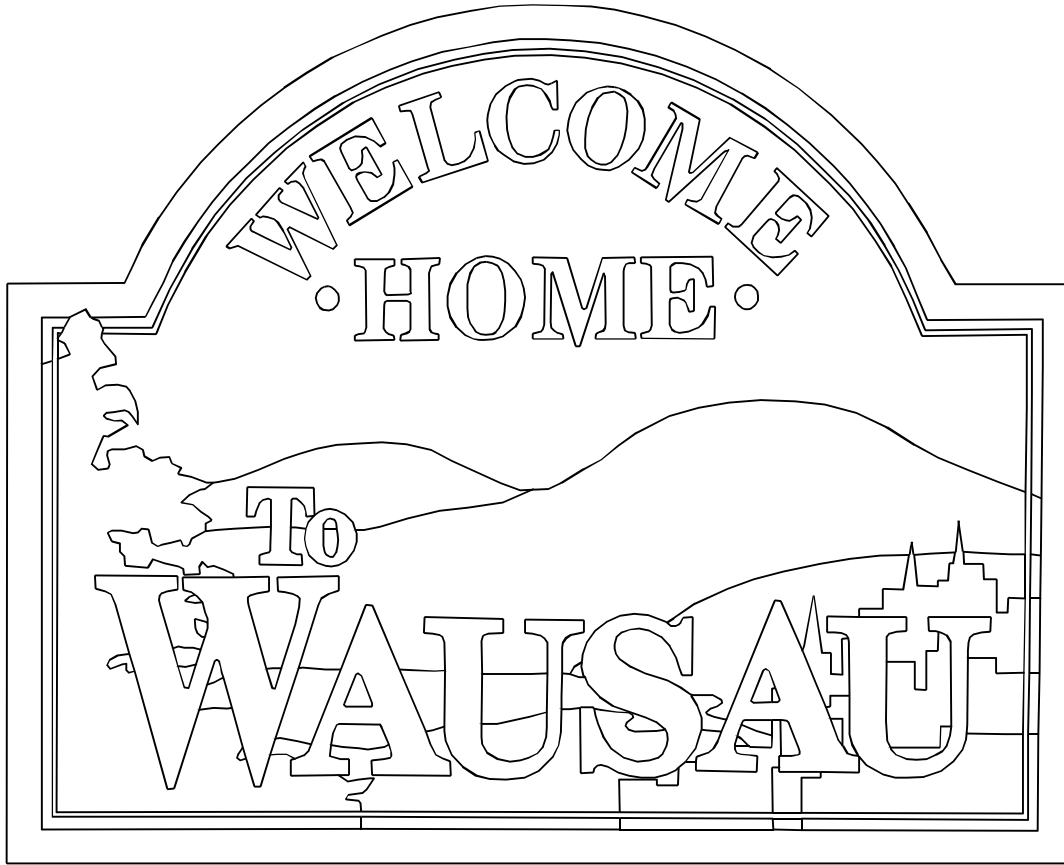


CITY OF WAUSAU



2008-2013 CAPITAL PLAN

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2008-2013 CAPITAL PLAN INTRODUCTION

DEVELOPMENT OF THE CAPITAL PROGRAM AND BUDGET

The Capital Plan consists of two significant components; infrastructure and other significant capital projects.

The infrastructure plan is developed by the Public Works/Engineering Department. This plan is presented to the Capital Improvements and Street Maintenance Committee (CISM) for review and recommendation.

Other significant capital projects are evaluated and ranked by the CIP Committee. The Capital Improvements Committee is comprised of the Chairperson of the Finance Committee or designee, the Council President or designee, the Chairperson of CISM or designee, the City Finance Director, and the Director of Public Works and Project Manager. The City defines significant capital projects as any project in excess of \$25,000.

Each department is responsible for developing a capital budget request for the ensuing year and a capital plan for the following five years. Each department provides priority ranking, funding source recommendations and an operating budget financial impact analysis.

The CIP Committee reviews and ranks the capital requests utilizing a numeric ranking criteria emphasizing the maintenance of existing assets.

The CIP Committee develops an overall Capital Plan that matches available financial resources with the City's capital needs.

The Finance Committee evaluates the Capital Budget and Plan and recommendations are presented to the Common Council for approval. The Capital Budget for the ensuing year is included within the City of Wausau's annual operating budget and is subject to a public hearing.

Once approved, the departments are responsible for monitoring related capital projects and budgets. Annually the Common Council reviews and approves department requests to carry forward project budgets to the next year. Generally all projects must be completed and funds spent within two years.

During the year, the Finance Director, and Mayor may authorize transfers within the Capital Budget of up to \$20,000. Other transfers require (2/3) Council approval to amend.

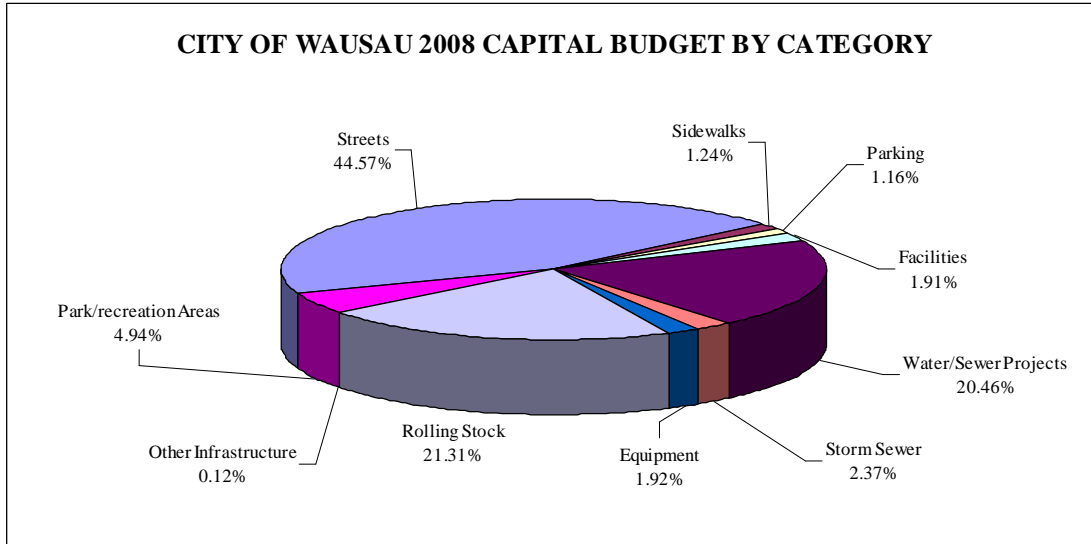
The capital request for the following five "out" years represents a plan. The plan assists the city in preparing for future capital needs. It allows for the communication of the end of asset life cycles, the planned replacement and the prevention of asset failures. It also provides the city the ability to financially plan for such replacements and prevents fiscal strain.

PLAN GOALS AND OBJECTIVES

The City of Wausau develops a capital improvement plan to ensure that asset management and fiscal planning coexist. The ultimate goal is to properly maintain existing capital, establish long-term spending priorities and identify the most cost effective means of financing them. The plan also provides a mechanism to keep citizens and community leaders informed. Other critical components of the plan include monitoring the issuance of debt, future debt burdens, debt affordability, and the pay-as-you-go financing through the capital levy.

