

Capital Improvements 2026 Proposed Executive Budget

Support the regional economy and protect the environment and public health



Source of Funds Comparison

Source of Funds	2025 Adopted	2026 Request	2026 Proposed	Change from 2025 Adopted	Change from 2026 Request
<i>Levy-Supported Borrowing</i>	\$ 119,950,826	\$ 242,817,000	\$ 115,995,076	\$ (3,955,750)	\$ (126,821,924)
Tax Levy	3,665,000	2,363,000	905,000	(2,760,000)	(1,458,000)
Cash Revenues	68,083,823	55,400,000	87,539,924	19,456,101	32,139,924
Tax Incremental District	25,000,000	25,000,000	25,000,000	-	-
Special Assessments	2,015,000	3,125,000	3,165,000	1,150,000	40,000
Total - General City	\$ 218,714,649	\$ 328,705,000	\$ 232,605,000	\$ 13,890,351	\$ (96,100,000)

Transportation Fund	2,338,820	2,142,000	2,092,000	(246,820)	(50,000)
Water Works	50,310,000	49,290,000	49,290,000	(1,020,000)	-
Sewer Maintenance Fund	26,900,000	31,500,000	24,658,000	(2,242,000)	(6,842,000)
Total - Enterprise Funds	\$ 79,548,820	\$ 82,932,000	\$ 76,040,000	\$ (3,508,820)	\$ (6,892,000)

Capital Budget By Department

Department	2025 Adopted	2026 Request	2026 Proposed	Change from 2025 Adopted	Change from 2026 Request
Special Projects	\$ 10,465,000	\$ 10,563,000	\$ 35,415,000	\$ 24,950,000	\$ 24,852,000
Administration	10,725,000	9,540,000	9,160,000	(1,565,000)	(380,000)
Assessor	-	-	-	-	-
City Attorney	-	-	-	-	-
City Clerk	-	7,495,000	120,000	120,000	(7,375,000)
City Development, Department of	53,200,000	53,600,000	55,300,000	2,100,000	1,700,000
Emergency Communications	-	4,320,000	-	-	(4,320,000)
Employee Relations	-	225,000	-	-	(225,000)
Election Commission	80,000	1,047,000	900,000	820,000	(147,000)
Fire Department	3,247,000	54,500,000	5,000,000	1,753,000	(49,500,000)
Fire and Police Commission	-	-	-	-	-
Health Department	300,000	1,750,000	750,000	450,000	(1,000,000)
Library	2,635,000	9,025,000	3,000,000	365,000	(6,025,000)
Municipal Court	100,000	370,000	370,000	270,000	-
Neighborhood Services	3,300,000	4,375,000	3,225,000	(75,000)	(1,150,000)
Police Department	8,550,000	22,900,000	5,000,000	(3,550,000)	(17,900,000)
Port of Milwaukee	6,350,000	2,950,000	2,900,000	(3,450,000)	(50,000)
Public Works	119,762,649	146,045,000	111,465,000	(8,297,649)	(34,580,000)
Total	\$ 218,714,649	\$ 328,705,000	\$ 232,605,000	\$ 13,890,351	\$ (96,100,000)

