



**CITY OF WAUWATOSA**  
**BUDGET AND FINANCE COMMITTEE**  
**MINUTES • APRIL 8, 2014**

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

7725 West North Avenue, Wauwatosa, WI 53213

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Attendee Name	Title	Status	Arrived
Peter Donegan	Alderman	Present	
Craig Wilson	Alderman	Excused	
John Dubinski	Alderman	Present	
Tim Hanson	Alderman	Present	
Jill Organ	Alderwoman	Excused	
Joel Tilleson	Alderman	Present	
Brian Ewerdt	Alderman	Present	
Donald Birschel	Alderman	Present	
Alan Kesner	City Attorney	Present	
James Archambo	City Administrator	Present	
John Ruggini	Finance Director	Present	
William Porter	Public Works Director	Present	

### **BUDGET AND FINANCE COMMITTEE ITEMS**

Ald. Hanson as Vice-Chair called the meeting to order at 8:05 p.m.

1. Memo from the Director of Public Works requesting approval of a Memorandum of Understanding between the City of Wauwatosa, Tosa Skateboarders United, and Michael and Judith Doyle regarding Tosa Skatepark

The Committee reviewed a memo from the Director of Public Works requesting approval of a Memorandum of Understanding between the City of Wauwatosa, Tosa Skateboarders United, and Michael and Judith Doyle regarding Tosa Skatepark.

Ald. Donegan opined that City investment in projects that support Wauwatosa families are public funds well spent and this project is great public policy because it is supported by private fundraising and public funding. He remarked that he was honored to support this item at his last Committee meeting and was truly inspired by the Doyle family. It is one thing to endure tragedy, but it is an amazing thing to redeem tragedy. By building this skatepark, Jack Doyle will be giving kids in Wauwatosa a great place to play.

Mr. Porter explained that the City worked closely with the Doyles to create this Memorandum of Understanding and the RFP is currently out for bid. The proposals will be reviewed by the Parks and Forestry Board at their May meeting, and then proceed through the Committee process.

Ald. Tilleson echoed Ald. Donegan's remarks and thanked Michael and Judith Doyle, who were present at the meeting, for their efforts on the project.

Moved by Ald. Donegan, seconded by Ald. Dubinski to recommend approval of a Memorandum of Understanding between the City of Wauwatosa, Tosa Skateboarders United, and Michael and Judith Doyle regarding Tosa Skatepark - Ayes: 6

<b>RESULT:</b>	<b>RECOMMENDED FOR APPROVAL [UNANIMOUS] Next: 4/15/2014 7:30 PM</b>
<b>TO:</b>	Common Council
<b>MOVER:</b>	Peter Donegan, Alderman
<b>SECONDER:</b>	John Dubinski, Alderman
<b>AYES:</b>	Donegan, Dubinski, Hanson, Tilleson, Ewerdt, Birschel
<b>EXCUSED:</b>	Wilson, Organ

2. Memo from the Director of Public Works requesting approval of an amendment to the original Design Contract with Ayres & Associates for Project 9001 Tosa Eastown Improvements - North Avenue Plan

The Committee reviewed a memo from the Director of Public Works requesting approval of an amendment to the original design contract with Ayres and Associates for Project 9001 Tosa Eastown Improvements - North Avenue Plan.

Mr. Porter explained that Project 9001 is currently out to bid, but an amendment to ensure compliance with American Disability Act (ADA) requirements is suggested for the project. The ADA requirements are very strict guidelines and it is worth the effort to have detailed designs created for each corner along North Avenue, rather than try to lay it out in the field on the fly.

In addition, there were reports that the bus stops at the intersection of Wauwatosa Avenue and North Avenue were not ADA compliant. By including this intersection in the proposed amendment, the City hoped to resolve all ADA issues along the North Avenue corridor. However, Milwaukee County received a federal grant to cover the ADA compliance issues at the intersection of Wauwatosa Avenue and North Avenue a few days ago. This will reduce the cost of the amendment to approximately \$21,600 for additional designs related to ADA compliance in Project 9001.

Moved by Ald. Ewerdt, seconded by Ald. Birschel  
to recommend approval of an amendment to the original  
design contract with Ayres and Associates for Project 9001  
Tosa Eastown Improvements - North Avenue Plan - Ayes: 6

<b>RESULT:</b>	<b>RECOMMENDED FOR APPROVAL [UNANIMOUS] Next: 4/15/2014 7:30 PM</b>
<b>TO:</b>	Common Council
<b>MOVER:</b>	Brian Ewerdt, Alderman
<b>SECONDER:</b>	Donald Birschel, Alderman
<b>AYES:</b>	Donegan, Dubinski, Hanson, Tilleson, Ewerdt, Birschel
<b>EXCUSED:</b>	Wilson, Organ

3. Memo from the Finance Director presenting the 2013 other fund financial results

Mr. Ruggini presented a memo summarizing the 2013 other fund financial results.

