



CITY OF WAUWATOSA
BUDGET AND FINANCE COMMITTEE
MINUTES • JUNE 24, 2014

Regular Meeting**Committee Room #1****7:00 PM**

7725 West North Avenue, Wauwatosa, WI 53213

PRESENT: Alds. Roznowski, Tilleson, Walz-Chojnacki, Kofroth, Dubinski, Moldenhauer, McBride, Wilke - 8

ALSO PRESENT: Mr. Archambo, City Administrator; Mr. Ruggini, Finance Director; Ms. Enders, Development Director; Mr. Kesner, City Attorney; Ms. Hilt, Senior Management Analyst; Mr. Porter, Public Works Director; Mr. Sodnik, Administration Intern; Mr. Brown, Senior Management Analyst; Mayor Ehley; Alds. Stippich, Berdan, Causier, Pantuso, and Byrne

Ald. Roznowski as Chair called the meeting to order at 7:00 p.m.

BUDGET AND FINANCE COMMITTEE ITEMS

1. Memo from the Senior Management Analyst regarding a city-wide yard waste and leaf composting pilot program

The Committee reviewed a memo from the Senior Management Analyst regarding a city-wide yard waste and leaf composting pilot program.

In 2013, Purple Cow Organics informed the City that they would be raising the fee to pick up and transport the City's yard waste from \$9.31 per ton to \$12 per ton in 2014. Additionally, they would move their composting site in 2015 and begin hauling material off-site for \$25 per ton. Due to this drastic increase in cost, the City formed a PRIME team and hired a consultant to begin researching alternative options for yard material and leaves processing.

One option that resulted from this research was third-party participation in a City of Milwaukee Request for Proposals for yard materials processing and log processing. However, Waste Management was the only contractor to bid on Wauwatosa's alternate proposal request. The cost to pick up and haul the materials was quoted at \$24 per ton, or \$16 per ton, if the City transported the materials to a drop-off location in Milwaukee. This option is a poor alternative due to the number of loads collected each day in Wauwatosa, the travel time to drop-off materials, and the increased overtime and fuel costs for said travel. In addition, the City would lose the cost savings advantage of using the DPW yard as a dumping site.

A second option that resulted from the PRIME team and consultant research was a 2-year pilot program with The Farm's Composting, a composting company based in Caledonia. On June 11, 2014, The Farm and City staff forged a public-private partnership for yard material processing that would cost \$16 per ton for the first year and will not exceed \$18 per ton plus CPI in the second year. The third year would be discussed prior to the 2017 budget season, by June 2016.

Ms. Hilt explained that the City negotiated provisions on June 11, 2014 which notably included the City to receive 700 yards of blended top soil from The Farm, which will result in a \$6,500 reduction in the Forestry Budget, as well as the ability to purchase additional compost at a discounted rate.

Comparing the costs of each option, Ms. Hilt opined that The Farm pilot program is the best option for the City. While the cost per ton equals the cost of the Waste Management proposal, the costs of fuel and labor that would be required to transport materials would greatly increase the total cost of that option. Additionally, The Farm's agreement includes a cost savings in the Forestry Budget and the possibility of future revenue streams. The City may create revenue in the future by allowing surrounding communities to bring material to the Wauwatosa

dump site. Beyond the Forestry Budget savings, the City also avoided a \$49,000 cost that Waste Management would have charged due to the recent service agreement with Blue Flame Firewood.

Staff recommended approval of the proposed pilot program and agreement with The Farm's Composting. With Committee approval, City staff will negotiate a contract with The Farm and return to Committee for contract approval.

Bill Tarman-Ramcheck, W1820 Circle Drive, Sullivan, explained that he was hired by the City as a consultant after Purple Cow revealed their planned cost increases. He recommended that the City pursue this pilot program with The Farm's Composting due to their experience with larger customers and expertise in the field from working with Just Environmental. The savings from the projected increases is significant. Purple Cow Organics must be notified

James Jutrzonka, 1137 27th st Caledonia, was present as a representative of The Farm's Composting. The Farm's Composting business started in 2008 at a family farm and has since expanded to a 12 acre composting site. The Farm uses a smaller windrow technique that helps reduce odor in the beginning stages of composting and quickens the composting process. The Farm has a Wisconsin Department of Natural Resources (DNR) model non-organic composting site. The Farm also works with nonprofits in the area including Growing Power.

