



CITY OF WAUWATOSA
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BUDGET & FINANCE COMMITTEE MEETING

Tuesday, June 16, 2009
Committee Room #2

PRESENT: Alds. Berdan, Donegan, Ewerdt, Jay, Krol, Organ, Walsh – 7

ALSO PRESENT: Ald. Birschel; Ald. Herzog; Mayor Didier; J. Archambo, City Admin.; R. Braier, Finance Dir.; T. Szudy, City Planner; W. Kappel, Pub. Works Dir.; W. Wehrley, City Engineer; K. Rusch, Admin. Intern; D. Brinker, Intern

Ald. Ewerdt as Chair called the meeting to order at 7:00 p.m.

Resolution awarding the sale of \$9,400,000 Note Anticipation Notes Series 2009 **Resolution awarding the sale of \$5,300,000 Taxable General Obligation Promissory Notes, Series 2009 (Building America Bonds – Direct Payment)**

Mr. Braier reported that two items on the final draft of the Moody's report confirmed the city's Aaa rating and that the Note Anticipation Note rating is MIG 1 which is the highest it can go.

Mr. Braier introduced Paul Thompson from Hutchison, Schockey, Erley and Company. Mr. Thompson reported that the interest rate at 1.75% is about \$44,000 less in total interest costs than what they originally projected. Build America Bonds are more expensive than tax free bonds. He noted that 35% in interest costs will go back to the city or about \$88,000. He observed that the City of Oconomowoc was three steps below Wauwatosa's rating. They sold today, but they didn't get any bids. All they received were taxable rates. Wauwatosa competed fairly in the market and the bonds have a principal payment date of December.

Mr. Braier commented that these bonds are presold and if the Council approves the sale it will go through.

Moved by Ald. Krol, seconded by Ald. Donegan to recommend awarding the sale of \$9,400,000 Note Anticipation Notes Series 2009 and the sale of \$5,300,000 Taxable General Obligation Promissory Notes, Series 2009 (Build America Bonds – Direct Payment) – 7

Spending plan for Energy Efficiency Block Grant funds

Mr. Archambo commented that the lapse of time since the last discussion on this issue enabled staff to do some additional research including what the cities of West Allis and Oshkosh are doing. It is unclear what is acceptable or not as far as the content of the grant application. They are taking an approach which is more specific to how the facilities will be evaluated. They can look at city hall through the conclusions of the facility study or hire a consultant to evaluate the public works and parks and forestry areas for energy saving measures. They will use any resources left from grant funding and put in any monies available for the rest of the funding. They want to reasonably assure the greatest return for the dollar. June 25th is the deadline date for the application. There is a 60-day period for the actual award to come through and a 120-day period to do an investment audit.

Ald. Ewerdt asked about the cost of switching to ethanol. Mr. Wehrley indicated that he spoke with the Purchasing Manager. The current purchase price is about 20% less than regular gasoline. If the city switches to E85 there would have to be some modifications made to the pumps. Mr. Kappel added that none of their passenger cars have ethanol capability. About 30% of the fleet has that capability.

Mr. Wehrley noted that capital costs would be upfront. They would need to add another tank to accommodate E85. If the Department of Natural Resources (DNR) requires them to upgrade the tanks they could do it then. Right now they have a small tank that holds diesel. If they convert it there would be a surcharge of 10 to 15 cents per gallon because it would be a small load.

Ald. Krol agreed with Mr. Archambo that along with the grant application they need to develop an energy strategy. This has to be completed in 20 days. He noted that Wauwatosa is considered an entitled city and would qualify for a grant of \$220,000 which isn't a lot of money. He mentioned a project that was proposed in 2006 for public works lighting which had a payback over 20 years. This project could be done using \$150,000. The funds have to be obligated within 3 years. The grant application deadline is June 25th. If the application is not completed by then there would be no funding. He suggested taking a recommendation from one of the subcommittees to do a project that would have a good payback.

Ald. Krol commented that the grant money would allow for a project at the public works building that would replace older technology with new technology. He estimated that they could do that project for under \$70,000. It would improve the light levels and reduce the energy costs by half or approximately \$40,000 per year. The total amount of the grant is \$220,000. The rest of the grant would be used to develop the energy strategy that would provide the report on the audit addressing the city's best priorities for using the money. He added that a maximum amount of \$50,000 would be spent on studies and \$100,000 would be used for projects.

Mr. Archambo stressed that basically there has to be some definition that is relatively specific regarding what the city would do with the money.

Ald. Krol observed that the public works building needs HID lighting with occupancy sensors. These lights would cost less and last longer, but the occupancy sensors would be an added cost.

Mr. Archambo noted that there is no match required for the \$220,000 grant. He suggested putting \$30,000 into the city hall facility study. If they have to they can set aside a full \$60,000 to make sure the study is fully paid for by the grant.

Mr. Kappel encouraged doing the lighting project because over time that will help them develop a capital plan for public works and the parks department.

Moved by Ald. Krol, seconded by Ald. Organ to recommend that staff complete the application for the Energy Efficiency Block Grant and to utilize the money to do an energy study, install lighting improvements and to use the information from the energy study to further energy efficiency in the community --

Mayor Didier stressed that it is important to apply for the grant first.

Vote on the motion was Ayes: 6, Noes: 1 (Jay)

The meeting adjourned at 7: 36 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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