



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, October 24, 2011

6:00 PM

City Hall Room 128

SPECIAL MEETING

A. CALL TO ORDER

Chair Kopplin called the meeting to order at 6:00 p.m.

B. ROLL CALL

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

Excused: 0

Others Attending

Mayor Devine; Aids. Czaplowski, Roadt, Sengstock; Jim Nickel; Paul M. Ziehler, City Administrative Officer; Scott Post, City Attorney; Audrey Key, HR Manager; Kris Moen, Finance Manager; Jeanette Wardinski, Administrative Assistant.

C. APPROVAL OF MINUTES

A motion was made by Ald. Narlock, seconded by Ald. Vitale, to approve the Special Meeting minutes of July 28, 2011 and October 4, 2011; Recess Meeting minutes of August 2, 2011, September 6, 2011, September 20, 2011, October 4, 2011, and October 18, 2011. The motion carried unanimously.

D. NEW AND PREVIOUS MATTERS

1. [2011-0618](#) 2012 City of West Allis Mayor's Recommended Budget.

Chair Kopplin welcomed staff to make the budget presentation. Mr. Ziehler was present to provide an overview of the budget and respond to any questions/comments from the Committee during the review. Mr. Ziehler began by referring to the Mayor's letter at the front of the blue section of the budget. He pointed out that General Fund revenue is down 3.88% primarily due to the \$1,350,000 loss in state aid; however, that impact is lessened by increases in several other revenue elements. General Fund spending is down primarily due to employees paying a portion of their pension costs, except for Police and Fire. He noted there are four less positions in the budget, three of which are Fire Fighters. Overall expenditures, including all tax levy components, are up 1.15%. The property tax levy is up 1.53%, and the tax rate increased from \$9.61 to \$9.76, a 1.56% increase or \$.15/\$1,000 in assessed valuation.

Next, the Summary Highlights of the budget were reviewed. Mr. Ziehler explained how the budget process worked this year with the most important guideline for all departments that initial budget submittals were to be no more than the 2011 budget; however, the Police and Fire Departments were both requested to reduce their budgets by significant amounts. He commented that Fire met the request but Police came in with an increase in its budget. Mr. Ziehler then pointed out the significant reductions in revenue, which include a loss of \$1.1 mil. in State Shared Revenue and a loss of \$250,000 in State Transportation/Highway Aids. This was partially offset by increases of \$50,000 in parking violations, \$50,000 in storm water administrative support, and \$75,000 in cable administrative support. Also, one new revenue source was added, a sanitary sewer administrative support fee of \$50,000. Mr. Ziehler then

reviewed the table which outlines the 33 changes in 9 departmental budgets resulting in a net reduction in spending of over \$1.5 mil. He explained the transfer of \$626,750 to the Capital Accumulation Holding Account to close the approximate \$.5 mil. levy gap in the budget. The four items include:

1. Purchasing/Central Services - transfer \$125,000 from radio and phone in the capital accumulation to the Capital Holding Account (CHA).
2. Fire - transfer \$100,000 for fire vehicle replacement to the CHA.
3. Public Works - transfer \$365,000 from fleet vehicle replacement to the CHA.
4. Police - transfer \$36,750 for one squad car replacement to the CHA.

Mr. Ziehler also reviewed the chart which provides details on expenditure changes and the service effect/impact. The significant items include:

1. Human Resources - added 3 hours to the PT Secretary to maintain staff response to increased demands for training, health care regulation, succession planning. Ald. Lajsic expressed his concerns about increasing this work time. He questions whether a reduction is more in line due to no longer doing negotiation work with the elimination of unions and some negotiations. Staff responded that even though bargaining is decreasing, other roles are increasing, especially the ever-changing federal laws, which continue to increase the workload of staff.

2. Police - one new Parking Control Officer is added, but these new employee costs are offset by a net increase in parking violation revenue of \$50,000.

3. Fire - three Fire Fighter positions are reduced, resulting in savings of approximately \$250,000, including benefits, but also results in a slight increase in response time and more mutual aid. Ald. Lajsic pointed out that Fire management is top heavy and reductions are needed. This is a question for the Police & Fire Commission to address. He also inquired about the status of consolidation. Mr. Ziehler said we have had one very preliminary discussion with Milwaukee to see if there is interest on going forward with this idea; Wauwatosa has also indicated their interest in these discussions. However, there hasn't been Council guidance on this topic in a number of years and it may be beneficial to visit this topic again with clear direction on parameters (e.g., is it cost efficient to consolidate, will we maintain equal or have better service, etc.) for these conversations on consolidation or sharing of services. Ald. Lajsic also inquired how many top Fire Officers take vehicles home? This is something we also need to look at. Ald. Narlock asked if staff would also check into Public Works vehicle use. Mr. Ziehler said he will check into this and report back. Ald. Vitale proposes that the Fire Dept. cut \$300,000 from its budget and come up with a plan of where those cuts would be made. Mr. Ziehler said he will address this further as budget discussion continues.

4. Employee Fringe Benefits - increases in health care costs once again resulting in budgeted expenditures exceeding health insurance revenue sources (the health insurance fund is operating at a deficit for the fourth straight year). Also, the employer-paid employee share of state pension contribution for general employees was eliminated resulting in substantial reduction in retirement costs.

During this expenditure review, Ald. Vitale also asked about Public Works equipment. Mr. Ziehler explained which vehicles are being funded, deleted, and transferred to the Capital Holding Account. Ald. Vitale expressed his opinion about how long we keep equipment and that we need to maintain our fleet of vehicles for a longer life.

