



CAPITAL IMPROVEMENT PLAN
FOR YEARS 2019 - 2023

INTRODUCTION

The Village of Waunakee Board and staff have made a commitment to provide a capital improvement plan to aid in the decision-making process for the annual budget document. This document gives the board and management a tool for the funding of capital improvements and equipment replacement/purchase costs of the village in a reasonable and financially sound manner. The capital improvement plan (CIP) document shares with the Village Board, staff, and residents the most current financial outlook over the next five years.

In 2000, the Finance Director and Administrator developed new financial policies, which were presented to the Village Finance Committee and Village Board. Once the Village Board had accepted these policies and had agreed on an acceptable five-year project schedule, the CIP was finalized and approved as part of the 2001 budget. Maintenance of the CIP on an ongoing basis has become essential as was noted by Moody's rating agency interest in the CIP during the undertaking of rating the village that year for the first time in village history. The existence of the CIP document, as well as the preliminary updating procedures that had occurred on the CIP document helped Moody's to rate the village an A2. In June, 2002, the village was upgraded to an A1, based strongly on the financial policies, economic outlook of the village and Moody's perception of the quality of the village's management. In 2010, Moody's changed the rating scale to a global scale which had the effect of changing the village's bond rating to Aa2. In 2018, Moody's reaffirmed this bond rating during the Series 2018A borrowing process. The financial policies adopted by the Board in 2001 budget continue to keep the village one of the financially healthy municipalities in the State of Wisconsin.

The executive summary on the following page is a summation of all the assumptions that the village has used to determine the effect on the village's tax rate, debt structure and budget. The financial policies, assumptions, project schedules and equipment replacement schedules are not static and may be changed at any time that the Village Board feels that they are not reasonable. Clearly, the five-year plan is a planning tool that should be used annually to renew the Village Board's commitment to improving the village's infrastructure and services.

Annual Action Steps

Through the planning process, the Board identified key action steps for to be addressed annually. The following steps will be undertaken as part of the budget process:

1. Update the list of potential projects and assign a year going out five years when the potential project will be started. The Board will approve the project list.
2. Update the equipment replacement schedule going out five years with equipment that will either need to be replaced or purchased new. The Board will approve this schedule.
3. Review five-year plan assumptions to determine if they are still in line with the Village Board's philosophy.
4. Approve the five-year plan.

**VILLAGE OF WAUNAKEE
EXECUTIVE SUMMARY
2019 FIVE YEAR PLAN**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Service Tax Rate (Equalized)	\$ 1.397	\$ 1.462	\$ 1.431	\$ 1.391	\$ 1.325	\$ 1.302
DEBT SERVICE (Growth of)	9.44%	3.00%	3.00%	3.00%	3.00%	3.00%
Equalized Value (000) - January 1	\$ 1,879,517	\$ 1,935,902	\$ 1,993,979	\$ 2,053,798	\$ 2,115,412	\$ 2,178,874
Debt Limit (5% of equalized value)	\$ 93,975,825	\$ 96,795,100	\$ 99,698,950	\$ 102,689,900	\$ 105,770,600	\$ 108,943,700
Debt Service Policy (50%)	\$ 46,987,913	\$ 48,397,550	\$ 49,849,475	\$ 51,344,950	\$ 52,885,300	\$ 54,471,850
Outstanding debt - 1/1	\$ 34,720,707	\$ 39,412,813	\$ 38,686,274	\$ 35,518,609	\$ 32,116,409	\$ 28,594,477
New debt	7,450,000	2,272,500	-	-	-	-
Debt paid	(2,757,894)	(2,999,039)	(3,167,665)	(3,402,200)	(3,521,932)	(3,701,883)
Outstanding debt - 12/31	<u>39,412,813</u>	<u>38,686,274</u>	<u>35,518,609</u>	<u>32,116,409</u>	<u>28,594,477</u>	<u>24,892,594</u>
Debt capacity - 12/31	<u>\$ 7,575,100</u>	<u>\$ 9,711,276</u>	<u>\$ 14,330,866</u>	<u>\$ 19,228,541</u>	<u>\$ 24,290,823</u>	<u>\$ 29,579,256</u>
Debt capacity as a percentage	<u>41.94%</u>	<u>39.97%</u>	<u>35.63%</u>	<u>31.28%</u>	<u>27.03%</u>	<u>22.85%</u>
Debt Service as a % of Budgeted Expenditures (Policy not to exceed 30%)	<u>18.93%</u>	<u>19.78%</u>	<u>20.74%</u>	<u>21.92%</u>	<u>22.51%</u>	<u>23.38%</u>
Projected debt principal payments	<u>\$ 2,757,894</u>	<u>\$ 2,999,039</u>	<u>\$ 3,167,665</u>	<u>\$ 3,402,200</u>	<u>\$ 3,521,932</u>	<u>\$ 3,701,883</u>
CAPITAL EXPENDITURES						
Projected Projects	\$ 7,496,359	\$ 8,877,545	\$ 1,645,000	\$ 1,375,000	\$ 1,539,500	\$ 1,375,000
Equipment Replacement	329,510	536,130	411,000	369,820	385,000	418,000
Total Capital Expenditures	<u>\$ 7,825,869</u>	<u>\$ 9,413,675</u>	<u>\$ 2,056,000</u>	<u>\$ 1,744,820</u>	<u>\$ 1,924,500</u>	<u>\$ 1,793,000</u>

CAPITAL IMPROVEMENT PROGRAM

Introduction

What is Capital Improvement?

