

CITY OF WAUWATOSA

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BUDGET & FINANCE COMMITTEE MEETING

Tuesday, November 11, 2003

Committee Room #2

PRESENT: Alds. Bruderle-Baran, Casey, Grimm, Jenkins, McCarthy, Stepaniak, Subotich – 7

EXCUSED: Ald. Matthews

ALSO PRESENT: T. Wontorek, City Admin.; A. Kesner, City Atty.; Chief D. Redman, Fire; Asst. Chief J. Hevey, Fire; W. Kappel, Public Works Dir.; N. Kreuser, Health Officer; M. Mulroy, Library Dir.; C. Ledesma, City Clerk; J. Plass, Acct. Mgr., Compt.; R. Kreuser, PC Hardware/Software Spec., Info. Sys.

Ald. Stepaniak as Chair called the meeting to order at 8:03 p.m.

O'Neill, Schimmel, Quirk and Carrol, S.C. retained for the collection of debts owed to the city

Mr. Kesner said the city has accumulated approximately \$100,000 in outstanding personal property taxes and property damage. A collection agency has been trying to collect the debts, but they do not handle small claims law suits. He proposed retaining the law firm of O'Neill, Schimmel, Quirk and Carroll, S.C. This law firm has been retained for many years as prosecutors for the municipal court and other city matters. O'Neill, Schimmel, Quirk and Carroll, S.C. has offered to collect the outstanding debts owed to the city for a cost of 30% of the outstanding debt amount. This is same rate as the collection agency.

Mr. Kesner said that under the proposal, the city would send two or more notices to the debtor in writing and then turn the matter over to Mr. Schimmel's firm for the filing of small claims actions to recover the amounts. He believes this procedure will substantially improve the city's collection rate. He recommended approving the retainer.

Moved by Ald. Bruderle-Baran, seconded by Ald. Jenkins to recommend approval of the retainer of O'Neill, Schimmel, Quirk and Carroll, S.C. for the collection of debts owed to the city – 7

Transfer of \$30,065 to retain the Baller Herbst Law Group during negotiations for a new franchise with Time Warner Cable Television

Mr. Kesner said the Time Warner Cable Television franchise brings in over \$300,000 in revenue to the city and in exchange they are able to use the city right-of-way. The franchise is up for renewal in 2006. Earlier this year, the Committee on Legislation, Licensing and Communications and the Common Council appointed an ad hoc committee to review any efforts being made to pursue the franchise renewal. Attorney Adrian Herbst was initially retained as an advisor for beginning the city's franchise renewal efforts and determining the appropriate process. The initial work was done utilizing funds from the city attorney's Sundry Contractual Services Account. He said the total budget for this process over the next 2 years is estimated at \$30,065.

Mr. Kesner said that Wauwatosa has one of the most technically advanced cable television franchises in the country. In the future the city will need data networks and additional programming assistance for the city's ongoing cable programs. He said there is also the possibility of negotiating the recovery of fees the city will

spend for negotiations. He said the process is well worth the time and investment. Mr. Herbst has been very helpful in initiating the process. He recommended that the amount of \$30,065 be transferred from the Reserve for Contingencies to the Cable Television Account for the purpose of retaining the Baller Herbst Law Group during negotiations for the city's new franchise with Time Warner Cable Television. He also recommended that the funds be carried over from year to year until the project is completed.

Ald. McCarthy expressed concern regarding the success of past negotiations with Time Warner. Mr. Kesner said the committee will have to set priorities during the process. With regard to the aspect of another cable company coming into the city as competition, he said that legally under federal law, cable franchises cannot be exclusive to a location, but it doesn't make practical sense for another company to go to the expense of building a new system when the customer base is already using another system.

Mr. Kesner said there are three benefits to having the franchise: 1) the city receives a large amount of revenue, 2) the quality of the technology coming into residents' homes is state-of-the-art and 3) there is always another set of services Time Warner can provide to the city. He said customer service standards can be created that are specific to the city and the city can put a priority on how those services are used.

Ald. McCarthy asked if a survey of city residents can be used as a negotiating tool. Mr. Kesner said that would be one of the things they will use. Ald. McCarthy asked if there will be discounts for senior citizens. Mr. Kesner said that issue is on the table and there is also a senior citizen on the committee. He added that the ad hoc committee will evaluate what the city has and what the citizens want and that will be the starting point for negotiations. He didn't anticipate having to come back to the committee for any further action.

