

2008 Budget Continues Aggressive Capital Investment

Past Ten Years Have Seen Major Investments

No question about it, the City of Two Rivers has made investment in its infrastructure a major priority for the past ten years.

The results of this investment are evident all over, from the “new” library that just celebrated its tenth anniversary, to the new fire station completed in 2001, to the renovated Hamilton Community House, re-dedicated in 2006.

Working closely with the Wisconsin Department of Transportation, TR has leveraged millions of dollars in State funding to upgrade major traffic arteries and bridges: 22nd Street, Washington Street, and now the Madison Street bridge project have been some of the larger projects.

New recreational trails and park facilities have added to the quality of life in our city. Mariners Trail, Rawley Point Trail, and Washington Park are all new within the past ten years. Plus a skate park, a dog park and upgraded facilities at Neshotah Beach.

City utilities have seen major investment, as well. The water filtration plant was upgraded with state-of-the-art ultrafiltration facilities in 2005-06. The electric utility developed a city-wide fiber optic network, and expanded its Columbus substation to serve ever-growing loads. The wastewater treatment plant is now in the process of a major upgrade—the first complete overhaul of that important facility since 1975.

2008 Budget Keeps Up the Pace of Investment

The proposed 2008 Budget now before the City Council seeks to continue this aggressive investment in Two Rivers future, while adhering to reasonable debt policies recommending only modest tax increases.

The budget proposes issuing \$1.4 million in new tax-supported debt in 2008 (all ten-year debt) for capital projects, while retiring a like amount of existing debt principal. That will keep our city at 57 percent of its statutory debt limit (\$15.6 million, out of a limit of \$27.3 million), within the 60 percent limit set by City policy.

What will this borrowing pay for?

--For starters, the local match of \$273,250 on the Madison Street Bridge/16th Street project. (Additional water and sewer utility borrowing will pay for the replacement of underground infrastructure on that project.)

--\$100,000 for asphalt paving work on City streets, including the City’s share on a planned resurfacing of CTH O (Sandy Bay Road) from Lincoln Avenue to the City limits (and on north to CTH VV, as a County-funded project). Plus \$135,000 for routine

sidewalk, curb and gutter, and concrete pavement replacement. And \$20,000 for extending the City's sidewalk network to new areas.

--If we are so lucky as to get a \$640,000 DOT grant for a new north side bike trail to the high school, the budget contains \$80,000 to cover half of the \$160,000 local match. The City would look to the School District and community fund-raising to cover the other \$80,000. (Word on this grant is expected by January 2008.)

--\$465,000 for storm water management activities, from routine video inspection and repairs to "compliance activities" (a new vacuum sweeper or new storm water ponds) to meet the new DNR mandates. There may ultimately be a City storm water utility, but 2008 project financing is presented as tax-supported debt.

--\$100,000 in continued design work on replacement/rehabilitation of the 17th Street Bridge. This project has yet to get a final "green light" from the City Council, and will be further discussed in the first quarter of the new year.

--\$50,000 to aid a \$200,000 "facelift" at the Senior Center—the rest will come from donations—plus \$10,000 for upgrading work areas at the Parks and Rec offices (not touched during the Community House project). Also, routine riding mower replacement and a "new" used backhoe for the cemetery (\$53,000 total).

--\$62,000 for rehab work at City Hall (heating system and outdoor parking deck) and \$55,000 for re-roofing the City's 19,000 SF business incubator building round out the list of capital projects for 2008.

2008-12 Borrowing Plan Reflects 17th Street Bridge, Storm Sewer Work

A five-year capital plan presented with the 2008 Budget anticipates borrowing \$9.74 million over the next five years, while retiring \$7.75 million in existing debt. With this \$2 million net increase in tax-supported debt, the City could:

--Replace the 17th Street Bridge with a new structure (\$2.8 million local investment in a \$14 million project, with the balance from already-secured Federal funds).

--Invest \$2.3 million in storm water management activities; this may be a little on the light side, but we plan to aggressively seek State grants to assist these efforts.

--Fund the \$470,000 local match on the rebuilding of 12 blocks of Lincoln Avenue (STH 42), planned for 2012

--Fund local match on the rebuilding of 45th Street/CTH VV, planned for 2011

--Continue to fund routine repairs to sidewalks, to streets, park facilities and municipal building, and replacement of major pieces of equipment like dump trucks and ambulances.

The City would need to increase its annual tax levy by about six percent (\$240,000) total over the next four years to fund this level of activity. That's a \$50 annual impact on the owner of a property assessed at \$100,000 (less, if there is growth in the tax base). And if TR's equalized valuation grows at a modest 2 percent annually for the next five years, the City would stay just below 60 percent of its statutory debt limit.

(Note: If storm sewer investment was funded by a utility, the City would be at only 52 percent of its debt limit for tax-supported debt.)

Bottom line: We Can Do It. If the taxpayers of Two Rivers want to continue investing in our community's future, with projects cited above, including the 17th Street bridge replacement, we can do it. We can do it while keeping debt levels at manageable levels and without needing a large tax increase to pay for these investments.

Budget Hearing is November 26

The public hearing on the City's proposed 2008 Budget will be held on Monday, November 26 at 6:00 PM in the City Council chambers at City Hall

For more information on the proposed 2008 City Budget, go to www.two-rivers.org or stop and browse through a copy at the Finance Department at City Hall or the Reference Desk at the Lester Public Library.

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