



CITY OF WAUWATOSA
BUDGET AND FINANCE COMMITTEE
MINUTES • JULY 29, 2014

Regular Meeting

Committee Room #2

7:00 PM

7725 West North Avenue, Wauwatosa, WI 53213

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

ALSO PRESENT: Mr. Archambo, City Administrator; Mr. Ruggini, Finance Director; Ms. Enders, Development Director; Mr. Kesner, City Attorney; Mr. Porter, Public Works Director; Ms. Aldana, HR Director; Ald. Wilson; Chief Ugaste; Mr. Brown, Sr. Mgmt. Analyst; Captain Sharpee; Asst. Fire Chief Case; Asst. Fire Chief Erke; Mr. Wojcehowicz, Water Superintendent; Ms. Murphy, Library Director; Mr. Trunley, Asst. Library Director

BUDGET AND FINANCE COMMITTEE ITEMS

1. Appointment of Jalal M. Ali to the position of Director of Information Systems

Mr. Archambo explained that the City received 60 applicants for the position of IS Director and the recruitment consultant narrowed the candidate pool to fifteen individuals. The City interviewed five candidates through a two panel interview process. The two panels included internal and external parties. The chosen candidate, Jalal M. Ali, has experience in GIS, marketing, and increasing efficiency in field work. He will be a great addition to the City and his experience and leadership will beget transformational change. The City Administrator recommended this selection to the Mayor and she concurs with this recommendation.

Ms. Aldana agreed that the candidate was an excellent choice. He will bring transformational change to the IS Department and make a positive impact on the City as a whole.

Moved by Ald. Moldenhauer, seconded by Ald. McBride
to recommend approval of the appointment of Jalal M. Ali
to the position of Director of Information Systems - Ayes: 8

Ald. Wilke remarked that the applicant's GIS experience will be a great benefit to the City.

As a member of the interview panel, Ald. Walz-Chojnacki agreed that candidate was very motivated and excited to work for the City.

Atty. Kesner concurred that the candidate will provide transformational leadership in the City, beyond the IS Department.

Responding to Ald. Tilleson, Atty. Kesner confirmed that the IS Department will be fully staffed with the addition of this new director.

Ald. Wilson remarked that Mr. Ali will be a great addition to the IS Department. He opined that Mr. Ali will act as a change agent for the City by guiding transformational change.

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 8/5/2014 6:30 PM
TO:	Common Council	
MOVER:	James Moldenhauer, Alderman	
SECONDER:	Dennis McBride, Alderman	
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth	

2. Memo from the Water Superintendent requesting approval of network upgrades for the City's wireless infrastructure and advanced meter reading network

Mr. Wojcehowicz explained that the Wauwatosa Water Utility, together with the City's Information Systems Department, seeks approval to continue their working relationship with Baycom Incorporated to expand and upgrade the City's wireless communications network.

Baycom Incorporated was selected in a 2007 Request for Proposals for development of the City's video security surveillance and wireless infrastructure network. The initial goal was to develop a primary backbone for an internal communications network that would transmit data and video communications between city owned building operations. The City's wireless network includes City Hall, the Police Department, Mayfair Mall, the Public Works Yard, Hart Park, three fire stations and five water utility properties.

The current plan will shift older City equipment to expand the Water Utility's water meter reading network and purchase new equipment to strengthen the City's overall wireless network. The City will upgrade the system by relocating wireless equipment the City already owns and purchasing new equipment to be placed at the center of the wireless network.

On behalf of the Wauwatosa Water Utility, Mr. Wojcehowicz recommended approval of the Baycom Inc. purchase agreement for upgrades to the City's wireless system.

Responding to Ald. Moldenhauer, Mr. Wojcehowicz explained that both the Water Utility and the City overall will benefit from this upgrade.

Atty. Kesner explained that after initial warranties end, the City purchases service contracts for the equipment.

