



# Advisory Referendum: Roadway Funding

Public Information Meeting

March 21, 2019

# Welcome & Introductions

- Tony Brown, Town Administrator
- Thad Majkowski, Town Engineer
- Cynthia Sieracki, Town Clerk/Treasurer
- Cathy Bolwerk, Deputy Clerk/Treasurer

# Agenda

- Presentation (30 minutes)
  - Ground Rules & Housekeeping
  - What is the Intention of This Meeting?
  - When & Where is the Advisory Referendum?
  - Why is the Town Having an Advisory Referendum for Road Funding?
  - Potential Road Funding Solutions
  - Next Steps
- Review & Answer Submitted Questions (30 minutes)

# Ground Rules & Housekeeping

- Please listen and speak with respect.
- Please refrain from yelling, cheering, clapping and/or accusations.

# What is the intention of this meeting?

- This is a Public Information Meeting to present information and answer questions pertaining to roadway funding.

**This meeting is for you to understand the topic better.**

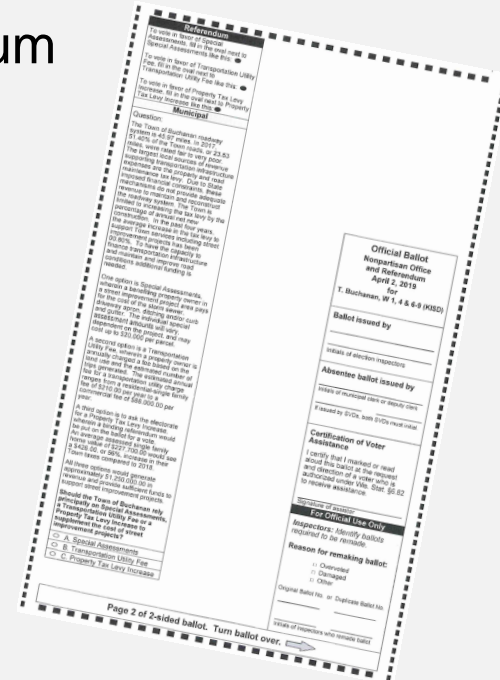
- Questions → Completely fill out comment sheet → Raise your hand and Clerk will get sheet from you.

# When & Where is the Advisory Referendum?

- The Town is having an advisory referendum to obtain resident feedback about future roadway funding.

**The Town Board wants your opinion.**

- The Spring General Election is on Tuesday, April 2, 2019 at Town Hall.



# Why is the Town having an Advisory Referendum?

- There are number of reasons why roadway funding is an issue. The following reasons will be discussed:
  - ✓ Infrastructure Conditions
    - Drainage
    - Existing Town Roads & Road Surfaces
  - ✓ Town Financing Structure
    - State Levy Limits & Aid
    - Debt Utilization
    - Roadway Funding Sources

# INFRASTRUCTURE CONDITIONS




# Drainage

- Comprehensive Drainage Study (2011)
  - Review drainage problems west of DeBruin Road in the urbanized area of the Town.
- Areas Studied (3)
  1. Springfield Drive (Subdivision – Glenbrooke Estates, Lavender Downs, Pinecrest Estates, Country Breeze Estates & Kirk and Gosz)
  2. Hank Drive (Subdivision - Van Handel Plan, B&R Plat & Homestead)
  3. Hickory Park (Hickory Park Estates Subdivision)
- Finding
  - Lack of grade - ditches had predominantly less than 1% longitudinal slopes in all areas

