



**CITY OF WAUWATOSA**  
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## **BUDGET & FINANCE COMMITTEE MEETING**

Tuesday, October 25, 2011

Committee Room #2

**PRESENT:** Alds. Walsh, Berdan, Causier, Donegan, McBride – 5

**EXCUSED:** Alds. Wilson, Ewerdt, Hanson

**ALSO PRESENT:** J. Archambo, City Administrator; A. Kesner, City Atty.; J. Ruggini, Finance Dir.; B. Porter, Public Works Dir.; S. Miner, City Assessor; B. Lenski, Deputy Assessor; Chief Ugaste, Fire Dept.; J. Ferguson, City Planner; Ald. Jay; Ald. Wilke

Ald. Walsh as chair called the meeting to order at 8:01 p.m.

### **Review and Approval of 2012 Community Development Block Grant funding levels**

The committee reviewed a memo from the City Planner regarding the approval of 2012 Community Development Block Grant Program funding levels.

Ald. Jay asked for consideration to have funding levels for the Senior Center be brought back to last year's levels. She felt that this program was hit extremely hard in decreased funds.

Ald. Wilke encouraged the committee to keep the bike/pedestrian plan in the program as the plan would link neighborhoods together and is good for economic development. The bike path is also a goal of the Energy Committee.

The committee discussed all the programs and felt that each one is a viable and worthy project. It was agreed that the Senior Center got hit hard although all of these program types all got reduced by 16% based upon their requests.

Ald. McBride congratulated the committee and was impressed with the amount of work that went into this proposal. He suggested a few reductions in a few programs in the Public Services category to hold everyone at last year's amounts and some agencies with increases. The Senior Center is the only agency to have a reduction from 2011 so he suggested an increase of \$4,940 for that program.

Moved by Ald. McBride, seconded by Ald. Donegan to recommend taking the Public Services budget separately from the rest of this budget. In order to keep the Senior Center at the same funding level amount of \$104,000 from last year, decreases will be taken from ARC of Milwaukee by \$3,000 and approximately \$2,000 from Tosa Cares while still keeping them at last year's levels -

Ald. Causier commented that her preference would be to not cut the Tosa Cares project as it cares for local residents. She agreed with previous conversation to reduce Elena's House funding by \$370 and reducing Interfaith by \$500. In order to make the Senior Center whole with the same funding as 2011, an additional

\$1,070 would come from Tosa Cares. This still gives Tosa Cares a large increase over 2011 funding. A friendly amendment was made to the motion which was approved by the motioner and the second.

Moved by Ald. McBride, seconded by Ald. Donegan to recommend taking the Public Services budget separately from the rest of this budget. In order to keep the Senior Center at the same funding level amount of \$104,000 from last year, decreases will be taken from ARC of Milwaukee by \$3,000, Elena's House by \$370, Interfaith by \$500 and the balance from Tosa Cares in the amount of \$1,070.

Vote on the motion – Ayes: 5

The remaining funding projects were discussed.

Moved by Ald. McBride, seconded by Ald. Donegan to recommend approval of the remaining CDBG program funding levels – Ayes: 5

#### **Assessor's office update on local real estate market, assessments and program software**

The committee reviewed a memo from the City Assessor providing an overview on the Wauwatosa real estate market, MLS market reports, assessment uniformity, state budget and local impact, Department of Revenue guidelines and an update on the CAMA software purchase.

Mr. Miner told the committee that the city's market values are higher than typical for Milwaukee County. The city has good affordable housing and a good school system which relate to homes valuation and desirability. He said that he has not seen as much of a decrease in Wauwatosa compared to other communities. Mr. Miner explained with his reports how easily data can be skewed. For example a house in the Highlands that sells for a million dollars will skew the figures, as it is an extreme, when compared to the average home price of approximately \$240,000.

The last re-assessment done for the entire city was in 2006. Mr. Miner said a re-assessment will be done in 2013. The committee discussed whether this should be done next year and Mr. Miner advised that the City Clerk's office supports the Assessor's office in reviews. It is assumed with the reassessment there will presumably be a lot of hearings. Mr. Miner said if the Clerk's office has to be involved in Board of Review along with four or five elections in 2012 it would be too much of a drain in personnel.

