



CITY OF WAUWATOSA
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BUDGET & FINANCE COMMITTEE MEETING

Tuesday, May 28, 2013
Committee Room #2

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

ALSO PRESENT: J. Archambo, City Admin.; A. Kesner, City Atty.; J. Ruggini, Finance Dir.;
J. Wojcehowicz, Water Supt.; K. Hurst, Traffic & Maint. Supt.; E. Hilt, Program
Analyst; M. Murphy, Library Director

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

Refuse/recycling dual use operations and request to purchase an additional truck

The committee reviewed a memo from the Fleet Superintendent regarding refuse/recycling dual use operations and request for authorization to purchase an additional truck.

Should the City immediately institute the dual use operation of the Transfer Station, lease a used automated vehicle as an interim measure and purchase a new automated truck?

Ms. Hilt updated the committee on the first two phases transitioning to automated garbage collection. Phase I was the transition to automated garbage collection in 2011. Phase II was a pilot program for collecting recycling using rear loaders done in second half of 2012. Through the experience gained, it was determined that the City was capable of saving even more money through acquiring the recycling and yard waste contracts. In January 2013, recycling in-house gave the department the opportunity to test whether dual use operation of the Transfer Station was possible. This transitioned from using four routes to five routes, adding one assignment.

Phase III of the project is the dual use. It is a more efficient use of labor and equipment for the collection of refuse and recycling. In March 2013, the Department successfully proved to the City and the Wisconsin Department of Natural Resources (WDNR) that dual use was indeed possible by conducting a two week pilot program. The WDNR granted the City of Wauwatosa the permit modification to operate the Transfer Station as a dual use facility. This permit is the first of its kind in the State of Wisconsin and a major milestone for the City in pursuit of its goal to moving to dual use operation.

Now that the City has received their permit from the WDNR there are additional steps necessary before full dual use operation begins. There will be a transition from four to five collection routes and one truck added for daily route assignment. An appropriate back-up or spare vehicle will be needed. The City currently has eleven rear loader refuse trucks of which six will be sold upon implementation of dual use. The other rear loaders will be used for yard waste, leaf, Christmas tree and for other special collections.

Mr. Hurst discussed the options available to the City for the back-up vehicle and the impact of each one which have negative effects. Mr. Hurst explained his rationale in two other feasible options. He felt that the option to purchase a new 2013 Peterbilt/Labrie automated truck and purchase/lease a 33 yard 2007 Freightliner/Labrie tandem axle conventional cab automated refuse truck from Stepp Equipment is the way to go. A lease agreement could be entered into with Stepp until a new truck is ordered and delivered to the

City. This would be a short term use of the 2007 vehicle and Stepp Equipment would buy back the 2007 truck when the new Labrie truck is delivered.

Ms. Hilt explained that a new truck would cost \$236,888 which is less than the original purchase of the trucks. The net cost of the lease agreement is \$8,000. The City would purchase the 2007 Freightliner for \$73,000 and at the time of delivery of the new vehicle, the City would sell the 2007 unit back to Stepp Equipment for \$65,000.

The committee thanked the Public Works Department for all of their efforts in this program.

Moved by Ald. Hanson, seconded by Ald. Tilleson
to recommend approval of the dual use operation of
the Transfer Station – Ayes: 8

Moved by Ald. Hanson, seconded by Ald. Tilleson
to recommend approval to purchase a new 2013 Peterbilt/
Labrie automated truck and the purchase of a 33-yard
2007 Freightliner/Labrie tandem axle refuse truck. The
cost of the new unit is \$236,888 and the purchase price
of the used truck is \$73,000 – Ayes: 8

Water main relay and retaining wall along Menomonee River Parkway/State Street near Underwood Avenue

The committee reviewed a memo from the City Engineer regarding award of professional services for water main and retaining wall design along Menomonee River Parkway/State Street near Underwood Avenue.

Engineering staff has been reviewing alternative storm sewer alignments to reduce overland flooding along Milwaukee Avenue as part of the Milwaukee Avenue reconstruction design. The current preferred alignment is to install a large storm sewer in Underwood Avenue from Milwaukee Avenue down to the Menomonee River. The proposed storm sewer would be much larger, sized to mitigate overland flooding that has occurred at Fire Station 1 and the intersection of Milwaukee Avenue and Underwood Avenue. The roadway changes names from Menomonee River Parkway to State Street in the middle of the project.

Mr. Wehrley reported that the current sewer runs down Underwood Avenue under the Rowbottom Building. There is a retaining wall underneath the south curb and gutter which also holds up the sidewalk. The proposed storm sewer would have to be excavated through this existing retaining wall. Portions of this retaining wall have failed in the past. Mr. Wehrley explained his proposal to remove the sidewalk along the south side of Menomonee River Parkway/State Street in front of the Rowbottom Building and construct a new retaining wall underneath the sidewalk next to the existing wall. The new storm sewer will run through both of the retaining walls, under the Rowbottom Building and then discharge directly to the Menomonee River.

Mr. Wehrley said the Water Utility advised that the existing water main in that State Street location is from 1897 and suggested since the street would most likely be closed that the utility replace the water main at the same time.

Mr. Wehrley said that five consulting firms were solicited for proposals and two proposals were submitted. Staff recommended the firm of K. Singh & Associates for an amount of \$75,000.

Moved by Ald. Ewerdt, seconded by Ald. Hanson
to recommend approval to enter into a contract with

K. Singh & Associates, Inc. in the amount of \$75,000
for design services – Ayes: 8

State/Municipal agreement with Wisconsin Department of Transportation pertaining to Union Pacific Railroad overpass near I-94

The committee reviewed a memo from the Director of Public Works recommending approval of a State/Municipal agreement for non-participating items related with the replacement of the Union Pacific railroad bridges over I-94.

