



City of Senovia

Water & Sewer Financing Discussion

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Raymond James Public Finance

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RAYMOND JAMES

CURRENT DEBT PICTURE

Calendar Year	<i>To be Refunded</i>	<i>To be Refunded</i>	no	TOTALS
	Sewer Revenue Bonds (4.375%)	GEFA Loan (4.00%)	GEFA Loan (\$14.9M @ 2.52%)	
			<i>Projected</i>	
2021	96,800	25,012		121,812
2022	290,640	75,037		365,677
2023	290,640	75,037	708,337	1,074,014
2024	290,640	75,037	708,337	1,074,014
2025	290,640	75,037	708,337	1,074,014
2026	290,640	75,037	708,337	1,074,014
2027	290,640	75,037	708,337	1,074,014
2028	290,640	75,037	708,337	1,074,014
2029	290,640	75,037	708,337	1,074,014
2030	290,640	75,037	708,337	1,074,014
2031	290,640	37,519	708,337	1,036,496
2032	290,640		708,337	998,977
2033	290,640		708,337	998,977
2034	290,640		708,337	998,977
2035	290,640		708,337	998,977
2036	290,640		708,337	998,977
2037	290,640		708,337	998,977
2038	290,640		708,337	998,977
2039	290,640		708,337	998,977
2040	290,640		708,337	998,977
2041	290,640		708,337	998,977
2042	290,640		708,337	998,977
2043	290,640		708,337	998,977
2044	137,225		708,337	845,562
2045			708,337	708,337
2046			708,337	708,337
2047			708,337	708,337
2048			708,337	708,337
2049			708,337	708,337
2050			708,337	708,337
2051			708,337	708,337
2052			708,337	708,337
Total	6,628,105	737,864	21,250,104	28,616,074



In 2023, debt service will triple.

**HISTORICAL COVERAGE ANALYSIS:
WATER ENTERPRISE FUND & SEWER ENTERPRISE FUND**

	<u>FYE</u> <u>12/31/2020</u>	<u>FYE</u> <u>12/31/2019</u>	<u>FYE</u> <u>12/31/2018</u>	<u>FYE</u> <u>12/31/2017</u>	<u>FYE</u> <u>12/31/2016</u>
Operating Revenues	2,373,273	2,102,254	1,918,724	1,794,911	1,841,877
Operating Expense	<u>2,089,306</u>	<u>2,005,400</u>	<u>1,722,600</u>	<u>1,708,027</u>	<u>1,566,297</u>
Net Operating Income	283,967	96,854	196,124	86,884	275,580
Plus/Minus:					
plus Depreciation	422,899	364,541	354,338	358,579	371,789
plus Interest Income	<u>3,477</u>	<u>2,584</u>	<u>2,158</u>	<u>2,139</u>	<u>2,067</u>
Net Income Available for Debt Service	<u>710,343</u>	<u>463,979</u>	<u>552,620</u>	<u>447,602</u>	<u>649,436</u>
Annual Debt Service on Sewer Rev. Bonds & GEFA Loan	<u>365,677</u>	<u>365,677</u>	<u>365,677</u>	<u>365,677</u>	<u>365,677</u>
Historical					
Debt Service Coverage Ratio	1.94 x	1.27 x	1.51 x	1.22 x	1.78 x

Above coverage is for the debt service
the system is currently paying.

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Projected Annual Debt Service current Obligations plus 2020 GEFA	<u>1,074,014</u>	<u>1,074,014</u>	<u>1,074,014</u>	<u>1,074,014</u>	<u>1,074,014</u>
Historical					
Debt Service Coverage Ratio	0.66 x	0.43 x	0.51 x	0.42 x	0.60 x

