

CAPITAL FUNDS

PROPOSED BUDGET

Fiscal Year

2019-2020

Capital Funds

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Capital Funds

INTRODUCTION

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. Long-term capital financing is a useful mechanism 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 are not included here, but rather included in the Enterprise Funds section.

OVERVIEW

The FY20 Capital Funds budget calls for \$792 thousand in revenue, expenses totaling \$21.9 million, and transfers-out of \$220 thousand. The Capital Funds are anticipated to have an operating deficit of \$21.4 million after transfers; however, the City issued two bond issues in the prior fiscal year with plans to use the bond proceeds over a multi-year period. Therefore, the City estimates that approximately \$20 million in unexpended bond proceeds will remain available at the end of FY19 for use in subsequent years.

| | |
|------------------------------------|-------------|
| Revenues | \$792,000 |
| Expenses | -21,946,000 |
| Surplus / Deficit before transfers | -21,154,000 |
| Transfers In | 0 |
| Transfers Out | -220,000 |
| Surplus / Deficit after transfers | -21,374,000 |

DISCUSSION

The revenues for FY20 reflect a \$37.0 million decrease, and expenses increased 37%, or \$6.0 million compared to the prior year budget. Bonds were issued in the prior fiscal year with the intent to spend down the proceeds over a 2 to 3-year period in keeping with the City’s 5-year Capital Improvement Plan. Over a 5-year period, including the projects planned for FY20, Capital Fund spending will average \$11.3 million per year.

Capital Funds

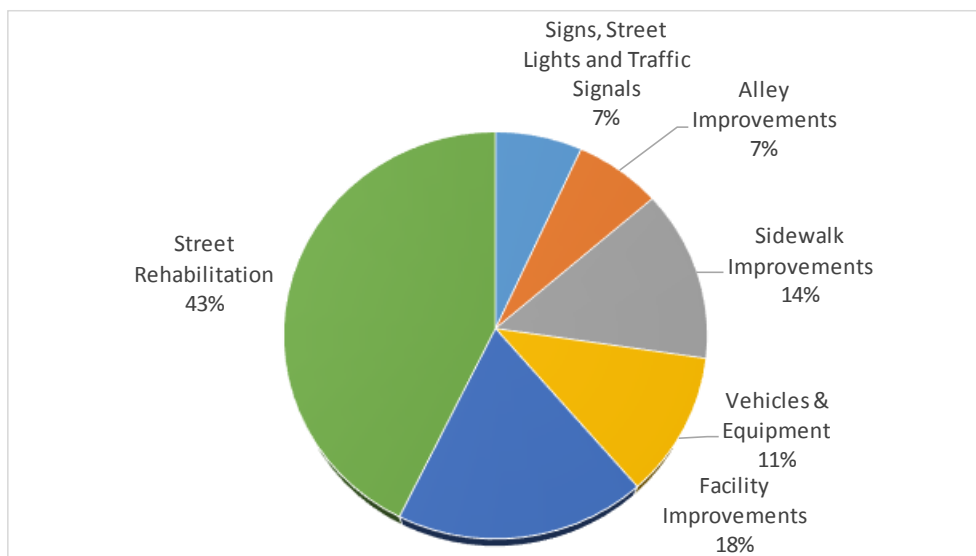
| | FY16 Actual | FY17 Actual | FY18 Actual | FY19 Amended Budget | FY20 Proposed Budget |
|------------------|-------------|-------------|-------------|---------------------|----------------------|
| Revenues | 7,796,723 | 7,476,689 | 6,020 | 37,725,000 | 792,000 |
| Expenses | -7,625,076 | -9,740,805 | -1,112,007 | -15,968,000 | -21,946,000 |
| Net Transfers | 0 | 2,488,372 | 0 | -325,000 | -220,000 |
| Surplus/ Deficit | 171,647 | 224,256 | -1,105,987 | 21,432,000 | -21,374,000 |

SOURCES

The City uses bond issues supported by property tax and home rule sales tax to fund the Capital Funds. Property taxes are used to repay bonds issued for a variety of reasons including municipal facility upkeep, vehicle and equipment replacement, alley and sidewalk improvements. Home-rule sales tax supports the repayment of bonds issued specifically for roadway improvements. Included in the FY20 budget proposal is an applied-for Federal Grant reimbursement of \$792 thousand through the United States Economic Development Administration to cover 50% of the costs associated with improving Sea Horse Drive. That particular project will not be started until the grant is confirmed approved by the federal government.

USES

The FY20 Capital Funds include \$9.4 million in street rehabilitation / roadway improvements, \$4.1 million in facility improvements, \$2.5 million in capital equipment and vehicle replacement, \$3.0 million for sidewalk improvements, \$1.5 million in alley rehabilitation, and \$1.5 million for signs, streetlight, and traffic signal upgrades. Also, \$220 thousand of the remaining bond money will be transferred to the Motor Vehicle Parking Fund to complete parking garage improvements.



