TOWN COUNCIL

Work Session

November 5, 2020
Cape Charles Civic Center
6:30 PM

1. Call to Order
   - A. Roll Call
   - B. Establish quorum

2. Moment of Silence and Pledge of Allegiance

3. Work Session Order of Business:

   A. Review of Fiscal Policies:

      i. Fund Policy

      ii. Budget Policy

      iii. Revenue Policy

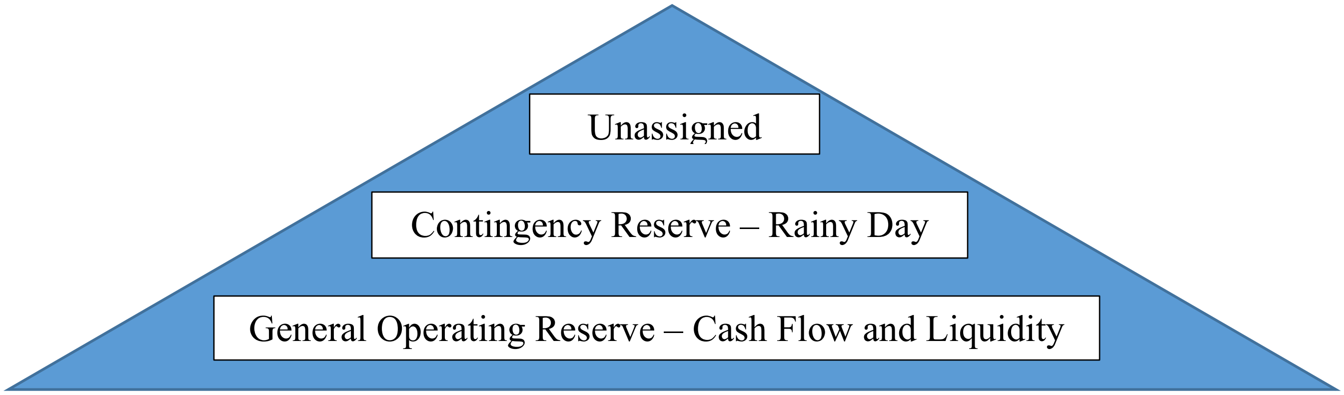
      iv. Overview

4. Town Manager Comments

5. Mayor & Council Comments (5 minutes per speaker)

6. Adjournment

General Fund Balance Policy



Fund Balance Hierarchy Pyramid

General Operating Reserve (GOR)

Revenues throughout a fiscal year do not always come in precisely when they are needed. For example, property taxes aren't received until late in the calendar year. Other revenue sources (like meals and transient occupancy taxes) typically arrive late summer-early fall. It is not uncommon, therefore, for us to have a negative cash flow in some portions of the fiscal year. This simply means that more money is being paid out than is coming in. Fund balance accumulations from prior years have typically been used to finance these expenditures. Then as revenues come in, these funds are restored to the fund balance. Thus, cash flow needs dictate a need for a fund balance, or a committed reserve dedicated to preserving cash flow and liquidity needs of the Town.

There is currently no requirement to maintain any fund balance in Cape Charles, nor is there any dedicated cash flow reserve. It is therefore recommended that we establish a General Operating Reserve (GOR) for this purpose. Note that once established, this committed reserve cannot be appropriated for any other specific use, but must always remain available to meet cash flow requirements of the Town.

There are many theories and practices regarding how much should be dedicated to this function. Most theoretical approaches say there should be between one month (8.3%) to three months (25%) of the general operating budget held in reserve. However, research has indicated that most smaller municipalities (between 500 to 2500 in population) typically maintain closer to 30-40% as a reserve. Generally speaking, the smaller the community, the greater the percentage.

The takeaway is that there is not one "right" amount for all. Each municipality must evaluate their unique situation and set a prudent amount based on their circumstance. The information above was meant to provide a general idea of typical ranges.

Assuming other reserves are also established (i.e. Contingency Reserve), staff is comfortable recommending a GOR equivalent to 20% of operating expenses.

