



# CAPITAL RESOURCES AND PLANNING

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Kent City Council Workshop

April 21, 2015

# General Government Capital Sources

General government funding sources are used for city facilities and infrastructure that are designed, built and operated for the general public.

- Special Revenue Funds:
  - Street Operating Fund
  - Capital Improvement Fund
- Internal Service Funds:
  - Information Technology Fund
  - Facilities Fund
  - Fleet Services Fund

# Street Operating Fund - 2015

Revenues (Sources)		Expenses (Uses)	
B&O Tax (A)	\$4.7m	Debt Service	\$2.4m
Solid Waste UT – 10.6% (A)	2.5m	Street Operations	2.5m
Transportation Impact Fees (B)	.7m	Reimburse B&O	.7m
Fuel Tax (B)	1.9m	Subtotal:	\$4.9m
Utility Tax – 1%	3.0m		
<b>Total Revenues:</b>	<b>\$12.8m</b>	<b>Available for Capital:</b>	<b>\$7.2m</b>

(A) Restricted by Council for Specific Purpose:

- B&O Tax – asphalt overlays
- Solid Waste UT – residential streets

(B) Restricted by State for transportation uses

Available Capital Restricted for:	
Asphalt Overlays (funded by B&O Tax)	\$4.7m
Residential Streets (funded by Solid Waste UT)	2.5m
<b>Total Capital:</b>	<b>\$7.2m</b>

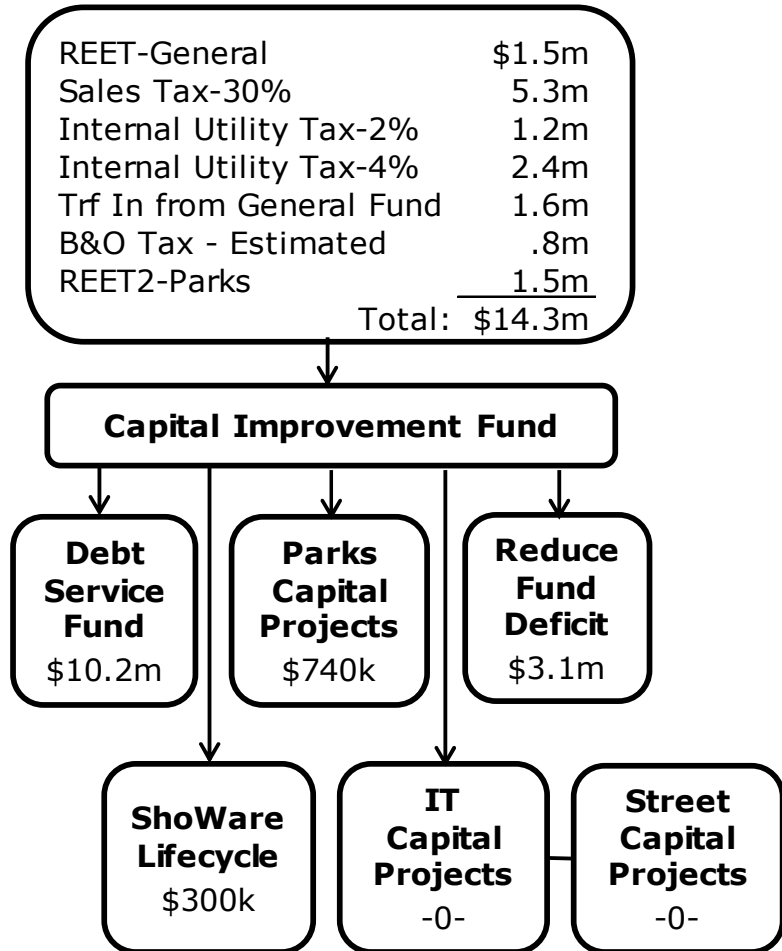
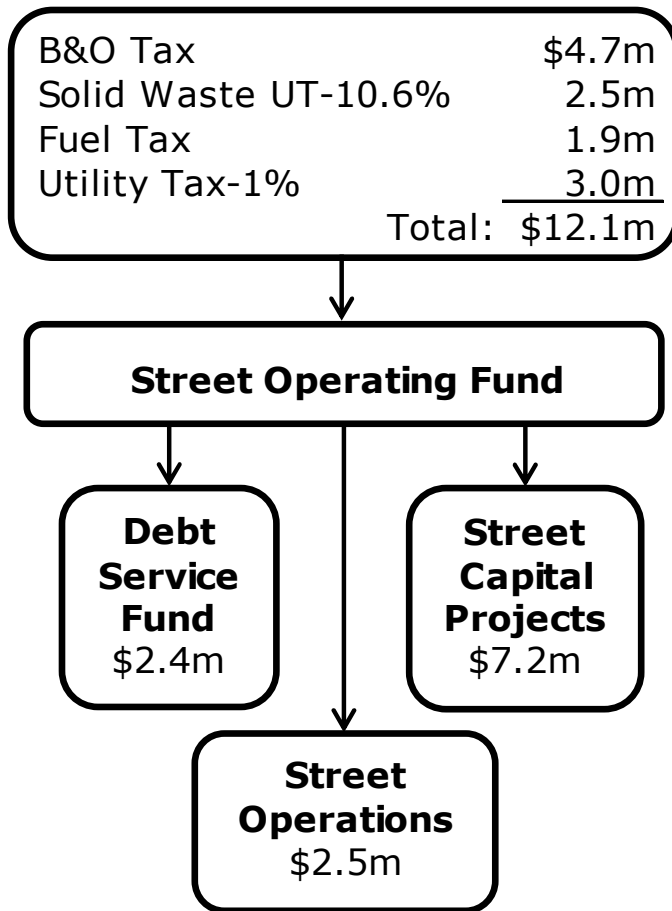
# Capital Improvement Fund - 2015