Ald. Wilke inquired what level the compost materials are rated.

Mr. Jutrzonka explained that The Farm's compost material meets the standards of the U.S. Compost Council and meets the standards of the DNR. Their compost is a certified product for lawn application, vegetables, flowered plants, trees and shrubs. As part of the agreement, five hundred yards of compost will be available to the City and Wauwatosa residents.

Moved by Ald. Wilke, seconded by Ald. Walz-Chojnacki
to authorize Staff to negotiate a contract with The Farm's
Composting for a 2-year pilot program as proposed by Staff - Ayes: 8

Ald. Tilleson noted that the cost is significantly lower than Wauwatosa's neighboring communities and inquired how the City manages to keep the cost down.

Ms. Hilt noted that the City was able to keep these costs down by forging a public-private partnership and hopes to possibly expand this program to future revenue streams by providing a local composting site for neighboring communities.

Ald. Walz-Chojnacki asked how much land is available at the DPW yard to expand the composting area.

Mr. Jutrzonka explained that there is room to expand at the DPW yard and there are also ways to improve the current site process. He remarked that the site is a great asset to the City.

Mr. Tarman-Ramcheck remarked that there are limitations based on the DNR's maximum of 20,000 yards of compost being processed. This fact will keep the compost enterprise from exceeding the DPW yard capacity. He opined that the processing capabilities of The Farm will greatly improve the compost process in Wauwatosa.

Mr. Jutrzonka noted that the 20,000 yard maximum is a limit on what is being currently processed. The municipality may exceed 20,000 yards of compost produced in a year, but cannot have more than 20,000 yards being processed at one time.

Ald. McBride thanked Mr. Tarman-Ramcheck for his work on the project and City staff for their innovative ideas. He noted that the DPW site was purchased in the 1960s and the current Council should have the same kind of foresight when making decisions today. They should strive to make decisions that positively impact Wauwatosa in the future.

Ald. Roznowski concurred with Ald. McBride and thanked City staff for their innovative ideas. They have minimized the financial pain of the Purple Cow cost increase and created a possible future revenue stream.

RESULT:	AUTHORIZATION TO PROCEED [UNANIMOUS]	Next: 7/29/2014 8:00 PM
TO:	Budget and Finance Committee	
MOVER:	Jason Wilke, Alderman	
SECONDER:	Gregory Walz-Chojnacki, Alderman	
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth	

2. Memo from the Director of Public Works requesting approval to hire Ayres & Associates to provide contract administration for the North Avenue Project

The Committee reviewed a memo from the Director of Public Works requesting approval to hire Ayres & Associates to provide contract administration for the North Avenue Project.

Mr. Wehrley explained that the City is short on engineering staff and is therefore asking for approval to hire an outside consultant to perform construction administration services on the North Avenue Project. Ayes & Associates completed the design for this project and this agreement would amend the original agreement to add construction administration services for \$27,700.

Moved by Ald. Tilleson, seconded by Ald. Moldenhauer to recommend approval of the agreement amendment to add construction administration and observation services to the Ayres & Associates Agreement for Professional Services, dated January 21, 2014, for the lump sum of \$27,700 - Ayes: 8

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 7/1/2014 7:30 PM
TO:	Common Council	
MOVER:	Joel Tilleson, Alderman	
SECONDER:	James Moldenhauer, Alderman	
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth	

3. Ordinance amending Section 9.04.020 of the Wauwatosa Municipal Code to create a pet licensing late fee amnesty period (for adoption)

The Committee reviewed an ordinance amending Section 9.04.020 of the Wauwatosa Municipal Code to create a pet licensing late fee amnesty period. The proposed ordinance was introduced at the Common Council meeting on June 17, 2014.

Mr. Ruggini explained that this ordinance amendment will allow the Finance Director, or his designee, to establish a pet licensing late fee amnesty period. Based on feedback from County municipalities, the amnesty period has been pushed back to August, rather than July as originally stated. The ordinance does not list the specific date, but gives the Finance Director, or his designee, the flexibility to set varying amnesty periods.