Contingency Reserve (CR)

As witnessed during the Covid-19 pandemic, we can sometimes experience significant volatility in our revenue as events beyond our control can created severe, unanticipated shortfalls. Other events, such as natural disasters, or unique opportunities that arise without notice, can create the need for unbudgeted expenditures. While the Town does maintain a line of credit ($500,000) that might be used to address such contingencies; adding to our liabilities and incurring interest charges at a time of fiscal stress should probably be considered a last resort.

Assigned fund balances are the preferred mechanism to address these contingencies. But again, there is currently no requirement for the Town to maintain any fund balance, for this or any other purpose. So, it is recommended that in addition to the GOR mentioned above, we also establish a Contingency Reserve, similar to the Rainy-Day Fund previously discussed by the Council (January 2020).

The appropriate amount for a Contingency Reserve is also unique to the municipality. Often it is driven more by what is available, then adjusted over time as more resources become available and the need better defined. Maintaining a Contingency Reserve equivalent to 10% of operating expenses is a worthy goal. This would constitute an assigned reserve that would be used/managed/maintained by a prescribed set of procedures.

Unassigned Balance

Any fund balance which is not appropriated in the following year's budget for specific expenditures and which is not assigned, committed, or restricted for specific purposes, serves as an unassigned fund balance. There are no specific rules or restrictions regarding the use of these funds.

There are many legitimate uses for an unassigned fund balance. Municipalities often use this type of fund balance to save for major purchases or other capital expenditures. It may also be desirable to have some ready cash available to address unbudgeted opportunities that may come up. This can allow the community to become less reactionary, which can smooth out tax rates, avoiding erratic demands on revenue sources.

While there are sound reasons for maintaining unassigned fund balances, municipalities should also periodically evaluate these balances to endure they do not become excessively large, beyond what might be needed for planned purposes. In such a case, taxpayers could either be paying unnecessarily high taxes, or they may not be receiving an adequate return on their tax dollars in services and facilities.

Budget Policy

Governmental budgets can generally be divided into the following spending categories:

- General Operations
- Debt Service
- Capital Expenditures

It is very common to combine all three of these categories into one General Fund for accounting purposes. This is appropriate because all three categories are typically funded by the same general revenues (predominately taxes). However, while this can prove to be an efficient accounting technique, it can make strategic planning very difficult.

When all this spending is lumped together, it can be hard to see patterns or trends, as one category can obscure the others. This lack of transparency makes it harder for public officials (and the public at large) to monitor desired fiscal or policy goals. To address this problem, separate accounting funds can be set up for each of these categories:

- General Operating Fund
- Debt Service Fund
- Capital Improvement Fund

When each of these functions are accounted for separately, specific rules, procedures, and/or goals can be put in place for each. The General Operating Fund would function just as the General Fund does now, except that it would exclude all revenues and expenditures associated with Debt Service and Capital Improvements.

By setting up a Debt Service Fund and/or Capital Improvement Fund, the organization can precisely track how much of its resources are dedicated to, and used for, each purpose. It enables strategic budgeting so that an organization can live within its means while achieving a set of prioritized goals.

The Debt Service Fund or Capital Improvement Fund would be funded with a pre-determined percentage of the General Core Revenues. *Core Revenue* is defined as all general revenues, less all pass-through funds, all grant revenue, and all proceeds associated with any kind of debt.

Debt Service Fund

For Cape Charles, based on our past experience and as a practical way forward, it is recommended that the Town set a policy <u>limiting</u> all debt service expenditures to no more than eight percent (8%) of core general revenues. Revenue up to this amount would be transferred to the Debt Service Fund each year. This would provide sufficient funding to cover historic levels of debt servicing. It would also provide a ready indicator of remaining debt capacity, and it would provide assurances to credit rating agencies that obligations, once incurred, can be met.

Occasionally, as a condition of lending, debt service reserves are required to be maintained. Such reserves, if required, would be maintained as committed portions of this Fund's fund balance, and reported as such on the annual audit. This would make the General Operating Fund balance cleaner and easier to manage and interpret.

