

HAMILTON CFD FINANCIAL INFO

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THE CITY OF
NOVATO
CALIFORNIA

HAMILTON CFD FINANCIAL BACKGROUND

CFD is a financing mechanism used to issue debt, construct needed capital improvements, and secure the repayment of the debt via a property tax levy

CFD levy can also be used for certain ongoing services

Original bonds issued in 1995 = \$25,570,000

Used to construct – levee, storm drainage, pump stations, roads, landscaping, other capital improvements

Bonds were refinanced in 2004 and in 2014 for interest rate savings



FACILITIES TAX (I.E. BOND REPAYMENT)

Maximum tax established by a calculation in the CFD documents = \$2.4M annually

Pre-2004, Facilities tax levy was ~ \$2.1M

After 2004 refunding, Facilities tax levy was ~ \$1.7M

2014 refunding further reduced debt service to ~ \$1.4M

However, for 2014-15 the City kept the levy at \$1.7M (explained in later slides)

Total tax is distributed among nearly 900 residential units and 480,000 square feet of commercial/office/hotel/etc

Tax cannot be levied after 2025 (when debt is paid off)



SERVICES TAX (I.E. MAINTENANCE)

Total budget is \$500k annually

Landscape Maintenance (~\$350k, incl. \$100k irrigation)

- ❑ 2 FTE Maintenance Workers
- ❑ Operating and supply costs

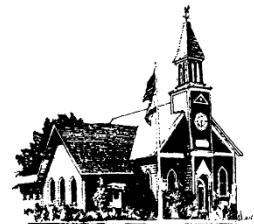
Levee Maintenance (~\$35k)

- ❑ 0.2 FTE Maintenance Worker
- ❑ Operating and supply costs

Pump Stations #1 and #2 (~\$150k)

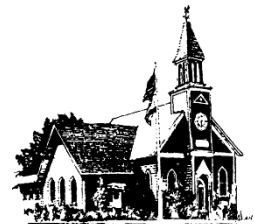
- ❑ 0.8 FTE Maintenance Worker
- ❑ Operating and supply costs

Replacement set-aside (\$50k)



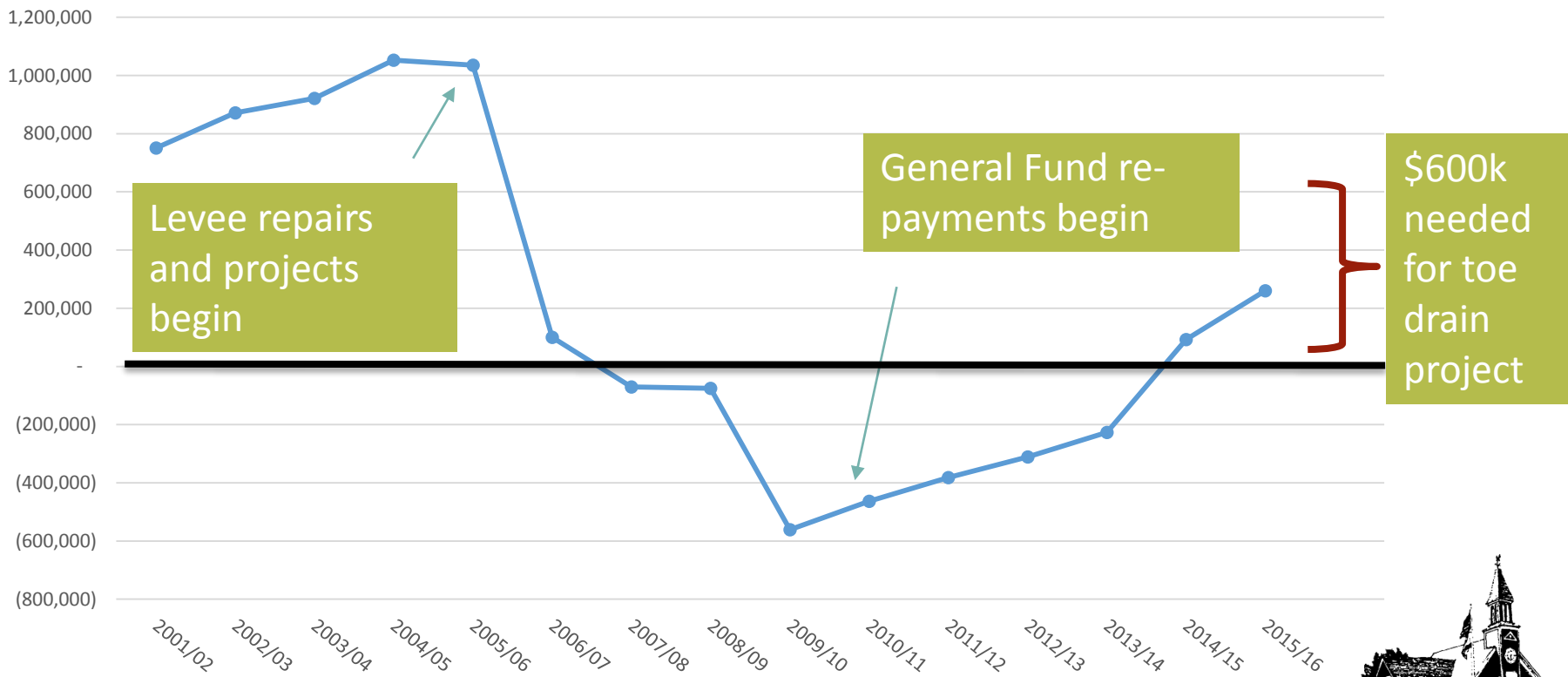
RESERVES, LEVEE EXPENSES, LAWSUIT

- Over the first 10 years, CFD built up \$1M in reserves for future projects/replacement/repairs
- Levee projects and repairs outside normal maintenance began in 2006
- Fund balance declined to -\$560k (i.e. General Fund of City was loaning the CFD money)
- Loan repayments began in 2010/11 – loan was paid off in 2014/15



