



**CITY OF WAUWATOSA**  
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## **BUDGET & FINANCE COMMITTEE MEETING**

Tuesday, May 25, 2010  
Committee Room #2

**PRESENT:** Aids. Ewerdt, Berdan, Walsh (8:40 p.m.), Donegan, Causier, McBride, Wilson - 7

**EXCUSED:** Ald. Hanson

**ALSO PRESENT:** J. Archambo, City Admin.; A. Kesner, City Atty.; R. Braier, Finance Dir.;  
W. Kappel, Public Works Dir.; W. Wehrley, City Engineer;  
J. Wojcehowicz, Water Superintendent; Deputy Chief S. Erke, Fire Dept.

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

### **Auditor's Report and Financial Statement for year ended December 31, 2009**

Mr. Braier introduced Renee Messing, CPA, and Partner, of the City's accounting firm Clifton Gunderson LLP.

Ms. Messing presented to the Budget and Finance Committee the City's Audit and Fiscal Report year ending December 31, 2009.

Ms. Messing reviewed the audit with the committee. She noted that the audit was performed in conformity with accounting principles generally accepted auditing standards. The financial statements were presented fairly in accordance with generally accepted accounting principles. The following points were included in the auditor's statement: 1) there were no difficulties in performing the audit and no disagreements with management related to the performance of the audit; 2) there were no material adjustments as a result of audit procedures. The financial condition of the city was discussed and it was noted that the city maintains their AAA rating. Ms. Messing told the committee the information presented to them month in and out is accurate and of high integrity.

Moved by Ald. Donegan, seconded by Ald. McBride  
to accept the financial statements and audit for  
2009 and place it on file – Ayes: 6

### **Refinance of the 2005 State Trust Fund**

The committee reviewed a memo from The Finance Director in regards to the refinance of the 2005 State Trust Fund Loan.

Mr. Braier introduced Paul Thompson from Hutchinson, Shockey, Erley and Co. Mr. Thompson reported that in 2005 the City borrowed \$10,000,000 from the State of Wisconsin in the form of a Trust Fund Loan. This loan was to retire the liability balance with the Wisconsin Retirement Fund. Mr. Thompson advised that the taxable bond interest rates have gone down and the City's rate can be reduced to 4 ½% if not better. This would be a savings of approximately \$521,000 over the life of the loan. Mr. Thompson advised that this refinancing is strictly for savings. The State only allows you to refinance this before August 30, 2010 as part of a prepayment agreement the government allows.

Moved by Ald. Donegan, seconded by Ald. McBride  
to recommend approval that the City issue \$8,410,000

in General Obligation Taxable Bonds to refund the  
2005 State Trust Fund Loan – Ayes: 6

Ald. Walsh present at 8:40 p.m.

Mr. Braier advised that there will be a short Budget & Finance meeting on June 15<sup>th</sup> prior to council for final approval on this item.

**Authorization to apply for an Assistance to Firefighter’s Grant for replacement of personal protective equipment**

The committee reviewed a memo from Chief Redman requesting authority to apply for an Assistance to Firefighter’s Grant to replace personal protective equipment ensemble in the amount of \$180,000.

Deputy Chief Erke explained that they are proposing to replace 72 sets of personal protective equipment. Due to budget constraints it has been difficult to replace the equipment in a timely fashion. Deputy Erke reported that instead of replacing all 106 sets of required gear they will use the best gear from the prior year’s purchase for reserve. The total grant request would be for \$180,000 with a 10% city match with the funds coming from the budget.

Moved by Ald. Donegan, seconded by Ald. Wilson  
to recommend approval authorizing the Fire Chief  
to apply for an Assistance to Firefighters Grant to  
replace up to 72 sets of personal protective equipment  
in the amount of \$180,000 with a 10% city match – Ayes: 7

**Garbage collection service level and automation**

The committee reviewed a memo from the Director of Public Works regarding garbage collection service level and automation.

Mr. Kappel discussed the issues that would be involved with an automated system. These include service level decrease, capital outlay, and potential operational savings. Mr. Kappel noted that this automated service would be similar to the recycling program. The automated collection would eliminate the operator having to leave the vehicle. Currently the city allows residents to place five additional items out with their garbage. With the automated system this would no longer be possible. Mr. Kappel advised that there would be the expense of new containers. Mr. Kappel explained that if the city were to go with this program he would have to know this before the department budget is prepared for 2011.