Should a future need arise for debt that exceeds the ability of the core revenue allocation to service; the Council could assign another dedicated revenue source to the Debt Service Fund which would only be available to service additional debt. For example, a small tax increase could be initiated with all proceeds from that increased revenue dedicated to a particular project. It is often easier for the public to support a tax increase if it can be directly tied to a specific benefit that they support. A Debt Service Fund can provide a mechanism to finance projects in that way.

Capital Improvement Fund

Capital investment is critical to any long-term planning effort for a community. Yet since capital spending is completely discretionary, it is usually the first thing to get cut when budgets get tight. This can create a fiscal downward spiral, as public infrastructure falls into disrepair and service delivery becomes more expensive and inefficient.

Creating a Capital Improvement Fund provides a systemic budgeting mechanism dedicating resources to this critical need. For Cape Charles, based on our past experience and as a practical way forward, it is recommended that the Town set a policy committing a minimum of six percent (6%) of core general revenues to capital investment. Revenue of at least this amount would be transferred to the Capital Improvement Fund each year. This would provide sufficient funding to cover historic levels of capital spending (that have been funded from annual revenues). It can also provide a "safe" reserve for projects that may require several years of savings to realize.

All project specific grant revenues and/or proceeds associated with long-term project financing would be received and expended from this Fund. Since larger projects can often span multiple fiscal years, segregating project specific fund balances here instead of the General Operating Fund balance, helps maintain a clearer picture of the actual general government fiscal health.

Like the Debt Service Fund, the Capital Improvement Fund can also be used as mechanism to segregated additional dedicated revenue sources. Here again, a small tax increase could be initiated and dedicated to the specific purpose of either capital improvements in general, or a specific project. In either case, the public would be more likely to support a tax increase if they knew, and supported its purpose.

Revenue Policy

As a sub-set of the larger Budget Policy, revenue planning is essential. This is rarely done however. Theoretically, a budget is developed based on the needs or desires of the community (as determined by elected officials), and then a tax rate is set to cover those costs. The theory is that since expenditures are ultimately charged directly to the public, the public remains engaged in the process, ensuring budgets are reasonable and cost effective.

But as a practical matter, the general public hardly ever has the time or the information necessary to take on the role of the critical overseer outlined above. Public input during these processes generally resembles special interest groups advocating for their needs; and wanting cuts made elsewhere so that their taxes will not go up. This puts elected officials in a tough spot, where they seldom feel there is broad public support to increase revenue. This can lead to either underfunding requirements, or unstainable practices like taking on debt or drawing from finite reserves; the proverbial, "kicking the can down the road." Unfortunately, that road is only so long. If not dealt with in a strategic way, the long-term results can be truly unfortunate.

There is no comfortable way to address increased revenue (tax increases). Nobody wants to pay taxes. But if presented strategically, as part of a well thought out plan; most citizens are willing to shoulder their share of governmental obligations. What's key here is for the public to develop a feeling of trust and confidence in the process. When tax increases are proposed based on one-year spending plans, this confidence is undermined as there is no guarantee that government won't be back the following year and want even more.

So the task at hand is to develop reasonable long-term projections of future revenue needs. Projections that can account for the relentless effects of inflation, as well as what might be needed to achieve strategic long-term goals. This can be translated into a series of pre-planned revenue adjustments, associated with certain assumptions. Should assumptions develop as planned, tax increases would occur according to the prescribed schedule. By providing a reasoned long-term approach, credibility can be achieved and public buy-in becomes much more likely.

Tax revenues generally increase through growth of the tax base, an increase in the tax rates, or a combination of the two. Brand new taxes are also an option. Accurate assumptions regarding tax base growth is then key to planning, but really only amounts to a guess. We all hope that growth alone will generate the needed cash, but the reality is long-term planning is only possible if we are willing to underwrite that growth with rate increases when needed. Note, this same concept applies to setting fees for enterprise funds like those used for utilities.

