



Midpeninsula Regional
Open Space District

R-25-73
Meeting 25-15
May 28, 2025

AGENDA ITEM 7

AGENDA ITEM

Controller's Report on the Proposed Fiscal Year 2025-26 Budget

CONTROLLER'S RECOMMENDATION

Accept the Controller's Report on the Fiscal Year 2025-26 Budget.

SUMMARY

Beginning cash balances, estimated at a total of \$135.0 million, and projected fiscal 2025-26 revenues are adequate to cover budgeted debt service, operating expenses, capital expenditures, and reserve requirements. Long-term financial projections indicate that the proposed fiscal 2025-26 budget is sustainable and consistent with Midpeninsula Regional Open Space District (District) long-term plans and objectives.

DISCUSSION

The first attachment, **FY2024-2025 Review**, compares the Controller's current forecast of fiscal 2024-25 revenues and expenditures to the projections presented in the June 12, 2024 Controller's Report. Also shown, in the last column, is the original 2024-25 budget adopted at your June 12, 2024 board meeting. General fund (GF) revenue is expected to come in within 0.2% of the Controller's forecast and 1.5% above the original budget. Higher than projected current secured property tax from Santa Clara County offset lower supplemental taxes, leaving total GF tax revenue within 0.2% of last year's projection and 4.6% above the 2023-24 tax revenue. GF grant income was below projection due to the shift of fire resiliency work to in-house labor. The grant shortfall was mostly covered by unanticipated bequests and donations. Total 2024-25 estimated GF revenue is 5.7% above that of the prior year.

GF operating spending (Opex) is running about 8% below the original budget and 5% below the Controller's discounted projection. A reasonable portion of this shortfall represents real savings, largely due to in-house staff not needing consultant assistance. Because the District's pension plans are currently well-funded, there is no plan, unlike in prior years, to divert some of the favorable Opex variance into our PARS account. Instead, it will be added to our infrastructure reserves. The forecast for GF capital spending (Capex) is split onto two lines. Assuming that the \$5.5 million Alves-Half Moon Bay transaction closes in June, GF capex tied to facility expansion will exceed the original budget by over \$5 million. However, the forecast for non-facility GF capex is some 33% below the original budget and 26% below the Controller's discounted projection. In addition to some savings, this shortfall is attributed to the normal project delay hurdles.

Non-land MAA Capex is running below budget and projection by 35-40%, with most of the variance due to lower spending on the two Highway 17-related projects. Assuming that the \$4.3 million Pratt transaction closes before the end of June, MAA land purchases will total approximately \$8.5 million, well above last year's projection. MAA grant income is substantially under budget because of lower Highway 17-related spending and a delay in obtaining the final permit needed to collect the \$2.5 million grant for the Phase 2 Bear Creek trail project. In process at this time last year, the District completed the issuance of the third tranche of MAA general obligation (GO) bonds, \$37 million, in July 2024.

The Hawthorn endowment fund balance again rose in 2024-25 as interest income exceeded spending.

If all of these projections are accurate, the District will begin the new fiscal year with cash balances totaling about \$135.0 million--\$103.3 million in the general fund, \$25.0 million of MAA bond proceeds, \$4.9 million in the MAA debt service fund, and \$1.8 million in the Hawthorn endowment fund.

The second attachment, **FY2025-2026 Cash Projection**, summarizes the proposed budget and the Controller's estimate of projected 2025-26 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 2025-26 budget. The second column shows the Controller's expectations, based on experience, of likely budget variances. The third column is the Controller's current projection for next year's cash flows.

Fiscal 2025-26 General Fund Tax Revenue

GF tax revenue, to be received between July 1, 2025 and June 30, 2026 is budgeted at \$74.49 million. New tax data received in May justifies an increase in this projection to \$74.53 million, representing 4.8% growth over this year. This reflects 5.0% projected growth in current secured taxes, a 3.0% increase in unsecured taxes, a 3.0% increase in redevelopment-related taxes, and a 5.0% increase in supplemental taxes and tax subventions.

