

City of Milwaukee
Capital Improvements Program
2012 – 2017

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The Capital Improvements Committee

The predecessor of/to the Capital Improvements Committee, the “Long Term Improvement Program Technical Committee”, was appointed by the Common Council on June 30, 1941. The committee was instructed to prepare a long term improvement program to be submitted to the Common Council. The first report prepared by this committee was for the years 1944 through 1949. In July of 1952 the name of the committee was changed to the “Capital Improvements Committee”.

In 1965, the committee was reorganized to place greater emphasis on the planning aspects of the capital program. The three member committee which was comprised of the Commissioner of Public Works, the Director of City Development and the City Comptroller received input and advice from several consulting members including the City Engineer, City Planning Director, the Tax Commissioner and the Director of Community Development.

The Capital Improvements Committee continued to prepare annual budgets, 6 year improvement programs and condition reports until the committee was disbanded in December of 1988.

The Capital Improvements Committee was reinstated by the Common Council on March 20, 2009 (File #081215) . Membership includes the Commission of Public Works, the Dept of Administration Budget and Management Director, the Comptroller, the Chair of the Public Works Committee, the Chair of the Finance and Personnel Committee, the Common Council President and a public member appointed by the Mayor. The composition of the committee is to draw on the expertise of various disciplines within the City to optimize planning and coordination.

The purpose of the committee is to develop, maintain and update a long term capital improvements program for the construction and maintenance of city infrastructure and facilities. The seven member committee evaluates individual city departmental capital improvement requests and annually prepares a capital improvements budget and a 6-year prioritized capital improvements program. The committee also monitors the completion of projects contained in the annual budget and reports on the condition of the city’s infrastructure networks and facilities as well as the adequacy of the effort made to preserve such infrastructure.

Purpose of the Six Year Capital Plan

The purpose of the Six Year Capital Budget as submitted by the Capital Improvements Committee is to provide guidance and information regarding the long range effects of capital spending on the capital assets and infrastructure of the City of Milwaukee and to discuss the long range fiscal effects of various capital investment strategies.

The economic recession, the downturn in the housing markets, reductions in state aid, anticipated pension payments and aging infrastructure have all contributed to an environment where it is becoming increasingly difficult to make the investment necessary to maintain the City's infrastructure.

The Six Year Capital Plan is an important tool to help manage the City's finances in an era of ever growing fiscal constraints. It provides a format for recognizing and prioritizing the City's infrastructure needs. It encourages careful planning and design to ensure the preservation of existing infrastructure and the provision, safe and efficient facilities to serve the needs of city residents. The strategies put forth in the Six Year Capital Plan will assist City leaders in managing competing capital needs while protecting the lasting financial sustainability of the City of Milwaukee.

Capital Improvements Committee Objectives

The Capital Improvements Committee has formulated the following objectives relating to the City's fiscal policy, accountability and stewardship, long range outlook, coordination, and public awareness.

Fiscal Policy

- Manage competing capital needs while protecting the lasting financial sustainability of the City of Milwaukee
- Enhance the City's credit rating, control its tax rate, and avoid sudden changes in its debt service requirements
- Identify the most economical means of financing capital projects
- Increase opportunities for obtaining federal and state aid

Accountability & Stewardship

- Encourage careful project planning and design to avoid costly mistakes and help the City reach desired goals
- Provide safe, efficient and well-located facilities to provide quality customer service to citizens and increase employee productivity
- Incorporate environmentally sensitive and energy efficient systems into City facilities

Long Range Outlook

- Inventory existing Capital Facilities to determine future demands for maintenance, repair, rehabilitation or replacement
- Forecast demand for future services and capital facilities, taking into account all applicable demand factors including population, housing units, traffic volume, commercial growth, etc.
- Determine adequacy of existing facilities to meet future needs
- Respond to technological innovations and incorporate technological rather than spatial solutions when appropriate

Coordination

- Facilitate coordination between capital budget and the operating budget
- Relate public facilities to other public and private development and redevelopment policies and plans
- Coordinate the activities of neighboring and overlapping units of local government to reduce duplication

Public Awareness

- Focus attention on community objectives and fiscal capacity
- Keep the public informed about future needs and projects

The Capital Improvements Planning Process

Capital planning is a year round process that involves every department in the City. Each department that is responsible for maintaining City infrastructure or facilities appears before the Capital Improvements Committee to report on the condition of those assets.

Each year departments propose projects for inclusion in the six year plan. Projects may also be recommended for deletion, or rescheduled. The proposals are reviewed and prioritized by the Capital Improvements Committee. The Capital Improvements Committee holds a series of hearings to get further information from the departments and to allow the opportunity for public input.

The Committee then submits recommendations to the Budget Office paying particular attention to the immediate and long range-fiscal impact. After the Council and the Mayor approve the Budget, the approved Capital Budget is established as the initial year of the Six Year Program.

The Capital Improvements Committee then prepares a recommended Six Year Capital Improvements Program, which is submitted to the Mayor and the Common Council for their information.

Evaluation Process and Criteria

The CIC will evaluate capital requests and develop recommendations for the 6 year Capital Improvements Program by prioritizing infrastructure investments within the context of nine major categories; public buildings, street improvements, parks recreations and open spaces, major vehicle replacement, economic development, enterprise funds, Port of Milwaukee, technology and special projects. Requests within each major category will be divided into two sub categories, programs and projects.

Programs are defined as requests of an on-going nature which require long term expenditures on an annual basis to maintain or preserve existing infrastructure, facilities or city owned assets. Programs are comprised of individual projects which are identified at the departmental level. Individual projects within on-going programs will generally not be reviewed by the CIC. However, the CIC will monitor the progress and efforts of the departments to maintain and preserve infrastructure at an acceptable level. Examples of programs include street paving, sewer main replacement and mechanical improvements in City buildings.

Projects are defined as requests for capital expenditures that are of a one time nature. Projects may be multi-year in scope but will have an identifiable end date. Examples of projects include departmental remodeling requests and facility relocation projects.

Capital requests will be evaluated using an area of emphasis format. Key areas of emphasis include health and safety, regulatory compliance, impact on operational budget, compliance with the city's Comprehensive Plan, infrastructure needs, economic and community development and special considerations.

Formal evaluation scales have been developed for projects in three of the major categories; public buildings, parks recreation and open spaces, and special projects. The CIC will determine the appropriate weight to be given to each area of emphasis for other projects and programs.

Capital Program Summary

Programs are defined as requests of an on-going nature which require long term expenditures on an annual basis to maintain or preserve existing infrastructure, facilities or city owned assets. Programs are comprised of individual projects which are identified at the departmental level.

Although the CIC will not generally review individual projects within the following programs, the committee will monitor the progress of preservation efforts to ensure that infrastructure is maintained at an acceptable level.

*** Indicates capital programs that are not currently reviewed by the Capital Improvements Committee.

1. Public Buildings

City Hall Complex Remodeling Program - This program provides the funding to address the architectural and mechanical remodeling work needed in the City Hall Complex. The remodeling work will create functional, efficient, and safe working environments, meet the new State of Wisconsin energy, safety and building code requirements and address environmental concerns such as asbestos. In addition, this program will address interior building restoration work and departmental organizational changes.

ADA Compliance Program – This program provides funds to improve access to City of Milwaukee facilities for the disabled as required by the “Americans with Disabilities Act Accessibility Guidelines” (ADAAG) .

Environmental Program – This program provides funds to provide a safe environment for the public and employees that use City-owned buildings by removing building materials which contain asbestos and lead during maintenance or other construction activity. This program also provides funding to monitor closed landfills and sites which have been contaminated by leaking underground storage tanks. Additionally this program supports the upgrades and repairs to storm water management systems and equipment.

Facilities Systems Program – This program provides funding to install or replace equipment necessary for the operation of various building systems including heating, ventilating, air conditioning, plumbing, fire protection, electrical distribution, lighting, chillers, boilers, computerized facility management, security and life/safety systems

Facilities Exterior Program – This program maintain City facilities in a watertight, energy efficient and safe condition. Projects covered by this program may also include the paving of parking of lots and site lighting upgrades.

Space Planning, Alterations and Engineering – This program provides for architectural and engineering services related to office space studies, including preparation of preliminary plans and cost estimates for proposed projects, unscheduled interior office alterations for City departments and facility inspections.

Energy Efficiency & Renewable Energy – This program will be used to fund projects which are identified by energy audits as furthering the Mayor’s goal of energy usage reduction. Funding will be used for grant matching where grants can be secured.

Municipal Garages & Outlying Facilities – This program will address the functional needs of DPW’s municipal garage facilities as well as the functional and operational needs of other outlying facilities not covered by other programs. This program also includes funding for recreational facilities.

Fire Facilities Maintenance Program – This program provides funds for the repair and maintenance of internal, external and mechanical systems within the Fire Department’s 36 engine houses.

Auxiliary Power Program – Fire Department - This program provides funding for the installation of back-up generators at each of the Fire Department’s 36 engine houses.

Health Department Capital Projects – This program provides funding for interior, exterior and mechanical repairs and improvements in the Health Department facilities.

Central Library Programs

Interior – Provides funding for restoration, preservation and renovation of the interior of the Central Library. Work includes repairs to mosaic tile and scagliola in the rotunda, renovation, upgrades and modernization as well as general repair and maintenance.

