



CITY OF WAUWATOSA
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BUDGET & FINANCE COMMITTEE MEETING

Tuesday, January 29, 2013
Committee Room #2

PRESENT: Alds. Wilson, Organ, Donegan, Tilleson, Dubinski, Birschel, Hanson, Ewerdt – 8

ALSO PRESENT: J. Archambo, City Admin.; A. Kesner, City Attorney; B. Porter, Public Works Dir.;
J. Ruggini, Finance Dir.; T. Otzelberger, Information Technology Manager

Ald. Wilson as Chair called the meeting to order at 8:02 p.m.

Annual renewal of construction inspection services

The committee reviewed a memo from the City Engineer regarding annual renewal of construction inspection services. For the past several years, the City has contracted with Graef-USA for construction inspection services to supplement engineering inspection staff. We have developed a good working relationship with Graef-USA project manager and inspectors. The terms of our agreement allow for annual renewals.

Mr. Wehrley told the committee that the department annually consults with a contractor for consultant services. If consultant rates will be discussed he suggested that the committee go into closed session.

Moved by Ald. Tilleson, seconded by Ald. Ewerdt to
move into closed sessions 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: 8

The committee convened into closed session at 8:03 p.m.

Moved by Ald. Birschel, seconded by Ald. Hanson
to convene into open session – Ayes: 8

The committee reconvened at 8:10 p.m.

Moved by Ald. Wilson, seconded by Ald. Donegan
to recommend approval of a one year extension with
Graef-USA for construction inspection services at the
rates discussed in closed session – Ayes: 8

Jurisdiction transfer of Schoonmacher Creek to Milwaukee Metropolitan Sewerage District (MMSD)

The committee reviewed a memo from the City Engineer regarding jurisdictional transfer of Schoonmacher Creek to Milwaukee Metropolitan Sewerage District.

The Schoonmacher Creek watershed has experienced structural flooding of homes and businesses during extreme rain storm events. MMSD can address out-of-bank flooding of structures for streams where they have jurisdiction. In Wauwatosa, MMSD has jurisdiction over Grantosa Creek, Honey Creek, Menomonee River, and Underwood Creek but not Schoonmacher Creek. Municipalities can request MMSD to take jurisdiction of a stream.

Drainage improvements to reducing structural and street flooding within Schoonmacher Creek watershed are estimated to cost approximately \$50 million. Portions of this work may be eligible for funding by MMSD if they have jurisdiction over the Creek.

As part of that MMSD jurisdiction there are rules in Chapter 13 which prohibit a municipality from increasing the flood stage on that waterway. For instance if the City of Wauwatosa has flooding in an area, and in order to solve that flooding, wants to install a larger sewer; if that sewer installation were to increase the flood stage on Schoonmacher Creek, MMSD could prevent the City from proceeding.

Mr. Wehrley said that there has been a fair amount of flooding along the Schoonmacher Creek watershed. He said portions of the flooding are along the open channel areas of the creek and some of the flooding is in the enclosed portion of the creek. Right now as the creek is all in the City of Wauwatosa's jurisdiction, it is our responsibility to address or not address any flooding associated with that. If we request MMSD to take over jurisdiction, that would allow MMSD to address out of bank flooding of the creek which would cause structural flooding of homes. If the creek merely spills out of its banks and doesn't hit a structure it is highly unlikely that MMSD would do anything as they are interested in protecting structures from out of bank flooding.

Our consultant has identified over \$50 million of storm sewer work to reduce structural and street flooding. In order to help reduce some costs, it is being suggested to turn jurisdiction over to MMSD with the proviso that the City go in with MMSD as partners and look at the complete Schoonmacher Creek flooding issues.

The City Engineer explained the timeframe and the application would be submitted to MMSD in February. MMSD would schedule a public hearing which requires a 30 day notice with results back possibly in May. The commission could approve or disprove our application sometime in May and then MMSD and City of Wauwatosa staff would know the status before MMSD's budget cycle in June. If the budget cycle is missed, we could delay the process by about one year. Mr. Wehrley said if MMSD does agree to the jurisdiction transfer, the City is not obligated to sign on the line. The proper paperwork would have to be prepared and likely go to Council for approval.

