

CITY OF WAUWATOSA

MEMORIAL CIVIC CENTER
7725 WEST NORTH AVENUE
Telephone: (414) 479-8917
Fax: (414) 479-8989

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, June 10, 2003

Committee Room #2

PRESENT: Ald. Bruderle-Baran, Casey, Grimm, Jenkins, Matthews, McCarthy, Stepaniak,
Subotich – 8

ALSO PRESENT: T. Wontorek, City Admin.; P. Coffaro, Asst. to Admin.; A. Kesner, City Atty.; R.
Braier, Finance Dir.; W. Kappel, Public Works Dir.; J. Bembenek, Purchasing Mgr.

Ald. Stepaniak as Chair called the meeting to order at 8:00 p.m.

Contract renewal for ISDN telecommunications circuit

Mr. Bembenek said the main telephone service contract for City Hall is expiring June 27, 2003. Currently, ISDN Prime provides the telecommunications circuit for the whole municipal complex. The renewal is a 60 month agreement that can be shortened to 39 months in order to be co-terminus with other existing communications contracts. He added that due to local competition, the monthly cost for this service will be reduced approximately 30%. The average monthly billing amount of \$1,100.00 will be reduced by approximately \$330.00 or \$3,960.00 annually. He recommended entering into a 39 month agreement with Ameritech Business Communications Services for ISDN Prime and DS1 service at a monthly recurring charge of \$440.01.

Ald. Bruderle-Baran asked about the status of the work being done by the consultant hired to help design a more cost efficient telecommunications plan. Mr. Bembenek responded that the first part of the consultant's job was done. That was reflected in the report that was submitted to the committee in January, 2003. Mr. Kesner added that one of the consultant's recommendations in that report was that the various telecommunications contracts be set up to be co-terminus. When the ISDN contract ends in 39 months it will be at the same time as a number of other contracts. At that point the city can make decisions on telecommunication options that may be available without the confusion of different contract expiration dates.

Mr. Bembenek said that they decided to renew the contract with SBC Ameritech because the consultant recommended they would have more leverage with changing circuits and SBC is more familiar with the City Hall system.

Moved by Ald. McCarthy, seconded by Ald. Jenkins to recommend
approval of a 39-month contract renewal with SBC Ameritech – 8

Replacement of mail machine system

Mr. Bembenek said the present mail machine system in the purchasing department handles both internal mail and the mailing needs of outlying city departments. The hardware on the machine is 6 years old. He explained that the mail machine has a scale and a meter. The United States Postal Service (USPS) owns the meter and the city pays rent for it. The meter is becoming obsolete. The USPS informed them that in four years the mailing machine will have to be replaced. The city will have to buy a different type unit which will have a bar code. This will help alleviate fraud and theft. He said the city can save money by getting a new unit rental. The present meter rental cost is \$651.00 per year or \$2,929.50 over 4.5 years. The new meter rental with the first 6 months free would cost \$360.00 per year or \$1,440.00 over 4 years. The cost of a new machine purchased now (including a 6 months rental credit of \$325.50) would be \$1,695.50. The estimated cost of a new machine purchased in December, 2008 would be \$3,500.00. He added that the total cost of ownership for a new machine

after 4 years would be \$3,135.50. The total cost of ownership for the existing machine after 4 years would be \$6,429.50 including approximately \$3,500.00 for new equipment. He noted that the existing unit had a maintenance agreement of almost \$350.00 per year. He did not pay for it this year as part of the budget reduction for the purchasing department. He said the unit is 6 years old and he expressed concern that there will be needed repairs in the future. He recommended immediate purchase of the mail machine system at a cost of \$1,867.50 including trading in the old machine.

Moved by Ald. Bruderle-Baran, seconded by Ald. Casey to recommend approval of the mail machine purchase at a cost of \$1,867.50 --

Mr. Kesner noted that the request was for a fund transfer from the City Hall Telephone Account not a change of purpose as stated in the memo.

Joe Heder, 2641 N. 117th Street, asked if the city needs a mail machine now that the internet is available. He suggested doing all of city business that way. Mr. Bembenek responded that the internet is definitely helping keep the cost of mailing down in some areas, but the city also mails out tax bills, legal notices to residents, etc. He said the volume of mail is going down and that is why he was buying a machine intended for light use.

Ald. McCarthy asked about the bar code indicia. Mr. Bembenek explained that the indicia the machine will print on city hall correspondence will help the USPS audit that particular meter.

Vote on the motion was, Ayes: 8

Citizen Survey report

Mr. Coffaro said he referred the report on the results of the Citizen Survey to the committee for a more in-depth discussion of how the survey can be used going forward with next year's budget hearings. He said there is further data analysis that can be done on some aspects of the survey at the committee's discretion. He added that the survey was also distributed to the department heads for their reference.

