

APPENDIX G

**Public Lighting Authority of Detroit
Budget**

	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23
Revenue Sources										
Utility User Tax	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000
City of Detroit Admin Fees	\$ 329,348	\$ 658,696	\$ 1,317,392	\$ 1,515,000	\$ 1,515,000	\$ 1,515,000	\$ 1,515,000	\$ 1,515,000	\$ 1,515,000	\$ 1,515,000
Bridge Loan Proceeds	\$ 60,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Proceeds (Net of D.S. Reserve Fund)	\$ 135,504,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 208,334,340	\$ 13,158,696	\$ 13,817,392	\$ 14,015,000	\$ 14,015,000	\$ 14,015,000	\$ 14,015,000	\$ 14,015,000	\$ 14,015,000	\$ 14,015,000

Administrative Budget										
Salaries & Benefits	\$ 534,114	\$ 566,160	\$ 594,468	\$ 610,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000
Insurance	\$ 78,500	\$ 83,316	\$ 87,482	\$ 89,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
Auto Expenses	\$ 15,600	\$ 16,032	\$ 16,414	\$ 16,500	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000
Professional Fees	\$ 626,100	\$ 429,346	\$ 419,843	\$ 327,385	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Occupancy	\$ 58,093	\$ 51,677	\$ 45,976	\$ 48,275	\$ 50,000	\$ 55,000	\$ 60,000	\$ 65,000	\$ 70,000	\$ 75,000
Office	\$ 152,000	\$ 161,120	\$ 165,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 185,000	\$ 190,000	\$ 195,000	\$ 200,000
Conferences & Meetings	\$ 25,000	\$ 26,500	\$ 27,825	\$ 28,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Others	\$ 315,000	\$ 333,900	\$ 350,595	\$ 280,000	\$ 283,000	\$ 273,000	\$ 263,000	\$ 253,000	\$ 243,000	\$ 233,000
Total Operating Budget	\$ 1,804,506	\$ 1,668,052	\$ 1,707,603	\$ 1,569,159	\$ 1,515,000	\$ 1,515,000	\$ 1,515,000	\$ 1,515,000	\$ 1,515,000	\$ 1,515,000

Capital Project Expenditures										
DTE - Project Management	\$ 1,200,000	\$ 1,200,000	\$ 900,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surveys	\$ 1,950,000	\$ 2,200,000	\$ 94,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering & Design	\$ 3,876,555	\$ 6,307,326	\$ 3,153,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over Head Removal	\$ 3,230,485	\$ 4,826,266	\$ 4,826,266	\$ 2,413,133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Under Ground Removal	\$ 727,993	\$ 1,087,604	\$ 1,087,604	\$ 543,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over Head Installation	\$ 4,221,358	\$ 7,316,305	\$ 7,316,305	\$ 3,658,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Under Ground Installation	\$ 18,228,858	\$ 26,780,858	\$ 28,019,278	\$ 17,497,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Communications	\$ 26,400	\$ 5,400	\$ 4,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Projects	\$ 33,461,648	\$ 49,723,759	\$ 45,401,897	\$ 24,412,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Debt Service Expenditures										
Principal payment - Bridge Loan	\$ 60,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal payment - Bond	\$ -	\$ -	\$ 1,525,000	\$ 1,595,000	\$ 1,675,000	\$ 1,760,000	\$ 1,855,000	\$ 1,950,000	\$ 2,060,000	\$ 2,185,000
Interest Expenses - bond	\$ -	\$ 5,990,788	\$ 10,973,113	\$ 10,902,613	\$ 10,820,863	\$ 10,734,988	\$ 10,644,613	\$ 10,549,488	\$ 10,438,938	\$ 10,311,588
Interest Expenses - Bridge Loan	\$ 1,350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance Expenses - Bond	\$ 2,233,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance Expenses - Bridge Loan	\$ 660,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trustee Fees	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Total Debt Service	\$ 64,246,275	\$ 5,993,788	\$ 12,501,113	\$ 12,500,613	\$ 12,498,863	\$ 12,497,988	\$ 12,502,613	\$ 12,502,488	\$ 12,501,938	\$ 12,499,588

