



Midpeninsula Regional
Open Space District

R-23-65
Meeting 23-14
May 24, 2023

AGENDA ITEM 7

AGENDA ITEM

Controller's Report on the Proposed Fiscal Year 2023-24 Budget

GENERAL MANAGER'S RECOMMENDATION *den*

Accept the Controller's Report on the Fiscal Year 2023-24 Budget.

SUMMARY

Beginning cash balances, estimated at a total of \$96.0 million, and the projected fiscal 2023-24 revenues are adequate to cover budgeted debt service, operating expenses, capital expenditures, and reserve requirements. The long-term financial projections indicate that the proposed fiscal 2023-24 budget is sustainable and consistent with long-term plans and objectives.

DISCUSSION

Attachment 1, **FY2022-2023 Review**, compares the current forecast of fiscal 2022-23 revenues and expenditures to the projections presented in the May 25, 2022 Controller's Report. Also shown, in the last column, is the amended 2022-23 budget presented at the May 10, 2023 Board of Directors (Board) meeting. The original 2022-2023 budget assumed that the Midpeninsula Regional Open Space District (District) would receive the proceeds from the sale of the 330 Distel Circle property in June 2022. However, these \$10.4 million proceeds were not received until the end of August, generating a large positive budget variance in 2022-2023. Excluding this one-time item, general fund (GF) revenue is expected to come in about 3% higher than forecast, due to higher interest income and larger than expected supplemental and redevelopment-related taxes. Total 2022-23 estimated GF tax revenue is 8.8% above that of the prior year.

GF spending again ran below budget, with operating expenses (Opex) and non-facilities GF capital spending (Capex) estimated at 90% and 34% of the original budgets, respectively. The projection assumes that the District will utilize \$1.0 million of this under-spending to make another pension pre-payment to the PARS account. GF spending on new facilities is exceeding the modest budget as final 5050 El Camino Real project completion costs shifted into this year and some remodeling was required to optimize future rental income on the first floor of the building.

Non-land Measure AA (MAA) Capex is running below 50% of budget due to permitting delays, staff vacancies, and the fact that storm damage repair has taken priority in the second half of the year. The Cloverdale and South Cowell acquisitions will drive 2022-2023 MAA land purchases

to over \$17 million, \$9.9 million of which is covered by grant income. MAA grant reimbursements not tied to Cloverdale were under budget due to lower spending. Hawthorn endowment fund spending was near zero and the fund balance increased due to interest income. Debt service was abnormally high as we used \$6.4 million of the proceeds from the sale of 330 Distel Circle to retire the outstanding 2017 Parity Bonds.

Contrary to the Controller's assumption a year ago, the District did not need to issue the next tranche of general obligation (GO) bonds in 2022-23, due to lower MAA spending and a higher percentage of grant reimbursement. If these projections are accurate, the District will begin the new fiscal year with cash balances totaling about \$96.0 million--\$77.9 million in the general fund, \$16.4 million in our Measure AA accounts, and \$1.68 million in the Hawthorn endowment fund.

Attachment 2, **FY2023-2024 Cash Projection**, summarizes the proposed budget and the Controller's estimate of projected 2023-24 most likely results, breaking the income and spending into three sections: [1] the general fund, [2] the MAA capital section, and [3] the Hawthorn endowment fund. The first column lists a summary of the proposed 2023-24 budget, as presented to the Action and Budget Committee on May 3, 2023. The second column shows the Controller's expectations, based on experience, of likely budget variances, including anticipated unbudgeted land purchases, potential additional grant income (from FEMA, for storm damage projects), and the issuance of the next tranche of GO MAA bonds. The third column is the current projection for next year's cash flows.

Attachment 3, **MROSD 30 Year Cash Flow Projection (FY23-52)**, includes the above projected 2022-23 and 2023-24 numbers in the second and third columns, and then projects forward year by year through 2051-52 utilizing the Controller's latest assumptions. The proposed 2023-24 budget fits comfortably within the long-term model. The model assumes assessed valuation (AV) growth of about 5.7% in 2023-24 and 4.0% per year thereafter. The 4.0% assumption is intended to be conservative as the District has enjoyed average AV growth of over 6% per year over its 51-year history, including the impact of four recessions and a pandemic since 1980.

