

Budget & Forecast

FY 2022–2027

Finance Committee Meeting

May 11, 2021

Board Meeting

May 25, 2021



Overview

- Strategic Objectives
- Key Budget & Forecast Assumptions
- Sales Volume History & Forecast by Utility
- Operating Budget & Forecast
- Capital Budget & Forecast
- Next Steps

- Strategic Objectives

- **BWL Year in Review**

- 2016-2020 Strategic Plan: Financial Stability
 - 2021-2025 Strategic Plan
 - Target Metrics
 - Minimum Cash Reserve Requirement Policy
 - Budget & Forecast Cycle Focus

FY 2021 Key Accomplishments for BWL:

- 90% completion of ISO Certification at REO Plant
- Issued Series 2021 A&B bonds
- Capacity Testing at Delta Energy Park
- Implemented Capital Projects Process (CPT)
- Adopted new Strategic Plan
- Continued BSmart deployments
- Transition to Nationwide for DC Plans
- Paused customer shutoffs due to COVID-19 Pandemic
- Continued cyber security resiliency
- Continued roll out and enhancements made in the organizational change management, performance management, and employee engagement processes
- Implemented cost-saving strategies to improve rate competitiveness and defer previously planned rate increases

- Strategic Objectives

- BWL Year in Review
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- **BWL's prior Strategic Plan, adopted in 2016, detailed the following goals and objectives:**
 - Strategy 6 Goal: Maintain the financial stability of the BWL
 - All of the BWL's ongoing efforts and strategic initiatives require funding. The balance between providing this funding and its impact on rates requires a comprehensive financial plan and rate strategy.
 - Strategy 6, Objective 1: Practice good financial stewardship
 - 1) Develop a Financial Plan that includes a rate strategy that provides financing for the BWL's capital program and replacement generation needs while maintaining competitive rates
 - **FY2020 included the 3rd year of a 3-year rate strategy that has provided sufficient liquidity to fund initiatives and to provide stability though COVID-19**
 - **FY2021 rate increases were deferred due BWL's prudent measures in place in response to the COVID-19 Pandemic**
 - 2) Maintain an above average bond rating for municipal utilities
 - **Ratings reaffirmed during 2021A&B bond issuances**
 - 3) Identify cost savings through process improvement initiatives and return on investments with minimal impact on operations or employees
 - **100+ items received from workforce that continue to be vetted and implemented**
 - 4) Commit to reviewing and consistently achieving targeted rate of return
 - **Achievement of ROA targeted for FY2026 due to rate increase deferrals in FY2021 and FY2022**

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Looking forward, the 2021-2025 Strategic Plan includes six key strategies that focus on our financial resiliency:

- **Customer & Community Strategy 4** (*SP Priority 1*):
 - Promote economic development and regional partnerships that create growth and synergy
- **Operational Resiliency & Continuous Improvement Strategy 1** (*SP Priority 4*):
 - Identify and respond to opportunities for continuous improvement that balance performance, cost and risk
- **Financial Strategy 1** (*SP Priority 5*):
 - Continue to refine our rate structure for existing and new customers
- **Financial Strategy 2** (*SP Priority 5*):
 - Sustain fiscal and fiduciary responsibility through planning, analysis, policies, practices and internal controls
- **Financial Strategy 3** (*SP Priority 5*):
 - Pursue opportunities and adopt practices that enhance BWL's competitiveness
- **Financial Strategy 4** (*SP Priority 5*):
 - Identify, evaluate and implement revenue diversification opportunities

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- Maintain high **credit rating**
 - BWL is currently rated AA- (S&P) and Aa3 (Moody's) with stable outlooks
- Generate adequate **return on assets (RoA)**
 - Adequate RoA is essential to municipal utilities
 - Ensures current rate payers are not deferring costs to future generations and infrastructure is invested in to maintain exceptional levels of service
 - An appropriate RoA recovers two main items:
 - Interest expense
 - Inflationary increase of infrastructure replacement costs
 - Regular calculations required by the Board of Commissioners (Resolution 2016-07-08)
 - Return on Assets FY 2022-2027 Target: **4.20%**
 - **We are planning to reach this target in FY2026**
- Ensure adequate **liquidity**
 - BWL must be able to pay current obligations
 - **Minimum cash reserve requirement: 173 days**
 - **Debt service coverage minimum target: 2.00 x**

- Strategic Objectives
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To ensure adequate liquidity, the Board of Commissioners adopted a Minimum Cash Reserve Requirement Policy in 2018 (Resolution #2018-05-02)

- The policy bolsters financial strength, situational resilience, fiscal responsibility, and credit quality
- The minimum cash reserve requirement is determined using a risk-based calculation of the following key cash requirements:
 1. Net O&M Expense
 2. Return on Equity to the City
 3. Historical Plant in Service
 4. Debt Service
 5. Six-Year Net Capital Improvement Plan
- Each cash requirement is multiplied by its associated risk factor and summed to determine the minimum cash reserve requirement
- The calculation is applied to each of the BWL's four utilities individually and then aggregated to determine the overall BWL minimum cash reserve requirement
- In accordance with this policy, the Board will ensure that the proposed budget and forecast meets the minimum cash reserve requirements as defined in the policy

- Strategic Objectives

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FY2020-2025 (Past)

3-yr Rate Strategy
 Internal Cost Allocation Studies
 Delta Energy Park Financing Strategy

FY2021-2026 (Current)

COVID-19 Response
 Rate Mitigation Plan
 DEP Third Phase Financing

FY2022-2027 (Upcoming)

New Strategic Plan
 COVID-19 Recovery
 DEP Commissioning
 Expanding Capital Investment

FY2023-2028 (Future)

Rate Strategy

- Rate Competitiveness
- New billing system (CIS) /enhancements

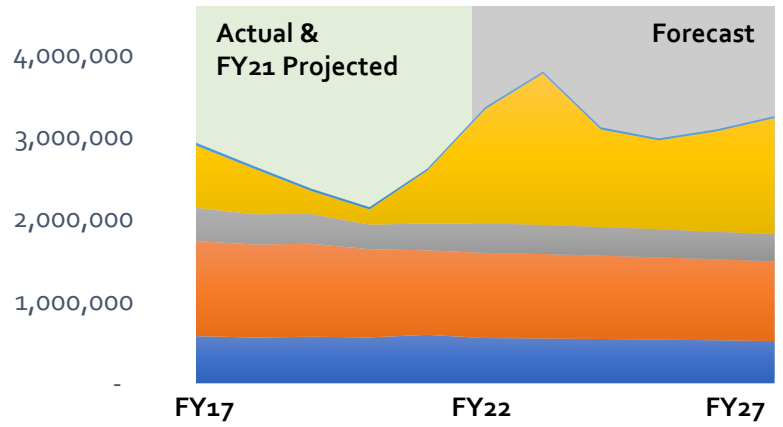
Coal Plant Closures
 Continue Strategic Plan Execution

