

## Borrowing surplus prompts city spending

Written by Kristyn Halbig Ziehm  
Wednesday, 17 February 2010 19:48

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### Port officials dip into \$311,000 left from 2008 loan to buy new heating, ventilation system for recreation office

Port Washington officials found themselves in an unusual position Tuesday, looking for a way to spend money instead of save it.

The city has almost \$311,000 from a 2008 borrowing left in its coffers, but arbitrage rules will only allow the city to hold \$215,000 of those funds after two years, a deadline that will occur in March, City Administrator Mark Grams said.

About \$90,000 of the \$311,000 is owed for projects done with the borrowed money, he said, leaving the city with about \$6,000 to spend to get under the cap, he said.

Aldermen agreed Tuesday to use \$55,500 to replace the water heater and heating, ventilating and air conditioning system at the Park and Recreation Department, a project they said is not only essential but that will ultimately save the city money.

“It (the current system) is really oversized and inefficient,” said Ald. Tom Hudson, chairman of the Finance and License Committee.

City Administrator Mark Grams was even more blunt.

“It’s failing,” he said. “That’s got to get done.”

Replacing the system is expected to significantly reduce fuel costs for the department, Hudson noted.

The Common Council agreed to buy a new HVAC system for \$52,871 from J&H Heating and a new water heater for \$2,675 from Greisch Plumbing and Heating.

“It’s nice to see we’re using local contractors,” Ald. Mike Ehrlich said.

The rest of the money should be used to offset the cost of the city’s 2009 and 2010 capital projects, aldermen agreed.

It is unusual for the city not to spend the full amount it borrows for capital projects,

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Grams said.

However, the 2008 borrowing included some projects that officials decided against doing because of budget concerns, most notably the reconstruction of Portview Drive from Spring Street north to about Willow Road, Grams said.

That roadwork was projected to cost about \$300,000, he said.

Instead of doing the roadwork, the city opted to use some of the borrowed funds for items originally in its capital outlay budget, Grams said.

He noted that the city could still opt to include the Portview Drive work in its 2010 borrowing, which is also expected to include funds for the reconstruction of Chestnut and Division streets, Highway 33 from Summit Drive west to Jackson Road and a portion of Sunset Road.