The General Fund is divided by revenue source, with the majority funded by property taxes, but there are other funds that have a dedicated funding source. The results of the 2013 other funds impact the 2014 Adjusted Balance.

The Debt Service Fund ended 2013 with a \$227,696 deficit. This was entirely due to the required use of bond premium and capitalized interest from fund balance. The 2013 balance of \$257,400 is entirely committed towards future debt service and is made up of the 2013 bond premium and the 2011 capitalized interest associated with the Covenant borrowing.

The Capital Projects Fund maintained a surplus of \$1,274,160. This was largely the result of unspent bond proceeds. A fund balance of \$4,939,104 is projected for 2014. However, \$1,728,168 of this is unspent bond proceeds committed to 2012 and 2013 capital projects which will likely be spent in 2014.

The Fleet Department had a surplus of \$91,570. However, \$60,000 of this total was a planned surplus to build fund balance for the eventual replacement of the fuel station in 2014 so the actual surplus was \$31,570. The surplus was largely the result of better-than expected sales of surplus vehicles and scrap as well as lower fuel utilization. As a result, the fleet 2014 fund balance is projected to be \$512,489. This represents 56% of 2014 fuel budget (after subtracting \$120,000 in fund balance for the fuel station) which exceeds the 30% target by \$113,661.

The Public Works Building fund ended 2013 with a surplus of \$37,621. This was less than expected as fund balance is being built up for the eventual remodel of the Public Works Building. As a result, the fund balance for 2014 is projected to be \$35,383 due to it being negative in 2012.

In 2013, the General Liability Fund surplused by \$22,118. This surplus would have been greater, as claims were below budget, but \$110,000 was retained by the General Fund to offset an interest earning revenue shortfall.

The Worker's Compensation fund had a shortfall in 2013 of \$58,623, but this was after the General Fund and Other Fund contributions were increased by approximately \$150,000 and \$245,000 of surplus from Health/Life was transferred to the fund. Without these transfers, the deficit would have been over \$500,000. This is entirely due to an underestimation of the severity of 2012 claims. Since 2012 claims were underestimated, a large portion of their cost fell into 2013. This resulted in claims costs of over \$900,000.

The City is self-insured for Worker's Compensation, but the Self-Insured Retention limit of \$500,000 is per claim. As such, two catastrophic incidents could result in a \$1,000,000 expense to a fund in which the City budgeted approximately \$400,000 for claims in total for 2013. Previously, the fund had maintained a target balance of \$100,000, but given the SIR limit, Mr. Ruggini recommended a target balance of 1.5 times the SIR limit, or \$750,000. Using this target, the fund balance is at 88% with a shortfall of \$372,469.

The Trust Funds account is for funds that are required to be segregated for a specific purpose, such as the Bachman Flag Account. The 2014 Balance that is set-aside for these purposes is \$155,268.

The Redevelopment Authority Fund had a balance of \$754,050. Staff are currently researching the source of these funds and guidelines for what they can be used for.

The Dental Reserve surplused \$428. However, this is after approximately \$90,000 in claims surplus was rebated back to the other funds. As a result, the fund is projected to have a 2014 fund balance of \$137,857 which represents 50% of claims.

The CDBG Fund is dedicated to the disbursement of federal CDBG grants and as such is prohibited from maintaining a fund balance.

The Health/Life Fund surplused by \$23,781; however, \$245,000 was transferred to the Worker's Compensation Fund. This is the second year in a row that surplus has been transferred between these two funds. The surplus in health life was due to several factors:

- Pharmaceutical rebate revenue exceeded budget by \$60,775
- Health claim expense was \$153,222 under budget

As a result, the 2014 projected fund balance is 42% of claims which is \$846,630 over the City's 30% target.

All special assessment revenue is collected in the Special Assessment Fund and then transferred to the Capital Projects Fund. As a result, the Special Assessment Fund balance should always be zero.

TIF 2 was financed with Lease Revenue bonds through the Redevelopment Authority. The debt service is paid for these bonds from this fund which is then reimbursed by TIF 2. There should be no fund balance.

The Fleet Equipment Reserve is used to replace fleet vehicles. Due to the size of the 2013 purchases, this fund had a planned draw down of fund balance of \$127,082. However, the fund balance as of 2014 is projected to be \$871,643. This fund does not have a target balance, but instead maintains a five-year purchase plan based on vehicle replacement cycles.

Information Systems ended 2013 with a \$47,003 surplus due largely to salary savings from a staffing vacancy. A draw-down is planned in 2014 to fund an Asset Management system for the Engineering Department that was budgeted for in 2013 and carried over. There is no target fund balance, however, Mr. Ruggini recommended to grow this fund balance in anticipation of using the funds to replace the financial system in 3-5 years.