Other 2025-26 Budgeted General Fund Revenue totals \$7.9 million, consisting of anticipated income from rental properties, interest, Rancho San Antonio park management, grants and other sources. The adjustment column includes a likely upside in interest and rental income. The Controller expects GF interest income to exceed \$4 million as the investible GF cash balance should average around \$102 million.

Fiscal 2025-26 General Fund Expenditures

1. Opex is budgeted at \$55.93 million, or 75% of GF tax revenue. While the Opex budget is well-supported by hiring plans and expense analysis, this would represent an 18% increase from this year's actual run rate. Based on experience, the Controller views this level of growth as unlikely and projects next year's Opex at approximately 5% less, or \$53.14 million. This includes spending growth tied to the FOSM update and the new compensation methodology.
2. GF Capex: The budget is \$12.09 million, including several projects delayed from this year. Based on experience, the Controller projects approximately 9.5% lower spending, or \$10.95 million. This includes the \$720,000 of GF capex related to planning new staff facilities.

3. Debt Service: The debt service requirement for outstanding GF debt in fiscal 2025-26 is \$9.0 million, up \$120,000 from this year.

GF Reserves: If all GF revenues, expenditures and reimbursements occur as projected, the June 30, 2026 GF cash balance would be \$113.0 million, \$9.7 million more than the starting balance. This reserve level is prudent at this time given the plans to build and/or expand field staff facilities along Skyline and on the San Mateo coast, and the uncertainty of third-party funding for major infrastructure projects such as the Highway 17 crossings.

Fiscal 2025-26 MAA Revenue

This year's MAA tax levy must cover debt service requirements of the 2015, 2018, and 2024 Series GO bonds in September 2025, March 2026 and September 2026, net of existing debt service reserve balances. Goodwin Consulting Group, our tax administration consultant, will be providing its tax rate recommendation in June. We will bring this recommendation to the Board for your review and approval. Pending Goodwin's calculations, MAA tax revenue is budgeted at \$7.52 million. Grant revenue tied to 2025-26 MAA projects is very strong, budgeted at \$4.27 million. This includes collecting the \$2.5 million grant for Phase 2 Bear Creek trail project, which was 99% completed in 2023-24. The other budgeted MAA grant income is tied to completion of projects, so any revenue shortfall is likely to be offset by an associated spending delay.

Fiscal 2025-26 MAA Capex: MAA Capex is budgeted at \$8.97 million. The Controller's projection adds \$5.6 million of anticipated MAA land acquisitions, including the \$2.6 million Alves open space parcel, approved by the Board on January 12, and the \$1.55 million Cunningham property, on the June 11 agenda.

Fiscal 2025-26 MAA Debt Service: Scheduled debt service on the currently outstanding GO bonds totals \$7.3 million in 2025-26.

MAA Cash Balance: If MAA activity proceeds as anticipated, the Controller projects that the District would hold about \$19.0 million of cash in MAA accounts at the end of 2025-26. As the most recent CIAP anticipates heavy MAA spending in 2026-27, we will probably need to start working on the next tranche of MAA bonds about this time next year.

Hawthorns Endowment: The budget includes almost \$1 million of spending on Hawthorn, including \$850,000 of building stabilization work funded by the endowment. This is in accordance with the original Hawthorns plans in 2011. Adding interest income of between \$50,000 and \$60,000, the endowment fund is expected to be drawn down to under \$1 million by the end of June 2026.

The third attachment, **MROSD 30 Year Cash Flow Projection (FY26-55)**, includes the above projected 2024-25 and 2025-26 numbers in the first and second columns, and then projects forward year by year through 2054-55 utilizing the Controller's latest assumptions. The proposed 2025-26 budget fits comfortably within the long-term model. The model assumes assessed valuation (AV) growth of about 4.8% in 2025-26 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 53-year history, including the impact of four recessions and a pandemic since 1980.