2008 PROJECTS

Projects included in the 2008 capital improvements budget are categorized into seven categories including: infrastructure, water/sewer projects, economic development, facilities, equipment, rolling stock, and park/recreation areas. The pie chart below illustrates the portion of the capital budget allocated to each category. A schedule found on pages 8-10 further detail the 2008 budget.



Significant projects include: Sherman Street land acquisition \$1,840,000, Stewart Avenue (32nd to 48th Avenue) reconstruction \$3,783,634, new fire pumper truck \$270,000, 10 transit busses \$3,326,000, improvements to the Downtown City Square \$640,000 and the completion of another section of the Rivers Edge Trail from Franklin Street to the Eye Clinic property and Bridge Street to Wausau Avenue \$112,868.

MAINTENANCE OF EXISTING ASSETS

The capital improvement plan emphasizes the preservation and maintenance of existing assets as indicated in the table below.

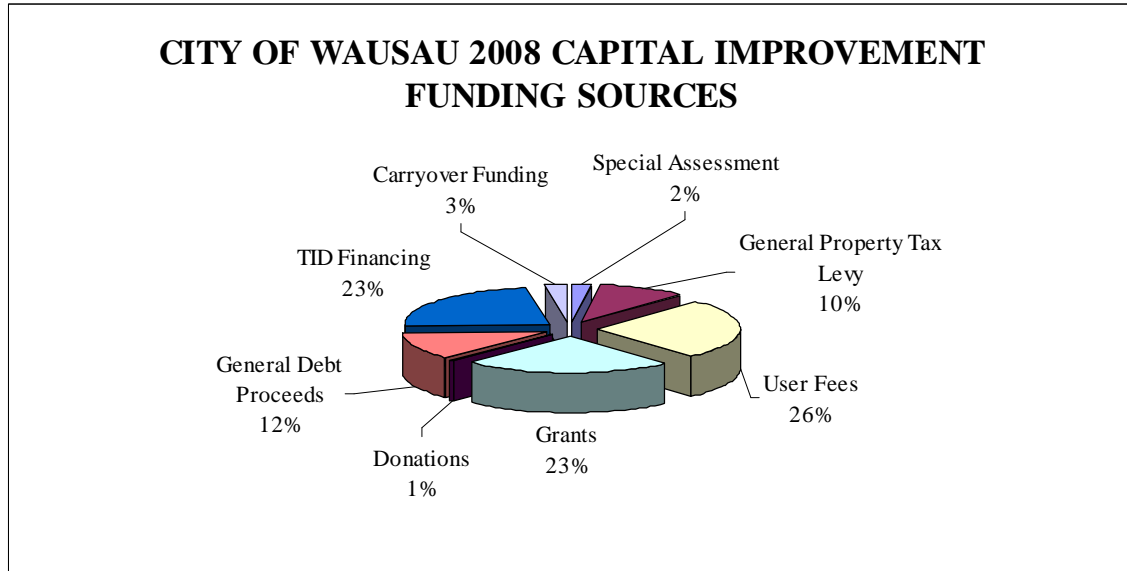
Preservation Activity	\$21,622,944	96.57%
Expansion Activity	\$767,868	3.43%
Total Capital Improvement Plan	\$22,390,812	100.00%

The significant 2008 expansion projects include: development of River’s Edge Trail \$112,868, final payment on the new Corporate Hangar \$187,500, the construction of a thangar road at the airport \$150,000 and the acquisition of future parkland \$240,000.

2008 FUNDING SOURCES

Financial resources for the Capital Budget include: capital grants, special assessments, user fees, general property tax levy, tax increment district financing, carryover funding, and debt proceeds. Current revenues and taxes represent pay-as-you-go financing, while debt issuance allocates the tax burden across the generations that benefit from the infrastructure.

The pie chart below illustrates the portion of the capital budget funded by each revenue source.



Special Assessments	\$520,000
General Property Tax Levy	2,131,000
User Fees	5,975,400
Grants	5,163,766
Donations	120,000
General Debt Proceeds	2,662,710
TID Financing	5,236,936
Carryover Funding	<u>581,000</u>
	\$22,390,812

Non-property tax resources finance more than half of the city's capital needs. Grant income includes \$200,000 of Community Development Block Grant funding which will offset curb, gutter and pavement costs of South 7th Avenue (Chellis to Sherman Street), \$1,840,000 in state funds to purchase right-of-way for Sherman Street, \$2,660,800 of capital grants for the acquisition of 10 transit busses and \$142,500 of aviation aid for the construction of the thangar road.

In an effort to manage the City's debt burden and remain committed to the maintenance of infrastructure the City, annually, continues to increase the General Property Tax Levy. The 2008 budget represents a \$100,000 increase in funding from the 2007 budget. The five year plan expects this increase to occur annually.

The budget anticipates carryover funding of \$581,000. A portion of these funds, \$209,500 represent funds committed to the City County Data Center in prior years budgets. The City Square budget reflects carryover funding of \$154,000 which represents room tax revenues set aside for the project along with remaining project funds from its initial construction. User fees of

\$5,975,400 reflect the capital projects anticipated within the city's proprietary funds. The budget anticipates water utility projects of \$2,703,500, sanitary sewer projects of \$1,876,900, and motor pool purchases of \$1,155,000. The borrowing of \$7,294,646 will be allocated for general purposes of \$2,662,710, \$936,768 to Tax Increment District Number Three and \$3,695,168 to Tax Increment District Number Seven. Tax increment District Number Six will finance its projects with funds on hand which will reduce the City's debt burden and eliminate financing costs.

DEFERRED PROJECTS

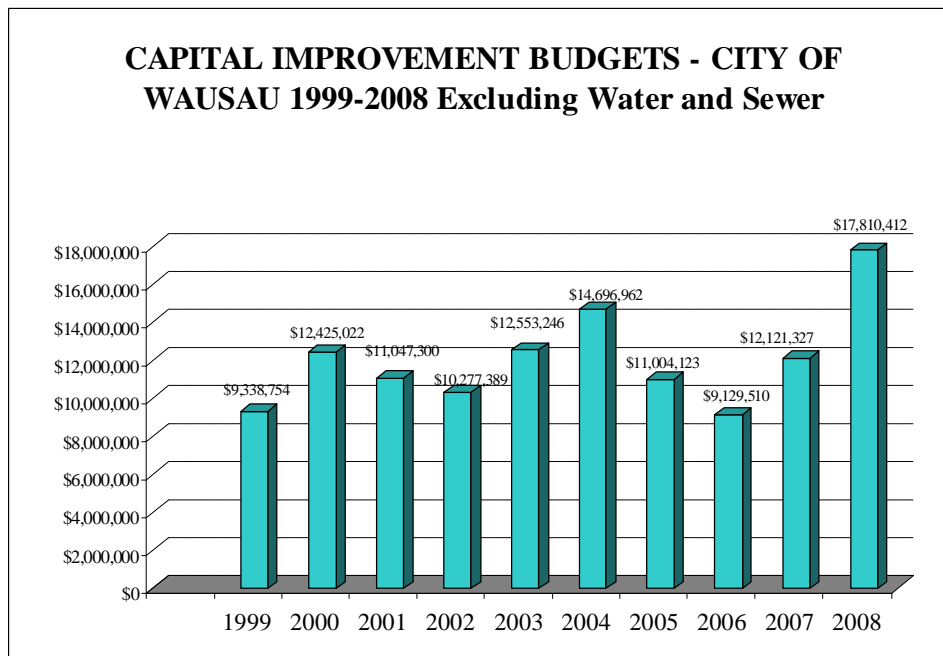
Annually, there are more requests than funds available, resulting in the deferral of projects. Deferred infrastructure projects of \$2,059,150 or 12.36% of the total \$17,462,294 requests are itemized on pages 9 and 10. This deferral rate is misleading as the engineering department generally submits only high priority requests that fall within predefined financial parameters and is not reflective of actual needs. Annually, the CIP committee is concerned that inflation outpaces our increased commitment to infrastructure maintenance. Inflationary increases along with added infrastructure through annexations, expansion within the City's industrial parks and new residential plats will exacerbate the funding problems in future years.