Moved by Ald. McBride, seconded by Ald. Walz-Chojnacki to recommend adoption of the ordinance amending Section 9.04.020 of the Wauwatosa Municipal Code to create a pet licensing late fee amnesty period - Ayes: 8

Ald. McBride remarked that this amendment will award City staff the flexibility to set varying amnesty periods, which will in turn maximize revenue.

Ald. Wilke agreed that an amnesty period is a positive option and may increase how many licenses are sold.

AN ORDINANCE AMENDING SECTION 9.04.020(C)(4) OF THE CODE OF THE CITY OF WAUWATOSA TO ALLOW FOR A LATE FEE AMNESTY PERIOD FOR DOG AND CAT LICENSES

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

Part I. Section 9.04.020(C)(4) of the Code of the City of Wauwatosa shall be amended to read in its entirety as follows:

4. Penalties for late payment of license fee.

- a. There shall be a penalty added to the license fee for a late payment of the license fee at a rate established by the City Clerk and reflected in the consolidated fee schedule.
- b. The Finance Director, or his or her designee, may from time to time, declare periods of amnesty in which the penalty imposed under this subsection for dog and cat license late fees may be waived. Such periods of amnesty, and the terms thereof, may be established upon the finding that they are likely to have the effect of increasing compliance with one or more provisions of Section 9.04.020. The Finance Director, or his or her designee, may promulgate rules and procedures to implement the provisions of this section.

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

RESULT:	RECOMMENDED FOR ADOPTION [UNANIMOUS]	Next: 7/1/2014 7:30 PM
TO:	Common Council	
MOVER:	Dennis McBride, Alderman	
SECONDER:	Gregory Walz-Chojnacki, Alderman	
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth	

4. Memo from the Finance Director providing an update on the 2015 General Fund budget

In April, Mr. Ruggini presented a General Fund report and the Committee requested more frequent updates throughout the year.

Mr. Ruggini explained that given how the anticipated budget gap decreases in 2016, but then increases dramatically in 2017, it was decided that the City would attempt to close both the 2015 and the 2016 gaps through the 2015 budget, so as to provide additional time to prepare for 2017. To that end, high-level gap closing strategies have been developed.

Five high level strategies were developed to cover the 2015 and 2016 budget gaps, including pension contribution reduction, offset surplus applied, health plan design changes, additional revenue, and department levy reductions. At this time, the pension contribution reduction is not an option, but the four other strategies are being pursued.

The City has been working to eliminate the remaining surplus applied. In the 2014 budget, \$240,000 of reserves is included as a revenue. The cost-to-continue analysis assumed zero was budgeted. This will be

phased over 3 years by reducing this revenue by \$120,000 in 2015, \$60,000 in 2016, and \$60,000 in 2017. In addition, \$300,000 in yet-to-be-determined health plan design changes are assumed in 2015 and another \$250,000 in 2016. There is also a yet-to-be determined revenue increase of \$250,000 included in both years.

Finally, departments have been asked to reduce their levy by reducing expenditures and/or increasing revenue for a total of \$250,000 in 2015 and 200,000 in 2016. These levy reductions were spread over the four main general fund groupings: Police, Fire, Public Works and City Hall and amounted to a total reduction of approximately 1% for the two years combined. Departments were provided these reduction targets in May and continue to develop their initiatives.

As discussed in April, there were several significant assumptions in the cost-to-continue analysis that were dependent on yet-to-be-finalized figures. The first was net new construction. The five-year forecast typically assumes 0.5% of net new construction which equals approximately \$25,000,000 of new development. Given the pace of development in 2013, which is used to determine the net new construction for the 2015 budget, the cost-to-continue analysis presented in April included an assumption of \$35,000,000 in development which equals approximately .7% of net new construction. Since that time, the Assessors's office has provided a figure of \$48,246,900 to the Department of Revenue which equals approximately 1.0% of the City's estimated equalized value. As a result, the City would be allowed to increase its property tax levy an additional 0.3% over what was presented in April to the committee. This would provide an additional \$100,000 of revenue.