The Municipal Complex fund also had a planned deficit (although approximately \$30,000 greater than budgeted) in 2013 of \$180,022 to drawdown fund balance to pay for the health remodel. The 2014 fund balance is projected to be \$108,099. While there is no recommended fund balance target, Mr. Ruggini recommended to maintain this fund balance to be used for future remodeling projects as well as for replacement of the phone system which will be necessary in the next 1-2 years.

Similar to the Fleet Equipment Reserve, significant information technology hardware is depreciated and replaced using this fund. 2013 purchases exceeded the depreciation transfer, so this fund had a planned deficit of \$105,425. There is no target balance for this fund as it also maintains a five-year spending plan.

The Parks Reserve enjoyed a \$140,149 surplus in 2013. Of this amount, \$95,000 was planned in order to continue to grow the fund balance, so there is sufficient reserves to pay for the replacement of the stadium turf in 2018. The Parks Fund currently has 55% of the expected cost of the turf set aside and is projected to be just \$58,306 short of the required \$1.2 million in 2018.

This report was for informational purposes only.

Mr. Ruggini noted that the TIF, Sanitary, Storm, and Water funds will be presented at a later date. In addition, Staff will present a policy to formalize what is done when a fund has a surplus or deficit.

Ald. Birschel expressed gratitude for Dick Bachman's work for the City, former Alderman and long-time administrator of the Flag Account, who passed away a few days ago.

Ald. Tilleson asked Mr. Ruggini to return for a Committee update when the sources of the Redevelopment Authority Fund are discovered.

<b>RESULT:</b> <b>INFORMATION ONLY</b>
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4. Ordinance recreating Section 6.98.040 of the Code of the City of Wauwatosa pertaining to Street Festival Permits

The ordinance recreating Section 6.98.040 of the Code of the City of Wauwatosa pertaining to Street Festival Permits was referred back to Budget and Finance, the originating committee, at the April 1, 2014 Common Council meeting.

Mr. Kesner explained that this ordinance was discussed at the previous Budget and Finance meeting on March 25, 2014. This amendment will remove the monetary fee amount from the ordinance and replace it with a reference to the Consolidated Fee Schedule.

Ald. Tilleson thanked the three departing Committee members for their experience and dedicated service to the City.

Moved by Ald. Tilleson, seconded by Ald. Ewerdt  
to recommend adoption of the ordinance recreating Section  
6.98.040 of the Code of the City of Wauwatosa pertaining to  
Street Festival Permits - Ayes: 6

The Common Council of the City of Wauwatosa do ordain as follows:

Part I. Section 6.98.040 of the Code of the City of Wauwatosa is hereby deleted and recreated to read as follows:

"A fee shall be paid for the issuance of the street festival permit at the time of making application at the city clerk's office. The fee amount shall be as set forth in the consolidated fee schedule. Application shall be forwarded to the common council. This fee shall be in lieu of and take the place of beer, food and soda water licenses and parade permit which would otherwise be required for those concessions run by nonprofit civic organizations."

Part II. This ordinance shall take effect on and after its date of publication.

<b>RESULT:</b>	<b>RECOMMENDED FOR ADOPTION [UNANIMOUS]</b>	<b>Next: 4/15/2014 7:30 PM</b>
<b>TO:</b>	Common Council	
<b>MOVER:</b>	Joel Tilleson, Alderman	
<b>SECONDER:</b>	Brian Ewerdt, Alderman	
<b>AYES:</b>	Donegan, Dubinski, Hanson, Tilleson, Ewerdt, Birschel	
<b>EXCUSED:</b>	Wilson, Organ	

#### 5. Vouchers

Moved by Ald. Hanson, seconded by Ald. Dubinski  
that each and every voucher be allowed and paid - Ayes: 5  
Present: 1 (Donegan)

<b>RESULT:</b>	<b>RECOMMENDED FOR APPROVAL [5 TO 0]</b>
<b>MOVER:</b>	Tim Hanson, Alderman
<b>SECONDER:</b>	John Dubinski, Alderman
<b>AYES:</b>	Dubinski, Hanson, Tilleson, Ewerdt, Birschel
<b>ABSTAIN:</b>	Donegan
<b>EXCUSED:</b>	Wilson, Organ

#### 6. \*Action on 2013 Property Tax Claims

Moved by Ald. Donegan, seconded by Ald. Birschel  
to convene into closed session per Wisconsin Statutes 19.85 (1)(g), conferring  
with legal counsel for the governmental body who is rendering oral or written

advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, may reconvene into open session - Ayes: 6

Closed session began at 8:34 p.m.

The meeting adjourned at 9:00 p.m.

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Carla A. Ledesma, CMC, City Clerk