A *significant* deferral that needs to be highlighted is the Phase II Storm water Permit mandate. The federal government has mandated that all government entities reduce by 40% the total suspended solids entering rivers and lakes by the year 2013. The city has achieved a 32% reduction rate to date. The final 8% will be expensive and requires the construction of detention ponds and other settling devices. These facilities will need to be constructed in the developed areas throughout the city, where storm water runoff is high. Land will need to be acquired, devices designed and constructed at an estimated cost of \$3,000,000. The 2008 budget provides for initial land acquisition seed money of \$200,000 versus the \$600,000 that should be financed on an annual basis through the year 2012.

Other capital project request deferrals of \$2,479,150 or 43.41% of the total \$5,711,518 are itemized on page 11.

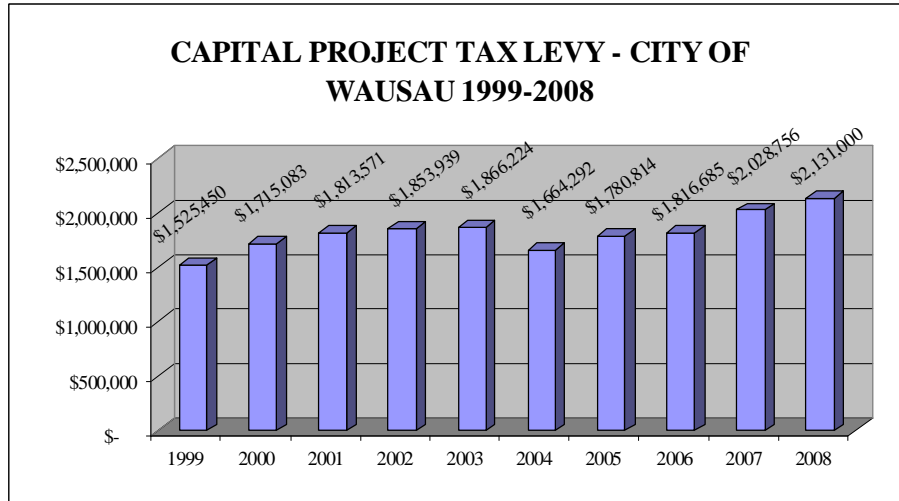
BUDGET HISTORY

Below is a summary of the Capital Projects budget for the years 1998-2008. Water and Sewer Utility projects have been eliminated for comparison purposes as they were not included in early year budgets.



While the history implies that the City's commitment to its infrastructure varies significantly on an annual basis, this is not the case. The dramatic changes are typically the result of special projects with specific funding sources. The 2008 budget is a great example, as it reflects the occasional replacement of buses totaling \$3,326,000 and funded with \$2,660,800 of federal grant monies.

A history of the tax levy commitment during the same time period is displayed below.



Annually we strive to increase the levy committed to capital projects. As portrayed above, the capital plan suffered a significant cut in levy funds in 2004. This was due to a \$633,000 cut in shared revenues. While the city tried to limit the impact to the capital plan we were unable to absorb the entire reduction within the operating budget.

IMPACT TO THE OPERATING BUDGET

The capital plan impacts the tax rate and levy when:

- Additional operating costs related to the maintenance of assets are encountered,
- Additional levy dollars are committed for financing capital assets, and
- Annual debt service costs rise as a result of capital financing.

Typically, equipment replaced or newly reconstructed streets will reduce the immediate maintenance work and thus reduce operating costs.

Two park expansion projects could impact maintenance costs including the expansion of the Rivers Edge Trail and improvements to City Square. Each of these projects will be subject to grooming, maintenance, and winter maintenance expenses. The impact of these expansion projects to the operating budget is immediately unknown. In recent years similar expansion projects have been managed without the corresponding expansion of the work force through improved work efforts and efficiencies. The parks department believes that winter maintenance in the City Square will actually decline since ice rink construction and maintenance tasks will be easier when the property is graded and level. Another project, the airport hangar acquisition, will also increase maintenance and operating costs which will be offset by hangar rental revenues.

Each potential debt issue is evaluated to determine the impact on future tax levies. The goal is to maintain a level or declining debt service level. The contemplated issues, based upon long-term projections, will meet this goal. The city generally issues approximately \$2,500,000 of ten-year promissory notes with level debt payments for the Capital Improvement program. Other debt such as facility construction or Tax Increment District Projects may warrant a longer amortization

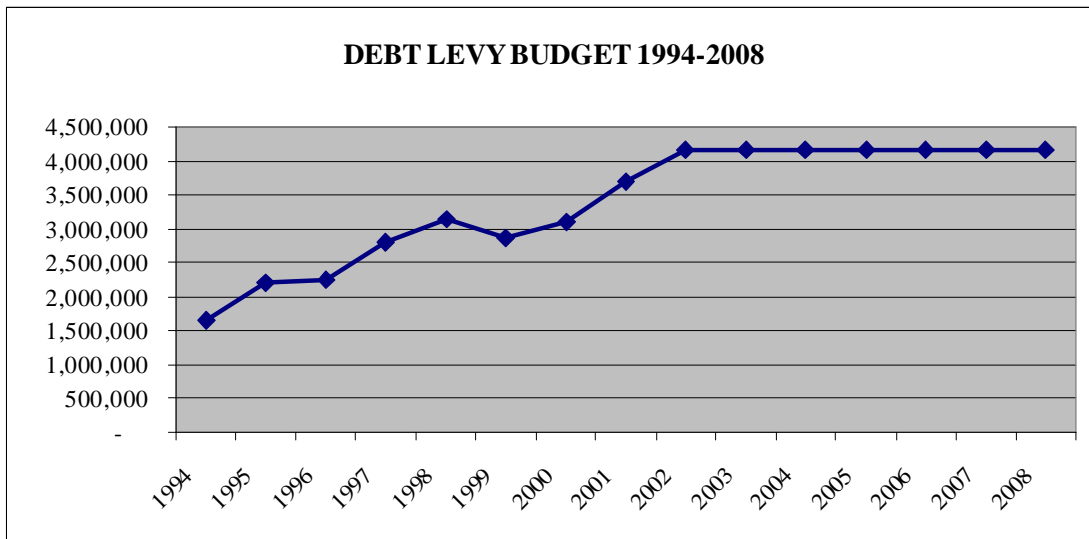
and are funded in addition to the capital improvement program. Debt for these projects will be retired in correlation with revenue streams. The city examines each issue to ensure financing and debt issuance costs are minimized.

