	1,000	0%	1,000	0%	1,000	0%	1,000
Garbage and Refuse Collection	391,378	396,324	3%	410,000	5.00%	430,500	5.00%	452,025	5.00%	474,626	5.00%	498,358
Signs Revenue	20	200	100%	400	0%	400	0%	400	0%	400	0%	400
Recreation Revenue	1	1	50100%	502	0%	502	0%	502	0%	502	0%	502
Cemetery Revenue	12,000	12,000	-17%	10,000	0%	10,000	0%	10,000	0%	10,000	0%	10,000
Total Public Charges for Revenue	435,849	432,825		435,072		455,572		477,097		499,698		523,430
<u>Commercial Revenues</u>												
Interest on Investments	36,500	70,000	-29%	50,000	0%	50,000	2.00%	51,000	2.00%	52,020	2.00%	53,060
Interest on Cemetery Investments	1,050	750	-33%	500	0%	500	0%	500	0%	500	0%	500
Sales of Fixed Assets	11,337	5,200	-100%	0	0%	0	0%	0	0%	0	0%	0
Fire Department Rent	14,250	0		0	0%	0	0%	0	0%	0	0%	0
Village Hall Rental	12,000	12,000	-96%	500	0%	500	0%	500	0%	500	0%	500
Insurance Refunds	3,500	0		0	0%	0	0%	0	0%	0	0%	0
Use of Fund Balance	147,000	110,000	-100%	0	0%	0	0%	0	0%	0	0%	0
Donations	0	0		200	0%	200	0%	200	0%	200	0%	200
Aurora PILOT Payments	100,000	0		0	0%	150,000	0%	150,000	0%	150,000	0%	150,000
Total Commercial Revenues	325,637	197,950		51,200		201,200		202,200		203,220		204,260
TOTAL NON-TAX REVENUES	1,521,888	1,291,121		1,320,437		1,478,498		1,525,834		1,538,366		1,570,151

Appendix F: Expenditure Projections for Village General Fund

	2010 Actual	2011 Budget	Percentage Change	2012 Budget	Adjustment Factor	2013 Budget	Adjustment Factor	2014 Budget	Adjustment Factor	2015 Budget	Adjustment Factor	2016 Budget
GENERAL GOVERNMENT												
Village Board												
Village Board Salaries	22,000	22,000	0%	22,000	0%	22,000	0%	22,000	0%	22,000	0%	22,000
Social Security Expense	1,683	1,683	0%	1,683	0%	1,683	0%	1,683	0%	1,683	0%	1,683
Association Dues	0	0		2,990	0%	2,990	0%	2,990	0%	2,990	0%	2,990
Village Board Other	3,500	2,000	275%	7,500	0%	7,500	0%	7,500	0%	7,500	0%	7,500
Salary Adjustments	0	20,000	-15%	17,000	0%	17,000	0%	17,000	0%	17,000	0%	17,000
Total Village Board	27,183	45,683		51,173		51,173		51,173		51,173		51,173
Clerk												
Salaries	46,000	46,000	3.00%	47,380	1%	47,854	1%	48,332	1%	48,816	1%	49,304
Social Security Expense	3,519	3,519	3.01%	3,625	1%	3,661	1%	3,698	1%	3,735	1%	3,772
Insurance Expense	7,700	8,690	-8.62%	7,941	3%	8,179	3%	8,425	3%	8,677	3%	8,938
Retirement	5,704	5,980	-53.26%	2,795	5.90%	2,823	5.90%	2,852	5.90%	2,880	5.90%	2,909
Other	0	0		0	0%	0	0%	0	0%	0	0%	0
Total Clerk	62,923	64,189		61,741		62,518		63,306		64,108		64,923
Board of Review	0	0		275	0%	275	0%	275	0%	275	0%	275
Assessor												
Assessor Contract	18,900	18,900	0%	18,900	0%	18,900	0%	18,900	0%	18,900	0%	18,900
Assessor Other	452	450	0%	450	0%	450	0%	450	0%	450	0%	450
Total Assessor	19,352	19,350		19,350		19,350		19,350		19,350		19,350
Accounting and Audit												
Special Accounting and Audit	15,700	17,400	12%	19,505	0%	19,505	0%	19,505	0%	19,505	0%	19,505
Total Accounting and Audit	15,700	17,400		19,505		19,505		19,505		19,505		19,505
Plan Commission												
Plan Commission Salaries	4,600	3,600	33%	4,800	0%	4,800	0%	4,800	0%	4,800	0%	4,800
Planner/Manager Insurance	14,600	16,660	-3%	16,182	3%	16,667	3%	17,167	3%	17,683	3%	18,213
Planner/Manager Salary	88,827	90,000	1%	91,000	1%	91,910	1%	92,829	1%	93,757	1%	94,695
Plan Commission Consultant	7,100	25,000	-12%	22,000	0%	22,000	0%	22,000	0%	22,000	0%	22,000
Shoreland Administration	0	12,000	177%	33,290	0%	33,290	0%	33,290	0%	33,290	0%	33,290
Social Security	6,795	6,885	1%	6,962	1%	7,032	1%	7,102	1%	7,173	1%	7,245
Retirement	13,235	13,950	-45%	7,644	8.50%	7,812	8.50%	7,890	8.50%	7,969	8.50%	8,049
Total Plan Commission	135,157	168,095		181,878		183,511		185,079		186,672		188,292

