



Wauwatosa, WI

Financial Affairs Committee

Meeting Agenda - Final

7725 W. North Avenue
Wauwatosa, WI 53213

Tuesday, May 28, 2024

7:30 PM

Committee Room #1 and Zoom:
<https://servetosa.zoom.us/j/81144274572>,
Meeting ID: 811 4427 4572

Regular Meeting

HYBRID MEETING INFORMATION

Members of the public may observe and participate in the meeting in-person or via Zoom at the link above. To access the Zoom meeting via phone, call 1-312-626-6799 and enter the Meeting ID.

CALL TO ORDER

ROLL CALL

FINANCIAL AFFAIRS COMMITTEE ITEMS

1. Consideration of 2024 Community Development Block Grant (CDBG) funding requests [24-0810](#)
2. Consideration of amendment to the 2024 Budget to reflect 2023 capital project carryovers [24-0712](#)
3. Consideration of a 2025 Budget Process Policy [24-0826](#)

ADJOURNMENT

NOTICE TO PERSONS WITH A DISABILITY

Persons with a disability who need assistance to participate in this meeting should call the City Clerk's office at (414) 479-8917 or send an email to clerk@wauwatosa.net, with as much advance notice as possible.



Wauwatosa, WI

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Staff Report

File #: 24-0810

Agenda Date: 5/28/2024

Agenda #: 1.

Consideration of 2024 Community Development Block Grant (CDBG) funding requests

A. Issue

Review and approval of 2024 Community Development Block Grant (CDBG) funding requests.

B. Background/Options

The CDBG Committee met in December, 2023 to review applications and set funding levels for the City's 2024 CDBG program year based on an estimated \$1,000,000 grant award. The City recently received the official funding notice from the Department of Housing and Urban Development (HUD) that the City's 2024 CDBG grant award is \$1,002,060, a \$2,060 increase from the estimated amount.

CDBG funds are broken into three project categories: (1) Administration/Planning, (2) Public Services, and (3) Public Facilities, Economic Development, and Rehabilitation. Per HUD's regulations, Administration/Planning funds are limited to 20% of the total grant award and Public Services funds are limited to 15% of the total grant award. There is no funding cap for the Public Facilities, Economic Development, and Rehabilitation category.

Attached you will find a breakdown of the 2024 funding requests along with a brief project summary, and the recommendation for 2024 grant funding. These projects and their ultimate funding amounts will be included in the 2024 CDBG Annual Plan submitted to HUD.

Given the applications and funding requests received, HUD's spending cap regulations, and the CDBG Committee's recommendations, the proposed final 2024 CDBG funding levels are as follows:

- In the Administration category (page 1 of attached table), Fair Housing is funded to include a small increase over 2023 funding level. General Administration request is funded to balance the Administration and Planning category.
- In the Public Service category (page 2 of attached table), the total requests exceeded the public service cap so funding requests were adjusted by the CDBG Committee. Further adjustments were made upon receiving the Notice of 2024 Grant Award by increasing the CDBG Committee recommended funding to each organization by approximately \$99.
- In the Public Facilities category (page 3 of attached table), all projects are proposed to be funded to the level recommended by CDBG Committee except for the CDA's request which is modified to balance out the total amount of the 2024 grant award.

C. Fiscal Impact

There is no direct impact on the City budget as a result of CDBG funding.

D. Recommendation

Approval of 2024 CDBG funding levels with a Level III fund transfer and final approval given by the Common Council.

City of Wauwatosa 2024 Community Development Block Grant (CDBG) Program

Amount of 2024 CDBG Funds: \$1,002,060

ADMINISTRATION & PLANNING - \$200,412 maximum due to a 20% spending cap in this category

	2023 Funded Amount	2024 Request	2024 Recommendation
Project Name: Program Administration	\$ 150,000	\$ 158,000	\$ 158,412
Description: Provides for all costs associated with the administration of the CDBG Program including salaries and fringe benefits, supplies, notices, and training travel expenses. Minimum \$50,000 toward updating the City of Wauwatosa Comprehensive Plan.			
Project Name: Metropolitan Milwaukee Fair Housing Council	\$ 41,790	\$ 43,045	\$ 42,000
Description: The Metropolitan Milwaukee Fair Housing Council is funded to provide fair housing opportunities through its Fair Housing Project (FHP), designed to further fair housing and eliminate unfair and illegal discrimination in the sale, renting, financing or insuring of housing. The Fair Housing Council provides fair housing information, counseling and investigative services and research and technical assistance. The fair housing component is a HUD requirement for each grant year.			
Total Administrative & Planning Requests	\$ 191,790	\$ 201,045	\$ 200,412

