

**AGENDA  
CORCORAN CITY COUNCIL  
SPECIAL MEETING  
CITY HALL  
1015 CHITTENDEN AVENUE  
January 26, 2016, 5:00 P.M.**

**1. ROLL CALL**

**2. PUBLIC DISCUSSION**

Members of the audience may address the Council on non-agenda items; however, in accordance with government code section 54954.2, the Council may not (except in very specific instances) take action on an item not appearing on the posted agenda.

This is the time for members of the public to comment on any matter within the jurisdiction of the Corcoran City Council. This is also the public's opportunity to request that a Consent Calendar item be removed from that section and made a regular agenda item. The councilmembers ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome.

After receiving recognition from the chair, speakers shall walk to the rostrum, state their name and address and proceed with comments. Each speaker will be limited to five (5) minutes.

**3. STAFF REPORTS**

**3-A.** Consider Resolution No. 2820 implementing an emergency rate increase for water rates in order to meet debt service coverage requirements.  
(Meik) (VV)

**4. CLOSED SESSION- None**

**V. ADJOURNMENT**

I certify that I caused this agenda of the Corcoran City Council meeting to be posted at the City Council Chambers, 1015 Chittenden Avenue on January 22, 2016.

  
\_\_\_\_\_  
City Clerk

**NOTICE AND CALL OF  
SPECIAL MEETING OF THE CORCORAN CITY COUNCIL**

**TO THE MEMBERS OF THE CITY COUNCIL OF THE CITY OF CORCORAN:**

**NOTICE IS HEREBY GIVEN** that a special meeting of the City Council of the City of Corcoran is hereby called to be held on Tuesday, January 26, 2016, commencing at 5:00 P.M. at City Council Chambers, 1015 Chittenden Avenue, Corcoran.

Said special meeting shall be for the purpose of discussing emergency water rate increases in order to comply with the legal debt service coverage obligations as outlined in the 2008 Revenue Bonds covenants.

**DATED:** January 22, 2016

/s/

\_\_\_\_\_  
Jerry Robertson, Mayor

**NOTICE IS HEREBY GIVEN** that a special meeting of the City Council of the City of Corcoran will be held on Tuesday, January 26, 2016, commencing at 5:00 P.M. at City Hall. Said special meeting shall be for the purpose of holding a Closed Session.

**DATED:** January 22, 2016

  
\_\_\_\_\_  
City Clerk

City of

# CORCORAN

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## STAFF REPORTS ITEM #: 3-A

### MEMO

**TO:** Corcoran City Council

**FROM:** Kindon Meik, City Manager

**DATE:** January 22, 2016

**MEETING DATE:** January 26, 2016

**SUBJECT:** Consider emergency rate increase for water rates.

#### **Recommendation:**

Approve Resolution No. 2820 implementing an emergency rate increase for water rates in order to meet debt service coverage requirements.

#### **Discussion:**

In 2005, following a rate study and the Proposition 218 process, the City Council adopted Resolution No. 2222 establishing annual increases in water rates over a four year period to facilitate the issuance of bonds for the construction of a water treatment plant capable of treating water to meet new Federal and State arsenic level standards.

As part of Resolution No. 2222, the City Council approved the following annual increases on rates as they existed at the time:

- a. January 1, 2006 – 24%
- b. January 1, 2007 – 24%
- c. January 1, 2008 – 24%
- d. January 1, 2009 – 24%

Additionally, Resolution No. 2222 outlined periodic cost of living increases in Section 4 of the resolution stating:

“Nothing contained herein shall prohibit the City from imposing additional cost of living increases and/or other increases to the water rates paid by its Citizens, as is necessary. Such increases, if any, shall be in addition to those rate increases provided for above in relation to the Water Treatment Plant.”

#### CITY OFFICES:

832 Whitley Avenue \* Corcoran, CA 93212 \* Phone 559-992-2151 \* [www.cityofcorcoran.com](http://www.cityofcorcoran.com)

Notwithstanding the allowable increases stipulated in the aforementioned resolution, the City subsequently implemented the following rate increases:

- a. January 1, 2006 – 24%
- b. January 1, 2007 – 24%
- c. January 1, 2008 – 16%
- d. January 1, 2009 – 16%

As noted, the City has not raised water rates since 2009. Moreover, the cost of living increases provided for in Resolution No. 2222 were not implemented in the years leading up to 2009 nor has a cost of living increase been added to water rates in the last six years.

