



# City of Milwaukee

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

## Meeting Minutes CAPITAL IMPROVEMENTS COMMITTEE

**ALD. NIK KOVAC, CHAIR**

**Ald. Robert Bauman, Ald. Michael Murphy, Ghassan Korban,  
Martin Matson, Mark Nicolini, and Mariano Schifalacqua**  
**Staff Assistant: Tobie Black, 286-2231; Fax: 286-3456,  
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**Fiscal Planning Specialist: Kathleen Brengosz, 286-3926,  
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Wednesday, May 1, 2013

9:00 AM

Room 301-B, City Hall

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Meeting called to order at 9:06 a.m.

**Present: Froh, Schifalacqua, Korban, Szopinski, Bauman, Matson**

**Also in attendance:**

**Kathy Brengosz, Fiscal Planning Specialist**  
**Mark Nicolini, Budget and Management Division**

**1. Approval of the minutes of the April 11th and April 15th meetings.**

*Minutes were approved as written.*

**2. Discussion of and recommendations for the 2014 Capital Budget Requests.**

*Mr. Froh asked if the committee should discuss and review the Municipal Art Fund, the Grant and Aid fund, and the Affordable Housing Initiative. Ms. Brengosz said that the committee has never received requests for those accounts. They are included in the Proposed Budget by the Budget Office. Ald. Bauman recommended including \$25,000 for the Municipal Art Fund, \$8 million for the Grant and Aid fund and \$400,000 for the Affordable Housing Initiative. The committee agreed.*

*The committee discussed the remodeling project on the 4th floor of the 809 Building. Ms. Brengosz said that last year the committee recommended funding to begin the project. The 2014 request will provide the funding to complete it. Mr. Froh said that the centralization of IT responsibilities into ITMD would be a reason to support the remodeling. Ald. Kovac said that the Council has supported the consolidation of staff into ITMD. The committee agreed to recommend funding for the completion of the project.*

*The committee discussed the remodeling of the 8th floor of City Hall. Ald. Kovac said that originally he had hoped that the 8th floor could be made available for public access. He expressed concern about subdividing the 8th floor library space into offices because of the architectural significance of the space. He also questioned whether the 8th floor was the correct location for the City Attorney's Office given its*

space requirements and the increasing size of its staff, but said that locating the City Attorney in City Hall because he is an elected official is a valid point.

Ald. Bauman suggested not providing any funding for the City Attorney's offices because they haven't identified an alternate plan. Mr. Matson disagreed and suggested going forward with the remodeling project. Mr. Schifalacqua questioned how important the issue of contiguous space was for the effective operation of the City Attorney's Office. He suggested providing funds to begin the upgrade of the electrical and HVAC system and considering the utilization of a portion of the ZMB for some of the City Attorney's staff. Ald. Kovac asked if DPW discussed the possibility of leaving some City Attorney staff at the ZMB to avoid subdividing the library space. Mr. Korban said no. Ald. Bauman had concerns about beginning mechanical upgrades without knowing what the eventual use of the space will be.

Mr. Froh said that a Space Committee used to determine space requirements and the allocation of office space for departments throughout the City. He said that it would be good to have someone review the issues being raised by multiple remodeling requests and to provide analysis so the Council could make a determination about the best and most cost effective use of space. Ald. Kovac asked if that sort of analysis would require additional funding. Mr. Korban said yes. He said that to do a full feasibility or space study you need time, staff and potentially, outside sources. Mr. Froh said that the real issue is resolving the dispute over the space. He said that the reason nothing is happening is because there is a political will that some of the space on the 8th floor needs to be reserved for the public and an opposing view that says otherwise. And there is no real body in existence to make the decision or provide guidance or analysis so the Council and the Mayor could make a better informed decision. Ms. Brengosz asked if the committee would like to make a recommendation that the space study committee be reformed. The committee said no. Ald. Kovac suggested that instead of recommending the formation of a new space study committee, a lesser amount of funding be included to cover the mechanicals with the lesser amount being contingent on the exploration of alternatives for the 8th floor and the City Attorney's Office. Mr. Froh said he would support that. Ald. Kovac said that a majority of the committee agreed to the partial funding with the contingency but noted that the Comptroller would like to approve the entire amount and Ald. Bauman would like the recommendation to be zero. Ald. Kovac said that the committee would expect to see a plan that identifies alternatives and their related costs. Mr. Froh added that the plan should address the multiple issues that the committee has discussed and that the plan should be approved by the Common Council.

