

STAFF REPORT

TO: Summit County Council of Governments
FROM: Matt Leavitt – Summit County Financial Officer
DATE: June 25, 2015
SUBJECT: Summit County Community Development Agency Budget



In 2014, as part of the 2015 budget discussions, the Summit County Council considered the Be Wise, Energize program as part of the Sustainability Department budget. As part of those budget discussions, it was decided to wait until more information became available before adopting a budget for the program. ***Although the Be Wise, Energize program is still in the nascent stages and lacking specific details, a program budget setting forth the anticipated costs and revenues is required by Utah State Code 17C-4-204. Anticipated costs and revenues of the program have been provided by the Sustainability Coordinator in conjunction with Zions Bank Public Finance.***

THE “BE WISE, ENERGIZE” PROGRAM

The presentation of the Be Wise, Energize program during the 2015 budget discussions offered all primary residents of Summit County the opportunity to apply to the program to make energy audits of their homes, review the results of those audits, make certain efficiency improvements and later monitor those improvements, provided by sub-market interest loans through the County. The objective is to lower carbon footprints, increase homeowner utility efficiencies and provide new opportunities to the local economy at little or no cost to the County.

PROGRAM REVENUE SOURCES

The source of the loan program is a \$4.3 million bond secured by the sales and use taxes of the County. A federal subsidy program known as the Qualified Energy Conservation Bonds (QECB) allows for a portion of the interest rate of the County’s long-term debt to be reimbursed. This subsidy to be received by the County has been built into future revenues, but, according to the debt service schedule, none is estimated to be received in 2015.

The objective of the program is to engage approximately 300 primary homeowners making the average loan about \$14 thousand for weatherization improvements. Homeowners would then be charged a 3.0% interest rate providing the remaining revenue sources to cover the costs over the life of the program. ***For the 2015 budget, revenue sources are anticipated to be \$4.3 million from bond proceeds and \$98 thousand from loan payments.***

ESTIMATED PROGRAM COSTS

The Sustainability Coordinator estimates the costs of administering the Be Wise, Energize over the life of the program to be as follows: a) the unsubsidized portion of the bond interest, estimated \$250 thousand; b) program administration, estimated \$250 thousand; c) loan service administration, estimated \$125 thousand; and d) default and contingencies, estimated \$125 thousand.

Bond closing costs for 2015 are estimated to be approximately \$60 thousand. This amount will be paid as part of the bond proceeds which reduces the total amount available to loan to homeowners to \$4.24 million. Annual debt service payments are scheduled to begin in 2016 and total approximately \$454 thousand. ***For the 2015 budget, expenses are estimated to be \$60 thousand for bond closing costs, \$1.8 million for weatherization improvements, and \$50 thousand for administration costs.***

In full disclosure, the 2015 Sustainability Department budget includes \$63,130 for the Be Wise, Energize program. As of June 10, 2015 the department has spent \$19,154.

CONCLUSION

For the purposes of adopting the 2015 budget for the Summit County Community Development and Renewal Agency, revenues are budgeted at \$4,398,000 and expenditures budgeted at \$1.91 million with \$2,488,000 anticipated to go to fund balance. Additional details will be needed to revise future years' budgets.

ASSUMPTIONS PROVIDED FOR BE WISE, ENERGIZE PROGRAM BUDGET:

Debt Service Schedule (Zions Bank Public Finance):

COUNTY OBLIGATION					
Year	Principal	Interest	Subsidy	Uncovered Portion	Fiscal Total
2015					
2016	410,000.00	174,150.00	(129,860.00)	44,290.00	454,290.00
2017	415,000.00	157,545.00	(117,478.00)	40,067.00	455,067.00
2018	419,000.00	140,737.50	(104,945.00)	35,792.50	454,792.50
2019	423,000.00	123,768.00	(92,291.20)	31,476.80	454,476.80
2020	428,000.00	106,636.50	(79,516.60)	27,119.90	455,119.90
2021	432,000.00	89,302.50	(66,591.00)	22,711.50	454,711.50
2022	437,000.00	71,806.50	(53,544.60)	18,261.90	455,261.90
2023	441,000.00	54,108.00	(40,347.20)	13,760.80	454,760.80
2024	445,000.00	36,247.50	(27,029.00)	9,218.50	454,218.50
2025	450,000.00	18,225.00	(13,590.00)	4,635.00	454,635.00
	4,300,000.00	972,526.50	(725,192.60)	247,333.90	4,547,333.90