For the purposes of this discussion, we will assume all public services provided by the Town will remain constant into the future. Obviously, if service levels increase, additional resources will be needed; just as fewer resources would be needed if service levels dropped. But we need to put those possibilities aside for the moment so we can discuss general policy.

At a minimum, strategic revenue planning should require increases equal to inflation. Inflation of course is never constant, but it is reasonable to use historic long-term averages. A planning goal of

2.5% of core revenue is probably a valid assumption. *Core Revenue* is defined as all general revenues, less all pass-through funds, all grant revenue, and all proceeds associated with debt.

Next, we need to ascertain whether current revenues are meeting current requirements. If we are operating with a structural deficit, that deficit must be addressed. The increase needed to balance the budget will be specific to the situation, and likely a bit painful upfront. But once balanced, maintenance should involve much less pain as it would be part of a longer-term strategy.

Beyond inflation and balancing the budget, are the resources needed to accomplish specific community-wide strategic goals. This would be layered on in addition to what was discussed above, and following formal strategic planning sessions where budgetary (revenue) constraints were known. Having a long-term revenue plan enables a more practical approach to this type of broader strategic community planning, as decision makers understand just what resources they have to work with. The planning horizon for this effort is somewhat arbitrary, but a reasonable suggestion might be to plan for the same period as the newly adopted Capital Asset Management Program, or six years.

Finally, we need to bring the public along. Once we land on a reasonable revenue program, a concerted effort must be made to articulate why revenue increases are important, and what the taxpayer is getting for their money. This is really much harder than it sounds, as most of what we do in local government is taken completely for granted.

Illustrative Example

In FY21 the Town experienced a structural operating deficit of approximately $225,000. Looking at the FY21 revenue options in the table below, it would seem that the source best capable of absorbing a deficit of that magnitude was real property tax.

			% of Major	% of Core
Real	$	1,223,505	57%	42%
Personal	$	140,000	6%	5%
BPOL	$	120,000	6%	4%
TOT	$	178,000	8%	6%
Meals	$	494,000	23%	17%
Major Sources	$	2,155,505		
Misc. other	$	752,376		26%
Total Core	$	2,907,881		

The real property tax rate for FY21 was $0.2731 per $100. To wipe out this deficit, that tax rate would have had to have been $0.320 per $100. Interestingly, the real property tax rate in 2017 and 2018 was $0.326 per $100, before the Council started the practice of reducing the tax rate to offset the increase in the tax base. Had the tax rate remained constant, the growth in the tax base would have provided the necessary resources. Long-term revenue planning can help anticipate these needs, potentially avoiding this type of volatility in tax rates.

Bringing it all Together

A number of fiscal policies have been presented representing one philosophic approach to better manage the Town's fiduciary responsibilities. It is important for these policies to be accepted or rejected based on these principles, rather than on any one specific situation. If approved, each policy should be authorized by a separate Council Resolution. Should approval of these broader policies occur, this presentation is meant to demonstrate how they could be put into practical application under the Town's current financial circumstance.

Note: the following analysis is based on the most recent financial audit (FY19) and the most recent annual budget (FY21).

Starting with Fund Balance management, there is not currently sufficient funds available for immediate compliance with the desired policy.   Such policy would need to be achieved over time and as a result of additional resources being prioritized for this purpose.

The audited unassigned General Fund balance, adjusting for the recommended cash transfer to the Harbor Fund is $1,264,881. The FY21 budget had a structural deficit of $224,498, which was funded with this available unassigned fund balance, leaving a surviving fund balance of only $1,040,383.

The amended FY21 general operating budget (not including capital or pass through money) is $2,929,379. Since the Harbor Fund is not a true enterprise fund and must be underwritten by the General Fund, we should include the operational expenses of the harbor to realize the Town's true general operating budget liability. Adding in the harbor, the FY21 general operating budget becomes $3,604,444.

According to the General Fund Balance policy, a General Operating Reserve is required, equal to 20% of the general operating budget. That would require a GOR of $720,889. Additionally, this policy would also require a Contingency Reserve of 10% of the general operating budget, or $360,444. Taken together, total General Fund reserves need to be $1,081,333. Unfortunately, this is $40,950 more than is currently available.