	2010 Actual	2011 Budget	Percentage Change	2012 Budget	Adjustment Factor	2013 Budget	Adjustment Factor	2014 Budget	Adjustment Factor	2015 Budget	Adjustment Factor	2016 Budget
Board of Appeals												
Fees	0	3,000	-75%	750	0%	750	0%	750	0%	750	0%	750
Social Security	0	230	-100%	0	0%	0	0%	0	0%	0	0%	0
Legal	0	4,800	-95%	250	0%	250	0%	250	0%	250	0%	250
Other	0	1,600	-50%	800	0%	800	0%	800	0%	800	0%	800
SFPO Admin	0	0		300	0%	300	0%	300	0%	300	0%	300
Total Board of Appeals	0	9,630		2,100		1,800		1,800		1,800		1,800
Village Office												
Salary	34,637	35,000	1%	35,500	1%	35,855	1%	36,214	1%	36,576	1%	36,941
Social Security	2,650	2,678	1%	2,716	1%	2,743	1%	2,771	1%	2,798	1%	2,826
Insurance	19,283	20,907	-9%	18,987	3%	19,557	3%	20,143	3%	20,748	3%	21,370
Retirement	4,295	4,550	-54%	2,095	5.90%	2,115	5.90%	2,137	5.90%	2,158	5.90%	2,180
Other	0	0		0	0%	0	0%	0	0%	0	0%	0
Training/Memberships	4,800	3,473	24%	4,304	1%	4,347	1%	4,391	1%	4,434	1%	4,479
Total Village Office	65,665	66,608		63,602		64,617		65,655		66,714		67,796
Village Hall												
Cleaning Service	4,500	4,500	-27%	3,300	0%	3,300	0%	3,300	0%	3,300	0%	3,300
Social Security	0	0		0		0		0		0		0
Other	26,500	28,000	-6%	26,350	0%	26,350	0%	26,350	0%	26,350	0%	26,350
Maintenance and Repair	5,000	4,450	-19%	3,600	0%	3,600	0%	3,600	0%	3,600	0%	3,600
Total Village Hall	36,000	36,950		33,250		33,250		33,250		33,250		33,250
Insurance												
Property and Liability	20,117	25,000	0	25,000	3%	25,750	3%	26,523	3%	27,318	3%	28,138
Retiree Health Insurance	0	0		0		0		0		0		0
Unemployment Compensation	2,800	2,500	0	2,500	0%	2,500	0%	2,500	0%	2,500	0%	2,500
Worker's Compensation	29,877	33,000	0	39,200	3%	40,376	3%	41,587	3%	42,835	3%	44,120
Insurance Deductible	0	0		15,740	3%	16,212	3%	16,699	3%	17,200	3%	17,716
Total Insurance	52,794	60,500		82,440		84,838		87,308		89,853		92,473
Elections												
Elections	5,000	2,500		6,000		2,500		6,000		2,500		6,000
Total Elections	5,000	2,500		6,000		2,500		6,000		2,500		6,000
Contingency	0	0		15,408	-100%	0	-100%	0	-100%	0	0%	0
Unclassified Miscellaneous	15,464	15,000	0%	15,000	0%	15,000	0%	15,000	0%	15,000	0%	15,000
Total Unclass. Misc.	15,464	15,000		30,408		15,000		15,000		15,000		15,000
Legal												
Legal Expense	55,000	40,500	1%	41,000	0%	41,000	0%	41,000	0%	41,000	0%	41,000
Legal Incorporation	13,200	0		0	0%	0	0%	0	0%	0	0%	0
Planning-Incorporation	10,300	0		0	0%	0	0%	0	0%	0	0%	0
Incorporation Application	0	0		0	0%	0	0%	0	0%	0	0%	0
Total Legal	78,500	40,500		41,000		41,000		41,000		41,000		41,000
TOTAL GENERAL GOVERNMENT	513,738	546,405		592,722		579,338		588,701		591,200		600,837