Exterior – Provides funding for the maintenance and repair of the exterior façade of the Central Library which includes limestone block and balusters, Chicago brick, marble block, windows, lighting and roofs.

Mechanical Improvements – Provides funding for the Central Library’s equipment and systems (HVAC, electrical, building controls, fire safety, security and elevators).

Neighborhood Library Programs

New Construction – This program addresses the need for new library models. In some cases, existing buildings do not justify the investment needed for HVAC replacements and renovations. In conjunction with a facilities plan that looks to the future of the system, Milwaukee Public Library will replace some buildings using mixed-use or Area Library models.

Interior – Provides funding for the preservation and upgrade of the interiors of the branch libraries. Work under this program includes projects such as renovations, lighting upgrades, flooring and painting.

Exterior – Provides funding for the maintenance of the exterior facades of the branch libraries. Work includes repair and/or replacement of masonry wood, windows, lighting, roofs, signage and parking lots.

Mechanical Improvements – Provides funding for equipment and systems (HVAC, electrical, building controls, fire safety, security and elevators) at the neighborhood libraries.

District Station Renovation – Police Department - This program provides funds for the repairs and maintenance of internal, external and mechanical systems and parking garages within the Police Department's District stations.

Environmental Services Facility Modifications - This program provides funds for the repair and maintenance of the facilities at the yards used by the Department of Public Work's Operations Division.

2. Street Improvements

Bridge Program, State & Federal Aid – This bridge program uses City funds as well as state and federal aid to preserve and maintain the City's bridge system at a standard considered safe for motorists and pedestrians and which meets the needs of the City.

Bridge Program, Local – The local bridge program is used to fund bridge projects which do not qualify for state or federal aid.

Street Improvements, State / Federal Aid – This program uses City funds, state and federal aid and special assessments to preserve and maintain major and minor arterials within the City of Milwaukee.

Street Resurface / Reconstruction – This program provides funding for the rehabilitation of the City's local and collector streets. The objective is to maintain the street system at such a standard that streets are safe for motorists and pedestrians while holding annual maintenance costs at a reasonable level.

Alley Reconstruction – This program provides funding for the replacement of pavement in the City's alley system.

Sidewalk Replacement Contract – The purpose of this program is to keep sidewalks in the City right-of-way in safe condition for pedestrians by eliminating cracked, spalled, out-of-grade and other defective walk slabs in the City right-of-way. Walks are replaced by private contractors on an area wide basis as well as at scattered sites throughout the city.

New Street Construction – This program provides for the construction of unimproved streets to serve residential, commercial or industrial areas. These projects are sponsored by the city with a portion of the cost being recovered by special assessments levied against abutting properties.

Developer Agreement Paving – This program provides for the construction of streets and alleys required to serve platted subdivisions and planned developments. Funds are provided by the developer.

Street Light Program – Provides funding necessary to maintain sufficient lighting levels on roadways to meet minimum national lighting standards and to support safe vehicular and pedestrian circulation.

Traffic Control Facilities Program – This program provides for the upgrade, replacement and installation of traffic control devices as needed to implement City Ordinances, accommodate traffic pattern changes, meet statutory mandates, provide conformity with national standards and utilize technological advances to improve traffic flow.

Underground Conduit and Manhole Program – This program provides a reliable route for communications cables to be installed into City of Milwaukee buildings and facilities, provides a reliable cable route for traffic control signals, vehicular traffic counter stations and future closed-circuit traffic control devices; provides cable routing for street lighting, special lighting systems, recreational lighting and street light eye sensor system. Whenever possible, expansion and improvement of the network is directly related to roadway paving projects, urban renewal developments projects or other independent projects.

Underground Conduit Manhole Reconstruction – This program funds the reconstruction of electrical manholes located in the street right-of-way which provide the necessary entrance to the network of communications, traffic control and street lighting cable that serve the City's governmental buildings and agencies.

Concealed Irrigation – This program replaces infrastructure related to irrigation and landscaped boulevard medians in conjunction with the City's paving program.

3. Parks, Recreation and Open Spaces

Tree Planting and Production – This program provides funding for new trees to be planted on boulevards in conjunction with the Sustainable Boulevard Plan. A portion of the trees produced are used to replace trees removed as part of the City's street paving program.

Emerald Ash Borer Readiness and Response – This program provides funding to inoculate the City's ash tree population against the emerald ash borer while Forestry transitions to resistant tree species over time.

Recreational Facilities Program – Historically, this program provided funding for the improvement of neighborhood recreational facilities which include Department of Public Works play areas, stand alone recreational sites owned by the City but operated and maintained by Milwaukee Public Schools. Beginning in 2012 funding for recreational facilities is provided in the Municipal Garages and Outlying Facilities Program.

4. Major Vehicle Replacement

Major Capital Equipment Replacement – DPW Operations, Fleet - This program provides funding to replace fleet equipment that are of sufficient age and wear that their annual cost of maintenance exceeds their annual cost of replacement.

Major Capital Equipment – Fire Department - This program provides funding to replace the Fire Department's fleet including ladder trucks, engines and ambulances.

5. Economic Development

Business Improvement District (BID) Fund – Provides loans to Business Improvement Districts for streetscaping infrastructure improvements within the district. The funds are normally matched with other funding sources and are repaid through BID special assessments.

Neighborhood Commercial District Street Improvement Fund (NCDSIF) – Provides the City's match to neighborhood commercial streetscaping efforts funded through sources including the BID fund, private loans, and state grants.

Tax Incremental Financing (TIF) – Provides funding for new Tax Incremental Financing Districts. In addition, expenditure authority will be provided to fund existing TIDs, fund capitalized interest and to pay developer financed TID annual increments.

Housing Infrastructure Preservation Fund – Provides funding for major repairs of City owned properties that have been deemed historic or too valuable to the characteristic of the surrounding neighborhood to demolish. The goal is to preserve the properties and prepare them for eventual sale. This program was created in 2010.

Advanced Planning Fund – Provides funding for various activities that will allow the planning section to meet the department's mission. In particular, the fund will allow the Department of City Development to undertake the following activities: plan for and begin various feasibility and land use studies, begin preparation to update some of the City's older plans, and provide for the department's GIS activities.

Development Fund – Provides for economic development activities throughout the City. In particular, those activities include façade grants, retail investment grants, home building assistance, brownfield remediation, and business assistance including grants and loans.

Healthy Neighborhoods – Provides assistance to neighborhood and community groups in some of the City's stronger neighborhoods in an effort to keep them healthy and promote continued investment and resident involvement in these areas. Funding is granted to neighborhood organizations and is matched on a dollar for dollar basis with money raised or donated from private organizations. There are nine core Healthy Neighborhoods that are also supported by the Greater Milwaukee Foundation, but this program also provides funding to smaller groups to undertake small scale projects.

Façade Program – This program was created by the 2012 Budget to support façade improvement grants to businesses. These types of grants are also supported by the Development Fund.

Brownfield Program – This program was created by the 2012 Budget. Its purpose is to support the remediation of contaminated sites. Brownfield remediation is also supported by the Development Fund.

In Rem Property Program – This program was created in 2011 to fund minor capital repairs (e.g., new roofs, water heaters, etc.) to improved properties obtained by the City through foreclosure, with the goal of making these properties more marketable for prompt sale.

6. Enterprise Funds

Parking Fund

Parking Facility Maintenance – Funding is used to provide necessary repairs of structural, mechanical and electrical deficiencies of a non-emergency nature. Funding is also used to correct unplanned deficiencies identified by violation reports issued by building code inspectors that are time-sensitive in nature.

Sewer Maintenance Fund

Sewer Maintenance Relay Program – This program involves the replacement and in many cases the enlargement of existing combined, sanitary and storm sewers. There are four categories of projects in this program; backwater elimination, condition, hydraulic capacity and sewer structure construction and rehabilitation.

Sanitary Pump Rehabilitation – This program funds the rehabilitation and replacement of approximately 83 sanitary by-pass pump stations and 6 sanitary lift stations. These stations are required to reduce the risk of sewage backing up into residents' homes and businesses.

Infiltration and Inflow Program – This program provides funds to pay for corrective actions required to reduce the occurrence of storm water or ground water entering into municipal wastewater systems. This work is required in part by the Department of Natural Resources' adoption of the Milwaukee Metropolitan Sewerage District 2020 Facilities Plan.

Best Management Practices for Total Suspended Solids Program – This program provides funding to construct various Best Management Practices (BMPs) such as green streets, rain gardens, wet detention ponds, bio-infiltration areas, and end of pipe treatments to reduce the amount of Total Suspended Solids (TSS) that enter waterways.

River Channel Maintenance Program – This program was created by the 2012 Budget to provide funding for the restoration of the channels and drainage ditches which carry stormwater to local waterways during rain events. Over time, sediment and vegetation can reduce their capacity and intensify the effects of excessive rainfall. As part of a broader strategy for managing storm water run-off and preventing flooding, the City will be reviewing these channels and restoring their capacity as necessary.

Milwaukee Water Works

Distribution Water Main Program – This program provides for the replacement of deteriorating water mains. Replacement is based on the "main break index", hydraulic characteristics, coordination with paving and other construction projects and water quality concerns.

Feeder Main Program – This program enables the Milwaukee Water Works to satisfy consumer needs and to protect the health and safety of Milwaukee citizens. Changing water use patterns necessitate the addition of feeder mains to improve pressures and flows.

Building Improvements Program – This program provides funding to perform repairs and maintenance on the buildings at the Linnwood and Howard treatment plants.