Revenues (Sources)		Expenses (Uses)	
REET – General (A)	\$1.5m	Debt Service	\$9.4m
Sales Tax – 30%	5.3m	ShoWare Lifecycle	.3m
Internal Utility Tax – 2% (Payoff Other Capital Projects DS)	1.2m	Reduce Fund Deficit	3.1m
Internal Utility Tax – 4% (50% Streets / 50% IT Capital)	2.4m	Subtotal:	\$12.8m
Trf In from General Fund	1.6m		
Estimated B&O Tax (not budgeted)	.8m		
<b>Total Revenues:</b>	<b>\$12.8m</b>	<b>Available for Capital:</b>	<b>-0-</b>
REET2 – Parks (A)	\$1.5m	Debt Service	\$760k
		Available for Capital:	\$740k

(A) Restricted by State for capital purposes:

- REET – general capital
- REET2 – parks capital

# Sources and Uses



# Information Technology Fund - 2015

Revenues (Sources)		Expenses (Uses)	
Internal, RFA, Outside Fees	\$5.1m	IT Operations	\$5.4m
Cable Utility Tax	1.4m		
Technology Fees	.4m		
Use of Fund Balance	.2m		
<b>Total Revenues:</b>	<b>\$7.1m</b>	<b>Available for Capital:</b>	<b>\$1.7m</b>

Estimated 2015 Ending Fund Balance - \$1.5m  
 (\$1.2m reserved for computer systems lifecycle replacements)

Does not include \$343k in General Fund budget for annexation.

