



CITY OF WAUWATOSA
7725 WEST NORTH AVENUE
WAUWATOSA, WISCONSIN 53213
Telephone: (414) 479-8917
Fax: (414) 479-8989
Web Site: www.wauwatosa.net

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, March 27, 2012

Committee Room #2

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

EXCUSED: Ald. Ewerdt

ALSO PRESENT: J. Archambo, City Administrator; A. Kesner, City Attorney; B. Porter, Dir. of Public Works; J. Ruggini, Finance Dir.; W. Wehrley, City Engineer; A. Brown, Assistant to City Administrator

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

2013 Budget Gap

The committee reviewed a memo from the Finance Director with a cost-to-continue analysis to begin developing the 2013 budget to determine the cost of providing the same level of services in 2013 as in 2012. The increase in cost, net any increases in revenue, represent the 2013 budget gap. This budget gap will provide a framework for decisions that must be made to balance next year's budget.

Mr. Ruggini said this analysis frames the discussion to begin planning. He noted that high level assumptions were made in the analysis. It was felt there is a slow but steady economic recovery. Mr. Ruggini discussed the rationale in preparing the analysis and explained that expenditures are forecasted to exceed revenues by \$1.25 million. This budget gap is approximately 3.4% of the property tax levy. For a comparison he advised that last year the budget gap was 7.1%. Although better, he warned that each year will get more difficult to balance the budget and decisions will have to be made on how to deliver services. The main reason for the gap is that revenues are not keeping pace with expenditures.

Three main reasons for general revenue stagnation: levy limits and an assumed 0.25% net new construction growth, interest earnings further increase the revenue loss due largely to the maturing of a \$6.32 million certificate of deposit, and a planned reduction in appropriated surplus which is partially offset by a 1.5% assumed vacancy and turnover employee rate.

For expenditures, wage increases are largely offset by fringe benefit savings due to the police and fire contracts. The largest factor for expenditure growth in 2013 is the increase in the transfer to the Debt Transfer Fund, and other expenditure funds demonstrate normal inflationary growth with a few exceptions.

Mr. Ruggini said while reviewing the gap, it is important to acknowledge that the gap is not reflective of the City's financial condition. The City remains in a position of fiscal strength, especially when considering the economic climate. It has maintained its AAA bond rating, has a healthy general fund balance including a 2011 surplus, adopted a realistic 2012 budget based on sustainable operational changes and has a proven track record of strong fiscal management.

The committee discussed options with the Finance Director. He replied to a question that if everyone's wages were frozen for 2013 you'd still only be about one-third of the way to balancing the budget. Fuel costs were

said to not be a huge part of the budget. Health care costs have increased about 6.75% over the past five years.

It was mentioned that the only way of moving into the future to balance the budget would be with a reduction in personnel, reduction in services or service levels. It is anticipated that there are positions that will go unfilled in 2013 and every position filled will have to be thoroughly scrutinized looking for ways to reduce labor costs.

Schoonmacher Creek / Eastown Storm Water Flooding

The committee reviewed a memo from the City Engineer with the requested value of the structures impacted by flooding in Tosa Eastown area. Three maps which identified the specific areas were included for review, showing a different depth of surface water that could be expected. Depth of expected flooding is directly related to the size of the storm event and the size of the storm sewers that would be installed. It was noted that this is a planning level study only not a hard engineering design.

The committee discussed at great length the cost of the different scenarios presented. A policy decision needs to be made to proceed. Mr. Wehrley said the only practical thing to do would be to put in larger pipes unless you want to tear down homes in the neighborhood.

Mr. Robert Freiberg, 2031 Martha Washington Drive, advised that the creek running along the back of his property floods and caused damage and questioned why the Highland flooding from 2010 didn't show up in the report. The consultant advised that the study was done north of Lloyd Street, on Center Street and State Street corridor to identify parcel numbers that would be affected by a 100-year type flood event. He wasn't aware of any structures in the Highland that were affected.

Mr. David Laatsch, 6327 Washington Circle, pointed out that water was not in their homes but there has been property damage. He noted that a two or three inch rainfall will cause significant flooding. He questioned whether more storm water will come through the creek in the Highlands's with piping improvements and Mr. Wehrley said absolutely. Any piping improvements done upstream of the creek will increase the creeks water flow.