PUBLIC SERVICES - \$150,309 maximum due to a 15% spending cap in this category

CDBG funding for organizations in the Public Service category requires that a minimum of 51% of clients served meet low/moderate income levels established by HUD.		2023 Funded Amount	2024 Request	2024 Recommendation
Project Name:	Senior Center /Recreation Department	\$ 82,911	\$ 84,000	*
Description:	The Wauwatosa School District Recreation Department manages activities and other programs for the Senior Centers at Hart Park and City Hall. Operation costs include staff salaries and benefits, equipment and supplies, and publicity/promotion. *2024 Senior Center services will be covered with 2023 CDBG funds.			
Project Name:	Tosa Cares	\$ 6,911	\$ 10,000	\$ 7,099
Description:	Tosa Cares provides food and assistance to families in need and conducts several service projects a year to collect and distribute food supplies, hygiene products and clothing. Funds are used to purchase food and supplies that go directly to families in need. Outside of CDBG funds, the program relies totally on donations and is all volunteer run.			
Project Name:	Life Navigators	\$ 25,911	\$ 30,000	\$ 26,100
Description:	Life Navigators assists individuals with developmental disabilities and their families in securing the support and resources necessary to live and work safely and as independently as possible. Grant funds pay for staff salaries/costs.			
Project Name:	Vision Forward	\$ 6,911	\$ 10,000	\$ 7,099
Description:	Vision Forward provides vision rehabilitation services for adults who are blind and visially impaired. Services include assessent and training in low vision, activities of daily living, communication, orientation and mobility and technology. Grant funds pay for staff salaries/costs in proportion to the number of Wauwatosa residents served.			
Project Name:	ERAS Senior Network	\$ 26,911	\$ 27,098	\$ 27,100
Description:	The chief aim of the neighborhood outreach program is to help older adults live in their homes safely for as long as possible. The program recruits community volunteers to provide day-to-day services such as informational referrals, transportation assistance, home visits and minor home projects. CDBG funds are requested to cover staff salaries.			
Total Public Services Requests		\$ 149,555	\$ 161,098	\$ 67,398

Public Facilities, Economic Development & Rehabilitation

There is not a funding cap in this category.		2023 Funded Amount	2024 Request	2024 Recommendation
Project Name:	Wisconsin Women's Business Initiative Corporation (WWBIC)	\$ 35,000	\$ 40,000	\$ 40,000
Description:	WWBIC provides one-on-one technical assistance and business education classes to for-profit businesses to foster small or micro-business start ups and expansions.			
Project Name:	Lutheran Home	\$ 144,491	\$ 179,986	\$ 179,986
Description:	The Lutheran Home provides residential care for elderly and frail individuals who have experienced a substantial physical or mental decline and cannot safely live on their own. The Lutheran Home is requesting funds to replace outdated windows primarily located in resident and day care areas.			
Project Name:	Luther Manor	\$ 152,130	\$ 141,304	\$ 141,304
Description:	Luther Manor is a Continuing Care Retirement Community offering life-long, comprehensive housing care and services for older adults. Funds will be used to modernize resident safety and enhance independence.			
Project Name:	Carmelite Ministry of St. Teresa (CMST)	\$ 137,500	\$ 125,000	\$ 125,000
Description:	CMST is a ministry of the Carmelite Sisters of the Divine Heart of Jesus Northern Province, a non-profit organization based in Wauwatosa that provides community programming for individuals with disabilities. Funds will be used for various projects; sprinkler system, widows/doors, and water damage remediation.			
Project Name:	Community Development Authority	\$ 186,573	\$ 400,000	\$ 247,960
Description:	Funds would be used for owner occupied housing rehabilitation efforts as part of the City's housing rehabilitation program. Funds could be used to provide assistance for affordable housing units that would not be viable without CDBG funding.			
Total Public Facilities, Economic Development & Rehabilitation		\$ 655,694	\$ 886,290	\$ 734,250
Total CDBG Requests			\$ 1,248,433	\$ 1,002,060



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Staff Report

File #: 24-0712

Agenda Date: 5/28/2024

Agenda #: 2.