Moved by Ald. Tilleson, seconded by Ald. Kofroth
to recommend approval of a purchase agreement with Baycom Incorporated
in the amount of \$66,495 to expand and upgrade the City's wireless network - Ayes: 8

Responding to Ald. Kofroth, Mr. Wojcehowicz remarked that the purchase is time sensitive due to the Water Utility's meter replacement schedule, weather, and the tower work needed to expand the system. Atty. Kesner added that there are limited choices when upgrading an already existing network and commented that the new IS Director is aware of the upgrade.

Mr. Wojcehowicz summarized the Advanced Metering Infrastructure Program and described the wireless water meter reading equipment. A complaint was recently received regarding the program. The City offers an opt-out option for residents and the Utility works with residents to ensure that equipment placement is acceptable to the home owner.

Responding to Ald. McBride, Mr. Wojcehowicz confirmed that the Advanced Metering Infrastructure Program has saved the Utility \$35,000 by greatly reducing lost water revenue and creating additional labor cost savings.

Ald. Roznowski commended the Water Utility and the IS Department for their interdepartmental cooperation to improve the City's wireless network and create additional revenue.

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 8/5/2014 6:30 PM
TO:	Common Council	
MOVER:	Joel Tilleson, Alderman	
SECONDER:	Jason Kofroth, Alderman	
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth	

3. Memo from the Library Director requesting permission to purchase book-sorting equipment and waive the competitive bidding process

The Committee reviewed a memo from the Library Director requesting permission to purchase book-sorting equipment and waive the competitive bidding process.

Ms. Murphy explained that the 2014 City Capital Budget includes \$120,000 for purchase of an automated sorting machine in the Library. The actual cost of the project is approximately \$250,000. The Library Foundation is matching the City's outlay in order to complete this project.

Ms. Murphy recommended waiving the competitive bidding process for this purchase. While there are other vendors, the Wauwatosa Library's self-check stations are 3M machines and the Library already has repair and replacement agreements with 3M for those machines. To guarantee machine compatibility, the Library requests authorization to waive the competitive bidding process for this purchase. The automated sorting machine from 3M will have a 6 week lead time from the date of order and the Library hopes to have the machine in place by mid-September. Library staff have been working with David Jaeckels to schedule the necessary building changes for installation of the automated sorting machine.

The Committee reviewed a memo from the Library Director requesting permission to purchase book-sorting equipment and waive the competitive bidding process.

Ms. Murphy introduced Robert Trunley, Assistant Library Director, as the point person for the automatic book-sorting equipment project.

Mr. Trunley explained that the equipment will greatly improve customer service for the Library. Library users will receive a receipt when items are returned to confirm

Mr. Ruggini noted that the project was approved last year, but Council approval is required to waive the competitive bidding process.

Responding to Ald. Walz-Chojnacki, Ms. Murphy explained that the cost estimate of \$250,000 may be high and the ancillary building modifications may cost less than estimated.

Responding to Ald. Moldenhauer, Mr. Trunley explained the Wauwatosa Library's self-check stations are 3M machines and the Library already has repair and replacement agreements with 3M for those machines. To guarantee machine compatibility, the Library requests authorization to waive the competitive bidding process for this purchase.

Moved by Ald. Moldenhauer, seconded by Ald. Walz-Chojnacki
to recommend approval for the purchase of automated book sorting
equipment from 3M and waive the competitive bidding process - Ayes: 8

Responding to Ald. Wilke, Ms. Murphy explained that users utilizing the outside book-drop will not receive a receipt due to the constraints of the building structure. The automated system will allow the Library to replace four circulation attendant position with lower paid employees by attrition, due to the automation of item sorting. The Library has already reduced staffing over the last three years, including three full-time equivalents in the circulation area.

Responding to Ald. Tilleson, Mr. Trunley explained that there are other vendors, but 3M is at the forefront of the field. Ms. Murphy agreed that 3M is the most reliable company to provide the equipment.

Ald. Tilleson agreed that it is important to select a vendor with a proven track record and expressed approval of the Library's decision to purchase 3M products.

Ald. McBride analogized that you may buy cheaper cars, but you will have to pay higher maintenance costs over time. He agreed that selecting 3M as a vendor will benefit the City over time.

Ald. Moldenhauer remarked that the Council approved the advance purchase of radio equipment for Police and Fire a few weeks ago and waived the competitive bidding process. Motorola was selected as the vendor because they are the "best in their field". Like Motorola, 3M is the "best in their field".