Moved by Ald. Casey, seconded by Ald. Jenkins to recommend approval of the transfer of \$30,065 from the Reserve for Contingencies to the Cable Television Account for retaining the Baller Herbst Law Group during negotiations for the new cable television franchise with Time Warner Cable Television – 7

Lawsuit by Richard Otallah, 5051 N. 107th Street

Mr. Kesner said Mr. Otallah was involved in an accident to the north of the Harley Davidson plant when his motorcycle hit a pothole. This caused over \$6,000 in damage to the motorcycle as well as injuries to Mr. Otallah. Mr. Kesner said the issue is really whether the city had notice of the pothole and failed to repair it. He recommended a settlement in the amount of \$10,500.

Ald. Casey asked how deep the pothole was and what time of day the accident occurred. Mr. Kesner responded that the accident occurred in May of 2001 at approximately 5:45 p.m. Mr. Kappel added that it was a significantly deep pothole. He was satisfied with Mr. Kesner's recommendation.

Moved by Ald. McCarthy, seconded by Ald. Casey to recommend approval of the settlement of the claim of Richard Otallah in the amount of \$10,500 – 7

Purchase of SPSI hardware and software and waiving the competitive bidding process

Dr. Kreuser said the fire department is in need of upgraded computer equipment and software in order to facilitate reliable recordkeeping. The health department has permission from the State of Wisconsin Department of Health and Family Services to pay for the cost of the upgrade using the fiscal agent portion of the bioterrorism grant. She said the health department and the fire department work together in a variety of situations, including emergency response. The sharing of selected information and trends would benefit the

health department. The estimated cost of the system is \$27,486.25. There is no city funding available for this fire department need. She proposed paying for the selected system components in 2003 (Phase I: \$16,656.25) and the balance, which may be split between 2003 and 2004 grant funds (Phase II: \$10,830). She recommended using a portion of the 2003/2004 fiscal agent bioterrorism grant funds to assist the fire department in their computer information system needs. She added that the investment will also augment the health department's need for information sharing during a public health emergency response.

Moved by Ald. Grimm, seconded by Ald. McCarthy to recommend approval of the purchase of SPSI hardware and software for the fire department information system upgrade with health department grant assistance in the amount of approximately \$27,486.25 – 7

2004 work plan for the Wauwatosa Village Business Improvement District

Mr. Carl Templer, Wauwatosa Village Business Improvement District (BID) said they are 7 weeks away from their 10th year of operation. A lot of changes have taken place and there are two new businesses in the village area. He said the assessment will remain at a 5% increase.

Russell Drover, 7530 W. State Street, expressed his objection to the BID's method of assessment. One of his concerns was a vacant parcel he owns that is assessed at the same rate as an improved parcel. He felt the BID's policies were unjust and improper taxation.

Ald. Stepaniak asked if Mr. Drover had spoken with Mr. Templer about these concerns. Mr. Templer responded that he and Mr. Drover had spoken on many occasions. He explained that the BID is not a taxing authority, it is an assessment authority therefore it was difficult to address Mr. Drover's concerns. Ald. Stepaniak said that due to the way the agenda is written, the only issue the committee could address was the BID's 2004 work plan. He said assessment issues would be more appropriately addressed by the BID board.

Moved by Ald. Casey, seconded by Ald. Bruderle-Baran to recommend approval of the 2004 work plan for the Wauwatosa Village BID --

Ald. McCarthy asked if there was any provision in the BID bylaws for redress of a dispute. Mr. Templer replied that the BID is governed by state statutes. All residential or commercial property is considered commercial. He said he has worked with the statutes for over a decade and they have remained unchanged. He added that the state statute says that an improved or unimproved lot can be assessed in the same way.

Vote on the motion was Ayes: 6, Noes: 0, Present: 1 (Grimm)

Carryover of \$4,400 for certification of 56 poll worker chief inspectors and substitute chief inspectors

Ms. Ledesma said that following the 2000 presidential election, the state enacted legislation requiring that anyone serving as a chief inspector (ward chair) at a polling location must attend and complete a certification session sponsored by the state. State certification will be in effect for a two-year period, and will require renewal. All chief inspectors must be state-certified beginning with the September 2004 election. The training was tentatively scheduled to occur in 2003. The state delayed the training and it will now take place in 2004.

Ms. Ledesma said the state will pay the cost for certifying ward chairs at \$50 per poll worker. The municipality is required to pay the \$50 cost for certifying substitute chief inspectors. It will cost \$1,600 to pay for 32 substitute inspectors. Wages for chief inspectors and for the substitute chief inspectors attending the session must be carried forward. This amounts to \$2,800. The money is in the budget to send a total of 56 poll workers

to the training. She recommended the carryover of a total of \$4,400 from the 2003 Elections budget to the 2004 Elections budget to cover the cost of poll worker certification.

