



CAPITAL IMPROVEMENT PLAN
FOR YEARS 2018 - 2022

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 2017, Moody's reaffirmed this bond rating during the Series 2017A 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
2018 FIVE YEAR PLAN**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Service Tax Rate	\$ 1.622	\$ 1.833	\$ 2.078	\$ 2.078	\$ 2.067	\$ 1.978
DEBT SERVICE (Growth of)	<u>7.62%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>
Equalized Value (000) - January 1	\$ 1,717,335	\$ 1,768,855	\$ 1,821,921	\$ 1,876,579	\$ 1,932,876	\$ 1,990,862
Debt Limit (5% of equalized value)	\$ 85,866,755	\$ 88,442,750	\$ 91,096,050	\$ 93,828,950	\$ 96,643,800	\$ 99,543,100
Debt Service Policy (50%)	\$ 42,933,378	\$ 44,221,375	\$ 45,548,025	\$ 46,914,475	\$ 48,321,900	\$ 49,771,550
Outstanding debt - 1/1	\$ 29,592,511	\$ 34,720,707	\$ 43,350,313	\$ 40,233,971	\$ 36,937,550	\$ 33,305,805
New debt	8,855,000	11,387,500	-	-	-	-
Debt paid	(3,726,804)	(2,757,894)	(3,116,342)	(3,296,421)	(3,631,745)	(3,747,280)
Outstanding debt - 12/31	<u>34,720,707</u>	<u>43,350,313</u>	<u>40,233,971</u>	<u>36,937,550</u>	<u>33,305,805</u>	<u>29,558,525</u>
Debt capacity - 12/31	\$ 8,212,671	\$ 871,062	\$ 5,314,054	\$ 9,976,925	\$ 15,016,095	\$ 20,213,025
Debt capacity as a percentage	<u>40.44%</u>	<u>49.02%</u>	<u>44.17%</u>	<u>39.37%</u>	<u>34.46%</u>	<u>29.69%</u>
Debt Service as a % of Budgeted						
Expenditures (Policy not to exceed 30%)	<u>31.12%</u>	<u>18.94%</u>	<u>21.38%</u>	<u>22.33%</u>	<u>24.02%</u>	<u>24.59%</u>
Projected debt principal payments	\$ 3,726,804	\$ 2,757,894	\$ 3,116,342	\$ 3,296,421	\$ 3,631,745	\$ 3,747,280
CAPITAL EXPENDITURES						
Projected Projects	\$ 2,114,539	\$ 12,985,169	\$ 4,040,229	\$ 1,720,000	\$ 1,445,000	\$ 1,445,000
Equipment Replacement	337,541	366,573	420,630	363,500	360,820	351,000
Total Capital Expenditures	<u>\$ 2,452,080</u>	<u>\$ 13,351,742</u>	<u>\$ 4,460,859</u>	<u>\$ 2,083,500</u>	<u>\$ 1,805,820</u>	<u>\$ 1,796,000</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.

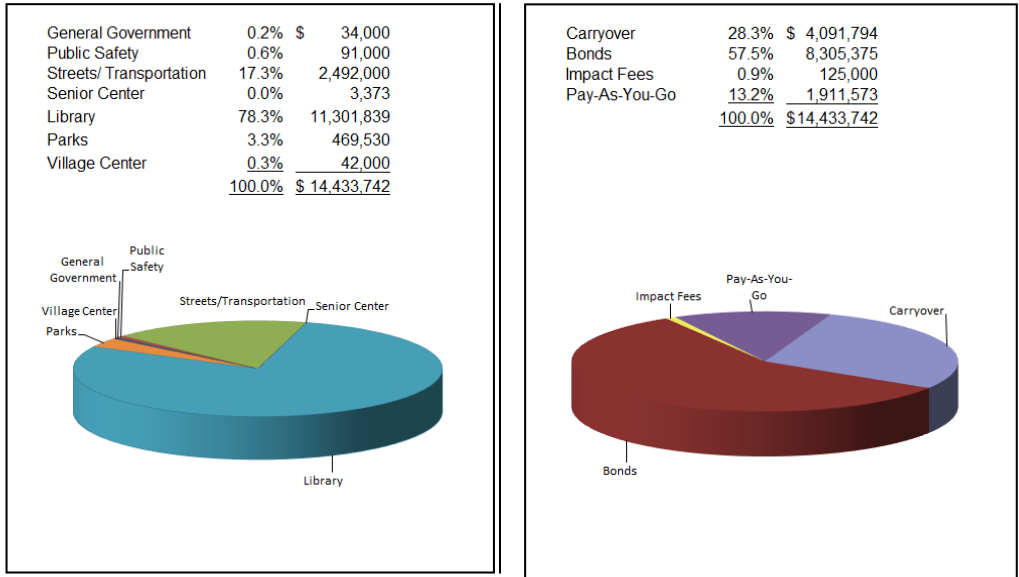
The key spreadsheet exhibits in the report set forth the structure of each borrowing and the ultimate impact upon the tax rate that result from the payment of principal and interest thereon. This financing plan was developed implementing the concept set forth earlier in this report of developing a capital 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 2018 represents a \$14.3 million investment of public funds in infrastructure, public facilities, and equipment purchases. The project mix consists of 13.2% of the projects being funded on a pay-as-you-go basis, 57.5% through debt financing, 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

