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## **BUDGET & FINANCE COMMITTEE MEETING**

Tuesday, June 8, 2010  
Committee Room #2

**PRESENT:** Aids. Berdan, Walsh, Donegan, Causier, McBride, Wilson, Hanson - 7

**EXCUSED:** Ald. Ewerdt

**ALSO PRESENT:** J. Archambo, City Admin.; A. Kesner, City Atty.; R. Braier, Finance Dir.;  
D. Redman, Fire Chief; W. Wehrley, City Engineer; J. Wojcehowicz, Water  
Superintendent, B. Aldana, Asst. City Atty./HR Dir.; M. Loy, Health and Prod. Coor.

Ald. Walsh as Vice-Chair called the meeting to order at 8:08 p.m.

### **Sanitary Sewer improvements funding**

The committee reviewed a memo from the City Engineer regarding how and when these identified sewer improvements would be funded. Mr. Wehrley updated the committee on the background discussions held during the 2010 Capital Improvements Plan where staff identified the need for significant sanitary sewer improvements. At that time specific details of the locations were not available. It was decided for the 2010 budget to include funding for a portion of those projected improvements only and return to committee once staff has identified additional details regarding costs and locations. Mr. Wehrley advised that the staff has more details regarding estimated costs of locations and would like to proceed with implementing the improvements.

Mr. Wehrley advised the committee that the original estimate for the necessary sewer work was going to be approximately sixteen to eighteen million dollars. Mr. Wehrley provided a map broken up into different sections of the city showing approximate costs. The City Engineer asked the committee for guidance on how to proceed with the projects.

Ald. Donegan asked if any of this year's work being done was included in the capital improvements budget. Mr. Wehrley advised that the spot improvements being done and Ruby Avenue were included. Mr. Wehrley suggested that the current five-year plan should be readdressed. In answering a question to him, Mr. Wehrley advised that there is still the factor of how much work the Engineering Department can undertake. The workload is a strong consideration.

When asked, Mr. Archambo said he agreed with the general premise of starting design work on some areas in anticipation that they would be budgeted in 2011.

Mr. Wehrley said one approach would be to proceed with Ruby Avenue and Watertown Plank Road. But as they go into the design phase of other areas he said he would be hesitant to start design work on projects that wouldn't be started for years. He asked what the comfort level of the committee is on spending so the design work can be done. Mr. Wehrley answered a question that if the City waits another ten years to complete the sewer work there will continue to be basement backups. There will be further deterioration of the pipes.

Mr. Wehrley said the dye testing in Ravenswood neighborhood is ending and it is showing significant results in lateral leakage. It appears that about 20% of the problem is on the city end and 80% on the homeowner's side. He commented that the Community Development Department could write an ordinance to address this situation. This could have a significant bearing on the design and cost of these improvements.

Ald. Wilson commented that diverting more money into the sewers caused a greater deterioration of our roads, and results in the city falling further behind in the repair of four miles of road per year. He felt it difficult to provide guidance as to the total impact and didn't know how to solve for that.

Mr. Wehrley answered a question by Ald. McBride that this year the City is doing less than two miles. He noted that every year is different as some projects are in conjunction with the Department of Transportation (DOT). He noted that funding would have to be doubled if they were to do four miles.

Mr. Wehrley replied to a question that some municipalities have inflow control ordinances and if the City finds a lateral leaking badly it could order it to be fixed. The City Engineer said if the City can identify leaking laterals and the City chose to fix them then the flow in the mainline would be significantly reduced. He noted the Ravenswood area is putting out almost 1000 gallons a minute into the sewers. He said if the City did not address any clear water sources it is likely a much larger pipe would have to be installed. There is nothing on the City's books addressing leaky laterals and probably no one knows they are leaking.

Mr. Wehrley speculated that if the City were able to put a lining in the sewer of each home lateral it would cost between \$3000 - \$5000 and would take one to two days per house, with no excavation necessary. He said the strength of the lining would make it equivalent to a brand new pipe. Mr. Wehrley stressed that the obvious approach is to get Ruby Avenue done first.

The committee asked that the City Engineer come up with a program addressing the sewer study. It was felt it is not fair to the residents to postpone this much longer.