A general theme among many municipalities with Capital Improvement Programs is that capital improvement consists of infrastructure construction that all municipalities need to provide essential services to current residents and support new growth and development. In Waunakee at the present time, this seems to point more towards street, stormwater and park infrastructure improvements.

Waunakee is a rapidly growing suburb of the City of Madison which causes the village to face special problems related to infrastructure growth. The village needs to build new streets, add amenities such as parks and expand public safety services to accommodate new residents, while at the same time maintaining, replacing and/or upgrading facilities in the older parts of the village.

Staff prepares the annual capital improvement plan based on agreed upon guidelines and policies as directed by the Finance Committee and Village Board. The capital improvement plan should achieve the following:

1. Support Village Board goals and objectives,
2. Projects should prevent deterioration of existing infrastructure and anticipate future growth in the village,
3. Encourage and sustain economic development,
4. Financed through developers, when possible, for projects related to growth.
5. Take maximum advantage of improvements provided by other units of government where appropriate.

This document is the village's five-year plan for creating, maintaining and paying for present and future capital needs. The plan allows the village to make capital improvements when they are needed, and have the funding to pay for and maintain them regardless of the changes in the external economic environment. Financial constraints and limited staff resources make it impossible to fund every project on the village's needs list, without establishing an implementation timetable that staggers the projects over time and maximizes the use of available financing mechanism and staying within village policies. The availability of funding and external forces may cause projects to be accelerated or delayed.

As part of the village's budget process, the village staff put together a list of needs related to capital improvement. Most of these needs are at the direction of the Administrator or Director of Public Works. These needs are then presented and approved by the Village Board. The projects approved are listed and included as a part of this document.

At the present time, there is no active citizen participation in the capital improvement plan creation or maintenance, except for citizens that are active on the village's committees and boards. We encourage all citizens of the village to reach out to the village staff or Village Board members, so that projects deemed necessary will not be overlooked. Any citizen comments are encouraged and welcomed.

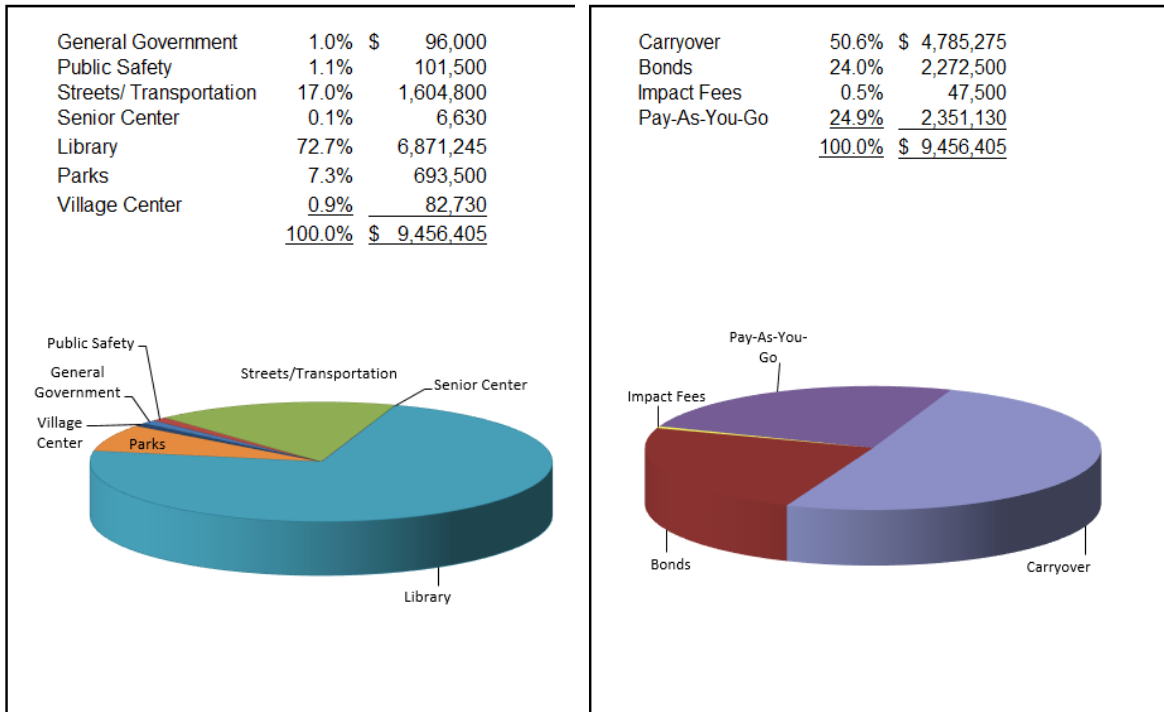
The key spreadsheet exhibits in the report set forth the structure of each borrowing and the ultimate impact upon the tax rate that result from the payment of principal and interest thereon. This financing plan was developed implementing the concept set forth earlier in this report of developing a capital levy (pay-as-you-go) for equipment, transportation infrastructure reconstructions and parks infrastructure maintenance.

Waunakee’s Capital Improvement Plan

The Capital Improvement Program (CIP) for 2019 represents a \$5.3 million investment of public funds in infrastructure, public facilities, and equipment purchases. The project mix consists of 43.4% of the projects being funded on a pay-as-you-go basis, 42.8% through debt financing, 13.0% with carryover funds, and 0.9% through impact fees. The major projects in this year's budget include the various local street reconstructions, new library construction, and various park improvement projects.