Consideration of amendment to the 2024 Budget to reflect 2023 capital project carryovers

Submitted by:

John Ruggini and Thania Cervantes

Department:

Finance Department

A. Issue

Earlier this year, the 2023 Operating Carryovers were approved. Presented here for approval are the capital project carryovers

B. Background/Options

A carryover is a budgetary mechanism by which spending authority is transferred from one fiscal year to the next. This is most often necessary where a project budgeted for in one fiscal year (2023) is not completed so that remaining committed but unspent funds associated with the project are transferred to the following fiscal year (2024). While the City adopts a five-year capital plan, only the first year of the plan is actually authorized. In this case, the 2023-2027 plan was adopted in February 2023 and the 2024-2028 plan was adopted in December 2023. We are now requesting the 2024 fiscal year of the 2024-2028 plan be amended for the unspent 2023 funds.

Capital projects are typically complex infrastructure projects (such as street and utility construction) or large equipment purchases (such as a Fire engine) that often span multiple fiscal years so carryover funds are not uncommon. The Capital Budget is adopted separate from the Operating budget but once approved, they are combined in the City's financial system so spending can be tracked. Capital projects have multiple funding sources including property taxes, special assessments, grants, surplus funds (cash) and bonds (borrowed money). The majority of capital carryovers typically represent bond funds that have been borrowed but not yet spent. Of the \$16.5 million requested for carryover, 61% are bond funds. These borrowed funds legally must be spent on capital projects within two years of having been borrowed. Staff actively monitor these timeliness requirements.

I am requesting that \$16,465,418 be carried over as compared to the \$12,216,435 in the prior year for previously approved capital projects. There is no funding included for new projects. The table below organizes the carryovers by justification:

Justification	Sum of Amount Recommended
Project delayed	1,836,230
Project in progress	5,928,400
Project surplus - will be transferred	207,628
Punch list items	2,463,396

Future year construction	2,705,140
Annual budget rolled over	1,211,463
Work in 2024	2,113,161
Grand Total	16,465,418

From the perspective of an Alder, it is important to monitor delayed projects and understand the reasons for delays and any impacts on future capital budgets. For example, often future projects are contingent on the completion of a current project. From a staff perspective, we are often juggling limited staffing resources, changes to contingent projects that we don't control (such as the Department of Transportation), scope changes, pricing changes or delays in land acquisition to name a few. The table below shows which projects have been delayed. At the meeting, staff can speak to the reasons for the delays and any potential impacts.

Project #	Project	Justification	Sum of Amount Recommended Carryover
1115	MAYFAIR RD & BURLEIGH ST BIKE PED	Project delayed	813,321
4100	KNOLL BLVD STORM SEWER IMPROVEMENTS	Project delayed	35,102
8037	TENNIS COURT BATHROOM REMODEL	Project delayed	397,808
9001	EAST TOSA IMPROVEMENTS-NORTH AVE	Project delayed	590,000
Grand Total			1,836,230

One new project has been added to be funded by carryover. There is \$28,296 in surplus funds in project 6034 - Library Book Return Replacement. Staff recommend that these surplus funds be used to purchase a mechanical lift. This lift is intended to replace the use of tall ladders that are currently being used for tasks such as lighting maintenance, clock repairs, HVAC repairs/maintenance and any other task that requires staff to work elevated from the floor. This is an employee safety issues as ladders are one of the leading causes of workplace accidents. The City does not currently own one.

A full listing of all the carryovers is included as an attachment. The majority of the projects are funded with bond proceeds which cannot be used for purposes other than capital projects and are often restricted to specific types of projects. The Capital Budgets can be found at the web page below if you'd like more detail on a particular project.

<https://www.wauwatosa.net/government/departments/finance/budget>

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C. Strategic Plan (Area of Focus)

This carryover supports the strategic goal of maintaining city infrastructure.

