



# City of West Allis

7525 W. Greenfield Ave.  
West Allis, WI 53214

## Meeting Minutes

### Administration & Finance Committee

*Aldersperson Kurt E. Kopplin, Chair*

*Aldersperson Vincent Vitale, Vice-Chair*

*Alderspersons: Thomas G. Lajsic, Richard F. Narlock, Rosalie L. Reinke*

Monday, February 8, 2010

6:01 PM

West Allis City Hall Room 128

#### REGULAR MEETING

#### A. CALL TO ORDER

*Chair Kopplin called the meeting to order at 6:01 p.m.*

#### B. ROLL CALL

Present: 5 - Ald. Kopplin, Ald. Vitale, Ald. Lajsic, Ald. Narlock and Ald. Reinke

Excused: 0

#### Others Attending

*Ald. Weigel; Scott Post, City Attorney; Paul M. Ziehler, City Administrative Officer; Fire Chief Steve Hook; Gary Schmid, Manager of Finance; Audrey Key, HR Manager; Gene Baietto, Manager of Purchasing/Central Services; Jim Jandovitz, IT Manager; Jeanette Wardinski, Administrative Assistant.*

#### C. CLOSED SESSION

*At 6:01 p.m., Chairperson Kopplin stated it was the intention of the Committee to vote on a motion to convene in closed session to confer with the City Attorney on the claim of Linda Machut, and to take such further action as may be necessary and appropriate with respect to such matter.*

*A closed session for the above purpose is authorized pursuant to the provisions of Wis. Stats. Section 19.85(1)(g), which authorizes a governmental body, upon motion duly made and carried, to meet in closed session to confer with legal counsel for the governing 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.*

**A motion was made by Ald. Vitale, seconded by Ald. Narlock, to adjourn in closed session at 6:01 p.m. The motion carried by the following vote:**

**Votes:** Aye: 5 - Ald. Kopplin, Ald. Vitale, Ald. Lajsic, Ald. Narlock and Ald. Reinke

No: 0

*Mr. Scott Post, City Attorney, was present to discuss this case. He presented the details of the case and recommendation for settlement. Discussion ensued with questions/comments from the Committee, which staff responded to. The Committee consensus was to proceed with staff's settlement recommendation.*

*Upon conclusion of the closed session, at approximately 6:15 p.m., the Administration & Finance Committee reconvened in open session at said time and place to consider its public agenda, including motions to recommend approval or rejection of above-listed deliberations or any of the public agenda items that have not been acted upon.*

**D. APPROVAL OF MINUTES**

A motion was made by Ald. Lajsic, seconded by Ald. Vitale, to approve the Special meeting minutes of November 2, 2009; Recess meeting minutes of November 3, 2009, November 17, 2009, December 1, 2009, December 15, 2009, January 5, 2010, January 19, 2010, February 2, 2010; Recess Closed Session meeting minutes of November 3, 2009 and December 15, 2009. The motion carried unanimously.

**E. NEW AND PREVIOUS MATTERS****1. [2010-0027](#)**

Communication from the Library Director and Library Board President requesting a transfer of operating budget funds to complete library carpeting project.

*Mr. Ziehler said this item was introduced about a month ago, and at that time, he had suggested to Mr. Koszalka and the Administration & Finance Committee Chair that the matter should be held until we had preliminary 2009 budget figures before a decision is made. They agreed to hold the matter for this reason. Mr. Ziehler said we should know within a few weeks how year 2009 ends up and a decision can be made at that time. The Committee agreed to hold the matter until that time.*

**Held**

**F. OTHER MATTERS TO COME BEFORE THE COMMITTEE FOR DISCUSSION/ACTION****1. Discussion/Action on Items by Alderpersons.**

*None.*

**2. Discussion/Action on Items by City Administrative Officer.****a.) Financial Reports.****1.) Results of IRS Review and Audit of Financial Compliance.**

