

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, July 10, 2007

Committee Room #2

PRESENT: Alds. Becker, Ewerdt, Grimm, Hanson, Krol, Maher, Purins – 7

EXCUSED: Ald. Stepaniak

ALSO PRESENT: J. Archambo, City Admin.; A. Kesner, City Atty.; B. Aldana, Asst. City Atty./Personnel Dir.; J. Plass, Acctg. Mgr.; W. Kappel; Pub. Works Dir.; W. Wehrley, City Engin.; W. Ramcheck, Pub. Works Prog. Analyst

Ald. Maher as Chair called the meeting to order at 8:11 p.m.

Preliminary options and costs for blue bag re cycling program

Mr. Kappel showed the committee a film describing the process of single stream recycling. He brought in two different recycling containers for the committee to look at. He also provided the committee with a spread sheet outlining preliminary cost options for curbside recycling. Referring to his memo, Mr. Kappel said that the city has met with Waste Management (WM), the City of Milwaukee and the City of Wauwatosa's contractor RRT Design and Construction. He noted that they were analyzing the costs and savings to the city and residents as well as looking at some of the alternatives to using blue bags. They are also attempting to create a three to five year transition schedule unless the Council decides to continue the blue bag program. WM and John's Disposal of Whitewater currently operate the only single stream facilities in the area.

Mr. Kappel observed that it appears that the best option is to discontinue the blue bag collection and begin some form of single stream recycling collection. The economics are being driven by revenue returned to the city on the sale of recyclables after deducting the tipping fee. There may be some additional savings down the road by reducing from 5 collection routes to 4 in the future. The city has methods available for buying the recycling carts. This would make the city a better option for providing and maintaining the carts. One option would be a one time fee that could be placed against each household for the cart purchase. Another option would be to use the balance of the insurance money after making the needed repairs to the transfer station. These funds could be used to offset the upfront cost of the carts. He outlined some of the options for curbside recycling: 1) continue the blue bag program at a cost per household per month of \$3.03; 2) WM collects the recycling in WM carts single stream at a cost per household per month of \$3.05; 3) WM collects the recycling in city carts single stream at a cost per household per month of \$2.79; 4) regional cooperative recycling in carts (currently not available) at a cost per household per month of \$2.47; and 5) Separate collection of recyclables by the city and processed elsewhere with a reduction from 5 to 4 collection routes at a cost per household per month of \$2.37. The recyclables would be collected on a bi-weekly basis.

Mr. Kappel noted that in every option except option #4 some or all of the insurance money is needed to make repairs to the existing facility in order to keep it operational. He recommended further analysis of all the considered options and coming back to the committee again in two weeks. He felt that single stream recycling will encourage participation. Mr. Kappel stressed that a decision needed to be made by the next meeting.

Ald. Becker left the meeting at 8:27 p.m. (-6)

Dick Eisenhower, Recycling Committee, 2144 N. 65th Street, said that when they set up the blue bag recycling program they envisioned that using the blue bags over time would eliminate any cost to the city. Mr. Kappel added that as time has gone by the markets have come up much higher and faster than anticipated.

Ald. Becker returned to the meeting at 8:31 p.m. (-7)

Ald. Krol mentioned that the City of Madison offers different cart sizes as part of their program. Mr. Kappel said that they have had some discussion about doing that. The difficulty would be in anticipating how many people would need a smaller cart. He wouldn't want to offer too small a cart because of the bi-weekly collection. He noted that the City of Madison had some difficulty in the beginning of the program determining how many carts of each size were needed. He recommended just using one size cart to avoid any extra cost or confusion.

Mr. Kappel said they will need a final decision by July 31st as to whether or not they are going to rebuild the transfer station. If the building is not completed by November the insurance will run out. That money cannot be used to purchase carts. If the city does not use the money to rebuild, there would be a reduced award from the insurance company of approximately \$500,000. In answer to a question regarding the WM contract from Ald. Krol, Mr. Kappel responded that they have asked about a 5 year contract and are waiting for their answer. Changing the contract will be part of the negotiation. The typical contract is 5 years with 2 extentions. WM is aware of the city's regional participation in recycling.

Mr. Kappel stressed that the city will pick up solid waste garbage from the residents in any of the scenarios. They city has very good sanitation workers with a good rapport with the residents. He noted that they are leaning towards using single stream with WM picking up the recyclables and reducing the collection routes from 5 to 4 in the future.

Ald. Ewerdt asked about the level of participation in blue bag program. Mr. Ramcheck said that when the program was voluntary 45% of residents put out the blue bags every week and 85% every two weeks. Now that the program is mandatory the numbers have risen.

Ald. Maher was looking forward to seeing the options available working with WM and curious to see what revenue sharing parameters are feasible. He asked if markets were to change would any of the options presented provide any flexibility. He noted that in every option it seems that there will need to be some work done on the transfer station. Mr. Kappel added that they wouldn't need to rebuild if option #5 is chosen because then they would be going to another location. The minimum they would do for the transfer station is put a roof on and repair the electrical.

Purchase of two rather than one replacement air compressors for public works use

The committee reviewed a memo from the Public Works Dir. in which he noted that they have put more than sufficient money in the budget to purchase 2 air compressors. The city has to deal with a lot more graffiti so they are recommending the purchase of 2 air compressors with attachments for a sand blaster for graffiti removal.