D. Fiscal Impact

As all of these projects were previously budgeted, there is no fiscal impact on the 2023 Budget.

E. Recommendation

I recommend amending the 2024 Budget by increasing capital project expenditure authority up to \$16,465,418 for prior year unspent funds.

Project #	Project Name	Recommended Carryover	Justification
1017	2017 PAVING PROGRAM	\$ 39,492	Project surplus - will be transferred
1021	2021 PAVING PROGRAM	\$ 790,540	Punch list items
1022	2022 PAVING PROGRAM	\$ 1,163,123	Punch list items
1023	2023 PAVING PROGRAM	\$ 452,441	Punch list items
1024	2024 PAVING PROGRAM	\$ 484,246	Work in 2024
1025	1025 PAVING PROGRAM	\$ 333,163	Future year construction
1104	BIKE/PEDESTRIAN PLAN IMPLEMENTATION	\$ 102,481	Project in progress
1107	NORTH AVENUE PAVING-MENOMONEE	\$ 2,249,730	Project in progress
1112	NORTH AVENUE PAVING - MAYFAIR RD T	\$ 105,621	Project in progress
1115	MAYFAIR RD & BURLEIGH ST BIKE PED	\$ 813,321	Project delayed
1116	GLENVIEW & HARWOOD INTERSECTION	\$ 53,964	Project surplus - will be transferred
1121	STH 181 WISCONSIN AVE TO CENTER ST	\$ 626,649	Future year construction
1122	DOT MAYFAIR RD RESURFACING, SIDEWAL	\$ 46,362	Future year construction
1123	BLUE MOUND RD USH 18 RESURFACING	\$ 64,563	Future year construction
1126	GLENVIEW STH181 RESURFACING	\$ 35,000	Future year construction
1623	2023 PAVEMENT REPAIRS AND SPOT IMPR	\$ 594,794	Annual budget rolled over
2022	2022 SIDEWALK IMPROVEMENTS	\$ 57,293	Punch list items
2102	WASHINGTON HIGHLAND'S RAILINGS	\$ 152,375	Work in 2024
2223	2023 BRIDGE SPOT REPAIR	\$ 281,004	Annual budget rolled over
2301	RECONSTRUCT NORTH AVE BRIDGE OVR ME	\$ 677,867	Future year construction
2303	WISCONSIN AVE BRIDGE OVER HONEY CRE	\$ 413,103	Future year construction
2305	TOSA TRAILS-112TH ST CONNECTOR	\$ 62,199	Work in 2024
2402	CONSTRUCT FIBER OPTIC CONNECTIONS	\$ 654,006	Project in progress
2403	STREET LIGHT CONVERSION	\$ 298,059	Project in progress
3005	TOSA EAST UTIL IMPROVE & FLOOD REL	\$ 508,433	Future year construction
3008	UNDERWOOD CREEK SOUTH SANITARY IMPR	\$ 556,798	Project in progress
3010	WA3009 SAN SEWER LINING & LATERAL G	\$ 654,966	Project in progress
4100	KNOLL BLVD STORM SEWER IMPROVEMENTS	\$ 35,102	Project delayed
4102	103RD STREET STORM SEWER RELAY	\$ 227,237	Project in progress
5022	POTTER RD WATER MAIN RELAY	\$ 211,489	Work in 2024
6026	ACCESS CONTROL UPGRADE CITY HALL	\$ 30,000	Project in progress
6032	LIBRARY PUBLIC RESTROOM UPGRADES	\$ 248,023	Project in progress
6034	LIBRARY BOOK RETURN REPLACEMENT	\$ 28,296	Project surplus - will be transferred
6035	SAFETY & SECURITY UPGRADES CITY HAL	\$ 150,000	Project in progress
6203	PUBLIC WORKS BUILDING FLOOR SYSTEM	\$ 17,806	Project surplus - will be transferred
6216	TRANSFER STATION/DEMO INCINERATOR	\$ 464,852	Work in 2024
6223	EMERGENCY GENERATOR DPW	\$ 10,000	Work in 2024
6227	MINI EXCAVATOR & TRAILER	\$ 5,379	Project surplus - will be transferred
6408	POLICE DEPARTMENT EXPANSION	\$ 16,724	Project surplus - will be transferred
6409	REPLACE END OF LIFE ROOF AT POLICE	\$ 14,477	Project surplus - will be transferred
6410	POLICE DEPT ACCESS CONTROL UPGRADE	\$ 22,152	Project in progress
6433	SOLAR PANELS-POLICE DEPARTMENT	\$ 698,000	Work in 2024
6441	POLICE LOBBY REFRESH	\$ 68,250	Project in progress
6444	DIGITAL INTELLIGENCE FORENSICS REC	\$ 1,916	Project surplus - will be transferred
6445	LENCO BEARCAT G2 RESCUE VEHICLE	\$ 276,375	Project in progress
6631	STATION 51 WATER DAMAGE	\$ 8,022	Project surplus - will be transferred
6632	RESCUE TASK FORCE BALLISTIC PROTECT	\$ 26,581	Project in progress
6800	ALL FACILITIES HVAC UPGRADE	\$ 155,011	Annual budget rolled over
6801	BUILDING CONTROLS UPDATES	\$ 35,842	Annual budget rolled over
8025	PUBLIC RESTROOM UPGRADES HART PARK	\$ 21,552	Project surplus - will be transferred
8036	REMODEL MUELLNER BUILDING	\$ 30,000	Work in 2024
8037	TENNIS COURT BATHROOM REMODEL	\$ 397,808	Project delayed
8044	HART PARK LOCKER FACILITY SHOWER RE	\$ 185,000	Project in progress
8056	HART PARK STADIUM IMPROVEMENTS	\$ 73,122	Project in progress
9001	EAST TOSA IMPROVEMENTS-NORTH AVE	\$ 590,000	Project delayed
9008	BUS STOP IMPROVEMENTS	\$ 144,813	Annual budget rolled over
Grand Total		\$ 16,465,418	



