

NOTICE OF PUBLIC MEETING

Work Session re: Capital Maintenance & Improvement Plan (CMIP)

May 4, 2020 @ 5:00 p.m.

Work Session including the City Council and City staff will convene on Monday, May 4, 2020, at 5:00 p.m. In an effort to follow social distancing guidelines during the COVID-19 pandemic, the Work Session will be conducted remotely. The Work Session will focus on prioritization of the items listed on the CMIP list.

This Work Session is not for public comment. However, during the regular 7 p.m. City Council meeting, comments received by the City Clerk or emailed to info@tonganoxie.org by 1:00 PM on the day of the meeting will be reviewed and possibly shared with the Governing Body.

Draft Capital Maintenance and Improvement Plan (CMIP)



CITY COUNCIL WORK SESSION
MAY 4, 2020

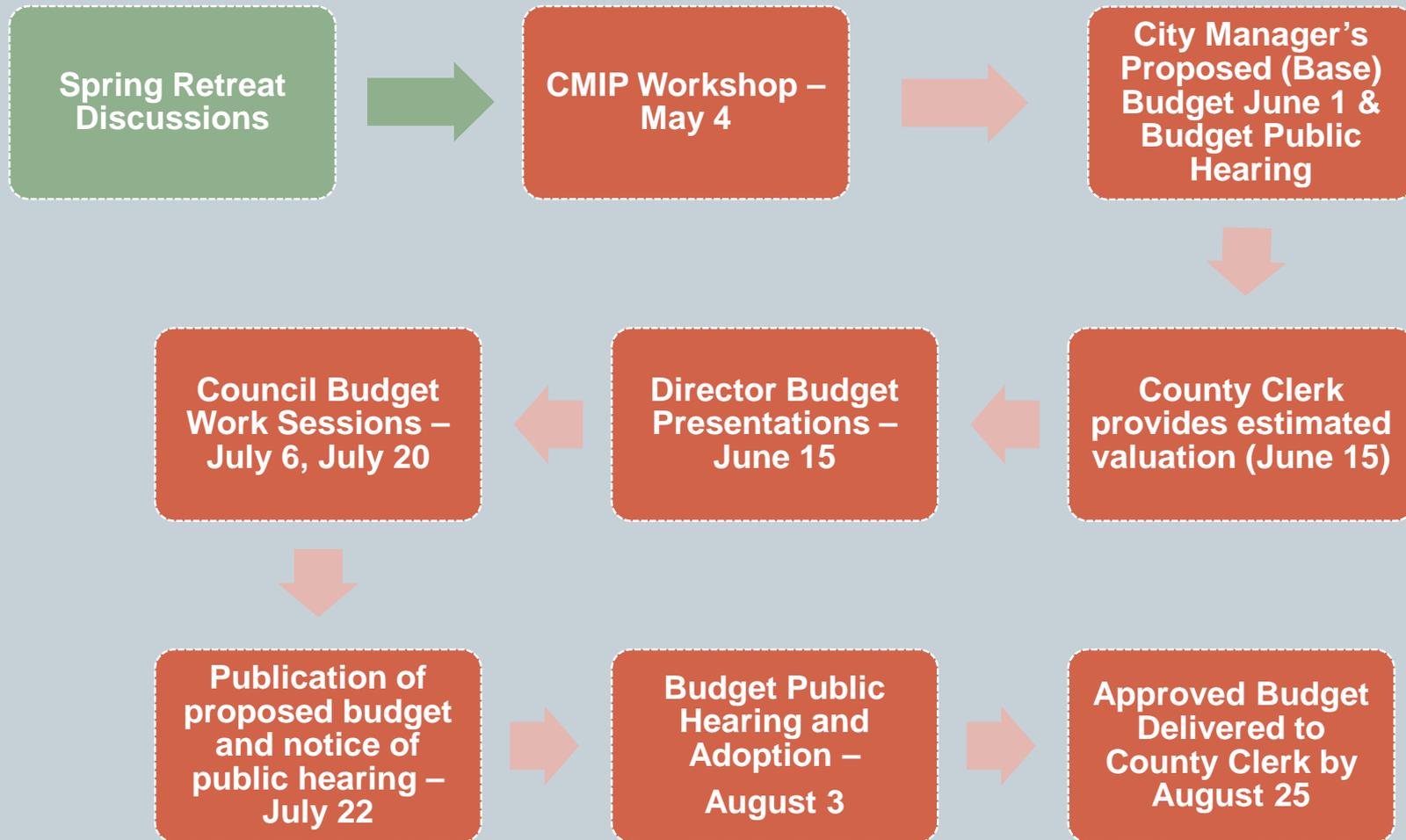


Discussion Topics



- Annual Budget Development Calendar
- Funding Sources & Restrictions in Uses of Funds
 - Funding Sources
 - Existing Debt and Capacity
- Project Listing and Prioritization Discussion
- Unfunded List