Moved by Ald. Becker, seconded by Ald. Hanson to recommend approval
to purchase 2 replacement air compressors at a cost of approximately
\$29,432.50 – 7

Reauthorization of Schoonmacher Creek stormwater project

The committee reviewed a memo from the Public Works Dir. regarding the reauthorization of the Schoonmacher Creek Stormwater Control Project. Mr. Kappel gave some background on the project saying that in 2006 his department requested authority to apply for and accept a Wisconsin Department of Natural Resources (WDNR) matching funds storm water grant to assist with the Schoonmacher Creek Wall Restoration. A resolution authorized the use of \$30,000 towards the matching share of the grant. The project total is \$120,000. He said that \$60,000 will be reimbursed to the city after the work is completed. The remaining \$30,000 is to be paid by the Washington Homes Association. The city portion of the funds was coming from storm sewer spot improvement funding. The approved project was made a job in the operating account. This job was not requested for carryover at year's end so the funds lapsed into the storm water reserve. He requested to reauthorize the project for 2007 and to place funds from the storm water reserve into a job account for the project. He also would like to set up a reimbursable account for the WDNR portion of the funding. The city must provide proof of completion prior to being reimbursed. He recommended reauthorizing the wall restoration storm water project with \$30,000 as the city's share, \$30,000 as the Washington Homes Association share and \$60,000 to be reimbursed by the WDNR upon completion and acceptance of the project.

Moved by Ald. Purins, seconded by Ald. Becker to recommend approval to reauthorize the Schoonmacher Creek wall restoration storm water project with funding from a Wisconsin Department of Natural Resources matching funds storm water grant with \$30,000 as the city's share, \$30,000 as the Washington Homes Association share and \$60,000 to be reimbursed by the WDNR upon completion and acceptance of the project --

Ald. Grimm asked about future maintenance for the project. Mr. Kappel responded that the Washington Homes Association has agreed to be responsible for the maintenance.

Vote on the motion was Ayes: 7

Bonding limits for Capital Improvements projects

Mr. Wehrley said that they requested information from about a dozen communities and have received responses from about half that number. He went over the information contained in the spreadsheet outlining various statistics pertaining to staff size, use of consultants, tax rates and bond ratings. He noted that Wauwatosa and Brookfield are the only two communities that have an Aaa bond rating. He noted that Wauwatosa was at the bottom of any comparables with any city that responded. He further noted that it was difficult to make some of the comparisons because the cities surveyed varied widely on how they determine roads are repaired and how they determine funding for those projects.

Ald Becker left the meeting at 9:10 p.m. (-6)

Mr. Wehrley noted the effectiveness of Wauwatosa's road program as opposed to other cities. The average of other communities is 27 years of life for resurfacing and 52 of years of life for reconstruction. For Wauwatosa it is 36 years of life for resurfacing and 72 years of life for reconstruction. He said that while Wauwatosa is investing \$4,706 per mile other communities are investing much more. He stressed that the city is underfunding the infrastructure and they need direction for the capital budget due in a couple of weeks.

Ald. Becker returned to the meeting at 9:18 p.m. (-7)

Ald. Krol was concerned about planning for infrastructure repair and not having enough staff to carry those plans out. Mr. Wehrley explained that work loads and costs will vary on an annual basis and they organize staffing accordingly. If they are relieved of the artificial ceiling of the bonding cap they can focus on the projects that need to be done.

Ald. Becker asked if the bonding limit can be changed without changing the charter ordinance. Mr. Kappel responded only if the state mandates a project with a cost.

It was the consensus of the committee that the capital budget should go forward at the current bonding limit of \$3.5 million and then time can be spent on deciding about whether to raise the bonding limit or eliminate it.

Vouchers

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
J. Stohler	\$361.79	Consortium – 5/23-5/24/07 – Appleton State Preparedness Conference
J. Archambo	\$494.33	Admin. – 6/13-6/15/07 – Wisconsin Dells WCMA Summer Conference
B. Weber	\$635.45	Police – 6/17-6/20/07 – Lake Nebagamon WI Police Executive Group Training Conf.
J. Stohler	\$270.12	Consortium – 5/16-5/17/07 – Stevens Point Coordinator/Fiscal Agent Meeting
A. Kesner	\$466.24	Attorney – 6/20-6/22/07 – Green Lake Municipal Attorney’s Institute
E. Miller Carter	\$490.24	Attorney – 6/20-6/22/07 – Green Lake Municipal Attorney’s Institute
J. Beix	\$462.00	Health – 5/22-5/24/07 – Appleton 2007 Annual Public Health Conference
E. Krueger	\$1,525.92	Health – Fall Semester – Chapel Hill, NC Online course for Field Epidemiology Certificate: Epidemiology 600
J. Wojcehowicz	\$2,131.74	Water – 6/24-6/28/07 – Toronto, Ontario American Water Works Association Conference and Exposition

Moved by Ald. Becker, seconded by Ald. Grimm that the vouchers be allowed and paid – 7

Transfer from Reserve for Contingencies for additional litigation expenses in the matter of Covenant v. City of Wauwatosa

Moved by Ald. Purins, seconded by Ald. Becker convene into closed session per Wis. Stat. 19.85(1)(g): Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, and may reconvene into open session – 7

The committee convened into closed session at 9:38 p.m.

Moved by Ald. Purins, seconded by Ald. Ewerdt to recommend approval to transfer \$64,419.15 from the Reserve for Contingencies for additional litigation expenses in the matter of Covenant v. City of Wauwatosa – 7

The meeting adjourned at 10:15 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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