

City of Waupaca
Council Agenda Item Staff Report

FROM: Kathryn Kasza
Finance Director/City Treasurer

DATE: November 2, 2018

SUBJECT: 2019 Capital Improvement Borrowing

DISCUSSION:

The departments have worked together with the Mayor to reduce the 2019 Capital Improvement financing from the original presentation of \$2,010,000 to \$1,550,000. The following projects being presented for funding in 2019: Evans Street Reconstruction; continued engineering and design for Main Street; reimbursement of the Midtown Motors property purchase; engineering and design of Granite Street the north-end city parking lot and downtown alleyways; upgrade City Hall phone system; seal coat Appletree & Farm Dr as part of the Town of Waupaca project; replace a snow blower; and design and begin construction of the Public Works salt shed. The City plans to go out to the market to finance these projects, as the Board of Commissioners of Public Lands (BCPL) State Trust Fund Loan Program (STFLP) currently does not have favorable rates.

The BCPL has raised the STFLP rates to 4.25% on a 2-5 yr note and 4.50% on a 6-10 yr note. This has required staff to look to other avenues for financing options. Now that the city has a bond rating, it makes sense to go out to the market on the large projects that have a life of over 10 years, but on the short-term small capital, items which were previously financed with a 1-2 yr STFLP note, the city will be looking at another option. The city staff has asked for financing options from the local banks: JPMorgan Chase, Bank First, Farmers State Bank (FSB) and BMO Harris. The most favorable option is to obtain a line of credit for \$500,000 for a fixed term and at a fixed rate. Both Bank First and Farmers State Bank provided this line of credit option for 5 years with a fixed 4% rate. Interest would be payable semi-annually (March and October) and principal would be paid the following year. This line of credit will help with financing the smaller capital items until they can be financed with tax levy in the future.

The 2018 STFLP 1-yr projects which were approved and purchased during the year with anticipation to borrow this month is being recommended to finance now with the line of credit. A list of the items which were authorized for purchase with previous Council action and the amounts required to be financed for 13-months is attached. The items which would be financed with the line of credit in 2019 are included on this list, however, those funds would not be borrowed until the projects were approved by Council and completed at the end of 2019.

If you have any questions regarding the 2019 Capital Improvement Borrowing or the Line of Credit Financing, please contact me prior to the meeting.

REQUESTED ACTION:

Recommend the Common Council approve a \$500,000 Line of Credit financing with Farmers State Bank at a fixed rate of 4%, interest paid semi-annually and a \$500 closing fee for the financing of capital equipment/improvements.

City of Waupaca, Wisconsin
Capital Improvement Plan
 2018 thru 2022

PROJECTS BY FUNDING SOURCE

Source	Project #	2018	2019	2020	2021	2022	Total
FSB Line of Credit							
CH/LIB WIRING PROJECT	CHLIB-18-09		12,000				12,000
RASMUSSEN PARK - PHASE I & II	COMDEV-19-02		25,000				25,000
ANNUAL COMPUTER REPLACEMENT	ITCM-17-03	10,000	10,000	10,000	10,000	10,000	50,000
REPLACE RAKE MACHINE	PARKS-17-04	16,000					16,000
SWAN PARK RE-LAMP FIELD LIGHTS	PARKS-18-02	10,000					10,000
SERENITY PARK BOARDWALK & ACCESSIBLE TRAIL	PARKS-18-03		15,000				15,000
RIVERSIDE PARK RESTORATION PROJECT	PARKS-19-04		10,000				10,000
PATROL SQUAD	POLICE-17-02	110,400	62,000	122,000	61,000	124,000	479,400
POLICE SERVER	POLICE-17-05				15,000		15,000
FORENSIC PHONE ANALYSIS	POLICE-18-01	12,850					12,850
SENIOR CENTER OFFICE	RECCTR 17-05	5,817					5,817
GPS ROVER UNIT	STR-18-05		10,000				10,000
REPLACEMENT TAXI VEHICLES	TAXI-17-02	7,410					7,410
REPLACEMENT KING BUS - VEHICLE #118	TAXI-17-03		12,000				12,000
REPLACEMENT REAR LOADING MINI VAN WITH LIFT	TAXI-17-04			8,400			8,400
REPLACEMENT KING BUS - VEHICLE #45	TAXI-17-05				9,000		9,000
FSB Line of Credit Total		172,477	156,000	140,400	95,000	134,000	697,877
GRAND TOTAL		172,477	156,000	140,400	95,000	134,000	697,877