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]	Next: 8/5/2014 6:30 PM
TO:	Common Council	
MOVER:	James Moldenhauer, Alderman	
SECONDER:	Gregory Walz-Chojnacki, Alderman	
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke, Kofroth	

4. Memo from the Finance Director presenting the 2014 second quarter General Fund results

Mr. Ruggini presented the second quarter 2014 General Fund Report.

In terms of Revenue, Hotel/Motel has increased. Despite the closure of one hotel, the City remains in a surplus position and the second quarter revenue was \$16,920 over the same period in 2013. Building permit revenue continues to improve. Public safety violation have taken a downturn and the City expects a deficit. This is directly related to the nine vacancies in the Police Department. Ambulance revenue also experienced a downturn in revenue in the second quarter, but the City recently switched collection vendors and this could be a blip due to timing. The volume of ambulance transports has maintained, so this downturn is centered on the collection side.

In terms of Expense, the surplus for regular pay has increased. The City conservatively estimates vacancies and assumes that any vacancies will be filled by mid-year. However, the City is currently negotiating with both the Police and Fire Departments and the City expects an increase in expenses to provide a cost of living pay increase to sworn officers. Overtime is improving, but it is difficult to forecast. Police and Fire will have to use overtime to back-fill vacant positions and this may result in a downturn in the third quarter. Interdepartmental charges have worsened due to the harsh winter, as the Streets division was billed \$275,865 in fleet charges compared with \$185,080 during the same period last year.

Based on the revenue and expenditure projections described above, the General Fund is forecasted to have a \$355,117 surplus. Given the \$242,849 of surplus applied in the 2014 budget, this would result in a \$112,268 increase to the General Fund balance. This represents a variance of .02% of total budgeted expenditures and would increase total fund balance from 17.2% to 17.5% of general fund expenditures. The target is two months of expenditures which equals 16.7%

Mr. Ruggini made no recommendations for action at this time.

Responding to Ald. Moldenhauer, Mr. Ruggini explained that insurance type impacts the City's ability to collect ambulance revenue. Dealing with secondary insurance providers, timeliness of billing, and tracking down direct pay customers inhibits the collection process. Since 2011, the City replaced the collecting vendor and the billing vendor. After 120 days, if there is no activity on an account, the billing vendor sends the charge to the collecting vendor.

Responding to Ald. Moldenhauer, Mr. Ruggini explained that he hasn't compared the City's building permit revenue to other municipalities in the area. He noted that a large portion of the current revenues are related to Froedtert, which is a tax exempt property, so increased building permit revenue does not necessarily link directly to tax base growth.

Mr. Ruggini explained that budgeting fund balance puts pressure on the organization to monitor the budget very closely during the year. The current Administration prefers to budget what they think will occur, which creates a more accurate budget and reduces risk throughout the year by setting expenditures to match expected revenue.

Ald. Tilleson echoed Ald. Moldenhauer's remarks regarding the magnitude of the ambulance collection and the past-due citation collection. He agreed that these uncollected revenue sources should be focused on.

Mr. Ruggini opined that the new vendors for ambulance billing and collection are the right fit for the City. He agreed that the City should focus on the other revenue that is owed to them. Past-due citations are significant and alternative methods to collect this type of revenue should be discussed.

Ald. Tilleson commended the Police and Fire Departments for their dedication to keep overtime down while enduring significant vacancies.

Mr. Ruggini agreed that the success of the City's budget depends on department level budget management.

5. Compensation and benefits overview in preparation of the 2015 Budget

Ms. Aldana presented a salary and benefits overview in preparation of the 2015 budget to provide context for budget deliberations, review salary and benefit expenses, and describe key strategies.

Total compensation is approximately 70% of operating expenditures each year. In 2014, budgeted salaries equaled \$26.3 million and budgeted benefits equaled \$12 million. The City is permitted to increase the levy by .5% each year, which is approximately \$190,000 based on the budget of \$39 million. If you assume a 3% salary increase, there would be \$780,000 additional expenses and an 8% claims increase would equal \$462,400 in additional expenses. This explains the budget gap phenomenon. The City manages budget gaps by keeping costs down, increasing revenues, and promoting additional development to increase the levy increase.