2021 Budget Development Process Calendar



CMIP Basics



Capital Maintenance and Improvements Plan

- Multi-year plan for future capital project expenditures. The role of the Plan is to identify future projects and coordinate financing and timing of improvements
- Business practice & planning tool
- Communication tool to share information with taxpayers & ratepayers
- Does **not** provide the legal authority to spend funds

Sources and Uses of Funds



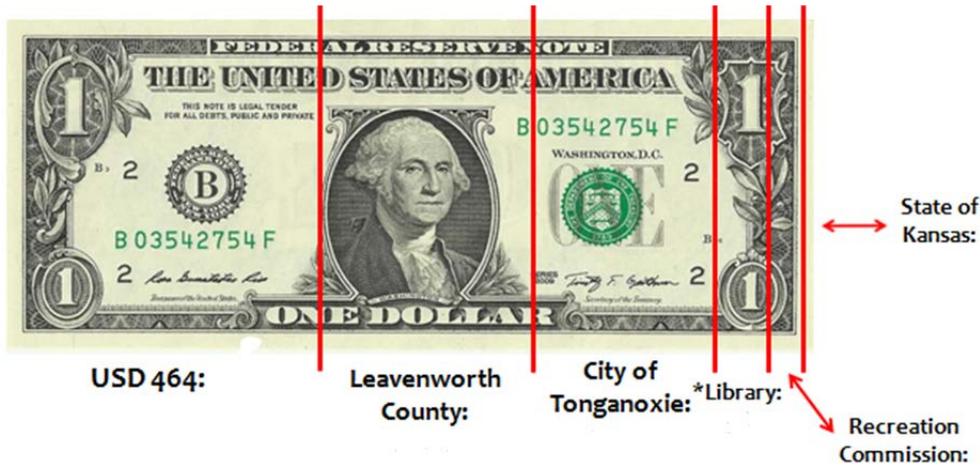
- **Utility/Enterprise Funds = Revenues largely from charges for service, expenditures limited to utility operational activities**
 - Water, Sewer, Sanitation, Storm Water
- **Special Purpose Funds = Revenues from specific tax levies or pass-throughs, expenditures limited to specific purposes**
 - Debt Fund, Capital Projects, Infrastructure Sales Tax, Special Highway, Special Parks, Transient Guest Tax
- **Special Revenue Funds = Revenues from unique non-tax source, expenditures limited to support of unique services**
 - Fire Equipment, Police Equipment, Water Capital, Sewer Capital

Sources and Uses of Funds



- Major Sources of Revenue for Capital Projects
 - Property Tax
 - ✦ \$494,000 in the Debt Fund in 2020, 9.755 mills, 26% of City property tax.
 - Sales & Use Tax
 - ✦ Infra. Sales Tax (\$409,000), City Share of County Sales Tax (\$467,000)
 - Special Revenues
 - ✦ Fuel Excise Tax (\$150,000), Liquor Tax for Special Parks(\$7,250)
 - Utility System Development Fees & Operating Revenue
 - ✦ Water Capital Fund, Sewer Capital Fund, Storm Water Fund
 - Inter Fund Transfers
 - ✦ Limited options by State Statute

Property Taxes Overview



2019 Tax Levy for 2020 Budget

Taxing Entity or Recipient	Mill Levy	% of Mill Levy
State of KS	1.500	1.00%
Leavenworth County	37.184	24.90%
Tonganoxie City (Library)	7.861	5.26%
Tonganoxie City (City)	37.428	25.07%
USD 464 (School District)	60.335	40.41%
USD 464 (Recreation Commission)	4.999	3.35%
Total	149.307	100.00%

