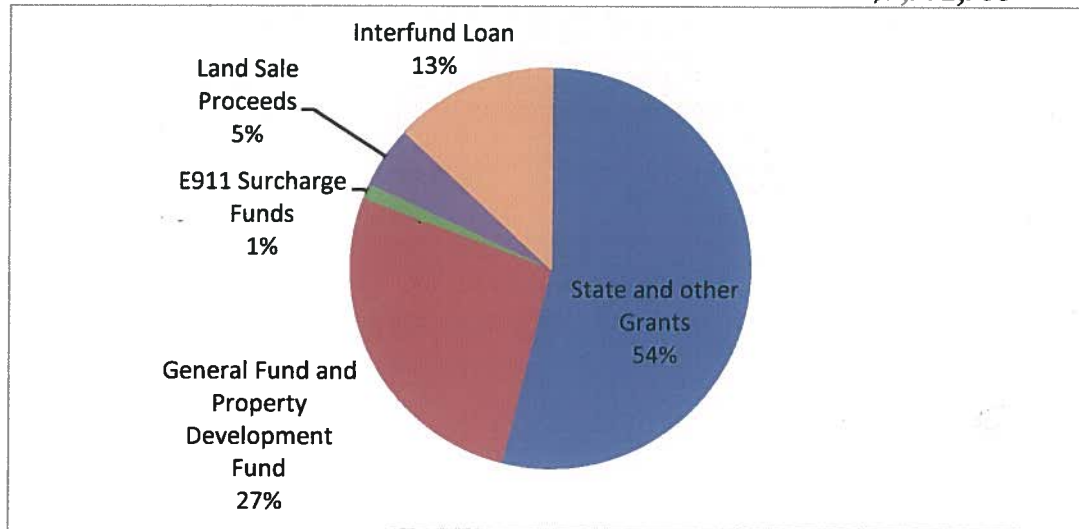


Proposed Funding for Municipal / Police Building Renovation Project Funding Proposal

<i>State and Other Grants</i>	\$ 5,372,203
<i>General Fund and Property Development Fund</i>	\$ 2,675,730
<i>E911 Surcharge Funds</i>	\$ 125,000
<i>Land Sale Proceeds</i>	\$ 500,000
<i>Interfund Loan from the Electric Fund</i>	\$ 1,300,000
Total	\$9,972,933



State and Other Grants: State Legislative Grants (\$5,220,203), Homeland Security Grant (\$149,000), Mental Health Grant (\$3,000)

General Fund and Property Development Fund: In 2015 the Assembly approved the use of the \$950,730 General fund surplus for the building project. In 2016 the Assembly approved a budgeted \$200,000 general fund expense to help fund the project. *Proposed: to use \$400,000 from the property development fund (\$500,000 current balance) and an additional \$1,125,000 from the general fund (\$4,397,561 current balance) for the project.*

E911 Surcharge Funds: E-911 special revenue funds are restricted for the operating, maintenance and improvement of Petersburg Borough's enhanced E911 emergency communications system. *Proposed: to use \$125,000 on radio communication system updates that are included in the project costs. The current balance of this fund as of December 2015 is \$125,000.*

Land Sale Proceeds: Sale proceeds from Borough land are required to go into the Property Development fund. This fund's main purpose is to provide funding for the purchase and development or improvement of real property owned by the municipality. Propose that sale proceeds from three borough parcels go towards the building renovation project. Proposed sales are the H&W commercial property (\$265,000 assessed value), and two Sandy Beach Road parcels (assessed at \$65,000 and \$175,000). The Borough is considering selling additional Borough owned parcels at a later date. *All parcels put up for auction will need Assembly approval.*

Interfund Loan: If needed, the General Fund will borrow funds from the Electric fund at 1.5% interest for up to 8 years in an amount not to exceed \$1,300,000. The general fund will use annual fish tax revenue to make the payments, while ensuring that the Harbor fund receives \$350,000 annually to assist in building the harbor fund reserves.