City of Waupaca, Wisconsin

Capital Improvement Plan

2019 thru 2023

PROJECTS BY FUNDING SOURCE

Source	Project #	2019	2020	2021	2022	2023	Total
GO Bonds							
REPLACE LIGHTING RWY 13/31	AIR-17-01				17,000		17,000
TERMINAL AREA AND RUNWAY DEVELOPMENT	AIR-17-02					10,000	10,000
RECONSTRUCT RUNWAY 13/31	AIR-17-04			5,000		60,000	65,000
DESIGN DEER FENCE	AIR-17-05			5,000			5,000
HANGAR/STORAGE BUILDING	AIR-17-06		150,000				150,000
EXTEND RUNWAY 10/28	AIR-17-08					42,500	42,500
REPLACE SNOW REMOVAL EQUIPMENT	AIR-17-09				167,000		167,000
MOVE RWY 28 END-RWY 10/28 SHIFT	AIR-17-11					30,000	30,000
CEMETERY TRACTOR REPLACEMENT	CEM-17-03			45,000			45,000
PHONE SYSTEM UPGRADE	CHLIB-17-02	55,000					55,000
CITY HALL/LIBRARY GENERATOR	CHLIB-17-03		60,000				60,000
CITY HALL/LIBRARY ROOF REPLACEMENT	CHLIB-17-05		135,000				135,000
CITY HALL/LIBRARY LANDSCAPE UPGRADE	CHLIB-17-06				150,000		150,000
SOLAR PANEL ENERGY PROGRAM	CHLIB-17-07				25,000		25,000
CITY HALL OFFICE WORKSPACES	CHLIB-17-12					15,000	15,000
AHU CONTROL UPGRADE	CHLIB-18-01		30,000				30,000
PSC ENERGY GRANT FEASIBILITY STUDY	CHLIB-18-02					150,000	150,000
MEMORIAL PARK DEVELOPMENT	COMDEV-19-01		250,000				250,000
MAIN STREET RECONST-PHASE I	ENG-17-01	100,000	125,000				225,000
MAIN STREET RECONSTRUCTION	ENG-17-01A			1,916,000			1,916,000
GRANITE STREET RECONSTRUCTION	ENG-17-03	40,000	475,000				515,000
EVANS STREET RECONSTRUCTION	ENG-17-04	640,000					640,000
DOWNTOWN ALLEY RECONSTRUCTION	ENG-18-01		340,000				340,000
HARRISON & HIGH STREET	ENG-18-03				750,000		750,000
SEAL COAT APPLETREE & FARM DRIVE	ENG-18-04	25,000					25,000
FULTON STREET REPAVE	ENG-18-05					50,000	50,000
AUTOMATIC MATERIALS HANDLING UNIT	LIB-18-03				50,000		50,000
LAKEMEN FIELD FACILITIES	PARKS-19-01		200,000				200,000
ROTARY RIVERVIEW PARK COMMITMENT	PARKS-19-02				100,000	100,000	200,000
REPLACE LAKEMEN FIELD LIGHT POLES	PARKS-19-03			175,000			175,000
CITY PARKS PLAYGROUND EDGING	PARKS-20-01		14,000				14,000
SWAN PARK PLAYGROUND	PARKS-20-02		70,000				70,000
SWAN PARK BUILDINGS ROOFING AND SIDING	PARKS-20-03		60,000				60,000
SWAN PARK FACILITY IMPROVEMENT	PARKS-20-04		70,000				70,000
WHS PRACTICE SOCCER FIELDS UPGRADES	PARKS-20-05		65,000				65,000
PARK SUPERVISOR TRUCK REPLACEMENT	PARKS-21-01			40,000			40,000
REPLACE POLARIS RANGER	PARKS-21-02			15,000			15,000
RIVERSIDE PARK SHELTER UPGRADE	PARKS-22-01				300,000		300,000
REPLACE BACK UP BOILER	PDBLDG-17-01		20,000				20,000
POLICE BUILDING ROOF REPAIRS	PDBLDG-17-03				20,000		20,000
LAND PURCHASE	PDBLDG-18-01	230,000					230,000
REC CENTER BOILER REPLACEMENT	RECCTR-17-04			100,000			100,000
REPLACE STREET SWEEPER	STR-17-02		300,000				300,000
REPLACE BOOM ARM MOWER	STR-17-04			35,000			35,000