In recent months, it has become apparent that State mandated water conservation efforts have caused a significant reduction in water fund revenues. The reduction in revenues is problematic in that the covenants associated with the 2008 Revenue Bonds require that the City maintain debt service coverage of 120%. In simple terms, this means that the City is legally obligated to ensure that its net revenues are 20% greater than its total debt service. The NHA Advisors memorandum included provides further information on the debt service coverage for the water fund since FY 2009-2010.

In order to be in compliance with the bond covenants for this fiscal year, staff is recommending the following:

1. Emergency rate increase
2. Reduce expenses in the water fund
3. Utilize cash reserves as a rate stabilization fund (RSF)
4. Authorize rate study for future solidity of the water fund

To meet the required debt service coverage threshold, it will be necessary to implement an 18% increase in water rates. The proposed increase will be assessed on all connection or base rates, usage rates, and all other factors used to determine water rates for metered and flat rate customers. With this, it is anticipated that the water fund will generate approximately \$372,000 in gross revenue by the end of the fiscal year. In an effort to offset rate increases, budgeted expenses in the water fund will be reduced by \$120,000 in the next five months. Additionally, the City will transfer \$150,000 in water fund reserves into a rate stabilization fund and subsequently to the bond trustee as a temporary revenue to reach the desired debt service coverage number. As the water fund stabilizes over the next year, the \$150,000 would return to the water fund reserves and be available as needed. Finally, the City will authorize a rate study to develop a rate structure that maintains the financial viability of the water fund.

City of

# CORCORAN

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The combined benefit of these three initiatives will establish a debt service coverage of 135% for the current fiscal year.

It is important to note that failure to take corrective action at this time could be detrimental to the City's efforts to extend or renew the Letter of Credit (LOC) on the 2008 Revenue Bonds. Moreover, by being proactive, the City protects itself against potential penalties, interest rate increases, and/or additional debt requirements that could inconvenience the City and its rate payers with unnecessary and burdensome financial ramifications.

**Budget Impact:**

The efforts to reduce expenses and generate new revenues will strengthen the water fund immediately and ensure that the City is able to meet the debt service coverage requirements set forth in the 2008 Revenue Bonds.

**Attachments:**

Resolution No. 2820

Resolution No. 2222

NHA Advisors Memorandum

**CITY OFFICES:**

832 Whitley Avenue \* Corcoran, CA 93212 \* Phone 559-992-2151 \* [www.cityofcorcoran.com](http://www.cityofcorcoran.com)

RESOLUTION NO. 2820

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORCORAN  
ESTABLISHING NEW WATER RATES FOR THE CITY OF CORCORAN'S MUNICIPAL  
WATER SERVICE

WHEREAS, Title 8, Chapter 1 of the Corcoran Municipal Code provides that the rates for water shall be set by Resolution by the City Council; and,

WHEREAS, in October 2005, and in compliance with Proposition 218, the City Council adopted Resolution No. 2222 approving an annual rate increase of 19% to 24% per year for four consecutive years and further approved the implementation of a cost of living adjustment (COLA) as necessary; and,

WHEREAS, notwithstanding the allowable increases stipulated in the aforementioned resolution, the City implemented following rate increases:

- a. January 1, 2006 – 24%
- b. January 1, 2007 – 24%
- c. January 1, 2008 – 16%
- d. January 1, 2009 – 16%

WHEREAS, the City has not increased rates nor has it implemented a cost of living increase since 2009; and,

WHEREAS, it is necessary for the City to cover the operating and maintenance costs of the water system; and:

WHEREAS, the City is legally obligated to maintain a minimum debt service coverage of 120% (net revenues divided by total debt service) as part of the covenants associated with the 2008 Revenue Bond for the water treatment plant; and,

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Corcoran that all prior resolutions establishing or amending water rates are repealed and the City Council establishes an emergency rate increase retroactive to January 1, 2016 as outlined below:

Flat rate service, based on lot size:

- (1) Single family residences on lots up to 41 feet in width or 4,000 square feet in size, \$49.05 per month, payable in arrears.
- (2) Single family residences on lots from 41 to 50 feet in width, or 4,001 to 5,000 square feet in size, \$55.46 per month, payable in arrears.