Fiscal 2023-24 General Fund Tax Revenue

GF tax revenue, to be received between July 1, 2023 and June 30, 2024, is budgeted at \$66.5 million. New tax data received in April and May has caused the Controller to increase this projection to \$67.0 million, representing 4.7% growth over this year. This reflects a 5.7% projected growth in current secured taxes, a 2.0% increase in unsecured taxes, a 9% decrease in redevelopment-related taxes, and a 6.0% decrease in supplemental taxes and tax subventions. Both redevelopment and supplemental taxes were surprisingly strong this year and this forecast reflects the possibility of a reversal next year.

Other 2023-24 Budgeted General Fund Revenue totals \$6.2 million, consisting of anticipated income from rental properties, interest, Rancho San Antonio park management, grants and other sources. The Controller added \$2.0 million of grant revenue from FEMA, as the first tranche of potential reimbursements of up to \$7 million for storm damage repairs, over the next three years. Interest income is expected to rise by 45% due to higher average interest rates.

Fiscal 2023-24 General Fund Expenditures

1. Opex is budgeted at \$45.5 million, or 68% of GF tax revenue. This represents an 18%

increase over estimated actual spending in 2022-23, which may be a stretch given recent difficulties in filling staff vacancies. However, the Opex budget is well-supported by hiring plans and expense analysis, and the District usually applies a significant portion of any shortfall to pension pre-payment. Therefore, only a 2% discount is reflected in the forecast.

2. GF Capex: The budget is \$10.3 million, including \$4.7 million of storm damage-related projects and \$465,000 to complete the 5050 El Camino project. The budget includes several projects delayed from this year. The level of planned work is quite lofty, therefore, a 5% discount has been applied to the budgeted numbers.
3. Debt Service: The debt service requirement for outstanding GF debt in fiscal 2023-24 is \$8.9 million.

GF Reserves: If all GF revenues, expenditures and reimbursements occur as projected, the June 30, 2024 GF cash balance would be \$89.9 million, \$12.0 million more than the starting balance. After prudent changes to committed reserves, the ending unassigned GF cash balance will be well-above requirements.

Fiscal 2023-24 MAA Revenue

This year's MAA tax levy must cover debt service requirements of the 2015 and 2018 Series General Obligation (GO) bonds in September 2023, March 2024 and September 2024, net of existing cash balances. Goodwin Consulting Group, the District's tax administration consultant, will be providing its tax rate recommendation in June. District staff will bring this recommendation to the Board in late June or July, for Board review and approval. Pending Goodwin's calculations, MAA tax revenue is budgeted at \$5.45 million. Grant revenue tied to 2023-24 MAA projects is very strong, budgeted at \$4.8 million, and the interest income estimate is \$752,000. Grant income tends to take longer to collect than budgeted, therefore, the budgeted MAA grant income is discounted by \$700,000. However, this amount is exactly offset by the scheduled \$700,000 grant reimbursement tied to the unbudgeted Johnston Ranch land purchase.

Fiscal 2023-24 MAA Capex: MAA Capex is budgeted at \$12.8 million, including \$3.3 million for the Eberhard land purchase. The Controller also added \$4.8 million for purchase of the Johnston Ranch property. As some of the budgeted Capex projects are almost always delayed by unforeseen developments, the non-land MAA Capex budget is discounted by 5%.

Fiscal 2023-24 MAA Debt Service: Scheduled debt service on outstanding GO bonds totals \$5.3 million in 2023-24.

MAA Cash Balance: At the end of this fiscal year, we expect to hold \$5.1 million of taxable bond proceeds from the 2015 GO Bonds, \$4.5 million of debt service funds (from the GO tax levy) in the county fund account, and around \$6.8 million of 2018 GO Bond proceeds. If the District retains the 2015 bond proceeds, the District will need to issue the next tranche of MAA bonds in the first half of 2023-24, in order to cover the Eberhard and Johnston Ranch land purchases plus the other \$9.5 million of budgeted MAA spending.

