

**BUDGET & FINANCE COMMITTEE MEETING**

Tuesday, May 9, 2006  
Committee Room #2

PRESENT: Alds. Ewerdt, Grimm, Hanson, Maher, Purins – 5

EXCUSED: Alds. Becker, Krol, Stepaniak

ALSO PRESENT: A. Kesner, Interim City Admin./City Atty.; B. Aldana, Asst. City Atty.; W. Kappel, Public Works Dir.; N. Kreuser, Health Officer; J. Wojcehowicz, Water Supt.; J. Tschudy, Acct./Bus. Mgr.; J. Plass, Acct. Mgr., Comptroller; Lori Murphy, Mun. Clerk II, Assessor

Ald. Maher as Chair called the meeting to order at 8:17 p.m.

**Reduced assessments because of penalties for 2005 street improvements on Pasadena Blvd.**

Mr. Kappel said the residents involved in the request for reduced assessments were out of their driveway 2 days longer than planned. This project did extend past the completion date, so there have been penalties charged against the contractor. The contract has not been closed so they do not know at this point how much the penalty will amount to. He does not recommend doing anything about the penalty and any possible allocation to residents until they know what the penalty will be. A total of 120 residences are involved with any assessment reductions. He noted that any penalties are used to offset the cost to the city. He said that the city bears 40% of the cost and the affected residents bear 60%.

Mr. Kesner explained that Wisconsin construction law does not allow the city to simply penalize a contractor for non-performance. The city can penalize a contractor because delays in the completion of the contract have increased the city's cost. It is not an exact science. The reason the penalties are low is that they represent the city's extra costs and there isn't clear accounting for that.

Moved by Ald. Grimm, seconded by Ald. Hanson to place the matter of reduced assessments because of penalties for 2005 street improvements on Pasadena Blvd. on file --

Ald. Ewerdt asked if it was difficult to allocate the money. Mr. Kappel said that some people have already paid their assessment so that would mean credits. If it is calculated that each residence would get a \$50 credit, the city would have to spend close to that per residence to process the credits and reduced assessments.

Ald. Ewerdt noted that it was Mr. Braier that suggested that the Budget and Finance Committee review the request for reduced assessments. Mr. Kesner said it is really a policy issue. It was Mr. Braier, as a member of the Board of Public Works, who was most in favor of making the change. He reiterated that the penalties are applied because of the extra cost incurred by the city.

Ald. Hanson noted that the residents making the request were notified of the meeting and chose not to appear.

Ald. Purins observed that the city's out of pocket costs have been documented. Any reason for the neighbors getting a refund from the penalty would be because of pain and suffering or inconvenience and that is very difficult to quantify. He preferred that the city get their out of pocket cost than try to determine the value of the different levels of pain and suffering.

Ald. Maher said he first thought that the penalty should go back to the residents, but hearing the rationale behind the state law he understood that there are costs borne by the city and felt he could support the motion.

Vote on the motion was Ayes: 5

### **Funding benefits for proposed half-time clerical position in the health department**

Ms. Aldana introduced Ms. Murphy who is currently working in the Assessor's Office while her position is in transition. She explained that in the fall, the Assessor's Office made a number of staffing changes and Ms. Murphy was reclassified from a Municipal Clerk II to a Municipal Clerk I. Her hours were also reduced from full time to 20 hours part time. The Employee Relations Committee at the time encouraged the personnel department to find a way to mitigate the effect of these changes on this employee. The proposal for a half-time clerical position in the health department that is before the current committee is a possible solution. She stressed that the position is needed whether it is filled by Ms. Murphy or an outside hire.

Ms. Aldana explained that under the scenario of the position being filled by the current employee whose hours will be reduced effective July 1<sup>st</sup>, the city would pay higher wages because the employee would be redlined. This means the city would continue to pay the employee at her current rate. There would be a shortfall of \$6,932.40 which would be covered by the Reserve for Contingencies. She said the committee may wish to consider that if the current employee does not fill the position and her hours are reduced, the city would pay approximately \$3,400 in unemployment benefits for that time period. Under the scenario that the position is filled by a new employee starting at a lower rate of pay, there would still be a shortfall of \$3,566. She explained that the benefits for all positions in the city, whether full or part-time, are calculated for budget purposes at 50% of salary.