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Staff Report

File #: 24-0826

Agenda Date: 5/28/2024

Agenda #: 3.

Title/Recommendation

Consideration of a 2025 Budget Process Policy

Memo Body

A. Issue

Beginning in 2019, the Financial Affairs Committee has annually adopted a "Budget Process Policy" to set forth the principles and process for the adoption of the City's operating and capital budgets.

B. Background/Options

The budget process is one of the most important decision-making processes undertaken by the elected officials. The Financial Affairs Committee annually adopts a budget policy outlining the principles and process for the adoption of the City's operating and capital budget. This is done so that the decision points and roles of the committees and staff are clearly set forth to in order to ensure a fair process in which multiple points of view can be heard and considered and elected officials are provided necessary information for decision-making and staff have sufficient time to prepare. The 2025 Budget Policy is attached for discussion and consideration. Changes from the 2024 policy have been red-lined, other than date changes.

C. Strategic Plan (Area of Focus)

D. Fiscal Impact

E. Recommendation

I recommend adoption of the policy

Budget Process Policy

Purpose

Outline the principles and process for the adoption of the City's 2025 operating and capital budgets so that the decision points and roles of the committees and staff are clearly understood and agreed to.

Background

All Wisconsin municipalities must adopt an annual budget. See Wis. Stat. secs. 65.01 and 65.90. A budget is a projected financial plan or "fiscal blueprint" that outlines how municipal funds will be raised and spent. While the City produces a budget book that is over 100 pages, technically, for purposes of complying with state law, the legal budget is the 2-page resolution enacted by the governing body that meets the requirements of sec. 65.90(2). Before adopting the annual budget, a municipal governing body must hold a public hearing on the proposed budget to allow citizen comment. To inform the public about the proposed budget, the municipality must publish a class 1 notice under Wis. Stat. ch. 985, at least 15 days before the date of the public hearing on the budget.

There are different budget versions or phases that are created during the process. The table below describes the version, the final decision maker and the approximate time-frame. While the City strives to maintain a collaborative process between the Administration, Mayor and Common Council, it is important to recognize that each version has a final decision maker.

Budget Version	Decision Maker	Time Frame
Requested Budget	Department Directors	June-July
Executive Budget	City Administrator and Mayor	August- September
Proposed Budget	Financial Affairs Committee	October
Adopted Budget	Common Council	November

The Budget itself is one of the most significant policy decisions the Council makes as it represents decisions among competing interests for limited resources.

