



AGENDA

Finance/Audit Committee Meeting

March 6, 2018
Board Room-11:00 a.m.

Call to Order - Ascertain Quorum

Acceptance of the Agenda

1. Approval of Minutes
[Tony Cannon]

October 16, 2017
2. End-of-Year Forecast/Draft Revenue and Expenditures Proposal for Upcoming Year
[Tony Cannon]
3. Recommendation to Award Auditing Services Contract
[Jeff McCauley]

Adjournment



Agenda Item # 1

Meeting Date: March 6, 2018

Board Committee:	Finance/Audit Committee
Item:	Approval of Minutes
Contact:	Tony Cannon
Explanation:	Finance/Audit Committee Meeting: October 16, 2017
Previous Board Actions:	
Fiscal Note:	
Recommended Action(s):	Approve minutes from the October 16, 2017 Finance/Audit Committee Meeting as presented or amended

GREENVILLE UTILITIES COMMISSION
FINANCE/AUDIT COMMITTEE
GREENVILLE, NORTH CAROLINA
October 16, 2017

The Finance/Audit Committee of the Greenville Utilities Commission met on Monday, October 16, 2017, at 11:30 a.m. in the Board Room with the following members and others present.

Committee Members Present:

Parker Overton, Committee Chair
Rebecca Blount, Committee Vice-Chair (via telephone)
Minnie Anderson
Tommy Stoughton

Other Board Members Present:

Don Mills

GUC Staff Present:

Tony Cannon
Chris Padgett
Jeff McCauley
Keith Jones
Steve Hawley
Amy Wade

Committee Chair Overton called the meeting to order at 11:38 a.m. and ascertained that a quorum was present.

A motion was made by Ms. Anderson, seconded by Mr. Stoughton, to accept the agenda as presented. The motion carried unanimously.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Ms. Anderson, seconded by Mr. Stoughton, to approve the March 6, 2017, Finance/Audit Committee minutes as presented. The motion carried unanimously.

ANNUAL REVIEW OF INVESTMENT POLICY (Agenda Item 2)

Mr. McCauley, Chief Financial Officer, stated that it is the policy of GUC to invest public funds in a manner which will provide the highest return with the maximum security while meeting the daily cash flow demands of GUC and conforming to all state and local statutes governing the investment of public funds. To that end, GUC's Investment Policy requires that a review of the investment policy be conducted on an annual basis by the Finance/Audit Committee.

The investment policy was last updated in November 2012. The Finance Department is proposing a change in Section XII, Accounting Method, of the Investment Policy. The current policy requires the

purchase price premium or discount to be amortized over the life of the investment. The proposed change enables de-minimus premiums or discounts related to purchases of investments to be expensed or credited towards investment income at the time of purchase.

A red-lined version of the proposed Investment Policy was provided.

The Investment Policy was last reviewed on August 9, 2016 with no changes recommended by the Finance/Audit Committee.

Following discussion, a motion was made by Mr. Stoughton, seconded by Ms. Anderson, to accept the proposed revisions to the Section XII, Accounting Method, of the Investment Policy and recommend similar action by the full Board. The motion carried unanimously.

ANNUYAL FY 2016-2017 AUDIT UPDATE (Agenda Item 3)

Mr. McCauley stated that the fiscal year-end audit has been progressing nicely. Staff has been providing the auditors with information in a timely manner. At this time the auditors have not made staff aware of any auditing issues and it is anticipated that the Commission will receive a clean audit opinion. Staff is on track to deliver the audited financial statements to the State Treasurer's Office by October 31, 2017. A presentation of the full audit report to the Board will be scheduled to occur in November. Based on Generally Accepted Accounting Principles (GAAP) the Commission generated \$12.4 million in net income for fiscal year-ended June 30, 2017.

ADJOURNMENT

A motion was made by Mr. Stoughton, seconded by Ms. Anderson, to adjourn the meeting. The motion carried unanimously and the Finance/Audit Committee meeting adjourned at 12:17 p.m.

Respectfully submitted,

Amy Carson Wade
Executive Secretary



Agenda Item # 2


Meeting Date: March 6, 2018

Board Committee:	Finance/Audit Committee
Item:	End-of-Year Forecast/Draft Revenue and Expenditures Proposal for Upcoming Year
Contact:	Tony Cannon
Explanation:	<p>The Finance/Audit Committee will meet on March 6, 2018 with GUC staff to discuss the end-of-year fiscal forecast and the preliminary revenue and expenditures proposal for FY 2018-19. Attached for your review are a memorandum and supplemental materials.</p> <p>The presentation will focus on end-of-year performance for FY 2017-18 and the key elements of the proposed FY 2018-19 budget. These areas include current status, capital investment, five-year capital plans, rate models, and the long-term financial forecast.</p>
Previous Board Actions:	N/A
Fiscal Note:	N/A
Recommended Action(s):	Endorsement for the Board to move forward with appropriate actions related to the current end-of-year fiscal forecast and preparation of the proposed preliminary FY 2018-19 budget as presented.

OFFICE OF THE
GENERAL MANAGER

MEMORANDUM

TO: GUC Board of Commissioners Finance/Audit Committee

FROM: Anthony C. Cannon, General Manager/CEO 

DATE: March 2, 2018

SUBJECT: End-of-Year Forecast/Draft Revenue and Expenditures Proposal for Upcoming Year

At the Board Finance/Audit Committee meeting on Tuesday, March 6, 2018, staff will review the end-of-year financial forecast for FY 2017-18 and the proposed budget for FY 2018-19. In preparation for the meeting, supplemental information is attached for your review, which highlights the items listed below:

- End-of-year projections for FY 2017-18 (current year)
- FY 2018-19 forecast developed last year
- Proposed FY 2018-19 Budget
- FY 2019-23 Financial Forecasts
- FY 2019-23 Capital Improvement Plan

Key metrics, such as fund balance and debt service ratios, are also included in the attached documents.

The remainder of this memorandum provides a historical reference regarding the major influences and highlights of the current budget, status of GUC's FY 2017-18 financial projections, and proposed revenue and expenditures for FY 2018-19.

End-of-Year Projections

The current budget adopted for FY 2017-18 provided appropriations of \$9.6M in capital outlay improvements, more than \$65M in operations, and transfers of \$7.8M to rate stabilization and capital project funds. The FY 2017-18 original budget was 3.3% lower than the previous year's budget and maintained steady rates for customers with no increases in rates.

