



Capital Improvement Program

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PROCEDURE

Each year the Capital Improvement Program (CIP) is prepared from project requests submitted by the various departments. The requests require a project description, justification, cost estimates, statement of impact on the City's annual operating budget and an implementation schedule. After compilation of the requests, projects are reviewed by staff members from the City's Infrastructure Team. This team consists of project managers, planners, division managers, and the Finance Director. This team reports directly to the City Manager.



10 YEAR LOOKOUT

The infrastructure team prepares a “Ten-Year Capital Project Lookout” annually. This “lookout” is presented to City Council and allows staff to receive direction on future capital project needs.

5 YEAR ADOPTED CAPITAL IMPROVEMENT PROGRAM (CIP)

As an integral component of the annual budget process, each year a five-year CIP is adopted by City Council. Chapter 163 of the Florida Statutes requires the City to adopt a five-year schedule of capital improvements that includes publicly funded federal, state, or local projects, and may include privately funded projects for which the City has no fiscal responsibility. Projects necessary to ensure that any adopted level-of-service standards are achieved and maintained for the 5-year period must be identified as either funded, or unfunded and given a level of priority for funding. The five year schedule and the level of service standards are established in the Capital Improvements Element (CIE) of the City's Comprehensive Plan. Project review, along with available funding and CIE requirements, forms the basis of the program compiled by the Infrastructure Team. The recommended program is then reviewed by the Mayor and City Council in conjunction with their review of the annual operating budget. The City is required to review the CIE of the Comprehensive Plan on an annual basis and modify it as necessary to maintain a five-year schedule of capital improvements. Modifications to update the 5-year capital improvement schedule may be accomplished by Resolution and are not considered amendments to the Growth Management Plan.

1 YEAR PROJECT TIMELINE

At the start of the fiscal year, a one-year project timeline is presented to City Council. The timeline is updated quarterly to show changes throughout the year. The first year of the five-year Capital Improvement Program is the Capital Budget. The Capital Budget is adopted by the City Council with the adoption of the annual operating budget. There is no commitment to expenditures or appropriations beyond the first year of the Capital Improvement Program.

DEFINITION OF CAPITAL IMPROVEMENTS

Capital Improvements are defined as physical assets, constructed or purchased, that have a minimum cost of \$10,000 and a minimum useful life of three years. Only projects that meet this definition of a capital improvement are included in the program, such as:

- a. New and expanded physical facilities for the community.
- b. Large scale rehabilitation or replacement of existing facilities.
- c. Major pieces of equipment which have a relatively long period of usefulness.
- d. Equipment for any public facility or improvement when first erected or acquired.
- e. The cost of engineering or architectural studies and services relative to the improvement.
- f. The acquisition of land for a community facility such as a park, highway, sewer line, etc.

Normal replacement equipment and normal recurring renovations which are funded in departmental operating budgets and cost less than \$10,000 are generally excluded from the Capital Improvement Program. Exceptions will occur for projects where the project contains multiple phases, or the current year CIP project is the planning phase of a construction project.

The 2014/2015 Adopted Capital Budget Summary by Fund schedule indicates which fund and corresponding revenue sources will pay for the associated project. The Summary by Department schedule indicates which department has functional responsibility for the project.

FUNDING SOURCES FOR CAPITAL PROJECTS

General Revenue – CIP

General revenue consists of a variety of sources, including Property (Ad Valorem) taxes, Federal and State funding through grants, and other fees. Property tax revenue is based on a millage rate (one mill is equivalent to \$1 per \$1,000 of assessed value), which is applied to the total assessed property value. The City of Palm Coast's 2015 millage rate for capital projects totals .0773 and relates to stormwater improvements..

Federal Aid – Community Development Block Grant Funds

Under the Housing and Community Development Act of 1974, recipients of funds may undertake a wide range of activities directed toward neighborhood revitalization, economic development and provision of improved community facilities and services. Specific CIP activities that can be carried out include acquisition of real property and demolition, acquisition, construction, reconstruction, rehabilitation, relocation or installation of public facilities.

Local Option Gas Tax Funds

Per State Statute, the revenue received can only be used for transportation related expenditures. Proceeds must be used toward the cost of establishing, operating and maintaining a transportation system and related facilities and the cost of acquisition, construction, reconstruction and maintenance of roads.

Small County Surtax

This tax replaced the Local Government Infrastructure Surtax which expired on December 31, 2012. This revenue is in the form of an additional county-wide sales tax of .5%.

Water and Wastewater Charges

Monthly service charges are assessed for the use of services and facilities of the City's water and wastewater system. Service charges are used to pay for operating expenses, maintenance, construction and debt service.

Stormwater Utility Fee

The City enacted a stormwater utility fee in 2005. Funds from this revenue source can only be used for the operation, maintenance, replacement, and construction of the City's stormwater management system. Each year a portion of the funding will be allocated for capital improvements, while the remainder will be used for operating and maintenance expenses.

Tax Increment Financing

A Community Redevelopment Agency may be established per Chapter 163 of the Florida Statutes to address blight conditions in a specified area. A base year is established and a base taxable valuation is determined for the property within the designated area. The tax increment above the base year valuation is then utilized in an effort to eliminate the blight conditions. Capital improvement projects, such as redevelopment projects or infrastructure improvements, maybe undertaken utilizing these funds. Tax Increment Financing is used to fund projects in the SR100 CRA Fund.

Impact Fees

The City adopted a Water, Wastewater, Transportation, Fire and Recreation Impact Fee Ordinance that allows the City to charge a fee for new construction projects to ensure that development pays its fair share of the cost of new and/or expanded facilities necessary to accommodate that growth. Impact fee revenue can only be used for growth and development related to capacity improvements.

Other Funds

Other Funds may include public and private contributions, developer commitments, transportation authority and agency commitments and other government participation.

2014 Capital Projects Timeline Results

CAPITAL PROJECTS FUND		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Project Name		December 2013	March 2014	June 2014	September 2014	FY15
City Hall	Space Needs and Cost Analysis	ORIGINAL TIMELINE ACTUAL TIMELINE				
	Design		ORIGINAL TIMELINE ADJUSTED TIMELINE	ORIGINAL TIMELINE ADJUSTED TIMELINE	ORIGINAL TIMELINE ADJUSTED TIMELINE	Q1, FY15 Q1, FY15
Seminole Woods Path	Phase 1 - SR 100 to Ulatum (south)					
	Design, Permits, Env. Clearance, CDBG Release	ORIGINAL TIMELINE ACTUAL TIMELINE				
	Construction		ORIGINAL TIMELINE ACTUAL TIMELINE			
	Phase 2 - Ulatum (south) to Citation					
	Design, Permits, Env. Clearance, CDBG Release	ORIGINAL TIMELINE ACTUAL TIMELINE	ORIGINAL TIMELINE ACTUAL TIMELINE	ACTUAL TIMELINE ORIGINAL TIMELINE		
	Construction			ORIGINAL TIMELINE		ADJUSTED Q1, FY15
	Phase 3 - Citation to Sesame					
	Design, Permits, Env. Clearance, CDBG Release			ORIGINAL TIMELINE ADJUSTED TIMELINE	ADJUSTED TIMELINE	Q1, FY15 Q1, FY15
	Construction				ORIGINAL TI ADJUSTED	Q1, FY15 FY15
	Phase 4, Sesame - Seminole to Selma Tr (south)					
	Design, Permits, Env. Clearance, CDBG Release			ORIGINAL TIMELINE		FY15
	Construction					FY15
Phase 5, Sesame - Selma Tr (south) to Seminole						
Design, Permits, Env. Clearance, CDBG Release				ORIGINAL TIMELINE		
Construction				ADJUSTED	Q1, FY15	
Phase 6 - Sesame to US1						
Design, Permits, Env. Clearance, CDBG Release				ORIGINAL TI	Q2, FY15	
Construction						
Long Creek Nature Preserve	Construction (Phase 1)	ORIGINAL TIMELINE	ORIGINAL TIMELINE ACTUAL TIMELINE	ORIGINAL TIMELINE ACTUAL TIMELINE	ACTUAL TIMELINE	
Long Creek Nature Preserve	Design (Phase 2) <i>Move to future Year</i>	ORIGINAL TIMELINE	ORIGINAL TIMELINE			
Holland Park Improvements	Design (Playground & Splash Park)	ORIGINAL TIMELINE ACTUAL TIMELINE	ORIGINAL TIMELINE ACTUAL TIMELINE	ACTUAL TIMELINE		
	Construction (Phase 1) <i>Move to FY 15</i>				ORIGINAL TIMELINE	Q4, FY15
Community Center Improvements	Master Plan	ORIGINAL TI ACTUAL TI				
	Design		ORIGINAL TIMELINE	ORIGINAL TIMELINE		
	Construction			ADJUSTED TIMELINE		FY15
Park Renovations	Shade Sail @ Playground (Belle Terre Park)	PROJECT MOVED TO FUTURE YEAR				
	Design					
	Construction					
Park Renovations	ITSC Little League Scoreboard Replacement					
	Design	ORIGINAL TI ACTUAL TI				
	Construction		ORIGINAL TI ACTUAL TI			

