



CITY OF WAUWATOSA
BUDGET AND FINANCE COMMITTEE
MINUTES • JANUARY 28, 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	Alderwoman	Present	
Joel Tilleson	Alderman	Present	
Brian Ewerdt	Alderman	Excused	
Donald Birschel	Alderman	Present	
James Archambo	City Administrator	Present	
Alan Kesner	City Attorney	Present	
John Ruggini	Finance Director	Present	
Paulette Enders	Development Director	Present	8:30 PM
William Wehrley	City Engineer	Present	
William Porter	Public Works Director	Present	

BUDGET AND FINANCE COMMITTEE ITEMS

1. Memo from the City Engineer requesting approval of a one-year professional services agreement extension with Graef - USA for construction inspection services

The Committee reviewed a memo from the City Engineer requesting approval of a one-year professional services agreement extension with Graef - USA for construction inspection services.

Mr. Wehrly explained that the City supplements the engineering inspection staff by contracting work with Graef - USA and have worked with them over 10 years. The terms of the contract allow the City to renegotiate the terms of the contract annually.

The Committee discussed whether to enter closed session and chose to not enter closed session.

Mr. Wehrley explained that the 2014 rate increase proposed by Graef - USA is 3%. From 2012 to 2013, there was a 0% rate increase, but Graef gave their own employees a 3% raise from 2012 to 2013.

Ald. Organ asked if the City has a good working relationship with Graef.

Mr. Wehrley confirmed that the City has worked well with Graef - USA and recommended that the Committee authorize the renewal of the inspection services contract with Graef - USA for the 2014 construction season.

Moved by Ald. Hanson, seconded by Ald. Tilleson
to recommend approval of a one-year contract extensions with Graef - USA
for the 2014 construction season, approval of the 2014 fee schedule for non-City
funded projects, and authorization of City staff to enter into agreements for non-City
work, subject to Committee approval of 2014 rates- Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 2/4/2014 7:30 PM
TO:	Common Council	
MOVER:	Tim Hanson, Alderman	
SECONDER:	Joel Tilleson, Alderman	
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Birschel	
EXCUSED:	Ewerdt	

2. Memo from the Finance Director requesting authorization for an early redemption of the 2005 General Obligation Promissory Note

The Committee reviewed a memo from the Finance Director requesting authorization for an early redemption of the 2005 General Obligation Promissory Note.

Mr. Ruggini explained that the City is scheduled to make a final principal payment on December 1, 2014 for the general obligation promissory notes issued in 2005. Given that the interest on the bonds is 4.0% and the City is currently earning 0.71% on its cash portfolio, the City would save approximately \$14,000 by using available cash to pay off the \$600,000 debt balance instead of using the cash to invest.

Redeeming the 2005 General Obligation bonds early will result in an estimated savings of \$14,386 since the 2014 Budget assumes this debt would be paid in December 2014. This savings will be in the Debt Service Fund and be transferred to the Amortization Fund at year-end.

Mr. Ruggini recommended redemption of general obligation promissory notes, series 2005 with a scheduled closing date of March 10, 2014.

Moved by Ald. Tilleson, seconded by Ald. Donegan to recommend authorization for redemption of general obligation promissory notes, series 2005 with a scheduled closing date of March 10, 2014 - Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 2/4/2014 7:30 PM
TO:	Common Council	
MOVER:	Joel Tilleson, Alderman	
SECONDER:	Peter Donegan, Alderman	
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Birschel	
EXCUSED:	Ewerdt	

3. Memo from the Finance Director requesting approval of 2013 operating and capital budget carryovers

The Committee reviewed a memo from the Finance Director requesting approval of 2013 operating and capital budget carryovers.

Mr. Ruggini explained that carryover requests represent one of the final annual budgetary processes as unused but committed funds are transferred from the 2013 Budget to the 2014 Budget. As these funds would have alternatively positively impacted the end of the year surplus/deficit, approval of a carryover requests represent an important decision.

Departments were requested to submit carryover requests in mid-December. Finance Department staff followed up with questions and subsequent meetings. The item Attachment A lists each carryover being requested.