- Key Budget & Forecast Assumptions

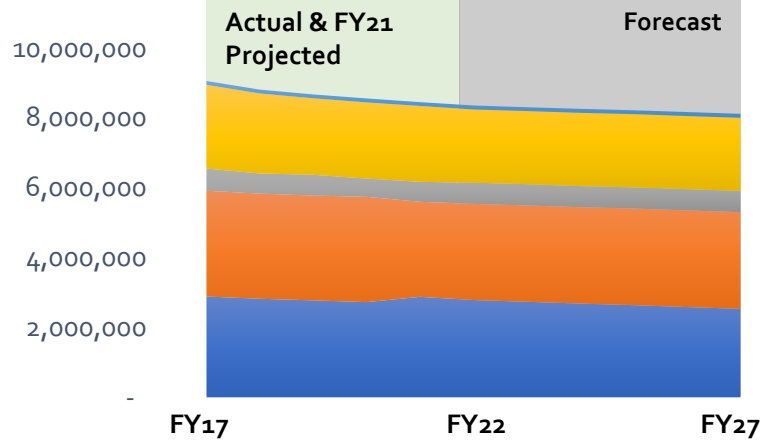
- Expected operation of Delta Energy Park September 2021.
- Erickson is closed May 2023.
- New strategic plan is supported by this budget & forecast.
- Defined Benefit and Voluntary Post Employment Benefits (DB/VEBA) investment returns are meeting target.
- Total employee count is budgeted at 720 for FY 2022 and declines in each succeeding year through FY 2026 (650) due to natural attrition.
- For the second year in a row, FY22 rate increases have been deferred due to COVID-19.
- Water main replacements achieve 8 miles per year FY2026 & FY2027.
- Return on Equity to the city based on current 2-year agreement expiring June 2022.
- Major steam customer contract expires October 2022. Forecast assumes contract is renewed at current terms.

- Sales Volume History and Forecast by Utility, FY 17-27

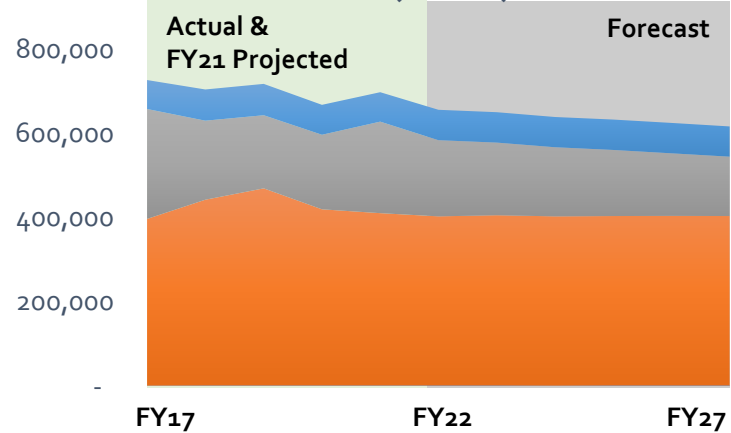
Electric - Consumption Volume (MWH)



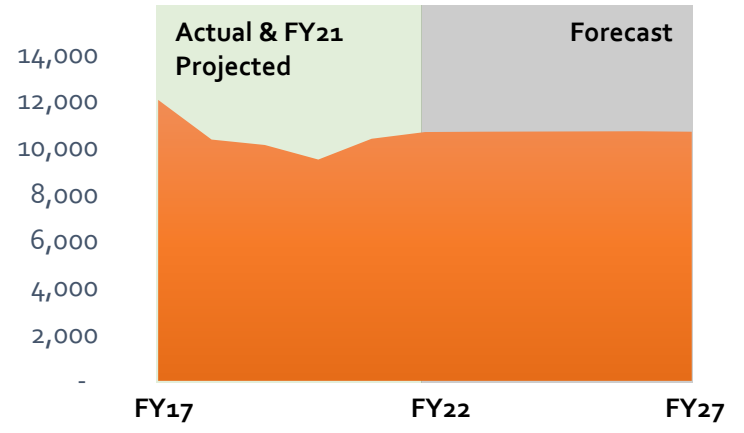
Water - Consumption Volume (CCF)



Steam - Consumption Volume (M.LB)



Chilled Water - Consumption Volume (M.THR)



■ Residential ■ Commercial ■ Industrial ■ Wholesale ■ Other

- Operating Budget & Forecast

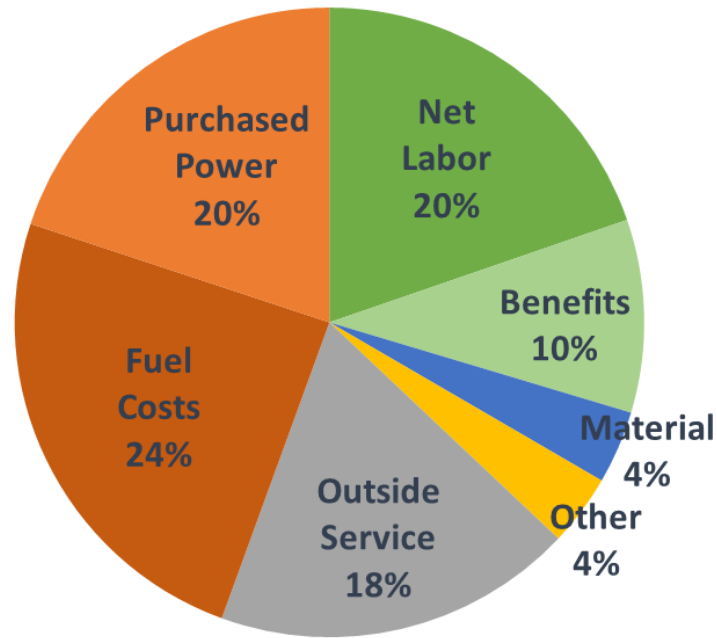
- FY 2022 Income Statement

- FY 2022 vs FY2027 Operating Expenses by Category
 - 6-Year Income Statement
 - 6-Year Return on Assets
 - 6-Year Cash Flow
 - 6-Year Bonded Debt Service

