



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes - Final CAPITAL IMPROVEMENTS COMMITTEE

ALD. JOSEPH DUDZIK, CHAIR

Ald. Robert Bauman, Ald. Michael Murphy, Jeffrey Mantes, W. Martin Morics, Mark Nicolini, and Mariano Schifalacqua
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Wednesday, May 26, 2010

9:00 AM

Room 301-B, City Hall

Meeting called to order at 9:10 a.m.

1. Roll call

Members Present: 6- Ald. Bauman, Gerard Froh (Ald. Murphy Alternate), Jeffrey Mantes, Mike Daun (W. Martin Morics Alternate), Mark Nicolini, and Mariano Schifalacqua

Also present: Venu Gupta, Dept. of Public Works and Kathleen Brengosz, Fiscal Planning Specialist

2. Review and approval of the minutes of the May 5, 2010 meeting

Mr. Nicolini moved approval of the meeting minutes. There were no objections.

3. Discussion relating to the criteria that will be used to determine the validity of the requested 2011 capital improvement projects

Ald. Bauman said that whatever the committee adopts should be as simple as possible.

Mr. Daun suggested that Ms. Brengosz present the summary of criteria that was submitted by committee members.

Ms. Brengosz said that the summary of criteria submitted to committee members is a summary of how different municipalities nationwide tend to look at when evaluating their capital improvement projects. It was intentionally very broad to make it clear that capital improvements can encompass many things, including health and safety concerns and regulatory compliance. The list of criteria was generated to provide a basis for the committee to determine its objectives.

Mr. Daun asked if prioritizing projects to be part of the capital budget is an objective of the committee. Ms. Brengosz said yes.

Mr. Schifalacqua said that just because something gets five points and something gets one point, it does not mean that the project that gets five points is five times

more worthy. He also said that good common sense should be used to evaluate projects and it should not be done mathematically.

Ms. Brengosz said that the summary of criteria was meant to be a framework for ranking projects. She said that when a number of projects are all categorized as essential, there needs to be a way to prioritize the projects.

Ald. Bauman said that the Budget Office has already been applying specific criteria to budget requests concerning capital projects that come from city departments. He asked if there was a reason to deviate from the process of the Budget Office that has been undertaken to date. Mr. Nicolini said that the city will establish a levy-supported borrowing target. To control the debt service, the city will established a debt target. He also said that projects that are deemed to be absolutely required are considered first. Mr. Nicolini also said that the categories that Mr. Mantes has suggested are used by the Budget Office to organize its work and that the office in its upcoming analysis is highlighting core infrastructure, local streets and sewers because of their importance.

Mr. Nicolini said that a priority is established within the DPW core recurring programs. He also said that as the local street program has been increased, as is the plan for 2011, there is concern about what kind of impact will it have on street lighting and conduits, in particular. Once you establish a priority, it can create a byproduct of the raising of other programs.

Mr. Nicolini said that once an initial analysis is done by the Budget Office, it tries to target categories with certain amounts and the analyst within the categories will try to prioritize and make recommendations.

Ald. Bauman asked what power the committee has to make binding recommendations and if the Capital Improvements Committee is just an advisory committee to the Budget Office. Mr. Nicolini said the charge of the committee each year is to make a requested capital improvement budget, although certain categories are not to be included in that requested budget, and that the requested budget from the committee is an important input on the executive budget process. He also said that departments are to ultimately send requests to the committee and the committee would usually make a request to the Budget Office no later than the second Tuesday in May. For this year, the committee could still play an important role in identifying priorities and key criteria. He also said that if desired, the Budget Office can present the Mayor's budget recommendations early enough in the fall so the committee can respond and react to that budget proposal.

Ms. Brengosz said purpose of the committee is to evaluate what needs to be done to preserve the city's infrastructure and to weigh that against what funding is available.

Ald. Bauman read from the city ordinance which regulates the committee. He said that the committee is behind schedule according to the ordinance and that the committee is to make a submission to the Department of Administration, which may not be possible for the current year.

Mr. Daun said that in terms of establishing criteria, the committee would only really begin to play a crucial role as the city moves into its 2012 budget as the city departments have already prepared their 2011 requests. Mr. Daun said that the departments should be looking at the committee's criteria for determining validity when forming their requests. He said that the city is very conservative when it comes to repairing its debt and that he agrees that an emphasis on infrastructure should be made.

Ald. Bauman asked if motor vehicles such as fire trucks are under the scope of the committee's intent. Mr. Mantes said that there was some discussion relative to whether the committee, in the future, might want to take up matters outside of the current scope of the ordinance. Ald. Bauman said that if the scope of the committee was not expanded, it is limited to physical infrastructure and city-owned facilities.

Mr. Mantes agreed with Mr. Daun that the committee's actions need to be viewed as a long-term planning effort. He said that there will be some peaks since different areas of infrastructure will need to be repaired before others.