# Facilities Fund - 2015

Revenues (Sources)		Expenses (Uses)	
Internal Fees	\$4.3m	Facilities Operations	\$4.6m
RFA & Lease Fees	.9m		
Use of Fund Balance	.5m		
<b>Total Revenues:</b>	<b>\$5.7m</b>	<b>Available for Capital:</b>	<b>\$1.1m</b>

Estimated 2015 Ending Fund Balance - \$1.1m

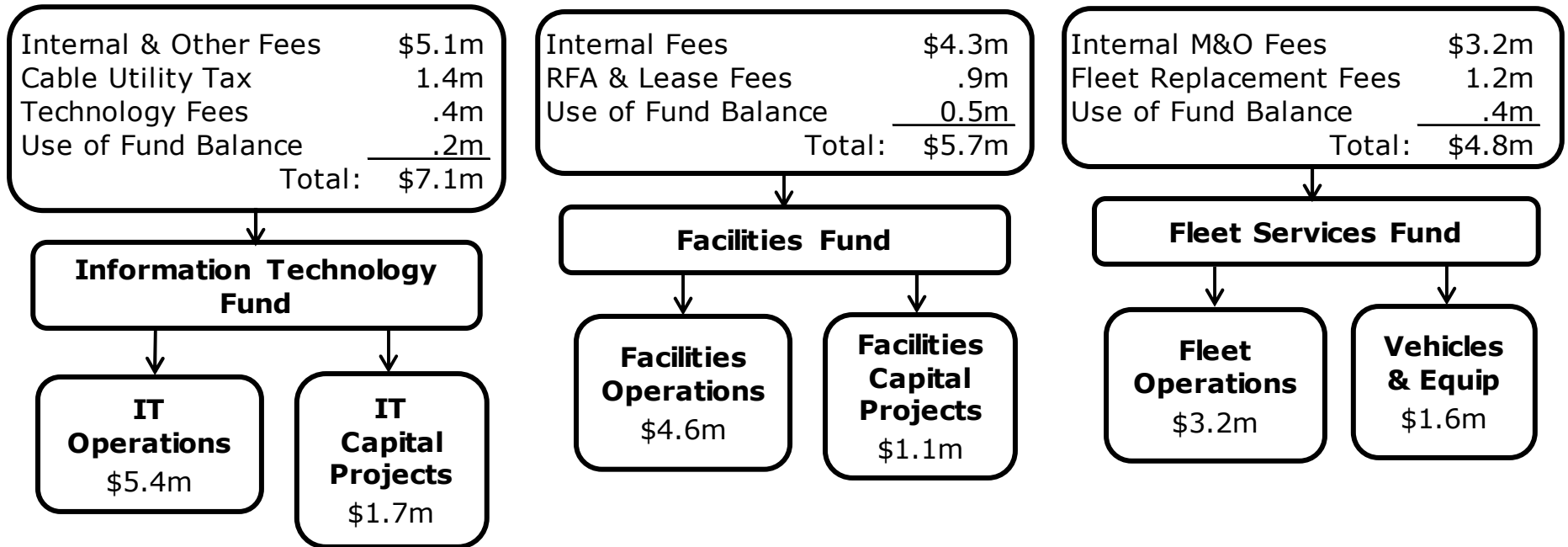
# Fleet Services Fund - 2015

Revenues (Sources)		Expenses (Uses)	
Internal M&O Fees	\$3.2m	Fleet Operations	\$3.2m
Fleet Replacement Fees	1.2m		
Use of Fund Balance	.4m		
Total Revenues:	\$4.8m	Available for Fleet Replacement:	\$1.6m

Estimated 2015 Ending Fund Balance - \$1.2m  
 (reserved for fleet vehicle replacements)

