



CITY OF WAUWATOSA
BUDGET AND FINANCE COMMITTEE
MINUTES • JANUARY 14, 2014

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	Alderdwoman	Present	
Joel Tilleson	Alderman	Present	
Brian Ewerdt	Alderman	Present	
Donald Birschel	Alderman	Present	
James Archambo	City Administrator	Present	
Alan Kesner	City Attorney	Present	
John Ruggini	Finance Director	Present	
James Case	Asst. Fire Chief	Present	
James Wojcehowicz	Water Superintendent	Present	
William Porter	Public Works Director	Present	
Salvatore Alioto	Police Sergeant	Present	

Ald. Wilson as Chair called the meeting to order at 8:20 p.m.

BUDGET AND FINANCE COMMITTEE ITEMS

1. Memo from the Water Superintendent requesting approval of a contract agreement with Dixon Engineering for antenna coordination during major tank rehabilitation project at Glenview water tower

The Committee reviewed a memo from the Water Superintendent requesting approval of a contract agreement with Dixon Engineering for antenna coordination during a major tank rehabilitation project at Glenview water tower.

The water utility received approval from the Common Council to finance the tower's rehabilitation project in 2014 as a non-bonded capital expenditure.

Mr. Wojcehowicz explained that all existing antenna equipment and cabling must be removed in order to conduct a thorough sandblast, prime, and painting of the i-beam structural surfaces. The project communication, temporary antenna coordination, and the antenna re-installations will be best conducted by a tower engineering expert.

Mr. Wojcehowicz recommended hiring Dixon Engineering for antenna coordination and engineering services during the Glenview rehabilitation project.

There were no comments or questions from the gallery.

Responding to a question, Mr. Wojcehowicz confirmed that the Water Utility will seek reimbursement from the five current tower cell carriers for the related costs.

Moved by Ald. Ewerdt, seconded by Ald. Hanson to recommend approval of a contract agreement with Dixon Engineering for antenna coordination during rehabilitation of Glenview water tower, for an amount up to \$34,750 - Ayes: 8

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]
MOVER:	Brian Ewerdt, Alderman
SECONDER:	Tim Hanson, Alderman
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel

2. Memo from the Water Superintendent requesting approval of a purchase order for 2014 capital expenditures for the Advanced Metering Infrastructure Program

The Committee reviewed a memo from the Water Superintendent requesting approval of a purchase order for 2014 capital expenditures for the Advanced Metering Infrastructure Program.

Mr. Wojcehowicz described the Advanced Metering Infrastructure Program and noted that the western half of Wauwatosa will be targeted in 2014.

The Badger Meter order requested will be used for the purchase of Orion Gen2 gateways, Trimble Ranger hand-held devices, a variety of water meters, and Orion SE endpoints.

The Wauwatosa Common Council approved \$1,000,000 in capital expenditures as part of the 2014 Wauwatosa Water Utility Capital Improvements Budget process. Mr. Wojcehowicz asked the Committee to approve this purchase order request.

Responding to Ald. Ewerdt's inquiry, Mr. Wojcehowicz explained that the program will cost approximately \$4 million for completion over 5 years.

Moved by Ald. Ewerdt, Seconded by Ald. Organ
to recommend approval of a purchase order with Badger Meter
in the amount of \$333,952.50 for purchase of 2014 capital
expenditures for the Advanced Metering Infrastructure Program - Ayes: 8

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]
MOVER:	Brian Ewerdt, Alderman
SECONDER:	Jill Organ, Alderwoman
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel

3. Memo from the Director of Public Works requesting approval of a North Avenue design contract between the City and Ayres & Associates

The Committee reviewed a memo from the Director of Public Works requesting approval of a North Avenue design contract between the City and Ayres and Associates.

The modification to the traffic flow on North Avenue through the elimination of the chicane has been a stated goal of the recently adopted North Avenue Plan as well as the subject of several public meetings and committee review sessions over the past year. The plans are 80% completed, but require additional work to be finalized.

Mr. Porter explained that the proposal from Ayres and Associates in the meeting packet is being requested for approval in order to bring the North Avenue Improvement plans to a bid ready format by the February 17th Board of Public Works meeting. The project would not begin until after the bike race in June, but it is in the City's interest to get the plans out for bid over the winter in order to obtain the best contractor pricing.

