

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, May 8, 2007
Committee Room #2

PRESENT: Alds. Becker, Ewerdt, Grimm, Hanson, Krol, Maher, Purins, Stepaniak – 8

ALSO PRESENT: J. Archambo, City Admin.; R. Braier, Finance Dir.; Fire Chief D. Redman;
W. Ramcheck; Public Works Prog. Analyst; C. Ledesma, City Clerk;
J. Bembenek, Purchasing Mgr.

Ald. Stepaniak as Chair called the meeting to order at 8:30 p.m.

Bid from Community Newspapers, Inc. as the official newspaper for the city's legal publications

Ms. Ledesma said that as required annually by State Statutes, she advertised for bids for the official newspaper for the city's legal publications. The only bid received was from Community Newspapers, Inc. For Common Council proceedings and legal notices the prices have remained the same as in 2006. For display ads and other items set in a display format the first insertion is \$0.03 and the second insertion is \$0.52 more than in 2006. Affidavits remain unchanged from the 2006. She noted that these rates are consistent with rates currently allowed by State Statutes. She recommended the bid be accepted.

Moved by Ald. Purins, seconded by Ald. Krol to recommend approval
of the bid from Community Newspapers, Inc. as the official newspaper
for the city's legal publications – 8

48 month rental/lease agreement for a low volume color copier for the police department

Mr. Bembenek said the police department is requesting a 48 month lease for a low volume color copier. The estimated monthly volume is 1,000 color copies and 2,500 black and white copies. They received 3 proposals from current State of Wisconsin suppliers under contract. Sufficient funds are available in the Office Equipment Repairs Account and the police department will eliminate one low volume black and white copier when its lease expires in February, 2008. This will result in an extra \$200 per month to offset the cost. After testing all 3 models, it was determined that the Sharp MC-2300N copier offered the best solution when considering features versus cost. He recommended approval of a 48 month rental/lease agreement with the second lowest bidder OCE Ltd. at a cost of approximately \$265.22 per month.

Moved by Ald. Grimm, seconded by Ald. Purins to recommend approval
of a 48 month rental/lease agreement with OCE, Ltd. For a low volume
color copier for the police department at a cost of approximately \$265.22
per month --

Chief Weber noted that they need a color copier because among other things, the state is requiring high resolution copies for photo arrays of criminal suspects to be used for identification.

Vote on the motion was Ayes: 8

Change of Purpose fund transfer to cover the cost of a temporary, part-time fire cadet position

Ald. Stepaniak noted that the Employee Relations Committee took action and approved this program by a vote of 3 to 2.

Ald. Krol indicated that it appeared that there were some very strong opinions by the firefighters union about alternative ways to achieve diversity. Ald. Krol noted that the program sounds good in principle, but he didn't know enough about it to make an informed decision.

Terry Wolfe, President, Police and Fire Commission, 7839 W. North Avenue, stressed that for over 15 years they have been looking at ways to diversify the fire department and have not had success. Whatever they can do to attempt to diversify is an advantage to the community. The Fire Chief, the union president and he have talked about this and he thought the union would eventually support the program.

Ald. Grimm was not in support of the program.

Ald. Maher reiterated his comments from the Employee Relations meeting noting that there seems to be some concerns among the firefighters union that could cause more tension in the department. He continued that the idea is to create a program that would seek to recruit minority candidates; however Ms. Aldana said in the previous meeting that the fire cadet program cannot favor minority candidates. He asked how the goal would be achieved. Ms. Aldana said the #1 challenge is increasing the department's diversity. Since minority candidates cannot be favored, qualifications have to be based on the department's needs. They can look to recruit from areas with a diverse population. The perception is that some qualifications would cut out some minority candidates; however, after receiving a certain level of education, the candidates would have the qualification.

Ald. Maher felt the firefighters would have the greatest access to a diverse pool of candidates and they are against the program. He was concerned with how the program was being executed noting that there seems to be a disconnect between staff and administration. He had asked that the two parties come together, but that has not happened. He was also concerned about funding for the ALS/BLS program. Even though it is a relatively small amount to fund the fire cadet program, it could increase in the future. He was further concerned that the program would backfire.

Chief Redman said the focus of this committee is the funding aspect of the program. The funding is identified in the Change of Purpose. He would identify further funding when he prepared the personnel budget for 2008. If the program is successful, in the future he planned to request a source of funding that would cover up to 3 positions and cost approximately \$25,000 to \$30,000.