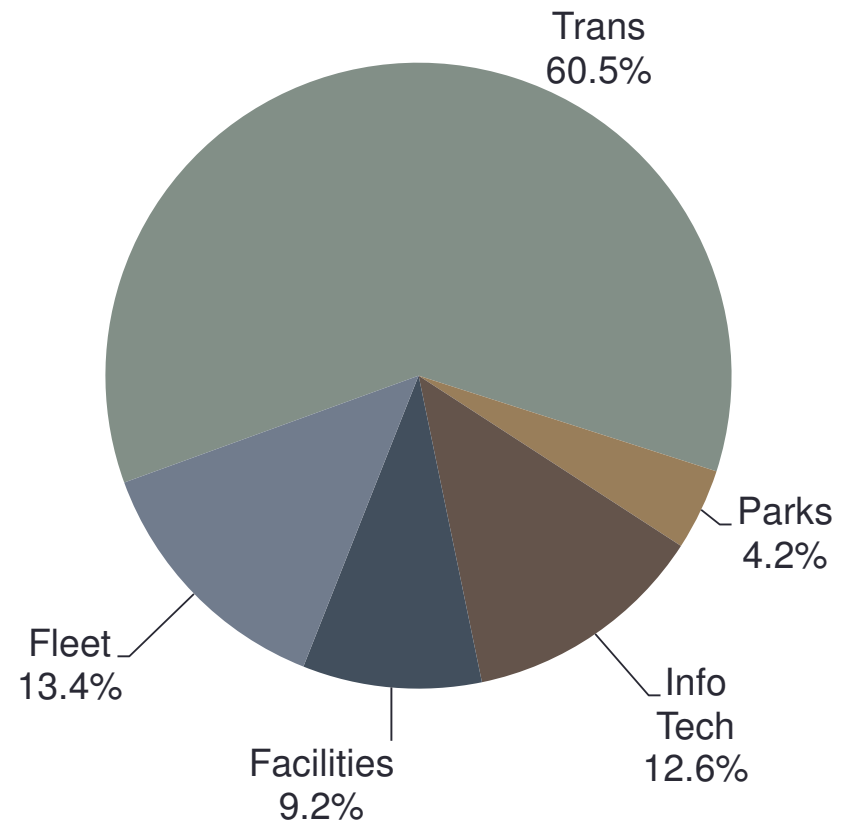


# Sources and Uses



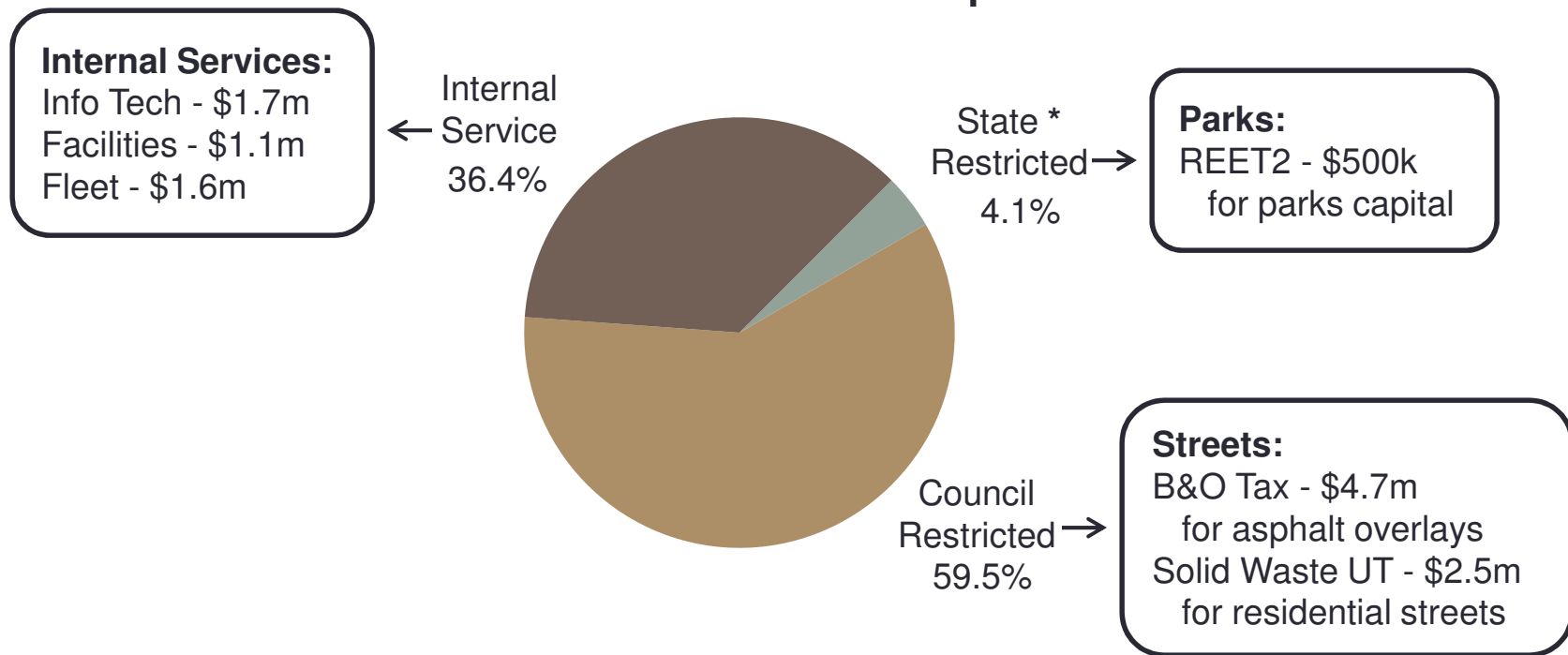
# General Government Capital - 2015

Purpose	Available	Budgeted
Transportation	\$7.2m	\$7.2m
Parks	.74m	.5m
Info Technology	1.7m	1.7m
Facilities	1.1m	1.1m
Fleet	1.6m	1.6m
<b>Total:</b>	<b>\$12.34m</b>	<b>\$12.1m</b>



# General Government Capital - 2015

## State/Council Restricted Funds Available for Capital



\* The city receives additional state restricted revenues (i.e. fuel tax, transportation impact fees, and general REET) that are fully utilized for debt service and operations, and therefore are not currently available for capital projects.

# Requests vs. Funded - 2015

Purpose	Requested	Funded	% Funded	Funding Source
Transportation	\$12.0m	\$7.2m	60%	B&O Tax - \$4.7m Solid Waste UT - \$2.5m
Parks	\$5.2m	.5m	9%	REET2
Info Technology	\$2.2m	\$1.7m	77%	IT Fund
Facilities	\$1.5m	\$1.1m	73%	Facilities Fund
Fleet	\$1.6m	\$1.6m	100%	Fleet Reserves
Total:	\$22.5m	\$12.1m	54%	

# 6-Year Capital Improvement Fund

## General Capital Only - Includes \$4.7M B&O Cap on Streets

	2015	2016	2017	2018	2019	2020
<b>Total Beginning Fund Balance - General Capital</b>	(4,473,659)	(1,303,995)	1,033,782	1,049,919	1,048,885	1,030,092
<b>Revenues &amp; Other Sources</b>						
Sales Tax - 30% of total city share; no SST	5,347,900	5,561,789	5,673,025	5,786,486	5,902,216	6,020,260