Moved by Ald. Bruderle-Baran, seconded by Ald. McCarthy to recommend approval of the carryover of \$4,400 from the 2003 Elections budget to the 2004 Elections budget for state certification of poll workers – 7

Hardware maintenance agreement with Election Systems & Software (ES&S)

Ms. Ledesma said the current extended warranty period on the voting tabulators expires on December 31, 2003. With execution of the proposed agreement, ES&S will provide routine maintenance services, remedial maintenance services and parts, and on-site election day support for a one-year period beginning January 1, 2004. The agreement has the option of automatic renewal for an unlimited number of successive one-year periods. She said the annual cost is \$6,900 and funds have been allocated for this purpose in the proposed 2004 Elections budget. She recommended executing the hardware maintenance agreement with ES&S for one year and including up to two additional agreement renewals.

Moved by Ald. McCarthy, seconded by Ald. Bruderle-Baran to recommend approval to execute the hardware maintenance agreement with ES&S for one year and to include two one-year agreement renewals --

Ald. Casey asked about the condition of the voting tabulators. Ms. Ledesma said they are over 13 years old and holding up very well. She noted that the high end of machine life is 16 years. One of the tabulators broke down during the presidential election and was traded out.

Vote on the motion was Ayes: 7

Federal Emergency Management Agency (FEMA) Fire Prevention Grant application in the amount of \$11,000

Chief Redman said this is the same grant that helped with the purchase of the self-contained breathing apparatus in 2001 and the radios in 2003. They propose to purchase portable audio visual equipment, videos, prepared materials and a laptop computer for presentations in order to expand the fire safety education program. He said with this equipment they can start targeting high-risk groups such as seniors and pre-school age children. The cost of the project would be \$11,000 with 10% of local matching funds in the amount of \$1,100. There will be no ongoing costs above the normal operating costs. He recommended applying for the grant.

Moved by Ald. McCarthy, seconded by Ald. Grimm to recommend approval of the FEMA grant application in the amount of \$11,000 for the expansion of the fire safety education program – 7

Vacancies in the public works department

Mr. Kappel said there are currently two vacancies in the engineering and operations department. The first vacancy is a laborer II in the streets section and is the result of a promotion effective September 29, 2003. The second vacancy is an arborist I position in the forestry section. This vacancy is due to an employee being unable to perform his duties and having exhausted all of his leave. He said both positions are fully funded for 2003 and 2004. He recommended filling both the vacancies.

Moved by Ald. Bruderle-Baran, seconded by Ald. McCarthy to recommend approval to fill two vacancies in the engineering and operations department – 7

Proposed changes to the 2004 operating budget

Mr. Wontorek said the city has received notification from the State Department of Revenue regarding the 2004 estimates for the Transportation Aids and Computer Tax Exempt payments. He said the Tax Exempt Computer payment is significantly higher from this year's payment due to the equalized value of exempt computers increasing from \$42.6 million to \$60.2 million. The reductions in the Tax Incremental Financing (TIF) Districts estimated payments are also based upon values. The TIF #2 computer exempt value has decreased from \$8 million to \$2.2 million. The Department of Revenue was able to confirm that the numbers are correct and that the variance was due to corrections from last years values. He said the values should stabilize next year.

Mr. Wontorek said that the finance director recommended that the proposed general fund revenues should be amended to reflect the most current estimates from the Department of Revenue. If they are, a total of \$135,532 must be offset in other accounts to keep the budget in balance. The tax levy or surplus applied accounts are the two instinctive choices for the amendment. There is a third option that the committee has previously discussed. Since the \$109,494 increase in the Tax Exempt Computer payment is largely due to a one time adjustment, he recommended using \$110,000 for the LED signallight program with the balance going to reduce the tax levy. He said adjustments to the TIF revenue accounts can be made without any effect on the tax levy and do not need a corresponding offset. The TIF balance will be adjusted to compensate the lower revenue estimate.

Mr. Wontorek referred to a memo from the Finance Director regarding three one-time revenues: 1) STP credit sales, 2) Bioterrorism grant funds, and 3) Redevelopment Authority contributions. These will be counted as revenues and equal offsetting appropriations. They will not impact the tax levy. He said the 2004 Budget will remain in compliance with the requirements qualifying the city for the Expenditure Restraint Program after the budget adjustments are adopted. The 2005 Budget will likewise be well suited for compliance as a result of these changes.

Mr. Wontorek referred to a memo from the Library Director regarding the total payment from the Milwaukee Federated Library System (MCFLS). The estimated revenues were \$315,000, but the actual total revenues will be \$322,385.18. The difference is \$7,385.18. He said Ms. Mulroy recommends earmarking most of the money for part-time and seasonal staffing. There would be no fiscal impact to the budget.