Principles

1. While a policy document, the Budget is intended to be a financial policy. Policies with no financial implication, in general, should not be addressed through the budget process but through the normal committee and agenda setting process.
2. Council Standing Committees will be involved with budget development throughout the entire process and timeline
 - a. Consideration of new budget initiatives and policy changes should occur prior to July 30th although the Financial Affairs committee may refer an item during the budget process to the appropriate committee for their consideration. Depending on the complexity, some budget initiatives may require multiple years to plan and implement.

- b. Committees should recommend that a change be included in the Executive Budget or referred to the Financial Affairs committee for consideration in the Proposed Budget. Recommendations are advisory only and not binding.
 - c. Any recommendation must be voted upon by the Committee before it can be forwarded for inclusion in the Executive or Proposed Budget.
 - d. Alders are encouraged to meet and communicate with Department Directors and appropriate City staff but requests for budgetary changes should be made through the committee process
 - e. Alders on the Financial Affairs Committee may propose amendments to the Executive Budget during a meeting in which the Financial Affairs committee is considering the Executive Budget. It is preferred that initiatives be discussed in the appropriate committee prior to the release of the Executive Budget but recognizing that is not always possible, staff request that Alders notify the Finance Director and appropriate Department Director of any proposed amendment no later than two weeks after the publication of the Executive Budget. Alders not on the Financial Affairs Committee can seek to have a colleague on the Committee propose an amendment on their behalf or they may propose an amendment of the Proposed Budget when it is before the entire Common Council.
 - f. While not required, it is strongly encouraged that proposed changes to the budget include a funding source. If not, the decision-maker for that phase will ultimately have to balance the budget.
3. Committee involvement should be focused on high-level key decision points on which the Committee will vote. High-level decisions are defined as:
 - a. Overall policy decisions with a budgetary impact such as those in the Financial Resiliency Policy and Debt Policy. These would include the balance between development, expenditure reductions and revenue increases for example
 - b. Decisions that affect all departments such as the change in the property tax levy or changes to compensation
 - c. Significant departmental changes that affect the way in which services are provided, the service level that is provided or the cost of providing the service.
 - d. Changes in fees
 4. The Financial Affairs Committee will vote upon the recommended property tax levy increase, cost of living increase and any significant health care design changes preferably prior to ~~May~~ June 30th following the presentation of the five-year forecast.
 5. Staff will provide the committee as accurate financial information as is available recognizing that the earlier in the process information is provided, the higher margin of error.
 6. Staff presentations will be focused on items with a financial impact on the budget. Informational presentations will be limited to items that require background information.
 7. ~~Larger~~ ~~Departments~~ including Police, Fire and Public Works will provide annual updates to assigned committees or the Common Council in lieu of budget presentations. These presentations will take place from February through September.
 8. Specific budget initiatives will be brought before the appropriate committee throughout the process when there is sufficient information available for a preliminary decision to be made.

9. The tentative release of the Executive Budget will be September 27, 2024 with the following meeting dates:
 - a. Committee of the Whole, Tuesday, October 1 2024 – Executive Budget Overview
 - b. Financial Affairs Committee, Tuesday, October 8, 2024– Departmental Review
 - c. Financial Affairs Committee, Tuesday, October 22, 2024 – Continued Departmental Review (special meeting due to 5-Tuesday month)
 - d. Financial Affairs Committee, Thursday, October 24, 2024 – Continued Departmental Review – if needed
 - e. Financial Affairs Committee, Tuesday, October 29, 2024 – Amendments and Adoption
 - f. Public Hearing, Tuesday, November 5
 - g. Budget Adoption, Tuesday, November 19
 - h. The Capital budget dates will be provided separately when they are available.
10. The October Financial Affairs Budget Committee review will be focused on how staff was able to remain with the overall guidelines established, significant departmental changes, amendments to the budget and adoption. Department Directors will be available to discuss changes to their budgets. The focus will be on budgetary changes as opposed to departmental overviews.
11. Enhanced public participation will be considered a future development
12. This policy will be reviewed and modified as necessary by the Financial Affairs Committee following the adoption of the 2025 budget.