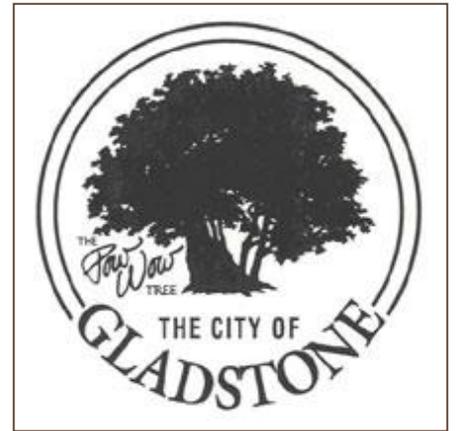


City of Gladstone



STORMWATER UTILITY
FORMATION

October 2014

FCS GROUP

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TABLE OF CONTENTS

SECTION I: INTRODUCTION.....	1
SECTION II: CUSTOMER BASE CALCULATION	2
A. Impervious Surface Area	2
B. Residential ERU Calculation.....	2
C. Non-Residential ERU Calculation	2
D. Total ERU Calculation.....	3
E. Potential Exemptions and Credits	3
SECTION III: FINANCIAL ANALYSIS	4
A. Compilation of Customer Data	4
B. Program Costs and Revenue Requirements	4
C. Rates.....	5
C.1 Rate-Funded Capital Scenario.....	5
C.2 Debt-Funded Capital Scenario	6
C.3 Rates vs. Debt Comparison	8
APPENDICES	9
Appendix A.1: Regression Equations	9
Appendix A.2: Regression Sample	9
Appendix B: Revenue Requirements Analysis; High-Fee Scenario	11
Appendix C: Revenue Requirements Analysis; Low-Fee Scenario	19

SECTION I: INTRODUCTION

A stormwater utility, supported by a system of rates, provides a reliable, ongoing revenue stream suitable for stormwater program operations, maintenance, and construction activities. Furthermore, when needed, utility rate revenue provides a City with the ability to secure and repay debt. By taking advantage of the stormwater utility option and accounting for it through an enterprise fund, a City sustains an independent entity within its government and thereby does not require stormwater management to compete for funding with other vital services. Additionally, through financial reporting requirements, a utility is accountable to public review.

In August, 2013, the City of Gladstone contracted with Financial Consulting Solutions Group, Inc. (FCS GROUP) through Brown & Caldwell to assist in the formation of a City stormwater utility. The City's stormwater functions are currently combined with the sewer utility. With this study, the City wished to implement a stormwater utility and supporting rate to provide the funding necessary to allow stormwater functions to be independent and fully funded. The study was performed using the following general approach:

- ◆ **Policy Framework for Charges.** In this step, we worked with City staff to identify, analyze, and agree on key policy issues.
- ◆ **Customer Base Calculation.** In this step, we worked with City staff and the City's engineering consultants to create customer base estimates for the utility. Additional information on the calculation is included as **Appendix A** to this report.
- ◆ **Financial Analysis.** In this step, we worked with City staff to perform a detailed financial analysis with projected costs, customer base estimates, and utility revenue requirements. We then created two separate scenarios under which the utility's capital expenditures could be funded: rates or debt. The technical analysis is included as **Appendices B & C** to this report.
- ◆ **Documentation and Presentation.** In this step, we wrote this report describing the recommended charge structure and charges.

SECTION II: CUSTOMER BASE CALCULATION

With a stormwater utility, the costs of stormwater management can be recovered through ongoing rates to the utility's customers. The utility is a financially independent entity free of reliance on the wastewater fund, or General Fund, with all of its revenues dedicated to stormwater management operations, maintenance, and capital construction. In order to set a rate to utility customers, we must first quantify the customer base.

A. IMPERVIOUS SURFACE AREA

There are a number of approaches, or bases, which can be used to determine stormwater charges that are suitable in terms of legal defensibility, equity, ease of implementation, and administration. We recommend charging rates based on impervious surface area to customers in Gladstone, a common basis for stormwater charges. Impervious surface area is the hard surface area on a property that prevents or slows water permeation into the ground and therefore increases the demand on the City's stormwater system. This measure of runoff contribution is widely accepted and understood, providing a clear relationship to service received or required from a stormwater program.

To administer a rate structure based on impervious surface area, we determined the amount of impervious surface area on a property that would equal one equivalent residential unit (ERU), a unit of measure against which all properties could be compared. After discussion with City staff and the City's engineering consultant, one ERU was established to equal 3,000 square feet of impervious surface area. In other words, it is assumed that the average single-family residence in Gladstone represents 3,000 square feet of impervious surface area.

B. RESIDENTIAL ERU CALCULATION

Because of the high administrative cost of determining the impervious surface area for every single family residence (SFR) and the relative homogeneity of the class, it is common practice to bill SFRs uniformly. As such, all SFR customers are assigned one ERU for billing purposes. With data from the Gladstone water utility customer accounts, we calculated the number of residential ERUs in the City. The residential properties in the City's water utility were class 001 accounts. There were a total of 2,920 class 001 accounts for the water utility and therefore 2,920 ERUs.

C. NON-RESIDENTIAL ERU CALCULATION

Using data on classes 002 and 003 from the City's water accounts, we calculated non-residential ERUs. We used a sample of 37 class 002 and 003 properties whose actual impervious area was known to estimate impervious area as a function of land area. Based on this sample and the resulting regression equations shown in **Appendix A**, we estimated that classes 002 and 003 represent a combined 2,840 ERUs. All properties were assigned a minimum of one ERU even if its regression equation indicated a lower impervious surface area.

D. TOTAL ERU CALCULATION

Based on the calculation of residential accounts and the regression equations for class 002 and 003 accounts, the City of Gladstone has a customer base of approximately 5,763 ERUs. As shown in **Exhibit 1**, class 002 has 623 ERUs and class 003 has 2,217 ERUs. There was one property not classified under the water accounts, whose surface area was calculated as if it were a class 003 property.

Exhibit 1: Stormwater Customers - ERU Summary			
	Number of Water Accounts	Sum of ERUs	Average ERU per Lot
Class 001	2,920	2,920	1.00
Class 002	243	623	3.35
Class 003	202	2,217	15.19
Not Classified	1	3	2.73
Total	3,366	5,763	1.77

Source: City of Gladstone, compiled by FCS GROUP.

It is strongly recommended that the City replace assumed impervious surface area, as calculated above, with actual measured impervious surface area as soon as practicable. In the meantime, we further recommend that the City provide for rate adjustments when customers can demonstrate that their actual impervious is different than assumed for billing purposes.

E. POTENTIAL EXEMPTIONS AND CREDITS

In some cases, it may be appropriate to allow for adjustments to the service charge based on the characteristics of the customer or of the parcel. When considering such rate adjustments, it is important to remember that a periodic stormwater rate is a fee for service, not a tax. As such, the level of an individual customer's charge must substantially relate to that customer's proportionate share of the utility's costs. In terms of equity and legal defensibility, it is important to recognize the significance of that type of relationship when defining exemption or credit policies because such policies could potentially move a utility away from the rational linkage between the service delivered and the amount of the fee.

Service fee reductions for senior citizen and/or low-income customers should generally be established only if the costs of that policy are to be paid for by the City's General Fund, or if it is the City's existing practice with its other utilities to offer such discounts. The City's current water rate policy is articulated in Gladstone Municipal Code 13.04.070(7), and provides for a reduced charge of 50% of the monthly minimum service charge for qualifying low-income residential customers.

Publicly-owned property, except streets, should be treated as all other developed property and charged its share of stormwater program costs through the utility service charge. Tax-exempt properties should be treated as all other properties contributing runoff and assessed the full service charge. Undeveloped property should be exempted from the service charge.

Finally, the stormwater utility service charge should include a provision for credits for on-site mitigation, with the general criteria being that the stormwater facility requirements built for the sake of obtaining development approval must effectively reduce the utility's costs above and beyond the required amount called for in granting development approval. The cost of meeting City standards should be considered a "cost of doing business," since this only addresses the impact of developing the property in the first place. The amount of credit should be determined by the extent to which the on-site facility exceeds the minimum requirement(s).

SECTION III: FINANCIAL ANALYSIS

The recommended rate approach is based on the amount of actual or assumed impervious surface area on the parcel. The rate is then expressed as a dollar amount per ERU with one ERU equal to 3,000 impervious square feet on a property. Under this approach, the rate calculation is thus: the total annual program costs, or the rate revenue requirement, divided by the total number of ERUs in the customer base. The result may be divided again by twelve to convert it to a monthly charge.

$$\text{Yearly Rate} = \frac{\text{Annual Rate Revenue Requirement}}{\text{Total Number of ERUs}}$$

A. COMPILATION OF CUSTOMER DATA

As noted in Section II, the City's current customer base for stormwater is 5,763 ERUs. This is the denominator in the equation above for the first year of analysis. Thereafter, we expect the customer base to grow by 0.27 percent per year based on population projections provided by Metro.

B. PROGRAM COSTS AND REVENUE REQUIREMENTS

The costs of the stormwater utility consist of ongoing operations and maintenance expenditures as well as capital construction costs. It is assumed that at the conclusion of this fiscal year, the stormwater utility will be independent and Sewer Fund revenues will no longer be used for stormwater. Operations and maintenance expenditures consist of the City staff's 2015 budget for stormwater totaling \$506,306. In the following year, the utility expects to hire 2.5 new FTEs, increasing operations and maintenance cost by \$250,000. A summary of these expenditures, for fiscal years 2015 through 2020, is below in **Exhibit 2**.

The utility's construction costs are based on a capital improvement plan totaling \$12,967,000 starting in fiscal year 2016 and continuing for 30 years. Assuming capital improvements are spread out evenly across years, construction costs will be \$458,556 in the first year and increase by construction cost inflation. Note that expenditures in future years, as well as revenues, are escalated using Gladstone's long range planning assumptions.