Mr. Ruggini noted that of the \$48.2 million in net new construction, \$39.7 million, or 82%, was the direct result of utilizing tax incremental financing to stimulate development and would have likely not occurred but for the TIF assistance. He also noted that it is important to emphasize that despite the levy increasing 2.84%, the actual tax rate, which is what impacts a resident or business' tax bill, would increase 1.2%. Approximately .18% of the new construction is outside TIF districts, thereby increasing the property tax base, and the closing of TIF 3 actually adds 1.5% of additional property tax value, so the net impact is a reduction of .75% on the rate. This is only the municipality's rate, as it is too early in the process to know the tax rate impact of the other taxing jurisdictions.

The departmental levy reductions and budget gap strategies follow a set of fifteen Budget Gap Reduction Guidelines which are intended to help department directors consider how to meet their levy reduction targets.

Mr. Archambo noted that the Council should understand this process and know that City staff strive to construct a budget that helps Wauwatosa in the future. Wauwatosa is well able to invest in itself and the guidelines are meant to protect the City's ability to invest in itself.

Mr. Ruggini reviewed the reduction guidelines, which include the following guidelines:

1. Maximize economic development through density and by using tax increment financing to stimulate development within and around tax increment districts.
2. Preserve the current level of services provided but not sacrifice quality or consistency. If quality or consistency is threatened by potential budget changes, then service level reductions will be pursued instead.
3. If significant service level reductions are necessary, an objective process and criterion should be established for evaluating which services should be impacted.
4. Pursue a balance between revenue increases and expenditure reductions. Expenditure reductions should not exceed 70% of the budget gap strategies.
5. Develop departmental levy reduction strategies that are comprehensive and sustainable. Simple line-item reductions or across-the-board cuts are not strategic and not recommended.
6. Costs, including debt, should not be deferred as a budget gap reduction strategy.
7. One-time revenues should be used for one-time expenditures including one-time spikes in revenue.
8. Overhead should be fully allocated to non-property tax revenue sources, including capital projects.

9. Departmental levy reductions should not negatively impact preventative maintenance, regular replacement of capital assets, training or the ability of the City to invest in initiatives that provide long-term efficiency or cost-savings.
10. Process improvements and efficiency gains are a high priority.
11. Pursue intergovernmental cooperation.
12. Reduction in force should be achieved through attrition whenever possible
13. Cost of living increase should be linked to inflation as measured by the Bureau of Labor.
14. A minimum of 2% of pay should be set-aside for performance pay
15. Increases in healthcare costs should be shared with employees, but plan value should be monitored, so as to not negatively impact recruitment and retention

Ald. McBride noted in regard to guideline #1 that, in some instances, such as the 2050-2100 Mayfair project, the developer is able to build a project without City assistance, but requires assistance when asked to reduce density due to resident concerns.

Ald. Wilke remarked that citizens should be made aware of budgetary issues such as this and understand that higher density developments may be necessary in the future.

Mr. Archambo agreed that this issue should be discussed. Resident reaction will naturally occur when high density developments are proposed near residential properties.

Mr. Ruggini agreed that density and need for assistance are correlated. He noted that the Wangard development altered their project plans to increased density and thereby decreased their needed for assistance.

Ald. McBride concurred that when density increased in the Wangard project, their need for assistance went down. He noted that previous Councils and previous City staff have made good decisions that have resulted in flourishing, long-term investments.

Mr. Archambo noted that the City's internal granting program invests in projects today that will create cost-savings down the road.

Ald. McBride agreed that funding projects with long-term focus will create cost savings in the future.

Mr. Ruggini explained to the Committee that these guidelines are currently utilized by City staff and asked for Committee input.

Ald. Moldenhauer noted that the memo claims 82% of net new construction is driven by TIF assistance. He inquired whether that will remain true in 2017 and what the impact of TIF assistance has been historically on net new construction.

Staff explained that the level of impact would be true in 2016, and possibly continue in 2017. Historically, TIF assistance has driven 2/3 of net new construction in Wauwatosa.

Ald. Moldenhauer commented that the City is pursuing a more free market approach for compensation, but retains a healthcare plan that reflects the old style of municipal healthcare.

Staff explained that Wauwatosa's premiums are higher than most peer communities and on target with private organizations. The premium is currently set at 30%, or 15% if employees participate in the wellness program. However, there are aspects of plan design that remain richer than other organizations and that is where the City will make changes. The City healthcare plan will be adjusted to constrict the richness of the design plan.

