Town of Georgetown
Regular Meeting
May 15, 2023
6:30 P.M.

Pledge of Allegiance

Roll Call:

Council members present: Chris Loop, Ben Stocksdale, Gary Smith, and Brandon Hopf. Also attending: Kristi Fox, Bob Woosley, Julia Keibler, Haley James, Chief Travis Speece, and Reny Keener.

Members not present: Billy Haller.

Approval of Minutes

Gary Smith made a motion to approve the Regular Town Council Meeting Minutes from April 17, 2023. Seconded by Brandon Hopf and approved 4-0.

Memorandum for Executive Meeting on March 29, 2023

Chris Loop made a motion to approve the memorandum regarding the executive meeting held on March 29, 2023. Seconded by Ben Stocksdale and approved 3-0. Gary Smith abstained.

New Business

Bakertilly SRF Financial Management Report

Scott Hadler from Bakertilly is in attendance tonight to present the SRF Financial Management Report to the Town Council. The table on page 2 and 3 goes over the fund balances for the past three years. Page 3 dives into more detail and the drivers behind the increase in receipts for 2022 because of tap fees. If the Town decided to get rid of tap fees or we no longer received them, we would see about a $230,000 decrease in cash. The tap fees in a sense are subsidizing operations. Page 4 shows a breakout of fund balances showing a healthy cash balance. Page 5 covers 2022 results verses 2022 expectations for the budget. Page 6 looks at the operating expenses compared to the budget. Page 7 shows that overall receipts were much higher than budgeted. Table 9 looks at future years and what to expect. Table 10 goes over future years and what to expect regarding operating expenses. The SRF payments will be paid through 2039.

SRF requires a 125% debt coverage. We are just over that now without the tap fees. If everything comes in as budgeted for 2023/2024, we will be looking at a 117% debt coverage.

Since the tap fees are helping to subsidize the operations, if we do dip to the lower levels two years in a row, then we will need to look at adjusting rates. Right now, we are in a great financial position.

See attached report for more details.

Scott Hadler also provided an update on the sanitation rate study. The increases he was asked to study had a minimal impact on the operating fund. It was around $4,000.00 a year. Chris Loop suggested updating the report to factor in changing the rates without an inflationary increase.

Clerk Treasurers Report

The Floyd County Garage requested that we remove their late penalties because they are another Government agency. The most recent late penalty they received was $4.41. The month before that was $44.10. Kristi Fox would like a copy of all their late fees to bring to the Floyd County Auditors attention and prevent this from occurring again.

Chris Loop made a motion to waive the $4.41 late penalty fee for the Floyd County Garage. Seconded by Ben Stocksdale and approved 4-0.

Crimson Creek Drainage Project

As of today, the Storm Water Fund is -$7,549.80. We have invoices from Bob Woosley for the Crimson Creek Drainage project and for Harts Engineering regarding work done in Copperfield. The total for these invoices is over $16,000.00. Julia Keibler is asking the Council how they would like to pay these.

Chris Loop made a motion to approve the charges related to the Copperfield project, including Harts Survey data to be paid from the ARPA fund. The Crimson Creek Drainage project will be taken from Gaming. Seconded by Brandon Hopf and approved 4-0.

New Employee - Joanne Flick

Joanne Flick has come in and interviewed and is available to start work on Monday, June 5, 2023 with a starting pay of $18.00 an hour.

Chris Loop made a motion to approve hiring Joanne Flick with a pay rate of $18.00 and a start date of Monday, June 5, 2023. Seconded by Gary Smith and approved 4-0.

Establishing a New Fund for Community Crossings Matching Grant (CCMG)-Ordinance G-23-03

The State Board of Accounts requires a new fund for this year's grant. We cannot use one of our old ones. An Ordinance has been prepared making this new Fund #2408. We will add this to the list and any money we spend or receive for this grant will come out of this fund only. This is a non-reverting fund.

First Reading of Ordinance G-23-03 an Ordinance to Establish a Non-Reverting Fund for the Receipt of Community Crossing Funds for the Town of Georgetown, Indiana.

Ben Stocksdale made a motion to approve Ordinance G-23-03, an Ordinance to Establish a Non-Reverting Fund for the Receipt of Community Crossing Funds for the Town of Georgetown, Indiana. Seconded by Brandon Hopf and approved 4-0.

Second Reading of Ordinance G-23-03 an Ordinance to Establish a Non-Reverting Fund for the Receipt of Community Crossing Funds for the Town of Georgetown, Indiana.

Gary Smith made a motion to approve Ordinance G-23-03, an Ordinance to Establish a Non-Reverting Fund for the Receipt of Community Crossing Funds for the Town of Georgetown, Indiana. Seconded by Chris Loop and approved 4-0.

Chief Travis Speece

New Officer

Christopher Zelivetz started Wednesday, May 10, 2023. He has applied and been approved for a class through the Indiana Law Enforcement Academy. He will finish his 40-hour probationary class this week. Over the next few weeks, he will be completing some defensive tactics and firearms training. After those are complete, he will be in field training until his academy date in August or January.

2023 Ford Explorer

We are still working on programming the siren. All the lights are finished and working. We are hoping to have this finished within two weeks.

Secondary Equipment Grant

Travis Speece has applied for a secondary equipment grant through the Indiana Court System. We applied for this grant back in 2018 and received a few computers, laptops for the police cars, printers, and scanners for the officers to be able to issue E-ticket citations.

Flock Camera Update

Travis Speece received an update via email letting him know this camera is being scheduled for the site survey. Hopefully within a few more weeks it will be reinstalled and working.

Replacement Computer for Police Station

Travis Speece asked the Board for approval of a new desktop or laptop for the police station. He plans to put the laptop from his office in the patrol vehicle and the new computer in his office.

Gary Smith made a motion to approve up to $700.00 for Travis Speece to purchase a replacement computer and for it to be paid from the Gaming Fund. Seconded by Brandon Hopf and approved 4-0.

Officer Harpers Resignation

Officer Harper has submitted his resignation letter. Travis Speece would like to reopen the application process for hiring a new officer.

Chris Loop made a motion to approve reopening the hiring process for a new officer. Seconded by Ben Stocksdale and approved 4-0.

Public Works - Town Manager Reny Keener

Grants

OCRA (Office of Community and Rural Affairs)

Reny Keener has created a spreadsheet with a list of about 30 grants the Town could possibly be qualified for. The first grant Reny Keener is focusing on is the OCRA (office of Community and Rural Affairs) grant. This grant is for wastewater or stormwater projects and will open in September. A small taskforce met with OCRA last week and as of right now, it looks like the Town's household income may be too high. Reny Keener is going to research and see if we narrow out a specific area if that would allow us to receive the OCRA grant. If this is possible, we will have to do an income survey. We would go out and verify with the residents that their income is within a certain range. Reny Keener will follow up on this at the June meeting.