Levy-Supported Borrowing

Levy-Supported Borrowing

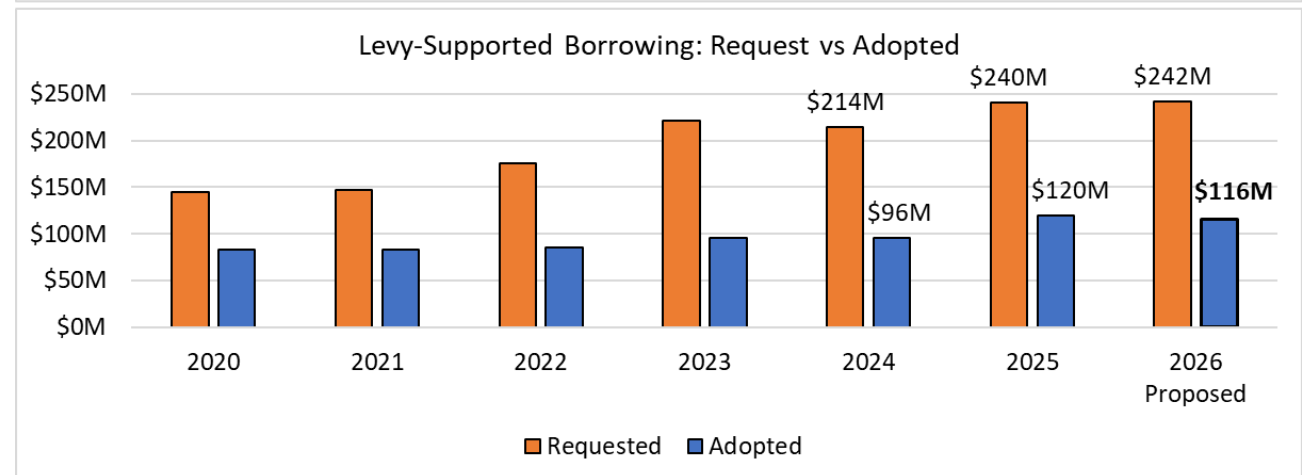
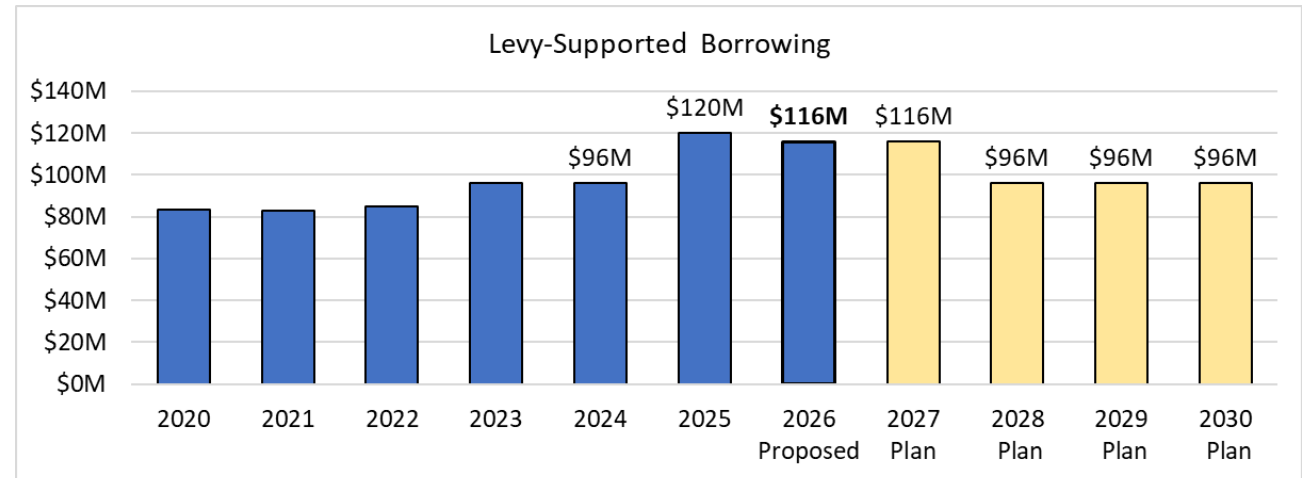
- \$116 million
- Decrease of \$4 million from 2025

Borrowing Level vs Capital Needs

- +\$200 million – Annual Request
- Balancing deferred maintenance, borrowing levels, & debt service
- As debt service increases monies that support general city services decrease

Prioritizing Capital Needs

- Leverage State & Federal street aid
- Investing in city facilities
- Reducing fleet age



Infrastructure - Streets Program

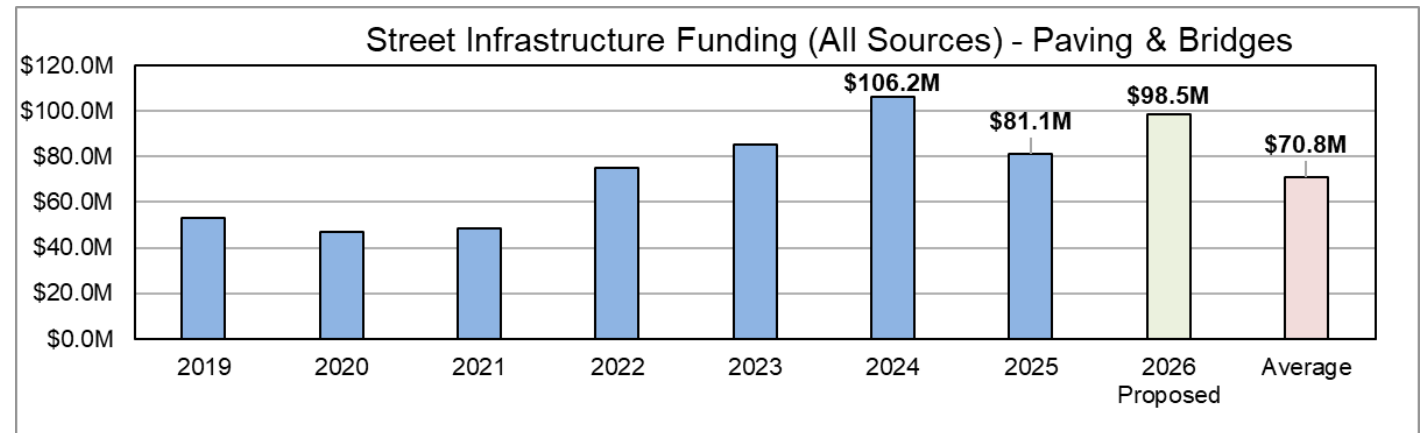
Project	Cash Levy	Borrowing	Special Assessments	Cash Revenues	Grant & Aid	Total
Paving - State & Federal	\$ -	\$ 17,900,000	\$ 200,000	\$ -	\$ 50,400,000	\$ 68,500,000
Paving - Local Reconstruction	-	7,700,000	1,000,000	-	-	8,700,000
Paving - Local High Impact	-	8,000,000	-	-	-	8,000,000
Major - Bridge	-	1,400,000			7,400,000	8,800,000
Local - Bridge	-	4,500,000	-	-	-	4,500,000
Total	\$ -	\$ 39,500,000	\$ 1,200,000	\$ -	\$ 57,800,000	\$ 98,500,000

