

CPP Financial Position

Presented to Council September 15, 2020


CPP Recent Refunding Transactions

- 2018 Refunding completed in June
 - Gross Debt Service Savings - \$5.3 million
 - The majority of savings was applied in 2019 - 2020 Budget years
 - Moody's A3 (insured A2)
 - S&P A- (insured AA)
- 2020 Refunding completed in February
 - Gross Debt Service Savings - \$13.8 million
 - The majority of savings was applied in 2020 - 2024 Budget years
 - Moody's A3 (insured A2)
 - S&P A- (insured AA)

Credit Rating Scales by Agency, Long-Term

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
	C	C	In default
C	D	D	
/			
/			

"Junk"



"Junk"



WOLFSTREET.com

Debt Service Coverage (DSC) Ratio

- Used to show the entity has enough earnings to meet annual interest and principal payments for debt.
- Per the current debt indentures, CPP is mandated to keep a minimum ratio of 1.25. Failure to meet this would violate the bond indenture.
- Debt Service Coverage Ratio for the last 5 year

2015 – 1.50

2016 – 1.49

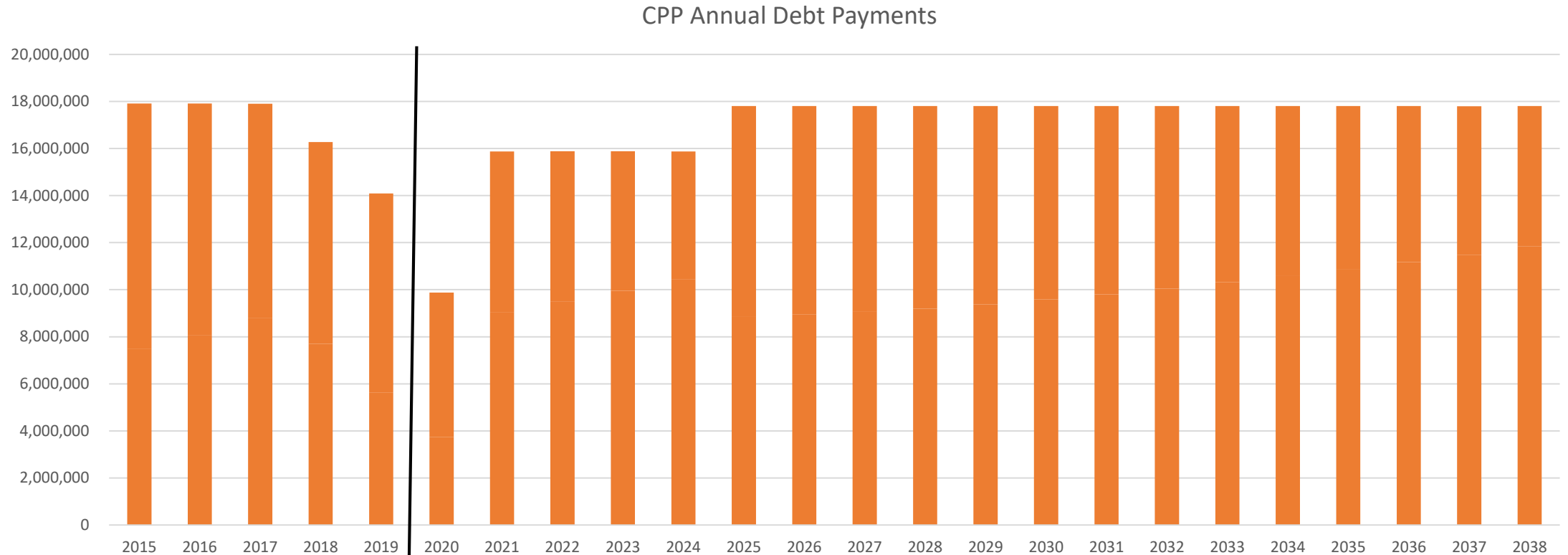
2017 – 1.52

2018 – 1.92

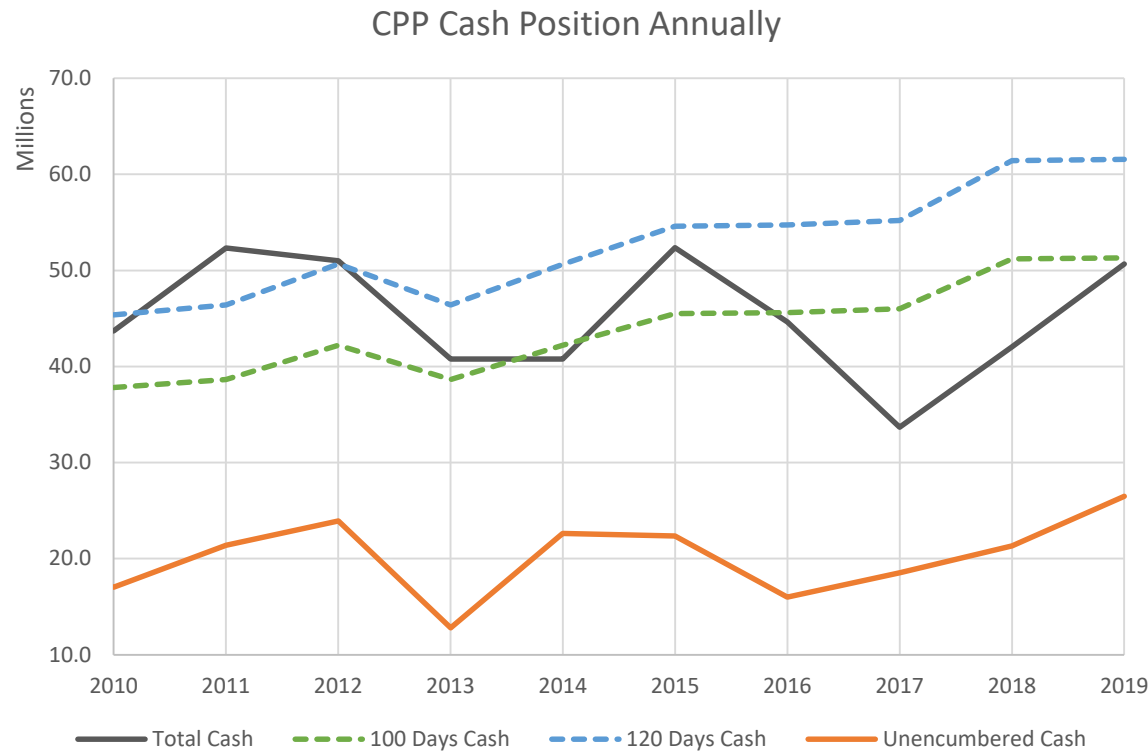
2019 – 1.73

CPP Debt Payments

Total Principal Outstanding as of January, 2021 will be \$180,082,880 and will be paid annually through 2038.



Cash on Hand



Cash on Hand is calculated using Power Costs, Operations, and Maintenance Expenses as recorded in the Annual Financial Statements.

The APPA recommends cash on hand of up to 120 days for current bond rating, and 150 days for next debt rating.

For 2019, CPP total cash on hand \$50.7 million. For 100 days, cash should be \$51.3 million; for 120 days, cash should be \$61.6 million

Collections and Assistance Programs

- Collection Rate for the past 5 Years has ranged from 96.2% to 98.5%
- CPP has assistance programs for those who need it, and attempt to educate residents of the programs.

The 2020 Home Energy Assistance Summer Crisis Program, is available now through September 30, 2020, to assist you with maintaining electric service in your home.

COVID-19 Update: The moratorium is still in effect but you remain responsible for paying current and past due amounts.

Summer HEAP

To qualify, customers must meet one of the following criteria:

- A household income at or below 175 percent of the federal poverty guidelines and have a member of the household who is at least 60 years old,