FUND BALANCE AND GENERAL FUND LOAN

Hamilton CFD Maintenance Fund Balance History

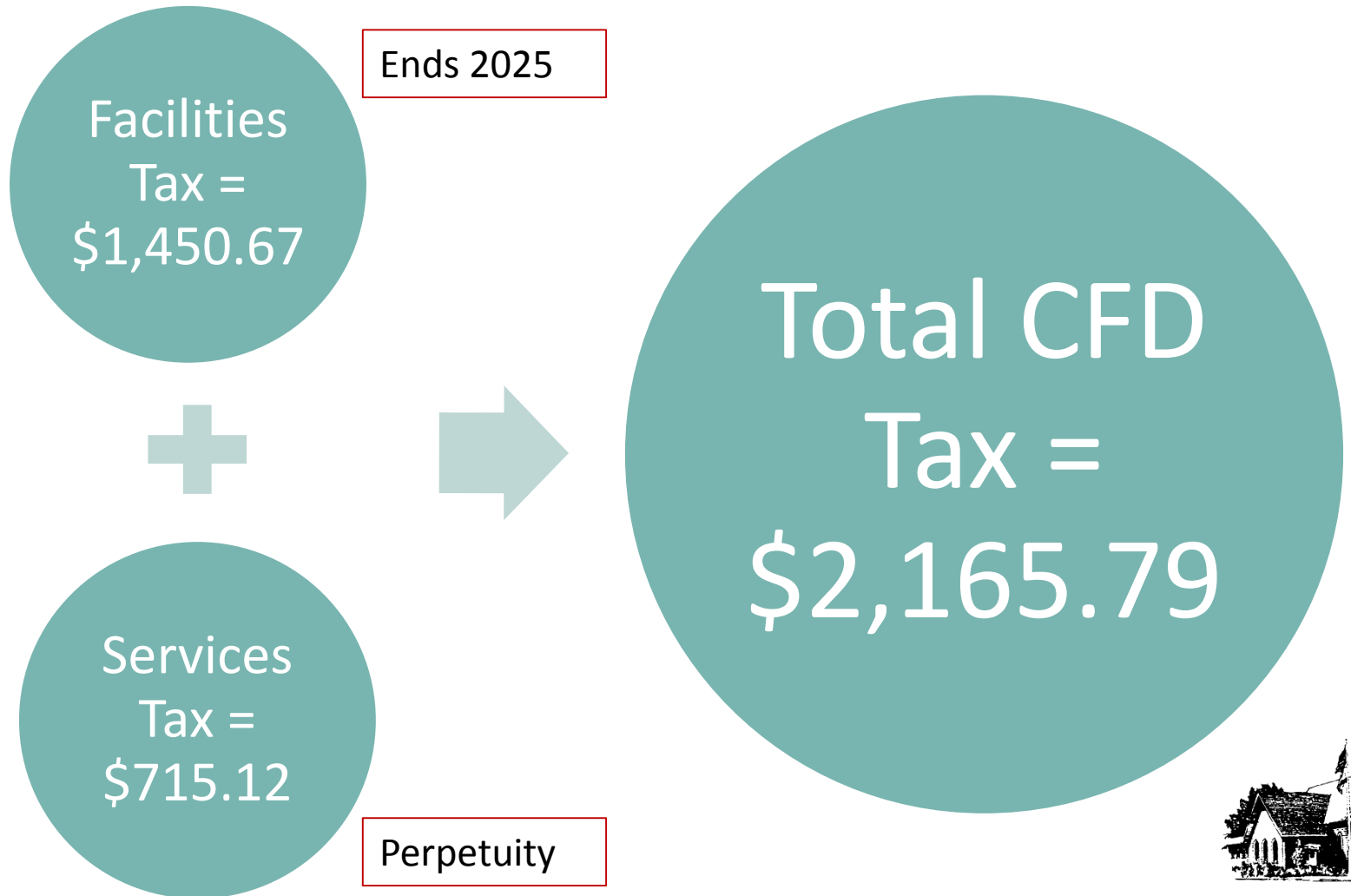


BOND RE-FINANCING

- In 2014, the City completed a re-financing of the CFD bonds with a loan from Bank of Marin – interest rate of 2.8%
- Annual debt service dropped from \$1.6 to \$1.4 million
- Due to outstanding GF loan, as well as major levee toe drain projects, City did not reduce tax levy for 2014-15
- Allots \$230k for repayment and projects each year
- After loan repayment, FEMA recertification, and upcoming toe drain project, City can reconsider what tax level is needed
- 2017/18 fiscal year will be the 4th year at the higher rate
- Reminder – facilities tax can only be levied until 2025



TAX BREAKDOWN (EXAMPLE SFD)



UPCOMING HAMILTON MEETINGS

- Monday, March 20th – Community Meeting on Federal Lands-to-Parks Properties
 - Hamilton Community Center
 - 7pm – 9pm
- Saturday, March 25th – Budget Workshop / Open House
 - Hamilton Community Center
 - 2pm – 4pm

