

CITY OF WAUWATOSA

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BUDGET COMMITTEE MEETING

Thursday September 23, 2010
Committee Room #1

PRESENT: Alds. Berdan, Causier, Donegan, Ewerdt, McBride, Walsh, Wilson – 7

EXCUSED: Ald. Hanson

ALSO PRESENT: Mayor J. Didier; Alds. D. Birschel, J. Wilke; J. Archambo, City Admin.; A. Kesner City Atty.; Police Chief B. Weber; Police Capt. J. Sutter; Police Capt. D. Weiss; Fire Chief D. Redman; Asst. Fire Chief M. Anton; Asst. Fire Chief M. Carberry; Dep. Fire Chief W. Rice; Dep. Fire Chief S. Erke; N. Kreuser, Health Officer; P. Enders, Econ. Devel. Dir.; C. Ledesma, City Clerk

Ald. Ewerdt as Chair called the meeting to order at 6:03 p.m.

Introduction and Overview

Mr. Archambo outlined the budget process and explained that the committee has before them the 2011 Budget as proposed by the executive committee. He gave a PowerPoint presentation highlighting aspects of the budget document. A copy of this PowerPoint follows at the end of the minutes.

Ald. Ewerdt had questions about the debt service. Mr. Archambo explained that debt service increased because the city is always taking on new debt while paying off the old debt. He explained that when the city takes on debt it doesn't show up for about a year. The debt service also doesn't take into account the fire department borrowing.

Ald. Donegan noted that claims were up. Mr. Archambo responded that predicting the actual amount of claims is very difficult. He explained that the consultant consistently predicts claims going up by 12%. He suggested keeping above a 50% fund balance. In 2010 a transfer from the General Fund took the balance down significantly. The city is closing the books this year and trying to smooth that out so that the city should now be at 50%.

Ald. McBride noted that if the budget goes through, the non-represented would pay 10% of the household or individual healthcare benefit. Mr. Archambo noted that specifically it would be 10% of the ghost rate for 2011 or about \$150 per person.

Ald. McBride asked what the percentage would be overall. Mr. Archambo responded approximately 12%. Non-represented employees make up about 25% of all employees. Ald. McBride noted that decreasing compensation would mean a paycheck decrease for some of the employees. He further noted that the budget is forecasting no cost of living and no additional compensation for the non-represented employees. About half the employees in this group would be eligible for step increases and this would create compression issues.

Mr. Archambo noted that the roll book on the manufacturing assessment hasn't closed and the manufacturing assessment is unusually small.

Ald. Ewerdt asked about the proposal to close city hall at 4:30 p.m. Mr. Archambo estimated a somewhat small savings. The grand total is approximately \$10,000. In that scenario, the employees would get a half hour lunch. He noted that this was already in the budget.

Ald. McBride asked how the city can reduce overtime by 10%. Mr. Archambo explained that the city tends to over budget for overtime.

Police Department

Chief Weber assured the committee that even though it is a tough budget year, they will not lower their standards of service. He would like to think that people move to Wauwatosa for the public safety. He noted that it has become more difficult to attract recruits because people don't want to be involved in law enforcement most likely because of recent criminal incidents. It is his belief that you get what you pay for as far as personnel goes.

Ald. McBride asked what the Chief would do if he had more money. Chief Weber stressed that the 10% increase in employee healthcare costs will cause compression issues and will discourage people from seeking promotions. As far as equipment, they could use small surveillance cameras especially at Hoyt Pool. A grant would pay for half the cost or about \$26,000.

Ald. Walsh asked about performing an audit of the police department. Chief Weber responded that they are good at looking at the budget they need for what they do, but if the city wants to pay for an audit to find things they can cut they would be open to that. He noted that an earlier study showed improvements in efficiencies.

With regard to overtime, Capt. Weiss stressed that the numbers will be close, but with a shooting earlier in the year, a murder, personnel shortages, creating reports and training, these are all factors in how the overtime will come out this year.

Chief Weber assured the committee that they will do as much as they can to control overtime, but noted that they have had a couple of injuries.

Ald. Wilson asked about the motorcycle patrols. Capt. Sutter responded that the biggest change is that traffic stops have increased. They have been four times more effective than squad cars. Chief Weber stressed that the emphasis is on enforcing the law.