Due to the hierarchy of need presented with the policy, the GOR should take priority for available fund balances. Thus, we should fully fund the GOR. While we don't have the full 10% desired for the Contingency Reserve, we do have enough to fund it at the level discussed by the Council in January 2020 (rainy day fund discussion) at $250,000. This would leave $69,494 of "wiggle room". Over time, as additional resources become available, the CR could be increased to the full 10%.

The Budget Policy called for pre-determined percentages of Core General Revenue to be transferred to the Debt Service Fund (8%) and the Capital Improvement Fund (6%). Based on the FY21 budget this would represent transfers of $233,271 and $174,147 respectively.

While the transfer to the Capital Improvement Fund covers the amount of project funding that has been traditionally covered by annual revenues, it does not provide enough funding for the actual cost of the project schedule associated with the new Capital Asset Management Program. This deficiency must be considered, along with structural deficits, during long-term revenue planning.

Long-term Revenue Planning is really where the rubber meets the road and represents the most difficult step in the process. We must first get our heads above water, and then we need to figure out how to climb on to the boat.

Getting our head above water involves dealing with two primary revenue shortfalls: our operating deficits and funds sufficient for a meaningful capital program. These are best considered separately.

First the operating deficits, there are two, one in the General Fund and one in the Utility Fund. The General Fund deficit is the most significant and the result of revenues not keeping pace with expenditures for more than a decade now. The most appropriate way to deal with that deficit is to increase revenue from the only source large enough to solve the problem, real property tax. This can be achieved through a combination of accepting growth in the tax base and adjusting the tax rate. Together, this must be done to balance the budget next fiscal year. This would have the equivalent result of increasing the FY21 tax rate by 4.7 cents per $100 of assessed value. That would take the tax rate back very close to what it was three years ago.

As for the Utility Fund, overall rates have not really changed since just after the new wastewater plant opened in 2012. Until this year those fees were able to cover operations. But starting in FY21 we began to see a small operational deficit, and when combined with a needed capital expense, it eroded more than half of the available fund balance. As our facilities continue to age, more and more capital investment will be required. Unsolicited proposals notwithstanding, a professional long-term rate analysis needs to be done to program a sustainable ongoing rate structure that will include increases, probably as soon as next year.

Next we must identify a revenue source significant enough to fund a meaningful Capital Program. There are several possibilities, but one obvious choice would be to increase the meals tax by ½ percent and dedicate that revenue, in addition to the 6% allocation in the General Operating Fund, to the Capital Improvement Fund. This could generate an additional $50,000 per year, that when added to the standard allocation (6%), would provide just over $200,000 per year to work with. This does not come close to meeting all the needs in the CAMP project schedule, but it would allow for the most essential repairs and for leveraging some grant funding. Additional resources will eventually have to be found, but this should probably be seen as a minimum for the Town's capital needs.

Once our operations and programs become solvent, we need to keep them that way. This will involve a detailed discussion about expected growth patterns and community goals. A policy goal needs to be established to require revenue increases over a six-year planning horizon that will cover expected expenses, to include inflation. The specifics of what that might entail is beyond the scope of this presentation. But a policy resolution should be developed that details the process to be followed and the goal of staying in balance.

GENERAL FUND BUDGET HISTORY

	Revenue History*	GF Operating Expenses**	Revenue increase	Expenditure increase	Over/under
2020	$ 2,817,134	$ 2,917,073	11%	13%	$ (99,939)
2019	$ 2,527,809	$ 2,588,685	11%	15%	$ (60,876)
2018	$ 2,276,517	$ 2,249,123	7%	-1%	$ 27,394
2017	$ 2,130,673	$ 2,267,635	3%	12%	$ (136,962)
2016	$ 2,073,154	$ 2,021,628	-1%	3%	$ 51,526
2015	$ 2,096,821	$ 1,960,387	6%	9%	$ 136,434
2014	$ 1,970,534	$ 1,802,229	8%	0%	$ 168,305
2013	$ 1,826,635	$ 1,809,112	5%	7%	$ 17,523
2012	$ 1,738,605	$ 1,683,611	3%	-1%	$ 54,994
2011	$ 1,683,869	$ 1,704,744	-4%	-19%	$ (20,875)
2010	$ 1,746,696	$ 2,094,819	-1%	25%	$ (348,123)
2009	$ 1,756,543	$ 1,670,543			$ 86,000
		Average Change:	4%	6%	