Total adjustments of \$3.7M to the original budget are due to a \$3.6M increase in natural gas purchasing during colder than expected weather in early January and a \$3.3M increase in capital outlay improvements to meet customer demand and to repair critical infrastructure at the Water Treatment Plant. These adjustments are offset by a \$2.2M reduction in transfers to capital projects and rate stabilization funds, and \$1M less in contingencies. In addition, expenditures for supplies, salaries and administrative spending are projected to be slightly less than expected.

In reviewing the end-of-year forecast, the financial viability of each fund is considered to ensure that GUC is properly positioned to continue to meet its mission and future financial challenges. ***Key Performance Indicators such as end-of-year performance, debt service coverage, and fund balances are primary components of the review.*** These factors are also monitored by the Local Government Commission (LGC) and credit rating agencies in determining GUC's ability to borrow funds at a favorable interest rate.

GUC's current credit ratings are Aa2 rating with Moody's, AA- credit rating with Fitch, and A+ credit rating with S&P. These high ratings enable GUC to borrow funds at lower interest rates, thereby lowering the cost of borrowing for necessary investments in infrastructure to maintain our systems.

- **End-of-Year Forecast for Electric Fund After Transfers**

Revenues for the Electric Fund are projected to end the year higher than budgeted, as higher volumes of kWh were delivered to customers due to weather and overall system growth. The primary category requiring a budget adjustment is spending for capital outlay projects. It is anticipated the Electric Fund will end the fiscal year with \$1.3M fund equity, debt service coverage ratio of 6.83x, and a fund balance of 18.3% or \$32M.

- **End-of-Year Forecast for Water Fund After Transfers**

It is projected that the Water Fund will end the fiscal year with approximately \$200K fund equity, debt service coverage ratio of 1.84x, and a fund balance of 23.0% or \$4.5M.

- **End-of-Year Forecast for Sewer Fund After Transfers**

It is projected that the Sewer Fund will end the fiscal year with approximately \$200K fund equity, debt service coverage ratio of 1.43x, and a fund balance of 24.7% or \$5.6M.

- **End-of-Year Forecast for Gas Fund After Transfers**

The revised budget for the Gas Fund reflects a \$3.6M increase in purchased natural gas due to the extreme cold weather in early January. To minimize the impact on customer bills, rates were not adjusted to fully recover the margins eroded by the

extremely high gas prices. It is projected that the Gas Fund will end the fiscal year with \$1M fund deficit, debt service coverage ratio of 2.45x, and a fund balance of 32.5% or \$12M.

- **End-of-Year Forecast for the Combined Enterprise Operation After Transfers**
The combined funds are expected to realize revenues of almost \$255M, an increase of \$4.3M or 1.7%. Expenditures are projected to total approximately \$254M, a \$3.7M or 1.5% increase over the original budget. The combined funds' revenues (after transfers) are projected to end the year \$680K higher than expenditures providing an increase in fund equity approximately \$900K less than originally budgeted.

Proposed FY 2018-19 Budget

The proposed FY 2018-19 budget reflects the combined efforts of the Management Team, employees, and the guidance of the Board of Commissioners. All budgetary requests have been reviewed with a focus on sound business practices, customer expectations, and system reliability. In balancing the budget, key areas such as infrastructure needs, rising operational costs, staffing requirements and long-term sustainability with fiscal responsibility were also taken into consideration.

Using GUC's strategic plan as a guide, this budget has been prepared to ensure the long-term success of our mission to safely provide reliable utility solutions at the lowest reasonable cost, with exceptional customer service in an environmentally responsible manner.

GUC's financial budget goals focus on several key metrics including end-of-year performance, debt service coverages, and fund balances. The long-term sustainability of each fund is also taken into consideration to ensure that GUC is positioned to continue to meet its mission and future financial challenges.

Guiding all budgetary decisions is GUC's commitment to provide exceptional service while maintaining a viable financial position. To that end, GUC's budget goals are designed to achieve the following:

- Safely provide reliable utility solutions, at the lowest reasonable cost
- Exceptional customer service in an environmentally responsible manner
- Position GUC to achieve greater efficiencies
- Continue to meet regulatory requirements
- Minimize rate increases
- Avoid future rate shock
- Maintain key performance indicators for each fund
- Be operationally and financially prepared for emergency situations
- Prepare for growth and expansion opportunities

- Preserve and/or improve bond ratings

The balancing process for the proposed budget addressed several areas, including the review and analysis of the following:

- The ability of all four funds to be self-supporting in order to meet future financial challenges as individual funds on a sustained basis
- Continued investment in infrastructure
- Appropriate timing of expenditures for capital projects
- Revenues
- Personnel and staffing
- Cost saving opportunities
- Updating financial models while being cognizant of any rate adjustments that were proposed last year for the upcoming fiscal year

Highlights of the FY 2018-19 proposed budget are listed below:

- Expenditures budgeted for FY 2018-19 have increased by 0.67% or \$1.68M when compared to the FY 2017-18 budget. Key points are:
 - \$3.3M decrease in purchased commodities costs (electricity and gas)
 - No transfers to rate stabilization - \$1.45M less than last year
 - \$4.5M in transfers to capital projects
 - \$2.3M increase in operations
- No rate adjustment for the Electric Fund.
- A 7.6% rate increase for the Water Fund, 1.2% greater than projected last year
- A 3.1% rate increase for the Sewer Fund, 4.3% less than projected last year
- No rate adjustment for the Gas Fund
- Funding for the employee market adjustment at 2.0% or \$570K effective July 1, 2018
- Funding for the employee merit program at 1.5% or \$435K
- Continuation of a self-insured health insurance plan which includes a high deductible Health Savings Account option
- Continuation of self-insured dental insurance plan
- Funding to bring replacements on board prior to the retirement of key personnel in order to facilitate succession planning, leverage the knowledge and experience of long-term employees for training on critical issues and ensure smooth transitions
- Existing positions have been reallocated and five permanent positions have been added to appropriately respond to needs within the combined enterprise operation
- Prefunding for Other Post-Employment Benefits (OPEB) \$500K
- Investment of \$10.8M for capital outlay in order to maintain system reliability and comply with regulatory requirements in the combined enterprise operation

- Annual turnover or transfer of \$6.7M to the City of Greenville in accordance with the Charter issued by the North Carolina General Assembly

Summary

The FY 2018-19 proposed balanced budget was developed with the staff's best effort to control costs while continuing to provide a high level of service to GUC's customers. Not only is the proposed budget balanced for the near term, but it also includes key components to position GUC for long-term sustainability. Focusing on these fundamentals will provide the foundation for safely providing reliable utility solutions in an environmentally responsible manner to GUC's customers for the future.

We look forward to meeting with the Board Finance/Audit Committee on Tuesday and presenting a more in depth review of GUC's FY 2017-18 end-of-year projections and the FY 2018-19 proposed balanced Budget. If you have questions prior to the meeting, please do not hesitate to contact us.