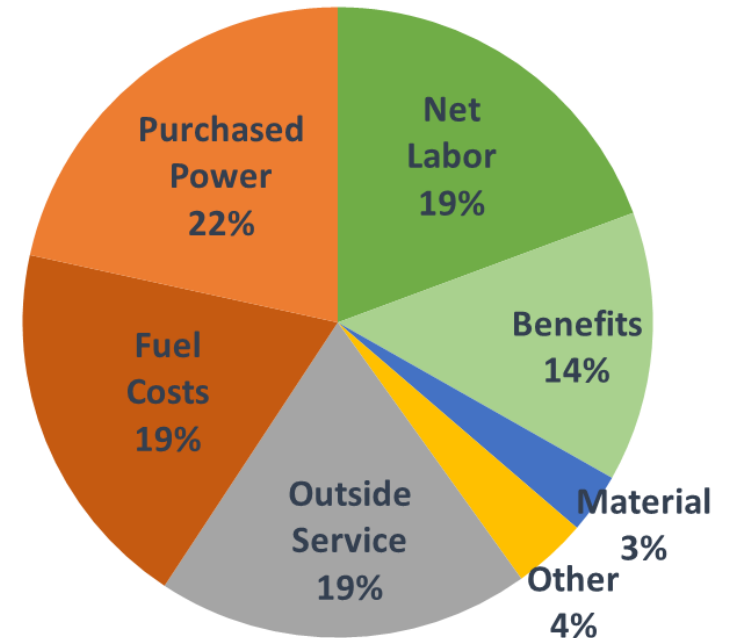
FY 2022 Income Statement	Electric	Water	Steam	Chilled Water	Total
Sales (MWh, ccf, Mlb, ton-hrs)	3,361,095	8,357,221	656,629	10,656	
Operating Revenue					
Residential	\$ 88,895,484	\$ 19,455,039	\$ 15,905	\$ -	\$ 108,366,427
Commercial	\$ 132,881,164	\$ 15,422,918	\$ 7,972,323	\$ 6,057,326	\$ 162,333,732
Industrial	\$ 40,951,242	\$ 2,526,652	\$ 2,708,401	\$ -	\$ 46,186,296
Wholesale	\$ 51,032,445	\$ 3,866,373	\$ -	\$ -	\$ 54,898,817
Other	\$ 12,258,272	\$ 7,007,525	\$ 1,466,441	\$ -	\$ 20,732,239
Total Operating Revenue	\$ 326,018,607	\$ 48,278,507	\$ 12,163,070	\$ 6,057,326	\$ 392,517,511
Operating Expenses					
Fuel and Purchased Power	\$ (116,608,367)	\$ (5,972,000)	\$ (3,003,074)	\$ -	\$ (125,583,441)
Depreciation	\$ (52,131,902)	\$ (8,899,382)	\$ (3,470,123)	\$ (1,575,896)	\$ (66,077,302)
Other Operating Expenses	\$ (108,841,249)	\$ (30,878,093)	\$ (4,509,885)	\$ (4,277,974)	\$ (148,507,202)
Total Operating Expenses	\$ (277,581,518)	\$ (45,749,475)	\$ (10,983,083)	\$ (5,853,870)	\$ (340,167,946)
Total Operating Income	\$ 48,437,090	\$ 2,529,032	\$ 1,179,987	\$ 203,456	\$ 52,349,565
Non Operating Income/(Expenses)					
Return on Equity to City	\$ (20,675,402)	\$ (3,146,386)	\$ (754,748)	\$ (423,464)	\$ (25,000,000)
Interest Expense	\$ (22,777,110)	\$ (1,758,936)	\$ (1,966,483)	\$ (364,739)	\$ (26,867,268)
Other Non Operating Income/(Expenses)	\$ (839,236)	\$ 790,632	\$ (125,497)	\$ 260,335	\$ 86,234
Total Non Operating Income/(Expenses)	\$ (44,291,748)	\$ (4,114,690)	\$ (2,846,728)	\$ (527,867)	\$ (51,781,033)
Total Net Income/(Loss)	\$ 4,145,342	\$ (1,585,657)	\$ (1,666,741)	\$ (324,411)	\$ 568,532
Forecasted Rate Increase	0.0%	0.0%	0.0%	0.0%	
Return on Assets	3.41%	-0.01%	0.36%	0.00%	2.41%
Target Return on Assets	4.20%	4.20%	4.20%	4.20%	4.20%

- Operating Budget & Forecast
 - FY 2022 Income Statement
 - **FY 2022 vs FY2027 Operating Expenses by Category**
 - 6-Year Income Statement
 - 6-Year Return on Assets
 - 6-Year Cash Flow
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FY 2022 Operating Expense by Category