Hank Wendt, President, Wauwatosa Professional Firefighters Association, Union Local 1923, said the union is 100% in favor of diversity. He felt they were being misrepresented in the media. Their concern is the allocation of dollars. He would like to create a program for the Wauwatosa high schools. There is a better way to spend the money.

Ald. Stepaniak noted that the cost for labor only in the fire department is \$7.7 million. He asked the committee to compare that with \$4,000 for this program.

Ald. Purins indicated that he voted against the program in the Employee Relations Committee for a different reason. He pointed out that the alternatives Mr. Wendt is talking about would also need funding. He felt that the funding for the program is .04 of 1% of the fire department's labor budget. From a

financial standpoint funding this pilot program puts the onus on the Fire Chief to make the program successful.

Moved by Ald. Maher, seconded by Ald. Hanson to place the item in file --

Ald. Stepaniak noted that he heard the Fire Chief indicate that he has been trying for 7 years to bring such a discussion up. Ald. Stepaniak said he was part of a staff and aldermanic task force dealing with issues of diversity. The conclusion was that something needed to be done based on the market place. The chair of the Police and Fire Commission has been trying to get a program going for over 22 years. This issue needs to be address. The committee needs to think about the context of what is being discussed. He was against any motion to kill discussion of the item.

Ald. Purins suggested that the item be brought back in two weeks. Ald. Becker suggested sending the item back to the Employee Relations Committee for further discussion with the union.

Upon a roll call vote, Ayes: 7, Noes: 1 (Stepaniak)

Request from White Oak Farm to market bagged and bulk yard materials at the public works yard

Mr. Ramcheck assured the committee that the city will not stop giving free compost to residents, but the department is asking approval for White Oak Farm to provide the labor and equipment to sell bagged compost blends, bulk blended mulch and bark/wood chips at the public works yard. They are currently composting and processing leaves, branches, brush and other yard and wood materials for the city. This request will aid White Oak Farm in reducing handling and contamination of yard debris before it is processed into marketable products. It will also keep the city's processing costs down. He said the service agreement signed 1½ years ago with White Oak Farm has yielded substantial savings for the city. The city is paying \$2.47 less per ton for leaf disposal which includes composting at the yard by White Oak Farm. The reduction in the cost of brush disposal and chipping and log and stump grinding has netted a \$100,000 recurring savings to the city.

Mr. Ramcheck said White Oak Farm would like to offer bagged compost mix and bulk loading and delivery of bulk yard materials to residents at the Drop-off Center. They propose to have personnel at the center to handle this and would like to arrange for part of the center to display these products. For the remainder of 2007 they would do a trial load of 1,500 bags, at approximately \$4.95 for a 20-quart bag and possibly 5 bags for approximately \$20 among other promotions. The bulk deliveries would likely be on Monday, Wednesday, and Saturday, but other arrangements could be made as needed. Pricing for the deliveries is not yet determined. If successful, the program could be extended into future contract years. He recommended allowing White Oak Farm to market bagged and bulk yard material products from the public works yard. He further requested authorization to expand the operation if and when it is feasible. He recommended the marketing and sales.

Sandy Syburg, White Oak Farm, N71 W34080 Highway K, Oconomowoc, told the committee that some of the material they compost is already going to the Kenosha Achievement Center. They have been able to provide all proceeds after the bagging and labor costs to that charity.

Moved by Ald. Krol, seconded by Ald. Becker to recommend approval of the request from White Oak Farm to market bagged and bulk yard materials at the public works yard minus plans for expansion contingent upon an analysis at the end of the summer as to the impact on local businesses that sell similar products --

Members of the committee expressed concern about the following: 1) competition with local businesses selling similar products; 2) other vendors wanting to sell at the public works yard; 3) advertising; 4) a perceived advantage to this particular company; and 5) allowing a business to operate on city property when it doesn't benefit the city other than providing funding for a charitable organization.

Mr. Braier noted that there was a feeling in the Board of Public Works meeting that White Oak Farm should not be in competition with local businesses. As a member of the Board of Public Works, he was not in favor of the proposal.

Mr. Ramcheck pointed out that getting White Oak Farm into the public works yard operation brought a significant savings to the city and that will continue from year to year.

Mr. Syburg said they will market by doing outreach to the people coming to the city yard and handing out flyers. Mr. Ramcheck said the hours will be the same as the city yard hours. White Oak Farm staff will be present to provide the material as well as their contractual duties. The liability will be covered by White Oak Farm. Mr. Syburg noted that in this situation the contract requires that incoming materials are free from contaminants. Mr. Ramcheck said the city is bound by state requirements regarding contamination something that any competitors are not bound by. White Oak Farm helps the city meet that requirement.