Attachments

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
ALL FUNDS
February 28, 2018**

Line #		2016-2017	2017-2018	2017-2018	2018-2019	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
		Actual	Budget	Projected	Forecast	Budget	Plan	Forecast	Forecast	Forecast
REVENUE:										
1	Rates & Charges	\$ 242,622,742	\$ 243,785,295	\$ 247,535,483	\$ 247,550,479	\$ 247,711,476	\$ 251,997,999	\$ 256,576,952	\$ 259,879,884	\$ 267,597,379
2	Fees & Charges	2,437,562	2,369,093	2,717,143	2,416,472	2,762,497	2,815,946	2,870,466	2,926,076	2,982,799
3	U. G. & Temp. Ser. Chgs.	426,095	208,008	265,253	212,168	237,251	247,183	257,588	268,488	279,909
4	Miscellaneous	2,729,243	2,843,377	3,673,252	1,609,763	1,874,434	1,796,003	1,839,673	1,884,674	1,931,056
5	Interest on Investments	408,657	336,000	510,000	336,000	475,000	475,000	475,000	475,000	475,000
6	FEMA/Insurance Reimbursement	1,580,687	-	-	-	-	-	-	-	-
7	Bond Proceeds	-	-	-	228,452	-	-	-	-	-
8	Installment Purchases	-	-	-	-	-	-	-	-	-
9	Transfer from Cap Projects	1,308,082	-	170,915	-	-	835,162	324,151	-	561,438
10	Transfer from Rate Stabilization	400,000	-	-	-	250,000	2,600,000	6,950,000	7,700,000	2,900,000
11	Appropriated Fund Balance	-	1,000,000	-	1,000,000	-	-	-	-	-
12		\$ 251,913,068	\$ 250,541,773	\$ 254,872,046	\$ 253,353,334	\$ 253,310,658	\$ 260,767,293	\$ 269,293,830	\$ 273,134,122	\$ 276,727,581
EXPENDITURES:										
13	Operations	\$ 60,540,506	\$ 65,558,607	\$ 65,287,829	\$ 67,820,858	\$ 67,870,789	\$ 67,732,502	\$ 69,387,253	\$ 70,769,016	\$ 72,178,371
14	Purchased Power	129,626,970	125,005,049	125,724,430	125,501,848	126,008,698	130,409,287	133,597,575	133,616,743	133,772,613
15	Purchased Gas	16,047,934	19,423,500	23,083,840	19,538,100	21,753,700	21,869,300	21,985,500	22,100,300	22,215,200
16	Capital Outlay	10,606,161	9,673,307	13,031,279	9,904,425	10,785,611	10,538,127	11,023,956	11,467,845	12,020,014
17	Debt Service	14,423,969	14,313,444	14,308,472	15,089,507	14,025,045	14,907,091	16,508,883	15,638,791	16,183,009
18	City Turnover - General	5,899,987	5,853,236	5,853,236	5,970,301	5,908,642	5,923,391	6,041,859	6,162,696	6,285,950
19	Street Light Reimbursement	764,901	798,693	798,693	822,654	822,654	847,334	872,754	898,937	925,905
20	Transfer to OPEB Trust	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
21	Transfer to Rate Stabilization	4,500,000	1,450,000	4,100,000	1,250,000	-	-	-	-	-
22	Transfer to Capital Projects	7,130,166	6,350,000	1,500,000	3,950,000	4,550,000	6,700,000	8,050,000	10,200,000	10,690,000
23	Transfer to Designated Reserve	800,000	-	-	1,400,000	-	-	-	600,000	800,000
24	Operating Contingencies	-	1,615,937	-	-	-	-	-	-	-
25		\$ 250,840,594	\$ 250,541,773	\$ 254,187,779	\$ 251,747,693	\$ 252,225,139	\$ 259,427,032	\$ 267,967,780	\$ 271,954,328	\$ 275,571,062
26	Fund Equity / (Deficit)	\$ 1,072,474	\$ -	\$ 684,267	\$ 1,605,641	\$ 1,085,519	\$ 1,340,261	\$ 1,326,050	\$ 1,179,794	\$ 1,156,519
27	Projected All Debt Coverage Ratio	3.18	2.73	2.79	2.61	2.63	2.62	2.26	2.46	2.86
28	Projected Fund Balance	21.6%	21.1%	21.3%	21.7%	22.0%	21.7%	21.4%	21.7%	21.9%
29	Projected Days Cash On Hand	134	132	130	134	131	131	130	132	134
30	Projected Equity/Capitalization	74%	77%	76%	76%	78%	71%	69%	70%	66%

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
ALL FUNDS
February 28, 2018**

Line #		2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Forecast	2018-2019 Budget	2019-2020 Plan	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast
	Typical Residential Bills									
31	Electric	\$118.03	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$113.81
32	Water	\$31.80	\$31.80	\$31.80	\$33.82	\$34.22	\$36.83	\$39.35	\$42.05	\$43.02
33	Sewer	\$43.45	\$43.45	\$43.45	\$46.65	\$44.80	\$46.15	\$47.66	\$49.29	\$51.03
34	Gas	<u>\$80.05</u>	<u>\$80.05</u>	<u>\$90.85</u>	<u>\$80.05</u>	<u>\$90.85</u>	<u>\$90.85</u>	<u>\$93.32</u>	<u>\$94.31</u>	<u>\$94.57</u>
35	Total monthly bill	<u>\$273.33</u>	<u>\$264.61</u>	<u>\$275.41</u>	<u>\$269.83</u>	<u>\$279.18</u>	<u>\$283.14</u>	<u>\$289.64</u>	<u>\$294.96</u>	<u>\$302.43</u>
	Increase on monthly bill									
	Electric		(\$8.72)	(\$8.72)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.50
36	Water		\$0.00	\$0.00	\$2.02	\$2.42	\$2.61	\$2.52	\$2.70	\$0.97
37	Sewer		\$0.00	\$0.00	\$3.20	\$1.35	\$1.35	\$1.51	\$1.63	\$1.74
38	Gas		<u>\$0.00</u>	<u>\$10.80</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2.47</u>	<u>\$0.99</u>	<u>\$0.26</u>
39	Total increase on monthly bill		<u>(\$8.72)</u>	<u>\$2.08</u>	<u>\$5.22</u>	<u>\$3.77</u>	<u>\$3.96</u>	<u>\$6.50</u>	<u>\$5.32</u>	<u>\$7.47</u>
40	Monthly Bill % Increase				2.0%	1.4%	1.4%	2.3%	1.8%	2.5%