- (3) Single family residences on lots greater than 50 feet in width or 5,000 square feet in size, \$55.46 per month \$1.14 for each additional foot over 50 feet in width or for each additional 100 square feet, payable in arrears.
- (4) Churches \$37.96 per month payable in arrears.
- (5) Multi-family dwellings (apartments, duplexes, etc.), \$49.05 per unit per month, payable in arrears.
- (6) The Corcoran Unified School District rate shall be and \$10,310.20 per month, payable in arrears.

Metered Service Rates:

- (1) Metered services per unit shall be \$49.05 for the first 600 hundred cubic feet and \$1.31 for each 100 additional cubic feet per month, payable in arrears.
- (2) Hydrant meter services shall be charged the same usage rates as regular meters.

Penalties:

A late charge of \$5.00 shall be added to any bill not paid by the 15<sup>th</sup> of the month rendered.

An additional late charge of \$10.00 shall be added to any bill when it is not paid within forty-five days of the billing date.

A turn-on charge of \$10.00 shall be added to any bill when the service has been turned off for nonpayment and is turned back on.

NOW THEREFORE, BE IT FURTHER RESOLVED, the City may impose additional cost of living increases as necessary beginning July 1, 2016 and each fiscal year thereafter; said cost of living increases shall be the greater of 3% or the average consumer price index (CPI) for the prior fiscal year. Cost of living increases shall not require additional Council action and are hereby authorized under this resolution.

PASSED AND ADOPTED at a special meeting of the City Council of the City of Corcoran held on the 26th day of January 2016 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED: \_\_\_\_\_  
Jerry Robertson, Mayor

ATTEST: \_\_\_\_\_  
Karla Cruz, City Clerk

I hereby certify that the foregoing is a full, true and correct copy of a resolution passed and adopted by the City Council of the City of Corcoran at a meeting held on the 26th day of January 2016, by the vote as set forth herein.

DATED: \_\_\_\_\_  
City Clerk



RESOLUTION NO. 2222

RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF CORCORAN  
ESTABLISHING ANNUAL INCREASES OVER A FOUR YEAR PERIOD  
TO FACILITATE ISSUANCE OF BONDS FOR  
WATER TREATMENT PLANT PROJECT

At a regular meeting of the City Council of Corcoran duly called and held on October 12, 2005 at 7:00 p.m., upon motion of Council Member Baltierra, seconded by Council Member Haile, and duly carried, the following resolution was adopted:

WHEREAS, Federal and State legislative bodies have imposed new Arsenic level standards for the water utilized by the residents of the City of Corcoran;

WHEREAS, the failure to meet such standards will result in the imposition of excessive fines and penalties against the City;

WHEREAS, in order to meet the new Arsenic level standards in a timely manner, the City is required to immediately upgrade its water treatment plant and all related equipment and infrastructure;

WHEREAS, the City is unable to shoulder the financial costs of the Water Treatment Plant Project without the issuance of bonds to finance the upgrades; and

NOW THEREFORE, BE IT RESOLVED that the City of Corcoran does establish, as follows:

1. In order to achieve the issuance of bonds necessary to fund the Water Treatment Plant Project, water rates paid by the residents of the City of Corcoran shall be subject to the following annual rate increases over the current rates as they exist at the time of the subject increase:

- a. January 1, 2006, 19 - 24%
- b. January 1, 2007, 19 - 24%
- c. January 1, 2008, 19 - 24%
- d. January 1, 2009, 19 - 24%

2. The actual rate increase to be paid by the residents of the City of Corcoran shall be subject to modification within the approved percentage depending on bond pricing and other factors which may impact the increase amount. Under no circumstances, however, shall the assessed rate be less than 19%.

3. The actual rate increase shall be imposed by the City without further action by the City Council. The City Manager and/or his agent is hereby vested with the authority to certify the actual rate increase to be paid by the residents of the City of Corcoran

following a reasonable review of bond pricing information and all other factors which impact, directly and indirectly, the rate to be assessed.

4. Nothing contained herein shall prohibit the City from imposing additional cost of living increases and/or other increases to the water rates paid by its Citizens, as is necessary. Such increases, if any, shall be in addition to those rate increases provided for above in relation to the Water Treatment Plant Project.

