



CITY OF WAUWATOSA
BUDGET AND FINANCE COMMITTEE
MINUTES • FEBRUARY 10, 2015

Regular Meeting

Committee Room #2

7:00 PM

7725 West North Avenue, Wauwatosa, WI 53213

BUDGET AND FINANCE COMMITTEE ITEMS

Attendee Name	Title	Status	Arrived
James Moldenhauer	Alderman	Present	
Jeffrey Roznowski	Alderman	Present	
John Dubinski	Alderman	Present	
Gregory Walz-Chojnacki	Alderman	Present	
Dennis McBride	Alderman	Present	
Joel Tilleson	Alderman	Present	
Jason Wilke	Alderman	Present	
Jason Kofroth	Alderman	Excused	

2. Memo from the Director of Public Works requesting approval of a multi-year Agreement with Trane U.S. Inc., for maintenance of air conditioning unit at the Civic Center

Mr. Wehrley spoke briefly about the Civic Centers main air conditioning unit that was installed in 2001. Now that the unit is out of warranty there is a need to acquire a service agreement. The Physical Plant staff has received a five-year agreement from Trane U.S. Inc, that would perform two maintenance checks per year through 2019. The annual cost in 2015 will be \$1,519 and in 2018 it will be \$1,635. Funds have been budgeted for this purpose in the 2015 Civic Center Operating budget.

Moved by Ald. McBride, seconded by Ald. Dubinski
to approve a multi-year Agreement with Trane U.S., Inc.
for maintenance of the air conditioning unit at the Civic Center. -Ayes: 7

RESULT:	RECOMMENDED FOR APPROVAL [UNANIMOUS]
MOVER:	Dennis McBride, Alderman
SECONDER:	John Dubinski, Alderman
AYES:	Moldenhauer, Roznowski, Dubinski, Walz-Chojnacki, McBride, Tilleson, Wilke
EXCUSED:	Kofroth

3. Memo from the City Engineer regarding proposed change to alley assessment policy

Mr. Wehrley explained the City's assessment policy for repaving streets, alleys and sidewalks. He stated that typically the assessment policy remains the same and only the rates are adjusted. Historically alleys have been assessed at actual cost prorated amongst the abutting property owners based on their assessable frontage. Recently the cost of and availability of concrete has caused rates to increase significantly, thus making the assessments, and cost to residents vary greatly and can become unequal thorough out the City. In addition, the City is interested in pursuing "Green Alleys" which could also affect the cost of an alley. Because of this, staff would like to propose changing the assessment for alleys to a fixed rate per foot of frontage.

Ald. Moldenhauer asked how often this fixed rate would be evaluated as it could result in both an undercharging or an overcharging as cement costs change.

Mr. Wehrley stated that the rate would be reviewed annually to keep the rate at an appropriate level. He added

that often the City will group projects together to get the best cost on materials.

Ald. McBride state that the risk of either overcharging or undercharging appears to be low due to the annual consideration and he feels this is a fair and right change to the alley policy.

Moved by Ald. McBride, seconded by Ald. Moldenhauer to approve the change to the alley assessment policy to a flat rate per frontage foot. The assessment rate for green alleys shall remain the same as if the alley was intended for standard resurfacing or reconstruction. - Ayes: 6

RESULT:	RECOMMENDED FOR APPROVAL [6 TO 0]
MOVER:	Dennis McBride, Alderman
SECONDER:	James Moldenhauer, Alderman
AYES:	Moldenhauer, Roznowski, Dubinski, McBride, Tilleson, Wilke
EXCUSED:	Kofroth
AWAY:	Walz-Chojnacki

- 4. Memo from the Finance Director requesting approval of an Initial Authorizing Resolution for up to \$6.5 Million In General Obligation Bonds for financing Discovery Parkway and other related TIF 6 expenditures

Mr. Ruggini and Paul Thompson of Hutchinson, Shockey, Erley & Co. reviewed the Tax Increment District (TID) 6. Mr. Ruggini stated that the City had internally financed Discovery Parkway costs and now must refinance with a 20-year General Obligation Bond which requires an initial authorizing resolution. This will allow staff to begin preparations for issuing up to \$6.5 million in tax-exempt bonds. He stated that given the City's cash liquidity, and the interest rate environment, the City chose to have the General Fund internally finance the TID 6 Discovery Parkway's costs. The IRS rules require that permanent financing be put in place no later than 18 months after the asset is put into service, therefore, since Discovery Parkway opened in October 2013, bonds must be issued by April 15, 2015.

