

CAPITAL IMPROVEMENT PLAN

Exhibit E

Fiscal Years 2016 - 2020

**LOCKBOX RESERVES FOR FUTURE CAPITAL PROJECTS**

*All amounts in thousands (000)*

<b>City Lockbox</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Opening Balance	\$ 886	\$ 4,540	\$ 10,047	\$ 8,997	\$ 6,928	\$ 6,779
Locked Revenue:						
Annual contribution	\$ 6,350	\$ 15,050	\$ 17,890	\$ 18,190	\$ 20,460	\$ 21,645
1¢ on real estate tax rate	2,145	2,207	2,252	2,297	2,342	2,389
Total Locked Revenue	\$ 8,495	\$ 17,257	\$ 20,142	\$ 20,487	\$ 22,802	\$ 24,034
Total Funds Available	\$ 9,380	\$ 21,798	\$ 30,189	\$ 29,483	\$ 29,731	\$ 30,813
Use of Lockbox:						
Debt service	\$ 4,083	\$ 6,022	\$ 14,668	\$ 18,502	\$ 20,611	\$ 21,295
Transfer to Capital Projects	757	5,728	6,524	4,053	2,341	2,048
Total Uses	\$ 4,840	\$ 11,750	\$ 21,192	\$ 22,555	\$ 22,952	\$ 23,343
Ending Balance	\$ 4,540	\$ 10,047	\$ 8,997	\$ 6,928	\$ 6,779	\$ 7,470

Starting in FY 2016, the annual contribution to the City lockbox is increased by \$1 million to account for the historical funding level of facility renewals outside of the lockbox. Starting in FY 2016, all facility renewals are funded within the lockbox.

<b>School Lockbox</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Opening Balance	\$ 6,432	\$ 1,442	\$ 5,198	\$ 8,791	\$ 9,586	\$ 9,366
Locked Revenue:						
Annual contribution	\$ 10,306	\$ 18,006	\$ 20,846	\$ 21,146	\$ 23,416	\$ 24,640
Hotel tax - 3¢	1,938	2,000	2,040	2,081	2,122	2,165
1¢ on real estate tax rate	2,145	2,207	2,252	2,297	2,343	2,389
South Norfolk TIF	1,000	1,000	1,000	1,000	1,000	1,000
Other locked funds	-	-	-	-	-	-
Total Locked Revenue	\$ 15,389	\$ 23,213	\$ 26,138	\$ 26,523	\$ 28,881	\$ 30,194
Total Funds Available	\$ 21,821	\$ 24,655	\$ 31,336	\$ 35,314	\$ 38,467	\$ 39,560
Use of Lockbox:						
Debt service	\$ 13,693	\$ 13,320	\$ 17,045	\$ 20,228	\$ 23,602	\$ 26,464
Diversion to School Operating Budget	-	1,387	-	-	-	-
Transfer to Capital Projects	6,686	4,750	5,500	5,500	5,500	5,500
Total Uses	\$ 20,379	\$ 19,457	\$ 22,545	\$ 25,728	\$ 29,102	\$ 31,964
Ending Balance	\$ 1,442	\$ 5,198	\$ 8,791	\$ 9,586	\$ 9,366	\$ 7,596

Starting in FY 2016 the non-dedicated annual contribution to the two lockboxes is increased by the annual reduction in the pre-lockbox debt service requirements. The reduction in pre-lockbox debt is shared equally between the City and the School lockboxes. Under this proposal, annual locked revenue increases by \$14.0 million in each lockbox between FY 2015 and FY 2020.

Starting in FY 2020, we propose increasing such contributions by one-percent each year in order to partially address inflationary impacts on capital resources.