Exhibit 2: Operations and Maintenance

Expenditures		Fiscal Year Ending 6/30:	2015	2016	2017	2018	2019	2020
Personnel Services								
Career Recognition Pay	Water & Sewer Expenditure Projections	\$	843	\$ 885	\$ 929	\$ 976	\$ 1,025	\$ 1,076
Payroll Costs	Water & Sewer Expenditure Projections		22,405	23,525	24,702	25,937	27,233	28,595
Public Works Supervisor	Water & Sewer Expenditure Projections		6,955	7,303	7,668	8,051	8,454	8,877
Utility Workers, Journey Maint Tech	Water & Sewer Expenditure Projections		6,995	7,345	7,712	8,098	8,502	8,928
Utility Worker	Water & Sewer Expenditure Projections		13,990	14,690	15,424	16,195	17,005	17,855
Account Clerk	Water & Sewer Expenditure Projections		9,230	9,692	10,176	10,685	11,219	11,780
Overtime	Water & Sewer Expenditure Projections		375	394	413	434	456	479
[Extra]	[Extra]		-	-	-	-	-	-
Subtotal Personnel Services		\$	60,793	\$ 63,833	\$ 67,024	\$ 70,375	\$ 73,894	\$ 77,589
Materials and Services								
Electrical Power	Water & Sewer Expenditure Projections	\$	289	\$ 303	\$ 319	\$ 335	\$ 351	\$ 369
Sewer Syst Maintenance/Repair	Water & Sewer Expenditure Projections		12,938	13,585	14,264	14,977	15,726	16,513
Schools and Training	Water & Sewer Expenditure Projections		750	788	827	868	912	957
Engineering Services	Water & Sewer Expenditure Projections		9,075	9,529	10,005	10,505	11,031	11,582
Equipment Repair	Water & Sewer Expenditure Projections		2,021	2,122	2,228	2,340	2,457	2,579
Storm Water Consulting Service	Water & Sewer Expenditure Projections		63,000	66,150	69,458	72,930	76,577	80,406
Storm/Sanitary Master Plan	Water & Sewer Expenditure Projections		135,000	141,750	148,838	156,279	164,093	172,298
[Extra]	[Extra]		-	-	-	-	-	-
Subtotal Materials and Services		\$	223,073	\$ 234,227	\$ 245,938	\$ 258,235	\$ 271,147	\$ 284,704
Transfers								
Interfund Transfer General Fund	Water & Sewer Expenditure Projections	\$	6,178	\$ 6,487	\$ 6,811	\$ 7,152	\$ 7,509	\$ 7,885
[Extra]	[Extra]		-	-	-	-	-	-
Subtotal Transfers		\$	6,178	\$ 6,487	\$ 6,811	\$ 7,152	\$ 7,509	\$ 7,885
Capital Outlay								
Storm Sani System Improvements	Water & Sewer Expenditure Projections	\$	135,619	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Replacement Reserve	Water & Sewer Expenditure Projections		37,500	-	-	-	-	-
Reserve from SDC's	Water & Sewer Expenditure Projections		35,643	-	-	-	-	-
Riparian Restoration	Water & Sewer Expenditure Projections		7,500	7,875	8,269	8,682	9,116	9,572
Annual Line Item for LID	Water & Sewer Expenditure Projections		-	110,000	115,500	121,275	127,339	133,706
Annual Line Item for Equipment	Water & Sewer Expenditure Projections		-	75,000	78,750	82,688	86,822	91,163
[Extra]	[Extra]		-	-	-	-	-	-
Subtotal Capital Outlay		\$	216,262	\$ 192,875	\$ 202,519	\$ 212,645	\$ 223,277	\$ 234,441
Cost of Additional FTEs								
		\$	-	\$ 250,000	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877
Total Cash O&M Expenditures		\$	506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495

C. RATES

Because the utility will be an enterprise fund, it must be self-sustaining. Since the utility has no non-rate revenues, the rate revenue requirement for the utility is total expenditures. The utility must finance its operating expenditures through rates. However, the utility can finance capital expenditures with either rates or debt. This choice of rates or debt for financing capital expenditures is the basis of the two rate scenarios that we analyze below.

In fiscal year 2015, both scenarios are the same. Rate revenue needs would be \$506,306 if the City were to implement a utility. This only includes operations and maintenance expenditures in the budget, since the utility expects to start its capital expenditures and add new FTEs in the following fiscal year.

C.1 Rate-Funded Capital Scenario

In fiscal year 2016, the program will have \$1,328,506 in total expenses entirely funded by rates. This includes \$747,421 in operating expenditures, \$458,556 in cash funded capital improvements, and \$122,528 to meet the minimum operating fund balance. The resulting initial stormwater rate is \$19.16 a month per ERU. Then, the rate will not increase for a year, after which it will increase only slightly in the following years. After five years, fiscal year 2020, the rate will be \$20.75 per ERU. An

executive level summary of capital expenditures, funding, revenues, operations and maintenance expenses, rate levels, and fund balances is displayed in **Exhibit 3**. See **Appendix B** for full details.

Exhibit 3: Stormwater Fund Summary - Rates

Capital Funding	Fiscal Year Ending 6/30:					
	2015	2016	2017	2018	2019	2020
Total Capital Projects	\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540
Revenue Bond Proceeds	-	-	-	-	-	-
Use of Capital Fund Balance	-	-	-	-	-	-
Direct Rate Funding	-	458,556	501,077	516,109	531,592	547,540
Total Funding Sources	\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540

Projection Summary

Description	2015	2016	2017	2018	2019	2020
Revenues						
Rate Revenues Under Initial Rates	\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,335,770	\$ 1,339,417	\$ 1,343,074
Non-Rate Revenues	-	-	1,225	1,700	1,700	1,700
Total Revenues	\$ 506,306	\$ 1,328,506	\$ 1,333,358	\$ 1,337,470	\$ 1,341,117	\$ 1,344,774
Expenses						
Cash Operating Expenses - City	\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495
Existing Debt Service	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	-
Rate Funded CIP	-	458,556	501,077	516,109	531,592	547,540
Rate Funded System Reinvestment	-	-	-	-	-	-
Additions Required to Meet Minimal Op.	-	122,528	6,479	-	-	-
Total Expenses	\$ 506,306	\$ 1,328,506	\$ 1,292,348	\$ 1,340,141	\$ 1,396,826	\$ 1,456,035
Annual Surplus / (Deficiency)	\$ -	\$ -	\$ 41,010	\$ (2,671)	\$ (55,709)	\$ (111,261)
Net Revenue from Rate Increases	-	-	-	2,671	55,709	111,261
Use of Operating Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Surplus / (Deficiency)	\$ -	\$ -	\$ 41,010	\$ -	\$ 0	\$ 0
Annual Rate Adjustment	0.00%	0.00%	0.00%	0.20%	3.95%	3.96%
Cumulative Rate Adjustment	0.00%	0.00%	0.00%	0.20%	4.16%	8.28%
Rate Revenues After Rate Increase	\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,338,441	\$ 1,395,126	\$ 1,454,335
Net Cash Flow After Rate Increase	-	122,528	47,489	-	-	-
Coverage After Rate Increases	n/a	n/a	n/a	n/a	n/a	n/a
Total Monthly Rate Per ERU	\$ 7.32	\$ 19.16	\$ 19.16	\$ 19.20	\$ 19.96	\$ 20.75

Fund Balances	Fiscal Year Ending 6/30:					
	2015	2016	2017	2018	2019	2020
Operating Fund	\$ -	\$ 122,528	\$ 170,017	\$ 170,017	\$ 170,017	\$ 170,017
Capital Fund	-	-	-	-	-	-
Debt Reserve Fund	-	-	-	-	-	-
Total	\$ -	\$ 122,528	\$ 170,017	\$ 170,017	\$ 170,017	\$ 170,017
Combined Minimum Target Balance	\$ -	\$ 122,528	\$ 129,007	\$ 135,457	\$ 142,230	\$ 148,934

C.2 Debt-Funded Capital Scenario

Under this scenario the utility uses revenue bonds to pay for capital expenditures, beginning in fiscal year 2016. This means that rate revenues will be \$907,370, covering \$747,421 in operating expenditures, \$122,528 to meet the minimum operating fund balance of 60 days of cash operating expenses, and \$37,421 in new debt service. The resulting stormwater rate is \$13.09 a month per ERU. The rate will not change the following fiscal year, after which the rate will increase by close to 10% in the next two years. After five years, the rate will be \$17.18 per ERU. An executive level summary of capital expenditures, funding, revenues, operations and maintenance, rate levels, and fund balances is displayed in **Exhibit 4**. See **Appendix C** for full details.

Exhibit 4: Stormwater Fund Summary - Bonds

Fiscal Year Ending 6/30:						
Capital Funding	2015	2016	2017	2018	2019	2020
Total Capital Projects	\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540
Revenue Bond Proceeds	-	458,556	501,077	516,109	503,558	476,932
Use of Capital Fund Balance	-	-	-	-	28,034	70,608
Direct Rate Funding	-	-	-	-	-	-
Total Funding Sources	\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540

Projection Summary

Description	2015	2016	2017	2018	2019	2020
Revenues						
Rate Revenues Under Initial Rates	\$ 506,306	\$ 907,370	\$ 909,847	\$ 912,331	\$ 914,822	\$ 917,320
Non-Rate Revenues	-	-	1,599	2,492	3,235	3,747
Total Revenues	\$ 506,306	\$ 907,370	\$ 911,447	\$ 914,823	\$ 918,057	\$ 921,067
Expenses						
Cash Operating Expenses - City	\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495
Existing Debt Service	-	-	-	-	-	-
New Debt Service	-	37,421	78,311	120,428	161,521	200,441
Rate Funded CIP	-	-	-	-	-	-
Rate Funded System Reinvestment	-	-	-	-	-	-
Additions Required to Meet Minimal Op.	-	122,528	6,479	-	-	-
Total Expenses	\$ 506,306	\$ 907,370	\$ 869,582	\$ 944,460	\$ 1,026,754	\$ 1,108,936
Annual Surplus / (Deficiency)	\$ -	\$ -	\$ 41,865	\$ (29,637)	\$ (108,698)	\$ (187,869)
Net Revenue from Rate Increases	-	-	-	89,851	189,178	287,384
Use of Operating Reserves	-	-	-	-	-	-
Net Surplus / (Deficiency)	\$ -	\$ -	\$ 41,865	\$ 60,214	\$ 80,480	\$ 99,514
Annual Rate Adjustment	0.00%	0.00%	0.00%	9.85%	9.86%	8.82%
Cumulative Rate Adjustment	0.00%	0.00%	0.00%	9.85%	20.68%	31.33%
Rate Revenues After Rate Increase	\$ 506,306	\$ 907,370	\$ 909,847	\$ 1,002,182	\$ 1,104,000	\$ 1,204,703
Net Cash Flow After Rate Increase	-	122,528	48,343	60,214	80,480	99,514
Coverage After Rate Increases	n/a	4.27	1.62	1.50	1.50	1.50
Total Monthly Rate Per ERU	\$ 7.32	\$ 13.09	\$ 13.09	\$ 14.37	\$ 15.79	\$ 17.18

Fiscal Year Ending 6/30:						
Fund Balances	2015	2016	2017	2018	2019	2020
Operating Fund	\$ -	\$ 122,528	\$ 170,871	\$ 203,051	\$ 213,204	\$ 223,864
Capital Fund	-	-	-	28,034	70,608	89,560
Debt Reserve Fund	-	37,421	78,311	120,428	161,521	200,441
Total	\$ -	\$ 159,949	\$ 249,182	\$ 351,514	\$ 445,333	\$ 513,865
Combined Minimum Target Balance	\$ -	\$ 159,949	\$ 207,318	\$ 255,885	\$ 303,751	\$ 349,375

C.3 Rates vs. Debt Comparison

Comparing the two scenarios, we see the debt scenario is the low-fee scenario at the beginning, but increases at a faster pace the high-fee scenario with rate-funded capital improvements (see **Exhibit 5**). The scenarios converge around fiscal year 2027. All rates shown are monthly per ERU.