STATE ROAD 100 CRA FUND		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Project Name		December 2013	March 2014	June 2014	September 2014	FY15
Bull dog Drive	Design	ORIGINAL TIMELINE ACTUAL TIMELINE				
	Construction		ORIGINAL TIMELINE ADJUSTED TIMELINE	ORIGINAL TIMELINE		Q1, FY15

UTILITY CAPITAL PROJECTS FUND		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Project Name		December 2013	March 2014	June 2014	September 2014	FY15
Water Treatment Plant 3	Color Reduction/Iron Removal					
	Design	ORIGINAL TIMELINE ACTUAL TIMELINE	ORIGINAL TIMELINE ACTUAL TIMELINE			
	Construction			ORIGINAL TIMELINE ADJUSTED TIMELINE	ORIGINAL TIMELINE ADJUSTED TIMELINE	Q4, FY14 Q4, FY15
Water Treatment Plant 2,	Concentrate Zero Discharge Treatment (ZLD)					
	Construction	ORIGINAL TIMELINE ADJUSTED TIMELINE	ORIGINAL TIMELINE ADJUSTED TIMELINE	ORIGINAL TIMELINE ADJUSTED TIMELINE	ORIGINAL TIMELINE	Q1, FY15 Q2, FY15
Old Kings Road Master Pump Station	Design	ORIGINAL TIMELINE ACTUAL TIMELINE	ORIGINAL TIMELINE ACTUAL TIMELINE	ORIGINAL TIMELINE ACTUAL TIMELINE	ACTUAL TIMELINE	Q3, FY15
	Construction				ORIGINAL TIMELINE	Q4, FY15
	<i>Move to FY 15</i>					

STREET IMPROVEMENTS FUND		1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		
Project Name		December 2013		March 2014		June 2014		September 2014		FY15
Royal Palms Shoulders	Design	ORIGINAL TIMELINE	ORIGINAL TIMELINE							
	Construction	ACTUAL TIMELINE	ACTUAL TIMELINE					ORIGINAL TIMELINE		
Palm Coast Parkway Six-Lane	Construction			ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE			
				ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE			Q1 FY16
SR100 Medians - OKR to Roberts Road	Design	ORIGINAL TIMELINE	ORIGINAL TIMELINE							
	Construction	ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE			Q1 FY16
Fountains at I95 Interchange	Design	ORIGINAL TIMELINE								
	Construction	ACTUAL TIMELINE		ORIGINAL TIMELINE				ACTUAL TIMELINE		
Old Kings Road North Widening Palm Harbor Village Way to Forest Grove Dr.	Design			ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE			
				ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE			Q3 FY15
Palm Harbor Extension	Design	ORIGINAL TIMELINE								
	Construction	ADJUSTED TIMELINE	ADJUSTED TIMELINE					ORIGINAL TIMELINE	ORIGINAL TIMELINE	Q1 FY16
Bridge Rehab Palm Harbor at College Waterway	Construction			ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE				
				ACTUAL TIMELINE	ACTUAL TIMELINE	ACTUAL TIMELINE				
Colechester at College Waterway	Design			ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE			
				ACTUAL TIMELINE	ACTUAL TIMELINE	ACTUAL TIMELINE	ACTUAL TIMELINE			
Traffic Signal Modifications - Pedestrian Crossing Corporate Drive & Palm Coast Pkwy (2)	Design	ORIGINAL TIMELINE								
	Construction	ACTUAL TIMELINE	ACTUAL TIMELINE							
Corporate Drive & Palm Coast Pkwy (2)	Construction		ORIGINAL TIMELINE		ACTUAL TIMELINE					
SR100 & Seminole Woods Pkwy	Design	ORIGINAL TIMELINE								
	Construction	ACTUAL TIMELINE								
Northeast Corridor - Wetland Restoration	Design	ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE			
	Construction	ACTUAL TIMELINE	ACTUAL TIMELINE	ACTUAL TIMELINE	ACTUAL TIMELINE	ACTUAL TIMELINE	ACTUAL TIMELINE			
Street Resurfacing Identify Roadways & Bid	Construction	ORIGINAL TIMELINE	ORIGINAL TIMELINE							
		ACTUAL TIMELINE	ACTUAL TIMELINE					ORIGINAL TIMELINE	ORIGINAL TIMELINE	ACTUAL
Palm Coast Parkway Median, Bridgehaven to US1	Construction	ORIGINAL TIMELINE								

STORMWATER MANAGEMENT FUND		1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		
Project Name		December 2013		March 2014		June 2014		September 2014		FY15
M3 Weir Replacement	Design	ORIGINAL TIMELINE								
	Construction	ACTUAL TIMELINE		ORIGINAL TIMELINE	ORIGINAL TIMELINE	ORIGINAL TIMELINE				
Section 35 Modeling Improvements	Design	ORIGINAL TIMELINE								
	Construction	ACTUAL TIMELINE		ORIGINAL TIMELINE	ORIGINAL TIMELINE					
Section 37 Modeling Improvements	Design	ORIGINAL TIMELINE	ORIGINAL TIMELINE							
	Construction	ACTUAL TIMELINE	ACTUAL TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE	ADJUSTED TIMELINE			

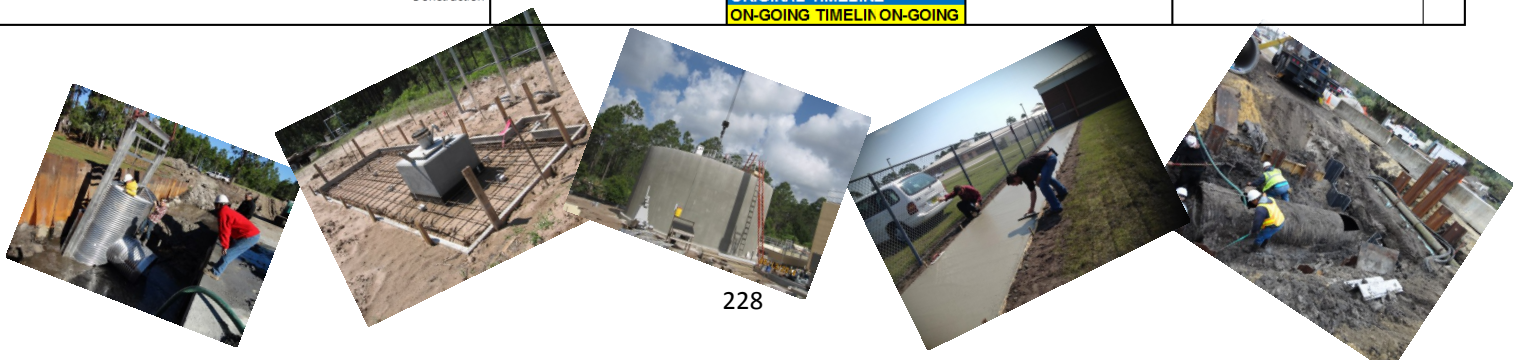
RECREATION IMPACT FEE FUND		1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		
Project Name		December 2013		March 2014		June 2014		September 2014		FY15
Lehigh Belle Terre Trailhead Master Plan / FPL & Council Approval	Design		ORIGINAL TIMELINE			ADJUSTED TIMELINE	ADJUSTED TIMELINE			
Additional Fields at ITMS	Design			ORIGINAL TIMELINE						
	Construction			ACTUAL TIMELINE			ORIGINAL TIMELINE	ORIGINAL TIMELINE	ACTUAL TIMELINE	