Fund	2020 Projected Revenue
General	\$ 1,251,047.10
Debt Service	\$ 441,006.20
Library	\$ 269,034.12
Library Emp Ben	\$ 86,347.70
Total	\$ 2,047,435.12

Infrastructure Sales Tax Commitments



- Initial 20 yr Revenue Projection \$7.3M - Current 20 yr Revenue Projection \$8.1M
- \$409,000 in revenue budgeted in 2020

- Construction of a New Library Project – GO Bond Series 2018A
 - \$3.75M in funding for Library Construction and Land Acquisition
 - Total cost of \$5.4M over 20 year debt repayment
 - Represents 67% of projected total sales tax revenue

- Dedicated IST Funding for Street Maintenance Efforts
 - \$154,450 in 2018
 - \$168,150 in 2019
 - \$150,000 in 2020
 - Represents 5.8%% of projected total sales tax revenue over 20 years

- Ballot Language & Committed Uses:
 - ~~construction of a new library~~
 - ~~paying for maintenance costs on new and existing infrastructure~~
 - paying the debt payment on any debt issued for infrastructure projects
 - paying for new capital (infrastructure) improvements

City Share of 1% County Sales Tax



- 1% General Purpose Sales Tax approved by Leavenworth County voters for a period of 2017-2036
- The City committed to using its share of the funds for:
 - Street Repairs
 - Bridge Repairs/Replacements
 - Facility Improvements
 - Equipment Purchases
 - 2020 Budget - \$467,000

