



CITY OF WAWATOSA
BUDGET AND FINANCE COMMITTEE
MINUTES • JUNE 25, 2013

Regular Meeting
Committee Room #2
8:00 PM

7725 West North Avenue, Wauwatosa, WI 53213

BUDGET AND FINANCE COMMITTEE ITEMS

Attendee Name	Title	Status	Arrived
Peter Donegan	Alderman	Present	
Craig Wilson	Alderman	Present	
John Dubinski	Alderman	Present	
Tim Hanson	Alderman	Excused	
Jill Organ	Alderwoman	Present	9:44 PM
Joel Tilleson	Alderman	Present	
Brian Ewerdt	Alderman	Present	
Donald Birschel	Alderman	Present	
James Archambo	City Administrator	Present	
Mary Murphy	Library Director	Present	
Alan Kesner	City Attorney	Present	
James Wojcehowicz	Water Superintendent	Present	
William Porter	Public Works Director	Present	
Kathleen Ehley	Mayor	Present	
James Moldenhauer	Alderman	Present	
Jerome Flogel	MMSD Program Manager	Present	

2. Memo from the Library Director concerning consideration of amending the library book budget

The committee reviewed a memo from the Library Director regarding possible amendment to the library book budget.

Ms. Murphy introduced Ald. Moldenhauer as liaison to the Library Board. Ald. Moldenhauer stated he supports Ms. Murphy's recommendation for an increase in the Library book budget. He explained that increasing the book budget will allow the Library to provide quality materials for citizens of all ages in Wauwatosa.

Ms. Murphy explained that a \$40,000 increase to the Wauwatosa Library book budget would bring the materials budget up to the moderate level of funding established by the Department of Public Instruction. She stated that \$15,000 of this recommended increase would merely backfill a hole created by \$7,600 in unexpected security system costs and \$8,000 in ebook fees required by the Milwaukee County Federal Library System (MCFLS). These ebook fees were unknown at the time of the last budget cycle. The remaining \$25,000 would be used to purchase both adult and children's books.

Library Board Trustees Ann Marie Perhach, 11637 W Clarke St, and Mary S. Newton, 6548 Washington Cir, spoke in favor of increasing the book budget. Ms. Perhach remarked that the library is a jewel of Wauwatosa. Ms. Newton remarked that the Library needs additional funds to keep their material holdings on par with other local communities.

Ms. Murphy noted that this request is for the current year budget, but that the issue is recurring and must be addressed in the budget process. Mr. Ruggini explained this request would be a one-time change to the book budget and the issue would be addressed in the next budget cycle.

Ald. Ewerdt inquired what funds would be used to make a book budget increase and questioned the use of Parks Reserve funds for projects unrelated to Hart Park.

Mr. Ruggini explained that the Parks Reserve funds are not limited to Hart Park related projects. The book budget increase could come from the general fund Parks Reserve as previously discussed. However, it is not a staff suggestion, but a possible policy decision. He explained that the Reserve for Contingencies and Parks Reserve funds are both sources that take from the general fund balance.

Ald. Ewerdt stated he prefers the use of Reserve for Contingencies to fund any increase to the Library book budget and thanked Ms. Murphy for her report.

Ald. Tilleson asked Ms. Murphy the current status of ebooks in the Library's holdings.

Ms. Murphy explained that \$8,000 of the book budget was given towards a statewide ebook collection. However, the Library could not afford the higher tier of ebooks available to only Milwaukee County patrons.

Ald. Tilleson stated he supports the book budget increase, but hopes the library will use some of the funds to modernize the library for younger users. He also echoed Ald. Ewerdt's concern regarding the use of Parks Reserve funds. He recognized that the next budget cycle should address larger picture issues for the Library.

Ald. Wilson echoed Ald. Tilleson's concern for a long-term fix and the need to address this issue during the next budget cycle. He asked Ms. Murphy if there is room for improvement in the Library's relationship with MCFLS.

Ms. Murphy explained that Wauwatosa's participation in MCFLS is an overall positive experience. Wauwatosa Library patrons are much better served as a part of MCFLS. In the past, the Library Board stood up for the citizens of Wauwatosa by challenging unfair increases in fees imposed by MCFLS. However, the Library continues to benefit as a member of MCFLS.

Ald. Donegan remarked that Ms. Murphy's memo reveals an imbalance between the high use of the Library and the amount of funds given to the Library. He stated the committee has neglected the Library budget and urged Ms. Murphy to remind the Budget Committee about this important issue in the next budget cycle.

