

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, September 25, 2007

Committee Room #2

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

ALSO PRESENT: J. Archambo, City Admin.; A. Kesner, City Atty.; R. Braier, Finance Dir.;
W. Kappel, Pub. Works Dir.; W. Tarman-Ramcheck, Spec. Prog. Analyst

Ald. Stepaniak as Chair called the meeting to order at 8:07 p.m.

Award of single stream recycling carts and application for a state trust loan for the purchase

Mr. Kappel reported that he and Mr. Ramcheck had a chance to view many types of carts at national conferences. As a result of that information gathering, they went out for sealed bid. The original plan was to use the same cart with a different color lid. The cart they chose will be black with a yellow lid. The container itself is made of recyclable material. He gave the committee a revised household count of 17,320 up from 17,250. The amended cost would be \$786,328. They would use a portion of the insurance settlement which would be about \$300,000 to pay for the carts. The balance of \$500,000 would come from the state trust loan program. He recommended purchase of the carts and authorization for the Finance Director to apply for the state trust loan.

Ald. Stepaniak asked why the city would use that particular method of financing. Mr. Braier responded that this particular loan funds the city's computer purchase as well. The interest rate would be 5% with a payment schedule over 5 years. He needs to formally request an application for the state trust loan and then submit that application. Ald. Stepaniak asked if this arrangement was more desirable than bonding or an internal city loan. Mr. Braier believed that this is a better plan explaining that the other options would take 10 years to pay back instead of 5.

Ald. Krol noted that they city could get a 10 year loan for less than 5%. Mr. Braier explained that the cost would be the debt service. He did not recommend a 10-year loan for the carts. He felt more comfortable with 5 years. John Menendez, Cascade Engineering, 5721 Potomac, St. Louis, Missouri, noted that the carts have a 10-year warranty.

Ald. Krol was concerned about the interest rate for the loan saying that he thought the city could get a better rate. He was also concerned that some older people may not have as many recyclables and a smaller cart should be offered as an option. Mr. Kappel responded that this is a progressive step and they will look into offering different sized carts in the future. He added that he will be coming back to the committee with the Waste Management contract. They have a Memorandum of Understanding (MOU) amending the current solid waste contract. Ald. Krol asked if the city could continue the blue bag collection instead. Mr. Kappel stressed that the committee had already approved the demolition of the collection station so the facility will not be available. He reiterated that the money from the insurance settlement would go towards the cart purchase.

Ald. Grimm asked about the cost per cart. Mr. Ramcheck said Cascade is charging \$45.40 per cart. Ald. Grimm asked about changing the lid colors on the current cart. Mr. Kappel replied that he thought the physical differences between the two carts would help people to sort between regular garbage and recyclables more easily.

Ald. Stepaniak asked about maintenance contracts. Mr. Kappel noted that they are a separate price and would be tacked on to the total cost. When they discussed this with Otto, another cart supplier, they were told that the price indicated is the price per cart per month that would be added on. It would include total replacement of the cart; however, when you price that cost out, it would be like buying a second cart. He would like to avoid having a maintenance agreement. He was recommending the price per cart.

Ald. Stepaniak said it was a positive move to go to sealed bid and symbolically it is nice to have a mostly recyclable cart. Mr. Kappel pointed out that Wauwatosa would be the first community in the area to use these carts.

Ald. Maher stressed that the quicker the city pays this loan off the better. He was concerned about notifying vendors that are still selling blue bags so they aren't selling them close to the transition to single stream. The sooner they know the better. Mr. Kappel responded that they contacted the manufacturer and told them what they were planning. They will be notifying the local vendors once we know the timetable.

Ald. Maher asked about the carts being fully automated. Mr. Kappel explained that Waste Management will be doing a fully automated collection. They have to advise the residents of specific places to locate their carts so the truck can reach them. Mr. Ramcheck noted that they will be including a flyer in with the tax bills that will have information on the timeline for the transition.

Ald. Maher asked if the city would consider a maintenance package for the carts. Mr. Kappel noted that a maintenance package doesn't affect the warranty. He added if there is breakage, Cascade will give the city the replacement parts. The first couple of years will not be a problem. Mr. Ramcheck added that the maintenance packages also contain specific exclusions.