Mr. Wehrley answered questions of whether there were other ways to convey water through the area without dumping into the creek. Mr. Wehrley said that the creek serves as a north/south conveyance. It was also discussed that Schoonmacher Creek runs under the Enclave at 60th Street and up into the Highlands.

Mr. Wehrley said that it is estimated to cost \$34 million for sanitary sewer work in this location alone. Storm sewer is estimated about \$46 million. He said there could be a savings if both pipes could be fit in the streets.

When asked for his recommendation, Mr. Wehrley reminded the committee of the excess sanitary sewer flows which the City is required to mitigate. He said the storm sewer work is a harder situation because a lot of the ground pipes are in O.K. shape; they are just not big enough for large rain events. Residents are seeing more water in the Highland creek because of the change in weather patterns. The type of rains the area is getting is bigger in duration and the pipes don't meet the standards of today.

Mr. Wehrley noted that the City is seeing structure damage where there were ditches back in the 1930's and a pipe was put in the ditches and filled in; this conceivably could have made the situation worse. He felt the City needs to mitigate some of the problems created 80 years ago. He said it is a policy decision that needs to be made by the committee.

Mr. Wehrley also noted that there are difficulties during these rain events where the fire trucks aren't able to get through the Schoonmacher Creek area on the east side and it was his recommendation to address this by putting in larger pipes by working with MMSD in this corridor.

Mr. Porter commented that the City has a unique compliment of events that could be coordinated with MMSD so we don't tear up areas that have just been worked on by MMSD. He felt it made sense to focus on this corridor and do it right once and take advantage of the opportunity to work with MMSD's construction if we can in a timely fashion.

Mr. Wehrley commented that MMSD's timeline should not have to be coordinated with. He just suggested that it would be working smarter if we can pursue that in a relatively short timeframe. He would have to contact MMSD to see if there is still a window of opportunity to work with them. He said if the City chose to do this without partnering with MMSD they might choose to start work elsewhere.

Moved by Ald. Wilson, seconded by Ald. Hanson to recommend staff pursue discussions with MMSD to find ways to reduce overall costs for contemplated work – Ayes: 7

Monthly project updates (construction digest and monthly tracking report)

The committee reviewed the project update report and asked Mr. Porter if there were any major changes to the report. Mr. Porter said the Meinecke project is of concern. Staff will be meeting with MMSD to go over final designs. There is a short delay which could set them back one council round or two weeks.

Mr. Archambo noted one twist of fate is that Swan Boulevard intersection at Menomonee River Parkway is going to be dug up, as this is where the sanitary outfall is for this project. The timeline for the contract to be awarded is May 15th.

Ald. Walsh asked if there has been any communication made with Hoyt Pool advising them that this intersection is going to be torn up. Mr. Archambo said that the City would mitigate problems as much as they can. They will communicate with Hoyt Pool and will arrange to have the information put on the City website. It will be inconvenient for pool users but it is for a very good cause by alleviating basement back-ups.

Mr. Porter said 2012 CDBG grant funds may not be used for the utility work associated with Ruby Avenue area based on new regulations as originally planned. They are reviewing the bids coming in for sanitary sewer work and have changed the plan approval status date to unknown at this time.

Mr. Archambo updated the committee on the Hart Park playground which will be open in the middle of June. Construction was started early due to the nice weather. The sculpture will be installed and ready for the ribbon cutting ceremony.

Vouchers

Name	Dept.	Reason and location	Date	Amount
Det. Michael Deisinger	Police	Investigation & Apprehension of BTK Strangler - Hartford	3/19/12	44.00
Officer Katie Gierach	Police	2012 Spring Police In-service training - WCTC - Pewaukee	03/12-03/14/12	104.00

Ryan Cepican	Police	Traffic Crash Reconstruction update - DesPlaines, IL	3/5/12	9.40
Amy Schmidt	Health	Excel computer class	2/29/12	82.25
7 arborists	Forestry	Tree Health Care Workshop	2/23/12	470.00

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

Negotiation for possible acquisition of property in the City of Wauwatosa

Moved by Ald. Causier, seconded by Ald. Wilson
to convene into closed session per Wis. Stat 19.85(1) (e):
Deliberating or negotiating the purchase of public properties,
the investing of public funds, or conducting other specified
public business, whenever competitive bargaining reasons
require a closed session, and may reconvene into open session. Ayes: 7

The committee convened into closed session at 9:47 p.m.

The meeting adjourned at 9:58 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

mks