The five-year CIP (multi-year long-range study of construction and/or acquisition of high cost items with an extended useful life) is prepared separately from the Annual Budget.

See Page 20 for projected capital improvements and Page 22 for projected equipment replacement.



Schedule of Capital Improvements and Equipment Purchases

<u>Project / Equipment</u>	<u>Pay-As- You-Go</u>	<u>Bonds</u>	<u>Impact Fees</u>	<u>Carry Over</u>	<u>Total</u>
Projects					
General Government	\$ -	\$ -	\$ -	\$ -	\$ -
Streets / Transportation	1,235,000	-	-	146,800	1,381,800
Library	-	2,272,500	-	4,595,745	6,868,245
Parks	580,000	-	47,500	-	627,500
Village Center	-	-	-	-	-
Total Projects	<u>1,815,000</u>	<u>2,272,500</u>	<u>47,500</u>	<u>4,742,545</u>	<u>8,877,545</u>
Equipment					
General Government	96,000	-	-	-	96,000
Public Safety	101,500	-	-	-	101,500
Streets / Transportation	223,000	-	-	-	223,000
Senior Center	6,630	-	-	-	6,630
Library	3,000	-	-	-	3,000
Parks	66,000	-	-	-	66,000
Village Center	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>42,730</u>	<u>82,730</u>
Total Equipment	<u>536,130</u>	<u>-</u>	<u>-</u>	<u>42,730</u>	<u>578,860</u>
Total For All Projects	<u>\$ 2,351,130</u>	<u>\$ 2,272,500</u>	<u>\$ 47,500</u>	<u>\$ 4,785,275</u>	<u>\$ 9,456,405</u>

Schedule of Capital Improvements and Equipment Purchases (cont.)

**General Government
Appropriations**

<u>Project / Equipment</u>	<u>2018 Carryover</u>	<u>2019 Budget</u>
Equipment		
Computer upgrades	\$ -	\$ 40,000
File server	-	40,000
Election equipment	-	16,000
Total Equipment	-	96,000
Total General Government	\$ -	\$ 96,000

Sources of Funding

<u>Project / Equipment</u>	<u>Pay-As- You-Go</u>	<u>Bonds</u>	<u>Total</u>
Equipment			
Computer upgrades	\$ 40,000	\$ -	\$ 40,000
File server	40,000	-	40,000
Election equipment	16,000	-	16,000
Total Equipment	96,000	-	96,000
Total General Government	\$ 96,000	\$ -	\$ 96,000

**Public Safety
Appropriations**

<u>Project / Equipment</u>	<u>2018 Carryover</u>	<u>2019 Budget</u>
Equipment		
Computer upgrades	\$ -	\$ 20,000
Interview room audio/video	-	6,500
Police squads	-	75,000
Total Equipment	-	101,500
Total Police	\$ -	\$ 101,500

Schedule of Capital Improvements and Equipment Purchases (cont.)

Public Safety (cont.)

Sources of Funding

<u>Project / Equipment</u>	<u>Pay-As-You-Go</u>	<u>Bonds</u>	<u>Total</u>
Equipment			
Computer upgrades	\$ 20,000	\$ -	\$ 20,000
Interview room audio/idea	6,500	-	6,500
Police squads	75,000	-	75,000
Total Equipment	<u>101,500</u>	<u>-</u>	<u>101,500</u>
Total Police	<u>\$ 101,500</u>	<u>\$ -</u>	<u>\$ 101,500</u>

Streets / Transportation

Appropriations

<u>Project / Equipment</u>	<u>2018 Carryover</u>	<u>2019 Budget</u>
Projects		
2019 street program	\$ -	\$ 1,000,000
Sixmile Creek path	146,800	58,200
Trail maintenance projects	-	26,800
Street maintenance projects	-	150,000
Total Projects	<u>146,800</u>	<u>1,235,000</u>
Equipment		
Bobcat attachment	\$ -	\$ 15,000
Dump Truck	-	200,000
Computer upgrades	-	8,000
Total Equipment	<u>-</u>	<u>223,000</u>
Total Streets / Transportation	<u>\$ 146,800</u>	<u>\$ 1,458,000</u>

Schedule of Capital Improvements and Equipment Purchases (cont.)

Streets / Transportation (cont.)

Sources of Funding

<u>Project / Equipment</u>	<u>Pay-As- You-Go</u>	<u>Bonds</u>	<u>Carry Over</u>	<u>Total</u>
Projects				
2019 street program	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Sixmile Creek path	58,200	-	146,800	205,000
Trail maintenance projects	26,800	-	-	26,800
Street maintenance projects	150,000	-	-	150,000
Total Projects	<u>1,235,000</u>	<u>-</u>	<u>146,800</u>	<u>1,381,800</u>
Equipment				
Bobcat attachment	\$ 15,000	\$ -	\$ -	\$ 15,000
Dump Truck	200,000	-	-	200,000
Computer upgrades	8,000	-	-	8,000
Total Equipment	<u>223,000</u>	<u>-</u>	<u>-</u>	<u>223,000</u>
Total Streets / Transportation	<u>\$ 1,458,000</u>	<u>\$ -</u>	<u>\$ 146,800</u>	<u>\$ 1,604,800</u>

Schedule of Capital Improvements and Equipment Purchases (cont.)