Issuance of GO MAA Bonds: When the District issued the 2015 GO bonds, \$5.0 million of taxable bonds was included, on the advice of the underwriters, for use on projects that would not qualify for tax-exempt usage. No such projects have emerged nor are any projected. The benefit

of taxable bond proceeds is that they are not subject to the three-year spending rule or arbitrage yield restrictions. The District made the last debt service payment on the taxable 2015 bonds in September 2021, so they represent no fiscal burden going forward. The taxable proceeds can be used on tax-exempt projects, but there is no requirement to do so. The District is free to earn and spend the interest income from these proceeds indefinitely. Without utilizing the 2015 bond proceeds, the current projection of MAA spending, net of strong grant revenue, over the next three years, looks like it could justify the issuance of about \$25 million of new GO bonds in 2023-24. Since this would be a relatively small GO bond, the Controller prefers keeping the 2015 bond proceeds in place. Thus, the Controller's projection assumes the issuance of \$25 million of GO bonds during the second half of calendar 2023, generating a modest \$500,000 of bond premium and 30 years of debt service requirements starting in 2024-25. Future large-dollar projects that could utilize the 2015 bond proceeds include the construction phase of the Highway 17 crossing project and purchase of the remaining redwood forest properties on the land acquisition list.

Hawthorn Endowment: The budget includes \$37,200 of spending from the Hawthorn endowment, more than offset by \$60,000 of interest income. So, the endowment fund should increase to \$1.70 million.

Updated Long-Term Financial Model

The attached 30-year financial projection includes the latest thinking about storm damage recovery, grant reimbursements, MAA spending, land acquisitions, new staff facility costs, and the level of GF Opex and Capex needed to meet District objectives. As stated above, growth in tax revenue and AV, starting in 2024-25, is projected at 4.0% per year, a modest figure considering the District's history of 6 to 7% growth rates and the high probability of the AV inflation factor being at its 2% cap for the foreseeable future.

The projection includes the following major changes from a few months ago: [a] GF Capex now includes the planned \$10.6 million of three-year storm damage projects, partially offset by \$5.0 million of assumed FEMA reimbursements, [b] the projected cost of new staff facilities (Coastal field office, Skyline field office) is increased from \$13 million to \$20 million (over three years, beginning in 2024-25), [c] the expected step-up in annual Opex over 2024-25 and 2025-26 is increased from \$2.4 million to \$3.5 million (to be tested in the FOSM update), [d] projected annual GF grant income, starting in 2026-27, is increased from \$1.0 million to \$1.5 million, [e] the projected ratio of grant reimbursement to MAA spending, starting in 2026-27, is increased from 10% to 12.5%, and [f] the growth rate in GF Capex in the second 15 years is increased from 3.0% to 3.5%.

The model continues to support the growth of Opex at a faster rate than tax revenue. In addition to an assumed \$3.5 million step-up, Opex spending is allowed to grow at 2.0 percentage points more than tax revenue growth through 2035-36. The ratio of Opex to GF tax revenue reaches 90% in 2035-36, with no significant cash flow issues. GF Capex is also allowed to grow faster than tax revenue, at 5% per year, over the next 15 years. Sales of additional GO bonds, at \$30-40 million per issuance, are projected every three years beginning in 2026-27.

The original 2014-15 plans for the \$300 million MAA program bond funding, over thirty years at a maximum tax rate of \$3.18, assumed long-term AV growth of 4.5% per year. Because of the strong AV growth since 2015 and the District's enhanced ability to access grant funding, the model indicates that, even with the 4.0% AV growth assumption going forward, the District will

have MAA funding to complete the program several years early. Final total cumulative MAA spending at that point is projected at \$378 million. The last maturity of the outstanding GF debt is in fiscal 2038-39, so the District has considerable unused GF financing capacity should additional non-GO funding become necessary.

Overall, the proposed fiscal 2023-24 budget is consistent with long-term financial plans, and the model indicates that the District remains on a prudent, sustainable financial path.

FISCAL IMPACT

There are no unbudgeted fiscal impacts associated with this Agenda Item.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. No additional notice is required.

CEQA COMPLIANCE

Board review of the Controller's Report is not a project under the California Environmental Quality Act and no environmental review is required.

NEXT STEPS

Following this Agenda Item, the Board will be asked to evaluate the FY2023-24 Budget in view of the information contained in the Controller's report.