In 2014, the City had 453 budgeted full-time equivalent (FTE) positions. For the 2015 budget, there is a preliminary salary budget increase of 1.6% cost of living adjustment and 2% of salary to be distributed as performance pay.

The City provides health insurance, vision insurance, life insurance, dental insurance, retirement savings accounts, and the employee wellness program. Overall, the 2015 projected rate increase for health insurance will be 6.67%.

The City continually looks for strategies to manage their human capital. Similar to the capital improvement plan, the City must carefully plan based on anticipated needs and available resources. One such strategy is the implementation of a new compensation plan in 2014. This plan adjusted for the market and implemented a performance pay system. Another strategy is increased focus on employee engagement. By heightening an employee's connection to the organization, the employee is more likely to go above the minimum and outperform other organizations. Another human capital management strategy is Project Leadership. This project included training to develop leadership skills city wide in the form of three Art of Coaching sessions, built a performance evaluation process, and performed a pilot performance system in spring 2014, which will link to pay in 2015.

Ald. McBride noted that capital may be referred to as a form of wealth. The wealth of knowledge and experience that City staff provide is significant and this form of wealth must be protected. In addition, he

opined that the City must build their employees into the strategic plan, in order to build a stronger, more engaged workforce. By focusing on the mission, the City may foster this type of employee engagement.

Ms. Aldana presented an Invest in People video. The Invest in People website was launched recently. It includes unlimited online training and opportunities for employees to request customized training.

Ald. Wilke remarked that this type of program is a great addition to the City's employee offerings and could act as a marketing tool for the City.

Responding to Ald. Roznowski, Ms. Aldana explained that this type of program is unique in the local government sector.

Mr. Ruggini explained that the City previously offered a lump sum of a few hundred dollars, which was re-purposed to fund this employee development project.

Ald. Moldenhauer remarked that the Invest in People logo reminds him of Maslow's hierarchy of needs, which highlights the City's desire to motivate employees and fulfill their diverse needs. He thanked Ms. Aldana for the presentation and noted that he will save his specific questions for the budget process.

Ald. McBride asked if there has been enough time to assess employee utilization of the Wauwatosa Invests website.

Ms. Aldana noted that the website was recently launched, but the City will continually promote the site and encourage employees to utilize the funding for customized training.

Responding to Ald. McBride, Ms. Aldana confirmed that leadership competencies are expected of all City employees. Every employee is viewed as a leader of the organization and is expected to act as such.

Responding to Ald. Tilleson, Ms. Aldana explained that individuals were chosen to be included in the promotional material that reflected various areas of the organization and additional employees were involved in the creation of the performance pay competencies.

Ald. Roznowski commended the City for creating this program and remarked that this project indicates to employees that they are an important asset.

The meeting convened a five minute break at 8:50 p.m.

The meeting reconvened at 8:55 p.m.

6. Memo from the Finance Director presenting an update on 2015 Budget departmental initiatives

The Budget Committee requested a final budget update prior to the August recess, to include information on departmental levy reduction initiatives. No final decisions have been made, but a wide array of departmental changes were included in this item's memo to provide the Committee with a representation of the different ideas being considered for 2015 and beyond.

Mr. Ruggini presented an updated cost-to-continue analysis. Since April, additional information has become available that impacts the cost-to-continue. As described last month, net new construction is estimated to be approximately 1.0%, which is \$13,000,000 higher than included in the original cost-to-continue, and equates to approximately \$100,000 of additional revenue. It is important to note this is the estimate provided to the Department of Revenue, but it must still be certified.

However, pension contributions did not decrease as much as expected. The budget strategies assumed a 2% reduction in the employer (ER) contribution, but the Police and Fire contribution decreased .68 percentage points, while general employees decreased .20 points. The employee contribution for all employees decreased

.20 percentage points. While lower than expected, it still results in a decreased fringe rate for City operations and an increase in take-home pay.

