

**SILVER LAKE UTILITY DISTRICT
District Commission Special Meeting
September 1, 2011, 5:30 p.m.**

At the Summit Village Hall, 2911 North Dousman Road

1. CALL TO ORDER
2. ROLL CALL AND CONFIRM POSTING
3. FINANCIAL REPORT:
 - A. Presentation by Village Administrator Elling on the Utility District financial plan for Silver Lake Utility District
 - B. Comments and questions from the audience regarding proposed rate schedule and Utility District finances
4. ADJOURN UTILITY COMMISSION MEETING

Respectfully Submitted,



Debra Schueler, WCMC
Village Clerk

Next Regular Meeting: **November 3, 2011**

Posted: August 29, 2011

*****Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service contact the Village Hall at 567-2757.

It is possible that members of and possible a quorum of members of other governmental bodies of the municipality may be in attendance at the above-state meeting to gather information; no action will be taken by any other governmental body except by the Utility Commission noticed above.

September 1, 2011

RE: Utility District Financial Status and
2012 Rate Change Presentation

Property Owners in the Silver Lake Utility District:

One of the 2011 priorities identified by the brand-new Village Board was a review of the financial situation of the Village. The Village Board hired Ehler's Associates to review the Village's finances along with the three utility district accounts.

The Silver Lake Utility sanitary sewer system has operated since January, 2006. The City of Oconomowoc owns, operates and maintains the facilities under a sewer service agreement with the Village of Summit. The 2006 District billing rate began at \$150.00 per quarter (\$50.00 per month). In early 2009 the District charges increased to \$180.00 per quarter (\$60.00 per month).

The Village Board met four times in 2011 to review the long-term finances of the Silver Lake Utility District. On May 13 the group identified a likely District cash shortfall after 2013 if the rates and payments continued at the 2011 levels. The Village Board requested additional information on alternative options to remove this deficiency.

Ehlers presented alternatives including rate increases, annual tax increases, refinancing for an additional 5-year term through 2021, and combinations of these. At this time the Village Board has proposed a single rate increase of \$20 per quarter (\$6.33 per month) in 2012 along with annual tax rate increases through 2017. This allows for a balance between quarterly charges and tax billings that the property owners can submit to their accountant for tax purposes.

The rate changes create a positive cash flow for the remaining debt payments through 2016. This study also identified likely service rate and tax rate decreases when the debt payments are completed.

The Village Board will continue working to keep these rates in line with the costs of the system operation. Please contact me with any questions about this information.