Attachments:

1. FY 2022-23 Review
2. FY 2023-24 Cash Projection
3. MROSD 30 Year Cash Flow Projection (FY23-52)

Prepared by:

Michael L. Foster, Controller

FY2022-2023 Review

(\$Millions)	May 22	May 23	Fcst	% of	AMENDED
	<u>Projected</u>	<u>Fcst</u>	<u>Change</u>	Forecast	<u>BUDGET</u>
EST. BEGIN GENERAL CASH	69.97	60.97	(9.00)		60.97
GENERAL FUND TAX REVENUE	62.57	64.00	1.43	102%	63.36
PROPERTY MANAGEMENT	2.01	1.91	(0.10)	95%	1.91
INTEREST INCOME	0.68	1.56	0.88	229%	1.27
GRANT INCOME	0.92	0.70	(0.22)	76%	0.93
SALE OF 330 DISTEL		10.40	10.40		10.40
OTHER INCOME	<u>0.10</u>	<u>0.12</u>	<u>0.02</u>	<u>120%</u>	<u>0.12</u>
GENERAL FUND REVENUE	66.28	78.69	12.41	119%	78.00
OPERATING EXPENSES	42.67	38.51	(4.17)	90%	42.12
PENSION PREPAYMENT		1.00	1.00		
NEW FACILITIES CAPEX	0.15	1.35	1.20	925%	1.47
NON-MAA CAPITAL SPENDING	6.43	2.29	(4.14)	36%	2.34
NON-MAA DEBT SERVICE	<u>18.64</u>	<u>18.64</u>	<u>0.00</u>	<u>100%</u>	<u>18.64</u>
GENERAL FUND SPENDING	67.89	61.78	(6.10)	91%	64.57
OPERATING CASH FLOW	(1.61)	<u>16.91</u>	<u>18.52</u>		<u>13.43</u>
ENDING GENERAL FUND CASH	68.36	77.88	9.52		74.40
EST. BEGINNING MMA CASH	26.33	26.33	0.00		26.33
NET BOND PROCEEDS	31.60		(31.60)	0%	
MAA DEBT SERVICE	5.30	5.30	0.00	100%	5.30
MAA TAX REVENUE	5.50	5.25	(0.25)	95%	5.50
INTEREST INCOME	0.34	0.33	(0.01)	96%	0.31
GRANT INCOME	13.39	10.80	(2.59)	81%	11.81
MAA CAPITAL SPENDING	10.41	4.50	(5.91)	43%	5.10
MAA LAND PURCHASES	20.05	17.17	(2.88)	86%	17.17
REIMBURSE GENERAL FUND	<u>17.06</u>	<u>10.20</u>	<u>(6.86)</u>	60%	<u>10.80</u>
ENDING MAA FUND CASH BALANCE	41.40	16.41	(24.99)		16.04
BEGINNING HAWTHORN CASH	1.63	1.62	(0.01)		1.62
HAWTHORNE INTEREST	0.02	0.06	0.04	353%	0.06
HAWTHORNE SPENDING	<u>0.04</u>	<u>0.00</u>	<u>(0.04)</u>	5%	<u>0.00</u>
ENDING HAWTHORN FUND CASH	1.61	1.68	0.06		1.68
ENDING BOND PREMIUM CASH	2.50		(2.50)	0%	
ENDING TOTAL CASH BALANCES	113.88	95.96	(17.92)		92.12