State & Federal Paving Program

- City maintains 1,144 lane miles of major and minor arterials
- Arterials are part of the Federal Aid Transportation System and are eligible for State & Federal funding
- State & Federal funding covers up to 50% of project costs***

Local Paving Program

- City maintains 3,498 lane miles of local streets
- Local streets are generally not eligible for State & Federal funding requiring the city to cover 100% of project costs***



Infrastructure - Streets Outlook

Description	2027	2028	2029	2030	2031	Total
State & Federal Aid	\$72.1M	\$72.1M	\$72.1M	\$72.1M	\$72.1M	\$360.3M
Local Match - 35%	\$25.2M	\$25.2M	\$25.2M	\$25.2M	\$25.2M	\$126.1M
Local Match - 50%	\$36.0M	\$36.0M	\$36.0M	\$36.0M	\$36.0M	\$180.2M

State & Federal Paving Program

- \$360.3 million in signed agreements through 2031
- Local match = 35% to 50%
- **\$25.2 million = (22% of total borrowing)**
- **\$36.0 million = (31% of total borrowing)**

Local Match Factors

- State design changes after agreement is finalized
- Local scope changes above and beyond initial agreement
- Cost of labor & materials

Looking to the future

- City cannot maintain 4,642 lane miles of city streets without capitalizing on State & Federal Aid
- **Deferring local projects or forgoing acceptance of State & Federal aid increases future costs**

Infrastructure - Street Improvements

Project	Cash Levy	Borrowing	Special Assessments	Cash Revenues	Grant & Aid	Total
New Streets	\$ -	\$ 400,000	\$ 300,000	\$ -	\$ -	\$ 700,000
Alley Reconstruction	-	900,000	450,000			1,350,000
Sidewalks	-	1,500,000	375,000	-	-	1,875,000
Traffic Control Facilities	-	4,100,000	-	-	-	4,100,000
Multimodal Transportation		1,400,000				1,400,000
Conduit & Manholes	-	1,450,000	-		-	1,450,000
Electrical Manholes	-	1,300,000	-	-	-	1,300,000
Bike Infrastructure		750,000	-		-	750,000
Total	\$ -	\$ 11,800,000	\$ 1,125,000	\$ -	\$ -	\$ 12,925,000

Street Improvements

- Traffic Control Facilities, Multimodal Transportation, Conduit & Manholes, & Electrical Manholes are tied to proposed street projects in 2026. Funding for these projects remains similar to 2025.

Alley Reconstruction

- 50% assessable
- 6 to 7 alleys

Sidewalks

- Scattered Site Program = \$1,000,000
- Replaces sidewalk sections that are upheaved by the roots of trees owned by the city
- Quarter Section Program = \$875,000
- Replaces sidewalks needing repair within particular section with the most aged and deteriorated sidewalk

Bike Infrastructure

- Enhance city's bike land and bike trail network

Infrastructure - Street Lighting

Project	Cash Levy	Borrowing	Special Assessments	Cash Revenues	Grant & Aid	Total
Street Lighting	\$ -	\$ 11,400,000	\$ -	\$ 500,000	\$ -	\$ 11,900,000
Street Light Knockdowns	-	3,500,000	-	-	-	3,500,000
Total	\$ -	\$ 14,900,000	\$ -	\$ 500,000	\$ -	\$ 15,400,000