Jean Radtke, 6750 Maple Terrace, said she started the Alliance of Wauwatosa Taxpayers. They are in the process of reviewing the school system budget and the city budget. She said what is most striking in these budgets is the amount of money spent on health care. She said that as a taxpayer of 12 years in Wauwatosa and a business owner for 20, she noticed that the city is paying full health care benefits while the private sector asks their employees to contribute. She said that fire and police department budgets combined have jumped approximately \$8 million. She asked if the fire and police departments were getting \$8 million dollars worth of contributions. She asked if the city utilizes consultants for finding the best cost of insurance, the best energy prices, sewer district issues and purchasing. She wanted to know how they can get involved and make a difference in the city budget.

Ald. Stepaniak said their appearance at the meeting was a step in the right direction. He added that contacting the Comptroller's office is another first step.

Ald. McCarthy pointed out that the committee couldn't go much further into the issue of the budget at this meeting because the item on the agenda refers to a discussion on the Citizen Survey. The agenda didn't list an item pertaining to the city budget. He explained that under the open meetings law, the committee cannot discuss something that is not on the agenda. Ald. Bruderle-Baran invited Ms. Radtke and the Alliance members to attend the hearings on the 2004 city budget from late September to early October, 2003.

Linda McCabe, 1320 Martha Washington Drive, asked what the specific response to the survey was and how the city expects to respond.

Mr. Coffaro said they had about a 17% response to the survey. The question about how to respond is the question for discussion at the meeting. He said that a 17% response rate is excellent. The real question is how representative of the whole community were the respondents. He pointed out that the survey was skewed toward older residents and only 4% were business.

Ald. Casey said copies of the survey were available for viewing at the library and in the city clerk's office as well as on the city web site.

Steve Adamczyk, 7315 Wellauer Drive, asked if the majority of the respondents were households or individuals. Mr. Coffaro said the response was mostly from households.

Ald. Matthews thanked Mr. Coffaro for his work on the survey. She also thanked the University of Wisconsin-Milwaukee (UWM) for their participation in creating the survey. She noted that approximately 65% of the comments were related to health care and employees picking up a portion of the cost. Realizing that union negotiations are inevitable, she thought that the non-represented employees should start picking up a percentage of the health care cost and that would lead the way for the represented employees. Having employees pay for part of their health care costs was her first priority. She said the city recently had a salary increase. She thought the city paid generous salaries. She didn't think an increase in the cost to employees for the health care benefit would skew the salary increases. She was also pleased that residents were open to a twice monthly garbage pickup in the winter.

Ald. Matthews said salting continues to be a question. Mr. Kappel said his difficulty is that there is criticism whether his department does regular salting or cuts back on the salting. Ald. Matthews asked about the guidelines for salting. Do the inches of snow determine the amount of salting? Mr. Kappel responded that the reason for salting the pavement is to make sure that an ice bond doesn't form. Once ice forms on the pavement, it is almost impossible to break the ice bond. This is an example of one service that the public works department provides. He would like residents to understand the factors that go into making decisions on city services.

Mr. Wontorek said the citizen survey was discussed with the department heads and each one has read the comments. The department heads will be using the survey in preparing their budgets for 2004. He said it is difficult, yet important to educate homeowners on the how the public works department functions. The survey reflected a lot of confusion on the part of homeowners about city services and the function of government in general. He said they are looking at posting more information on the web site.

Ald. Casey said the survey held a lot of good information. He congratulated Mr. Coffaro and UWM on their efforts. He thought that a 17% return was excellent and though the survey was skewed towards homeowners, it picked up some business voices as well. The good news is that 68% strongly agree that they receive good services from the city. He noted that 54% would support paying user fees. User fees can alleviate the pressure to raise taxes. He stressed that they have to keep the pressure off the property tax. He pointed out that residents are all for sharing services with other municipalities with the exception of the police and fire departments. He said the public is always invited to the budget hearings; however, the only time anyone attended was for the police department budget. The people attending were adamant about not cutting the police department budget. He said it will be a very tough budget year. The budget that has been approved by the Joint Finance Committee on the state level includes a property tax freeze. Mr. Wontorek is preparing the department heads for that possibility. Ald. Casey asked about the possibility of using state health care benefits as an option for employees. The message of the survey seems to be that the residents see the value of the services they get from the city. He said the reality is what does the city cut and how much to fulfill a mandate from the state that property taxes won't be raised. There have been some good suggestions, but those may save ten of thousands of dollars. In actuality, millions of dollars have to be saved. He predicted that there will be fewer police and firefighters. He stressed that these decisions are important to a future everyone cares about.

Ald. Bruderle-Baran said last year was very difficult and she was not looking forward to 2004. Last year they were saying cut the budget back in all the departments. If what is predicted for this year at the state level happens, the city will have to lay people off. She said she has never liked user fees, but they may have to look into that possibility while trying to stay within reason. With regard to health care benefits, she asked if the committee needs to wait until the bargaining sessions are over or can they do something now. It may become a decision between cutting a job and cutting health insurance. Nothing is off the table. Collaboration is mentioned, but not as much as she would have liked. She mentioned that if there was a change in operations for snowplowing or salting she would like to see how that ties into the survey. She offered her congratulations to Mr. Coffaro and UWM as well.