FY2023-2024 Cash Projection

	BUDGET	adjust	Projected	
EST. BEGINNING GENERAL CASH	77.56		77.88	
GENERAL FUND TAX REVENUE	66.50	0.52	67.02	
PROPERTY MANAGEMENT	2.25		2.25	
INTEREST INCOME	2.26		2.26	
GRANT INCOME	1.59	2.00	3.59	FEMA
OTHER INCOME	<u>0.10</u>		<u>0.10</u>	
TOTAL GENERAL FUND REVENUE	72.70		75.22	
OPERATING EXPENSES	45.49	-2%	44.58	
STORM DAMAGE CAPEX	4.68	-5%	4.44	
OTHER GF CAPITAL SPENDING	5.62	-5%	5.34	
GENERAL FUND DEBT SERVICE	<u>8.87</u>		<u>8.87</u>	
TOTAL GENERAL FUND SPENDING	64.66		63.23	
OPERATING CASH FLOW	<u>8.05</u>		<u>11.99</u>	
ENDING GENERAL FUND CASH	85.61		89.87	
EST. BEGINNING MMA FUND CASH	16.41		16.41	
NET BOND PROCEEDS		24.70	24.70	
MAA DEBT SERVICE	5.30		5.30	
MAA TAX REVENUE	5.45		5.45	
INTEREST INCOME	0.75		0.75	
GRANT INCOME	4.78		4.78	
MAA CAPITAL SPENDING	9.50	-5%	9.03	
MAA LAND PURCHASES	3.30	4.80	8.10	JR
REIMBURSE THE GENERAL FUND	<u>8.02</u>	4.10	<u>12.12</u>	
ENDING MAA FUND CASH BALANCE	9.29		29.89	
BEGINNING HAWTHORN CASH	1.68		1.68	
HAWTHORNE INTEREST	0.06		0.06	
HAWTHORNE SPENDING	<u>0.04</u>		<u>0.04</u>	
ENDING HAWTHORN FUND CASH	1.70		1.70	
ENDING BOND PREMIUM CASH		0.50	0.50	
ENDING TOTAL CASH BALANCES	96.60		121.96	

MROSD 30 YEAR CASH FLOW PROJECTION (FY23-52)

(\$Millions)

5/9/23

TAX GROWTH STARTING 24-25: **4.0** % GenFund CAPEX BASE: **\$6.5 M** GRANTS/MAA CAPEX from FY26: **12.5** %
 OPEX GROWTH 24-25 THRU 35-36: **6.0** % GF CAPEX GR: **5.0** % OTHER REVENUE GR: **1.5** %
 OPEX GR > TAX GR: **2.0** % GF Grants from FY27 **\$1.5 M/year** Opex Step-Up FY25+26: **\$1.75 M/year**

