



**CITY OF WAUWATOSA**  
**BUDGET AND FINANCE COMMITTEE**  
**MINUTES • DECEMBER 10, 2013**

**Regular Meeting****Committee Room #2****8:00 PM**

7725 West North Avenue, Wauwatosa, WI 53213

| Attendee Name     | Title                | Status  | Arrived |
|-------------------|----------------------|---------|---------|
| Peter Donegan     | Alderman             | Present |         |
| Craig Wilson      | Alderman             | Present |         |
| John Dubinski     | Alderman             | Present |         |
| Tim Hanson        | Alderman             | Present |         |
| Jill Organ        | Alderwoman           | Present |         |
| Joel Tilleson     | Alderman             | Excused |         |
| Brian Ewerdt      | Alderman             | Present |         |
| Donald Birschel   | Alderman             | Present |         |
| Paulette Enders   | Development Director | Present |         |
| James Archambo    | City Administrator   | Present |         |
| Alan Kesner       | City Attorney        | Present |         |
| James Wojcehowicz | Water Superintendent | Present |         |
| Steve Miner       | Assessor             | Present |         |
| Kevin Hardman     | Midwest Bikeshare    | Present |         |

**BUDGET AND FINANCE COMMITTEE ITEMS**

1. Memo from the Water Superintendent requesting approval of a professional services agreement with Graef-USA Inc. for engineering design of water main improvements associated with the Wisconsin Avenue transmission water main and Wisconsin Department of Transportation Zoo Freeway project

The Committee reviewed a memo from the Water Superintendent requesting approval of a professional services agreement with Graef-USA Inc. for engineering design of water main improvements associated with the Wisconsin Avenue transmission water main and Wisconsin Department of Transportation (DOT) Zoo Freeway project.

Mr. Wojcehowicz explained that the Water Utility must hire an engineering services firm to design water main alterations along the Wisconsin Avenue corridor to accommodate the DOT's widening of Highway 45 at W. Wisconsin Avenue and their future construction timetable. The Utility's goal is to have all field survey work, engineering design work, and specifications completed prior to April 2014 for the DOT to incorporate in their plan sets and bidding documents. In 2011, Graef-USA was the lowest bidder of two request for proposals to provide the water utility engineering services for DOT related paving areas. Graef-USA has since formed a good working relationship with the DOT and the City.

Graef-USA submitted a proposal for the project on December 4, 2013 and will provide water main engineering services for the water main alteration at a cost of \$95,300. There will be a 90/10 cost sharing with the DOT on the project. GRAEF's engineering cost to the Wauwatosa Water Utility will be at least \$9,530, with possible additional costs as the project occurs.

Mr. Wojcehowicz recommended approving the selection of Graef-USA for water main engineering design in advance of the Wisconsin Department of Transportation bidding and specifications timetable.

Moved by Ald. Donegan, seconded by Ald. Hanson  
to recommend approval of a professional services agreement  
with Graef-USA Inc. for Wisconsin Avenue water main alteration

at an estimated cost of \$95,300, total cost split 90/10 with the DOT - Ayes: 7

|                  |  |                                 |
|------------------|--|---------------------------------|
| <b>RESULT:</b>   | <b>RECOMMENDED FOR APPROVAL [UNANIMOUS]</b>                | <b>Next: 12/17/2013 7:30 PM</b> |
| <b>TO:</b>       | Common Council   |                                 |
| <b>MOVER:</b>    | Peter Donegan, Alderman                                    |                                 |
| <b>SECONDER:</b> | Tim Hanson, Alderman                                       |                                 |
| <b>AYES:</b>     | Donegan, Wilson, Dubinski, Hanson, Organ, Ewerdt, Birschel |                                 |
| <b>EXCUSED:</b>  | Tilleson   |                                 |

## 2. Final report from the City Assessor regarding the 2013 Board of Review

Mr. Miner presented a summary sheet of the 2013 citywide assessment and revaluation. Residential value decreased by 9.35% and commercial value increased by 8.35%. The bulk of the commercial increase was due to the Mayfair Mall increase. The total assessed value of the City went down approximately 4.2%.

The fair market ratio on the 2013 tax bill will be 106.40. This ratio compares the City's actual assessment against the Department of Revenue's estimated value of the City.

Ald. Wilson asked why there is a variance between the City's assessment and the State's fair market value.

Mr. Miner explained that the state applies adjustments that they call economics to the City's value. These changes are intended to reflect current market changes, but he could not pinpoint the reason for the \$200 million variance.

Mr. Archambo remarked that the State strives to equalize the value.

Mr. Miner noted that overtime, expert valuation, and additional postage costs created an unexpected increase in the Assessor's office reassessment budget. The budgeted amount for the process was \$8,400 and the preliminary actual amount is estimated at \$52,159.

During the 2013 assessment open book period, approximately 2,100 property owners contacted the Assessor's office. The 2013 Board of Review had 12 hearings and 3 compliance reviews.

Mr. Miner described the breakdown and shift in real property in terms of parcel count, total acres, and total value. Commercial property accounts for 5.7% of parcels in the City and amounts to 29.2% of total value. Residential property accounts for 90.9% of parcels in the City and amounts to 67.9% of total value.

