

FY 2020-21 Financial Results

Town Council Meeting
December 15, 2021

PURPOSE OF PRESENTATION

Present FY 20-21 Financial Results

- Highlights
- Operating Budget Results
- Infrastructure
- Debt



HIGHLIGHTS

1. Revenues

- Better Than Budget
- Increased from Prior Fiscal Year

2. Expenses Less than Budget



HIGHLIGHTS (continued)

3. Pension Reserves

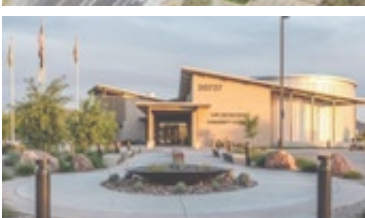
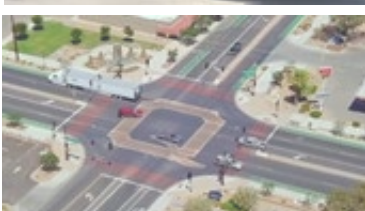
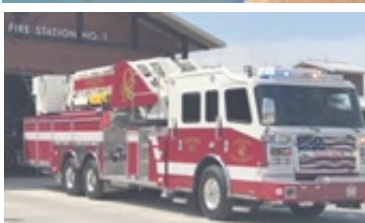
- Fully Funded PSPRS Fire Pension
- Fully Funded MCSO Pension Liability
- Continued Progress Towards Full Funding of ASRS Pension Liability
 - Operating Budget: \$19.4M (Fully Funded)
 - Enterprise Funds: \$3.3M (Water 25% funded, Wastewater and Solid Waste Fully Funded. Debt issuance for projects will allow for full funding in FY 22)



HIGHLIGHTS (continued)

4. \$91.2M Completed Infrastructure

Type of Infrastructure	Total as of 6/30/2021	\$ Increase	% Increase	Added by Town	Received From Private Entities
Streets, Buildings, and Equipment	\$547.2M	\$28.0M	5%	\$12.3M	\$15.7M
Water and Wastewater	<u>\$307.3M</u>	<u>\$63.2M</u>	<u>26%</u>	<u>\$37.5M</u>	<u>\$25.7M</u>
Total Completed	\$854.5M	\$91.2M	12%	\$49.8M	\$41.4M



HIGHLIGHTS (continued)

5. \$84.5M Infrastructure Under Construction



	Streets, Buildings, and Equipment	Water and Wastewater	Total
Projects Under Construction	\$63.7M	\$20.8M	\$84.5M

HIGHLIGHTS (concluded)

6. Debt Issue

- Issued \$9.8M to acquire the Diversified Water Utility System





Operating Budget Results

FY 20-21 OPERATING FUNDS

(in millions)



	Revised Budget	Final Audited Results	\$ Variance	% Variance
Revenues	\$ 94.6	\$ 104.3	\$ 9.7	10%
Expenses	<u>\$ 76.1</u>	<u>\$ 68.6</u>	<u>\$ 7.6</u>	<u>11%</u>
Net Annual	\$ 18.5	\$ 35.8	\$ 17.3	-
Beginning Balance	<u>\$ 55.9</u>	<u>\$ 55.9</u>	<u>-</u>	<u>-</u>
Ending Balance	<u>\$ 74.4</u>	<u>\$ 91.7</u>	<u>\$ 17.3</u>	-