	2010 Actual	2011 Budget	Percentage Change	2012 Budget	Adjustment Factor	2013 Budget	Adjustment Factor	2014 Budget	Adjustment Factor	2015 Budget	Adjustment Factor	2016 Budget
PROTECTION OF PERSONS & PROPERTY												
Police Department												
Salaries	570,099	594,782	21%	722,016	1%	729,236	1%	736,529	1%	743,894	1%	751,333
Social Security	43,613	45,501	21%	55,234	1%	55,786	1%	56,344	1%	56,908	1%	57,477
Insurance	133,127	144,830	20%	174,048	3%	179,269	3%	184,648	3%	190,187	3%	195,893
Retirement	95,798	102,093	13%	114,898	1%	116,047	1%	117,207	1%	118,380	1%	119,563
Other	25,000	17,933	-3%	17,450	0%	17,450	0%	17,450	0%	17,450	0%	17,450
Squad Repair and Maintenance	6,000	10,000	15%	11,500	0%	11,500	0%	11,500	0%	11,500	0%	11,500
Fuel	26,000	25,000	32%	33,000	3%	33,990	3%	35,010	3%	36,060	3%	37,142
Radio Costs	16,900	14,559	22%	17,696	0%	17,696	0%	17,696	0%	17,696	0%	17,696
Training and Supplies	8,000	8,500	-29%	6,000	0%	6,000	0%	6,000	0%	6,000	0%	6,000
Clothing Allowances	9,000	8,000	23%	9,850	0%	9,850	0%	9,850	0%	9,850	0%	9,850
Ambulance Service	16,500	10,000	-100%	0	0%	0	0%	0	0%	0	0%	0
Total Police Department	950,037	981,198		1,161,692		1,176,825		1,192,233		1,207,924		1,223,903
Water Patrol												
Water Patrol	7,263	11,000	0%	11,000	1%	11,110	1%	11,221	1%	11,333	1%	11,447
Social Security	556	842	0%	842	1%	850	1%	859	1%	868	1%	876
Other	2,000	1,000	50%	1,500	0%	1,500	0%	1,500	0%	1,500	0%	1,500
Retirement	155	350	-1%	346	0%	346	0%	346	0%	346	0%	346
Total Water Patrol	9,974	13,192		13,688		13,806		13,926		14,047		14,169
Fire Department												
Fire Station Utilities	0	0		0	0%	0	0%	0	0%	0	0%	0
Fire Department Dues	24,242	24,000	4%	25,000	0%	25,000	0%	25,000	0%	25,000	0%	25,000
Total Fire Department	24,242	24,000		25,000		25,000		25,000		25,000		25,000
Inspection												
Building Inspection Salary	0	0		0	0%	0	0%	0	0%	0	0%	0
Building Inspector Social Security	0	0		0	0%	0	0%	0	0%	0	0%	0
Building Inspector Other	0	150	0	150	0%	150	0%	150	0%	150	0%	150
Building Permit Fees	53,700	33,750	0	39,981	0%	39,981	1.50%	40,581	1.50%	41,189	1.50%	41,807
Total Inspection	53,700	33,900		40,131		40,131		40,731		41,339		41,957
Dog Pound Expense	2,310	2,310	95%	4,510	0%	4,510	0%	4,510	0%	4,510	0%	4,510
Total Dog Pound Expense	2,310	2,310		4,510		4,510		4,510		4,510		4,510
TOTAL PROTECTION OF PROPERTY & PERSONS	1,040,263	1,054,600		1,245,021		1,260,272		1,276,400		1,292,820		1,309,539
HEALTH AND SANITATION												
Garbage and Refuse Disposal	383,804	396,324	3%	410,000	5%	430,500	5%	452,025	5%	474,626	5%	498,358
TOTAL HEALTH AND SANITATION	383,804	396,324		410,000		430,500		452,025		474,626		498,358

