



City of Milwaukee Meeting Minutes

200 E. Wells Street
Milwaukee, Wisconsin
53202

FINANCE & PERSONNEL COMMITTEE

ALD. MICHAEL J. MURPHY, CHAIR
Ald. Michael S. D'Amato, Vice-Chair
Ald. Joe Davis, Sr., Ald. Robert Donovan, Ald. James Witkowiak

Staff Assistant, Terry MacDonald
Fax: (414) 286-2233, E-mail: tmacdo@milwaukee.gov
File Specialist, Charlotte Rodriguez, E-mail: crodri@milwaukee.gov

**Italicized comments following the titles of Council files are explanatory only and not intended to limit the scope of the debate or any possible amendments.*

Tuesday, October 12, 2004

9:00 AM

Room 301-B, City Hall

BUDGET HEARINGS

Meeting Convened: 9:10 A.M.

Members Present: ALD. MURPHY, ALD. D'AMATO, ALD. DAVIS, ALD. DONOVAN and ALD. WITKOWIAK

1) [040795](#)

Communication from Mayor Tom Barrett transmitting the 2005 Proposed Budget for the City of Milwaukee.

[2005 Proposed Plan & Executive Budget Summary.doc](#)
[Comparison of the 2005 Proposed Expenditures and Funding Source with prior years](#)
[10-1-04 Budget Overview - 2005 Proposed Budget powerpoint presentation.ppt](#)
[10-7-04 letter from DPW employees.PDF](#)
[10/12/04 Dept. Employee Relations and Employee Benefits powerpoint presentations](#)
[10-7-04 DPW-Sanitation presentation.ppt](#)
[10-15-04 ERS 2005 Budget Presentation.ppt](#)
[040795 Ald. Hines 2005 Budget News Release 9-23-04.pdf](#)
[10-22-04 DCD's 2005 budget presentation.ppt](#)
[11-4-04 2005 Budget Amendments 1-77.pdf](#)
[11/4/04 Amendments to the Amendments.PDF](#)
[Municipal Court-Fiscal Report.PDF](#)
[Municipal Court-Map.PDF](#)
[Department of Employee Relations-Fiscal Report.PDF](#)
[DER-Employee Benefit Accounts-Fiscal Report.PDF](#)
[Port of Milwaukee-Fiscal Report.PDF](#)
[Deferred Compensation-Fiscal Report.PDF](#)
[Grant & Aid Fund-Fiscal Report.PDF](#)
[Comptroller and Public Debt-Fiscal Report.PDF](#)
[City Debt-Fiscal Report.PDF](#)
[Delinquent Tax Fund-Fiscal Report.PDF](#)
[City Revenues-Fiscal Report.PDF](#)
[Tax Stabilization Fund-Fiscal Report.PDF](#)
[Common Council Contingent Fund-Fiscal Report.PDF](#)
[Mayor's Office-Fiscal Report.PDF](#)
[City Clerk's Office-Fiscal Report.PDF](#)
[Election Commission-Fiscal Report.PDF](#)
[City Attorney-Fiscal Report.PDF](#)
[Assessor's Office-Fiscal Report.PDF](#)
[DOA-Fiscal Report.PDF](#)
[DPW-Administration-Fiscal Report.PDF](#)
[DPW-Sanitation -Fiscal Report.PDF](#)
[DPW - Forestry Executive summary.PDF](#)
[DPW-Forestry-Fiscal Report.PDF](#)
[DPW-Bldgs and Fleet-Fiscal Report.PDF](#)
[Capital Improvement Plan.PDF](#)
[DPW-Infrastructure-Fiscal Report.PDF](#)
[DPW-Sewer Maintenance Fund-Fiscal Report1 \(6\).PDF](#)
[DPW-Parking-Fiscal Report.PDF](#)
[DPW-Water Works-Fiscal Report.PDF](#)
[Employes' Retirement System-Fiscal Report.PDF](#)
[Policemen's Annuity & Benefit Fund-Fiscal ReportPDF](#)
[Treasurer-Fiscal Report.PDF](#)
[Health-Fiscal Report.PDF](#)
[Department of Neighborhood Services-Fiscal Report.PDF](#)
[Department of City Development-Fiscal Report.PDF](#)
[Special Purpose Accounts Overview & Misc. SPA'S-Fiscal Report.PDF](#)
[Communication from Chief Wentlandt-Fiscal Report.PDF](#)
[Communication from Health Dept.PDF](#)
[E-mail Communication.PDF](#)
[Communication from City Engineer.PDF](#)
[Communication from Office of the Chief-MPD.PDF](#)