Source	Project #	2019	2020	2021	2022	2023	Total
REPLACE PICKUP TRUCK	STR-17-05			45,000		40,000	85,000
REPLACE SNOW BLOWER	STR-17-06	160,000					160,000
REPLACE 1-TON DUMP TRUCK	STR-17-07		60,000				60,000
PUBLIC WORKS GARAGE	STR-17-09	300,000	160,000	200,000	320,000	6,500,000	7,480,000
FRONTEND LOADER	STR-18-02		225,000				225,000
10 YRD DUMPER	STR-18-03				100,000		100,000
VACTOR TRUCK	STR-18-06				200,000		200,000
GO Bonds Total		1,550,000	2,809,000	2,581,000	2,199,000	6,997,500	16,136,500
GRAND TOTAL		1,550,000	2,809,000	2,581,000	2,199,000	6,997,500	16,136,500

City of Waupaca, Wisconsin

Capital Improvement Plan

2019 thru 2023

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project #	2019	2020	2021	2022	2023	Total
Airport							
REPLACE LIGHTING RWY 13/31	AIR-17-01				17,000		17,000
TERMINAL AREA AND RUNWAY DEVELOPMENT	AIR-17-02					10,000	10,000
RECONSTRUCT RUNWAY 13/31	AIR-17-04			5,000		60,000	65,000
DESIGN DEER FENCE	AIR-17-05			5,000			5,000
HANGAR/STORAGE BUILDING	AIR-17-06		150,000				150,000
EXTEND RUNWAY 10/28	AIR-17-08					42,500	42,500
REPLACE SNOW REMOVAL EQUIPMENT	AIR-17-09				167,000		167,000
MOVE RWY 28 END-RWY 10/28 SHIFT	AIR-17-11					30,000	30,000
Airport Total			150,000	10,000	184,000	142,500	486,500
<i>GO Bonds</i>			150,000	10,000	184,000	142,500	486,500
<i>Airport Total</i>			150,000	10,000	184,000	142,500	486,500
Cemetery							
CEMETERY TRACTOR REPLACEMENT	CEM-17-03			45,000			45,000
Cemetery Total				45,000			45,000
<i>GO Bonds</i>				45,000			45,000
<i>Cemetery Total</i>				45,000			45,000
City Hall/Library Building							
PHONE SYSTEM UPGRADE	CHLIB-17-02	55,000					55,000
CITY HALL/LIBRARY GENERATOR	CHLIB-17-03		60,000				60,000
CITY HALL/LIBRARY ROOF REPLACEMENT	CHLIB-17-05		135,000				135,000
CITY HALL/LIBRARY LANDSCAPE UPGRADE	CHLIB-17-06				150,000		150,000
SOLAR PANEL ENERGY PROGRAM	CHLIB-17-07				25,000	200,000	225,000
CITY HALL OFFICE WORKSPACES	CHLIB-17-12					15,000	15,000
AHU CONTROL UPGRADE	CHLIB-18-01		30,000				30,000
PSC ENERGY GRANT FEASIBILITY STUDY	CHLIB-18-02					150,000	150,000
CH/LIB WIRING PROJECT	CHLIB-18-09	12,000					12,000
City Hall/Library Building Total		67,000	225,000		175,000	365,000	832,000
<i>Focus On Energy Grant</i>						200,000	200,000
<i>FSB Line of Credit</i>		12,000					12,000
<i>GO Bonds</i>		55,000	225,000		175,000	165,000	620,000