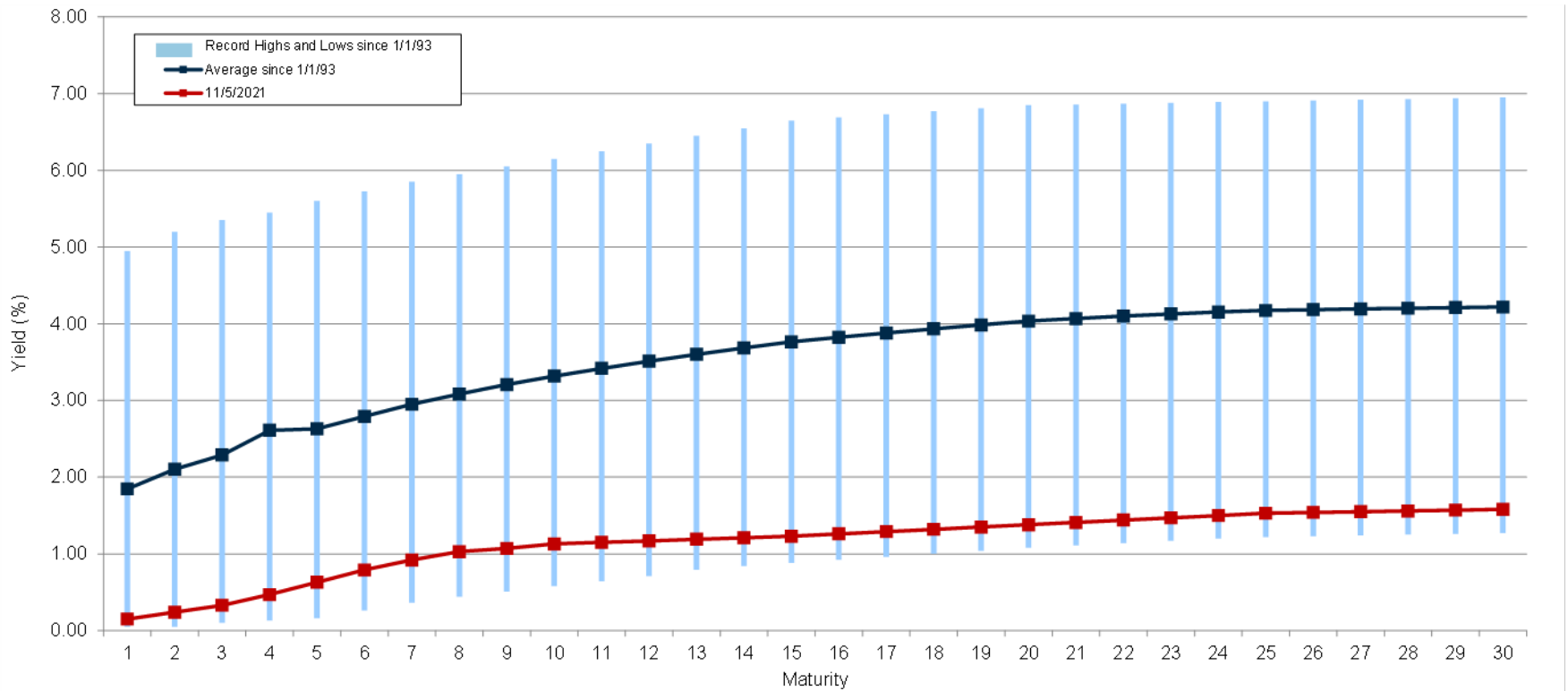
Above coverage factors in the additional debt service for the Sewer Plant GEFA Loan. GEFA requires 1.05x coverage in their loan agreement.

Payments for this new GEFA Loan begin in early 2023. Coverage must be much higher by that point.

Consider refinancing the
\$4,180,000 USDA Sewer Rev. Bonds @ 4.375%
&
\$592,000 GEFA Loan @ 4.00%.

HISTORICAL TAX-EXEMPT AAA MMD RATES: CURRENT RATES (RED CURVE) ARE WELL BELOW HISTORICAL AVERAGE

- The graph below shows the range between the record highs and lows of AAA **Municipal Market Data** (or “MMD”) at each maturity since 1993, along with average rates over this time frame and the current rates.
- AAA MMD rates set multiple record lows throughout the entire curve on August 7th, 2020.



	1	5	10	15	20	25	30
Record Low since 1/1/93	0.05	0.16	0.58	0.88	1.08	1.22	1.27
Record High since 1/1/93	4.95	5.60	6.15	6.65	6.85	6.90	6.95
Average since 1/1/93	1.85	2.63	3.32	3.76	4.03	4.17	4.22
Current (11/05/21)	0.15	0.63	1.13	1.23	1.38	1.53	1.58

PROJECTED REFUNDING SAVINGS (CURRENT MARKET PLUS 0.20%)

Level Ser. 2021
payments.

11-9-21 "A" Scale + 0.20%

Bond Yield: 2.07%
All-In-Cost %: 2.63%

Avg. Life: 13.24 yrs.
Call: 10 yrs.@ par

Date	Estimated Series 2021	vs. 4.375% USDA & 4.00% GEFA	Projected Savings
12/01/2022	279,876.83	365,676.87	85,800.04
12/01/2023	281,250.00	365,676.86	84,426.86
12/01/2024	282,050.00	365,676.85	83,626.85
12/01/2025	282,700.00	365,676.91	82,976.91
12/01/2026	283,200.00	365,676.88	82,476.88
12/01/2027	283,550.00	365,676.87	82,126.87
12/01/2028	282,150.00	365,676.90	83,526.90
12/01/2029	285,550.00	365,676.88	80,126.88
12/01/2030	283,550.00	365,676.86	82,126.86
12/01/2031	281,350.00	328,158.44	46,808.44
12/01/2032	283,950.00	290,639.99	6,689.99
12/01/2033	283,100.00	290,639.97	7,539.97
12/01/2034	282,100.00	290,639.98	8,539.98
12/01/2035	280,950.00	290,639.99	9,689.99
12/01/2036	284,650.00	290,639.98	5,989.98
12/01/2037	283,050.00	290,639.99	7,589.99
12/01/2038	281,300.00	290,639.98	9,339.98
12/01/2039	284,400.00	290,639.98	6,239.98
12/01/2040	282,200.00	290,639.98	8,439.98
12/01/2041	284,850.00	290,639.98	5,789.98
12/01/2042	282,200.00	290,639.97	8,439.97
12/01/2043	284,400.00	290,639.98	6,239.98
12/01/2044	216,300.00	217,979.99	1,679.99
Total	\$6,438,676.83	\$7,324,910.08	\$886,233.25

Same final maturity.

Total

Net Present Value Benefit \$823,382.98

Net PV Benefit / \$4,766,757 Refunded Principal 17.273%

Savings above is after costs of issuance.

3.0% PV savings is a normal savings threshold.

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