Capital Funds

PROJECT DESCRIPTIONS

| Category | Budget Allocation | Project Description |
|-----------------------|-------------------|--|
| Street Rehabilitation | \$9,383,000 | \$800 thousand will be rolled forward from the prior fiscal year. Engineering \$560,000; Seahorse Drive Project \$1,583,000; Pavement Construction \$6,440,000 estimated to include the following: Fulton Ave (9th St to Dugdale Rd), Colbert Rd (west limit to McAree Rd), Crescent Ave (Leith Ave to Westmoreland Ave), Glenwood Ave (Crescent Ave to Ridgeland Ave), Muirfield Ave (Crescent Ave to Ridgeland Ave), Southview Ave (Frolic Ave to east limit), Highland Ave (New York St to Pine St), Buck Ave (Lewis Ave to Elmwood Ave), Elmwood Ave (Sunset Ave to Buck Ave, Washington to Jenkinson), Longview Rd (Lewis Ave to Lorraine Ave), Lorraine Ave (Sunset Ave to Longview Rd, Blanchard to Dickinson St), Blanchard Rd (Lewis to Lorraine Ave), Butrick St (Golf Rd to north limit, Montesano Ave to Wilson Ave, Elizabeth to MacArthur Dr), Chestnut St (Buck Ave to Montesano Ave), Dickinson St (Ballentine St to east limit), Jackson St (Montesano Ave to Blanchard Rd), North Ave (Blanchard Rd to north end City limits), West and East New Castle Ct (York House Rd to West Newcastle Ct and East Newcastle Ct), Wilson Ave (Butrick St to Yeoman St), Bank Ln (Bertrand Ln to east limit), Beach Rd (Bayonne Ave to west limit, Lewis Ave to east end City limits), Bertrand Ln (Otto Graham Ln to north dead end, Beach Rd to Tewes Ln), Browne Ct (Bertrand Ln to west dead end), Cedar Ave (Beach Road to north end City limits), De Woody Rd (Beach Rd to Anthony Ct, to south end City limits), Gladys Ct (Bertrand Ln to west limit), Leo Singer Ln (Bertrand to west limit), Linden Ave (Beach Rd to north end City limits), Mary Jane Ln (Bertrand Ln to west dead end), Morris Ct (Bertrand Ln to west limit), Otto Graham Ln (Bertrand Ln to west limit), Pine St (Beach Rd to north end City limits), 10th St (McAree to west dead end), 8th St (Beachnut Ave to Green Bay Rd), 9th St (Green Bay Rd to City east dead end), Apple Ave (Green Bay Rd to Dilger Ave), Darrow Ln (Dilger Ave to west dead end), Dilger Ave (Washington St to south limit), Green Bay Pl (Green Bay Rd to west limit), Jolley Ave (Green Bay Rd to Dilger Ave), Thaxter Ave (Belvidere Rd to north limit), Washington St (Park Ave to West St, County St to Genesee St), South Northpoint Blvd., Berry Ct (Belvidere St to Dugdale Rd), Catalpa (Lewis to Martin), Chestnut (Buck to Montesano), West (Washington to Julian), Yeoman (Golf/Sunset to Wilson). |
| Facility Improvements | \$4,073,000 | Public Works facility improvements \$2.198 million (complete roof project from prior fiscal year and complete fuel tank replacements); Administration facility improvements \$590 thousand (Theatre maintenance and repairs \$90 thousand and City Hall ADA and security upgrades \$500 thousand); Police facility improvements \$535 thousand (various station improvements); Fire facility improvements \$500 thousand (various station improvements); and Cemetery improvements \$250 thousand (wall restoration and erosion control). |
| Vehicles & Equipment | \$2,490,000 | Fire Pumper Truck \$1.49 million, Public Works Vehicle/Equipment \$1 million (wheel loader, dump truck, and plow truck with wing). |

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|--|-------------|--|
| Sidewalk Improvements | \$3,000,000 | Sidewalk renewal and replacement to compliment the Street Program, including \$1 million rolled forward from the prior year program. |
| Alley Improvements | \$1,500,000 | South of Ridgeland Ave to Porter St and 1st, between Linden Ave and James Ct; South of Merton Ave to Keith Ave, between Western Ave and North Ave; South of May St to 10th St, between Commonwealth Ave and McAlister Ave South of Washington St to just south of Belvidere Rd, between Martin Ave and Wainow Ave |
| Signs, Street Lights & Traffic Signals | \$1,500,000 | Street signs, lights and signals to compliment the Street Program. |

Capital Funds

LINE ITEM DETAIL

| ACCOUNT # | ACCOUNT DESCRIPTION | FY20 PROPOSED BUDGET |
|--|-----------------------------------|----------------------|
| FIXED ASSETS REPLACEMENT FUND, FUND 307 | | |
| Revenues | | 0 |
| Transfers From | | 0 |
| <i>Sub 2600</i> | <i>Capital Outlay</i> | |
| 307 130726360 | Fire Vehicles & Equipment | 1,490,000 |
| 307 130726362 | Public Works Vehicles & Equipment | 1,000,000 |
| 307 130726366 | Police Facility Improvements | 535,000 |
| 307 130726367 | Public Works Facility Improvement | 2,198,000 |
| 307 130726368 | Admin Facility Improvements | 590,000 |
| 307 130726471 | Cemetery Improvements | 250,000 |
| 307 130726488 | Fire Station Construction | 500,000 |
| 307 130727636 | Sidewalk Improvements | 3,000,000 |
| 307 130727669 | Traffic Signal Renewal/Replace | 1,500,000 |
| 307 130727707 | Alley Rehabilitation | 1,500,000 |
| Expenditures | | 12,563,000 |
| 307 68595 | Transfers to Parking Lot Fund | 220,000 |
| Transfers To | | 220,000 |
| FUND TOTAL | | 12,783,000 |
| STREET/SIDEWALK REHABILITATION, FUND 312 | | |
| 312 44130 | GRANT- Federal | -792,000 |
| Revenues | | -792,000 |
| Transfers From | | 0 |
| <i>Sub 2700</i> | <i>Capital Improvements</i> | |
| 312 131227635 | Street Rehabilitation | 9,383,000 |
| Expenditures | | 9,383,000 |
| Transfers To | | 0 |
| FUND TOTAL | | 8,591,000 |
| GRAND TOTAL | | 21,374,000 |