FY 2027 Operating Expense by Category

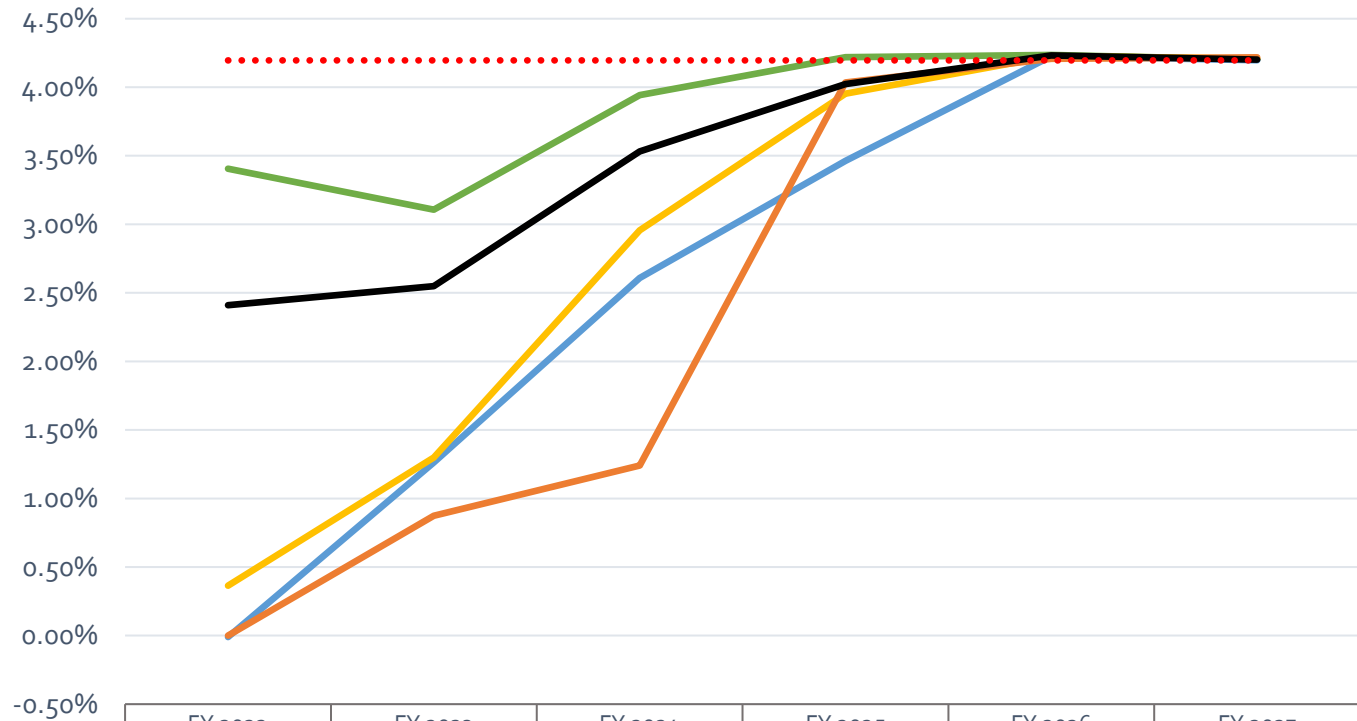


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6-Year Income Statement	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Operating Revenue						
Electric	\$ 326,018,607	\$ 339,566,912	\$ 317,899,183	\$ 320,042,872	\$ 328,411,092	\$ 335,081,340
Water	\$ 48,278,507	\$ 50,529,432	\$ 54,392,354	\$ 58,571,568	\$ 63,007,246	\$ 64,504,437
Steam	\$ 12,163,070	\$ 12,365,114	\$ 12,593,931	\$ 13,194,040	\$ 13,734,385	\$ 13,890,464
Chilled Water	\$ 6,057,326	\$ 6,081,167	\$ 6,118,535	\$ 6,154,928	\$ 6,191,497	\$ 6,203,644
Total Operating Revenue	\$ 392,517,511	\$ 408,542,625	\$ 391,004,003	\$ 397,963,408	\$ 411,344,219	\$ 419,679,886
Operating Expenses						
Fuel and Purchased Power	\$ (125,583,441)	\$ (137,383,975)	\$ (111,806,351)	\$ (109,447,259)	\$ (113,650,383)	\$ (117,969,718)
Depreciation	\$ (66,077,302)	\$ (70,125,471)	\$ (65,680,608)	\$ (60,957,631)	\$ (63,353,533)	\$ (63,082,324)
Other Operating Expenses	\$ (148,507,202)	\$ (146,175,577)	\$ (148,714,735)	\$ (156,373,721)	\$ (159,457,025)	\$ (163,111,856)
Total Operating Expenses	\$ (340,167,946)	\$ (353,685,023)	\$ (326,201,693)	\$ (326,778,611)	\$ (336,460,941)	\$ (344,163,899)
Total Operating Income	\$ 52,349,565	\$ 54,857,602	\$ 64,802,309	\$ 71,184,797	\$ 74,883,278	\$ 75,515,987
Non Operating Income/(Expenses)						
Return on Equity to City	\$ (25,000,000)	\$ (25,888,015)	\$ (24,791,074)	\$ (25,244,612)	\$ (26,114,681)	\$ (26,651,517)
Interest Expense	\$ (26,867,268)	\$ (26,391,380)	\$ (25,152,866)	\$ (25,359,235)	\$ (24,928,670)	\$ (25,482,774)
Other Non Operating Income/(Expenses)	\$ 86,234	\$ 191,597	\$ 370,700	\$ 858,875	\$ 852,889	\$ 846,916
Total Non Operating Income/(Expenses)	\$ (51,781,033)	\$ (52,087,798)	\$ (49,573,240)	\$ (49,744,973)	\$ (50,190,461)	\$ (51,287,376)
Total Net Income	\$ 568,532	\$ 2,769,804	\$ 15,229,070	\$ 21,439,824	\$ 24,692,817	\$ 24,228,612
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Return on Assets	2.41%	2.55%	3.53%	4.02%	4.23%	4.20%
Target Return on Assets	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Debt Service Coverage Ratio	2.49	2.33	2.27	2.66	2.79	2.57
Days Cash on Hand	251	226	231	230	238	243
Minimum Cash Reserve Requirement	173	170	182	190	188	187
Full Time Employees	720	715	699	661	650	650
Rate Increases	Forecast					
Electric	0.00%	2.65%	2.65%	2.65%	2.65%	1.55%
Water	0.00%	8.25%	8.25%	8.25%	8.25%	3.15%
Steam	0.00%	5.00%	5.00%	5.00%	5.00%	1.05%
Chilled Water	0.00%	0.50%	0.50%	0.50%	0.50%	0.00%

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6-Year Return on Assets (%)

