

*****ATTACHMENTS*****

CITY OF SHEBOYGAN

REQUEST FOR CAPITAL IMPROVEMENTS COMMISSION CONSIDERATION

ITEM DESCRIPTION: Res. No. XX-17-18. A Resolution approving the Capital Improvements Program for the program period 2018 - 2022 and adopting the program for implementation.

REPORT PREPARED BY: Nancy Buss, Finance Director

REPORT DATE: June 9, 2017

MEETING DATE: June 12, 2017

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The Capital Improvements Commission met on May 31, 2017 to review the 2018 – 2022 Capital Improvements Program (CIP) requests from departments. Requests for mandatory projects involving Federal, State and County funds were identified. The Commissioners rated the requests for borrowed funds other than mandatory.

In the past, the Common Council relied on Res. No. 347-96-97 which established a debt policy to limit per year the issuance of new General Obligation Debt to \$3,000,000 for non-TIF projects, and to issue debt that for TIF purposes, when added to the total General Obligation Debt, shall not exceed 60 percent of the debt limit or 3.0 percent of the equalized valuation for the city, except for borrowing purposes of complying with Federal or State mandates, administrative agency regulations, or court orders.

STAFF COMMENTS:

Information attached for the Commissioners review include:

1. Mandatory projects utilizing G. O. borrowed funds totaling \$2,693,725.
2. Rating of requests for projects funded through borrowed funds other than mandatory projects totaling \$9,157,138.

A provision of Res. No. 347-96-97 included an inflationary indexing feature based on an increase in the equalized valuation of 3.6 percent per year. Utilizing an inflation calculator, the cumulative rate of inflation since 1997 is 53.69 percent raising the limit to \$4,610,761 in today's dollars. The resolution also refers to total debt (General Obligation and TID Debt) shall not exceed 60 percent of the debt limit or three percent of the equalized valuation for the City. The non-TID debt limit of three percent of equalization valuation in 2016 is

\$73,385,817. Total outstanding debt as of December 31, 2016 was \$34,834,531; the outstanding debt as of December 31, 2017 will be \$34,774,581.

The Common Council approved Res. No. 119-16-17 in November, 2016 which established a Debt Management Policy to maintain the city's outstanding General Obligation Debt at 60 percent of the city's debt limit and eliminated an annual debt issuance cap limitation.

Should the Capital Improvements Commission support the CIP, Res. No. XX-17-18 will be forwarded to the Common Council. Based upon past practice, the Common Council will refer the program to the Plan Commission for review and recommendation prior to action by the Common Council.

ACTION REQUESTED:

Motion to recommend the Common Council approve Res. No. XX-17-18, which adopts the 2018 - 2022 Capital Improvements Program for implementation.

ATTACHMENTS:

- I. Res. No. XX-17-18 – Approving 2018 Capital Improvements Program
- II. Spreadsheet:
Borrowed 2018 Capital Improvement Projects ranking

Res. No. _____ 17-18. By Alderperson Bitters, Donohue and Ross.
June 19, 2017.

A RESOLUTION approving the Capital Improvements Program recommended by the Capital Improvements Commission, for the program period of 2018 – 2021 and adopting the program for implementation.

WHEREAS, the Capital Improvements Commission is served with the responsibility of annually considering requests and establish priorities for municipal improvements, and

WHEREAS, the Common Council approved Res. No. 119-16-17 in November, 2016 which established a Debt Management Policy to maintain the city's outstanding General Obligation Debt at 60 percent of the city's debt limit and eliminated an annual debt issuance cap limitation, and

WHEREAS, as of December, 2016, the total General Obligation Debt for the city in the amount of \$34,834,531 is 28 percent of the statutory five percent limitation of equalized valuation of the city.

RESOLVED, it is recommended the Common Council support the issuance of new General Obligation Debt in 2018 of \$_____ and adopt the 2018 – 2022 program for implementation.