The City Assessor noted that residential property is losing ground to commercial properties and what this means is that residential properties are probably paying too much. He said when the re-assessment happens the assumption is that residential properties should see a decrease and the commercial taxpayer should see an increase based on the highs and lows discussed. The goal is for assessments to be within 5% of market value and the City is currently outside the limits of where we should be.

Ald. Donegan suggested if the Assessor's office is looking for fairness for Wauwatosa taxpayers, they should look at a 2012 re-assessment.

Mr. Miner updated the committee on the CAMA software purchased in 2008. The company has spent over two years in the installation process which resulted in both parties walking away from the contract. They were not able to do what the City needed for our budget of \$110,000. He noted that this software is still needed. Instead of working on this alone the cities of Waukesha, Brookfield and La Crosse are all interested

in this same type of system. Since these municipalities are all looking at the same timeline they worked together and crafted an RFP. Over twelve vendors presented proposals. The municipalities are jointly reviewing the top six vendors. The goal is to act as a consortium and make a joint purchase by the end of 2011. Mr. Miner said they are working on getting the best pricing from the top two vendors and he will report back to the committee in a few weeks.

### **Draft Schedule regarding Capital Improvements Project for 2012**

The committee reviewed a memo from the Public Works Director regarding the draft schedule of Capital Improvements Projects for 2012.

Mr. Porter explained the draft documents should be considered a work in progress. The first document listed all of the projects budgeted for 2012 design, construction or planning studies. This also includes projected costs, project engineer assigned, and dates for the required approval process. Mr. Porter advised that his intention is to update this document monthly keeping staff and council informed as to the most current status. Mr. Porter noted that this is an ambitious schedule but he had confidence that it can be completed noting there would be roadblocks along the way.

The second document is designed to improve tracking once they move into the construction phase. Mr. Porter said there is project management software available that may be investigated to produce better updates.

Mr. Porter explained to the committee that the design work for Meinecke Avenue and Ruby Avenue are in the final stages so it's not as if they are starting at square one come the start of 2012.

### **Quarterly Capital Projects Fund update**

The committee reviewed a memo from the Finance Director regarding the status of capital project expenditures year-to-date as compared to the budget and how that relates to the 2011 bond issue.

Mr. Ruggini noted that the report being discussed is a work-in-progress. He explained that due to carry-over of funds and differences between the capital budget and the year it was bonded, it is difficult to tie specific projects to specific years. He suggested the changes being made in project accounting would enable more useful reporting in the future.

Mr. Ruggini explained that based on the numbers reviewed, the 2011 bond issue is recommended to be \$12.5 million. This takes into account capital spending year-to-date, other revenue sources including prior year bonds amounts and projects which have been substantially designed and are likely to progress prior to the next bond issue.

### **Initial Authorizing Resolution for 2011 Debt Issuances**

The committee reviewed a memo from the Finance Director regarding the initial authorizing resolutions for 2011 debt issuances. Ruggini noted that in order to fund the 2011 Capital Improvement Plan, it is necessary to issue \$12.5 million of general obligation promissory notes. In addition, I recommend that \$4.3 million of general obligation promissory notes be issued to fund the remaining portion of the Covenant settlement. He was also recommending that the City refinance \$2.4 million of 2002 Water Utility Revenue bonds in order to take advantage of lower interest rates.

Mr. Ruggini noted that although the three resolutions are included in one memo the committee would need to make three separate motions.

Kevin Mullen, Senior Vice-President at Hutchinson Shockey, explained the process. The initial authorizing resolution allows the sale process to take place. After the sale Mr. Ruggini will present the sale resolution with date and rate to the committee. Based on slow paced spending previously, it was determined that \$12.5 million dollars would get the City to where it needs to be through the first part of 2012. This will allow itself to get better aligned. The intent is to reimburse the City back for expenditures. The debt is for a ten-year term and will be a competitive sale. The underwriter with the lowest interest rate will win the sale on November 15<sup>th</sup>. Mr. Ruggini noted that the budget was proposed before the sale, so some assumptions were made. It was noted that approximately \$6 million dollars of this is for reimbursement to the City from the payment to Covenant.