The City plans to perform a reassessment every 3 years and the next assessment cycle is scheduled for 2016.

## 3. Memo from the Purchasing Coordinator requesting approval of a two-year contract with Graphic Edge Printing for City Watch newsletter printing services at a price of \$1,500 per issue, lowest of five bids

The Committee reviewed a memo from the Purchasing Coordinator requesting approval of a two-year contract with Graphic Edge Printing for City Watch newsletter printing services at a price of \$1,500 per issue, lowest of five bids.

Mr. Ruggini explained that the current two year contract for printing the Police Department's "Tosa Watch" neighborhood watch newsletter will expire on December 31, 2013. The item was placed for bid with five vendors responding. The lowest, responsible bidder, Graphic Edge Printing, held the contract previously. Their bid price of \$1,500 per issue has remained the same for the last two years, despite the increased cost of paper which was readily seen in the other bids received.

Based on the low bid price and the City's previous, favorable experience with Graphic Edge Printing, Mr. Ruggini recommended approval of a new two-year contract for newsletter printing, with one two-year option to extend with Graphic Edge Printing for a total cost of \$1,500 per issue.

Moved by Ald. Birschel, seconded by Ald. Organ  
to recommend approval of a two-year contract with  
Graphic Edge Printing for City Watch newsletter printing  
services at a price of \$1,500 per issue, lowest of five bids - Ayes: 7

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|------------------|--|---------------------------------|
| <b>RESULT:</b>   | <b>RECOMMENDED FOR APPROVAL [UNANIMOUS]</b>                | <b>Next: 12/17/2013 7:30 PM</b> |
| <b>TO:</b>       | Common Council   |                                 |
| <b>MOVER:</b>    | Donald Birschel, Alderman                                  |                                 |
| <b>SECONDER:</b> | Jill Organ, Alderwoman                                     |                                 |
| <b>AYES:</b>     | Donegan, Wilson, Dubinski, Hanson, Organ, Ewerdt, Birschel |                                 |
| <b>EXCUSED:</b>  | Tilleson   |                                 |

4. Memo from the Finance Director requesting renewal of excess workers' compensation reinsurance for the period January 1, 2014 through January 1, 2015

The Committee reviewed a memo from the Finance Director requesting renewal of excess workers' compensation reinsurance for the period January 1, 2014 through January 1, 2015.

Mr. Ruggini explained that the City of Wauwatosa is self-insured for worker compensation claims, but purchases stop-loss, or reinsurance, to insure against catastrophic losses and the reinsurance must be renewed annually.

CVMIC negotiates with the reinsurance provider on behalf of the City and the current provider, Safety National, has proposed to maintain the self-insured retention (SIR) limit of \$500,000 in 2014. The proposed rate will be increased 8.82% to \$0.185 per \$100 of salary. However, since salaries went up 3.08% due in part to an internal review of the City's payroll audit procedures, the total premium will be increased 12.17% to \$52,942. This increase was anticipated and the 2014 budget is \$52,000.

Additional quotes were solicited by CVMIC. No providers offered premiums lower than \$150,000. Given these results and the City's history with Safety National, despite the increase, the current provider still represents the most cost-effective alternative. The other option available to the City is to move to a fully-insured product, as opposed to self-insured, whereby the City pays an annual experience-based premium and no excess insurance is needed. CVMIC estimated a fully-insured premium to be \$996,885 for 2014 based on the City's claim history. This is \$173,950 greater than our estimated self-insured costs for 2014. Since 2009, the City has saved an estimated \$949,262 by being self-insured.

The proposed premium of \$52,942 represents an increase of \$942 over the 2014 Adopted Budget. Despite increases in the premium and the self-insured retention limit, Mr. Ruggini recommended approval of Safety National's 2014 proposed worker compensation excess insurance proposal as it is the most cost-effective option for the City.

Responding to a question, Mr. Ruggini explained the analysis included as a memo attachment. The analysis indicated that continuing to self-insure is the best option for the City.

Moved by Ald. Ewerdt, seconded by Ald. Organ  
to recommend approval of renewal of excess workers' compensation  
reinsurance for the period January 1, 2014 through January 1, 2015 with Safety  
National at a total premium cost of \$52,942 - Ayes: 7

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|------------------|--|---------------------------------|
| <b>RESULT:</b>   | <b>RECOMMENDED FOR APPROVAL [UNANIMOUS]</b>                | <b>Next: 12/17/2013 7:30 PM</b> |
| <b>TO:</b>       | Common Council   |                                 |
| <b>MOVER:</b>    | Brian Ewerdt, Alderman                                     |                                 |
| <b>SECONDER:</b> | Jill Organ, Alderwoman                                     |                                 |
| <b>AYES:</b>     | Donegan, Wilson, Dubinski, Hanson, Organ, Ewerdt, Birschel |                                 |
| <b>EXCUSED:</b>  | Tilleson   |                                 |

5. Memo from the Development Director requesting authorization to apply for WisDOT Transportation Alternatives Program funding

The Committee reviewed a memo from the Development Director requesting authorization to apply for WisDOT Transportation Alternatives Program (TAP) funding.