Exhibit 5: Rates									
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Low - Bonds	\$13.09	\$13.09	\$14.37	\$15.79	\$17.18	\$18.60	\$20.04	\$21.50	\$22.98
High - Rates	\$19.16	\$19.16	\$19.20	\$19.96	\$20.75	\$21.57	\$22.43	\$23.36	\$24.37
Difference	\$6.07	\$6.07	\$4.82	\$4.16	\$3.56	\$2.97	\$2.39	\$1.86	\$1.38

Source: Previous tables.

APPENDICES

Appendix A.1: Regression Equations

ERU Regression for Impervious Surface Area (in Square Feet)			
Class	Regression Equation	Slope	Intercept
Class 002	$y = 21,749x - 2,008.5$	21,749	-2,008.5
Class 003	$y = 20,871x + 5,808.7$	20,871	5,808.7

Source: City of Gladstone, compiled by FCS GROUP.

Note: The variable 'x' is the acreage of the property and the outcome 'y' is impervious square feet.

Appendix A.2: Regression Sample

Regression Sample of Impervious Surface Area				
Business Title	Address	Impervious Surface Area	Class	GIS Acres
Auto Town Buick GMC Inc.	19495 Mcloughlin blvd	19,800	002	1.340215
Autumn Oaks Apartments	495 W Clarendon St	15,500	002	0.773036
Brookside Properties	19535 -51 River Rd	17,248	002	0.689724
Clackamas River Raquet Ball Club	790 82nd Dr	9,600	002	1.846942
Dr. Joseph Sawyer	205 Portland Ave	3,000	002	0.114514
Fairway Village Apartments	19725 River Rd	113,180	002	5.107463
Gladstone ARCO -AM PM	810 E Arlington St	13,800	002	0.509004
Gladstone Forest Apartments	17400-17401 Webster Rd	45,000	002	2.874406
Holiday Inn	75 82nd Dr	51,000	002	2.320201
Hollyview Court	1180 82n Dr	18,540	002	1.350292
Los Verdes Apartments	17400 Webster Rd	55,769	002	2.224062
McDowell, Robert W. DDC. PC	365 Portland Ave	4,600	002	0.229568
Monte Verde Apartments	7229-7251 Los Verdes Dr	24,700	002	0.768461
River Run Village	831-999 Risely Ave	94,706	002	3.818038
Robert Everet DMD PC	325 Portland Ave	4,400	002	0.195133
T & K Properties	461 - 487 W Gloucester St	23,800	002	0.979113
Affordable Classics Inc	19895 Mcloughlin Blvd	9,500	003	0.311069
All Cars Auto Sales LLC	20105 Mcloughlin Blvd	11,450	003	0.515418

All Star Coffee	135 E Hereford St	200	003	0.516529
Bartel Contracting Inc.	135 E Hereford St	19,200	003	0.516529
Bright Cleaners	480 A Portland Ave	1,300	003	0.114784
Budget Inn	19240 Mcloughlin Blvd	12,000	003	0.677012
Cheveron Inc.	830 E Berkely St	15,169	003	0.507094
Gladstone Assisted Living LLC	8360 Cason Rd	71,362	003	4.390032
Gladstone family Dentistry	1105 Portland Ave	7,800	003	0.30303
Gladstone Retirement Residence	8330 Cason rd	86,056	003	6.105054
Gold Wrench	655 E Arlington	22,200	003	0.725437
Harley Davidson of Portland	870 E Berkely St	118,325	003	2.729616
In and Out Auto Care	610 First st	6,500	003	0.222681
JMP Inc.	17845 - 17895 82nd Dr	44,111	003	1.414515
Maxwell Mold & Machine	960 82nd Dr	7,800	003	0.321083
Mazda of Gladstone	19405 - 19465 Mcloughlin Blvd	105,900	003	2.924921
Northwest Behavioral Health Care	18000 Webster Rd	38,075	003	2.198966
Styker Construction Co.	645 E arlington St	7,650	003	0.344352
Tender Care	19230 Mcloughlin blvd	14,000	003	0.356666
Toyota of Gladstone	19375 Mcloughlin Blvd	140,000	003	4.591015
Watts Heating & Cooling	580 Portland Ave	9,850	003	0.229569

Source: City of Gladstone, compiled by FCS GROUP.

Appendix B: Revenue Requirements Analysis; High-Fee Scenario

City of Gladstone
Stormwater Utility - Rates
Summary

Capital Funding	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Capital Projects	\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261
Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Use of Capital Fund Balance	-	-	-	-	-	-	-	-	-	-
Direct Rate Funding	-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
Total Funding Sources	\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261

Projection Summary

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Rate Revenues Under Initial Rates	\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,335,770	\$ 1,339,417	\$ 1,343,074	\$ 1,346,741	\$ 1,350,418	\$ 1,354,105	\$ 1,357,802
Non-Rate Revenues	-	-	1,225	1,700	1,700	1,700	1,700	1,700	1,700	1,729
Total Revenues	\$ 506,306	\$ 1,328,506	\$ 1,333,358	\$ 1,337,470	\$ 1,341,117	\$ 1,344,774	\$ 1,348,441	\$ 1,352,118	\$ 1,355,805	\$ 1,359,530
Expenses										
Cash Operating Expenses - City	\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495	\$ 953,920	\$ 1,001,616	\$ 1,051,697	\$ 1,104,282
Existing Debt Service	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	-	-	-	-	-
Rate Funded CIP	-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-
Additions Required to Meet Minimal Op.	-	122,528	6,479	-	-	-	-	-	2,865	8,148
Total Expenses	\$ 506,306	\$ 1,328,506	\$ 1,292,348	\$ 1,340,141	\$ 1,396,826	\$ 1,456,035	\$ 1,517,886	\$ 1,582,501	\$ 1,652,873	\$ 1,728,691
Annual Surplus / (Deficiency)	\$ -	\$ -	\$ 41,010	\$ (2,671)	\$ (55,709)	\$ (111,261)	\$ (169,445)	\$ (230,384)	\$ (297,069)	\$ (369,161)
Net Revenue from Rate Increases	-	-	-	2,671	55,709	111,261	169,445	230,384	297,069	369,161
Use of Operating Reserves	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficiency)	\$ -	\$ -	\$ 41,010	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Annual Rate Adjustment	0.00%	0.00%	0.00%	0.20%	3.95%	3.96%	3.97%	3.98%	4.17%	4.31%
Cumulative Rate Adjustment	0.00%	0.00%	0.00%	0.20%	4.16%	8.28%	12.58%	17.06%	21.94%	27.19%
Rate Revenues After Rate Increase	\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,338,441	\$ 1,395,126	\$ 1,454,335	\$ 1,516,186	\$ 1,580,801	\$ 1,651,173	\$ 1,726,962
Net Cash Flow After Rate Increase	-	122,528	47,489	-	-	-	-	-	2,865	8,148
Coverage After Rate Increases	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Monthly Rate Per ERU	\$ 7.32	\$ 19.16	\$ 19.16	\$ 19.20	\$ 19.96	\$ 20.75	\$ 21.57	\$ 22.43	\$ 23.36	\$ 24.37

Fund Balances	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Fund	\$ -	\$ 122,528	\$ 170,017	\$ 170,017	\$ 170,017	\$ 170,017	\$ 170,017	\$ 170,017	\$ 172,882	\$ 181,030
Capital Fund	-	-	-	-	-	-	-	-	-	-
Debt Reserve Fund	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ 122,528	\$ 170,017	\$ 170,017	\$ 170,017	\$ 170,017	\$ 170,017	\$ 170,017	\$ 172,882	\$ 181,030
Combined Minimum Target Balance	\$ -	\$ 122,528	\$ 129,007	\$ 135,457	\$ 142,230	\$ 148,934	\$ 156,809	\$ 164,649	\$ 172,882	\$ 181,030

City of Gladstone
Stormwater Utility - Rates

Assumptions

Economic & Financial Factors	Fiscal Year Ending 6/30:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water & Sewer Revenue Projections		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Construction Cost Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Water & Sewer Expenditure Projections		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Water & Sewer Expenditure Projections plus Growth		5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%
Water & Sewer Revenue Projections plus Growth		4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%
No Escalation		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fund Earnings		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Franchise Fee		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Customer Growth		0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%
Cumulative Customer Growth		0.27%	0.55%	0.82%	1.10%	1.37%	1.65%	1.93%	2.21%	2.48%	2.76%
[Extra]		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Accounting Assumptions	Fiscal Year Ending 6/30:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
FISCAL POLICY RESTRICTIONS												
Min. Op. Fund Balance Target (days of O&M expense)		0	60	60	60	60	60	60	60	60	60	
Max. Op. Fund Balance (days of O&M expense)		0	90	90	90	90	90	90	90	90	90	
Minimum Capital Fund Balance Target												
Select Minimum Capital Fund Balance Target		2	User Input									
1 - Defined as % of Plant												
Plant-in-Service in 2014		\$ -										
Minimum Capital Fund Balance - % of plant assets		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
2 - Amount at Right ==>												
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

RATE FUNDED SYSTEM REINVESTMENT												
Select Reinvestment Funding Strategy		4	System Reinvestment is not Funded									
Amount of Annual Cash Funding from Rates												
1 - Equal to Annual Depreciation Expense												
2 - Equal to Annual Depreciation Expense less Annual Debt Principal Payments												
3 - Equal to Amount at Right ==>												
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4 - Do Not Fund System Reinvestment												
System Reinvestment Policy Implementation (%)		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

Capital Financing Assumptions

SYSTEM DEVELOPMENT CHARGE (SDC) REVENUES												
Select SDC Alternative		1	Current Charge is in use									
1 - User Input (Current Charge)		\$ -										
2 - Calculated Charge		\$ -										
Total Equivalent Residential Units (ERUs)		5,763	5,779	5,794	5,810	5,826	5,842	5,858	5,874	5,890	5,906	
System Development Charge Revenues		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

REVENUE BONDS												
Term (years)		20	20	20	20	20	20	20	20	20	20	
Interest Only Period (First n years)		0	0	0	0	0	0	0	0	0	0	
Interest Cost		4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	
Issuance Cost		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Revenue Bond Coverage Requirement		1.50										

