

Old Capital Improvements Committee Priority

The former Capital Improvements Committee used a number of criteria to prioritize projects. Priorities listed in old reports included:

- Effect on assessed valuation
- Project interrelationship
- Effect on welfare and progress of the City of Milwaukee
- Number of residents affected (favorably / unfavorably)
- Relationship with the general City plan

Current (2010) guidance given by the Budget Office

Each year the Budget Office solicits requests for capital improvements and provides to the departments so they can prioritize their projects. Currently projects are divided into three priority levels – essential, important and desired. Criteria for each level are as follows:

Essential

- Legally required
- Contractually required
- Projects that present an immediate safety and/or health hazard

Important

- Part of on-going capital replacement program
- Necessary to preserve existing infrastructure of facilities

Desired - Projects of a one time nature that enhance

- Operations
- Public service
- Economic development

Mayor's Goals

Ideally the priorities of the Capital Improvements Committee should support the Mayor's goals for the City. Those goals (as listed in the 2010 budget) are as follows:

- Building safe and healthy neighborhoods
- Increasing investment and economic vitality through Milwaukee
- Improving workforce development and connecting more citizens to family supporting jobs
- Helping children succeed, prepare for post-secondary education, and meet their full potential
- Promoting racial, social and economic equity for all citizens
- Sustaining, enhancing and promoting Milwaukee's natural environment assets

Potential Criteria for Prioritizing Capital Improvement Projects

There are a number of ways that a municipality can evaluate its capital improvement projects. They vary from a simple classification of priority – high, medium low to sophisticated weighting systems with multiple tiers driven by GIS information.

The current rating system (essential, important, desired) is effective for broadly classifying projects and identifying which projects can easily be deferred. Limited budgets however, require choices among important and essential projects. The current system does not provide enough information to make optimal decisions.

There are examples of municipalities that evaluate their projects on multiple levels. Base levels evaluate attributes that are common to all projects while higher levels incorporate socio-economic and demographic data. Each project's score is subjected to a multiplier based on public health, safety and economic development considerations. The result is a project ranking that is objective, repeatable and based on quantifiable data. While the City does have GIS capabilities, this is not a viable option given the time frame and resources currently available to the Capital Improvements Committee.

The most common ranking system seems to be the use of “areas of emphasis” A number quantitative and qualitative factors that are deemed to be important are chosen. Each proposed project is given a score in each area of emphasis. Each score is multiplied by the area's weight (if weighting is used) and a final total is calculated. The primary advantages of this system are that scores are easy to calculate, a wide variety of criteria can be considered and it will produce a range of scores that make ranking more meaningful. Disadvantages include a relatively high degree of subjectivity in assigning scores. In addition, because overall rankings may be relatively unique it may give the impression of representing a higher level of accuracy than is really warranted. Consistent detailed information solicited from the Departments as part of the capital request process could make projects more comparable and result in more consistent ratings.

Areas of emphasis are not necessarily mutually exclusive and may overlap on certain projects. Common areas of emphasis include:

- Quality of Life
- Infrastructure Preservation
- Economic Development
- Health & Public Safety
- Impact on Operational Budget
- Regulatory Compliance / Mandates / Legal Requirements
- Timing / Location / Project Linkage
- Special Considerations
- Quality of Service
- Consistency with Comprehensive Plan and Common Council Vision
- Availability of Alternative Financing Sources
- Documented Community Environmental Quality
- Extent of Impact (number of citizens affected)
- Project Readiness

The following is a sample of guidance that could be given to Departments as part of the capital request process. The information solicited is very detailed to allow more consistent evaluation and presentation of projects across departments. The Capital Improvements Committee will use the Department's responses to rank requests. In the alternative, Departments could submit both the requested information and a completed ranking form. The Department's ranking can then be compared to the Committee's ranking and large discrepancies can be investigated and reconciled.