The projection includes the latest thinking about future land acquisitions, grant reimbursements, MAA spending, facility expansion costs, and the level of GF Opex and Capex needed to meet District objectives. This projection includes some significant changes from a year ago: [a] an increase in the base level of annual GF Capex from \$11 million to \$14 million, [b] an increase in the estimated future cost of new staff facilities from \$37 million to \$51 million, [c] an increase in the estimated construction costs of the Highway 17 crossings of \$10 million, [d] recognition that several MAA portfolios cannot accommodate all projected costs, shifting the extra costs to GF Capex, and [e] a reduction in projected GF grant income due to uncertainty over significant FEMA funding and the lower need for contractor work on fire resiliency. Last year's projection already included the impact from the FOSM update on future Opex. The major result from these changes is a significant reduction in our projected GF cash balance beyond 2028. Last year's model showed a \$108 million GF cash balance at the end of 2030-31. This model projects a GF cash balance of \$65 million at that time, with the primary change being \$39 million of additional GF Capex spending--\$14 million more on facility expansion and \$25 million more due to a higher base spending level and the overflow from full MAA portfolios. It is possible that some reallocation of the original MAA portfolio budgets can be justified and ameliorate a portion of these overages. While the projected GF cash balances of \$60-70 million over 2029-30 to 2040-41 are much less than previously envisioned, this reserve level far exceeds our prudent minimum policy reserve level of 30% of total GF revenue—67% in 2030-31 and 49% in 2040-41.

The model continues to support the growth of Opex at a faster rate than tax revenue. The model allows Opex spending to grow at 2.0 percentage points more than tax revenue growth through 2032-33, and then at an extra 1.0 percentage point through 2043-44. The ratio of Opex to GF tax revenue reaches 90% in 2039-40, with no significant cash flow issues. The other good news is that the MAA program wraps up in 2042-43, after spending a total of \$395 million. Issuance of additional MAA bonds are projected in 2027-28 (\$45 million), 2030-31 (\$37 million), 2033-34 (\$37 million), 2036-37 (\$35 million), and 2039-40 (\$19 million). The projected tax rate never gets close to the \$3.18 limit, reaching a maximum of \$2.54 in 2036-37.

The last maturity of our outstanding GF debt is in fiscal 2038-39, so the District has considerable unused GF financing capacity should the cost of new District objectives exceed our reserves and require non-GO financing.

Overall, the proposed fiscal 2025-26 budget is consistent with our 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 FY2025-26 Budget in view of the information contained in the Controller's report.

Attachments:

1. FY 2024-25 Review
2. FY 2025-26 Cash Projection
3. MROSD 30 Year Cash Flow Projection (FY26-55)

Prepared by/contact person:
Michael L. Foster, Controller

FY2024-2025 Review

(\$Millions)	May 24 Current			% of	ORIGINAL
	Projected	Fcst	Change		
				Projected	BUDGET
EST. BEGIN GENERAL CASH	94.31	87.02	(7.29)		94.31
GENERAL FUND TAX REVENUE	71.23	71.12	(0.11)	100%	71.06
PROPERTY MANAGEMENT	2.41	2.44	0.03	101%	2.41
INTEREST INCOME	3.85	3.92	0.07	102%	3.42
GRANT INCOME	2.93	1.60	(1.33)	55%	2.25
OTHER INCOME	<u>0.10</u>	<u>1.32</u>	<u>1.22</u>	<u>1320%</u>	<u>0.10</u>
GENERAL FUND REVENUE	80.52	80.40	(0.12)	100%	79.24
OPERATING EXPENSES	49.71	47.30	(2.41)	95%	51.25
NEW FACILITIES CAPEX	0.60	5.90	5.30	983%	0.67
NON-MAA CAPITAL SPENDING	12.15	9.01	(3.14)	74%	13.37
NON-MAA DEBT SERVICE	<u>8.91</u>	<u>8.91</u>	<u>0.00</u>	<u>100%</u>	<u>8.91</u>
GENERAL FUND SPENDING	71.37	71.12	(0.25)	100%	74.19
OPERATING CASH FLOW	9.15	9.28	0.13		5.05
REIMBURSEMENTS FROM PRIOR YEAR		<u>7.00</u>	<u>7.00</u>		
ENDING GENERAL FUND CASH	103.46	103.30	(0.16)		99.36
EST. BEGINNING MMA CASH	9.90	10.22	0.32		9.90
NET BOND PROCEEDS	37.00	37.00	0.00	100%	37.00
MAA DEBT SERVICE	6.52	5.34	(1.18)	82%	6.60
MAA TAX REVENUE	6.58	5.90	(0.68)	90%	6.64
INTEREST INCOME	1.67	1.50	(0.17)	90%	1.14
GRANT INCOME	6.27	0.43	(5.84)	7%	6.27
MAA CAPITAL SPENDING	7.32	4.50	(2.82)	61%	7.32
MAA LAND PURCHASES	2.50	8.50	6.00	340%	0.00
REIMBURSE GENERAL FUND	<u>10.50</u>	<u>19.57</u>	<u>9.07</u>	<u>186%</u>	<u>8.00</u>
ENDING MAA FUND CASH BALANCE	38.13	29.71	(8.42)		40.08
BEGINNING HAWTHORN CASH	1.70	1.71	0.01		1.70
HAWTHORNE INTEREST	0.06	0.16	0.10	267%	0.06
HAWTHORNE SPENDING	<u>0.12</u>	<u>0.11</u>	<u>(0.01)</u>	92%	<u>0.12</u>
ENDING HAWTHORN FUND CASH	1.64	1.76	0.12		1.64
ENDING BOND PREMIUM CASH	3.27	0.23	(3.04)	7%	0.23
ENDING TOTAL CASH BALANCES	146.50	134.99	(11.50)		141.31

FY2025-2026 Cash Projection

	BUDGET	adjust	Projected
EST. BEGINNING GENERAL CASH	103.30		103.30
GENERAL FUND TAX REVENUE	74.49	0.04	74.53
PROPERTY MANAGEMENT	2.42	0.10	2.52
INTEREST INCOME	3.98	0.25	4.23
GRANT INCOME	1.41	(0.01)	1.40
OTHER INCOME	<u>0.10</u>		<u>0.10</u>
TOTAL GENERAL FUND REVENUE	82.39		82.78
OPERATING EXPENSES	55.93	-5%	53.14
NON-MAA CAPITAL SPENDING	12.09	-9.5%	10.95
GENERAL FUND DEBT SERVICE	<u>9.03</u>		<u>9.03</u>
TOTAL GENERAL FUND SPENDING	77.05		73.11
OPERATING CASH FLOW	<u>5.34</u>		<u>9.67</u>
ENDING GENERAL FUND CASH	108.65		112.97
EST. BEGINNING MMA FUND CASH	29.71		29.71
NET BOND PROCEEDS			0.00
MAA DEBT SERVICE (net of premium)	7.29		7.29
MAA TAX REVENUE	7.52	(0.15)	7.37
INTEREST INCOME	0.90	(0.02)	0.88
GRANT INCOME	4.27	-15%	3.63
MAA CAPITAL SPENDING	8.79		8.79
MAA LAND PURCHASES	0.00	5.60	5.60
REIMBURSE THE GENERAL FUND	<u>5.41</u>	5.60	<u>11.63</u>
ENDING MAA FUND CASH BALANCE	25.43		19.04
BEGINNING HAWTHORN CASH	1.76		1.76
HAWTHORNE INTEREST	0.06	(0.01)	0.05
HAWTHORNE SPENDING	<u>0.97</u>	-15%	<u>0.82</u>
ENDING HAWTHORN FUND CASH	0.86		0.99
ENDING BOND PREMIUM CASH	0.00		0.00
ENDING TOTAL CASH BALANCES	134.93		133.00

MROSD 30 YEAR CASH FLOW PROJECTION (FY26-55)

(\$Millions)

5/15/25

TAX GROWTH STARTING 26-27: 4.0 %GF CAPEX FROM FY30: \$14 M/yearGRANTS/MAA CAPEX from FY30: 13 %OPEX GROWTH 25-26 THRU 32-33: 6.0 %GF CAPEX GR: 2.0 %OTHER REVENUE GR: 1.5 %OPEX GR > TAX GR: 2.0 % thru 32-33GF Grants from FY29 \$1.35 M/yearOpex Step-Up: 26-28: \$3.00 \$0.60 \$0.60