Additionally, the health insurance projection is better than forecasted due to lower than budgeted claims in 2013 and the first half of 2014, as well as a very favorable stop loss renewal. The budget gap has decreased from \$1.1 million to \$0.6 million. The strategies not yet applied to the budget gap include health plan design changes, phase in of the elimination of the surplus applied, revenue increases, or departmental levy reductions. In addition, total wages are not yet finalized.

As discussed in April, given how the 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. Each quadrant was asked to reduce their budgets by 1%.

As the budget is still very much in development, there are many strategies still being considered. Departments, in total, were asked to decrease their property tax levy \$250,000 for 2015. They were also requested to submit initiatives for 2016 totaling another \$200,000. Incentives were put in place to encourage departments to implement their 2016 initiatives in 2015, so as to ensure more time to prepare for the 2017 budget.

City Hall departments collectively were requested to reduce their combined property tax levies by \$52,000 in 2015 and \$42,000 in 2016. The following initiatives are being considered:

- Increase P-card revenue by transitioning more purchases from checks to credit card
- Staffing reorganization
- Instituting business licenses
- Obtaining cost savings in janitorial services in 2016 through competitively re-bidding the contract and allow city staff to bid (e.g. managed competition)
- Create a parking utility including installation of parking meters in select areas and instituting a fee for overnight parking permits
- Increase all fees that have not been increased in more than 3 years and where an increase will not reduce revenue
- Analysis of collection rate of current billings (e.g. damaged traffic signals, court citations, etc.)
- Re-estimate building permit revenue
- Implement encroachment fees for utilization of City right-of-way
- Encourage more part-time work and job-sharing.

The Fire Department was requested to reduce their levy by \$69,000 in 2015 and \$55,000 in 2016. The following initiatives are being considered:

- Reduction of three firefighter positions (needed to cover the base levy reduction)
- Promote fourth firefighter position to newly created Battalion Chief of Training (Fire & EMS)
- Additional levy reduction of \$7,280 to staff dispatch supervisor position

Mr. Ruggini noted that the reduction of staff will have minimal impact on daily operations due to the large number of new employees with less vacation and lower frequency of sick use.

The Fire Department also considered the following items, but were inhibited as described below:

- Increase in Fire Inspection Fees (not allowed per state statute)
- Bill for motor vehicle accident response (not allowed per state statute as new fee)
- Community Paramedics - In light of Affordable Care Act, perform follow-up visits and provide home care for recently discharged patients. This program is in its infancy and is being studied by the state and Milwaukee County EMS. It may serve as a revenue source in the future.

Thursday, September 18th: General Administration, Part II
Police
Fire

Thursday, September 25th: Public Works
Engineering
Utilities

Thursday, October 2: Overflow (if needed)
Tabled items
TIF
Non-departmental

Thursday, October 23: Capital Budget

The official public hearing is scheduled per statute for November 4th with budget adoption scheduled for November 18th.

Mr. Archambo explained that pension contribution reduction, offset surplus applied, health plan design changes, and additional revenue are the central changes that may reduce the budget gap. Beyond those central changes, departments are asked to reduce their budgets by implementing levy reduction strategies.

Responding to Ald. McBride, Mr. Ruggini explained that the City works with a healthcare actuary and each quarter the healthcare trend has decreased over the past few years. The City has beaten trend over the last five years due to health plan design and a focus on the cost of different treatment options. Additional plan design changes could result in behavioral shifts that would result in further cost savings. Only premiums are negotiable items. Plan design changes do not have to be negotiated.

Ald. Moldenhauer noted that these department strategies equate to approximately a 1% budget savings. In terms of the City's newly created strategic plan and strategic goals, he opined that the City should be able to reduce the budget by 1%.

Mr. Ruggini explained that a 1% budget cut is extremely difficult because the City has already addressed many inefficiencies and increased revenue where possible.

Ald. Moldenhauer remarked that the City should focus on efficiency to create cost savings by continually focusing on strategic avenues, such as redesign of structure within departments and across departments.

Mr. Archambo noted that this point is conceivable, but there are a host of issues that impede reduction when smaller departments exist.