Sample ranking sheets can be found at the end of this document

CIP Ranking Criteria Project Ranking By Area of Emphasis

All submitted or proposed Capital Improvement Projects will be subject to ranking in accordance with the criteria and scoring system below. Areas of emphasis will include the following 10 categories:

1. Health and Safety (%)
2. Education (%)
3. Regulatory Compliance (%)
4. Quality of Life (%)
5. Infrastructure (%)
6. Sustainability/Energy Efficiency (%)
7. Economic/Community Development (%)
8. Impact on Operational Budget (%)
9. Timing/Location (%)
10. Special Considerations (%)

Each project will be evaluated against each area of emphasis and scored on a scale of 1 through 10 based on the degree to which the project addresses the attributes of the particular area of emphasis.

Descriptions of each area of emphasis and the attributes or considerations that will determine the score are as follows:

1 Health and Safety (%)

Health and safety typically involves such things as fire service, police service, emergency response and communications, safe roads, public health, and flood control, as examples. A health clinic, fire station or police station would directly impact the health and safety of citizens, thus scoring high in this category. Similarly, safety improvements in a school or public building might score points in this category while adding concession stands to an existing facility would probably not. Considerations would include the following:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of any applicable Comprehensive Plan?
- b) Is the project supported by City sponsored service plans, master plans, strategic plans or special studies?

- c) Does the project relate to the results of a City of Milwaukee citizen survey, committee or board?
- d) Does the project directly reduce risks to people or property (i.e. flood control)?
- e) Does the project directly promote improved health or safety?
- f) Does the project mitigate an immediate risk?

2 Education (%)

This category relates to education and learning. New facilities, renovations or technologies that create or enhance educational opportunities are included in this category. Items addressed would also include major renovations or facility maintenance improvements to preserve assets or upgrade educational facilities such as libraries. Finally, this category would also include technological upgrades or improvements and facility improvements designed to improve or enhance the learning environment. A project to add a classroom wing to replace temporary trailer facilities at a public school would score high in this category. Considerations in establishing the score include:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of the Comprehensive Plan?
- b) Is the project supported by School Board sponsored service plans, strategic plans or special studies?
- c) Is the project supported by special surveys or community input?
- d) Does the project address an immediate and necessary space need?
- e) Does the project accommodate an essential program, or is it a program enhancement?
- f) Is the project mandated?
- g) Is the project intended to bring parity and consistency among similar facilities?
- h) Does the project increase or enhance educational opportunities?

3) Regulatory Compliance (%)

This criterion includes regulatory mandates such as courts, storm water/creek flooding problems, ADA, etc. The score will be based on considerations such as:

- a) Does the project address a legislative, regulatory or court-ordered mandate (0 – 5 years)?
- b) Will the future project impact foreseeable regulatory issues (5 – 10 years)?
- c) Does the project promote long-term regulatory compliance (>10 yrs)?
- d) Will there be serious negative impact on the City if compliance is not achieved?
- e) Are there other ways to mitigate the regulatory concern?

4) Quality of Life (%)

Quality of Life is a characteristic that makes the City a desirable place to live and work. For example, public parks, libraries, schools, multi-use trails, open space, and preservation of community character enhance the quality of life for citizens. A City maintenance building is an example of a project that may not directly affect the citizen's quality of life. The score will be based on the following attributes or considerations:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of any applicable Comprehensive Plan?

- b) Is the project supported by City sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of a City of Milwaukee citizen survey, committee or board?
- d) Does the project increase or enhance educational opportunities for City citizens generally?
- e) Does the project increase or enhance recreational opportunities and/or green space?
- f) Will the project mitigate blight?
- g) Does the project target the quality of life of all citizens or does it target one demographic?
- h) Is one population affected positively and another negatively?
- i) Does the project preserve or improve the historical or natural heritage of the City?
- j) Is the project consistent with established community character?
- k) Does the project affect traffic positively or negatively?
- l) Does the project improve, mitigate and or prevent degradation of environmental quality (e.g. water quality, improve or reduce pollution including noise and/or light pollution)?