Utility Tax (sunsets in 2020; offset by debt reduction)	1,207,485	1,225,493	1,237,748	1,250,125	1,262,626	1,275,252
Real Estate Excise Tax - general capital uses	1,505,000	1,505,000	1,520,050	1,535,251	1,550,604	1,566,110
<b>B&amp;O w/ \$4.7M cap</b>	800,000	800,000	800,000	800,000	800,000	800,000
Transfer In - 4% Utility Tax (IT, Street projects)	2,414,971	2,450,985	2,475,495	2,500,250	2,525,253	2,550,506
<b>Total Revenues &amp; Other Sources</b>	<b>11,275,356</b>	<b>11,543,267</b>	<b>11,706,318</b>	<b>11,872,112</b>	<b>12,040,699</b>	<b>12,212,128</b>
<b>Expenditures &amp; Transfers</b>						
Debt Service	9,423,432	9,127,120	8,990,181	8,823,146	8,559,492	8,325,451
ShoWare Lifecycle	300,000	300,000	300,000	300,000	300,000	300,000
IT Capital (2% Utility Tax)		400,000	1,200,000	1,250,000	1,250,000	1,250,000
Street Capital (2% Utility Tax)		400,000	1,200,000	1,250,000	1,250,000	1,250,000
Available for General Capital				250,000	700,000	1,100,000
<b>Total Expenditures &amp; Transfers</b>	<b>9,723,432</b>	<b>10,227,120</b>	<b>11,690,181</b>	<b>11,873,146</b>	<b>12,059,492</b>	<b>12,225,451</b>
Change In Fund Balance	1,551,924	1,316,147	16,137	(1,034)	(18,793)	(13,323)
Subtotal General Capital Fund Balance	(2,921,735)	12,152	1,049,919	1,048,885	1,030,092	1,016,769
General Fund Debt Reduction Transfer	1,617,740	1,021,630				
<b>Ending General Capital Fund Balance</b>	<b>(1,303,995)</b>	<b>1,033,782</b>	<b>1,049,919</b>	<b>1,048,885</b>	<b>1,030,092</b>	<b>1,016,769</b>