The committee discussed the Fire and Police Commission request. Ald. Bauman said it seemed reasonable to allow the Fire and Police Commission to use the 8th floor as is. Ms. Brengosz noted that the Fire and Police Commission said that they only wanted to move to the 8th floor they could stay for at least two years. Mr. Froh said that the analysis has to include the market value of the space and the value that is lost to the City by not utilizing the space. He said that anytime a space changes tenants it costs money to refurbish and clean the space for a new tenant. Ms. Brengosz said that the Fire and Police Commission request is independent of what happens with the City Attorney request. Ald. Kovac said that the committee's recommendations should contain some narrative regarding the conflicting components of the various requests. Mr. Szopinski said that the Fire and Police Commission's request was relatively small and wouldn't necessarily have to be financed with debt in the capital budget.

Ald. Kovac asked if the LRB Research Upgrade and the Remodeling of City Hall Room 205 were related. Ms. Brengosz said no, they were two independent projects.

*Ald. Bauman said that the arguments that are being made for remodeling the 8th floor of City Hall could be used to justify the remodeling projects on the 2nd and 3rd floors. Ald. Kovac asked Mr. Szopinski if he thought that any of the remodeling projects would be in the budget. Mr. Szopinski replied that the Budget has a finite amount of financing available. He said that every million that is spent in one place is a million that can't be spent somewhere else. Ald. Kovac said that even though the projects might not get funded it would be irresponsible of managers not to at least suggest them. Mr. Froh said that the committee should attempt to spread expenditures out over the six years of the capital plan. Mr. Schifalacqua said that is one of the things that the Space Committee did. It phased projects so all the big requests were not funded in one year.*

*The committee discussed the Housing Infrastructure Preservation (HIP) Fund and the In rem Property Fund. Ald. Bauman said that he supported \$600,000 for the HIP. He also suggested increasing the in rem fund to \$500,000. Ald. Bauman said that there are 938 improved properties in the in rem inventory and that approximately 300 of them are occupied and that the department expects to get up to 600 more this year. Mr. Szopinski suggested that the committee consider allocating more to the in rem account and less to the HIP, keeping the total increase neutral. Ald. Bauman said he would not support making a tradeoff between the two programs. He said that the HIP Fund promotes home ownership and neighborhood stabilization. He added that the HIP is one of the most successful housing programs in the City. It is a well-managed program that has provided employment opportunities for residents and business opportunities for small and minority-owned businesses. Ald. Kovac said that there is an urgent need in the City and that the committee is charged with identifying need. Ald. Bauman questioned how the committee could recommend funding for the remodeling of the City Attorney's Office when the City's housing infrastructure, which is arguable more important, continues to deteriorate. Ald. Bauman suggested doubling the requested amount for the in rem fund from \$300,000 to \$600,000. Ald. Kovac asked if there were objections. There were none.*

*Mr. Froh suggested reducing the amount for Tax Incremental Districts (TIDs). Ms. Brengosz said that DCD develops the amount by projecting potential new developments for the year. She said the borrowing authority is not used to pay for existing districts. Mr. Froh said that the total value of property that can be encumbered in TIDs throughout the City has a legal limit. He said that if property values are falling that has to be taken into consideration. Mr. Szopinski said that because TID debt is repaid separately it's not a pressure on the budget in the same way that general obligation bonds are. He said that if a TID doesn't perform there may be a bit more risk but for all intents and purposes, TID debt is self-supporting. He added that TID authorizations serve as a demonstration of the City's intent to regularly invest in new development. Ald. Kovac said that the TID borrowing will remain as requested. There were no objections.*

*The committee discussed the Fire Repair Shop. Ald. Kovac asked if the department had provided any cost savings data. Ms. Brengosz said no. Ald. Bauman said he could not support the project. Ald. Kovac agreed that he couldn't support such a large investment without information about the potential cost savings. Mr. Matson agreed. He added that perhaps this request could be reviewed from a space planning perspective. He said heavy equipment repair is already being performed at the Central Garage. He asked if that facility had the capacity to maintain and repair the Fire Department's fleet. Mr. Schifalacqua said that a study was done about 15 years ago to evaluate the feasibility of using Central Garage for the Fire Department equipment. He recalled that there wasn't enough space to do both. Mr. Korban suggested that the report be reviewed. He cautioned that moving or reconfiguring an operation the size of the Central Repair Garage would require a significant capital*

*investment. Ald. Kovac suggested that the Fire Repair Shop be moved to an out year in the capital plan. There were no objections.*