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
ELECTRIC FUND
February 28, 2018**

Line #		2016-2017	2017-2018	2017-2018	2018-2019	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
		Actual	Budget	Projected	Forecast	Budget	Plan	Forecast	Forecast	Forecast
REVENUE:										
1	Rates & Charges	\$ 173,232,911	\$ 169,026,175	\$ 170,178,090	\$ 169,637,670	\$ 168,192,401	\$ 169,742,465	\$ 171,217,584	\$ 171,616,539	\$ 177,531,208
2	Fees & Charges	1,520,767	1,573,044	1,823,792	1,604,504	1,858,468	1,893,837	1,929,913	1,966,712	2,004,247
3	U. G. & Temp. Ser. Chgs.	411,595	204,408	250,753	208,496	222,751	232,683	243,088	253,988	265,409
4	Miscellaneous	1,822,799	2,295,301	2,998,980	1,096,103	1,292,496	1,203,700	1,236,796	1,271,013	1,306,395
5	Interest on Investments	240,446	204,000	325,000	204,000	325,000	325,000	325,000	325,000	325,000
6	FEMA/Insurance Reimbursement	1,181,352	-	-	-	-	-	-	-	-
7	Bond Proceeds	-	-	-	125,648	-	-	-	-	-
8	Installment Purchases	-	-	-	-	-	-	-	-	-
9	Transfer from Cap Projects	743,619	-	-	-	-	378,435	178,283	-	157,992
10	Transfer from Rate Stabilization	-	-	-	-	250,000	2,600,000	6,950,000	7,700,000	2,900,000
11	Appropriated Fund Balance	-	-	-	-	-	-	-	-	-
12		\$ 179,153,489	\$ 173,302,928	\$ 175,576,615	\$ 172,876,421	\$ 172,141,116	\$ 176,376,120	\$ 182,080,664	\$ 183,133,252	\$ 184,490,251
EXPENDITURES:										
13	Operations	\$ 27,059,219	\$ 28,858,575	\$ 28,312,479	\$ 29,766,294	\$ 29,133,393	\$ 28,932,129	\$ 29,675,797	\$ 30,266,022	\$ 30,868,049
14	Purchased Power	129,626,970	125,005,049	125,724,430	125,501,848	126,008,698	130,409,287	133,597,575	133,616,743	133,772,613
15	Capital Outlay	6,849,593	5,846,686	7,702,091	6,112,212	7,932,467	7,371,623	7,666,265	7,976,556	8,362,654
16	Debt Service	3,191,579	3,089,614	3,089,616	3,927,411	3,382,942	3,959,861	5,360,885	5,388,771	5,513,681
17	City Turnover - General	4,425,646	4,254,580	4,254,580	4,339,672	4,184,591	4,155,600	4,238,712	4,323,486	4,409,956
18	Street Light Reimbursement	764,901	798,693	798,693	822,654	822,654	847,334	872,754	898,937	925,905
19	Transfer to OPEB Trust	300,000	275,000	300,000	275,000	300,000	300,000	300,000	300,000	300,000
20	Transfer to Rate Stabilization	4,500,000	1,200,000	4,100,000	1,000,000	-	-	-	-	-
21	Transfer to Capital Projects	1,400,000	3,000,000	-	-	-	-	-	-	-
22	Transfer to Designated Reserve	150,000	-	-	-	-	-	-	-	-
23	Operating Contingencies	-	974,731	-	-	-	-	-	-	-
24		\$ 178,267,907	\$ 173,302,928	\$ 174,281,889	\$ 171,745,091	\$ 171,764,745	\$ 175,975,834	\$ 181,711,988	\$ 182,770,515	\$ 184,152,858
25	Fund Equity / (Deficit)	\$ 885,582	\$ -	\$ 1,294,726	\$ 1,131,330	\$ 376,371	\$ 400,286	\$ 368,676	\$ 362,737	\$ 337,393
26	Projected All Debt Coverage Ratio	8.23	6.20	6.83	4.53	4.86	3.84	2.20	2.09	3.08
27	Projected Fund Balance	17.7%	18.3%	18.3%	19.0%	18.9%	18.6%	18.1%	18.2%	17.9%
28	Projected Days Cash On Hand	111	115	116	117	116	114	112	113	113
29	Projected Equity/Capitalization	79%	80%	81%	78%	82%	71%	67%	67%	63%
30	Typical Residential @ 1,000 kwh	\$118.03	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$113.81
31	Typical Residential Bill Increase		(\$8.72)	(\$8.72)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.50
32	Typical Residential Bill % Increase *		(7.4%)	(7.4%)	0.0%	0.0%	0.0%	0.0%	0.0%	4.1%
33	Last Year's Forecast				0.0%		0.0%	2.5%	2.8%	

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
WATER FUND
February 28, 2018**

