



CITY OF WAUWATOSA

7725 WEST NORTH AVENUE
WAUWATOSA, WI 53213
Telephone: (414) 479-8917
Fax: (414) 479-8989

CITIZENS ADVISORY CAPITAL IMPROVEMENTS COMMITTEE Monday, September 1, 2005 – 6:30 p.m.

PRESENT: J. Albert, K. Barry, F. DeFrain, R. Deuel, J. Engelhardt, J. Kasdorf, M. Kreiter,
R. Lau, M. Moylan -9

EXCUSED: T. Brown, C. Graupner; Ald. Bruderle-Baran

ALSO W. Wehrley, City Engineer; J. Wojcehowicz, Water Supt.; J. Plass, Acctg. Mgr.;
PRESENT: Aids. Birschel, Purins; P. Matthews

The meeting was called to order at 6:30 p.m.

Mr. Wehrley distributed copies of Schedules A and L of the 2006-2010 Capital Improvements Program and corrected copies of Schedule B, Schedule F, and pages 9 and 10 of Schedule C. Committee members also received information about a Capital Summit meeting to be held on Thursday, October 13th, that will include members of the Budget and Finance Committee, the Citizens Advisory Capital Improvements Committee, and the Board of Public Debt Commissioners. Further details on that meeting will be forthcoming. Ms. Plass proceeded with review of the financial schedules.

Schedule A, page 1 – Summary and Funding for 2004, Estimated 2005, Projects for 2006-1020

Total Capital Improvements: Total program expenditures are fairly consistent other than in 2004 where over \$17 million in TIF funding for the GE building in TIF #2 is reflected.

Capital Projects Fund: In 2007, 2009, and 2010 "Long Term Debt-Bonds/Notes is at the \$3.5 million maximum. The \$3.8 million projected in 2008 represents \$3.3 million in bonding plus \$500,000 that will be funded through other sources, normally a state trust fund loan, for police computer equipment. The city can also exceed the \$3.5 million limit for state-mandated projects. Redevelopment funds, listed as "Other Sources," funded parking lot improvements at the Little Red Store site in 2004. Referring to the Capital Projects Fund Surplus category, Ms. Plass said that it is not unusual to use the surplus that is created when projects cost less than the budgeted amount. The Finance Director uses a very detailed analysis of current balances to determine how much to bond for.

General Fund: Listed by department categories, these are the projects discussed in detail at the previous meeting.

Expenditures Subject to Debt Referendum: Ms. Plass noted that \$1 million of the amounts for 2007-2010 is allocated to Hart Park. In 2008 and 2009, funds are allocated for design and construction of a replacement for fire station #1. The projected 7 miles of road paving projected in 2010 includes about 2 miles of joint projects for which Wauwatosa is not the lead agency. Joint projects with the City of Milwaukee are typically pushed back a few years, and staff would probably trim some local streets as 2007 approaches.

Schedule L, page 23 – History of Capital Improvements, Debt Service, General Obligation Debt 1998-2004

Ms. Plass reviewed some of the historical data from 1998 through 2004 relating to debt service and general obligation debt. Ms. Matthews felt it would be helpful to have a graph showing the debt payoff schedule, as had been prepared for the Budget Committee in the past. Ms. Plass indicated that the Finance Director may be able to provide a graph prior to the Capital Summit meeting in October.

The city is allowed to borrow 5% of the equalized value. That 5% limit was \$225,563,820 in 2004 and the debt balance at the end of 2004 was \$22 million, leaving \$203 million or 90% of unused borrowing capacity.

Water Department Projects **Schedule H, page 18**

Mr. Wojcehowicz reported on some of the changes affecting the water utility in the last year or so such as vacation of the large Roundy's and Kohl's sites on Burleigh Street, sale of a portion of the Briggs & Stratton site, and changes to the Western Metals property on State Street. Those four businesses were among the utility's top 10 consumers. Although it is difficult to know if the same levels of use will be regained, Mr. Wojcehowicz said he is cautiously optimistic because new development will not only improve the system but will save the utility substantial amounts.

The utility continues to look at replacing water mains as needed on streets in each year's paving program and also deals with water main failures, some on those same streets. Considerations include when to replace, how much to replace, improving redundancy, and how to get better flow. The utility negotiated with the developer of a portion of the Briggs & Stratton site at 124th and Burleigh for installation of some main at their cost. Other work in that area is planned in the future to improve fire flows on the west side. Improvements this year in conjunction with the paving program include work on portions of Swan Boulevard, 115th Street, 61st Street, Fairwood Court, Meadow Court, and Park Drive. The utility has negotiated with MMSD for certain improvements in the Hart Park area where mains are of 1903-05 vintage.

Mr. Wojcehowicz estimated that the city will receive about one-half million of infrastructure improvements, at no expense to taxpayers, in connection with projects such as the Lowe's site and Mayfair. He referred to a potential hotel/water park development at the Milwaukee County Zoo, which the City of Milwaukee does not want to serve. There is potential future gain there for the utility in building in more redundancy as well as improved water supply and flow at significant savings. Village of Elm Grove officials have inquired about receiving water from Wauwatosa on a retail basis, something that has been discussed as far back as 1973 and possibly earlier. There are some mutual benefits that are being studied.

