

Robert, Carla M. (Treasury)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Friday, February 12, 2016 10:25 AM
To: Vaughn, Cary J. (Treasury)
Cc: Natasha Henderson; Dawn Steele; Khouri, Nick (TREASURY); Steckelberg, Larry (TREASURY); Saxton, Thomas (Treasury)
Subject: Updated 24 Month Cash Flow
Attachments: Draft City of Flint 24 Month Cash Flows Water & Sewer Funds v02092016.4.xlsx

Please find attached the updated 24 month cash flow modified to include additional assumptions for collection rates after the \$30 million appropriation is applied to customer accounts. The appropriation has also been extended to show as being received by the City beginning in May. Boxes for assumptions regarding the receipt of the appropriation are also included.

Please let me know if you have any questions.

Best regards,

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 237-2441

**CITY OF FLINT
WATER FUND
24 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2017
Actual Activity Reported through December 31, 2015
Assumptions Defined Below**

VENUE ASSUMPTIONS:

User Charges for the period January 2015-December 2015 were based on YTD billing activity and collection rates.

Rate increase assumptions effective March 1, 2016 and July 1, 2016 may be modified in the gray box below

Restoring the FY16 Master Fee Schedule rates per the amended preliminary injunction order would result in a rate increase of approximately 22% and would impact collections beginning in March 2016

If the Master Fee Schedule rates are restored in FY16, then any rate increase assumption for FY17 must also include 22%

Assurance of shut off notices and disconnection of services has a tremendous impact on the City's ability to enforce payment for services rendered. In August, prior to the Preliminary Injunction Order, the City's average monthly collection rate was 98%. The average collection rate for the period August through December 2015 has fallen to 83%, with a low point in October of 70%.

PENDITURE ASSUMPTIONS:

Expenditure activity for the period January 2016-June 2016 reflect unpaid funds as of December 31, 2015 divided equally over the remaining 6 months of the fiscal year.

Expenditure activity for the period July 2016-December 2016 assumes the FY17 budget projection as included in the Biennial FY16 & FY17 Budget as adopted by emergency manager order

The City will likely have to continue purchasing treated water from the Great Lakes Water Authority through the first quarter of FY17. An amount for illustrative purposes is shown

Average Monthly Collection Rate	Until 6/30/2016		After 7/1/2016		After 1/1/2017													
	Ratio Increase		Ratio Increase		Ratio Increase													
	60%	0%	60%	0%	60%	0%												
							GLWA Water Purchase \$ 1,333,333			6								
							8 of Months of FY17 GLWA Water											
							Amount of State Assisted GLWA Purchase \$			-								
							8 of Months Allocated to City			-								
							Amount of State Assisted Bill Raised \$ 30,000,000			3								
							8 of Months Allocated to City											
							* Regarding Rate Increases:											
							FY16 has been set such that an increase would impact bills beginning in March 2016											
							Any rate increase assumption for FY17 must also include any rate assumption made for FY16											
							For Example, FY16 restoration of Master Fee Schedule equals approximately 22%. Budgeted FY17 projection of 5% must be entered as 27%.											
ACTUAL AUGUST 2015	ACTUAL SEPTEMBER 2015	ACTUAL OCTOBER 2015	ACTUAL NOVEMBER 2015	ACTUAL DECEMBER 2015	ACTUAL JANUARY 2016	ACTUAL FEBRUARY 2016	ACTUAL MARCH 2016	ACTUAL APRIL 2016	ACTUAL MAY 2016	ACTUAL JUNE 2016	ACTUAL JULY 2016	ACTUAL AUGUST 2016	ACTUAL SEPTEMBER 2016	ACTUAL OCTOBER 2016	ACTUAL NOVEMBER 2016	ACTUAL DECEMBER 2016		
19,921,378	20,768,899	19,284,648	16,289,463	16,002,098	16,240,839	15,266,166	13,291,493	11,816,821	10,342,148	16,879,938	21,911,903	20,182,801	25,158,721	20,154,642	8,062,562	2,970,482		
2,595,455	2,214,795	1,750,177	1,864,184	2,020,248	1,324,483	1,324,483	1,324,483	1,324,483	331,121	331,121	248,341	993,362	993,362	993,362	993,362	993,362		
-	-	8,000,000	-	-	1,000,000	-	-	1,000,000	-	10,000,000	10,000,000	-	-	-	-	-		
-	-	-	-	-	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333		
-	(91,821)	129,285	20,408	(8,051)	2,332,816	1,332,816	1,332,816	2,532,816	10,339,484	10,339,484	10,256,674	1,001,696	1,001,696	1,001,696	1,001,696	1,001,696		
914,807	914,048	1,103,360	900,592	897,993	988,350	988,350	988,350	988,350	1,482,525	988,350	996,726	996,726	996,726	996,726	996,726	996,726		
147,058	187,527	186,152	46,288	48,535	409,039	409,039	409,039	409,039	409,039	409,039	213,617	213,617	213,617	213,617	213,617	213,617		
26,584	1,926,880	900,188	526,945	252,300	726,892	726,892	726,892	726,892	726,892	726,892	649,128	649,128	649,128	649,128	649,128	649,128		
-	-	10,000,000	-	-	-	-	-	-	-	2,000,000	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333		
147,607	81,183	62,630	50,729	37,166	185,173	185,173	185,173	185,173	185,173	185,173	108,750	108,750	108,750	108,750	108,750	108,750		
122,045	262,911	151,449	254,416	145,231	304,310	304,310	304,310	304,310	304,310	304,310	157,380	157,380	157,380	157,380	157,380	157,380		
10,815	255,380	89,901	11,136	13,041	310,613	310,613	310,613	310,613	310,613	310,613	128,581	128,581	128,581	128,581	128,581	128,581		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	2,000,000	3,000,000		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,000,000	-	-		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,000	88,000	88,000		
174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	260,147	260,147	260,147	260,147	260,147	260,147		
110,331	110,568	112,957	113,206	110,502	114,425	114,425	114,425	114,425	114,425	114,425	63,946	63,946	63,946	63,946	63,946	63,946		
94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167		
1,747,885	3,607,185	12,875,325	2,172,011	1,773,455	3,307,489	3,307,489	3,307,489	3,307,489	3,307,489	5,307,489	4,008,775	4,008,775	6,008,775	13,093,775	6,093,775	7,093,775		
847,521	(1,484,251)	(2,995,185)	(287,365)	238,741	(974,673)	(1,574,673)	(1,574,673)	(974,673)	6,537,790	5,081,585	6,250,899	(3,004,080)	(5,004,080)	(12,082,080)	(5,082,080)	(6,082,080)		
20,768,899	19,284,648	16,289,463	16,002,098	16,240,839	15,266,166	13,291,493	11,816,821	10,342,148	16,879,938	21,911,903	28,182,801	25,158,721	20,154,642	8,062,562	2,970,482	(3,121,598)		