Moved by Ald. Donegan, seconded by Ald. Birschel
to recommend approval to transfer \$40,000 from the
general fund Parks Reserve to the Library book budget

Ald. Ewerdt asked to make a friendly amendment to the motion. With approval from the mover and seconder, the motion was amended to transfer \$40,000 from Reserve for Contingencies to the Library book budget.

Moved by Ald. Donegan, seconded by Ald. Birschel
to recommend approval to transfer \$40,000 from
Reserve for Contingencies to the Library book
budget - Ayes: 6

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 7/2/2013 7:30 PM
TO:	Common Council	
MOVER:	Peter Donegan, Alderman	
SECONDER:	Donald Birschel, Alderman	
AYES:	Donegan, Wilson, Dubinski, Tilleson, Ewerdt, Birschel	
EXCUSED:	Hanson, Organ	

3. Verbal update from staff regarding the status of negotiations with Milwaukee County on the transfer of seven Water Utility customers to the City of Wauwatosa Water Utility

Mr. Archambo explained that Milwaukee County has operated the water system on the County grounds for decades. The City of Wauwatosa hopes to acquire this water service area due to low fire flows in the southwest corner of Wauwatosa and the presence of Wauwatosa residents within the County grounds.

In April 2013, City and County staff worked with the Public Policy Forum to review possible acquisition of current county customers on the county grounds due to the negative impact of the UW-M Milwaukee Innovation Park development and the Wisconsin Department of Transportation Zoo Freeway construction project on Milwaukee County water service to properties in the project areas.

Over the past few months, Mr. Kesner, Mr. Wojcehowicz and Mr. Ruggini have worked with County staff to form an acquisition agreement. However, the Milwaukee County Board has stalled this process.

The original agreement between City and County staff included a 10 year lease of the water tower located on the county grounds for \$20,000 annually. Per the request of the County Board Committee Chair, the annual lease was increased from \$20,000 to \$25,000. The City agreed to this amendment and the agreement passed on the County committee level 4-2.

After the committee meeting, Act 14 was passed at the state level and imposed limitations on County Board action. In order to make amendments to the agreement, County staff replaced the agreement with a new document and processed it as a new item.

The County Board voted for approval of the amended document last week 12-4. However, the amended agreement requires the City of Wauwatosa to pay market value for the water tower at the end of the 10 year lease in addition to the \$25,000 per year lease agreement. Additionally, any new cell phone tower revenue generated on the site would belong to the County.

Mr. Ruggini noted that the proposed customer acquisition would result in a net revenue increase of approximately \$38,000 per year. The City intended to save funds over the 10 year lease in order to demolish the water tower at the end of the lease. This plan would be impossible under the current agreement.

Mr. Kesner noted that the current agreement is not in the City's best interest.

Mr. Ruggini stated an acquisition agreement with the County will still be pursued, but the current agreement would not benefit the rate payers of Wauwatosa. He expressed concern for the entities located within the County grounds. If these entities remain on the County system, their rates will likely increase to pay for the \$1.7 million cost of new County water infrastructure.

Mr. Wojcehowicz stated the Wauwatosa Water Utility is ready and able to serve this area with the new 16" water main in Watertown Plank Road. As a landlocked community, this is a rare opportunity for new Wauwatosa Water Utility customers and he stated an agreement will be pursued.

Ald. Wilson thanked all involved for their input and diligence.

4. Verbal update from staff regarding the status of the hotel development at Innovation Campus

Mr. Archambo explained that any hotel development within Innovation Campus requires approval from the County Board. The current real estate agreement between the UW-M Real Estate Foundation and the County Board allows hotel use to occur on the southern piece of the development.

City staff attended several County committee meetings and board meetings regarding the hotel development issue over the past few months. Last week, the County Board adopted an amendment to the real estate agreement that will require the hotel development to pay all future employees at least 125% of the poverty line, or approximately \$14.00 per hour.

Mr. Archambo noted that the interested hotel developer will not pursue development at this site if the employee pay rate requirement remains. Mr. Archambo explained that City staff will continue to meet with County staff to encourage removal of this employee pay rate requirement.

Ald. Tilleson and Ald. Ewerdt asked if the hotel developer could request Tax Increment Financing (TIF) assistance for this provision.

Mr. Kesner stated no TIF funds have been requested by the interested developer and Mr. Ruggini explained that TIF funds are not typically used for ongoing operational costs.

Mr. Archambo explained that Innovation Park will create thousands of jobs and spillover for additional jobs in the area. The City will continue working with the County to ensure the success of the Innovation Park development.

Ald. Wilson noted that it is a noble cause to require living wages, but it is an act that requires policy rather than piece meal application. Ald. Wilson thanked staff for the update and their continued persistence to ensure Innovation Park success.

