



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

Tuesday, July 10, 2012

Committee Room #2

**PRESENT:** Alds. Wilson, Hanson, Dubinski, Causier, Donegan, Tilleson, Ewerdt, Organ - 8

**ALSO PRESENT:** J. Archambo, City Administrator; A. Kesner, City Attorney; J. Ruggini, Finance Dir.; W. Porter, Director of Public Works

Ald. Wilson as Chair called the meeting to order at 8:22 p.m.

### **Sale of \$12,400,000 General Obligation Promissory Notes, Series 2012**

The committee reviewed a memo from the Finance Director regarding the initial authorizing resolution for 2012 general obligation bonds. As part of the 2012-2016 Capital Improvement Plan, bond proceeds are required to fund approved capital projects. Thus, it is necessary to authorize the issuance of \$12.4 million in general obligation promissory notes.

Mr. Ruggini discussed the process involved to advertise and sell the bonds. Pending approval the sale will take place on August 7<sup>th</sup>, 2012. There will be a special Budget & Finance meeting called before the August 7<sup>th</sup> council meeting with a recommendation.

The committee discussed the issuance of \$12.4 million in general obligation promissory notes. Mr. Ruggini explained that the city is adding more debt than is coming off. He felt it would take until 2022 to reach the peak of borrowing funds and then decline from there based on the extended project outlook. This is based on doing repair work in the amount of \$8 million annually.

Mr. Ruggini said he expects to receive competitive bids and was hoping for an interest rate around 2.2%. He expected the City to sustain its' AAA rating for this issuance.

Moved by Ald. Organ, seconded by Ald. Ewerdt to recommend approval of the initial authorizing resolution for \$12,400,000 in General Obligation Promissory Notes – Ayes: 8

### **Conventional rate case application to the PSC**

This item was held over from the June 26<sup>th</sup> meeting for additional information. Mr. Wojcehowicz presented the utility's Income Statement dated May 31, 2012 and a net income analysis spreadsheet. The water utility records show a net loss of \$27,966.28 through the end of May.

The Superintendent also provided a supplemental list of Class AB water utilities with their overall percentage increase as ordered by the PSC. The average increase ordered by the PSC equaled 19.5% in 2012, 16.6% in 2011 and 21.2% in 2010.

A rate case application is beneficial for the utility to ensure a fair and reasonable rate structure based on PSC standards. The average residential customer's water portion of their utility bill could increase by 11.42% or an increase of \$9.05 per quarter.

Mr. Wojcehowicz told the committee that 63 other utilities have submitted requested since Wauwatosa did in 2006 and felt it is timely for the City to submit another request. In comparison to other municipalities, traditionally Wauwatosa's rates have been in the middle and we have now fallen into the bottom lower half, which means less revenue.

Ald. Organ questioned why the city doesn't do a simplified increase yearly instead of a large increase with the conventional application. Mr. Archambo said that in between the conventional rate increase you are only allowed so many simplified increases in a five-year period.

The committee discussed this and questioned whether a policy should be put into place. It was determined that this could be determined during the upcoming budget process.

Moved by Ald. Ewerdt, seconded by Ald. Birschel  
to recommend approval of granting permission for the  
water utility to apply for a convention rate case application  
by the Public Service Commission of WI. A review of the broader  
policy should be addressed at budget time - Ayes: 8

### **Change order #1 to AECOM contract for development of a new solid waste request for proposals**

The committee reviewed a memo from the Director of Public Works requesting approval for change order #1 regarding AECOM proposal for Development of the Solid Waste RFP.

The last time Wauwatosa competitively sought proposals for solid waste collection services was in 2002. The intent of the 2012 RFP is to allow for companies to submit proposals for operation of the transfer station, hauling of waste to the landfill, drop off center operation, collection of curbside recycling services and yard waste collection services. Refuse is not included in this as the operation will continue to be done as part of the City's recent conversion to automated collection.

The goal of the department is to secure best pricing for the City regarding solid waste services for the remainder of the decade. The new contract will start January 1, 2013. Proposals will be sent to all regional firms experienced in this type of work. This proposal is different than ones in the past as the intent is to submit competitive proposals for curbside collection of both yard waste and recycling as part of a managed completion process.

Mr. Porter advised that the development of an RFP is more complex as it is the Public Works Department's intention to submit a competitive proposal on curbside collection. Additional time will be necessary for review and for the consultant to make presentations. An electronic copy of the 2002 RFP was not available, so AECOM will convert the lengthy text to a word conversion savings a great deal of time. The requested change order is in the amount of \$11,710.

Moved by Ald. Wilson, seconded by Ald. Ewerdt  
to recommend approval authorizing execution of the  
change order so that projected timelines may be met  
with an orderly request for proposal selection process – Ayes: 8

**Vouchers**

<b>Name</b>	<b>Dept.</b>	<b>Reason and location</b>	<b>Date</b>	<b>Amount</b>
Det. Stephen Kirby	Police	Search Warrants, Affidavits & PC training - Appleton	06/10-06/12/12	31.69
Courtney Christiansen	Health	Engaging Youth-Community Transform Conference - Milwaukee	6/20/2012	8.26
Cory Wex	Police	Technical Crash Investigation II - Sparta, WI	06/17-06/22/12	14.76
Chief Barry Weber	Police	2012 Training Conference - WI Police Executive Group - Lake Nebagamon, WI	06/16-06/20/12	118.48
Chief Rob Ugaste	Fire	WI State Fire Chief's Conference - WI Dells	06/21-06/22/12	130.00
SRO Tracy Burbach	Police	Basic School Resource Officer - LaCrosse, WI	06/17-06/22/12	183.59
Brad Isaacson	Police	Field Search software certification course - West Allis	6/26/2012	10.35
Det. Michael Schultz	Police	Fire/Arson Investigations - Pewaukee	06/11-06/22/12	87.34
Carolyn Chabron	Assessor's	2012 NCRAOO Conference - Kansas City	06/11-06/14/12	18.06
Joel Kutz	Police	Field Search software certification course - West Allis	6/26/2012	9.00
Teresa Kobs	Police	Law Enforcement Administrative Pros Conf - Green Bay	06/20-06/22/12	53.68
Gayle Hildebrandt	Police	Law Enforcement Administrative Pros Conf - Green Bay	06/20-06/22/12	56.00
Paula Roberson	Police	Field Search software certification course - West Allis	6/26/2012	9.00
Ryan Cepican	Police	Advanced Armorer's course - Green Bay	6/26/2012	28.67

Moved by Ald. Hanson, seconded by Ald. Tilleson  
that the vouchers be allowed and paid - Ayes: 7 Present: 1 (Donegan)

The meeting adjourned at 9:07 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

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