Revenues

QC RESULTS

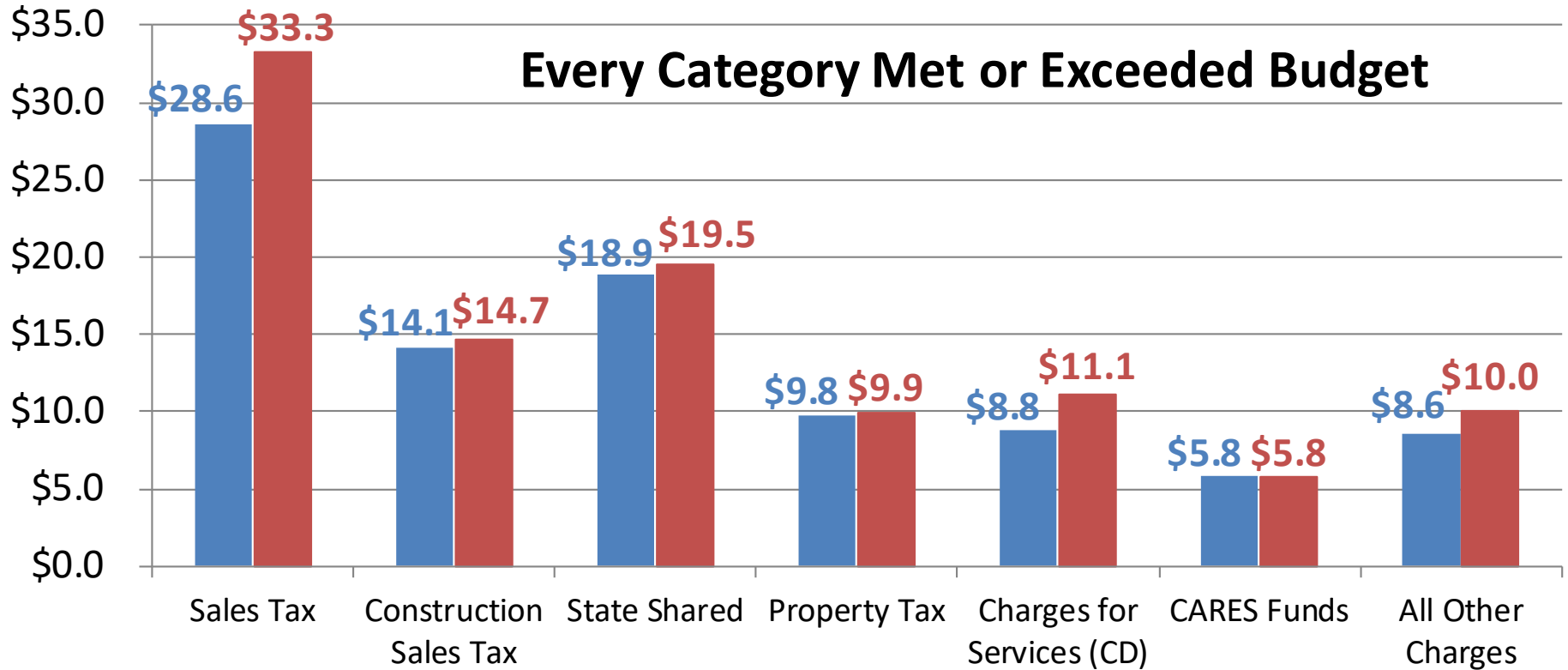
Revenues Are Better Than Expected

- High Median Income Households
- Population Growth In and Around QC
- More Individuals Shopping Closer to Home Because Continued Working From Home
- New Businesses Continue to Open in the QC
- Wayfair Legislation Allows QC to Capture Sales Tax from E-Commerce (October 2019)
- Strong New Construction Activity



OPERATING REVENUE VARIANCE: +\$9.7M (+10%)