**Senior Center
Appropriations**

<u>Project / Equipment</u>	<u>2018 Carryover</u>	<u>2019 Budget</u>
Equipment		
Refrigerator	\$ -	\$ 2,630
Computer upgrades	-	4,000
Total Equipment	-	6,630
Total Senior Center	\$ -	\$ 6,630

Sources of Funding

<u>Project / Equipment</u>	<u>Pay-As- You-Go</u>	<u>Bonds</u>	<u>Total</u>
Equipment			
Refrigerator	\$ 2,630	\$ -	\$ 2,630
Computer upgrades	4,000	-	4,000
Total Equipment	6,630	-	6,630
Total Senior Center	\$ 6,630	\$ -	\$ 6,630

**Library
Appropriations**

<u>Project / Equipment</u>	<u>2018 Carryover</u>	<u>2019 Budget</u>
Projects		
Library building	\$ 4,595,745	\$ 2,272,500
Total Projects	4,595,745	2,272,500
Equipment		
Computer upgrades	\$ -	\$ 3,000
Total Equipment	-	3,000
Total Library	\$ 4,595,745	\$ 2,275,500

Sources of Funding

<u>Project / Equipment</u>	<u>Pay-As- You-Go</u>	<u>Bonds</u>	<u>Carry Over</u>	<u>Total</u>
Projects				
Library building	\$ -	\$ 2,272,500	\$ 4,595,745	\$ 6,868,245
Total Projects	-	2,272,500	4,595,745	6,868,245
Equipment				
Computer upgrades	\$ 3,000	\$ -	\$ -	\$ 3,000
Total Equipment	3,000	-	-	3,000
Total Library	\$ 3,000	\$ 2,272,500	\$ 4,595,745	\$ 6,871,245

Schedule of Capital Improvements and Equipment Purchases (cont.)

Parks

Appropriations

<u>Project / Equipment</u>	<u>2018 Carryover</u>	<u>2019 Budget</u>
Projects		
Northridge Park Shelter	\$ -	\$ 47,500
Ripp Park tennis courts	-	440,000
Miscellaneous park maintenance	-	140,000
Total Projects	-	627,500
Equipment		
Bobcat	-	1,000
Mower	-	65,000
Total Equipment	-	66,000
Total Parks	\$ -	\$ 693,500

Sources of Funding

<u>Project / Equipment</u>	<u>Pay-As- You-Go</u>	<u>Impact Fees</u>	<u>Carry Over</u>	<u>Total</u>
Projects				
Northridge Park Shelter	\$ -	\$ 47,500	\$ -	\$ 47,500
Ripp Park tennis courts	440,000	-	-	440,000
Miscellaneous park maintenance	140,000	-	-	140,000
Total Projects	580,000	47,500	-	627,500
Equipment				
Bobcat	1,000	-	-	1,000
Mower	65,000	-	-	65,000
Total Equipment	66,000	-	-	66,000
Total Parks	\$ 646,000	\$ 47,500	\$ -	\$ 693,500

Schedule of Capital Improvements and Equipment Purchases (cont.)

**Village Center
Appropriations**

<u>Project / Equipment</u>	<u>2018 Carryover</u>	<u>2019 Budget</u>
Equipment		
Computer upgrades	\$ 5,000	\$ 5,000
Countertop replacement	3,000	3,000
Exterior painting	14,730	14,730
Fitness equipment	20,000	20,000
Vehicle	-	40,000
Total Equipment	<u>42,730</u>	<u>82,730</u>
Total Village Center	<u>\$ 42,730</u>	<u>\$ 82,730</u>

Sources of Funding

<u>Project / Equipment</u>	<u>Carry Over</u>	<u>Pay-As- You-Go</u>	<u>Total</u>
Equipment			
Computer upgrades	\$ 5,000	\$ -	\$ 5,000
Chiller screens	3,000	-	3,000
Computer lab room divider	14,730	-	14,730
Fitness equipment	20,000	-	20,000
Vehicle	-	40,000	40,000
Total Equipment	<u>42,730</u>	<u>40,000</u>	<u>82,730</u>
Total Village Center	<u>\$ 42,730</u>	<u>\$ 40,000</u>	<u>\$ 82,730</u>

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Financing Capital Improvement

The major sources of financing capital improvements and equipment in the upcoming budget year are as follows

Pay-As-You-Go	50.6%
Debt Financing	24.0
Impact Fees	0.5
Carryover	24.9

The rating agencies (Standard and Poor's Corp. and Moody's Investors, Inc.) view 15% from operating (pay-as-you-go) as highly favorable. The village is currently financing 50.6% of its CIP out of pay-as-you-go funds. Taking the significant library building project out of the calculation and that percentage would be over 55%. Due to large funding requirements, debt financing still continues to be the major source of financing for capital improvements. A brief description of the major types of financing available and limitations as to use is presented on the following pages.

Pay-As-You-Go Financing

Equipment Purchase/Replacement - At the present time, the village has a policy that it will fund its equipment purchase/replacement fund to a level equal to \$500,000. This policy has been achieved and will continue to be maintained at this level until a change is deemed necessary. The annual funding of the Equipment Purchase/Replacement fund is \$320,000.

Capital Improvement – The village uses pay-as-you-go for street/transportation, trail maintenance and park improvements. The village will fund \$1,150,000 in 2019 to pay for routine street reconstructions and stormwater pond maintenance, \$85,000 to pay for trail/bike path maintenance, \$70,000 for future park projects and \$140,000 to pay for parks infrastructure maintenance. The village accomplishes this funding through general property taxes and transfers from general fund unassigned fund balance.