Ald. McCarthy extended his appreciation for the work that was done on the survey. He said 17% is a very good response considering that it is hard to get people to answer surveys. The respondents answered the questions well, but that still leaves 83% that did not respond. He said it is good to get a sense of what people are thinking. Health insurance is expensive because of rising medical costs. It will be a difficult question to address especially when dealing with mandatory arbitration. He cautioned against assuming that the response of 17% of residents is representative of the whole community. He was also interested to know what wasn't said.

Moved by Ald. McCarthy, seconded by Ald. Matthews to accept the report and place it in file for reference with a discussion of the report to be held at the first Budget Committee hearing --

Ald. Stepaniak said the minimum cut in shared revenue would be approximately \$300,000. It also appears there may be some sort of property tax freeze which will add another layer of restraint. He said it comes down to the number of employees and the relevant benefits that are involved. He stressed that it may be necessary to have some direct discussions with the unions and with the employees in general. The survey will be a very constructive device. He said there are about 5 or 6 items that are real or possible alternatives including some user fees and some lay offs. The biggest concern is that there is even a budget from the state to work with by the time the Budget Committee hearings begin.

Ald. Casey thanked Ald. Matthews for suggesting the survey. He said that the City Administrator has indicated that department heads are already using the survey to shape the upcoming budget process.

Vote on the motion was, Ayes: 8

Amendment to storm water fee ordinance Sections 18.01.020 and 18.01.050.A

Mr. Kesner said the amendment is a clarification of language in the storm water fee ordinance in order to conform to current practice. He explained that the same fees are charged for single family residences as for residential units in apartments and duplexes. Therefore, he is requesting the language be changed from "single family residence" to "residential unit" in ordinance Sections 18.010.020 and 18.01.050A.

Ald. Jenkins asked if there were other municipalities that use terms similar to this. Mr. Kesner responded that apart from language other municipalities might use, "residential unit" is the desired term.

Moved by Ald. Jenkins, seconded by Ald. McCarthy to recommend sending the amendment to Ordinance Sections 18.01.020 and 18.01.050A to the Council for introduction --

Mr. Kesner clarified that there will be no change in the way single family homes and apartments and duplexes are charged.

Vote on the motion was, Ayes: 8

Vouchers

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
R. Braier	\$1,837.90	Compt./Treas. – 5/17-5/21/03–New York , NY GFOA Annual Conference
A. Kesner	\$40.48	Legal – 5/22/03 – Milwaukee Milw. Bar Association Meeting & Luncheon
D. Moldenhauer	\$31.05	Police – 4/14-4/16/03 – MATC In-Service Training
J. Nash, C. Mason, B. Geiger	\$54.00	Water – 5/23/03 – Pewaukee Seminar
T. Wollersheim	\$37.72	Police – 5/5-5/7/03 – MATC Instructor Development Course
S. Javoroski	\$169.58	Health – 5/20-5/22/03 – Milwaukee WI Public Health Assoc. Annual Conf. 2003
A. Eldredge	\$112.54	Health – 5/20-5/21/03 – Milwaukee WI Public Health Assoc. Annual Conf. 2003
J. McGuire	\$25.78	Health – 5/13-5/14/03 – Oconomowoc Communicable Diseases Spring Seminar 2003
K. Ernst	\$26.24	Health – 5/13-5/14/03 – Oconomowoc Communicable Diseases Spring Seminar 2003
T. Estness	\$234.65	Mayor – 5/22-5/23/03 – Madison Wisconsin Alliance of Cities
A. Eldredge	\$26.17	Health – 5/13-5/14/03 – Oconomowoc Communicable Diseases Spring Seminar 2003
K. Isleb	\$25.00	Assessor – 6/2-6/3/03 – Milwaukee WAAO Quarterly Meeting
C. Ledesma, B. Williams	\$54.40	Clerk – 5/28-5/29/03 – Waterford WMCA District V Meeting
B. Skornia	\$27.00	Police – 5/6-5/8/03 – West Bend Breath Examiners Specialist Course

Moved by Ald. McCarthy, seconded by Ald. Casey that the vouchers
be allowed and paid --

Ald. Grimm suggested that the committee look into requiring authorization for any staff conference or seminar with a cost of over \$500. He said that years ago the staff would also have to submit a report on the conference as well. He didn't think it was right to be paying for so many professional conferences and seminars.

Vote on the motion was, Ayes: 7, Noes: 1 (Grimm)

Mickow v. City of Wauwatosa

Moved by Ald. McCarthy, seconded by Ald. Matthews to convene into closed session per Wis. Stat. 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 – 8

The committee convened into closed session at 9:02 p.m.

Moved by Ald. McCarthy, seconded by Ald. Casey to recommend that the Council approve the recommendation of the City Attorney – 8

The meeting adjourned at 9:20 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

svh