Police Reserves

Mr. Archambo commented that the city has a tremendous Police Reserve force and they get more for their money. Chief Weber added that they are the oldest reserve unit in Wisconsin and they do a great job.

Moved by Ald. Berdan, seconded by Ald. Donegan to recommend approval of the Police Department Budget and Police Reserves Budget as presented – 7

The committee recessed at 7:47 p.m. and reconvened at 7:55 p.m.

Fire Department

Ald. Ewerdt acknowledged the recent International City/County Management Association (ICMA) report regarding fire department operations, but he advised adhering to the budget as presented.

Mr. Archambo noted that this is the fifth study that has been done over the years. Some of the ideas expressed were:

1. Implementation of the Phoenix System although they are still working through some issues with unreliable data
2. Proposal to add Automatic Defibrillators (ADDs) in police squads and who should pay for that. There is a possibility of providing those through donations
3. Elimination of three positions and decreasing from 26-25 in the minimum daily staffing

He commented that there is a proposed sub-committee that will review the ICMA study.

Chief Redman reported that general operations remain the same. The fire department budget calls for closing down the full time rescue at Fire Station #2. It is down about 40% of the time due to rolling vacancies right now. He noted that Rescue #2 handles a little over 1,000 responses during the year or about 3 per day.

Chief Redman noted that Quint 2 would be staffed with four people, but that would be less than fully staffed. This would be a significant change. The plan has been to hold staff to five personnel. It has also been suggested to reduce staffing in the engine companies. He didn't feel comfortable with those proposed reductions.

Chief Redman went on to say that he still has \$18,000 in the budget and still has about \$12,000 to reduce lieutenants by attrition. It would be the committee's choice whether to keep rescue #2 in service and reduce staff in an engine company.

Chief Redman also noted that the fire department budget reduces a Municipal Clerk III secretary to half time. He commented that there will be more than half time work. The current Training Clerk is trying to do both jobs, but can't do it all. He anticipates about \$30,000 in decreased expenditures. Part of the Municipal Clerk III is fully funded by Milwaukee County. He does not agree with the Clerk II doing more work.

Chief Redman addressed the Phoenix software system. He noted that the software is approximately \$70,000 with ongoing costs of \$41,000.

Chief Redman addressed the flood repair in Fire Station #1. He noted that the city's property insurance will cover all but \$5,000 of the repair. The estimated flood mitigation project will cost about \$50,000. They should be able to file for Federal Emergency Management Agency (FEMA) funding. Otherwise they will probably add that amount to the cost of the fire station.

Fire Chief Redman and Asst. Fire Chief Anton continued to discuss their concerns about staffing levels. They pointed to increased costs in operating the specialized equipment on the quint as well as the wear and tear on this half million dollar vehicle. They added that the original unit is showing its age. The unit should last 15 years and it is now at 12.

Chief Redman noted that its normal scheduled replacement is 2012, but the vehicle might not last till then. Another concern for decreased staffing in Station #2 is that there would be a longer response time to the northern part of the city.

The committee discussed the problem of false alarms and how to handle them. Asst. Chief Carberry cited Chapter 14.28.120 of the city code which addresses penalties. He suggested that the ordinance be amended so they can get more people to update their alarms.

Ald. Donegan expressed confusion about staffing levels compared to the recommendations of the ICMA report. Chief Redman explained why he felt the department was inadequately staffed. Asst. Chief Anton stressed that the ICMA report is not a recommendation. It needs to be reviewed further.

The committee discussed the agreement with the County Grounds. Chief Redman stressed that if the fire department had not entered into that agreement their cost for providing service would have been greater.

Ald. Donegan commented that he would accept the budget and suggest further discussion regarding the ICMA report.

Chief Redman believed strongly that stopping the service to the County would be wrong for the County and wrong for Wauwatosa. Asst. Chief Anton added that the County contract provides the station and the land for \$1. One impact of cutting an engine would be a lower ISO class rating which would impact insurance rates. He cautioned that there are ripple effects. When they went through the last review, the City Attorney determined that Wauwatosa would be required to provide the services to the County for free.