READI 2.0

This regional grant will be available through Our Southern Indiana Regional Development Authority (RDA). This grant focuses on infrastructure and capital improvements with the goal of population growth. Last year, in conjunction with Floyd County, the Town submitted a Georgetown Park Improvement Plan. Reny Keener recommends the Town submit the Town Ball Park Improvement Plan again along with a second project. The Town will apply for this solely, not in conjunction with Floyd County.

Laptop for Work

Reny Keener is asking the Council for approval to purchase a laptop for work related projects and documents. This will allow Reny Keener to take notes at all Board meetings, finish grant documents in various locations, attend his classes for his Hoosier Energy Scholarship, and work remotely anytime needed.

Chris Loop made a motion to approve up to $550.00 for Reny Keener to purchase a new laptop for work and to be paid from the Gaming fund. Seconded by Gary Smith and approved 4-0.

Facebook

Haley James and Reny Keener have created the Town's new Facebook page. This will help the people in town stay updated with Town Board Meetings, agendas, sewer bill due dates and other news and events.

Town Attorney - Kristi Fox

Old Fire House Lease

Kristi Fox added language to the lease that the Town will continue to mow this property. The Resolution is now ready to be passed and the lease can be signed.

R-23-01 - A Resolution Authorizing the Lease of Rental Property Under Alternative Procedures

Brandon Hopf made a motion to approve Resolution R-23-01, A Resolution Authorizing the Lease of Rental Property Under Alternative Procedures. Seconded by Ben Stocksdale and approved 4-0.

Gary Smith made a motion to approve signing the lease agreement between the Town of Georgetown and Georgetown Main Street Inc. Seconded by Ben Stocksdale and approved 4-0.

G-23-04 - A Zoning Amendment Ordinance for 1610 Canal Lane

The Plan Commission voted with favorable recommendations for a zoning map change for 1610 Canal Lane. The zoning will change from Residential R-2 to B-3 for General Business. Bob Woosley has updated the Towns zoning map. The Town Council now has the option to pass an Ordinance to approve the zoning map change.

First Reading of Ordinance G-23-04 - An Ordinance Pertaining to Map Amendments to The Town of Georgetown, Indiana Zoning Ordinance

Ben Stocksdale made a motion to approve Ordinance G-23-04, An Ordinance pertaining to Map Amendments to the Town of Georgetown, Indiana Zoning Ordinance. Seconded by Chris Loop and approved 4-0.

Second Reading of Ordinance G-23-04 - An Ordinance Pertaining to Map Amendments to The Town of Georgetown, Indiana Zoning Ordinance

Chris Loop made a motion to approve Ordinance G-23-04, An Ordinance Pertaining to Map Amendments to The Town of Georgetown, Indiana Zoning Ordinance. Seconded by Brandon Hopf and approved 4-0.

Verizon Fiber Optic Permit – Utility Agreement

For right now, we will need to approve this agreement with Verizon specifically and then for all future companies, they will need come in front of the Town Council. Bob Woosley recommends changing anywhere the word "highway" is used and replace it with "roadway." Items 1, 3, and 5 will need to be changed to roadway instead of highway. Bob Woosley recommends adding the word, "sewer and/or sewer structure types etc." on item 6. Bob Woosley also recommends changing item 7 with a minimum amount of feet cover below the road surface to 2 feet instead of 4 feet. He suggests 2 feet minimum because most of our road section is generally between a foot to a foot and a half. Also, because our sanitary sewer system runs about 4 feet deep and keeping it at 4 feet would increase the chance of someone damaging our system. Bob Woosley recommends adding a $500.00 administrative fee.

Ben Stocksdale made a motion to approve the Utility Agreement contingent upon these changes and to allow Chris Loop to sign the agreement outside of the meeting. Seconded by Brandon Hopf and approved 4-0.

Town Engineer

Town Ballpark Infield Turf Quotes

This item has been tabled.

Community Crossing Matching Grant

Bob Woosley has started preparing the Lois Lane plans. Bob Woosley is waiting on a follow up with Duke Energy regarding power poles that need to be moved or disconnected. This work is also included in the budget. Bob Woolsey plans to have the bid opening at the July meeting. Bids must be secured and a contractor selected by August 10th.

West Lift Station - Pump Replacement

A pump failed recently at the West Lift Station. Bob Woosley is asking for approval to purchase a replacement pump from S&K Equipment Company for $14,857.00.

Gary Smith made a motion to approve the purchase of a replacement pump from S&K Equipment Company and for this to be paid from the Waste Water Capital Improvement Fund. Seconded by Chris Loop and approved 4-0.

Brookstone Lift Station #3 – Pump Replacement

The pump at Brookstone Lift Station #3 failed and had to have emergency work done. Bob Woosley would like approval to purchase a replacement pump from Straeffer Pump for $2,766.00.

Ben Stocksdale made a motion to approve the purchase of a replacement pump from Straeffer Pump for $2,766.00 and for this to be paid from the Waste Water Capital Improvement Fund. Seconded by Chris Loop and approved 4-0.

Dual FM Modifications (Legacy Springs FM)

Robinson pipe cleaning will be starting work soon.

Drainage Items

Bob Woosley would like to open bids for 6906 High Point, 8670 St. Rd. 64, and the property behind 8670 St. Rd. 64 on July 17, 2023. Bob Woolsey will be making contact with two property owners about securing easements within a week.

WWTP Air Compressor

We are still waiting for the delivery of both air compressors. Compressor 1 has failed and compressor 2 is currently failing. A rental pump was brought in by Blue Pump until both blowers get replaced.

Maplewood Business Park Lift Station

Bob Woosley is working on the design of the Maplewood Business Park Lift Station. This lift station will be utilized by the Gateway Village Apartment Development (120 units) and the old Edwardsville School. The sewer tap fees generated from the apartments will cover the cost of the new lift station.

Plan Commission

Nothing to Report.

Redevelopment Commission

A façade grant application was approved tonight. The Board implemented the revised Façade Grant to increase the reimbursement amount to $10,000.00.