5) Infrastructure (0%)

This element relates to basic or core infrastructure needs of the City. Typical projects in this category would include utility/service infrastructure such as storm water systems, underground utilities, sidewalks, streets/transportation facilities, broadband or wireless communication systems, streetscapes, and City service facilities. Buildings would also be included to the extent they address a basic functional need of the City. Constructing a facility in excess of facility or service standards would score low in this category. The score will be based on the following attributes or considerations:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of any applicable Comprehensive Plan?
- b) Is the project supported by City sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of a City of Milwaukee citizen survey, committee or board?
- d) Is there a facility being replaced that has exceeded its useful life?
- e) Do resources spent on maintenance of an existing facility justify replacement?
- f) Does this replace an outdated system?
- g) Does the facility/system represent new technology that will provide enhanced service?
- h) Does the project extend service for desired growth?

6) Sustainability/Energy Efficiency (%)

This criterion relates to the City's objective to build in a sustainable and energy efficient manner. Projects in this category will be those that directly involve energy savings, LEED certification or reduced carbon emissions. A project that directly reduces energy use or achieves silver LEED certification would score high in this category; a project that involves negative impacts to the environment or an increase in the carbon footprint will score low. Consideration in this area of emphasis would include:

- a) Will the project result in a reduction or increase in energy use?
- b) What is the magnitude or cost of any change in energy usage?
- c) Does the project involve specific energy reduction strategies or features? If so, please describe?

- d) Will the project achieve LEED certification?
- e) Will the project have a long-term positive impact on the environment?
- f) Will the project negatively impact the environment?
- g) Is there a reasonable payback period for the project's investment?
- h) What is the expected payback period for this project?
- i) Is the project designed to promote or encourage sustainable development? If yes – in what manner?

7) Economic/Community Development (%)

Economic/community development considerations relate to projects that foster the development, re-development or expansion of a diversified business/industrial base or designated growth area. Projects that will help create jobs and generate a positive financial contribution to the City would be included in this category, as would a streetscape project in a designated growth area. Providing the needed infrastructure to encourage redevelopment of a shopping center would score high in this category. Reconstructing a storm drain line through a residential neighborhood would likely score low in the economic development category. The score will be based on the following attributes or considerations:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of any applicable Comprehensive Plan?
- b) Is the project supported by City sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of a City of Milwaukee citizen survey, committee or board?
- d) Does the project have the potential to promote economic/community development in areas where growth is desired?
- e) Will the project continue to promote or enhance economic/community development in an already developed area?
- f) Is the net impact of the project positive?
- g) Will the project produce desirable jobs in the City?
- h) Will the project rejuvenate an area that needs assistance?

8) Impact on Operational Budget (%)

Some projects may affect the operating budget for the next few years or for the life of the facility. A fire station or library must be staffed and supplied; therefore these projects have an impact on the operational budgets for the life of the facility. Replacing a storm water line will not require any additional resources from the operational budget. The score will be based on considerations such as:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of any applicable Comprehensive Plan?
- b) Is the project supported by City sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of a City of Milwaukee citizen survey, committee or board?
- d) Will the facility require additional personnel to operate?
- e) What is this project's effect on FTEs?
- f) Will the project lead to a reduction in personnel or maintenance costs?
- g) Will the project lead to increased productivity?
- h) Will the facility require significant annual maintenance?

- i) Will the new facility require additional equipment not included in the project budget?
- j) If new equipment is required, what is the estimated cost of the equipment?
- k) Will the new facility reduce time and resources expended on maintenance of current outdated systems?
- l) Will the efficiency of the project save money? If so, how much?
- m) Is there a revenue generating opportunity (e.g. user fees)?
- n) Does the project minimize life-cycle costs?