Ald. Berdan commented that the way the report was presented was very negative. If the committee accepted the Chief's recommendations where does that leave the budget? Mr. Archambo responded that it would have a negligible effect.

Mr. Richard Bachman, 2229 N. 115th Street, noted that he is one of the last five long serving aldermen. He felt it would be wrong to change anything with engine #2. There was a lot involved with the County. With regard to the defibrillators, he thought that by the end of October they will have the money to purchase ten units. He was doing this in the name of his late wife Gloria. He also suggested that citizens be allowed to participate in any review if the ICMA report.

Mr. Hank Wendt, Head of the Firefighters Union, 9502 W. Ridge Court, Milwaukee, expressed his concern about the rolling vacancies and the possible elimination of rescue squad #2. These decisions have consequences for constituents. He pointed to the phrase "minimal impact". He stressed that it has a different meaning for people waiting extra time when they are having chest pains or blood loss. He urged the committee to put the three firefighter positions back. It would only cost about \$1 per person. Residents expect the level of service they have been getting.

Ald. Wilke, Eighth District Alderman, disagreed with reduced staffing especially since the people in his district would be impacted the most. He noted that Wauwatosa sits at the crossroads of Milwaukee County which is a more prominent place than Brookfield or any of the surrounding communities. He asked that the committee not reduce staffing.

Asst. Chief Anton noted that measured reductions in staffing resulted in about a 6% reduction in service. In the ICMA manual and the most recent report a five person reduction resulted in a 100% reduction in effectiveness, four people resulted in a 65% reduction, and 3 people resulted in a 35% reduction in effectiveness.

Moved by Ald. Donegan, seconded by Ald. McBride to recommend approval of the Fire Department budgets including increasing the Clerk II to FTE --

Ald. Wilson acknowledged that the Eighth District would have a slower response time. He suggested that the committee look at this budget more closely.

Moved by Ald. Wilson, seconded by Ald. Causier to hold this item until October 14th - 7

Crossing Guards

Moved by Ald. Donegan, seconded by Ald. McBride to recommend approval of the Crossing Guard budget - 7

The meeting adjourned at 9:52 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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City of Wauwatosa

2011 Executive Budget
Thursday, September 23, 2010

The Budget Process: "The one common thread that links the parts of the organization together."

- ▶ Preparation
 - Executive budget
- ▶ Legislative approval
 - Appropriation act
- ▶ Implementation
 - Encumbrance and disbursement of funds
- ▶ Accounting and financial reporting
 - Comprehensive annual financial report

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2011 Budget Goals

1. Constrain personnel costs to less than 3% above the 2008 budget. Total personnel costs constrained to 2.35%.
2. Reduce the Equalized Tax Rate (Taxes Relative to Fair Market Value of Property). The equalized tax rate increases by 4.77% primarily due to a decrease in equalized value presumably due to the current economy. Had the value stayed constant, the increase would have been less than 3%.
3. Maintain Fund Balances in Accordance with Policies (neither too high or low). All are maintained.
4. Constrain Levy Increase to Rate of Inflation. The levy increases by less than 3 percent compared to 3.3 - 4.8% CPI for Milwaukee MSA.
5. Constrain Individual Property tax without sacrificing future cost containment measures. The City property tax based on the average valued home is estimated to increase by 1.28%.

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Budget Realization

Contributing factors called for a property tax levy increase of \$4.153 million before Executive Review

Some of the factors:

- It assumed no appropriation of surplus applied
- It didn't take into account the 'rolling vacancies'
- The transfer to the general fund for debt service included an increase of \$350,000
- The engineering reimbursement decreased by \$300,000 and the transfer to general liabilities was increased \$300,000
- There was an increase of \$325,000 related to compensation

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Solutions to deal with factors

- No cost of living adjustment
- A 10% increase in non-represented health insurance premium contributions
- Reduction in conference and travel expenditures by 50%
- Reduction in OT by 10%
- Reduction in dues and periodicals by 1%
- City Hall closes at 4:30PM
- Electronic distribution of the quarterly newsletter
- Improve efficiencies and citizen selfservice with initiatives like street lighting experiments to reduce energy consumption and electronic meeting packets