Mr. Wontorek reported that the final notice of assessed value from the state has recorded a net reduction of \$46 million in the assessed value of property in the city. This reduction is attributed to a large number of manufacturers not replacing equipment and the incorrect reporting of property by Harley Davidson. Even if the city can keep the expenditures and the tax levy the same, the reduction will generate some increase in the tax rate. He said as of November 3, 2003, the tax rate stood at \$7.77 per \$1,000 of assessed value. The change in the property tax from 2003 would have been a decrease of \$8.75 for the median priced home. As of November 11, 2003 due to the assessed value reduction from the state, the tax rate including the installation of the LED signal program, would be \$7.93 per \$1,000 or an increase of \$19.25. The tax rate without the installation cost of the LED signal program would be \$7.90 per \$1,000 or an increase of \$14.00.

Ms. Isleb explained that personal property is assessed locally and it was down last year. Other municipalities have had the same experience. She said they had no idea that there was a problem with Harley Davidson until they received a call that a significant reduction was going to take place. Harley Davidson has been booking assets here when they were actually located in other states.

Mr. Wontorek said the replacement of LED signal lights was made a priority because they are extremely energy efficient. The LED bulbs last significantly longer than conventional signal light bulbs. The City would recover the cost of installation within 5 to 6 years. Mr. Kappel said he could not recommend going forward with the LED signal plan given the potential raise in the tax rate. Mr. Wontorek said if the LED signal plan was not

implemented, the raise in the tax levy would be a fraction of a percentage point and would have virtually no impact.

A discussion followed regarding whether another Budget Committee meeting should be scheduled to address these issues.

Moved by Ald. McCarthy, seconded by Ald. Bruderle-Baran to recommend approval of the revenues and budget adjustments including adoption of the library expenses and excluding the LED signal light plan --

Ald. Casey said the committee had gone through an exhaustive budget process and created good public policy. He thought it would not make sense to reopen the budget process in light of these issues.

Mr. Kappel said the road projects are done with state funds and his department will move to replace the LED signal lights on a case-by-case basis. The replacement will not be all at once, but it will get done over time.

Ald. Stepaniak did not want to reopen the budget process as well. He reiterated that the committee already had long deliberations and had come to some good conclusions on service levels. He said the right thing to do would be to look at what the minimal tax increase would be.

Vote on the motion was Ayes: 7

Vouchers

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
J. Lane	\$49.22	Police – 10/21-10/24/03 – Appleton White Collar Crimes Seminar
M. Meske	\$109.12	Health – 10/21-10/22/03 – Milwaukee MOLD Seminar
M. Swanson	\$109.41	Health – 10/10-10/13/03 – Madison Focus Groups Workshop
J. Karius	\$27.00	Police – 10/28-10/30/03 – Milwaukee MPD High Risk Search Warrant & Hostage Rescue Techniques
G. Gabrish	\$27.00	Police – 10/28-10/30/03 – Milwaukee MPD High Risk Search Warrant & Hostage Rescue Techniques
J. Reit	\$149.00	Police – 11/5/03 – Milwaukee Fred Pryor Training Seminar
J. Griffin	\$75.00	Police – 10/13-10/15/03 – Wisconsin Dells Forum on Youth Violence by US Atty’s Office
D. Davidson	\$149.00	Police – 11/5/03 – Milwaukee Fred Pryor Training Seminar

<u>NAME</u>	<u>AMOUNT</u>	<u>FOR</u>
D. Leone	\$149.00	Police – 11/5/03 – Milwaukee Fred Pryor Training Seminar
T. Roberts, L. Wolski, M. Robinson	\$45.00	Fire – 11/5/03 – Greenfield Area 5 Inspector’s meeting & State Building Code Class
P. Sobczyk, M. Mantych D. Van Blaricom	\$225.24	Water – 11/6/03 – Waukesha Customer Service – Utility Clerk’s Conference
T. Karnick	\$70.77	Police – 10/26-10/29/03 – Appleton Street Crimes Program
M. Pearson	\$65.94	Police – 10/26-10/29/03 – Appleton Street Crimes Program
B. Zalewski	\$56.78	Police – 10/26-10/29 – Appleton Street Crimes Program
T. Engelken	\$66.22	Police – 10/26-10/29/03 – Appleton Street Crimes Program

Moved by Ald. Casey, seconded by Ald. McCarthy that the vouchers
be allowed and paid – 7

The meeting adjourned at 9:20 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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