LONG TERM CAPITAL PLAN

Departments strive to develop comprehensive five year plans for the preservation and expansion of facilities, infrastructure and equipment. These plans are pieced together to ensure that financial resources are available to support these critical expenditures. Pages 12 and 13 provide a summary of the capital plan for the years 2009-2013 along with the expected revenue sources to fund these projects. This portion of the document is strictly a preliminary plan and does not represent a financial commitment.

IMPACT TO CURRENT AND FUTURE DEBT SERVICE

As the City annually struggled to maintain and enhance infrastructure, facilities and equipment its reliance on debt proceeds and debt payments increased. From 1994 to 2002 the annual debt levy increased an average of \$312,000 as portrayed below.

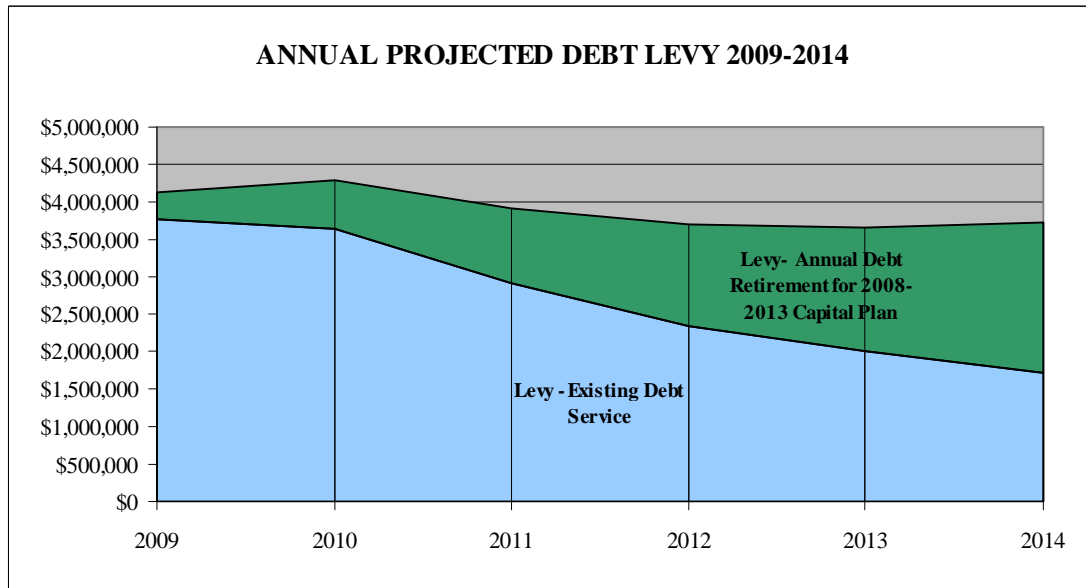


To terminate this trend the City commissioned a debt affordability study and adopted capital and debt policies which are presented on pages 14-18. All debt issued is evaluated to ensure that it does not result in additional burden to the levy and that debt generated by TID districts will be retired from future increment. The City has been successful in these efforts as the debt service levy has not increased since 2002.

The Capital Plan envisions general purpose promissory notes to support future projects as well. If realized the City will issue 10 year promissory notes during the term of the capital plan as follows:

Year	Debt Proceeds to the Construction Account
2008	\$2,662,710
2009	\$2,317,880
2010	\$2,570,217
2011	\$2,702,500
2012	\$2,247,000
2013	\$2,582,750

A pictorial view of the existing annual debt service combined with the projected 2008-2013 capital plan debt service shows no increase the debt service levy over the plan period.



The final indicator is the city’s ability to manage total outstanding debt. Section 67.03 of the Wisconsin Statutes provides that total indebtedness of a municipality for general purposes may not exceed 5% of the value of the taxable property located within its boundaries. Below, based upon existing debt retirement schedules, an estimated 2% growth in the equalized value, and the capital plan debt amortized with equal payments over a period of ten years is the City’s forecasted legal debt margin.

	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Equalized Value	\$2,504,826,100	\$2,554,922,600	\$2,606,021,100	\$2,658,141,500	\$2,711,304,300	\$2,765,530,400	\$2,820,841,000
	5%	5%	5%	5%	5%	5%	5%
Legal Debt Limit	\$125,241,305	\$127,746,130	\$130,301,055	\$132,907,075	\$135,565,215	\$138,276,520	\$141,042,050
Outstanding Debt	\$54,935,407	\$55,246,925	\$50,895,825	\$46,263,933	\$42,234,044	\$38,034,653	\$33,963,707
Legal Debt Margin	\$70,305,898	\$72,499,205	\$79,405,230	\$86,643,142	\$93,331,171	\$100,241,867	\$107,078,343
	43.86%	43.25%	39.06%	34.81%	31.15%	27.51%	24.08%

As you can see the city, based upon the plan, will actually decrease the outstanding debt. This projection, while it does not estimate possible tax increment district project financing needs, shows that sufficient debt margin will be available to complete projects required to stimulate private development.

