



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

Tuesday, June 12, 2012

Committee Room #2

**PRESENT:** Alds. Wilson, Causier, Donegan, Tilleson, Ewerdt, Organ - 6

**EXCUSED:** Ald. Hanson

**ALSO PRESENT:** J. Archambo, City Administrator; J. Ruggini, Finance Dir.; W. Porter, Director of Public Works; J. Plass, Acctg. Mgr.; J. Ferguson, City Planner

Ald. Wilson as Chair called the meeting to order at 8:00 p.m.

### **2012 Community Development Block Grant (CDBG) funding levels**

The committee reviewed a memo from the City Planner regarding the review and final approval of the 2012 CDBG funding levels. The Department of Housing & Urban Development (HUD) released the final 2012 funding for its Community Development Block Grant (CDBG) recipients. The amount allocated for the City of Wauwatosa is \$864,509, which is approximately 21% less than the amount the City received in 2011. As a result, new funding levels for the 2012 CDBG funded projects need to be established. Ms. Ferguson explained that to make up for the shortage, the reduction was made equitably across the board.

Moved by Ald. Wilson, seconded by Ald. Tilleson  
to recommend approval of the revised, final CDBG  
funding levels for 2012 - Ayes: 5 Noes: 1 (Donegan)

### **Sanitary and storm water fund accounting presentation and follow-up**

The committee reviewed a memo from the Finance Director regarding the requested follow-up information for the Sanitary and Stormwater Funds. A more detailed explanation of how the capital fund balance relates to prior reported fund balances was included. Information was presented explaining how this impacts capital budgeting for the sanitary and stormwater utilities.

### **Fund transfer policy**

The committee reviewed a memo from the Finance Director regarding a fund transfer policy revision. In order to increase departmental flexibility and budget responsibility, several revisions are proposed to the current fund transfer policy. These revisions also align the workflow with the automated processes which will be implemented later this year.

The City's current fund transfer policy creates three fund transfer levels with differing approval requirements. The revised policy includes the following changes:

1. The Finance Director is added as an approver. While this currently occurs de facto, the policy formalizes this workflow. In addition, the Information Systems Director and Public Works Director are added as approvers for fund transfers related to any Information Systems, Fleet or Building rent charges. This workflow also reflects the automated and paperless process that will be implemented as part of the current financial system later this year.
2. Inter-departmental fund transfers are recognized as Level 1 fund transfers if under the same director and as Level 2 transfer if under different directors or greater than \$5,000.
3. Inter-fund transfers are specifically recognized as Level 3 transfers.
4. Revenues can be recognized through the fund transfer process. However, 50% of any undesignated revenue must be transferred to the Reserve for Contingencies. This change is made because unanticipated revenues can currently only be recognized through the budget re-estimate process so do not become available until budget adoption. As a result, departments only has 5-6 weeks to spend the funds. The 50% stipulation is put in place to provide incentives to departments to accurately budget revenues while at the same time encouraging them during the year to continue to develop revenue options.

An example of a mid-year revenue is receipt of a grant. If the Police Department, for example, received a \$10,000 grant for prevention of driving under the influence, they could submit a fund transfer which recognized the \$10,000 in revenue and also increased their overtime budget by the same amount. In this case, the grant is for a specific purpose so 50% would not be transferred.

5. Following budget adoption, Level 1 fund transfers no longer must be submitted. Typically by year end, departments will exceed an account budget, such as office supplies, by less than \$500 but have sufficient funds elsewhere in their budget. This results in a large number of small dollar fund transfers. Rather than enforce an inefficient process, the departments are simply expected to ensure they end the year with an overall surplus.
6. Surplus funds that will be transferred from a departmental budget is increased to \$2,500 from \$500.

Moved by Ald. Organ, seconded by Ald. Tilleson  
to recommend approval of the requested change  
that revenues can be recognized through the fund  
transfer process – Ayes: 6

**Fund transfer requests form the Reserve for contingencies for litigation costs related to property tax matters and ATC Western Milwaukee Electric Reliability Project**

The committee reviewed a memo from the City Attorney regarding a request for additional litigation funds related to property tax cases and ATC Western Milwaukee Electric Reliability Project. The 2012 calendar year has been particularly difficult in regard to litigation costs being experienced by the City Attorney's Office. In particular, the costs of litigating matters related to property value challenges by major taxpayers have drained the entire annual budget for such efforts less than halfway through the year, with other know expenses already looming.

Moved by Ald. Donegan, seconded by Ald. Birschel  
to recommend approval of the \$75,000 from the Reserve  
for Contingencies for the property tax litigation account,

and \$25,000 from the Reserve for Contingencies to be utilized in the general Sundry Contractual Services account of the City Attorney's budget – Ayes: 6

**Vouchers**

| <b>Name</b>             | <b>Dept.</b> | <b>Reason and location</b>                           | <b>Date</b>    | <b>Amount</b> |
|-------------------------|--------------|--|----------------|---------------|
| Officer Tom Orlowski    | Police       | Less Lethal Munitions Instructor Course - Waunakee   | 06/04-06/05/12 | 21.92         |
| James Case              | Fire         | Ambulance Revenue Conference - St. Louis, MO         | 05/21-05/23/12 | 140.41        |
| Tim Kastner and K9 Addy | Police       | Canine Tactical Operations - Darlington              | 05/29-06/01/12 | 24.35         |
| Officer Jennifer Sebena | Police       | 2012 Spring Police In-Service -WCTC                  | 05/07-05/09/12 | 25.49         |
| Derik Summerfield       | Finance      | UWGB Treasures Institute Advisory Board Mtg.         | 5/18/2012      | 113.22        |
| Officer Ryan Cepican    | Police       | 2012 Motorcycle 2 day In-service - Franklin          | 05/02-04/03/12 | 8.49          |
| Jim Beix                | Health       | WALHDAB 2012 Annual Conference - Wisconsin Dells     | 05/21-05/23/12 | 154.5         |
| Sgt. Brian Zalewski     | Police       | The Bulletproof Mind by Lt. Col. Grossman - Waukesha | 5/21/2012      | 88.93         |
| Sgt. Brian Zalewski     | Police       | Officer Involved Shooting Debrief - WCTC             | 5/22/2012      | 7.56          |

Moved by Ald. Birschel, seconded by Ald. Organ that the vouchers be allowed and paid - Ayes: 5 Present: 1 (Donegan)

The meeting adjourned at 9:28 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

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