# Drainage

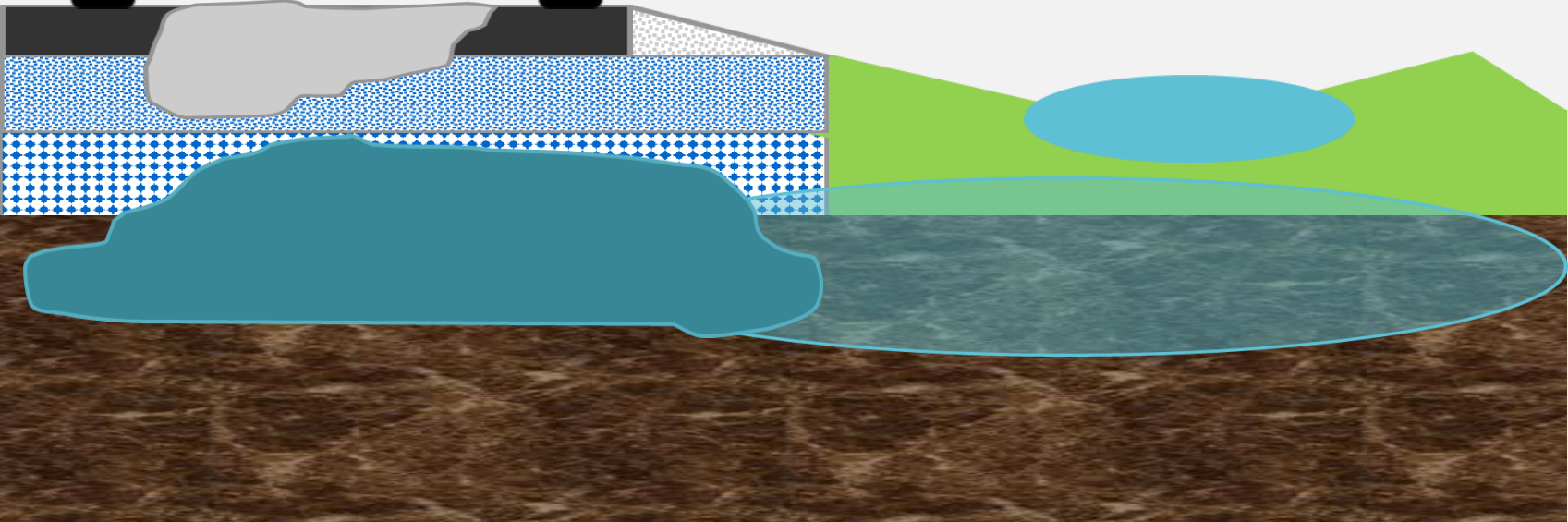
Proper Drainage is KEY

- A proper road drainage system has four major elements –
  1. Road Surface
  2. Shoulders (Road Edge)
  3. Ditches
  4. Culverts  or Curb & Gutter