LOANS											
Term (years; no more than 20 years)		20	20	20	20	20	20	20	20	20	20
Interest Cost		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

GENERAL OBLIGATION BONDS											
Term (years)		20	20	20	20	20	20	20	20	20	20
Interest Cost		4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
Issuance Cost		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

EQUIVALENT RESIDENTIAL UNITS per FCS Estimates, 2014												
Class 001 (residential)		2,920										
Class 002		623										
Class 003		2,217										
Not Classified		3										
Total		5,763										

SDC GROWTH CALCULATION												
Beginning ERUs		5,763										
Annual growth rate		0.27%										
Planning period in years		20										
Ending ERUs		6,086										
Growth in ERUs		323										

City of Gladstone
Stormwater Utility - Rates
Operating Revenue and Expenditure Forecast

		Budget	Projection								
Revenues		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fiscal Year Ending 6/30:		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rate Revenues	Customer Growth	\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,335,770	\$ 1,339,417	\$ 1,343,074	\$ 1,346,741	\$ 1,350,418	\$ 1,354,105	\$ 1,357,802
Non-Rate Revenues	Water & Sewer Revenue Projections	-	-	-	-	-	-	-	-	-	-
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES		\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,335,770	\$ 1,339,417	\$ 1,343,074	\$ 1,346,741	\$ 1,350,418	\$ 1,354,105	\$ 1,357,802
Expenditures											
Personnel Services											
Career Recognition Pay	Water & Sewer Expenditure Projections	\$ 843	\$ 885	\$ 929	\$ 976	\$ 1,025	\$ 1,076	\$ 1,130	\$ 1,186	\$ 1,245	\$ 1,308
Payroll Costs	Water & Sewer Expenditure Projections	22,405	23,525	24,702	25,937	27,233	28,595	30,025	31,526	33,102	34,758
Public Works Supervisor	Water & Sewer Expenditure Projections	6,955	7,303	7,668	8,051	8,454	8,877	9,320	9,786	10,276	10,789
Utility Workers, Journey Maint Tech	Water & Sewer Expenditure Projections	6,995	7,345	7,712	8,098	8,502	8,928	9,374	9,843	10,335	10,852
Utility Worker	Water & Sewer Expenditure Projections	13,990	14,690	15,424	16,195	17,005	17,855	18,748	19,685	20,670	21,703
Account Clerk	Water & Sewer Expenditure Projections	9,230	9,692	10,176	10,685	11,219	11,780	12,369	12,988	13,637	14,319
Overtime	Water & Sewer Expenditure Projections	375	394	413	434	456	479	503	528	554	582
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-
Subtotal Personnel Services		\$ 60,793	\$ 63,833	\$ 67,024	\$ 70,375	\$ 73,894	\$ 77,589	\$ 81,468	\$ 85,542	\$ 89,819	\$ 94,310
Materials and Services											
Electrical Power	Water & Sewer Expenditure Projections	\$ 289	\$ 303	\$ 319	\$ 335	\$ 351	\$ 369	\$ 387	\$ 407	\$ 427	\$ 448
Sewer Syst Maintenance/Repair	Water & Sewer Expenditure Projections	12,938	13,585	14,264	14,977	15,726	16,513	17,338	18,205	19,115	20,071
Schools and Training	Water & Sewer Expenditure Projections	750	788	827	868	912	957	1,005	1,055	1,108	1,163
Engineering Services	Water & Sewer Expenditure Projections	9,075	9,529	10,005	10,505	11,031	11,582	12,161	12,769	13,408	14,078
Equipment Repair	Water & Sewer Expenditure Projections	2,021	2,122	2,228	2,340	2,457	2,579	2,708	2,844	2,986	3,135
Storm Water Consulting Service	Water & Sewer Expenditure Projections	63,000	66,150	69,458	72,930	76,577	80,406	84,426	88,647	93,080	97,734
Storm/Sanitary Master Plan	Water & Sewer Expenditure Projections	135,000	141,750	148,838	156,279	164,093	172,298	180,913	189,959	199,456	209,429
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-
Subtotal Materials and Services		\$ 223,073	\$ 234,227	\$ 245,938	\$ 258,235	\$ 271,147	\$ 284,704	\$ 298,939	\$ 313,886	\$ 329,580	\$ 346,059
Transfers											
Interfund Transfer General Fund	Water & Sewer Expenditure Projections	\$ 6,178	\$ 6,487	\$ 6,811	\$ 7,152	\$ 7,509	\$ 7,885	\$ 8,279	\$ 8,693	\$ 9,128	\$ 9,584
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-
Subtotal Transfers		\$ 6,178	\$ 6,487	\$ 6,811	\$ 7,152	\$ 7,509	\$ 7,885	\$ 8,279	\$ 8,693	\$ 9,128	\$ 9,584
Capital Outlay											
Storm San System Improvements	Water & Sewer Expenditure Projections	\$ 135,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Replacement Reserve	Water & Sewer Expenditure Projections	37,500	-	-	-	-	-	-	-	-	-
Reserve from SDC's	Water & Sewer Expenditure Projections	35,643	-	-	-	-	-	-	-	-	-
Riparian Restoration	Water & Sewer Expenditure Projections	7,500	7,875	8,269	8,682	9,116	9,572	10,051	10,553	11,081	11,635
Annual Line Item for LID	Water & Sewer Expenditure Projections	-	110,000	115,500	121,275	127,339	133,706	140,391	147,411	154,781	162,520
Annual Line Item for Equipment	Water & Sewer Expenditure Projections	-	75,000	78,750	82,688	86,822	91,163	95,721	100,507	105,533	110,809
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-
Subtotal Capital Outlay		\$ 216,262	\$ 192,875	\$ 202,519	\$ 212,645	\$ 223,277	\$ 234,441	\$ 246,163	\$ 258,471	\$ 271,394	\$ 284,964
Cost of Additional FTEs											
		\$ -	\$ 250,000	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	\$ 319,070	\$ 335,024	\$ 351,775	\$ 369,364
Total Cash O&M Expenditures		\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495	\$ 953,920	\$ 1,001,616	\$ 1,051,697	\$ 1,104,282

[a] Capital outlay to be expensed in current year.

Depreciation Expense in 2014		\$ 20,578									
Depreciation Expense	Last year's plus annual additions from CIP	\$ 20,578	\$ 43,506	\$ 68,560	\$ 94,365	\$ 120,945	\$ 148,322	\$ 176,520	\$ 205,564	\$ 235,480	\$ 266,293
	debt principal payments	-	-	-	-	-	-	-	-	-	-
	System Reinvestment Funding	20,578	43,506	68,560	94,365	120,945	148,322	176,520	205,564	235,480	266,293

Include additional FTE costs into the projections?
(1-Yes, 2-No)

1 Additional FTE costs are included in the projections.

Additional FTE Costs		Fiscal Year Ending 6/30:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FTE and Vehicle Maintenance Additions												
Fully Loaded FTE			-	2.5	-	-	-	-	-	-	-	-
[Extra]			-	-	-	-	-	-	-	-	-	-
2015 Cost Bases and Projected Unit Costs												
Fully Loaded FTE Salary	Water & Sewer Expenditure Projections	\$ -	\$ 100,000	\$ 105,000	\$ 110,250	\$ 115,763	\$ 121,551	\$ 127,628	\$ 134,010	\$ 140,710	\$ 147,746	
[Extra] Salary	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-	
[Extra] Benefits	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-	
Cost of Additional FTEs and Vehicle Maintenance												
Fully Loaded FTE Salary		\$ -	\$ 250,000	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	\$ 319,070	\$ 335,024	\$ 351,775	\$ 369,364	
[Extra] FTE Salary		-	-	-	-	-	-	-	-	-	-	
[Extra] FTE Benefits		-	-	-	-	-	-	-	-	-	-	
Total Cost of Additional FTEs and Vehicle Maintenance		\$ -	\$ 250,000	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	\$ 319,070	\$ 335,024	\$ 351,775	\$ 369,364	

Cumulative Construction Cost Inflation ==>	3.00%	6.09%	9.27%	12.55%	15.93%	19.41%	22.99%	26.68%	30.48%	34.39%
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Project Costs in 2014 dollars.			TOTAL FORECASTED PROJECT COSTS										
Existing Costs	Growth (SDC)	Total	TOTAL ESCALATED COSTS	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$ 410,000	\$ -	\$ 410,000	\$ 434,969	\$ -	\$ 434,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,773,000	-	3,773,000	4,002,776	-	4,002,776	-	-	-	-	-	-	-	-
78,000	-	78,000	82,750	-	82,750	-	-	-	-	-	-	-	-
1,336,000	-	1,336,000	1,417,362	-	1,417,362	-	-	-	-	-	-	-	-
607,000	-	607,000	643,966	-	643,966	-	-	-	-	-	-	-	-
1,840,000	-	1,840,000	1,952,056	-	1,952,056	-	-	-	-	-	-	-	-
12,000	-	12,000	12,731	-	12,731	-	-	-	-	-	-	-	-
220,000	-	220,000	233,398	-	233,398	-	-	-	-	-	-	-	-
280,000	-	280,000	297,052	-	297,052	-	-	-	-	-	-	-	-
230,000	-	230,000	244,007	-	244,007	-	-	-	-	-	-	-	-
280,000	-	280,000	297,052	-	297,052	-	-	-	-	-	-	-	-
270,000	-	270,000	286,443	-	286,443	-	-	-	-	-	-	-	-
570,000	-	570,000	604,713	-	604,713	-	-	-	-	-	-	-	-
36,000	-	36,000	38,192	-	38,192	-	-	-	-	-	-	-	-
640,000	-	640,000	678,976	-	678,976	-	-	-	-	-	-	-	-
480,000	-	480,000	509,232	-	509,232	-	-	-	-	-	-	-	-
160,000	-	160,000	169,744	-	169,744	-	-	-	-	-	-	-	-
940,000	-	940,000	997,246	-	997,246	-	-	-	-	-	-	-	-
140,000	-	140,000	148,526	-	148,526	-	-	-	-	-	-	-	-
650,000	-	650,000	689,585	-	689,585	-	-	-	-	-	-	-	-
15,000	-	15,000	15,914	-	15,914	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 12,967,000	\$ -	\$ 12,967,000	\$ 13,756,690	\$ -	\$ 13,756,690	\$ -							
			13,756,690	-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
-	-	-	-	-	-	-	-	-	-	-	-	-	-
12,967,000	-	12,967,000	13,756,690	-	13,756,690	-	-	-	-	-	-	-	-

City of Gladstone
Stormwater Utility - Rates
Capital Funding Analysis

		Fiscal Year Ending 6/30:									
Summary of Expenditures		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SDC Eligible Project Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
R&R Project Costs		-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
Subtotal: Project Costs (Building & Improvements)		\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261
Internal Service Fund Transfer	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
Street Fund Transfer	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
Supplemental Budget (Materials/Svcs)	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
Capital Equip. & Project Fund Transfer	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
Capitalized Labor (Add'l Positions)	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURES		\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261