*Mr. Ziehler reported that we had an extensive IRS review of the City's salary and benefit compliance, and we have received a positive report from the IRS. Mr. Schmid further explained that this review process went on for over a year, and they went over all our payroll, payables, contracts, etc. We received a "no change letter" from the IRS, which is the best report that can be received. Ms. Key, HR Manager, added that a positive for the City was being able to provide everything electronically to the IRS, and Gary and his staff are to be commended for the fine job they did with this review/audit. The Committee was pleased with this positive outcome.*

**2.) \* 2010 Debt Issuance Parameters and Schedule.**

*Mr. Ziehler referred to the financing timetable that was included in the mailout packet. Mr. Schmid also handed out a 2010 debt issue worksheet and reviewed this information with the Committee. He noted that of the \$28+ million worth of debt we are issuing this year, a big part of that is refunding debt. Ald. Weigel asked what kind of interest rates are available. Mr. Schmid said the general debt rate should be around 4%. This information is to alert the Committee to what is coming up for the next several Council meetings.*

## 3.) TIF Financing Status and Arbitrage Calculations.

*Mr. Schmid informed the Committee that when we issue over \$5 million in debt, we are required to do arbitrage calculations. He also talked about tax and tax-exempt debt issuance related to TIF financing.*

## 4.) \* Preliminary Report on 2009 Budget Year-End Numbers.

*Mr. Ziehler referred to the item in the handout package which outlined finance factors affecting the 2009 budget. Mr. Schmid also passed out copies of budget revenue pages, noting these are not final figures. Mr. Ziehler discussed the various scenarios for 2009 year-end figures, and it now appears that for revenues, we are around \$250,000 in the positive and expenditures about \$500,000 under. He noted that City departments managed their budgets well in 2009 for us to end up in this better than anticipated position.*

## 5.) Update on Investment Results.

*Mr. Schmid provided a handout to explain the City's investments. He noted that we invest our money in a variety of ways, including CDs, securities, mutual funds, and money market. Interest income is low now especially in light of the federal government artificially holding interest rates down. Mr. Ziehler commented that given where interest rates are today, it's hard to maximize our investments.*

## b.) Annual Insurance Reports.

## 1.) \* Liability.

*Mr. Ziehler spent a few minutes reviewing the liability report included in the handout package. He noted that we budget \$200,000 per year for claims, and on average, our experience is slightly under budget. He responded to questions/comments from the Committee.*

## 2.) \* Workers' Compensation.

*Mr. Ziehler reviewed the 10 year history of worker's compensation claims included in the handout package, noting the incidents that resulted in higher amounts for certain years. We budget \$400,000 a year for worker's comp injuries, and our experience is around \$350,000 on average. We self-insure for \$500,000. He thinks this is an appropriate amount for a city of our size. Further discussion ensued with questions/comments from the Committee.*

## c.) Health Insurance Fund Reports.

## 1.) \* 2010 Health Insurance Rates.

*Mr. Ziehler referred to the information sheet in the handout material on monthly health insurance rates. As noted, the rates have increased more this year (9%) than in the last few years. It was mentioned that the bulk of employees are enrolled in the PPO plan vs. Standard plan.*

## 2.) \* Preliminary Results of 2009 Health Insurance Fund.

*Mr. Ziehler said included in the handout package is a sheet comparing the 2009 budgeted vs. actual costs for the health insurance fund. He reminded the Committee that we had budgeted a deficit in this fund of \$500,000 because of adequate reserves. The actual costs are looking to be slightly worse than what we had budgeted. Mr. Schmid said we should be somewhere between a \$500,000 and \$650,000 loss in the fund. He noted that the health insurance fund stands on its own.*

