

## Village Board sticks with capital plan

Written by Mark Jaeger

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Although officials are still concerned they are stretched thin financially, the Saukville Village Board agreed last week to stick with an earlier five-year capital financing plan.

When the village's financial planner, Michael Harrigan, a senior financial adviser with Ehlers, presented the plan late last year, trustees were apprehensive about using so much of the community's borrowing power.

"Based on this analysis, we project that the village would use just over 75% of its general obligation debt capacity for one year, 2011," Harrigan wrote in a summary of the plan.

Previously, village officials said they did not want to borrow more than 65% of the debt capacity because the ratio is closely scrutinized when the village's credit rating is established.

According to the projected borrowing schedule, the village would exceed that self-imposed debt limit for each of the next four years, dropping to 62.5% of debt capacity in 2014.

A community's debt capacity is determined by calculating 5% of its taxable property value.

The village's borrowing outlook improved earlier this year when a new agreement was negotiated with the Wisconsin Department of Transportation on next year's Highway 33 reconstruction project.

A revised memorandum of understanding says the DOT will pay for 30% of all right-of-way acquisition costs from Northwoods Road to the northbound I-43 ramps. In the previous agreement with the DOT, dating to March 2008, the village was to cover all the acquisition costs.

The cost of that land is still being negotiated, largely with the owners of property in the areas where two roundabouts are being proposed — at the Highway 33 intersections of Northwoods Road and Market Street.

The state is handling those negotiations.

Trustees took a closer look at other items on the borrowing schedule last week and concluded there was little left to cut or defer to later dates.

Over the next five years, paving is planned on several village roads, including North Mill Street, Mayfair Drive, Colonial Parkway and Linden Street.

The projected cost of each of those projects is between \$160,000 and \$250,000.

Village President Barb Dickmann urged trustees to avoid the temptation to postpone the road projects.

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“If we start allowing our streets to go downhill, that becomes a slippery slope. I am afraid we might never get them back to where we want them,” Dickmann said.

“I don’t think we are being fiscally responsible if we take all of this out just to pay for Highway 33.”

Trustee Bob Hamann said even putting off the road projects has a downside.

“It is not going to be any cheaper next year,” Hamann warned.

The village is already poised to purchase a pumper truck for the fire department this year at a projected price of more than \$500,000. The existing truck was purchased in 1967, and the pump no longer functions.

Two truck purchases are planned for the Department of Public Works. A dump truck, with a projected \$75,000 price tag, would be purchased in 2011, replacing a 1998 vehicle, and a \$175,000 patrol truck in 2012, replacing a 2000 vehicle.

“I don’t think following a 10-year replacement cycle is being excessive by any stretch. I think it is being quite conservative,” Dickmann said.

Trustees accepted justifications for all of the purchases and left the capital plan intact.

The gloom of the tight borrowing schedule was brightened some by Harrigan’s suggestion that the village could save \$81,000 by refinancing 2002 general obligation bonds. Officials agreed to pursue those savings.