

Can county come to grips with borrowing? plan

Written by BILL SCHANEN IV

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Board weighs bonding for list of items that range from essential maintenance to nature preserve contribution

The Ozaukee County Board was expected Wednesday to finalize plans for something it rarely does — borrow money.

After the lengthy process of vetting dozens of proposals, the county has compiled a list of 14 projects totalling \$9.9 million — all, some or none of which could be financed through borrowing.

“We have plenty of (borrowing) capacity to do all the projects, but it will come down to political will,” County Administrator Tom Meaux said.

The projects are broken into categories — \$5 million in essential maintenance, which includes everything from deferred road projects to tuck-pointing historic buildings; \$3.7 million to address long-term needs; and \$1.2 million in value-added projects. The last category includes \$600,000 to help purchase the former VK Development property on the far south side of Port Washington to create a county-owned nature preserve.

County Board Chairman Lee Schlenvogt has said a historically conservative board that has been loath to borrow money may now be willing to issue bonds for essential projects the county has been unable to pay for within its shrinking budget. But, he said, projects seen as optional, like the purchase of land, may be a tough sell.

“I get the feeling from supervisors that they’re not that interested in the non-essential items on our list, and purchasing a nature preserve is definitely considered non-essential,” Schlenvogt said during an interview earlier this month.

But particularly attractive interest rates may sway some supervisors.

“I think it’s a good thing to be conservative, but there’s nothing wrong with using our great credit and taking advantage of historically low interest rates to make an investment in our infrastructure,” Meaux said.

Borrowing \$5 million would add 5 cents per \$1,000 of equalized value to the county tax rate annually for 10 years. That would add about \$10 a year to the tax bill of a person who owns a \$200,000 home.

Borrowing \$10 million would add 7 cents to the tax rate, increasing the tax bill on a \$200,000 home by about \$14 a year.

But the length of the loan would increase from 10 to 20 years and the total interest paid would increase from \$743,829 under the \$5 million scenario to \$3.4 million if the county bonds for 10 years.

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The county currently has \$10.5 million in debt and can borrow just less than an additional \$11 million under its debt limit.

If the board finalizes the list of projects Wednesday, it would vote on the borrowing on June 5. A motion to borrow requires the support of three-quarters of the board.

“Ultimately, you need 20 votes,” Meaux said. “That’s a pretty tough nut to crack with 26 supervisors.”