Treatment Plant Improvements Program – This program provides funding to perform repairs, maintenance and upgrades to the Linnwood and Howard water treatment plants.

Pump Facilities Improvements Program – This program provides funding to upgrade or replace various aspects of the pumping facilities that aid in the efficient distribution of water throughout the system.

Storage Facilities Improvements Program – This program provides funding for the evaluation, elimination or enhancement of the system's water storage capacity.

Meter Shop Repair Program – This program provides funding for improvements to the operations associated with the Milwaukee Water Works Business Section's Water Meter Services.

Backup Power Generation Program – This program provides funding to provide backup electric power generation for the system's water treatment plants and pumping stations.

7. Port of Milwaukee

Pier, Berth and Channel Improvements – Provides funding for improvements to the mooring basin, the City's heavy lift dock and the outer harbor. This program is funded in part by a grant program through the Department of Transportation's Bureau of Railroads and Harbors. Approximately 80% of the cost of these improvements will be paid by the grant with the City providing 20% of the total funding.

Dock Wall and Breakwater Rehabilitation – Provides funding for the dock wall rehabilitation program necessary to avert costly emergency repairs and to maintain the dock wall in appropriate condition for cargo operations. Lease documents often require the city to maintain dock walls for its tenants. Loss of revenue to the City may result if the dock walls are not kept in a safe and useable condition.

Rail and Track Service Upgrades – Provides funding to upgrade the 17 miles of rail track system on an on-going basis to meet modern day safety and service load requirements.

Harbor Maintenance Dredging – Provides funding to maintain the navigation channels in certain areas of the harbor.

Port Facility Systems – Provides funding to do major maintenance repairs to terminals and piers. This fund is also used to do emergency work as required for projects which exceed special funds set aside for Major Maintenance.

Confined Disposal Facility Expansion – This program provides funding for the recovery of land by way of land fill. This program sustains the continued restoration of confined disposal facilities into marketable waterfront development. Funding for this program has historically been title “Acquire and Rehab KK River Site”. In 2005, a technical amendment was adopted by Common council changing the title to “Confined Disposal Facility Expansion”

Port Security – This ongoing program is used to implement security measures and mandates enacted by the Department of Homeland Security and the US Coast Guard.

Roadway Paving – Provides funding for the maintenance of roadways on Jones Island and the South Harbor Tract. These roadways are not maintained by DPW on a regular basis. Because they are not public thoroughfares, they are not eligible to be paid for with funds from the wheel tax.

Terminal Resurfacing – Provides funding for the restoration of paved areas on the Port of Milwaukee property.

Analyze and Upgrade Sewer - This program provides funding for the inspection and rehabilitation of the Port’s sewer system to ensure that it remains in compliance with state and federal regulations.

8. Technology

Public Safety Communications – Provides funding for the design, installation and management of the City’s “wide area network”. The Department of Public Works also provides other types of communication circuits for the phone system, the Police radio system, SCADA system and other systems.

IT Upgrades & Replacement – This program was created by the 2012 Budget to fund a variety of small to mid-sized IT capital projects. Projects consist primarily of updates to existing systems or replacement of systems which are reaching the end of their useful lives.

Radio & Communication Upgrades (Police Dept) – This program funds the maintenance of radio towers, base stations, antennas and other communications equipment with useful lives ranging from 10 to 25 years.

9. Special Capital Projects

City Hall Foundation Project

Significant repair and restoration work is needed to address age related deterioration of key elements of City Hall, including wood foundation piles, pile caps, below grade hollow sidewalk walls, and structural concrete beams and sidewalk. Capital funding began in 2008 with \$1.2 million for professional design services. \$1.8 million, \$2.7 million and \$3.2 was allocated in 2009, 2010 and 2011 respectively.

The City contracted with Facilities Value Management (FVM) in June 2010 to provide owner representative services. It was anticipated that a design/build firm would be selected in early

2011. The project was placed on hold on March 1, 2011 by Common Council file 101367 in response to the failure of a terra cotta piece on the south tower of City Hall on February 17, 2011. The cause of the terra cotta failure remains under investigation.

Without further Common Council action, the foundation project cannot move forward until all issues with the exterior structural integrity of City Hall are resolved. Therefore, requested funding of \$5,840,000 was not included in the 2012 Budget.

City Hall Remodel – 8th Floor

In 2011, a request of \$4.8 million (\$282.59 per SF) was submitted to remodel the 8th floor of City Hall to facilitate the return of the City Attorney's offices from their current location on the 7th and 10th floors of the Zeidler Municipal Building. Funding was not included in the 2011 Budget.

For 2012, the request was modified to spread the construction over three years with a total request of \$4.7 million. The Capital Improvements Committee expressed concern that spreading the project over three years may cause unnecessary increases in the overall cost. The Committee recommended implementing the project over no more than two years. Funding was not included in the 2012 Budget.

Police Administration Building

The Police Department submitted a multi-year request for funding to renovate the Police Administration Building (PAB). The estimated cost of the project is \$46.7 million. Funding was provided in 2010 to conduct a study to provide support for the request.

The 2011 Budget included \$3.7 to begin work on Phase I which included the construction of two exterior mechanical shafts to replace failing interior shafts. Phase I is expected to be completed in the fall of 2012.

Common Council file #100006 created the Police Administration Building Task Force to study alternatives to remodeling the PAB. Additional funding for this project has been delayed pending a report from the Task Force.

Land Management System

The 2012 Budget included \$2.5 million for 2012 to replace the existing legacy code enforcement Neighborhood Services System (NSS) and the DCD permit and plan tracking system with an enterprise solution that will manage multi-agency processes. The new system, which will be administered by ITMD, proposes to support land management, plan review and permitting, construction and trades inspections, and code enforcement across departmental lines.

DNS issued an RFI for the proposed system in April, 2011. Demonstrations with five potential vendors were scheduled in October and November of 2011. It is the intent of the City to prioritize an "off the shelf" system that will require a minimum of customization and that will have the ability to integrate with the Unified Call Center as well as Department of Public Works and Health Department systems. The actual systems and processes that will be incorporated into the new system will be dependent on the capabilities of the available systems and will be determined after the vendor demonstrations. DNS anticipates that an RFP will be developed and issued near the end of March 2012. A vendor could be chosen by late summer.

In addition to the capital request to purchase the system, it is anticipated that the City will incur approximately \$435,000 in annual costs for the maintenance contract, mobile device replacement, wireless access and desktop/printer replacements. DNS currently spends nearly \$60,000 of operating funds each year on NSS system maintenance. It is anticipated that operational and productivity efficiencies will offset the annual cost.

The integration of additional departmental databases and processes could allow for the retirement of certain legacy systems which may be costly to maintain. These savings cannot be quantified until it is determined which legacy systems will no longer require maintenance.

The major anticipated benefits of the system include; operational efficiencies achieved by eliminating duplicative and redundant data entry procedures; higher levels of customer service and satisfaction by allowing many aspects of the permitting process to be done electronically; the inclusion of oversight and time management tools which provide alerts when assignments are not performed in a timely manner; and increased security and data integrity.

Fire Department Repair Garage

The Fire Department believes that construction of a new repair facility for fire fighting apparatus could result in significant savings, primarily through operational efficiencies and a reduction in the need to utilize outside vendors to facilitate repairs. The department submitted a request for the 2011 budget of \$5.9 million to construct a new repair facility adjacent to the existing repair facility on S 1st Street and W. Virginia Street. The request was not funded. The request was not re-submitted for 2012.

While the garage proposed in 2011 at the Virginia Street site did provide an improved repair space, it did not address all the functional deficiencies at the existing repair facility. The Fire Department is currently developing a comprehensive plan for a new facility that would maximize efficiencies for vehicle repair, shops, apparatus storage and energy use.

The Fire Department is working with other departments to identify an appropriate parcel of land on which to locate the new repair facility. At this time the department anticipates that the conceptual plan and preliminary cost estimates will be ready for inclusion in the 2013 Capital Plan.

Capital Improvements Committee

This program provides funding for staff to support the activities of the Capital Improvements Committee.

Financing of the Capital Program

Prior to 1983 much of the City's investment in capital infrastructure was financed with debt. In 1983 the Capital Improvement Committee recommended a new "Pay-as-You-Go" financing policy for the preservation of existing City infrastructure. Essentially the policy proposed that current revenues should be used to pay for the replacement or rehabilitation of infrastructure that was declining in condition. The addition of new infrastructure, such as the paving of a street in a new subdivision, would still be financed with debt.

By paying for what is essentially annual maintenance on the City's infrastructure with current revenues instead of debt, that City would save money in the long run by avoiding interest costs and increasing its financial flexibility. The transition was anticipated to take place over several years. This policy was maintained until 2006.