Ald. Moldenhauer suggested that the City consider hiring a lean consultant that would guide change and help staff bring about changes to eliminate inefficiency.

Responding to Ald. Tilleson, Chief Ugaste and Captain Sharpee confirmed that staff reductions will be necessary to meet the 1% budgetary reduction, regardless of other levy reduction strategies.

Ald. Tilleson remarked that these drastic staff cuts are in conflict with the request for marketing and communications funding. He remarked that he could not vote for an additional half-time position to support marketing when the City is actively considering staff elimination in the public safety departments. He opined that the City should focus on these critical services and weigh the value of each service before funding positions in other areas.

Mr. Archambo agreed that it is a difficult situation, as the City strives to invest in itself, but may have to shed positions at the same time. As an example, he noted that the City could utilize an intern pool to offset clerical workload. The City could look at alternative methods, such as an intern pool, to fill positions and reduce labor costs, but these changes may not eliminate the need to shed positions elsewhere. The City must reinvent itself by looking at new ways to do things.

Ald. Tilleson asked that the intern pool concept be presented in full form during the budget process. However, the current situation appears as if the City is finding funding for new positions, while eliminating positions in other departments.

Ald. Wilke noted that the Library is purchasing technology to reduce labor costs, but is maintaining the positions. He opined that it seems like Police and Fire have been expected to cut more over the last few years than City Hall departments and he argued that many residents would rank public safety services at a higher value than other City services. He questioned if value of service is considered when setting the levy reduction levels for each area.

Mr. Ruggini explained that each of the four quadrants, Police, Fire, Public Works, and City Hall, are given an expected budget reduction and they choose how to meet that reduction. In City Hall, there have been major changes, including position elimination, to meet the levy reductions each year. For example, the Comptroller's office has reduced staff by 10%, the Chief Building Inspector position was eliminated, and the Community Development Director position was eliminated. The City strives to be fair when requiring levy reduction.

Mr. Ruggini suggested there must be a balance. The City can't expect employees to suggest ideas for efficiency if the City eliminates positions as soon as new processes are in place. The City has strived to not implement layoffs because they are not in the organization's long-term best interest. However, positions will be eliminated or reclassified through attrition as process improvements are put in place, such as the circulation area of the Library.

Ald. Wilke argued that the City should consider the possibility of layoffs rather than wait for attrition when the labor is redundant.

Mr. Archambo remarked that the City could consider retirement incentives. He noted that the City must be sensitive when discussing layoffs or reorganization.

Ald. Kofroth opined that parking meters are in conflict with the Police Department's current inability to enforce parking restrictions due to vacancies. He agreed with the intern pool concept and opined that interns should replace full-time clerical staff to save on labor costs. The City should avoid relying on short term fixes, such as salary savings from new employees, to resolve the budget gap and fully staffed departments should be asked to cut positions before public safety is brought down to minimum staffing levels. He opined that it is not the City's job to employ people, but it is the City's job to keep people safe.

Ald. McBride noted that Police, Fire, and DPW make up 75% of the City's budget, so it is understandable that these areas must make cuts to meet the necessary levy reduction. However, he opined that the levy reduction distribution, 1% from each quadrant, is misguided. The value of each area should be considered when levy reductions are calculated. Utilizing interns to replace full-time employees is a risky option due to the educational expectations of an internship program, but retirement incentives may entice employees already eligible for retirement to retire sooner. He agreed with Mr. Ruggini that laying off employees is in direct conflict with the City's current employee engagement initiative, but offering employees the opportunity to retire sooner would not conflict with employee engagement or their willingness to implement process improvements. The City has reached the pain point, in which decisions will greatly impact services and Council must face these decisions rationally.

Ald. Wilke agreed that the City has reached the point of difficult decisions and state requirements have caused the City to reach this point. The City must assess the value of services and create creative, alternative methods to provide services, such as an after school program at the Library.

Ald. Walz-Chojnacki remarked that Wauwatosa is a destination and that label is more than the Police and Fire services. The Library services and the quality of other City services are part of the package that makes Wauwatosa great. He noted that the public has the option to go to referendum to increase the levy to maintain the City's current level of services.