- A household member has been diagnosed with COVID-19, or can provide physician documentation that cooling assistance is needed for a household member's health, or
- Households who have a disconnect notice, have been shut off, or are trying to establish new electric service.

For more information on income qualifications, please call 216-350-8008 or visit www.development.ohio.gov for detailed guidelines. Eligible customers must also call 216-350-8008 to apply for assistance.



CITY OF CLEVELAND
Mayor Frank G. Jackson

Applying for Assistance

When applying, you will need the following documentation:

- Proof of income for the primary applicant and all household members 18 years of age or older
- Social Security Numbers for the primary applicant and all household members
- Copies of most recent utility bills (primary heating and electric)
- Proof of citizenship for the primary applicant and all household members

Other documentation is required if your service has been disconnected, or you or a member of the household has a medical condition requiring electricity. Those documents are:

- Proof of service disconnected, disconnection notice or new electric account number
- Proof of medical condition (documentation signed by a licensed physician or registered nurse practitioner)

Budget Spending 2018-2019

	2018	2019
Salaries and Wages	18,254,628	18,091,685
Benefits	6,302,197	6,482,961
Other Training & Professional Dues	147,004	169,893
Utilities	1,667,134	1,688,271
Contractual Services	5,031,858	5,792,837
Purchased Power	138,879,777	132,920,758
Materials & Supplies	7,066,094	5,207,286
Maintenance	3,161,303	2,226,061
Claims, Refunds, Maintenance	1,751,474	1,822,235
Interdepartmental	6,637,639	7,974,532
Capital	7,004,526	9,714,937
Debt	15,690,737	13,955,217
Expenditure Recovery	-	(9,621)
Total	211,594,373	206,037,051

Budget Spending 2020 - Projected

	August	December
Salaries and Wages	11,330,406	18,500,000
Benefits	4,198,112	6,600,000
Other Training & Professional Dues	42,263	42,000
Utilities	1,270,255	1,882,000
Contractual Services	2,781,267	6,500,000
Purchased Power	80,700,562	125,000,000
Materials & Supplies	3,551,779	6,000,000
Maintenance	913,635	2,700,000
Claims, Refunds, Maintenance	3,402	1,774,000
Interdepartmental	2,979,183	6,900,000
Capital	2,905,544	8,059,500
Debt	7,444,368	11,000,000
Total	118,120,786	194,957,500