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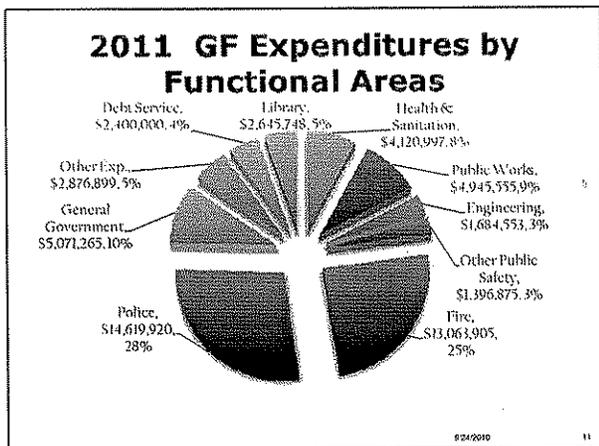
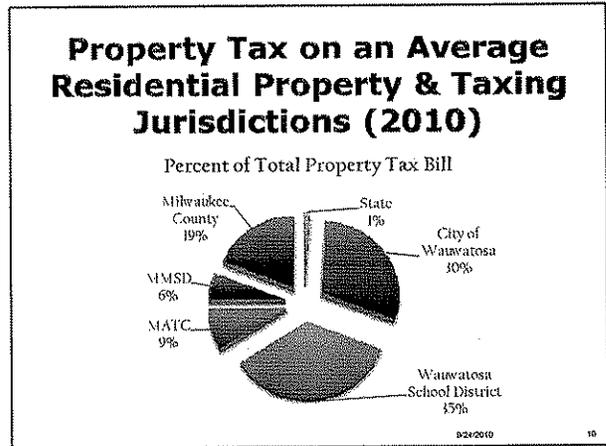
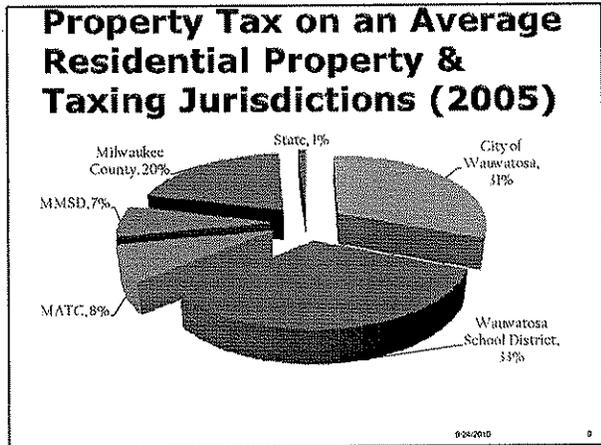
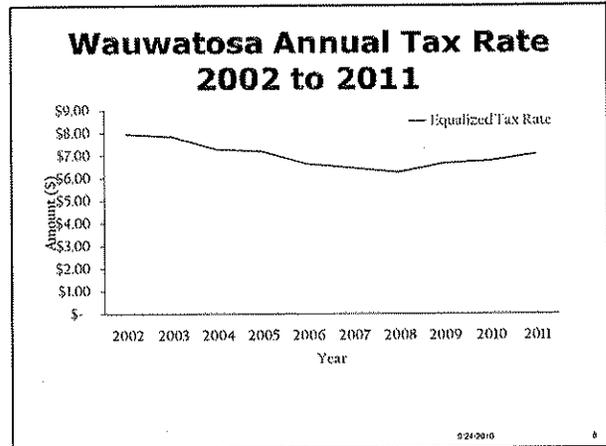
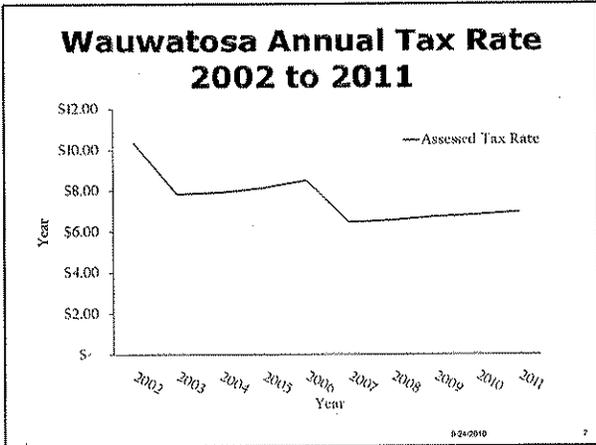
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2011 Executive Budget