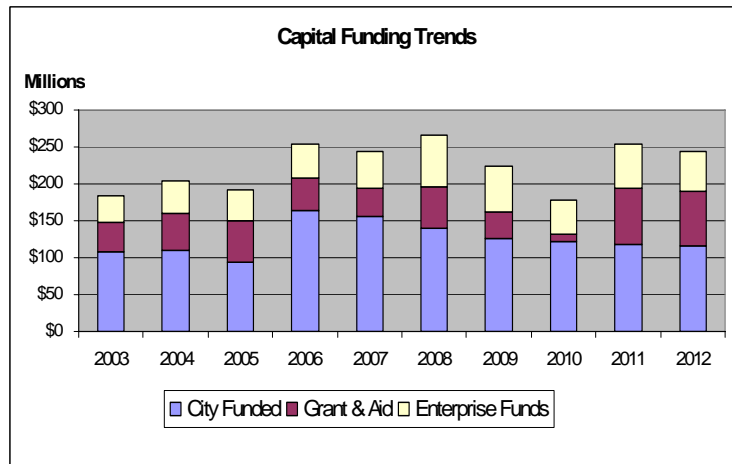
Increases in project costs, declining infrastructure condition, decreases in state shared revenues, and statutory limits on the City's levy combined to make it unfeasible to maintain the city's infrastructure with available cash. In addition, financing certain capital improvements with cash did not prevent capital borrowing from increasing at an unsustainable rate. The current strategy is to match the amount of capital borrowing to the amount of debt retired in order to maintain a stable and manageable amount of debt service.

The 2012 Capital Budget

The 2012 Budget provides \$244.7 million for the Total Capital Plan.

The decrease is driven primarily by reductions in the City's Enterprise Funds. Capital projects for the Milwaukee Water Works (MWW) decreased by \$11.3 million (55%) largely due to the extended delay in the settlement of the rate case. Reductions in MWW capital projects are expected to continue through 2013. The reduction in the Parking Fund was not unanticipated and reflects the amount projected in their 2011 6

year capital plan. Funding for the Sewer Maintenance Fund increased by \$4.1 million (10.34%). Overall, the enterprise portion of the 2012 Budget decreased by \$7.6 million (12%).



Sources of Funds for Capital Improvements

The City's capital program is divided into 2 sections, City-Funded and Enterprise Funds. The City Funded (non-enterprise) portion of the capital program has several funding sources. The largest source is tax-levy-supported debt (66.7%). Other sources include the tax levy (0.9%), cash revenues (13.0%), special assessments (0.5%), and the increments from tax incremental districts (18.9%).

The portion of the capital program financed by the tax levy has decreased steadily since 2006 reflecting a suspension of the Infrastructure Cash Conversion (ICC) policy. Capital improvements in the Enterprise Funds (Sewer Maintenance, Water Works and Parking) are funded by a combination of charges for products and services, fees, and the proceeds from borrowing.

Approximately 91% of the Sewer Maintenance program is funded with debt. Milwaukee Water Works, which is traditionally funded with cash, will rely on debt for almost 94% of its 2012 capital program. The Parking fund typically uses debt to finance its capital improvements.

Debt

As proposed, the City-Funded capital program will be funded with \$99.5 million of general obligation debt. This amount includes \$22 million of debt which will be used to fund TIDs. The TID debt is considered self-supporting because the debt service is not paid directly by the tax levy. It is, however, included when calculating the City's use of its debt limit.

Additional borrowing will support the capital programs of the Sewer Maintenance Fund (\$37.5 million), the Milwaukee Water Works (\$8.7 million) and the Parking Fund (\$790,000).

Borrowing for the enterprise fund activities is also considered self-supporting because debt service is paid using revenues received by the respective funds – not the tax levy. Debt for the enterprise funds can be issued as general obligation bonds or revenue bonds. Revenue bonds are not included when calculating the City's use of its debt limit.

Debt Limit & Funding Constraints

The City is facing unique challenges in maintaining its capital program. The value of the City's allocation of Shared Revenue from the state has declined by over \$80 million since 2003. At the same time, strict limits on levy increases imposed by the state prevent the City from raising additional revenues to pay for services or infrastructure improvements.

The City is also facing a higher utilization rate of its debt limit. The amount of general obligation debt the City may issue is limited by the state constitution to no more than 5% of the City's equalized value. The Report of Debt and Debt Service issued by the Comptroller on August 11, 2011 estimates that at the end of 2011, the City will have utilized approximately 65% of its debt limit. At the end of 2009, debt limit utilization was just over 50%.

To address the declining condition of its infrastructure the City is issuing slightly more debt than it is retiring. Until 2008, increases in the City's equalized value helped to keep debt limit utilization at an acceptable level. The City of Milwaukee's equalized value for 2011 is \$27.9 billion, a decline of 5.3% from 2010. Equalized value has declined over 13% since 2008.

If equalized value remains unchanged for 2012, the proposed general obligation borrowing will utilize 7% of the City's debt limit. If all debt, including debt for the enterprise funds is issued as general obligation, it would utilize 10% of the City's debt limit.

Assuming a constant level of general obligation debt, if equalized value continues to fall at 1% each year, debt limit utilization will exceed 70% by 2017. Assuming that equalized value remains constant, a 1%-annual increase in total general obligation debt would also raise debt limit utilization to nearly 70% by 2017. If total general obligation debt increases by 1% each year, equalized property values would have to rise nearly 6% each year to bring debt limit utilization back down to 50% by 2017.

Managing debt utilization is critical to maintaining high bond ratings. As the utilization rate rises, the City faces the risk of being downgraded by the bond-rating agencies. A rating downgrade would likely have an adverse effect on the City's borrowing costs.

Grant Funding

The most variable portion of the capital program from year to year is the grant and aid funding which is received for Major Bridge and Major Street programs. Funding is received from both the state and federal government. Although there can be significant variations from one year to the next, the trend for budgeted grant and aid funding from 2000 through 2012 is virtually flat.

Capital Budgets by Department

	2007	2008	2009	2010	2011	2012
	Adopted	Adopted	Adopted	Adopted	Adopted	Adopted
City Funded						
Special Projects	\$11,075,000	\$8,825,000	\$15,825,000	\$16,335,000	\$15,135,000	\$11,022,000
Administration, Dept of	1,276,000	455,720	1,656,920	949,400	2,035,000	600,000
Assessor						
City Attorney	250,000					
City Development, Dept of	77,855,000	71,729,500	43,844,614	39,402,543	30,661,257	29,176,000
Common Council City Clerk	525,000		350,000			40,000
Election Commission			40,000			
Employee Relations, Dept of	400,000					
Fire & Police Commission			150,000			
Fire Dept	2,918,000	3,208,000	2,807,500	4,056,000	3,064,000	3,424,000
Health Dept	476,000	800,000	864,000	100,000	110,000	450,000
Library	830,000	1,238,000	4,144,000	4,075,000	2,526,000	2,577,000
Neighborhood Services, Dept of				76,141		
Municipal Court	50,000	429,620	683,645	334,000		
Police Dept	1,670,000	2,745,000	6,664,000	4,188,000	4,987,931	1,502,000
Port of Milwaukee	750,000	500,000	1,500,000			225,000
Public Works, Dept of	57,437,190	49,531,974	47,320,300	51,827,944	59,443,409	64,440,700
Total City Funded	\$155,512,190	\$139,462,814	\$125,849,979	\$121,344,028	\$117,962,597	\$113,456,700
Grant & Aid						
Library			50,000			
Police Department						
Port of Milwaukee	1,700,000	800,000	1,450,000	400,000	800,000	
Public Works, Dept of	36,090,160	56,382,825	34,886,000	10,936,200	74,621,230	74,591,800
Total Grant & Aid	\$37,790,160	\$57,182,825	\$36,386,000	\$11,336,200	\$75,421,230	\$74,591,800
Subtotal City Funded and Grant & Aid	\$193,302,350	\$196,645,639	\$162,235,979	\$132,680,228	\$193,049,618	\$188,048,500
Enterprise Funds						
Parking	595,000	2,700,000	2,936,000	950,000	1,175,000	790,000
Sewer Maintenance	24,500,000	29,950,000	31,450,000	23,937,000	39,833,000	43,950,000
Water	25,140,500	36,769,000	27,096,000	20,030,000	20,645,000	9,320,000
Total Enterprise Funds	\$50,235,500	69,419,000	61,482,000	44,917,000	61,653,000	\$54,060,000
TOTAL CAPITAL PLAN	\$243,537,850	\$266,064,639	\$223,717,979	\$177,597,228	\$254,702,618	\$242,108,500

Budgeted Capital Spending

Table #1

	2000	2001	2002	2003	2004
Non-Enterprise					
Special Capital	\$13,025,000	\$17,355,062	\$14,880,000	\$11,325,000	\$10,325,000
Dept of Administration	-	737,150	324,945	811,500	630,000
City Attorney	45,300	-	352,000	-	-
City Clerk	-	69,000	-	-	-
City Development	10,850,000	24,200,000	17,850,000	16,850,000	23,950,000
Election Commission	-	-	-	-	-
Employee Relations	-	-	-	-	-
Treasurer	-	-	-	-	-
Fire & Police Commission	-	-	-	-	-
Fire Dept	1,600,000	3,789,900	2,730,000	5,105,000	5,840,000
Health Dept	141,000	629,200	130,900	1,129,700	1,240,000
Library	880,000	3,460,000	3,415,000	990,000	2,000,000
Municipal Court	-	-	1,833,900	-	250,000
Neighborhood Services	1,770,000	2,057,000	2,949,990	260,000	-
Police	21,093,180	9,693,544	9,862,914	7,571,793	6,510,000
Port of Milwaukee	2,950,000	3,125,000	2,765,000	2,000,000	1,800,000
DPW - Admin	-	600,000	5,621,000	626,000	626,000
DPW - Facilities	4,510,000	6,587,000	9,158,000	22,224,320	20,056,000
DPW Operations - Fleet	-	-	3,080,000	4,968,000	6,146,000
DPW Operations - Forestry	598,000	968,000	887,062	979,485	796,500
DPW Operations - Sanitation	-	1,587,000	275,000	1,354,000	-
DPW ISD	106,133,382	79,327,551	51,995,975	71,628,135	78,832,731
Total Non-Enterprise	\$163,595,862	\$154,185,407	\$128,111,686	\$147,822,933	\$159,002,231
Enterprise					
Parking Fund	-	\$6,750,000	\$5,822,000	\$6,661,000	\$6,305,900
Milwaukee Water Works	-	14,275,000	15,050,000	14,900,000	22,620,000
Sewer Maintenance Fund	-	20,850,000	21,059,000	23,159,000	26,000,000
Total Enterprise	\$ -	\$41,875,000	\$41,931,000	\$44,720,000	\$54,925,900
Grand Total	\$163,595,862	\$196,060,407	\$170,042,686	\$192,542,933	\$213,928,131

