

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, June 13, 2006
Committee Room #2

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

EXCUSED: Ald. Becker

ALSO PRESENT: A. Kesner, Interim City Admin./City Atty.; B. Aldana, Asst. City Atty./Personnel Admin.; R. Braier, Finance Dir.; W. Kappel, Pub. Works Dir.; Fire Chief D. Redman

Ald. Stepaniak as Chair called the meeting to order at 8:10 p.m.

Resolution authorizing the continuation of a self-insured worker's compensation program

Ms. Aldana said that every three years, the Department of Workforce Development requires the City to pass a new resolution stating its intent to self-insure its worker's compensation program. According to Cities and Villages Mutual Insurance Corporation (CVMIC), it makes financial sense to continue with the self-insured program. CVMIC has provided calculations comparing fully insured and self-insured worker's compensation programs. These calculations reflect a significant savings if the city continues to self-insure. She said that a related question is the committee's comfort level with the attorney's office approving worker's compensation settlements that are under \$25,000.

Ald. Maher indicated that he would like to have a discussion on how to handle worker's compensation settlements. He added that looking at the CVMIC data, it seems clear that staying with the self-insured program is the most cost effective. He noted that there seems to be an increase in claims in 2005 over previous years. Ms. Aldana and Mr. Braier concurred that the claims were higher. Mr. Kappel added that the injury incidence in the public works department was up in 2005 although he felt this was not a pattern, but an unusual occurrence.

Ald. Purins asked if the city did analysis on the actual claims as to quantity and type. Ms. Aldana responded that the former City Administrator set up a schedule of quarterly reports to the Common Council. Mr. Braier added that CVMIC sends monthly reports with an analysis of injuries. Ald. Purins expressed interest in seeing a periodic report. He was also interested in the issue of guidelines for approving settlements.

Ald. Krol felt that there was an advantage for the city in continuing the self-insured plan.

Moved by Ald. Krol, seconded by Ald. Maher to recommend approval
to continue the self-insured worker's compensation program – 7

Award of three-year purchase contract to Jefferson Fire & Safety for firefighter protective clothing

Chief Redman said this is essentially a renewal purchase contract. His review of the bids showed no significant changes. The current base bid prices are approximately 6.5% above the previous contract and future budget requests would reflect actual pricing. He said the increase seems reasonable when considering a multi-year contract. He recommended awarding the three-year purchase contract, with the inclusion of the Drag Rescue Device (DRD) and replaceable knee pads, to the low bidder, Jefferson Fire & Safety. He added that they have been very happy with Jefferson's service. He noted that recently some of the construction materials had been substituted because of shortages due to the war in Iraq; however, the substitutions don't affect the quality of the equipment.

Moved by Ald. Maher, seconded by Ald. Krol to recommend approval of the award of a three-year purchase contract to Jefferson Fire & Safety with the inclusion of the Drag Rescue Device (DRD) and replaceable knee pads --

Ald. Purins asked why there was so much disparity between the two bidders. Chief Redman said the higher bidder probably used factory prices and might have higher costs because they are out of state.

Vote on the motion was Ayes: 7

New fee for city's contractor to bring clean wood waste into the public works yard

Mr. Kappel said this program is a revenue producer. White Oak Farms has taken over the clean wood processing operation and he is satisfied with how White Oak Farms is handling both the wood processing and the composting. The revenues gained from this program will offset the cost of operating the public works yard scale. White Oak Farms is providing their own equipment. He recommended a scale fee of \$2 per ton and a \$4 minimum scale charge. The contractor is talking about bringing in over 100 tons per week, but they don't know how often during the week or how many weeks during the year. There is also potential to bring in additional tonnage. They are permitted up to 20,000 tons for composting. He noted that the Department of Natural Resources (DNR) has seen the operation and has expressed no problems with it.

Ald. Krol said that White Oak Farms does an excellent job and this new venture will allow the city to lower costs. This is a quality business

Moved by Ald. Krol, seconded by Ald. Hanson to recommend approval of the new fee for the city's contractor to bring clean wood waste for wood processing to the city yard --

Ald. Grimm asked about liability for the equipment. Mr. Kappel said that White Oak Farms would be responsible for their own equipment. Ald. Grimm asked where the fees for the scale would go. Mr. Kappel said the fees would go into the general fund.

Ald. Stepaniak asked if it would be appropriate to attach any roadway impact fees since the constant heavy truck traffic might impact the condition of the roadway. Mr. Kappel said they would need to see what will actually happen once the program is in operation. If White Oak Farms is running 5 trucks per day, any impact on the road would be almost inconsequential compared to the other truck traffic (including tractor trailers) currently on that road. He would take the suggestion under advisement should the truck traffic volume increase dramatically.

Vote on the motion was Ayes: 7

Claim of Marion McDowell, 6829 Wellauer Drive

Mr. Kesner said there was a sewer blockage in the city sewer line which backed up into Ms. McDowell's basement. The general rule of liability for the city is that there is no negligence if the city is not aware of the problem and the sewer lines are being cleaned on a regular schedule. The sewer line had been cleaned on schedule so they surmise that the back up happened sometime after the cleaning occurred. Since the city was not aware of the back up, the city is not liable. He recommended denial of the claim.

Ald. Grimm asked if this has been a problem in this particular area. Mr. Kappel said it may seem that way because all the houses that are closest to the blockage may have had basement back ups as well. He stressed that the cause of the blockage has nothing to do with city negligence because the line had been cleaned according to his department's regular schedule.

Moved by Ald. Maher, seconded by Ald. Purins to recommend denial of the claim. Vote on the motion was Ayes: 6, Noes: 1 (Grimm)

Vouchers

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
D. Leone	\$338.30	Police – 5/31/06 – Milwaukee A Primer on Open Records Law in Wisconsin
E. Miller Carter	\$352.01	Attorney – 5/31/06 – Milwaukee Seminar on Open Records
J. Wojcehowicz	\$60.00	Water – 5/3/06 – Madison Water Supply Regulatory Affairs Seminar

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

The meeting adjourned at 8:36 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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