# Drainage

## Bad Road Base Drainage





# Drainage

**Bad Road  
Base Drainage**



# Drainage

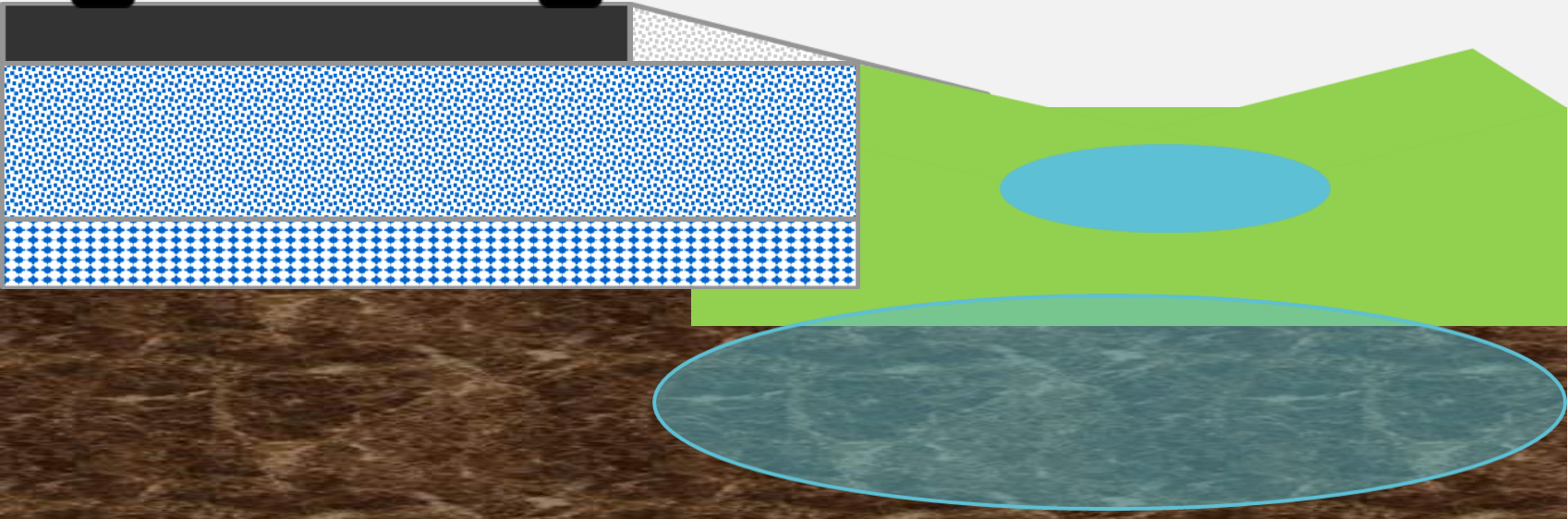
## Bad Road Base Drainage





# Drainage

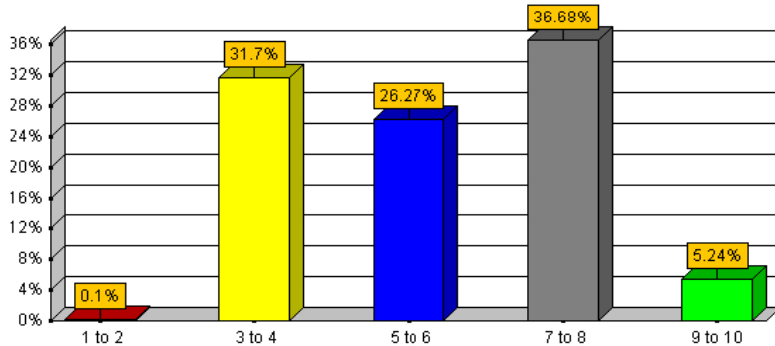
## Good Road Base Drainage



# Existing Town Roads

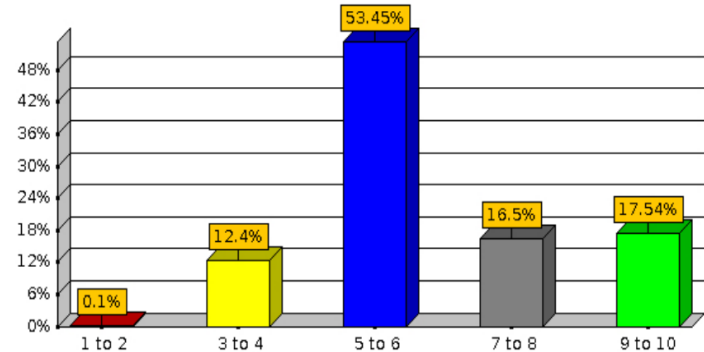
2013

Condition Frequency Report - Paved  
Town of Buchanan



2017

Condition Frequency Report - Paved  
Town of Buchanan



Source: Wisconsin Information System for Local Roads (WISLR) Data

# Existing Town Roads

## Town of Buchanan Roads



The Town's PASER ratings system shows that 49% of the 46.10 miles of Town roads are in "good" condition or better, while 51% are rated "fair to poor."