Line #		2016-2017	2017-2018	2017-2018	2018-2019	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
		Actual	Budget	Projected	Forecast	Budget	Plan	Forecast	Forecast	Forecast
REVENUE:										
1	Rates & Charges	\$ 18,983,628	\$ 19,010,430	\$ 19,052,908	\$ 20,272,851	\$ 20,504,829	\$ 22,061,548	\$ 23,539,833	\$ 25,120,068	\$ 25,725,735
2	Fees & Charges	369,790	356,187	383,297	363,310	387,500	395,250	403,156	411,220	419,445
3	U. G. & Temp. Ser. Chgs.	14,500	3,600	14,500	3,672	14,500	14,500	14,500	14,500	14,500
4	Miscellaneous	381,661	246,053	271,924	235,917	262,555	267,807	273,163	278,627	284,200
5	Interest on Investments	56,151	45,000	55,000	45,000	55,000	55,000	55,000	55,000	55,000
6	FEMA/Insurance Reimbursement	133,250	-	-	-	-	-	-	-	-
7	Bond Proceeds	-	-	-	34,268	-	-	-	-	-
8	Installment Purchases	-	-	-	-	-	-	-	-	-
9	Transfer from Cap Projects	73,548	-	-	-	-	227,967	48,623	-	278,120
10	Transfer from Rate Stabilization	-	-	-	-	-	-	-	-	-
11	Appropriated Fund Balance	-	-	-	-	-	-	-	-	-
12		\$ 20,012,529	\$ 19,661,270	\$ 19,777,629	\$ 20,955,018	\$ 21,224,384	\$ 23,022,072	\$ 24,334,275	\$ 25,879,415	\$ 26,777,000
EXPENDITURES:										
13	Operations	\$ 12,311,039	\$ 13,273,137	\$ 13,376,908	\$ 13,916,232	\$ 14,181,011	\$ 14,296,447	\$ 14,627,400	\$ 14,919,052	\$ 15,216,522
14	Capital Outlay	1,132,520	1,100,540	2,042,599	1,150,711	566,231	844,261	902,092	940,559	989,678
15	Debt Service	3,559,855	3,454,686	3,449,696	3,446,236	3,225,573	3,680,742	3,592,265	2,992,193	3,648,671
16	Transfer to OPEB Trust	100,000	75,000	100,000	75,000	100,000	100,000	100,000	100,000	100,000
17	Transfer to Rate Stabilization	-	-	-	-	-	-	-	-	-
18	Transfer to Capital Projects	2,407,333	1,600,000	600,000	1,600,000	2,950,000	3,850,000	4,750,000	6,300,000	6,090,000
19	Transfer to Designated Reserve	200,000	-	-	600,000	-	-	-	300,000	400,000
20	Operating Contingencies	-	157,907	-	-	-	-	-	-	-
21		\$ 19,710,747	\$ 19,661,270	\$ 19,569,203	\$ 20,788,179	\$ 21,022,815	\$ 22,771,450	\$ 23,971,757	\$ 25,551,804	\$ 26,444,871
22	Fund Equity / (Deficit)	\$ 301,782	\$ -	\$ 208,426	\$ 166,839	\$ 201,569	\$ 250,622	\$ 362,518	\$ 327,611	\$ 332,129
23	Projected All Debt Coverage Ratio	2.08	1.84	1.84	2.03	2.15	2.43	2.70	3.63	3.32
24	Projected Fund Balance	22.2%	23.4%	23.0%	25.8%	21.7%	20.6%	20.5%	21.4%	23.4%
25	Projected Days Cash On Hand	173	174	166	185	162	167	172	184	197
26	Projected Equity/Capitalization	76%	78%	78%	78%	81%	71%	71%	73%	63%
27	3/4 " Residential @ 6,000 gallons	\$31.80	\$31.80	\$31.80	\$33.82	\$34.22	\$36.83	\$39.35	\$42.05	\$43.02
28	Typical Residential Bill Increase		\$0.00	\$0.00	\$2.02	\$2.42	\$2.61	\$2.52	\$2.70	\$0.97
29	Typical Residential Bill % Increase		0.0%	0.0%	6.4%	7.6%	7.6%	6.8%	6.9%	2.3%
30	Last Year's Forecast				6.4%		6.4%	6.4%	6.4%	

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
SEWER FUND
February 28, 2018**

Line #		2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Forecast	2018-2019 Budget	2019-2020 Plan	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast
REVENUE:										
1	Rates & Charges	\$ 22,232,340	\$ 22,065,490	\$ 22,256,478	\$ 23,767,358	\$ 23,006,546	\$ 23,753,986	\$ 24,588,835	\$ 25,483,977	\$ 26,435,336
2	Fees & Charges	395,878	304,686	356,475	310,779	363,604	370,876	378,294	385,859	393,576
3	U. G. & Temp. Ser. Chgs.	-	-	-	-	-	-	-	-	-
4	Miscellaneous	197,484	145,866	242,642	133,658	168,411	171,778	175,215	178,720	182,294
5	Interest on Investments	41,143	27,000	55,000	27,000	35,000	35,000	35,000	35,000	35,000
6	FEMA/Insurance Reimbursement	131,275	-	-	-	-	-	-	-	-
7	Bond Proceeds	-	-	-	34,268	-	-	-	-	-
8	Installment Purchases	-	-	-	-	-	-	-	-	-
9	Transfer from Cap Projects	154,733	-	170,915	-	-	128,886	48,623	-	58,232
10	Transfer from Rate Stabilization	-	-	-	-	-	-	-	-	-
11	Appropriated Fund Balance	-	-	-	-	-	-	-	-	-
12		\$ 23,152,853	\$ 22,543,042	\$ 23,081,510	\$ 24,273,063	\$ 23,573,561	\$ 24,460,526	\$ 25,225,967	\$ 26,083,556	\$ 27,104,438
EXPENDITURES:										
13	Operations	\$ 12,123,880	\$ 13,657,020	\$ 13,626,561	\$ 14,108,695	\$ 14,283,007	\$ 14,318,778	\$ 14,650,184	\$ 14,942,293	\$ 15,240,225
14	Capital Outlay	1,244,529	1,331,941	1,846,321	1,186,472	1,115,631	862,651	922,442	962,955	1,014,208
15	Debt Service	6,124,635	6,394,613	6,394,621	6,246,446	6,095,606	5,858,225	5,685,244	5,414,381	5,312,188
16	Transfer to OPEB Trust	100,000	75,000	100,000	75,000	100,000	100,000	100,000	100,000	100,000
17	Transfer to Rate Stabilization	-	-	-	-	-	-	-	-	-
18	Transfer to Capital Projects	2,572,833	1,000,000	900,000	1,600,000	1,600,000	2,850,000	3,300,000	3,900,000	4,600,000
19	Transfer to Designated Reserve	450,000	-	-	800,000	-	-	-	300,000	400,000
20	Operating Contingencies	-	84,468	-	-	-	-	-	-	-
21		\$ 22,615,877	\$ 22,543,042	\$ 22,867,503	\$ 24,016,613	\$ 23,194,244	\$ 23,989,654	\$ 24,657,870	\$ 25,619,629	\$ 26,666,621
22	Fund Equity / (Deficit)	\$ 536,976	\$ -	\$ 214,007	\$ 256,450	\$ 379,317	\$ 470,872	\$ 568,097	\$ 463,927	\$ 437,817

23	Projected All Debt Coverage Ratio	1.78	1.38	1.43	1.62	1.51	1.73	1.85	2.04	2.23
24	Projected Fund Balance	24.7%	22.8%	24.7%	26.1%	25.8%	26.8%	28.2%	30.3%	32.3%
25	Projected Days Cash On Hand	190	170	176	191	178	189	199	214	229
26	Projected Equity/Capitalization	66%	70%	69%	72%	71%	69%	70%	72%	72%

27	3/4 " Residential @ 5,610 gallons	\$43.45	\$43.45	\$43.45	\$46.65	\$44.80	\$46.15	\$47.66	\$49.29	\$51.03
28	Typical Residential Bill Increase		\$0.00	\$0.00	\$3.20	\$1.35	\$1.35	\$1.51	\$1.63	\$1.74
29	Typical Residential Bill % Increase		0.0%	0.0%	7.4%	3.1%	3.0%	3.3%	3.4%	3.5%
30	Last Year's Forecast				7.4%		7.4%	7.4%	7.4%	