The village will review this funding annually to evaluate whether the funding level is sufficient.

Issuance of General Obligation Bonds

Bonds issued as general obligations of the village are secured by the full faith and credit of the village through its power to tax. The village, however, is limited to borrowing up to five percent of its equalized value of property within the village. The village has taken this one step further in its policies that the village will not borrow in excess of 50% of the state legal debt limit. As of December 31, 2018, this limit is \$46,987,913.

At the present time, the village pays for most capital improvements in the annual capital borrowing. As of December 31, 2018, the village has \$39,412,813 in outstanding general obligation debt and the village has \$7,575,100 in available capacity.

Grants

Grants are contributions of cash or other assets from another government entity to be used or expended for a specific purpose, activity or facility. Grants can be either capital grants or operating. Capital grants are for the acquisition or construction of fixed assets and usually require some local effort match. All other grants are considered operating grants. Grants have specific compliance requirements including prescribing the activities allowed and not allowed, eligibility requirements, matching level of effort or earmarking requirements, reporting requirements and special provisions to be taken into consideration.

Financing Capital Improvement (cont.)

Lease Financing

Under this type of debt financing, a governmental entity enters into a contractual arrangement with the issuer to construct or otherwise acquire facilities and/or equipment that is needed by the entity. Ordinarily, all operation and maintenance costs are the responsibility of the lessee (borrower).

The lease terms are generally structured such that the rental payments are sufficient to meet debt service costs as well as any administrative expenses. Typically, lease financing is used for acquisition of major capital equipment which is very expensive and has a useful life greater than five years but typically are not expected to have a useful life as long as the term of bonds issued. The village does not typically use this type of financing.

CAPITAL IMPROVEMENT PROGRAM (CONT.)

Capital Improvements Fund

	2018	2019	2020	2021	2022	2023
	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
<u>Revenues:</u>						
Public charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	2,434	1,300	-	-	-	-
Miscellaneous revenue	12,489	-	-	-	-	-
Transfers In	<u>290,000</u>	<u>652,500</u>	<u>255,000</u>	-	-	-
Total Revenues	<u>304,923</u>	<u>653,800</u>	<u>255,000</u>	-	-	-
<u>Expenditures:</u>						
Capital Outlay -						
Public Works	1,736,718	1,381,800	1,235,000	1,235,000	1,235,000	1,235,000
Leisure Activities						
Parks	451,462	627,500	410,000	140,000	304,500	140,000
Library	-	-	-	-	-	-
Conservation and Development	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
Total Project Costs	<u>2,188,180</u>	<u>2,009,300</u>	<u>1,645,000</u>	<u>1,375,000</u>	<u>1,539,500</u>	<u>1,375,000</u>
Borrowing Costs (premium)	-	-	-	-	-	-
Total Expenditures	<u>2,188,180</u>	<u>2,009,300</u>	<u>1,645,000</u>	<u>1,375,000</u>	<u>1,539,500</u>	<u>1,375,000</u>
Excess of revenues over (under) expenditures	(1,883,257)	(1,355,500)	(1,390,000)	(1,375,000)	(1,539,500)	(1,375,000)
Proceeds from GO Debt	-	-	-	-	-	-
Local Property Tax	<u>1,280,000</u>	<u>1,280,000</u>	<u>1,390,000</u>	<u>1,445,000</u>	<u>1,445,000</u>	<u>1,445,000</u>
Net Surplus (Deficit)	(603,257)	(75,500)	-	70,000	(94,500)	70,000
Fund balances - beginning of period	<u>795,845</u>	<u>192,588</u>	<u>117,088</u>	<u>117,088</u>	<u>187,088</u>	<u>92,588</u>
FUND BALANCES - END OF PERIOD	<u>\$ 192,588</u>	<u>\$ 117,088</u>	<u>\$ 117,088</u>	<u>\$ 187,088</u>	<u>\$ 92,588</u>	<u>\$ 162,588</u>

CAPITAL IMPROVEMENT PROGRAM (CONT.)

Library Building Project

	2018	2019	2020	2021	2022	2023
	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
<u>Revenues:</u>						
Intergovernmental grants	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Public charges	-	-	-	-	-	-
Investment income	8,000	5,964	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-
Transfers In	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>108,000</u>	<u>505,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>						
Capital Outlay -						
Public Works						
Leisure Activities						
Parks	-	-	-	-	-	-
Library	5,308,179	6,868,245	-	-	-	-
Conservation and Development	-	-	-	-	-	-
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Project Costs	5,308,179	6,868,245	-	-	-	-
Borrowing Costs (premium)	<u>53,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>5,361,739</u>	<u>6,868,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	(5,253,739)	(6,362,281)	-	-	-	-
Proceeds from GO Debt	6,375,000	2,272,500	-	-	-	-
Local Property Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Surplus (Deficit)	1,121,261	(4,089,781)	-	-	-	-
Fund balances - beginning of period	<u>2,968,520</u>	<u>4,089,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF PERIOD	<u>\$ 4,089,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAPITAL IMPROVEMENT PROGRAM (CONT.)