Mr. Schifalacqua asked if the committee could be kept in the loop as the Budget Office does its evaluations and if it can give input before the Mayor's budget is completed. Mr. Nicolini said that the Budget Office is looking at prioritizing certain projects and that the evaluation of these projects can be brought before the committee.

Ald. Bauman said that the requests of departments for facility-related projects could be brought to the committee. Mr. Nicolini said that facility related projects that are related to preserving the operation of a department may be evaluated by the committee.

Mr. Daun said that a self-pay mechanism could be created to pay for certain capital needs and if facilities will be preserved responsibly, the committee must do more than rank the projects based on criteria.

Ms. Brengosz said that the most important things to look at are the sustainability of projects and what the payback is for the city. She suggested focusing on specific criteria. Different departments have different ways of evaluating their projects, so getting a few specific criteria out to departments to use to evaluate their projects would be helpful. She suggested choosing four or five focus areas and coming up with a list of questions that the committee could submit to the departments for them to consider and to include a ranking sheet or scoring sheet that the committee could use or that the departments could fill out themselves.

Mr. Daun asked if the committee should take the departments' priorities as they are and look at major allocations or reallocations, or if the committee should get underneath the department priorities and examine them. Mr. Schifalacqua said that the departments, at least initially, should be left to run their programs, but as the committee begins to work on developing condition reports and replacement reports it should start looking at working with the departments on developing their priority lists within the programs. He also said that the programs should be put into categories and the committee should look at the amount of funding and how things are funded.

Mr. Mantes moved to establish as part of the criteria development process that the public improvements be divided into the categories suggested in the May 21, 2010 letter from Mr. Mantes to Ald. Dudzik. There were no objections.

Ald. Bauman said that different criteria would be developed for each category.

Ms. Brengosz said that the difference between evaluating programs versus projects could be a disadvantage. She also said that she is concerned about how the categories work with the criteria that departments use to evaluate. She also said that her vision of the task of the committee was looking at an overall program and trying to make sure that a department was staying on track and keeping up with maintaining infrastructure, not nitpicking individual projects.

Ald. Bauman said that the real evaluating comes with the large one-time expenditures, largely in the public building category, not projects like the replacement of sewers and water mains.

Ald. Bauman said that perhaps the committee should develop detailed criteria in connection with categories that are more project related, such as public buildings and energy improvements. He said that the detailed criteria would not be needed for evaluating special projects, such as the streetcar connector and construction of a new police administration building.

Mr. Nicolini suggested using the remainder of this year to get replacement of cycle information and other information to provide input for the 2012 budget and for updating the next 6-year Capital Plan.

Mr. Schifalacqua said that the priorities of the committee with regard to programs is determining how big a program should be and how much the city should be allocating each year as well as having input in how programs should be funded.

Mr. Froh said that the committee should be in favor of operational savings for projects. He said that savings and benefits and the affect on long term operations should be a primary concern of the committee.

Mr. Nicolini suggested adding economic development as a category for evaluation of projects and programs. Ald. Bauman suggested expanding Special Projects to include economic development.

Ald. Bauman said that the committee should develop an evaluation matrix for the Public Buildings category. Mr. Mantes suggested developing a matrix for the Parks, Recreation and Open Spaces category and Mr. Schifalacqua suggested a matrix for the Special Projects/Economic Development category as well. There were no objections.

Ms. Brengosz asked what would be considered under Special Projects and how it is distinguished from other projects.

Ald. Bauman suggested that Special Projects be defined as "extraordinary, non-recurring projects of a substantial nature". The committee agreed.

Ms. Brengosz asked the question: In terms of format, does the committee want to keep the rating sheet that was developed? Ald. Bauman said that the committee would like to use the rating sheet for the Public Buildings, Parks, Recreation and Open Spaces and Special Projects/Economic Development categories. For the other categories, he said the committee will continue assembling data instead of evaluating criteria.

Mr. Daun said that taking a long-range look at programs and projects will be a tremendous benefit of the committee and will be value added for both the administration and the council.

Out of the three different samples of rating sheets that were provided to the committee by Ms. Brengosz, Mr. Schifalacqua said that he preferred Sample Two as it contained a weighting provision for the various categories.

Mr. Schifalacqua moved to make the rating sheet with the weighting provision the rating sheet used by the committee. Mr. Nicolini seconded the motion. There were

no objections.

4. Next meeting date, time and agenda

Next meeting:

A report back on narrowing down the three distinct evaluation criteria for the three categories that are project-oriented which were moved on at today's meeting.

Mr. Schifalacqua asked that Ms. Brengosz break down the capital requests that the committee has received into the categories that were approved at today's meeting.

Meeting adjourned at 10:20 a.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>.