

Discussion for October 24th, 2014 CIC meeting .

General Structure of the Capital Budget

Does the committee agree that the principles that guided the formation of the 2015 Proposed Budget are well founded?

Does the committee agree that the 2015 Budget provides a solid foundation for developing a fiscally sound, long term financial strategy?

Does the committee agree that the 2015 Proposed Budget demonstrates a commitment to effective and proper stewardship of the City's capital assets?

Does the committee agree that the 2015 Proposed Budget does an adequate job of balancing fiscal constraints with necessary maintenance of long term assets?

Municipal Art Fund

The committee discussed increasing the allocation for the Municipal; Art Fund and earmarking a portion for public art at libraries. This capital account is not funded with debt so increased allocations will increase the tax levy unless a corresponding reduction is made. The total amount the tax levy can increase without jeopardizing expenditure restraint funding from the state is approximately \$600,000.

Options

- Recommend increased tax levy funding
- Recommend increased tax levy funding with an earmark for public art at libraries.
- Recommend a change in the funding (such as general obligation debt)
- Support the allocation as proposed

Space Planning

The committee has recommended a more coordinated approach to space planning throughout City facilities. There is currently no comprehensive planning mechanism for the allocation of space at City facilities. The Mayor's 3R strategy (Resize, Restructure, Reinvest) to help the City achieve structural balance, has altered the size and configuration of many departments. Since 2005, total authorized positions have decreased by nearly 600 (7%). The City's structure is not static, emerging issues will require the City to continue to re-evaluate how it serves the public and how to re-distribute resources.

Options

- Recommend an internal review of space use (for City Hall or all facilities)
- Recommend an external review (for City Hall or all facilities)
- Recommend the creation of a body to analyze and review space use

8th Floor of City Hall

Funding (\$3.12 million) is proposed to continue the renovation of the 8th floor for the City Attorney staff.

Options

- Support funding for the project as proposed
- Recommend the elimination of funding for this project
- Recommend the elimination of funding for this project and reallocate it to other priorities
- Recommend a specific alternate use of the 8th floor
- Recommend that the construction of the 8th floor be delayed until a complete space study (or some other milestone) has been completed

Fire Repair Shop

The 2015 Proposed Budget includes the first year of funding (\$2.9 million) for the construction of an Annex directly to the north of the existing fire repair shop. Funding was provided in the proposed budget by eliminating funding for fire engines and ladder trucks. Total cost of the Annex is expected to be \$10.7 million. The companion request for improvements at the existing repair shop is \$5.6 million. The upgrades at the existing shop do not have to be done at the same time as the Annex construction.

Options

- Support funding for the Annex facility as proposed
- Recommend the elimination of funding for the Annex
- Recommend funding of a new facility in a new location instead of the Annex.
- Recommend the elimination of funding for the Annex and the restoration of funding for major equipment (2 fire engines and 2 ladder trucks)
- Recommend the elimination of funding for the Annex and reallocate the funding to other priorities
- Recommend a new study to determine the feasibility of combining repair operations

Local Street Paving Program

The Department of Public Works is proposing to expand its preservation strategy by using a portion of the \$13.5 million that has been proposed for local streets for High Impact projects. The plan presented by the department at the budget hearing calls for the elimination of 3.5 miles of local streets and the addition of 11 miles of High Impact projects. The majority of the newly proposed High Impact projects are on arterial streets.

Options

- Support the department's expanded preservation strategy
- Support a conventional paving strategy
- Support the funding for Local Streets and the High Impact program as proposed
- Recommend that the funding needed to expand the High Impact program be budgeted in the High Impact account

Water Main Program

Milwaukee Water Works has developed a revised 6-year plan for water main replacement. The plan calls for the replacement of 101 miles over 6 years; 15 miles in 2015-2017, 18 miles in 2018-2019 and 20 miles in 2020.

Options

- Support the increased water main replacement program
- Express support for a rate structure that will provide adequate funding for the expanded water main program.

Various IT Projects

As the City's operations and business functions become more computer dependent, IT projects will become a larger portion of the capital budget. IT projects tend to be high cost, relatively short term projects. They may not have useful lives that are consistent with traditional capital planning guidelines.

Projects funded in 2015 include:

- Property assessment software \$555,000 (Assessor)
- Tax Collection System \$1.2 million (DOA-ITMD for the Treasurer)
- Land Management System \$850,000 (Special Capital Project)
- Voting Machines \$1.5 million (Election Commission)
- DSS E-Vault Upgrade \$300,000 (DOA)
- Record Management System \$2 million (Police Dept.)
- Channel 25 Digital Conversion \$150,0100(City Clerk)
- Mobile Data Computer Replacement \$1 million (Police Dept.)

Options

- Acknowledge the growing importance and the challenges of the growing number of IT projects as a component of the capital budget
- Emphasize the importance of a cohesive effort to plan and implement large scale IT projects.

Street Lighting

The committee recommended increasing the department's request for street lighting by \$1 million. The committee expressed concerns about the number of outages and their effect on public safety and public perceptions. The 2015 proposed amount (\$8.86 million) is \$1.52 million less than the department had requested. Concerns were raised that the department may not have the capacity to use additional funds for the series circuit conversion project.

Options

- Recommend additional funding for the street light program
- Recommend additional funding for the street lighting program and allocate it specifically to the series circuit conversion
- Recommend that the department develop ways to increase the capacity for series circuit conversion.