Total	\$ 99,512,429	\$ 57,385,599	\$ 59,610,612	\$ 38,482,468	\$ 14,013,863	\$ 14,012,988	\$ 14,017,613	\$ 14,017,488	\$ 14,016,938	\$ 14,014,588
Change	\$ 108,821,910	\$ (44,226,903)	\$ (45,793,220)	\$ (24,467,468)	\$ 1,137	\$ 2,012	\$ (2,613)	\$ (2,488)	\$ (1,938)	\$ 412
Beginning Fund Balance	\$ 6,117,415	\$ 114,939,325	\$ 70,712,422	\$ 24,919,202	\$ 451,733	\$ 452,870	\$ 454,882	\$ 452,269	\$ 449,781	\$ 447,843
Ending Fund Balance	\$ 114,939,325	\$ 70,712,422	\$ 24,919,202	\$ 451,733	\$ 452,870	\$ 454,882	\$ 452,269	\$ 449,781	\$ 447,843	\$ 448,255

Assumptions:

Revenue:

Utility User Tax: This is the revenue from City's utility tax that will be used to repay the bond.
City of Detroit Admin Fees: City has agreed to pay 15% of the electricity operating cost as an admin fee. PLA estimated the number of lights available during the pilot program are 10,000 and 20,000 for the first two years
Bridge Loan Proceeds: PLA will initially borrow \$60 million to start the project. The loan will be paid as soon as the \$149 Million bond is issued. The loan will have interest rate equal to 1 month LIBOR index plus 16% margin. (estimated 3%)
Bond Proceeds: This assumption is based on PLA will sell \$149 million in bonds by June 15, 2014. This will be repaid through Utility user tax of \$12.5M per year for 30 years. The bond is a 30 year bond issue and carries an interest rate ranging from 4 to 8 percent. The bond analysis was prepared by Robert W. Baird & Co.
 Note: City will be paying all operating and electricity cost

Administrative Budget

Salaries & Benefits: These expenditures are based on the number of employees that PLA will utilize.
Insurance: Consist of Officers and Directors, Liability and umbrella insurance.
Auto Expenses: Consist of the employee parking and auto allowance
Professional Fees: Consist of accounting, auditing, legal and public relation professionals
Occupancy: Consist of rent and repairs & maintenance of the PLA office
Office: Consist of office expenses
Conferences & Meetings: Board and staff meeting.
Others: All other unexpected expenses

Capital Project Expenditures:

Estimated total cost of the project will be \$153 Million

Debt Service Expenditures:

Bridge loan in the amount of \$60 million which will be paid within a year with an estimated interest of \$1.35M.
 Bond will be issued 1st quarter of fiscal year 2015. the first principal payment is scheduled on July 2016 and the first interest payment is January 2016.
 Estimated trustee and others fees of \$3,000 per annum.

