



CITY OF WAUWATOSA
BUDGET AND FINANCE COMMITTEE
MINUTES • JULY 30, 2013

Regular Meeting
Committee Room #2
8:00 PM

7725 West North Avenue, Wauwatosa, WI 53213

PRESENT: Alds. Donegan, Birschel, Hanson, Organ, Tilleson, Ewerdt, Dubinski, Wilson (9:46pm) - 8

ALSO PRESENT: J. Archambo, City Admin.; J. Ruggini, Finance Dir; R. Ugaste, Fire Chief; J. Case, Asst. Fire Chief; J. Ferguson, Asst. Planner; W. Porter, Public Works Dir; J. Wojcehowicz, Water Supt.; J. Lennell, Clifton Larson Allen LLP; William Robison, Engberg Anderson, Inc.

Ald. Hanson as Vice Chair called the meeting to order at 8:17pm.

BUDGET AND FINANCE COMMITTEE ITEMS

1. Presentation of the 2012 Comprehensive Annual Financial Report

The committee reviewed a memo from the Finance Director regarding the 2012 Comprehensive Annual Financial Report.

Mr. Ruggini explained that the City compiled the 2012 financial statements and assembled them as a Comprehensive Annual Financial Report (CAFR). Based on the Governmental Finance Officers Association (GFOA) requirements, the statements were audited by Clifton Larsen Allen LLP and a representative from the firm was present to review the audit findings with the Committee.

Mr. Jacob Lenell, Clifton Larsen Allen LLP, explained the sections of the CAFR document. He stated that this is the second full CAFR completed by the City. He explained that the transmittal letter is an introduction that describes the basic demographic and background information of the City. He noted that the Auditor's report is the only document prepared by Clifton Larsen Allen LLP in which they issue an unqualified opinion regarding the financial statements.

Mr. Lenell explained that the Management Discussion and Analysis (MDA) section is a high level summary of the report and indicates any changes from year to year. It provides a synopsis of the 2012 financial statements. The financial statements are the detailed reports of the City's financial status and they are followed by supplementary information regarding General Fund and nongovernmental funds. The CAFR ends with statistical information going back 10 years to give the reader an idea of trends that are affecting the City.

Mr. Lenell highlighted the Tax Incremental District (TID) fund and noted that \$6.2 million of the General Fund was used to pay toward the reduction of bonds. He explained that the fluctuation in the Capital Projects fund relates to the timing of when debt was taken and when debt was spent.

Mr. Lenell defined the fund types listed in the summary of cumulative balances for each fund. He said the nonspendable line included funds not spendable in nature, the restricted line included funds restricted by external party, and the unassigned line included funds that were available for cash flow and future expenditures.

Ald. Donegan asked what would happen to the \$20 million TID surplus if the City paid out all of their commitments.

Mr. Ruggini stated that the balance is mostly from Tax Incremental Financing (TIF) #2, and approximately \$6

million would remain if all commitments were paid out.

Mr. Lenell reviewed the General Fund budget information. He noted that the Revenue actual to Revenue budget comparison had a negative variance due to interest earnings, core penalties and ambulance fees. He noted that the Expenditure actual to Expenditure budget comparison had a positive variance due to projects carried over from 2013 as well as public safety and highway rolling vacancies. He also noted that the Other sources actual to budget comparison had a positive variance due to the transfer of funds to debt service in order to pay down debt.

Ald. Donegan asked Mr. Lennell to clarify which General Fund balance is accurate.

Mr. Lennell explained that the transfers in and the transfers out are combined on the second table, but both tables reflect the negative \$634,964 net change.

Mr. Ruggini explained that when the Amortization Fund is included in the General Fund, the year ends with a deficit due to a \$800,000 draw down from the Amortization Fund.

Mr. Lennell explained that Governmental Activities resulted in a net asset increase largely due to investment in capital assets. However, the net position was also impacted by the unrestricted deficit related to TIF and the internal service fund deficit.

Mr. Lennell reviewed the Enterprise funds and noted the changes in net position of \$1.1 million for water, \$235,000 for Sanitary Sewer, and \$354,000 for Storm Water. He noted that all three net changes included capital contributions. He explained that capital contributions are not cash inflows. He also noted that the \$901,000 deficit under Sanitary Sewer occurred when a project began before the debt to cover the project was issued.