Mr. Kappel also noted that the current rear loader has a longer life expectancy than a fully automated vehicle. The rear load garbage packers have other uses, most importantly fall leaf collection. An alternate method would need to be found to collect the leaves.

The committee discussed the number of collection packers the city has along with the number of routes. Mr. Kappel said that four packers are out daily. The committee asked for a more thorough analysis on costs involved and what the anticipated savings would be.

Ald. McBride agreed that as a city, constituents want money savings although they would like to keep the city services high. He felt that at some point the city might consider a referendum to see what level of services are expected while trying to reduce costs.

Mr. Kappel advised that he will prepare a fiscal analysis and bring this back to committee at a later date.

### **Biweekly solid waste collection during winter months**

The committee reviewed a memo from the Public Works Director regarding a reduction in solid waste collection service to bi-weekly during the months of January, February, and March.

Mr. Kappel discussed with the committee that with the success of the single stream recycling, the department has heard quite often that the solid waste carts are no longer filled on a weekly basis. Mr. Kappel reported that the department does not know of any agency in the State of Wisconsin that collects solid waste less than weekly but he is willing to implement a sample route in 2011. Mr. Kappel cautioned that this is not something he would advocate year round because of the warm weather months and the potential for health emergencies.

Mr. Kappel reminded the committee that one full garbage route was eliminated when the single stream recycling program went into effect. After the holidays there is a direct drop in the amount of garbage in the carts. The tonnage collected is lightest in the months proposed.

Ald. Berdan felt unless there is some huge benefit she wouldn't be in favor of this. She also felt it would cause more confusion to the residents as to another pick up date to remember and felt this would be a cut in service. Mr. Kappel said yes it would be.

Ald. Donegan questioned whether once a week collection was necessary everywhere in the city. He said services have to be cut or taxes will have to be raised. Mr. Kappel opined that the cost savings would be very minimal and wasn't sure that it would be worth it. Ald. Donegan asked Mr. Kappel if there were a way to know how much garbage is in the carts when they are picked up. Mr. Kappel said that information is not available. The other option offered by Mr. Kappel was a pay as you go system. Residents would pay by the size of the cart and there are many of municipalities that use that system.

The committee discussed the reduction in services. Some residents' perception is that it is wasteful to pick up containers that are not full. It was suggested that a survey be taken before cuts were made.

Mr. Kappel will provide more information to the committee at a later time next year. He said there is more analysis to be done than what he could do this year.

The committee recessed at 9:50 p.m. and reconvened at 10:00 p.m.

### **Ruby Avenue area sanitary sewers**

The committee reviewed a memo from the City Engineer with final recommendation for the Ruby Avenue Area Sanitary Sewers.

Mr. Wehrley advised that the current plans for the sewers would be able to convey the estimated flows from the 2008 and 2009 rain events without backing up basements. At the March 30, 2010 meeting, the question was asked if this plan would be sufficient to convey the high flows from the 1997 and 1998 storms. Mr. Wehrley said that it appears that the flows from those events could possibly be 20% to 30% higher than the flows from 2008 and 2009. Mr. Wehrley said that flows of this magnitude would likely back up into residents' basements.

Mr. Wehrley noted that there were several options available to handle the excessively high sanitary sewer flows and these were discussed with the committee. Mr. Wehrley cautioned that there are no guarantees with any option that it would eliminate backups.

Jill Petryckiewicz, 4411 N. 107<sup>th</sup> Street asked for clarification on options #2 and #4 that were being discussed. Mr. Wehrley explained that option #2 is to increase the pipe diameter size on Ruby Avenue and option #4 is to design a conveyance system sized to convey the desired storm event to an area where the excess flows would be pumped out of the sanitary sewer and bypassed into the storm sewer system.

Mr. Wehrley reported to the committee that some of the other options such as a pumping station alone would cost in excess of \$500,000. He said that finding illegal sump pumps hooked into the system would be a long process.

Ald. Walsh inquired about the timeline to start this project. Mr. Wehrley said that they have to go back to the consultant and submit the redesign for approval to Milwaukee Metropolitan Sewer District (MMSD). He thought the work could be started this fall.