		Fiscal Year Ending 6/30:									
Capital Financing Plan		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Project-Specific Grants / Developer Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Costs Remaining to be Funded		-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
OTHER FUNDING SOURCES [NOTE A]											
Existing State Loan Proceeds		-	-	-	-	-	-	-	-	-	-
State Loan Proceeds		-	-	-	-	-	-	-	-	-	-
Other Loan Proceeds		-	-	-	-	-	-	-	-	-	-
Capital Fund Balance		-	-	-	-	-	-	-	-	-	-
Revenue Bond Proceeds [Note B]		-	-	-	-	-	-	-	-	-	-
Rates		-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
Total		\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261
TOTAL CAPITAL RESOURCES		\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261
Info: Capital Contingency Deficit		-	-	-	-	-	-	-	-	-	-

NOTE A: SELECTION OF FUNDING SOURCE FOR REMAINING CAPITAL FUNDING NEEDS

Select the Residual Funding Source	2	Rates
1 - Revenue Bond Proceeds		
2 - Rates		

NOTE B: USER INPUT FOR REVENUE BOND PROCEEDS

Select Amount of Bond Proceeds	2	Calculated by the Model
1 - Amounts at Right ==>		
2 - Calculated by the Model		

		Fiscal Year Ending 6/30:									
New Debt Computations		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUE BONDS											
Amount to Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance Costs		-	-	-	-	-	-	-	-	-	-
Reserve Required		-	-	-	-	-	-	-	-	-	-
Amount of Debt Issue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER LOANS (SRF)											
Amount to Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance Costs		-	-	-	-	-	-	-	-	-	-
Amount of Debt Issue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PWTF LOAN											
Amount to Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

		Fiscal Year Ending 6/30:									
Debt Service Summary		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXISTING DEBT SERVICE											
Annual Interest Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Principal Payments		-	-	-	-	-	-	-	-	-	-
Total Debt Service Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bond Payments Only		-	-	-	-	-	-	-	-	-	-
NEW DEBT SERVICE											
Annual Interest Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Principal Payments		-	-	-	-	-	-	-	-	-	-
Total Debt Service Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bond Payments Only		-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE PAYMENTS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Interest Payments		-	-	-	-	-	-	-	-	-	-
Total Principal Payments		-	-	-	-	-	-	-	-	-	-
Total Revenue Bond Payments Only		-	-	-	-	-	-	-	-	-	-

City of Gladstone
Stormwater Utility - Rates
Revenue Requirements Analysis

Cash Flow Sufficiency Test	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXPENSES										
Cash Operating Expenses	\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495	\$ 953,920	\$ 1,001,616	\$ 1,051,697	\$ 1,104,282
Existing Debt Service	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	-	-	-	-	-
Rate-Funded CIP	-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
Rate-Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-
Additions Required to Meet Minimum Op. Fund Balance	-	122,528	6,479	-	-	-	-	-	2,865	8,148
Total Expenses	\$ 506,306	\$ 1,328,506	\$ 1,292,348	\$ 1,340,141	\$ 1,396,826	\$ 1,456,035	\$ 1,517,886	\$ 1,582,501	\$ 1,652,873	\$ 1,728,691
REVENUES										
Rate Revenue	\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,335,770	\$ 1,339,417	\$ 1,343,074	\$ 1,346,741	\$ 1,350,418	\$ 1,354,105	\$ 1,357,802
Other Revenue	-	-	-	-	-	-	-	-	-	-
Interest Earnings (excluding Capital Fund)	-	-	1,225	1,700	1,700	1,700	1,700	1,700	1,700	1,729
Total Revenue	\$ 506,306	\$ 1,328,506	\$ 1,333,358	\$ 1,337,470	\$ 1,341,117	\$ 1,344,774	\$ 1,348,441	\$ 1,352,118	\$ 1,355,805	\$ 1,359,530
USE OF OPERATING RESERVES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET CASH FLOW (DEFICIENCY)	\$ -	\$ -	\$ 41,010	\$ (2,671)	\$ (55,709)	\$ (111,261)	\$ (169,445)	\$ (230,384)	\$ (297,069)	\$ (369,161)

Coverage Sufficiency Test	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXPENSES										
Cash Operating Expenses	\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495	\$ 953,920	\$ 1,001,616	\$ 1,051,697	\$ 1,104,282
Maximum Annual Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-
Revenue Bond Coverage Requirement at 1.5	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495	\$ 953,920	\$ 1,001,616	\$ 1,051,697	\$ 1,104,282
ALLOWABLE REVENUES										
Rate Revenue	\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,335,770	\$ 1,339,417	\$ 1,343,074	\$ 1,346,741	\$ 1,350,418	\$ 1,354,105	\$ 1,357,802
Other Revenue	-	-	-	-	-	-	-	-	-	-
Interest Earnings - All Funds	-	-	1,225	1,700	1,700	1,700	1,700	1,700	1,700	1,729
Total Revenue	\$ 506,306	\$ 1,328,506	\$ 1,333,358	\$ 1,337,470	\$ 1,341,117	\$ 1,344,774	\$ 1,348,441	\$ 1,352,118	\$ 1,355,805	\$ 1,359,530
Coverage Realized	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
COVERAGE SURPLUS (DEFICIENCY)	\$ -	\$ 581,084	\$ 548,566	\$ 513,438	\$ 475,884	\$ 436,279	\$ 394,521	\$ 350,502	\$ 304,108	\$ 255,249

Maximum Revenue Deficiency	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sufficiency Test Driving the Deficiency	None	None	None	Cash	Cash	Cash	Cash	Cash	Cash	Cash
Maximum Deficiency From Tests	\$ -	\$ -	\$ -	\$ 2,671	\$ 55,709	\$ 111,261	\$ 169,445	\$ 230,384	\$ 297,069	\$ 369,161
less: Net Revenue From Prior Rate Increases	-	-	-	-	(2,678)	(55,861)	(111,565)	(169,908)	(231,013)	(297,880)
Revenue Deficiency	\$ -	\$ -	\$ -	\$ 2,671	\$ 53,031	\$ 55,400	\$ 57,880	\$ 60,475	\$ 66,056	\$ 71,281
Plus: Adjustment for Taxes	-	-	-	-	-	-	-	-	-	-
Total Revenue Deficiency	\$ -	\$ -	\$ -	\$ 2,671	\$ 53,031	\$ 55,400	\$ 57,880	\$ 60,475	\$ 66,056	\$ 71,281

Rate Increases	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rate Revenue with no Increase	\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,335,770	\$ 1,339,417	\$ 1,343,074	\$ 1,346,741	\$ 1,350,418	\$ 1,354,105	\$ 1,357,802
Revenues from Prior Rate Increases	-	-	-	-	2,678	55,861	111,565	169,908	231,013	297,880
Rate Revenue Before Rate Increase (Incl. previous increases)	506,306	1,328,506	1,332,133	1,335,770	1,342,095	1,398,935	1,458,306	1,520,326	1,585,117	1,655,681
Required Annual Rate Increase	0.00%	0.00%	0.00%	0.20%	3.95%	3.96%	3.97%	3.98%	4.17%	4.31%
Number of Months New Rates Will Be In Effect	12	12	12	12	12	12	12	12	12	12
Info: Percentage Increase to Generate Required Revenue	0.00%	0.00%	0.00%	0.20%	3.95%	3.96%	3.97%	3.98%	4.17%	4.31%
Policy Induced Rate Increases										
ANNUAL RATE INCREASE	0.00%	0.00%	0.00%	0.20%	3.95%	3.96%	3.97%	3.98%	4.17%	4.31%
CUMULATIVE RATE INCREASE	0.00%	0.00%	0.00%	0.20%	4.16%	8.28%	12.58%	17.06%	21.94%	27.19%

Impacts of Rate Increases	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rate Revenues After Rate Increase	\$ 506,306	\$ 1,328,506	\$ 1,332,133	\$ 1,338,441	\$ 1,395,126	\$ 1,454,335	\$ 1,516,186	\$ 1,580,801	\$ 1,651,173	\$ 1,726,962
Full Year Rate Revenues After Rate Increase	506,306	1,328,506	1,332,133	1,338,441	1,395,126	1,454,335	1,516,186	1,580,801	1,651,173	1,726,962
Additional Taxes/Franchise Fees Due to Rate Increases	-	-	-	-	-	-	-	-	-	-
Net Cash Flow After Rate Increase	-	122,528	47,489	-	-	-	-	-	2,865	8,148
Coverage After Rate Increase	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

City of Gladstone
Stormwater Utility - Rates
Fund Activity

Funds	Fiscal Year Ending 6/30:		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
OPERATING FUND														
Beginning Balance	\$	-	\$	122,528	\$	170,017	\$	170,017	\$	170,017	\$	170,017	\$	172,882
plus: Net Cash Flow after Rate Increase	-	-	122,528	47,489	-	-	-	-	-	-	2,865	8,148	-	-
less: Transfer of Surplus to Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$	-	\$	122,528	\$	170,017	\$	170,017	\$	170,017	\$	172,882	\$	181,030
<i>Minimum Target Balance</i>	-	-	122,528	129,007	135,457	142,230	148,934	156,809	164,649	172,882	181,030	-	-	-
<i>Maximum Funds to be Kept as Operating Reserves</i>	-	-	184,173	193,382	203,051	213,204	223,864	235,057	246,810	259,150	272,108	-	-	-
<i>Info: No of Days of Cash Operating Expenses</i>	-	-	60	79	75	72	68	65	62	60	60	-	-	-
CAPITAL FUND														
Beginning Balance	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
plus: Rate-Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
plus: Grants / Developer Donations / Other Outside Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
plus: System Development Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
plus: Net Debt Proceeds Available for Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
plus: Direct Rate Funding	-	-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261	-	-	-
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
plus: Transfer of Surplus from Operating Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
less: Capital Expenditures	-	-	(458,556)	(501,077)	(516,109)	(531,592)	(547,540)	(563,966)	(580,885)	(598,312)	(616,261)	-	-	-
Ending Balance	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<i>Minimum Target Balance</i>	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DEBT RESERVE														
Beginning Balance	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
plus: Reserve Funding from New Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<i>Minimum Target Balance</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix C: Revenue Requirements Analysis; Low-Fee Scenario

**City of Gladstone
Stormwater Utility - Debt
Summary**

Capital Funding	Fiscal Year Ending 6/30:						2021	2022	2023	2024
	2015	2016	2017	2018	2019	2020				
Total Capital Projects	\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261
Revenue Bond Proceeds	-	458,556	501,077	516,109	503,558	476,932	474,406	472,501	471,208	470,519
Use of Capital Fund Balance	-	-	-	-	28,034	70,608	89,560	108,384	127,104	145,743
Direct Rate Funding	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261