Mr. Porter recommended that the City enter into a contract with Ayres and Associates for the project.

Ald. Tilleson commented that Ayres and Associates have worked on previous projects in the City and work well with Wauwatosa. He thanked Mr. Porter for his efforts.

Moved by Ald. Tilleson, seconded by Ald. Donegan
to recommend approval of a contract with Ayres and
Associates in the amount of \$44,800 as described in the
proposal dated January 9, 2014 - Ayes: 8

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]
MOVER:	Joel Tilleson, Alderman
SECONDER:	Peter Donegan, Alderman
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel

4. Memo from the Fire Chief requesting approval of a fund transfer for Temporary Fire Station #54

The Committee reviewed a memo from the Fire Chief requesting approval of a fund transfer for Temporary Fire Station #54.

Assistant Chief Case explained that a fund transfer is being requested to transfer \$31,610.07 from the Fire Department Building Repair account to the Fire Department Capital Improvement account. The said funds are the remainder of Department of Transportation (DOT) funding provided to convert fire station 53 from a steam to a natural gas HVAC system. After this conversion was completed, the remainder was used to complete construction of a temporary fire station that was also funded by the DOT.

A transfer is necessary because the initial DOT conversion funds were accounted for in Fund 1 and the expense for the temporary station was in Fund 3.

Assistant Chief Case recommended that the Committee authorize an inter-fund transfer of \$31,610.07 from the Fire Department Building Repair account to the Fire Department Capital Improvement account.

Moved by Ald. Donegan, seconded by Ald. Organ
to recommend authorization of an inter-fund transfer in the amount
of \$31,610.07 from the Fire Department Building Repair account
to the Fire Department Capital Improvement account - Ayes: 8

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]
MOVER:	Peter Donegan, Alderman
SECONDER:	Jill Organ, Alderwoman
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel

5. Memo from the Finance Director proposing 2014 Sanitary and Storm Sewer Rates

The Committee reviewed a memo from the Finance Director proposing 2014 sanitary and storm sewer rates.

Mr. Ruggini explained that, beginning in 2011, the City of Wauwatosa undertook increased capital spending to address basement backups, surface flooding, and deferred maintenance of the sewer system. To accommodate that increased spending, which is budgeted to continue at approximately the same rate in the 2014-2018 Adopted Capital Plan, the City must raise sanitary and storm sewer rates.

The 2014-2018 Capital Improvement Plan was based on a "State-of-Good-Repair" analysis which established as a base-line of spending the amount of funding necessary to replace sewer infrastructure based on its useful-life and authorizes \$37.8 million over the next 5 years. These improvements are debt-financed. Beginning in 2013, the principal and interest payments necessary to pay this debt significantly increase annually.

In order to cover increasing debt service costs, Mr. Ruggini recommend that sanitary sewer rates increase 13% effective with the first bill issued in 2014. This will have a projected 7% increase on customer's sanitary sewer portion of the bill, due to the fact that the City's "local charges" are only 50% of the sanitary charges on each bill. For an average homeowner, the sanitary sewer portion of their bill will increase from \$84.42 to \$90.03 quarterly.

The rate increases have been designed to step down as the debt levels out over the next 10-12 years, but the East Tosa project is not fully funded in the capital program. The current program will not fully fund the East Tosa resolution. The project will have an impact above and beyond these projected rate increases.

The current rate forecast attempts to smooth rate increases while maintaining a 1.05-1.10 debt coverage ratio (Net Operating Income/Debt Service) while achieving a cash balance equal to 25% of operating expenditures including debt service.

The only charge for Storm Sewer service is the local charge, so the rate increase percentage increases the bill by same percentage. In order to achieve desired coverage ratios, fund balance, and to accommodate increasing debt service costs, Mr. Ruggini recommended that the storm sewer charge be increased by 17% in 2014. This will result in the average homeowner's quarterly bill increasing from \$16.82 per quarter to \$19.65.

The City will keep the debt coverage ratio under 1.0 through 2015 and then raise the ratio above 1.0 to create a fund balance that will be spent as cash financing on projects in 2018.