Source: City of Milwaukee Budget

Budgeted Capital Spending

Table #1 (cont'd)

2005	2006	2007	2008	2009	2010	2011
\$10,325,000	\$8,415,000	\$11,075,000	\$8,825,000	\$15,825,000	\$16,335,000	\$15,135,000
-	521,000	1,276,000	455,720	1,656,920	949,400	2,035,000
-	-	250,000	-	-	-	-
-	175,000	525,000	-	350,000	-	-
26,650,000	65,550,000	77,855,000	71,729,500	43,844,614	39,402,543	30,661,257
-	-	-	-	40,000	-	-
-	-	400,000	-	-	-	-
232,160	-	-	-	-	-	-
-	-	-	-	150,000	-	-
5,060,000	3,381,000	2,918,000	3,208,000	2,807,500	4,056,000	3,064,000
1,028,500	550,000	476,000	800,000	864,000	100,000	110,000
1,700,000	1,060,000	830,000	1,238,000	4,144,000	4,075,000	2,526,000
-	-	50,000	429,620	683,645	334,000	-
-	-	-	-	-	76,141	-
4,465,000	1,179,000	1,670,000	2,745,000	6,664,000	4,188,000	4,987,931
3,125,000	3,025,000	2,450,000	1,300,000	2,950,000	400,000	-
625,000	235,000	625,000	1,925,000	350,000	500,000	500,000
17,202,798	47,229,225	17,339,200	11,834,800	5,554,000	6,854,440	8,022,800
6,690,000	6,748,000	6,250,000	6,000,000	6,302,000	5,500,000	5,738,000
1,281,000	1,281,000	1,965,000	1,961,435	3,407,000	3,721,004	2,637,500
-	-	2,260,500	-	-	-	727,959
68,149,296	68,343,928	65,087,650	84,193,564	66,593,300	47,043,700	116,438,380
<u>\$146,533,754</u>	<u>\$207,693,153</u>	<u>\$193,302,350</u>	<u>\$196,645,639</u>	<u>\$162,185,979</u>	<u>\$133,535,228</u>	<u>\$192,583,827</u>
\$6,200,000	\$7,080,000	\$5,595,000	\$7,700,000	\$7,936,000	\$5,950,000	\$1,175,000
18,790,000	20,120,000	25,140,500	36,769,000	27,096,000	20,030,000	20,645,000
33,526,815	26,852,500	28,000,000	29,850,000	31,600,000	23,937,000	39,833,000
<u>\$58,516,815</u>	<u>\$54,052,500</u>	<u>\$58,735,500</u>	<u>\$74,319,000</u>	<u>\$66,632,000</u>	<u>\$49,917,000</u>	<u>\$61,653,000</u>
<u>\$205,050,569</u>	<u>\$261,745,653</u>	<u>\$252,037,850</u>	<u>\$270,964,639</u>	<u>\$228,817,979</u>	<u>\$183,452,228</u>	<u>\$254,236,827</u>

Actual Capital Spending

Table #2

	2000	2001	2002	2003
Non-Enterprise				
Special Capital	\$4,456,883	\$ 3,452,454	\$669,538	\$3,437,965
Dept of Administration	-	-	535,568	20,582
City Attorney	6,119	27,441	89,082	50,752
City Clerk	-	6,293	61,058	1,717
City Development	8,434,215	23,324,270	17,574,834	25,792,167
Election Commission	-	-	-	-
Employee Relations	-	-	-	-
Treasurer	-	-	-	-
Fire & Police Commission	-	-	-	-
Fire Dept	136,985	412,800	2,194,952	3,782,181
Health Dept	505,173	230,896	71,359	879,386
Library	2,620,569	832,027	3,133,743	2,791,082
Municipal Court	27,427	338	26,842	359,833
Neighborhood Services	1,482,578	2,518,365	3,696,076	444,893
Police	15,680,711	22,127,707	7,297,784	1,612,631
Port of Milwaukee	421,820	3,053,146	196,281	1,412,869
DPW - Admin	360,195	602,033	488,337	486,385
DPW - Facilities	4,485,353	6,949,792	2,568,742	5,470,235
DPW Operations - Fleet	-	-	1,949,344	2,300,309
DPW Operations - Forestry	1,164,233	943,182	1,558,526	1,203,815
DPW Operations - Sanitation	52,632	110,962	1,426,230	121,833
DPW ISD	34,315,614	78,960,343	5,531,239	38,891,456
Total Non-Enterprise	\$74,150,507	\$143,552,049	\$69,069,535	\$89,060,091
Enterprise				
Parking Fund	\$3,775,655	\$2,132,592	\$832,348	\$582,671
Milwaukee Water Works	8,496,700	8,631,613	9,902,984	11,713,229
Sewer Maintenance Fund	18,781,057	22,565,599	19,521,435	24,520,334
Total Enterprise	\$31,053,412	\$33,329,804	\$30,256,767	\$36,816,234
Grand Total	\$105,203,919	\$176,881,853	\$99,326,302	\$125,876,325

Source: City of Milwaukee Budget

Actual Capital Spending

Table #2 (cont'd)

2004	2005	2006	2007	2008	2009	2010
\$1,683,951	\$72,118	\$961,315	\$47,681	\$134,961	\$802,906	\$2,502,951
666,959	590,063	585,078	835,421	582,024	993,672	1,459,890
81,602	71,529	-	2,904	21,620	61,895	-
-	-	15,610	12,490	13,976	243,541	758,363
23,654,660	25,142,667	11,197,738	39,028,869	28,828,666	21,604,832	29,474,648
-	-	-	-	-	-	37,660
-	-	-	153,495	198,338	18,375	21,635
-	148,075	9,469	37,815	33,019	-	-
-	-	-	-	-	752	357
7,481,348	3,689,337	5,177,696	2,118,070	3,915,075	2,666,580	1,162,095
1,023,429	772,694	553,872	452,339	408,087	1,451,270	219,590
1,005,701	2,113,256	1,069,564	757,677	1,089,006	2,264,288	2,579,639
532,058	271,250	598,627	150,617	147,717	818,800	457,837
27,032	-	-	-	-	-	-
3,420,119	3,484,351	5,085,240	5,718,578	3,489,356	1,401,268	3,737,768
3,519,247	507,694	2,567,036	1,950,024	1,469,750	2,011,035	204,698
3,115,588	1,336,716	40,029	615,539	1,632,502	921,401	411,384
9,068,998	18,158,100	45,594,159	34,896,230	27,010,096	4,155,509	4,163,584
5,567,469	4,839,845	6,139,533	9,114,783	4,004,825	3,272,613	9,193,829
835,517	1,160,883	1,357,432	1,664,548	2,073,592	2,957,687	3,807,902
311	66,926	165,394	393,831	217,635	1,000,073	114,954
32,564,383	47,733,221	75,104,465	63,961,683	88,439,264	68,123,203	45,457,272
<u>\$94,248,372</u>	<u>\$110,158,725</u>	<u>\$157,122,257</u>	<u>\$161,912,594</u>	<u>\$163,709,509</u>	<u>\$114,769,700</u>	<u>\$105,766,056</u>
\$1,553,499	\$889,335	\$1,067,947	\$2,141,626	\$1,385,192	\$2,038,595	\$1,859,376
12,754,805	15,212,549	13,171,894	15,485,215	18,124,405	19,308,374	16,825,681
25,455,720	27,631,930	18,149,810	1,804,766	30,082,879	36,236,229	41,172,721
<u>\$39,764,024</u>	<u>\$43,733,814</u>	<u>\$32,389,651</u>	<u>\$19,431,607</u>	<u>\$49,592,476</u>	<u>\$57,583,198</u>	<u>\$59,857,778</u>
<u>\$134,012,396</u>	<u>\$153,892,539</u>	<u>\$189,511,908</u>	<u>\$181,344,201</u>	<u>\$213,301,985</u>	<u>\$172,352,898</u>	<u>\$165,623,834</u>