Homeowner Loan Payment Schedule (aggregate average):

PARTICIPANT'S OBLIGATION			
Year	Principal	Interest	Fiscal Total
2015	83,739.93	13,291.00	97,030.93
2016	669,462.28	118,363.77	787,826.05
2017	720,106.59	104,056.03	824,162.62
2018	742,009.32	82,153.30	824,162.62
2019	764,578.24	59,584.38	824,162.62
2020	690,559.91	36,571.78	727,131.69
2021	415,332.52	20,706.38	436,038.90
2022	427,965.25	8,073.65	436,038.90
2023	36,245.96	90.61	36,336.58
2024	-	-	-
2025	-	-	-
	4,550,000	442,891	4,992,891

Estimated Loan Payment Schedule for Smaller Program

	Enter values
Loan amount	\$ 9,000.00
Annual interest rate	3.000%
Loan period in years	5
Start date of loan	9/30/2015
Monthly payment	\$ 161.72
Number of payments	60
Total interest	\$ 703.09
Total cost of loan	\$ 9,703.09

ASSUMPTIONS	
200	no of loans
4,000	min of loan
14,000	max of loan
5	year life
1,800,000	total portion

No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	10/30/2015	\$ 9,000.00	\$ 161.72	\$ 139.22	\$ 22.50	\$ 8,860.78
2	11/30/2015	\$ 8,860.78	\$ 161.72	\$ 139.57	\$ 22.15	\$ 8,721.22
3	12/30/2015	\$ 8,721.22	\$ 161.72	\$ 139.92	\$ 21.80	\$ 8,581.30
4	1/30/2016	\$ 8,581.30	\$ 161.72	\$ 140.26	\$ 21.45	\$ 8,441.04
5	3/1/2016	\$ 8,441.04	\$ 161.72	\$ 140.62	\$ 21.10	\$ 8,300.42
6	3/30/2016	\$ 8,300.42	\$ 161.72	\$ 140.97	\$ 20.75	\$ 8,159.45
7	4/30/2016	\$ 8,159.45	\$ 161.72	\$ 141.32	\$ 20.40	\$ 8,018.13
8	5/30/2016	\$ 8,018.13	\$ 161.72	\$ 141.67	\$ 20.05	\$ 7,876.46
9	6/30/2016	\$ 7,876.46	\$ 161.72	\$ 142.03	\$ 19.69	\$ 7,734.43
10	7/30/2016	\$ 7,734.43	\$ 161.72	\$ 142.38	\$ 19.34	\$ 7,592.05
11	8/30/2016	\$ 7,592.05	\$ 161.72	\$ 142.74	\$ 18.98	\$ 7,449.31
12	9/30/2016	\$ 7,449.31	\$ 161.72	\$ 143.09	\$ 18.62	\$ 7,306.22
13	10/30/2016	\$ 7,306.22	\$ 161.72	\$ 143.45	\$ 18.27	\$ 7,162.77
14	11/30/2016	\$ 7,162.77	\$ 161.72	\$ 143.81	\$ 17.91	\$ 7,018.95
15	12/30/2016	\$ 7,018.95	\$ 161.72	\$ 144.17	\$ 17.55	\$ 6,874.78
16	1/30/2017	\$ 6,874.78	\$ 161.72	\$ 144.53	\$ 17.19	\$ 6,730.25
17	3/2/2017	\$ 6,730.25	\$ 161.72	\$ 144.89	\$ 16.83	\$ 6,585.36
18	3/30/2017	\$ 6,585.36	\$ 161.72	\$ 145.25	\$ 16.46	\$ 6,440.10
19	4/30/2017	\$ 6,440.10	\$ 161.72	\$ 145.62	\$ 16.10	\$ 6,294.49
20	5/30/2017	\$ 6,294.49	\$ 161.72	\$ 145.98	\$ 15.74	\$ 6,148.50
21	6/30/2017	\$ 6,148.50	\$ 161.72	\$ 146.35	\$ 15.37	\$ 6,002.16
22	7/30/2017	\$ 6,002.16	\$ 161.72	\$ 146.71	\$ 15.01	\$ 5,855.44
23	8/30/2017	\$ 5,855.44	\$ 161.72	\$ 147.08	\$ 14.64	\$ 5,708.37
24	9/30/2017	\$ 5,708.37	\$ 161.72	\$ 147.45	\$ 14.27	\$ 5,560.92
25	10/30/2017	\$ 5,560.92	\$ 161.72	\$ 147.82	\$ 13.90	\$ 5,413.10
26	11/30/2017	\$ 5,413.10	\$ 161.72	\$ 148.19	\$ 13.53	\$ 5,264.92
27	12/30/2017	\$ 5,264.92	\$ 161.72	\$ 148.56	\$ 13.16	\$ 5,116.36
28	1/30/2018	\$ 5,116.36	\$ 161.72	\$ 148.93	\$ 12.79	\$ 4,967.43
29	3/2/2018	\$ 4,967.43	\$ 161.72	\$ 149.30	\$ 12.42	\$ 4,818.13
30	3/30/2018	\$ 4,818.13	\$ 161.72	\$ 149.67	\$ 12.05	\$ 4,668.46