Sources of Funding All Projects

<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	1,040,000	-	-	2,275,000
Library	-	7,265,375	-	4,033,464	11,298,839
Parks	310,000	-	125,000	16,330	451,330
Village Center	-	-	-	-	-
Total Projects	<u>1,545,000</u>	<u>8,305,375</u>	<u>125,000</u>	<u>4,049,794</u>	<u>14,025,169</u>
Equipment					
General Government	34,000	-	-	-	34,000
Public Safety	91,000	-	-	-	91,000
Streets / Transportation	217,000	-	-	-	217,000
Senior Center	3,373	-	-	-	3,373
Library	3,000	-	-	-	3,000
Parks	18,200	-	-	-	18,200
Village Center	-	-	-	42,000	42,000
Total Equipment	<u>366,573</u>	<u>-</u>	<u>-</u>	<u>42,000</u>	<u>408,573</u>
Total For All Projects	<u>\$ 1,911,573</u>	<u>\$ 8,305,375</u>	<u>\$ 125,000</u>	<u>\$ 4,091,794</u>	<u>\$ 14,433,742</u>

Schedule of Capital Improvements and Equipment Purchases (cont.)

**General Government
Appropriations**

<u>Project / Equipment</u>	<u>2017 Carryover</u>	<u>2018 Budget</u>
Equipment		
Computer/Software updates	\$ -	\$ 10,000
File server	-	12,000
Election equipment	-	12,000
Total Equipment	-	34,000
Total General Government	\$ -	\$ 34,000

Sources of Funding

<u>Project / Equipment</u>	<u>Pay-As- You-Go</u>	<u>Bonds</u>	<u>Total</u>
Equipment			
Computer/Software updates	\$ 10,000	\$ -	\$ 10,000
File server	12,000	-	12,000
Election equipment	12,000	-	12,000
Total Equipment	34,000	-	34,000
Total General Government	\$ 34,000	\$ -	\$ 34,000

**Public Safety
Appropriations**

<u>Project / Equipment</u>	<u>2017 Carryover</u>	<u>2018 Budget</u>
Equipment		
Police computers	\$ -	\$ 16,000
Police squads	-	75,000
Total Equipment	-	91,000
Total Police	\$ -	\$ 91,000

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			
Police computers	\$ 16,000	\$ -	\$ 16,000
Police squads	75,000	-	75,000
Total Equipment	91,000	-	91,000
Total Police	<u>\$ 91,000</u>	<u>\$ -</u>	<u>\$ 91,000</u>