Ald. Moldenhauer inquired whether the City has considered hiring out for expert consultants on a project-by-project basis, rather than hiring additional full-time engineering staff. He opined that outside consultants may create more accurate estimates for projects.

Staff explained that the City already conducts business in a similar manner by hiring outside consultants during surges, or for specialized projects, and retaining in-house staff for the steady "bread and butter" engineering work. Some of the recent bids with low estimates were created by outside consultants, not internal staff. The variance between estimates and the final cost is more due to the varying market, rather than consultant versus staff creation.

Ald. Moldenhauer inquired if the City provides a cost of living adjustment in addition to the merit pay program.

Mr. Ruggini explained that the City aims to budget for a cost of living adjustment each year based on inflation and at least 2% of budgeted salary towards the merit pay program.

Ald. Tilleson thanked Mr. Ruggini for the formalized guidelines for budget gap reduction. He opined that development density is a good thing, but he expressed concern that TIF assistance will be regarded as a given for future developers in Wauwatosa. Development should not always require TIF assistance, especially once the area is desirable for development. He noted that the reduction guidelines will be used for years to come and thanked Staff for their efforts.

Ald. McBride remarked that the 2100 Mayfair project developers have claimed they will need TIF assistance after being told to reduce density. He agreed that certain areas of the City should not require TIF assistance. He asked Mr. Ruggini if the guidelines need to be approved by Council and if the principles are currently prioritized.

Mr. Ruggini remarked that he would like feedback, but no action at this time. He will return to Committee with a Budget Reduction Policy that will combine these principles into a formal policy and prioritize the list.

Ald. Wilke opined that the Council should have more input into service reductions as the budget is being assembled. This would create public awareness of the City's difficult budget decisions.

Mr. Archambo explained that the Departments are currently in the personnel schedule phase of the 2015 budget process. However, the City is now looking at the budget 2 years at a time, rather than year by year. This process change will allow the City to take a more holistic budgeting approach.

Mr. Ruggini remarked that Council input will be possible in the 2016 budget process, but the timeline was too short this year to allow departments sufficient time to create specific initiatives for Council presentation. Departmental budgets are due July 27, so a broad outline could be presented in July, but there are many changes that occur in August in the executive review process.

Alds. Causier, Byrne, Berdan, Pantuso, and Stippich arrived at 8:35 p.m.

Ald. Roznowski remarked that a return to Committee at the end of July would allow Council's input to guide the executive review process and a public meeting may also allow public input prior to the budget meetings.

Ald. Wilke agreed that a public meeting or hearing on the front end of the budget process would improve the budget process and create greater public awareness.

Mr. Ruggini agreed that public involvement is important and that Staff have discussed more public involvement in the process.

Ald. Kofroth asked if the City staff could commit to implementing such a public involvement piece in the 2016 budget process. He remarked that something bringing in public involvement would make Council decisions easier and help the Council know what citizens want. He asked how in-house engineering costs compare to outside engineering costs.

Mr. Archambo noted that, but-for the name, the first Budget Committee meeting in September provides for public involvement in the budget process. The public is welcome to attend all Budget Committee meetings and the first meeting provides an overview of the entire budget. In addition, Staff are working on creating a Citizens Academy that would greatly improve public involvement.

Mr. Ruggini noted that engineering costs in-house are about 2.0 and outside is 3.0. The City constantly compares the internal versus external cost of service provision, but right now engineering services are less expensive in-house. He confirmed that increased public involvement is a goal for the 2016 budget process, but also noted that the a public involvement program may take a few budget cycles to formulate.

Ald. McBride remarked that a Citizens Academy or some type of public involvement would allow Wauwatosa residents to understand the budget process and the difficult decisions that the Council faces each year.

The Committee concurred that staff should return at the end of July to present a budget process update.

5. Memo from the Director of Public works requesting funding for Contract 13-28 Project 8010, Hart Park Improvements 68th to 70th Street area

The Committee reviewed a memo from the Director of Public works requesting funding for Contract 13-28 Project 8010, Hart Part Improvements 68th to 70th street area.

Mr. Porter explained that this project is the major capital improvement in the Parks budget for 2014. The 2014 budget contained \$750,000 for this project and bids were opened in June for the project due to a delay related need for a Wisconsin Department of Natural Resources (WDNR) permission to construct the pavilion in the floodway.