	2009 Executive Budget	2009 Adopted Budget	2010 Executive Budget	2010 Adopted Budget	2011 Executive Budget	Incr/(Decr) From 2010 Adopted Budget to 2011 Executive Budget	
						\$	%
General Fund w/ Library	\$52,211,654	\$52,217,491	\$52,383,784	\$52,303,042	\$52,825,717	\$322,675	0.61%
City Property Tax Levy (% of budget)	\$35,527,935 (68.05%)	\$35,527,935 (68.04%)	\$35,527,935 (68.40%)	\$35,827,938 (68.74%)	\$36,530,123 (69.15%)	\$702,185	1.96%
Other Revenue (% of budget)	\$15,058,062 (29.19%)	\$14,875,474 (28.49%)	\$14,615,849 (27.90%)	\$14,809,463 (28.32%)	\$14,845,594 (28.10%)	(\$23,869)	-0.16%
Surplus Applied (% of budget)	\$2,022,898 (3.92%)	\$1,814,082 (3.47%)	\$1,940,000 (3.70%)	\$1,805,641 (3.44%)	\$1,450,000 (2.74%)	(\$355,641)	-19.70%

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Expenditures for 2011 Proposed Budget

Expenditure Category	2006 (\$)	% of Total	2009 (\$)	% of Total	2010 (\$)	% of Total	2011 (\$)	% of Total
General Government	5,736,866	11.7	4,510,996	8.7	4,487,619	8.5	4,316,094	8.2
Library	1,762,400	3.6	2,525,071	4.9	2,509,398	4.9	2,645,748	5.0
Public Safety	25,609,628	52.2	28,957,685	55.3	29,557,380	56.1	29,080,700	53.1
Transportation	4,752,529	9.7	5,152,026	9.9	5,119,914	9.8	5,280,930	10.0
Sanitation	2,367,181	4.8	2,559,419	4.9	2,749,914	5.2	2,750,294	5.2
Health	1,138,798	2.3	1,491,721	2.8	1,604,664	3.1	1,370,703	2.6
Leisure Activities	2,178,323	4.4	1,332,473	2.6	374,117	0.7	330,460	0.6
Conserv. & Develop.	-	-	1,771,016	3.4	1,917,415	3.7	2,094,349	4.0
Non-Departmental	76,700	0.2	70,584	0.1	825,277	1.6	199,876	0.4
Capital Outlay-Internal Service Fund	-	-	55,000	0.1	25,000	0.0	-	-
Unassigned & Transfers	5,416,000	11.0	3,798,500	7.3	4,902,409	9.3	4,786,563	9.1
Totals	49,059,475	100	52,217,491	100	52,503,042	100	52,825,717	100

2011 Significant Expenditure Increases

Expenditure	Change (\$)
Rolling Vacancies	686,300
Retirement Fund	154,800
Engineering	300,000
Operating Accounts	260,300
General Liability Insurance	93,000
Remission of Taxes	84,200
Capital Equipment	78,100
Debt Service	150,000

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2011 Significant Expenditure Reductions

Expenditure	Change (\$)
Personnel	332,500
Overtime	82,000
Wages	93,700
Engineering	200,000
Election Poll Workers	36,600
Social Security	24,300
Health Insurance	15,000
Workers Comp Insurance	34,900
Jobs Summary	109,200
Visit Milwaukee Contribution	44,000

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Revenues for 2011 Proposed Budget