Ald. Donegan asked Mr. Wehrley if he was proposing additional borrowing this year. Mr. Wehrley said not at this time. Mr. Wehrley said he is proposing to redo the five year plan and asked the committee if they are willing to do sewer improvements on top of that. Ald. Donegan felt the committee needs more information and should come back with a new seven or ten-year plan with alternatives. He asked the City Engineer to provide the amount of borrowing that would be necessary and the impact of the debt service into the future.

The Finance Director reported that at the present time interest rates are historically low. He said the City could borrow the funds and structure the refinancing to meet future capacities we see forthcoming. He noted that in a normal interest rate environment you wouldn't recommend borrowing twelve million dollars and then doing the work later.

### **Award of professional services agreement for Phase II sanitary sewer investigations**

The committee reviewed a memo from the City Engineer regarding award of professional services for Phase II Sanitary Sewer Investigations in Sewersheds WA4001, WA4002, and WA4035. This is a triangular shaped area bounded by Center, 60<sup>th</sup> and 80<sup>th</sup> Streets.

Mr. Wehrley said staff was authorized to negotiate a contract for professional services in this area for Phase II Sanitary Sewer Investigations. A budget and scope of services has been received for the proposed work. Mr. Wehrley advised that since the work will extend past one year it requires approval by the Common Council.

He advised that the scope does not include any dye water testing. This would likely be undertaken at a later date. Mr. Wehrley said they would like to enter into a contract with Brown and Caldwell using Community Development Block Grant (CDBG) funds.

Moved by Ald. Donegan, seconded by Ald. McBride  
to recommend approval to enter into an agreement with  
Brown and Caldwell, Inc. for an amount not to exceed  
\$400,000 for sanitary sewershed investigations in a triangular shaped

area bounded by Center, 60<sup>th</sup> and 80<sup>th</sup> Streets and recommend approval of the carry-over of all unspent funds in the accounts at the end of 2010 into the 2011 budget. Ayes: 7

### **Amend the Water Utility budget for a 100 foot tall freestanding communications tower**

The committee reviewed a memo from the Water Superintendent regarding construction of a freestanding aluminum communication tower at the N. 64<sup>th</sup> Street Pumping Station to improve video surveillance network capabilities. The tower design and materials are consistent with two existing communication towers located at the Potter Road Pumping Station and at the Police Station.

The Water Superintendent brought the committee up to date on how this process started. The process was started after the events on September 11, 2001 when the Water Utility examined numerous methods to protect the infrastructure including video surveillance. Mr. Wojcehowicz noted that a Homeland Security Grant for water utility was awarded and approved by Common Council late in 2006.

In August 2007, Baycom, Inc. submitted the best overall proposal and price of the four proposals submitted. In the spring of 2008, Baycom installed the Mororola Canopy Network between three pumping stations. All stations are working perfectly except for N. 64<sup>th</sup> St. There were intermittent signals due to seasonal tree foliage. Baycom attempted a number of antenna upgrades but it was determined there was a need to raise the antenna height.

Due to the need of a taller antenna a quote was received from Baycom, Inc. in the amount of \$20,936.67. The Plan Commission recommended approval for conditional use on May 10, 2010. Due to budget constraints additional quotes were requested. Later in March 2010 pricing from Baycom, Inc. came in at \$19,205.96 saving the water utility an additional \$1,757.71.

Mr. Wojcehowicz submitted three options to the committee. Option 1 – Freestanding Aluminum Tower \$19,205.96; option 2 – basic Monopole, preliminary estimate \$48,000; option 3 – Flagpole type antenna, preliminary verbal estimate \$51,000. Mr. Wojcehowicz requested approval of option 1. He advised the water utility desires to construct the most cost effective, reliable communication tower as Homeland Security expects.

Ald. Pantuso from the 5<sup>th</sup> District said his constituents have made it very clear to him that they want something more attractive. He said that given the option he would always take the lowest bid, however in representing the fifth district he has to vote what his constituents want.

Ald. Nikceovich felt the City should be held to the same aesthetics standard as it holds outside vendors to. He didn't recommend hiding the fence; they like to keep the fence as clean as possible so it doesn't become a hiding spot.

Ald. Pantuso noted another concern of residents is that the tower would cause a decrease in property values. Mr. Wojcehowicz said he checked with the City Assessor and the properties around the other tower locations have shown no adverse effects.

There was a lengthy discussion amongst committee members. Upon being questioned the Water Superintendent advised that there was not enough time between the council meeting on June 1<sup>st</sup> to get an RFP out for additional bids in time for tonight's meeting.