Department	Project #	2019	2020	2021	2022	2023	Total
<i>City Hall/Library Building Total</i>		67,000	225,000		175,000	365,000	832,000
Community Development							
MEMORIAL PARK DEVELOPMENT	COMDEV-19-01		250,000				250,000
RASMUSSEN PARK - PHASE I & II	COMDEV-19-02	50,000					50,000
Community Development Total		50,000	250,000				300,000
<i>FSB Line of Credit</i>		25,000					25,000
<i>GO Bonds</i>			250,000				250,000
<i>Private Donations</i>		25,000					25,000
Community Development Total		50,000	250,000				300,000
IT/Communication							
ANNUAL COMPUTER REPLACEMENT	ITCM-17-03	10,000	10,000	10,000	10,000	10,000	50,000
FINANCIAL SOFTWARE SERVER UPGRADE	ITCM-17-04			6,200			6,200
TV Station Server Replacement	ITCM-19-01	15,000					15,000
IT/Communication Total		25,000	10,000	16,200	10,000	10,000	71,200
<i>Admin Equipment Reserve Funds</i>				6,200			6,200
<i>FSB Line of Credit</i>		10,000	10,000	10,000	10,000	10,000	50,000
<i>IT/Comm Equipment Reserve Funds</i>		15,000					15,000
IT/Communication Total		25,000	10,000	16,200	10,000	10,000	71,200
Parks and Recreation							
SERENITY PARK BOARDWALK & ACCESSIBLE TRAIL	PARKS-18-03	23,150					23,150
LAKEMEN FIELD FACILITIES	PARKS-19-01		200,000				200,000
ROTARY RIVERVIEW PARK COMMITMENT	PARKS-19-02				100,000	100,000	200,000
REPLACE LAKEMEN FIELD LIGHT POLES	PARKS-19-03			175,000			175,000
RIVERSIDE PARK RESTORATION PROJECT	PARKS-19-04	10,000					10,000
CITY PARKS PLAYGROUND EDGING	PARKS-20-01		14,000				14,000
SWAN PARK PLAYGROUND	PARKS-20-02		90,000				90,000
SWAN PARK BUILDINGS ROOFING AND SIDING	PARKS-20-03		60,000				60,000
SWAN PARK FACILITY IMPROVEMENT	PARKS-20-04		70,000				70,000
WHS PRACTICE SOCCER FIELDS UPGRADES	PARKS-20-05		75,000				75,000
PARK SUPERVISOR TRUCK REPLACEMENT	PARKS-21-01			40,000			40,000
REPLACE POLARIS RANGER	PARKS-21-02			15,000			15,000
RIVERSIDE PARK SHELTER UPGRADE	PARKS-22-01				300,000		300,000
Parks and Recreation Total		33,150	509,000	230,000	400,000	100,000	1,272,150
<i>FSB Line of Credit</i>		25,000					25,000
<i>GO Bonds</i>			479,000	230,000	400,000	100,000	1,209,000
<i>Private Donations</i>		8,150	30,000				38,150
Parks and Recreation Total		33,150	509,000	230,000	400,000	100,000	1,272,150