Equipment Purchase/Replacement Fund

	2018	2019	2020	2021	2022	2023
	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Revenues:						
Sale of Property	\$ 5,000	\$ 30,000	\$ 37,000	\$ 50,000	\$ 20,000	\$ 50,000
Investment income	750	33,993	15,755	12,942	10,072	6,933
Miscellaneous	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-
Total Revenues	<u>5,750</u>	<u>63,993</u>	<u>52,755</u>	<u>62,942</u>	<u>30,072</u>	<u>56,933</u>
Expenditures:						
Capital Outlay						
General Government	40,000	96,000	59,000	18,000	12,000	28,000
Public Safety	97,000	101,500	80,000	82,000	112,000	107,000
Public Works	162,285	223,000	166,000	190,000	205,000	275,000
Health and Human Services	17,373	6,630	2,000	8,820	4,000	4,000
Leisure Activities	12,852	109,000	104,000	71,000	52,000	4,000
Total Expenditures	<u>329,510</u>	<u>536,130</u>	<u>411,000</u>	<u>369,820</u>	<u>385,000</u>	<u>418,000</u>
Excess of revenues over (under) expenditures	(323,760)	(472,137)	(358,245)	(306,878)	(354,928)	(361,067)
Local Property Tax	<u>310,000</u>	<u>320,000</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>
NET SURPLUS (DEFICIT)	(13,760)	(152,137)	(33,245)	18,122	(29,928)	(36,067)
Fund balances - beginning of period	<u>703,027</u>	<u>689,267</u>	<u>537,130</u>	<u>503,885</u>	<u>522,007</u>	<u>492,079</u>
FUND BALANCES - END OF PERIOD	<u>\$ 689,267</u>	<u>\$ 537,130</u>	<u>\$ 503,885</u>	<u>\$ 522,007</u>	<u>\$ 492,079</u>	<u>\$ 456,012</u>

CAPITAL IMPROVEMENT PROGRAM (CONT.)

Projected Financing

The following schedules are projections of debt sizing and repayment. These projections are only estimates of what the repayment of future borrowings may be.

Projected Principal Payments

	<u>Totals</u>	<u>Library 2019 STFL</u>	<u>2020 General Obligation Borrowing</u>	<u>2021 General Obligation Borrowing</u>	<u>2022 General Obligation Borrowing</u>	<u>2023 General Obligation Borrowing</u>
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	72,439	72,439	-	-	-	-
2021	75,698	75,698	-	-	-	-
2022	79,105	79,105	-	-	-	-
2023	82,664	82,664	-	-	-	-
2024	86,384	86,384	-	-	-	-
2025	90,272	90,272	-	-	-	-
2026	94,334	94,334	-	-	-	-
2027	98,579	98,579	-	-	-	-
2028	103,015	103,015	-	-	-	-
2029	107,651	107,651	-	-	-	-
2030	112,495	112,495	-	-	-	-
2031	117,557	117,557	-	-	-	-
2032	122,847	122,847	-	-	-	-
2033	128,375	128,375	-	-	-	-
2034	134,152	134,152	-	-	-	-
2035	140,189	140,189	-	-	-	-
2036	146,497	146,497	-	-	-	-
2037	153,090	153,090	-	-	-	-
2038	159,979	159,979	-	-	-	-
2039	<u>167,178</u>	<u>167,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTALS	<u>\$ 2,272,500</u>	<u>\$ 2,272,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAPITAL IMPROVEMENT PROGRAM (CONT.)

Projected Financing (cont.)

Projected Interest Payments

	<u>Totals</u>	<u>Library 2019 STFL</u>	<u>2020 General Obligation Borrowing</u>	<u>2021 General Obligation Borrowing</u>	<u>2022 General Obligation Borrowing</u>	<u>2023 General Obligation Borrowing</u>
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	94,739	94,739	-	-	-	-
2021	91,480	91,480	-	-	-	-
2022	88,073	88,073	-	-	-	-
2023	84,514	84,514	-	-	-	-
2024	80,794	80,794	-	-	-	-
2025	76,906	76,906	-	-	-	-
2026	72,844	72,844	-	-	-	-
2027	68,599	68,599	-	-	-	-
2028	64,163	64,163	-	-	-	-
2029	59,527	59,527	-	-	-	-
2030	54,683	54,683	-	-	-	-
2031	49,621	49,621	-	-	-	-
2032	44,331	44,331	-	-	-	-
2033	38,803	38,803	-	-	-	-
2034	33,026	33,026	-	-	-	-
2035	26,989	26,989	-	-	-	-
2036	20,680	20,680	-	-	-	-
2037	14,088	14,088	-	-	-	-
2038	7,199	7,199	-	-	-	-
2039	7,524	7,524	-	-	-	-
TOTALS	<u>\$ 1,078,583</u>	<u>\$ 1,078,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Project Listing