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
GAS FUND
February 28, 2018**

Line #		2016-2017	2017-2018	2017-2018	2018-2019	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
		Actual	Budget	Projected	Forecast	Budget	Plan	Forecast	Forecast	Forecast
REVENUE:										
1	Rates & Charges	\$ 28,173,864	\$ 33,683,200	\$ 36,048,007	\$ 33,872,600	\$ 36,007,700	\$ 36,440,000	\$ 37,230,700	\$ 37,659,300	\$ 37,905,100
2	Fees & Charges	151,126	135,176	153,579	137,879	152,925	155,983	159,103	162,285	165,531
3	U. G. & Temp. Ser. Chgs.	-	-	-	-	-	-	-	-	-
4	Miscellaneous	327,298	156,157	159,706	144,085	150,972	152,718	154,499	156,314	158,167
5	Interest on Investments	70,917	60,000	75,000	60,000	60,000	60,000	60,000	60,000	60,000
6	FEMA/Insurance Reimbursement	134,809	-	-	-	-	-	-	-	-
7	Bond Proceeds	-	-	-	34,268	-	-	-	-	-
8	Installment Purchases	-	-	-	-	-	-	-	-	-
9	Transfer from Cap Projects	336,182	-	-	-	-	99,874	48,622	-	67,094
10	Transfer from Rate Stabilization	400,000	-	-	-	-	-	-	-	-
11	Appropriated Fund Balance	-	1,000,000	-	1,000,000	-	-	-	-	-
12		\$ 29,594,197	\$ 35,034,533	\$ 36,436,292	\$ 35,248,832	\$ 36,371,597	\$ 36,908,575	\$ 37,652,924	\$ 38,037,899	\$ 38,355,892
EXPENDITURES:										
13	Operations	\$ 9,046,368	\$ 9,769,875	\$ 9,971,881	\$ 10,029,637	\$ 10,273,378	\$ 10,185,148	\$ 10,433,872	\$ 10,641,649	\$ 10,853,575
14	Purchased Gas	16,047,934	19,423,500	23,083,840	19,538,100	21,753,700	21,869,300	21,985,500	22,100,300	22,215,200
15	Capital Outlay	1,379,520	1,394,140	1,440,268	1,455,030	1,171,282	1,459,592	1,533,157	1,587,775	1,653,474
16	Debt Service	1,547,900	1,374,531	1,374,539	1,469,414	1,320,924	1,408,263	1,870,489	1,843,446	1,708,469
17	City Turnover - General	1,474,341	1,598,656	1,598,656	1,630,629	1,724,051	1,767,791	1,803,147	1,839,210	1,875,994
18	Transfer to OPEB Trust	-	75,000	-	75,000	-	-	-	-	-
19	Transfer to Rate Stabilization	-	250,000	-	250,000	-	-	-	-	-
20	Transfer to Capital Projects	750,000	750,000	-	750,000	-	-	-	-	-
21	Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
22	Operating Contingencies	-	398,831	-	-	-	-	-	-	-
23		\$ 30,246,063	\$ 35,034,533	\$ 37,469,184	\$ 35,197,810	\$ 36,243,335	\$ 36,690,094	\$ 37,626,165	\$ 38,012,380	\$ 38,306,712
24	Fund Equity / (Deficit)	\$ (651,867)	\$ -	\$ (1,032,892)	\$ 51,022	\$ 128,262	\$ 218,481	\$ 26,759	\$ 25,519	\$ 49,180
25	Projected All Debt Coverage Ratio	2.98	3.47	2.45	3.19	3.29	3.63	2.85	2.87	3.18
26	Projected Fund Balance	42.2%	32.8%	32.5%	29.6%	34.0%	34.1%	33.2%	32.8%	32.7%
27	Projected Days Cash On Hand	225	185	160	171	167	169	168	166	165
28	Projected Equity/Capitalization	77%	78%	78%	77%	79%	72%	70%	71%	66%
29	Typical Residential @ 66 CCF	\$80.05	\$80.05	\$90.85	\$80.05	\$90.85	\$90.85	\$93.32	\$94.31	\$94.57
30	Typical Residential Bill Increase		\$0.00	\$10.80	\$0.00	\$0.00	\$0.00	\$2.47	\$0.99	\$0.26
31	Typical Residential Bill % Increase		0.0%	13.5%	0.0%	0.0%	0.0%	2.7%	1.1%	0.3%
32	Last Year's Forecast				0.0%		1.8%	1.9%	1.9%	

CAPITAL SPENDING PLAN

ELECTRIC

CAPITAL PROJECTS		2019	2020	2021	2022	2023	5-Year Spending
1	ECP133 : Sugg Parkway Transmission Line	\$1,275,000	\$425,000				\$1,700,000
2	ECP134 : Sugg Parkway Substation	\$2,240,000	\$1,156,000				\$3,396,000
3	ECP10168 : POD #3 To Simpson Substation 115 kV Transmission Loop	\$150,000	\$150,000	\$2,180,000	\$2,000,000		\$4,480,000
4	Hudson's Xrds			\$300,000	\$1,700,000		\$2,000,000
5	Mt Pleasant to Wellcome 115 kV Transmission					\$200,000	\$200,000
6	Eastside to Simpson: 115 kV Transmission Re-Conductor				\$100,000	\$1,400,000	\$1,500,000
7	Transmission Circuit 18 Flood Mitigation	\$600,340					\$600,340
8	ECP10172 : Greenville 230 kV West Substation Flood Mitigation	\$3,355,000					\$3,355,000
9	Vidant Peaking Generators (6 MW)	\$6,000,000					\$6,000,000
10	Customer PV Generation Project (1 MW)		\$3,000,000				\$3,000,000
11	Peak Shaving Generator(s) Replacement			\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000
TOTAL CAPITAL PROJECTS		\$13,620,340	\$4,731,000	\$3,480,000	\$4,800,000	\$2,600,000	\$29,231,340
CAPITAL OUTLAY		\$7,326,876	\$6,786,876	\$6,973,474	\$7,165,331	\$7,362,592	\$35,615,149
TOTAL CAPITAL		\$20,947,216	\$11,517,876	\$10,453,474	\$11,965,331	\$9,962,592	\$64,846,489

ELECTRIC

CAPITAL SPENDING PLAN

FUNDING SOURCE		2019	2020	2021	2022	2023	5-Year Spending
	<i>Pay Go</i>	\$7,326,876	\$6,786,876	\$6,973,474	\$7,165,331	\$7,362,592	\$35,615,149
	<i>Transfers</i>				\$100,000	\$1,600,000	\$1,700,000
	<i>Fund Balance</i>	\$600,340					\$600,340
	<i>Revenue Bonds</i>	\$13,020,000	\$4,731,000	\$3,480,000	\$4,700,000	\$1,000,000	\$26,931,000
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
TOTAL		\$20,947,216	\$11,517,876	\$10,453,474	\$11,965,331	\$9,962,592	\$64,846,489

