



CITY OF WAUWATOSA
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COMMITTEE ON EMPLOYEE RELATIONS
Special Meeting, Tuesday, March 1, 2011 – 6:35 p.m.

PRESENT: Alds. Berdan, Organ, Walsh (6:38 p.m.), Donegan -4

ABSENT: Ald. Ewerdt

ALSO Mr. Archambo, City Administrator; Mr. Kesner, City Atty.; Ms. Aldana, Asst.
PRESENT: City Atty./HR Director; Alds. Wilke, Birschel, Causier, Meaux, Nikceвич, Jay,
Pantuso, McBride, Hanson, Roznowski

Ald. Donegan in the Chair

Update on Collective Bargaining. Within the context of the ongoing collective bargaining activities with the city's labor unions, Mr. Archambo gave a very preliminary report of the possible financial ramifications facing the city following the release of the proposed 2011-2013 biennial state budget.

Possible impacts on the city's revenue:

1. **Levy Limits.** Levy limit increases will be equal to 0%, or the gain in value due to net new construction as a percent of equalized value, whichever is greater. That is, the 2011 levy limit is frozen and the city can only increase it by the percent that new construction is of the total levy. In the past couple of years, new construction has accounted for perhaps one-half percent. Additionally, the ability to carry forward unused levy-limit funds from the previous year is eliminated.
2. **Expenditure Restraint.** Reduce the minimum inflation rate in the Expenditure Restraint Program from 3% to 0%. The city has previously received about \$900,000 annually in expenditure restraint funds. It does not appear that the amount of available expenditure restraint funds has been reduced in the proposed budget. Thus, it appears that a 0% tax increase is necessary in order to qualify for these funds.
3. **State-Shared Revenue.** Low-population, low-value communities will see less of a reduction than high-population, high-value communities. It appears calculations related to a per-capita method of applying decreases will be used. An average reduction of 12% is anticipated, though Wauwatosa will probably see more of a reduction. The reduction cap seems to be 50%. The city's maximum loss could be \$450,000.

4. Recycling Grants. Recycling grants are eliminated. This represents a \$225,000 loss for the city.

5. Transportation Aids. It appears the funds will be reduced by 10% in 2012, and the same in 2013. Less populated communities will be targeted less. Wauwatosa can expect a higher-than-average reduction. Reductions are capped at 15%. Wauwatosa could lose between \$180,000 - \$270,000.

6. Exempt Computer Aid. This is unaffected by the proposed budget, except that it is being held at current levels, or at least not growing as much as it might have in the past.

Mr. Kesner added that this proposed budget message discusses the savings expected to be realized from the proposed Budget Repair Bill and incorporates all of those anticipated changes as well.

In response to a query, Mr. Archambo stated that staff has not examined any potential differences between the proposed Budget Repair Bill and the proposed biennial budget. Preliminary estimates indicate that the city may experience a revenue reduction of approximately \$1 million dollars, excluding expenditure restraint dollars.

Kari Schwenkner, 2207 N. 68th Street, asked whether the city intended to approve labor contracts during this unsettled period. The Chair replied that that issue will likely be a matter of discussion.

Ald. Birschel inquired whether infrastructure projects may be affected, to which Mr. Archambo stated more analysis is needed. There are questions about levy limits as they pertain to debt service that must be answered.

It was moved by Ald. Organ, seconded by Ald. Berdan
to go into closed session per Wisconsin Statutes 19.85 (1)(e). -4

Closed session began at 6:52 p.m.

At 7:32 p.m., it was moved by Ald. Walsh to adjourn the
meeting. –Motion failed for lack of a second.

It was moved by Ald. Berdan, seconded by Ald. Organ
to recess the meeting so that the Common Council
meeting can be held, and to reconvene in closed session
afterwards. Ayes 3, Noes 1 (Walsh)

The meeting recessed at 7:33 p.m.

The Employee Relations Committee reconvened in closed session at 8:15 p.m. and adjourned at 9:50 p.m.

Carla A. Ledesma, City Clerk

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