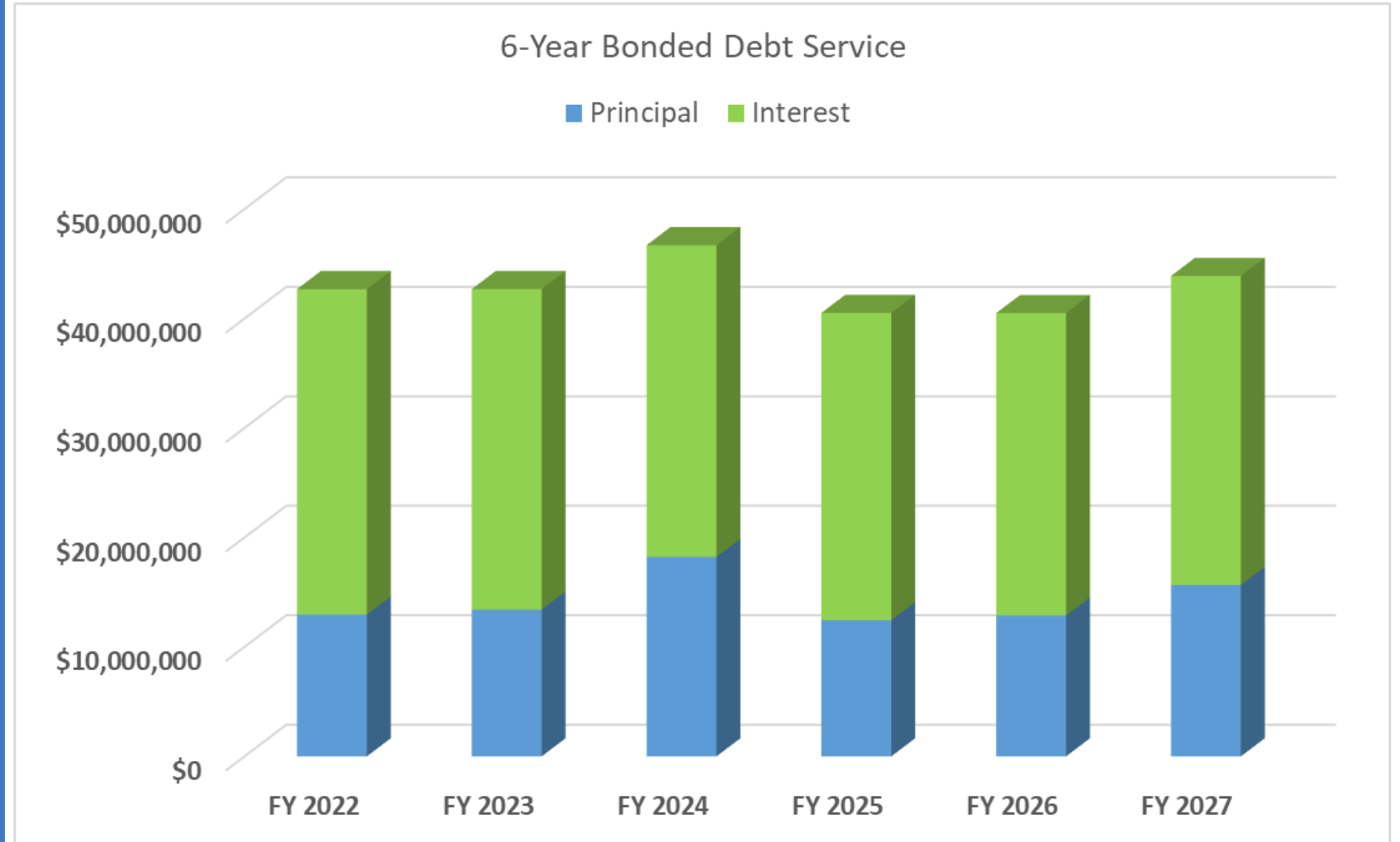


	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Electric	3.41%	3.11%	3.94%	4.22%	4.23%	4.20%
Water	-0.01%	1.26%	2.61%	3.46%	4.23%	4.20%
Steam	0.36%	1.30%	2.96%	3.95%	4.23%	4.21%
Chilled Water	0.00%	0.87%	1.24%	4.03%	4.21%	4.22%
Total	2.41%	2.55%	3.53%	4.02%	4.23%	4.20%
Target	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%

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6-Year Cash Flow	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Cash (O&M & Receiving Fund)	\$ 112,578,203	\$ 143,516,029	\$ 129,211,958	\$ 118,586,867	\$ 121,774,931	\$ 133,250,314
Net Income	\$ 568,532	\$ 2,769,804	\$ 15,229,070	\$ 21,439,824	\$ 24,692,817	\$ 24,228,612
Depreciation and Loss on Disposal of Assets	\$ 67,814,049	\$ 71,879,584	\$ 67,452,263	\$ 62,747,002	\$ 65,160,798	\$ 64,907,662
DB and VEBA	\$ (8,344,564)	\$ (8,972,958)	\$ (8,094,039)	\$ (3,023,327)	\$ 2,476,984	\$ 2,958,102
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity Cost Adjustment	\$ 1,434,824	\$ 610,866	\$ (226,881)	\$ 1,449,182	\$ 380,632	\$ (443,494)
Withdrawal from Bond Construction and Capitalized Interest	\$ 101,835,387	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	\$ (3,898,699)	\$ (2,564,910)	\$ 154,128	\$ 356,793	\$ 364,731	\$ 327,226
Gas Pipeline Payment Refunds	\$ -	\$ 7,001,546	\$ 7,001,546	\$ 7,001,546	\$ 7,001,546	\$ 7,001,546
Total Sources of Cash	\$ 159,409,530	\$ 70,723,931	\$ 81,516,085	\$ 89,971,021	\$ 100,077,508	\$ 98,979,653
Principal Payments on Bonds	\$ (12,950,000)	\$ (13,410,000)	\$ (18,220,000)	\$ (12,440,000)	\$ (12,860,000)	\$ (15,655,000)
Principal Payments on Other Debt (CSO)	\$ (802,581)	\$ (808,537)	\$ (819,636)	\$ (777,438)	\$ (766,153)	\$ (712,205)
Capital Expenditures (Excluding Delta Energy Park)	\$ (69,563,856)	\$ (70,534,882)	\$ (72,824,923)	\$ (73,282,526)	\$ (74,662,063)	\$ (72,849,578)
Capital Expenditures for Delta Energy Park	\$ (45,342,628)	\$ -	\$ -	\$ -	\$ -	\$ -
REP/EWR	\$ 187,362	\$ (274,583)	\$ (276,617)	\$ (282,993)	\$ (313,910)	\$ (355,683)
Total Uses of Cash	\$ (128,471,703)	\$ (85,028,003)	\$ (92,141,176)	\$ (86,782,957)	\$ (88,602,126)	\$ (89,572,466)
Net Cash Increase (Decrease)	\$ 30,937,826	\$ (14,304,071)	\$ (10,625,090)	\$ 3,188,064	\$ 11,475,382	\$ 9,407,187
Ending Cash (O&M & Receiving Fund)	\$ 143,516,029	\$ 129,211,958	\$ 118,586,867	\$ 121,774,931	\$ 133,250,314	\$ 142,657,501
Days Cash on Hand	251	226	231	230	238	243
Minimum Cash Reserve Requirement	173	170	182	190	188	187

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- Capital Portfolio Budget & Forecast

- Capital Portfolio Spending by Utility and Location
- Capital Portfolio Major Projects
- Capital Portfolio Gates and Phases
- Capital Portfolio Spending by Project's Current Phase
- Capital Portfolio Spending by Phase

6-Year Capital by Utility and Location	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Forecast Total
Utility							
Electric	\$ 48,276,774	\$ 51,272,777	\$ 46,747,800	\$ 48,022,841	\$ 48,049,630	\$ 45,009,986	\$ 287,379,808
Water	\$ 12,265,111	\$ 12,290,601	\$ 15,771,336	\$ 14,501,390	\$ 17,046,000	\$ 18,298,000	\$ 90,172,438
Steam	\$ 1,746,132	\$ 1,797,085	\$ 1,849,527	\$ 3,452,557	\$ 3,074,241	\$ 3,316,253	\$ 15,235,795
Chilled Water	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 323,420
Common	\$ 11,140,839	\$ 8,172,919	\$ 8,658,215	\$ 7,251,102	\$ 6,435,917	\$ 6,167,375	\$ 47,826,367
Capital Portfolio Excluding DEP	\$ 73,478,856	\$ 73,584,882	\$ 73,079,923	\$ 73,282,526	\$ 74,662,063	\$ 72,849,578	\$ 440,937,828
Delta Energy Park	\$ 45,342,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,342,628
Total Capital Portfolio	\$ 118,821,484	\$ 73,584,882	\$ 73,079,923	\$ 73,282,526	\$ 74,662,063	\$ 72,849,578	\$ 486,280,456
Location							
Eckert	\$ 895,000	\$ -	\$ -	\$ -	\$ -	\$ 795,000	\$ 1,690,000
Erickson	\$ 4,333,539	\$ 3,050,000	\$ 255,000	\$ -	\$ -	\$ -	\$ 7,638,539
REO Plant	\$ 1,500,000	\$ 8,800,000	\$ 9,500,000	\$ -	\$ 100,000	\$ -	\$ 19,900,000
Delta Energy Park	\$ 45,342,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,342,628
T&D	\$ 46,952,765	\$ 49,176,862	\$ 50,247,022	\$ 50,212,684	\$ 56,559,146	\$ 47,832,203	\$ 300,980,682
Water Production	\$ 3,042,061	\$ 3,325,101	\$ 3,984,686	\$ 3,365,740	\$ 1,940,382	\$ 2,081,382	\$ 17,739,352
Chiller Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 16,755,491	\$ 9,232,919	\$ 9,093,215	\$ 19,704,102	\$ 16,062,535	\$ 22,140,993	\$ 92,989,255
Total Capital Portfolio	\$ 118,821,484	\$ 73,584,882	\$ 73,079,923	\$ 73,282,526	\$ 74,662,063	\$ 72,849,578	\$ 486,280,456