*The committee discussed the Milwaukee Public Library's request for the Facility Initiative. Ald. Kovac said that in 2012 the committee did not recommend fully funding MPL's facility initiative. He said that in 2013 the committee recommended funding but strongly advised that it be contingent on a collective commitment to consolidate libraries to achieve operational savings. He asked if committee members had thoughts that were different from last year. Ald. Bauman said no. Ald. Kovac asked how much the committee recommended last year. Ms. Brengosz said that the committee recommended the entire \$3.7 million that was requested. The 2013 Budget contained only \$300,000 for the continuation of the East Library project. Ms. Brengosz said that with the exception of the HVAC at Tippecanoe in 2013, almost no capital funds have been invested in the branch libraries in at least five years. Mr. Szopinski said that the library's service model needs to be the starting point for funding decisions. Ald. Kovac said the strategic plan would be complete in July. Mr. Schifalacqua suggested that the committee recommend \$3 million for the Library's Facility initiative with the same contingency as last year. There were no objections.*

*Ald. Bauman away from the table at 10:54 a.m.*

*The committee discussed the Department of Neighborhood Services remodeling requests. Ald. Kovac said that he was inclined to support the remodeling of the Development Center because it is a space where the public comes and conducts business. He said he would also support it because there is new leadership in the plan examiner's office and that new leadership is saying that this will improve customer service. Mr. Korban agreed. Mr. Froh suggested that the other two DNS requests be reviewed in the context of broader city wide space constraints. He questioned the need to renovate garage space into offices when there may be vacant space in the ZMB. Mr. Korban said that the City has made a considerable investment in the Anderson Water Tower in order for DNS to function there. Ald. Kovac asked when that investment was made. Mr. Schifalacqua said it was in the early 2000s. Ald. Kovac suggested incorporating DNS into the evaluation of alternatives for the 8th floor of City Hall and the 7th and 10th floor of the ZMB. He also said he would like to include funding for the remodeling of the Development Center. There were no objections.*

*The committee discussed the Police Department requests. Mr. Matson proposed eliminating funding for the Record Management System (RMS) saying that the department listed other projects, including the Uninterruptable Power Supply (UPS) system, as higher priorities. Ms. Brengosz said that the department requested funding for 17 UPS systems. She said that the FCAP reports identified only six systems for a total of \$128,000 that were in need of replacement. Mr. Froh suggested spreading the Uninterruptable Power Supply request over three years providing \$200,000 in 2014. There were no objections.*

*Regarding the RMS, Mr. Froh said that virtually any system the department purchases will be proprietary. He said that modifications to proprietary software can be expensive to maintain. Mr. Froh questioned whether the system needed to be replaced in 2014 or if it could wait until 2015. Ald. Kovac said that there are three different levels of communication within the Police. One relates to current situations, the second is internal data for resource allocation and the third is the transfer of department data to the FBI for the Uniform Crime Reporting system. He said that it*

was only at the 3rd level that there were problems. He said that the Tiburon system that the department uses has been problematic in other cities and that an important component of the project was to increase the public's confidence that the Police department's numbers are transparent. Ald. Kovac asked how much the department requested last year. Ms. Brengosz said that the overall request is between \$7 million and \$7.5 million and hasn't changed significantly from last year. Ald. Kovac said that he was inclined to recommend providing the entire requested amount. Mr. Matson expressed concern that providing funding in 2014 will commit the City to funding the project in 2015 and 2016.

Ald. Kovac asked if there were concerns about the Police Department's District Repair program. Mr. Schifalacqua said that he was concerned that the committee has been requiring departments to examine their buildings and create a relatively stable on-going program and in the review process the committee may be arbitrarily removing projects. Mr. Korban said that in the future, the committee should ask departments to prioritize their requests. Mr. Froh suggested recommending \$800,000, which would allow the department to do any of the larger projects they proposed or several of the smaller projects. Mr. Schifalacqua said that the department's six year request is for \$5.6 million, which is nearly \$1 million per year. Mr. Matson proposed recommending \$900,000. There were no objections.

Ald. Kovac said that he could not support the Police Department's Work Force management system because the department did not make a case for actual savings. Mr. Matson agreed.

The committee discussed the Port of Milwaukee. Ald. Kovac said that the Port's cranes support the general manufacturing economy. Mr. Froh said that the City should not have to bear the full cost of the crane and that it should be a state wide effort. Ms. Brengosz said that the Port is working with the Intergovernmental Relations Division to amend the state budget to allow for grant funding to be used to purchase the crane. She asked if the committee wanted to formally support the effort. Ald. Kovac said yes. There were no objections.