	2010 Actual	2011 Budget	Percentage Change	2012 Budget	Adjustment Factor	2013 Budget	Adjustment Factor	2014 Budget	Adjustment Factor	2015 Budget	Adjustment Factor	2016 Budget
PUBLIC WORKS												
Highway and Transportation												
Salary	125,643	148,481	2%	150,895	1%	152,404	1%	153,928	1%	155,467	1%	157,022
Social Security	9,612	11,359	2%	11,544	1%	11,659	1%	11,776	1%	11,894	1%	12,013
Insurance	48,800	57,200	-8%	52,622	3%	54,201	3%	55,827	3%	57,501	3%	59,227
Retirement	15,580	19,303	-54%	8,903	1.00%	8,992	1.00%	9,082	1.00%	9,173	1.00%	9,264
Other	20,000	20,000	0%	20,000	0%	20,000	0%	20,000	0%	20,000	0%	20,000
Contracted Services	9,000	7,000	11%	7,800	0%	7,800	0%	7,800	0%	7,800	0%	7,800
Fuel	13,000	13,000	27%	16,500	3%	16,995	3%	17,505	3%	18,030	3%	18,571
Total Highway and Transportation	241,635	276,343		268,264		272,051		275,918		279,865		283,897
Road Maintenance												
Seal-Oil	45,800	45,800	-48%	24,000	0%	24,000	0%	24,000	0%	24,000	0%	24,000
Ice-Snow	11,000	11,000	0%	11,000	0%	11,000	0%	11,000	0%	11,000	0%	11,000
Total Road Maintenance	56,800	56,800		35,000		35,000		35,000		35,000		35,000
Street Lighting	10,000	10,000		10,000	0%	10,000	0%	10,000	0%	10,000	0%	10,000
Total Street Lighting	10,000	10,000		10,000		10,000		10,000		10,000		10,000
Cemetery												
Salary	22,000	22,800	3%	23,550	1%	23,786	1%	24,023	1%	24,264	1%	24,506
Retirement	854	1,502	-54%	696	1%	703	1%	710	1%	717	1%	724
Social Security	1,683	1,744	3%	1,801	1%	1,819	1%	1,837	1%	1,856	1%	1,874
Other	3,850	3,000	0%	3,000	0%	3,000	0%	3,000	0%	3,000	0%	3,000
Total Cemetery	28,387	29,046		29,047		29,307		29,571		29,836		30,105
TOTAL PUBLIC WORKS	336,822	372,189		342,311		346,359		350,488		354,702		359,001
RECREATION												
KRMA	2,175	2,100	0%	2,100	0%	2,100	0%	2,100	0%	2,100	0%	2,100
Development	92,156	4,000	-100%	0	0%	0	0%	0	0%	0	0%	0
Salary	17,358	11,600	1%	11,700	1%	11,817	1%	11,935	1%	12,055	1%	12,175
Retirement	1,983	628	-50%	315	1%	318	1%	321	1%	325	1%	328
Social Security	1,328	887	1%	895	1%	904	1%	913	1%	922	1%	931
Other	15,000	6,000	0%	6,000	0%	6,000	0%	6,000	0%	6,000	0%	6,000
TOTAL RECREATION	130,000	25,215		21,010		21,139		21,269		21,401		21,534
OTHER												
Utilities	24,000	25,000	-4%	24,000	0%	24,000	0%	24,000	0%	24,000	0%	24,000
Equipment Replacement DPW	129,283	25,000	-100%	0	0%	0	0%	0	0%	0	0%	0
Equipment Replacement Police	540	3,000	-100%	0	0%	0	0%	0	0%	0	0%	0
Capital Purchases	202,376	96,770	-100%	0	-100%	0	0%	0	0%	0	0%	0
TOTAL OTHER	356,199	149,770		24,000		24,000		24,000		24,000		24,000
DEBT SERVICE												
Principal	159,435	154,701		116,479								
Interest	19,120	12,250		5,196								
TOTAL DEBT SERVICE	178,555	166,951		121,675		0		0		0		0
TOTAL EXPENDITURES	2,939,381	2,711,454		2,758,952		2,661,608		2,712,884		2,758,749		2,813,269
TOTAL EXPENDITURES LESS DEBT		2,544,503		2,637,277		2,661,608		2,712,884		2,758,749		2,813,269

