

City of Stoughton

City receives big trust fund loan

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Last month the Common Council authorized the city to borrow \$202,500 from the State Trust Fund, and on March 13 the council voted to put some of that money to work expanding the police department's office space to the second floor of the Public Safety Building.

There also will be upgrades to the building ventilation system.

City officials learned in February that Stoughton had been selected as one of five Wisconsin municipalities to be awarded a State **Trust Fund loan**. Stoughton's three-year loan of \$202,500 was the largest of the five loans approved by the Board of **Commissioners of Public Lands**. The board grants low-interest loans to fund public purpose projects, according to a news release.

In addition to improving the public safety building, Stoughton officials plan to put some of the money toward buying three police cars and a van for the fire department.

Remodeling the public

safety building will allow the police department to expand its administrative offices to the building's second floor. Planning director Rodney Scheel said city staff is working with an architect to design the improvements and that creating space on the second floor for the police department has been part of the vision for the building since it was constructed in 1985.

"The public safety building was designed with the expansion anticipated for the police department to go to the second floor," he said. "Over time, they've become very confined in the space that they're at now and so it's time they moved upstairs to a portion of the building."

Police chief Greg Leck said his department has outgrown the first floor of the public safety building and there are "some serious ventilation issues in the basement in our property room and evidence prep room."

He said the remodeling would alleviate the ventilation issue in the evidence processing area. There will be better exhaust and filtration, allowing some of the

What it buys

- \$77,500**
Three squad cars*
- \$35,000**
Fire department van
- \$90,000**
Public safety building

* the city expects to receive about \$10,000 for 3 vehicle trade-ins

contaminants associated with analyzing and processing evidence to be removed from the basement.

"Officers use plenty of different chemicals when they're analyzing evidence and processing evidence, and so we have to have a system that handles that exchange of fresh air into the room," Leck explained.

The police department will move upstairs into an underutilized space in the building and relocate its administrative offices and detectives to the second floor, "which then frees up the space we're currently

occupying on the first floor for officers and supervisors to move into the east side of the first floor," he said. "We'll be occupying about half of the upstairs and then all of the first floor and all of the basement as well.

The cable TV office and the council chamber will stay where they are on the second floor. Leck said the court clerk has been moved to City Hall during the remodeling, a move that may be a permanent.

A senior employment service on the second floor will be moving to the senior center.

"We're in the architectural design right now," Leck said. "Construction is expected to begin sometime in June and be completed in August."

State Trust Fund

City officials decided to apply for a State **Trust Fund loan** because of its low interest rate of 2.75 percent and the flexibility it offers, explained finance director Laurie Sullivan. She said for short-term loans, the trust fund is the preferred way to go.

"We don't use the state

trust fund loan too often, but we do if we're looking for something shorter term, because the other way the city borrows is through notes and bonds, and those are for 10, 15 or 20 years," she said.

The city would not ordinarily use bonds or notes to purchase police cars or other items that aren't expected to last well over 10 years.

"For these kind of vehicles we don't want to borrow for that long," Sullivan said. "We looked at our borrowing plan this year and wanted to make sure that in our 10-year borrowing we didn't borrow for anything that didn't have a life of 10 years. We're trying to find a way to keep the debt levy down by amortizing this over three years instead of 10."

Sullivan said one advantage of the State Trust Fund is it allows municipalities to structure loan payments to suit their needs. "We can set our years and set our payments if we need to," she said, adding "but we're not - it's a straight 3-year

amortization." One reason the city was awarded the loan is because of its solid credit rating. Moody's has given Stoughton a Aa2 rating, "which is really good for this size of city," Sullivan said. "That was just reaffirmed a few weeks ago."

Sullivan said when she started working for the city in 2008 its rating was A1. Moody's upgraded Stoughton to Aa2 in 2010.

"They reaffirmed that rating for 2012, which is really good," Sullivan said. "I'm really happy with that because with the economy and values falling, we have to worry about our credit rating."

She said credit rating agencies look at the way the city manages its finances, the strength of its fund balance and the economy of the city when deciding how to rate a municipality.

"We were very pleased to keep that rating," Sullivan said.

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