Existing Debt

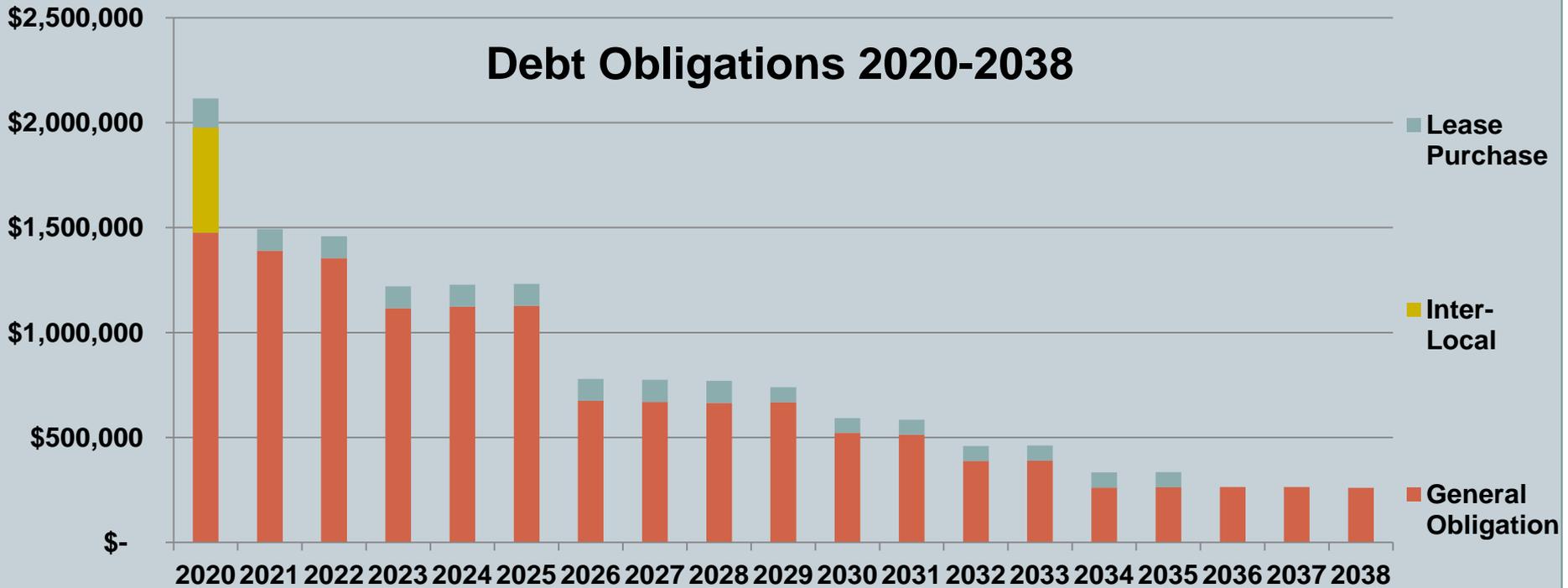


Debt Pro-Forma Schedule - Principal and Interest

Debt Pro Forma

	2020	2021	2022	2023	2024	2025	2026	2027
Bond Debt								
2000 Downtown	\$ 1,438	\$ 26,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009A Street Improvements	-	-	-	-	-	-	-	-
2010A Bridge/Streets/Fire	263,033	-	-	-	-	-	-	-
2013A - Indust. Park Taxable	134,968	127,418	130,018	132,468	129,768	127,068	129,008	130,778
2013B Refund KDHE/KDOT	487,578	634,578	628,478	622,278	630,978	634,278	177,278	178,635
2017A Refinan. 07A & 09A	325,600	337,200	333,200	99,050	101,650	104,100	106,400	98,550
2018A Library Construction	262,950	263,900	263,300	262,500	261,500	261,850	262,050	262,100
	<u>\$ 1,475,565</u>	<u>\$ 1,389,533</u>	<u>\$ 1,354,995</u>	<u>\$ 1,116,295</u>	<u>\$ 1,123,895</u>	<u>\$ 1,127,295</u>	<u>\$ 674,735</u>	<u>\$ 670,063</u>
Inter-Local Debt								
County Rd. 1 - LVCO	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Lease-Purchase Debt								
Ballfields (Rec Commission)	\$ 37,080					\$ -	\$ -	\$ -
2016 City Hall/Police Station	68,041	68,274	68,514	68,760	69,014	69,276	69,546	69,823
2018 Fire Pumper	34,692	34,692	34,692	34,692	34,692	34,692	34,692	34,692
	<u>\$ 139,813</u>	<u>\$ 102,967</u>	<u>\$ 103,206</u>	<u>\$ 103,452</u>	<u>\$ 103,707</u>	<u>\$ 103,969</u>	<u>\$ 104,238</u>	<u>\$ 104,515</u>
Total Debt Obligations	<u>\$ 2,115,378</u>	<u>\$ 1,492,499</u>	<u>\$ 1,458,201</u>	<u>\$ 1,219,747</u>	<u>\$ 1,227,602</u>	<u>\$ 1,231,264</u>	<u>\$ 778,973</u>	<u>\$ 774,578</u>