Agenda Items

Hoosier Energy Scholarship for Reny Keener

Reny Keener received a Hoosier Energy Scholarship to finish out his certification in Economic Development through the Oklahoma University Economic Development Institute. Reny Keener has three classes left to complete his certification before testing next year. The Town will pay for all three classes upfront and then Hoosier Energy will send the Town a check after each class is completed. The town will be 100% reimbursed. The total cost of all three classes is $1,785.00. The three classes Reny Keener will be taking are Business Retention, Strategic Planning, and Entrepreneurship.

Ben Stocksdale made a motion to approve paying $1,785.00 from the General Fund to Hoosier Energy for Reny Keener's Scholarship. Seconded by Chris Loop and approved 4-0.

Town Beautification

Reny Keener would like to replace the dead bushes outside of the Town Hall and at the park. Reny Keener plans to use five trees, 42 bushes and two rolls of landscaping cover paper to help prevent weeds. All landscaping will be non-invasive and low maintenance. Reny Keener would like to use the same mulch that was previously used at the Town Hall.

Reny Keener has secured a quote for benches to be installed at the park. Reny Keener hopes the benches will help prevent future vandalism. These benches will be installed with concrete to help prevent accidents.

Reny Keener received a quote to add two new trash cans at the ball park. He would like to put both trash cans by the basketball court.

The total for all three of these beautification projects will be $7,683.35.

Chris Loop made a motion to approve all three beautification projects for $7,683.35 and for this to be paid from the Gaming Fund. Seconded by Brandon Hopf and approved 4-0.

Claims Docket

Gary Smith made a motion to approve the claims docket. Seconded by Chris Loop and approved 4-0.

Miscellaneous Business

John Beams

Destination Georgetown will be hosting a shredding day in the Copperfield parking lot on Saturday, May 20, 2023, from 7:00 A.M – 11:00 A.M.

Adjournment

Gary Smith made a motion to adjourn the meeting. Seconded by Chris Loop and approved 4-0.

Minutes approved by:

____
Christopher Loop, President

____
Ben Stocksdale, Vice President

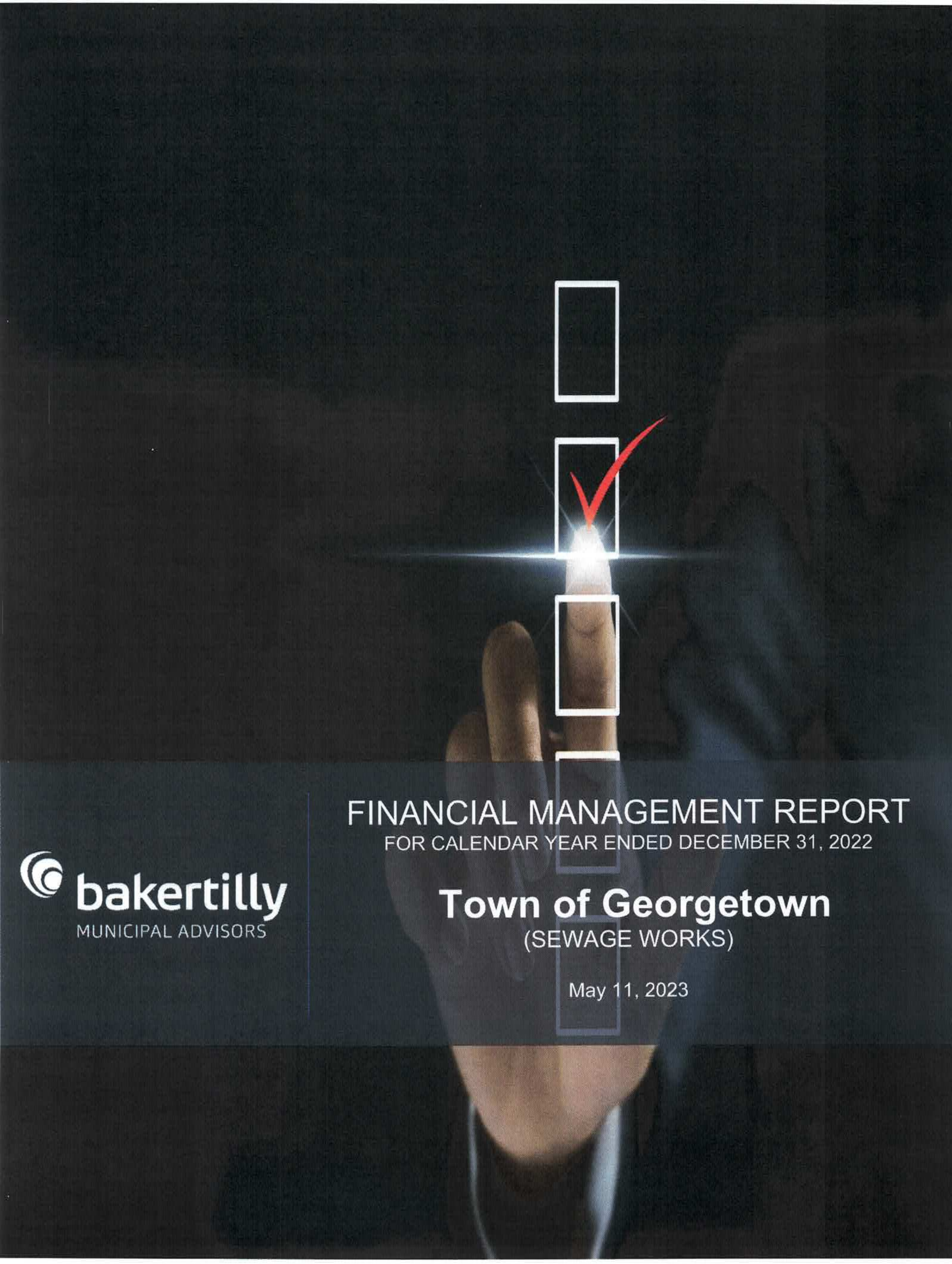
____
Billy Haller

Gary S. Smith
Gary Smith

____
Brandon Hopf

Attest:

____
Julia Keibler, Clerk Treasurer



FINANCIAL MANAGEMENT REPORT

FOR CALENDAR YEAR ENDED DECEMBER 31, 2022

bakertilly
MUNICIPAL ADVISORS

Town of Georgetown

(SEWAGE WORKS)

May 11, 2023

MAY 11, 2023

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bakertilly
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May 11, 2023

Town Council
Town of Georgetown
Town Hall
9111 IN-64
Georgetown, Indiana 47122

CONSULTANTS' FINANCIAL MANAGEMENT REPORT

This report is directed toward providing information for your review and consideration relative to the financial management of the Town of Georgetown Sewage Works (the "Sewage Works"). The report is designed to provide information that may be helpful to Town officials in their role as managers of the Sewage Works.

