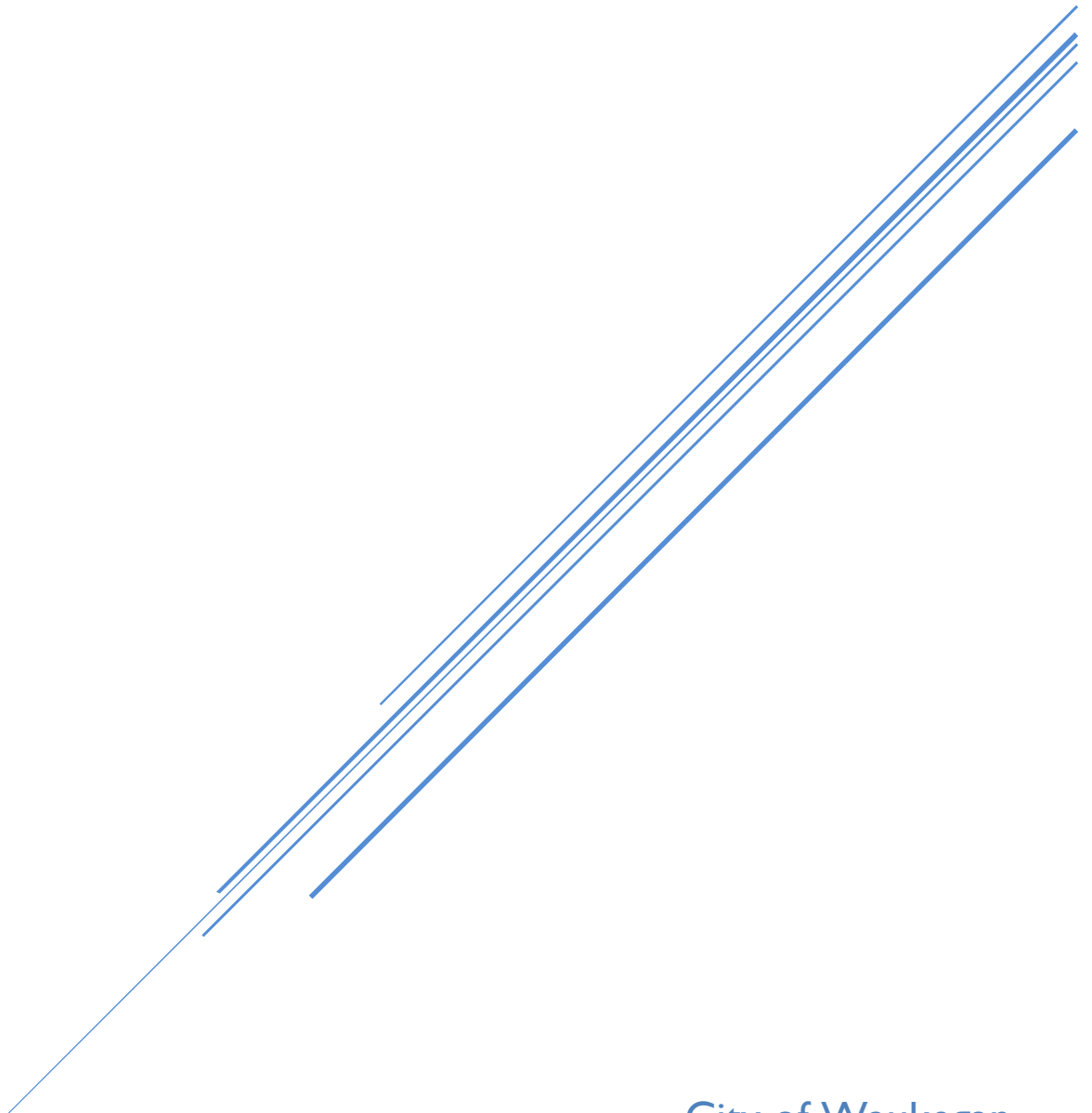


CAPITAL FUNDS

May 1, 2017 - April 30, 2018



City of Waukegan
Proposed Budget

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CAPITAL FUNDS OVERVIEW

Capital improvements are the brick-and-mortar type investments required of municipalities to maintain the good working condition of the city’s infrastructure, buildings and equipment. The mechanism of long-term capital financing is useful to retain sufficient cash balances in operations while concurrently ensuring the integrity of the city’s property and infrastructure system. Furthermore, it is important for the city to maintain an adequate balance between capital improvements and non-capital expenditures as both play a critical role in the long-term financial health of the city.

Capital Funds account for the city’s investments of this type. A general rule is that only those items in single instance in excess of \$50,000, with a useful life of five years or longer, would be included in these funds. Water and sewer capital projects, while they meet the capitalization threshold, are accounted for in the Enterprise Funds and are not included here. Economic development projects funded from Tax Increment Financing dollars are funded via Special Revenues Funds.

SOURCES & USES OF FUNDS

The Capital Fund has no estimated revenues for FY18. This is attributed to the prior administration’s decision not to pursue the issuance of a bond or note to fund projections for the fiscal year. There are, however, \$1.2 million in bond proceeds remaining from prior years being utilized to move forward with a limited program for FY18. Total Capital Funds’ estimated expenditures of \$1.2 million include \$1 million in street renewal and replacement and \$200 thousand for facility improvement.

Revenues	0
Expenditures	-1,200,000
Surplus / (Deficit) before transfers	0
Transfers-In	0
Transfers-Out	0
Surplus / (Deficit) after transfers	-1,200,000

Two comprehensive studies will take place during FY18 to assist the city leadership in planning for the reinvestment in assets and the method to finance those projects. One study will catalog and analyze the city’s infrastructure including roads, alleys, sidewalks, water and sewer lines as well as parking lots. The second study will assess and recommend necessary repairs and improvements to the city’s buildings. These studies will provide the basis for a 5-year or 10-year program facilitating systematic and transparent decision-making regarding capital projects and the financing of the same.

LINE ITEM DETAIL

	Revenues	-
307 130726392	Public Safety Facility Improvements	100,000
307 130726472	Cemetery Improvements	50,000
307 130726492	Public Works Facility Improvements	50,000
312 131227619	Street Renewal/ Replacement	1,000,000

	Expenditures	1,200,000