FISCAL YEAR:	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	37-38	38-39	39-40	FY26-40
BEGINNING GEN CASH	87.02	103.30	112.97	112.91	100.11	92.30	66.21	65.31	66.64	65.13	67.07	67.60	65.85	65.58	63.71	63.93	
TAX REVENUE	71.12	74.53	77.52	80.62	83.84	87.19	90.68	94.31	98.08	102.00	106.09	110.33	114.74	119.33	124.10	129.07	1492.4
GRANT REVENUE	1.60	1.40	1.72	2.33	1.35	1.38	1.40	1.43	1.46	1.49	1.52	1.55	1.58	1.61	1.65	1.68	23.6
OTHER REVENUE	<u>7.68</u>	<u>6.85</u>	<u>6.95</u>	<u>6.76</u>	<u>6.46</u>	<u>6.06</u>	<u>5.55</u>	<u>5.63</u>	<u>5.71</u>	<u>5.80</u>	<u>5.89</u>	<u>5.67</u>	<u>5.76</u>	<u>5.85</u>	<u>5.93</u>	<u>6.02</u>	<u>90.9</u>
OPERATING REVENUES	80.40	82.78	86.19	89.70	91.65	94.63	97.63	101.37	105.26	109.29	113.49	117.55	122.08	126.79	131.68	136.77	1606.9
OPERATING EXPENSES	47.30	53.14	56.93	60.94	64.60	68.47	72.58	76.94	81.55	86.04	90.56	95.08	99.84	104.83	110.07	115.58	1237.1
<i>Operating Expense/Taxes</i>	<i>67%</i>	<i>71%</i>	<i>73%</i>	<i>76%</i>	<i>77%</i>	<i>79%</i>	<i>80%</i>	<i>82%</i>	<i>83%</i>	<i>84%</i>	<i>85%</i>	<i>86%</i>	<i>87%</i>	<i>88%</i>	<i>89%</i>	<i>90%</i>	
GeneralFund CAPEX	9.01	10.23	15.61	28.70	18.70	14.00	14.28	14.57	14.86	15.15	15.46	15.77	16.08	16.40	16.73	17.07	243.6
New Facility CAPEX	5.90	0.72	0.91	8.30	8.00	28.18	5.00										51.1
PARS																	
Accruals	-7.00		4.00	-4.00		2.00	-2.00		2.00	-2.00		1.50	-1.50				0.0
GenFund DEBT SERVICE	<u>8.91</u>	<u>9.03</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>	<u>7.43</u>	<u>4.66</u>	<u>1.03</u>	<u>111.3</u>
GenFund SPENDING	<u>64.12</u>	<u>73.11</u>	<u>86.24</u>	<u>102.51</u>	<u>99.46</u>	<u>120.72</u>	<u>98.53</u>	<u>100.04</u>	<u>106.77</u>	<u>107.35</u>	<u>112.96</u>	<u>119.30</u>	<u>122.35</u>	<u>128.66</u>	<u>131.46</u>	<u>133.67</u>	<u>1643.1</u>
OPERATING CASH FLOW	16.28	9.67	-0.05	-12.80	-7.81	-26.09	-0.90	1.33	-1.51	1.94	0.53	-1.75	-0.27	-1.87	0.22	3.10	-36.3