The committee discussed the Sanitation Headquarters request. Ald. Kovac asked if the 2014 request could be spread out over several years. Mr. Korban said that spreading it out would be fair and consistent with the way the committee has reviewed other department's requests. Mr. Schifalacqua said that the salt storage was a top priority. Mr. Korban agreed. He said that the facilities study would also be a top priority. Mr. Korban also said that although the transfer bay at the Industrial Road yard would provide an operational improvement, it was difficult to justify given the uncertainty of the future of yard. Mr. Korban suggested \$1.7 million in funding. Mr. Froh agreed. There were no objections.

The committee discussed the Material Recovery Facility (MRF). Ald. Kovac said that committee's recommendation should include funding and make it clear that the committee understands that there is contract that is expiring and an investment that needs to be made. It should also be clear that the investment should not be reflexive; it should be based on the results of a broadly constructed RFP that takes into consideration the development potential of the currently proposed site. There were no objections.

The committee discussed the Alley Paving Program. Mr. Schifalacqua said that he thought the requested amount was too low. Ms. Brengosz said that the requested level of funding would produce a replacement cycle of about 160 years. Ald. Kovac said the level of funding was probably not enough but asked whether alleys were enough of a priority to justify adding funding. Mr. Froh said that previously the

department would spend a large amount on engineering and design without being able to pave projects because the assessments were too high. He said that changes in the assessment rate and other policies will allow the department to get more value out of the funds that are allocated. He suggested going with the department's request for 2014. Mr. Schifalacqua disagreed, saying that there is a need that is not being addressed and that he would like to see \$3 million allocated for the Alley Program. Mr. Korban said that the department could ask for money but it would be at the expense of other programs that the department feels are a higher priority. He said that if the department was given extra money the department would invest it in streets, not alleys. Mr. Szopinski said that historically a budget of \$2 million was really the high water mark. The \$3 million budgeted in 2013 was largely unprecedented. Mr. Schifalacqua said that a 100 year replacement cycle, which could probably be attained with \$3 million, would not be unreasonable in terms of need. Mr. Froh suggested that the committee recommend the amount as requested for 2014 and for 2015 through 2019 increase it to \$3 million with the intent of reaching a 100 year replacement cycle. Mr. Schifalacqua agreed. Mr. Nicolini said that he agreed with the notion of a plan for a 100 year replacement cycle for the alleys. He said it was probably feasible, realistic and respectful of the need to improve the condition of the asset. He added that if the level of assessment goes back and forth too much it raises the equity issue. He also said that it does merit some consideration for change because of the localized nature of the benefit.

The committee discussed the High Impact Paving Program. Mr. Korban said that if the committee wanted to increase the overall Infrastructure Services request, he would suggest adding funding to the High Impact Paving program. Mr. Schifalacqua asked Mr. Korban to explain the program. Mr. Korban said that it is a new program that addresses major streets that don't have immediate funding. The program will take heavily travelled roads that are in poor condition and make modest improvements to improving the ride for 5-7 years. Mr. Korban said that the results of the first season of work on the program will not be available until fall. He said the department will be focusing on the downtown area and some other major arterials that are in very poor condition but that don't have state funding yet. Mr. Schifalacqua suggested increasing funding to \$2 million. Mr. Nicolini said that the High Impact program was a way of dealing with the fact that even with significant increases in the paving budget there was no practical way to deal with the backlog. He said that projects can be arterials or local streets. He added that the important thing is that they serve high traffic counts, areas of employment and other commercial areas.

The committee discussed the requests for DPW Facilities. Mr. Nicolini said that planning for facilities projects is challenging because there are major projects that come up that are difficult to identify more than a year or two in advance. Ald. Kovac asked why there was a proposed reduction to the ADA Compliance program. Ms. Brengosz said that the 2012 Budget consolidated funding for recreational facilities into the ADA account and the municipal garages account. The committee has consistently recommended that recreational facilities be funded in a discrete capital account.

Ms. Brengosz said that several of the facility related requests are significantly higher than in the past because of deferred maintenance identified by the FCAP inspections. Mr. Schifalacqua asked if the FCAP inspections have led to a more stable six year plan. Ms. Brengosz said not yet. The department is still doing the initial inspections on some facilities and as those facilities get added to the database, the initial year of the request will tend to be higher. Once a baseline for all the facilities has been established the department can better prioritize projects which will result in more stable annual requests. Mr. Korban suggested \$2.5 million in funding. There were no objections.