Projection Summary

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Rate Revenues Under Initial Rates	\$ 506,306	\$ 907,370	\$ 909,847	\$ 912,331	\$ 914,822	\$ 917,320	\$ 919,824	\$ 922,336	\$ 924,854	\$ 927,379
Non-Rate Revenues	-	-	1,599	2,492	3,235	3,747	4,243	4,742	5,245	5,753
Total Revenues	\$ 506,306	\$ 907,370	\$ 911,447	\$ 914,823	\$ 918,057	\$ 921,067	\$ 924,067	\$ 927,078	\$ 930,099	\$ 933,132
Expenses										
Cash Operating Expenses - City	\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495	\$ 953,920	\$ 1,001,616	\$ 1,051,697	\$ 1,104,282
Existing Debt Service	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	37,421	78,311	120,428	161,521	200,441	239,155	277,714	316,166	354,563
Rate Funded CIP	-	-	-	-	-	-	-	-	-	-
Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-
Additions Required to Meet Minimal Op.	-	122,528	6,479	-	-	-	-	-	-	-
Total Expenses	\$ 506,306	\$ 907,370	\$ 869,582	\$ 944,460	\$ 1,026,754	\$ 1,108,936	\$ 1,193,075	\$ 1,279,329	\$ 1,367,863	\$ 1,458,845
Annual Surplus / (Deficiency)	\$ -	\$ -	\$ 41,865	\$ (29,637)	\$ (108,698)	\$ (187,869)	\$ (269,008)	\$ (352,252)	\$ (437,764)	\$ (525,713)
Net Revenue from Rate Increases	-	-	-	89,851	189,178	287,384	387,689	490,024	594,576	701,537
Use of Operating Reserves	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficiency)	\$ -	\$ -	\$ 41,865	\$ 60,214	\$ 80,480	\$ 99,514	\$ 118,682	\$ 137,773	\$ 156,812	\$ 175,824
Annual Rate Adjustment	0.00%	0.00%	0.00%	9.85%	9.86%	8.82%	8.24%	7.72%	7.29%	6.91%
Cumulative Rate Adjustment	0.00%	0.00%	0.00%	9.85%	20.68%	31.33%	42.15%	53.13%	64.29%	75.65%
Rate Revenues After Rate Increase	\$ 506,306	\$ 907,370	\$ 909,847	\$ 1,002,182	\$ 1,104,000	\$ 1,204,703	\$ 1,307,514	\$ 1,412,360	\$ 1,519,430	\$ 1,628,916
Net Cash Flow After Rate Increase	-	122,528	48,343	60,214	80,480	99,514	118,682	137,773	156,812	175,824
Coverage After Rate Increases	n/a	4.27	1.62	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total Monthly Rate Per ERU	\$ 7.32	\$ 13.09	\$ 13.09	\$ 14.37	\$ 15.79	\$ 17.18	\$ 18.60	\$ 20.04	\$ 21.50	\$ 22.98

Fund Balances	Fiscal Year Ending 6/30:						2021	2022	2023	2024
	2015	2016	2017	2018	2019	2020				
Operating Fund	\$ -	\$ 122,528	\$ 170,871	\$ 203,051	\$ 213,204	\$ 223,864	\$ 235,057	\$ 246,810	\$ 259,150	\$ 272,108
Capital Fund	-	-	-	28,034	70,608	89,560	108,384	127,104	145,743	164,324
Debt Reserve Fund	-	37,421	78,311	120,428	161,521	200,441	239,155	277,714	316,167	354,563
Total	\$ -	\$ 159,949	\$ 249,182	\$ 351,514	\$ 445,333	\$ 513,865	\$ 582,596	\$ 651,627	\$ 721,060	\$ 790,995
Combined Minimum Target Balance	\$ -	\$ 159,949	\$ 207,318	\$ 255,885	\$ 303,751	\$ 349,375	\$ 395,964	\$ 442,363	\$ 489,048	\$ 535,593

City of Gladstone
Stormwater Utility - Debt
Assumptions

Economic & Financial Factors	Fiscal Year Ending 6/30:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water & Sewer Revenue Projections		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Construction Cost Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Water & Sewer Expenditure Projections		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Water & Sewer Expenditure Projections plus Growth		5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%
Water & Sewer Revenue Projections plus Growth		4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%
No Escalation		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fund Earnings		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Franchise Fee		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Customer Growth		0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%
Cumulative Customer Growth		0.27%	0.55%	0.82%	1.10%	1.37%	1.65%	1.93%	2.21%	2.48%	2.76%
[Extra]		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Accounting Assumptions	Fiscal Year Ending 6/30:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FISCAL POLICY RESTRICTIONS											
Min. Op. Fund Balance Target (days of O&M expense)		0	60	60	60	60	60	60	60	60	60
Max. Op. Fund Balance (days of O&M expense)		0	90	90	90	90	90	90	90	90	90
Minimum Capital Fund Balance Target											
Select Minimum Capital Fund Balance Target	2	User Input									
1 - Defined as % of Plant											
Plant-in-Service in 2014	\$ -										
Minimum Capital Fund Balance - % of plant assets		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
2 - Amount at Right ==>											
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RATE FUNDED SYSTEM REINVESTMENT											
Select Reinvestment Funding Strategy	4	System Reinvestment is not Funded									
Amount of Annual Cash Funding from Rates											
1 - Equal to Annual Depreciation Expense											
2 - Equal to Annual Depreciation Expense less Annual Debt Principal Payments											
3 - Equal to Amount at Right ==>											
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 - Do Not Fund System Reinvestment											
System Reinvestment Policy Implementation (%)		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Capital Financing Assumptions

SYSTEM DEVELOPMENT CHARGE (SDC) REVENUES											
Select SDC Alternative	1	Current Charge is in use									
1 - User Input (Current Charge)	\$ -										
2 - Calculated Charge	\$ -										
Total Equivalent Residential Units (ERUs)		5,763	5,779	5,794	5,810	5,826	5,842	5,858	5,874	5,890	5,906
System Development Charge Revenues		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

REVENUE BONDS												
Term (years)		20	20	20	20	20	20	20	20	20	20	
Interest Only Period (First n years)		0	0	0	0	0	0	0	0	0	0	
Interest Cost		4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	
Issuance Cost		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Revenue Bond Coverage Requirement		1.50										

LOANS											
Term (years; no more than 20 years)		20	20	20	20	20	20	20	20	20	20
Interest Cost		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

GENERAL OBLIGATION BONDS											
Term (years)		20	20	20	20	20	20	20	20	20	20
Interest Cost		4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
Issuance Cost		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

EQUIVALENT RESIDENTIAL UNITS per FCS Estimates, 2014												
Class 001 (residential)		2,920										
Class 002		623										
Class 003		2,217										
Not Classified		3										
Total		5763										

SDC GROWTH CALCULATION												
Beginning ERUs		5,763										
Annual growth rate		0.27%										
Planning period in years		20										
Ending ERUs		6,086										
Growth in ERUs		323										

City of Gladstone
Stormwater Utility - Debt
Operating Revenue and Expenditure Forecast

		Budget	Projection	Projection	Projection	Projection						
Fiscal Year Ending 6/30:		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
Revenues												
Rate Revenues	Customer Growth	\$ 506,306	\$ 907,370	\$ 909,847	\$ 912,331	\$ 914,822	\$ 917,320	\$ 919,824	\$ 922,336	\$ 924,854	\$ 927,379	\$ 927,379
Non-Rate Revenues	Water & Sewer Revenue Projections	-	-	-	-	-	-	-	-	-	-	-
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES		\$ 506,306	\$ 907,370	\$ 909,847	\$ 912,331	\$ 914,822	\$ 917,320	\$ 919,824	\$ 922,336	\$ 924,854	\$ 927,379	\$ 927,379
Expenditures												
Personnel Services												
Career Recognition Pay	Water & Sewer Expenditure Projections	\$ 843	\$ 885	\$ 929	\$ 976	\$ 1,025	\$ 1,076	\$ 1,130	\$ 1,186	\$ 1,245	\$ 1,308	\$ 1,308
Payroll Costs	Water & Sewer Expenditure Projections	22,405	23,525	24,702	25,937	27,233	28,595	30,025	31,526	33,102	34,758	34,758
Public Works Supervisor	Water & Sewer Expenditure Projections	6,955	7,303	7,668	8,051	8,454	8,877	9,320	9,786	10,276	10,789	10,789
Utility Workers, Journey Maint Tech	Water & Sewer Expenditure Projections	6,995	7,345	7,712	8,098	8,502	8,928	9,374	9,843	10,335	10,852	10,852
Utility Worker	Water & Sewer Expenditure Projections	13,990	14,690	15,424	16,195	17,005	17,855	18,748	19,685	20,670	21,703	21,703
Account Clerk	Water & Sewer Expenditure Projections	9,230	9,692	10,176	10,685	11,219	11,780	12,369	12,988	13,637	14,319	14,319
Overtime	Water & Sewer Expenditure Projections	375	394	413	434	456	479	503	528	554	582	582
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-	-
Subtotal Personnel Services		\$ 60,793	\$ 63,833	\$ 67,024	\$ 70,375	\$ 73,894	\$ 77,589	\$ 81,468	\$ 85,542	\$ 89,819	\$ 94,310	\$ 94,310
Materials and Services												
Electrical Power	Water & Sewer Expenditure Projections	\$ 289	\$ 303	\$ 319	\$ 335	\$ 351	\$ 369	\$ 387	\$ 407	\$ 427	\$ 448	\$ 448
Sewer Syst Maintenance/Repair	Water & Sewer Expenditure Projections	12,938	13,585	14,264	14,977	15,726	16,513	17,338	18,205	19,115	20,071	20,071
Schools and Training	Water & Sewer Expenditure Projections	750	788	827	868	912	957	1,005	1,055	1,108	1,163	1,163
Engineering Services	Water & Sewer Expenditure Projections	9,075	9,529	10,005	10,505	11,031	11,582	12,161	12,769	13,408	14,078	14,078
Equipment Repair	Water & Sewer Expenditure Projections	2,021	2,122	2,228	2,340	2,457	2,579	2,708	2,844	2,986	3,135	3,135
Storm Water Consulting Service	Water & Sewer Expenditure Projections	63,000	66,150	69,458	72,930	76,577	80,406	84,426	88,647	93,080	97,734	97,734
Storm/Sanitary Master Plan	Water & Sewer Expenditure Projections	135,000	141,750	148,838	156,279	164,093	172,298	180,913	189,959	199,456	209,429	209,429
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-	-
Subtotal Materials and Services		\$ 223,073	\$ 234,227	\$ 245,938	\$ 258,235	\$ 271,147	\$ 284,704	\$ 298,939	\$ 313,886	\$ 329,580	\$ 346,059	\$ 346,059
Transfers												
Interfund Transfer General Fund	Water & Sewer Expenditure Projections	\$ 6,178	\$ 6,487	\$ 6,811	\$ 7,152	\$ 7,509	\$ 7,885	\$ 8,279	\$ 8,693	\$ 9,128	\$ 9,584	\$ 9,584
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-	-
Subtotal Transfers		\$ 6,178	\$ 6,487	\$ 6,811	\$ 7,152	\$ 7,509	\$ 7,885	\$ 8,279	\$ 8,693	\$ 9,128	\$ 9,584	\$ 9,584
Capital Outlay												
Storm Sani System Improvements	Water & Sewer Expenditure Projections	\$ 135,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Replacement Reserve	Water & Sewer Expenditure Projections	37,500	-	-	-	-	-	-	-	-	-	-
Reserve from SDC's	Water & Sewer Expenditure Projections	35,643	-	-	-	-	-	-	-	-	-	-
Riparian Restoration	Water & Sewer Expenditure Projections	7,500	7,875	8,269	8,682	9,116	9,572	10,051	10,553	11,081	11,635	11,635
Annual Line Item for LID	Water & Sewer Expenditure Projections	-	110,000	115,500	121,275	127,339	133,706	140,391	147,411	154,781	162,520	162,520
Annual Line Item for Equipment	Water & Sewer Expenditure Projections	-	75,000	78,750	82,688	86,822	91,163	95,721	100,507	105,533	110,809	110,809
[Extra]	[Extra]	-	-	-	-	-	-	-	-	-	-	-
Subtotal Capital Outlay		\$ 216,262	\$ 192,875	\$ 202,519	\$ 212,645	\$ 223,277	\$ 234,441	\$ 246,163	\$ 258,471	\$ 271,394	\$ 284,964	\$ 284,964
Cost of Additional FTEs												
		\$ -	\$ 250,000	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	\$ 319,070	\$ 335,024	\$ 351,775	\$ 369,364	\$ 369,364
Total Cash O&M Expenditures		\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495	\$ 953,920	\$ 1,001,616	\$ 1,051,697	\$ 1,104,282	\$ 1,104,282