* Total General Fund Revenue; less all grants, loans, and fund balance transfers

** Total General Fund Expenses; less capital expenditures and pass through grants

Cape Charles Tax Rate History
FY 2008 - FY 2021

Fiscal Year	Real Estate	PPT	Boat	TOT	Meals	Admissions	Short-Term Rentals	Vehicle/ Golf Cart License	Trailers	Notes
2021	0.2731	$2/100	$.01/100	3.7%	5.0%	3.0%	1.0%	$31.00	$18.00	
2020	0.2945	$2/100	$.01/100	3.7%	5.0%	3.0%	1.0%	$31.00	$18.00	
2019	0.2945	$2/100	$.01/100	3.7%	5.0%	3.0%	1.0%	$31.00	$18.00	
2018	0.3260	$2/100	$.01/100	3.7%	5.0%	3.0%	1.0%	$31.00	$18.00	
2017	0.3260	$2/100	$.01/100	3.7%	5.0%	3.0%	1.0%	$31.00	$18.00	equalized rate - no additional
2016	0.2759	$2/100	$.01/100	3.7%	5.0%	3.0%	1.0%	$31.00	$18.00	
2015	0.2759	$2/100	$.01/100	3.0 / 3.7%	5.0%	3.0%	1.0%	$31.00	$18.00	TOT increase effective 1/2015
2014	0.2759	$2/100	$.01/100	3.0%	5.0%	3.0%	1.0%	$31.00	$18.00	equalized + $.0085/100
2013	0.1828	$2/100	$.01/100	3.0%	5.0%	3.0%	1.0%	$31.00	$18.00	
2012	0.1828	$2/100	$.01/100	3.0%	5.0%	3.0%	1.0%	$31.00	$18.00	
2011	0.1828	$2/100	$.01/100	3.0%	5.0%	3.0%	1.0%	$31.00	$18.00	
2010	0.1828	$2/100	$.01/100	3.0%	5.0%	3.0%	1.0%	$31.00	$18.00	
2009	0.1628	$2/100	$.01/100	3.0%	5.0%	3.0%	1.0%	$27.00	$10.00	
2008	0.3008	$2/100	$.01/100	4.0%	5.0%	3.0%	1.0%	$27.00	$10.00	

Utility Rate History

Cape Charles Water & Wastewater Rates, 5,000 gallons/month

Year		Water	WW		Total
2011		50.89	44.33		95.22
2012		47.44	47.78		95.22
2013		42.39	73.18		115.57
2014		39.04	75.60		114.64
2015		39.05	75.33		114.38
2016		39.05	75.33		114.38
2017		39.09	75.33		114.42
2018		38.10	75.40		113.50
2019		40.83	74.33		115.16
2020		40.83	74.33		115.16

Debt Service History (Capital)

Actual Debt Service Payments	2020	2019	2018	2017	2016
General Fund:	$ 121,128	$ 122,583	$ 136,835	$ 120,609	$ 123,824
Harbor Fund:	$ 102,339	$ 102,591	$ 111,367	$ 147,354	$ 183,034
Utilities Fund:	$ 468,923	$ 467,419	$ 452,056	$ 315,890	$ 374,083
Total Debt Service:	$ 692,390	$ 692,593	$ 700,258	$ 583,853	$ 680,941

Operating Budgets:	2020	2019	2018	2017	2016
General Fund:	$ 2,835,445	$ 2,608,577	$ 2,219,589	$ 2,216,926	$ 1,984,719
Harbor Fund:	$ 693,009	$ 672,046	$ 665,590	$ 687,997	$ 1,020,744
Utilities Fund:	$ 1,147,211	$ 1,066,715	$ 1,069,962	$ 1,125,396	$ 1,156,928

