



CITY OF WAUWATOSA
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BUDGET & FINANCE COMMITTEE MEETING

Tuesday, November 30, 10
Committee Room #2

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

ABSENT: Ald. Walsh

ALSO PRESENT: J. Archambo, City Admin.; A. Kesner, City Atty.; J. Plass, Acting Finance Dir.;
D. Summerfield, Acting Treasurer; W. Wehrley, Acting Public Works Dir.

Ald. Ewerdt as Chair called the meeting to order at 8:16 p.m.

Approval of award for professional services for 2011 Hart Park improvements

The committee reviewed a memo from Mr. Wehrley regarding the award of the professional services contract for the design of Hart Park improvements between 68th and 70th Streets.

Mr. Wehrley said that this is for the design work which includes the restroom facilities, picnic shelter and playground equipment. He noted that the design work is partially funded in the 2010 budget and in the proposed 2011 Capital Improvements Plan. He proposed proceeding with the design work while discussion continues on the Capital Improvement Plan.

Mr. Wehrley recommended entering into a contract with the low bidder, Engberg Anderson, Inc.

Moved by Ald. Donegan, seconded by Ald. Causier to recommend approval to enter into an agreement with Engberg Anderson, Inc. for an amount not to exceed \$137,140 for design services; to authorize the carryover of all available funds in the account at the end of 2010 and amending of the 2011 budget by that amount and to authorize an 'intent to reimburse' from a future bond issue to fund this phase of the project - 7

Rate adjustment for ambulance fees

The committee reviewed a memo from the Fire Chief regarding the adoption of revised ambulance fees for paramedic services and adjustment for mileage rates for Basic Life Support (BLS) transports.

Deputy Chief Brent Lee explained that the contract for paramedic services requires that each municipality adopt the same rates. These rates are reviewed by the Milwaukee County Association of Fire Chiefs (MCAFC). The rate recommendations are sent to the Intergovernmental Cooperation Council (ICC) for confirmation.

Deputy Chief Lee noted that most of the increases are minimal. Ald. Ewerdt asked why the percentage increase is all over the map ranging from zero to seventeen percent. Deputy Chief Lee explained that the fees are set by the association.

Moved by Ald. Hanson, seconded by Ald. Wilson
to recommend approval of the paramedic fees and the
BLS mileage rate – Ayes: 6 Noes: 1 (Ewerdt)

Acceptance of a Wisconsin Office of Justice Assistance grant

The committee reviewed a memo from Chief Redman requesting a change of purpose for 2011 funds to cover the 15% grant matching funds to replace a portion of our VHF radios and to purchase additional radios.

Deputy Chief Brent Lee said the department would like to transfer \$25,000 from the 2011 budget to fund these radios. The 15% grant match is \$7,500. The department would like to replace up to ten additional portable radios at the same time for a cost of \$17,500. Deputy Chief Lee explained that this would be reallocating funds there is no net impact on the budget. Deputy Chief Lee said there will be a federal mandate in 2012 that every municipality have the same banding. He noted that with the grant there would be a savings of \$42,000.

Mr. Archanbo replied to a question that this is a good opportunity to get the radios for the department that will be needed for the federal mandate. He said this will negate what would have gone into the capital budget in 2013.

Moved by Ald. Ewerdt, seconded by Ald. Causier
to recommend approval to accept the OHA grant and to
authorize a fund transfer from the 2011 Fire Apparatus Reserve
account in the amount of \$25,000 - Ayes: 7

2011 Capital Improvement Program

The committee reviewed a powerpoint presentation that reviewed and refined information previously provided to the committee.

The proposed new debt that would be bonded for in the 2011 Capital Improvement Program would be \$17.3 million. The effect on the average taxpayer with a property worth \$240,000 would pay an additional \$75.71 annually.

The progress of the total bond issue over five years was discussed. The figures increase and decrease over the five years.

The sanitary sewer debt service was addressed. Every million dollar of debt service equates to \$42.00 to a ratepayer. The debt service sheet through 2030 showed peak years over \$4 million between 2016 and 2026 before leveling off again at \$4 million. A ratepayer would see an average annual increase of \$8.29.

The storm sewer annual debt service to a ratepayer is \$23 for every million dollar of debt.