2015 Capital Projects Timeline

The one year capital projects timeline does not include all capital projects. The design portion of each project is represented separate from the construction portion. During the course of the year the “on-going timeline” will be adjusted to reflect actual results.

CAPITAL PROJECTS FUND		1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Project Name		December 2014		March 2015		June 2015		September 2015 FY 16	
Seminole Woods Path	Phase 2 - Ulatum (south) to Citation Construction			ORIGINAL TIMELINE ON-GOING TIMELINE					
	Phase 3 - Citation to Sesame Design, Permits, Env. Clearance, CDBG Release	ORIGINAL TIMELINE ON-GOING TIMELINE							
	Construction						ORIGINAL TIMELINE ON-GOING TIMELINE		
	Phase 4, Sesame-Seminole to Selma Tr (s) Design, Permits, Env. Clearance, CDBG Release			ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE				
	Construction								
	Phase 5, Sesame - Selma Tr (s) to Seminole Design, Permits, Env. Clearance, CDBG Release							ORIGINAL TIMELINE ON-GOING TIMELINE	
Construction									
Phase 6 - Sesame to US1 Design & Permits									
Construction									
Northeast Corridor - Wetland Restoration	Design	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE				
Community Center Improvements	Design	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE					
Construction							ORIGINAL TIMELINE ON-GOING TIMELINE	Q4	
City Hall	Construction	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE				
Holland Park Improvements	Construction (Phase 1)			ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE		Q2
ITMS Scoreboard	Construction	ORIGINAL ON-GOING							

STORMWATER MANAGEMENT FUND		1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Project Name		December 2014		March 2015		June 2015		September 2015 FY 16	
Boulder Rock Pipe Crossing	Design	ORIGINAL TIMELINE ON-GOING TIMELINE							
	Construction			ORIGINAL ON-GOING	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE			
BS2 Weir Replacement	Design	ORIGINAL TIMELINE ON-GOING TIMELINE							
LO1 Weir Replacement	Construction	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING						
Long Creek - Waterway Markings	Construction		ORIGINAL TIMELINE ON-GOING TIMELINE	ON-GOING					
Section 37 Modeling Improvements	Construction		ORIGINAL TIMELINE ON-GOING TIMELINE	ON-GOING					



STREETS IMPROVEMENTS FUND		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Project Name		December 2014	March 2015	June 2015	September 2015	FY 16
Palm Harbor Extension	Design	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE			
	Construction		ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIME	
Palm Coast Parkway Six-Lane	Construction	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	Q1
Old Kings Road North Widening <i>Palm Harbor Village Way to Forest Grove Dr.</i>	Design	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	
	Right-of-Way Acquisition	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	Q2
SR100 Medians - OKR to Roberts Road	Construction		ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING	
Belle Terre Median (Royal Palms to SR100)	Design			ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	
Colechester at College Waterway	Construction		ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE		
Signal Optimization	Study/Design		ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE		
Belle Terre Corridor Intersection Safety Analysis	Study/Design		ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE		
Royal Palms Shoulders	Construction	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE			
Street Resurfacing	Identify Roadways & Bid	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING			
	Construction			ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	

UTILITY CAPITAL PROJECTS FUND		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Project Name		December 2014	March 2015	June 2015	September 2015	FY 16
Water Treatment Plant 3 <i>Color Reduction Iron Removal</i>	Construction	ORIGINAL TIMELINE ON-GOING TIMELINE				
	Construction	ORIGINAL TIMELINE ON-GOING TIMELINE				
Water Treatment Plant 2, <i>Concentrate Zero Discharge Treatment (ZLD)</i>	Construction	ORIGINAL TIMELINE ON-GOING TIMELINE				
	Construction	ORIGINAL TIMELINE ON-GOING TIMELINE				
Old Kings Road Force Main/Master Pump Station	Design	ORIGINAL TIMELINE ON-GOING TIMELINE				
	Construction		ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	Q2 Q2
Royal Palms (Cigar Lake to Belle Terre) Reuse Line	Design	ORIGINAL TIMELINE ON-GOING				
	Construction		ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	
Matanzas Woods Pkwy. Reuse Line Phase 1 and 2	Design	ORIGINAL TIMELINE ON-GOING				
	Construction		ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	Q1 Q1
Aquifer Performance Test	Design/Build		ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE	

OTHER CAPITAL PROJECTS		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Project Name		December 2014	March 2015	June 2015	September 2015	FY 16
Fiber Conduit - Belle Terre South to WTP2	Design	ORIGINAL TIMELINE ON-GOING TIMELINE	ORIGINAL TIMELINE ON-GOING TIMELINE			
	Construction			ORIGINAL TIMELINE ON-GOING TIMELINE		
Bulldog/SR100 Drive Landscape & Weir	Construction	ORIGINAL TIMELINE ON-GOING TIMELINE				
Finalize Bulldog/SR100 Drive Landscape	Construction				ORIGINAL TIMELINE ON-GOING TIMELINE	