PUBLIC LIGHTING AUTHORITY OF DETROIT
BALANCE SHEET
JULY 31, 2013

ASSETS

Cash	\$ 1,029,411
Employee Advances	20,000
Total Assets	<u>\$ 1,049,411</u>

LIABILITIES & FUND BALANCE

LIABILITIES

Accounts Payable	\$ 29,091
Other Payables	-
Total Liabilities	<u>\$ 29,091</u>

FUND BALANCE

Non-spendable	\$ -
Unassigned	1,020,320
Total Fund Balance	<u>\$ 1,020,320</u>

Total Liabilities & Fund Balance	<u>\$ 1,049,411</u>
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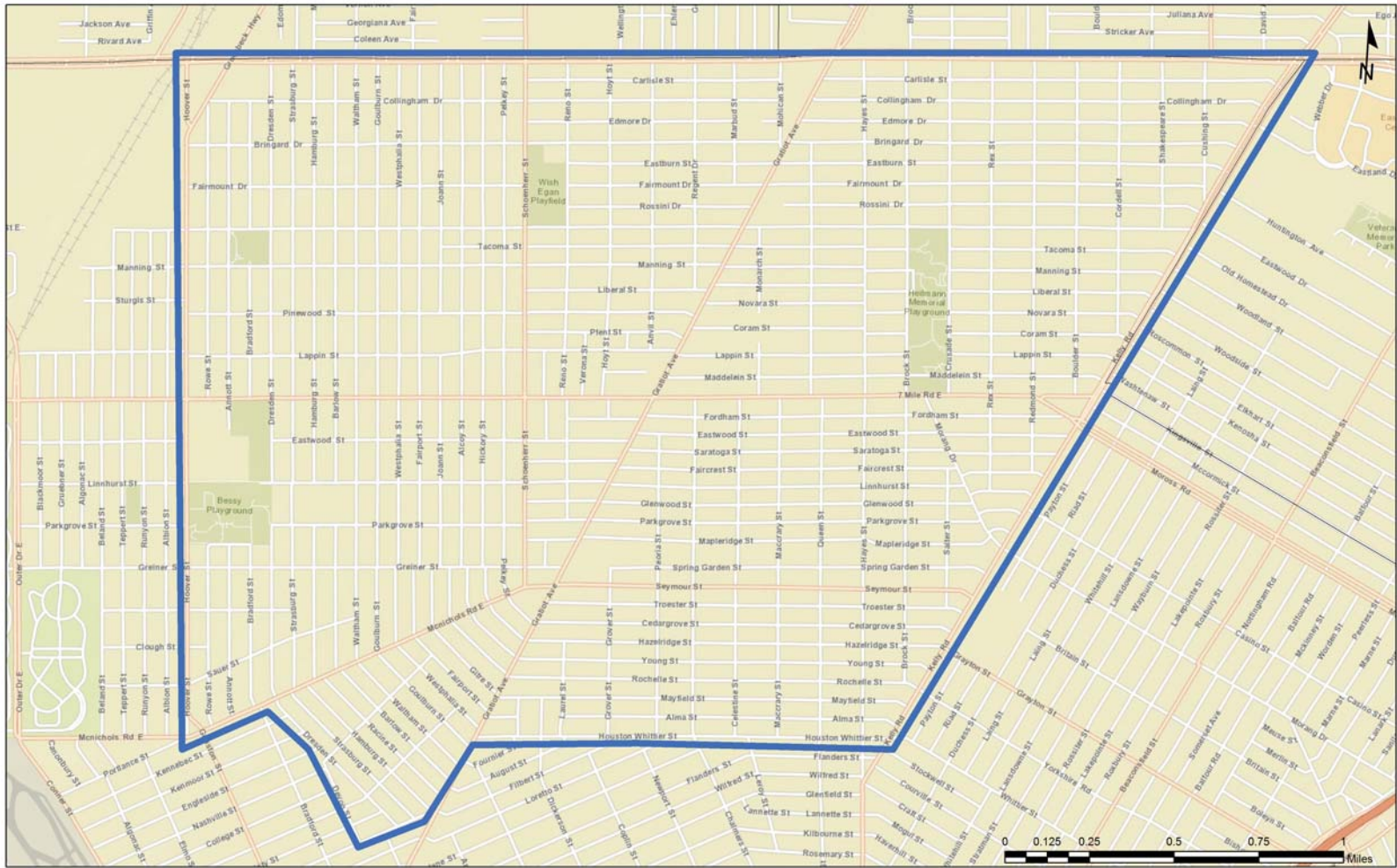
PUBLIC LIGHTING AUTHORITY OF DETROIT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE ONE MONTH ENDED JULY 31, 2013

	<u>CURRENT</u>	<u>YEAR-TO-DATE</u>
REVENUE:		
Utility User Tax Revenue	\$ -	\$ 1,200,000
 Total Revenue	<u>\$ -</u>	<u>\$ 1,200,000</u>
 EXPENDITURES:		
Salaries & Wages	\$ 4,360	\$ 4,360
Fringe Benefits	338	338
Auto Expenses	518	518
Bank Charges	75	110
Occupancy	150	150
Office Expenses	608	608
Legal Fees	28,377	101,444
Public Relation Services	7,600	56,350
Secretarial Services	1,038	1,770
Trustee Fees	2,500	2,500
Relocation Expenses	-	10,000
Telephone & Internet	1,532	1,532
 Total Expenditures	<u>\$ 47,097</u>	<u>\$ 179,680</u>
 Change in Fund Balance	\$ (47,097)	\$ 1,020,320
 Beginning Fund Balance	1,067,417	-
 Ending Fund Balance	<u>\$ 1,020,320</u>	<u>\$ 1,020,320</u>

Exhibit 2

Pilot Area Maps

East PLA Pilot Area



West PLA Pilot Area