The quarterly residential utility bills spreadsheet was looked at showing rates from 2011 – 2017. The quarterly billing for 2011 averaged at \$181.66. In 2026 the quarterly rate was projected at \$305.55.

Mr. Archambo discussed with the committee the bond rating comparison as of November, 2010. The comparison was Wisconsin median cities and national median cities. This was without the additional debt being discussed. The committee noted that Wauwatosa is above the median on a lot of items and below on a few as well.

Ald. Donegan wondered how the additional \$17.3 million would affect our bond rating. Mr. Archambo advised that he couldn't answer until a formal review was done. Ald. Donegan commented on the rating methodology in the Moody handout and felt that it would not affect our rating per his interpretation of reading the article.

Ald. Wilson asked Mr. Archambo for further projections and he explained how complicated it would be to do as the city doesn't know what other municipalities are doing. He said it would be hard to compare apples to apples. Mr. Archambo offered to look at the 2011 debt and see if there would be a few items he could modify.

Ald. Ewerdt reported that in 2006 our debt was \$31 million and it is now up to \$46 million since the bonding cap was eliminated. Three years of major rain events has brought up significant issues of our sanitary and storm sewer work. The city needs to figure out what dollar amount they are comfortable borrowing and how it will affect our Aaa bond rating. He expressed concern for the taxpayers and said that this borrowing is a huge leap of faith that this plan will work and felt it was too zealous. He suggested that the city borrow \$10 or \$11 million. He was also concerned about the utility rates to be charged to Wauwatosa businesses. A 65% increase from one year to the next is huge. He expressed displeasure at only receiving the powerpoint handout shortly before the meeting started.

Ald. Nikceovich asked how the private property Inflow and Infiltration (I and I) would work and Mr. Wehrley advised the plan has to be firmed up. Ald. Nikceovich expressed concern that there seemed to be a steady lag in getting things done in a timely fashion. She felt that the city was putting the cart in front of the horse when we don't know if the fix will actually take care of the problem. She was concerned that there is no finance director in place to help direct decisions to be made.

Mr. Archambo commented that depending on the comfort of the committee they could set the bond for a lesser amount of money and the city would send the project out for bid and would have to hold the rest over.

Randall Daut, 2420 N. 84th St., commented on the quarterly residential bill proposed. He said the rates double and then stabilize; although it looks terrible, it can be thought of as a cost-of-living expense. Mr. Daut said that he has had a total of seven back-ups in his basement, two this year. He asked that this project on Meinecke be done and done now. He said people's insurance have been cancelled because of the flooding. The sewers are 75 – 80 years old and in a meeting with the Mayor two years ago it was said this project would be done. He said this should have been done in 2009 although he understood the delay to study the proposed work. Mr. Daut said neighbors have had electrical and foundation problems and there is a risk in not taking care of the problem. He urged the committee to support the CIP.

Dave Whelan, 2430 N. 84th St. said he has lived in his home since 1993 and appreciates that the city is looking at this issue. He concurred with Mr. Daut that this neighborhood has been waiting a long time for this project to be done. He said he would like to be able to use his basement for extra living space and

doesn't want to have to get up in the middle of the night with a big rain storm to see if there is basement back-up. Mr. Whelan said if he could fix this problem himself, he would.

Ald. Roznowski noted that a lot of the conversation is around the Aaa rating. He said if we don't take advantage of being an Aaa city with the advantage of favorable borrowing rates than what is the point. In this economy where construction people are looking for work and with the low interest rates now is the time to take advantage of this. The city's infrastructure is 100 years old and we need to do this for our citizens instead of trying to explain why this happening to them time and time again.

Pat Ryan, 2420 N. 84th St. said the younger families in Wauwatosa need to use their basement as a way to expand their homes. She was afraid that if this isn't remedied, too many young people will be leaving if they can't utilize the entire home space.

Ald. Jay expressed shock at what was being suggested for the taxpayers to pay for their utilities. She noted that there are issues that have to be taken care of next year, but preferred a smaller amount be sought instead of \$17 million. She was concerned about the homeowners that would be paying the higher bills that don't need work to be done on their streets.

Ald. Ewerdt asked Mr. Wehrley to rank the projects in the order of importance. Mr. Wehrley said that part of the decision will depend upon the bids received. He noted that Meinecke alone is about \$6,500,000. He said that a decision still has to be made for private property infiltration and would be hesitant to make a priority list until then.