Mr. Wehrley emphasized that the request is just to authorize staff to apply which starts a lengthy in-depth process. Stakeholders from MMSD, City of Wauwatosa, and the City of Milwaukee would meet and discuss the preferred alternative.

Ald. Wilson asked what kind of funds the city would be looking at receiving. Mr. Wehrley said with the application it has to be demonstrated what a district wide solution would be. The city would provide history and share the watershed analysis and prepare as much information in order for MMSD to make the best decision possible; he doesn't expect a large outlay from the city.

Mike Anich, 6324 Upper Parkway North, serves on the Board of Directors of the Washington Homes Association. He expressed concern at the lack of communication with the association before pursuing the jurisdiction change. He noted that the neighborhood has garnished a national competition award, has well maintained private parks, and was placed on the national register of historic places and national landmark in 1991. The WHA is a strong, conscientious organization with pride of ownership. Serious renovations and restorations have been made in this neighborhood in the last decade keeping the architectural character of the neighborhood. He noted that that the City and WHA have worked on projects together before and has been

engaged with the City for a long term effect regarding the failing creek. They felt they have been blindsided at the total lack of communication. Mr. Anich said that the WHA Board requests postponement on this matter for at least four weeks as it would be in the best interest of the residents they represent. He suggested with more water running through the creek there is potential for more property damage.

Lisa Wood, 6175 Washington Circle, questioned how long the City has been in contact with MMSD regarding this jurisdiction scenario. Mr. Wehrley responded that there was brief discussion about this about one-year ago. He just recently heard from MMSD that they would be interested in moving ahead with the watershed approach. She said it is really important for the neighborhood to discuss this to find out what is going on, not that they are necessarily opposed to it.

David Laatsch, 6327 Washington Circle, noted that at the intersection of Martha Washington and Milwaukee Avenue as a point of reference, water is over the banks after tonight's rainfall without larger pipes being put in causing more water to be forced into the creek.

Ald. Jim Moldenhauer represent constituents in District 1 and said he heard this item has been in the works for two months and felt it is not right that it hasn't been communicated to the neighborhood. As an alderman he felt disgruntled and blindsided. He suggested there needs to be more clarity in what the City Engineer has referenced. Along with the positive outcomes he felt the downside of this plan needs to be discussed. He concurred that four weeks should be acceptable for the neighborhood to received information about this. There is a need for more clarity and transparency time to get facts together to know what is in front of us.

Ms. Wood asked Mr. Wehrley what MMSD's budget schedule is, and Mr. Wehrley said that it starts in June.

The committee had a lengthy discussion regarding better communication and the potential upside and downside with MMSD taking over jurisdiction. It was suggested that the City needs buy-in from the public. Mr. Wehrley emphasized that he is only seeking permission to apply for a jurisdiction change in order for the City to gain financial assistance for the necessary work to be done to alleviate street water flooding and basement backups. There needs to be mitigation for the flooding residents in the area are having. Emergency vehicles have also had problems navigating the streets during heavy rainfall.

Mr. Wehrley explained that the preliminary investigation showed that the only way to mitigate flooding north of Lloyd is to put in bigger pipes. The City Engineer said applying for the change in jurisdiction might help the City's funding problem.

Mr. Wehrley discussed with the committee the importance of having an intergovernmental agreement drawn up. He suggested that his recommendation would be that the transfer of jurisdiction could not be transferred until an intergovernmental agreement is in place.

Ald. Wilson said that although there is a significant price tag to the project, it is also a neighborhood issue. He also noted that there has been previous discussion in this committee in regards to Schoonmacher Creek.

Moved by Ald. Tilleson, seconded by Ald. Birschel to hold this item for two weeks and asked that a representative from MMSD be in attendance to answer questions -

Mr. Wehrley said he spoke with MMSD and didn't know if there would be any additional information MMSD would be able to provide in two weeks.

Mr. Wehrley answered a question that DNR would probably want to be a stakeholder at the discussion table, as Schoonmacher Creek is a navigable waterway.