Fund / Department / Project	Year					Grand Total
	2019	2020	2021	2022	2023	
Project						
Capital Projects						
Streets						
Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
2019 Streets	1,000,000	-	-	-	-	1,000,000
Available carryover	-	-	-	-	-	-
2020 Streets	-	1,000,000	-	-	-	1,000,000
2021 Streets	-	-	1,000,000	-	-	1,000,000
2022 Streets	-	-	-	1,000,000	-	1,000,000
Sixmile Creek path	205,000	-	-	-	-	205,000
Trail maintenance	26,800	85,000	85,000	85,000	85,000	366,800
2023 Streets	-	-	-	-	1,000,000	1,000,000
Streets Total	1,381,800	1,235,000	1,235,000	1,235,000	1,235,000	6,321,800
Library						
Library building	6,868,245	-	-	-	-	6,868,245
Library Total	6,868,245	-	-	-	-	6,868,245
Parks						
Future park capital project	-	-	-	-	-	-
Miscellaneous park maintenance	140,000	140,000	140,000	140,000	140,000	700,000
Blueridge tennis - armor coat and color	-	-	-	31,500	-	31,500
Tierney tennis - armor coat and color	-	-	-	18,000	-	18,000
Hanover North - remove & replace w BB court	-	-	-	115,000	-	115,000
Northridge Park Shelter planning	47,500	-	-	-	-	47,500
Ripp Park tennis courts reconstruction	440,000	-	-	-	-	440,000
Tierney Park	-	70,000	-	-	-	70,000
Northridge Park Shelter construction	-	200,000	-	-	-	200,000
Parks Total	627,500	410,000	140,000	304,500	140,000	1,622,000
Capital Projects Total	8,877,545	1,645,000	1,375,000	1,539,500	1,375,000	14,812,045
Project Total	8,877,545	1,645,000	1,375,000	1,539,500	1,375,000	14,812,045
Grand Total	8,877,545	1,645,000	1,375,000	1,539,500	1,375,000	14,812,045

Unfunded Project Listing

Fund / Department / Project	Year				Grand Total
	2020	2021	2022	2023	
Project					
Capital Projects					
Village Hall					
Phone system	20,000	-	-	-	20,000
Village Hall Total	20,000	-	-	-	20,000
Police					
Police garage addition	-	-	90,000	-	90,000
Police Total	-	-	90,000	-	90,000
Parks					
Tierney Park	30,000	-	-	-	30,000
Northridge Park Shelter construction	225,000	-	-	-	225,000
Northridge tennis - colorcoating/landscaping	13,500	-	-	-	13,500
Athletic field improvements	-	200,000	-	-	200,000
Meadowbrook tennis - drain tile/color coat	-	48,000	-	-	48,000
Hanover South tennis - pulv/pave/color coat	-	146,000	-	-	146,000
Westbridge tennis - armor coat and color	-	55,000	-	-	55,000
Playground replacement program - Phase 1	-	-	350,000	-	350,000
Savannah tennis and hockey - tile replacement	-	-	74,000	-	74,000
Skate Board Park upgrades	-	-	-	75,000	75,000
Playground replacement program - Phase 2	-	-	-	350,000	350,000
Parks Total	268,500	449,000	424,000	425,000	1,566,500
Capital Projects Total	288,500	449,000	514,000	425,000	1,676,500
Village Center					
Village Center					
Parking lot repairs	-	-	80,000	-	80,000
Village Center Total	-	-	80,000	-	80,000
Village Center Total	-	-	80,000	-	80,000
Project Total	288,500	449,000	594,000	425,000	1,756,500
Grand Total	288,500	449,000	594,000	425,000	1,756,500

Equipment Listing

Fund / Category / Department / Item	Year					Total
	2019	2020	2021	2022	2023	
Equipment Replacement						
General Government						
Village Hall						
Computer Upgrades	40,000	10,000	18,000	2,000	16,000	86,000
File server	40,000	10,000		10,000	12,000	72,000
Elections						
DS 200 - 2		12,000				12,000
Electronic poll books	16,000	8,000				24,000
Express Vote		8,000				8,000
Polling booths - 20		6,000				6,000
Queuing posts		5,000				5,000
General Government Total	96,000	59,000	18,000	12,000	28,000	213,000
Public Safety						
Police						
Body cameras				25,000		25,000
Computer Upgrades	20,000	-	2,000	2,000	22,000	46,000
Interview room audio/video	6,500					6,500
Police Squads	75,000	80,000	80,000	85,000	85,000	405,000
Public Safety Total	101,500	80,000	82,000	112,000	107,000	482,500
Public Works						
Streets						
Bobcat attachment	15,000					15,000
Computer Upgrades	2,000	6,000				8,000
Dump Truck	200,000			205,000		405,000
Farm tractor		40,000				40,000
Loader			190,000		195,000	385,000
Pickups w plow		110,000				110,000
Small Dump Truck					80,000	80,000
Trailer		10,000				10,000
Engineering						
PC Surfaces	6,000					6,000
Public Works Total	223,000	166,000	190,000	205,000	275,000	1,059,000
Health and Human Services						
Senior Center						
Computer Upgrades	4,000	2,000	4,000	4,000	4,000	18,000
Lounge furniture			4,820			4,820
Refrigerator	2,630					2,630
Health and Human Services Total	6,630	2,000	8,820	4,000	4,000	25,450
Leisure Activities						
Library						
Computer Upgrades	3,000	3,000	3,000	3,000	3,000	15,000
Parks						
Bobcat	1,000	1,000	1,000	1,000	1,000	5,000
Mower		11,000		23,000		34,000
Polaris cart		23,000		25,000		48,000
Wide area mower	65,000	66,000	67,000			198,000
Village Center						
VC Vehicle	40,000					40,000
Leisure Activities Total	109,000	104,000	71,000	52,000	4,000	340,000
Equipment Replacement Total	536,130	411,000	369,820	385,000	418,000	2,119,950
Village Center						
Leisure Activities						
Village Center						
Building maintenance equipment				10,000		10,000
Computer Upgrades	5,000	5,000	5,000	5,000	5,000	25,000
Countertop replacement	3,000					3,000
Digital Lobby Signage		5,000				5,000
Exterior painting	14,730					14,730
FIT Pass Card Printer		1,700				1,700
Fitness equipment	20,000	20,000	8,000	15,000		63,000
Floor replace-Fitness/Welcome Desk				16,000		16,000
Flooring replacement			15,000			15,000
Flooring replacement - offices					14,000	14,000
Lower Level Kitchen Flooring		6,000				6,000
Lower Level Restroom Reno					25,000	25,000
Lower Level Room Divider			15,000			15,000
Parking Lot Banners		2,000				2,000
Leisure Activities Total	42,730	39,700	43,000	46,000	44,000	215,430
Village Center Total	42,730	39,700	43,000	46,000	44,000	215,430
Grand Total	578,860	450,700	412,820	431,000	462,000	2,335,380