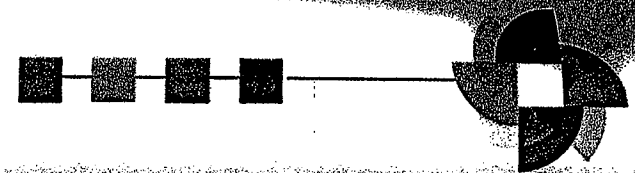
Cordially,



Henry J. Elling, Village Administrator

Sheet B

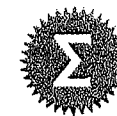
Silver Lake Cash Flow



Year	Operating Revenues	Less: Oper./Maint. Expense	Net Operating Revenues	Add: Property Taxes	Add: Investment Income	Add: Special Asmt. Revenue	Net Bond Defined Revenues	Bonds Debt Service Total P & I	Projected Debt Service Coverage	Less: Replacement Fund	Net Cash Flow	Ending Non-Restricted Cash	
2010	120,772	(87,568)	33,204	24,750	4,060	Per Village Est.						395,703	
	<i>Increase 1%</i>	<i>Increase 2%</i>											
2011	121,980	(89,319)	32,660	24,750	4,060	124,237	185,707	263,600	0.70	(10,000)	(87,893)	307,810	2011
2012	123,200	(91,106)	32,094	24,750	4,060	116,457	177,361	264,731	0.67	(10,000)	(97,370)	210,440	2012
2013	124,432	(92,928)	31,504	24,750	4,060	110,029	170,343	265,450	0.64	(10,000)	(105,107)	105,333	2013
2014	125,676	(94,786)	30,889	24,750	4,060	104,953	164,652	270,653	0.61	(10,000)	(116,001)	(10,668)	2014
2015	126,933	(96,682)	30,250	24,750	4,060	101,230	160,290	270,500	0.59	(10,000)	(120,210)	(130,878)	2015
2016	128,202	(98,616)	29,586	24,750	4,060	97,506	155,902	265,200	0.59	(10,000)	(119,298)	(250,176)	2016
2017	129,484	(100,588)	28,896	24,750	4,060		57,706	0		(10,000)	47,706	(202,470)	2017
2018	130,779	(102,600)	28,179	24,750	4,060		56,989			(10,000)	46,989	(155,481)	2018
2019	132,087	(104,652)	27,435	24,750	4,060		56,245			(10,000)	46,245	(109,236)	2019
2020	133,407	(106,745)	26,663	24,750	4,060		55,473			(10,000)	45,473	(63,764)	2020
2021	134,741	(108,880)	25,862	24,750	4,060		54,672			(10,000)	44,672	(19,092)	2021
2022	136,089	(111,057)	25,032	24,750	4,060		53,842			(10,000)	43,842	24,750	2022
Total	1,547,008	(1,197,959)	349,049	297,000	48,720	654,412	1,349,181	1,600,134		(120,000)	(370,953)		

Methodology Summary

1. Revenue growth of 1% annually.
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.



EHLERS

LEADERS IN PUBLIC FINANCE

Sheet C

Village of Summit Silver Lake Utility District

1-Sep-11

Key Assumptions:

Increase Treatment Charges to cover expenditures

One Increase Debt/Capital charge

Change to District levy

No debt restructuring

Users held constant

Expenditures increase 2% annually

No deferred special assessments collected

No General Fund transfers

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Total Units	Year	Change			Change			Change			Less:	Less:	Net Operating Revenues
		Treatment Quarterly Charge	from Prior Year	Treatment Annual Revenues	License Quarterly Charge	from Prior Year	License Annual Revenues	Debt/Capital Quarterly Charge	from Prior Year	Debt/Capital Annual Revenues	Treat/License Expense	Admin Expense	
164	2010												
164	2011	\$64.08	\$0	\$42,036	\$29		\$18,972	\$87.00		\$57,072	-\$59,730	-\$30,420	\$27,930
164	2012	\$64.08	\$0	\$42,036	\$29	\$0	\$18,972	\$107.00	\$20	\$70,192	-\$60,925	-\$31,028	\$39,247
164	2013	\$65.08	\$1	\$42,692	\$30	\$1	\$19,628	\$107.00	\$0	\$70,192	-\$62,143	-\$31,649	\$38,720
164	2014	\$66.08	\$1	\$43,348	\$31	\$1	\$20,284	\$107.00	\$0	\$70,192	-\$63,386	-\$32,282	\$38,156
164	2015	\$67.08	\$1	\$44,004	\$32	\$1	\$20,940	\$107.00	\$0	\$70,192	-\$64,654	-\$32,928	\$37,555
164	2016	\$68.08	\$1	\$44,660	\$33	\$1	\$21,596	\$107.00	\$0	\$70,192	-\$65,947	-\$33,586	\$36,915
164	2017	\$69.08	\$1	\$45,316	\$34	\$1	\$22,252	\$82.00	-\$25	\$53,792	-\$67,266	-\$34,258	\$19,836
164	2018	\$70.08	\$1	\$45,972	\$35	\$1	\$22,908	\$0.00	-\$82	\$0	-\$68,611	-\$34,943	-\$34,674
164	2019	\$71.08	\$1	\$46,628	\$36	\$1	\$23,564	\$0.00	\$0	\$0	-\$69,983	-\$35,642	-\$35,433
164	2020	\$72.08	\$1	\$47,284	\$37	\$1	\$24,220	\$0.00	\$0	\$0	-\$71,383	-\$36,355	-\$36,234
164	2021	\$73.08	\$1	\$47,940	\$38	\$1	\$24,876	\$0.00	\$0	\$0	-\$72,811	-\$37,082	-\$37,076
164	2022	\$74.08	\$1	\$48,596	\$39	\$1	\$25,532	\$0.00	\$0	\$0	-\$74,267	-\$37,823	-\$37,962
Totals				\$540,518			\$263,738			\$461,824	-\$801,104	-\$407,996	\$56,980