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected, and the resulting differences could be material. We have no responsibility to prepare subsequent reports or update the schedules.

Baker Tilly Municipal Advisors, LLC

GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

<u>FINANCIAL MANAGEMENT REPORT</u>

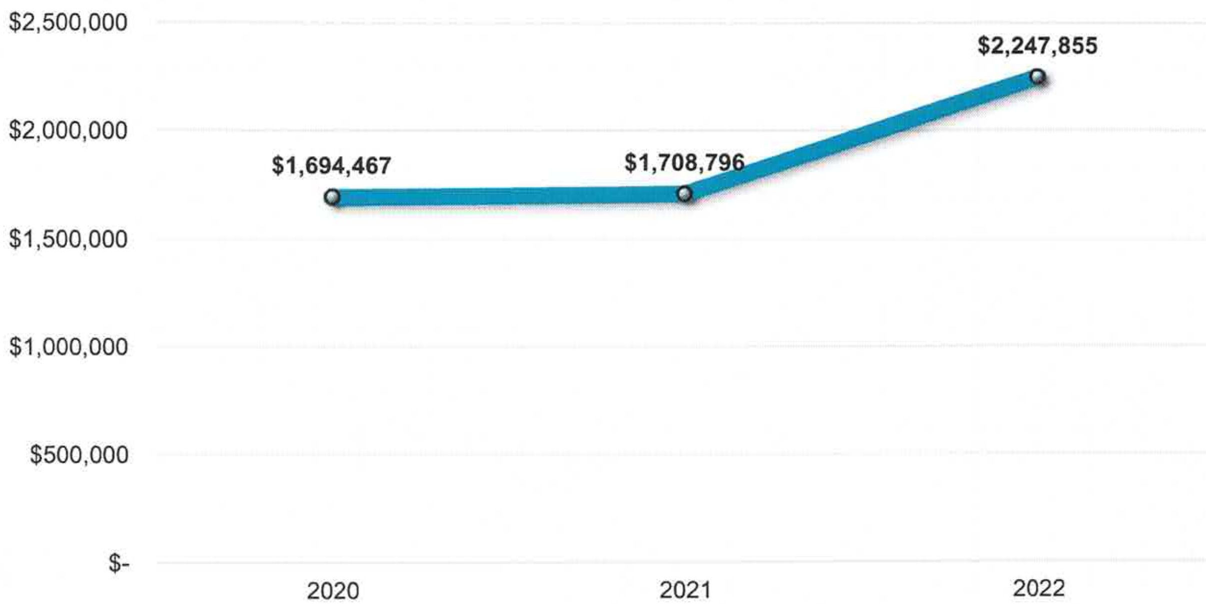
GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

Historical Financial Health

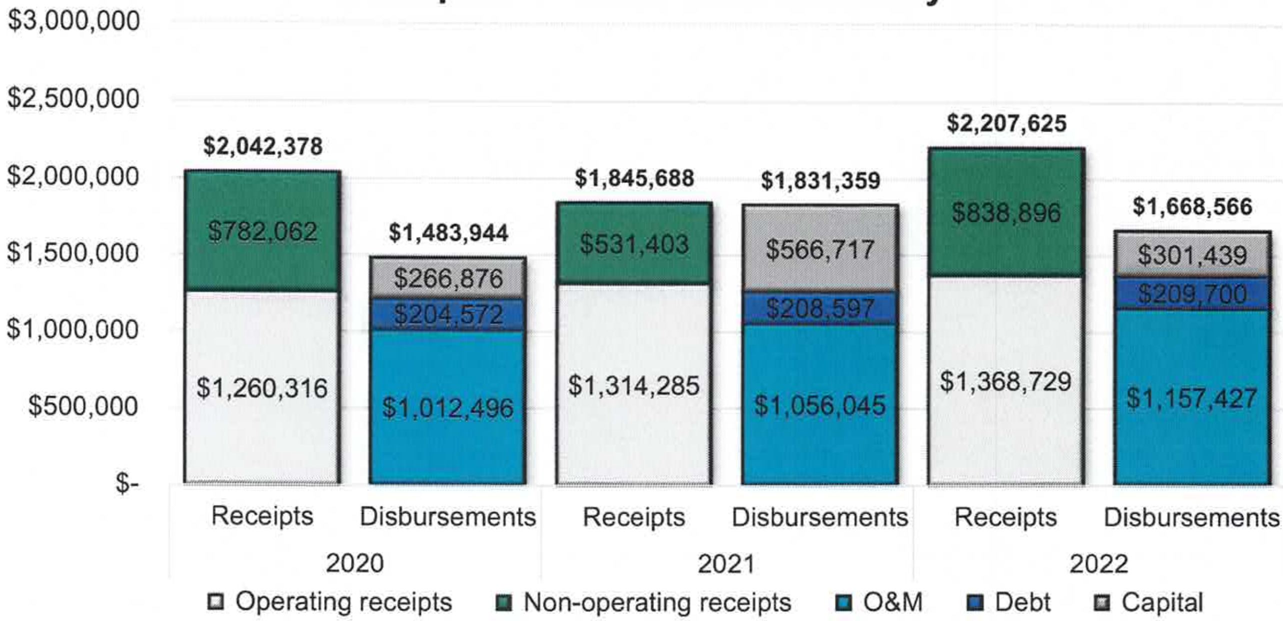
In analyzing the financial health of the Georgetown (Indiana) Municipal Sewage Works (the "Utility"), we start by understanding where the Utility has been in order to identify strengths, weaknesses, and trends. We have reviewed the last three years (2020-2022) of the historical financial activity of the Utility. Fund balances (cash and investment balances) have continuously increased as shown in Table 1. We will detail the drivers of this change in fund balance throughout this report.

