

From the Mayor...

September 7, 2018

In this column, I typically examine an issue of current interest and provide perspective from the Mayor's Office. It's not going to be that simple this month. We are extremely busy. Given the significant amount of current projects occurring in our community, the ongoing 2019 budget process, and the upcoming sewage rate hearings, we need to catch-up with everything going on. Here it goes.

With a substantial amount of utility work completed, curb and road construction connecting Buffalo and Indiana streets now becomes the focus of the North Buffalo Street project. The work should be completed next month, and, weather permitting, the plan is to begin townhouse construction later this fall.

Phase two of the Market Street reconstruction (from Bronson St. to Hickory St.), will commence this fall with tree removal and other utility work. The road will remain open this fall and winter but may be subject to some lane restrictions. A public meeting with the residents and business owners in the affected neighborhood will be held at 5:30 p.m. on September 10 at City Hall to go over the project timeline. Market Street will closed when construction begins in the spring.

The 300 North road, bridge, and pedestrian path construction from Sheldon Dr. to Silveus Crossing is designed to improve safety and connectivity to Madison School. Bridgework will finish up this fall and the road will open. Roadwork east of the bridge will begin in the spring of 2019 and include a roundabout, at 300 North and Sheldon. These improvements are designed to improve safety with the significant amount of residential and commercial traffic occurring in this fast growing area.

Our annual budgeting process will culminate in October with the adoption of the city's 2019 spending plan. Like all taxpayers and business owners, expense forecasting is a challenge when facing the certainty of uncertain inflation and unforeseen expenses.

As a result of community growth and improvements leveraged with public and private investment, the city's 2019 assessed value (AV) has increased \$38 million dollars. This 4% increase in the assessed valuation favorably creates downward pressure on the local tax rate. It is a beneficial consequence of growth and progress. Unless we move forward, we will struggle with the consequences of declining AV.

As we have discussed at length in this column, a State Revolving Loan will fund a \$29 million dollar requisite expansion of our sewage treatment plant. These favorable loans are only available to municipal utilities and will save us millions of dollars in discounted interest over the life of the loan.

A utility rate increase will be necessary to fund the cost of the plant expansion. The preliminary rate increase was calculated utilizing a 2005 Cost of Service Study (COSS). Gradually the impact of major utility improvements since 2005, a switch to

residential metered flow, and changing customer classes rendered the 2005 COSS less valid.

A new COSS was recently completed that establishes a fiscally sound basis for updating the rate structure. Quite simply, it examines all the cost components of conveying and treating sewage to create a uniform cost per unit structure.

We are very busy! Your elected officials and city employees are working hard to spend dollars wisely and leverage those dollars to create and grow opportunity in our community!