Due to the low bid being over budget, City staff need Budget and Finance input regarding funding for the project.

The staff recommendation is to use a portion of the \$500,000 earmarked for bicycle and pedestrian improvements. The Parks and Forestry Board recommended using a portion of the \$500,000 for Hart Park construction.

With Committee approval, the award of contract would proceed to Board of Public Works next Monday and Common Council next week.

Ald. Wilke echoed the Parks and Forestry Board's opinion that priority should be given to the amenities around the playground. Accepting the base bid and finding an alternative for shade structures should be the City's top priority.

Mr. Porter confirmed that the City will investigate options to install the alternate elements at the project site, including additional shade structures and the vendor pad. Due to the variance in costs quoted by the two bidders, the City may create a new specification for these elements.

Moved by Ald. Wilke, seconded by Ald. McBride
to recommend approval of the Staff recommendation to accept the low bid from
Stadler Construction for base bid amount of \$817,000 and utilize a portion of the
\$500,000 budgeted for bike paths in Hart Park to cover the \$67,000 which exceeded
the amount budgeted for the project (\$750,000) - Ayes: 8

Ald. Wilke remarked that Hart Park should not be the only focus. He opined that the remaining funds should be used for bike boxes throughout the City.

Mr. Porter noted that use of those funds would be covered when discussing the Capital budget.

Ald. Kofroth asked if design changes were considered to decrease the cost of the project.

Ald. Wilke noted that the project is not merely a building for restrooms. The project includes site irrigation and infrastructure elements, including water, sewer, benches, seating and lights.

Mr. Porter concurred and explained that the infrastructure elements account for approximately 3/4 of the project cost.

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS] Next: 6/30/2014 8:30 AM
TO:	Board of Public Works
MOVER:	Jason Wilke, Alderman
SECONDER:	Dennis McBride, Alderman
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth

6. Memo from the Development Director recommending approval of a Financial Assistance Policy and a Tax Increment Financing Program Policy

The Committee reviewed a memo from the Development Director recommending approval of a Financial Assistance Policy and a Tax Increment Financing Program Policy.

Mr. Archambo explained there are two pieces to the draft financial policies. First, there is an overarching policy under which any incentive program that the City provides would fall under, including CDBG, facade assistance, or economic development grants etc. Second, there is a specific policy for TIF assistance. By creating a financial policy, the City hopes to focus on areas of density development that are either failing or prime for growth. With specific regard to the TIF policy, a level of expectation is created by having the policy in writing, but the City is also limited by having a written policy.

Mr. Archambo noted that tax incremental districts are not inherently good or bad. It is how they are used that impact their worth. As an example, he described the life of the Burleigh Triangle TID. During the TID life, the incremental assessed value belongs to the TID and pays for TID related project costs. After the life of the TID, the total post TID assessed value belongs to all taxing districts in the TID area.

City staff does not expect the Committee to approve these policies as presented, but asks for feedback and input.

Mr. Archambo reviewed the draft policies provided in the meeting packet. The policies include an overarching policy for all financial assistance and a specific policy for TIF assistance. The policy currently states that "enhancing or diversifying the City's economic base and value density" and "encouraging redevelopment of under-utilized properties" are key public purposes of TIF assistance. The policy was created as a general guide rather than a specific set of criteria, so that the Council has significant latitude when making assistance decisions.

Atty. Kesner remarked that the Financial Assistance Policy will cover more than just tax increment districts. The heavy duty policy recommendations are in the first part of the policy draft.

Ms. Enders noted that this policy puts what has been done in the past into writing and the criteria are defined more clearly for a developer to understand what the City expects.

Mr. Ruggini noted that the public purpose objectives will be used to evaluate projects based on how they accomplish these objectives.

Ald. Roznowski asked if City staff reviewed other municipalities' TIF policies when forming this draft.

Ms. Enders explained that the City worked with Springsted to form the policies.

Atty. Kesner noted that the City reviewed other communities' policies, but this policy is unique to Wauwatosa due to the unique needs of Wauwatosa.

Mr. Archambo remarked that the vast majority of TIF policies are focused on job creation. The Wauwatosa policy is unique in that it focuses on value density. In addition, Wauwatosa analyzes the need for each project to occur but-for TIF assistance. Wauwatosa's increment return from base is 689%, which far exceeds neighboring municipalities, with only 5.86% of equalized value in TIDs at this time (state max is 12%).