Ratio of Debt Service to Op. Budget	2020	2019	2018	2017	2016	Average
General Fund:	4.3%	4.7%	6.2%	5.4%	6.2%	5.4%
Harbor Fund:	14.8%	15.3%	16.7%	21.4%	17.9%	17.2%
GF & Harbor:	6%	7%	9%	9%	10%	8.2%
Utilities Fund:	40.9%	43.8%	42.2%	28.1%	32.3%	37.5%

Capital Spending History - General Fund

	2020 Budgeted	2020 Actual	2019 Budgeted	2019 Actual	2018 Budgeted	2018 Actual	2017 Budgeted	2017 Actual	2016 Budgeted	2016 Actual
Total Capital Budget:	$ 1,438,000	$ 180,513	$ 1,667,500	$ 538,339	$ 905,800	$ 556,234	$ 1,423,600	$ 1,300,448	$ 1,423,600	$ 223,946
Funded by Annual Revenues:	$ 284,133	$ 60,756	$ 132,733	$ 44,812	$ 67,800	$ 71,795	$ 15,000	$ 4,670	$ 15,000	$ 10,972
Funded by Fund Balance:	$ 340,000	$ 92,715	$ 100,000	$ -	$ 105,000	$ 99,221	$ 70,000	$ 50,768	$ 70,000	$ 5,000
Funded by Grant:	$ 760,000	$ 27,042	$ 1,168,300	$ 373,634	$ 589,400	$ 216,815	$ 1,029,250	$ 869,373	$ 1,029,250	$ 35,890
Funded by Debt:	$ 53,867	$ -	$ 266,467	$ 119,893	$ 143,600	$ 168,403	$ 309,350	$ 375,637	$ 309,350	$ 172,084
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By Percentage	2020 Budgeted	2020 Actual	2019 Budgeted	2019 Actual	2018 Budgeted	2018 Actual	2017 Budgeted	2017 Actual	2016 Budgeted	2016 Actual
Funded by Annual Revenues:	20%	34%	8%	8%	7%	13%	1%	0%	1%	5%
Funded by Fund Balance:	24%	51%	6%	0%	12%	18%	5%	4%	5%	2%
Funded by Grant:	53%	15%	70%	69%	65%	39%	72%	67%	72%	16%
Funded by Debt:	4%	0%	16%	22%	16%	30%	22%	29%	22%	77%

Average Annual Amount

Total Capital Budget (Actual):	$ 559,896		General Fund & Harbor:	$ 1,055,992	
Funded by Annual Revenues:	$ 38,601	7%		$ 41,261	4%
Funded by Fund Balance:	$ 49,541	9%		$ 317,585	30%
Funded by Grant:	$ 304,551	54%		$ 527,543	50%
Funded by Debt:	$ 167,203	30%		$ 169,603	16%

Capital Spending History - Public Utilities Fund

	2020 Budgeted	2020 Actual	2019 Budgeted	2019 Actual	2018 Budgeted	2018 Actual	2017 Budgeted	2017 Actual	2016 Budgeted	2016 Actual
Total Capital Budget:	$ 73,000	$ 41,034	$ 86,000	$ 68,932	$ 518,000	$ 88,156	$ 745,000	$ 239,843	$ 745,000	$ 63,741
Funded by Annual Revenues:	$ 73,000	$ 41,034	$ 86,000	$ 68,932	$ 18,000	$ 32,000	$ 104,304	$ 99,147	$ 104,304	$ 54,050
Funded by Fund Balance:	$ -	$ -	$ -	$ -	$ -	$ 56,156	$ -	$ -	$ -	$ -
Funded by Grant:	$ -	$ -	$ -	$ -	$ -	$ -	$ 125,000	$ -	$ 125,000	$ -
Funded by Debt:	$ -	$ -	$ -	$ -	$ 500,000	$ -	$ 515,696	$ 140,696	$ 515,696	$ 9,691
	-	-	-	-	-	-	-	-	-	-