- Resolution for \$12,500,000 in general obligations promissory notes, Series 2011

Moved by Ald. McBride, seconded by Ald. Causier to recommend approval of the initial authorizing resolution providing for the sale of \$12,500,000 General Obligation promissory notes, Series 2011 – Ayes: 5

- Sale of \$2,400,000 Waterworks System Revenue Bonds, Series 2011

Kevin Mullen felt it very favorable to refinance the debt and felt that approximately \$307,000 could be saved by refinancing this debt.

Moved by Ald. McBride, seconded by Ald. Causier to recommend approval of the resolution providing for the sale of \$2,400,000 Waterworks System Refunding Revenue Bonds, Series 2011 – Ayes: 5

- Sale of taxable general obligation promissory notes

Mr. Ruggini reported that there is little concern that the Department of Revenue will deny the chargebacks related to the Covenant settlement. The concern is that the City will not receive the revenue until late November. Mr. Ruggini requested authority to adjust the \$4.3 million dollar note plus/minus 5% to keep the process moving. He noted if it turns out that the Department of Revenue denies the chargebacks he will come back to the committee with other options.

The City Attorney answered a question that the School District has asked the City to proceed with paying their portion of the debt and a formal agreement is in the works. If for some reason the School District decided not to sign the agreement, the money due to the City would have to be paid right away.

Moved by Ald. McBride, seconded by Ald. Causier to recommend approval of the resolution providing for the sale of Taxable General Obligation Promissory Notes to finance property tax refund payments. Approval also recommended for the Finance Director to adjust the dollar amount plus/minus five percent as necessary – Ayes: 5

### **Claim of Mary Heitkemper, 2504 N. 88<sup>th</sup> Street**

The City Attorney explained the claim of Ms. Heitkemper to the committee. He reported that the claim was not presented to the City in the 120 day timeline allowed by State Statute.

Moved by Ald. McBride, seconded by Ald. Causier  
to recommend denial of the claim by Mary Heitkemper,  
2504 N. 88<sup>th</sup> Street - Ayes: 4 Noes: 1 (Donegan)

**Claim of Mary Neuberger, 930 N. 115<sup>th</sup> Street**

The City Attorney reported on the claim of Ms. Neuberger. He explained that the claimant was backing out of her own driveway when she scraped the garbage cart.

Mr. Kesner advised that due to sovereign immunity the city is not liable.

Moved by Ald. Donegan, seconded by Ald. Berdan to  
recommend denial of the claim by Mary Neuberger,  
930 N. 115<sup>th</sup> Street - Ayes: 5

**Vouchers**

<b>Name</b>	<b>Dept.</b>	<b>Reason and location</b>	<b>Date</b>	<b>Amount</b>
Courtney Christiansen	Health	Childhood Obesity Conference - Green Bay	9/29/11	127.00
Jena Trask	Health	Childhood Obesity Conference - Green Bay	9/29/11	127.00
Greg Geis	Police	Dispatch Judo-Verbal Defense & Influence - Oconomowoc	10/12 - 10/13/11	382.12
Michael Romeis	Police	2011 AVCAW & WIASIU fall seminar - WI Dells	10/11 - 10/13/11	300.00
Brian Skornia	Police	2011 AVCAW & WIASIU fall seminar - WI Dells	10/11 - 10/13/11	21.00
Mike McDermott	Police	2011 Fall Police In-Service Training - WCTC	10/10 - 10/12/11	106.11
Tim Kastner & Addy	Police	WI Law Enforcement Canine Handles Conference - Johnson Creek	10/02 - 10/05/11	225.16
Farris Griffin	Police	2011 Fall Police In-Service Training - WCTC	10/03 - 10/05/11	104.94
Beth Aldana	Human Resources	2011 WI Lean Government Conference - Madison	10/10/2011	221.65
Michael Pearson	Police	2011 Fall Police In-Service Training - WCTC	09/12 - 09/14/11	102.23

Moved by Ald. Berdan, seconded by Ald. Causier  
that the vouchers be allowed and paid. Ayes: 4 Present: 1 (Donegan)

The meeting adjourned at 9:55 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

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