Mr. Lennell noted that the \$6.7 million deficit in Internal Service funds was largely a result of the City's Other Post Employment Benefits (OPEB). The change in net position this year was negative \$2.1 million which includes an additional OPEB expense of \$3.5 million. He explained there is a liability of \$17.2 million within the internal service fund for OPEB.

Ald. Donegan asked for a simplified explanation of the change in post-retirement benefits.

Mr. Ruggini explained the OPEB increased from \$50 million to \$60 million in 2012. Over the past two years, the actual cost of post-65 benefits exceeded the premium, thus the City's liability has increased by \$10 million. The City plans to move the post-65 group to a fully-insured insurance plan to remove this liability from the City.

Ald. Donegan inquired if this increase was only due to the post-65 group.

Mr. Ruggini explained that approximately 90% of this increase was due to the post-65 group. He explained that the recent changes made to the City's health insurance premium are not reflected in the OPEB analysis because few employees have retired since those changes were implemented. The City will request an open comparison rather than the 30-year comparison to assess the impact of these changes.

Mr. Lennell described the significant disclosures provided by the City to calculate the City's financial status. He explained that accounting policies, cash and investments, capital assets, long-term obligations, risk management and TID information provide essential information for the auditing process.

Mr. Lennell explained that the Auditor's communication letter provides information about Clifton Allen Larsen's audit process and reviews the City's accounting procedures. There were no disagreements between the auditors and City management during the audit process. He said that City staff was very responsive and provided all the required information.

Mr. Lennell commended the City for receiving a GFOA award for their first CAFR last year. He explained that the 2012 CAFR has been submitted to the GFOA for review and he expects the City to again receive a GFOA award.

Ald. Donegan asked if the General Fund and non-major governmental funds have reduced by \$1.2 million in the last year (not including the TIF, Enterprise funds, and the Capital Projects fund surplus).

Mr. Lennell agreed with that statement, but clarified that the draw down of non-major governmental funds was for the payment of debt, which leaves a \$634,000 reduction in fund balance.

Mr. Ruggini noted that the draw down in fund balance was used to drive down operating costs by allowing for automated collection.

Ald. Donegan related this reduction to Mr. Ruggini's quarterly forecasts. He stated that the total funds available for City operations has experienced a \$634,000 reduction.

Mr. Ruggini said that the reduction is accurate, but he forecasts the budgetary gap, not the fund balance, and remarked that he would not recommend use of the General Fund balance to cover the budgetary gap.

Ald. Donegan asked how the City will be affected by proposed state legislative changes that may require municipalities to pre-fund OPEB for Police and Fire employees.

Mr. Ruggini explained that the requirement would increase the City's operating expenditures, but he could not estimate the cost. It would require the City to pre-fund OPEB for any new hires. This would be calculated by a 30-year amortization and the City would be required to pay for 1/30th of the lifetime benefit each year.

Mr. Lennell explained that the annual OPEB cost for the entire city was included in the CAFR and equals \$5.3 million annually.

Ald. Hanson thanked Mr. Ruggini and Mr. Lennell for the presentation.

RESULT:	INFORMATION ONLY
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2. Memo from the Water Superintendent regarding Wauwatosa Water Utility acquisition of Milwaukee County customers

The committee reviewed a memo from the Water Superintendent regarding Wauwatosa Water Utility acquisition of Milwaukee County customers.

Mr. Wojcehowicz explained that the Wauwatosa Water Utility previously received a formal written request from Milwaukee County to take over water supply services for seven properties currently supplied by the Milwaukee County Water Utility.

Mr. Wojcehowicz explained that the County's Transportation, Public Works and Transit Committee approved the Agreement (4-2) sending the item to the full County Board of supervisors meeting on July 10, 2013. The County Board approved the Agreement.

Mr. Wojcehowicz described the components of the Agreement. He noted that Wauwatosa will gain seven customers as well as a water tower and the associated land parcel. The City will lease the water tower and land for 10 years and then take ownership. The Agreement stipulates that the City pay \$25,000 per year, or 40% of

water net revenue from the seven customers, to lease the water tower and land parcel. Ownership of the water tower and land parcel will be transferred to Wauwatosa at the end of the 10-year lease at the cost of one dollar.