Existing Debt



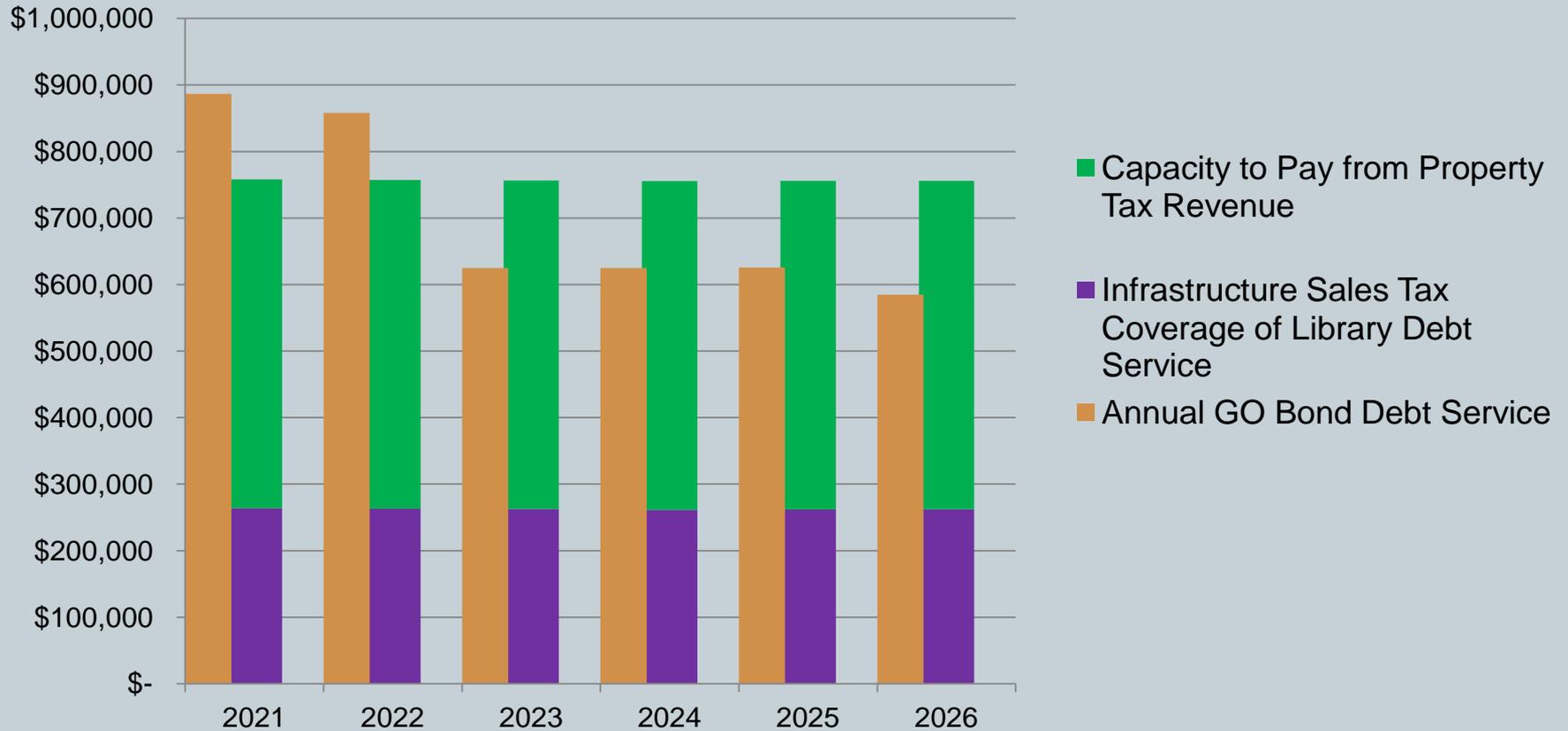
Debt Capacity



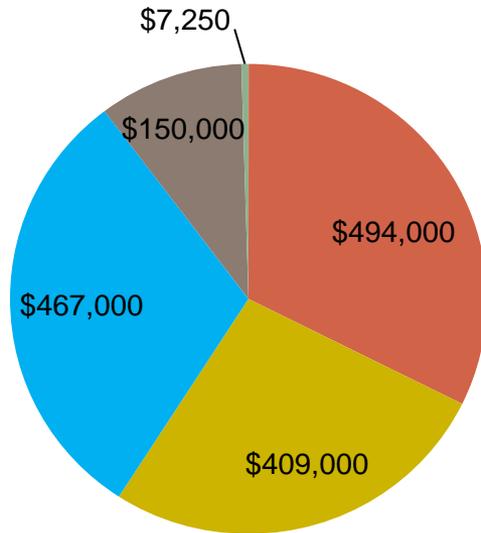
- Debt, Bond, and Interest Fund
 - Revenues from property tax & transfers
 - Expenditures for payment of general long-term debt

Revenue	2019	2020 Budget	2021 Est
Property Tax Revenue	\$ 458,046	\$ 494,940	\$494,940
Transfer from IST for Library Debt Pmt	\$ 261,850	\$ 262,950	\$263,900
	<hr/> <hr/>		
	\$ 719,896	\$ 757,890	\$757,940
Expenditures			
Debt Service	\$ 802,263	\$ 825,565	~\$886,687
		Difference	\$128,787