Ald. Moldenhauer thanked staff for presenting these draft policies. He echoed that having a foundation for assistance provision gives the City a best practice to work from and codifies the City's provision of assistance. The policy will provide the Council with a guide for future requests. He expressed concern regarding the phrase "financial assistance" and asked that Staff consider a different name for the policies. He asked whether the financial assistance policy is intended to reflect the same level of rigor as the TIF assistance policy.

Mr. Ruggini confirmed that the City intends to apply the same level of rigor to other types of assistance.

Ald. Tilleson remarked that he understands why the City wants to create a TIF policy, but he expressed concern that a TIF policy will create an open door or send a message to developers that the City will always approve TIF assistance requests. In addition, the policy may cause developers to assume that dialogue with the Council will be unnecessary due to the TIF policy. The use of the word policy creates an end all, be all mentality and the use of govern in the first sentence of the policy is too final. Developers should be aware that the Council must approve each project.

Atty. Kesner concurred that there are reasons that TIF policy constricts the City and in some ways a TIF policy is a double edged sword.

Mr. Archambo noted that certainty of process and certainty of result are separate ideas, but he agreed that developers may learn how to play the process.

Ms. Enders confirmed that Staff will continue to ask developers to contact the aldermen in their district.

Ald. Tilleson remarked that the document should indicate that projects are reviewed on a case-by-case basis. Regardless of being told to contact the aldermen of their district, developers should understand the importance of working with the Council.

Ald. Roznowski opined that these points could be brought forefront in the policy, the fact that requests are still reviewed on a case-by-case basis and that developers must work with the Council.

Ald. McBride agreed that a policy will encapsulate what the Council has done and the City's priorities. In addition, he expressed support to soften the language by replacing govern with guide, or replacing policy with process. By putting the policy down in writing, the Council will have a reference point for developers to understand Wauwatosa's parameters for assistance. Rather than focusing on job creation, the focus on redeveloping is important to expand the City's tax base and, in turn, maintain services in Wauwatosa. However, jobs are also created when development occurs in Wauwatosa. This document can be improved, but City Staff's focused effort is appreciated to begin this process.

Ald. Tilleson noted that the Council generally approves of financial assistance when development projects require environmental remediation.

Atty. Kesner noted that Environmental Remediation TIDs have a separate state statute governing their implementation and use. Staff will most likely create a separate ER TIF Policy to address the specific requirements of the separate state statute.

Mr. Roznowski echoed thanks to City staff for formulating these draft policies. The City should continue to measure or monitor the success of TIF projects, including returns, life of the TID, and job creation. He inquired whether the wording of this draft would have changed any previous decisions of the Council and whether this type of policy, to Ald. Tilleson's point, would cause a developer to ask for TIF assistance when they would not have but for the policy.

Atty. Kesner explained that the wording provides enough flexibility for the decisions made in the past to be made under this policy. The policy is intended to allow the City to create successful TIDs and to allow the City to remain flexible in the future.

Ms. Enders noted that the remnant fire station parcel was a project that drove the desire for such a policy.

Atty. Kesner remarked that this type of policy will provide evidence of the City's mission and proof of the City's intentions. He added that Ald. Wilson, who was not present at the meeting, sent an email request suggesting that Community Development Committee and other development committees, including EDAC and CDA, should be involved in the review and creation of these policies.

Ald. Pantuso, Chair of CDC, agreed that CDC, EDAC, and CDA should have direct input into the development of the policy.

Atty. Kesner suggested that the discussion be kept at the Committee level during the development stages. He agreed that the item should be discussed by CDC and noted that the item will be included on upcoming EDAC and CDA agendas.

Moved by Ald. Moldenhauer, seconded by Ald. Tilleson
to refer this item to CDC for further review and discussion - Ayes: 8

Alds. Pantuso, Stippich, and Byrne departed at 10:14 p.m.