Upon a roll call vote, Ayes: 6, Noes: 2 (Ewerdt, Hanson)

Fund Transfer from the Sundry Contractual Services account to the scale repair fund to pay outstanding invoices and to the appropriate account for sole source purchase of a scale reader, printer and software package

Mr. Ramcheck said the department seeks approval to fund the repairs and upgrades for the truck scale at the public works yard. This would involve equipment and software that has undergone significant maintenance and repair in the past. It also improves security measures to build on previous items instituted by himself as Public Works Director and the Finance Director. The indicator that controls the weighing and recording of data, the ticket printer and the keyboard have all been subject to extensive repairs in the last two years amounting to \$4,054.85. The scale was replaced in 2005. In addition, the 3-part paper used by the ticket printer is expensive costing \$215 per box. Equipment breakdowns result in inaccuracies and lost revenue by estimating weights for commercial and city vehicles. There are currently two outstanding invoices for scale repairs totaling \$2,112.45.

Mr. Ramcheck added that since September, 2006 the city has been researching ways to resolve these issues with the vendor, Fairbanks Scales. The solution is a new FB3000 system from Fairbanks Scales with Interact Professional software from Advance Weighing Systems. Other Fairbanks customers, including four counties in northeast Wisconsin, report favorably on this system. Replacing the system has many benefits: 1) it provides better protection from lightning which will reduce potential problems from future storms; 2) it diagnoses scale problems automatically rather than having to mechanically examine the items; 3) it stores and reports data linking to a PC, securely recording and transacting commercial accounts and paying customers; 4) it links to the network allowing for daily back-ups and will assist in generating reports; 5) it prints from a network printer using standard letter size paper rather than expensive 3-part forms; and 6) the system is covered by a full year warranty.

Mr. Ramcheck said they would like to have the installation completed in approximately 3 weeks. The proposed system cost is approximately \$24,330 and includes all licensing, training and 3 years of telephone support. Because there are two unpaid repair invoices and only \$850 in the scale repair account, they propose to transfer \$1,262.45 from the Sundry Contractual Services account to the scale repair fund

to pay for the outstanding invoices and \$24,330 to the appropriate account to make the sole source purchase of the scale, reader, printer and software package included in the quote. There would be an annual recurring cost to the city in an amount of approximately \$2,125 if the department decided to subscribe to continued phone support for the scale system. He recommended approval of the fund transfers. He noted that they are realizing savings from the effects of the public works building fire. They have achieved enough of those funds to provide for the Fairbanks Scale package.

Ald. Krol asked if the scale was working. Mr. Ramcheck said the scale is currently working, but it is working on borrowed time. They are using a printer on loan from Fairbanks Scale that costs approximately \$700. The current scale also has problems with the indicator. The scale is having a lot of problems, but it is an operation that is critical to other operations at the public works yard. Ald. Krol suggested that the vendor roll some of the outstanding repair costs into the new system costs.

Moved by Ald. Krol, seconded by Ald. Maher to recommend approval of the Fund Transfer from the Sundry Contractual Services account to the Scale Repair fund to pay outstanding invoices and to the appropriate account for a sole source purchase of a scale reader, printer and software package from Fairbanks Scales in the amount of approximately \$24,330 --

Ald. Maher noted that this seems to be more of an administrative decision. He respected the recommendation of the staff, but he would like to see an annualized cost differential as well as the costs that have been incurred over time.

Ald. Becker felt this was an investment in security not just in the scale itself. Mr. Ramcheck agreed noting that there have been records that have been kept over the years in different forms from hand written to 3 part copy. The key issue has been accuracy in record keeping and the potential for missing funds.

Don Klister, Fairbanks Scales, 4545 W. Burnum Street, Milwaukee, pointed out that there are different levels of security in this instrument. It is also a computer. Part of the savings is in reduced paper costs. All reports can be stored on the system giving greater accuracy. There will be passwords and levels of supervisory access.

Ald. Ewerdt didn't feel right about these types of expenditures so early in the budget year. Ald. Maher felt that the committee's oversight in these issues was too extensive. He felt that the public works department has a budget for operations and they should be able to spend the funds as they see fit.