5. This resolution shall become effective immediately upon its passage, with no period of appeal.

Passed and Adopted at the regular meeting of the City Council of the City of Corcoran held on October 12, 2005 by the following vote:

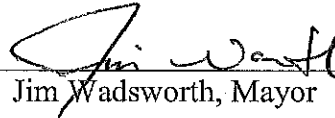
AYES: Councilmembers: Lerma, Baltierra, Haile and Wadsworth

NOES: None

ABSENT: Councilmember: Robertson

ABSTAIN: None

APPROVED:

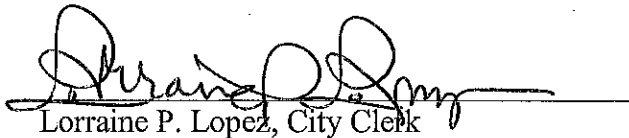
  
\_\_\_\_\_  
Jim Wadsworth, Mayor

ATTEST:

  
\_\_\_\_\_  
Lorraine P. Lopez, City Clerk

I hereby certify that the foregoing is a full, true and correct copy of a resolution passed and adopted by the City Council of the City of Corcoran at a meeting held on the 12th day of October 2005 by vote as set forth herein.

Dated: October 12, 2005

  
\_\_\_\_\_  
Lorraine P. Lopez, City Clerk

## MEMORANDUM

To: Kindon Meik

From: Eric Scriven and Mike Meyer

Date: January 20, 2016

RE: Drought Impact to Water System Revenues, Bond Coverage and Available Strategic Remedies

The following short memorandum outlines the challenges that the drought has imposed upon the fiscal health of the water system. These impacts directly affect the City's ability to meet legal bond covenants, maintain a letter of credit (LOC) for its 2008 Revenue Bonds, and sufficiently meet its annual operations, maintenance and capital improvement expense needs.

### FINANCIAL IMPACTS OF DROUGHT ON WATER SYSTEM

State mandated conservation efforts have caused a significant reduction in the City's water system revenues, all at a time when expenses have been increasing. As shown in the table below, from 2010 to 2014, user based revenues were consistently between \$4.4 and \$4.5 million. Along with about \$500K of insurance proceeds/other revenue flowing in for 2013 and 2014, total revenues were closer to \$5 million for these two fiscal years. Expenses for 2013 were \$2.4 million and \$2.7 million for 2014, putting net revenues at \$2.6 million and \$2.3MM for these two years. Based on a total debt service number of \$1.55MM, debt coverage (net revenues divided by total debt service) was a healthy 165% and 148% for 2013 and 2014. These figures were well above the minimum coverage that the City has legally covenanted to maintain of 120%. However, FY2015 was the first year to see a significant downturn in user-based revenues, falling to \$4.1 million. Given that the City also received \$400K of insurance income, the City barely made its minimum coverage requirement. With \$4.5 million of gross revenues, and \$2.6 million of expenses, the City's net revenues were \$1.9 million, covering debt service by 123%.

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
						Unaudited	Budgeted
<b>REVENUES:</b>							
Charges for Services	4,546,130	4,384,999	4,399,716	4,465,247	4,488,165	4,138,010	4,135,013
Connection Fees	140	3,959	175	140	179	43	100
Interest Income	40,745	44,745	34,314	(45,600)	14,529	13,984	14,000
Rental Income	45,915	36,618	49,210	44,651	5,119	-	-
Insurance Income	-	-	-	-	466,054	392,835	-
Other Income	216	3,495	271	530,015	847	630	-
Capital Contribution/Development Fees	48,846	7,719	12,753	8,061	15,119	-	-
Rate Stabilization Fund	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>4,681,992</b>	<b>4,481,535</b>	<b>4,496,439</b>	<b>5,002,514</b>	<b>4,990,012</b>	<b>4,545,503</b>	<b>4,149,113</b>
<b>Total Operating Expenses</b>	<b>2,345,047</b>	<b>2,162,218</b>	<b>2,102,157</b>	<b>2,429,738</b>	<b>2,699,871</b>	<b>2,634,791</b>	<b>2,685,993</b>
<b>Net Revenues Pledged</b>	<b>2,336,945</b>	<b>2,319,317</b>	<b>2,394,282</b>	<b>2,572,776</b>	<b>2,290,141</b>	<b>1,910,711</b>	<b>1,463,120</b>
<b>Total Senior Debt Service</b>	<b>1,082,636</b>	<b>1,427,577</b>	<b>1,526,971</b>	<b>1,557,917</b>	<b>1,551,313</b>	<b>1,551,545</b>	<b>1,555,684</b>
<b>DS Coverage</b>	<b>2.16</b>	<b>1.62</b>	<b>1.57</b>	<b>1.65</b>	<b>1.48</b>	<b>1.23</b>	<b>0.94</b>