## 3.) Administrative Matters Related to State Mandates.

*Mr. Ziehler explained there have been three major State mandates related to health insurance that will be costly to the City, both in terms of dollars and staff time managing them. These include the cochlear ear implants, age 27 rule and autism coverage. Ms. Key, HR Manager, said there have actually been seven unfunded or enhanced mandates by the State and Federal governments, and no administrative guidelines came along with them. This has resulted in extensive staff time and work in trying to understand and administer these mandates. Ald. Weigel wondered what the cost is to the City of the age 27 rule just on its own. Ms. Key said a very conservative estimate is 1-2% of the total health insurance fund, and Mr. Ziehler further explained on a \$20 million overall budget, this is a \$200,000-\$400,000 cost.*

## 4.) National Health Care Legislative Update.

*Ms. Key passed out copies of an email recently received from our health insurance advisor, which offers a brief summary of where the health care reform legislation is at. Mr. Ziehler commented that we as a City really don't know what any final plan will be at this time. He feels that if the cost of health insurance and coverage for people without health insurance were the only two items being addressed, perhaps we would see something get done, but with so many other issues included in the health care reform, it is hard to say what will get done, if anything. He noted that employees and retirees may see more dramatic increases in their rates. Other brief discussion ensued.*

## d.) Other.

## 1.) \* 2010 Budgeted Revenue from Non-Profits/Tax-Exempts (Draft Letter).

*Mr. Ziehler referred to the draft letter to be sent to non-profit/tax-exempt organizations in the City in an effort to share in the cost of providing community services. He reminded the Committee that this had been an approved 2010 budgeted revenue item. Ald. Narlock wondered who would sign the letter on behalf of the City? Mr. Ziehler said he talked with the Mayor about this, and it is appropriate for Mr. Ziehler to send it out as it relates to the administration of the budget. The Committee had no problems with the letter and directed staff to proceed.*

## 2.) \* Proposed CWA Hotline (Mayor Devine).

*Mr. Ziehler referred to the proposed City Phone Hotline policy suggested by Mayor Devine, which was included in the mailout packet. This was drafted off the County's fraud hotline policy, which the Mayor thought was quite effective in handling service calls and generating revenue for the County. Mayor Devine has indicated that he thought something similar for the City would be beneficial. Ald. Lajsic said his concern is that someone will think it's an emergency line expecting an immediate response. Mr. Ziehler said that is not the intent of the hotline, and an appropriate message would be used to explain this to callers, something similar to what the Police and Fire departments use on their phone messaging system: "If this is an emergency call, please hang up and dial 9-1-1." Mr. Ziehler envisions this being an opportunity for residents/businesses to call in about positive experiences or exceptional service as well as negative items. Ald. Reinke wondered why it was felt we needed this number? Mr. Post said the genesis is that the Mayor had this at the County and liked it, and he brought this idea with him from the County because of the money-saving aspect. Further discussion ensued about how the hotline/dedicated number would be used/administered. The Committee generally agreed this is something that we could try and see how it goes. Mr. Ziehler said once we set it up and see how it works, we can make adaptations along the way. Ald. Reinke suggested reporting back to the Committee after a period of time, and Mr. Ziehler said we can do that say after six months and see how it is going. He said if there are any ideas/suggestions*

for naming the line other than "hotline," to let him know. Ald. Weigel wondered if the blog on the NOW website is connected in some way. Mr. Jandovitz, IT Manager, said that was designed as a one-way communication tool. We do not respond to online comments.

3.) \* New/Alternate Methods of Distributing City Newsletter (Related Costs).