Estimated Loan Payment Schedule for Larger Program

	Enter values
Loan amount	\$ 27,500.00
Annual interest rate	3.000%
Loan period in years	7
Start date of loan	1/1/2016
Monthly payment	\$ 363.37
Number of payments	84
Total interest	\$ 3,022.72
Total cost of loan	\$ 30,522.72

Assumptions:	
100	no of loans
15,000	min of loan
40,000	max of loan
7	year life
2,440,000	total portion

No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	2/1/2016	\$ 27,500.00	\$ 363.37	\$ 294.62	\$ 68.75	\$ 27,205.38
2	3/1/2016	\$ 27,205.38	\$ 363.37	\$ 295.35	\$ 68.01	\$ 26,910.03
3	4/1/2016	\$ 26,910.03	\$ 363.37	\$ 296.09	\$ 67.28	\$ 26,613.94
4	5/1/2016	\$ 26,613.94	\$ 363.37	\$ 296.83	\$ 66.53	\$ 26,317.11
5	6/1/2016	\$ 26,317.11	\$ 363.37	\$ 297.57	\$ 65.79	\$ 26,019.54
6	7/1/2016	\$ 26,019.54	\$ 363.37	\$ 298.32	\$ 65.05	\$ 25,721.22
7	8/1/2016	\$ 25,721.22	\$ 363.37	\$ 299.06	\$ 64.30	\$ 25,422.16
8	9/1/2016	\$ 25,422.16	\$ 363.37	\$ 299.81	\$ 63.56	\$ 25,122.35
9	10/1/2016	\$ 25,122.35	\$ 363.37	\$ 300.56	\$ 62.81	\$ 24,821.79
10	11/1/2016	\$ 24,821.79	\$ 363.37	\$ 301.31	\$ 62.05	\$ 24,520.48
11	12/1/2016	\$ 24,520.48	\$ 363.37	\$ 302.06	\$ 61.30	\$ 24,218.41
12	1/1/2017	\$ 24,218.41	\$ 363.37	\$ 302.82	\$ 60.55	\$ 23,915.59
13	2/1/2017	\$ 23,915.59	\$ 363.37	\$ 303.58	\$ 59.79	\$ 23,612.02
14	3/1/2017	\$ 23,612.02	\$ 363.37	\$ 304.34	\$ 59.03	\$ 23,307.68
15	4/1/2017	\$ 23,307.68	\$ 363.37	\$ 305.10	\$ 58.27	\$ 23,002.58
16	5/1/2017	\$ 23,002.58	\$ 363.37	\$ 305.86	\$ 57.51	\$ 22,696.72
17	6/1/2017	\$ 22,696.72	\$ 363.37	\$ 306.62	\$ 56.74	\$ 22,390.10
18	7/1/2017	\$ 22,390.10	\$ 363.37	\$ 307.39	\$ 55.98	\$ 22,082.71
19	8/1/2017	\$ 22,082.71	\$ 363.37	\$ 308.16	\$ 55.21	\$ 21,774.55
20	9/1/2017	\$ 21,774.55	\$ 363.37	\$ 308.93	\$ 54.44	\$ 21,465.62
21	10/1/2017	\$ 21,465.62	\$ 363.37	\$ 309.70	\$ 53.66	\$ 21,155.92
22	11/1/2017	\$ 21,155.92	\$ 363.37	\$ 310.48	\$ 52.89	\$ 20,845.44
23	12/1/2017	\$ 20,845.44	\$ 363.37	\$ 311.25	\$ 52.11	\$ 20,534.19
24	1/1/2018	\$ 20,534.19	\$ 363.37	\$ 312.03	\$ 51.34	\$ 20,222.16
25	2/1/2018	\$ 20,222.16	\$ 363.37	\$ 312.81	\$ 50.56	\$ 19,909.35
26	3/1/2018	\$ 19,909.35	\$ 363.37	\$ 313.59	\$ 49.77	\$ 19,595.76
27	4/1/2018	\$ 19,595.76	\$ 363.37	\$ 314.38	\$ 48.99	\$ 19,281.38
28	5/1/2018	\$ 19,281.38	\$ 363.37	\$ 315.16	\$ 48.20	\$ 18,966.22
29	6/1/2018	\$ 18,966.22	\$ 363.37	\$ 315.95	\$ 47.42	\$ 18,650.27
30	7/1/2018	\$ 18,650.27	\$ 363.37	\$ 316.74	\$ 46.63	\$ 18,333.53