Detail of Major FY 2015 Capital Projects

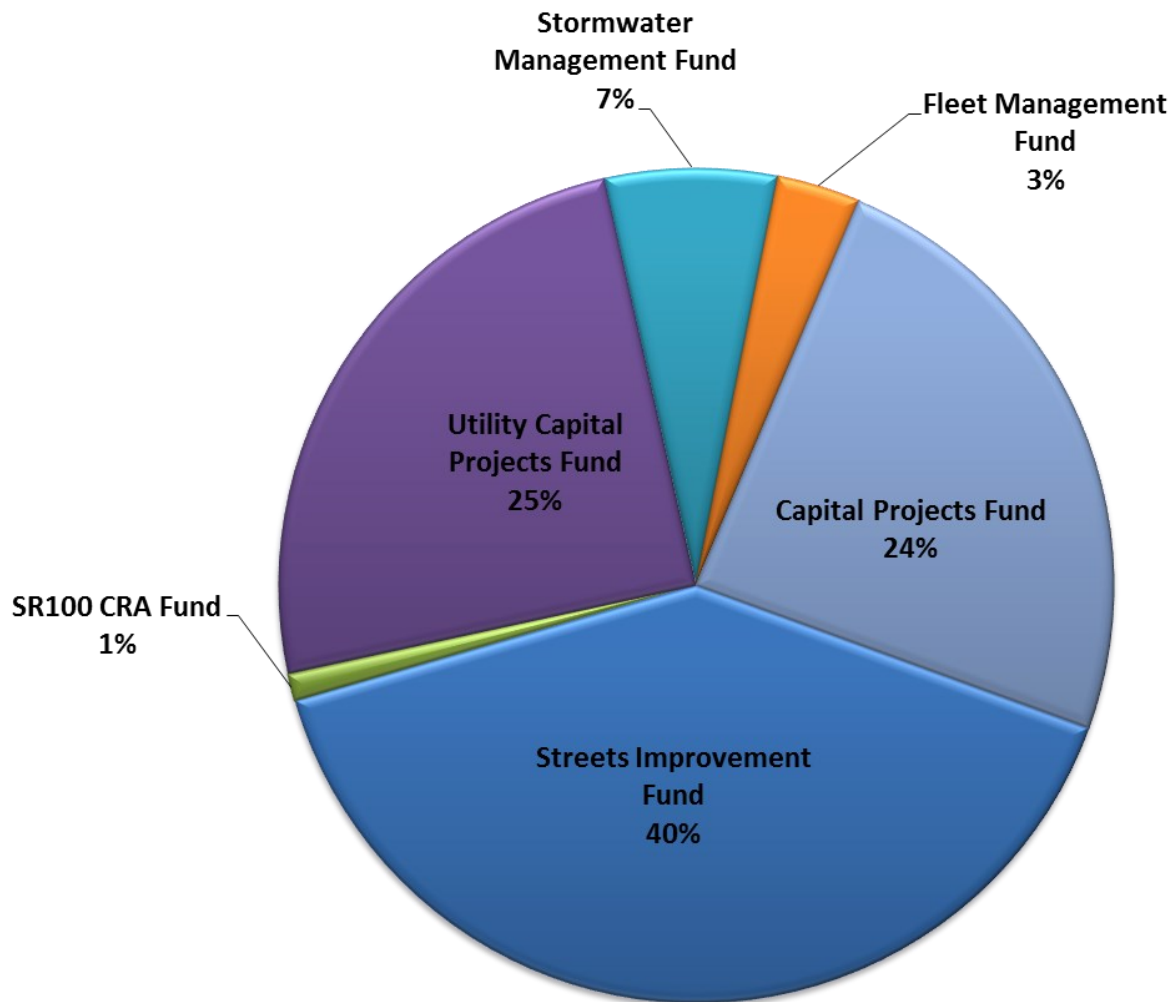
Project	Project #	Department	Project Detail	Budgeted Amount	Funded By	Future Operating Expenses Funded by	Summary of Future Operating Costs
Seminole Woods Path	51005	Parks & Recreation	These amounts are to continue construction of a multi-purpose path along Seminole Woods Parkway. This includes design, permitting, environmental clearance and construction of this multi-phase project. The project will be completed in annual phases.	\$ 650,000	Capital Projects Fund	General Fund, Streets & Drainage Division	Minimum maintenance will be required for the path which will include patches and maintenance of the landscape.
Holland Park Renovation	66006	Parks & Recreation	This project will include the replacement of the utility infrastructure and will correct drainage issues. It will also enhance traffic circulation, add parking, correct ADA issues, and repair/renovate existing structures. Also included in the project is a new enlarged dog park, a bocce ball court covering, two new horseshoe pits, a new and enlarged playground, a new splash park, roadway and parking lot lighting, sports activity lighting, a perimeter walking trail, new fitness stations and new landscaping as well as irrigation.	\$ 1,730,000	Capital Projects Fund	General Fund, Parks Maintenance Division	This is an existing park with existing operating costs. Upon completion, maintenance costs may increase slightly due to the increase in size of the park as a result of the improvements.
City Hall Construction	99001	N/A	This project will include construction of City Hall which will house administrative staff which includes Customer Service, Financial Services, Administration, Human Resources and the Building Permits department. Currently City Offices are being rented and the construction of a new City Hall, using existing funds, will eliminate future rent payments.	\$ 6,210,353	Capital Projects Fund	Various Departments	City Offices are currently being rented and the construction of a new City Hall, using existing funds, will eliminate future rent payments therefore reducing the impact to future budgets.
Community Center Renovations	61530	Parks & Recreation	This project will include a the renovation of the existing, aging facility. The Palm Coast Community Center houses our recreational programs as well as City Council meetings.	\$ 1,650,000	Capital Projects Fund	General Fund, Recreation and Parks	This is an existing facility with existing operating expenses. Renovations may in fact improve the efficiency of the facility and therefore reduce future operating costs.
Palm Coast Parkway Six Lane Design & Construction	54501	Community Development	The widening of Palm Coast Parkway from a 4-lane divided, rural typical section to a 6-lane divided, urban typical section will consist of adding one travel lane along the outside lane in each direction, a distance of approximately 1.23 miles. This 6-laning will extend from Cypress Point Pkwy/Boulder Rock Dr east to Florida Park Dr. The City is expecting to receive a significant amount of FDOT grants to complete this project.	\$ 5,106,000	Streets Improvement Fund	General Fund, Streets & Drainage Division	This project is not anticipated to significantly impact future operating costs.
North Old Kings Road Widening	54507	Community Development	This project includes a section of Old Kings Road from Palm Coast Parkway to Forest Grove Drive. Old Kings Road North will be connected directly to the Old Kings Road Extension. The current road is a two lane rural road that will need to be upgraded to handle additional traffic from the planned Matanzas Woods I-95 interchange which is expected to be completed in 2015. This amount is for design and is funded through an FDOT grant.	\$ 1,560,000	Streets Improvement Fund	General Fund, Streets & Drainage Division	This project is not anticipated to significantly impact future operating costs.

Detail of Major FY 2015 Capital Projects

Project	Project #	Department	Project Detail	Budgeted Amount	Funded By	Future Operating Expenses Funded by	Summary of Future Operating Costs
Old Kings Road Extension	54502	Community Development	The Old Kings Road North widening project will be connected directly to the Old Kings Road Extension. The extension will allow traffic coming from the Matanzas Woods I-95 interchange which is expected to be completed in 2015 to bypass the existing High School. This is funded through an FDOT grant.	\$ 1,560,000	Streets Improvement Fund	General Fund, Streets & Drainage Division	The impact of future operating budgets will include the cost of maintenance of the road, median and shoulders.
Palm Harbor Extension	54505	Community Development	This project includes the construction phase of the extension of Palm Harbor Parkway from South of Forest Grove Drive to Old Kings Road. This project is an integral part of the Matanzas Wood I-95 interchange project expected to be completed by the FDOT by 2015.	\$ 2,165,000	Streets Improvement Fund	General Fund, Streets & Drainage Division	The impact of future operating budgets will include the cost of maintenance of the road, median and shoulders.
Royal Palms Parkway Phase	54404	Community Development	This multi-year project includes paved shoulders from Belle Terre Pkwy to Rymfire Dr with turn lanes at Rickenbacker and Rymfire. Phase 1 will be from Rickenbacker to Belle Terre Pkwy. The second phase is from Rymfire Drive to Rickenbacker.	\$ 1,330,000	Streets Improvement Fund	General Fund, Streets & Drainage Division	The impact of future operating budgets will include the cost of maintenance of the median and shoulders.
Bridge Rehabilitation	54602	Community Development	The City has a bridge rehabilitation program based on FDOT ratings. The plan is to design for the rehab in one year, then for construction the following year.	\$ 900,000	Streets Improvement Fund	General Fund, Streets & Drainage Division	This project is not anticipated to significantly impact future operating costs.
Street Paving and Resurfacing	54104	Public Works	The City of Palm Coast has over 550 miles of streets which it maintains. This amount is for the annual appropriation for the resurfacing program.	\$ 1,200,000	Streets Improvement Fund	General Fund, Streets & Drainage Division	This project is not anticipated to significantly impact future operating costs.
Wellfield and Wells	81019	Public Works	This project will include 4 or 5 new well activations along with the associated raw water mains.	\$ 1,550,000	Utility Capital Projects	Utility Fund	Future operating costs include electrical, generator maintenance and load testing, motor, pump and misc. equipment O&M, landscaping, hydrological data collection and record keeping. This is estimated at \$6-8,000 per year per site.
Lift Stations and Pump Stations	85003	Public Works	This project includes the Old Kings Road master pump station budgeted at \$1,250,000 and also includes other pump station upgrades as well as odor controls systems.	\$ 1,630,000	Utility Capital Projects	Utility Fund	Annual operating cost for this pump station would include power, annual generator inspection and load testing and fuel, future odor control, landscape maintenance, and labor for weekly inspections by staff. Estimated cost of \$5,000 to \$7,000 per year for first five years.

