

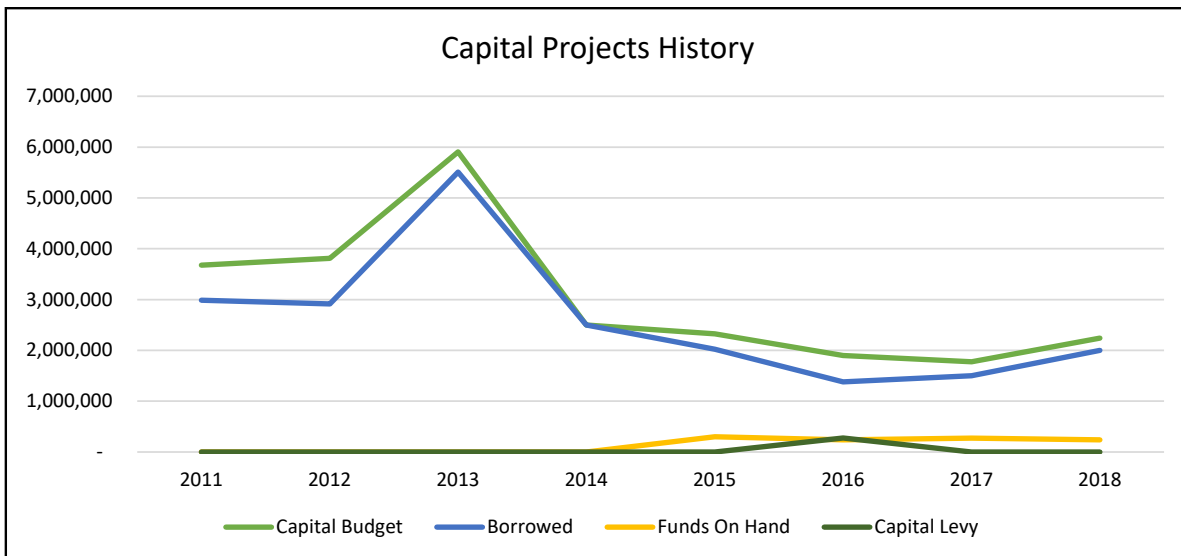
CAPITAL BUDGET

The City of West Bend adopts an annual Capital Projects Budget. Department Heads submit a capital request to Administration. All of these requests are then reviewed together by all Department Heads and Administration to narrow down the amounts to an acceptable level for Common Council to approve. Common Council and the Mayor have limited the annual borrowing for Capital Expenditures to \$1.5 million for 2016 and 2017. The City is trying to reduce its overall debt and payoff more principal than what is being borrowed.

For the 2018 Capital Budget, Common Council and the Mayor have agreed to borrow \$2.0 million and use existing funds on hand to pay for the remaining capital expenditures approved in the Capital Budget. A Capital Expenditure is defined as an expense made to acquire, reconstruct, or construct major fixed capital assets. A fixed asset is a tangible object of a long-term character which will continue to be held or used, such as land, buildings, machinery, furniture and other equipment. A capital expenditure usually exceeds \$1,000 in cost and has an expected useful life of at least three years.

Below is a table that displays the City's history of annual Approved Capital Budgets and the funding sources used to purchase the capital assets. The borrowing was the highest in 2013 due to an additional borrowing done to build the Police Department. The City has significantly decreased the amount of the annual borrowing over the last few years.

	2011	2012	2013	2014	2015	2016	2017	2018
Capital Budget	3,677,556	3,812,012	5,905,021	2,500,000	2,325,000	1,897,245	1,775,497	2,241,645
Borrowed	2,986,000	2,911,691	5,507,510	2,500,000	2,025,000	1,380,000	1,500,000	2,000,000
Fund Balance	691,556	900,321	397,511	-	-	-	-	-
Funds On Hand	-	-	-	-	300,000	241,572	275,497	241,645
Capital Levy	-	-	-	-	-	275,673	-	-



APPROVED 2018 CAPITAL PROJECTS BUDGET

PROJECT DESCRIPTION	DEPARTMENT	AMOUNT	BORROWED	FUNDS ON HAND	OPERATING EFFECT
Pavement maintenance of runways	Airport	10,000	-	10,000	Decrease in maintenance costs for the airport
Rolf's Avenue (Schmidt to Rolfs extension)	Engineering	220,000	220,000	-	Increase in debt service levy; decrease in maintenance costs
Emergency vehicle pre-emption	Engineering	14,000	-	14,000	Improved response times and safety can translate into cost savings
18th Avenue (Vogt to Decorah)	Engineering	536,000	536,000	-	Increase in debt service levy; decrease in maintenance costs
8th Avenue (Chestnut to Walnut) - Construction	Engineering	400,000	400,000	-	Increase in debt service levy; decrease in maintenance costs
Countywide 700 MHZ overlay-portables	Fire	180,000	180,000	-	Increase in debt service levy
Replace 1999 Fire Engine 1 (split over two years)	Fire	325,000	325,000	-	Increase in debt service levy; decrease in maintenance costs
Emerald Ash Borer response plan	Park	50,000	-	50,000	Decrease in maintenance costs
Tennis courts (Regner/Riverside resurface, Regner lights)	Park	25,000	-	25,000	Decrease in maintenance costs
Replace 1990 Utility van	Park	45,000	-	45,000	Decrease in maintenance costs
Countywide 700 MHZ overlay-portables	Police	282,645	282,645	-	Increase in debt service levy
Replace 2000 GMC Sign Service Truck	Public Works	154,000	56,355	97,645	Increase in debt service levy; decrease in maintenance costs

Subtotals \$ 2,241,645 \$ 2,000,000 \$ 241,645

Brief Description of Major Projects Listed Above:

Rolf's Avenue: Road extension from Lang St to Creek Rd per agreement between City & County. Storm sewer, curb & gutter, sidewalk, roadway base, street lights, pavement, & restoration. County funding of \$250,000: half at start of construction and half when complete.

18th Avenue (Vogt to Decorah): Road expansion from rural to urban cross-section. Storm sewer, sidewalk, curb & gutter, street lights, pavement, and restoration. Some federal funding through WisDOT STP-U (Surface Transportation Program-Urban).

8th Avenue (Chestnut to Walnut): Reconstruction from Chestnut St to Walnut St. Sanitary sewer, water main, storm sewer, curb & gutter, sidewalk, roadway base, pavement, and restoration.

Countywide 700 MHZ overlay-portables: In 2014, the County Wide Radio Committee endorsed a plan to overlay a 700 MHz system on top of the existing VHF system. The 700 MHz system should penetrate buildings better, eliminate noise and interference issues with the current radio transmissions, and extend the lifespan of the existing P25 infrastructure. As part of this 700 MHz overlay, the various municipal Police and Fire agencies will be required to replace their existing VHS portable radios with new dual band (VHF & 700 MHz) portable radios.

Replace 1999 Fire Engine 1: The total amount of the new fire engine is actually \$650,000. The City will be borrowing over two years (2018 and 2019) to purchase a new fire engine truck in 2019.