*Ald. Kovac asked if funds had been expended from the Playground Challenge fund. Ms. Brengosz said no, but noted that DPW was currently working with a neighborhood group on a potential project. She also said that this is a new program, so there is no historical data to help determine if additional funding is needed. Ald. Kovac suggested making a narrative recommendation that the Budget Office provide funding for the Playground Challenge fund in the 2014 Proposed Budget if the current funding is used by September. There were no objections.*

*Ald. Kovac said that the current year request for Facility Exteriors is \$3.5 million and then it goes down to \$1 million a year after that. He suggested spreading the six-year cost out more evenly. Mr. Nicolini said that from a capital planning perspective the key point is whether the six-year request is relevant and will endure. He said that if the six-year request is a fairly complete catalogue of what is expected, there is a bit of a case to be made for spreading things out. Mr. Korban said that the four most imminent projects would be the three roofs and the parking lot. Mr. Nicolini said the performance record of the roofs would give an indication of their priority. He also said that the overhead door replacement was started this year and would be a good thing to keep working on. Ald. Kovac suggested \$2 million of funding. There were no objections.*

*The committee discussed the use of Storm Water Management Fees for storm water projects at City owned facilities. Ms. Brengosz said that the Facilities Section of DPW was requesting funds for a new capital account to provide matching funds for MMSD grants to better manage storm water at City facilities. Mr. Nicolini said he wanted to make sure the account didn't duplicate the water quality projects that are funded in the Environmental Section. Mr. Schifalacqua said that the Environmental Section projects are primarily street based projects in the public right of way. Mr. Korban added that the Facilities Section request focuses on storm water management within city-owned properties. Mr. Nicolini said that the City pays storm water fees on its properties, so it would not be inappropriate to use those funds for improvements. He said the mechanism would be to make a transfer from the Sewer Maintenance Fund to the Capital Projects fund the way it is done for certain forestry projects. He added that the Mayor is interested in seeing the City improve its management of water quality on the properties that it owns.*

*Ald. Kovac asked if the committee wanted to include funding for the FCAP as it has in the past. Mr. Froh said yes. There were no objections. Mr. Nicolini expressed concern about adding additional positions for the FCAP program. Mr. Korban said that was not the department's intent. Ms. Brengosz said that currently, capital funding for the FCAP program is provided in the Advance Planning account. She added that other departments are reimbursing DPW for the time DPW spends preparing their FCAP reports. Mr. Nicolini said that it is worth considering because facilities seem to be the wild card each year.*

*The committee discussed the Joint Dispatch project. Ms. Brengosz described the relocation plan. Ald. Kovac said that the project appeared to be a money saver because the City would no longer be paying rent for the 123 Building. Mr. Froh said that the department did not make a strong case for why the 35th and Lincoln site is the best operational location. He suggested that the department may be able to negotiate more aggressively with MMSD regarding lease payments. Mr. Korban said that the department is having discussions with MMSD regarding alternatives and it may be possible for the City to purchase the 123 Building. He said discussions are ongoing and the outcome of the discussions may alter the department's relocation plans. Mr. Schifalacqua asked if the outcome would be known by budget time. Mr. Korban said that the property is currently being appraised and that the department hopes to have a decision by budget time. He suggested including funding as a*

*placeholder. He added that any relocation or purchase plan would have to be approved by the Council. Ald. Kovac asked if including funding was satisfactory to the committee. There were no objections.*

*Mr. Froh questioned the need for the Municipal Service Building Reserve suggesting that other funding sources could be used to handle emergency repairs. He said he could understand why the department would want this in a capital fund because it would make the money more readily available. Mr. Schifalacqua added that there can be reluctance by the Council to authorize the use of contingent funds until near the end of the year. Mr. Nicolini said that there are generally repair accounts for buildings and that it was unlikely that a separate reserve account would be created. Ald. Kovac said that the committee would recommend removing funding for the Municipal Service Building Reserve. There were no objections.*

*Mr. Nicolini reminded the committee that there is a provision in the code that calls for the committee to summarize its recommendations in terms of the impact on the tax levy.*

**3. Set next agenda.**

*Forestry Condition Presentation on May 22nd.*

**Meeting adjourned at 12:00 p.m.**

**Staff Assistant Tobie Black**

**This meeting can be viewed in its entirety through the City's Legislative Research Center at <http://milwaukee.legistar.com/calendar>.**