2012-2017 Capital Plan – Draft

	2012	2013	2014	2015	2016	2017	Total Six Year Plan
	Adopted Budget	Request	Request	Request	Request	Request	Draft
SPECIAL CAPITAL PROJECTS							
Municipal Art Fund	25,000						\$25,000
*****GRANTS & AIDS*****	8,000,000						\$8,000,000
Housing Trust Fund	400,000						\$400,000
Capital Improvements Committee	85,000	87,000	89,000	91,000	93,000	95,000	\$540,000
City Hall Remodel - 8th Floor – City Attorney		1,600,000*	1,980,000*	1,100,000*			\$4,680,000
Land Management System	2,512,000						\$2,512,000
Vehicle Registration Fee (Debt Service & General Fund Transfers)							\$0
TOTAL - SPECIAL CAPITAL PROJECTS	\$11,022,000	\$1,687,000	\$2,069,000	\$1,191,000	\$93,000	\$95,000	\$16,157,000
Dept of Admin – ITMD							
Fusion Upgrade Study		300,000					\$300,000
Oracle/PeopleSoft FMIS Upgrade					1,300,000		\$1,300,000
Oracle/PeopleSoft HRMS Upgrade				1,100,000			\$1,100,000
Server Consolidation/Storage Area Network		333,000					\$333,000
Map Milwaukee Upgrade & Expansion		281,230	101,200	101,200			\$483,630
Exchange Server Replacement	275,000						\$275,000
milwaukee.gov Hot Disaster Site		200,000					\$200,000
eAps for Procurement Life Cycles			450,000				\$450,000
Web Application Server Equipment			75,000				\$75,000
Webcasting		150,000*					\$150,000
Remodeling 809 Bldg		2,307,460*					\$2,307,460
IT Upgrades / Replacement	325,000	500,000	500,000	500,000	500,000	500,000	\$2,825,000
Disaster Recover Site Project			182,000				\$182,000
PC Replacement Project				115,000			\$115,000
Web Security Appliance					350,000		\$350,000
TOTAL ADMINISTRATION	\$600,000	\$4,071,690	\$1,308,200	\$1,816,200	\$2,150,000	\$500,000	\$10,446,090
CITY CLERK							
SAN Storage	40,000						\$40,000
Channel 25 - HD Conversion		135,000*	155,000				\$290,000
City Hall Remodel Rm 307		394,000*					\$394,000
TOTAL CITY CLERK	\$40,000	\$529,000	\$155,000	\$0	\$0	\$0	\$724,000
DEPARTMENT OF CITY DEVELOPMENT							
Neighborhood Commercial District Street Improvement Fund	500,000	250,000	250,000	250,000	250,000	250,000	\$1,750,000
Business Improvement Districts	250,000	250,000	250,000	250,000	250,000	250,000	\$1,500,000
Tax Incremental Districts	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	\$136,251,000
****Revenue****	4,251,000	3,775,000	3,775,000	3,775,000	3,775,000	3,775,000	\$18,875,000
Development Fund		1,500,000	1,500,000	1,800,000	1,800,000	1,800,000	\$8,400,000
Advance Planning Fund	175,000	175,000	175,000	175,000	175,000	175,000	\$1,050,000
Healthy Neighborhoods Initiative	200,000	200,000	200,000	200,000	200,000	200,000	\$1,200,000
Housing Infrastructure Preservation Fund	800,000	300,000	300,000	300,000	300,000	300,000	\$2,300,000
Technology Initiative							\$0
In Rem Property		200,000	200,000	200,000	200,000	200,000	\$1,000,000
Façade Program	500,000						\$500,000
Brownfield Program	500,000						\$500,000
809 Building Remodel		976,000*					\$976,000
TOTAL DEPARTMENT OF CITY DEVELOPMENT	\$29,176,000	\$29,626,000	\$28,650,000	\$28,950,000	\$28,950,000	\$28,950,000	\$174,302,000
FIRE DEPARTMENT							
Major Capital Equipment	2,814,000	4,352,120	4,352,120	3,737,740	4,063,258	4,063,258	\$23,382,496
Fire Facilities Maintenance Program	500,000	761,250	799,312	799,312	839,278	839,278	\$4,538,430
Auxiliary Power Supply	110,000	110,000	110,000	110,000	110,000	110,000	\$660,000

* Request was made in 2012 and was NOT funded in the 2012 budget. Request is likely to be resubmitted in the year shown.

** The request for the PAB is shown as submitted by the department with the exception of the \$5,460,000 which was proposed by the Mayor for 2012 and removed by the Council

2012-2017 Capital Plan – Draft

	2012	2013	2014	2015	2016	2017	Total Six Year Plan
	Adopted Budget	Request	Request	Request	Request	Request	Draft
Fire Repair Shop Design & Construction							\$0
TOTAL FIRE DEPARTMENT	\$ 3,424,000	\$5,223,370	\$5,261,432	\$4,647,052	\$5,012,536	\$5,012,536	\$28,580,926
HEALTH DEPARTMENT							
Data Repository		50,000	50,000	50,000	50,000	50,000	\$250,000
Health Facilities Capital Projects	450,000	700,000	633,000	635,000	450,000	465,000	\$3,333,000
TOTAL HEALTH DEPARTMENT	\$450,000	\$750,000	\$683,000	\$685,000	\$500,000	\$515,000	\$3,583,000
LIBRARY							
Central Library Improvements Fund	\$1,327,000	1,983,000	1,558,000	2,025,000	1,600,000	3,230,000	\$11,723,000
Neighborhood Library Improvements Fund		875,000	175,000		800,000		\$1,850,000
Neighborhood Libraries - New Construction	1,250,000	10,368,000	3,000,000	11,430,000	500,000	2,900,000	\$29,448,000
Library Facility Initiative							\$
TOTAL LIBRARY	\$2,577,000	\$13,226,000	\$4,733,000	\$13,455,000	\$2,900,000	\$6,130,000	\$43,021,000
MUNICIPAL COURT							
TOTAL MUNICIPAL COURT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NEIGHBORHOOD SERVICES							
Anderson Tower Conference Room		70,000*					\$70,000
TOTAL NEIGHBORHOOD SERVICES	\$0	\$70,000	\$0	\$0	\$0	\$0	\$70,000
POLICE DEPARTMENT							
Police Administration Building Remodeling **		9,846,156	7,061,886	6,661,860	8,141,442	5,753,834	\$37,465,178
District Station Repairs	465,000	440,000	350,000	350,000	350,000	350,000	\$2,305,000
Evidence Storage Warehouse	760,000	200,000		200,000		200,000	\$1,360,000
Radio & Communications Upgrade	277,000	316,000	295,000	444,000	200,000	200,000	\$1,732,000
TOTAL POLICE DEPARTMENT	\$1,502,000	\$10,802,156	\$7,706,886	\$7,655,860	\$8,691,442	\$6,503,834	\$42,862,178
PORT OF MILWAUKEE							
Secured Ferry Terminal Parking		100,000					\$100,000
Harbor Maintenance Dredging		200,000				150,000	\$350,000
****Grants & Aids****		800,000					\$800,000
Cargo Handling Equipment (new crane)		4,000,000					\$4,000,000
Cargo Handling Equipment Rehab / Upgrade			500,000				\$500,000
City Heavy Lift Dock Improvements				520,000			\$520,000
****Grants & Aids****				2,080,000			\$2,080,000
Analyze and Upgrade Sewer System		100,000					\$100,000
Dockwall Rehabilitation	150,000	150,000	150,000	150,000	150,000	150,000	\$900,000
Pier Berth and Channel Improvements		200,000	200,000	200,000	200,000	200,000	\$1,000,000
****Grants & Aids****		800,000	800,000	800,000	800,000	800,000	\$4,000,000
Rail Track and Service Upgrades		100,000		100,000		100,000	\$300,000
Confined Disposal Facility	75,000						\$75,000
Port Security		100,000	100,000	100,000	100,000	100,000	\$500,000
Roadway Paving				200,000			\$200,000
Rehab Electrical Service South Harbor Tract		100,000					\$100,000
Terminal Resurfacing		250,000		250,000			\$500,000
Port Facility Systems		100,000	100,000		100,000		\$300,000
Demolish / Rehab Expired Leasehold Facilities		100,000		100,000			\$200,000
Transload Terminal			350,000				\$350,000
****Grants & Aids****			1,400,000				\$1,400,000
Energy Initiative				100,000		100,000	\$200,000
TOTAL PORT OF MILWAUKEE	\$ 225,000	\$7,100,000	\$3,600,000	\$4,500,000	\$1,350,000	\$1,500,000	\$18,275,000
DPW ADMINISTRATIVE SERVICES DIVISION							
Public Safety Communications	500,000	625,000	625,000	625,000	625,000	625,000	\$3,625,000
Municipal Phone System Upgrade	720,000						\$720,000

* Request was made in 2012 and was NOT funded in the 2012 budget. Request is likely to be resubmitted in the year shown.

