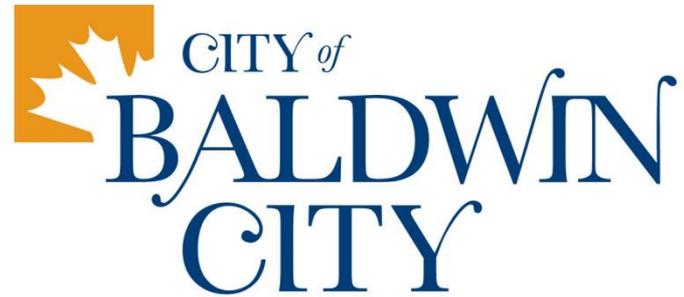


Long Term CIP Projects
(See comments at bottom)

Fund	Description	2015	2016	2017	2018	2019
GF	Replace 1981 Fire Truck Engine	-	-	-	-	650,000
GF	New Sidewalk Construction, 56 Hwy- 11st St. to IC (6 ft. south side of street)	125,000	-	-	-	-
GF	Asphalt Paving, North 1st St.	-	-	-	400,000	-
GF	Street Rehabilitation, 9th Street North of High	-	-	400,000	400,000	-
GF	Street Rehabilitation, Eisenhower Realignment	-	-	-	300,000	-
GF	Total	<u>125,000</u>	<u>-</u>	<u>400,000</u>	<u>1,100,000</u>	<u>650,000</u>
Electric Fund	Replacing Water Cooling Radiator & Heat Exchangers - Unit #4	-	-	175,000	-	-
Electric Fund	Total	<u>-</u>	<u>-</u>	<u>175,000</u>	<u>-</u>	<u>-</u>
Water Fund	Replace 4" line from High St. & 9th to Depot	-	-	-	310,000	-
Water Fund	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,000</u>	<u>-</u>
Waste Water Fund	East Baldwin Sewer Interceptor	-	-	2,500,000	-	-
Waste Water Fund	Belt Press	-	275,000	-	-	-
Waste Water Fund	Bar Screen	-	225,000	-	-	-
Waste Water Fund	Drainage Improvements	-	-	-	400,000	-
Waste Water Fund	Total	<u>-</u>	<u>500,000</u>	<u>2,500,000</u>	<u>400,000</u>	<u>-</u>
Facilities	Lumberyard Arts Center	-	1,100,000	-	-	-
Facilities	City Hall Renovation	-	500,000	-	-	-
Facilities	Police Facility	-	-	1,800,000	-	-
Facilities	Public Works/Utilities Facilities - 11th and Orange	-	2,500,000	-	-	-
Facilities	Total	<u>-</u>	<u>4,100,000</u>	<u>1,800,000</u>	<u>-</u>	<u>-</u>

This project was completed as planned.

These projects have either been bonded or will be paid for with a State Water Loan.



FACILITY PROJECTS

Funding Alternatives

April 6, 2015

Tom Kaleko
Certified Independent Public Finance Advisor



Springsted

Facility Projects that can't be Cash Funded

- **New Police Building**
- **Expansion of City Hall**
- **New Public Works Building**
- **Lumberyard Arts Center**

Police Building

- Construction of a new law enforcement facility.
- Current facility lacks proper safety standards.
- Estimated Cost: \$1.8 million.
- Construction Year: 2017.



Public Works Building

- Construction of a new Public Works Facility.
- Current facilities are cramped, outdated, and spread among many locations throughout town.
- Estimated Cost: \$2.5 million.
- Construction Year: 2016.



City Hall Renovation

- Renovate City Hall.
- Facility is in a 1910 former bank building. Renovation would improve ADA compliance and space utilization.
- Estimated Cost: \$500,000.
- Construction Year: 2017.



Lumberyard Arts Center

- Expansion of current facility.
- Complete phase II of the building.
- Estimated Cost: \$1 million.
- Construction Year: 2016.



Funding Alternatives

- Assumptions
 - Public Building Commission Lease Revenue Bonds
 - 20-year term
 - Approximately equal annual debt service
 - 2% annual assessed value growth
 - 1.5% annual sales tax revenue growth

Assumptions Continued

- Funding Sources
 - Police Building: 100% general revenue
 - Public Works Building:
 - 48% Electric Fund
 - 22% Water Fund
 - 22% Wastewater Fund
 - 8% general revenue
 - City Hall Expansion: 100% general revenue
 - Art Center: 100% general revenue

Fund General Revenue Share Entirely from Additional Property Tax

Facility	Initial Property Tax Rate		Ending Property tax Rate
Police Building	4.17	to	2.81
Public Works Building	0.38	to	0.26
City Hall Expansion	1.16	to	0.79
Art Center	2.33	to	1.60
Total	8.04	to	5.46

Property tax rate decreases over time because it is assumed that the City's assessed valuation grows at an annual rate of 2%.

Fund General Revenue Share Entirely from Additional Sales Tax

Facility	Sales Tax
Police Building	0.40%
Public Works Building	0.05%
City Hall Expansion	0.10%
Art Center	0.20%
Total	0.75%

Estimates subject to change

Fund General Revenue Share from 0.25% Additional Sales Tax with Balance from Property Tax

Facilities	Sales Tax	Initial Property Tax Rate		Ending Property Tax Rate
All	0.25%	4.69	to	0.67

Property tax rate decreases over time because it is assumed that the City's assessed valuation grows at an annual rate of 2%.

Fund General Revenue Share from 0.50% Additional Sales Tax with Balance from Property Tax

Facilities	Sales Tax	Initial Property Tax Rate		Ending Property Tax Rate
All	0.50%	1.48	to	0.00

Property tax rate decreases over time because it is assumed that the City's assessed valuation grows at an annual rate of 2%.

Discussion

- Projects achievable within the estimated property and sales tax rates indicated
- Sales tax will require an election
- Scientific, random-sample survey to gauge community opinion?