SUMMIT COUNTY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY BUDGET

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Beginning program balance	-	2,487,288	278,773	545,881	855,263	1,206,861	1,460,816	1,424,180	1,386,893	958,220	501,501
Program revenues											
Loan principal payments	83,800	669,500	720,200	742,100	764,600	690,600	415,400	428,000	36,300	-	-
Loan interest payments	13,300	118,400	104,100	82,200	59,600	36,600	20,800	8,100	100	-	-
Total program revenues	97,100	787,900	824,300	824,300	824,200	727,200	436,200	436,100	36,400	-	-
Program expenses											
Weatherization improvements	1,800,000	2,440,000									
Program administration	42,000	84,000	84,000	42,000							
Loan administration	7,813	15,625	15,625	15,625	15,625	15,625	15,625	15,625	7,813		
Total program expenses	1,849,813	2,539,625	99,625	57,625	15,625	15,625	15,625	15,625	7,813	-	-
Excess revenues over (under) expenditures	(1,752,713)	(1,751,725)	724,675	766,675	808,575	711,575	420,575	420,475	28,588	-	-
Other funding sources											
Bond revenues	4,300,000										
Interest rate subsidy		129,860	117,478	104,945	92,291	79,517	66,591	53,545	40,347	27,029	13,590
Bond expenses	(60,000)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Principal payment		(410,000)	(415,000)	(419,000)	(423,000)	(428,000)	(432,000)	(437,000)	(441,000)	(445,000)	(450,000)
Interest payment		(174,150)	(157,545)	(140,738)	(123,768)	(106,637)	(89,303)	(71,807)	(54,108)	(36,248)	(18,225)
Total other funding sources	4,240,000	(456,790)	(457,567)	(457,293)	(456,977)	(457,620)	(457,212)	(457,762)	(457,261)	(456,719)	(457,135)
Net change in program balance	2,487,288	(2,208,515)	267,108	309,383	351,598	253,955	(36,637)	(37,287)	(428,673)	(456,719)	(457,135)
Program ending balance	2,487,288	278,773	545,881	855,263	1,206,861	1,460,816	1,424,180	1,386,893	958,220	501,501	44,366

**A BUDGET RESOLUTION OF THE SUMMIT COUNTY COUNCIL
2015 BUDGET OF THE SUMMIT COUNTY COMMUNITY DEVELOPMENT AND
RENEWAL AGENCY**

WHEREAS, pursuant to UCA §17-36-13 and §17B-1-610, on July 1, 2015 the Summit County Council, acting as the governing body of the Summit County Community Development and Renewal Agency, held a public hearing for the 2015 budget; and,

WHEREAS, the Summit County Council, acting as the governing body of Summit County Community Development and Renewal Agency, finds that it is in the best interests of the County and its local districts to adopt the 2015 budget;

NOW THEREFORE, BE IT RESOLVED, pursuant to UCA §17-36-15.1(2) and §17B-1-614, the Summit County Council, acting as the governing body of Summit County Community Development and Renewal Agency, hereby adopts the 2015 budgets, as shown herein.

APPROVED, ADOPTED, AND PASSED and ordered published by the Summit County Council, this 1st day of July, 2015.

COUNTY COUNCIL
SUMMIT COUNTY, STATE OF UTAH

ATTEST:

By: _____

Kim Carson, Chair

Kent Jones
County Clerk

APPROVED AS TO FORM:

David L. Thomas
Chief Civil Deputy