Ald. Stepaniak suggested reviewing the committee's administrative fund transfer authority policy. He has been involved in budgeting in the public sector for about 30 years. It is a fiction to think that there will be no changes from one month to the next in a \$48 million budget. There are hundreds of changes that occur in each of the departments and to some extent the committee should depend on the department managers to deal with their needs and the committee should not over manage their budgets.

Ald. Grimm asked about the bid process. Mr. Ramcheck responded that this is a sole source vendor providing many components of the scale operation so they did not go out for bids. Mr. Klister added that the warranty would be for one year and the company that wrote the software would do the installation and training.

Ald. Maher asked if there are other vendors that could provide this service. He asked if a Request for Proposals (RFP) should be sent out for this function. Mr. Klister said that Fairbanks Scales is the only

company that provides the features contained in their software. Mr. Ramcheck added that he has been to many conferences and has seen no other companies that provide all these types of components.

Moved by Ald. Hanson, seconded by Ald. Ewerdt to hold this item for the next meeting. Vote on the motion was Ayes: 7, Noes: 1 (Stepaniak)

Vouchers

| <u>NAME</u> | <u>AMOUNT</u> | <u>FOR</u> |
|-----------------------------------|----------------------|--|
| J. Butterfield | \$467.07 | Police – 4/3-4/8/07 – Tampa, FL Snipercraft Conf. and Training Exercise |
| W. Kappel | \$30.00 | Engin./Ops – 4/24-4/25/07 – Milwaukee Watershed Planning Conference |
| B. Skornia | \$267.00 | Police – 4/17-4/20/07 – Appleton WI Homicide Investigator’s Training Conf. |
| T. Brenzel | \$267.00 | Police – 4/17-4/20/07 – Appleton WI Homicide Investigator’s Training Conf. |
| R. Gruebling | \$277.22 | Treasurer – 4/26-4/27/07 – Appleton Treasurer’s Assoc. Spring Conference |
| M. Maki | \$42.38 | Engin. – 4/24-4/25/07 – Milwaukee Watershed Planning Conference |
| T. Lilly | \$25.32 | Police – 4/24-4/26/07 – Pewaukee Interview and Recording Custodial Subjects |
| T. Tarantino | \$675.00 | Maint. – 11/6, 4/07 (monthly) – Pewaukee Building Operator Certification |
| W. Wehrley, R. Kelly J. Marks | \$60.89 | Engin. – 3/7-3/8/07 – Waukesha Annual Asphalt Pavement Seminar |
| D. Wheaton, F. Knapp W. Mainus | \$1,027.63 | Comm. Devel. – 4/24-4/27/07 – Green Lake Recertification |
| J. Farina | \$71.13 | Police – 4/16-4/27/07 – Milwaukee 1 st Line Supervisor Training |
| T. Gelhar | \$235.80 | Health – 4/24-4/26/07 Managing Retail Food Safety |
| J. Stohler | \$81.98 | Consortium – 4/30/07 – Madison Public Health Emergency Plan Overview |

| <u>NAME</u> | <u>AMOUNT</u> | <u>FOR</u> |
|--------------|---------------|--|
| J. Stohler | \$230.00 | Consortium – 1/17-1/18/07 – Stevens Point Program Coordinators Meeting |
| J. Stohler | \$87.38 | Consortium – 4/10/07 – Madison Presentation of Public Health Emergency Plan to Dept. of Public Health for Coordinators |
| M. Meske | \$1,515.00 | Consortium – 5/20-5/25/07 – Minneapolis, MN Public Health Certificate in Food Safety And Biosecurity |
| L. Nielsen | \$1,865.92 | Health/Consortium – Online Program Public Health Management |
| L. Nielsen | \$1,683.00 | Health/Consortium – Online Program Public Health Management |
| M. Meske | \$331.21 | Health – 4/24-4/26/07 – Neenah Managing Retail Food Safety |
| A. Schmidt | \$159.79 | Health – 4/17/07 – Milwaukee Conference for Women |
| S. Cunitz | \$253.67 | Health – 5/1-5/2/07 – Madison Smoke Free Wisconsin Conference |
| J. Stohler | \$81.98 | Consortium – 4/30/07 – Madison Public Health Emergency Plan Overview |
| S. Javoroski | \$114.57 | Health – 4/9/07 – Brookfield The Health Heart Educational Program |

Moved by Ald. Ewerdt, seconded by Ald. Hanson that the vouchers
be allowed and paid – 8

The meeting adjourned at 10:16 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

svh