- Capital Portfolio Budget & Forecast
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 - Capital Portfolio Gates and Phases
 - Capital Portfolio Spending by Project's Current Phase
 - Capital Portfolio Spending by Phase

6-Year Major Capital Projects	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Forecast Total ³
Planned Projects							
Wise Substation ¹	\$ 8,554,408	\$ 12,166,381	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 22,720,789
Rundle Substation ¹	\$ 500,000	\$ 850,000	\$ 3,100,000	\$ 10,966,273	\$ 6,385,226	\$ -	\$ 21,801,499
Stanley Substation ¹	\$ 804,904	\$ -	\$ -	\$ -	\$ 9,410,426	\$ 10,060,358	\$ 20,275,688
South Reinforcement - Transmission Line ¹	\$ 2,980,991	\$ 7,481,736	\$ 6,589,023	\$ 128,714	\$ -	\$ -	\$ 17,180,464
REO - CTG Overhaul	\$ -	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 12,000,000
LGR Substation ¹	\$ 49,438	\$ -	\$ 3,412,737	\$ 4,961,855	\$ 3,229,978	\$ -	\$ 11,654,008
Cedar Street - Sub Cutover ¹	\$ 250,000	\$ -	\$ 2,303,000	\$ 1,086,000	\$ 2,293,000	\$ 1,651,000	\$ 7,583,000
Dye/Cedar Dry Chemical Handling	\$ 714,061	\$ 1,198,101	\$ 1,151,686	\$ 1,216,740	\$ 1,215,382	\$ 595,382	\$ 6,091,352
Asset Mgmt - CityWorks Implementation	\$ 1,371,404	\$ 1,484,450	\$ 1,784,893	\$ 410,234	\$ -	\$ -	\$ 5,050,981
Total Major Planned Projects (Excluding Delta Energy Park)	\$ 15,225,206	\$ 29,180,668	\$ 26,341,339	\$ 18,769,816	\$ 22,534,012	\$ 12,306,740	\$ 124,357,781
Delta Energy Park	\$ 45,342,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,342,628
Annual Projects ²							
Electric	\$ 15,692,000	\$ 15,692,000	\$ 12,192,000	\$ 12,192,000	\$ 12,192,000	\$ 12,578,000	\$ 80,538,000
Water	\$ 9,234,050	\$ 8,737,500	\$ 12,014,650	\$ 11,374,650	\$ 14,046,000	\$ 15,298,000	\$ 70,704,850
Steam	\$ 1,746,132	\$ 1,797,085	\$ 1,849,527	\$ 3,452,557	\$ 3,074,241	\$ 2,016,253	\$ 13,935,795
Chilled Water	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 323,420
Common	\$ 5,318,298	\$ 5,373,469	\$ 4,873,322	\$ 4,835,868	\$ 5,435,917	\$ 5,167,375	\$ 31,004,249
Total Annual Projects	\$ 32,040,480	\$ 31,651,554	\$ 30,982,544	\$ 31,909,711	\$ 34,804,433	\$ 35,117,592	\$ 196,506,314

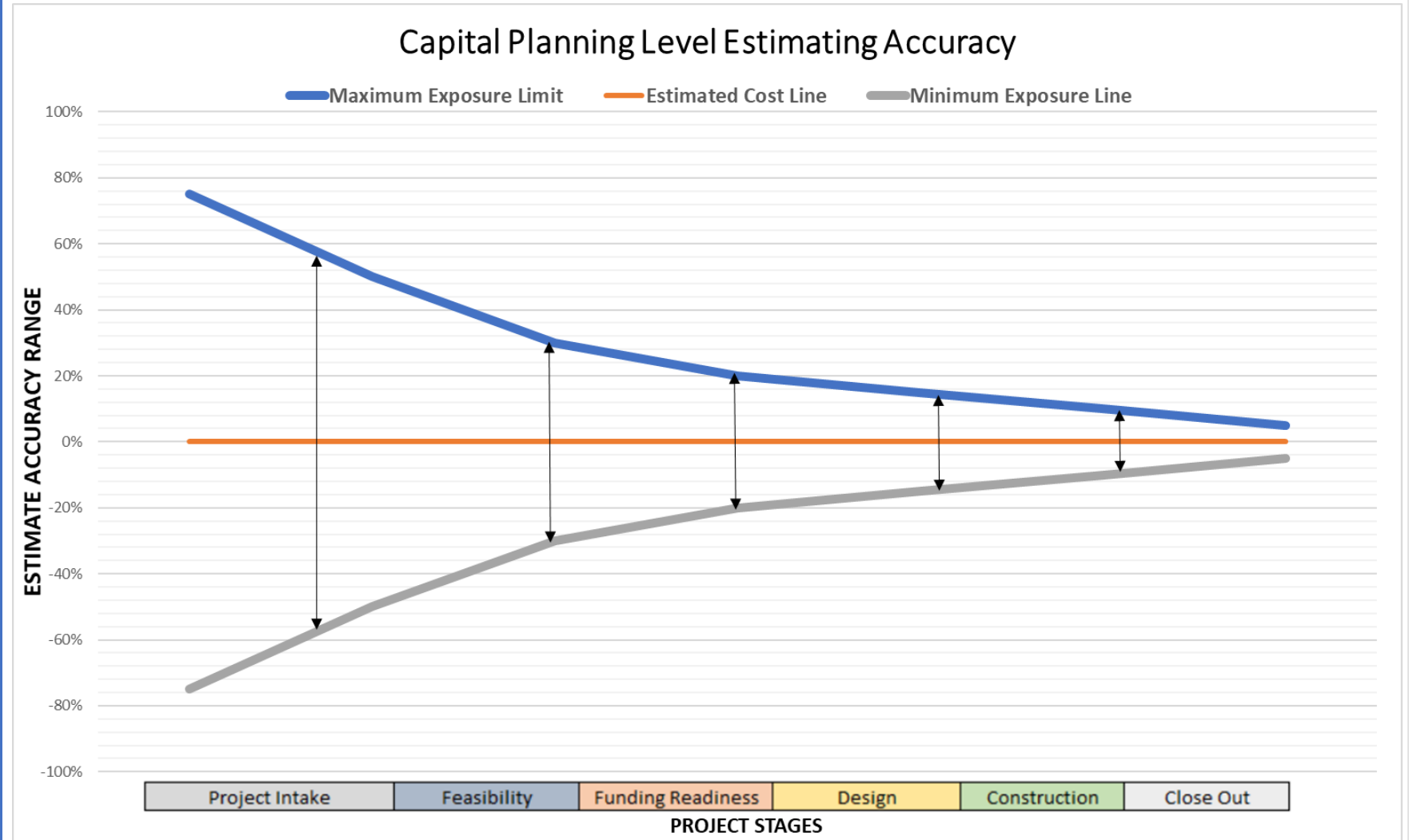
¹ These projects support the Lansing Energy Tomorrow initiative.