Mr. Ziehler commented that due to the deteriorating City Newsletter delivery service from Express News over the last several years, staff felt it was time to look into alternative ways of getting the quarterly newsletter out to our residents/businesses. Mr. Baietto, Manager of Purchasing/Central Services, has been working with Ms. Wardinski in researching this issue, and is proposing using Publishers Mail Service to handle this service for us. Mr. Baietto passed out copies of maps that our GIS Dept. put together based on the record of phone calls Ms. Wardinski has kept over the last 2 years on delivery problems. The one map shows the 160+ calls just from the last issue alone where residents are not getting their newsletter. Typically, we get 10-20 calls an issue with delivery problems, and these are just the people we are hearing from. But when the call volume goes up this high, we know that something isn't working and it's time to make a change. The proposed service change will result in an annual \$12,000 increase in delivery costs, or \$3,000 per issue, and Mr. Ziehler indicated this would have to come from the Contingency Fund if we decide to make this change. Mr. Baietto mentioned the even greater expense of first class postage mailing by the Post Office, if we used that method; and the JournalSentinel's approach of inserting the newsletter in their papers with very definite overlaps into other communities, which adds greatly to the cost and only limited city-wide subscriptions. Other than going solely with website posting or decreasing the number of issues put out during the year (which wouldn't allow for timely, seasonal news for residents), Publisher's Mail Service is our best alternative that guarantees full coverage of the City. Further discussion ensued on logistics of this service, and the suggestion of delivery of the newsletter by various volunteers or utilizing Block Watch Captains, Water Meter Readers, Refuse Collectors, etc. to help with delivery. Ald. Lajsic said he would rather see it mailed than hand-delivered and others agreed. Mr. Baietto confirmed that it would be a separate piece mailed with pre-printed addressing. Further discussion ensued with questions/comments from the Committee which staff responded to. It was agreed that this new distribution method needs to move forward to ensure a timely and guaranteed delivery of the newsletter. Mr. Ziehler said because we will need the contingency fund transfer to cover this additional cost, he asked for a motion on this matter.

Ald. Lajsic moved and Ald. Vitale seconded, that the City proceed with Publisher's Mail Service as an alternate method for the City Newsletter distribution. The motion passed unanimously.

Mr. Ziehler said a resolution will also need to be introduced effecting the contingency fund transfer. The Committee concurred.

4.) \* 2009 Statistical Report from West Allis Mediation Center.

Mr. Post commented that in reviewing the Mediation Center case detail report for 2009, it appears 10% of our cost is for people that do not show up for their mediation hearing. He doesn't think we should be paying if the parties do not show up, and we should consider imposing a fee if either of the parties who have agreed to mediate do not show up. Mr. Ziehler said he feels that for the low cost to take care of some that do not have to go to the Police Dept. to handle, it's worth the money. Other brief discussion ensued, and the Committee agreed that this is a worthwhile service that we should continue to contract for.

5.) Proposal Regarding Publication of Delinquent Personal Property Taxes.

Mr. Ziehler mentioned that Mr. Warchol, Assistant City Attorney, suggested to him using a method the City of Brookfield uses to try and collect delinquent personal property taxes. That

city publishes the names of people with these delinquent taxes as a means to try and collect on the outstanding monies owed. So, the question before the Committee is do we want to publicly name these people, such as in the newspaper, on the website or cable channel, in an attempt to collect the taxes. Ald. Lajsic said he has no problem with publicly listing repeat or habitual offenders, but his concern is what if a mistake is made and someone's name is inaccurately listed. City Attorney Scott Post said with all the opportunities given to pay, he doesn't have a problem doing this. After further discussion, it was agreed that staff should look further into this proposal, with a concentration on repeat or habitual offenders only for now.

6.) Report on Number of Employees Living Outside the City.

Mr. Ziehler reported that we have had the two-tier pay system in place for about ten years now, and our projection on how many employees would be living outside of the City after a certain period of time has been fairly accurate. Out of 600 employees, about 230, or 38.5%, live outside of the City. This is for informational purposes only.

7.) Update on Levels of Activation for Emergency Operation Center.