Ald. Organ asked for a friendly amendment to hold the item for four weeks.

Ald. Tilleson rejected the friendly amendment. He felt that Mr. Wehrley has come up with a solution that needs to be pursued.

Ald. Organ moved, Ald. Hanson seconds
to amend the motion to hold this item for four weeks -

Ald. Ewerdt asked for clarification on the amended motion and whether it was to include MSMD being asked to attend the meeting. Ald. Organ responded that she would only like to change the time line in the motion otherwise keeping it the same.

Ald. Donegan supported the City Engineer in his request to petition MMSD to consider assuming jurisdiction over Schoonmacher Creek. He said if the City waits four weeks, they could lose out in MMSD's budget cycle and potentially lose a year's worth of funding. Ald. Donegan said it would be better politics, but it would be lousy management if there is a chance to get some help with funding.

Roll call vote taken. Ayes: 5, Noes: 3 (Tilleson, Wilson, Donegan)

Vote on motion as amended, 7 - 1 (Donegan)

Acceptance of a 2013 Assistance to Firefighter Grant through FEMA

The committee reviewed a memo from the Fire Chief regarding whether to accept a 2013 Assistance to Firefighters Grant (AFG) administered through the Federal Emergency Agency (FEMA) and to establish budgetary accounts for administering the grant.

Since the grant program was introduced in 2001, the Wauwatosa Fire Department has received numerous grants which have provided equipment such as new protective clothing, an incident support vehicle, extrication equipment, radios, and in 2001 new Self-Contained Breathing Apparatus (SCBA). Based on age and update requirements these SCBAs are in need of replacement.

Our 2013 request was for \$272,825 including 10% local matching funds to replace the breathing apparatus. The department was notified in December that they are being awarded the grant in the amount of \$272,825.

Currently \$500,000 is scheduled in the 2015 capital budget to replace these air packs. If accepted this grant will be able to substantially reduce that capital request. This grant only allows for the purchase of a portion of the needed equipment so some funding will remain in the 2015 budget.

Asst. Chief Erke noted that the department has been very fortunate in the grants that have been received. This grant program has been available since 2001 and the department has received numerous grants which have provided different types of equipment. The typical grant award is on a ten - twelve year life cycle. Lt. Bryan Tello undertook the grant writing on a long shot and the department was the recipient of a \$272,825 which includes a 10% local match.

Asst. Chief Erke explained that the grant is for the replacement of Self-Contained Breathing Apparatus which is scheduled for replacement in the 2015 capital budget. By the acceptance of this grant the capital request will be reduced substantially.

A fund transfer was requested from the 'station alerting' capital outlay project to cover the 10% local match, with the agreement that this project will be placed on hold until funds are available.

Moved by Ald. Birschel, seconded by Ald. Ewerdt

to recommend approval acceptance of a 2013 Assistance to Firefighters grant through FEMA in the amount of \$272,825 with a local match of \$27,782 – Ayes: 8

Contract approval with AECOM to assist the City in the Wisconsin Department of Natural Resources permit application for dual use of the transfer station

The committee reviewed a memo from the Public Works Director regarding whether the City engage the services of AECOM to assist in the permitting process with the Wisconsin Department of Natural Resources (WisDNR) to convert the City’s transfer station to a dual use format.

The Department of Public Works has been implementing a four part strategy to streamline solid waste and recycling collection in the City. Part one was the successful conversion to automated refuse collection. Part two was the implementation of a pilot program to collect recycling with in-house forces. Part three was the solid waste Request for Proposals (RFP) that, through a managed competition process, resulted in significant savings by keeping recycling in house and bringing yard waste collection in house as well. Part four of the plan is to implement the dual use concept in the handling of the City’s refuse and recycling. The dual use scenario combines the City’s route structure and the automated collection vehicles to collect both products in a unified manner. Collection of recycling will take place in the morning and the vehicles will come back to the transfer station to unload. While that material is processed, the trucks will go back on the street to collect the day’s refuse. When completed, the trucks will return to the transfer station, unload and be cleaned and serviced to repeat the process the next day.