** The request for the PAB is shown as submitted by the department with the exception of the \$5,460,000 which was proposed by the Mayor for 2012 and removed by the Council

2012-2017 Capital Plan – Draft

	2012	2013	2014	2015	2016	2017	Total Six Year Plan
	Adopted Budget	Request	Request	Request	Request	Request	Draft
CSWAN / COMOM Upgrade				1,100,000			\$1,100,000
TOTAL DPW ADMINISTRATIVE SERVICES DIVISION	\$1,220,000	\$625,000	\$625,000	\$1,725,000	\$625,000	\$625,000	\$5,445,000
DPW OPERATIONS DIVISION							
Sanitation							
Environmental Services Facilities Modifications	550,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$5,550,000
Industrial Road Facility Relocation			1,700,000**	5,100,000**			\$6,800,000
Self Help Scales							\$0
Subtotal - Sanitation Projects	\$550,000	\$1,000,000	\$2,700,000	\$5,100,000	\$1,000,000	\$1,000,000	\$12,350,000
Forestry							
Concealed Irrigation and General Landscaping City Boulevards	447,000	750,000	750,000	750,000	750,000	750,000	\$4,197,000
Planting Trees Shrubs and Evergreens (Paving) Various Sites	1,584,000	1,980,000	1,980,000	1,787,000	1,787,000	1,787,000	\$10,905,000
Boulevard Plan							\$0
Emerald Ash Borer Readiness & Response	923,000	923,000	923,000	923,000	923,000	923,000	\$5,538,000
Stump Removal	240,000	0	0	0	0	0	\$240,000
Subtotal - Forestry Projects	\$3,194,000	\$3,653,000	\$3,653,000	\$3,460,000	\$3,460,000	\$3,460,000	\$20,880,000
Fleet							
Major Capital Equipment (\$50,000 or More)	6,000,000	11,651,925	13,206,950	14,108,540	13,776,150	13,776,150	\$72,519,715
Two-Way Radio Replacement	495,000						\$495,000
Central Repair Garage Back Lot		573,000*					\$573,000
Subtotal - Fleet Projects	\$6,495,000	\$12,224,925	\$13,206,950	\$14,108,540	\$13,776,150	\$13,776,150	\$73,587,715
TOTAL DPW OPERATIONS DIVISION	10,239,000	\$16,867,925	\$17,859,950	\$18,568,540	\$18,236,150	\$18,236,150	\$100,007,715
DPW INFRASTRUCTURE SERVICES DIVISION							
Underground Conduit and Manholes	1,156,500	6,000,000	5,000,000	5,000,000	5,000,000	5,000,000	\$27,156,500
Major Bridge Program - State & Federal Aided	500,000	421,000	1,170,000	700,000	700,000	700,000	\$4,191,000
****Grant & Aid****	6,035,000	1,684,000	4,680,000	2,800,000	2,800,000	2,800,000	\$20,799,000
Bridge Program - Local	7,782,000	11,425,000	12,175,000	10,250,000	10,275,000	10,250,000	\$62,157,000
Street Improvements - City Portion of State/Federal Aided Projects	9,776,200	3,800,300	6,722,400	5,606,600	7,011,900	6,093,000	\$39,010,400
****Grant & Aid****	68,556,800	18,768,700	24,417,600	30,865,400	24,016,600	21,572,000	\$188,197,100
****Special Assessments****	1,000	125,000	874,000	370,000	963,500	465,000	\$2,798,500
New Street Construction	200,000	150,000	200,000	200,000	200,000	200,000	\$1,150,000
****Special Assessments****		150,000	150,000	150,000	150,000	150,000	\$750,000
Street Reconstruction and Resurface	13,700,000	16,000,000	15,000,000	17,300,000	15,600,000	18,000,000	\$95,600,000
****Special Assessments****	100	100	700,000	700,000	700,000	700,000	\$2,800,200
Alley Reconstruction and Resurface	2,400,000	1,800,000	2,100,000	2,100,000	2,100,000	2,100,000	\$12,600,000
****Special Assessments****	600,000	1,200,000	1,400,000	1,400,000	1,400,000	1,400,000	\$7,400,000
Sidewalk Replacement Program (Contract and Scattered Sites)	1,956,000	1,190,000	1,250,000	1,320,000	1,380,000	1,450,000	\$8,546,000
****Special Assessments****	584,000	410,000	450,000	480,000	520,000	550,000	\$2,994,000
New Streets – Developer Financed		400,000	400,000	400,000	400,000	400,000	\$2,000,000
Street Lighting Program Citywide	8,220,000	9,500,000	9,900,000	9,900,000	9,500,000	9,500,000	\$56,520,000
Traffic Control Facilities Citywide	2,303,000	2,760,000	3,560,000	3,050,000	3,015,000	3,060,000	\$17,748,000
Underground Electric Manhole Reconstruct Prog. (Communication, Traffic Control, Street Lighting)	300,000	500,000	500,000	500,000	500,000	500,000	\$2,800,000
Subtotal - Transportation Projects	\$124,070,600	\$76,284,100	\$90,649,000	\$93,092,000	\$86,232,000	\$84,890,000	\$555,217,700
Buildings Projects							
City Hall Hollow Walk Structural Repairs		5,840,000*					\$5,840,000
MacArthur Square Plaza Remediation	251,000	251,000	255,000	259,000	263,000	267,000	\$1,546,000
Environmental Remediation Program	150,000	200,000	324,000	329,000	334,000	339,000	\$1,676,000
ADA Compliance Program	261,900	190,000	190,000	295,400	295,400	374,000	\$1,606,700
Facilities Exterior Program	430,000	925,000	925,000	1,200,000	1,200,000	1,200,000	\$5,880,000
City Hall Complex Remodeling – Misc	100,000	250,000	250,000	250,000	250,000	250,000	\$1,350,000

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2012-2017 Capital Plan – Draft

	2012	2013	2014	2015	2016	2017	Total Six Year Plan
	Adopted Budget	Request	Request	Request	Request	Request	Draft
Municipal Garages/Outlying Facilities Remodeling	650,000	500,000	500,000	500,000	500,000		\$2,650,000
Facilities Systems Program	970,000	800,000	1,200,000	1,200,000	1,600,000	1,600,000	\$7,370,000
Recreational Facilities Program	0	0	0	0	0	0	\$0
Space Planning Alterations and Engineering	150,000	172,000	178,000	184,000	190,000	196,000	\$1,070,000
Energy Efficiency & Renewable Energy Initiative	150,000	800,000	850,000	900,000	950,000	1,000,000	\$4,650,000
Building Exterior Façade Restoration		500,000	500,000	500,000			\$1,500,000
Facilities Condition Assessment Program		150,000	150,000	150,000	150,000	150,000	\$750,000
Municipal Service Building Relocation	75,000	250,000	100,000				\$425,000
City Facilities Consolidation	60,000	80,000					\$140,000
Hartung Park Landfill Closure	200,000						\$200,000
IT Equipment Room Compliance Program							\$0
Subtotal Buildings Projects	\$ 3,447,900	\$10,98,000	\$5,422,000	\$5,767,400	\$5,732,400	\$5,376,000	\$36,653,700
TOTAL DPW INFRASTRUCTURE SERVICES DIVISION	\$127,518,500	\$87,192,100	\$96,071,000	\$98,859,400	\$91,964,400	\$90,266,000	\$591,871,400
TOTAL DPW SPECIAL ASSESSMENTS	\$1,185,100	\$1,885,100	\$3,574,000	\$3,100,000	\$3,733,500	\$3,265,000	\$16,742,600
TOTAL DPW GRANTS & AIDS	\$74,591,800	\$20,452,700	\$29,097,600	\$33,665,400	\$26,816,600	\$24,372,000	\$208,996,100
TOTAL DPW CITY FUNDING	\$63,200,600	\$82,357,225	\$83,584,350	\$87,487,540	\$80,275,450	\$81,490,150	\$478,395,315
TOTAL DEPARTMENT OF PUBLIC WORKS	\$138,977,500	\$104,695,025	\$116,255,950	\$124,252,940	\$110,825,550	\$109,127,150	\$704,134,115
PARKING FUND							
1000 North Water Structure Repairs					220,000		\$220,000
MacArthur Square Structure Repairs			575,000	575,000		300,000	\$1,450,000
Parking Facility Maintenance	250,000	250,000	200,000	250,000	250,000	250,000	\$1,450,000
Multi-space Meters							\$0
Milwaukee/Michigan Structure Repairs			625,000	620,000		550,000	\$1,795,000
Fourth & Highland Structure Repairs		500,000			460,000		\$960,000
Second & Plankinton Structure Repairs	540,000				465,000	300,000	\$1,305,000
TOTAL PARKING FUND	\$790,000	\$750,000	\$1,400,000	\$1,445,000	\$1,395,000	\$1,400,000	\$7,180,000
DPW WATER WORKS							
Distribution System	130,000	3,500,000	5,500,000	8,500,000	10,000,000	11,500,000	\$39,130,000
Distribution System - Assessable							\$0
Development Out-of-Program Agreement Various Locations							\$0
Feeder Main Program	500,000	500,000	750,000	750,000	1,000,000	1,000,000	\$4,500,000
Linwood Plant Building Improvements	1,040,000	200,000					\$1,240,000
Linwood Plant Treatment Improvements	400,000	200,000	1,600,000	2,100,000			\$4,300,000
Howard Plant Building Improvements	200,000	350,000		310,000			\$860,000
Howard Plant Treatment Improvements	50,000	100,000	1,000,000				\$1,150,000
Pump Facilities Improvements	2,250,000		1,200,000	500,000	500,000	500,000	\$4,950,000
Storage Facilities Improvements	200,000	100,000	2,500,000	100,000	3,000,000		\$5,900,000
Meter Shop Improvements	50,000	1,000,000	3,000,000				\$4,050,000
Backup Power Generation	4,500,000	4,700,000	800,000	300,000	3,000,000	3,000,000	\$16,300,000
Capital Projects Contingencies			1,000,000		3,000,000		\$4,000,000
TOTAL DPW WATER WORKS	\$9,320,000	\$10,650,000	\$17,350,000	\$12,560,000	\$20,500,000	\$16,000,000	\$86,380,000
DPW SEWER MAINTENANCE FUND							
Sewer Relief & Relay Program	31,700,000	30,000,000	31,000,000	31,000,000	32,000,000	33,000,000	\$188,700,000
Storm Water Quality Projects (BMPs)		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$5,000,000
Pump Facility Projects	1,000,000	1,000,000	700,000	700,000	700,000	700,000	\$4,800,000
River Channel Maintenance	400,000	200,000	200,000	200,000	200,000	200,000	\$1,400,000
I&I Reduction Projects	8,210,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	\$43,210,000
****Grant & Aid****	2,640,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	\$11,140,000