In summary, \$625,000 is being used for tax stabilization resulting in a 1.5% tax levy increase. It was also pointed out that the City's assessed value is decreasing.

Mr. Ziehler then referred to several specific pages in the blue summary section and the white detail section of the budget, pointing out items of interest. Items of particular importance are summarized below:

1. Charges for Service (Milw. County Paramedic Aid). If \$3 mil. County Paramedic Aid is not funded, then the \$180,000 not realized in revenue will need to be added as a special charge to the tax bill or utility bill, or as an increase to the ambulance fee, or we could establish a new paramedic service charge. Staff commented another way to deal with it is to ask the Police & Fire Commission and Chief about ways to operate with less revenue. If the County doesn't act before our budget is approved, we will deal with it next year as a budget amendment.

2. Review of Significant Equipment Mayoral Cuts. There was a \$405,000 deletion (specifically \$147,000 in Vehicles and \$220,000 in Other) to the Police Dept. budget. Staff also pointed out that the Fire Dept. budget is \$250,000 lower than last year's budget. The Public Works deletion of \$660,000 was in the capital account for vehicle equipment, and total cuts were over \$800,000.

3. Review of Various Levy Fund Balances on Pg. 30 (General, Health, Parking, Debt). Mr. Ziehler reviewed the footnote at the bottom of this page to explain how the new State law allows us to use debt expenditures in conjunction with the levy limit. This permitted the 1.5% levy increase.

4. Enterprise Funds (Storm Water, Water Utility, Sanitary Sewer and Solid Waste). Mr. Ziehler reviewed each fund and explained why the majority will have rate increases. Specifically, because of a loss in State Aid for recycling, a \$4.29 rate increase (or 20.9%) will result. He also pointed out the capital expenditures included in each fund.

Ald. Kopplin asked the West Allis resident in attendance for his comments, noting that tonight's meeting is a Committee working meeting and the proper time for comments on the budget is during the public hearing scheduled for the November 1 Council meeting. Mr. Jim Nickel expressed his concerns that the City is not instituting increased health insurance costs for its employees in order to present a zero increase or lower budget. He commented on his insurance costs as a private business owner and felt the City should have used this "tool" the Governor provided to lower taxes. The Committee agreed that Mr. Ziehler be allowed to respond to the constituent as Mr. Ziehler indicated he had previously spoken with the citizen on this issue. Mr. Ziehler talked about the City only being given half the tools by the Governor and State Legislature with the exclusion of police and fire personnel from this measure. He said his personal view is that it is not fair for only our general employees to assume the burden to balance the budget. If we had been given the full use of all "tools" with the inclusion of the police and fire personnel, we could have realized greater savings. The other consideration in not using the increase in paying for health insurance costs is that the City may need this option in the future when budgets will be even more difficult to set. By using all of this savings in one year, we lose the ability to use part or all of it in the future. Ald. Narlock said he agrees with Mr. Ziehler's comments. Ald. Czaplewski asked how much we would need to get a zero increase budget, and Mr. Ziehler said \$600,000. Ald. Reinke asked what level of funds were realized with the pension costs assumed by employees. Mr. Ziehler explained we will save around \$800,000 eventually once all the unions assume this obligation. The nonunion employees began paying in September this year and all other unions will start in January 2012, except police and fire, although negotiations with the Fire Union are underway and we hope to see some positive results with this group. If both groups had to pay now, pension savings would have been \$464,000 for fire and \$545,000 for police, a \$1+ mil. savings

resulting in a decrease in the levy.

Mr. Ziehler commented that the unfortunate thing about this budget is it is only a one year budget. With the new net construction levy restrictions, we will face this kind of situation every year. He also mentioned that included in this budget is a 1% "cash out" salary increase for all employees. Police are getting increases over the next two years and Fire are in negotiations and we don't know what they will end up with; it is only fair to have money set aside for all other general employees. Ald. Vitale said his solution to the budget is to take away \$100,000 from Public Works and \$250,000 from each the Police and Fire, and let them decide how to manage the reduction.

In conclusion, Mr. Ziehler informed the Committee that the budget public hearing will be held at the 11/1/11 Council meeting, a Committee meeting is regularly scheduled for 11/7/11 for further discussion on the budget, if needed, and final budget approval is set for the 11/15/11 Council meeting. He will be happy to answer the Committee's budget questions or the Alderpersons are welcome to contact individual departments to get answers to their questions. There being no further questions/discussion this evening, the budget will be held pending further review.

Held

E. 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. Direction to Staff on Any Salary Changes for Elected Officials for 2012-2016.

Mr. Ziehler advised the Committee that salary changes for the 2012-2016 term for elected officials must be in place prior to December 1. This pertains to salaries for the Mayor, Alderpersons, City Attorney, and Municipal Judge. He is looking for direction from the Committee so this can be handled by the November 15 Council meeting. Ald. Lajsic asked what has been done in the past for this group. Mr. Ziehler said the last four year term had pre-established salaries in place. Ald. Lajsic said he would recommend doing what we have done for Police for the Mayor, City Attorney and Municipal Judge and no increase for Alderpersons. Discussion ensued. Mr. Ziehler summarized Committee direction to be no increase for Alderpersons and a similar increase given to Police for the remaining elected positions. The Committee concurred.

3. Other.

None.

F. ADJOURNMENT

A motion was made by Ald. Narlock, seconded by Ald. Reinke, to adjourn the meeting at 7:40 p.m. The motion carried unanimously.