Department	Project #	2019	2020	2021	2022	2023	Total
Police Building							
REPLACE BACK UP BOILER	PDBLDG-17-01		20,000				20,000
POLICE BUILDING ROOF REPAIRS	PDBLDG-17-03				20,000		20,000
LAND PURCHASE	PDBLDG-18-01	230,000					230,000
Police Building Total		230,000	20,000		20,000		270,000
<i>GO Bonds</i>		230,000	20,000		20,000		270,000
Police Building Total		230,000	20,000		20,000		270,000
Police Department							
PATROL SQUAD	POLICE-17-02	62,000	122,000	61,000	124,000	61,000	430,000
CHIEF SQUAD	POLICE-17-03		20,000				20,000
POLICE SERVER	POLICE-17-05			15,000			15,000
Police Department Total		62,000	142,000	76,000	124,000	61,000	465,000
<i>FSB Line of Credit</i>		62,000	122,000	76,000	124,000	61,000	445,000
<i>Police Equipment Reserve Funds</i>			20,000				20,000
Police Department Total		62,000	142,000	76,000	124,000	61,000	465,000
Public Library							
OUTDOOR DIGITAL SIGN	LIB-18-01				15,000		15,000
AUTOMATIC MATERIALS HANDLING UNIT	LIB-18-03				100,000		100,000
Public Library Total					115,000		115,000
<i>General Fund</i>					15,000		15,000
<i>GO Bonds</i>					50,000		50,000
<i>Library Donations</i>					50,000		50,000
Public Library Total					115,000		115,000
Rec Center Building							
REC CENTER BOILER REPLACEMENT	RECCTR-17-04			100,000			100,000
Rec Center Building Total				100,000			100,000
<i>GO Bonds</i>				100,000			100,000
Rec Center Building Total				100,000			100,000
Street Department							
REPLACE STREET SWEEPER	STR-17-02		300,000				300,000
REPLACE BOOM ARM MOWER	STR-17-04			35,000			35,000
REPLACE PICKUP TRUCK	STR-17-05			45,000		40,000	85,000
REPLACE SNOW BLOWER	STR-17-06	160,000					160,000

Department	Project #	2019	2020	2021	2022	2023	Total
REPLACE 1-TON DUMP TRUCK	STR-17-07		60,000				60,000
PUBLIC WORKS GARAGE	STR-17-09	300,000	160,000	200,000	320,000	6,500,000	7,480,000
FRONTEND LOADER	STR-18-02		225,000				225,000
10 YRD DUMPER	STR-18-03				100,000		100,000
GPS ROVER UNIT	STR-18-05	20,000					20,000
VACTOR TRUCK	STR-18-06				450,000		450,000
Street Department Total		480,000	745,000	280,000	870,000	6,540,000	8,915,000

<i>FSB Line of Credit</i>		10,000					10,000
<i>GO Bonds</i>		460,000	745,000	280,000	620,000	6,540,000	8,645,000
<i>Wastewater Reserve Funds</i>					250,000		250,000
<i>Wastewater Utility Operating Budget</i>		5,000					5,000
<i>Water Utility Operating Budget</i>		5,000					5,000
Street Department Total		480,000	745,000	280,000	870,000	6,540,000	8,915,000

Street Rehabilitation Program

MAIN STREET RECONST-PHASE I	ENG-17-01	100,000	125,000				225,000
MAIN STREET RECONSTRUCTION	ENG-17-01A			4,435,000			4,435,000
GRANITE STREET RECONSTRUCTION	ENG-17-03	50,000	595,000				645,000
EVANS STREET RECONSTRUCTION	ENG-17-04	680,000					680,000
DOWNTOWN ALLEY RECONSTRUCTION	ENG-18-01		340,000				340,000
HARRISON & HIGH STREET	ENG-18-03			85,000	1,005,000		1,090,000
SEAL COAT APPLETREE & FARM DRIVE	ENG-18-04	25,000					25,000
FULTON STREET REPAVE	ENG-18-05					50,000	50,000
Street Rehabilitation Program Total		855,000	1,060,000	4,520,000	1,005,000	50,000	7,490,000