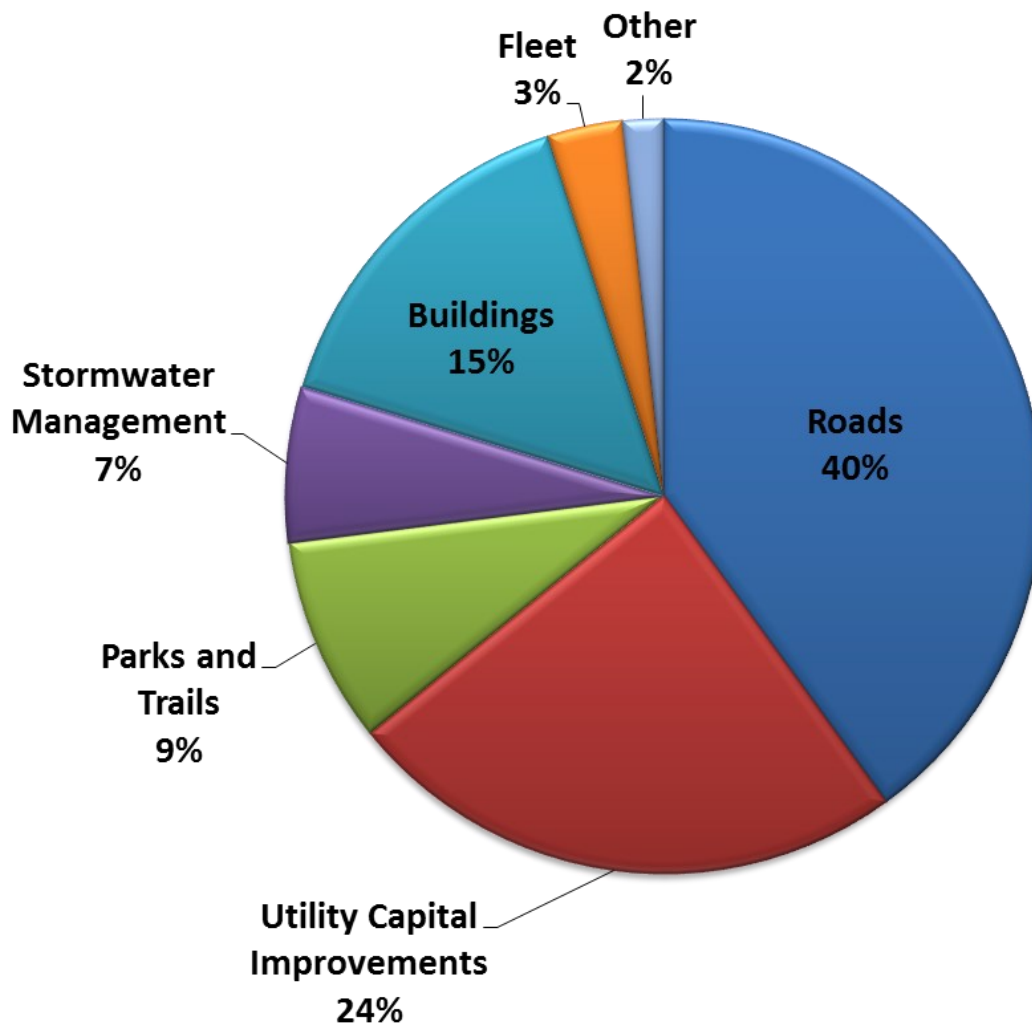
2015 Capital Projects by Funding Source

FUNDING SOURCE	AMOUNT	% of TOTAL
Streets Improvement Fund	\$20,475,495	40%
SR100 CRA Fund	546,000	1%
Utility Capital Projects Fund	12,725,000	25%
Stormwater Management Fund	3,405,582	7%
Fleet Management Fund	1,658,500	3%
Capital Projects Fund	12,382,353	24%
Total Capital Budget	\$51,192,930	100%



2015 Capital Projects by Type

TYPE	AMOUNT	% OF TOTAL
Roads	\$ 20,475,495	40%
Utility Capital Improvements	12,382,353	24%
Parks and Trails	4,522,000	9%
Stormwater Management	3,405,582	7%
Buildings	7,860,353	15%
Fleet	1,658,500	3%
Other	888,647	2%
	<u>\$ 51,192,930</u>	



Capital Improvement Plan by Fund

PROJECT	FY 15	FY 16	FY 17	FY 18	FY 19	TOTAL
Street Paving and Resurfacing	1,200,000	1,500,000	1,600,000	1,600,000	1,700,000	7,600,000
Royal Palms Parkway Phase III	1,330,000	-	-	-	-	1,330,000
Traffic Signals	575,000	390,000	45,000	45,000	45,000	1,100,000
Intersection/Turn Lane Improvements	425,000	25,000	25,000	80,000	378,000	933,000
Sidewalks and Bike paths	160,000	160,000	400,000	160,000	160,000	1,040,000
Parkway Beautification	765,000	200,000	200,000	200,000	300,000	1,665,000
Palm Coast Parkway 6-Laning	5,106,000	1,178,216	-	-	-	6,284,216
Old Kings Road Extension	6,289,495	600,000	-	-	-	6,889,495
North Old Kings Road 4-Laning	1,560,000	-	-	-	-	1,560,000
Palm Harbor Extension	2,165,000	15,000	25,000	-	-	2,205,000
Matanzas Woods 4 Lane - Ph 2	-	-	-	1,903,000	-	1,903,000
Bridge Rehabilitation	900,000	100,000	900,000	100,000	900,000	2,900,000
Total Streets Improvement Fund	\$ 20,475,495	\$ 4,168,216	\$ 3,195,000	\$ 4,088,000	\$ 3,483,000	\$ 35,409,711
Belle Terre Lane - PCP to Pine Lakes	-	-	-	150,000	500,000	650,000
Total Transportation Impact Fee Fund	\$ -	\$ -	\$ -	\$ 150,000	\$ 500,000	\$ 650,000
Lehigh/Belle Terre Trailhead	-	-	-	100,000	450,000	550,000
Additional field lighting at ITMS	-	-	400,000	-	-	400,000
Total Recreation Impact Fee Fund	\$ -	\$ -	\$ 400,000	\$ 100,000	\$ 450,000	\$ 950,000
Fire Station #26 - Seminole Woods	-	-	-	-	250,000	250,000
Total Fire Impact Fee Fund	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Central Park Community Areas	546,000	-	1,000,000	687,000	500,000	2,733,000
Total SR100 CRA Fund	\$ 546,000	\$ -	\$ 1,000,000	\$ 687,000	\$ 500,000	\$ 2,733,000
Wetland Mitigation Land Purchases	-	550,000	550,000	-	-	1,100,000
Seminole Woods Path	650,000	-	500,000	-	-	1,150,000
Long Creek Nature Preserve	20,000	-	-	100,000	2,300,000	2,420,000
Holland Park Renovation	3,652,000	1,278,000	1,160,000	740,000	-	6,830,000
Park Renovation	150,000	185,000	165,000	150,000	150,000	800,000
Community Center Replacement/Design	1,650,000	2,050,000	200,000	1,700,000	-	5,600,000
Trails & Trail Signs	50,000	50,000	50,000	-	-	150,000
City Hall Construction	6,210,353	-	-	-	-	6,210,353
Total Capital Projects Fund	\$ 12,382,353	\$ 4,113,000	\$ 2,625,000	\$ 2,690,000	\$ 2,450,000	\$ 24,260,353