Mr. Archambo noted that the City has the option to utilize one-time levy capacity that is available due to the City's frugality in the past.

Mr. Ruggini explained that the City can choose to exceed net new construction by utilizing this one-time levy capacity. The City must be careful when this levy capacity is used, but Mr. Ruggini suggested using this option prior to pursuing a referendum to increase the levy.

Responding to Ald. Tilleson, Mr. Brown explained that the Crossing Guard budget is expected to increase 1.5% due to the fact that the current contract ends at the end of next school year. The Ad Hoc committee researched bringing the crossing guard program in-house, but the level of risk and limited amount of savings expected from this change deterred the City from pursuing that option.

Ald. Roznowski thanked Mr. Ruggini for his presentation and Ald. Wilke for requesting this in-depth budget overview.

7. Memo from the Public Works Director requesting approval of a Memorandum of Understanding between the City and the Wisconsin Department of Transportation for Burleigh Street Improvements between Mayfair Road and 124th Street

The Committee reviewed a memo from the Public Works Director requesting approval of a Memorandum of Understanding (MOU) between the City and the Wisconsin Department of Transportation for Burleigh Street Improvements between Mayfair Road and 124th Street.

Mr. Porter explained that there has been significant street improvements completed on Burleigh Street between Mayfair Road and 124th Street, but many aspects of the work are ongoing. The MOU codifies deadlines and expectations for the remainder of the project, with final completion by July 1, 2015. There are additional changes needed in the public right of way, including Water Utility work and pedestrian crossings. The City will return in 2015 to finish the permanent striping of the road. Beyond that, additional work at the Mayfair Road and Burleigh Street intersection would be completed in 2015. Project agreements will follow this Memorandum of Understanding to define the specific costs of the projects. The MOU defines the timeline for these projects. The DOT intends to remove barrels from the area by Black Friday.

Responding to Ald. Roznowski, Mr. Porter explained that the MOU spells out the parameters of the project, but project agreements will spell out the cost details.

Ald. Wilson remarked that the City's relationship with the DOT has been disappointing over the last few years. The MOU lacks detail regarding the final product. The MOU proposes sections of Burleigh Street that would be 8 or 9 lanes wide and could easily cut off parts of the City. This DOT project conflicts with the City's goal to break down large industrial sites to create pedestrian-friendly areas. He expressed concern that the MOU limits the City's ability to impact the structure of the final project.

Ald. McBride thanked Ald. Wilson for expressing these concerns. In the MOU, the intersection of Highway 100 and Burleigh Street is proposed to expand to 5 lanes westbound, 6 lanes northbound, and 6 lanes eastbound. He remarked that he will not vote for this item, unless drastic changes are made. He agreed that the number of lanes is extreme and will cut off parts of the City. He opined that the DOT plan as written will negatively impact Wauwatosa as a whole.

Ald. Tilleson agreed with the comments of Aids. Wilson and McBride. The number of lanes is extreme and the amount of lanes conflicts with the Comprehensive Plan's goal for better pedestrian access in this area. He noted

that DOT has worked well with the City on some projects, but this plan and other projects do not reflect cooperation or understanding. He remarked that he is open to holding the item, but would not vote in favor of the MOU as written.

Ald. Wilke thanked the Committee and Ald. Wilson for their comments. He remarked that the City failed to bring these plans to Committee and the plans cut off the west side of the City. Some elements are positive, including crosswalk markings, but he opined that this plan should have been reviewed by the Committee before it came to this point. He asked whether a review of the plans is possible at this point.

Atty. Kesner noted that contract specifications do not come to Council prior to the request for contract approval, but the final plan must be approved by Council. The DOT has the right to control a quarter mile from intersection with their roads.

Responding to Ald. Wilke's question, Mr. Porter explained that without approval, other projects and agreements related to work in this area will be negatively impacted, possibly delayed or cancelled.

Ald. Walz-Chojnacki noted that the City has approved major development projects in this area and questioned whether the developments require these traffic lane levels.

Mr. Porter explained that traffic levels are part of the analysis for these street improvement projects. However, the plan is written in phases and the final plans as written are to be implemented in 2035. The curbs have been installed and lane widening has occurred on 114th Street for the Meier development.