Table 1
Fund Balance History



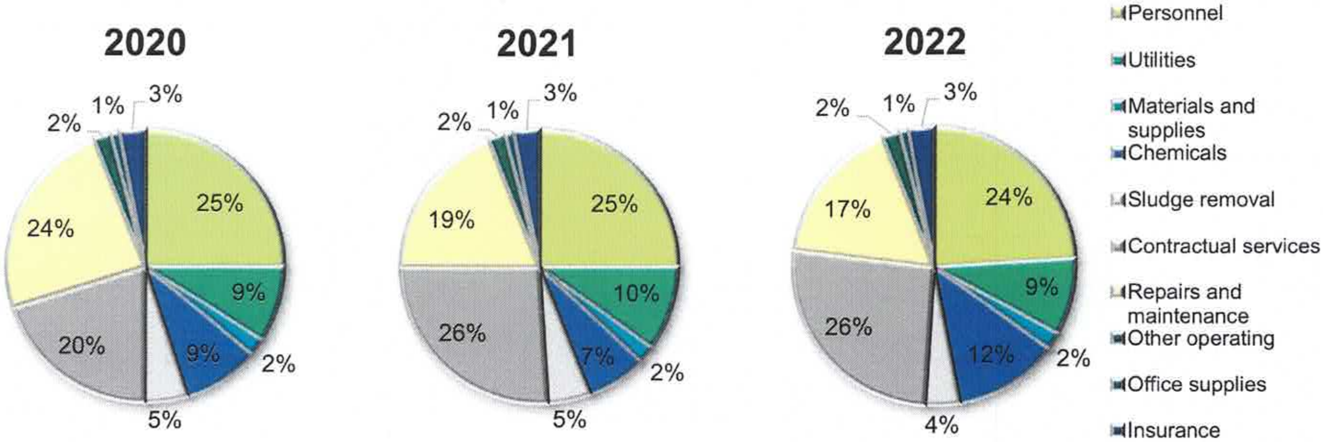
Fund balances are a result of receipt and disbursement activity over time. Spending more money than is received in any accounting period results in fund balances diminishing and vice-versa. For the past three years, Utility receipts have primarily consisted of sewer collection and treatment charges, penalties and other (operating receipts) as well as connection fees, interest on investments, miscellaneous income and bond proceeds (non-operating receipts). Disbursements consist of day-to-day operating costs (salaries & wages, employee benefits, materials & supplies, repairs & maintenance, etc.), payments on debt, and investment in capital improvements (land, buildings, equipment, etc.). Table 2 shows receipts were greater than disbursements in the last three years.

Table 2
Receipt and Disbursement History



Another important aspect of historical trends is analyzing what caused cost increases. As seen in Table 2, wastewater treatment plant improvements funded by the 2018 SRF Bonds began in 2018 and continued through 2020. Table 3 is a breakdown of historical operating costs by category. Personnel, utilities, chemicals, sludge removal and contractual services are the largest operating costs of the Utility. Chemicals increased substantially in 2022.

Table 3
Operating Disbursement Analysis



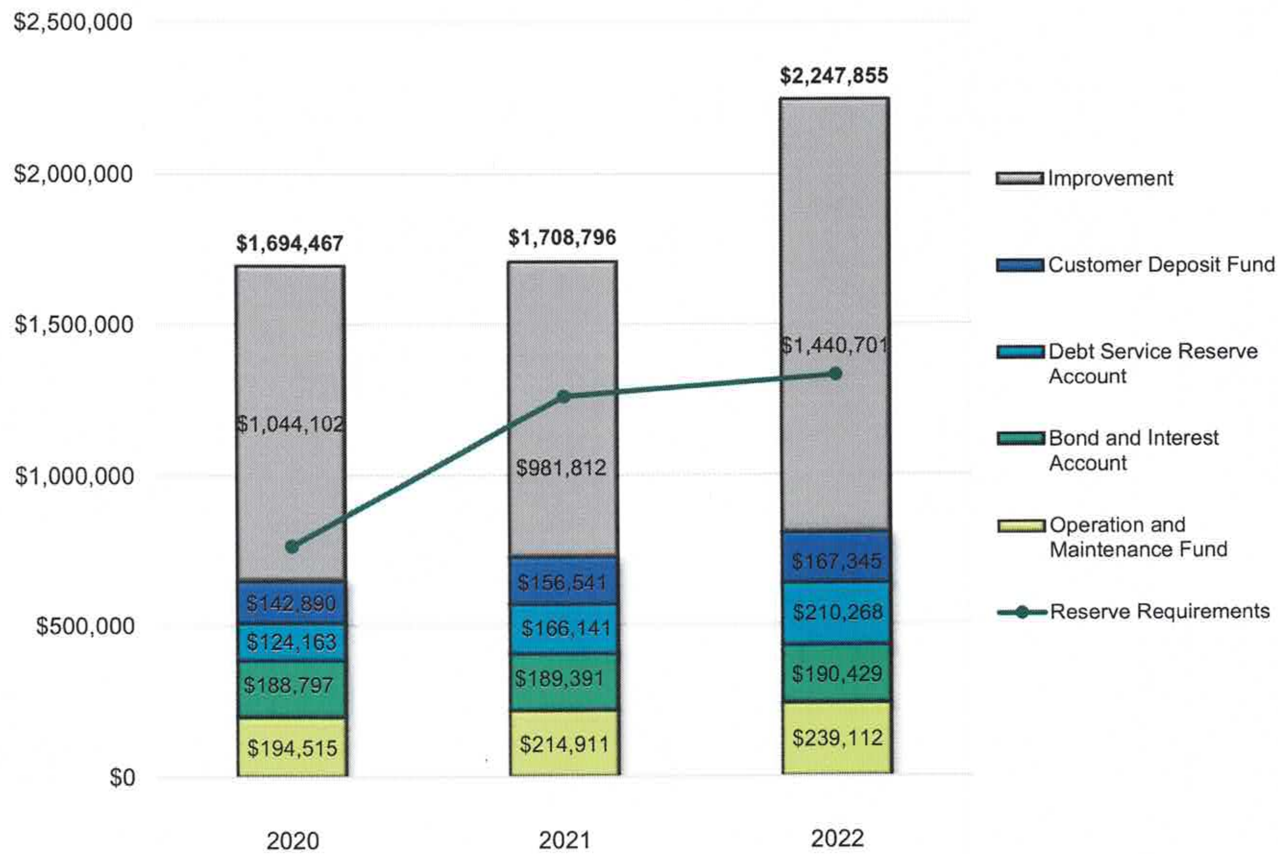
(Subject to the attached letter of Baker Tilly Municipal Advisors dated May 11, 2023)

FINANCIAL MANAGEMENT REPORT

Current Financial Health

As of December 31, 2022, total fund balances of the Utility were $2,247,855. In analyzing the adequacy of this balance, we compared it to required reserve balances. Required reserves are based on minimum reserve levels the Town agreed to when bonds were issued as well as industry best practices (such as reserving one year's capital spending). Required reserves should be viewed as minimum acceptable balances, and to the extent fund balances exceed those reserve requirements, the additional dollars are available for future capital needs or other revenue requirements of the Utility. Table 4 shows required reserves compared to fund balances.