5. Memo from the Finance Director requesting a revision to the purchasing ordinance raising the threshold for purchase orders to \$5,000

The committee reviewed a memo from the Finance Director requesting a revision to the purchasing ordinance raising the threshold for purchase orders to \$5,000.

Should the City increase the small purchase threshold from \$1,000.00 to \$5,000 to more efficiently expedite the procurement process?

Mr. Ruggini explained that the current policy requires end using departments to prepare a written requisition and the purchasing department to obtain three written price quotations from vendors for purchases between \$1,000 and \$25,000. A purchase order is then issued to the low-cost vendor, an invoice is received and a check is cut for payment of each invoice.

In 2012, the City initiated a procurement card (P-card) program and the City earns approximately 1.6% rebate on purchases made with the cards.

Mr. Ruggini explained that savings would be realized by the reduction of paperwork, and revenue would increase by approximately 1.6% of the annual expenditures that could be placed using a P-card. In 2012, purchase orders under \$5,000 accounted for \$584,000 in spending. If 50% of this could be put on the P-card, the City would earn \$9,344 in revenue as well as reduce internal processing time.

Ald. Donegan asked who will be given P-cards and questioned what type of controls will be placed on P-card purchases.

Mr. Ruggini stated that 50 P-cards will be distributed to City staff and explained that the P-card program has two levels of card access as well as controls such as merchant codes which limit where the credit card can be used. P-card transactions are monitored and approved by Department Heads, prior to review and approval by the Finance Department, with final payment approval from the Common Council.

Moved by Ald. Donegan, seconded by Ald. Wilson to recommend introduction of an ordinance amending Section 3.20.040 of the Code raising the threshold for purchase orders to \$5,000 - Ayes: 6

RESULT:	RECOMMENDED FOR INTRODUCTION [UNANIMOUS] Next: 7/2/2013 7:30 PM
TO:	Common Council
MOVER:	Peter Donegan, Alderman
SECONDER:	Craig Wilson, Alderman
AYES:	Donegan, Wilson, Dubinski, Tilleson, Ewerdt, Birschel
EXCUSED:	Hanson, Organ

6. Memo from the Public Works Director regarding Private Property Infiltration/Inflow (PP I/I) Policy Formation for the City of Wauwatosa

The committee reviewed a memo from the Public Works Director regarding Private Property Infiltration/Inflow (PP I/I) Policy formation.

Should the City of Wauwatosa embark on an expanded program to mitigate the basement flooding issue during heavy storms by adopting a policy on how to address clear water that originates from sources on private property?

Mr. Porter explained that current City policy finds that the sanitary sewer lateral, foundation drains, downspout connections and yard drains are the responsibility of the property owner.

The Metro Milwaukee Sewerage District (MMSD) has set aside approximately \$62 million as a grant to pay for improvements to reduce I/I from private property sources.

Mr. Porter explained that approximately \$2,600,000 remains available of the \$4,000,000 set aside for PP I/I work in Wauwatosa. To access these funds, the City must demonstrate that all of these funds are being spent on private property I/I removal. Mr. Porter explained it is important that a policy be adopted which spells out the circumstances by which the City will manage, mandate, and/or contribute to the necessary repairs on private property.

Mr. Porter explained PP I/I is not an issue with an overnight cure and there is no one size fits all policy in force in the MMSD service area communities. Some cities are doing nothing, yet others are attacking laterals; still others are looking at foundation drains or some combination of both.

Jerome Flogel, the Senior Program Manager of the PP I/I program at MMSD, explained the MMSD policy for using the PP I/I grant funds. MMSD would like municipalities to implement pilot programs and encourages municipalities to consider long-term PP I/I goals.

Ald. Wilson asked if there is a specific direction that MMSD suggests for municipalities to pursue.

Mr. Fogel explained that many municipalities are rehabbing laterals or foundations drains, but there is not one specific plan suggested by MMSD. MMSD hopes to learn from the pilot programs that municipalities implement.

Mr. Porter stated that staff will be staging a series of workshop like presentations over the next few months. Discussion is welcome, but no decisions will be requested until all options have been vetted.

Ald. Donegan thanked Mr. Porter for his work on this project, but expressed concern about the timeline of the learning process. He suggested a more active learning process that included strategy sessions or a consolidated session.

Ald. Tilleson echoed Ald. Donegan's thoughts regarding a more consolidated process that will help the committee absorb and comprehend all of the information.

Mr. Porter stated that he will adjust the timeline to reflect the concerns of the aldermen.

Ald. Organ present at 9:44pm - 7

Ald. Ewerdt asked if there is a deadline to use the MMSD grant funds and stated that public information sessions should be included in this project.

Mr. Fogel explained that the grant funds are available through 2020.