Mr. Porter said the first step in implementing this process is to apply for a revised operating permit from the Wisconsin Department of Natural Resources (WisDNR). The staff from WisDNR have requested that a two-week pilot program be implemented to prove out the concept of dual use. Mr. Porter said they would tentatively start the pilot program the last week in February. The DNR staff will be onsite checking the loads during the trial period. AECOM will help with the plan modification and will come out prior to implementing the program going over any concerns and check that the proper paperwork for the DNR is in place.

Mr. Porter said this program will have a substantial savings to the City budget down the road. This will eliminate all the City’s hauling costs.

Moved by Ald. Ewerdt, seconded by Ald. Tilleson to recommend approval to enter into an agreement with AECOM in the amount of \$6,900 – Ayes: 8

2013 Capital Improvement Projects update

Mr. Porter reviewed the capital improvements spreadsheet with the committee. Included are leftover projects from 2012 with dollar amounts scheduled here. Mr. Porter discussed the total project dollar amount of \$38 million being managed which is quite an undertaking. He thanked Mr. Wehrley and his staff for their efforts in managing this size and scope of projects.

Ald. Wilson said it seems we are doing more and more each year and getting things done under budget and thanked all those involved.

Resolution authorizing the redemption of general obligation promissory notes, series 2004

The committee reviewed a memo for the Finance Director requesting approval of a resolution authorizing the redemption of general obligation promissory notes, series 2004.

The City is scheduled to make a final principal payment on December 1, 2013 for the general obligation bonds issued in 2004. Given the interest rate of the bonds is greater than the interest rate the City is currently earning on available cash, it is advantageous to redeem the bonds and make that final payment early.

Mr. Archambo said the request is to make the last payment early saving the City approximately \$6,000.

Moved by Ald. Birschel, seconded by Ald. Ewerdt
to recommend approval of the redemption of general obligation
promissory notes, series 2004 with a scheduled
closing date of March 12, 2013 – Ayes: 8

Approval of 2012 Operating and Capital Carryovers

The committee reviewed a memo from the Finance Director requesting approval of the 2012 Operating and Capital Carryovers.

Carryover requests represent one of the final annual budgetary processes as unused but committed funds are transferred from the 2012 Budget to the 2013 Budget. As these funds would have alternatively positively impacted the end of the year surplus/deficit, approval of a carryover requests represent an important decision.

Mr. Ruggini explained the carryover process and what it detailed. Carryovers are intended for projects that were budgeted in the previous fiscal year and not completed. This increases the department 2013 budget and the revenue source is a line or fund balance which is reserved for the following year. When the work is done the work is paid out of the 2012 budget.

Mr. Ruggini reviewed some of the larger carryover items in the general fund and replied to a question that multi-year projects are a challenge. Single accidents can also affect the budget, for example, the police over-time budget due to the shooting in the village was over \$50,000.

Moved by Ald. Wilson, seconded by Ald. Donegan
to recommend approval to amend the 2013 Budget
reflecting carryovers as discussed – Ayes: 8

Rescind property taxes for improvements made upon 1430 N. 119th Street

The committee reviewed a memo from the Finance Director requesting that the 2012 property taxes for the improvements upon 1430 N. 119th Street be rescinded.

A fire in 2011 destroyed the property at 1430 N. 119th Street. The property assessment should have been reduced to the value of the property and not include the improvements which had been razed. However, the demolition permit was not received by the Assessor's office so an incorrect assessment was issued resulting in an inaccurate tax bill.

Mr. Ruggini said the property assessment was on the improvements and on the land, had the Assessor's office received notification of the demolition permit; the parcel would not have been assessed on

improvements. Since the levy was established someone has to pay the taxes on the improvement, thus they will be paid out of the uncollectible account. This is a charge back item to the other taxing entities.

Moved by Ald. Birschel, seconded by Ald. Ewerdt
to recommend approval to rescind the taxes incorrectly
levied on the property improvements at 1430 N. 119th Street – Ayes: 8

Ald. Donegan excused at 9: 45 p.m.

ABB/Zilber Development at UWM Innovation Campus and discussion of proposed TIF participation

Mr. Ruggini introduced Dan McCarthy, Director of Development with the Zilber Development Group who would present an overview of the proposed development at the UWM Innovation Campus.

