



CAPITAL PROJECT FUNDS

May 1, 2021 – April 30, 2022 Budget Request

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Prepared by the Finance Department

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. Additionally, it is important for the City to maintain an adequate balance between capital improvements and non-capital expenditures, as both play a key 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 with a value of at least \$50,000 and 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 are included in the Enterprise Funds section.

Overview

The Fiscal Year May 1, 2021 to April 30, 2022 (FY22) Capital Funds proposed budget calls for \$5 thousand in revenues, \$4.15 million in expenses, transfers-in of \$2 million, and transfers-out of \$0, for a deficit of \$2.145 million after transfers. This is a significant improvement from the deficit budgeted for the prior fiscal year while still allowing the City to complete necessary improvements to roadways and other projects that are were already underway in FY20.

<i>Revenues</i>	\$5,000
<i>Expenses</i>	(\$4,150,000)
<i>Surplus / (Deficit) before transfers</i>	(\$4,145,000)
<i>Transfers in</i>	\$2,000,000
<i>Transfers (out)</i>	\$0
<i>Surplus / (Deficit) after transfers</i>	(\$2,145,000)

Discussion

The Capital Funds will be supported primarily by a non-recurring home rule sales tax transfer-in from a Special Revenue Fund specifically earmarked for the purpose of roadway improvements. Interest income is expected to account for a small percentage of the total revenues in the fund.

Although limited funding is available for capital improvements due largely in part to the economic downturn as a result of the COVID-19 pandemic, the City remains optimistic about the ability to continue forward with the multi-year Capital Improvement Plan. The city is budgeting for a significant decrease in capital improvement expenses as compared to the prior two years. A large portion of the funding is expected to go towards roadway, sidewalk, and alley rehabilitation projects, roughly half a

million is earmarked for public works equipment, and remaining funds will be used for continued improvement of the City-owned cemetery & facility projects that were already previously underway.

Capital projects funded from Enterprise Funds and Special Revenue Funds are not discussed here. Please refer to those sections of this report for details on those projects.

Actual revenues, expenses, and transfers for the prior fiscal year, adjusted budget for the previous fiscal year, and requested budget for the current fiscal year are shown below. See the appendix for line item detail of the capital project funds.

CAPITAL PROJECT FUNDS								
REVENUES								
Fund	Detail	Description	FY18	FY19	FY20	FY21 Unaudited	FY 21 Budget	FY22 Budget
	SUB 4600	Interest	6,020.19	134,654.97	708,687.01	14,876.00	300,000.00	5,000.00
	SUB 4650	Donations	-	-	-	10,000.00	-	-
	SUB 4800	Miscellaneous Revenue	-	-	750,000.00	-	-	-
	SUB 4900	Other Financing Sources	-	39,451,230.70	108,530.36	-	-	-
		TOTAL REVENUES	6,020.19	39,585,885.67	1,567,217.37	24,876.00	300,000.00	5,000.00
EXPENDITURES								
Fund	Detail	Description	FY18	FY19	FY20	FY21 Unaudited	FY 21 Budget	FY22 Budget
	SUB 2400	Contractual Services	-	446,398.84	-	-	-	-
	SUB 2600	Capital Outlay	30,979.00	2,487,266.56	126,446.43	2,559,246.00	2,907,871.48	550,000.00
	SUB 2700	Capital Improvements	899.53	10,412,923.54	448.72	8,137,361.00	10,492,128.52	3,600,000.00
	SUB 2800	Non-Cash Expense	1,080,128.00	(24,876.78)	5,385,850.00	-	-	-
		TOTAL EXPENDITURES	1,112,006.53	13,321,712.16	5,512,745.15	10,696,607.00	13,400,000.00	4,150,000.00
		EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,105,986.34)	26,264,173.51	(3,945,527.78)	(10,671,731.00)	(13,100,000.00)	(4,145,000.00)
OTHER FINANCING SOURCES (USES)								
Fund	Detail	Description	FY18	FY19	FY20	FY21 Unaudited	FY 21 Budget	FY22 Budget
	SUB 6300	Transfers In/From	-	-	-	3,970,000.00	4,920,000.00	2,000,000.00
	SUB 6800	Transfers Out/To	-	325,000.00	(220,000.00)	(4,620,000.00)	(4,470,000.00)	-
		TOTAL OTHER FINANCING SOURCES	-	325,000.00	(220,000.00)	(650,000.00)	450,000.00	2,000,000.00
		FUND BALANCE						(2,145,000.00)

Line Item Detail

Fund 307 - Fixed Assets Replacement Fund**REVENUES**

Fund	Detail	Description	FY20	FY21 Unaudited	FY 21 Budget	FY22 Budget
307	46100	Interest Earned	451,757.16	6,823.00	150,000.00	5,000.00
	SUB 4600	Interest	451,757.16	6,823.00	150,000.00	5,000.00
307	46520	Donations - Public Safety	-	10,000.00	-	-
	SUB 4650	Donations	-	10,000.00	-	-
307	48375	Reimb. - Settlements/Lawsuits	750,000.00	-	-	-
	SUB 4800	Miscellaneous Revenue	750,000.00	-	-	-
307	49310	Bond Proceeds	-	-	-	-
307	49315	Reoffering Prem / Discount	-	-	-	-
	SUB 4900	Other Financing Sources	-	-	-	-
TOTAL REVENUES			1,201,757.16	16,823.00	150,000.00	5,000.00