Appendix G: Fund Balance and Debt Management Policies

Village of Summit, Wisconsin
PROPOSED FUND BALANCE POLICY

1. **Statement of Policy.** Sound financial management principles require that sufficient funds be retained by the Village to provide a stable financial base at all times. To provide for a stable financial base, the Village needs to maintain a General Fund Balance sufficient to meet cash flow requirements, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, and to provide funds for all existing encumbrances. The purpose of this policy is to specify the size and composition of the Village's financial reserves and to identify requirements for replenishing any fund balance reserves utilized.
2. **Fund Balances.** The Village's General Fund balance is comprised of the following individual components:
 - a. Reserved Fund Balance. Reserved fund balance consists of portions of fund balance that are either legally restricted to a specific future use or are not available for appropriation or expenditure. Examples include amounts reserved for delinquent taxes, and for inventory of supplies and prepayments.
 - b. Unreserved Fund Balance. Unreserved fund balance is subdivided into undesignated and designated portions.
 - i. Undesignated Funds. Represents available financial resources that can be used to meet contingencies and working capital requirements. **The Village will maintain a minimum undesignated fund balance of 15% for these purposes.** The percentage of undesignated fund balance is determined by dividing that portion of the Village's fund balance listed as undesignated by total General Fund revenues as identified in the Village's most recent audited financial statements).

Example Using 2010 Audited Financial Statements Data.

Undesignated General Fund Balance	\$ 429,771
General Fund Revenues	÷ \$ 2,494,555
Percentage	17.23%

- ii. Designated funds. If the Village's unreserved undesignated fund balance exceeds the minimum percentage required to be retained for cash flow and contingencies as specified in the preceding section, the Village Board may designate those excess amounts for specific purposes. The following are typical purposes for which uses of fund balance may be designated.

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1. Transfer to Capital Projects Fund to pay for costs of capital equipment or capital improvements.
 2. Transfer to the Debt Service Fund for pre-payment of callable bonds or notes.
 3. To pay for costs of Other Post-Employment Benefit (OPEB) liabilities.
 4. Use as beginning cash balance in support of the annual budget to pay costs of **non-recurring expenditures**.
- 3. Monitoring and Reporting.** The Village Administrator is responsible for monitoring Village fund balance levels, and shall annually prepare a report documenting the status of the fund balance for presentation to the Village Board in conjunction with the development of the annual budget. The report will provide recommendation for use of any unreserved, undesignated funds balances available that exceed amounts required to be retained for cash flow and contingency purposes.
- 4. Replenishment of Unreserved Fund Balances.** If the amount of unreserved, undesignated fund balance falls below the 15% level, the Village Board must approve and adopt a plan to restore this balance to the target level within 24 months. If restoration of the fund balance cannot be accomplished within such period without severe hardship to the Village, then the Village Board will establish a different time period.