² Annual projects have some level of spending each year.

³ The forecast total represents 6-year spending. Spending before or after the 6-year period is not reflected in this total.

10 Largest Planned Projects make up 60% of Total Planned Capital

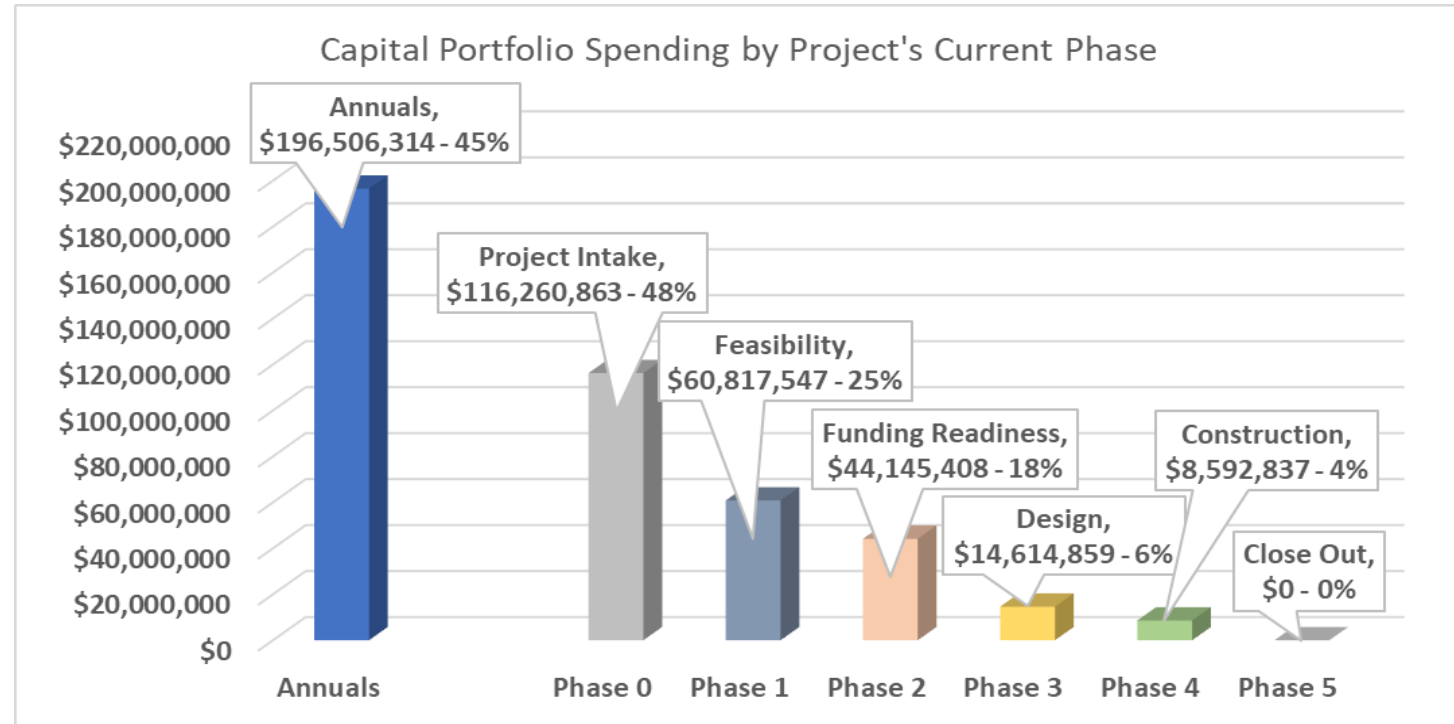
- Capital Portfolio Budget & Forecast
 - Capital Portfolio Spending by Utility and Location
 - Capital Portfolio Major Projects
 - Capital Portfolio Gates and Phases
 - Capital Portfolio Spending by Project's Current Phase
 - Capital Portfolio Spending by Phase



Board of Commissioners amended the Capital Project Exceedance Approval Policy (Resolution #2020-09-02) based on the portfolio approach.

At the start of FY 2022, where are the projects in the process?

- Capital Portfolio Budget & Forecast
 - Capital Portfolio Spending by Utility and Location
 - Capital Portfolio Major Projects
 - Capital Portfolio Gates and Phases
 - Capital Portfolio Spending by Project's Current Phase
 - Capital Portfolio Spending by Phase