# Existing Town Roads



Source: Pavement Surface Evaluation and Rating: Asphalt PASER Manual, 2013

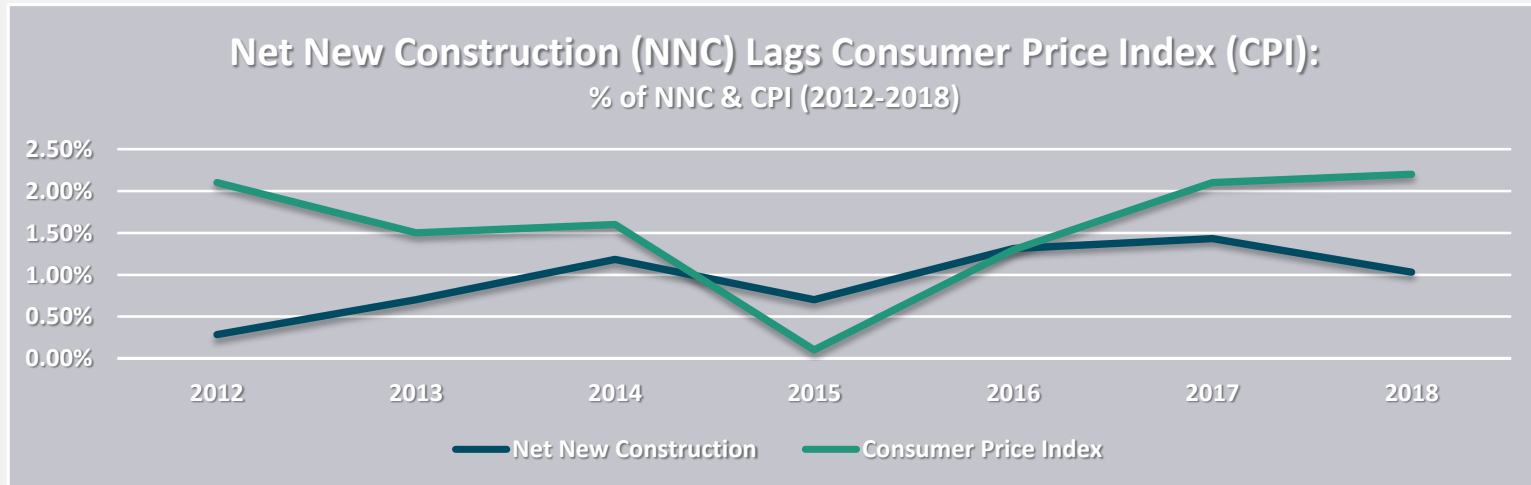
# Existing Town Road Surfaces

- Approximately 30% of the Town road surface, or 14 miles, are 25 years or older
- In 5 years (2024), another 22%, or 10 miles, will be 25 years or older
- In 10 years (2029), another 14%, or 7 miles, will be 25 years or older

# TOWN FINANCING STRUCTURE

# State Levy Limits

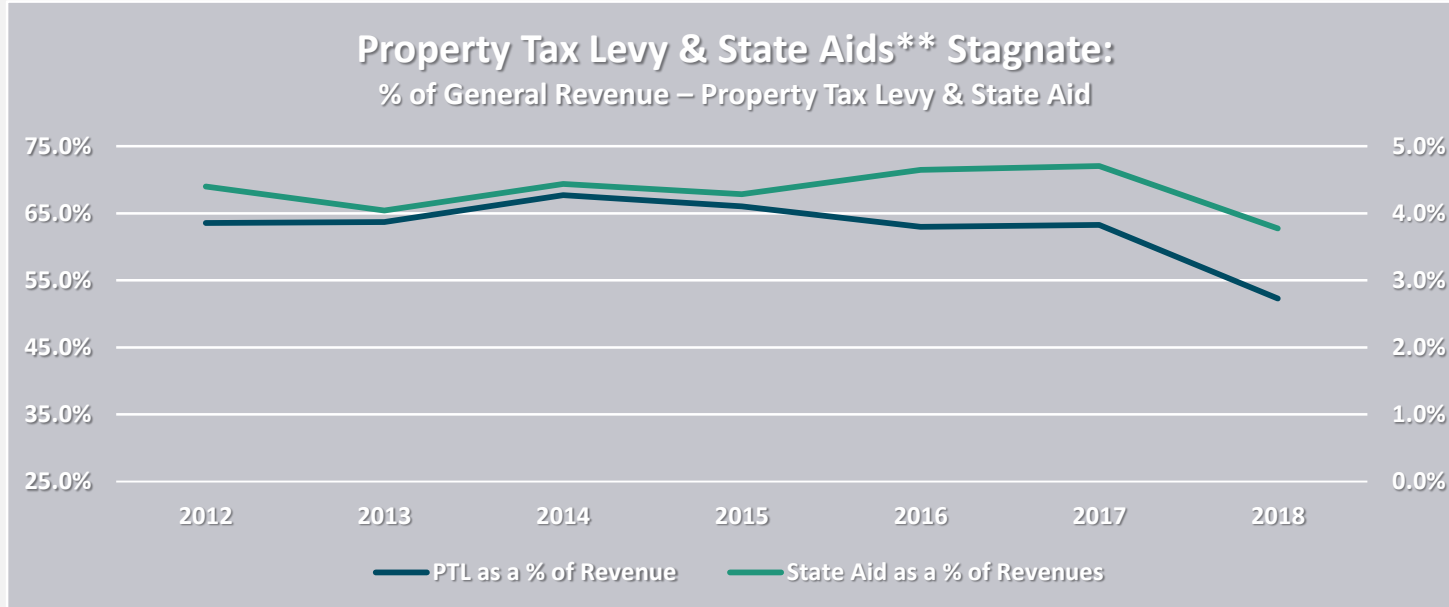
- 2006: State placed limits on increases in property tax levies. Property tax levies frozen with the exception of net new construction – amount of new development.
- 2011: The “floor” or minimums were removed.