Mr. Wojcehowicz explained that the emergency connection suggested in the memo would provide the City with an essential lifeline during emergency situations such as the contractor caused main break last week.

Mr. Wojcehowicz recommended that the Committee approve the Memorandum of Agreement as proposed.

Ald. Donegan asked if there were any changes made to the agreement during the County's approval process.

Mr. Ruggini explained that the annual lease fee was increased from \$20,000 to \$25,000, but all other proposed changes were dropped by the County.

Moved by Ald. Donegan, seconded by Ald. Ewerdt to recommend approval of the Memorandum of Agreement between Milwaukee County and the Wauwatosa Water Utility transferring customers and entering a 10 year water tower lease - Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 8/6/2013 7:30 PM
TO:	Common Council	
MOVER:	Peter Donegan, Alderman	
SECONDER:	Brian Ewerdt, Alderman	
AYES:	Donegan, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel	
EXCUSED:	Wilson	

3. Memo from the Assistant Planner requesting final review and approval of 2013 Community Development Block Grant Program funding levels

The committee reviewed a memo from the Assistant Planner requesting final review and approval of 2013 Community Development Block Grant Program funding levels.

Ms. Ferguson explained that the final 2013 Community Development Block Grant (CDBG) funding received from the Department of Housing & Urban Development (HUD) was 5% higher than expected. As a result, new funding levels for the 2013 CDBG funded projects need to be established.

Ms. Ferguson explained that staff recommends a 5% increase to all Public Service program organizations and adjustments to the funding levels of three projects: Administration/Planning, Rebuilding Together Greater Milwaukee (RTGM), and the Wauwatosa Economic Development Corp. (WEDC). She explained that staff recommends a reallocation of the 2013 RTGM request to supplement the Admin/Planning and WEDC budgets. RTGM has less than half of their 2012 funds expended and may apply for additional funding in the 2014 cycle.

Ms. Ferguson explained that the WEDC budget will be supplemented with unspent funds from other completed projects. These changes will bring the total WEDC balance up to \$300,000. She explained that the remaining projects were kept at their previously approved funding levels because the original allocations cover the expected project costs.

Ald. Donegan asked if the WEDC balance would be \$300,000 and if that balance is intended for CDBG grant awards.

Ms. Ferguson confirmed that the WEDC balance will be \$300,000 after the recommended changes and it is intended for CDBG grant awards.

Ald. Organ asked why the Admin/Planning went up \$50,000, exceeding the set cap, and asked for a description of the planned projects.

Ms. Ferguson explained that the increase in Admin/Planning are the funds shifted from RTGM and the total remains below the cap. She explained that the attached spreadsheet describes the types of capital projects completed by each organization and those projects include residential rehab, expanded child services and business start-up funds.

Moved by Ald. Ewerdt, seconded by Tilleson
to recommend approval of the final 2013 Community
Development Block Grant Program funding levels - Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 8/6/2013 7:30 PM
TO:	Common Council	
MOVER:	Brian Ewerdt, Alderman	
SECONDER:	Joel Tilleson, Alderman	
AYES:	Donegan, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel	
EXCUSED:	Wilson	

4. Memo from the Fire Chief requesting a billing rate adjustment for Emergency Medical Services

The committee reviewed a memo from the Fire Chief requesting a billing rate adjustment for Emergency Medical Services (EMS).

Asst. Fire Chief Case explained that the memo describes a 2.7% increase that was set by the Milwaukee County Association of Fire Chiefs (MCAFC) based on the 2012 Consumer Price Index (CPI). He explained that adopting these rate adjustments will cause a minimal increase to EMS revenue and thus no adjustment to the revenue budget is necessary.

Ald. Ewerdt remarked that he approves of the uniform increase and the decision to use the CPI as the basis for the increase.

Ald. Donegan asked why the City is bound by the rates set by the MCAFC.

Asst. Chief Case explained that the City was formerly bound by the Paramedic Contract signed each year with Milwaukee County. However, he remarked the most recent 4-year contract does not require the City to stay within the fee boundaries set by the MCAFC.