Street Lighting: \$11.9M

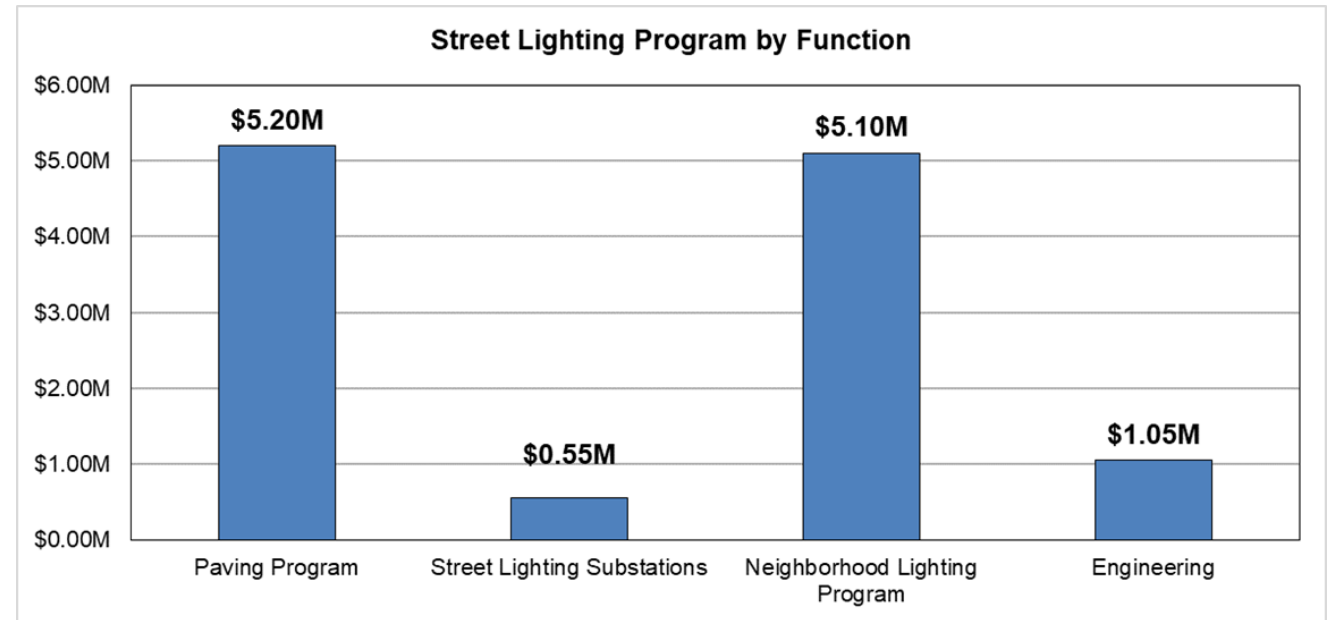
All street lights on multiple circuits are expected to be converted to LED by the end of 2026

- 77,000 Street Lights
- 12,000 units converted to LED in 2026
- Circuits serving 596 fixtures in 2026

Knockdowns: \$3.5M

Funds replacement of street lights and traffic control knockdowns

- Previously charged to the reimbursable fund
- Average knockdown expense = +\$3M



Capital – Facility Improvements

Project	Cash Levy	Borrowing	Special Assessments	Cash Revenues	Grant & Aid	Total
Fire Department	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000
Police Department	-	3,000,000	-			3,000,000
Health Department	-	750,000	-	-	-	750,000
Milwaukee Public Library	200,000	2,800,000	-	-	-	3,000,000
Public Works	270,000	9,680,000	-	-	-	9,950,000
Total	\$ 470,000	\$ 19,230,000	\$ -	\$ -	\$ -	\$ 19,700,000

Public Health & Safety Facilities: \$6,750,000

- Fire Department - facility maintenance and district station repairs
- Police Department - boilers, chillers, variable air volume systems, & lot paving
- Health Department - facility maintenance and lab improvements

Milwaukee Public Library: \$3,000,000

- Central library roof & façade
- Security upgrades (Access-Entry / Cameras)
- New library planning

General City Facilities: \$9,950,000

- Funds space planning, ADA, mechanical (heating, ventilation, air conditioning, and electrical), exterior façade, and building security upgrades
- Allocations are based on probability and consequences of asset failure, in addition to the costs associated with each project

Capital - Raze & Revive



Project	Cash Levy	Borrowing	Special Assessments	Other - O+M	Grant & Aid	Total
Demolition: In-House	\$ -	\$ 825,000	\$ -	\$ 610,000	\$ -	\$ 1,435,000
Demolition: Contracted	-	1,400,000	-			1,400,000
Affordable Home Construction	-	1,600,000	-	-	-	1,600,000
Total	\$ -	\$ 3,825,000	\$ -	\$ 610,000	\$ -	\$ 4,435,000