Mr. Porter said the Department of Transportation has notified the City that as part of the planned replacement of the Union Pacific Railroad bridges over I-94, there are Wauwatosa owned utility upgrades that are required. Mr. Porter said the projected cost is \$357,830 and as part of the agreement the City will be responsible for 10% of the expense. Funds for this were budgeted on Capital Improvements Program Project #1101. The agreement needs to be executed by August 1, 2013.

Moved by Ald. Wilson, seconded by Ald. Donegan
to recommend approval of the State/Municipal agreement – Ayes: 8

Approval of a pass-through water rate increase

The committee reviewed a memo from the Water Utility Superintendent requesting approval of a pass-through water rate increase.

Mr. Wojcehowicz requested approval to implement a pass through water rate adjustment to augment water rates due to the Milwaukee Water Works simplified rate increase. On May 9, 2013 the Milwaukee Water Works received approval from the Public Service Commission to increase their water rates. After Common Council approval is received the Water Utility will apply to the PSC for authority to pass this increase through to their customers. This is purely to recover the increased cost from Milwaukee.

Mr. Wojcehowicz said the increase would be 0.9% or \$0.81 per quarter.

Moved by Ald. Donegan, seconded by Ald. Tilleson
to recommend approval of a pass-through water
rate increase – Ayes: 8

State/Municipal agreement with Wisconsin Department of Transportation (WisDOT) for improvement of Mayfair Road from Burleigh Street to north city limit south of Hampton Avenue

The committee reviewed a memo from the Director of Public Works recommending approval of a State/Municipal agreement for resurfacing of Mayfair Road from Burleigh Street to the north city limits north of Hampton Avenue.

Mr. Porter explained that WisDOT is planning to resurface this portion of Mayfair Road. To keep the project on schedule WisDOT has requested that the City execute the attached State/Municipal agreement.

The City has set aside \$200,000 in the Capital Improvements Program for this project. Mr. Porter noted that these funds are separate from funds set aside for Community Sensitive Solutions (CSS) work on this same project. This agreement can be modified to include the CSS when the final scope of improvements are determined.

Moved by Ald. Organ, seconded by Ald. Wilson
to recommend approval of the execution of this project
so that the project can remain on schedule - Ayes: 8

2013 First Quarter General Fund results

The committee reviewed a memo from the Finance Director presenting the First Quarter General Fund results.

Mr. Ruggini said in order to monitor expenditures and revenues, a quarterly report is being presented.

Mr. Ruggini explained that his projection shows the anticipated surplus or deficit as of the end of the fiscal year based on the first quarter results and the spending pattern over the past five years.

The Finance Director reviewed some items in the General Fund Reserve. 'Other taxes' is forecasted to deficit by \$25,418 representing a -6.0% variance from the budget which is largely due to the assisted living centers which provide payments in lieu of taxes remaining at lower vacancy rates similar to 2012. License Revenue is trending 4.2% below budget but was not able to pinpoint where the downside is coming from. Building permits is just normal activity and anticipates having a good year. Mr. Ruggini explained that Public Safety Violations has a projected surplus. While struggling in court revenue last year, the City is now about \$70,000 above from last year due to implementation issues. What is masking this somewhat is that parking citation revenue is down. The Tax Intercept Program is capturing money we would have gotten last year. The City is seeing significant turn-over in the Police Department, thus there are not as many officers out writing tickets.

On the expenditure side, Mr. Ruggini projected a 1.2% surplus in Regular Pay with assumptions of significant numbers of police and fire retirements at the end of 2012. Both Chiefs have expressed the feeling that more retirements will be coming. The budget assumption is full staffing with a 1.5% attrition rate built in. Above normal retirements is contributing to the surplus. The overtime budget is 3.3% below budget. Mr. Ruggini said anytime you are running the departments with vacancies, you are backfilling with overtime. He noted that they are still seeing effects from Officer Sebena's investigation. The fuel utilization appears to be overestimated which will result in lower charges to departments. Grand total surplus is expected to be \$358,861. With 2012 appropriated surplus applied of \$500,000 results in a change of (\$141,139) to the fund balance. Mr. Ruggini said the surplus need to be at least \$500,000 but given the potential for building permits to exceed the surplus and regular pay he didn't feel it will be a problem.

Mr. Ruggini shared a few areas of concern. The Health Life fund is projecting a \$500,000 loss which is new territory for the City. He will continue to monitor the situation. The City Administrator explained that it may be a cyclical phenomenon and they will be watching this closely. Workers Compensation is also a concern as 2012 bills are coming through at a higher rate than was set aside. The third issue for concern is the library materials budget which has been discussed in committee at length. Mr. Ruggini explained that as a percentage per capita, the City's book budget is lower than our peers. Fines were increased and felt that this would provide revenue for additional materials. However email reminders are also being sent out and materials are being returned on time, thus no additional fines are being captured. There are no additional funds available to help fund the book budget.

Ms. Murphy explained the Milwaukee County Federated Library System (MCFLS) system and that Wauwatosa is considered a lending library and receives compensation for that. However there are ups and downs to that. Revenue came down last year from the Federated System and is expected to decrease again in 2014.

The committee discussed a fund transfer for materials to be purchased. Ms. Murphy responded to questions asked and replied that the 2013 material budget was less than the 2012 material budget and they are sinking. The committee discussed at length where funds could be transferred from. Motions were made and it was questioned why this was being voted on since it was not a separate item on the agenda. The committee asked Ms. Murphy to provide documentation on what is needed for a meeting to be scheduled in July.

Vouchers

Moved by Ald. Hanson, seconded by Ald. Birschel that each
and every voucher be allowed and paid - Ayes: 7 Present: 1 (Donegan)

The meeting adjourned at 9:13 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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