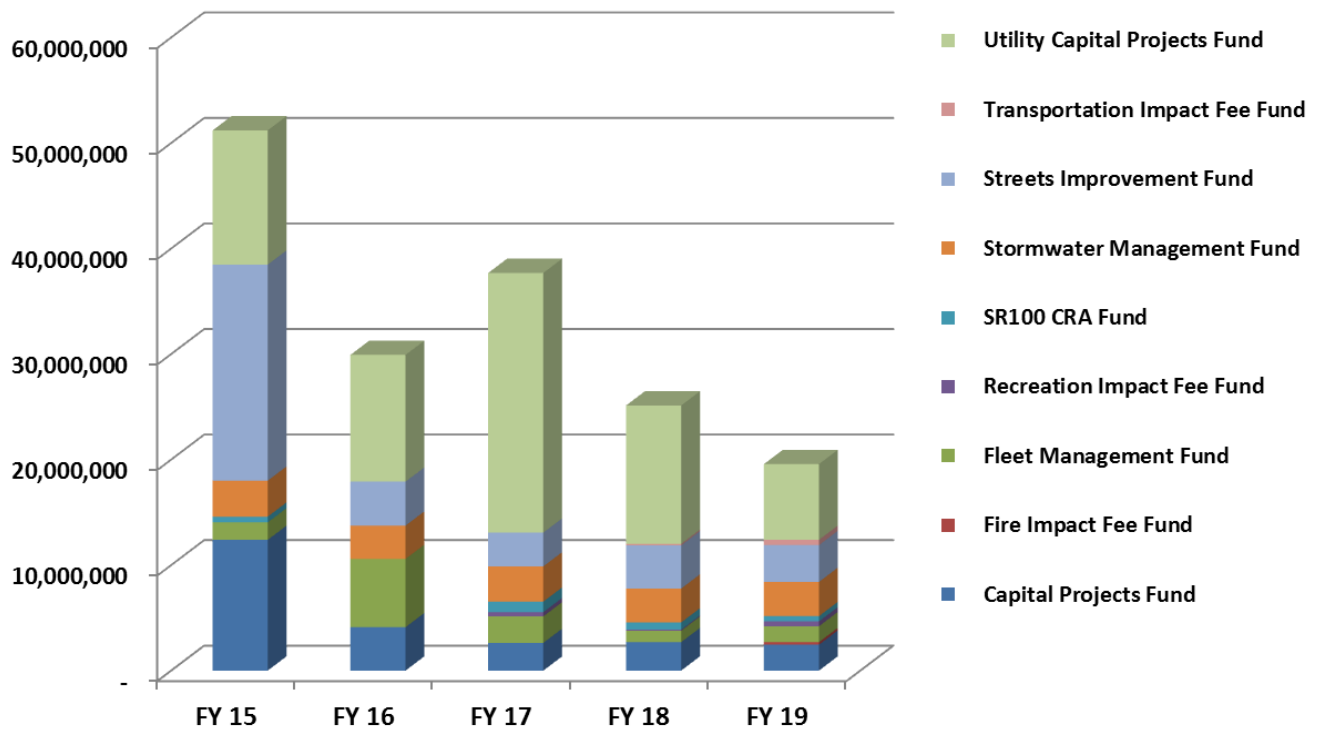
Capital Improvement Plan by Fund (cont...)

PROJECT	FY 15	FY 16	FY 17	FY 18	FY 19	TOTAL
Water Treatment Plant #3	560,000	275,000	-	1,500,000	-	2,335,000
Wellfield and Wells	2,350,000	1,750,000	2,000,000	2,050,000	4,250,000	12,400,000
Water Mains	200,000	1,050,000	-	100,000	100,000	1,450,000
PEP System	600,000	850,000	900,000	950,000	1,050,000	4,350,000
Wastewater Treatment Plant #1	400,000	500,000	5,402,000	878,000	-	7,180,000
Force Mains	1,000,000	350,000	350,000	-	-	1,700,000
Reclaimed Water	3,525,000	-	-	650,000	-	4,175,000
Wastewater Treatment Plant #2	210,000	6,030,000	12,700,000	4,500,000	-	23,440,000
Beachside Sewer System	-	-	-	1,000,000	500,000	1,500,000
Water Treatment Plant #1	500,000	-	-	-	-	500,000
Water Treatment Plant #2	650,000	-	-	-	-	650,000
General Plant R & R - Water	500,000	500,000	500,000	500,000	500,000	2,500,000
Distribution System Improvements	100,000	75,000	75,000	100,000	100,000	450,000
Lift Stations and Pump Stations	1,630,000	130,000	2,180,000	380,000	180,000	4,500,000
General Plant R & R - Wastewater	500,000	500,000	500,000	500,000	500,000	2,500,000
Total Utility Capital Projects Fund	\$ 12,725,000	\$ 12,010,000	\$ 24,607,000	\$ 13,108,000	\$ 7,180,000	\$ 69,630,000
Pipe Replacement	1,408,247	1,428,412	1,448,900	1,469,718	1,490,869	7,246,146
Swale Rehabilitation Program	859,835	866,032	872,352	878,799	885,375	4,362,393
Weir Replacements	440,000	222,000	330,000	-	275,000	1,267,000
Major Crossing	335,000	-	300,000	-	330,000	965,000
Modeling Improvements	225,000	410,000	230,000	460,200	-	1,325,200
Valley Gutter Improvements	75,000	75,000	75,000	75,000	75,000	375,000
Canal and Seawall Replacements	35,000	50,000	50,000	50,000	50,000	235,000
Electronic Monitoring Systems	-	40,000	20,000	20,000	20,000	100,000
Land Acquisitions	20,000	15,000	15,000	15,000	15,000	80,000
Fresh Water Dredging	-	46,000	-	-	102,000	148,000
Fresh Water Bank Clearing	-	-	-	75,000	-	75,000
Water Tower Road Structures	-	-	-	60,000	-	60,000
Lehigh Access and Dredge at Old Kings Road	-	-	-	110,000	-	110,000
New Equipment	7,500	-	-	-	-	7,500
Total Stormwater Management Fund	\$ 3,405,582	\$ 3,152,444	\$ 3,341,252	\$ 3,213,717	\$ 3,243,244	\$ 16,356,239

Total Capital Improvement Plan by Fund

Fund	FY 15	FY 16	FY 17	FY 18	FY 19	TOTAL
Streets Improvement Fund	\$ 20,475,495	\$ 4,168,216	\$ 3,195,000	\$ 4,088,000	\$ 3,483,000	\$ 35,409,711
Transportation Impact Fee Fund	-	-	-	150,000	500,000	650,000
Recreation Impact Fee Fund	-	-	400,000	100,000	450,000	950,000
Fire Impact Fee Fund	-	-	-	-	250,000	250,000
SR100 CRA Fund	546,000	-	1,000,000	687,000	500,000	2,733,000
Capital Projects Fund	12,382,353	4,113,000	2,625,000	2,690,000	2,450,000	24,260,353
Utility Capital Projects Fund	12,725,000	12,010,000	24,607,000	13,108,000	7,180,000	69,630,000
Stormwater Management Fund	3,405,582	3,152,444	3,341,252	3,213,717	3,243,244	16,356,239
Fleet Management Fund	1,658,500	6,469,226	2,510,000	1,079,500	1,506,000	13,223,226
Grand Total	\$ 51,192,930	\$ 29,912,886	\$ 37,678,252	\$ 25,116,217	\$ 19,562,244	\$ 163,462,529