Table 4
Fund Balances vs. Required Reserves



FINANCIAL MANAGEMENT REPORT

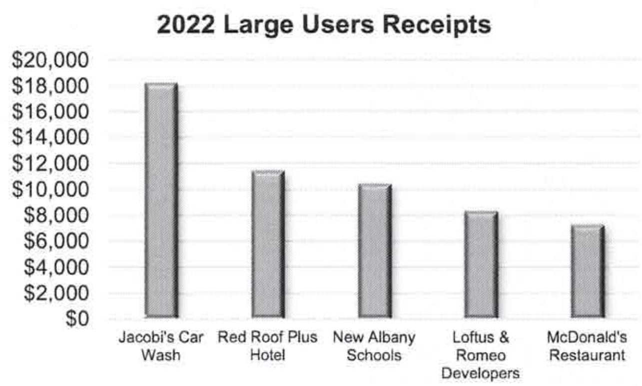
Year-end is also a good time to analyze utility budget accuracy and performance. To do this we compared the 2022 actual results to the 2022 budget.

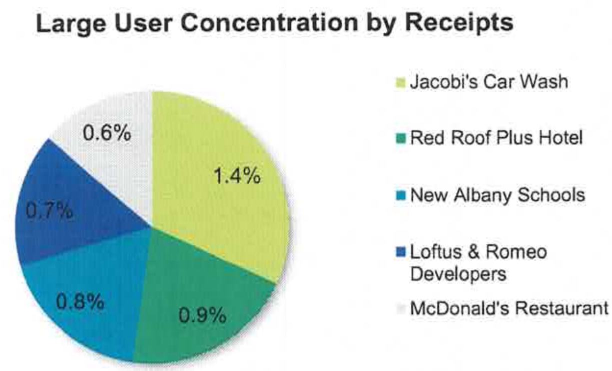
Table 5
Receipts

	2022 Actual	2022 Budget	Over/(Under) 2022 Budget Dollar	Over/(Under) 2022 Budget Percentage
Operating Receipts:				
Collection and treatment	$1,315,434	$1,323,000	($7,566)	
Penalties	20,876	21,000	(124)	
Other	32,419	9,000	23,419	
Subtotal	1,368,729	1,353,000	15,729	1.2%
Non-Operating Receipts:				
Interest	11,618	2,500	9,118	
Tap fees	769,560	446,800	322,760	
Miscellaneous	40,937	-	40,937	
Meter deposits (net)	9,127	-	9,127	
Refund	7,655	-	7,655	
Subtotal	838,897	449,300	389,597	86.7%
Total Receipts	$2,207,626	$1,802,300	$405,326	22.5%

Receipts outpaced the budget by $405,326 in 2022. This was primarily due to an increase in residential customers resulting in more tap fees collected. Table 5-1 provides more detail related to large customer trends which do not makeup a large amount of the Sewage works customer base.

Table 5-1





Large customers play an important role in the financial health of the Utility because changes in usage patterns can result in material impacts to the Utility's bottom line. Table 5-1 summarizes the revenue data for the five largest customers of the Utility. It can be seen that the large customers account for 4.4% of the Utility's total sewer charges.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated May 11, 2023)

GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

Table 6
Operating Disbursements

	2022 Actual	2022 Budget	Over/(Under) 2022 Budget Dollar	Over/(Under) 2022 Budget Percentage
Personnel	$277,255	$274,300	$2,955	
Utilities	109,916	103,800	6,116	
Materials and supplies	22,761	17,200	5,561	
Chemicals	139,234	81,500	57,734	
Sludge removal	50,327	55,400	(5,073)	
Contractual services	298,291	243,800	54,491	
Repairs and maintenance	200,289	217,900	(17,611)	
Other operating	17,675	21,300	(3,625)	
Office supplies	11,610	10,700	910	
Insurance	30,069	29,200	869	
Total O&M	$1,157,427	$1,055,100	$102,327	9.7%

Operating disbursements were more than budgeted by $102,327 in 2022. This is primarily due to chemicals and contractual services being over budget by $57,734 and $54,491, respectively.

Table 7
Debt Service

	2022 Actual	2022 Budget	Over/(Under) 2022 Budget Dollar	Over/(Under) 2022 Budget Percentage
Principal	$149,000	$149,000	$ -	
Interest	60,700	60,700	-	
Total Debt Service	$209,700	$209,700	$ -	0.0%

Table 8
Capital

	2022 Actual	2022 Budget	Over/(Under) 2022 Budget Dollar	Over/(Under) 2022 Budget Percentage
Capital improvements	$301,439	$303,000	($1,561)	-0.5%

(Subject to the attached letter of Baker Tilly Municipal Advisors dated May 11, 2023)

GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

FINANCIAL MANAGEMENT REPORT

In total for 2022, the Utility experienced a positive cash flow of $539,060 as shown below. The 2022 budget anticipated a positive cash flow of $234,500 with the variance primarily due to increased tap fees.

	2022 Actual	2022 Budget	Variance
Receipts (Table 5)	$2,207,626	$1,802,300	$405,326
Operating disbursements (Table 6)	(1,157,427)	(1,055,100)	(102,327)
Debt service (Table 7)	(209,700)	(209,700)	-
Capital (Table 8)	(301,439)	(303,000)	1,561
Change in Cash and Investments	$539,060	$234,500	$304,560

Estimated Future Health

Table 9
Estimated Receipts

	2022 Actual	Estimated 2023	Estimated 2024	Estimated 2025
Operating Receipts:				
Collection and treatment	$1,315,434	$1,355,000	$1,396,000	$1,438,000
Penalties	20,876	22,000	23,000	24,000
Other	32,419	32,000	32,000	32,000
Subtotal	1,368,729	1,409,000	1,451,000	1,494,000
Non-Operating Receipts:				
Interest	11,618	11,600	11,600	11,600
Tap fees	769,560	480,400	480,400	480,400
Miscellaneous	40,937	-	-	-
Meter deposits (net)	9,127	-	-	-
Subtotal	831,242	492,000	492,000	492,000
Total Receipts	$2,199,971	$1,901,000	$1,943,000	$1,986,000

Collection and treatment is based on calendar year 2022 receipts adjusted for a 3% annual increase based on conservative historical growth. Penalties is based on calendar year 2022 receipts adjusted for a 3% annual increase. Remaining operating and non-operating receipts are based on calendar year 2022 actual receipts except for tap fees which are based on a five year annual average from 2018 - 2022.

