



CITY OF WAUWATOSA  
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**CITIZENS ADVISORY CAPITAL IMPROVEMENTS COMMITTEE**  
**Thursday, September 6, 2007 – 6:30 p.m.**

PRESENT: T. Brown, F. DeFrain, J. Engelhardt, J. Kasdorf, M. Kreiter, S. Kroeger; P. Matthews,  
M. Moylan, Ald. J. Stepaniak (chair/ex-officio) -8

EXCUSED/ABSENT: J. Albert, K. Barry, R. Deuel, R. Lau; T. Stacey

ALSO W. Wehrley, City Engineer; J. Plass, Acctg. Mgr.;  
PRESENT: J. Archanbo, City Admin.; Chief D. Redman, Fire Dept.

Ald. Stepaniak as Chair called the meeting to order at 6:30 p.m.

**Five-Year Capital Improvements Program – 2008-2012**

**Financial Schedules:** Ms. Plass briefly reviewed the financial schedules as follows:

**Schedule A, p. 1 – Summary and Funding for 2006, Estimated 2007, Projections for 2008-2012**

Total program expenditures are listed along with funding sources. Ms. Plass explained that the city bonds up to the \$3,500,000 self-imposed cap each year but also bonds outside the cap for additional state-mandated projects. Sanitary sewer permit compliance measures, mandated under a Department of Justice/Milwaukee Metropolitan Sewerage Commission agreement, are included in “Other Sources” and are considered maintenance rather than construction items in that they are paid through sanitary sewer rates. The \$9,527,000 item in 2008 for “Expenditures subject to debt referendum” is for replacement of fire station #1. Amounts in succeeding years are the projected overages beyond the \$3.5 million cap.

Funding for Hart Park expansion was questioned. Mr. Archanbo explained that the city was able to set aside about \$3 million this year for platform and infrastructure costs covering items like sewers, underground wiring, paths, and park roads. Of that \$3 million, about \$2 million is from a TIF District that had remaining increment when retired; another source was a capital projects fund surplus. The Chair noted that a source for the bulk of the funding needed for Hart Park amenities is still to be determined. Design work was completed and approved by the Common Council this year. Ms. Matthews requested further information on sources of the \$3 million set aside for Hart Park this year.

**Schedule L, p. 23 – History of Capital Improvements, Debt Service and General Obligation Debt 2000-2006**

The amount paid by the tax levy in 2006 was \$2,760,000, and the Amortization Fund paid \$865,000. An increase in General Obligation Debt incurred during 2005 is mostly due to a retirement fund liability that was paid off with a State Trust Fund loan. The city’s legal debt limit is 5% of the equalized valuation, or \$275 million in 2005. The city’s unused borrowing capacity is \$243,467,395 or 88.45%.

**Program Schedules:** Mr. Wehrley reported that he has been working with the Budget & Finance Committee for several months on the question of increased spending for infrastructure. They have been barraged with information and were still deep in discussions in July when they directed staff to fund 2008 under the current \$3.5 million bonding cap. They will continue discussions to come up with an appropriate funding level for the ensuing

years. The 2008 program, therefore, is balanced under the \$3.5 million cap, but following 2008 there is a significant level of expected expenditure beyond that limit.

#### Schedule C, p. 4 – 2008-12 Estimated Pavement Cost and Assessments per Foot

Anticipated construction costs are adjusted each year. A \$2 per front footage increase in special assessments for Type A total reconstruction is proposed for 2008 as a means of catching up after falling behind with only a \$1 yearly increase. The increase is less for Type B and C resurfacing.

#### Schedule C, p. 4 – 2008 Pavement

Streets scheduled for repaving in 2008 are all Type B and C projects. Local streets to be resurfaced under capital program funding total 2.0 miles, but TIF-funded work on State Street brings the total to 2.5 miles. Depending on funding levels, there may be a fundamental shift in how we pave our roads. The 2008-2012 program foresees 2.0 miles of local streets paving in 2009, 2.5 in 2010, 2.0 in 2011, and 3.1 in 2012. In 2009, 2010, and 2011 that mileage puts us annually about \$2 million over the bonding cap; in 2012, we are \$4 million over the cap. This clearly indicates that there is no way we can maintain a consistent paving program at the current funding level.

Mr. Wehrley explained that roads to be paved each year have been reprioritized. The goal had been to do a midpoint Type C reconstruction 36-40 years after a road is initially paved and then 36-40 years later do a Type B reconstruction. To maintain that schedule, however, we have to pave over 4 miles of roads per year. If we are only paving 2 miles per year, we have to take out the midpoint resurfacing and just do a complete Type A reconstruction at about 80 years. As reprioritized without the midpoint resurfacing, we are still over the cap.