5 Year Capital Improvement Plan by Fund



Revenue and Expense Projections By Fund

STREETS IMPROVEMENT FUND	FY 15	FY 16	FY 17	FY 18	FY 19
Prior Year Carry-over	\$ 4,986,249	\$ 1,783,667	\$ 1,899,513	\$ 1,361,563	\$ 1,848,043
Revenues					
Gas Tax	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000
State Revenue Sharing	707,500	721,700	736,100	750,800	765,800
Intergovernmental Revenue	14,692,920	1,641,470	-	1,903,000	-
Fines & Forfeitures	850,000	750,000	650,000	550,000	450,000
Interest on Investments	2,493	892	950	681	924
Total Revenues	17,872,913	4,734,062	3,007,050	4,824,481	2,836,724
Total Available Funds	22,859,162	6,517,728	4,906,563	6,186,043	4,684,767
Expenditures					
Operating Expenditures	550,000	450,000	350,000	250,000	150,000
Capital Improvement Program	20,525,495	4,168,216	3,195,000	4,088,000	3,483,000
Transfers to Other Funds	-	-	-	-	-
Total Expenditures	21,075,495	4,618,216	3,545,000	4,338,000	3,633,000
Available Funds End of Year	\$ 1,783,667	\$ 1,899,512	\$ 1,361,563	\$ 1,848,043	\$ 1,051,767

RECREATION IMPACT FEE FUND	FY 15	FY 16	FY 17	FY 18	FY 19
Prior Year Carry-over	\$ 502,672	\$ 463,175	\$ 334,038	\$ 215,572	\$ 408,187
Revenues					
Grants	-	-	-	-	-
Recreation Impact Fees	260,000	270,400	281,200	292,400	304,100
Interest on Investments	503	463	334	216	408
Total Revenues	260,503	270,863	281,534	292,616	304,508
Total Available Funds	763,175	734,038	615,572	508,187	712,696
Expenditures					
Capital Improvement Program	-	-	400,000	100,000	450,000
Transfer to Cap Projects Community Center	300,000	400,000	-	-	-
Total Expenditures	300,000	400,000	400,000	100,000	450,000
Available Funds End of Year	\$ 463,175	\$ 334,038	\$ 215,572	\$ 408,187	\$ 262,696

Revenue and Expense Projections By Fund

FIRE IMPACT FEE FUND	FY 15	FY 16	FY 17	FY 18	FY 19
Prior Year Carry-over	\$ 247,167	\$ 330,614	\$ 417,445	\$ 507,862	\$ 601,970
Revenues					
Fire Impact Fees	83,200	86,500	90,000	93,600	97,300
Interest on Investments	247	331	417	508	602
Total Revenues	83,447	86,831	90,417	94,108	97,902
Total Available Funds	330,614	417,445	507,862	601,970	699,872
Expenditures					
Capital Improvement Program	-	-	-	-	250,000
Total Expenditures	-	-	-	-	250,000
Available Funds End of Year	\$ 330,614	\$ 417,445	\$ 507,862	\$ 601,970	\$ 449,872

DEVELOPMENT SPECIAL PROJECTS FUND	FY 15	FY 16	FY 17	FY 18	FY 19
Prior Year Carry-over	\$ 580,000	\$ 580,000	\$ 580,000	\$ 580,000	\$ 580,000
Revenues					
Developer Contributions	-	-	-	-	-
Interest on Investments	-	-	-	-	-
Total Revenues	-	-	-	-	-
Total Available Funds	580,000	580,000	580,000	580,000	580,000
Expenditures					
Capital Improvement Program	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Available Funds End of Year	\$ 580,000	\$ 580,000	\$ 580,000	\$ 580,000	\$ 580,000

Revenue and Expense Projections By Fund

TRANSPORTATION IMPACT FEE FUND	FY 15	FY 16	FY 17	FY 18	FY 19
Prior Year Carry-over	\$ -	\$ -	\$ -	\$ 918,600	\$ 811,300
Revenues					
Transportation Impact Fees	988,000	1,027,500	1,068,600	1,111,300	1,155,800
Grants	-	-	-	-	-
Interest on Investments	-	-	-	-	-
Transfers from Other Funds	-	-	-	-	-
Appropriated Fund Balance					
Total Revenues	988,000	1,027,500	1,068,600	1,111,300	1,155,800
Total Available Funds	988,000	1,027,500	1,068,600	2,029,900	1,967,100
Expenditures					
Capital Improvement Program	838,000	877,500	-	150,000	500,000
Transfers to Other Funds	150,000	150,000	150,000	150,000	150,000
Total Expenditures	988,000	1,027,500	150,000	300,000	650,000
Available Funds End of Year	\$ -	\$ -	\$ 918,600	\$ 1,729,900	\$ 1,317,100

OKR SPECIAL ASSESSMENT FUND	FY 15	FY 16	FY 17	FY 18	FY 19
Prior Year Carry-over	\$ 29,000	\$ 106,500	\$ 251,500	\$ 394,900	\$ 538,300
Revenues					
Special Assessments	239,435	239,435	327,030	327,030	327,030
Proceeds from Debt	-	-	-	-	-
Transfers from Other Funds	150,000	150,000	150,000	150,000	150,000
Total Revenues	389,435	389,435	477,030	477,030	477,030
Total Available Funds	418,435	495,935	728,530	871,930	1,015,330
Expenditures					
Operating Expenses	5,000	5,000	6,600	6,600	6,600
Debt Service	306,935	239,435	327,030	327,030	327,030
Capital Improvement Program	-	-	-	-	-
Total Expenditures	311,935	244,435	333,630	333,630	333,630
Available Funds End of Year	\$ 106,500	\$ 251,500	\$ 394,900	\$ 538,300	\$ 681,700

Revenue and Expense Projections By Fund

SR100 CRA FUND	FY 15	FY 16	FY 17	FY 18	FY 19
Prior Year Carry-over	\$ 186,368	\$ 120,918	\$ 631,563	\$ 172,445	\$ 56,815
Revenues					
Intergovernmental Revenue	947,538	966,500	985,800	1,005,500	1,025,600
Proceeds from Debt	-	-	-	-	-
Transfers from Other Funds	523,000	533,500	544,200	555,100	566,200
Total Revenues	1,470,538	1,500,000	1,530,000	1,560,600	1,591,800
Total Available Funds	1,656,906	1,620,918	2,161,563	1,733,045	1,648,615
Expenditures					
Operating Expenditures	10,000	10,000	10,000	10,000	10,000
Capital Improvement Program	546,000	-	1,000,000	687,000	500,000
Debt Service	979,988	979,355	979,118	979,230	979,649
Total Expenditures	1,535,988	989,355	1,989,118	1,676,230	1,489,649
Available Funds End of Year	\$ 120,918	\$ 631,563	\$ 172,445	\$ 56,815	\$ 158,966

CAPITAL PROJECTS FUND	FY 15	FY 16	FY 17	FY 18	FY 19
Prior Year Carry-over	\$ 9,580,519	\$ 1,260,000	\$ 217,190	\$ 309,716	\$ 386,680
Revenues					
Small County Surtax	2,371,500	2,418,930	2,467,309	2,516,655	2,566,988
Transfer from Building Dept Construction Reserve	1,111,334	-	-	-	-
Transfer from Recreation Impact Fees - Comm Center	300,000	400,000	-	-	-
Grants	276,000	250,000	250,000	250,000	-
Interest on Investments	3,000	1,260	217	310	387
Transfers from Other Funds	-	-	-	-	-
Total Revenues	4,061,834	3,070,190	2,717,526	2,766,964	2,567,375
Total Available Funds	13,642,353	4,330,190	2,934,716	3,076,680	2,954,055
Expenditures					
Capital Improvement Program	12,382,353	4,113,000	2,625,000	2,690,000	2,450,000
Debt Service	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-
Total Expenditures	12,382,353	4,113,000	2,625,000	2,690,000	2,450,000
Available Funds End of Year	\$ 1,260,000	\$ 217,190	\$ 309,716	\$ 386,680	\$ 504,055

Impact of Capital Projects on the Operating Budget

The Capital Improvement Program is a crucial component of the City's annual budgeting process. Costs associated with new and expanded infrastructure are normally included in the operating budget at the time at which the item becomes operational. It is possible, in certain cases that impacts may be phased in during the construction or acquisition period. An example of this would be the construction of a Fire Station. Given the time-frame for recruiting, hiring and training, some personnel costs may be added to the budget prior to the official opening of the Station. Operating costs, such as utilities, would then be budgeted for the time the Station actually opens.

