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Scenario A  
Flat MERA budget starting in FY 2020-21

	operating cola		interest rate										
	FY 19-20	3%	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
operating budget	1,991,510	2,051,255	2,112,793	2,176,177	2,241,462	2,314,706	2,390,147	2,467,852	2,547,887	2,630,324	2,715,233	2,802,690	3,002,690
debt service	2,345,000	2,345,000	225,000	-	-	-	-	-	-	-	-	-	-
annual replacement fund contribution	-	-	2,058,462	2,220,078	1,954,793	1,881,549	1,806,108	1,728,403	1,648,368	1,565,931	1,481,022	1,393,565	1,393,565
total MERA Members budget	4,336,510	4,396,255	4,396,255	4,396,255	4,396,255	4,396,255	4,396,255	4,396,255	4,396,255	4,396,255	4,396,255	4,396,255	4,396,255
interest on reserve	-	-	-	85,571	126,378	166,537	205,990	244,677	282,538	319,508	355,518	390,500	390,500
Replacement Fund balance	-	-	2,058,462	4,364,111	6,445,282	8,493,368	10,505,465	12,478,546	14,409,452	16,294,891	18,131,431	19,915,496	19,915,496

**Purpose of Recommendation of a Replacement Fund**

- stable budget for member agencies
- partial funding of system replacement
- provide funding for system extension/replacement

**Scenario B (Recommended)**  
 \$1 M savings (23%) and flat budget

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	operating cola	3%	FY21	FY22	FY23	interest rate	2%	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
operating budget	1,991,510	2,051,255	2,112,793	2,176,177	2,241,462	2,514,706	2,590,147	2,667,852	2,747,887	2,830,324	2,915,233	3,002,690			
debt service	2,345,000	2,345,000	225,000	-	-	-	-	-	-	-	-	-	-	-	-
annual replacement fund contribution	-	-	2,058,462	1,220,078	954,793	881,549	806,108	728,403	648,368	565,931	481,022	399,565			
total MERA Members budget	4,336,510	4,396,255	3,396,255	3,396,255	3,396,255	3,396,255	3,396,255	3,396,255	3,396,255	3,396,255	3,396,255	3,396,255	3,396,255	3,396,255	3,396,255
interest on reserve				65,571	85,978	105,329	123,557	140,597	156,376	170,822	183,859	195,407			
Replacement Fund balance				3,344,111	4,384,882	5,371,760	6,301,425	7,170,425	7,975,169	8,711,922	9,376,803	9,965,775			

**Purpose of Recommendation of a Replacement Fund**

- stable budget for member agencies
- partial funding of system replacement
- provide funding for system extension/replacement

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Scenario C  
\$1.5M (35%) Savings and flat budget for 8 years

	FY 19-20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
operating cola		3%		interest rate	2%					
operating budget	1,991,510	2,051,255	2,112,793	2,176,177	2,441,462	2,514,706	2,590,147	2,667,852	2,747,887	2,830,324
debt service	2,345,000	2,345,000	225,000	-	-	-	-	-	-	-
annual replacement fund contribution	-	454,793	2,058,462	720,078	381,549	306,108	228,403	148,368	65,931	
total MERA Members budget	4,336,510	4,396,255	2,896,255	2,896,255	2,896,255	2,896,255	2,896,255	2,896,255	2,896,255	2,896,255
interest on reserve		-		55,571	65,778	74,725	82,341	88,556	93,295	96,479
Replacement Fund balance		-	2,058,462	2,834,111	3,354,682	3,810,956	4,199,405	4,516,365	4,758,028	4,920,438

Purpose of Recommendation of a Replacement Fund

- stable budget for member agencies
- partial funding of system replacement
- provide funding for system extension/replacement