[a] Capital outlay to be expensed in current year.

Depreciation Expense in 2014	\$ 20,578
Depreciation Expense	Last year's plus annual additions from CIP
	20,578 \$ 43,506 \$ 68,560 \$ 94,365 \$ 120,945 \$ 148,322 \$ 176,520 \$ 205,564 \$ 235,480 \$ 266,293
	debt principal payments
	(-)
	(16,529) (35,281) (55,356) (75,816) (96,169) (117,280) (139,203) (161,993) (185,709)
	System Reinvestment Funding
	20,578 \$ 26,976 \$ 33,279 \$ 39,009 \$ 45,129 \$ 52,153 \$ 59,240 \$ 66,362 \$ 73,487 \$ 80,584

Include additional FTE costs into the projections?
(1-Yes, 2-No)

1 Additional FTE costs are included in the projections.

Fiscal Year Ending 6/30:		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Additional FTE Costs											
FTE and Vehicle Maintenance Additions											
Fully Loaded FTE		-	2.5	-	-	-	-	-	-	-	-
[Extra]		-	-	-	-	-	-	-	-	-	-
2015 Cost Bases and Projected Unit Costs											
Fully Loaded FTE Salary	Water & Sewer Expenditure Projections	\$ -	\$ 100,000	\$ 105,000	\$ 110,250	\$ 115,763	\$ 121,551	\$ 127,628	\$ 134,010	\$ 140,710	\$ 147,746
[Extra] Salary	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
[Extra] Benefits	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
Cost of Additional FTEs and Vehicle Maintenance											
Fully Loaded FTE FTE Salary		\$ -	\$ 250,000	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	\$ 319,070	\$ 335,024	\$ 351,775	\$ 369,364
[Extra] FTE Salary		-	-	-	-	-	-	-	-	-	-
[Extra] FTE Benefits		-	-	-	-	-	-	-	-	-	-
Total Cost of Additional FTEs and Vehicle Maintenance		\$ -	\$ 250,000	\$ 262,500	\$ 275,625	\$ 289,406	\$ 303,877	\$ 319,070	\$ 335,024	\$ 351,775	\$ 369,364

Cumulative Construction Cost Inflation ==>	3.00%	6.09%	9.27%	12.55%	15.93%	19.41%	22.99%	26.68%	30.48%	34.39%
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Project Costs in 2014 dollars.			TOTAL FORECASTED PROJECT COSTS										
Existing Costs	Growth (SDC)	Total	TOTAL ESCALATED COSTS	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$ 410,000	\$ -	\$ 410,000	\$ 434,969	\$ -	\$ 434,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,773,000	-	3,773,000	4,002,776	-	4,002,776	-	-	-	-	-	-	-	-
78,000	-	78,000	82,750	-	82,750	-	-	-	-	-	-	-	-
1,336,000	-	1,336,000	1,417,362	-	1,417,362	-	-	-	-	-	-	-	-
607,000	-	607,000	643,966	-	643,966	-	-	-	-	-	-	-	-
1,840,000	-	1,840,000	1,952,056	-	1,952,056	-	-	-	-	-	-	-	-
12,000	-	12,000	12,731	-	12,731	-	-	-	-	-	-	-	-
220,000	-	220,000	233,398	-	233,398	-	-	-	-	-	-	-	-
280,000	-	280,000	297,052	-	297,052	-	-	-	-	-	-	-	-
230,000	-	230,000	244,007	-	244,007	-	-	-	-	-	-	-	-
280,000	-	280,000	297,052	-	297,052	-	-	-	-	-	-	-	-
270,000	-	270,000	286,443	-	286,443	-	-	-	-	-	-	-	-
570,000	-	570,000	604,713	-	604,713	-	-	-	-	-	-	-	-
36,000	-	36,000	38,192	-	38,192	-	-	-	-	-	-	-	-
640,000	-	640,000	678,976	-	678,976	-	-	-	-	-	-	-	-
480,000	-	480,000	509,232	-	509,232	-	-	-	-	-	-	-	-
160,000	-	160,000	169,744	-	169,744	-	-	-	-	-	-	-	-
940,000	-	940,000	997,246	-	997,246	-	-	-	-	-	-	-	-
140,000	-	140,000	148,526	-	148,526	-	-	-	-	-	-	-	-
650,000	-	650,000	689,585	-	689,585	-	-	-	-	-	-	-	-
15,000	-	15,000	15,914	-	15,914	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 12,967,000	\$ -	\$ 12,967,000	\$ 13,756,690	\$ -	\$ 13,756,690	\$ -							
			13,756,690	-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
12,967,000	-	12,967,000	13,756,690	-	13,756,690	-	-	-	-	-	-	-	-

City of Gladstone
Stormwater Utility - Debt
Capital Funding Analysis

		Fiscal Year Ending 6/30:									
Summary of Expenditures		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SDC Eligible Project Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
R&R Project Costs		-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
Subtotal: Project Costs (Building & Improvements)		\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261
Internal Service Fund Transfer	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
Street Fund Transfer	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
Supplemental Budget (Materials/Svsc)	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
Capital Equip. & Project Fund Transfer	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
Capitalized Labor (Add'l Positions)	Water & Sewer Expenditure Projections	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURES		\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261

		Fiscal Year Ending 6/30:									
Capital Financing Plan		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Project-Specific Grants / Developer Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Costs Remaining to be Funded		-	458,556	501,077	516,109	531,592	547,540	563,966	580,885	598,312	616,261
OTHER FUNDING SOURCES [NOTE A]											
Existing State Loan Proceeds		-	-	-	-	-	-	-	-	-	-
State Loan Proceeds		-	-	-	-	-	-	-	-	-	-
Other Loan Proceeds		-	-	-	-	-	-	-	-	-	-
Capital Fund Balance		-	-	-	-	28,034	70,608	89,560	108,384	127,104	145,743
Revenue Bond Proceeds [Note B]		-	458,556	501,077	516,109	503,558	476,932	474,406	472,501	471,208	470,519
Rates		-	-	-	-	-	-	-	-	-	-
Total		\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261
TOTAL CAPITAL RESOURCES		\$ -	\$ 458,556	\$ 501,077	\$ 516,109	\$ 531,592	\$ 547,540	\$ 563,966	\$ 580,885	\$ 598,312	\$ 616,261
Info: Capital Contingency Deficit		-	-	-	-	-	-	-	-	-	-

NOTE A: SELECTION OF FUNDING SOURCE FOR REMAINING CAPITAL FUNDING NEEDS

Select the Residual Funding Source	1	Revenue Bond Proceeds
1 - Revenue Bond Proceeds		
2 - Rates		

NOTE B: USER INPUT FOR REVENUE BOND PROCEEDS

Select Amount of Bond Proceeds	2	Calculated by the Model
1 - Amounts at Right ==>		
2 - Calculated by the Model		

		Fiscal Year Ending 6/30:									
New Debt Computations		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUE BONDS											
Amount to Fund		\$ -	458,556	501,077	516,109	503,558	476,932	474,406	472,501	471,208	470,519
Issuance Costs		-	5,010	5,474	5,639	5,502	5,211	5,183	5,162	5,148	5,141
Reserve Required		-	37,421	40,890	42,117	41,093	38,920	38,714	38,558	38,453	38,397
Amount of Debt Issue		\$ -	\$ 500,987	\$ 547,442	\$ 563,865	\$ 550,152	\$ 521,063	\$ 518,303	\$ 516,222	\$ 514,809	\$ 514,056
OTHER LOANS (SRF)											
Amount to Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance Costs		-	-	-	-	-	-	-	-	-	-
Amount of Debt Issue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PWTF LOAN											
Amount to Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

		Fiscal Year Ending 6/30:									
Debt Service Summary		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXISTING DEBT SERVICE											
Annual Interest Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Principal Payments		-	-	-	-	-	-	-	-	-	-
Total Debt Service Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bond Payments Only		-	-	-	-	-	-	-	-	-	-
NEW DEBT SERVICE											
Annual Interest Payments		\$ -	20,891	43,030	65,072	85,705	104,272	121,875	138,511	154,174	168,855
Annual Principal Payments		-	16,529	35,281	55,356	75,816	96,169	117,280	139,203	161,993	185,709
Total Debt Service Payments		\$ -	\$ 37,421	\$ 78,311	\$ 120,428	\$ 161,521	\$ 200,441	\$ 239,155	\$ 277,714	\$ 316,166	\$ 354,563
Revenue Bond Payments Only		-	37,421	78,311	120,428	161,521	200,441	239,155	277,714	316,166	354,563
TOTAL DEBT SERVICE PAYMENTS		\$ -	\$ 37,421	\$ 78,311	\$ 120,428	\$ 161,521	\$ 200,441	\$ 239,155	\$ 277,714	\$ 316,166	\$ 354,563
Total Interest Payments		-	20,891	43,030	65,072	85,705	104,272	121,875	138,511	154,174	168,855
Total Principal Payments		-	16,529	35,281	55,356	75,816	96,169	117,280	139,203	161,993	185,709
Total Revenue Bond Payments Only		-	37,421	78,311	120,428	161,521	200,441	239,155	277,714	316,166	354,563