Mr. Wehrley distributed copies of a recent Milwaukee Journal Sentinel article detailing Milwaukee's infrastructure status. At the current replacement cycle, their roads would be repaved after 163 years and alleys would have to last 272 years. A survey of numerous other area communities of about the same population reveals that most are spending a lot more on capital improvements than we are, although we don't know the age of their streets and type of construction being used. Our budget would have to increase significantly to keep the roads semi-passable. If funding does not increase, we would have to maintain just arterial streets and let residential streets fall to ruin. With 50 less employees than we had in the 1970s when Wauwatosa was dubbed "pothole city USA" by the media, we have neither the manpower nor funds for the patching or other maintenance that would be needed. Asked about sealcoating practices, Mr. Wehrley explained that Milwaukee uses a slurry-type seal that costs more than our sealcoating but does not last as long. The product we use is a modified asphaltic cement that is intended to get soft when it gets hot, sealing and knitting cracks together.

Mr. Wehrley reiterated that there are approximately 160 miles of streets under our jurisdiction and we additionally have maintenance jurisdiction on some state highways but don't pay 100% to pave them. Resurfacing every 40 years and reconstructing 40 years thereafter equals 4 miles per year. The price per foot of paving is predicated on width and paving type. Repaving North Avenue's twin 36-foot sections in 2010, for example, is a big cost for that year.

#### Schedule C, p. 10-14 – Public Works Projects

The city is obligated to inspect each sanitary manhole a minimum of once every five years and then do any needed repairs within 18 months. Sanitary sewer rates were raised in February to cover the cost for that program, which previously was paid through bonding. Our DNR stormwater permit takes effect in 2008, requiring extensive inspections and testing for leaks and improper connections that could lead to pollution of our streams. As an example of problems that might be found, Mr. Wehrley detailed a situation where MMSD discovered high levels of E-Coli in the storm sewer system. Following further investigation and testing, they are working with us to find the "hot spot" upstream. We are spending about \$750,000 each year on manhole inspections and have a new line item

(p. 11) at about \$1 million for 2008 designated for sewer spot improvements. As noted earlier, this is a mandated program that is outside the \$3.5 million cap.

In answer to questions, Mr. Wehrley briefly outlined the Department of Justice settlement with MMSD and all 29 member communities that requires the communities to agree as a consortium on the acceptable amount of flow when it rains and then agree to keeping each one of our basins at or below than level. Those discussions are just beginning. It is only since 1999 that we have been addressing our sewers in tandem with street paving projects. Some communities have been that proactive for 30 years, but other communities as well as Milwaukee County are way behind us in maintaining sewer infrastructure. Because we are not now doing enough pavement replacement each year, however, we are falling behind on infrastructure also.

We are currently under draft emergency rules that prohibit cleaning any sewers in areas that may have been exposed to PCBs in the sanitary sewer system, which would include areas along State Street, 124th Street, Harley Davidson Avenue, Dearbourn Avenue, and any commercial Laundromat. The only places we can clean are 100% residential and light commercial areas, and we have to look at land use all the way back to before 1980 when PCBs were outlawed. Fortunately, our sewers are generally a smaller diameter than those in which problems are being detected and we clean them effectively on a two-year cycle.

(Mr. Engelhardt excused. -7)

We will install some speed radar signs and other measures in specific school areas under a state Safe Routes to School grant and will also improve some handicapped ramps along arterials. Safety audits last year at several signalized intersections identified minor improvements that are needed. Sealcoating in amounts varying from \$195,000 to \$215,000 from 2008-2012 covers the city on a nine-year cycle.

Minor rehabbing of the Harmonee bridge is budgeted at \$500,000 in 2009.

#### Schedule D, p. 14 – Public Works Projects

Detectors at signalized intersections will be expanded at the rate of three or four per year, depending on the complexity of the intersection.

#### Schedule E, p. 15 - Public Works Building, City Yard & Landfill Site

The only budgeted amount is \$35,000 in 2008 funded by the General Fund. Mr. Wehrley answered questions about the fire this year at the city's recycling facility at the city yard. He outlined plans for single-stream recycling using separate carts, which will allow for a more automated process. All revenue from recycling comes back to the city after recovery of dumping costs.