Ald. Donegan remarked that the Council has made the decision to replace the City's aging infrastructure, rightly so, but double digit rate increases are not ideal. He urged that the City should be doing more and noted that the East Tosa project will take 35 years to complete if the rates remain at their current levels.

Ald. Tilleson echoed Ald. Donegan's comments and agreed that the East Tosa project will require the commitment and attention of the Council.

Moved by Ald. Donegan, seconded by Ald. Wilson to recommend adoption of the 2014 sanitary and storm sewer rates as proposed by the Finance Director with a 13% increase in sanitary and a 17% increase in storm water - Ayes: 8

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]
MOVER:	Peter Donegan, Alderman
SECONDER:	Craig Wilson, Alderman
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel

6. Memo from the Finance Director requesting approval of a Memorandum of Understanding with the Wisconsin Automated License Plate Reader Association

The Committee reviewed a memo from the Finance Director requesting approval of a Memorandum of Understanding with the Wisconsin Automated License Plate Reader Association.

Mr. Ruggini explained that the Association asked the City to be the fiduciary for the Wisconsin ALPR Association. The City would be reimbursed for time spent serving as the fiscal agent, any payments from the Association would be unbudgeted revenue and offset existing expenses. The exact amount will be dependent on the size of the grants and the amount of purchasing activity required.

Mr. Ruggini recommended approval of the MOU as written. As a user of the Automated License Plate Reader system, it is in the City's interest to support collaboration among police departments to more effectively use this system. By serving as the fiscal agent, the Association will be eligible for a wider array of grants and have the capacity to better administer those grants. Finally, any reimbursement received by the City will be new revenue for the budget.

Sgt. Alioto explained that the Wisconsin ALPR Association includes several law enforcement agencies. The Association is primarily used for data sharing between municipalities. The Association is also working with state legislators to ensure that the data is not subject to open records requests. Sgt. Alioto is currently the Treasurer.

Ald. Tilleson asked if Wauwatosa was one of the first to use this technology and why the association was formed.

Sgt. Alioto explained that the WI ALPR Association intends to promote the use of this technology and support the costs of the programs. It provides data sharing that allows police departments to quickly investigate crimes.

Ald. Wilson thanked the Police Department for taking leadership in the field.

Responding to a question, Sgt. Alioto explained that Wauwatosa has used the database to aid investigations in Wauwatosa.

Ald. Birschel remarked that any technology that aids fast resolution of crime is to the City's advantage.

Moved by Ald. Dubinski, seconded by Ald. Tilleson
to recommend approval of the Memorandum of Understanding with
the Wisconsin Automated License Plate Reader Association - Ayes: 8

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]
MOVER:	John Dubinski, Alderman
SECONDER:	Joel Tilleson, Alderman
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel

7. Memo from the Finance Director requesting a fund transfer from the contingency fund for 2013 Assessor legal services*

The Committee reviewed a memo from the Finance Director requesting a fund transfer from the contingency fund for 2013 Assessor legal services.

Mr. Ruggini explained that the litigation reserve is over budget and he recommended a transfer from the contingency fund. This would reduce the fund balance, but these fees are for services rendered and the City is obligated to pay the bills.

Mr. Kesner noted that these fees are associated with one major case from the 2013 Board of Review, Mayfair Mall. Per statute, the Board of Review and the Assessor must be represented by separate legal counsel. In 2013, the City Attorney represented the Board of Review and the Assessor was represented by outside counsel. In addition to outside counsel, the fees include expert testimony.

Mr. Kesner remarked that the litigation reserve was increased by \$75,000 in the 2014 budget process to avoid future fund transfers for this purpose.

Moved by Ald. Birschel, seconded by Ald. Wilson to recommend approval of a fund transfer from the contingency fund for 2013 Assessor legal services in the amount of \$76,000 - Ayes: 8

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel

8. Vouchers

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

RESULT:	APPROVED [7 TO 0]
AYES:	Wilson, Dubinski, Hanson, Organ, Tilleson, Ewerdt, Birschel
ABSTAIN:	Donegan

The meeting adjourned at 9:02 p.m.

Carla A. Ledesma, CMC, City Clerk