Table 10
Estimated Operating Disbursements

	2022	Estimated		
	Actual	2023	2024	2025
Personnel	$277,255	$291,200	$299,900	$308,900
Utilities	109,916	113,200	116,600	120,100
Materials and supplies	22,761	23,400	24,100	24,800
Chemicals	139,234	143,400	147,700	152,100
Sludge removal	50,327	51,800	53,400	55,000
Contractual services	298,291	270,400	278,500	286,900
Repairs and maintenance	200,289	220,100	226,700	233,500
Other operating	17,675	19,800	20,400	21,000
Office supplies	11,610	12,000	12,400	12,800
Insurance	30,069	31,000	31,900	32,900
Total O&M	$1,157,427	$1,176,300	$1,211,600	$1,248,000

The 2023 O&M budget was calculated based on historical activity, the current salary ordinance, and input from Utility management. The contractual services, repairs and maintenance and other operating are based on historical 2020 - 2022 annual average increased 3% and personnel, utilities, materials and supplies, chemicals, office supplies, insurance and sludge removal are based on 2022 increased 3%. Years 2024 through 2025 estimate a 3% inflationary increase in O&M costs.

Table 11
Estimated Debt Service

	2022	Estimated		
	Actual	2023	2024	2025
Principal	$149,000	$151,000	$155,000	$157,000
Interest	60,700	57,700	54,700	51,600
Total Debt Service	$209,700	$208,700	$209,700	$208,600

The estimated debt service is based on the amortization schedule of the 2018 SRF Bonds.

Table 12
Estimated Capital

	2022	Estimated		
	Actual	2023	2024	2025
Capital Improvements - Oper./Improve.	$301,439	$323,900	$323,900	$323,900

Capital improvements for years 2023 through 2025 are based on the three year historical average.

In summary, assuming no rate adjustments, we estimate the Utility will experience positive cash flows in 2023, 2024 and 2025. The Utility will be able to meet its operating and debt service requirements but may need to limit its capital improvements to maintain its required minimum reserve cash requirements. The net cash receipts available for debt service as adjusted do provide for the required 1.25 times debt service coverage amount including tap fee revenues, but do not provide the required 1.25 times debt service coverage amount without the tap fee revenues. The Town should consider beginning to increase rates gradually to keep up with inflation. The Town should monitor expenditures closely to make sure the actual expenditures are in line with the budgeted amounts.

	2022	Estimated		
	Actual	2023	2024	2025
Receipts (Table 9)	$2,199,971	$1,901,000	$1,943,000	$1,986,000
Operating disbursements (Table 10)	(1,157,427)	(1,176,300)	(1,211,600)	(1,248,000)
Debt service (Table 11)	(209,700)	(208,700)	(209,700)	(208,600)
Capital (Table 12)	(301,439)	(323,900)	(323,900)	(323,900)
Change in Cash and Investments	$531,405	$192,100	$197,800	$205,500
Fund Balances	$2,247,855	$2,440,000	$2,637,800	$2,843,300

The estimated impact on fund balances can be seen below in Table 13. Fund balances are anticipated to increase over the next three years.

Table 13
Estimated Fund Balances vs. Recommended Reserves

Conclusion

Based on the current assumptions as provided herein, it appears that the current schedule of rates and charges may not be adequate to generate revenues to operate the Utility, invest in capital, and maintain recommended fund balances. The Town should monitor capital improvements and cash balances closely to make sure the actual amounts are in line with the budget. The Town should also consider implementing small rate increases to keep up with inflation.

GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

SUPPLEMENTAL DATA

GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OFAMORTIZATION OF $2,923,000 PRINCIPAL AMOUNT OF OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2018
Principal and interest payable semi-annually January 1st and July 1st.
Interest rate as shown.

Payment Date	Principal Outstanding	Interest Rate	Principal	Debt Service Interest	Debt Service Total	Bond Year Total
	(In $1,000's)	(%)	(In $1,000's)	(------------------In Dollars	------------------)	
01/01/23	$2,923	2.00	$75	$29,230.00	$104,230.00	$104,230.00
07/01/23	2,848	2.00	76	28,480.00	104,480.00	
01/01/24	2,772	2.00	77	27,720.00	104,720.00	209,200.00
07/01/24	2,695	2.00	78	26,950.00	104,950.00	
01/01/25	2,617	2.00	78	26,170.00	104,170.00	209,120.00
07/01/25	2,539	2.00	79	25,390.00	104,390.00	
01/01/26	2,460	2.00	80	24,600.00	104,600.00	208,990.00
07/01/26	2,380	2.00	81	23,800.00	104,800.00	
01/01/27	2,299	2.00	81	22,990.00	103,990.00	208,790.00
07/01/27	2,218	2.00	82	22,180.00	104,180.00	
01/01/28	2,136	2.00	83	21,360.00	104,360.00	208,540.00
07/01/28	2,053	2.00	84	20,530.00	104,530.00	
01/01/29	1,969	2.00	85	19,690.00	104,690.00	209,220.00
07/01/29	1,884	2.00	86	18,840.00	104,840.00	
01/01/30	1,798	2.00	86	17,980.00	103,980.00	208,820.00
07/01/30	1,712	2.00	87	17,120.00	104,120.00	
01/01/31	1,625	2.00	88	16,250.00	104,250.00	208,370.00
07/01/31	1,537	2.00	89	15,370.00	104,370.00	
01/01/32	1,448	2.00	90	14,480.00	104,480.00	208,850.00
07/01/32	1,358	2.00	91	13,580.00	104,580.00	
01/01/33	1,267	2.00	92	12,670.00	104,670.00	209,250.00
07/01/33	1,175	2.00	93	11,750.00	104,750.00	
01/01/34	1,082	2.00	94	10,820.00	104,820.00	209,570.00
07/01/34	988	2.00	95	9,880.00	104,880.00	
01/01/35	893	2.00	96	8,930.00	104,930.00	209,810.00
07/01/35	797	2.00	97	7,970.00	104,970.00	
01/01/36	700	2.00	97	7,000.00	104,000.00	208,970.00
07/01/36	603	2.00	98	6,030.00	104,030.00	
01/01/37	505	2.00	99	5,050.00	104,050.00	208,080.00
07/01/37	406	2.00	100	4,060.00	104,060.00	
01/01/38	306	2.00	101	3,060.00	104,060.00	208,120.00
07/01/38	205	2.00	102	2,050.00	104,050.00	
01/01/39	103	2.00	103	1,030.00	104,030.00	208,080.00
Totals			$2,923	$523,010.00	$3,446,010.00	$3,446,010.00