Moved by Ald. Maher, seconded by Ald. Hanson to recommend approval of the award of bid to Cascade Engineering for an amended amount of 17,320 carts and an amended cost of \$786, 328 and to authorize the Finance Director to apply for a state trust loan in the amount of \$500,000 --

Mr. Kappel stressed that there will be a package delivered with the cart including how to maintain it and where to place it for the pick up times. The vendor is aware of delivering literature with the cart. The intent is to give a packet of information to each household. Ald. Krol asked if there was an option for residents to not use the cart or bring recyclables to the public works yard. Mr. Kappel said that recycling is required of all residents according to the municipal code. They would be on the honor system in the beginning. He pointed out that recyclables cannot be collected at the public works yard.

Ald. Ewerdt asked about using a special assessment as an option for paying for the carts. Mr. Kappel replied that the committee had considered this, but felt that it was the least desirable option for covering the cost. Ald. Ewerdt suggested that it might be justified as a replacement for the cost of the blue bags.

Vote on the motion was Ayes: 8

Level Three Change of Purpose and Fund Transfer from the Public Works Building (PWB) Facility/Energy Audit account to the Replace PWB Doors account

Mr. Kappel reported that they are already setting these funds aside this year to replace the public works building doors. They went out for bids and got a lucrative bid that went from a high of \$50,000 down to \$33,000. They would like to repair the doors that line the north side of the public works building and at the same time increase security for the building.

Mr. Braier explained that this transfer is a temporary funding measure until the budget is adopted. Ald. Stepaniak observed that it allows the work to be done before winter.

Moved by Ald. Becker, seconded by Ald. Krol to recommend approval of the Level Three change of Purpose and Fund Transfer from the Public Works Building Facility/Energy Audit account to the Replace Public Works Building Doors account in the amount of \$33,000 --

Ald. Krol noted that \$33,000 was spent for the energy study. He asked if it would be possible to reduce the public works budget by \$33,000. Mr. Kappel responded that the \$33,000 was already taken out and does not appear in next year's budget. Some of the money will still be left in that energy audit.

Vote on the motion Ayes: 8

Level Three Fund Transfer from the Engineering Sundry Contractual Services to the Parks Sundry Contractual Services account for the purpose of weed control at City Hall

Mr. Kappel told the committee that he got a price from the city's Chief Inspector for killing weeds and cleaning up the growth around city hall. The cost will be \$3,500 and the funds will come from inspection monies that would have been used for joint projects with the City of Milwaukee which have been canceled. The work would start this week if everything goes right. They will put use some seasonal personnel and an intern. The intern would have a license to spray the chemicals.

Moved by Ald. Krol, seconded by Ald. Grimm to recommend approval Of a Level Three Fund Transfer from the Engineering Sundry Contractual Services to the Parks Sundry Contractual Services account in the amount \$3,500 for the purpose of weed control at city hall – 8

Vouchers

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
J. Stohler	\$86.83	Consortium – 9/4/07 – Madison PHEP Meeting
J. Jensen	\$25.68	Police – 9/10-9/12/07 – Waukesha In Service Training
L. Vetter	\$25.96	Police – 9/10-9/12/07 – Waukesha In Service Training
J. Wojcehowicz	\$84.00	Water – 8/1/07 – Richfield WI Water Assoc. Management Sem.
J. Wojcehowicz	\$530.00	Water – 9/11-9/14/07 – Green Bay WI Water Assoc. Annual Conf.
P. Roberson	\$20.08	Police – 9/18-9/19/07 – West Allis Sexual Assault Investigation Training
J. Griffin	\$54.00	Police – 9/18-9/21/07 – Wisconsin Dells WI Juvenile Officers Assoc. Conf.
R. Cepican	\$39.00	Police – 9/17-9/21/07 – Milwaukee 2007 National Tactical Officers Assoc. Conf.

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
J. Griffin	\$54.00	Police – 9/18-9/21/07 – Wisconsin Dells WI Juvenile Officers Assoc. Conf.
D. Braun	\$78.51	Police – 9/18-9/21/07 – Wisconsin Dells WI Juvenile Officers Assoc. Conf.

Moved by Ald. Maher, seconded by Ald. Grimm that the vouchers
be allowed and paid – 8

The meeting adjourned at 8:45 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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