#### Schedule F, p. 16 - Parks

Replacement of the Hart Park administration building roof in 2008 is funded by the General Fund. Platform costs for Hart Park expansion, as discussed earlier, are funded from other sources. Park amenity funding sources, perhaps donations or sponsorships, are still to be determined. The full cost of implementing the plan adopted by Council is estimated at \$9-10 million with some of that from TIF streetscaping funds.

#### Schedule G, p. 17 – Municipal Complex

Some 2008 building improvements at approximately \$35,000 will come from the General Fund, and upgrading and consolidation of city hall computer servers will be funded from other sources. Remaining 2009 and 2010 carpeting replacement costs as well as air conditioning replacement and some exterior painting will also be funded by the General Fund.

Schedule H, p. 18-19 – Water Department Projects

Water utility expenditures are not part of the \$3.5 million cap. Due to financial constraints in connection with lost commercial and industrial revenue, the utility will repair or replace only about 500 feet of water main in 2008. Based on the amount invested in infrastructure, they would be on a 354-year life cycle. Rate increases are regulated by the Public Service Commission and are also affected by pass-through increases on water purchased from Milwaukee.

Schedule I, p. 20 – Fire Department

General Fund expenses in the next five years include emergency vehicle pre-emption devices, vehicle replacements, and reconstruction of the parking lot and site improvements at station #3.

Chief Redman reported on progress toward replacement of fire station #1. After about a year and a half in committee, the Common Council voted to hire an architect to develop concepts for building a new station at the “greater Underwood” site; i.e., at or near the current site. One concept must be without acquiring any private property. Once a concept is selected by the Common Council, this project may proceed to referendum in April.

In response to questions, Chief Redman discussed some of the considerations, such as underground parking, that would allow the site to be used without acquisition of other property. Other considerations in choosing a concept are cost, efficiency of operation, and continuity of operations to effectively serve the public during the construction process. Pluses and minuses of various options will be presented when the different concepts are considered. At this point, it does not seem that anyone is questioning the need to replace the station.

About \$50,000 is being included to increase the door height at fire station #2 to accommodate a quint. The life expectancy of that site has been determined to be about 20 years after which it would probably be relocated. Operationally, a station closer to Mayfair Road and Burleigh would be more effective for the service area. In the long term with the redevelopment expected along Burleigh, it should be possible to identify a site for public purposes in that area.

Schedule J, p. 21, Police Department

Pending building improvements of \$15,000 in 2008 and carpet replacement in 2009 would be from the General Fund. A server upgrade in 2010 would be funded from other sources.

Schedule K, p. 22 – Major Future Projects

Major future utility and paving projects, some to be coordinated with Zoo interchange reconstruction and county grounds development, include N. 124th Street from Watertown Plank Road to North Avenue, Watertown Plank Road/Harwood Avenue from Glenview to 124th Street, Wauwatosa Avenue from Milwaukee Avenue to Center Street, and Wisconsin Avenue from USH 45 to STH 100.

The Chair noted that the most recent plan for the northeast quadrant of the county grounds, including the Eschweiler buildings, is relocation of UW-M’s engineering school. South of Watertown Plank Road, there is some question about continuing operation of the county’s mental health complex at its current location. Expansion of one of the medical complex hospitals is a possibility, but that needs to be tied to USH 45 and the Watertown Plank Road interchange reconstruction. There are some major design issues in the future that will be fairly complicated.

The city is in the process of selling 18 acres of public works land south of Walnut Road for a proposed residential development that could add as much as \$50 million to our tax base, becoming one of the five highest taxable properties in the city. Other redevelopment of smaller parcels is also continuing. There is a preliminary plan for

the vacant car dealerships on the south side of Burleigh, and developers are continuing the acquisition process north of Burleigh. Two new TIF developments occurred in the past year, one an amendment to the Research Park TIF for a building south of the hotel under construction at Mayfair and Watertown Plank Roads and the other for a medical radiology building on Mayfair Road south of Burleigh.

Ms. Matthews pointed out that sanitary and storm sewer work in the Ruby Avenue area, 100th to 106th Streets, estimated at \$1,284,040, continues to be put off from year to year despite continued flooding that residents are enduring. She would like to see that project given priority.

#### Bonding Limits for Capital Improvement Projects

Mr. Wehrley distributed copies of a June 5, 2007, memo to the Budget & Finance Committee and the City Administrator relative to the issue of maintaining the existing self-imposed \$3.5 million bonding cap, revising the bonding cap, or eliminating the bonding cap.

The Chair reported that the Budget & Finance Committee does not seem to favor increasing the cap based on an index, as this committee recommended last year, rather than on some more concrete decision. They have discussed the pavement replacement cycle and the possibility of choosing a bonding amount that gets to or close to what is needed for a certain cycle. The committee is struggling with the basis for that number while also considering it in the larger context of the fire station referendum and the cost of the growing sewer mandates.