% Paid Pay Go/Operating Transfers	37.84%	58.92%	66.71%	60.72%	89.96%	58.47%
% Paid from Bonds and Loans	62.16%	41.08%	33.29%	39.28%	10.04%	41.53%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

WATER

CAPITAL PROJECTS		2019	2020	2021	2022	2023	5-Year Spending
1	WCP117 : Water Treatment Plant Upgrade Phase 1	\$6,000,000	\$7,000,000	\$16,000,000	\$10,000,000	\$6,000,000	\$45,000,000
2	WCP121 : 10th Street Connector Project	\$1,890,125					\$1,890,125
3	WCP122 : Water Main Rehabilitation Program	\$808,000					\$808,000
4	WCP123 : City of Greenville Town Creek Culvert Improvement Project	\$733,183					\$733,183
5	WCP124 : Residual Lagoon Improvement Project	\$250,000	\$262,000				\$512,000
6	Water Main Rehabilitation Program Phase 2		\$1,000,000				\$1,000,000
7	Northside Tank Overcoat		\$438,000				\$438,000
8	Elevated Tanks Inlet-Outlet Improvements		\$300,000				\$300,000
9	Water Main Rehabilitation Program Phase 3				\$1,000,000		\$1,000,000
10	Distribution System Improvements - 2MG Southeast Tank and Pipelines	\$500,000		\$1,000,000	\$1,000,000	\$1,000,000	\$3,500,000
TOTAL CAPITAL PROJECTS		\$10,181,308	\$9,000,000	\$17,000,000	\$12,000,000	\$7,000,000	\$55,181,308
CAPITAL OUTLAY		\$477,930	\$761,780	\$782,136	\$803,053	\$824,547	\$3,649,446
TOTAL CAPITAL		\$10,659,238	\$9,761,780	\$17,782,136	\$12,803,053	\$7,824,547	\$58,830,754

CAPITAL SPENDING PLAN

WATER

FUNDING SOURCE		2019	2020	2021	2022	2023	5-Year Spending
	<i>Pay Go</i>	\$477,930	\$761,780	\$782,136	\$803,053	\$824,547	\$3,649,446
	<i>Transfers</i>	\$500,000		\$3,022,590	\$12,000,000	\$7,000,000	\$22,522,590
	<i>Fund Balance</i>						
	<i>Revenue Bonds</i>	\$8,873,308	\$9,000,000	\$13,977,410			\$31,850,718
	<i>SRF/Installment Loans</i>	\$808,000					\$808,000
	<i>Grants</i>						
TOTAL		\$10,659,238	\$9,761,780	\$17,782,136	\$12,803,053	\$7,824,547	\$58,830,754

% Paid Pay Go/Operating Transfers	9.17%	7.80%	21.40%	100.00%	100.00%	44.49%
% Paid from Bonds and Loans	90.83%	92.20%	78.60%			55.51%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

WASTEWATER

CAPITAL PROJECTS		2019	2020	2021	2022	2023	5-Year Spending
1	SCP123 : City of Greenville Town Creek Culvert Improvements Project	\$633,333	\$633,334				\$1,266,667
2	SCP10217 : 10th St. Connector Project	\$306,000					\$306,000
3	SCP10221 : Southeast Area Sewer Extension	\$500,000	\$1,000,000	\$1,000,000			\$2,500,000
4	SCP10222 : Sewer Outfall Rehabilitation Phase 4	\$1,000,000					\$1,000,000
5	SCP10223 : Regional Pumpstation Upgrades	\$1,150,000	\$650,000				\$1,800,000
6	Forlines PS Expansion	\$180,000					\$180,000
7	Green Street PS and FM	\$120,000	\$980,000				\$1,100,000
8	Green Mill Run Tributary - 18-21 inch section		\$1,100,000				\$1,100,000
9	WWTP Headworks Improvements		\$2,500,000				\$2,500,000
TOTAL CAPITAL PROJECTS		\$3,889,333	\$6,863,334	\$1,000,000			\$11,752,667
CAPITAL OUTLAY		\$1,028,250	\$781,520	\$803,876	\$826,881	\$850,552	\$4,291,079
TOTAL CAPITAL		\$4,917,583	\$7,644,854	\$1,803,876	\$826,881	\$850,552	\$16,043,746

WASTEWATER

CAPITAL SPENDING PLAN

FUNDING SOURCE		2019	2020	2021	2022	2023	5-Year Spending
	<i>Pay Go</i>	\$1,028,250	\$781,520	\$803,876	\$826,881	\$850,552	\$4,291,079
	<i>Transfers</i>			\$1,000,000			\$1,000,000
	<i>Fund Balance</i>	\$486,000	\$320,000				\$806,000
	<i>Revenue Bonds</i>	\$2,770,000	\$6,230,000				\$9,000,000
	<i>SRF/Installment Loans</i>	\$633,333	\$313,334				\$946,667
	<i>Grants</i>						
TOTAL		\$4,917,583	\$7,644,854	\$1,803,876	\$826,881	\$850,552	\$16,043,746

% Paid Pay Go/Operating Transfers	30.79%	14.41%	100.00%	100.00%	100.00%	38.00%
% Paid from Bonds and Loans	69.21%	85.59%				62.00%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

GAS

CAPITAL SPENDING PLAN

CAPITAL PROJECTS		2019	2020	2021	2022	2023	5-Year Spending
1	GCP10094 : Thomas Langston Road Enhancement	\$700,000					\$700,000
2	GCP10099 : High-Pressure Multiple Gas Facilities Relocation Project	\$100,000	\$2,400,000	\$3,000,000	\$1,500,000		\$7,000,000
3	GCP10101 : Firetower Rd Widening		\$650,000	\$650,000			\$1,300,000
4	Evans St Widening (NCDOT U-2817)				\$810,000	\$810,000	\$1,620,000
5	14th St Widening (NCDOT U-5917)					\$250,000	\$250,000
6	Allen Rd Widening (NCDOT U-5875)					\$175,000	\$175,000
7	Memorial Drive Bridge Replacement (NCDOT B-4786)	\$1,500,000					\$1,500,000
TOTAL CAPITAL PROJECTS		\$2,300,000	\$3,050,000	\$3,650,000	\$2,310,000	\$1,235,000	\$12,545,000
CAPITAL OUTLAY		\$1,069,340	\$1,367,330	\$1,403,126	\$1,439,893	\$1,477,656	\$6,757,345
TOTAL CAPITAL		\$3,369,340	\$4,417,330	\$5,053,126	\$3,749,893	\$2,712,656	\$19,302,345