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2012-2017 Capital Plan – Draft

	2012	2013	2014	2015	2016	2017	Total Six Year Plan
	Adopted Budget	Request	Request	Request	Request	Request	Draft
****Special Assessments****	0						\$
Developer Out-of-Program Agreements							\$
TOTAL SEWER MAINTENANCE FUND	\$43,950,000	\$40,900,000	\$41,600,000	\$41,600,000	\$42,600,000	\$43,600,000	\$251,250,000
Enterprise Fund Special Assessments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise Fund Grants & Aids	\$2,640,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$11,140,000
Total Enterprise Fund Projects	\$54,060,000	\$52,300,000	\$60,350,000	\$55,605,000	\$64,495,000	\$61,000,000	\$347,810,000
							\$
TOTAL SPECIAL ASSESSMENTS	\$1,185,100	\$1,885,100	\$3,574,000	\$3,100,000	\$3,733,500	\$3,265,000	\$16,742,777
TOTAL GRANTS & AIDS	\$85,231,800	\$23,752,700	\$32,997,600	\$38,245,400	\$29,316,600	\$26,872,000	\$236,416,100
TOTAL ENTERPRISE FUND (excluding special assessments & Grants & Aids)	\$51,420,000	\$50,600,000	\$58,650,000	\$53,905,000	\$62,795,000	\$59,300,000	\$336,670,000
TOTAL CITY FUNDING (excluding enterprise)	\$101,576,600	\$152,142,441	\$133,850,868	\$145,807,652	\$127,422,428	\$128,196,520	\$788,996,509
TOTAL CAPITAL PLAN	\$239,413,500	\$228,380,241	\$229,072,468	\$241,058,052	\$223,267,528	\$217,633,520	\$1,378,825,309

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Condition Report Introduction

Issues related to the proper management and maintenance of the City's infrastructure especially streets and sewers have become increasingly prominent in recent years. The worsening condition of the City's streets and the widespread flooding damage caused by recent historic rains, have intensified the debate about the City's management of its infrastructure.

In response to these concerns, the Common Council created the Capital Improvements Committee and charged it with evaluating departmental capital requests and reporting on the condition of the City's infrastructure networks and facilities as well as the adequacy of the efforts made to preserve and maintain the City's capital assets.

In keeping with those objectives the Capital Improvement Committee is pleased to present the inaugural City Wide Infrastructure Condition Report.

The condition report focuses on 3 basic questions

1. What is the extent of the infrastructure that is owned and maintained by the City?
2. Are annual maintenance efforts sufficient to keep the infrastructure in an acceptable condition?
3. What are the long and short range budgetary effects of the city's infrastructure?

This is the first time that such a comprehensive report has been created. The former Capital Improvements Committee, which was disbanded in the late 1980s, created a similar report which covered many types of City infrastructure. This report, however, will include all public buildings, recreational facilities and the Port of Milwaukee. In addition, it will include more in depth analysis of the budgetary effects and consequences of historic and proposed funding levels.

This report should be considered a work in progress. Time and data limitations required the committee to focus primarily on inventory information and the definition of key elements and reporting areas. The committee will expand on the information each year until it provides a comprehensive, up to date representation of the City's infrastructure.

The standardized nature of the individual asset reports will facilitate the comparison of effort across asset classes, simplify the extraction of like types of data, and provide a record of areas which still require additional data or analysis.

This compilation of information is designed to allow a broad audience to gain greater understanding of the nature and scope of the city's infrastructure assets. We hope to provide ordinary citizens as well as policy makers with a resource to help them understand the historical context and importance of each asset as well as the opportunities and challenges that the City faces when attempting to maintain its infrastructure systems.

The data in this report should provide readers with greater insight into the amount of City resources being devoted to the maintenance of infrastructure. Data is provided both for the recent past and for historic 3, 5 and ten year periods. This can give the reader insight into the relative

importance that city leaders have placed on any given infrastructure in the context of extreme budgetary constraints.

The data does not identify reasons for the trends. The narratives on each class of infrastructure attempt to provide limited insight into those questions. However, additional research and analysis will be required to further explore any trends that have been identified and to fully assess their deeper meaning and consequence.

It should also be noted that in some cases there are data nuances that will not be readily apparent that may skew trend analysis. For example:

- An upward expenditure trend may appear to indicate enhanced maintenance efforts when in reality it may reflect the rising cost of materials..
- Weather related anomalies may be responsible for short term increases in spending. This may cause fluctuations in work accomplished or asset conditions unrelated to long term maintenance efforts or trends.
- Significant changes in program funding may reflect accounting changes or restructuring initiatives that have no real impact on service levels. For example in ___ capital funding for sewer main replacement was moved from the City's capital budget to the Sewer Maintenance Enterprise Fund.

In those cases where the committee is aware of such anomalies, they have been identified in the narrative. However, our capacity to fully explore every significant data change was limited. The committee will continue to review data so that future editions of this report will provide increasingly comprehensive analysis and documentation of relevant trends.

The committee welcomes input from its readers regarding data and analysis that would be useful and relevant for a particular purpose.

We look forward to....

Using this Report

To assist in the analysis of the different type of infrastructure and the presentation of data, the committee has developed a standardized format to be used for each type of asset. Each asset report will contain ten sections. The first section will provide a description of the infrastructure including its function, importance and components of the system. This section will also provide key historical information regarding policies and events that have affected the infrastructure.

The next section will discuss departmental goals and priorities identifying the relevant challenges and opportunities that the department faces when attempting to maintain the infrastructure. This will be followed by a summary of the asset using appropriate measures of number, size age etc. Current replacement values and estimated useful lives will also be found in this section

In order to determine the effectiveness of the City's efforts to maintain their assets appropriate metrics must be identified. The next section will provide a summary of the process used to determine the condition of the asset and an evaluation of the effectiveness of the measure. This section will contain far more detail for some assets than others. For example bridges have a sophisticated, quantifiable rating system to measure their condition and performance. Evaluating trees on the other hand is much more subjective and relies heavily on the professional judgment and experience of the inspector. To the extent practical, a discussion of the cost benefit of improving the effectiveness of the measure will be included.

The following section will discuss the current condition of the infrastructure, factors that affect its condition and historic or projected condition trends.

There will be a section describing departmental programming and project selection. This section will provide a summary of the process used to select and prioritize infrastructure projects. It is important to note that most types of infrastructure exist within a larger system of inter-related assets. Replacing one portion of the system often necessitates replacing or repairing other parts of the system. An example would be the paving of a street , which may requires the replacement of street light cable, traffic signals or the replacement of trees. This report will attempt to identify and quantify the relationships between the different types of infrastructure.

A key component of asset management is the effective use of preventative maintenance. Preventative maintenance can extend the life of the asset in a cost effective manner allowing scarce resources to be used for other purposes. A description of preventative maintenance efforts including the type of maintenance, its frequency, its effectiveness and the cost savings realized. This section will also include a summary of actual work done to allow the evaluation of the adequacy of the efforts.

The funding section will discuss the historic and projected funding levels and sources. At this time, it is the City's policy to finance much of the City's infrastructure with debt. Some components however are funded by the tax levy, grants or other revenue sources. Determining the proper mix of financing is key to effective budgeting. This section will also discuss the adequacy of funding attempting to answer four key questions

1. How much money must be spent to keep infrastructure in good repair?
2. What is the deferred capital maintenance gap?
3. What is the plan to address the deferred capital maintenance gap?
4. What is the adequacy of the plan to address the deferred capital maintenance gap?

This section will also discuss the extent to which preservation efforts are driven by revenue generated and any other significant revenue effects. It will also attempt to address the extent to which the maintenance of capital assets affects the City's operations and maintenance budget.

The life cycle calculation section will provide a snapshot of the historical and projected preservation efforts. Estimates will be calculated for three historic periods (1 yr, 3 yrs, 10 yrs) and one projected period (6 yrs). This section will also attempt to explain significant differences between the calculated life cycles and the estimated useful lives.

The last section will present a summary of key issues and any recommendation or conclusions that can be drawn from the data.

The committee feels that the standardized nature of the individual asset reports will facilitate the comparison of effort across asset classes and simplify the extraction of like types of data. Going forward, it will also provide a measure of accountability to the committee by identifying areas which still require additional data or analysis.

For the purposes of this report, infrastructure has been divided into six categories

- Transportation – Roads and bridges as well the systems that are most interdependent including alleys, street lighting, traffic control, pedestrian and bicycle facilities.
- Sewers and Storm Water Management – Facilities that remove sanitary waste from homes and business and direct stormwater out of neighborhoods and into the waterways.
- Water – Water treatment plants and water distribution systems
- Facilities and Support Service – Public buildings, parking structures, recreational facilities and the underground conduit system that provides the cable network which serves communication and public safety needs.
- Urban Forestry – Street trees as well as the boulevard system
- Port of Milwaukee – Milwaukee's port is an often overlooked asset that provides many benefits to the City of Milwaukee