FISCAL YEAR:	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	FY23-37
BEGINNING GEN CASH	66.28	60.97	77.88	89.87	96.08	94.96	96.43	104.97	113.15	120.36	125.95	130.57	133.90	136.01	137.76	137.77	
TAX REVENUE	58.81	64.00	67.02	69.70	72.49	75.39	78.40	81.54	84.80	88.19	91.72	95.39	99.21	103.17	107.30	111.59	1289.9
GRANT REVENUE	0.28	0.70	3.59	3.57	2.39	1.50	1.52	1.55	1.57	1.59	1.62	1.64	1.66	1.69	1.72	1.74	28.1
OTHER REVENUE	<u>2.94</u>	<u>13.99</u>	<u>4.61</u>	<u>4.88</u>	<u>5.15</u>	<u>5.03</u>	<u>5.11</u>	<u>5.18</u>	<u>5.06</u>	<u>5.14</u>	<u>5.21</u>	<u>5.09</u>	<u>5.17</u>	<u>5.24</u>	<u>5.32</u>	<u>5.20</u>	85.4
OPERATING REVENUES	62.03	78.69	75.22	78.15	80.03	81.92	85.03	88.27	91.43	94.92	98.55	102.12	106.04	110.11	114.34	118.54	1403.4
OPERATING EXPENSES	34.87	39.51	44.58	49.00	53.70	56.92	60.33	63.95	67.79	71.86	76.17	80.74	85.58	90.72	96.16	100.97	1038.0
<i>Operating Expense/Taxes</i>	59%	62%	67%	70%	74%	75%	77%	78%	80%	81%	83%	85%	86%	88%	90%	90%	
GeneralFund CAPEX	2.71	2.29	4.88	6.93	6.89	7.23	7.60	7.98	8.37	8.79	9.23	9.69	10.18	10.69	11.22	11.78	123.8
Storm Damage CAPEX			4.44	3.10	3.04												10.6
Accrual Adjustment	2.21																0.0
New Facility CAPEX	16.82	1.35	0.47	4.00	8.50	7.50											21.8
GenFund DEBT SERVICE	<u>10.74</u>	<u>18.64</u>	<u>8.87</u>	<u>8.91</u>	<u>9.02</u>	<u>8.80</u>	<u>8.57</u>	<u>8.16</u>	<u>8.06</u>	<u>8.67</u>	<u>8.54</u>	<u>8.36</u>	<u>8.16</u>	<u>6.95</u>	<u>6.95</u>	<u>7.93</u>	134.6
GenFund SPENDING	<u>67.35</u>	<u>61.78</u>	<u>63.23</u>	<u>71.94</u>	<u>81.15</u>	<u>80.45</u>	<u>76.49</u>	<u>80.09</u>	<u>84.22</u>	<u>89.32</u>	<u>93.94</u>	<u>98.79</u>	<u>103.92</u>	<u>108.36</u>	<u>114.33</u>	<u>120.68</u>	1328.7
OPERATING CASH FLOW	-5.32	16.91	11.99	6.21	-1.12	1.47	8.54	8.18	7.20	5.60	4.61	3.33	2.12	1.75	0.01	-2.15	74.7
ENDING GENERAL CASH	60.97	77.88	89.87	96.08	94.96	96.43	104.97	113.15	120.36	125.95	130.57	133.90	136.01	137.76	137.77	135.63	
BOND PROCEEDS (NET)			24.7	0.0	0.0	39.5	0.0	0.0	34.6	0.0	0.0	34.6	0.0	0.0	34.6	0.0	167.9
GO BOND DEBT SERVICE	5.31	5.30	5.30	6.54	6.54	6.79	8.94	8.94	9.19	11.29	11.28	11.30	13.39	13.39	13.39	15.58	147.2
GO BOND TAX REVENUE	5.58	5.25	5.45	6.64	6.64	6.89	9.07	9.07	9.33	11.46	11.45	11.47	13.59	13.59	13.59	15.81	149.3
INTEREST INCOME	0.27	0.33	0.75	0.75	0.55	0.65	0.50	0.40	0.60	0.40	0.30	0.60	0.40	0.30	0.60	0.40	7.5
MAA LAND PURCHASES	0.18	17.17	8.10	2.40	1.66	1.00	1.00	12.00	1.00	1.00	1.00	5.00	1.00	1.00	1.00	6.00	60.3
MAA CAPEX	5.79	4.50	9.03	10.00	10.00	15.00	18.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	161.0
LESS: GRANT INCOME	<u>3.56</u>	<u>10.80</u>	<u>4.78</u>	<u>4.06</u>	<u>1.46</u>	<u>2.00</u>	<u>2.38</u>	<u>2.81</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>1.94</u>	<u>1.44</u>	<u>1.44</u>	<u>1.44</u>	<u>2.06</u>	40.9
NET MAA CAPEX	2.41	10.87	12.34	8.34	10.20	14.00	16.63	19.69	10.06	10.06	10.06	13.56	10.06	10.06	10.06	14.44	180.4
BOND REIMBURSEMENT	<u>2.16</u>	<u>10.20</u>	<u>12.12</u>	<u>8.84</u>	<u>10.20</u>	<u>14.00</u>	<u>16.63</u>	<u>19.69</u>	<u>10.06</u>	<u>10.06</u>	<u>10.06</u>	<u>13.56</u>	<u>10.06</u>	<u>10.06</u>	<u>10.06</u>	<u>14.44</u>	180.0
MAA CASH BALANCES	26.33	16.41	29.89	21.89	12.34	38.59	22.60	3.45	28.68	19.19	9.60	31.37	21.91	12.34	37.65	23.84	
BOND PREMIUM CASH			0.50	0.25	0.00	0.50	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ENDOWMENT CASH	<u>1.62</u>	<u>1.68</u>	<u>1.70</u>	<u>1.60</u>	<u>1.52</u>	<u>1.45</u>	<u>1.38</u>	<u>1.31</u>	<u>1.26</u>	<u>1.21</u>	<u>1.16</u>	<u>1.11</u>	<u>1.06</u>	<u>1.01</u>	<u>0.96</u>	<u>0.91</u>	0.71
ENDING TOTAL CASH	88.91	95.97	121.96	119.82	108.82	136.97	129.20	117.91	150.30	146.36	141.32	166.37	158.98	151.12	176.38	160.38	
CUMM MAA CAPEX	91.6	113.2	130.4	142.8	154.4	170.4	189.4	211.9	223.4	234.9	246.4	261.9	273.4	284.9	296.4	312.9	

MROSD 30 YEAR CASH FLOW PROJECTION (FY23-52)

(\$Millions)

