



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

Tuesday, February 26, 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; J. Ruggini, Finance Dir.;  
W. Wehrley, City Engineer

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

### **Jurisdictional transfer of Schoonmacher Creek to Milwaukee Metropolitan Sewerage District**

The City Engineer introduced Tom Chapman, Section Manager, Milwaukee Metropolitan Sewerage District, to the committee. At the meeting of January 29, 2013 Mr. Wehrley was requested to have a representative from MMSD attend this meeting to answer any questions the committee may have.

Mr. Wehrley reported on a meeting that was held with Washington Highlands Association (WHA), with MMSD present, to explain how the jurisdictional transfer to MMSD would affect them. The timeline was discussed with WHA as well.

Mr. Chapman reviewed the timeline with the committee. He noted that MMSD's roles and responsibilities are purely for flood abatement. The agreement with MMSD does not cover garbage pick-up around the creek, graffiti removal and they don't mow lawns. It specifically deals with flood abatement.

Mr. Chapman suggested with all the phases and public interaction necessary, by the time the preliminary design work was done, and predicated on the budget, it would take a considerable amount of time, possibly ten years before the Schoonmacher work would be done. The process takes time and money has to be found in the budget.

Ald. Tilleson although confident with the proposal, commented that if the City keeps jurisdiction they could work on their own timeline. Other members noted that the entire project cost would then be absorbed by the City. Mr. Chapman noted that the planning and up-front inventory is reasonably easy and could probably be done in a couple of years. Where it would stall would be the financial piece. Mr. Chapman noted that a project that is being worked on right now is the severe flooding on State Street. State Street rises to an urgent level, something has to be done there.

Moved by Ald. Tilleson, seconded by Ald. Donegan  
to recommend approval to petition Milwaukee Metropolitan  
Sewerage District to consider assuming jurisdiction over  
Schoonmacher Creek with the understanding that we will  
work jointly to identify watershed-based storm water  
improvements.

Mr. Wehrley responded to a question regarding coordination of schedules for infrastructure work. He said they will coordinate as much as they can when work is being scheduled. The goal is to identify where there would be coordination or potential coordination. The City Engineer noted that this will take a significant amount of staff time to do this.

Ald. Dubinski asked Mr. Wehrley how pressing the sanitary and storm conditions north of Lloyd Street are if the work could wait the five or ten years it might take. Mr. Wehrley noted that grouting of the sanitary laterals is ongoing in that area which will help. However the grouting will not get us to the end goal. He suggested that if the City were to do this on its timeline, it could be decades before we would get to this. The numbers are staggering, over \$100 million.

David Laatsch, 6327 Washington Circle, read a statement on behalf of the Washington Home Association, thanking Mr. Wehrley and Mr. Chapman for meeting with the neighborhood residents. They look forward to working with the City and MMSD on this project.

Vote on the motion - Ayes: 8

**Level 3 Fund Transfer for purchase of two Public Works department trucks**

The committee reviewed a memo from the Public Works Director regarding a request for a Level 3 Fund Transfer for purchase of two Public Works department asphalt trucks.

Mr. Porter explained that the department would like to purchase two trucks budgeted for replacement in 2012. Instead of blindly ordering the trucks, the PRIME Team did a survey searching for possible enhancements to the trucks that could improve productivity and efficiency. This survey took longer than anticipated and the trucks did not get purchased in 2012.

Moved by Ald. Donegan, seconded by Ald. Ewerdt  
to recommend approval of the Level 3 Fund Transfer  
in the amount of \$159,600 to purchase the two trucks – Ayes: 8

Mr. Porter said that since the money was not expended in 2012, the funds became part of the fund balance of the reserve account. He requested a transfer in the amount of \$159,600 from the fleet equipment reserve fund, to the 2013 budget.

**Vouchers**

<b>Name</b>	<b>Dept.</b>	<b>Reason and location</b>	<b>Date</b>	<b>Amount</b>
Jim Beix	Health	Love your Health Home Symposium-MLAIC-Pewaukee	2/14/13	18.45
Gary Gabrish	Police	Incident/Tactical Command Post Operations - Racine County training facility	2/11/13	9.00
Joel Kutz	Police	WI Tactical EMS Summit	02/06-02/07/13	30.00
David Moldenhauer	Police	Incident/Tactical Command Post Operations - Racine County training facility	2/11/13	9.00
Chad Geiszler	Police	In-Service Training - Oak Creek - MATC	1/31/13	7.58

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

The committee recessed at 8:23 p.m. and will reconvene in Committee Room #1.

Ald. Ewerdt excused at 9:10 p.m. - 7

Ald. Hanson excused at 9:10 p.m. - 6

The committee reconvened in Committee Room #1 at 9:40 p.m.

**Zilber TIF assistance request for the ABB Development**

The Finance Director speaking on behalf of the Development Team which includes the City Administrator, the City Attorney, and the Development Director provided, an overview on TIF #6. The team has been working on this request since December when the application was submitted.

Mr. Ruggini encouraged the committee to look at this development in two perspectives. He said to look at this as a single site development and then come back and look at what the development impact is on the overall TIF.

The original request was for \$2.15 million, that as a percentage of the projected value equals 15.8% of the assumed value, of \$13.6 million. This equals about \$150 per SF which is the value of other class A office space in the city. The \$2.15 million is about 13.3% of the project cost.

Mr. Ruggini discussed the projected property value of the ABB building being proposed as \$13.6 million which would produce \$308,000 annually in taxes at our current tax rate. Because this is a TIF, the tax increment would remain in the project. Assuming that with our investment and we borrow at a 4% interest rate, the payback to the City would be a little over 13 years. For every dollar the City invests we are getting about \$4.30 in project value. Mr. Ruggini noted that this fits the City's general performance profile. The City likes to see the TIF's perform in 10-15 years payback.

Knowing that this is part of the larger TIF we have been discussing, Mr. Ruggini emphasized to the committee that the single most important number to him, is when taking the value of the land, the value of the Accelerator building and the potential proposed value of the ABB building, the City would cover its' debt service on Discovery Park. This is with the caveat that something would happen on the Eschweiler site allowing us to use TIF 2 cash, instead of borrowing the entire amount in TIF #6. With those assumptions, to be able to say that in 2.5 – 3 years into the TIF we would cover our debt service payments and have no risk that the general fund would have to step in to cover those payments, is extremely important.

Moved by Ald. Wilson, seconded by Ald. Tilleson  
to convene into closed session 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: 6

The committee moved into closed session at 9:57 p.m.

The committee convened in closed session at 11:10 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

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