



CITY OF WAUWATOSA

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BUDGET COMMITTEE MEETING

Thursday, September 13, 2012

Committee Room #1

PRESENT: Aids. Birschel, Donegan, Organ, Tilleson, Wilson-5

EXCUSED: Aids. Dubinski, Ewerdt, Hanson

ALSO PRESENT: Mayor Kathy Ehley, J. Archambo, City Adm.; J. Ruggini, Finance Dir.; B. Aldana, Asst. City Atty.; Police Chief Weber; Police Capt. D. Weiss; Police Capt. J. Sutter; Fire Chief R. Ugaste; Asst. Fire Chief S. Erke; Asst. Fire Chief J. Case; Capt. G. Webb; Aids. Berdan, Moldenhauer, Pantuso, Roznowski, Wilke; Nancy Kreuser, Health Officer; A. Brown, Admin. Intern

Ald. Wilson as Chair called the meeting to order at 6:03 p.m.

Budget Overview

Mayor Ehley commented that this was her first experience working through an executive budget. The executive review was seven full days (60 hours) and she learned more about each department. There were hundreds of hours of planning and calculating, trying to minimize the budget cuts, control costs, conversations about long term impacts on the community. The staff was consistent in their gratitude for the Finance Director and City Administrator's guidance in helping departments work through the budget and assist with different scenarios. There is a need to have a more proactive communication process and the Mayor has requested funds in the 2013 budget for marketing public relations guidance on this. We need to have an overall vision of what our community should be in 10 years and would like to work on this with the Council members as well as staff.

Mr. Archambo outlined the budget process and explained the two most pressing issues affecting the budget are the effects of State legislation and the slow economic recovery that affects revenues, housing values and demand for services. In the 2013 budget, general fund expenditures go down .045%, city property tax levy increased 1.17%, surplus supply decreases \$500,000, other revenue decreases \$670,000 (directly from services supplied and from other agencies) and assessed the tax rate increases for assessed value from \$7.00 per \$1,000 to \$7.12. Mr. Archambo explained that the State mandated property tax levy limit states that the municipality is allowed to increase tax levy from the previous year by the amount of net new construction as a percentage of equalized value. In 2013 the tax levy will increase by 1.17%. The average property owner will see an increase in the city portion of their tax bill of approximately \$29.28.

The City along 5 other municipalities have decided to join the ICMACPM 101 (Center for Performance Measurement), a very broad based performance measurement program. This will be a preview of the outcome of what we expect for resource allocation and how it compares to other municipalities such as recycling. The city could reduce the costs of solid waste collection services by placing more items into recycling. Currently it costs the city of Wauwatosa \$55.00 per ton to dispose as opposed to \$45.00 per ton of revenue received for recycling. It is the city's goal to divert 250 tons of material from garbage bins into recycling bins that would net the City \$25,000 impact on our budget. This breaks down to about

1 ½ % increase into recycling for our city.

The City continues to focus on energy efficient projects. The Internal Granting Program funded the installation of 67 LED street lighting fixtures which complete two substations that are partially being completed by the Wisconsin Department of Transportation during the Mayfair Road Construction Project. Once this project is complete 15% of the city street lighting system will have LED fixtures. Another project is lighting upgrade to the Public Works Building which is an estimated cost savings of \$17,780 annually.

Compensation is about 71% of general fund operating costs. Total compensation is at the lowest level since the 2007 budget. A two-tier salary system has been implemented when a position becomes vacant. This system evaluates the City salary rates for classes of positions against comparable public and private sector employers. Mr. Ruggini stated that 15 positions were identified in 2012 to be above the comparable average. This could amount to a total savings of \$65,000 as the positions become vacant and replaced with an outside candidate. As positions become vacant these positions are evaluated for a comparable salary study to determine the new rate for the new employee.

Mr. Ruggini commented that the 2013 budget is not only looking forward but provided a history of previous year budgets from the past year. Mr. Ruggini provided charts and information as to how a balanced budget was arrived at. The 2013 budget assumes that the City provides the same services, with the same people, in the same manner.

A citizen survey will be returned to the city within the next several weeks to become part of the report for next year to show how the City is doing from a measureable standpoint of resource allocation.

The budget gap for 2013 was \$1.25 million dollars however, we now have a balanced budget by an increase of revenues of \$473,000 and a decrease of expenditures of \$782,000. Mr. Ruggini provided a detailed description of revenue increases and expenditure decreases.

Mr. Ruggini explained that there is a budgeted increase in pay for sworn Police and Fire employees of 3% and a 2% increase for general employees. This increases the budget for salary by \$156,000. This is a combined effort of the City budgeting for vacancies, converting positions to part-time, seasonal and lower pay, and a higher contribution for employees to health care and retirement benefits. Mr. Ruggini further provided a detailed explanation of the investment earnings for the City. There is no change in the health care plan design costs in 2013 with the exception that all employees will pay the same amount. The contribution for retirement increases from 5.9% employee to 6.7% employee share.

Mr. Ruggini commented about the importance of investing in our infrastructure costs and debt. A chart was presented to explain the debt levels for levy back debt which includes our roads, fire trucks, building, etc.; sewer debt is for the pipes in our grounds. In 2013 our debt rises to \$80 million. This includes the fire station, the Meinecke project, the Hart Park playground, etc. If we maintain our capital program, it will increase to \$120 million by 2022. This type of debt is capital, it is important to manage this, but it is used to invest in our infrastructure. It is paid back between 10 and 20 years. We are trying to reach the amount of debt we put on equals the amount we take off.

The committee recessed at 8:00 p.m. and reconvened at 8:10 p.m.