Sheet D

O	P	Q	R	S	T	U	V
Base District Tax Levy	<u>Add:</u> Investment Income	Special Assmt. Revenue	<u>Subtract:</u> Bonds Debt Service Total P&I	NET DISTRICT CASH FLOW	Year-end <i>Non-Restricted Cash</i>	Estimated Equalized Value	Estimated Equalized Tax Rate
					\$395,703		
\$24,750	\$5,936	\$124,237	-\$263,600	-\$80,747	\$314,956	\$66,665,912	\$0.37
\$50,000	\$4,724	\$116,457	-\$264,731	-\$54,303	\$260,653	\$66,665,912	\$0.75
\$50,000	\$3,910	\$110,029	-\$265,450	-\$62,791	\$197,862	\$67,332,571	\$0.74
\$50,000	\$2,968	\$104,953	-\$270,653	-\$74,576	\$123,286	\$68,005,897	\$0.74
\$75,000	\$1,849	\$101,230	-\$270,500	-\$54,866	\$68,420	\$68,685,956	\$1.09
\$75,000	\$1,026	\$97,506	-\$265,200	-\$54,753	\$13,667	\$69,372,815	\$1.08
\$30,000	\$205		\$0	\$50,041	\$63,709	\$70,066,544	\$0.43
\$30,000	\$956		\$0	-\$3,718	\$59,990	\$70,767,209	\$0.42
\$30,000	\$900		\$0	-\$4,533	\$55,457	\$71,474,881	\$0.42
\$30,000	\$832		\$0	-\$5,402	\$50,055	\$72,189,630	\$0.42
\$30,000	\$751		\$0	-\$6,326	\$43,730	\$72,911,526	\$0.41
\$30,000	\$656		\$0	-\$7,306	\$36,423	\$73,640,641	\$0.41
\$504,750	\$24,712	\$654,412	-\$1,600,134				

Sheet E

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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
Operations 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 Charge	\$348.00	\$428.00	\$428.00	\$428.00	\$428.00	\$428.00	\$328.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
District Levy per DUE	<u>\$150.91</u>	<u>\$304.88</u>	<u>\$304.88</u>	<u>\$304.88</u>	<u>\$457.32</u>	<u>\$457.32</u>	<u>\$182.93</u>	<u>\$182.93</u>	<u>\$182.93</u>	<u>\$182.93</u>	<u>\$182.93</u>	<u>\$182.93</u>
District Total	\$870.91	\$1,104.88	\$1,112.88	\$1,120.88	\$1,281.32	\$1,289.32	\$922.93	\$602.93	\$610.93	\$618.93	\$626.93	\$634.93
Change from prior year		\$233.96	\$8.00	\$8.00	\$160.44	\$8.00	-\$366.39	-\$320.00	\$8.00	\$8.00	\$8.00	\$8.00
Quarterly charge	\$180.00	\$200.00	\$202.00	\$204.00	\$206.00	\$208.00	\$185.00	\$105.00	\$107.00	\$109.00	\$111.00	\$113.00
Change from prior year		\$20.00	\$2.00	\$2.00	\$2.00	\$2.00	-\$23.00	-\$80.00	\$2.00	\$2.00	\$2.00	\$2.00
Tax levy on \$300k home		\$225.00	\$222.77	\$220.57	\$327.58	\$324.33	\$128.45	\$127.18	\$125.92	\$124.67	\$123.44	\$122.22