Source: Wisconsin DOR, Net New Construction Report, 2012-2018; U.S. Department of Labor, BLS, CPI Table

# State Aid

- According to the Legislative Fiscal Bureau, State Aids to local governments fell 40.9% from 1998 to 2018.

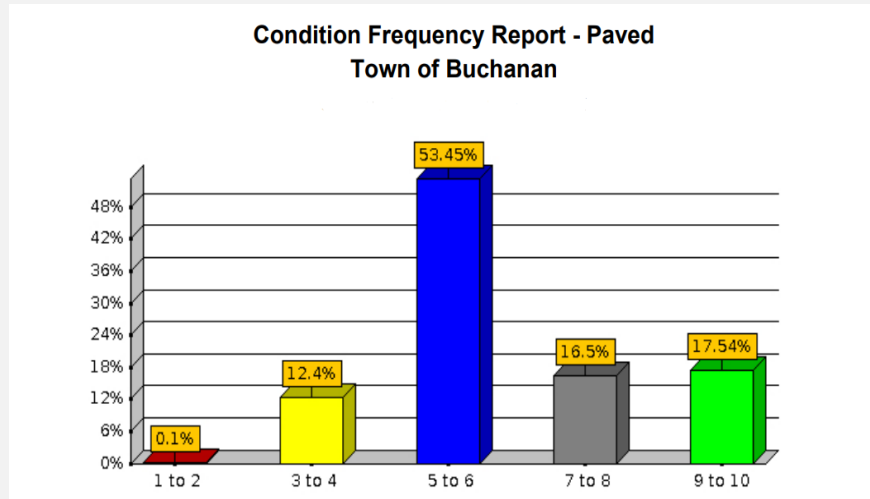


\*Adjusted for Inflation, February 2019

\*\*State Aid excludes Gen Trans Aid, which can fluctuate based on local spending

# Town Spending

- Over a 5 year period (2014-2018), the Town invested approximately \$980,000 in roads annually.



# Debt Utilization

- Wisconsin State Municipal Debt Limit = 5% of Equalized Value
  - \$34,218,190 (2018)
- Town Debt Limit =
  1. 75% of the Wisconsin limitation
    - \$25,663,642
  2. < 25% of Operating Revenues
    - \$540,255
- Town Debt
  1. \$1,680,000 (6.5%)
  2. \$263,790 (9%)