Ald. McBride firmly expressed that the City must have the opportunity to say no to the DOT and tonight is the night.

Ald. Walz-Chojnacki sympathized with Ald. McBride's viewpoint, but questioned whether a reduced throughput would impact the developments along Burleigh Street.

Atty. Kesner explained that the MOU is a quid pro quo. The DOT has to provide, under state law, permits for driveways, crossings, and stop lights. Much of the work the City plans to accomplish in this area depends on the issuance of these permits. Non-issuance of the permits would be a possible immediate impact of halting the MOU.

Ald. Moldenhauer remarked that the City has little choice in the matter. Ultimately, the City must accept the DOT's plan.

Responding to Ald. Moldenhauer, Atty. Kesner noted that the City may choose to disagree, but this may hinder the issuance of DOT permits and possibly limit the number of crossings in this area.

Mr. Porter recommended that the Committee consider approval of the improvements through July 2015 and request ongoing dialogue with the DOT.

Ald. Tilleson opined that this is a repeat problem with the DOT, in which the City is forced to comply with the DOT's version of an MOU. He argued that this is a good opportunity for the City to voice their opposition. He remarked that Ayres should be asked to provide a pro bono instruction on the results of their study. He assured Mr. Porter that the blame for this ill-conceived plan lies with the DOT, not with Mr. Porter or his staff.

Ald. Wilson stated that he spoke to Tim Blumm of H.S.A., the developer of the Mayfair Collection. From this conversation, Mr. Blumm indicated that the road, as it stands, would be acceptable for their development to prosper. Ald. Wilson opined that the City should call the DOT to table and discuss the plan, including pedestrian traffic through the area. He questioned whether the City should pursue other throughputs in the area to ease the traffic flow.

Ald. McBride reiterated that the blame lies with the DOT, not Mr. Porter. He remarked that the developments are not going anywhere. He agreed with Ald. Wilson that the DOT should be called to the table. The only chance the City has to talk to the DOT is to decline this MOU and demand a seat at the table.

Ald. McBride moved, Ald. Tilleson seconded to hold the item and designate a subcommittee of three aldermen to negotiate with the DOT regarding the Burleigh MOU, including Aids. Wilson, Wilke, and Roznowski, to report back to the Budget and Finance Committee - 8

Ald. Tilleson noted that the City taken great strides in this area to improve pedestrian access and this action is an appropriate response to protect their investment and vision for the area.

By consensus, the Committee agreed to assign Aids. Wilson, Wilke, and Roznowski as the negotiation subcommittee.

Ald. Wilke remarked that this action will allow the City to express their concerns and work towards an agreeable plan.

Atty. Kesner remarked that the DOT is historically difficult to negotiate with and noted that Staff have worked on this for a long time.

Ald. Dubinski questioned how this situation occurred and asked why City Staff failed to provide information regarding the project when asked.

Atty. Kesner noted that committees do not routinely review road design plans.

Mr. Archanbo remarked that the MOU deals with the sections of Burleigh Street where it intersects with DOT controlled roads. Originally, the DOT requested property acquisitions on all four corners of the intersections, but the City negotiated to reduce the acquisition to what is required at this time.

Responding to Ald. Dubinski, Mr. Porter explained that this project is a special case, due to multiple developments in the area and the multi-phase timeline of the project. He noted that Staff works diligently to include both residents and the Council in road planning projects, including the North Avenue and Milwaukee Avenue projects.

RESULT:	HELD
----------------	-------------

8. Memo from the City Attorney requesting approval of an Acquisition Plat for the widening of Burleigh Road at Highway 100, as well as Temporary Limited Easement for construction purposes

Moved by Ald. McBride, seconded by Ald. Tilleson to hold this item and make part of the negotiations of the subcommittee formed in motion of item - 7

9. Vouchers

Moved by Ald. Tilleson, seconded by Ald. Kofroth that each and every voucher be allowed and paid - 8

The meeting adjourned at 10:57 p.m.

Carla A. Ledesma, CMC, City Clerk