Ms. Enders explained that a pre-scoping application is due to WisDOT by December 13th for TAP funding, but the funding will not be awarded until spring 2014. The applications for funding were released October 31st and the Development Department is considering the funding for bike share stations. The request to apply for this funding was spurred by the DOT's plan to include bike share stations in Wauwatosa as a part of the Zoo Interchange project. With this TAP funding, the City may add enough stations to form a functional bike share system.

The Development Department would like to apply for \$500,000 in TAP funding. The program requires a 20% match for the funds, so the City portion of this amount would be \$100,000. The level of funding would enable the City to purchase 11 stations that include approximately 110 bicycles and maintenance tools for the equipment. The City is not required to outline the source of the matching funds at this time, but the City must commit to the \$100,000 match in order to apply for the funding.

Kevin Hardman, Midwest Bikeshare, 1920 Underwood Avenue, noted that over 30 cities in the US have bike sharing systems. Bike sharing is a form of public transportation that allows citizens to travel short distances within a community. Midwest Bikeshare is a private nonprofit organization that is currently working with the City of Milwaukee. They will maintain the Milwaukee area bike share system, including Wauwatosa stations, once they are up and running.

Ald. Birschel remarked that the concept of a bike share system is interesting and asked if Wauwatosa would have to pay for the maintenance of the stations.

Mr. Hardman explained that the City would not pay for the maintenance of the stations. The stations would be maintained by Midwest Bikeshare and funded by user revenue. In addition, Midwest Bikeshare will pursue corporate sponsorship for the Wauwatosa stations.

Responding to a question regarding the high cost of stations, Ms. Enders explained that the stations contain technological features that allow for bicycle tracking and user payments.

Mr. Hardman noted that the stations include user payment terminals, wireless technology for communication between terminals, and security features that allow the bicycles to auto lock. In addition, the bicycles are hearty pieces of equipment that allow all types of users to use the equipment.

Responding to a question, Mr. Hardman remarked that many corporate sponsors have supported the installation of bike stations in Milwaukee and no sponsors have asked for a share of revenue.

Ms. Enders noted that smaller cities, such as Lincoln Park, MN, Long Beach, NY, and Simsbury, CT, have implemented bike share programs.

Ald. Birschel asked where the bikes and stations would be stored during winter months.

Mr. Hardman explained that Minneapolis runs their stations nine months of the year. The Midwest Bikeshare pro forma assumes a nine month bike share season in Wauwatosa. The stations would be stored at a Midwest Bikeshare facility.

Ald. Dubinski remarked that he enjoys biking, but questioned the high cost of this program. He suggested that private companies should provide the funding for this type of program through corporate sponsorships and noted that several City programs are short of funding, including the Library and the Senior Center.

Ms. Enders noted that the majority of the City funding could be provided by corporate sponsorship. The City would have until 2015 to determine the source of the City matching funds.

Mr. Ruggini remarked that the program may reduce vehicular traffic and thereby delay the need for street improvements in Wauwatosa. He noted that this possibility would be worth the cost of the program.

Mr. Hardman reiterated that the corporate sponsorship will be pursued to apply towards the City's required 20% match.

Responding to Ald. Organ's question, Ms. Enders explained that successful applicants may be asked for additional information from December through February and local information in March. The final application is due February 28th. Prior to the application deadline, Ms. Enders would return this item to Budget and Finance and present source options for the matching funds.

Ald. Donegan opined that the short application timeline and the fact that WisDOT does not require a source of matching funds in the pre-scoping application warrants the City flexibility.

Ald. Hanson agreed that the City should pursue corporate sponsorships as a source of the matching funds.

Moved by Ald. Hanson, seconded by Ald. Wilson  
to approve the request to apply for \$500,000 in WisDOT  
Transportation Alternatives Program funding, which requires  
\$100,000 in City matching funds - Ayes: 6 No: 1 (Ewerdt)

Ald. Wilson thanked the Committee for the discussion and Ms. Enders for pursuing alternate funding sources.

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|------------------|--|
| <b>RESULT:</b>   | <b>RECOMMENDED FOR APPROVAL [6 TO 1]</b>           |
| <b>MOVER:</b>    | Tim Hanson, Alderman                               |
| <b>SECONDER:</b> | Craig Wilson, Alderman                             |
| <b>AYES:</b>     | Donegan, Wilson, Dubinski, Hanson, Organ, Birschel |
| <b>NAYS:</b>     | Ewerdt   |
| <b>EXCUSED:</b>  | Tilleson   |

## 6. Vouchers

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

The meeting adjourned at 9:22 p.m.

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| <b>RESULT:</b>   | <b>APPROVED [UNANIMOUS]</b>                                |
| <b>MOVER:</b>    | Tim Hanson, Alderman                                       |
| <b>SECONDER:</b> | Donald Birschel, Alderman                                  |
| <b>AYES:</b>     | Donegan, Wilson, Dubinski, Hanson, Organ, Ewerdt, Birschel |
| <b>EXCUSED:</b>  | Tilleson   |

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Carla A. Ledesma, CMC, City Clerk