Streets / Transportation

Appropriations

<u>Project / Equipment</u>	<u>2017 Carryover</u>	<u>2018 Budget</u>
Projects		
2018 street program	\$ -	\$ 1,000,000
Cross Street extension	-	1,040,000
Trail maintenance projects	-	85,000
Street maintenance projects	-	150,000
Total Projects	-	2,275,000
Equipment		
Garage HVAC	\$ -	\$ 22,000
Dump Truck	-	187,000
Garage security	-	8,000
Total Equipment	-	217,000
Total Streets / Transportation	<u>\$ -</u>	<u>\$ 2,492,000</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				
2018 street program	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Cross Street extension	-	1,040,000	-	1,040,000
Trail maintenance projects	85,000	-	-	85,000
Street maintenance projects	150,000	-	-	150,000
Total Projects	<u>1,235,000</u>	<u>1,040,000</u>	<u>-</u>	<u>2,275,000</u>
Equipment				
Garage HVAC	\$ 22,000	\$ -	\$ -	\$ 22,000
Dump Truck	187,000	-	-	187,000
Garage security	8,000	-	-	8,000
Total Equipment	<u>217,000</u>	<u>-</u>	<u>-</u>	<u>217,000</u>
Total Streets / Transportation	<u>\$ 1,452,000</u>	<u>\$ 1,040,000</u>	<u>\$ -</u>	<u>\$ 2,492,000</u>

Schedule of Capital Improvements and Equipment Purchases (cont.)

**Senior Center
Appropriations**

<u>Project / Equipment</u>	<u>2017 Carryover</u>	<u>2018 Budget</u>
Equipment		
Refrigerator	\$ -	\$ 3,373
Total Equipment	-	3,373
Total Senior Center	\$ -	\$ 3,373

Sources of Funding

<u>Project / Equipment</u>	<u>Pay-As- You-Go</u>	<u>Bonds</u>	<u>Total</u>
Equipment			
Refrigerator	\$ 3,373	\$ -	\$ 3,373
Total Equipment	3,373	-	3,373
Total Senior Center	\$ 3,373	\$ -	\$ 3,373

**Library
Appropriations**

<u>Project / Equipment</u>	<u>2017 Carryover</u>	<u>2018 Budget</u>
Projects		
Library building	\$ -	\$ 11,298,839
Total Projects	-	11,298,839
Equipment		
Computer/Software updates	\$ -	\$ 3,000
Total Equipment	-	3,000
Total Library	\$ -	\$ 11,301,839

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	\$ -	\$ 7,265,375	\$ 4,033,464	\$ 11,298,839
Total Projects	-	7,265,375	4,033,464	11,298,839
Equipment				
Computer/Software updates	\$ 3,000	\$ -	\$ -	\$ 3,000
Total Equipment	3,000	-	-	3,000
Total Library	\$ 3,000	\$ 7,265,375	\$ 4,033,464	\$ 11,301,839

Schedule of Capital Improvements and Equipment Purchases (cont.)

Parks

Appropriations

<u>Project / Equipment</u>	<u>2017 Carryover</u>	<u>2018 Budget</u>
Projects		
Meadowbrook Park Shelter	\$ -	\$ 295,000
Bolz Conservancy	-	132
Centennial ball diamond improvements	-	16,198
Miscellaneous Parks	-	140,000
Total Projects	-	451,330
Equipment		
Bobcat	-	2,100
Mower	-	10,000
Power unit for painter	-	6,100
Total Equipment	-	18,200
Total Parks	\$ -	\$ 469,530

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				
Meadowbrook Park Shelter	\$ 170,000	\$ 125,000	\$ -	\$ 295,000
Bolz Conservancy	-	-	132	132
Centennial ball diamond improvements	-	-	16,198	16,198
Miscellaneous Parks	140,000	-	-	140,000
Total Projects	310,000	125,000	16,330	451,330
Equipment				
Bobcat	2,100	-	-	2,100
Mower	10,000	-	-	10,000
Power unit for painter	6,100	-	-	6,100
Total Equipment	18,200	-	-	18,200
Total Parks	\$ 328,200	\$ 125,000	\$ 16,330	\$ 469,530

Schedule of Capital Improvements and Equipment Purchases (cont.)