Mr. Wojcehowicz noted that only footages are shown in the schedules rather than specific streets, since the program has to be fluid and adjust to changes. He would like to replace 1% per year but won't actually be doing that because of funding concerns. He would like to pave some entrances to the towers and paint the towers but will hold off for a few more years. They have been managing to hold off on replacement of a 40-year-old boiler but will continue to monitor its operation. The utility has explored options regarding water main replacement and restoration techniques and will continue to do so.

Asked about funds for providing a second water source for the western zone, Mr. Wojcehowicz said that it was in the budget but is on hold pending the Elm Grove question. The best feed would be a secondary feed from Milwaukee, which is what would be needed to serve Elm Grove. Brookfield is also looking for a partial emergency feed. Mr. Wehrley noted that the hydraulics of the west side could also be greatly affected by serving new development at the zoo.

Appointment of Chair Pro-Tem

Mr. Wehrley suggested appointing a chair pro tem in place of Ald. Bruderle-Baran who could not attend tonight. By unanimous consent, Mr. Albert was named chair pro tem.

Moved by Mr. Albert, seconded by Mr. Engelhardt to support funding of studies to identify a location for a second source of supply for the west zone –

In answer to questions about alternatives and the need to serve others when there are concerns about the west side, Mr. Wehrley said that the utility could put a small booster station at Burleigh if not serving others. If we were serving more than Wauwatosa, the City of Milwaukee might cost share on a main to the booster station. Size would be determined by service needs, and there is some economy of scale.

Mr. Wojcehowicz clarified that Elm Grove is east of the subcontinental divide, which has been the subject of much discussion in connection with Waukesha water. Water supplied to Elm Grove wouldn't be diverted from the Great Lakes basin since it would flow back. Portions of Brookfield are also to the east of the divide.

Following further discussion of criteria and priorities, Mr. Wojcehowicz said that we didn't know last year that there would be a change of philosophy in Elm Grove leading to a direct communication from the Village of Elm Grove's president to Wauwatosa's mayor. Right now, the city's response is pending. We need a secondary source, which is what the booster station is about, but he indicated that all alternatives need to be considered.

Mr. Wehrley said that a Burleigh booster station is in the plan for construction in 2007. This year's plan has \$93,000 for planning. How long do we wait? This is sizable enough that the city should not be too hasty, and it is the first time that there has been a formal request. Elm Grove officials have met with Milwaukee representatives regarding their support. Elm Grove plans to reconstruct Watertown Plank Road from 124th to the village in the next year or two and sees that as an opportunity to drop pipe. They also have an incentive to move forward because of some development projects.

Vote on the motion, Ayes: 9

(7:35 p.m. -- Mr. Lau, Mr. Engelhardt excused. -7)

Bonding Limit

Mr. Albert said he would also like to reiterate the need for an increase in the bonding limit.

Moved by Mr. Albert to recommend to the Common Council and the Capital Summit meeting that the annual bonding limit be increased by a minimum of 50% to a minimum of \$5.25 million to include the Hart Park expansion starting no later than 2007 –

Mr. Wehrley reported that a portion of the fixed costs for Hart Park are funded in 2006. This includes design services associated with expansion of the parking lot and a sanitary sewer relay in 72nd Street. The water utility has separate costs. It does not include any park amenities.

In response to a question regarding bonding requirements, Mr. Wehrley said that the self-imposed \$1 million annual cap on single projects was rescinded several years ago. Projects can go up to the \$3.5 million aggregate bonding

cap without a referendum. Ald. Purins pointed out that the total cost of a project must be considered, however. It may still have to go to referendum even if split over a number of years.

Committee members commented on property tax impacts and debated the need for increased bonding or a referendum. Ms. Matthews noted that TABOR, the Taxpayer Bill of Rights under consideration by state legislators could greatly impact funding of Hart Park.

The motion was seconded by Mr. Moylan.

Mr. Moylan commented that the bonding limit should be raised in order to maintain infrastructure. Every year \$3.5 million buys less and less. Mr. Albert agreed that we are not investing in the future adequately in Wauwatosa. If expenditures are incurred to maximize property values, everything else will fall into the right balance between taxes and quality of life, he stated.

With consent of the second, Mr. Albert restated the motion: Move to recommend to the Common Council and the Capital Summit meeting that the annual bonding limit be increased by a minimum of 50% to a minimum of \$5.25 million to facilitate continued funding of Hart Park improvements. Roll call vote on the motion, Ayes: 4; Noes: 3 (DeFrain, Deuel, Kasdorf)

Approval of 2006-2010 Program

Moved by Mr. Albert, seconded by Mr. DeFrain to recommend approval of the Five Year Capital Improvements Program 2006-2010 with the recommendations previously adopted. Ayes: 7

The meeting adjourned at 8:02 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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