Mr. Ruggini continued with the current state cash flow and projected development cash flow, explaining that issuing the \$6.5million in General Obligation debt will result in annual debt services payments for 20 year and recommends approval of the initial authorizing resolution for up to \$6.5 million in 20 year General Obligation Bonds.

Ald. Tilleson thanked Mr. Ruggini for the outstanding job he does handling the City's finances.

Ald. Moldenhauer agreed with Ald. Tilleson and asked about he need for the notice to electors.

Mr. Thompson explained that unlike Notes, which need no such notice, Bonds require a notice to electors because they are petitionable and could go to referendum with the proper percentage of signatures.

Ald. McBride stated that a debt for 20 years at 2.8% is highly desirable and is in favor of the resolution.

RESULT:	INFORMATION ONLY
----------------	-------------------------

- 5. Initial Resolution authorizing General Obligation Bonds in an amount not to exceed \$6,500,000 for Community Development Projects in Tax Incremental District No. 6
- 6. Resolution providing for the sale of \$6,500,000 General Obligation Community Development Bonds, Series 2015A

7. Resolution directing publication of Notice to Electors relating to Bond issue

Moved by Ald. Tilleson, seconded by Ald. Moldenhauer to approve the Initial Resolution authorizing General Obligation Bonds in an amount not to exceed \$6,500,00 for Community Development Projects in Tax Incremental District No. 6; and to approve a Resolution directing publication of Notice to Electors relating to Bond issue. -Ayes: 6

RESULT:	APPROVED [5 TO 0]
MOVER:	Joel Tilleson, Alderman
SECONDER:	James Moldenhauer, Alderman
AYES:	Moldenhauer, Roznowski, Dubinski, McBride, Tilleson
EXCUSED:	Wilke
AWAY:	Walz-Chojnacki

8. Memo from the Development Director regarding the creation of Tax Incremental Finance District No. 9

Mr. Archambo began by stating that the boundaries of this Tax Incremental Finance District (TIF) include areas suitable for new development and public infrastructure improvements. He explained that 70% annual increment is pledged to the developer and 30% is retained by the City for public improvements.

Makala Hewitt of Springsted Inc. Explained the TIF and reviewed the feasibility study. She said that the City intends to create a TIF to assist with project costs and public works improvements. The purpose is to be the primary public financing tool for redevelopment of the area included within the district on Mayfair Road North. As part of the redevelopment plan, the 30,000 square foot office building located at 2100 North Mayfair Road will be demolished and the parcel combined with the neighboring property located at 2050 North Mayfair Road. The development will consist of an approximate 96 unit multifamily apartment building. Estimated incremental valuation of the proposed multifamily apartment building is \$10,986,420 upon full build-out of the site. Based upon these redevelopment assumptions, the incremental value (\$10,986,420), could be generated over the life of the District and provide tax incremental revenues for financing of the redevelopment costs over approximately 11 -12 years, which is significantly shorter than the life of the District, which is 27 years.

Ald. Tilleson stated that although he supports the merits of the TIF district he is not in support of this proposal.

Ald. McBride stated that this was a good TIF for the area and is overdue. If new water mains are needed in the area, doing them as part of a TIF is a good way to go about it. He asked if there would be any issue presenting this TIF to the Joint Review Board.

Ms. Hewitt stated that the Joint Review Board likes to see TIF's close quickly, and therefore does not see any issues with this TIF.

Moved by Ald. McBride, seconded by Ald. Dubinski to approve the creation of Tax Incremental Finance District No. 9. Vote: 4-2 (Tilleson, Wilke)

RESULT:	RECOMMENDED FOR APPROVAL [4 TO 2]
MOVER:	Dennis McBride, Alderman
SECONDER:	John Dubinski, Alderman
AYES:	Moldenhauer, Roznowski, Dubinski, McBride
NAYS:	Tilleson, Wilke
EXCUSED:	Kofroth
AWAY:	Walz-Chojnacki

9. Vouchers

There were no vouchers to consider

10. *Update by Asst. City Attorney/HR Director on collective bargaining

*Committee may convene into closed session per Wis. Stat. 19.85(1)(c): Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, and may reconvene into open session.

Moved by Ald. McBride, seconded by Ald. Tilleson, to move into closed session at 8:23 PM pursuant to Wis. Stat. 19.85(1)(c): Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, and may reconvene into open session. -Ayes: 7

RESULT:	INFORMATION ONLY
----------------	-------------------------

Carla A. Ledesma, CMC, City Clerk