**CITY OF WAUSAU
2008 CAPITAL PROGRAM BY FUNDING SOURCE**

PROJECT DESCRIPTION	DEPT	Total Project Costs	FUNDING SOURCES					
			Tax Levy	Special Assessments	User Fees And Grants	GO Note Proceeds	TID Financing	Carryover Financing
Infrastructure								
Land Acquisition	DPW	2,265,000			1,840,000	325,000	100,000	
WIS DOT Projects	DPW	4,239,444			248,466	210,810	3,780,168	
Curb, Gutter and Pavement	DPW	1,331,375		270,000	200,000	786,375		75,000
Street Reconstruction	DPW	748,225		250,000		144,125	354,100	
Asphalt Overlay	DPW	545,000	545,000					
Sidewalk Projects	DPW	277,500	277,500					
Storm Sewer	DPW	531,200				531,200		
Other Infrastructure Projects	DPW	910,000	430,000			0	480,000	
Street Lighting/Sirens	Inspections	27,000	27,000					
Water Projects	WS	2,703,500			2,703,500			
Sewer/Wastewater Projects	WS	1,876,900			1,876,900			
Total Infrastructure		15,455,144	1,279,500	520,000	6,868,866	1,997,510	4,714,268	75,000
Facilities								
Airport Corporate Hangar	Airport	187,500	187,500					
Airport Thangar Road	Airport	150,000			142,500			7,500
Parking Ramp Facilities	DPW	200,000	65,000					135,000
WATS Facilities	DPW	90,000	18,000		72,000			
Total Facilities		627,500	270,500	0	214,500	0	0	142,500
Equipment								
Turnout Gear	Fire	65,000	65,000					
Computer Software - Email software	CCDCC	63,000						63,000
Computer Hardware - PC Replacement	CCDCC	50,000	50,000					
Computer Hardware - Data Network Equipment	CCDCC	16,000	16,000					
Computer Hardware - Imaging	CCDCC	46,000	10,000					36,000
Computer Hardware - MDC Replacement	CCDCC	31,500						31,500
Computer Hardware - Video Server Storage	CCDCC	19,500	19,500					
Computer Hardware - File Server Upgrade	CCDCC	29,600	29,600					
Computer Hardware - Midrange Server Upgrade	CCDCC	35,000						35,000
Computer Hardware- Video Recording System	CCDCC	74,400	30,400					44,000
Total Equipment		430,000	220,500	0	0	0	0	209,500
Rolling Stock								
Fire Rolling Stock - Pumper	Fire	270,000			270,000			
Fire Rolling Stock - Chief Car	Fire	40,000	40,000					
Fire Rolling Stock - Ambulance	Fire	90,000	90,000					
WATS Rolling Stock	WATS	3,326,000			2,660,800	665,200		
Park Rolling Stock	Parks	160,500	160,500					
Public Works Rolling Stock	DPW	885,000			885,000			
Total Rolling Stock		4,771,500	290,500	0	3,815,800	665,200	0	0
Park and Recreation Areas								
Park Land Acquisition		240,000			240,000			
Rivers Edge Trail		112,868					112,868	
City Square		640,000			120,000		366,000	154,000
Parking Lot Pavement Project		113,800	70,000				43,800	
Total Parks/Recreation		1,106,668	70,000	0	360,000	0	522,668	154,000
TOTAL CAPITAL COSTS		\$22,390,812	\$2,131,000	\$520,000	\$11,259,166	\$2,662,710	\$5,236,936	\$581,000

General Borrowing	\$2,662,710
TID #3 Borrowing	936,768
TID #6 Cash on Hand	480,000
TID #7 Borrowing	3,820,168
TOTAL	\$7,899,646

**CITY OF WAUSAU 2008 CAPITAL BUDGET
DETAIL ANALYSIS OF INFRASTRUCTURE PROJECTS**

	SPECIAL FUNDING SOURCE	TOTAL REQUEST	DEFERRED TO FUTURE YEAR	FUNDED IN 2008
LAND ACQUISITION				
Stewart Avenue 32nd to 48th Avenue	TID #7	100,000		100,000
Miscellaneous		175,000	100,000	75,000
Sherman Street		1,840,000		1,840,000
Thomas Street Widening		250,000		250,000
TOTAL LAND ACQUISITION		<u>2,365,000</u>	<u>-</u>	<u>2,265,000</u>
DOT PROJECTS				
US51/STH 29 stormwater mgmt facilities	TID #6/TID#7	238,810		238,810
Other DOT Projects		150,000	100,000	50,000
Grand Avenue - Design		42,000		42,000
Stewart Avenue 32nd to 48th Avenue	TID #7	3,908,634		3,908,634
TOTAL DOT PROJECTS		<u>4,339,444</u>	<u>100,000</u>	<u>4,239,444</u>
CURB, GUTTER AND PAVEMENT				
Campus Drive - 4th Ave to Burek Ave		359,100	-	359,100
Maryann Lane - 27th to 28th Avenue		67,275		67,275
27th Avenue - W Wausau Avenue to Maryann Lane		95,900		95,900
South 7th Avenue - Chellis to Sherman St	CDBG	407,100		407,100
52nd Avenue - Lombardy Drive to culdesac		66,550		66,550
54th Avenue - Lombardy Drive to culdesac		32,350		32,350
32nd Avenue - Westhill Drive to Hilltop Avenue		101,450		101,450
Stark Street - Sherwood Circle to 1708/1709		181,650		181,650
Boulevard Trees		20,000		20,000
TOTAL CURB, GUTTER AND PAVEMENT		<u>1,331,375</u>	<u>-</u>	<u>1,331,375</u>
STREET RECONSTRUCTION				
Highland Park Boulevard		374,000	374,000	-
Hamilton Street 10th to 12th Street		108,000		108,000
North 10th Avenue - Elm Street to Cedar Street		286,125		286,125
Everest Boulevard		99,250	99,250	-
Kreutzer Boulevard		95,000	95,000	-
3rd Street Jefferson to Grant Street	TID #3	1,062,500	708,400	354,100
TOTAL STREET RECONSTRUCTION		<u>2,024,875</u>	<u>1,276,650</u>	<u>748,225</u>
ASPHALT OVERLAY AND ALLEY PAVING				
Various Locations Citywide (Including 4th Ave - Campus Drive to Blemont Road)		500,000		500,000
Alley Paving		45,000		45,000
TOTAL ASPHALT OVERLAY AND ALLEY PAVING		<u>545,000</u>	<u>-</u>	<u>545,000</u>
SIDEWALKS				
Sidewalk Replacement Various locations		300,000	100,000	200,000
Sidewalk Installation - New Miscellaneous \$25,000 48th Avenue \$52,500		77,500		77,500
TOTAL SIDEWALKS		<u>377,500</u>	<u>100,000</u>	<u>277,500</u>
STORM SEWER				
Campus Drive - CGP		52,500		52,500
South 7th Avenue - CGP		50,500		50,500
Stark St - CGP		26,000		26,000
Highland Park Boulevard		42,500	42,500	-
North 10th Avenue reconstruction		49,200		49,200
Storm pump Station Repairs and Control Panel Replacement		50,000		50,000
21st St/Lemke St		35,000		35,000
Unanticipated Projects		50,000		50,000
Phase II Stormwater		600,000	400,000	200,000
Annual Miscellaneous DNR Fees		18,000		18,000
TOTAL STORM SEWER		<u>973,700</u>	<u>442,500</u>	<u>531,200</u>

**CITY OF WAUSAU 2008 CAPITAL BUDGET
DETAIL ANALYSIS OF INFRASTRUCTURE PROJECTS**

	SPECIAL FUNDING SOURCE	TOTAL REQUEST	DEFERRED TO FUTURE YEAR	FUNDED IN 2008
OTHER CAPITAL				
Miscellaneous Concrete Repairs		400,000	100,000	300,000
Other Professional Services (Miscellaneous \$75,000, Bridge				
Street Traffic Study \$25,000, 25th Street Corridor \$30,000		130,000		130,000
Decorative Lighting Highland Park Boulevard		40,000	40,000	-
Westwood Culdesac	TID #6	420,000		420,000
Library parking Lot Upper Lot	TID #3	60,000		60,000
TOTAL OTHER CAPITAL REPAIRS		<u>1,050,000</u>	<u>140,000</u>	<u>910,000</u>
WATERMAINS				
Fountain Hills south	Utility	43,500		43,500
Brokaw booster and piping	Utility	550,000		550,000
Stewart Avenue looping Main	Utility	150,000		150,000
Riverview looping Main	Utility	60,000		60,000
17th Avenue Booster Station	Utility	500,000		500,000
Westhill Booster Station	Utility	500,000		500,000
North 10th Avenue - Elm to Cedar	Utility	100,000		100,000
Unanticipated Projects	Utility	800,000		800,000
TOTAL WATER MAINS		<u>2,703,500</u>	<u>-</u>	<u>2,703,500</u>
SANITARY SEWER				
E Bridge Street interceptor extension	Utility	153,500		153,500
Fountain Hills South	Utility	123,400		123,400
Townline Road lift Station	Utility	80,000		80,000
Townline Road forcemain	Utility	170,000		170,000
24th Avenue lift station relocate 90% recoverable from state	Utility	450,000		450,000
Stewart Avenue lift station relocate	Utility	100,000		100,000
Unanticipated Projects	Utility	800,000		800,000
TOTAL SANITARY SEWER		<u>1,876,900</u>	<u>-</u>	<u>1,876,900</u>
GRAND TOTAL		<u>\$ 17,587,294</u>	<u>\$ 2,059,150</u>	<u>\$ 15,428,144</u>

