

Beach Rates Restudy Group's – Zero-based Rate Model

The Model as presently configured:

- **Demonstrates that with modest Partial Financing during Year 3 and Year 4 of the current Rate Case the City can support the Beach System operations within the current Rate Case Yearly Rates;**
- **Further demonstrates that at the end of the Rate Case period, continuation of the then current Rates can support the Beach System operations for at least the next 5 Years without Rate increases;**
- **Requires Partial Financing in FY 2011-12 of \$395,655 for a 5 Year Term and Partial Financing in FY 2012-13 of \$251,036 for a 4 Year Term. These “loan” values assume the approval of the Financial Aid Package from the State. If that approval does not occur, or occurs too late, the “loan” amount(s) would increase modestly to cover the higher interest rate the City would be charged by an alternate lender:**
 - **The 5 Year Debt Service for these loans would be \$694,607, of which \$47,916 is interest payments.**
 - **No further Partial Financing is required at least through FY 2018-19.**
 - **If use of an alternate loan source is required the Debt Service and charged interest would be higher;**
- **Shows the ability to pay off the Debts Owed Other City Funds in the amount of \$1,056,103 by June 30, 2019. Alternately, should critical funding of discovered essential Projects and/or Procurements occur, the City could adjust the repayment schedule to accommodate these unexpected funding needs;**
- **Funds all zero-based expenses developed by our Data Source Experts in the time frames recommended.**