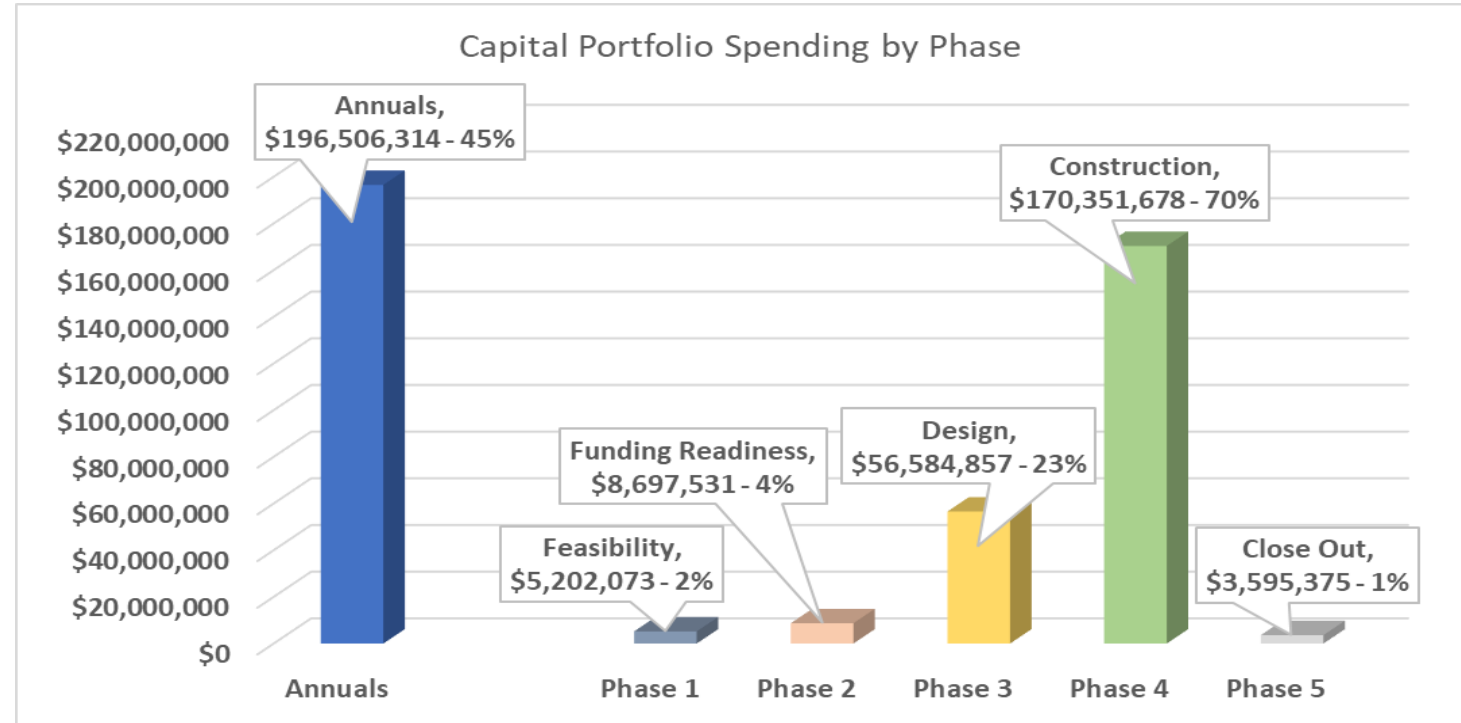


Capital Portfolio Spending by Project's Current Phase							
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Forecast Total
Annual Projects ¹	\$ 32,040,480	\$ 31,651,554	\$ 30,982,544	\$ 31,909,711	\$ 34,804,433	\$ 35,117,592	\$ 196,506,314
Phase 0 - Project Intake	\$ 7,197,000	\$ 16,002,000	\$ 23,235,000	\$ 23,218,999	\$ 19,616,618	\$ 26,991,246	\$ 116,260,863
Phase 1 - Feasibility	\$ 2,568,403	\$ 2,543,101	\$ 7,664,423	\$ 17,144,868	\$ 20,241,012	\$ 10,655,740	\$ 60,817,547
Phase 2 - Funding Readiness	\$ 14,971,554	\$ 20,456,117	\$ 8,589,023	\$ 128,714	\$ -	\$ -	\$ 44,145,408
Phase 3 - Design	\$ 10,475,282	\$ 1,789,450	\$ 1,784,893	\$ 480,234	\$ -	\$ 85,000	\$ 14,614,859
Phase 4 - Construction	\$ 6,226,137	\$ 1,142,660	\$ 824,040	\$ 400,000	\$ -	\$ -	\$ 8,592,837
Phase 5 - Close Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Planned Projects	\$ 41,438,376	\$ 41,933,328	\$ 42,097,379	\$ 41,372,815	\$ 39,857,630	\$ 37,731,986	\$ 244,431,514
Total Capital Portfolio	\$ 73,478,856	\$ 73,584,882	\$ 73,079,923	\$ 73,282,526	\$ 74,662,063	\$ 72,849,578	\$ 440,937,828

¹ Annual projects reoccur every year and require a relatively short period of time to complete.

Throughout the life of the projects, where are the dollars going to be spent?

- Capital Portfolio Budget & Forecast
 - Capital Portfolio Spending by Utility and Location
 - Capital Portfolio Major Projects
 - Capital Portfolio Gates and Phases
 - Capital Portfolio Spending by Project's Current Phase
- Capital Portfolio Spending by Phase



Capital Portfolio Spending by Phase							
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Forecast Total
Annual Projects ¹	\$ 32,040,480	\$ 31,651,554	\$ 30,982,544	\$ 31,909,711	\$ 34,804,433	\$ 35,117,592	\$ 196,506,314
Phase 1 - Feasibility	\$ 2,453,235	\$ 742,045	\$ 609,346	\$ 487,490	\$ 393,299	\$ 516,659	\$ 5,202,073
Phase 2 - Funding Readiness	\$ 4,252,983	\$ 2,861,194	\$ 430,399	\$ 339,660	\$ 430,519	\$ 382,775	\$ 8,697,531
Phase 3 - Design	\$ 10,088,407	\$ 5,206,198	\$ 9,298,928	\$ 7,361,396	\$ 11,855,167	\$ 12,774,762	\$ 56,584,857
Phase 4 - Construction	\$ 24,610,451	\$ 32,809,891	\$ 31,040,657	\$ 32,574,779	\$ 25,916,768	\$ 23,399,132	\$ 170,351,678
Phase 5 - Close Out	\$ 33,300	\$ 314,000	\$ 718,049	\$ 609,490	\$ 1,261,878	\$ 658,659	\$ 3,595,375
Total Planned Projects	\$ 41,438,376	\$ 41,933,328	\$ 42,097,379	\$ 41,372,815	\$ 39,857,630	\$ 37,731,986	\$ 244,431,514
Total Capital Portfolio	\$ 73,478,856	\$ 73,584,882	\$ 73,079,923	\$ 73,282,526	\$ 74,662,063	\$ 72,849,578	\$ 440,937,828

¹ Annual projects reoccur every year and require a relatively short period of time to complete.

Next Steps



November 2020 – February 2021

- Budget Process Start
- Prepare Capital Budget
- Set Financial Targets
- Request Department Budgets
- Revenue Projections



March – April 2021

- Compile Budget & Forecast
- Internal Review and Approval



May 2021

- Finance Committee to accept, as presented, the Operating and Capital Forecast for FY 2022 – 2027 and recommend for Board of Commissioners' approval on May 25, 2021.
- Board of Commissioners to approve, as presented, the FY 2022 annual budget and file with the City Clerk within 10 days of approval.
- Board of Commissioners to accept, as presented, the Operating and Capital Forecast for FY 2022 – 2027 and submit the Capital Forecast to the Mayor prior to October 1, 2021.