

CITY OF WAUWATOSA

MEMORIAL CIVIC CENTER
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BUDGET & FINANCE COMMITTEE MEETING

Tuesday, May 25, 2004
Committee Room #2

PRESENT: Alds. Bruderle-Baran, Casey, Herzog, Jenkins, Maher, Stepaniak – 6

EXCUSED: Alds. Grimm, McCarthy

ALSO PRESENT: T. Wontorek, City Admin.; A. Kesner, City Atty.; B. Aldana, Asst. City Atty.; W. Kappel, Public Works Dir.; W. Wehrley, City Eng.; R. Braier, Finance Dir.; C. Thomas, Payroll and Benefits Mgr.; J. Wojcehowitz, Water Supt.; T. Otzelberger, Info. Sys. Mgr.

Ald. Bruderle-Baran as Chair called the meeting to order at 8:00 p.m.

Audit report and annual financial statements for the year ending December 31, 2003

Don Villione, Virchow Krause Company, said the general audit went well. They have found that the financial statements were presented fairly and they received full cooperation from all the city employees. The contents of the audit report have been reviewed by the Mayor, City Administrator and the Finance Director. He said the city receives approximately \$1.5 million in federal funds and is in compliance with the requirements for those funds. The condensed balance sheet shows a two year comparison of the city's net assets. They were \$100 million in 2002 and \$103 million in 2003 including capital assets. The condensed income statement shows an increase in net assets of \$9 million in 2003 versus \$7.6 million in 2002. General fund revenues and expenditures show favorable results compared to the budget. The capital assets report discloses all of the assets at \$122 million net of accumulated depreciation versus \$117 million in the prior year. The long-term debt level was at \$53 million in 2003, including the city's capacity to borrow an additional \$189 million on a general obligation basis. The city has maintained its AAA bond rating.

Mr. Wojcehowitz said the water department's analysis of the increase in unaccounted for water shows a number of factors. The department put in more new water mains than the year before. There is a loss of water from old water mains during construction. When they install new mains, they use extra water to flush them out in order to obtain the required safe water samples. They have also increased the size of pipe diameters from six inches to eight inches and in some cases 12 inches. They are in the process of doing a leak survey involving 195 miles of water main. He said another area of concern is the condition of the water meters. Water meters tend to slow down as they age. The Public Service Commission (PSC) went from requiring meter replacement every 10 years to every 20 years. The city adopted a 15 year meter replacement policy. Unmetered water is a good portion of the water the city is losing. He stressed that his department is very concerned about maintaining water quality. He said they will not be laying as much water main this year so the amount of unaccounted for water should decline.

Ald. Casey asked if the shift from 6 inch to 8 inch mains was due to a need for improved fire protection flow. Mr. Wojcehowitz said that is one factor, but another is that 6 inch pipe has a thinner wall and doesn't last as long, yet the excavation cost is the same. He expressed concern that the current infrastructure is not able to support the new development coming in. Residential pipe is mostly 8 inches in diameter as in the City of Milwaukee. Ald. Casey noted that as the city brings in new development, there are higher density uses and the need for a larger main size. Mr. Wojcehowitz agreed that the critical issue is fire protection.

Mr. Kappel said his department can see the increase in water pressure between 6 inch and 8 inch pipes. Ald. Casey said the work being done on the water mains will be critical for new projects such as the GE Healthcare Systems project in the Research Park and the 70 acre Roundy's site. These areas will have higher density in the future. Mr. Wojcehowitz said the water department is concerned with the quality of the water as well as meeting the Department of Natural Resources (DNR) standard of 500 gallons per minute. They have made a lot of improvements.

Ald. Stepaniak commended Mr. Braier and Mr. Wontorek for another good financial year and he thanked Mr. Villione and Virchow Krause Company for their work on the audit and for finding the areas that needed attention.

Moved by Ald. Stepaniak, seconded by Ald. Maher to recommend that the audit report be accepted and placed on file – 6

2004-2005 stop loss insurance contract

Ms. Thomas said this year the bidding started very high due to the city's change in insurance administrators; however, as time went on the bid amounts decreased. They ended up with the lowest bid being the city's current carrier at a 14.8% increase. This is actually an improvement from last year's 16% increase. This year's increase maintains the current \$75,000 specific stop loss level and one lasered individual at \$150,000 for a specific procedure. The aggregate stop loss still covers prescription drugs as well as health and dental claims. She said they budgeted a 20% increase; and because they have had a decrease in the number of employees in this plan, they have saved between \$45,000 and \$50,000 in administration costs. She recommended continuing with AIG. They are a well respected company and have offered the city a competitive renewal.

Ald. Jenkins asked about the total cost of the stop loss insurance and any profit AIG would gain from the city. Ms. Thomas responded that the total cost for administration of the insurance is approximately \$632,000. That includes the administration cost, cost of the net worth and pharmacy costs. The highest cost is the stop loss. She said AIG has lost money on the city for a number of years, but they will make money this year. There is a lag time before the city will know how much AIG will make because some of the bills came in late. The difference between the years when AIG has lost money and has made money tend to balance out.