Ald. Donegan and Ald. Tilleson expressed thanks to Mr. Porter for his work so far on this major issue.

Ald. Organ asked if there were any recent reports of basement flooding.

Mr. Porter stated there were no recent instances of basement flooding due to City sewer failure, but there was one instance of the emergency sanitary bypass pump kicking in during heavy rainfall last month.

RESULT:	INFORMATION ONLY
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7. From the Director of Public Works, 2013 Capital Improvement Projects Update

Mr. Porter presented the 2013 Capital Improvement Projects Update through June 11, 2013.

Mr. Porter highlighted the Rowbottom building project at 7700 Harwood Ave. The owner of the Rowbottom building is using an MMSD grant to move the building mechanicals and a retaining wall which are currently located underground, underneath the sidewalk. The City is looking to replace the 1890 water main and the storm water sewer once the mechanicals are moved by the owner. This project is in the design stages currently.

Ald. Wilson inquired which budget would fund this project.

Mr. Porter and Mr. Ruggini explained that the Water Capital Budget and the Milwaukee Ave Budget are possible funding sources for the Rowbottom building project.

Mr. Ruggini mentioned that the debt needed to fund these projects will be brought to the Budget and Finance committee in the next few months.

Ald. Donegan asked the status of the North Ave paving project, the Meinecke project and the Milwaukee Ave paving project.

Mr. Porter stated the North Ave paving and restriping is listed as 21B on the update and scheduled for 2014. The Meinecke project is almost complete and the Milwaukee Ave project will begin at the end of this year or early 2014.

Ald. Wilson thanked Mr. Porter for the update.

8. Memo from the Finance Director requesting approval of a 3-year postage meter contract

The committee reviewed a memo from the Finance Director requesting approval of a 3-year postage meter contract.

Mr. Ruggini recommended that the Purchasing Department enter into a three year agreement with Mailwaukee for the rental of a new postage meter and scale at the annual rate of \$372.00.

Moved by Ald. Donegan, seconded by Ald. Wilson to recommend approval to enter into a three year agreement with Mailwaukee for the rental of a new postage meter and scale at the annual rate of \$372.00 - Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 7/2/2013 7:30 PM
TO:	Common Council	
MOVER:	Peter Donegan, Alderman	
SECONDER:	Craig Wilson, Alderman	
AYES:	Donegan, Wilson, Dubinski, Organ, Tilleson, Ewerdt, Birschel	
EXCUSED:	Hanson	

9. Memo from the Finance Director requesting a level III fund transfer for the Safe Routes to School Grant

The committee reviewed a memo from the Finance Director requesting a level three fund transfer for the Safe Routes to School Grant.

Mr. Ruggini explained that a level three fund transfer is necessary to recognize revenue and increase expenditures associated with the recently awarded Safe Routes to School Grant.

In November 2012, the City of Wauwatosa was awarded a \$166,940 Safe Routes to School grant which had been submitted by a volunteer group led by Alderman Jeff Roznowski. The grant includes \$92,220 in infrastructure improvements, \$74,720 in non-infrastructure items and \$22,000 in planning funds.

Ald. Wilson asked if the \$22,000 in planning funds is included in this request.

Mr. Ruggini explained the planning funds will be administered by the Department of Transportation and paid directly to the planning consultant, so this total is not included in the grant.

Mr. Ruggini recommended approval of increasing revenues and expenditures \$74,720 in to be determined accounts in the City's general fund and \$92,220 in the City's Capital Projects Fund.

Moved by Ald. Ewerdt, seconded by Ald. Donegan to recommend approval of a level III fund transfer to increase revenues and expenditures by \$74,720 in to be determined accounts in the City's general fund and \$92,220 in the City's Capital Projects Fund for the Safe Routes to School Grant - Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 7/2/2013 7:30 PM
TO:	Common Council	
MOVER:	Brian Ewerdt, Alderman	
SECONDER:	Peter Donegan, Alderman	
AYES:	Donegan, Wilson, Dubinski, Organ, Tilleson, Ewerdt, Birschel	
EXCUSED:	Hanson	

10. Vouchers

Moved by Ald. Ewerdt, seconded by Ald. Birschel that each and every voucher be allowed and paid - Ayes: 6 Present: 1 (Donegan)

RESULT:	APPROVED [6 TO 0]
MOVER:	Brian Ewerdt, Alderman
SECONDER:	Donald Birschel, Alderman
AYES:	Wilson, Dubinski, Organ, Tilleson, Ewerdt, Birschel
ABSTAIN:	Donegan
EXCUSED:	Hanson

The meeting adjourned at 9:59pm.

Carla A. Ledesma, CMC, City Clerk