Village of Summit, Wisconsin
DEBT MANAGEMENT POLICY

Sample

- 1. Statement of Policy.** The Village recognizes that the foundation of any well-managed program of capital financing is a comprehensive debt management policy. A debt policy sets forth the parameters for issuing debt and managing outstanding debt and provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. The debt policy recognizes a binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into the capital markets. Adherence to the debt policy helps the Village to maintain a sound debt position and protect its credit quality. Further advantages of a debt policy are:

 - a. Enhances the quality of decisions by imposing order and discipline.
 - b. Promotes consistency and continuity in decision making.
 - c. Rationalizes the decision-making process.
 - d. Identifies objectives for staff to implement.
 - e. Demonstrates a commitment to long-term financial planning objectives.
 - f. Is regarded positively by the rating services in reviewing credit quality.
- 2. Capital Improvement Planning.** The Village will develop and maintain a multi-year Capital Improvement Plan (CIP) for consideration and adoption by the Village Board. The CIP will be for the coming five fiscal years and will be updated periodically. The CIP will contain the following information:

 - a. A description of each project.
 - b. A listing of the expected sources of funds for each project.
 - c. Estimated timing for each project.
 - d. An analysis of the debt financing required and the conformance of the planned financings with policy targets and the economic and fiscal resources of the Village to bear such indebtedness over the next five years.

3. Limitations on Issuance of Debt

a. Legal Limits.

- i. General Obligation (G.O.) Debt Limit. The total principal amount outstanding of debt obligations carrying the G.O. pledge of the Village may not exceed an amount equal to five percent of the Village's equalized value (including any tax increments) as determined by the Wisconsin Department of Revenue. As identified in the "Affordability Targets" section of this policy, the Village has imposed on itself a more restrictive direct debt burden limitation of 3.5%, which is equivalent to utilization of no more than 70% of its statutorily allowed debt capacity.
- ii. Purpose and Authority. Debt obligations may be issued by the Village under the authority of, and for the purposes defined in the following Chapters or Sections of the Wisconsin Statutes:
 1. Chapter 24 – State Trust Fund Loans
 2. Chapter 67 – G.O. Bonds and Notes
 3. Section 67.12(1)(a) – Tax and Revenue Anticipation Notes
 4. Section 66.0621 – Revenue Obligations
 5. Section 66.1335 – Housing and Community Development
 6. Section 66.0701 through 66.0733 – Special Assessment B Bonds

b. Public Policy Limits.

- i. Purposes of Debt Issuance. In determining whether a particular project is appropriately financed with debt obligations, the Village Board will consider the following public policy objectives:
 1. It is the intent of the Village to cash fund projects, in whole or in part, as an alternative to debt financing when practical. It is recognized, however, that most major projects will contain some element of debt financing. This also serves to promote taxpayer equity by amortizing the costs of improvements over their useful lives, providing the Village the ability to charge those benefiting from the improvements over time.
 2. The Village may issue debt obligations to purchase capital assets and to fund infrastructure improvements when current revenues or fund balance/retained earnings are unavailable or reserved for other purposes.
 3. The Village may also issue debt obligations to provide funds for the implementation of economic development projects. These types of

projects will normally be undertaken within a tax incremental district, with debt service repaid from future tax increment collections.

4. The Village will not issue long-term debt obligations to provide funds for operating purposes. Issuance of short-term debt obligations to finance operating expenses will only be considered in the event of an extreme financial emergency.

- ii. Use of Derivatives. Derivatives are financial contracts or financial instruments whose value is derived from the value of something else (known as the underlying instrument). The Village will, as a general practice, not enter into contracts and financing agreements involving interest rate swaps, floating/fixed rate auction or reset securities or other forms of debt bearing synthetically determined interest rates. The only type of derivative that will be considered for use by the Village would be a State and Local Government Series (SLGS) Securities investment offered by the US Treasury or a Guaranteed Investment Contract (GIC) when used in conjunction with an advance refunding of the Village's debt. The interest rate earned on time deposit SLGS securities is one basis point below the current estimated Treasury borrowing rate for a security of comparable maturity. Generally the Village will always use SLGS for advance refunding escrow accounts but in the event that SLGS are not available from the US Treasury, the Village would consider the use of a GIC but only after competitive proposals are taken from at least three vendors for same.