**CITY OF WAUSAU
2008 OTHER CAPITAL REQUESTS
FUNDED AND DEFERRED
DESCENDING RANK ORDER**

		FUNDED IN 2008	DEFERRED TO FUTURE YEAR	AVERAGE RANKING
Transit - Bus Replacement	TRANSIT	\$665,200		214
Parking Ramp Improvements - Revenue Control System	ENG	200,000		203
Fire Turnout Gear	FIRE	65,000	49,852	197
Fire Pumper	FIRE	270,000		195
Mobile Data Computers	CCDCC	31,500		191
PC Replacement	CCDCC	50,000		188
File Server Upgrade	CCDCC	29,600		187
Rivers Edge Trail Development	PARKS	112,868		183
Parking Lot Paving	PARKS	113,800		181
Parking Ramp Elevator Replacement	ENG		105,000	180
Process Improvement	CCDCC		25,000	180
Pave DPW Grounds**	DPW		200,000	178
Parking Permit Software	CCDCC		48,000	172
Reskin Building Number One	DPW		83,000	171
Midrange Server Upgrade	CCDCC	35,000		169
Data Network Equipment	CCDCC	16,000		166
Video Recording System	CCDCC	30,400		165
Rivers Edge Trail Development	PARKS		261,500	164
Email Upgrade	CCDCC	63,000		162
Imaging System/Workflow	CCDCC	10,000		160
City Square	PARKS	640,000		Not Rated
Fire/EMS Software	CCDCC		40,000	159
Thangar Road	AIRPORT	7,500		159
Budget Software	CCDCC		64,500	156
Corporate Hangar	AIRPORT	187,500		156
Video Server Storage	CCDCC	19,500		156
Rolling Stock Parks	PARKS	160,500		151
Phase II Stormwater Improvements	ENG	200,000	400,000	149
Neighborhood Parkland Acquisition	PARKS	240,000		147
Cash Collections	CCDCC		39,200	146
Water Utility Billing System	CCDCC		112,000	145
Grand Avenue Light Pole Replacement	INSPECTIONS	17,000		144
PA System Replacement	FIRE		52,578	136
Siren Replacement	INSPECTIONS	10,000		135
Telecommunications	CCDCC		25,000	131
Car #1 Replacement	FIRE	40,000		129
Facility Painting Project	AIRPORT		95,000	126
Asphalt Paving	TRANSIT	18,000		125
Fire Boiler Project	FIRE		163,800	123
Fiberoptic Network	CCDCC		300,200	119
Facility Security	FIRE		43,200	99
Time Reporting System	CCDCC		78,900	92
Athletic Park	PARKS		249,420	89
Parking Lot Paving	CITY MAINT		43,000	67
		<u>\$3,232,368</u>	<u>\$2,479,150</u>	

** A portion will be paved in 2008 with Asphalt Overlay Project Funds.

CITY OF WAUSAU
2009-2013 CAPITAL PROGRAM BY CATEGORY AND FUNDING SOURCE

PROJECT DESCRIPTION	CAPITAL PLAN				
	2009	2010	2011	2012	2013
Infrastructure					
Land Acquisition	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
WIS DOT Projects	3,660,644	1,521,446	600,000	600,000	400,000
Curb, Gutter and Pavement	960,000	1,110,000	980,000	1,000,000	1,200,000
Street Reconstruction	560,000	720,000	915,000	620,000	675,000
Asphalt Overlay	550,000	550,000	550,000	600,000	600,000
Sidewalk Projects	250,000	280,000	280,000	280,000	300,000
Storm Sewer	500,000	500,000	700,000	700,000	700,000
Other Infrastructure Projects	450,000	500,000	500,000	550,000	550,000
Total Infrastructure	7,030,644	5,281,446	4,625,000	4,450,000	4,525,000
Facilities					
Public Works Facilities	80,000	80,000	80,000	885,000	80,000
Transit Facilities				50,000	
Airport Facilities	95,000	685,000	600,000	50,000	550,000
Fire Facilities	164,000	50,000	50,000	50,000	
Parking Facilities	200,000	200,000	200,000	150,000	150,000
Police Facilities				60,000	
City Hall Facilities	62,000				
Total Facilities	521,000	935,000	850,000	360,000	700,000
Equipment					
Transit Equipment	18,000				
Fire Equipment	65,000	65,000	0	60,000	40,000
Computer Hardware/Software	200,000	250,000	250,000	250,000	250,000
Total Equipment	283,000	315,000	250,000	310,000	290,000
Rolling Stock					
Park Rolling Stock	157,500	45,000	60,000	30,000	65,000
Fire Rolling Stock	358,000	500,000	0	500,000	40,000
Transit Rolling Stock	1,687,945	4,111,834			
Public Works Rolling Stock	885,000	885,000	885,000	885,000	885,000
Total Rolling Stock	3,088,445	5,541,834	945,000	1,415,000	990,000
Park and Recreation Areas					
Park Expansion	523,000		185,000		200,000
Park Amenities/Maintenance	202,500	138,600	182,500	126,000	141,750
Total Parks/Recreation	725,500	138,600	367,500	126,000	341,750
TOTAL CAPITAL COSTS	\$11,648,589	\$12,211,880	\$7,037,500	\$6,661,000	\$6,846,750
FUNDING SOURCES					
General Property Tax Levy	\$2,231,000	\$2,331,000	\$2,431,000	\$2,531,000	\$2,631,000
Special Assessment Charges	500,000	500,000	500,000	500,000	500,000
Proprietary Fund Financing	1,831,333	1,224,000	724,000	1,303,000	693,000
Grants and Aid	4,059,976	5,586,663	680,000	80,000	440,000
TID Financing	708,400				
Debt Proceeds	2,317,880	2,570,217	2,702,500	2,247,000	2,582,750
	\$11,648,589	\$12,211,880	\$7,037,500	\$6,661,000	\$6,846,750