# 6-Year Capital Improvement Fund

## General Capital Only - Does Not Include \$4.7M B&O Cap on Steets

	2015	2016	2017	2018	2019	2020
<b>Total Beginning Fund Balance - General Capital</b>	(4,473,659)	(2,103,995)	233,782	1,009,919	1,008,885	990,092
<b>Revenues &amp; Other Sources</b>						
Sales Tax - 30% of total city share; no SST	5,347,900	5,561,789	5,673,025	5,786,486	5,902,216	6,020,260
Utility Tax (sunsets in 2020; offset by debt reduction)	1,207,485	1,225,493	1,237,748	1,250,125	1,262,626	1,275,252
Real Estate Excise Tax - general capital uses	1,505,000	1,505,000	1,520,050	1,535,251	1,550,604	1,566,110
<b>B&amp;O w/o \$4.7M cap</b>						
Transfer In - 4% Utility Tax (IT, Street projects)	2,414,971	2,450,985	2,475,495	2,500,250	2,525,253	2,550,506
<b>Total Revenues &amp; Other Sources</b>	<b>10,475,356</b>	<b>10,743,267</b>	<b>10,906,318</b>	<b>11,072,112</b>	<b>11,240,699</b>	<b>11,412,128</b>
<b>Expenditures &amp; Transfers</b>						
Debt Service	9,423,432	9,127,120	8,990,181	8,823,146	8,559,492	8,325,451
ShoWare Lifecycle	300,000	300,000	300,000	300,000	300,000	300,000
IT Capital (2% Utility Tax)			420,000	975,000	1,200,000	1,250,000
Street Capital (2% Utility Tax)			420,000	975,000	1,200,000	1,250,000
Available for General Capital						250,000
<b>Total Expenditures &amp; Transfers</b>	<b>9,723,432</b>	<b>9,427,120</b>	<b>10,130,181</b>	<b>11,073,146</b>	<b>11,259,492</b>	<b>11,375,451</b>
Change In Fund Balance	751,924	1,316,147	776,137	(1,034)	(18,793)	36,677
Subtotal General Capital Fund Balance	(3,721,735)	(787,848)	1,009,919	1,008,885	990,092	1,026,769
General Fund Debt Reduction Transfer	1,617,740	1,021,630				
<b>Ending General Capital Fund Balance</b>	<b>(2,103,995)</b>	<b>233,782</b>	<b>1,009,919</b>	<b>1,008,885</b>	<b>990,092</b>	<b>1,026,769</b>

# General Capital Prioritization

- As existing debt service is retired in 2024 and 2025, approximately \$3.5m will be available annually.
  - assumes General Fund will continue to contribute 30% of sales tax revenues toward capital needs
- Traditionally, general capital dollars have been spent on parks, facilities, public safety and technology projects.
- Looking to create a holistic methodology to prioritize general capital needs.
  - city-wide prioritization to replace current silos

# Utilities Capital Sources

Utilities capital needs are largely supported by revenues generated by user fees and charges.