**Village Center
Appropriations**

<u>Project / Equipment</u>	<u>2017 Carryover</u>	<u>2018 Budget</u>
Equipment		
Computer upgrades	\$ 5,000	\$ 5,000
Chiller screens	2,000	2,000
Computer lab room divider	2,500	2,500
Fitness equipment	20,000	20,000
Building furnishings	12,500	12,500
Total Equipment	<u>42,000</u>	<u>42,000</u>
Total Village Center	<u>\$ 42,000</u>	<u>\$ 42,000</u>

Sources of Funding

<u>Project / Equipment</u>	<u>Carry Over</u>	<u>Bonds</u>	<u>Total</u>
Equipment			
Computer upgrades	\$ 5,000	\$ -	\$ 5,000
Chiller screens	2,000	-	2,000
Computer lab room divider	2,500	-	2,500
Fitness equipment	20,000	-	20,000
Building furnishings	12,500	-	12,500
Total Equipment	<u>42,000</u>	<u>-</u>	<u>42,000</u>
Total Village Center	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ 42,000</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

Financing Capital Improvement

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

Pay-As-You-Go	13.3%
Debt Financing	57.5
Impact Fees	0.9
Carryover	28.3

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 13.3% 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 50%. 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 \$310,000.

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 2018 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, 2017, this limit is \$42,933,375.

At the present time, the village pays for most capital improvements in the annual capital borrowing. As of December 31, 2017, the village has \$34,720,707 in outstanding general obligation debt and the village has \$8,212,671 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

	2017	2018	2019	2020	2021	2022
	<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	995	1,300	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-
Transfers In	<u>34,607</u>	<u>290,000</u>	<u>125,000</u>	<u>230,000</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>35,602</u>	<u>291,300</u>	<u>125,000</u>	<u>230,000</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>						
Capital Outlay -						
Public Works	1,067,346	1,235,000	1,235,000	1,235,000	1,235,000	1,235,000
Leisure Activities						
Parks	22,098	451,330	225,000	485,000	210,000	210,000
Library	-	-	-	-	-	-
Conservation and Development						
Transfer out	<u>25,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Project Costs	1,114,539	1,686,330	1,460,000	1,720,000	1,445,000	1,445,000
Borrowing Costs (premium)						
Total Expenditures	<u>1,114,539</u>	<u>1,686,330</u>	<u>1,460,000</u>	<u>1,720,000</u>	<u>1,445,000</u>	<u>1,445,000</u>
Excess of revenues over (under) expenditures	(1,078,937)	(1,395,030)	(1,335,000)	(1,490,000)	(1,445,000)	(1,445,000)
Proceeds from GO Debt						
Local Property Tax	<u>1,225,000</u>	<u>1,280,000</u>	<u>1,335,000</u>	<u>1,390,000</u>	<u>1,445,000</u>	<u>1,445,000</u>
Net Surplus (Deficit)	146,063	(115,030)	-	(100,000)	-	-
Fund balances - beginning of period	<u>78,116</u>	<u>224,179</u>	<u>109,149</u>	<u>109,149</u>	<u>9,149</u>	<u>9,149</u>
FUND BALANCES - END OF PERIOD	<u>\$ 224,179</u>	<u>\$ 109,149</u>	<u>\$ 109,149</u>	<u>\$ 9,149</u>	<u>\$ 9,149</u>	<u>\$ 9,149</u>

CAPITAL IMPROVEMENT PROGRAM (CONT.)

Library Building Project

	2017	2018	2019	2020	2021	2022
	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
<u>Revenues:</u>						
Intergovernmental grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public charges	-	-	-	-	-	-
Investment income	8,414	7,814	-	-	-	-
Miscellaneous revenue	50	-	-	-	-	-
Transfers In	-	100,000	-	-	-	-
Total Revenues	<u>8,464</u>	<u>107,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>						
Capital Outlay -						
Public Works						
	-	-	-	-	-	-
Leisure Activities						
Parks	-	-	-	-	-	-
Library	965,393	11,298,839	2,580,229	-	-	-
Conservation and Development						
	-	-	-	-	-	-
Transfer out						
	<u>34,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Project Costs	1,000,000	11,298,839	2,580,229	-	-	-
Borrowing Costs (premium)	<u>35,000</u>	<u>153,975</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,035,000</u>	<u>11,452,814</u>	<u>2,587,729</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	(1,026,536)	(11,345,000)	(2,587,729)	-	-	-
Proceeds from GO Debt	5,060,000	7,320,000	2,587,729	-	-	-
Local Property Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Surplus (Deficit)	4,033,464	(4,025,000)	-	-	-	-
Fund balances - beginning of period	<u>-</u>	<u>4,033,464</u>	<u>8,464</u>	<u>8,464</u>	<u>8,464</u>	<u>8,464</u>
FUND BALANCES - END OF PERIOD	<u>\$ 4,033,464</u>	<u>\$ 8,464</u>	<u>\$ 8,464</u>	<u>\$ 8,464</u>	<u>\$ 8,464</u>	<u>\$ 8,464</u>

CAPITAL IMPROVEMENT PROGRAM (CONT.)