Moved by Ald. Stepaniak, seconded by Ald. Casey to recommend approval of 2004-2005 stop loss insurance contract – 6

Purchase of replacement desktop computers for city offices and 2 CAD computers for the engineering department

Mr. Otzelberger said they intend to replace computers that are more than 5 years old. They want to make sure the machines are kept up to speed, otherwise the computer network is vulnerable to attack. During this regular cycle, they will be replacing approximately 25% of the city's machines.

Ald. Bruderle-Baran asked if the money for the computers was in the budget. Mr. Otzelberger replied that all the computers are budgeted for except for one of the CAD computers in the engineering department. He said the old computers are useless. There are a few that might be suitable for low level work, but otherwise they will remove the hard drives and take the rest out to the city dump where the parts are recycled.

Ald. Casey estimated that the PCs cost approximately \$1,300 per unit. He asked for the cost of the CAD computers. Mr. Otzelberger said the CAD computers run about \$3,500 per unit mainly because of the Microsoft software they contain. He said they buy the computers at a discounted rate through the state contract.

Ald. Herzog thought a five year replacement schedule was somewhat aggressive. He asked about computer policies in other government agencies. Mr. Otzelberger responded that the five year replacement schedule was

an industry average. When computers become older than 5 years, they are unable to run many of the software applications that are needed for daily tasks.

Ald. Bruderle-Baran said that during the creation of the city web site, it came to light that even though the city wanted to move to e-government there were so many employees using antiquated equipment that they couldn't communicate with the other software involved. Mr. Otzelberger said the cost of the software is what drives the price of the PCs. It will cost about as much to buy a computer loaded with the software as just replacing the software on the old computer.

Moved by Ald. Casey, seconded by Ald. Maher to recommend approval of replacement computers for city offices and the purchase of two CAD computers for the engineering department at a cost not to exceed \$59,550 – 6

Contract with Symantec Corp. for monitored security services

Mr. Otzelberger said it is very important to keep the city's computer network safe from viruses that are continually attacking the system. Due to money provided by the health department's bioterrorism grant, they were able to install a new security system from Symantec Corp. earlier this year. This system provides a high degree of protection for the network; however, it generates an enormous volume of information. He recommended a three-year contract with Symantec Corp. to monitor the city's computer firewall and network 24 hours daily throughout the year. Symantec's monitoring system enables them to notify the city of any impending threat, even before it actually occurs. For the moment, this service will be paid for by the bioterrorism grant; however, the city may have to pay for it at some time in the future.

Moved by Ald. Stepaniak, seconded by Ald. Jenkins to recommend approval of the three-year contract with Symantec Corp. for monitored security services at a cost of \$12,960 per year --

Ald. Maher asked about the difference between the two of the options the contract offers. Option 2 includes monitoring and analysis services and option 3 includes monitoring, analysis, and action services. Mr. Otzelberger said that option 2 provides that Symantec will notify the city of an impending threat so the city can take corrective action in-house. Option 3 provides that Symantec Corp. would not only perform monitoring and analysis function, but would add the function of correcting the problem from their facility. Option 3 is considerably more expensive. He said his staff was more than capable of handling network security threats in-house. They would be notified by Symantec around-the-clock via the department's cell phones and pagers if needed. They chose the option that fit in with the amount of bioterrorism grant money they could use. The cost Symantec quoted is approximately 25% less than the list price.

Ald. Casey said it was his experience that lost productivity due to computer viruses shutting down systems is a very big problem. Being in the public domain, the city needs to have the best warning system it can afford.

Vote on the motion was Ayes: 6

Replacement survey utility van

Mr. Kappel said the engine broke down on one of the survey vans a month ago. The van was 8 years old and well beyond the warranty coverage. It was scheduled to be replaced next year. He recommended that the van be replaced now. Ald. Maher asked if any of the parts are salvageable. Mr. Kappel said that minus the engine, they will put the rest of the truck up for auction.

Moved by Ald. Herzog, seconded by Ald. Casey to recommend approval of the Change of Purpose to purchase a replacement survey utility van at a cost of \$20,029 – 6

Transferring city dump truck T-39 to the Wauwatosa Cemetery in exchange for the 1977 Ford 350 custom truck

Mr. Kappel said that at times, the public works department assists the cemetery and they have discovered that the cemetery is in need of a dump truck. This year his department will be purchasing a new, small 2-yard dump truck to replace dump truck T-39 which is a 1993 GMC Sierra. Rather than sell T-39 the department is recommending transferring it to the Wauwatosa Cemetery and taking possession of the cemetery's 1977 Ford 350 Custom truck. The city would get whatever value they can for this vehicle by working through their normal disposal process. He recommended that they sign the title for city dump truck T-39 to the cemetery and trade in the 1977 Ford 350 Custom truck.

