

Port scraps controversial festival fee budget idea

Written by KRISTYN HALBIG ZIEHM

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Officials learn they can't impose beer surcharge that upset civic groups

A controversial proposal by Port Washington officials to impose a surcharge on beer served at festivals was dropped last week by the Finance and License Committee.

"It can't happen," City Administrator Mark Grams said.

City Attorney Eric Eberhardt issued an opinion last week that the fee could not be legally imposed, killing the proposal at the committee level, Grams said.

Eberhardt told officials that only the state and federal governments can impose a tax on alcohol, Grams said.

The proposal, which was part of the city's proposed 2013 budget, was expected to raise \$5,000 to help offset the city's overtime costs incurred during festivals.

Officials had discussed imposing a 25-cent surcharge on every cup of beer sold at festivals or a fee on each half-barrel.

"The only thing they (the finance committee) can do is put on a permit fee for overtime or cleanup costs," Grams said.

Although committee members can still opt to create such a fee, he said it doesn't seem likely given the concerns raised by service organizations and the fact the city is set to adopt its 2013 budget next week.

The proposed surcharge would have impacted service organizations because many of them have food and beverage stands at Fish Day, the city's largest festival. Many feared the added cost would reduce the amount of money raised that day — funds they use to finance community service projects.

Officials had proposed a similar surcharge roughly a decade ago, but dropped that proposal after many of the city's service organizations spoke against it.

The Common Council will hold a public hearing on its proposed \$8.65 million budget during its 7:30 p.m. meeting Tuesday, Nov. 20, at City Hall.

The proposed budget reflects an increase of .4%, or \$32,300, over this year's budget.

Most of that increase is due to the city's borrowing for improvements to the coal dock, Grams said.

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To support the budget, the levy would increase 1.1%, from \$4.73 million to \$4.78 million. The estimated tax rate of about \$5.71 per \$1,000 assessed valuation is a decrease of six cents from last year, Grams said.

The proposed budget maintains city services and would fund projects such as the treatment of ash trees against the emerald ash borer and improvements to the walkway leading to the north beach.

Members of the Finance and License Committee said last week they are still considering whether to increase the proposed levy by roughly \$34,000.

The city would then be increasing its levy by the maximum amount allowed by the state, committee chairman Dave Larson said, a move that will give officials more flexibility in budgeting next year.

That's because the city's levy increase is determined, in part, by how much it levies the previous year. Larson said he doesn't want to handcuff the city next year by limiting this amount, especially since the debt service is expected to increase significantly then.

"It's use it or lose it," Larson said. "If we don't go up now, we won't be able to next year."

Committee member Joe Dean suggested that if the city increases its levy to the maximum this year, it use the extra funds to pay down the principal on its debt, not for additional projects.

The city's recycling fee, which is placed on the property tax bill, is decreasing from \$44 per household to \$33.

Grams said most homeowners won't see a change in the city portion of their property tax bill if the proposed budget is adopted.

"The majority of people didn't have their assessments go up (during this summer's reassessment), so I think most people will see their taxes go down or stay about the same," he said.

During last week's Common Council meeting, concerns were raised about a proposed \$4 to \$5 increase in the membership fee for the senior center. The current fees are \$15 per individual and \$20 per couple.

"I feel a 20% increase in the membership dues is not appropriate," said Joe Millonzi, president of the senior center board of directors.

The board, not the council, is responsible for setting the center dues, he said.

Sue Bruner, chairman of the city's Commission on Aging, said that while members are happy

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with the new senior center, the proposed increase is significant.

“Keep in mind most people are living on fixed income,” she said. “Every dollar counts.

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“I’d rather have you raise my property taxes than do something like that. Our taxes have been almost the same for the last 10, 15 years.”

The proposed increase amounts to roughly 50 cents a month, aldermen noted.