Demolition: In-House

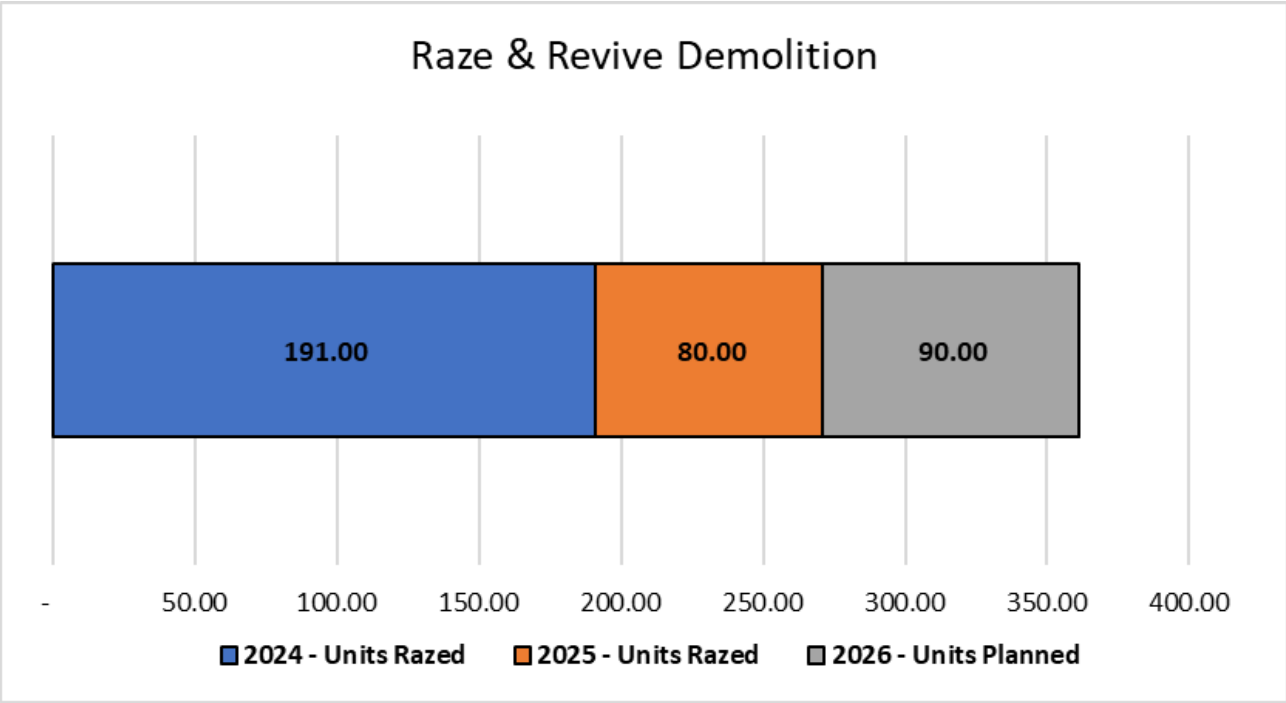
- DPW-Operations
- 50 units
- Residential

Demolition: Contracted

- DNS - Contractors
- 40 units
- Commercial & multi-Family

Affordable Home Construction

- DCD - Developer Gap Financing
- 14 units
- Facilitate construction of affordable homes on vacant lots



Capital - Equipment

Project	Cash Levy	Borrowing	Special Assessments	Cash Revenues	Grant & Aid	Total
Capital Equipment - Fire	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000
Capital Equipment - Police	-	2,000,000	-			2,000,000
Capital Equipment - Public Works	-	6,150,076	-	3,849,924	-	10,000,000
Total	\$ -	\$ 10,150,076	\$ -	\$ 3,849,924	\$ -	\$ 14,000,000

Public Safety Vehicles: \$4M

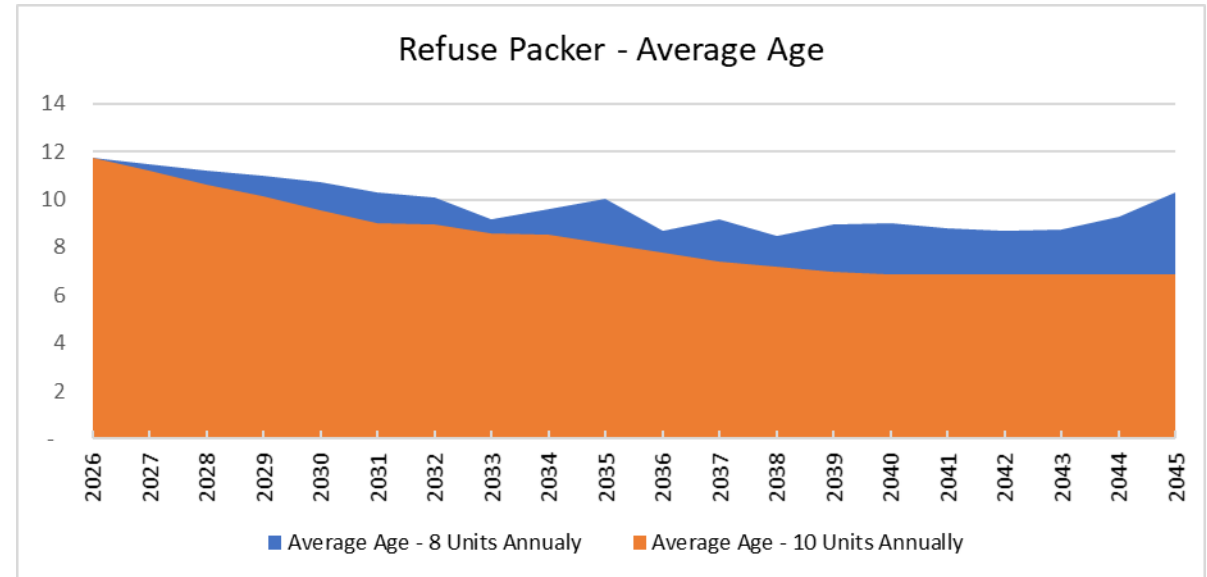
- Police Vehicles - 30 units
- Fire Vehicles - 2 engines or 4 medical