(Subject to the attached letter of Baker Tilly Municipal Advisors dated May 11, 2023)

GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OF PRESENT RATES AND CHARGES

	Rates Per Month (1)
A. Monthly Base Charge	
Monthly base charge:	
5/8 - 3/4 Inch	$21.30
1 Inch	50.70
1 1/2 Inch	115.38
2 Inch	197.70
Monthly flow charge:	
1,000 Gallons	9.25
Outside Town	
Monthly base charge:	
5/8 - 3/4 Inch	$24.39
1 Inch	58.05
1 1/2 Inch	132.11
2 Inch	226.37
Monthly flow charge:	
1,000 Gallons	10.59
III. Lakeland Lagoon Association:	
Monthly base charge:	
1 Inch	$468.75
Monthly flow charge:	
1,000 Gallons	8.56

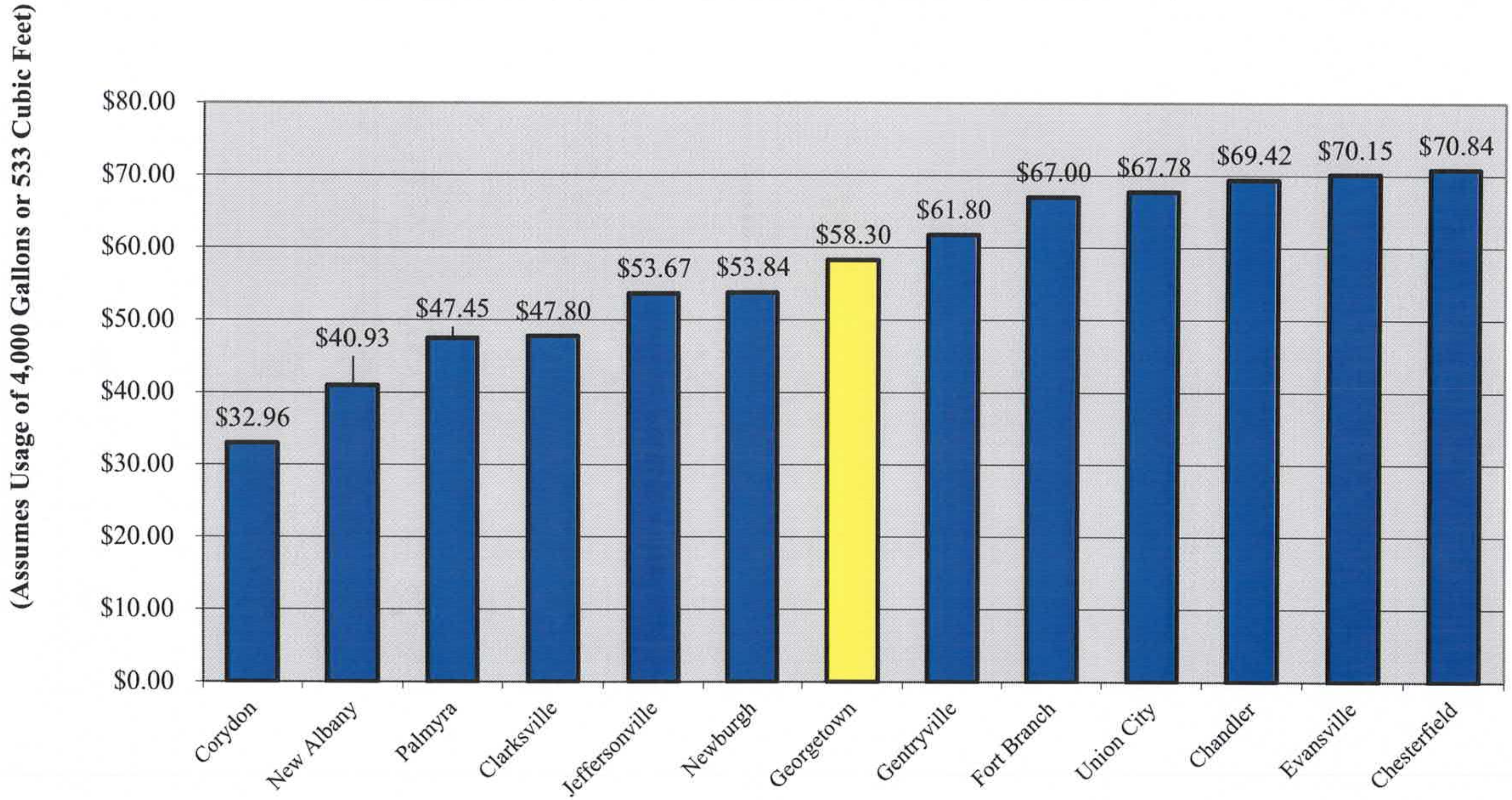
VI. Monthly Outside Town Surcharge:

(1) Current rates and charges were approved by the Town Council on December 17, 2018 per Ordinance No. G-18-11. Rates became effective upon adoption of the ordinance.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated May 11, 2023)

GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

COMPARISON OF LOCAL AND SIMILAR SIZED INDIANA COMMUNITIES



(Subject to the attached letter of Baker Tilly Municipal Advisors dated May 11, 2023)

GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

COMPUTATION OF CALENDAR YEAR 2022 BOND COVERAGE
Year 2022

	With Tap Fees	Without Tap Fees
Operating Receipts:		
Collection and treatment	$1,315,434	$1,315,434
Penalties	20,876	20,876
Other	32,419	32,419
Total Operating Receipts	1,368,729	1,368,729
Non-Operating Receipts:		
Interest	11,618	11,618
Miscellaneous	40,937	40,937
Tap fees	769,560	-
Total Non-Operating Receipts	822,115	52,555
Total Available Receipts:	2,190,844	1,421,284
Less: Annual Operating and Maintenance Expense	(1,157,427)	(1,157,427)
Net Receipts Available for Debt Service	$1,033,417	$263,857
Annual Principal and Interest Payment on Outstanding Revenue Bonds (1)	$209,700	$209,700
Debt Service Coverage	493%	126%

(1) Includes the recorded January 1, 2022 and July 1, 2022 payments.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated May 11, 2023)

GEORGETOWN (INDIANA) MUNICIPAL SEWAGE WORKS

HISTORICAL SCHEDULE OF TAP FEES
2014 - 2022

Year	Amount
2014	$79,015
2015	48,600
2016	304,300
2017	346,000
2018	292,120
2019	390,701
2020	471,420
2021	478,380
2022	769,560

(Subject to the attached letter of Baker Tilly Municipal Advisors dated May 11, 2023)