RESULT:	REFERRED [UNANIMOUS]	Next: 7/8/2014 7:00 PM
TO:	Community Development Committee	
MOVER:	James Moldenhauer, Alderman	
SECONDER:	Joel Tilleson, Alderman	
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth	

7. Ordinance amending Section 6.08.475 of the Wauwatosa Municipal Code providing for discretionary standards in the issuance of grants for certain Reserve "Class B" Liquor licenses (for introduction)

The Committee reviewed a proposed ordinance amending Section 6.08.475 of the Wauwatosa Municipal Code providing for discretionary standards in the issuance of grants for certain Reserve "Class B" Liquor licenses.

Atty. Kesner explained that the ordinance amendment clarifies the Council's ability to establish discretionary standards in the issuance of economic development grants for certain Reserve "Class B" Liquor licenses. It also provides that the funds received will go to health and wellness initiatives, and that economic development criteria will be taken into account when reviewing grant applications.

Ald. McBride inquired whether a party will sue the City in the future for exercising discretion.

Atty. Kesner explained that the City will be able to make findings that either show the grant is needed for economic development, or not needed for economic development. As a legislative body, the Council does have legislative discretion, as long as the Council makes legislative findings as the basis for the approval or denial.

Ald. Wilke suggested an edit to the ordinance text as follows:

"B. Following the issuance of an original reserve Class B liquor license and upon application, the Common Council may exercise its discretion in determining whether to provide a grant to the licensee in an amount not to exceed \$500.00 less than the amount actually paid by the licensee to the City of Wauwatosa for issuance for the new reserve Class B liquor license. Prior to awarding the grant, the Common Council shall make such findings and establish such conditions to ensure that grant funds awarded are provided for purposes of economic development and accessibility, and that fees received by the City shall be used for promotion of the health, safety, and welfare of the community."

Moved by Ald. Wilke, seconded by Ald. Dubinski
to recommend the ordinance for introduction with the text amendments
as proposed by Ald. Wilke - Ayes: 8

Ald. Tilleson asked if this wording would restrict staff from utilizing the revenue savings for other projects.

Mr. Archambo opined that this wording provides a purpose for the funds and absent a purpose, there would be no reason to retain the funds.

Mr. Ruggini noted that the City could choose to transfer funds to cover other projects if budgeted projects were covered by the revenue savings.

Ald. McBride argued that the word accessibility would be more appropriate in the second clause of the sentence with "health, safety, and welfare" and noted that ADA regulations could cause businesses to request financial assistance.

The Committee agreed to recommend the ordinance with the text amendment as proposed by Ald. Wilke and to discuss it further when the item returns to Committee on July 8, 2014.

AN ORDINANCE AMENDING SECTION 6.08.475 OF THE WAUWATOSA MUNICIPAL CODE PROVIDING FOR DISCRETIONARY STANDARDS IN THE ISSUANCE OF GRANTS FOR CERTAIN RESERVE CLASS B LIQUOR LICENSES

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

Part I. Section 6.08.475. B. Of the Code of the City of Wauwatosa is hereby amended to read in its entirety as follows:

B. Following the issuance of an original reserve Class B liquor license and upon application, the Common Council may exercise its discretion in determining whether to provide a grant to the licensee in an amount not to exceed \$500.00 less than the amount actually paid by the licensee to the City of Wauwatosa for issuance for the new reserve Class B liquor license. Prior to awarding the grant, the Common Council shall make such findings and establish such conditions to ensure that grant funds awarded are provided for purposes of economic development and accessibility, and that fees received by the City shall be used for promotion of the health, safety, and welfare of the community.

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

RESULT:	RECOMMENDED FOR INTRODUCTION [UNANIMOUS] Next: 7/1/2014 7:30 PM
TO:	Common Council
MOVER:	Jason Wilke, Alderman
SECONDER:	John Dubinski, Alderman
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth

8. Vouchers

Moved by Ald. Tilleson, seconded by Ald. Walz-Chojnacki that each and every voucher be allowed and paid - Ayes: 8

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Joel Tilleson, Alderman
SECONDER:	Gregory Walz-Chojnacki, Alderman
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth

9. *Proposed settlement in Macy's property valuation case regarding property at 2500 N. Mayfair Road

Moved by Ald. Roznowski, seconded by Ald. Moldenhauer 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, and may reconvene into open session - Ayes: 8

It was moved in closed session to recommend the settlement as proposed by the City Attorney.

The meeting adjourned at 10:34 p.m.

Carla A. Ledesma, CMC, City Clerk