While the City has budgeted (and confirmed with recent estimates) the same amount of user-based revenues for this 2015/16 fiscal as last year, the City will not be collecting additional revenue from insurance proceeds given the one time nature of those insurance proceeds relating to Well No.'s 8 and 9. Thus, the City expects to only collect \$4.14 million of total revenue this year. After deducting estimated expenses of \$2.69 million, the City will have an estimated \$1.46 million of net revenues, representing just 94% of total debt service – well below the 120% minimum.

While the City should always be focused on the health of the system and maintenance of its legal covenants, the timing of this revenue reduction also coincides with the March 2016 expiration of the Letter of Credit (from Union Bank) that secures the City's 2008 bond issue. While the team is already exploring a potential extension of the LOC, Union Bank, as well as other potential LOC banks that the City's financial team will be negotiating with, will be highly focused upon the City's recent and expected financial performance, and the strategies that the City is implementing to ensure future stability and health of the system.

The following strategies, in our opinion, should be considered by the City as it implements both short and long term solutions to this unforeseen crisis.

- 1. Emergency Rate Increase through Previously Adopted (Prop 218 Compliant) Increases (Immediate):**  
The City's most recent rate increases were those of 24% in 2006 and in 2007, and 16% in both 2008 and 2009. However, since then, the City has not increased rates in any year for the last 7 years. As part of those approved rate increases, the City also had and has the ability to increase rates an additional 3% (or CPI, whichever is higher) in every year – though the City never imposed those increases. According to the City attorney, the City legally has the ability to raise its rates up to 3% for each year dating back to 2006 – so a total of 36%. Assuming the City raises its rates to this maximum amount allowed, the additional revenue expected to be generated from this rate increase is \$744K for the remainder of this fiscal year, putting expected gross revenues at \$4.89MM, and boosting debt service coverage to 142%. A more modest, and potentially more politically acceptable (less impactful to City residents) increase of 18% would add an additional \$372K of gross revenue for the remaining 5 months of the fiscal year – and increase coverage to 118%. While the coverage doesn't reach the minimum threshold of 120%, the City can likely easily reach this requirement by utilizing solutions #2 and/or #3 below.
- 2. Reduce Water System Expenses for the Current Fiscal Year (Short-Term: FY 2015/16):** Based on discussions with the City's Finance and Utility staff, the City estimates that expenses can be decreased by about \$120,000 for the remainder of the fiscal year. The City can approve the "revised" budget at the next meeting in order to formalize the decrease, and demonstrate the City's pro-active management to the potential LOC banks and investors the team will be negotiated with. This one time reduction would not be viewed as a long-term structural solution by the banks – unless these expense reductions were in fact a more accurate projection of future expenses.
- 3. Utilize Rate Stabilization Fund (RSF) and Cash Reserves to Boost Coverage (Short-Term: FY 2015/16):**  
In 2012, the City's financing team established the ability for the City to utilize a "Rate Stabilization Fund (RSF)" to meet coverage requirements. Essentially, it allows the City to utilize other revenues that wouldn't normally be included in the calculation of gross revenues. In the City's case, the water system has \$4.3 million of liquid cash reserves. The City can utilize any amount of these revenues to deposit to the RSF, which can then be transferred to the "Revenue Fund" held with the bond trustee to be included in the calculation for this fiscal year's gross revenues. While this money can significantly increase the debt service coverage number, it does not represent new revenue generated for the long term, and thus will not be as important to a potential LOC provider as a long-term rate increase would be.

4. **Hire Firm to Conduct New Rate Study (Immediate Start to Study, New Rate Structure Implemented FY 2016/17 and Beyond):** The last comprehensive rate study for the City was completed nearly a decade ago. NHA strongly recommends that the City hire an experienced firm to undertake a new comprehensive rate study with the goal of developing a new rate structure that optimizes equitability among the City’s various rate payers while strengthening the financial health of the system.