Public Works Vehicles: \$10M

- General Fleet - \$6.2M
- Forestry Equipment - \$3.8M

Refuse Packer Shortage

- 08 units annual = shortage in 2031 – 2042 (Low 2 & High 15)
- 10 units annual = shortage in 2031 – 2033 (Low 2 & High 4)
- Annual shortage is significantly reduced with additional purchases



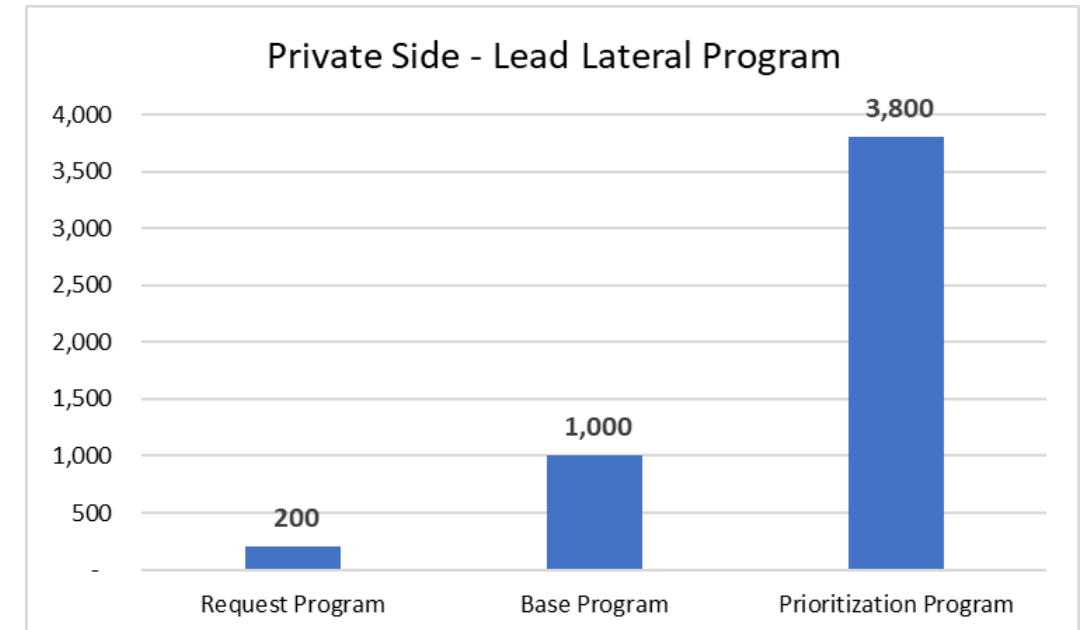
- New Annual Replacements = 10
- Average Age = 10.3 years by 2045
- Average Age = 6.9 years by 2045

Capital - Private Side Lead Lateral Program

Project	Cash Levy	Borrowing	Special Assessments	Cash Revenues	Grant & Aid	Total
Private Side - Request Program	\$ -	\$ -	\$ 840,000	\$ -	\$ -	\$ 840,000
Private Side - Base Program	-	-	-	4,200,000	-	4,200,000
Private Side - Prioritization Program	-	-	-	12,540,000	-	12,540,000
Total	\$ -	\$ -	\$ 840,000	\$ 16,740,000	\$ -	\$ 17,580,000

Private Side – Side Lead Lateral Program

- 5,000 units @ \$17.6 million
- Pass-through funding from the Safe Drinking Water Loan Program will be utilized by Milwaukee Water Works for the Private Side Program
- \$840,000 in Special Assessment will be utilized to replace private side laterals upon request
- Prioritization Program based on the following
 - Density of lead service lines
 - Incidences of elevated blood levels