Equipment Purchase/Replacement Fund

	2017	2018	2019	2020	2021	2022
	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Revenues:						
Sale of Property	\$ 27,260	\$ 16,000	\$ 36,500	\$ 22,000	\$ 50,000	\$ 24,000
Investment income	1,200	1,000	1,000	1,000	1,000	1,000
Miscellaneous	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-
Total Revenues	<u>28,460</u>	<u>17,000</u>	<u>37,500</u>	<u>23,000</u>	<u>51,000</u>	<u>25,000</u>
Expenditures:						
Capital Outlay						
General Government	49,550	34,000	20,000	31,000	20,000	10,000
Public Safety	95,245	91,000	100,000	80,000	82,000	112,000
Public Works	154,688	217,000	160,000	236,000	183,000	193,000
Health and Human Services	17,166	3,373	6,630	2,000	4,820	4,000
Leisure Activities	20,892	21,200	134,000	14,500	71,000	32,000
Total Expenditures	<u>337,541</u>	<u>366,573</u>	<u>420,630</u>	<u>363,500</u>	<u>360,820</u>	<u>351,000</u>
Excess of revenues over (under) expenditures	(309,081)	(349,573)	(383,130)	(340,500)	(309,820)	(326,000)
Local Property Tax	<u>300,000</u>	<u>310,000</u>	<u>315,000</u>	<u>315,000</u>	<u>315,000</u>	<u>320,000</u>
NET SURPLUS (DEFICIT)	(9,081)	(39,573)	(68,130)	(25,500)	5,180	(6,000)
Fund balances - beginning of period	<u>646,601</u>	<u>637,520</u>	<u>597,947</u>	<u>529,817</u>	<u>504,317</u>	<u>509,497</u>
FUND BALANCES - END OF PERIOD	<u>\$ 637,520</u>	<u>\$ 597,947</u>	<u>\$ 529,817</u>	<u>\$ 504,317</u>	<u>\$ 509,497</u>	<u>\$ 503,497</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

	Totals	Cross St 2018 General Obligation Borrowing	Library 2018 General Obligation Borrowing	Library 2018 STFL	2019 General Obligation Borrowing	2020 General Obligation Borrowing	2021 General Obligation Borrowing	2022 General Obligation Borrowing
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	272,303	-	175,000	97,303	-	-	-	-
2020	451,195	50,000	300,000	101,195	-	-	-	-
2021	480,243	50,000	325,000	105,243	-	-	-	-
2022	484,453	50,000	325,000	109,453	-	-	-	-
2023	493,831	50,000	330,000	113,831	-	-	-	-
2024	508,384	50,000	340,000	118,384	-	-	-	-
2025	518,120	50,000	345,000	123,120	-	-	-	-
2026	533,044	50,000	355,000	128,044	-	-	-	-
2027	573,166	75,000	365,000	133,166	-	-	-	-
2028	588,493	75,000	375,000	138,493	-	-	-	-
2029	604,032	75,000	385,000	144,032	-	-	-	-
2030	624,794	75,000	400,000	149,794	-	-	-	-
2031	655,785	75,000	425,000	155,785	-	-	-	-
2032	662,017	75,000	425,000	162,017	-	-	-	-
2033	693,498	75,000	450,000	168,498	-	-	-	-
2034	700,237	75,000	450,000	175,237	-	-	-	-
2035	732,247	75,000	475,000	182,247	-	-	-	-
2036	764,537	75,000	500,000	189,537	-	-	-	-
2037	842,118	70,000	575,000	197,118	-	-	-	-
2038	205,003	-	-	205,003	-	-	-	-
TOTALS	\$11,387,500	\$ 1,170,000	\$ 7,320,000	\$ 2,897,500	\$ -	\$ -	\$ -	\$ -

CAPITAL IMPROVEMENT PROGRAM (CONT.)