5/9/23 TAX GROWTH: **4.0** % GenFund CAPEX GR: **3.5** % POST-MAA GF LAND ACQ : **\$0.5** M/yr
 OPEX GROWTH: **5.0** % OTHER REVENUE GR: **1.5** % GRANTS/MAA CAPEX: **12.5** %
 OPEX GR > TAX GR: **1.0** % thru 41-42, then zero

FISCAL YEAR:	36-37	37-38	38-39	39-40	40-41	41-42	42-43	43-44	44-45	45-46	46-47	47-48	48-49	49-50	50-51	51-52	FY38-52
BEGINNING GEN CASH	137.76	135.62	133.08	132.33	134.14	135.81	136.20	136.99	137.68	138.27	138.76	140.87	140.93	142.56	142.36	142.03	
TAX REVENUE	111.59	116.06	120.70	125.53	130.55	135.77	141.20	146.85	152.72	158.83	165.19	171.79	178.66	185.81	193.24	200.97	2323.9
GRANT INCOME	1.74	1.77	1.79	1.82	1.85	1.88	1.90	1.93	1.96	1.99	2.02	2.05	2.08	2.11	2.14	2.18	29.5
OTHER REVENUE	5.20	5.28	5.36	5.44	5.52	5.60	6.19	6.28	6.38	6.47	6.57	6.67	6.77	6.87	6.97	7.08	93.4
OPERATING REVENUES	118.54	123.10	127.85	132.79	137.92	143.25	149.29	155.06	161.06	167.29	173.77	180.51	187.51	194.79	202.36	210.23	2446.8
OPERATING EXPENSES	100.97	106.02	111.32	116.88	122.73	128.86	134.02	139.38	144.95	150.75	156.78	163.05	169.58	176.36	183.41	190.75	2194.8
<i>Operating Expense/Taxes</i>	90%	91%	92%	93%	94%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	
GeneralFund CAPEX	11.78	12.20	12.62	13.07	13.52	14.00	14.49	14.99	15.52	16.06	16.62	17.20	17.81	18.43	19.08	19.74	235.3
GenFund LAND ACQ	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	4.5
NET REIMBURSEMENTS								-0.50	-0.50	-0.50	-2.25	-0.30	-2.00	-0.30	-0.30	-0.30	-7.0
GenFund DEBT SERVICE	7.93	7.43	4.66	1.03													13.1
GenFund SPENDING	120.68	125.64	128.60	130.98	136.25	142.86	148.50	154.37	160.47	166.81	171.65	180.46	185.88	194.99	202.69	210.69	2440.9
OPERATING CASH FLOW	-2.15	-2.54	-0.75	1.81	1.67	0.39	0.79	0.69	0.59	0.48	2.12	0.05	1.63	-0.20	-0.33	-0.47	5.9
ENDING GENERAL CASH	135.62	133.08	132.33	134.14	135.81	136.20	136.99	137.68	138.27	138.76	140.87	140.93	142.56	142.36	142.03	141.57	
BOND PROCEEDS (NET)			39.5														39.5
GO BOND DEBT SERVICE	15.58	15.57	15.56	18.16	18.16	18.16	18.15	18.15	18.15	18.15	18.14	15.59	15.59	12.89	12.89	12.89	246.2
GO BOND TAX REVENUE	15.81	15.72	15.71	18.34	18.34	18.34	18.33	18.33	18.33	18.33	18.32	15.74	15.74	13.02	13.02	13.02	248.6
INTEREST INCOME	0.40	0.40	0.60	0.70	0.45	0.35	0.30	0.20	0.20	0.20	0.20	0.15	0.10	0.10	0.10	0.10	4.2
MAA CAPEX	16.50	11.00	11.00	11.00	11.00	10.80	10.00										64.8
LESS: GRANT INCOME	2.06	1.38	1.38	1.38	1.38	1.35	1.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.1
NET MAA CAPEX	14.44	9.63	9.63	9.63	9.63	9.45	8.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.7
BOND REIMBURSEMENT	14.44	9.63	9.63	9.63	9.63	9.45	8.75	0.50	0.50	0.50	2.25	0.30	2.00	0.30	0.30	0.30	63.7
MAA CASH BALANCES	23.84	14.77	45.40	36.66	27.67	18.75	10.48	10.36	10.24	10.12	8.25	8.26	6.52	6.45	6.37	6.30	
BOND PREMIUM CASH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ENDOWMENT	0.91	0.87	0.82	0.78	0.74	0.70	0.65	0.61	0.57	0.53	0.48	0.44	0.40	0.36	0.32	0.27	0.64
ENDING TOTAL CASH	160.37	148.72	178.56	171.58	164.22	155.65	148.13	148.66	149.09	149.41	149.61	149.63	149.47	149.17	148.72	148.14	
CUMM MAA CAPEX	312.9	323.9	334.9	345.9	356.9	367.7	377.7	377.7	377.7	377.7	377.7	377.7	377.7	377.7	377.7	377.7	