Capital – Port Milwaukee

Project	Cash Levy	Borrowing	Special Assessments	Cash Revenues	Grant & Aid	Total
Pier Berth & Channel Improvements	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
Terminal and Facility Improvements	-	1,000,000	-	-	-	1,000,000
Dock	-	200,000	-	-	-	200,000
Roadway Paving	-	100,000	-	-	-	100,000
Rail Track & Service Upgrades	-	500,000	-	-	-	500,000
Port Utilities	-	600,000	-	-	-	-
Total	\$ -	\$ 2,900,000	\$ -	\$ -	\$ -	\$ 2,300,000

Dock

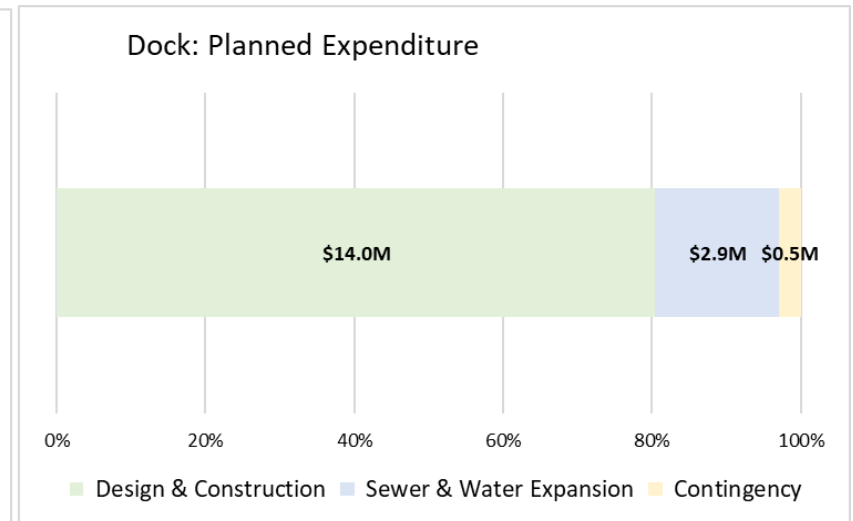
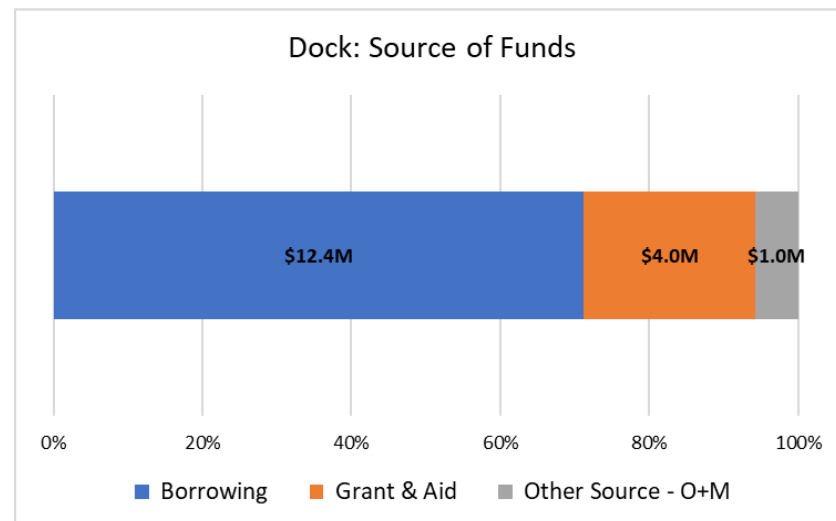
- Total Cost = \$17 million

Cost Increase

- Sewer & Water Expansion
- Design scope changes

Economic Impact

- Regional Revenue: \$2,230,000
- Port Revenue: \$340,000
- Regional Jobs: 660



Capital - Major Projects

- Dock
 - 2026 = \$200,000
 - **Total Cost: \$17.4M (No Additional Funding)**

- ERP System Replacement
 - 2026 = \$6,000,000
 - **Total Cost: \$23.9M (No Additional Funding)**

- Public Safety Radio Upgrade
 - 2024 = \$10,000,000
 - 2025 = \$3,000,000
 - **Total Cost: \$42.2M (No Additional Funding)**

- Municipal Services Building
 - 2025 = \$9,400,000
 - 2026 = \$4,000,000
 - 2027 = \$10,000,000
 - **Total Estimate: \$23.4M**

Capital – Forestry Capital

Project	Cash Levy	Borrowing	Special Assessments	Cash Revenues	Grant & Aid	Total
Concealed Irrigation & Landscaping	\$ -	\$ -	\$ -	\$ 420,000	\$ -	\$ 420,000
Tree Planting & Production	-	-	-	1,500,000	-	1,500,000
Stump Removal	-	-	-	1,300,000	-	1,300,000
Emerald Ash Borer Response	-	-	-	930,000	-	930,000
Total	\$ -	\$ -	\$ -	\$ 4,150,000	\$ -	\$ 4,150,000

Concealed Irrigation

- Funds are utilized to maintain boulevard and plant bed irrigation systems
- 60 deep taps

Tree Planting & Production

- Funding replaces street trees that have died and those that need to be replaced in construction areas.