In our opinion, NHA believes that all four of these options should be implemented immediately to address this pressing issue. By implementing #2 and #3, the City will be able to reduce the size of the emergency rate increase (mitigating the impact to rate payers), and provide plenty of cushion and flexibility for the City to meet its 120% coverage requirement in the event that the revenues generated from the rate increase come in lower than expected. NHA would recommend that a small portion of excess cash reserves (portion not needed for other projects) should be deposited into the RSF. The money will likely not be needed to cover actual expenses or debt service, and would simply flow back to the City’s reserve accounts at the end of the Fiscal Year (or left in the RSF at option of the City). As shown in the pro-forma below, a combination of an 18% increase, a reduction in expenses of \$120,000, and a \$150,000 deposit to the RSF (which flows back to the City anyway), would produce estimated coverage of 135% - a significant improvement over the currently projected coverage of 94%.

NHA looks forward to finalizing an optimal/balanced solution that meets the City’s overall goals and objectives. In addition, NHA highly recommends the implementation of a new rate study immediately (#4 above) and will work alongside the rate consultant to ensure that all options are evaluated and that the ultimate structure meets all of the City’s financial and operational objectives beginning in FY 2016/17 and beyond.

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Original Budget & No Rate Increase	2015/16	Proposed Budget Adjustment + 18% Rate Increase (Effective 1/1/2016)
						Unaudited	Budgeted		2015/16 Budgeted
<b>REVENUES:</b>									
Charges for Services	4,546,130	4,384,999	4,399,716	4,465,247	4,488,165	4,138,010	4,135,013		4,507,164
Connection Fees	140	3,959	175	140	179	43	100		100
Interest Income	40,745	44,745	34,314	(45,600)	14,529	13,984	14,000		14,000
Rental Income	45,915	36,618	49,210	44,651	5,119	-	-		-
Insurance Income	-	-	-	-	466,054	392,835	-		-
Other Income	216	3,495	271	530,015	847	630	-		-
Capital Contribution/Development Fees	48,846	7,719	12,753	8,061	15,119	-	-		-
Rate Stabilization Fund	-	-	-	-	-	-	-		150,000
<b>Total Revenues</b>	<b>4,681,992</b>	<b>4,481,535</b>	<b>4,496,439</b>	<b>5,002,514</b>	<b>4,990,012</b>	<b>4,545,503</b>	<b>4,149,113</b>		<b>4,671,264</b>
<b>EXPENSES:</b>									
Personnel	383,177	396,288	397,935	422,214	460,433	436,612	448,491		448,491
Maintenance and Supplies	1,720,409	1,536,348	1,521,646	1,711,286	1,936,042	1,882,628	1,927,502		1,927,502
Admin & Allocated Costs (Mid-Year Adjustment)	241,461	229,582	182,576	296,238	303,396	315,552	310,000		310,000
	-	-	-	-	-	-	-		(120,000)
<b>Total Operating Expenses</b>	<b>2,345,047</b>	<b>2,162,218</b>	<b>2,102,157</b>	<b>2,429,738</b>	<b>2,699,871</b>	<b>2,634,791</b>	<b>2,685,993</b>		<b>2,565,993</b>
<b>Net Revenues Pledged</b>	<b>2,336,945</b>	<b>2,319,317</b>	<b>2,394,282</b>	<b>2,572,776</b>	<b>2,290,141</b>	<b>1,910,711</b>	<b>1,463,120</b>		<b>2,105,271</b>
<b>Total Senior Debt Service</b>	<b>1,082,636</b>	<b>1,427,577</b>	<b>1,526,971</b>	<b>1,557,917</b>	<b>1,551,313</b>	<b>1,551,545</b>	<b>1,555,684</b>		<b>1,555,685</b>
<b>DS Coverage</b>	<b>2.16</b>	<b>1.62</b>	<b>1.57</b>	<b>1.65</b>	<b>1.48</b>	<b>1.23</b>	<b>0.94</b>		<b>1.35</b>
Subordinate Davis Grunsky Loan <sup>(3)</sup>	67,161	69,867	69,373	69,398	69,389	69,344	69,266		69,266
Transfers In	-	-	-	-	25,650	-	-		-
<b>Total Operating Gain After Paying Debt Service</b>	<b>1,187,148</b>	<b>821,873</b>	<b>797,938</b>	<b>945,461</b>	<b>695,089</b>	<b>289,823</b>	<b>-161,830</b>		<b>480,320</b>