## Debt Service as a Percentage of Operating Revenues

Budget Year	Annual Debt Payment (P&I)	Debt % of Operating Revenues
2018 (est)	\$263,809	9%
2019 (est)	\$453,009	21%
2020 (est)	\$577,839	26%
2021 (est)	\$704,218	31%
2022 (est)	\$878,212	37%
2023 (est)	\$937,342	39%
2024 (est)	\$937,342	38%
2025 (est)	\$923,874	37%
2026 (est)	\$673,532	26%
2027 (est)	\$673,532	26%
2028 (est)	\$666,605	25%
2029 (est)	\$359,503	13%
2030 (est)	\$233,124	8%

# Roadway Funding Sources

## Network Cost

Infrastructure	Estimated Quantity	Units	Unit Cost	Item Cost	Reconstruction (Years)	Annual Reconstruction Cost (ARC)
Urban Road	30.5	Miles	\$ 1,001,458	\$ 30,544,457	35	\$ 872,699
Rural Road	15.5	Miles	\$ 893,350	\$ 13,846,919	35	\$ 395,626
Urban Storm Sewer	30.5	Miles	\$ 713,856	\$ 21,772,608	35	\$ 622,075
Rural Storm Sewer	15.5	Miles	\$ 679,536	\$ 10,532,808	35	\$ 300,937
Curb and Gutter	30.5	Miles	\$ 337,709	\$ 10,300,118	35	\$ 294,289
Rural Ditch Landscaping	15.5	Miles	\$ 144,144	\$ 2,234,232	35	\$ 63,835
<b>TOTAL</b>	<b>1</b>	<b>Mile</b>	<b>\$ 3,770,052</b>	<b>\$ 89,231,142</b>		<b>\$ 2,549,461</b>
<b>ANNUAL TOWN FUNDS AVAILABLE</b>						<b>\$ 1,275,000</b>
<b>ANNUAL TOWN FUNDING SHORTFALL</b>						<b>\$ 1,274,461</b>



# Roadway Funding Sources

## Existing Annual Town Funds Available

Funding Source	Amount
Buchanan Stormwater Utility	\$ 225,000.00
General Fund Revenue	\$ 325,000.00
Road Maintenance Levy	\$ 350,000.00
Debt	\$ 375,000.00
<b>TOTAL</b>	<b>\$ 1,275,000.00</b>







# Potential Solutions for the Town to Fund GAP?

- Three (3) Alternative Funding Options:
  1. Property Tax Levy Increase
  2. Special Assessments
  3. Transportation Utility Fee (TUF)

# Potential Solutions

## Property Tax Increase

- Increase property tax levy by \$1.275M
- Binding Referendum
- Impact of raising property tax levy

Assessed Property Value	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$500,000
2018 Property Tax Levy	 \$376/Yr \$31.33/Mth	 \$470/Yr \$39.17/Mth	 \$564/Yr \$47/Mth	 \$658/Yr \$54.83/Mth	 \$752/Yr \$62.67/Mth	 \$940/Yr \$78.33/Mth

# Potential Solutions

## Special Assessments

- Modified Special Assessment Policy Adopted in September 2018
  - Town Pays
    - Road base and surface
    - Sidewalks
    - Stormwater management facilities (ponds)
  - Property Owner Pays
    - Driveway aprons
    - Stormwater conveyance facilities (storm sewers, curb and gutter and/or ditches)

# Potential Solutions

## Special Assessments, continued

- Special Assessments of up to \$20,000
  - Example: Kebe Court
  - Estimated assessment - \$18,007

Town of Buchanan  
 Roadway Reconstruction  
 October 30, 2018  
Estimated Opinion of Probable Cost  
Kebe Court Final Urbanization  
 PAPER PLAN # 4  
 26' RB CURB & GUTTER W/STORM SEWER  
 1800' CL Length, 12" BASE AND 3.5" ASPHALT - RESIDENTIAL ROAD