MROSD PROJECTED MEASURE AA TAX RATE (FY23-52)

5/9/23

FISCAL YEAR: **21-22 22-23 23-24 24-25 25-26 26-27 27-28 28-29 29-30 30-31 31-32 32-33 33-34 34-35 35-36 36-37**

AV GROWTH starting 24-25: **4.0 %**

ASSESSED VALUE (\$B)	333.9	360.6	381.2	396.4	412.3	428.8	445.9	463.8	482.3	501.6	521.7	542.5	564.2	586.8	610.3	634.7
MAA DEBT SVC-OLD (\$M)	5.31	5.30	5.30	5.30	5.29	5.29	5.29	5.29	5.29	5.29	5.28	5.30	5.29	5.29	5.29	5.29
NEW MAA BONDS (\$M)	0.00	0.00	25.00	0.00	0.00	40.00	0.00	0.00	35.00	0.00	0.00	35.00	0.00	0.00	35.00	0.00
MAA DEBT SVC-NEW (\$M)	0.00	0.00	0.00	1.50	1.50	1.50	3.90	3.90	3.90	6.00	6.00	6.00	8.10	8.10	8.10	10.29
less Bond Premium	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.25</u>	<u>0.25</u>	<u>0.00</u>	<u>0.25</u>	<u>0.25</u>	<u>0.00</u>							
NET MAA DEBT SVC	5.31	5.30	5.30	6.54	6.54	6.79	8.94	8.94	9.19	11.29	11.28	11.30	13.39	13.39	13.39	15.58
MAA TAX REVENUE	5.58	5.25	5.45	6.64	6.64	6.89	9.07	9.07	9.33	11.46	11.45	11.47	13.59	13.59	13.59	15.81
TAX RATE	\$1.67	\$1.46	\$1.43	\$1.68	\$1.61	\$1.61	\$2.03	\$1.96	\$1.93	\$2.28	\$2.20	\$2.11	\$2.41	\$2.32	\$2.23	\$2.49

FISCAL YEAR: **36-37 37-38 38-39 39-40 40-41 41-42 42-43 43-44 44-45 45-46 46-47 47-48 48-49 49-50 50-51 50-51**

AV GROWTH: **4.0 %**

ASSESSED VALUE (\$B)	634.7	660.1	686.5	713.9	742.5	772.2	803.1	835.2	868.6	903.4	939.5	977.1	1,016.2	1,056.8	1,099.1	1,143.0
MAA DEBT SVC-OLD (\$M)	5.29	5.28	5.27	5.27	5.27	5.27	5.26	5.26	5.26	5.26	5.25	2.70	2.70	0.00	0.00	0.00
NEW MAA BONDS (\$M)	0.00	0.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MAA DEBT SVC-NEW (\$M)	<u>10.29</u>	<u>10.29</u>	<u>10.29</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>	<u>12.89</u>
NET MAA DEBT SVC	15.58	15.57	15.56	18.16	18.16	18.16	18.15	18.15	18.15	18.15	18.14	15.59	15.59	12.89	12.89	12.89
MAA TAX REVENUE	15.81	15.72	15.71	18.34	18.34	18.34	18.33	18.33	18.33	18.33	18.32	15.74	15.74	13.02	13.02	13.02
TAX RATE	\$2.49	\$2.38	\$2.29	\$2.57	\$2.47	\$2.37	\$2.28	\$2.19	\$2.11	\$2.03	\$1.95	\$1.61	\$1.55	\$1.23	\$1.18	\$1.14