ENDING GENERAL CASH	103.30	112.97	112.91	100.11	92.30	66.21	65.31	66.64	65.13	67.07	67.60	65.85	65.58	63.71	63.93	67.03	
BOND PROCEEDS (NET)	37.0	0.0	0.0	45.0	0.0	0.0	37.0	0.0	0.0	37.0	0.0	0.0	35.0	0.0	0.0	19.0	173.0
GO BOND DEBT SERVICE	5.34	7.29	7.52	8.75	10.25	10.40	11.57	12.67	12.77	15.10	15.10	15.10	17.30	17.37	17.30	18.54	197.0
GO BOND TAX REVENUE	5.90	7.37	7.59	8.84	10.35	10.50	11.68	12.79	12.89	15.25	15.25	15.25	17.48	17.55	17.48	18.72	199.0
INTEREST INCOME	1.50	0.88	0.50	0.90	0.90	0.45	0.75	0.95	0.60	0.90	1.00	0.55	0.75	0.90	0.50	0.50	11.0
MAA LAND PURCHASES	8.50	5.60	2.35	4.75	4.00	4.00	2.00	2.00	5.00	2.00	2.00	5.00	2.00	2.00	3.50	1.50	47.7
MAA CAPEX	4.50	8.79	15.75	22.62	18.83	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	8.50	182.5
LESS: GRANT INCOME	<u>0.43</u>	<u>3.63</u>	<u>3.02</u>	<u>11.14</u>	<u>11.22</u>	<u>1.82</u>	<u>1.56</u>	<u>1.69</u>	<u>2.08</u>	<u>1.69</u>	<u>1.69</u>	<u>2.08</u>	<u>1.69</u>	<u>1.69</u>	<u>1.89</u>	<u>1.30</u>	<u>48.2</u>
NET MAA CAPEX	12.57	10.76	15.08	16.23	11.61	12.18	10.44	11.31	13.92	11.31	11.31	13.92	11.31	11.31	12.62	8.70	182.0
BOND REIMBURSEMENT	<u>19.57</u>	<u>11.63</u>	<u>11.58</u>	<u>21.13</u>	<u>12.51</u>	<u>10.63</u>	<u>14.19</u>	<u>12.26</u>	<u>12.52</u>	<u>14.21</u>	<u>12.31</u>	<u>12.97</u>	<u>13.06</u>	<u>12.21</u>	<u>13.12</u>	<u>9.20</u>	193.5
MAA CASH BALANCES	29.71	19.04	8.03	32.89	21.38	11.31	34.98	23.80	12.01	35.85	24.69	12.42	35.28	24.14	11.70	22.19	
BOND PREMIUM CASH	0.23	0.00	0.00	0.15	0.00	0.00	0.10										
ENDOWMENT CASH	<u>1.76</u>	<u>0.99</u>	<u>0.83</u>	<u>0.80</u>	<u>0.77</u>	<u>0.75</u>	<u>0.72</u>	<u>0.69</u>	<u>0.66</u>	<u>0.63</u>	<u>0.60</u>	<u>0.57</u>	<u>0.54</u>	<u>0.50</u>	<u>0.47</u>	<u>0.43</u>	1.33
ENDING TOTAL CASH	135.00	133.00	121.77	133.95	114.46	78.27	101.11	91.13	77.79	103.55	92.89	78.84	101.40	88.36	76.10	89.65	
CUMM MAA CAPEX	143.5	157.9	176.0	203.4	226.2	240.2	252.2	265.2	281.2	294.2	307.2	323.2	336.2	349.2	363.7	373.7	