Moved by Ald. Maher, seconded by Ald. Stepaniak to recommend approval to transfer city dump truck T-39 to the Wauwatosa Cemetery in exchange for their 1977 Ford 350 Custom truck – 6

Village traffic signal timing study

Mr. Wehrley said this is the second year of a two year program to replace all the deteriorated traffic controllers and signals in the Village area. As part of the project, they will be programming traffic signals to work in conjunction with one another in an attempt to reduce congestion. They solicited professional engineering proposals from seven area firms with three firms responding. He recommended awarding the professional services contract to Traffic Analysis and Design, Inc. for the traffic signal timing plan.

Moved by Ald. Herzog, seconded by Ald. Maher to recommend approval of the award of bid to Traffic Analysis and Design, Inc. at a cost of \$13,702 – 6

Vouchers

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
B. Aldana	\$31.75	Legal – 5/11/04 – Milwaukee Affirmative Action Seminar
W. Ramcheck	\$95.50	Pub. Works – 5/6/04 – West Bend APWA WI Chapter Spring Conference
W. Mainus	\$326.57	Building – 4/20-4/23/04 – Manitowoc Building Inspection Institute
A. Eldredge	\$28.18	Health – 4/30/04 – Oconomowoc Communicable Diseases Spring Seminar 2004
P. Clarey, C. Fox, G. Witkowski	\$555.00	Police – 4/25-4/27/04 – Appleton Field Training Supervisor Course
C. Fox	\$895.00	Police – 2/6-4/16/04 – Wauwatosa Management Leadership Training Course
L. Nielsen	\$30.04	Health – 4/30/04 – Oconomowoc Communicable Diseases Spring Seminar 2004

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
M. Meske	\$29.21	Health – 4/30/04 – Oconomowoc Communicable Diseases Spring Seminar 2004
J. Mastrocola, S. Kirby, G. Gabrish, J. Milotsky	\$780.00	Police – 4/26-4/27/04 – Milwaukee Taser Instructor Course
P. Wagner, M. Sobieski	\$50.00	Water – 5/10/04 – Glendale Cross Connection Control Part 2
D. Davidson	\$248.00	Police – 5/10-5/14/04 – Green Bay Simunitions Supervisor Training
T. Kastner	\$345.00	Police – 5/2-5/6/04 – Green Bay Basic Drug Interdiction Course
D. Hoppe	\$124.00	Police – 5/5-5/7/04 – Green Bay High Tech Crimes Investigation
J. Kutz	\$108.76	Police – 5/2-5/6/04 – Green Bay Basic Drug Interdiction Course
D. Moldenhauer	\$120.13	Police – 5/10-5/14/04 – Green Bay Simunitions Supervisor Training
T. Sharpee	\$248.00	Police – 5/10-5/14/04 – Green Bay Simunitions Supervisor Training
M. Meske	\$129.20	Health – 4/27-4/28/04 – Madison Public Health Practice Course on Epidemiology & Biostatics
A. Eldredge	\$254.18	Health – 4/27-4/28/04 – Madison Public Health Practice Course on Epidemiology & Biostatics
J. McGuire	\$125.84	Health – 4/27-4/28/04 – Madison Public Health Practice Course on Epidemiology & Biostatics
J. McGuire	\$122.44	Health – 5/11-5/12/04 – Madison Public Health Practice Course on Epidemiology and Biostatics
C. Thomas	\$65.63	Personnel – 5/18/04 – Madison MBA Seminar
J. Dubinski	\$77.25	Police – 2/29-3/04/04 – Appleton Presentation on Child Pornography & Exploitation
M. Presper	\$25.67	Police – 4/17-4/19/04 – MATC Supervisor In-service

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
D. Moldenhauer	\$31.05	Police – 5/18-5/20/04 – Janesville Instructor Development & Bullet Proof Mind
C. Fox	\$26.68	Police – 5/17-5/19/04 – MATC Supervisor In-service Training
M. Pearson	\$48.53	Police - 5/10-5/15/04 – MATC DAAT Instructor Course Part I
N. Kreuser	\$78.78	Health – 5/18/04 – Stevens Point Speaking at a state Public Health Conference
M. Dahlen	\$74.72	Police – 5/3-5/4/04 – Wisconsin Rapids Wisconsin TIME 2000 Update Training
B. Aldana	\$275.10	Personnel – 5/19-5/21/04 – Wisconsin Dells WPELRA/WACPD Conference
L. Goyette	\$833.52	Health – 4/26-4/30/04 – Greenfield Lead Inspection Classes
L. Kavelaris	\$29.36	Police – 5/17-5/21/04 – Elkhorn FBI Crisis Negotiation Class
D. Semega	\$70.03	Police – 5/9-5/12/04 – Oshkosh Crisis Negotiator’s Annual Training
J. Morrison	\$31.45	Police – 5/10-5/11/04 – Marshfield Anti-Vehicle Crime Assoc. Black Box Trng.
R. Cepican	\$106.63	Police – 5/10-5/11/04 – Marshfield Anti-Vehicle Crime Assoc. Black Box Trng.

Moved by Ald. Casey, seconded by Ald. Herzog that the vouchers
be allowed and paid – 6

The meeting adjourned at 9:00 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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