CITY OF WAUSAU

FUTURE INFRASTRUCTURE PROJECTS

2009			
CURB GUTTER PAVEMENT			STREETRECONSTRUCTION
Wind Tree Dirve - Old Coach Rd to 56th Avenue	\$262,500		Highland Park Boulevard 374,000
Lavina Drive - Windtree Dr to 56th Avenue	113,776		Everest Boulevard 99,250
9th Avenue South - West St to Chellis St	259,620		Kretzer Boulevard 85,000
5th Avenue South - Park Blvd to Cul De Sac	84,428		558,250
Maple Ridge Road - Golf Club Rd to Woodland Ridge Rd	111,818		
Brown St - 13th Street East	104,000		DOT PROJECTS
Boulevard Trees	20,000		17th and Stewart Avenue Storm Sewer 110,000
	\$956,142		3rd Street - Grant to Bridge Street 1,500,000
			3rd Street - Scott to Grant 708,400
			Stewart Avenue - 26th to 28th Avenue 1,332,244
			Stewart Avenue Street Lights - 24th to 26th Avenue 10,000
			3,660,644
2010			
CURB GUTTER PAVEMENT			STREETRECONSTRUCTION
4th Avenue - Quaw St to Knox St	227,500		Washington Street - RR tracks to 13th St 369,750
11th Avenue - West St to Thomas St	253,500		5th Street - Washington to Forest St 341,440
Gilbert St - 13th St to Malak Circle	28,750		711,190
Bos Creek Drive - Burns to Lenard St	132,250		
East Cherry St - Randolph St to Burns St	74,750		DOT PROJECTS
21st Avenue - Nehring St to Cul De Sac	149,500		Sherman Street - 17th to 22nd Avenue 1,521,446
22nd Avenue - Nehring St to Cul De Sac	149,500		
Burns St - Burek Avenue to Bos Creek Drive	69,000		
Boulevard Trees	20,000		
	1,104,750		
2011			
CURB GUTTER PAVEMENT			STREETRECONSTRUCTION
Jackson St - 13th to 14th Street	34,500		Washington Street - 4th to 6th Street 585,000
Washington St (13th -14th St)	34,500		Jefferson Street 5th to 6th Street 329,500
14th Street - Jackson St - 300' N of Washington St	69,000		914,500
2nd Avenue - Bridge St to West Wausau Ave and Union Ave to Knox	211,250		
Milwaukee Avenue - Ginger Ln to Northwestern Ave	103,500		DOT PROJECTS
Brookview Court - Milwaukee Avenue west	57,500		Project budgets not yet established:
Ginger Lane - Northwestern Ave to Milwaukee Ave	23,000		Thomas St - Wisconsin River to 17th Avenue
3rd Street - Winton St to DeVoe St	91,000		County U/K Interchange
10th Avenue - Chellis St to Thomas St	165,750		Grand Avenue
Park Boulevard - Chellis St to Imm St	166,750		
Boulevard Trees	20,000		
	976,750		
2012-2013			
CURB GUTTER PAVEMENT			STREETRECONSTRUCTION
Not Yet Selected			Grant Street - 1st to 3rd Street 151,250
			McClellan Street - 1st to 6th Street 467,500
			Pine Ridge Boulevard - Bridge St to Westwood Dr 420,000
			Bridge Street - Westwood Dr to Pine Ridge Boulevard 255,000
			1,293,750
			DOT PROJECTS
			Continuation of 2011

CITY OF WAUSAU, WISCONSIN DEBT MANAGEMENT POLICIES ON TAX EXEMPT DEBT

The City of Wausau recognizes the foundation of any well-managed debt program is a comprehensive debt policy. A debt policy provides the financial management tools to guide the Council with the City's overall debt financing structure. Primary objectives of the policy are to:

- Establish the appropriate use of debt.
- Find alternative methods to pay debt service costs other than property tax.
 - Minimize the City's debt service and issuance costs.
 - Retain the highest practical credit rating.
 - Provide complete financial reporting and disclosure.
- Maintain level and affordable annual debt service payments.

The City Council has adopted this policy, by resolution, to provide general guidelines for the debt management structure of the City. Situations and conditions may occur requiring a variation from the policy. These variations must be clearly communicated to the Council and citizens prior to deliberation on such debt policy changes. In addition, these policies should be reviewed every four years beginning in 2005 to ensure they continue to meet the long term debt objectives of the City.

POLICIES

CAPITAL PLANNING

The City's long term capital and financing plan will be documented in a multi-year Capital Improvement Plan. The plan will be submitted to the Common Council for consideration and adoption as part of the annual budget process. Individual departments will prepare an annual multi-year plan, and assist in the coordination of the overall city-wide plan. The capital plan will represent a one year, capital improvement budget and a five-year, long term capital plan. The capital plan will contain a comprehensive description of the sources and uses of funds, and a forecast of future debt issuance. The plan will examine the long range implications of future debt issues on debt outstanding, annual principal and interest requirements and the general property tax levy required for debt service payments.

USES OF DEBT AND OTHER FORMS OF BORROWING

The City may use long term financing for the acquisition, maintenance, replacement, or expansion of capital assets and infrastructure. The City will not issue long term debt to fund current operations. Financing options allowed under State of Wisconsin Statutes, including but not limited to: general obligation bonds and notes, State Trust Fund Loans, utility mortgage revenue bonds, capital or secured equipment leases, tax increment bonds, special obligation bonds and bond anticipation notes may be considered.

DEBT CAPACITIES

Utilizing the City's debt capacity will be used only after other financing options have been exhausted. Such debt issuance must comply with all other requirements of the debt policy. The increased use of debt shall not negatively impact the City's credit rating.

LENGTH OF DEBT AND TIMING OF BOND ISSUES

Debt will be structured to provide for the shortest repayment period, while minimizing large fluctuations in property tax or other revenue requirements for debt retirement. The amortization period will be based upon a fair allocation of costs to current and future beneficiaries of the capital and infrastructure assets, and to revenue streams used to finance the annual debt service payments. Generally, the City issues promissory notes with a ten (10) year amortization for general capital improvement projects. Tax increment financing projects, and significant facility projects may warrant a longer term debt schedule, but in most cases not to exceed a twenty year repayment schedule. Call features may be included if appropriate and financially feasible. Under no situations will the financing term exceed the useful life or average useful lives of the assets to be financed. To help protect the City's bond rating, bond sales will be scheduled in an orderly schedule to assure the markets of the stability of the City's financial decisions.

CAPITALIZED INTEREST

The City will generally not capitalize interest on its general fixed assets and infrastructure assets. Capitalized interest will be considered an increased cost of the project for proprietary fund assets for which borrowing is used as a financing mechanism.

DEBT GUARANTEES AND ENHANCEMENTS

The City may consider, on an individual basis, the use of bond insurance or other debt enhancements when it proves cost effective or otherwise desirable. Such guarantees could consider the commitment of assets and other resources to secure the City's financial position. Fiscal analysis must indicate areas of risk and show that revenues are sufficient to cover annual debt requirements. Selection of credit enhancements will be recommended by the financial advisor and finance director.

CONDUIT FINANCING

Conduit financing is debt issued by the City of Wausau to finance a project of a non-city third party. The City may sponsor conduit financing for those activities (economic and industrial development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall goals. Unless a compelling public policy rationale exists, such conduit financing will not in any way pledge the City's faith and credit. Information regarding the financial feasibility of the project and financial capacity of the company may be reviewed by the City prior to the approval of such financing.