Projected Financing (cont.)

Projected Interest Payments

	Totals	Cross St 2018 General Obligation Borrowing	Library 2018 General Obligation Borrowing	Library 2018 Library STFL	2019 General Obligation Borrowing	2020 General Obligation Borrowing	2021 General Obligation Borrowing	2022 General Obligation Borrowing
2018	\$ 216,675	\$ 35,100	\$ 181,575	\$ -	\$ -	\$ -	\$ -	\$ -
2019	356,458	35,100	205,458	115,900	-	-	-	-
2020	348,616	35,100	201,508	112,008	-	-	-	-
2021	337,593	33,600	196,033	107,960	-	-	-	-
2022	325,789	32,100	189,939	103,750	-	-	-	-
2023	313,277	30,600	183,305	99,372	-	-	-	-
2024	300,019	29,100	176,100	94,819	-	-	-	-
2025	285,990	27,600	168,306	90,084	-	-	-	-
2026	270,985	26,100	159,726	85,159	-	-	-	-
2027	255,001	24,600	150,364	80,037	-	-	-	-
2028	237,431	22,350	140,371	74,710	-	-	-	-
2029	218,904	20,100	129,633	69,171	-	-	-	-
2030	199,309	17,850	118,050	63,409	-	-	-	-
2031	178,481	15,600	105,463	57,418	-	-	-	-
2032	156,611	13,350	92,075	51,186	-	-	-	-
2033	133,656	11,100	77,850	44,706	-	-	-	-
2034	109,591	8,850	62,775	37,966	-	-	-	-
2035	84,487	6,600	46,931	30,956	-	-	-	-
2036	57,879	4,350	29,863	23,666	-	-	-	-
2037	28,679	2,100	10,494	16,085	-	-	-	-
2038	8,200	-	-	8,200	-	-	-	-
TOTALS	\$ 4,423,631	\$ 431,250	\$ 2,625,819	\$ 1,366,562	\$ -	\$ -	\$ -	\$ -

Project Listing

Fund / Department / Project	Year					Grand Total
	2018	2019	2020	2021	2022	
Project						
Capital Projects						
Streets						
2021 Streets	-	-	-	1,000,000	-	1,000,000
2022 Streets	-	-	-	-	1,000,000	1,000,000
2018 Streets	1,000,000	-	-	-	-	1,000,000
2019 Streets	-	1,000,000	-	-	-	1,000,000
2020 Streets	-	-	1,000,000	-	-	1,000,000
Sixmile Creek path	85,000	85,000	17,551	-	-	187,551
Trail maintenance	-	-	67,449	85,000	85,000	237,449
Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
Streets Total	1,235,000	1,235,000	1,235,000	1,235,000	1,235,000	6,175,000
Library						
Library building	11,298,839	-	-	-	-	11,298,839
Library building	-	2,580,229	-	-	-	2,580,229
Library Total	11,298,839	2,580,229	-	-	-	13,879,068
Parks						
Meadow Brook Park shelter construction	295,000	-	-	-	-	295,000
Future park capital project	-	70,000	70,000	70,000	70,000	280,000
Miscellaneous park maintenance	140,000	140,000	140,000	140,000	140,000	700,000
Northridge Park Shelter planning	-	15,000	-	-	-	15,000
Northridge Park Shelter construction	-	-	175,000	-	-	175,000
Tierney Park	-	-	100,000	-	-	100,000
Bolz conservancy	132	-	-	-	-	132
Centennial ball diamond improvements	16,198	-	-	-	-	16,198
Parks Total	451,330	225,000	485,000	210,000	210,000	1,581,330
Capital Projects Total	12,985,169	4,040,229	1,720,000	1,445,000	1,445,000	21,635,398
TIF 5						
TIF 5						
Cross St. extension	1,040,000	-	-	-	-	1,040,000
TIF 5 Total	1,040,000	-	-	-	-	1,040,000
TIF 5 Total	1,040,000	-	-	-	-	1,040,000
Project Total	14,025,169	4,040,229	1,720,000	1,445,000	1,445,000	22,675,398
Borrowing Cost						
Capital Projects						
Library						
Borrowing costs	153,975	7,500	-	-	-	161,475
Library Total	153,975	7,500	-	-	-	161,475
Capital Projects Total	153,975	7,500	-	-	-	161,475
TIF 5						
TIF 5						
Borrowing costs	131,300	-	-	-	-	131,300
TIF 5 Total	131,300	-	-	-	-	131,300
TIF 5 Total	131,300	-	-	-	-	131,300
Borrowing Cost Total	285,275	7,500	-	-	-	292,775
Grand Total	14,310,444	4,047,729	1,720,000	1,445,000	1,445,000	22,968,173