[MPD-Communication re: 2005 Budget.PDF](#)
[Fire Department-Fiscal Report.PDF](#)
[Library-Fiscal Report.PDF](#)
[Police Department-Fiscal Report.PDF](#)
[Part 1 and 2 Approved amendments & 24 hr. Amendment Pack 1 & 2 and more.PDF](#)
[11/12/04 Comptrollers Office letter.pdf](#)

Also appeared: Mark Nicolini, Director (DOA-Budget), Wally Morics (Comptroller's Office), Marianne Walsh, Manager (Fiscal Review) and Barry Zalben, Manager (Legislative Reference Bureau)

MUNICIPAL COURT

Kristine M. Hinrichs, Judge Gramling, John Ledvina and Emma Stamps appeared.

John Ledvina read his budget highlights. Ms. Stamps then gave a brief summary of her fiscal report. Judge Gramling appeared and addressed the Committee. He stated that they are pleased with the 2005 Proposed Budget as presented. He gave a brief highlight of the four major court issues. They are in the mist of implementing a new case management system that has been approved in prior years and they will go live with it sometime by the end of January 2005. Second, he briefly discussed the change to their policy regarding installment payment plans. Third, he briefly discussed the drivers' license programs, which have been very successful over the last eight months. Fourth, he discussed unpaid parking tickets, noting the large number of cases in the courts that revolve around parking tickets, which continue to be about 10% of the case load at the courts. Ms. Hinrichs noted that one more issue worth mentioning is the enactment of a bill last year by the Judiciary and Legislation Committee that provided that the State of Wisconsin share, through reduction of their sur-charge in the cost of collecting over due judgments. This would result in about \$150,000 in additional revenue per year to the City. Judge Gramling also noted that they will be celebrating their 30th anniversary of the opening of the courts on Jan. 6, 2005.

Ald. Davis and Ald. D'Amato commented on the Driver's License Reinstatement program success. Ald. D'Amato then asked if there are any lessons that have been learned and that can be incorporated daily so people can get their licenses more quickly and also to use in the future. Judge Gramling replied that they are not in favor of doing it again. He further noted that they aren't done assessing the program yet, but one of the critical pieces in this program was the participation of the Department of Transportation, who volunteered people four nights a week and who coached people on how to get their drivers' licenses back. Chairman Murphy commented that as many as 61,000 people were eligible. Ms. Hinrichs noted that 47,000 would be a more accurate number. Chairman Murphy asked how much money was recovered. Judge Gramling noted \$255,000 as of Oct. 7, 2004. Chairman Murphy noted

that the Council approved about \$55,000 and Judge Gramling noted that they had spent \$28,000.

Chairman Murphy commented on the absentee landlords, who pay their fines on installment plans. Judge Gramling replied that the installment payment plan was put together and is a benefit for people who need it, but he noted that it did get out of control as far as building code violations. They are currently working with Department of Neighborhood Services on that problem. Ald. Donovan commented on the 44% decline in cases coming from the Department of Neighborhood Services. Ald. D'Amato asked how the payment plans are set up. Ms. Hinrichs and Judge Gramling gave a brief overview of the installment plan process and also how it works when dealing with building code violation.

EMPLOYEE RELATIONS (all)

Maria Monteagudo, Burma Hudson, David Heard, Erick Shambarger and Mark Ramion appeared.