CAPITAL SPENDING PLAN

FUNDING SOURCE		2019	2020	2021	2022	2023	5-Year Spending
	<i>Pay Go</i>	\$1,069,340	\$1,367,330	\$1,403,126	\$1,439,893	\$1,477,656	\$6,757,345
	<i>Transfers</i>				\$810,000	\$1,235,000	\$2,045,000
	<i>Fund Balance</i>	\$2,200,000					\$2,200,000
	<i>Revenue Bonds</i>	\$100,000	\$3,050,000	\$3,650,000	\$1,500,000		\$8,300,000
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
TOTAL		\$3,369,340	\$4,417,330	\$5,053,126	\$3,749,893	\$2,712,656	\$19,302,345

% Paid Pay Go/Operating Transfers	97.03%	30.95%	27.77%	60.00%	100.00%	57.00%
% Paid from Bonds and Loans	2.97%	69.05%	72.23%	40.00%		43.00%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

FACILITIES & OTHER SUPPORT GROUPS

CAPITAL PROJECTS		2019	2020	2021	2022	2023	5-Year Spending
1	FCP10066 : Downtown Office Efficiency and Enhancement	\$3,425,000					\$3,425,000
2	FCP10072 : New Operations Center Phase 2	\$21,000,000	\$25,000,000	\$4,000,000			\$50,000,000
3	WCP120 : Water/Sewer Meter ERT/Low Lead Compliance Changeout	\$342,000	\$342,000	\$342,000	\$342,000		\$1,368,000
TOTAL CAPITAL PROJECTS		\$24,767,000	\$25,342,000	\$4,342,000	\$342,000		\$54,793,000
CAPITAL OUTLAY		\$853,215	\$840,621	\$1,061,344	\$1,232,687	\$1,504,667	\$5,492,534
TOTAL CAPITAL		\$25,620,215	\$26,182,621	\$5,403,344	\$1,574,687	\$1,504,667	\$60,285,534

FUNDING SOURCE		2019	2020	2021	2022	2023	5-Year Spending
	<i>Pay Go</i>	\$853,215	\$840,621	\$1,061,344	\$1,232,687	\$1,504,667	\$5,492,534
	<i>Transfers</i>						
	<i>Fund Balance</i>	\$6,715,638					\$6,715,638
	<i>Revenue Bonds</i>	\$18,051,362	\$25,342,000	\$4,342,000	\$342,000		\$48,077,362
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
TOTAL		\$25,620,215	\$26,182,621	\$5,403,344	\$1,574,687	\$1,504,667	\$60,285,534

% Paid Pay Go/Operating Transfers	29.54%	3.21%	19.64%	78.28%	100.00%	20.25%
% Paid from Bonds and Loans	70.46%	96.79%	80.36%	21.72%		79.75%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Capital Improvements Funding Plan

GUC TOTAL	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	5-Year Total
Capital Projects	\$54,757,981	\$48,986,334	\$29,472,000	\$19,452,000	\$10,835,000	\$163,503,315
Capital Outlays	\$10,755,611	\$10,538,127	\$11,023,956	\$11,467,845	\$12,020,014	\$55,805,553
	<u>\$65,513,592</u>	<u>\$59,524,461</u>	<u>\$40,495,956</u>	<u>\$30,919,845</u>	<u>\$22,855,014</u>	<u>\$219,308,868</u>
<u>Funding - Debt Financing</u>						
Revenue Bonds	\$42,814,670	\$48,353,000	\$25,449,410	\$6,542,000	\$1,000,000	\$124,159,080
SRF/Installment Loans	\$1,441,333	\$313,334	\$0	\$0	\$0	\$1,754,667
	<u>\$44,256,003</u>	<u>\$48,666,334</u>	<u>\$25,449,410</u>	<u>\$6,542,000</u>	<u>\$1,000,000</u>	<u>\$125,913,747</u>
% to Total Capital	67.6%	81.8%	62.8%	21.2%	4.4%	57.4%
<u>Funding - Cash</u>						
Pay Go	\$10,755,611	\$10,538,127	\$11,023,956	\$11,467,845	\$12,020,014	\$55,805,553
Capital Project Transfer	\$500,000	\$0	\$4,022,590	\$12,910,000	\$9,835,000	\$27,267,590
Fund Balance	\$10,001,978	\$320,000	\$0	\$0	\$0	\$10,321,978
Grants and Contributions	\$0	\$0	\$0	\$0	\$0	\$0
	<u>\$21,257,589</u>	<u>\$10,858,127</u>	<u>\$15,046,546</u>	<u>\$24,377,845</u>	<u>\$21,855,014</u>	<u>\$93,395,121</u>
% to Total Capital	32.4%	18.2%	37.2%	78.8%	95.6%	42.6%
Total Funding	<u><u>\$65,513,592</u></u>	<u><u>\$59,524,461</u></u>	<u><u>\$40,495,956</u></u>	<u><u>\$30,919,845</u></u>	<u><u>\$22,855,014</u></u>	<u><u>\$219,308,868</u></u>



Agenda Item # 3

Meeting Date: March 6, 2018

Board Committee:	Finance/Audit Committee
Item:	Recommendation to Award Auditing Services Contract
Contact:	Jeff McCauley
Explanation:	<p>In accordance with GUC's Charter, a single auditing firm is used to perform the City's and GUC's audit. The costs associated with the audit are based on hours expended for each organization. In 2015, a five year engagement contract for auditing services was awarded to Cherry Bekaert, LLP, but subject to approval of a contract on an annual basis.</p> <p>Last year's audit fee was \$38,500 and the projection under the five year plan for the fiscal year 2018 audit was \$41,500. Cherry Bekaert, LLP is proposing that the audit fee for fiscal year 2018 be decreased to \$39,000, which is \$2,500 or 6 percent below the original projection.</p>
Previous Committee Actions:	<p>February 2015 - Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.</p> <p>March 2016 - Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.</p> <p>March 2017 – Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.</p>
Fiscal Note:	Original estimate for fourth year of five year contract \$41,500. Revised contract pricing of \$39,000 represents a \$2,500 or 6 percent decrease over original estimate.
Recommended Action(s):	It is recommended that the Finance/Audit Committee concur with the proposed revised pricing of the auditing services contract to \$39,000 and recommend to the Board to proceed with executing the fiscal year 2018 auditing services contract with Cherry Bekaert, LLP.