9) Timing/Location (%)

Timing and location are important aspects of a project. If the project is not needed for many years it would score low in this category. If the project is close in proximity to many other projects and/or if a project may need to be completed before another one can be started it would score high in this category. The score will be based on the following considerations:

- a) Is the project in conformance with and supportive of the goals, objectives and strategies of any applicable Comprehensive Plan?
- b) Is the project supported by City sponsored service plans, master plans, strategic plans or special studies?
- c) Does the project relate to the results of a City of Milwaukee citizen survey, committee or board?
- d) When is the project needed?
- e) Do other projects require this one to be finished first?
- f) Does the project require others to be completed first? If so, what is the magnitude of potential delays?
- g) Can this project be done in conjunction with other projects?
- h) Will it be more economical to build multiple projects together?
- i) Will it help in reducing repeated neighborhood disruptions?
- j) Will there be a negative impact of the construction and if so, can this be mitigated?
- k) Are there inter-jurisdictional considerations?
- l) Does the project use an existing City-owned or controlled site or facility?
- m) Will delay of the project result in significantly higher construction costs in the future?
- n) Does the project involve external funding or partnership where funds will be lost if not constructed?

10) Special Considerations (%)

This area of emphasis relates to projects that because of special circumstances or emergencies must be undertaken immediately or in the very near future. Projects scoring high in this category must demonstrate an immediate mandate or hazard that cannot be ignored. Considerations pertinent to this category include:

- a) Is there an immediate legislative, regulatory or judicial mandate, which, if unmet, will result in serious detriment to the City, and there is no alternative to the project?
- b) Is the project required to protect against an immediate and significant health, safety or general welfare hazard/threat to the City?
- c) Is there a significant external funding source that can only be used for this project and/or which will be lost if not used immediately (e.g. proffers, grants through various federal or state initiatives, and private donations)?

Note: It's possible that certain projects in this category will be of such urgency or importance that they will receive priority funding regardless of the overall score.

Capital Improvement Rating Sheet – Sample I

Department: _____ Total Score _____
 Project / Program: _____ CIP # _____
 Estimated Cost _____ Estim 6 yr Total _____
 Scored By _____ Date Scored _____

| | Score Range | Score |
|---|-------------|-------|
| Health & Public Safety | | |
| Negative Effect | 10 | _____ |
| No Effect | 7 | |
| Some Positive Effect | 3 | |
| Large Positive Effect | 1 | |
| Education | | |
| Negative Effect | 10 | _____ |
| No effect | 7 | |
| Some Positive Effect | 3 | |
| Large Positive Effect | 1 | |
| Regulatory Compliance | | |
| No regulatory need | 10 | _____ |
| Some Long Term Regulatory Need | 5 | |
| Immediate Regulatory Need | 1 | |
| Quality of Life | | |
| Negative Effect | 10 | _____ |
| No Effect | 7 | |
| Some Positive Effect | 5 | |
| Large Positive Effect | 1 | |
| Infrastructure | | |
| Low Level of Need | 10 | _____ |
| Moderate Level of Need | 7 | |
| High Level of Need | 3 | |
| Existing Facility No Longer Functional | 1 | |
| Sustainability / Energy Efficiency | | |
| Negative Effect | 10 | _____ |
| No Effect | 7 | |
| Some Positive Effect | 5 | |
| Large Positive Effect | 1 | |
| Economic Development | | |
| Will Not Aid Economic Development | 10 | _____ |
| Some Positive Effect | 5 | |
| Large Positive Effect | 1 | |
| Impact on Operational Budget | | |
| Negative Effect | 10 | _____ |
| No Effect | 7 | |
| Some Positive Effect | 3 | |
| Large Positive Effect | 1 | |
| Timing / Location | | |
| No Critical Timing or Location Issues | 10 | _____ |
| Timing OR Location is Important | 5 | |
| Timing AND Location are Important | 1 | |
| Total Score | | _____ |