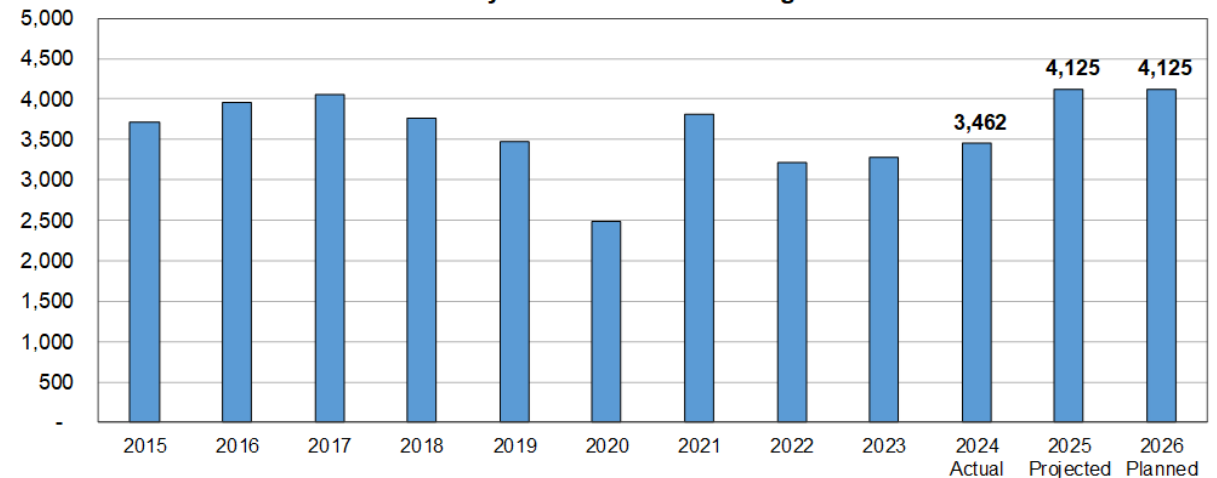
Stump Removal

- Contracted removal: 2,600

Emerald Ash Borer

- Program goal is to treat one-third of the city's 25,521 ash trees each year

Forestry Services: Tree Planting



Capital - Enterprise Funds

Transportation Fund: \$2.1 million

- *MacArthur Square Renovations*
- *Parking Structure Repairs*
- *Replacement Parking Meters*

Sewer Maintenance Fund: \$24.7 million

- *Sewer Relief & Relay Program*
- *Inflow and Infiltration Reduction Projects*
- *Flood Mitigation & Channel Projects*
- *Water Quality (TMDL)*

Water Works: \$49.3 million

- *Water Distribution System Projects*
- *Linnwood & Howard plant improvements*
- *Pump & Storage Facilities Improvements*

Capital – Looking Forward

Levy-Supported Borrowing

- ❑ Annual borrowing requests consistently top \$240 million
- ❑ \$91 million requested for Street Infrastructure and Facilities in 2026
 - Deferral of facility upgrades & local road projects
 - Deferral of major fleet purchases and increased replacement cycles
 - Deferral of facility replacements

The Big 3

❑ Street Infrastructure

- Leverage city funds to match **ALL AVAILABLE** State & Federal aid
- Continue investments in the cities street lighting system to increase energy savings and public safety

❑ Facilities

- Deferral of facilities projects does not = savings
- **Replace facilities that are beyond there useful life (Example: +\$1,000,000 annual to address deferred maintenance at the Electrical Services Building)**
- Replacement of Electrical Services Building

❑ Major Fleet Replacements

- Reducing the age of vehicles will require a three-pronged approach
- **Greater funding in future budgets (Fleet is purchasing fewer vehicles at a higher cost)**
- **Reduce overall fleet size (one in and one out at a minimum)**
- **Replace vehicles before repairs reach 100% of replacement cost**

2026 Budget for City Debt: **\$272.1 million**

- Decrease of \$4.2 million

2026 Debt Service Levy: **\$106.7 million**

- Increase of \$2.7 million

Public Debt Amortization Fund (PDAF)

- 2023 withdrawal: \$3 million
- 2024 withdrawal: \$0
- 2025 withdrawal: \$6 million
- **2026 withdrawal: \$6 million**

Debt Repayment

- The city continues to aggressively repay debt
- 90% of General Obligation debt is repaid within 10 years

Debt Service Levy

Bond Rating

- S&P Global: A-
- Moody's: A3
- Fitch: A+

- The city continues to maintain an investment grade bond rating
- Debt service levels in 2026 remain similar to 2024 & 2025

Tax Levy Impact

- Debt service accounts for **32% or \$106.7 million** of levy