- c. Financial Limits.

- i. G.O. Debt.

1. Affordability & Debt Profile Targets. To provide for a capital financing program that is sustainable based on the financial resources of the Village, and to further maintain a credit profile that will allow the Village to maintain its current rating on outstanding debt issues, the following affordability and debt profile targets are established.

- a. Direct Debt Burden. The total principal amount of G.O. debt outstanding, expressed as a percentage of the Village's total equalized value, and as a total per capita. The Village has established a targeted maximum of 3.5% for direct debt burden (as a percent of equalized value).
 - b. Payout Over Ten Years. The percentage of outstanding G.O. debt principal that will be retired within ten years. The Village's target is repayment of no less than 75% of all outstanding principal within ten years.

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- c. Percentage of Expenditures for Debt Service. The Village's annual gross G.O. debt service payment expressed as a percentage of the sum of all operating and debt service fund expenditures. The Village's targeted maximum is 20%.
- d. Tax Rate for Debt Service. The Village's annual G.O. debt service payment, net of any revenues used to reduce the levy amount needed, divided by the Village's equalized value reduced by any tax increments. The Village's targeted maximum tax rate for debt service is \$_____.
- ii. Revenue Debt. The Village may finance the capital needs of its revenue producing enterprise activities through the issuance of revenue-secured debt obligations. Prior to issuing revenue-secured debt obligations, the Village will develop financial plans and projections showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on ratepayers. The amount of revenue-secured debt obligations will be limited by the feasibility of the overall financing plan, as well as any existing covenants related to debt obligations with a claim to the same revenue source.
- iii. Short-Term Debt.
1. Bond or Note Anticipation Note. Where their use is judged to be prudent and advantageous, the Village may choose to issue Bond or Note Anticipation Notes as a source of interim construction financing. Prior to their issuance, takeout financing must be planned for and determined to be feasible.
 2. Tax and Revenue Anticipation Notes. In the event of an extreme financial emergency, the Village may issue Tax or Revenue Anticipation Notes to fund working cash flow needs. Before issuing such notes, cash flow projections will be prepared to ensure that funds will be available for timely repayment of the Notes.
- iv. Conduit Debt. The Village may sponsor conduit financings for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the Village Board's overall service and policy objectives. All conduit financings must be non-recourse to the Village.
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4. Debt Structuring Practices.

- a. Maximum Term. The term of any debt obligations issued by the Village should not exceed the economic life of the improvements that they finance. If financially feasible, the term should be shorter than the projected economic life. Whenever possible, the term of obligations issued will be ten years or less.
- b. Interest Rates. Debt obligations issued by the Village will carry a fixed interest rate. If, in consultation with its Financial Advisor, the Village determines that a variable interest rate offers specific advantages, it may choose to issue securities that pay a rate of interest that varies according to a predetermined formula or results from a periodic remarketing of the securities.
- c. Debt Service Structure. Whenever possible, debt will be structured so that annual principal and interest payments are approximately level. If necessary, debt structures may be “wrapped” to accommodate existing debt service payments to allow for the Village’s affordability targets to be maintained. Notwithstanding the foregoing, the Village will attempt to structure debt so that interest payments are due not later than the first fiscal year following issuance, and principal payments not later than the second fiscal year following issuance. The Village will avoid "balloon" repayment schedules that consist of low annual principal payments and one large payment due at the end of the term. An exception to the foregoing would be cases where it is anticipated that the Village will have funds on hand sufficient to retire the balloon payment (e.g. tax increments, impact fees, land sale proceeds).
- d. Capitalized Interest. The Village may elect to capitalize interest for any debt obligation, but depending on timing of issuance, it should first consider budgeting for the estimated interest expense, or appropriating the funds from other available sources. An exception to this policy would be cases where obligations are issued to finance projects within tax increment districts, and current district increment collections are projected to be insufficient to make interest payments. In these cases, the Village will normally capitalize interest.
- e. Call Provisions. Call provisions for debt obligations will be made as short as possible consistent with achieving the best interest rates possible for the Village. Obligations shall be callable at par.

