



CITY OF WAUWATOSA
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BUDGET & FINANCE COMMITTEE MEETING

Tuesday, October 11, 2011
Committee Room #2

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

EXCUSED: Ald. Wilson

ALSO PRESENT: J. Archambo, City Administrator; J. Ruggini, Finance Dir.; K. Ehley, Village Business Improvement District

Ald. Walsh as chair called the meeting to order at 8:00 p.m.

2012 Village Business Improvement District Operating Plan

Kathy Ehley, Exec. Dir. Village Business Improvement District, 1414 Underwood Avenue, was present to answer any questions regarding the Business Improvement District's (BID) Operating Plan and Assessments.

Ms. Ehley reported that the budget is identical to last year. They have worked very frugally the past several years to provide for capital improvement. In 2012 the BID will be investing in a new website and will start a design on new way-finding concepts which is in the master plan. The BID Board approved this plan unanimously on October 6, 2011.

Moved by Ald. McBride, seconded by Ald. Donegan to recommend approval of the Village Business Improvement District 2011 Operating Plan – 7

Covenant settlement financing options

The Finance Director updated the committee on his recommendation for financing the refund due to Covenant regarding their property tax settlement. He told the committee the borrowing will need to be done in approximately two weeks, so this meeting will likely be the last chance to provide feedback if a different direction other than the recommendation is chosen.

The State Supreme Court ruled in favor of Wheaton Franciscan Healthcare in that a large portion of their outpatient facility is tax exempt. A refund payment of \$8.4 million dollars was paid to Covenant out of liquid funds on hand and general investments. These accounts need to be replenished.

Three options were originally presented to the committee. Mr. Ruggini updated the committee on the conversation he had with Moody's rating agency. He noted that debt and reserves has a relatively small impact on ratings. Mr. Ruggini recommended the third option 'with a twist' and felt comfortable making the recommendation. The third option is to borrow funds and plan the repayment schedule to coincide with the likely closure of TIF 2. This option would be used in combination with using health reserve funds. He said it was his opinion that by handling the financing with this option that it would not have an impact on the City's bond rating.

The committee asked questions regarding the chargebacks from the Wauwatosa School District, Milwaukee County, Milwaukee Metropolitan Sewerage District and Milwaukee Area Technical College for their portions of the taxes levied on the healthcare facility.

Mr. Ruggini and the City Attorney said that they have been in contact with the Department of Revenue regarding chargeback and they have not heard back whether they will approve the City's request or not. The City Attorney explained that chargebacks are generally used to make minor adjustments to the tax roll. The size of this request, which is the result of several years of back taxes, could be the largest amount requested in state history.

Mr. Archambo advised he had been in discussions with the school district and has not received an answer whether they want the City to pay their portion on their behalf. The School District would repay the City with interest when TIF #2 closes in 2015.

The School District could decide to levy for this on the 2011 tax bills. Mr. Archambo explained the School District could lose state aid if they were to borrow the money outright to pay the City back their portion.

The committee was supportive of the plan to replenish the \$8.4 million with money from the City's health insurance reserve fund, chargebacks and by borrowing money that would be paid off from the payout when the TIF closes.

Mr. Ruggini replied to a question that if the Department of Revenue denied the City the right to chargeback the other taxing entities, the dollar amount would be so large they would have to look at different means of replenishing the accounts used to pay Covenant. He noted that our budget will be passed by the time the State gives us an answer.

Mr. Ruggini advised that he is requesting the initial authorization to proceed in two weeks.

Ald. Walsh felt the committee was in full support and thanked the Finance Director for the clarity.

Debt Management Policy

The committee reviewed a memo from the Finance Director regarding the final version of a debt management policy. A policy is an important tool used to establish parameters and provide guidance governing the issuance and management of debt obligations.

Mr. Ruggini advised that this policy is a work in progress and there may be instances where items may be added.

Mr. Archambo said with this policy they hope to achieve a notable standard of budget practices. He wants the residents to know the City has a commitment to best policy practices.

The committee discussed whether this should be an administrative policy or should it be an adoptive policy. It was questioned whether a policy would carry more weight with the rating agency when our account is reviewed. Ald. Walsh felt a recommendation from the Finance Director would be helpful.

Ald. Donegan asked to have a statement of debt broken out for the committee to review at a later time. Mr. Ruggini will prepare a presentation of the City's debt.

Vouchers

Name	Dept.	Reason and location	Date	Amount
Salvatore Alioto	Police	2011 Fall Police In-Service Training WCTC-Pewaukee	09/26-09/28/11	104.36
Julie Gibbs	Police	2011 Fall Police In-Service Training WCTC-Pewaukee	09/26-09/28/11	27.58

Robert Schumacher	Police	2011 Fall Police In-Service Training WCTC-Pewaukee	09/26-09/28/11	107.27
Keith Werner	Police	2011 Fall Police In-Service Training WCTC-Pewaukee	09/26-09/28/11	104.36
Stephen Kirby	Police	2011 Fall Police In-Service Training WCTC-Pewaukee	09/26-09/28/11	106.17
Larry Wolski	Fire	Tank Training - Stevens Point	09/27-09/28/11	18.74
Daniel Schmocker	Fire	AST-UST Training - Stevens Point	09/27-09/28/11	10.83
Lori Nielsen	Health	2011 Immunization Symposium - Italian Conf. Center	9/22/2011	68.32
Barry Weber	Police	Fall Police Executive Group meeting - Madison	09/29-09/30/11	17.25
Salvatore Alioto	Police	2011 CIB Technology Conference - Green Bay	09/20-09/23/11	374.76
Betsey Caron	Historic Preservation Committee	Historic Preservation Conference - Stevens Point	9/23/2011	166.50
Ryan Cepican	Police	2011 Vehicle Homicide Conference - DeForest, WI	09/14-09/16/11	59.76
Dale Weiss	Police	WI Crime Prevention Practitioner's Symposium - Lake Geneva	09/22-09/23/11	89.41
James Wojcehowicz	Water	Water Association Conference - WI Dells	09/20-09/23/11	456.00
Chad Geiszler	Police	WI Crime Prevention Practitioner's Symposium - Lake Geneva	09/21-09/23/11	460.00
Paul Leist	Police	WI Crime Prevention Practitioner's Symposium - Lake Geneva	09/21-09/23/11	220.00
James DeValk	Police	WI Crime Prevention Practitioner's Symposium - Lake Geneva	09/21-09/23/11	220.00
Matthew Bohmann	Police	WI Crime Prevention Practitioner's Symposium - Lake Geneva	09/21-09/23/11	460.00
Mike Hahn	Water	Wisconsin Rural Water Seminar - Menomonee Falls	9/15/11	105.00
David Moldenhauer	Police	WI Narcotics Officer's Association Conference - Green Bay	08/16-08/18/11	175.00
Bradley Isaacson	Police	Basic Evidence Technician - Ft. McCoy	09/25-09/30/11	27.79
Ryan Cepican	Police	IATAI-Traffic Crash Reconstruction Conf. - Bloomington, IL	09/18-09/23/11	847.16

Moved by Ald. Hanson, seconded by Ald. Berdan
that the vouchers be allowed and paid. Ayes: 6 Present: 1 (Donegan)

The meeting adjourned at 9:14 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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