Revenue Category	2006 (\$)	% of Total	2009 (\$)	% of Total	2010 (\$)	% of Total	2011 (\$)	% of Total
General Property Taxes	31,643,263	64.5	31,145,829	63.9	33,632,292	64.1	34,303,698	64.9
Other Taxes	1,357,836	2.8	1,079,800	2.3	1,171,340	2.2	1,172,000	2.2
Special Charges	13,250	0.0	24,723	0.0	34,830	0.1	35,888	0.1
Intergov Grants & Aid	6,698,894	13.7	4,797,861	9.2	4,848,474	9.2	4,834,073	9.2
Licenses & Permits	925,885	1.9	1,180,300	2.3	1,068,395	2.0	1,109,605	2.1
Fines, Forfeits, Penaf.	875,000	1.8	997,000	1.9	1,089,000	2.1	1,146,000	2.2
Public Charges & Ser.	1,292,910	2.6	2,223,705	4.3	2,510,237	4.8	2,657,652	5.0
Intergovnl Charges	1,740,920	3.5	1,519,363	2.9	1,582,156	3.0	1,384,896	2.6
Misc. Rev.	1,422,675	2.9	2,045,405	4.1	1,573,800	3.0	1,249,500	2.4
Transfers	1,326,340	2.7	1,535,922	3.1	2,376,981	4.5	2,076,657	4.0
Library & Public Charges	1,762,400	3.6	2,578,071	5.1	2,580,688	4.9	2,645,748	5.0
Total	49,058,473	100	52,217,491	100	52,509,442	100	52,833,717	100

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2011 Significant Revenue Increases

Revenue	Change (\$)
Licenses	44,500
Court Fines	75,000
TV Franchise Fees	55,000
Recycling Rebates	80,000
Water Reimbursement	51,800

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2011 Significant Revenue Reductions

Revenue	Change (\$)
Expenditure Restraint	45,000
Decreased Parking Violations	15,000
Reduction in Surplus Applied	355,641

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City Tax Rate per \$1,000 of Assessed Value

	2008	2009	2010	2011	\$ Diff from 10-11	% Diff from 10-11
Assessed Value Excluding TIDs	\$3,390,703,661	\$5,408,947,718	\$5,277,322,121	\$5,282,067,700 (estimated)	\$4,515,379	+0.09%
City Tax Rate	\$6.52	\$6.69	\$6.79	\$6.92 (estimated)	+\$0.13	+1.83%
Average Residential Value	\$244,000	\$242,300	\$244,000	\$244,000	\$0	0.0%
Estimated Average Residential Tax (\$ per month)	\$1,390.8 (\$152.57)	\$1,620.92 (\$185.06)	\$1,636.76 (\$188.06)	\$1,688.8 (\$187.1)	\$51.72 (\$2.64)	+1.92%

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2011 Proposed Budget – Relative Debt Comparison

Municipality	Equalized Value	Allowable Debt	Actual Debt	Debt Capacity	% Used Capacity
Saint Francis	68,167,500	20,908,775	0	30,048,375	0%
Greendale	1,357,221,500	68,361,000	1,355,750	65,005,150	5%
Oak Creek	3,046,431,800	152,121,500	11,969,480	138,352,020	9%
Grafton	2,958,415,000	148,421,840	15,256,870	133,164,970	10%
Wauwatosa	5,504,957,000	275,127,850	11,095,550	244,292,200	12%
Milwaukee	6,609,181,500	3,180,450,075	417,975,300	2,762,474,775	13%
River Hills	489,300,000	24,170,545	1,220,420	23,049,125	1%
Hales Corners	689,555,000	34,533,440	4,731,060	29,802,380	14%
Whitefish Bay	1,897,814,000	94,890,700	19,569,250	75,321,450	21%
Shorewood	1,455,004,600	72,030,200	16,128,800	55,901,400	22%
Franklin	3,481,759,700	173,087,920	41,600,000	132,487,920	24%
Fox Point	1,093,860,700	54,694,525	11,470,000	43,224,525	25%
Brown Deer	1,075,102,200	51,764,500	27,570,500	24,194,000	31%
West Allis	4,371,402,600	213,570,110	77,386,440	136,183,670	36%
Bayside	647,119,500	32,370,975	6,957,297	25,413,678	37%
Glendale	1,954,017,300	99,100,800	38,341,245	60,759,555	39%
Milwaukee	30,226,985,500	1,511,349,275	656,831,370	855,517,905	43%
South Milwaukee	1,267,573,000	62,389,600	39,290,000	23,099,600	40%
Cudahy	1,246,698,100	62,314,000	29,192,260	33,121,740	47%
West Milwaukee	335,000,800	16,750,000	9,600,000	7,150,000	57%

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