Jason Pederson, Baycom, Inc. replied that that would try and have three other competitive bids for the next committee meeting on June 29<sup>th</sup> if it were desired. Mr. Wojcehowicz reminded the committee that delaying this item is a delay in providing surveillance needed.

Moved by Ald. McBride, seconded by Ald. Donegan  
to hold this item until additional bids are received. Ayes: 6 Noes: 1 (Hanson)

**Professional services relating to health and welfare benefits with Willis of Wisconsin**

The committee reviewed a memo from the Human Resources Director regarding whether to enter into a consulting service agreement with Willis for health and welfare benefits for an annual cost of \$32,000. The City uses the expertise of a benefit consultant in areas such as Requests for Proposals for services, strategic planning for labor negotiations and general strategic planning.

Ms. Aldana reported that staff has revisited the issue of contracting for professional services because the City's contract for the administration of both of the health insurance plans expires in September and because of the upcoming labor negotiations.

The Human Resources Director is recommending Willis based on cost, expertise, governmental experience, and ability to provide comprehensive and creative services. This would enable the City to improve its employee benefits program in a fiscally prudent manner. She said this contract would be more of a retainer relationship where the consultant would have more of a proactive role, where the City doesn't necessarily identify specific needs.

Moved by Ald. Donegan, seconded by Ald. Wilson  
to recommend approval to enter into a contract for  
consulting services with Willis at an annual retainer  
fee of \$32,000. Ayes: 7

**Request by the Fire Chief to apply a portion of regular salary savings to overtime budget**

The committee reviewed a memo from the Fire Chief regarding whether to authorize an allocation of regular salary savings resulting from vacant positions to be applied to additional overtime resulting from the vacancies.

Fire Chief Redman provided background information to the committee that the 2010 salaries budget was based on a concept of leaving positions vacant and applying the savings to a reduction in expenditures. The excess vacancies create a need for additional overtime necessary to maintain daily staffing at the budgeted levels.

Chief Redman reported that through the month of May daily service levels were reduced 25.8% of the time. This reduced actual overtime costs by approximately \$33,000. However, more overtime was expended at a rate higher than the available budget through May based upon the anticipation of shifting excess regular salary savings to overtime for the last half of the year.

The Chief said in order to maintain service levels as projected during the budget process, he requested that \$61,000 in regular salary savings be applied to overtime for the remainder of the year. He noted that staffing would still be reduced between 20% and 30% of the time. Chief Redman didn't know for sure if the requested amount of \$61,000 would cover the rest of 2010.

Moved by Ald. Wilson, seconded by Ald. Berdan  
to recommend approval of the fund transfer request in  
the amount of \$61,000. Ayes: 7

**Allocation from the fire station construction account to cover additional work done outside the contract**

The committee reviewed a memo from the Fire Chief regarding whether to authorize an additional payment to Zimmerman Architectural Studios for additional work conducted outside the scope of the original contract for services.

Chief Redman advised that discussions have been going on internally with Zimmerman for a long period of time regarding these additional charges. The Chief said throughout the process Zimmerman has identified items that were above and beyond the scope of the project. The Chief discussed the information included in the aldermanic packet which was submitted on March 22 that breaks down the labor charges. These charges were reviewed by the City Administrator and the City Attorney. These overage charges include the Green roof, the relocation of the solar hot water panels, grant work, changes from Committee of the Whole meetings, and the communication antenna.

Mr. Archambo noted that it was decided that these additional costs were truly outside the scope of the work and felt the project would still come in about ten percent under budget.

Moved by Ald. Donegan, seconded by Ald. Causier to recommend approval of the payment to Zimmerman Architectural Studios in the amount of \$63,294.25 for additional work conducted outside the scope of the original contract. Ayes: 7

**Vouchers**

<b>Name</b>	<b>Dept.</b>	<b>Reason and location</b>	<b>Date</b>
Timothy Brenzel	Police	Surveillance Equipment Engineering - Camp Dodge Johnson, IA	05/16 - 05/20/10
Kevin Hurst	Fleet	Fleet Management Course - UW Madison	5/25 - 05/26/10

Moved by Ald. McBride, seconded by Ald. Wilson that the vouchers be allowed and paid – Ayes: 7

The meeting adjourned at 9:48 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

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