Mr. Wehrley clarified for the committee that for option #4 they would be putting in a bigger pipe and option #2 would be to continue efforts to reduce peak flows in the system.

Moved by Ald. Donegan, seconded by Ald. Walsh  
to recommend approval a combination of options #2 and #4  
per the recommendation of the City Engineer - Ayes: 7

### **Funding for sanitary sewer improvements**

It was decided to hold this item due to time constraints.

### **\*Consultant services for Phase II Sanitary Sewershed Study in a triangular area bounded by Center, 60<sup>th</sup> and 80<sup>th</sup> Streets**

The committee reviewed the memo from the City Engineer regarding the retention of a consultant for Phase 11 Sanitary Sewershed Investigations in map locations WA4001, WA4002, and WA4035. This is a triangular area bounded by Center, 60<sup>th</sup> and 80<sup>th</sup> Streets.

Mr. Wehrley explained that the City retained consultant services for sewer investigations in several areas last year and this area would be the last area to be awarded. The City Engineer explained that due to the complexities in the first phase it was realized that a different model type may be necessary. The City would like to negotiate with the consultant who has the experience in doing this type of investigations due to the multiple interconnections.

Moved by Ald. Donegan, seconded by Ald. Walsh to go into  
closed session per Wis. Stat. 19.85(1) (e): Deliberating  
or negotiating the purchase of public properties, the  
investing of public funds, or conducting other specified  
public business, whenever competitive bargaining reasons  
require a closed session, and may reconvene into  
open session - Ayes: - 7

The committee reconvened into open session at 9:04 p.m.

The committee discussed other priority areas which were identified as Watertown Plank Road South, Ruby Avenue and Watertown Plank Road North.

Moved by Ald. McBride, seconded by Ald. Donegan  
to recommend approval of negotiating a contract for  
professional services in the amount discussed for sanitary  
sewer investigations in a triangular area bounded by  
Center, 60<sup>th</sup> and 80<sup>th</sup> Streets – Ayes: 7

**Status of the City of Milwaukee water rate case**

Mr. Wojcehowicz updated the committee on the Milwaukee Water Works rate case. He told the committee that Milwaukee Water Works filed an application to the Wisconsin Public Service Commission in September, 2009 to increase their water rates from their retail and wholesale customers in order to improve their rate of return. Wholesale customers were informed of a potential 36% rate increase.

The Water Superintendent reported that a Wholesale Customer Group was formed in August, 2009 to work together and contract with a rate analyst consultant to protect each of their interests. The Group felt that a team approach was needed as rate increases were all over the board. This group includes Wauwatosa, West Allis, Menomonee Falls, New Berlin, Shorewood, Brown Deer, Butler, Greendale, Mequon and Milwaukee County.

Mr. Wojcehowicz discussed a summary timetable on the proceedings to date. The Wholesale Customer Group is working toward just and reasonable rates, the 36% increase would be an unreasonable burden. A public hearing is scheduled for June 8<sup>th</sup> but it is unknown if this will happen as Milwaukee Water Works is seeking additional time. Mr. Wojcehowicz said that they will seek council permission to pass along the increase to customers in July. He is unsure if the timeline discussed will happen or not.

**Vouchers**

<b>Name</b>	<b>Dept.</b>	<b>Reason and location</b>	<b>Date</b>	<b>Amount</b>
Beth Aldana	Human Resources	Seminar - Sensia Healthcare	4/12/10	25.00
Michael Loy	Human Resources	Seminar - Sensia Healthcare	4/12/10	25.00
Tracy Burbach	Police	Career Survival for Women - Green Bay	5/6/10	111.92
Tanya Karnick	Police	Career Survival for Women - Green Bay	5/6/10	181.21
Abby Pavlik	Police	Career Survival for Women - Green Bay	5/6/10	181.92
Jennifer Ferguson	Community Development	HUD	05/11 - 05/12/10	46.45
James Wojcehowicz	Water	Water Supply Regulatory Affairs Seminar - Madison	5/5/10	80.00

Moved by Ald. Walsh, seconded by Ald. Berdan  
that the vouchers be allowed and paid – Ayes: 8

The meeting adjourned at 10:26 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

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