| 2018 - 2022 CIP Rating Totals | Total Amount | Total GO Debt | Cumulative GO Debt | Rater 1 | Rater 2 | Rater 3 | Rater 4 | Rater 5 | Rater 6 | Rater 7 | Total | Average |
|---|--------------|--------------------|--------------------|---------|---------|---------|---------|---------|---------|---------|-------|---------|
| Total Mandatory Project GO Debt | | \$2,693,725 | \$2,693,725 | | | | | | | | | |
| <i>Black Top Hot Patcher</i> | \$62,500 | \$55,000 | \$2,748,725 | 11 | 13 | 12 | 12 | 12 | 21 | 11 | 92 | 13.143 |
| <i>Washington Av (Lakeshore Dr to S 20th St)</i> | \$1,250,000 | \$47,250 | \$2,795,975 | 13 | 11 | 13 | 15 | 15 | 18 | 13 | 98 | 14.000 |
| <i>Black Top Hot Patcher Trailer</i> | \$60,000 | \$55,000 | \$2,850,975 | 16 | 13 | 12 | 13 | 12 | 21 | 11 | 98 | 14.000 |
| <i>North Third St (Broughton Dr to Bluff Av)</i> | \$700,000 | \$700,000 | \$3,550,975 | 13 | 11 | 13 | 17 | 14 | 21 | 13 | 102 | 14.571 |
| <i>North 17th St (Erie Av to Saemann Av)</i> | \$637,000 | \$637,000 | \$4,187,975 | 13 | 11 | 13 | 16 | 22 | 21 | 13 | 109 | 15.571 |
| <i>North 13th St (Erie Av to Michigan Av)</i> | \$200,000 | \$200,000 | \$4,387,975 | 13 | 11 | 13 | 21 | 23 | 21 | 13 | 115 | 16.429 |
| <i>North Seventh St (Erie Av to Superior Av)</i> | \$200,000 | \$200,000 | \$4,587,975 | 13 | 12 | 13 | 21 | 23 | 21 | 13 | 116 | 16.571 |
| <i>Mead Library Carpet Replacement</i> | \$40,492 | \$40,492 | \$4,628,467 | 17 | 20 | 10 | 23 | 13 | 9 | 25 | 117 | 16.714 |
| <i>Bandit Wood Chipper (2)</i> | \$123,000 | \$123,000 | \$4,751,467 | 15 | 20 | 12 | 21 | 20 | 0 | 19 | 107 | 17.833 |
| <i>Zero Turn Mower</i> | \$28,000 | \$28,000 | \$4,779,467 | 16 | 22 | 11 | 19 | 18 | 0 | 24 | 110 | 18.333 |
| <i>J.C Quarryview Playground Renovation</i> | \$35,000 | \$35,000 | \$4,814,467 | 18 | 24 | 13 | 15 | 20 | 18 | 22 | 130 | 18.571 |
| <i>Lawn Tractor</i> | \$21,500 | \$20,000 | \$4,834,467 | 16 | 22 | 12 | 21 | 18 | 0 | 24 | 113 | 18.833 |
| <i>Optimist Park Splash Pad</i> | \$120,000 | \$75,000 | \$4,909,467 | 19 | 21 | 13 | 24 | 21 | 18 | 23 | 139 | 19.857 |
| <i>One-Half Ton Four Wheel Drive Pickup Truck</i> | \$31,000 | \$30,000 | \$4,939,467 | 16 | 23 | 12 | 20 | 19 | 27 | 22 | 139 | 19.857 |
| <i>Medium Duty Step Van</i> | \$47,000 | \$45,000 | \$4,984,467 | 16 | 23 | 12 | 19 | 21 | 27 | 23 | 141 | 20.143 |
| <i>Three-Quarter Ton Two Wheel Drive Pickup Truck</i> | \$94,500 | \$94,500 | \$5,078,967 | 16 | 22 | 12 | 20 | 23 | 27 | 23 | 143 | 20.429 |
| <i>GIS System</i> | \$100,000 | \$100,000 | \$5,178,967 | 14 | 20 | 12 | 21 | 19 | 36 | 21 | 143 | 20.429 |
| <i>MSB Building Improvements</i> | \$65,000 | \$65,000 | \$5,243,967 | 19 | 24 | 15 | 19 | 22 | 24 | 22 | 145 | 20.714 |
| <i>Smithco Super Rake</i> | \$18,500 | \$18,000 | \$5,261,967 | 16 | 24 | 18 | 22 | 18 | 27 | 23 | 148 | 21.143 |
| <i>Mead Library Phone System Upgrade</i> | \$26,896 | \$26,896 | \$5,288,863 | 16 | 22 | 12 | 25 | 14 | 36 | 25 | 150 | 21.429 |
| <i>Lakefront Maintenance Garage</i> | \$50,000 | \$50,000 | \$5,338,863 | 15 | 21 | 18 | 24 | 22 | 36 | 21 | 157 | 22.429 |
| <i>Utility Service Vehicle</i> | \$13,000 | \$12,000 | \$5,350,863 | 17 | 23 | 0 | 24 | 22 | 27 | 24 | 137 | 22.833 |
| <i>City Hall Renovation</i> | \$6,500,000 | \$6,500,000 | \$11,850,863 | 13 | 18 | 22 | 20 | 21 | 9 | 18 | 121 | 17.286 |

Note: The lower the average number, the higher the priority.