EXPENDITURES

Fund	Detail	Description	FY20	FY21 Unaudited	FY 21 Budget	FY22 Budget
307	130724014	Bond Issuance Expenses-Variou	-	-	-	-
	SUB 2400	Contractual Services	-	-	-	-
307	130726360	Fire Vehicles & Equipment	-	-	-	-
307	130726362	Public Works Vehicles & Equipm	0.72	359,112.00	377,071.00	500,000.00
307	130726366	Police Facility Improvements	88,164.90	339,844.00	418,857.68	-
307	130726367	Public Works Facility Improvem	(0.08)	1,090,068.00	1,303,912.80	-
307	130726368	Admin Facility Improvements	23,104.89	222,654.00	225,000.00	-
307	130726392	Public Safety - Improvements	-	-	-	-
307	130726471	Cemetery Improvements	-	115,030.00	119,530.00	50,000.00
307	130726487	Beach Improvements	-	-	-	-
307	130726488	Fire Station Construction	15,176.00	374,038.00	405,000.00	-
307	130726492	Improvements	-	58,500.00	58,500.00	-
	SUB 2600	Capital Outlay	126,446.43	2,559,246.00	2,907,871.48	550,000.00
307	130727636	Sidewalk Improvements	(0.28)	1,614,140.00	1,675,587.20	500,000.00
307	130727669	Traffic Signal Renewal/Replace	(0.44)	585,930.00	840,399.00	-
307	130727706	Culvert Improvements	-	-	-	-
307	130727707	Alley Rehabilitation	449.57	616,127.00	851,142.32	300,000.00
	SUB 2700	Capital Improvements	448.85	2,816,197.00	3,367,128.52	800,000.00
307	130728420	F.A. Adjustments	5,385,850.00	-	-	-
307	130728850	Internal Loan Write Off	-	-	-	-
	SUB 2800	Non-Cash Expense	5,385,850.00	-	-	-
TOTAL EXPENDITURES			5,512,745.28	5,375,443.00	6,275,000.00	1,350,000.00

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,310,988.12)	(5,358,620.00)	(6,125,000.00)	(1,345,000.00)
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OTHER FINANCING SOURCES (USES)

Fund	Detail	Description	FY20	FY21 Unaudited	FY 21 Budget	FY22 Budget
307	68312	Transfers to Street Rehab Fund	-	3,970,000.00	3,820,000.00	-
307	68595	Transfers to Parking Lot Fund	220,000.00	650,000.00	650,000.00	-
	SUB 6800	Transfers Out/To	(220,000.00)	(4,620,000.00)	(4,470,000.00)	-
TOTAL OTHER FINANCING SOURCES			(220,000.00)	(4,620,000.00)	(4,470,000.00)	-

Fund 312 - Street/Sidewalk Rehabilitation

REVENUES

Fund	Detail	Description	FY20	FY21 Unaudited	FY 21 Budget	FY22 Budget
312	46100	Interest Earned	256,929.85	8,053.00	150,000.00	-
	SUB 4600	Interest	256,929.85	8,053.00	150,000.00	-
312	49227	Litigation Proceeds	108,530.36	-	-	-
312	49310	Bond Proceeds	-	-	-	-
312	49315	Reoffering Prem / Discount	-	-	-	-
	SUB 4900	Other Financing Sources	108,530.36	-	-	-
TOTAL REVENUES			365,460.21	8,053.00	150,000.00	-

EXPENDITURES

Fund	Detail	Description	FY20	FY21 Unaudited	FY 21 Budget	FY22 Budget
312	131224014	Bond Issuance Expense	-	-	-	-
	SUB 2400	Contractual Services	-	-	-	-
312	131227614	Washington St Paving Project	-	-	800,000.00	-
312	131227619	Street Renewal/Replacement	-	-	-	-
312	131227635	Street Rehabilitation	(0.13)	5,321,164.00	6,325,000.00	2,800,000.00
	SUB 2700	Capital Improvements	(0.13)	5,321,164.00	7,125,000.00	2,800,000.00
312	131228420	F.A. Adjustments	7,332,183.00	-	-	-
	SUB 3000	Non-Cash Expense	7,332,183.00	-	-	-
TOTAL EXPENDITURES			7,332,182.87	5,321,164.00	7,125,000.00	2,800,000.00

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (6,966,722.66) (5,313,111.00) (6,975,000.00) (2,800,000.00)

OTHER FINANCING SOURCES (USES)

Fund	Detail	Description	FY20	FY21 Unaudited	FY 21 Budget	FY22 Budget
312	63202	Transfer from HR Sales Tax Fund	-	-	1,100,000.00	2,000,000.00
312	63307	Transfers From Gen. F.A. Repl.	-	3,970,000.00	3,820,000.00	-
	SUB 6300	Transfers In/From	-	3,970,000.00	4,920,000.00	2,000,000.00
TOTAL OTHER FINANCING SOURCES			-	3,970,000.00	4,920,000.00	2,000,000.00