MROSD 30 YEAR CASH FLOW PROJECTION (FY26-55)

(\$Millions)

5/15/25 TAX GROWTH: 4.0 % GenFund CAPEX GR: 2.0 %
 OPEX GROWTH: 5.0 % OTHER REVENUE GR: 1.5 %
 OPEX GR > TAX GR: 1.0 % thru 43-44 then zero

POST-MAA GF LAND ACQ : \$1.0 M/yr
 GRANTS/MAA CAPEX: 13 %

FISCAL YEAR:	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	52-53	53-54	54-55	FY41-55
BEGINNING GEN CASH	63.93	67.03	70.33	72.70	74.06	73.46	72.11	70.90	69.90	69.01	68.09	67.36	66.83	66.45	66.30	66.39	
TAX REVENUE	129.07	134.23	139.60	145.18	150.99	157.03	163.31	169.85	176.64	183.71	191.05	198.70	206.64	214.91	223.51	232.45	2687.8
GRANT INCOME	1.68	1.71	1.75	1.78	1.82	1.85	1.89	1.93	1.97	2.01	2.05	2.09	2.13	2.17	2.21	2.26	29.6
OTHER REVENUE	<u>6.02</u>	<u>6.11</u>	<u>6.20</u>	<u>6.30</u>	<u>6.09</u>	<u>6.18</u>	<u>6.28</u>	<u>6.37</u>	<u>6.47</u>	<u>6.36</u>	<u>6.46</u>	<u>6.56</u>	<u>6.65</u>	<u>6.75</u>	<u>6.86</u>	<u>6.96</u>	<u>96.6</u>
OPERATING REVENUES	136.77	142.06	147.55	153.26	158.90	165.07	171.48	178.14	185.07	192.07	199.56	207.34	215.43	223.83	232.58	241.66	2814.0
OPERATING EXPENSES	115.58	121.35	127.42	133.79	140.48	146.80	152.68	158.78	165.14	171.74	178.61	185.75	193.18	200.91	208.95	217.31	2502.9
Operating Expense/Taxes	90%	90%	91%	92%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	
GeneralFund CAPEX	17.07	17.41	17.76	18.11	18.47	18.84	19.22	19.60	20.00	20.40	20.80	21.22	21.64	22.08	22.52	22.97	301.0
GenFund LAND ACQ					1.00	1.02	1.04	1.06	1.08	1.10	1.13	1.15	1.17	1.20	1.22	1.24	13.4
NET REIMBURSEMENTS					-0.45	-0.25	-0.25	-0.30	-0.25	-0.25	-0.25	-0.25	-0.20	-0.20	-0.20	-0.25	-3.1
GenFund DEBT SERVICE	<u>1.03</u>																<u>0.0</u>
GenFund SPENDING	<u>133.67</u>	<u>138.76</u>	<u>145.18</u>	<u>151.90</u>	<u>159.51</u>	<u>166.42</u>	<u>172.69</u>	<u>179.15</u>	<u>185.96</u>	<u>192.99</u>	<u>200.29</u>	<u>207.87</u>	<u>215.80</u>	<u>223.98</u>	<u>232.49</u>	<u>241.27</u>	<u>2814.3</u>
OPERATING CASH FLOW	3.10	3.30	2.37	1.36	-0.60	-1.35	-1.21	-1.00	-0.89	-0.92	-0.73	-0.53	-0.37	-0.15	0.09	0.39	-0.2
ENDING GENERAL CASH	67.03	70.33	72.70	74.06	73.46	72.11	70.90	69.90	69.01	68.09	67.36	66.83	66.45	66.30	66.39	66.79	
BOND PROCEEDS (NET)	19.00																0.0
GO BOND DEBT SERVICE	18.54	18.54	18.54	18.54	18.54	18.54	18.54	15.95	15.95	15.94	13.25	13.25	13.25	13.25	13.25	13.25	238.6
GO BOND TAX REVENUE	18.72	18.63	18.63	18.63	18.63	18.63	18.63	16.03	16.03	16.02	13.32	13.32	13.32	13.32	13.32	13.32	239.8
INTEREST INCOME	0.50	0.50	0.50	0.30	0.18	0.18	0.18	0.18	0.18	0.18	0.16	0.16	0.16	0.15	0.15	0.15	3.3
MAA CAPEX	10.00	10.00	8.00	3.30													21.3
LESS: GRANT INCOME	<u>1.30</u>	<u>1.30</u>	<u>1.04</u>	<u>0.43</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2.8</u>
NET MAA CAPEX	8.70	8.70	6.96	2.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.5
BOND REIMBURSEMENT	<u>8.70</u>	<u>8.70</u>	<u>6.96</u>	<u>2.87</u>	<u>0.45</u>	<u>0.25</u>	<u>0.25</u>	<u>0.30</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.25</u>	21.6
MAA CASH BALANCES	22.19	14.08	7.71	5.24	5.05	5.07	5.09	5.04	5.05	5.05	5.03	5.01	5.03	5.05	5.06	5.03	
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	<u>0.43</u>	<u>0.41</u>	<u>0.39</u>	<u>0.37</u>	<u>0.35</u>	<u>0.33</u>	<u>0.31</u>	<u>0.29</u>	<u>0.26</u>	<u>0.24</u>	<u>0.22</u>	<u>0.19</u>	<u>0.17</u>	<u>0.14</u>	<u>0.11</u>	<u>0.09</u>	0.34
ENDING TOTAL CASH	89.65	84.82	80.81	79.67	78.86	77.51	76.30	75.23	74.32	73.39	72.61	72.02	71.65	71.49	71.57	71.90	
CUMM MAA CAPEX	373.7	383.7	391.7	395.0	395.0	395.0	395.0	395.0	395.0	395.0	395.0	395.0	395.0	395.0	395.0	395.0	