Debt Capacity

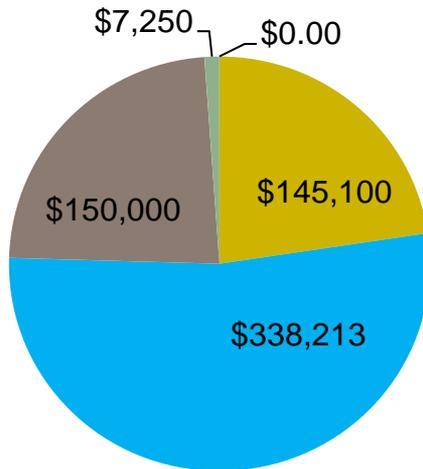


2021 Estimated Overall Revenue - \$1,527,250



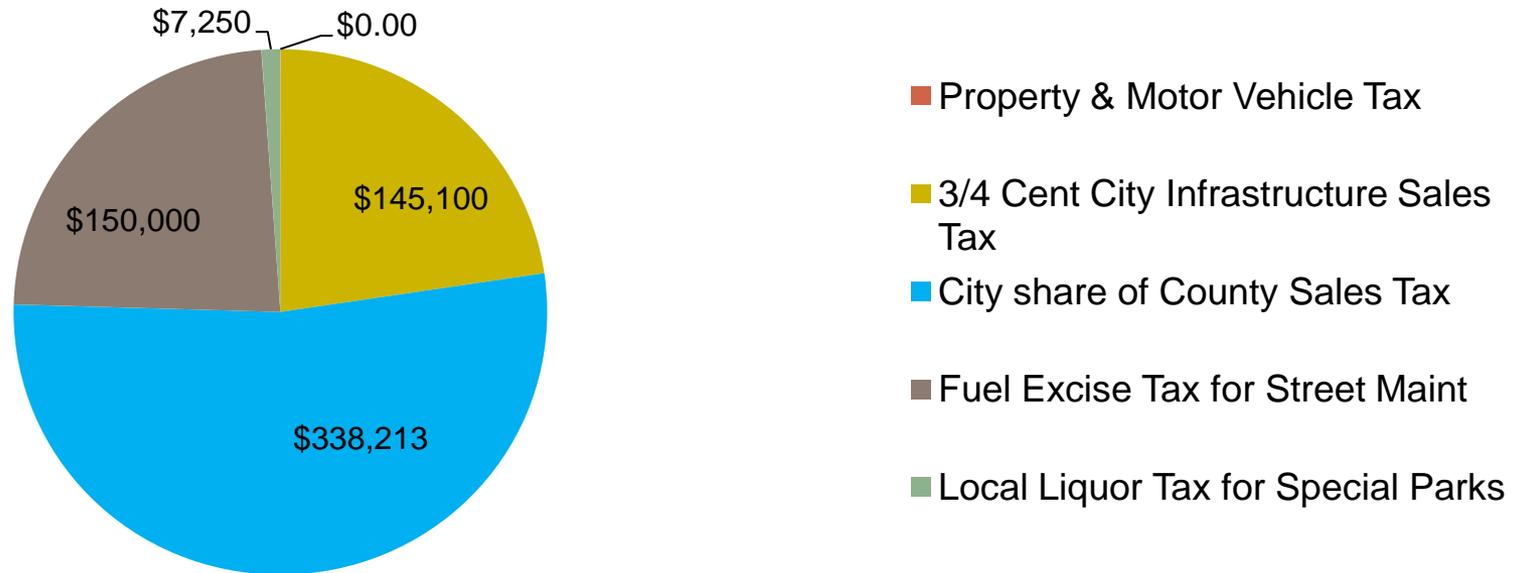
- Property & Motor Vehicle Tax
- 3/4 Cent City Infrastructure Sales Tax
- City share of County Sales Tax
- Fuel Excise Tax for Street Maint
- Local Liquor Tax for Special Parks

2021 Estimated Uncommitted Revenue - \$640,563



- Property & Motor Vehicle Tax
- 3/4 Cent City Infrastructure Sales Tax
- City share of County Sales Tax
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- Local Liquor Tax for Special Parks

2021 Estimated Uncommitted Revenue - \$640,563



Unknowns

- 25% of \$640,563 has a specific use (streets & parks)
- Sales Tax revenues possibly reduced due to COVID-19

Project List



- The CMIP Summary is organized by Project Category
 - Street Maintenance
 - New Street Construction
 - Bridges
 - Core Community
 - Water Utility
 - Sewer Utility
 - Storm Water Utility
- Categories also generally correspond to funding restrictions

Capital Planning Discussion Items



- Funding Options
 - Infrastructure Sales Tax
 - Share of County Sales Tax
 - Business Park County Grant Opportunities
 - Developer Assistance for Growth Projects
- How to prioritize amongst existing projects?
- What else should be on the list of priority projects?