\$94.6M REVISED BUDGET TO \$104.3M ACTUAL

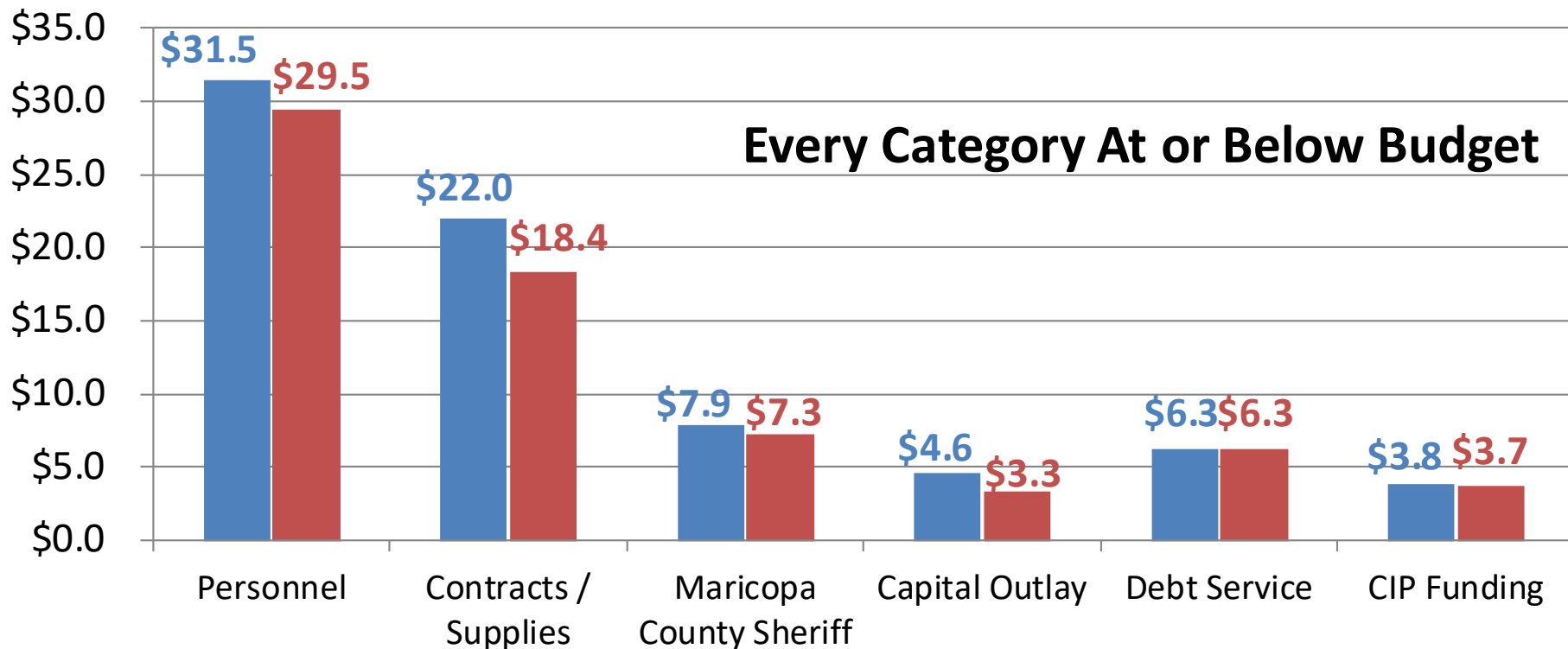




Expenses

OPERATING EXPENSE VARIANCE: +\$7.5M (+11%)

\$76.1M REVISED BUDGET TO \$68.6M ACTUAL





Reserves

FY 20-21 OPERATING FUND BALANCE

(in millions)

Total Fund Balance		\$91.7
Restrictions / Obligations:		
25% Revenue Reserve Requirement	\$22.5	
COVID-19 Reserve (PY Policy)	11.1	
Police Services Reserve (PY Policy)	0.1	
Highway User Revenue Funds	1.0	
MSCO Pension Liability Reserve	26.3	
ASRS Pension Liability Reserve	<u>19.4</u>	
Total Restrictions		<u>\$80.4</u>
Unrestricted		\$11.3





Debt

TOTAL DEBT OUTSTANDING AT 6/30/2021



Purpose	Principal Outstanding
Transportation	\$139.9M
Fire	\$29.6M
Parks and Recreation (includes HPEC)	\$12.1M
Library	\$4.8M
Town Facilities	\$4.4M
Police	<u>\$1.8M</u>
Total "General Government"	\$192.6M
Water	\$132.1M
Wastewater	<u>\$2.6M</u>
Total – All Debt	\$327.3M

SOURCES OF DEBT REPAYMENT

(IN MILLIONS)

Of the remaining \$507.0 million in total debt payments (principal and interest), \$231.2 million (46%) will come from pledged Excise Taxes and \$275.8 million (54%) will come from Dedicated Revenues.

Issue	Total Debt (P&I)	Excise Taxes	Impact Fees	Dedicated Revenues				% Of Debt
				Water Rates	Sewer Rates	Private / 3 rd Parties	Total Dedicated Revenue	
Excise Tax Bonds	\$297.1	\$231.2	\$65.9				\$65.9	22%
2014 GADA Wastewater Loan	\$3.1				\$3.1		\$3.1	100%
WIFA Loans	\$151.5			\$151.5			\$151.5	100%
H2O Loan	\$40.9			\$40.9			\$40.9	100%
Improvement District Bonds	\$14.4					\$14.4	\$14.4	100%
Total Debt Payments	\$507.0	\$231.2	\$65.9	\$192.4	\$3.1	\$14.4	\$275.8	54%

3. Capacity to Issue Debt

- Debt Coverage Ratio – Excise Tax Debt
 - Calculation: Revenues Legally Pledged to Make Annual Debt Payments Divided by Annual Debt Payments
 - The Higher the Number Indicates More Revenues are Available to Make Annual Debt Payments
 - Bond Legal Minimum: 3

	FY 18-19	FY 19-20	FY 20-21
Pledged Revenues (A)	\$62.3M	\$74.1M	\$96.8M
Annual Debt Payments (B)	\$8.2M	\$9.0M	\$10.6M
Liquidity Ratio (A / B)	6.1	8.2	9.1



Recommended Motion

Approve Resolution No. 1435-21
Accepting the Town's Fiscal Year
2020-21 Annual Comprehensive
Financial Report and Related Audit
Reports