Mr. Shambarger read his budget highlights. Mr. Ramion then gave a summary of his fiscal report. Ms. Monteagudo appeared and gave a Powerpoint presentation. She briefly explained the following four key areas: First is the Department of Employee Relations Functions and Programs; second is the merger of the Fire and Police Commission with the Department of Employee Relations in 2003 has resulted in many successes. Mr. Heard appeared and noted that the combination of the Fire and Police Commission and Department of Employee Relations has been working together very well. The third key area is the 2005 Budget overview; and the last key area is the Department of Employee Relations initiatives relative to the Department of Employee Relations strategic planning process, which involves three areas - Employee Relations, Compensation and Workers' Compensation.

Chairman Murphy asked what strategies have been considered or implemented in order to contain Worker Compensation costs. What proactive steps has the city taken to prevent and reduce workplace injuries? Ms. Monteagudo replied and discussed the strategic plan initiative they have for that area. Chairman Murphy then asked what historical prospective has the City been facing in terms of Workers Compensation and are they looking at any trends due to the fact that the City does have an older worker force and where that is going? Ms. Hudson discussed the history of the Workers Compensation Division. Chairman Murphy asked what Department has the most incidents. Ms. Hudson replied that Department of Public Works has the most injuries. Chairman Murphy asked if they could provide a comparative report with other Cities on Worker Compensation injuries. Ms. Monteagudo advised that they have started the process of reconvening the City's Central Safety Committee and they will meet by the end of October. Mr. Nicolini commented that the

best way might be to use some kind of incentives for Departments' performance. Chairman Murphy asked how many claims have been submitted last year. Ms. Hudson replied that they receive a little over 3000 new claims. He then asked what was it two years ago. Ms. Hudson noted that the amount of claims has stabilized. Ald. Witkowski appeared and commented that a report is a good starting point and to have the reports return to the Public Safety Committee on a regular basis would be a good idea.

Ald. Davis noted his concerns with the elimination of the Diversity Specialist-Senior position in the Office of Diversity. He noted that he thinks it is too soon to eliminate a position from that office, since it was just created in 2003. Ms. Monteagudo noted that the position was vacant. Mr. Shambarger replied that in 2004 that position has shown up in a different area in the Budget.

Ald. D'Amato asked Mr. Heard about the decrease in citizen complaints to the Fire & Police Commission. Mr. Heard replied that they received 29 and right now they have 5 pending as of August 2004. Mr. Heard gave an overview of how complaints are submitted and noted that there have been more complaints settled with the Police Chief rather than with the Fire and Police Commission.

Ald. Murphy asked about the number of reclassification pending in the City Service Commission. Ms. Monteagudo replied that in 2003, they completed 65 classification studies and that impacted 118 positions. As of August, 2004, they completed 75 and that impacted 125 positions. Currently they have 19 classification studies in progress. Ald. D'Amato mentioned the reclassification problem during the Budget process. Chairman Murphy asked Ms. Monteagudo to submit a list of reclassifications that are in this budget to the Committee members before budget adoption.

DER-EMPLOYEE BENEFITS ACCOUNTS

Maria Monteagudo, Michael Brady, Andrea Knickerbocker, Dennis Yaccarino, and Mark Ramion appeared.

Mr. Yaccarino gave his budget overview and Mr. Ramion gave a summary of his fiscal report. Mr. Brady appeared and gave a Powerpoint presentation on Employee Benefits 2005. He discussed the following five steps that they are taking in regard to health care: The City provides choices and offer incentives, support cost effective drug utilization, promote Health and wellness, improve Health Care Quality and leverage the Best Care and lowest cost for all Milwaukee employers. He then referred to his chart on City Total Health Care Cost: 1999 to 2005 and went over the 2005 Rate Charts. And finally he discussed the graphs on Health Care Cost from 1994 - 2004.