Recommended Carryover Amounts by Fund

	Fund	Requested
01	General	\$ 234,945
03	Capital	\$ 7,233,632
04	Sanitary	\$ 1,093,587
24	Info Systems	\$ 61,093
25	Muni Complex	\$ 2,150
50	Water	\$ -

Mr. Ruggini noted that the General Fund carryover is \$132,131 less than the amount carried over last year. As a result, the unassigned fund balance would grow by this difference if that were the only change as fewer funds are needed to be set aside for subsequent year expenditures.

Mr. Ruggini recommended that 2014 Budget be amended to reflect the carryovers as presented in Attachment A. These figures are intended to be not-to-exceed amounts and may change as final 2013 bills are paid and are contingent upon year-end results.

Moved by Ald. Donegan, seconded by Ald. Hanson
to amend the 2014 Budget to reflect the carryovers
as presented in Attachment A - Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 2/4/2014 7:30 PM
TO:	Common Council	
MOVER:	Peter Donegan, Alderman	
SECONDER:	Tim Hanson, Alderman	
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Birschel	
EXCUSED:	Ewerdt	

4. Memo from the Asst. Planner recommending approval for extension of Davis-Bacon compliance contract for Innovation Park accelerator facility

The Committee reviewed a memo from the Asst. Planner recommending approval for extension of Davis-Bacon compliance contract for Innovation Park accelerator facility.

Mr. Ruggini explained that the City solicited proposals from qualified firms in late 2012 to perform Davis-Bacon compliance as required by the Economic Development Administration (EDA) Grant awarded to the City/UWM Real Estate Foundation for the Accelerator Facility and infrastructure at Innovation Campus. From multiple proposals, Ayres Associates was chosen as the compliance consultant. At a cost of \$22,505, the contract did not exceed the \$25,000 threshold requiring Council approval.

Due to various construction and non-construction related delays, the contract with Ayres Associates needs to be extended at this time. The proposed extension estimates services at a cost of \$2,300 per month, not exceed a total amount of \$20,700 without additional approval. The expense of this contract will be paid by TIF #6 and there are sufficient funds in TIF #6 to pay for this contract.

Mr. Ruggini recommended that the Committee approve the Davis-Bacon compliance contract extension with Ayres Associates.

Ald. Donegan asked if the law requires the City to contract for this work or merely perform the monitoring.

Mr. Ruggini explained that two contracts, equaling approximately \$15 million dollars in payroll, are being monitored by Ayres Associates. The detail required of this type of monitoring could not be feasibly performed in-house. The City performs such monitoring for smaller CDBG programs, but the Innovation Park project is of much larger scope.

Moved by Ald. Hanson, seconded by Ald. Donegan to recommend approval of a contract extension with Ayres Associates at a cost of \$2,300 per month, not to exceed a total of \$20,700 without additional approval - Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 2/4/2014 7:30 PM
TO:	Common Council	
MOVER:	Tim Hanson, Alderman	
SECONDER:	Peter Donegan, Alderman	
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Birschel	
EXCUSED:	Ewerdt	

Vouchers

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

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Tim Hanson, Alderman
SECONDER:	Craig Wilson, Alderman
AYES:	Donegan, Wilson, Dubinski, Hanson, Organ, Tilleson, Birschel
EXCUSED:	Ewerdt

- *Update from the Development Team on final terms with Wangard Partners for TIF assistance related to the development on the former Western Metals site in existing TIF 3

Mr. Kesner explained that the Development Team has prepared a draft final terms sheet with Wangard Partners for TIF assistance related to the development on the former Western Metals site in existing TIF 3 and suggested that the Committee enter into closed session to discuss the terms sheet. The current plan involves the creation of a new TIF district.

Moved by Ald. Birschel, seconded by Ald. Wilson to convene into closed session per Wisconsin Statutes 19.85 (1)(e), deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, and may reconvene into open session - Ayes: 7

Closed session convened at 8:18 p.m.

Ms. Enders arrived at 8:30 p.m.

Motion made in closed session to authorize the Development Team to present the final TIF terms sheet as written to Wangard Partners - Ayes: 7

- Vouchers

Item 6, Vouchers, was discussed and voted on after Item 4.

The meeting adjourned at 9:20 p.m.

Carla A. Ledesma, CMC, City Clerk