

## **Council Endorses 2011 Capital Projects**

At its monthly work session on January 31, the City Council affirmed its intent to move forward with borrowing for \$802,000 worth of capital projects in 2011.

In keeping with the times, the projects planned for 2011 are fairly modest in scope, aimed at maintaining what we have. City capital budgets fund a variety of repair and replacement projects, involving streets, public buildings, and vehicle replacements, all to be financed with 10-year notes.

Specific capital investments planned for 2011 include:

\$255,000 for street work, mostly basic street and sidewalk repairs. The only street reconstruction planned is the one-block section of Lake Street by McDonalds and Seagull Marina.

\$125,000 for maintaining and repairing storm water structures, including main replacement and repairs to catch basins and manholes.

\$77,500 in repair and replacement work at the DPW garage—roof work, replacement of a vehicle hoist, furnace replacement.

\$200,000 for Public Works vehicle and equipment replacement.

\$110,000 for Parks projects: repairs to the parking lots at the beach, repairs and resealing of tennis courts at L.B. Clarke and Washington Park, playground equipment replacement. \$25,000 for a replacement leaf vacuum used in the parks and cemetery.

\$55,000 for replacing the boilers and water heaters at City Hall. As we approach the 20-year anniversary of 1992-93 renovation project, there is a need to re-invest in this building, as well.

As discussed in my column last week, 2011 is also the “kickoff year” for the 17<sup>th</sup> Street Bridge replacement project. That project is scheduled for bidding in August; dismantling of the old bridge should start in the Fall.

While the City won't be paying many bridge-related bills in 2011, we do plan to borrow the \$2.8 million local share (20 percent) of this \$14 million project later this year. That way, the funds are on hand to cover bills that will come from Wisconsin DOT during and following project construction.

The City will issue 3-year notes for this project, to be re-financed as 20-year bonds after the project is completed and all costs are incurred.

Current plans call for the bridge project to be completed in mid-summer 2013.

The City's current capital spending plans call for issuing about \$7.6 million in new debt over the next five years. That sounds like a big number, and it is. But it is also worth noting that the City plans to retire about \$8.6 million in existing debt principal over that same period, reducing total outstanding debt by \$1 million.

A summary of the City's planned capital projects borrowing for 2011-15 can be viewed on our website, [www.two-rivers.org](http://www.two-rivers.org).

### **City, Police Union Approve New Two-Year Contract**

The Two Rivers City Council at its meeting of February 7 gave preliminary approval to a new, two-year bargaining agreement with Two Rivers Police Local 13. A formal resolution ratifying the new contract will be presented at the next Council meeting.

The union, whose membership has also approved the new agreement, represents TR's 15 full-time police officers, one part-time officer and one Detective Sergeant.

The two-year agreement calls for a wage freeze in 2011 (following a freeze in 2010), and a 2 percent wage increase in 2012. The union's last pay raise, 3 percent, was in 2009.

(It is worth noting that the PD's nine management employees, including the Chief, Captains and Lieutenants, are now in the third year of a pay freeze. 'Same goes for all other management employees of the City.)

The agreement also provides for the elimination of post-retirement health insurance benefits for future hires. That change won't save taxpayers any money in the near future, but it does begin the phase-out of a very expensive benefit that has been provided to City employees for many years. Police officers will also receive slight enhancement in their "paid days off" benefit.

The City's current cost for retiree health insurance benefits, taking into account retirees from all departments, is about \$450,000.

The City appreciates the cooperation shown by Local 13's negotiating committee and membership in reaching this new agreement.

Negotiations with the City's five other employee bargaining units continue. All City union contracts expired as of December 31, 2010.

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