<i>GO Bonds</i>		805,000	940,000	1,916,000	750,000	50,000	4,461,000
<i>LRIP Funding</i>			50,000				50,000
<i>Revenue Bonds</i>				810,000	340,000		1,150,000
<i>Wastewater Reserve Funds</i>		5,000	10,000				15,000
<i>Wastewater Utility Operating Budget</i>		20,000					20,000
<i>Water Utility Operating Budget</i>		25,000					25,000
<i>Water Utility Reserve Funds</i>			60,000				60,000
<i>WIS-DOT Funding</i>				1,709,000			1,709,000
Street Rehabilitation Program Total		855,000	1,060,000	4,435,000	1,090,000	50,000	7,490,000

Transit

REPLACEMENT KING BUS - VEHICLE #118	TAXI-17-03	60,000					60,000
REPLACEMENT REAR LOADING MINI VAN WITH LIFT	TAXI-17-04		42,000				42,000
REPLACEMENT KING BUS - VEHICLE #45	TAXI-17-05			45,000			45,000
Transit Total		60,000	42,000	45,000			147,000

<i>Federal/State Transit Grants</i>		48,000	33,600	36,000			117,600
<i>FSB Line of Credit</i>		12,000	8,400	9,000			29,400

Department	Project #	2019	2020	2021	2022	2023	Total
	<i>Transit Total</i>	60,000	42,000	45,000			147,000
Wastewater Treatment							
CATHODIC PROTECTION	WWTP-17-01	35,000					35,000
REPLACE PICKUP TRUCK	WWTP-17-02					40,000	40,000
UV DISINFECTION	WWTP-17-03			15,000	250,000		265,000
METHANE TURBINES/CODIGESTION	WWTP-17-04					300,000	300,000
Plant DCS (Distributed Control System) Replacement	WWTP-17-08					200,000	200,000
RE-PAINT 8000,9000 BUILDING FLOORS	WWTP-17-09	25,000					25,000
GBT BLOCK WALL	WWTP-17-10	20,000					20,000
BLOWER REPLACEMENT/AERATION UPGRADE	WWTP-17-12	180,000					180,000
8000 DIGESTIOR REHAD	WWTP-18-01	100,000					100,000
CLARIFIER REHABILITATION	WWTP-18-02		250,000				250,000
	Wastewater Treatment Total	360,000	250,000	15,000	250,000	540,000	1,415,000
	<i>Clean Water Fund Loan</i>				265,000		265,000
	<i>Operating Funds</i>	325,000	250,000				575,000
	<i>Revenue Bonds</i>	235,000					235,000
	<i>Wastewater Reserve Funds</i>			300,000		40,000	340,000
	Wastewater Treatment Total	560,000	250,000	300,000	265,000	40,000	1,415,000
Water Department							
METER REPLACEMENT/BEACON UPGRADE	WATER-17-01	125,000	125,000				250,000
WELL #5	WATER-17-03	30,000					30,000
WELL #7	WATER-17-05	20,000					20,000
WELL #8	WATER-17-06	20,000					20,000
HYDRANT PAINTING	WATER-17-07	10,500	11,000	11,500	12,000		45,000
LEAK LOCATION	WATER-17-09	10,000	10,000	10,000	10,000	10,000	50,000
WATER TOWER INSPECTION	WATER-17-10			40,000	100,000		140,000
CROSS CONNECTION CONTROL PROGRAM	WATER-17-12	15,000	15,000	20,000			50,000
NEW PICKUP-WATER	WATER-17-15				45,000		45,000
MT TOM BACKUP GENERATOR	WATER-18-01					100,000	100,000
	Water Department Total	230,500	161,000	81,500	167,000	110,000	750,000
	<i>Revenue Bonds</i>	125,000	125,000				250,000
	<i>Water Utility Operating Budget</i>	25,000	25,000	70,000	110,000	10,000	240,000
	<i>Water Utility Reserve Funds</i>	80,500	11,000	11,500	12,000		115,000
	Water Department Total	230,500	161,000	81,500	122,000	10,000	605,000
	Grand Total	2,452,650	3,564,000	5,418,700	3,320,000	7,918,500	22,673,850