Capital Improvement Rating Sheet – Sample II

Department: _____ Total Score _____
 Project / Program: _____ CIP # _____
 Estimated Cost _____ Estim 6 yr Total _____
 Scored By _____ Date Scored _____

| | Range | Raw Score | Weight | Weighted Score |
|---|-------|-----------|------------|----------------|
| Health & Public Safety | | _____ | 10% | _____ |
| Negative Effect | 1 | | | |
| No effect | 3 | | | |
| Some Positive Effect | 7 | | | |
| Large Positive Effect | 10 | | | |
| Education | | _____ | 5% | _____ |
| Negative Effect | 1 | | | |
| No Effect | 3 | | | |
| Some Positive Effect | 7 | | | |
| Large Positive Effect | 10 | | | |
| Regulatory Compliance | | _____ | 15% | _____ |
| No regulatory need | 1 | | | |
| Some Long Term Regulatory Need | 5 | | | |
| Immediate Regulatory Need | 10 | | | |
| Quality of Life | | _____ | 5% | _____ |
| Negative Effect | 1 | | | |
| No Effect | 5 | | | |
| Some Positive Effect | 7 | | | |
| Large Positive Effect | 10 | | | |
| Infrastructure | | _____ | 25% | _____ |
| Low Level of Need | 1 | | | |
| Moderate Level of Need | 3 | | | |
| High Level of Need | 7 | | | |
| Existing Facility Not Functional | 10 | | | |
| Sustainability / Energy Efficiency | | _____ | 5% | _____ |
| Negative Effect | 1 | | | |
| No Effect | 5 | | | |
| Some Positive Effect | 7 | | | |
| Large Positive Effect | 10 | | | |
| Economic Development | | _____ | 10% | _____ |
| Will Not Aid Economic Development | 11 | | | |
| Some Positive Effect | 5 | | | |
| Large Positive Effect | 10 | | | |
| Impact on Operational Budget | | _____ | 15% | _____ |
| Negative Effect | 1 | | | |
| No effect | 3 | | | |
| Some Positive Effect | 7 | | | |
| Large Positive Effect | 10 | | | |
| Timing / Location | | _____ | 10% | _____ |
| No Critical Timing or Location Issues | 1 | | | |
| Timing OR Location is Important | 5 | | | |
| Timing AND Location are Important | 10 | | | |
| Total Score | | | | _____ |

Capital Improvement Rating Sheet – Sample III

Department: _____ Total Score _____
 Project / Program: _____ CIP # _____
 Estimated Cost _____ Estim 6 yr Total _____
 Scored By _____ Date Scored _____

| | Score Range | Score |
|---|-------------|-------|
| Department Classification | | |
| Mandatory | 10 | _____ |
| Maintenance | 7 | |
| Improve Efficiency | 5 | |
| New Service/Facility | 2 | |
| Priority | | |
| Very High | 10 | _____ |
| High | 7 | |
| Medium | 5 | |
| Low | 2 | |
| Project's Expected Useful Life | | |
| > 20 years | 10 | _____ |
| 10 – 19 years | 5 | |
| 5 – 9 years | 2 | |
| < 4 years | 0 | |
| Effect on Operating and Maintenance Costs | | |
| Reduce Cost | 10 | _____ |
| No effect on Cost | 5 | |
| Increase Cost | 2 | |
| Effect on Revenue | | |
| Increase Revenue | 10 | _____ |
| No effect on Revenue | 5 | |
| Decrease Revenue | 2 | |
| Availability of State/Federal Grant Moneys | | |
| Yes – 100% | 5 | _____ |
| Yes – 80% | 4 | |
| Yes – 50% | 3 | |
| No | 0 | |
| Total Score | | _____ |

Sample from Okaloosa County

- The elimination of future public hazards, consistent with the Guiding Principles of the Local Mitigation Strategy;
- The elimination of existing capacity deficits;
- The impact on the annual operating budget and Capital Improvements Program of Okaloosa County;
- Locational needs based on projected growth patterns (reference Chapter 2, Technical Document, and the adopted Future Land Use Maps, Map Document);
- The accommodation of new development and redevelopment facility demands;
- Financial feasibility; and

Plans of the Northwest Florida Water Management District and state agencies that regulate public facilities within the jurisdiction of Okaloosa County