CMIP - 2021 & Future Projects						Alternate Funding Sources
Project Category	Project Name	Timing	Estimated Cost	Notes		
Street Maintenance						
Street Maintenance	S of 5th Street to Washington and Railroad ROW to Pleasant - Mostly Overlay	2021 Planned Project	TBD	POOR CONDITION		
Street Maintenance	Washington - West City limits to 24/40	2021 Planned Project	TBD	POOR CONDITION		
Street Maintenance	Additional Street Maintenance based on Deterioration Progress	2021 Planned Project	TBD			
Street Maintenance	Curb/Crosswalk Replacements	2021 Planned Project - Recurring	\$40,000	Self performed by staff to the extent possible.		
New Street Construction						
New Streets	Construction of 14th Street from US 24-40 to East Street	Based on Future Development & Funding Availability	\$5,750,000	Includes intersection & roadway construction. Would require debt		X
Bridges						
Bridge Reconstruction	Church Street Bridge Replacement with Culvert	Highest Priority Bridge	\$425,000	Fire truck access is limited. Component of proposed Stormwater Study.		X
Bridge Reconstruction	4th Street Bridge Deck Replacement	Second Highest Priority Bridge	TBD			X
Core Community						
Downtown	Archway - Community Request		\$250,000	Funding Source not yet identified. Cost estimate based on research.		
Recreation	Trails		TBD			X
Water Utility						
Water Utility	Water Towers & Infrastructure inspections, maintenance, and repairs	2021 Planned Project - Recurring	\$50,000			
Water Utility	Well Pump Replacements/Rebuilds	Recurring - every 10 years (first year?)	\$20,000	Pumps currently operational.		
Water Utility	VFDs - Replace High Service Pumps	2021 Planned Project	\$15,000	Variable Frequency Drive Motors.		
Water Utility	Replace Pressure Filter Media (Plant)	2022 Planned Project - Recurring (every 20 years estimated)	\$40,000	Timing dependant upon filter performance.		
Water Utility	Smiley Rd and Hatchell Rd Area Booster Station	Based on Future Development	\$150,000			
Water Utility	Additional Water Line to the Business Park	Based on Future Development	\$350,000	Redundancy and volume enhancement.		
Water Utility	Water Tower at Business Park	Based on Future Development	\$1,500,000			
Sewer Utility						
Sewer Utility	Pump and Motor Maintenance Program	2021 Planned Project - Recurring	\$30,000			
Sewer Utility	Interceptor Sewer Line to the Business Park	Potential 2020 Debt Issuance - Not Budgeted	\$2,330,000	Easement acquisition & permitting nearly complete.		
Sewer Utility	Business Park Sewer Lift Station Alternative Project	Alternative to Potential 2020 Debt Issuance	\$1,250,000			
Sewer Utility	SCADA System Upgrade	2021 Planned Project	\$30,000			
Sewer Utility	Clarifier Repainting	Anticipated Need in 2025	\$100,000	Painting both clarifiers proposed for efficiency.		
Storm Water Utility						
Storm Water	Church Street Storm Water Analysis	2020 Planned Project	\$20,000			
Storm Water	Anne Street Bank Stabilization	2020 Emergency Project	\$10,000	Bank erosion situation threatening nearby roadway.		
Storm Water	Projects Resulting from Church St Analysis	Limited by funding availability	TBD			

2020 Capital Maintenance & Improvements Plan (CMIP) Projects

Project Name	Timing	Estimated Cost
<u>Street Maintenance</u>		
NOTE: 2020 Special Highway Fund Budget: \$363,500		
S of 5th Street to Washington and 24/40 to Railroad ROW - Mostly Overlay	2020 Planned Project	\$240,000
E 4th Street from Water Treatment Plant to East City limits - Mill and Overlay	2020 Planned Project	\$53,000
Parallel from Tonganoxie Road to East City limits - Mostly Overlay	2020 Planned Project	\$30,000
Downtown Crosswalks (3)	2020 Planned Project	\$8,000
Curb Replacements	2020 Planned Project	\$30,000
<u>New Street Construction</u>		
No Projects Funded		
<u>Bridges</u>		
No Projects Funded		
<u>Core Community</u>		
Water Park Pool Resurfacing	2020 Planned Project	\$50,000
<u>Water Utility</u>		
Water Towers & Infrastructure inspections, maintenance, and repairs	2020 Planned Project - Recurring	\$50,000
<u>Sewer Utility</u>		
Pump and Motor Maintenance Program	2020 Planned Project - Recurring	\$30,000
Lift Station Mobile Generators (2)	2020 Planned Project	\$100,000
Interceptor Sewer Line to the Business Park	Potential 2020 Debt Issuance - Not Budgeted	\$2,330,000
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