Mr. McCarthy reviewed Zilber Development with the committee explaining different development areas they have undertaken.

Mr. McCarthy presented plans for development for ABB and two future buildings at that site. He noted that the plans for ABB were made maintaining the master plan. They grouped development in a high density format. He noted that ABB is a substantial world class engineering firm, European based company. The corporate structure of ABB is different from others. They require a more dense building, a more condensed development surrounded by open space in the habitat area. However this does require more parking.

Mr. McCarthy showed the layout of the 95,000 square foot ABB Building along with the parking lot and two other buildings. He discussed how the parking lot would be used to serve multiple buildings. ABB requires 4.5 parking spaces per 1000 square foot of building. The side buildings B and C parking requirements were discussed. Developing this area will require structured parking. Zilber Development Group is proposing 100 parking stalls be put under the building footprint along with parking in front of the building.

Nick Schweitzer, 520 N. 113th St., asked if the original development plan included structured parking. The original plan does not include structured parking. This is necessary now as the area UWM has to develop has shrunk dramatically. The Department of Transportation is using some of the land for the zoo interchange project and land being preserved for the habitat zone as well. The City Administrator reiterated that this development area is not part of the habitat zone.

Mr. McCarthy said they have studied the habitat and their landscaping and development plans are very consistent with that and intend to respect the integrity of the plan. The addition of ABB to this development will be a strong marketing tool. The ABB Building will be LEED certified and designed as a multi-tenant building.

The potential total number of parking spots for the three buildings was discussed. Mr. McCarthy said there would be 305 dedicated stalls in the shared parking lot and 100 stalls underneath the building. ABB will hopefully allow for 45 stalls to be used for occupants of Building B. Building B would potentially require 70 stalls underneath the building, 45 surface stalls and use of the parking structure. Building C would also have 70 stalls underneath the building, surface parking and use of the parking structure.

Mr. McCarthy said that with the ABB building being the farthest away from the parking decks, their needs will be for the majority of the surface parking lot.

Mr. Ruggini explained to the committee that the 2010 master plan which evolved from the 2004 Milwaukee County Grounds Master Plan and Design Guidelines by Kubala Washatko, called for a smaller building at this location, 75,000 square feet as opposed to the 95,000 square foot building being proposed. This is one of the reasons a parking structure is necessary. The terms of the lease are a ten-year lease, typically a minimum twelve-year lease would be asked for.

Moved by Ald. Wilson, seconded by Ald. Organ to move into closed sessions 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: 8

The committee convened at 10:23 p.m.

The committee reconvened into open session at 10:25 p.m.

Vouchers

Name	Dept.	Reason and location	Date	Amount
P.O. Patrick Klaine	Police	The Art of Interrogation - Pewaukee	11/15/12	9.00
Anthony Brown	Administration	ICMA Annual Conference - Phoenix, AZ	10/07 - 10/10/12	64.00
Andrew Budde	Health	Retail HACCP Conference - Appleton	11/27-11/29/12	111.36
Det. Paula Roberson	Police	ICAC- Undercover Chat Investigations - Appleton	12/02-12/07/12	103.89
P.S. Cory Wex	Police	Standardized Field Sobriety Test Instructor - Pewaukee	12/04-12/05/12	18.00
James Wojcehowicz	Water	National League of Cities Conference - Boston	11/28 - 12/01/12	1,208.35
Kathy Ehley	Administration	League of Municipalities CEO Workshop - Green Bay	08/22-08/24/12	54.00
SRO Joel Kutz	Police	ICAC- Undercover Chat Investigations - Appleton	12/02-12/07/12	171.70
Kathy Ehley	Administration	League of Municipalities Workshop - Wisconsin Dells	10/17-10/19/12	47.98

Moved by Ald. Hanson, seconded by Ald. Birschel that the vouchers be allowed and paid - Ayes: 7

Moved by Ald. Wilson, seconded by Ald. Organ to move into closed sessions 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: 8

The committee convened at 10:32 p.m.

The meeting adjourned at 11:52 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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