
CITY MANAGER

FOR IMMEDIATE RELEASE

For more information contact:
Lori S. Curtis Luther, City Manager
608-364-6614

September 6, 2017 - The Town of Beloit published its notice of intent to circulate a petition to incorporate a portion of the Town of Beloit into a Village.

In order for Town of Beloit residents to have the option to consider annexation as an alternative to incorporation, the City Council must file a resolution at or before the 1st hearing for the incorporation petition, which has yet to be scheduled. Therefore, a 2/3 majority of the Beloit City Council voted to approve a Resolution Authorizing an Annexation Option for Town of Beloit Property Owners on Tuesday, September 5, 2017. It is in the best interests of the metropolitan community that the area proposed for incorporation be considered for annexation to the City of Beloit rather than incorporated as a separate municipality. ***Nothing in this action requires a Town of Beloit property owner to annex to the City of Beloit.***

Town of Beloit's Motivation:

The Town of Beloit publicly admits the primary reason it wants to incorporate is to capture utility tax payments currently provided to Rock County under the statutory formula that provides 2/3 to the County and 1/3 to the Town. If the Town of Beloit were incorporated into a new Village, they would receive 2/3 aid from the Alliant Energy plant and Rock County would receive 1/3.

Negative Impact to Rock County:

Incorporation would transfer currently about \$700,000 in annual utility tax payments from services provided to the County's 161,000 residents to the Town's 7,700 residents. This revenue shift would severely restrict Rock County's available resources to provide critical services in the high-priority and high-cost areas of human services and public safety as the County tries to combat the opioid epidemic, provide trauma-informed care, and implement evidence-based decision making (EBDM) in the criminal justice system.

Negative Impact to Region:

The most efficient and cost effective provision of services is with less government. The future of regionalization is through shared services vs a philosophy of separatism. The Town's incorporation into a Village would require another layer of government with a new entity to be formed to represent the portions of the Town not included in the incorporation petition known as the remnant Town. The future of those residents is uncertain under the Town's current plan. The City sought a joint study with the Town to analyze joint service delivery options and potential tax savings. After initially expressing some interest, the Town rejected any discussion of joint services. Because the Town is unwilling to discuss shared services with the City of

Beloit, incorporation would make permanent the costly and inefficient duplication of services that already exists, including two police departments, two fire departments and competing economic development approaches.

The City of Beloit already provides water services to the Town of Beloit and has the capacity to treat all of their wastewater. Other services provided by the City are more robust and many are currently enjoyed at no additional cost to Town taxpayers such as the Public Library, Golf Course, Swimming Pool, Parks, Downtown Business District and other amenities.

Negative Impact to City of Beloit:

The City of Beloit would be negatively impacted as any potential future growth opportunities would be halted, effectively land-locking the City. Once incorporated, the new Village boundaries would be permanent. These decisions have the capacity to prohibit all future development opportunities in an appropriate urbanized fashion.

While addressed in the section on negative impact to the region, the City of Beloit is specifically concerned about the permanency of the potential incorporation and inability to have future opportunities to share services.

Negative Impact to Taxpayers:

While the Town does currently have a lower tax rate, their audits and budget documents suggest that they do not have enough revenue to support current services. They are operating with a substandard fund balance or “rainy day fund”. While the City’s tax rate is higher, the City is financially sound with a 25% fund balance policy and no use of fund balance for ongoing operations, which means the City of Beloit meets best practices and can withstand a significant event without negatively impacting taxpayers. The potential exists to provide higher levels of services to the area as a whole with reduced total tax burden.

Once the Alliant Energy Riverside plant completes its expansion, an incorporated Town of Beloit would receive an additional \$1.2 million in utility aid, bringing its total increased utility aid to \$1.9 million annually, representing a 34% increase in the Town of Beloit’s current total budget. This is an unreasonable windfall to the Town and loss to the rest of the County’s taxpayers.

Financial Comparisons:

Rock County and the City of Beloit have a long history of strong and responsible financial management, as evidenced by a bond rating of AA/Aa1 and A+ respectively, whereas the Town of Beloit is unrated. Rock County and the City of Beloit have also had strong managerial and political support to cooperate with the State and local partners to reduce costs to taxpayers and provide services more efficiently.

Summary:

The City of Beloit is responding to the Town of Beloit’s effort to file for incorporation. This action provides an alternative to the Town of Beloit’s incorporation efforts and does not require annexation by any individual Town of Beloit property owner. Given the potentially devastating impact to the City of Beloit, Rock County and the region at-large, we are responding to protect the interests of the community at-large.