Mr. Archambo agreed that the Budget & Finance Committee recognizes the need to do more with infrastructure but is struggling with what makes sense as a mechanism to provide some substitute constraint on future growth. They are also considering the idea of simply bonding appropriately each year based on the projects that need to be done. There is a broad spectrum of different opinions but no lack of consensus that something needs to be done.

Discussion of the bonding cap issue continued. Committee members reviewed the recommendation made in their motion last year, which was to raise the cap to \$4.7 million and index it based specific guideposts. Mr. Wehrley again pointed out that the program would be over the bonding cap by \$4 million in order to do just 3 miles of streets in future years. He was asked if a \$4 million cap that applies only to streets, not infrastructure, would cover 4 miles of work. In response, he noted that in 2012 we are looking at over \$3 million in sanitary and storm sewer costs, leaving only \$500,000 available for roads. In 2011, \$2.6 million of the \$3.5 million is for utilities; it is closer to \$2 million in 2010, and in 2009 it is \$3.3 million. So, if the cap applied only to roadwork, not sanitary and storm sewers, we might get our 4 miles in.

Committee members commented on the need for elected officials to make the decision on the relative value of funding sewers or things like carpeting, but there was some feeling that this committee should make their feelings known on particular projects as well. There was strong support for the long-postponed Ruby Avenue sanitary and storm sewer project as worthy of funding.

The Chair noted that the Budget & Finance Committee has recently been questioning whether a cap is needed, but there is a perceived need to have something to substitute for it. He also commented on residents' perceptions that they are being taxed too much. When taxes go up, they don't care if it's because of sewers or salaries or something else.

Mr. Wehrley suggested the possibility of stepping up to the 4-mile mark in yearly increments; i.e., recognize the need to pave 4 miles per year but do not recommend an immediate jump to that funding level; instead revisit the issue periodically. We are so far behind with how much we have lost due to inflation that it is difficult to get up to a sustainable level in one lump sum.

Ms. Matthews suggested making a recommendation to pave “X” number of miles not subject to the cap and then put all the remaining capital projects under the cap. Elected officials would have a lot more latitude but would still have to be very diligent based on the overall financial picture. Mr. Brown concurred, noting that then you are restricting the increase in bonding to what is outside residents’ front door. Everyone in the city benefits from road improvements, but not everyone is going to use the park, the library, or the senior center.

Moved by Ms. Matthews, seconded by Mr. Kreiter to recommend that 2 miles of roadwork including paving and associated infrastructure be funded each year *not* subject to the \$3.5 million bonding cap, with \$3.5 million under the bonding cap still to be managed to approach a goal of 4 miles of roadwork each year along with other city infrastructure needs. Ayes: 7

The committee returned to discussion of the need to fund major projects like Ruby Avenue sewer work. Ms. Matthews said that the area incurs a lot of overland flooding, especially in the major thoroughfare for access to Madison Elementary School. The sewer size there is too small to deal with conveyance needs because water flows from an open channel to closed and then back again to open. Mr. Wehrley explained that the problem was identified in the 1950s and two sewers were planned for 100th Street. For some reason, only one was built and we have only half capacity. When Ruby Avenue came up on the paving program, the huge cost of rectifying this situation was identified. We have a similar situation on Meinecke Avenue, but that street is being forced into the 2009 program because the pavement there is failing. Looking at 2009, however, we are \$1.7 over the cap and Meinecke Avenue may well be cut again since it will cost \$1.2 million for the sewer work alone. Likewise, a lot of other work for a particular year would have to be deferred in order to do Ruby Avenue. The Chair summarized: A \$1.2 million sewer project is too much for any given year with \$3.5 million as a cap—it eliminates too many other projects.

Moved by Mr. Moylan, seconded by Mr. DeFrain to recommend reprioritizing the Ruby Avenue sewer project within the current five year plan. Ayes: 7

Moved by Mr. Moylan, seconded by Mr. Brown to recommend adoption of the proposed Five Year Capital Improvements Plan 2008-2012 as amended. Ayes: 7

The Chair expressed appreciation for committee members’ input and time. He asked that staff inform them of any upcoming agenda items relating to a change in the bonding cap, and he reminded the committee that capital projects are on the agenda of September 13th Budget Committee meeting, which begins at 6 p.m.

The meeting adjourned at 9:45 p.m.

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Carla A. Ledesma, City Clerk  
City of Wauwatosa