She said there are two scenarios for consideration: 1) for the Employee Relations Committee the issue is whether to recommend approval of a half time clerical position in the Health Department when the salary and benefits are primarily grant funded, but the position is partially city funded and 2) for the Budget and Finance Committee the issue is whether to recommend approval of a transfer from the Reserve for Contingencies to cover part or some of the costs of salary and benefits of a half time clerical position in the health department in an amount not to exceed \$6,932.40, but not less than \$3,566.

Ald. Maher reported that the Employee Relations Committee voted unanimously in favor of this position.

Ms. Aldana said the issue was originally presented to the Employee Relations Committee without any budgetary impact. The Employee Relations Committee recommended approval at the time of the first proposal because it was thought the position would be covered by grant funds. Because there is a gap in the funding, the issue is before this committee. The health department has been interested in extra part-time clerical help which has been made more urgent by the plans for a new sanitarian to begin work on July 1<sup>st</sup>. One proposal is to hire the incumbent employee in the assessor's office part-time for the health department position and between the assessor and the health department hours she would have a total of 40 hours per week. The lion's share of the health department position is grant funded, but there is a shortfall under each scenario. It will cost more to hire the incumbent employee, but the city would be saving unemployment benefits. She asked if the committee was comfortable using city funds to subsidize this grant position.

Ald. Maher noted that the Employee Relations Committee approved this position with the contingency that it would be funded only as long as the grant exists.

Moved by Ald. Grimm, seconded by Ald. Purins to recommend approval of the part-time position in the health department with funding from the Reserve for Contingencies in an amount not to exceed \$6,932.40 – 5

## 2006 Water Department First Quarter Report

Mr. Wojcehowicz said the utility was directed by this committee to provide program updates following the first quarter of 2006. He noted that after reviewing the first quarter, the utility was doing well in the residential, commercial and public authority sectors, but still not doing well in the industrial sector. Residential usage increased by 2% and commercial usage increased by 5%. The configuration of property is changing in the community. Three buildings were knocked down on Mayfair Road to make room for the new Best Buy building. St. Joseph's outpatient center replaced two hotels which reduced the revenue there. There are still no new buildings on the Roundy's site and the Burleigh site. There have been some minor additions on North Avenue. The Briggs and Lowes sites are finally connected to the water mains in that area; however, Lowes will not open until later this year. GE Healthcare is starting to add more employees and they are starting to equal the water usage of one of the towers on the Mayfair Mall property. They also have a potential new customer, because of the County Grounds water main break.

Ald. Maher said he was looking for some measure of where the utility is in terms of revenues and expenses relative to the budget. Mr. Tschudy said that through the end of March the total net income was approximately \$100,000. The total net income in 2005 was \$52,000, in 2004 it was \$32,000 and in 2003 it was \$36,000. He observed that the utility is doing quite a bit better in the first quarter of this year than in the past. Through the end of March they had one less water main break than in 2005 with a resulting decrease in overtime costs. The amount of purchased water is slightly down and that is probably tied to the industrial sales. He noted that the unaccounted for water amounts were significantly down.

Ald. Grimm asked if Hart Park added to the sale of water. Mr. Wojcehowicz said Hart Park is included in the numbers and they are getting quarterly charges, but it was difficult to come up with a specific amount.

Ald. Maher asked for an update on the request for a full rate review. Mr. Tschudy said the request is almost complete and should be filed with the Public Service Commission (PSC) within the next couple of weeks. The preliminary estimate is that the increase should be about 10%. The public hearing will be sometime in the summer and would take effect probably in September or October. Mr. Wojcehowicz pointed out that the rates were static from 1995 to 2003. The average increase in operating costs for the water utility in a city the size of Wauwatosa is approximately 8% per year.