By Percentage

	2020 Budgeted	2020 Actual	2019 Budgeted	2019 Actual	2018 Budgeted	2018 Actual	2017 Budgeted	2017 Actual	2016 Budgeted	2016 Actual
Funded by Annual Revenues:	100%	100%	100%	100%	3%	36%	14%	41%	14%	85%
Funded by Fund Balance:	0%	0%	0%	0%	0%	64%	0%	0%	0%	0%
Funded by Grant:	0%	0%	0%	0%	0%	0%	17%	0%	17%	0%
Funded by Debt:	0%	0%	0%	0%	97%	0%	69%	59%	69%	15%

Average Annual Amount

Total Capital Budget (Actual):	$ 100,341	
Funded by Annual Revenues:	$ 59,033	59%
Funded by Fund Balance:	$ 11,231	11%
Funded by Grant:	$ -	0%
Funded by Debt:	$ 30,077	30%

Capital Spending History - Harbor Fund

	2020 Budgeted	2020 Actual	2019 Budgeted	2019 Actual	2018 Budgeted	2018 Actual	2017 Budgeted	2017 Actual	2016 Budgeted	2016 Actual
Total Capital Budget:	$ 781,245	$ 541,317	$ 1,013,000	$ 1,046,834	$ 883,000	$ -	$ 937,000	$ 34,250	$ 937,000	$ 858,081
Funded by Annual Revenues:	$ 7,500	$ 7,500	$ 8,000	$ 5,800	$ 8,000	$ -	$ -	$ -	$ -	$ -
Funded by Fund Balance:	$ 398,745	$ 282,420	$ 744,500	$ 813,533	$ 642,000	$ -	$ 243,250	$ 22,250	$ 231,250	$ 222,020
Funded by Grant:	$ 375,000	$ 251,397	$ 260,500	$ 227,501	$ 233,000	$ -	$ 693,750	$ -	$ 693,750	$ 636,061
Funded by Debt:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,000	$ 12,000	$ -
	-	-	-	-	-	-	-	-	-	-

By Percentage

	2020 Budgeted	2020 Actual	2019 Budgeted	2019 Actual	2018 Budgeted	2018 Actual	2017 Budgeted	2017 Actual	2016 Budgeted	2016 Actual
Funded by Annual Revenues:	1%	1%	1%	1%	1%	n/a	0%	0%	0%	0%
Funded by Fund Balance:	51%	52%	73%	78%	73%	n/a	26%	65%	25%	26%
Funded by Grant:	48%	46%	26%	22%	26%	n/a	74%	0%	74%	74%
Funded by Debt:	0%	0%	0%	0%	0%	n/a	0%	35%	1%	0%

Average Annual Amount

Total Capital Budget (Actual):	$ 496,096	
Funded by Annual Revenues:	$ 2,660	1%
Funded by Fund Balance:	$ 268,045	54%
Funded by Grant:	$ 222,992	45%
Funded by Debt:	$ 2,400	0%

Capital Spending History - Sanitation Fund

	2020 Budgeted	2020 Actual	2019 Budgeted	2019 Actual	2018 Budgeted	2018 Actual	2017 Budgeted	2017 Actual	2016 Budgeted	2016 Actual
Total Capital Budget:	$ 10,000	$ 11,858	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Funded by Annual Revenues:	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Funded by Fund Balance:	$ 10,000	$ 11,858	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Funded by Grant:	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Funded by Debt:	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-	-	-	-	-

By Percentage

	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
Funded by Annual Revenues:	0%	n/a	n/a	n/a	n/a
Funded by Fund Balance:	100%	n/a	n/a	n/a	n/a
Funded by Grant:	0%	n/a	n/a	n/a	n/a
Funded by Debt:	0%	n/a	n/a	n/a	n/a

Average Annual Amount

Total Capital Budget (Actual):	$ 2,372	
Funded by Annual Revenues:	$ -	0%
Funded by Fund Balance:	$ 2,372	100%
Funded by Grant:	$ -	0%
Funded by Debt:	$ -	0%