MROSD PROJECTED MEASURE AA TAX RATE (FY26-55)

5/15/25

FISCAL YEAR: **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 37-38 38-39 39-40****AV GROWTH starting 26-27: 4.0 %**

ASSESSED VALUE (\$B)	427.1	447.6	465.5	484.1	503.5	523.6	544.6	566.4	589.0	612.6	637.1	662.6	689.1	716.6	745.3	775.1
MAA DEBT SVC-OLD (\$M)	5.30	5.29	5.29	5.29	5.29	5.29	5.29	5.29	5.29	5.29	5.29	5.29	5.29	5.29	5.29	5.29
NEW MAA BONDS (\$M)	37.00	0.00	0.00	45.00	0.00	0.00	37.00	0.00	0.00	37.00	0.00	0.00	35.00	0.00	0.00	19.00
MAA DEBT SVC-NEW (\$M)	2.23	2.23	2.23	5.11	5.11	5.11	7.48	7.48	7.48	9.81	9.81	9.81	12.01	12.08	12.01	13.25
less Bond Premium	<u>2.20</u>	<u>0.23</u>		<u>1.65</u>	<u>0.15</u>		<u>1.20</u>	<u>0.10</u>								
NET MAA DEBT SVC	5.33	7.29	7.52	8.75	10.25	10.40	11.57	12.67	12.77	15.10	15.10	15.10	17.30	17.37	17.30	18.54
MAA TAX REVENUE	5.90	7.37	7.59	8.84	10.35	10.50	11.68	12.79	12.89	15.25	15.25	15.25	17.48	17.55	17.48	18.72
TAX RATE	\$1.38	\$1.65	\$1.63	\$1.83	\$2.06	\$2.01	\$2.15	\$2.26	\$2.19	\$2.49	\$2.39	\$2.30	\$2.54	\$2.45	\$2.34	\$2.42

FISCAL YEAR: **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 52-53 53-54 54-55****AV GROWTH: 4.0 %**

ASSESSED VALUE (\$B)	775.1	806.1	838.3	871.9	906.8	943.0	980.7	1,020.0	1,060.8	1,103.2	1,147.3	1,193.2	1,241.0	1,290.6	1,342.2	1,395.9
MAA DEBT SVC-OLD (\$M)	5.29	5.29	5.29	5.29	5.29	5.29	5.29	<u>2.70</u>	<u>2.70</u>	<u>2.69</u>	0.00	0.00	0.00	0.00	0.00	0.00
NEW MAA BONDS (\$M)	19.00	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
MAA DEBT SVC-NEW (\$M)	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>	<u>13.25</u>
NET MAA DEBT SVC	18.54	18.54	18.54	18.54	18.54	18.54	18.54	15.95	15.95	15.94	13.25	13.25	13.25	13.25	13.25	13.25
MAA TAX REVENUE	18.72	18.63	18.63	18.63	18.63	18.63	18.63	16.03	16.03	16.02	13.32	13.32	13.32	13.32	13.32	13.32
TAX RATE	\$2.42	\$2.31	\$2.22	\$2.14	\$2.05	\$1.98	\$1.90	\$1.57	\$1.51	\$1.45	\$1.16	\$1.12	\$1.07	\$1.03	\$0.99	\$0.95