Unfunded Project Listing

Fund / Department / Project	Year					Grand Total
	2018	2019	2020	2021	2022	
Project						
Capital Projects						
Police						
Police garage addition	-	-	-	90,000	-	90,000
Police Total	-	-	-	90,000	-	90,000
Parks						
Meadow Brook Park shelter construction	120,000	-	-	-	-	120,000
Miscellaneous park maintenance	-	-	-	-	-	-
Trail expansion	-	200,000	-	100,000	-	300,000
Tennis courts	-	100,000	-	-	-	100,000
Northridge Park Shelter construction	-	-	250,000	-	-	250,000
Athletic field improvements	-	-	-	400,000	-	400,000
Playground replacement program - Phase I	-	-	-	-	350,000	350,000
Skate Board Park - Phase 3	-	-	-	-	75,000	75,000
Tennis courts	-	-	-	-	100,000	100,000
Parks Total	120,000	300,000	250,000	500,000	525,000	1,695,000
Capital Projects Total	120,000	300,000	250,000	590,000	525,000	1,785,000
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	120,000	300,000	250,000	590,000	605,000	1,865,000
Grand Total	120,000	300,000	250,000	590,000	605,000	1,865,000

Equipment Listing

Fund / Category / Department / Item	Year					Total
	2018	2019	2020	2021	2022	
Equipment Replacement						
General Government						
Village Hall						
Computer Upgrades	10,000	10,000	10,000	20,000	-	50,000
File server	12,000	10,000	10,000		10,000	42,000
Elections						
DS 200 tabulating machines - 2	12,000					12,000
Polling booths - 20			6,000			6,000
Queuing posts			5,000			5,000
General Government Total	34,000	20,000	31,000	20,000	10,000	115,000
Public Safety						
Police						
Body cameras					25,000	25,000
Computer Upgrades	16,000	20,000	-	2,000	2,000	40,000
Police Squads	75,000	80,000	80,000	80,000	85,000	400,000
Public Safety Total	91,000	100,000	80,000	82,000	112,000	465,000
Public Works						
Streets						
Bobcat attachment		15,000				15,000
Computer Upgrades			6,000			6,000
Dump Truck	187,000		190,000		193,000	570,000
Farm tractor			40,000			40,000
Giant vac		35,000				35,000
Loader				183,000		183,000
Pickups truck with plow		110,000				110,000
Update garage HVAC	22,000					22,000
Update garage security	8,000					8,000
Public Works Total	217,000	160,000	236,000	183,000	193,000	989,000
Health and Human Services						
Senior Center						
Computer Upgrades	-	4,000	2,000	-	4,000	10,000
Freezer		2,630				2,630
Lounge furniture				4,820		4,820
Refrigerator	3,373					3,373
Health and Human Services Total	3,373	6,630	2,000	4,820	4,000	20,823
Leisure Activities						
Library						
Computer Upgrades	3,000	3,000	3,000	3,000	3,000	15,000
Parks						
Bobcat	2,100	1,000	1,000	1,000	1,000	6,100
Mower	10,000		10,500		11,000	31,500
Polaris cart		15,000			17,000	32,000
Power unit for painter	6,100					6,100
Water wheel water gun		10,000				10,000
Wide area mower		65,000		67,000		132,000
Village Center						
VC Vehicle		40,000				40,000
Leisure Activities Total	21,200	134,000	14,500	71,000	32,000	272,700
Equipment Replacement Total	366,573	420,630	363,500	360,820	351,000	1,862,523
Village Center						
Leisure Activities						
Village Center						
Building Furnishings	12,500					12,500
Building maintenance equipment					10,000	10,000
Chiller screens	2,000					2,000
Computer lab room divider	2,500					2,500
Computer Upgrades	5,000	5,000	5,000	5,000	5,000	25,000
Countertop replacement		3,000				3,000
Exterior painting		12,000				12,000
Fitness equipment	20,000	25,000	20,000	8,000	15,000	88,000
Flooring replacement				15,000		15,000
Lower Level Room Divider				15,000		15,000
Mechanical Equipment			15,000			15,000
Parking Lot Banners			3,000			3,000
Leisure Activities Total	42,000	45,000	43,000	43,000	30,000	203,000
Village Center Total	42,000	45,000	43,000	43,000	30,000	203,000
Grand Total	408,573	465,630	406,500	403,820	381,000	2,065,523