Mr. Daut spoke about the lateral infiltration and expressed his concern that the council would do something soon to address the problem. He hoped that an ordinance would be put into place to ensure that every home would have to fix their laterals by a certain deadline for fairness.

Ald. Wilson objected to the chair calling for a motion. He took issue with the fact that it wasn't noted on the agenda and also due to an alderman not being in attendance. He said his position is unchanged if the motion will be to vote for the program as presented. Ald. Wilson expressed displeasure at all the discussion held on being overly cautious. He didn't think that this meeting was the forum to knock the number down to a palatable number.

Ald. Ewerdt said that he checked with the City Attorney before the meeting and it would be proper to call for a motion if that is what the committee wanted to do and that is why he called for a motion. Ald. Wilson felt it was a procedural issue as there was not a memo with a recommendation.

Ald. McBride noted that the residents have said a lot. He shared the concerns and comments of Ald. Wilson with the sentiment in the room about spending a lot of money. He said this is about a minimum of 25 years of neglect to the sewers. If a homeowner has a leaky roof, they fix it, if they need a new driveway they replace it. Neighborhood issues turn into governmental issues, which is where it is at. Taxpayers homes are getting flooded because the government has not done their job. In an old city like Wauwatosa the city is supposed to be maintaining the infrastructure which they have not done. He expressed disdain that the common council in the past twenty five years or more didn't do anything to maintain the infrastructure. He felt the CIP budget needs to be passed now.

Ald. Casier felt the city needs to make good on promises made to residents on Meinecke. She said this reflects on the city's responsibility to the reputation of the city. She felt that the Inflow and Infiltration (I & I) issue seems to be the more worthy discussion as it involves the entire city. Despite the staggering numbers she didn't see how the city could not do this and needs to move forward.

Ald. Berdan commented that before coming to this meeting she had not made a decision on what to do. After hearing the discussion and hearing from homeowners, she felt the only thing to do is to get going with what projects need to be done to take care of this. She said that she didn't want the city to get this far into debt as we don't know what the future is going to bring but agreed with Aids. Wilson and McBride that we have got to get this fixed.

Moved by Ald. Hanson, seconded by Ald. Wilson
to recommend approval of the Capital Improvements
Program as presented in the amount of \$17.3 million dollars -

Ald. Donegan suggested that the committee be sure they are comfortable making a decision. He said the engineers need some direction soon. He noted that the council needs to do their homework and come prepared to the council meeting. Ald. Donegan said that the proposed projects have been discussed, planned, priced out and urged for over two years. He said this has not been rushed and the city is not moving too fast. He noted that when a repair needs to be done in your home and the cost comes in too high, you don't decide to fix only half the problem. You have to take care of your assets or they will lose their value.

Ald. Ewerdt suggested that some of the comments made were borderline offensive. He said he couldn't afford another tax increase and suggested that it is cheaper to move to Waukesha County and people are moving out of Wauwatosa because of the taxes. He didn't think it was a good idea to keep borrowing and not knowing if the problem was going to be fixed. He didn't like the idea that previous council members were getting the blame and getting thrown under the bus. He said there was not neglect, back then there was a cap on borrowing which was never addressed.

Vote on the motion – Ayes: 6 Noes: 1 (Ewerdt)

Vouchers

Name	Dept.	Reason and location	Date	Amount
Dennis Davidson	Police	Police applicant background investigations - Franklin	11/15/10	158.00
Daniel Collins	Police	Police applicant background investigations - Franklin	11/15/10	158.00
Brian Skornia	Police	Police applicant background investigations - Franklin	11/15/10	158.00
Jeffrey Lane	Police	Police applicant background investigations - Franklin	11/15/10	158.00
Robin Schumacher	Police	Interviews and Body Language techniques	11/4/2010	9.00
David Moldenhauer	Police	Outlaw biker investigations	11/2 - 11/5/10	55.15
Rachelle Aho	Assessor's	Microsoft Excel class	11/9/2010	174.44

Linda Day	Assessor's	Microsoft Excel class	11/9/2010	100.87
Erica Rondeau	Municipal Court	Annual Court Clerk Conference	11/3 - 11/5/10	132.00

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

The meeting adjourned at 10:16 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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