Chief Ugaste explained that the City is not bound to stay within the MCAFC fee structure. However, he expressed concern regarding increasing costs due to the shared service nature of public safety in the region.

Ald. Donegan asked what percentage of EMS revenues are paid by private insurance companies.

Asst. Chief Case explained that approximately 60% is received from Medicare/Medicaid, 30% from private insurance companies, and 9% from private payers.

Ald. Donegan remarked that he will support the item, but he urged the Fire Department to research options that would achieve higher revenue from private insurance payees.

Chief Ugaste and Asst. Chief Case explained that the Fire Department has researched the topic and has concluded that the current rates are close to the UCR (usual, customary, and reasonable) rate.

Ald. Donegan inquired on the status of ambulance billing and asked what amount of receivable remains outstanding.

Mr. Ruggini explained that there is approximately \$1.8 million in ambulance billing receivable outstanding and due to poor performance by the current vendor a Request for Proposals is currently in motion. The proposals are due July 31, 2013 for ambulance billing.

Donegan asked if it is a vendor performance issue and whether other municipalities are experiencing the same issues with ambulance billing vendors.

Mr. Ruggini explained that data provided by other vendors indicates the current vendor is not performing to an acceptable level. In addition, the current vendor requires active management by City staff that takes time away from other City business.

Asst. Chief Case stated that Wauwatosa and the City of Milwaukee are the only two municipalities in the area using the current vendor. He stated that the Fire Department would rather retrain their staff on new equipment than continue with the current ambulance billing vendor.

Moved by Ald. Ewerdt, seconded by Ald. Tilleson
to recommend approval of a 2.7% rate increase for
Emergency Medical Services - Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 8/6/2013 7:30 PM
TO:	Common Council	
MOVER:	Brian Ewerdt, Alderman	
SECONDER:	Joel Tilleson, Alderman	
AYES:	Donegan, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel	
EXCUSED:	Wilson	

5. Memo from the Public Works Director requesting direction on purchase of portable speed tables for the Traffic Calming Pilot Program

The committee reviewed a memo from the Public Works Director requesting authorization to purchase five portable speed tables for the Traffic Calming Pilot Program.

Mr. Porter explained that Ayres Associates performed a speed study in the area of 103rd, 104th and 106th Streets between Wisconsin Avenue and Blue Mound Road. The results of this study indicated that speed calming devices would benefit the neighborhood and promote safer driving in residential neighborhoods.

Mr. Porter explained that the Traffic and Safety Committee approved a pilot program to purchase portable speed tables and install them in the proposed area. The Committee also discussed funding the program with the Traffic Mitigation appropriation received from the Department of Transportation (DOT).

Mr. Porter recommended that the Committee approve the purchase of five portable speed tables to install on 103rd, 104th and 106th Street between Wisconsin Avenue and Blue Mound Road.

Ald. Organ asked why speed tables are necessary and why they are a better approach than enforcement of speed limits.

Mr. Porter explained that the number of speeding complaints exceeds the ability of enforcement at all times. He noted that portable speed tables are an effective way to promote speed calming in residential areas and would provide 24-hour enforcement of traffic speeds.

Mr. Ruggini noted that the portable speed tables are intended for a pilot program.

Ald. Organ stated that she does not approve of this type of traffic calming due to the damage it inflicts on City roads that are paved using thousands of City dollars.

Ald. Walz-Chojnacki remarked that safety in residential areas is paramount and that, while these structures are temporary, the possible long-term outcome would be permanent speed tables that do not damage road paving.

Ald. Wilke, Chair of the Traffic and Safety Committee, spoke in support of the Traffic Calming Pilot Program. He stated that the Traffic and Safety Committee unanimously recommended approval of this program. He explained that future speed tables could be paid for by neighborhood residents through special assessments and he noted that this purchase would allow the pilot program to collect data this summer.

Ald. Dubinski expressed support for the use of speed tables in residential areas for traffic calming purposes. He remarked that the Traffic Mitigation funds allow the City to test this type of intervention.

Ald. Birschel asked what would be done with the portable speed tables when the pilot program is complete.

Mr. Porter explained that the future use of the speed tables would be decided by the Council. He noted that the portable speed tables may be reused for future pilot programs.