Ald. D'Amato asked what percent of employees are in the CompCare Blue Board Network. Mr. Brady replied that about 40% are in the Board Network, 38% in Aurora and 22% in the Basic Plan. Ald. D'Amato asked what action by City Employees during open enrollment period will save them money and save the City money. Mr. Brady replied that it would save employees money to choose the Aurora Family Network. He noted that the biggest cost to the city has been the retirees, where the city pays 100% of retirees' cost for any insurance they choose until age 65. He commented that as that changes in the future the city's cost will change. He then noted with management choices the city cost would not change regardless of which plan they choose. Mr. Yaccarino noted that the HMOs are fixed-costs plans and the Basic Plans are an estimated premium payment. If their efforts are working well, they would expect those premium cost would eventually drive down into the Tier 1 and Tier 2 and the cost would be lower. It would depend on who chooses those plans. They would have to see some history to know for sure what the cost to the city would be. Ald. D'Amato asked how much is the employee share of the health insurance cost. Mr. Brady replied that for both employees and retirees in 2004, would be about \$20 million. Chairman Murphy asked what percentage of union employees select the Basic Plan. Mr. Brady replied that it varies, with District Council 48 is at about 20% and Milwaukee Police Supervisors Org. is over 30%.

PORT OF MILWAUKEE

Eric Reinelt-Acting Port Director, Hattie Billingsley, Larry Sullivan, David Schroeder and Angelyn Ward appeared.

Mr. Schroeder read his budget highlights. Ms. Ward gave a summary of her fiscal report. Mr. Reinelt appeared to answer any questions. Chairman Murphy commented that the cargo tonnage in 2003 decreased by 75,071 tons from 2002. Chairman Murphy asked how is the tonnage for 2004 from 2003. Mr. Reinelt replied that they have been having a good year and noted that 2 out of the last 3 years they hit 3 million tons and that is a record for the Port and they will be doing that again this year. Chairman Murphy asked what would they contribute that income to. Mr. Reinelt replied that they have the structure and market in place to attract opportunities when they are here and now with the economy doing extremely well and the manufacturing sector and construction sector all those goods reflect the bottom line, which comes through Port. Chairman Murphy asked who is the Port's biggest Customer. Mr. Reinelt replied that in terms of tenants it would be Milwaukee. Bulk Terminal/Kinder Morgan who handles a lot of tonnage for the Port and two other tenants that are also doing really well is Sonag Cement Company and St. Mary's Cement Company. Chairman Murphy asked if the Port is still shipping a lot of scrap metal to China. Mr. Reinelt replied that has changed somewhat They had done a lot up to about 4-5 years ago and then the dock was closed by

Miller Compressing. He noted they are still exporting, but it is a higher grade of metal so volume is lower then it used to be but as far as value it is higher. Chairman Murphy asked how the effort going on getting further businesses in terms of working with other nations and other local communities. Mr. Reinelt replied that that is also doing very well and that next year or late this year they will be handling several new cargos including alternative energy sources, such as windmills. Chairman Murphy asked how the ferry is doing. Mr. Reinelt replied that it is doing very well. Chairman Murphy asked Mr. Reinelt to elaborate on the jobs created because of the port. Mr. Reinelt replied and discussed the economic study to update the job growth in this port that was done about 4 years ago.

Chairman Murphy discussed the homeland security issues with Mr. Reinelt. Ald. Davis asked what was the total grant award received from Department of Homeland Security. Mr. Reinelt noted that the only funding they received was from the federal government through the state in 2003 of \$250,000 and it is almost spent. He noted that there is no current grant funds awarded to them and noted that they need more funding.

A motion was made by Vice Chair D'Amato that this matter be HELD TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 5 - ALD. MURPHY, ALD. D'AMATO, ALD. DAVIS, ALD. DONOVAN and ALD. WITKOWIAK

Noes: 0

Meeting Adjourned: 12:02 P.M.

*Terry J. MacDonald
Staff Assistant*