CREDIT RATING

The City of Wausau seeks to maintain the highest possible credit rating for all categories of debt that can be achieved without compromising the City's operational objectives. The City recognizes that its credit rating can be impacted by conditions of the economy which are out of its control.

FINANCIAL DISCLOSURE

Every financial report and bond prospectus will follow the City's commitment to complete and full disclosure in conformance with industry requirements. The City's intent is to provide necessary information to constituents, council members, investors, departments, financial institutions, rating agencies, grantors, governmental agencies, and other interested parties. This includes, but is not limited to, meeting the Securities and Exchange Commission Rule 15c2-12 Secondary Disclosure Requirements.

DEBT LIMITS

The City will maintain outstanding debt in an amount not exceeding one-half of the City's aggregate statutory borrowing limit prescribed by State Statute 67.03(1)(a), in order to maintain a borrowing appropriate with our credit rating objectives, and the City's desire to preserve its financial flexibility by maintaining an adequate unused margin to be available for extreme emergencies.

PAY AS YOU GO FINANCING

The City will strive to provide pay-as-you-go financing at levels appropriate to the current year's capital improvement budget. Using combinations of current year's property tax levy and previously unspent funds, the City will also commit an annual contribution of general property tax dollars equal to or greater than the previous year's commitment.

INDEPENDENCE, METHOD AND AWARD OF SALE

The City will select a method of sale that is most appropriate in light of the City's financial position, the market environment, project specific needs and other related conditions. Unless specific situations exist, the City will issue its debt obligations through a competitive sale. Award of the sale will be based on the True Interest Cost Method (TIC). Under certain situations, it may be appropriate to seek financing through other methods such as negotiated sale or private placement. All such alternative methods of sale will receive prior approval from the Finance Committee and Common Council. The financial advisor shall maintain complete independence from the underwriting process.

REFUNDING PRACTICES

Periodic reviews of all outstanding debt will be performed to determine refunding opportunities. Refunding will be considered when there is a net economic benefit of the refunding (as measured in "present value"), to improve restrictive debt covenants or to improve debt structure.

ARBITRAGE

The City's bond counsel will prepare a nonarbitrage certificate with each tax-exempt issue. It is the responsibility of the Finance Department to assure compliance with the most current arbitrage regulations. The City will segregate bond fund investments or, at a minimum, maintain monthly allocations of commingled bond investments. The City will plan projects carefully in advance to determine the applicability of the rebate exceptions and, if necessary, will have rebate calculations performed annually during the construction period, and no less often than on a five year basis thereafter, until the bonds mature.

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CITY OF WAUSAU, WISCONSIN CAPITAL POLICIES

It is critical that the City preserve its current physical assets and systematically plan for future capital outlays. These capital investments are necessary to support the delivery of basic services, to ensure safety, and provide quality of life to the citizens of Wausau. This plan includes the consideration of all operating costs associated with new capital improvements.

CAPITAL IMPROVEMENT PLAN

The City will maintain a capital improvement plan that prioritizes capital needs and identifies funding sources. The capital improvement plan will contain short term and long term plans. The short term plan will consist of the annual capital budget, and the long term plan will include a preliminary four year plan.

The capital improvement plan will include all land, equipment, facility construction or upgrade, and infrastructure projects with a useful life of greater than three years, and an individual or combined cost of greater than \$25,000.

Departments will project and submit annually the five year capital needs of the department.

The departmental capital requests will be prioritized by the Capital Improvement Committee consisting of the Council President, Finance Committee Chairperson, Director of Public Works, Director of Finance, a rotating department head, and at least one citizen representative.

The committee will rank each request utilizing rating criteria. This criteria will give highest priority to those projects which involve public health and safety. Other rating criteria will include preservation of existing capital assets, improving efficiency of government operations, implementing cost saving measures, and improving quality of life.

Capital projects will be consistent with the City's goals and objectives and the comprehensive plan.

The capital improvement budget will be developed in coordination with the operating budget.

Each capital improvement budget will provide an operating budget impact statement.

CAPITAL MAINTENANCE

The City will maintain all of its assets at a level adequate to protect its capital investment and to minimize future maintenance and replacement costs.

PROJECT DURATION

Each capital project will have a term of twenty four months. Extension of the capital project period requires Common Council approval.

PROJECT STATUS REPORTING

The status of each capital project must be reported at year end and during the capital budget process. The status report must include: estimated project costs, modifications to the project scope and anticipated completion date.

ANNUAL OPERATING BUDGET

Each request submitted for the capital improvement plan will identify the future maintenance and operating costs and any potential operating funding sources.

FUNDING SOURCES

The capital improvement plan will recommend specific funding sources of projects. These funding sources will include special assessment income, grant funds, other contributions, general obligation bonds and notes, and general property taxes.

The capital improvement plan will comply with the City's debt management policy.

FINANCIAL CAPACITY

The capital improvement plan will examine the long range implications of future debt issues on debt outstanding, annual principal and interest requirements, and the general property tax levy.

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**CITY OF WAUSAU
CAPITAL IMPROVEMENT PROGRAM
2008 REQUEST RATING FORM**

Appendix A

<u>CRITERIA</u>	POINT SCORE
HEALTH AND SAFETY EFFECTS	
This project addresses a critical health or safety hazard.	40
PRESERVATION OF CAPITAL ASSETS	
This project repairs, replaces, or prevents a breakdown of existing city facility, system, service, infrastructure, or equipment.	15
This project provides new facility, system, service, infrastructure, or equipment.	5
LEVEL OF SERVICE	
This project improves the distribution of city services or facilities to a developed area.	10
This project provides an undeveloped area with city services or facilities.	5
GOALS AND OBJECTIVES	
This project addresses the goals and objectives outlined by the Council.	20
This project addresses citizen input from surveys, and neighborhood meetings.	10
This project is considered high priority by the department.	10
This project was identified in the 2004-2009 capital plan.	10
This project is mandated by federal, state, or county.	5
SERVICE AREA	
This project delivers service to city-wide population.	10
This project delivers service to several neighborhoods.	7
This project delivers service to one neighborhood or specialized services.	3
FINANCIAL IMPACT	
This project improves efficiency of government operations.	40
This project reduces operation/maintenance expenses and/or increases revenues.	10
This project increases operation/maintenance expenses and or decreases revenues.	-5
This project is funded with grant, new user fees, other other funding.	15
COORDINATED EFFORT	
This project will be used jointly by inter/intragovernmental entities.	10
This project represents the continuation of a phased implementation.	10
This project will not duplicate other available public or private facilities.	5
OTHER BENEFITS	
This project will encourage economic development - capital investment, improve the tax base, increase job opportunities, attract commerce.	15
This project will encourage revitalization, community aesthetics or historic preservation.	15
This project will improve residents quality of life in terms of recreational activities, personal enrichment, or living conditions.	15
OTHER CONSIDERATIONS	
This project may be utilized on a year round basis.	5
The projects useful life expectancy is equal or greater than 10years.	5
Raters general assessment of the project.	10
TOTAL	300