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 2018 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. 2, No. 3, No. 4 No. 5 and No. 6 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, 2017 has ten debt issues outstanding. Summary data regarding the 2018 debt service requirements is detailed below:

<u>Type of Debt</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
General Obligation Debt			
2003 State Trust Fund Loan	\$ 22,894	\$ 8,876	\$ 31,770
2008 G.O. Bonds	95,000	25,760	120,760
2009 G.O. Bonds	170,000	14,778	184,778
2010 G.O. Bonds	305,000	17,550	322,550
2011 G.O. Bonds	215,000	87,475	302,475
2011 G.O. Bonds	60,000	46,731	106,731
2012 G.O. Bonds	1,215,000	419,600	1,634,600
2015 G.O. Bonds	-	42,695	42,695
2016 G.O. Bonds	270,000	168,350	438,350
2016 G.O. Bonds	80,000	49,735	129,735
2017 G.O. Bonds	325,000	288,663	613,663
Total General Obligation Debt	<u>\$2,757,894</u>	<u>\$1,170,213</u>	<u>\$ 3,928,107</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 12/31/18</u>
General Obligation Debt					
2003 State Trust Fund Loan	05/28/03	03/15/23	5.00%	\$ 385,931	\$ 132,813
2008 G.O. Bonds	05/22/08	06/01/23	3.50% - 3.90%	1,330,000	540,000
2009 G.O. Bonds	05/21/09	05/01/29	1.35% - 4.70%	7,340,000	165,000
2010 G.O. Bonds	06/01/10	06/01/30	2.00% - 4.00%	5,665,000	440,000
2011 G.O. Bonds	11/08/11	11/01/31	2.00% - 3.60%	3,945,000	2,620,000
2011 G.O. Bonds	11/08/11	11/01/31	1.50% - 4.80%	1,345,000	1,065,000
2012 G.O. Bonds	04/18/12	04/01/32	4.00%	13,245,000	8,710,000
2015 G.O. Bonds	04/18/12	04/01/32	3.00% - 3.50%	1,355,000	1,355,000
2016 G.O. Bonds	01/06/16	04/01/35	2.00% - 3.00%	6,055,000	5,565,000
2016 G.O. Bonds	12/15/16	05/01/29	1.20% - 2.50%	2,920,000	2,840,000
2017 G.O. Bonds	01/12/17	06/01/36	3.00% - 4.00%	8,855,000	8,530,000
Total Governmental Activities - General Obligation Debt					<u><u>\$ 31,962,813</u></u>

The table below details the annual debt service requirements for years subsequent to 2018:

<u>Year</u>	<u>General Obligation Long-Term Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,844,039	\$ 1,011,086	\$ 3,855,125
2020	2,845,226	913,842	3,759,068
2021	3,021,502	811,556	3,833,058
2022	3,127,827	703,092	3,830,919
2023	3,299,219	589,677	3,888,896
2024-2028	8,710,000	1,932,660	10,642,660
2029-2033	5,875,000	762,963	6,637,963
2034-2036	2,240,000	101,462	2,341,462
TOTAL	<u><u>\$ 31,962,813</u></u>	<u><u>\$ 6,826,338</u></u>	<u><u>\$ 38,789,151</u></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, 2017 was \$85,866,755. Total general obligation debt outstanding at year-end was \$34,720,707.

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.