Ald. Birschel remarked that the speed tables would not stop all vehicles from speeding, but their presence would hinder speeding in residential areas.

Ald. Tilleson asked if the residents in the proposed pilot area have been informed.

Mr. Porter said that residents made positive comments during the calming study presentation by Ayres Associates. In addition, several residents offered to help notify their neighbors about the program after Common Council approval.

Ald. Tilleson stated that he supports this pilot program, but noted that a special assessment would be the best option to fund future traffic calming program costs.

Ald. Ewerdt said that he does not support the use of speed tables. He stated that speed tables are a waste of money and ineffective. He remarked that radar enforcement would be a more effective deterrent to speeding in Wauwatosa.

Ald. Organ asked how a speed table would affect bicycles and street parking.

Mr. Porter explained that the speed table does not span the entire width of the street. There would be three feet on each side of the table for bicycles to avoid riding over. He noted that parking would be restricted right beside each of the speed tables.

Ald. Donegan asked what balance remains in Traffic Mitigation fund and what other projects are competing for the funds. He echoed Ald. Organ and Ald. Ewerdt's opinion regarding speed enforcement. He stated that the Police Department should be involved to assess whether increased enforcement could effectively calm traffic.

Mr. Porter explained that \$150,000 was appropriated to the City from the DOT for Traffic Mitigation. The pilot program study, traffic light timing studies and an additional crossing guard have been funded by the Traffic Mitigation appropriation, but the majority of the funds remain to be used.

Ald. Organ asked if there are technology options available to increase enforcement such as cameras to issue speed violations based on license plate number.

Mr. Porter stated that he could not comment on that type of enforcement, but he is aware of red light cameras in other states.

Ald. Wilke urged the Committee to recommend approval of the item. He explained that the purchase is necessary to collect data for formation of a policy as well as to ensure safety in the proposed area.

Moved by Ald. Tilleson, seconded by Ald. Dubinski
to recommend approval to purchase portable
speed tables for a Traffic Calming Pilot
Program - Ayes: 3 Nays: 4

RESULT:	RECOMMENDED FOR APPROVAL [3 TO 4]	Next: 8/6/2013 7:30 PM
TO:	Common Council	
MOVER:	Joel Tilleson, Alderman	
SECONDER:	John Dubinski, Alderman	
AYES:	Dubinski, Hanson, Tilleson	
NAYS:	Donegan, Organ, Ewerdt, Birschel	
EXCUSED:	Wilson	

6. Proposal from Engberg Anderson, Inc. regarding 2014 Hart Park Improvements

The committee reviewed a proposal from Engberg Anderson, Inc. regarding 2014 Hart Park improvements.

Mr. Porter explained that construction of the Hart Park Pavillion is scheduled for 2014. He noted that this project also includes the site lighting, irrigation system for the area by the Rotary stage, and amenities such as landscaping, benches, and power for events close to the Rotary stage.

Mr. Porter stated that a Parks and Forestry Commission sub-committee reviewed the Hart Park Pavillion project to ensure the structure would fit into the Hart Park Master Plan and would be properly located to best serve the overall needs of Hart Park. The unanimous conclusion of the sub-committee was that, while increased usage of the recreational space between 70th Street and 72nd Street may require a modification of the Master Plan to include a supporting pavilion, at this time the planned pavilion should remain adjacent to the playground due to the immediate need for restrooms. This recommendation was discussed and approved by the entire Parks and Forestry Commission at their July 16, 2013 meeting. The Commission also approved the proposal from Engberg Anderson, Inc.

Mr. Porter noted that there is \$37,500 in the 2013 Capital budget for the design and \$750,000 in the 2014 Capital budget for the construction of the Hart Park Pavillion. He explained that the proposal for design is being discussed now, so that construction may begin timely in spring of 2014.

President of the Parks and Forestry Commission Tom Ertel, 7440 Oak Hill Ave, strongly supported the project. He explained that the pavillion will be an important connection in the overall Hart Park Master Plan. The increased use of Hart Park due to popular events at the Rotary Stage and the citizen demand for more shade and public bathrooms also supports the addition of the pavillion.

Mr. Robison, Engberg Anderson, Inc., explained that the proposal includes more than just pavillion structure design, but also the construction administration and bidding costs.