5. Debt Issuance Practices

- a. Competitive Sale. The Village will issue its debt obligations through competitive sale unless it is determined by the Village and its Financial Advisor that a competitive sale would not be expected to produce the best results for the Village. If the Village determines that bids received through a competitive sale are unsatisfactory, or in the

event no bids are received, the Village may enter into negotiation for sale of the obligations

- b. Negotiated Sale. The Village may consider negotiated sales of debt obligations in extraordinary circumstances when the complexity of the issue requires specialized expertise, when the negotiated sale would result in substantial savings in time or money, or when market conditions or Village credit are unusually volatile or uncertain. If the Village elects to negotiate the sale of a debt obligation, it will utilize a Financial Advisor with no interests in the underwriting of the transaction to represent it.
- c. State and Federal Revolving Loan Funds and Pools. As an alternative to open market financing, the Village may elect to seek a loan through State or Federal programs when this will provide advantages to the Village with respect to costs, interest rates, or terms. Examples of available loan programs include State Trust Fund Loans, Clean Water Fund Program Loans, Safe Drinking Water Fund Program Loans, and USDA Rural Development Loans.
- d. Refunding.
 - i. Advance Refunding. Federal tax law allows debt obligations to be refinanced one time prior to the obligation's earliest pre-payment date (call date). The Village may issue such advance refunding bonds when legally permissible, and when net present value savings, expressed as a percentage of the par amount of the refunding bonds, equal or exceed a target of **two percent**.
 - ii. Current Refunding. Current refunding bonds may be issued to refinance existing debt obligations no earlier than sixty days prior to the obligation's earliest pre-payment date (call date). There is presently no limit to the number of times that an issue may be current refunded. The Village may issue current refunding bonds when legally permissible, and whenever doing so is expected to result in a net economic benefit to the Village.
 - iii. Restructuring of Debt. Independent of potential savings, the Village may choose to refund debt obligations when necessary to provide for an alternative debt structure. Refunding may also be undertaken as a means to replace and modernize bond covenants essential to management and operations.
- e. Credit Rating.
 - i. Rating Service Relationships. The Village Administrator is responsible for maintaining relationships with any rating service that currently assign ratings to the Village's debt obligations. This effort shall include providing periodic updates on the Village's general financial condition along with coordinating

meetings and presentations in conjunction with a new debt issuance. The Village's Financial Advisor will assist in this effort.

- ii. Use of Rating Services. The Village Administrator, in consultation with the Village's Financial Advisor, is responsible for determining whether or not a rating shall be requested on a particular financing, and which rating service(s) will be asked to provide a rating.
- iii. Minimum Long-Term Rating Requirements. The Village's minimum rating requirement for its long-term G.O. debt is "A" or higher. If a debt obligation cannot meet this requirement based on its underlying credit strength, then credit enhancement may be sought to achieve the minimum rating. If credit enhancement is unavailable or is determined by the Village Administrator and the Village's Financial Advisor to be uneconomical, the obligations may be issued without a rating.

6. Debt Management Practices

- a. Continuing Disclosure. The Village is committed to continuing disclosure of financial and credit information relevant to its outstanding debt obligations and will abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure. The Village Clerk is responsible for providing ongoing disclosure information and may be assisted by the Village's Financial Advisor in the execution of this task.
- b. Investment of Debt Proceeds. The Village will temporarily invest the proceeds of debt obligations in accordance with its investment policy. Interest earnings realized within construction accounts will be applied first towards payment of project costs, then for payment of debt service associated with the obligations.
- c. Arbitrage Rebate and Monitoring. The Village Treasurer will establish and maintain a system of record keeping and reporting to meet arbitrage rebate compliance requirements of the federal tax code. This effort will include tracking investment earnings on proceeds of debt obligations, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the Village's outstanding debt obligations. Additionally, general financial reporting and certification requirements embodied in bond covenants shall be monitored to ensure that all covenants are complied with. The Village's Financial Advisor may assist in the execution of these tasks.

- 7. **Review.** It is the intent of the Village Board that this Debt Management Policy be reviewed annually and revised as necessary.