ITEM	QUANTITY	UNIT COST	TOTAL COST
	1 LS	\$5,000	\$5,000
	2000 SY	\$1	\$2,000
	1800 CY	\$20	\$36,000
	1100 CY	\$23	\$25,300
	470 TONS	\$72	\$33,840
	1 LS	\$2,000	\$2,000
	1 LS	\$1,000	\$1,000
			\$101,140
			\$10,114
			\$20,228
			\$131,482
SUBTOTAL CONSTRUCTION			
CONTINGENCY 10%		\$6	\$19,800
ENGINEERING AND ADMINISTRATION		\$50	\$32,500
TOWN COST SUBTOTAL		\$15	\$20,250
PROPERTY OWNER COST	3300 SY	\$5	\$2,625
LANDSCAPE RESTORATION, SEED, E-MAT	1550 LF	\$35	\$12,000
CONCRETE DRIVEWAY APRONS	75 LF	\$40	\$17,100
24" BARRIER CURB AND GUTTER	300 LF	\$45	\$13,500
STORM SEWER, 12" LEAD	300 LF	\$45	\$13,500
STORM SEWER, 15"	1 EA	\$3,500	\$3,500
STORM SEWER, 18"	3 EA	\$3,000	\$9,000
STORM SEWER, 15"	4 EA	\$21,000	\$84,000
18" APRON ENDWALL WITH RIPRAP	4 EA	\$30	\$120
STORM MANHOLES	700 LF	\$300	\$210,000
STORM BASINS	12 EA		\$152,375
CATCH BASINS			\$15,238
MINI STORM SEWER			\$20,475
SUMP PUMP CONNECTIONS TO PIPE AT R.O.W.			\$198,088
SUBTOTAL CONSTRUCTION			
CONTINGENCY 10%			\$18,007.96
ENGINEERING AND ADMINISTRATION			
PROPERTY OWNER COST SUBTOTAL			
<b>\$329,576</b>			
ESTIMATED PROPERTY OWNER COST PER LOT			
10 LOTS PLUS 2 CORNER LOTS = 11 LOTS TOTAL			
TOTAL PROJECT COST (TOWN COST + PROPERTY OWNER COST)			
10 LOTS PLUS 2 CORNER LOTS PROJECT AREA IS TREATED BY THE ADJACENT			
NOTE: STORMWATER FROM THE KEBE COURT PROJECT AREA IS TREATED BY THE ADJACENT			
MAIN STREET WET POND FACILITY			
ESTIMATES REFLECT CHANGE IN UNIT PRICES VS THE 2016 ESTIMATE.			

# Potential Solutions

## Transportation Utility Fee (TUF)

- A special charge on improved property owners tax bill.
- TUF unit at \$210 would generate \$1,235,000 of revenue

# Potential Solutions

## TUF, continued

- How is a TUF fee determined?
  - Number of approaches. Staff recommends a trip-generation based approach. Trips identified by property type use.

### Calculation

**Trip generation rate**

**X Transportation Utility Fee Unit**

**Annual Transportation Utility Fee for Property**

# Potential Solutions

## TUF, continued

- Example: 20 unit apartment building

### Calculation

Apartment Trip Generation Rate x Dwelling Units)  
X Transportation Utility Fee Unit  
Annual Transportation Utility Fee for Property

$$(0.62 \times 20) \times \$210 = \$2,604$$

**20 unit apartment building would pay a TUF of \$2,604 a year**



# Potential Annual Town Funds Available

Funding Source	Amount
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Debt	\$ 375,000.00
Potential Option(s)	\$ 1,275,000.00
<b>TOTAL</b>	<b>\$ 2,550,000.00</b>

# Next Steps, Tentative

- April 2, 2019: Advisory Referendum
- April 23, 2019: Review Advisory Referendum results with Town Board
- April-November 2019: Town Board determines best course of action for future road funding
- Spring-Winter 2019: Analyze and Assemble 5 to 10 year Capital Improvement Plan based on road condition and drainage concern areas
- Spring-Winter 2019: Public information (newsletter and/or insert, etc.) disseminated explaining Town's future plans

# Review Submitted Questions

**THANK YOU FOR ATTENDING &  
PLEASE VOTE**

**See Town Website for Advisory Referendum Information**  
**[www.townofbuchanan.org](http://www.townofbuchanan.org)**