Mr. Ziehler mentioned that at the last Dept/Div Head Staff Meeting, Assistant Fire Chief Streicher reported on the new levels of activation for the emergency operations center. This includes three levels, which include: (1) a minor/local incident requiring minimum staffing; (2) general staffing for more complicated incidents (need more groups of employees to activate); (3) major event involving major staffing levels (down to subordinate level). A full EOC effort at the Police/Court Center is used for catastrophic incidents. So, this basically deals with the various levels of activation depending on the severity of the incident. Fire Chief Hook said they are looking at this as more of an administrative operation and what they need to do as an operational group after the fact of an incident/disaster; what Mr. Ziehler is talking tonight about is when to activate the actual administrative center. Ald. Lajsic said after last June's flooding episode, he had requested that staff come back with a plan with steps on what do to after these types of storms, i.e., who is notified about cleanup, etc. to be able to help people immediately. He has not seen this plan yet, but he hopes it is being worked on. Mr. Ziehler referred to a report that was generated after last year's occurrence, but that was a generalized report and did not include the specific step-by-step details Ald. Lajsic is looking for. Further discussion ensued, with questions/comments from the Committee which staff responded to.

8.) CVMIC Risk Management Training for City Officials on Tuesday, March 16 (5:30-6:45 pm).

Mr. Ziehler advised the Committee that a CVMIC Risk Management Training Session for City Officials is being planned for Tuesday, March 16, from 5:30-6:45 p.m., prior to the Council meeting. He envisions the Mayor, Alderpersons, and Chairs of key Citizen Advisory Committees to be invited, and he feels this should be done at least once every four years when a new Council/Mayor is elected. Mr. Post advised that this be noticed as a Council meeting. The Committee concurred with this training session.

9.) Computers (notebook/laptops) for Alderpersons.

Mr. Ziehler commented that several years ago, this topic was discussed and there had been no consensus at that time to move forward. However, now that computers have come down in price and technology is more advanced, he felt it was appropriate to review this issue again. Mr. Jandovitz stated that a lower level laptop costs about \$600 and software around \$400-\$500 for a total cost of approximately \$1,000 per Alderperson. An additional \$40/month cost per person is added for internet connection. Ald. Lajsic said he is 100% in favor of this proposal. He thinks it's important that anyone that serves on the Council become computer literate, and this is also a means to reduce/eliminate paper. Mr. Jandovitz said there are many advantages to using the computer than just for email. This will put the Alderpersons in touch

*with many internal systems for information gathering/viewing. Further discussion ensued, including open records as it pertains to home computer use for City business. Some alderpersons indicated they are happy with the computers they now have and may not want/need a laptop. Staff responded to questions and comments from the Committee, and the Committee said it was interested in moving forward with this proposal. Mr. Ziehler said staff can begin to work out the details and prepare a proposal for the Committee to act on, and the Committee concurred.*

10.) Upcoming Negotiations with Police Union this Year.

*Mr. Ziehler informed the Committee that because the Police Union did not agree to the one-year contract extension to 2011, we will be negotiating with them this year. It would be advantageous to start earlier rather than waiting until the fall when this typically happens. This is just a reminder and for informational purposes that this will be occurring this year.*

11.) Possible New Revenue Item of Selling Advertising.

*Mr. Ziehler said we have addressed this issue every once in a while over time, and he is wondering if there is any new interest in doing this? The Committee indicated it has no interest at this time.*

12.) Request for any 2011 Budgeting Ideas.

*Mr. Ziehler commented that the 2011 budget process will begin in a few months, and he reminded the Alderpersons if they have any ideas/suggestions for the budget, to pass them on to the Mayor or him. This then gives staff time to study and prepare reports as needed. He mentioned that 2011 is going to be even more challenging than this year's budget. Ald. Reinke asked if he had any idea on what might be happening with our State aid. Mr. Ziehler said considering the shape the State budget is in, he would anticipate State aid cuts. State aid to the City will also be dependent on who the next Governor is and the makeup of the State Senate and State Assembly. Some general discussion ensued.*

**3. Other.**

*None.*

**G. ADJOURNMENT**

**A motion was made by Ald. Narlock, seconded by Ald. Lajsic, to adjourn the meeting at 8:07 p.m. The motion carried unanimously.**