Some capital projects may require debt financing, resulting in scheduled annual debt service payments. Any applicable debt service on debt issued for capital projects is also included in the operating budget. Although the issuance of debt may be the most feasible way to fund capital improvements, debt service will reduce the amount of funds available for other uses. The ratio of debt service to the size of the budget as a whole, and particularly to operating costs, must be maintained at appropriate levels.

TRANSPORTATION

New transportation infrastructure normally does not have specific additional operating costs, other than material and supplies for maintenance. However, roads, sidewalks, pedestrian crossing, pavement marking, signals and signs must be kept up to City and other required standards. As more miles are brought on line, additional staff and equipment may be needed at some point in the future in order to maintain desired service levels.

RECREATION

New recreation infrastructure can have a significant impact on operating costs. These could include additional personnel, operating costs related to daily operations, materials and supplies.

STORMWATER

New stormwater infrastructure normally does not have specific additional operating costs, other than material and supplies for maintenance. In addition, infrastructure must be kept clear of debris. Maintenance of new and improved infrastructure included in the Capital Budget is included in the operating budget of the Stormwater operations and is funded from Stormwater Utility Fees accounted for in an Enterprise Fund. Funds from this revenue source can only be used for the operation, maintenance and construction of the City's stormwater management system. Each year, a portion of the funding is allocated for capital improvements, while the remainder is used for operating and maintenance expenses. Additional staff and equipment may be needed at some point in the future in order to keep the infrastructure maintained at an optimum level. No additional staff or is being added this fiscal year.

WATER & WASTEWATER

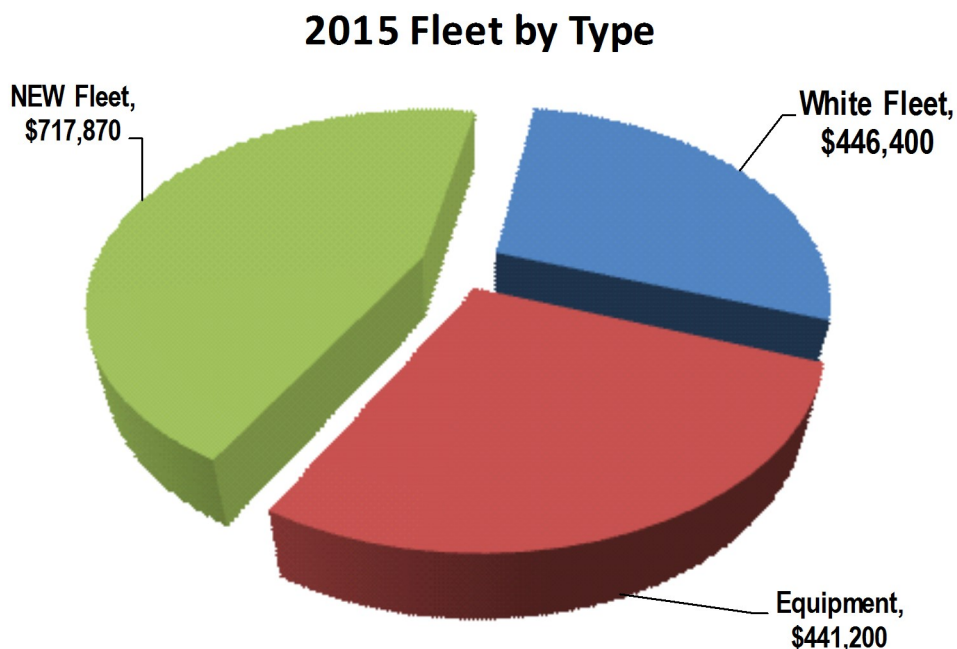
A significant portion of the City's water and wastewater infrastructure is over 20 years old and deteriorating and declining in reliability and efficiency. Replacing equipment with current technology will assuredly generate energy savings. At this time the exact amount of savings is unknown.

Fleet Replacement Program

The initial purchase of new fleet is charged to the requesting department and is approved by the City Manager during that department's budget approval process. The fiscal year following the year the initial purchase was made, an internal allocation begins being charged to the department for the expected cost to replace the equipment in the future. This allocation includes an inflationary estimate. The length of time the allocation is collected is based on the expected life of the equipment. For example the replacement cost of a vehicle expected to last 5 years will be split into 5 annual allocation amounts. The allocations are charged to the department monthly based on that annual amount. The future replacement purchase is made by the fleet department and is charged to the fleet fund, an internal service fund, where the annual allocations are credited. In addition to the fleet replacement allocation, the departments are also charged a maintenance allocation. This allocation is determined by the previous year's operating costs for the Fleet Division and a percentage of this cost is allocated to each department based on the age and condition of each piece of machinery. As equipment ages, the maintenance costs increase and therefore the departmental maintenance allocation increases as well. This "pay as you go" program eliminates the need to borrow. The allocations serve as the largest revenue source for the Fleet Fund.

All City vehicles and equipment are evaluated on an annual basis in order to prioritize replacements and repairs needed in the upcoming year. During the evaluation the Fleet Supervisor takes into consideration the age, condition, maintenance cost and expected life of each piece of equipment and prepares a recommendation for management. Each year, the total cost of the annual replacement program is approved by City Council during the budget process. In addition, all purchases are later approved by City Council prior to the actual purchase being made.

In fiscal year 2015 the City will invest \$937,600 to replace existing fleet that has been determined to have a high maintenance cost and where replacement has been recommended. Half of these replacements are related to "white fleet" considered to be in poor condition. White fleet includes small vehicles such as cars and pickup trucks. An investment of \$717,870 will be made in new fleet purchases. The initial cost of these new purchases will be charged to the requesting departments and are reflected in the "transfers" portion of the department's expenses. The transfer is made to the fleet fund to cover the cost of the initial purchase.



Revenue and Expense Projections

Fleet Fund

FLEET MANAGEMENT FUND	FY 15	FY 16	FY 17	FY 18	FY 19
Prior Year Carry-over	\$ 4,351,488	\$ 5,180,768	\$ 4,976,172	\$ 4,821,581	\$ 4,662,866
Revenues					
Fleet Lease Charges	2,127,263	2,189,414	2,253,428	2,263,780	2,331,693
Fleet Maintenance Charges	1,260,466	1,298,279	1,337,228	1,377,345	1,418,666
Fuel Charges	799,000	818,975	839,450	860,435	881,946
Disposition of Fixed Assets	100,000	200,000	200,000	200,000	20,000
Insurance Settlements	20,000	20,000	20,000	20,000	20,000
Interest on Investments	1,000	5,076	4,734	4,438	4,134
Transfers from Other Funds	542,400	-	-	-	-
Total Revenues	4,850,129	4,531,744	4,654,840	4,725,998	4,676,439
Total Available Funds	9,201,617	9,712,512	9,631,012	9,547,579	9,339,305
Expenditures					
Operating Expenses	2,365,379	2,436,340	2,509,431	2,584,713	2,662,255
Capital Outlay	717,870	-	-	-	-
Capital Improvement Program	937,600	2,300,000	2,300,000	2,300,000	2,300,000
Total Expenditures	4,020,849	4,736,340	4,809,431	4,884,713	4,962,255
Available Funds End of Year	\$ 5,180,768	\$ 4,976,172	\$ 4,821,581	\$ 4,662,866	\$ 4,377,050



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