Benefits

Ms. Aldana explained that all employees will contribute an estimated 6.7% of salary toward their pensions. This is an increase for sworn fire and police employees from 3.5 to 6.7% based on their contract.

The employee assistance program is applied to fringe benefits and has not changed.

In 2013 there will be a new program through a shared services contract with another municipality to add employee safety services and worker compensation services program. Safety is handled at the departmental level, cost of shared services program is proposing to budget \$50,000 to contract with another municipality to have an employee on site two days per week. It will improve the safety of the employees, have positive impact on the operational areas, and make more investment in their safety.

Worker's compensation will also see an end to salary continuation. According to statutory laws, it is required for the employer to pay a certain amount to the employee. In the past, the City has agreed to make the employee whole and pay 100%. The elimination of salary continuance motivates the employee to return to work quicker. This would affect all employees except police and fire. Ms. Aldana commented that workers compensation is not taxable.

Ald. Wilson commented that the function of the automatic arms in waste and recycle collection helps reducing the number of injuries for staff. He would also like to see other areas of high risk identified. Ms. Aldana responded that there will be safety audits.

Ms. Aldana identified that there are no major changes in dental insurance coverage. She indicated that in health and life insurance claims are projected to be more than in 2012 and administrative costs increase. A 10% inflation factor is in this figure; however it is early in the plan design to see what the impact is going to be. These are cost estimates.

Moved by Ald. Tilleson, seconded by Ald. Donegan to recommend approval of the Benefits Budget as presented – 5

Police

Chief Weber stated that the Police Department has reached the point that there is no room for further cuts without affecting services. He applauds the state for getting the budget under control. The Police Department will still enforce the law and answer the calls, not lowering their standards of service to the residents of Wauwatosa. The Police Department has lost two positions each year over the past several years. They have reached a point that further cuts could impact services such as neighborhood watch programs, which may have to sustain themselves, delay in response time, etc.

In 2013, the Police Department will lose one sworn police officer and one currently vacant clerical position. The officer position is responsible for all maintenance of equipment, computers, police

squad video downloads, traffic cases which reduced overtime for other officers, OWI cases. This officer's duties will have to be absorbed by other individuals, and possibly supervisors.

Ald. Wilson asked if other departments can assist with the video download and will additional overtime now occur because of the tasks this officer completed. Chief Weber responded that he is attempting to restructure the duties with some being assigned to supervision to avoid overtime.

The clerk position being eliminated is a third shift position that would handle all requests for overnight parking, prisoner checks once an hour, juvenile checks are every 30 minutes and suicidal persons are checked more often. These checks will be assigned to the dispatcher, a supervisor, or an officer from street patrol.

There is a possibility of 13 officers retiring in 2013. Chief Weber would like to restructure to not have as many supervisors and to maintain the same number of officers on the street. The test for police officer is completed and there will be interviews during the month of October, however, we cannot train more than four officers at one time.

Currently, Wauwatosa is ranked #3 in all the cities in the State. The violent crime rate is at 71% clearance. Property crime clearance is 30% and nationwide, it is in the teens.

The Police Department has received a grant to purchase automated license plate recognition system. They currently have two installed and have a shared data base with another community. A total of 420,000 downloads have occurred since July 25, 2012.

Ald. Tilleson commented that there is \$338,433 budgeted for overtime. Chief Weber stated that court is one of the largest contributions to overtime costs, completing police reports for court the next day, shift shortages. Chief Weber explained that if a person is arrested, there are time constraints on when the reports need to be done.

Moved by Ald. Tilleson, seconded by Ald. Organ to recommend approval of the Police Budget and Police Reserve Budget as presented – 5

Fire

Chief Ugaste provided a handout relating to the Fire Department's 2013 Budget. To date, the Fire Department has lost eleven sworn positions since 2004, which is approximately 10% of the organization. As a result, Ambulance 2 is no longer staffed and Station 2 currently has one Engine and one Med Unit. Continued cuts in future budgets will result in delay in service, loss of manning all equipment, training efficiencies will reduce.

The Fire Department has restructured their organization and continues to look for ways to increase revenue and decrease expenditures. Chief Ugaste stated that they are sharing resources and developing partnerships with other municipalities to provide joint services. Paramedics are also trained to be firefighters.

Chief Ugaste commented that there has been construction on Highway 100 which has delayed transportation time. The Department of Transportation is planning to shut down Watertown Plank Road temporarily during the construction project. This will stress the response capabilities of the Fire Department and a temporary fourth station will be needed for access to the west side of Mayfair Road during the majority of 2013.

Chief Ugaste stated that the department has reinvented itself. The department personnel are now getting younger individuals. With the change in the staffing, they have economized their budget. However, with younger individual, there are potential FMLA issues as it relates to pregnancy, day care, etc. Overtime is a result of this understaffing.

Chief Ugaste commented that Captain Webb has shown cooperative efforts of the Union and working together with management.

Chief Ugaste stated that the Fire Department has generated new revenue. EMS transport fees are up, shared shop and mechanics with North Shore Fire Department, use of our training facility with other municipalities, etc.

Ald. Organ complimented the Fire Department regarding the decrease in sick time. She noted that it shows the dedication that they have in reducing budget costs and shows the support of the staff.

Ald. Tilleson complimented the Fire Department on their presence at all community events.

Moved by Ald. Organ, seconded by Ald. Birschel to recommend approval of the Fire Department Budget and Fire Equipment Reserve Budget as presented – 5

The meeting adjourned at 10:12 p.m.

Carla A. Ledesma, City Clerk

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