BACKGROUND INFORMATION AND ANALYSIS

Debt Service Summary

The Village of Waunakee has implemented a debt policy that is detailed within the policy section of the 2019 budget document. The following information details the current debt position of the village and provides for various summaries related to debt service.

The village issues only general obligation type debt for capital improvement. This debt is issued for the financing of the village's infrastructure improvements, new buildings and building renovation improvements. The debt service is supported mostly by the general tax levy. As Tax Incremental District No. 3, No. 4, No. 5 No. 6, and No. 8 progress, debt service for the debt issues specifically identified with these districts will be paid from tax increments received on new value. The general tax levy of the village will only need to contribute if the tax increments are insufficient to cover the annual debt service.

The village has established and is maintaining a rapid debt retirement schedule to provide a better bond rating in the future (currently Aa2 Moody's). The village at December 31, 2018 has twelve debt issues outstanding. Summary data regarding the 2019 debt service requirements is detailed below:

Type of Debt	Principal Payments	Interest Payments	Total
General Obligation Debt			
2003 State Trust Fund Loan	\$ 24,039	\$ 6,641	\$ 30,680
2008 G.O. Bonds	100,000	18,800	118,800
2009 G.O. Bonds	165,000	3,052	168,052
2010 G.O. Bonds	315,000	8,631	323,631
2011 G.O. Bonds	225,000	77,237	302,237
2011 G.O. Bonds	60,000	43,547	103,547
2012 G.O. Bonds	1,300,000	322,400	1,622,400
2015 G.O. Bonds	50,000	42,695	92,695
2016 G.O. Bonds	315,000	152,225	467,225
2016 G.O. Bonds	80,000	55,219	135,219
2017 G.O. Bonds	210,000	280,639	490,639
2018 G.O. Bonds	155,000	343,911	498,911
Total General Obligation Debt	<u>\$2,999,039</u>	<u>\$1,354,997</u>	<u>\$ 4,354,036</u>

BACKGROUND INFORMATION AND ANALYSIS (CONT.)

Summary data regarding the remaining outstanding bond issues are as follows:

<u>Type of Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
General Obligation Debt					
2003 State Trust Fund Loan	05/28/03	03/15/23	5.00%	\$ 385,931	\$ 108,774
2008 G.O. Bonds	05/22/08	06/01/23	3.50% - 3.90%	1,330,000	440,000
2009 G.O. Bonds	05/21/09	05/01/29	1.35% - 4.70%	7,340,000	-
2010 G.O. Bonds	06/01/10	06/01/30	2.00% - 4.00%	5,665,000	125,000
2011 G.O. Bonds	11/08/11	11/01/31	2.00% - 3.60%	3,945,000	2,395,000
2011 G.O. Bonds	11/08/11	11/01/31	1.50% - 4.80%	1,345,000	1,005,000
2012 G.O. Bonds	04/18/12	04/01/32	4.00%	13,245,000	7,410,000
2015 G.O. Bonds	04/18/12	04/01/32	3.00% - 3.50%	1,355,000	1,305,000
2016 G.O. Bonds	01/06/16	04/01/35	2.00% - 3.00%	6,055,000	5,250,000
2016 G.O. Bonds	12/15/16	05/01/29	1.20% - 2.50%	2,920,000	2,760,000
2017 G.O. Bonds	01/12/17	06/01/36	3.00% - 4.00%	8,855,000	8,320,000
2018 G.O. Bonds	06/07/18	06/01/38	3.00% - 3.55%	7,450,000	<u>7,295,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 36,413,774</u>

The table below details the annual debt service requirements for years subsequent to 2019:

<u>Year</u>	<u>General Obligation Long-Term Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,095,226	\$ 1,138,860	\$ 4,234,086
2021	3,326,502	1,028,249	4,354,751
2022	3,442,827	910,485	4,353,312
2023	3,619,219	787,545	4,406,764
2024	2,590,000	680,122	3,270,122
2025-2029	9,960,000	2,464,583	12,424,583
2030-2034	7,330,000	1,061,457	8,391,457
2035-2038	3,050,000	160,131	3,210,131
TOTAL	<u>\$ 36,413,774</u>	<u>\$ 8,231,432</u>	<u>\$ 44,645,206</u>

DEBT CAPACITY

In accordance with Wisconsin State Statutes, total general obligation indebtedness of the village may not exceed five percent of the equalized value of the taxable property within the village's jurisdiction. The debt limit as of December 31, 2018 was \$93,975,825. Total general obligation debt outstanding at year-end was \$39,412,813.

BACKGROUND INFORMATION AND ANALYSIS (CONT.)

The following chart depicts the village's general obligation debt borrowing capacity and how much of the capacity will be used over the projected years based upon the project schedules in this report.