Mr. Wojcehowicz described how they were alerted about a broken main on Menomonee River Parkway. A resident noticed the water running while walking on the lower path, but didn't report it until two weeks later. It was difficult to spot the leak because the water had been draining into the river and the river was already high. He added that there are changes in construction contract charges based on PSC rates and dead end hydrant flushing is being done during the day time in order to save operational costs.

Ald. Purins asked if there was anything in the system that alerts the utility to water main breaks such as pressure sensors. Mr. Wojcehowicz said the ability to detect leaks quickly depends on the size of the break and how far into the system it is located.

Mr. Wojcehowicz offered to create a budget document that would be closer to the city's budget document. He said that data regarding salaries would correspond, but other sections of the water budget wouldn't translate as well into a budget form like the one the city uses. He said they could be more explicit and descriptive in their future budget documents.

Ald. Hanson asked if this will be a quarterly report from now on. Mr. Wojcehowicz said he was just instructed to provide the first quarter, but he could continue to provide subsequent quarters if requested.

Moved by Ald. Hanson, seconded by Ald. Purins to continue quarterly reports from the water utility for the remainder of the year –

Ald. Maher said they are looking for how well the utility is doing more so from the revenue side than the expense side. Mr. Tschudy reminded the committee that much of this information is in the monthly reports that are included in the packets the aldermen receive.

Vote on the motion was Ayes: 5

Moved by Ald. Grimm, seconded by Ald. Hanson to accept the report and  
and place it on file – 5

**Vouchers**

<b><u>NAME</u></b>	<b><u>AMOUNT</u></b>	<b><u>FOR</u></b>
J. Wojcehowicz	\$79.00	Water – 4/26/06 – Brown Deer Seminar for Wisconsin Water Assoc.
M. Schwacher	\$79.00	Water – 4/26/06 – Brown Deer Seminar for Wisconsin Water Assoc.
M. Rondeau	\$258.61	Police – 4/2-4/3/06 – Door County “It’s Dangerous Out There” Dispatcher Training Seminar
R. Cepican	\$35.45	Police – 4/10-4/13/06 – Oak Creek Combined Tactical Systems Instructor Cert.
T. Brenzel	\$172.00	Police – 4/10-4/12/06 National Technical Investigators Assoc. Mid-States Training Conference
R. Gruebling	\$242.01	Treasurer – 4/27-4/28/06 – Green Lake Treasurer’s Assoc. Spring Conference
J. Wojcehowicz	\$45.00	Water – 4/20/06 Municipal Water Supply Operator Cert.
J. Beix	\$124.06	Health – 4/25-4/26/06 – Sun Prairie Supervisory Training Series – Session #6
E. Leranthe	\$210.30	Court Clerk – 4/19-4/20-06 – Stevens Point Criminal History Improvement Meeting
B. Aldana	\$163.53	Personnel – 4/28/06 – Madison WI Public Sector Labor Relations Conf.
J. Beix	\$80.14	Consortium – 5/1/06 – Madison Epidemiologist Meeting
F. Carsky	\$266.73	Police – 4/23-4/26/06 – Oshkosh Sex Offender Apprehension Program
J. Yauck	\$132.08	Police – 5/4-5/5/06 – Waukesha Hot Topics in the Investigation and Prosecution of Child Abuse

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
F. Carsky	\$131.25	Police – 5/40-5/5/06 – Waukesha Hot Topics in the Investigation and Prosecution of Child Abuse
N. Kreuser	\$378.81	Health – 4/30-5/2/06 – Chapel Hill, NC Final Travel for the UNC Management Academy of Public Health
W. Tarman-Ramcheck	\$543.71	Public Works – 5/3-5/5/06 – Green Bay APWA Wisconsin Chapter Spring Conference

Moved by Ald. Hanson, seconded by Ald. Ewerdt that the vouchers  
be allowed and paid – 5

The meeting adjourned at 9:06 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

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