**City of Gladstone
Stormwater Utility - Debt
Revenue Requirements Analysis**

Cash Flow Sufficiency Test	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXPENSES										
Cash Operating Expenses	\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495	\$ 953,920	\$ 1,001,616	\$ 1,051,697	\$ 1,104,282
Existing Debt Service	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	37,421	78,311	120,428	161,521	200,441	239,155	277,714	316,166	354,563
Rate-Funded CIP	-	-	-	-	-	-	-	-	-	-
Rate-Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-
Additions Required to Meet Minimum Op. Fund Balance	-	122,528	6,479	-	-	-	-	-	-	-
Total Expenses	\$ 506,306	\$ 907,370	\$ 869,582	\$ 944,460	\$ 1,026,754	\$ 1,108,936	\$ 1,193,075	\$ 1,279,329	\$ 1,367,863	\$ 1,458,845
REVENUES										
Rate Revenue	\$ 506,306	\$ 907,370	\$ 909,847	\$ 912,331	\$ 914,822	\$ 917,320	\$ 919,824	\$ 922,336	\$ 924,854	\$ 927,379
Other Revenue	-	-	-	-	-	-	-	-	-	-
Interest Earnings (excluding Capital Fund)	-	-	1,599	2,492	3,235	3,747	4,243	4,742	5,245	5,753
Total Revenue	\$ 506,306	\$ 907,370	\$ 911,447	\$ 914,823	\$ 918,057	\$ 921,067	\$ 924,067	\$ 927,078	\$ 930,099	\$ 933,132
USE OF OPERATING RESERVES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET CASH FLOW (DEFICIENCY)	\$ -	\$ -	\$ 41,865	\$ (29,637)	\$ (108,698)	\$ (187,869)	\$ (269,008)	\$ (352,252)	\$ (437,764)	\$ (525,713)

Coverage Sufficiency Test	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXPENSES										
Cash Operating Expenses	\$ 506,306	\$ 747,421	\$ 784,792	\$ 824,032	\$ 865,233	\$ 908,495	\$ 953,920	\$ 1,001,616	\$ 1,051,697	\$ 1,104,282
Maximum Annual Revenue Bond Debt Service	-	-	78,311	120,428	161,521	200,441	239,155	277,714	316,166	354,563
Revenue Bond Coverage Requirement at 1.5	-	18,710	39,155	60,214	80,760	100,221	119,578	138,857	158,083	177,282
Total Expenses	\$ 506,306	\$ 803,552	\$ 902,259	\$ 1,004,674	\$ 1,107,515	\$ 1,209,157	\$ 1,312,652	\$ 1,418,186	\$ 1,525,946	\$ 1,636,126
ALLOWABLE REVENUES										
Rate Revenue	\$ 506,306	\$ 907,370	\$ 909,847	\$ 912,331	\$ 914,822	\$ 917,320	\$ 919,824	\$ 922,336	\$ 924,854	\$ 927,379
Other Revenue	-	-	-	-	-	-	-	-	-	-
Interest Earnings - All Funds	-	-	1,599	2,492	3,515	4,453	5,139	5,826	6,516	7,211
Total Revenue	\$ 506,306	\$ 907,370	\$ 911,447	\$ 914,823	\$ 918,337	\$ 921,773	\$ 924,963	\$ 928,162	\$ 931,370	\$ 934,590
Coverage Realized	n/a	4.27	1.62	0.75	0.33	0.07	(0.12)	(0.26)	(0.38)	(0.48)
COVERAGE SURPLUS (DEFICIENCY)	\$ -	\$ 103,818	\$ 9,188	\$ (89,851)	\$ (189,178)	\$ (287,384)	\$ (387,689)	\$ (490,024)	\$ (594,576)	\$ (701,537)

Maximum Revenue Deficiency	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sufficiency Test Driving the Deficiency	None	None	None	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Maximum Deficiency From Tests	\$ -	\$ -	\$ -	\$ 89,851	\$ 189,178	\$ 287,384	\$ 387,689	\$ 490,024	\$ 594,576	\$ 701,537
less: Net Revenue From Prior Rate Increases	-	-	-	-	(90,096)	(189,694)	(288,168)	(388,748)	(491,362)	(596,200)
Revenue Deficiency	\$ -	\$ -	\$ -	\$ 89,851	\$ 99,081	\$ 97,689	\$ 99,521	\$ 101,277	\$ 103,214	\$ 105,337
Plus: Adjustment for Taxes	-	-	-	-	-	-	-	-	-	-
Total Revenue Deficiency	\$ -	\$ -	\$ -	\$ 89,851	\$ 99,081	\$ 97,689	\$ 99,521	\$ 101,277	\$ 103,214	\$ 105,337

Rate Increases	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rate Revenue with no Increase	\$ 506,306	\$ 907,370	\$ 909,847	\$ 912,331	\$ 914,822	\$ 917,320	\$ 919,824	\$ 922,336	\$ 924,854	\$ 927,379
Revenues from Prior Rate Increases	-	-	-	-	90,096	189,694	288,168	388,748	491,362	596,200
Rate Revenue Before Rate Increase (Incl. previous increases)	506,306	907,370	909,847	912,331	1,004,918	1,107,014	1,207,993	1,311,084	1,416,216	1,523,579
Required Annual Rate Increase	0.00%	0.00%	0.00%	9.85%	9.86%	8.82%	8.24%	7.72%	7.29%	6.91%
Number of Months New Rates Will Be In Effect	12	12	12	12	12	12	12	12	12	12
Info: Percentage Increase to Generate Required Revenue	0.00%	0.00%	0.00%	9.85%	9.86%	8.82%	8.24%	7.72%	7.29%	6.91%
Policy Induced Rate Increases										
ANNUAL RATE INCREASE	0.00%	0.00%	0.00%	9.85%	9.86%	8.82%	8.24%	7.72%	7.29%	6.91%
CUMULATIVE RATE INCREASE	0.00%	0.00%	0.00%	9.85%	20.68%	31.33%	42.15%	53.13%	64.29%	75.65%

Impacts of Rate Increases	Fiscal Year Ending 6/30:									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rate Revenues After Rate Increase	\$ 506,306	\$ 907,370	\$ 909,847	\$ 1,002,182	\$ 1,104,000	\$ 1,204,703	\$ 1,307,514	\$ 1,412,360	\$ 1,519,430	\$ 1,628,916
Full Year Rate Revenues After Rate Increase	506,306	907,370	909,847	1,002,182	1,104,000	1,204,703	1,307,514	1,412,360	1,519,430	1,628,916
Additional Taxes/Franchise Fees Due to Rate Increases	-	-	-	-	-	-	-	-	-	-
Net Cash Flow After Rate Increase	-	122,528	48,343	60,214	80,480	99,514	118,682	137,773	156,812	175,824
Coverage After Rate Increase	n/a	4.27	1.62	1.50	1.50	1.50	1.50	1.50	1.50	1.50

City of Gladstone
Stormwater Utility - Debt
Fund Activity

Funds	Fiscal Year Ending 6/30:		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024								
OPERATING FUND																				
Beginning Balance	\$	-	\$	122,528	\$	170,871	\$	203,051	\$	213,204	\$	223,864	\$	235,057	\$	246,810	\$	259,150		
plus: Net Cash Flow after Rate Increase	-	-	122,528	48,343	60,214	80,480	99,514	118,682	137,773	156,812	175,824									
less: Transfer of Surplus to Capital Fund	-	-	-	(28,034)	(70,328)	(88,854)	(107,489)	(126,020)	(144,472)	(162,867)										
Ending Balance	\$	-	\$	122,528	\$	170,871	\$	203,051	\$	213,204	\$	223,864	\$	235,057	\$	246,810	\$	259,150	\$	272,108
<i>Minimum Target Balance</i>	-	-	122,528	129,007	135,457	142,230	148,934	156,809	164,649	172,882	181,030									
<i>Maximum Funds to be Kept as Operating Reserves</i>	-	-	184,173	193,382	203,051	213,204	223,864	235,057	246,810	259,150	272,108									
<i>Info: No of Days of Cash Operating Expenses</i>	-	-	60	79	90	90	90	90	90	90	90									
CAPITAL FUND																				
Beginning Balance	\$	-	\$	-	\$	-	\$	28,034	\$	70,608	\$	89,560	\$	108,384	\$	127,104	\$	145,743		
plus: Rate-Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-	-								
plus: Grants / Developer Donations / Other Outside Sources	-	-	-	-	-	-	-	-	-	-	-	-								
plus: System Development Charges	-	-	-	-	-	-	-	-	-	-	-	-								
plus: Net Debt Proceeds Available for Projects	-	-	458,556	501,077	516,109	503,558	476,932	474,406	472,501	471,208	470,519									
plus: Direct Rate Funding	-	-	-	-	-	-	-	-	-	-	-	-								
plus: Interest Earnings	-	-	-	-	-	280	706	896	1,084	1,271	1,457									
plus: Transfer of Surplus from Operating Fund	-	-	-	-	28,034	70,328	88,854	107,489	126,020	144,472	162,867									
less: Capital Expenditures	-	-	(458,556)	(501,077)	(516,109)	(531,592)	(547,540)	(563,966)	(580,885)	(598,312)	(616,261)									
Ending Balance	\$	-	\$	-	\$	28,034	\$	70,608	\$	89,560	\$	108,384	\$	127,104	\$	145,743	\$	164,324		
<i>Minimum Target Balance</i>	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
DEBT RESERVE																				
Beginning Balance	\$	-	\$	37,421	\$	78,311	\$	120,428	\$	161,521	\$	200,441	\$	239,155	\$	277,714	\$	316,167		
plus: Reserve Funding from New Debt	-	-	37,421	40,890	42,117	41,093	38,920	38,714	38,558	38,453	38,397									
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-	-								
Ending Balance	\$	-	\$	37,421	\$	78,311	\$	120,428	\$	161,521	\$	200,441	\$	239,155	\$	277,714	\$	316,167	\$	354,563
<i>Minimum Target Balance</i>	-	-	37,421	78,311	120,428	161,521	200,441	239,155	277,714	316,166	354,563									