Ald Donegan asked for a description of the pavillion structure.

Mr. Robison explained that the pavillion design includes public bathrooms and an overhang that allows 54-person seating. He mentioned that there was a change in the layout of the pavilion to include more restroom space in lieu of a small area for concessions. The overall size of the pavilion will remain as originally proposed.

Ald. Donegan asked why the proposal exceeds the \$37,500 available in the 2013 Capital budget.

Mr. Porter explained that this proposal includes more than the design portion of the project. The work completed in 2013 will not exceed the \$37,500 available.

Ald. Donegan asked if the design and construction will be completed by the end of 2014, and asked what is planned for the \$500,000 in the 2015 Capital budget for Hart Park improvements.

Mr. Porter said the pavillion project is scheduled to be completed in 2014 and the 2015 funds are intended for the construction of a bicycle path extension.

Ald. Donegan remarked that this project fits into the original Hart Park Master Plan and he will recommend approval.

Ald. Organ asked for clarification on the design and construction project costs.

Mr. Porter said the estimated construction cost is \$750,000 with design and administrative costs of \$46,350.

Ald. Birschel stated that he supports the project and hopes the final pavillion will reflect the concepts presented in the original Hart Park Master Plan.

Ald. Ewerdt asked if the Rotary Stage has plumbing and bathrooms, and questioned why public bathrooms were not addressed when the Rotary Stage was built.

Mr. Robison explained that the plumbing is already set for the pavillion from the construction of the splash pad.

Ald. Ewerdt stated that it was short-sighted to not allow public access to bathrooms in the Rotary Stage and costly to build additional bathrooms in the same area.

Ald. Tilleson expressed support for the project and remarked that there is a strong desire for shade near the playground area. He urged staff to consider this when making future Hart Park improvement plans.

Mr. Porter remarked that his department is aware of the shade issue and will work to address it in future plans.

Moved by Ald. Donegan, seconded by Ald. Organ
to authorize an agreement with Engberg Anderson, Inc.
in the amount of \$46,350 for the design, administrative
and bidding costs associated with the Hart Park Pavillion
construction project - Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 8/6/2013 7:30 PM
TO:	Common Council	
MOVER:	Peter Donegan, Alderman	
SECONDER:	Jill Organ, Alderwoman	
AYES:	Donegan, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel	
EXCUSED:	Wilson	

7. Memo from the Finance Director requesting an amendment to the 2014 Capital Improvement Plan for North Avenue sewer utility improvements

The committee reviewed a memo from the Finance Director requesting an amendment to the 2014 Capital Improvement Plan for North Avenue sewer utility improvements.

Mr. Ruggini explained that the development of a Nordstrom Department Store in the Mayfair Mall area requires sewer utility improvements in North Avenue. He explained that the City recommends approval of an amendment to add this project to the 2014 Capital Improvement Plan. He stated that a significant component of the preparation for Nordstrom's includes private storm water improvements by General Growth Properties which will result in a greater volume of conveyance into the City's storm sewer in North Avenue.

Mr. Ruggini stated the scope of the project and funding sources are not yet set, but General Growth Properties would like assurance that the City will pursue this project. He recommended approval of the amendment to add this project to the 2014 Capital Improvement Plan.

Ald. Ewerdt asked what would occur if General Growth pulled out of the project.

Mr. Ruggini explained that General Growth must start their portion of the project immediately, and the City would not break ground until 2014.

Mr. Archambo explained that this section of North Avenue sewer is deteriorating and in need of replacement.

Ald. Ewerdt stated he supports the amendment as it improves infrastructure and does not require tax incremental financing, but he expressed concern regarding the cost of the project.

Mr. Ruggini explained that the cost depends on the scope of the project.

Mr. Joseph Beltz, 330 E. Kilbourn Avenue, Suite 1250 representing General Growth Properties on behalf of Friebert, Finerty & St. John, S.C., explained that General Growth Properties is expending significant funds to improve the private section of the sewer. On behalf of General Growth Properties, he asked that the Committee recommend approval of this amendment.

Ald. Organ asked what size of pipe will be installed, how the construction of a building on already impervious ground is creating additional runoff, and why Mayfair is not required to have onsite storage for runoff.