- Water Fund
- Sewer Fund
- Drainage Fund



# Water Utility - 2015

Revenues (Sources)		Expenses (Uses)	
Water Revenues	\$18.6m	Operations	\$12.4m
Repayment from GF	.2m	Debt Service	3.8m
Use of Fund Balance	.2m	Subtotal:	\$16.2m
Total Revenues:	\$19.0m		
		Available for Capital:	\$2.8m

Estimated 2015 Ending Fund Balance - \$5.0m

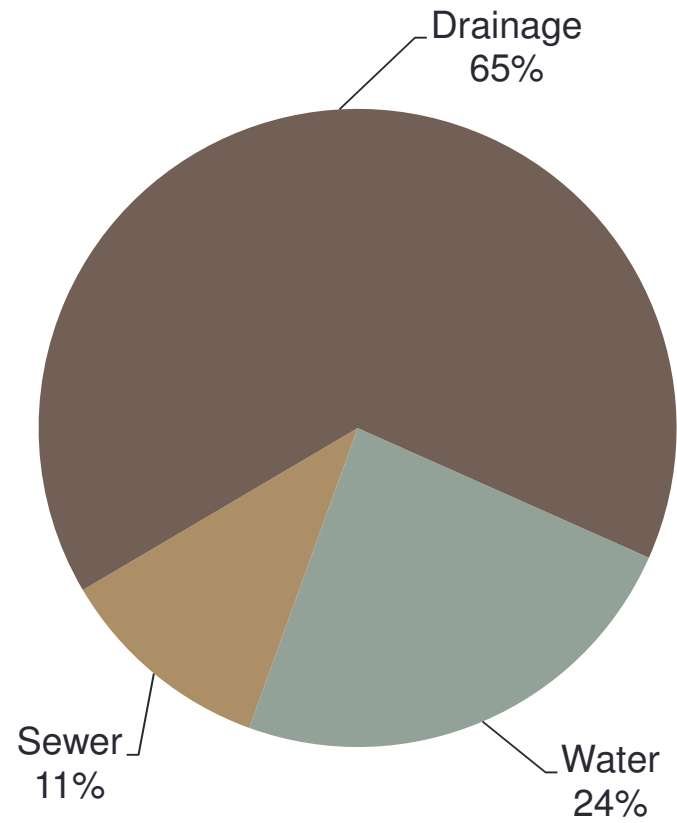
# Sewer/Drainage Utility - 2015

Revenues (Sources)		Expenses (Uses)	
Sewer Revenues	\$26.3m	Sewer Operations	\$25.4m
Drainage Revenues	18.9m	Drainage Operations	10.0m
Repayment from GF	.3m	Debt Service	1.8m
Use of Fund Balance	.8m	Subtotal:	\$37.2m
<b>Total Revenues:</b>	<b>\$46.3m</b>		
		<b>Available for Capital:</b>	<b>\$9.1m</b>

Estimated 2015 Ending Fund Balance - \$5.2m

# Utilities Capital - 2015

Purpose	Available	Budgeted
Water Utility	\$2.8m	\$2.8m
Sewer Utility	1.1m	1.1m
Drainage Utility	8.0m	8.0m
Total:	\$11.9m	\$11.9m



# Capital Facilities Planning

- ✓ Capacity Projects (To Meet LOS\*)
  - ✓ \$704.192 Million\*\*
  - ✓ \$295.981 Million Funded\*\*\*
  
- ✓ Non-Capacity Projects (M&O)
  - ✓ \$461.045 Million
  - ✓ \$320.924 Million Funded
  
- ✓ (\$548.332 Million)

\*Requires Alternatives for Accommodating Growth

\*\*Includes Information Technology and Fire

\*\*\*Assumes: Public Safety Bond