Mr. Porter explained that the exact pipe size has not been decided, but it will allow for increased conveyance.

Mr. Archambo explained that the increased development in the Mayfair Mall area has created an issue of flooding within the parking lot. He explained that City staff and the Metropolitan Milwaukee Sewerage District both review developer plans and analyze the effects of sewer alterations on downstream users.

Mr. Ruggini explained that the Nordstrom Development is not the cause of the problem, but acted as a catalyst to address an issue that has resulted from increased development in the Mayfair area.

Ald. Organ stated that she fiscally supports this amendment, but expressed concern regarding the increased conveyance at this location and the future effects it may have on the City's sewer system.

Ald. Donegan asked how the City will adjust to account for the increased costs of this project in the 2014 Capital Improvement Plan.

Mr. Ruggini explained that the City does not intend to increase debt service. He stated that this amendment will likely postpone another project.

Ald. Wilson remarked that he supports this amendment as it strengthens the City's infrastructure and thus promotes development within the City.

Moved by Ald. Ewerdt, seconded by Ald. Organ
to recommend approval of an amendment to the
2014 Capital Improvement Plan for North Avenue
sewer improvements - Ayes: 8

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 8/6/2013 7:30 PM
TO:	Common Council	
MOVER:	Brian Ewerdt, Alderman	
SECONDER:	Craig Wilson, Alderman	
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel	

8. 2013 General Fund Second Quarter Report

The committee reviewed a memo from the Finance Director regarding the 2013 General Fund Second Quarter Report.

Mr. Ruggini explained and highlighted significant changes in the 2013 General Fund Second Quarter Report. He explained that this report presents forecasted amounts for year-end balances based on quarterly activity.

Mr. Ruggini noted several significant changes in general fund revenues. He noted the worsening of the Hotel Motel deficit due to the loss of one hotel and negative impact of road construction on hotel business. He highlighted the increased surplus of building permit revenue and noted that building permit value is expected to exceed \$150 million this year. He noted the worsening of the Public Safety Violation deficit. He explained that the Police Department is assessing the parking ticket process and City staff are reviewing the Court Clerk process for revenue collection.

Mr. Archambo explained that City staff is assessing the current collections process in response to the Public Safety Violation deficit and proactively seeking ways to increase revenue.

Mr. Ruggini explained that the 2nd quarter Revenue forecast is a surplus of \$224,957, which is largely due to the surplus created by building permit revenue.

Mr. Ruggini noted several significant changes in general fund expenditures. He noted a rise of surplus in Regular Pay and a worsening deficit in Overtime. He explained these two trends reflect the higher use of Overtime when positions become vacant. He noted that the increase in Interdepartmental surplus was due to a lower than anticipated use of fleet services and fuel use.

Mr. Ruggini noted that a \$140,000 deficit is listed under Other Issues. This deficit reflects the expense of dual filling ten Fire Department positions. There are ten expected retirements in 2013 and these positions will be filled by September 1, 2013 to ensure public safety.

Mr. Ruggini explained that the City is in a good overall 2nd quarter position. He noted that there is a projected surplus of \$965,000. After subtracting the \$500,000 budgeted surplus, the forecasted change to fund balance is \$465,000.

Ald. Organ thanked Mr. Ruggini for the detailed quarterly reports and the acknowledgment of issues throughout the year.

Ald. Ewerdt asked if overtime hours have increased due to the increased issuance of building permits.

Mr. Ruggini said no significant overtime has occurred in the Building Department. He explained that the building permit surplus reflects an increase in the number of permits issued, but also reflects the larger scope of some projects.

Mr. Archanbo explained that there is a solid mix of both residential and commercial building permits. He noted that the mix is a healthy balance for the City.

Ald. Wilson echoed Ald. Organ's thanks to Mr. Ruggini for the quarterly reports.

RESULT:	INFORMATION ONLY
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9. Vouchers

The committee reviewed the vouchers.

Moved by Dubinski, seconded by Donegan that each and every voucher be allowed and paid - Ayes: 8

RESULT:	APPROVED [UNANIMOUS]
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel

The meeting adjourned 10:07pm.

Carla A. Ledesma, CMC, City Clerk