# Capital Improvements 2025 Proposed Executive Budget

Support the regional economy and protect the environment and public health





# Source of Funds Comparison



Souce of Funds	2024 2025 Adopted Proposed Budget Budget		Amount Change	Percent Change	
Levy-Supported Borrowing	\$	95,999,084	\$ 115,950,826	\$ 19,951,742	21%
Tax Levy		38,879,000	565,000	(38,314,000)	-99%
Cash Revenues		31,496,174	68,083,823	36,587,649	116%
Tax Incremental District		25,000,000	25,000,000	-	0%
Special Assessments		5,510,000	2,015,000	(3,495,000)	-63%
Total - General City	\$	196,884,258	\$ 211,614,649	\$ 14,730,391	7.5%
Transportation Fund	\$	3,411,989	\$ 2,338,820	\$ (1,073,169)	-31%
Sewer Maintenance Fund		50,495,000	50,310,000	(185,000)	0%
Water Works		26,400,000	26,900,000	500,000	2%
Total - Enterprise Funds	\$	80,306,989	\$ 79,548,820	\$ (758,169)	-29.9%

# **Capital Budget By Department**



Department	2024 Adopted Budget	2025 Requested Budget	2025 Proposed Budget	Percent
Special Projects	\$ 10,515,000	\$ 10,162,000	\$ 10,465,000	4.9%
Administration	8,945,000	12,225,000	10,725,000	5.1%
Assessor	-	1	-	0.0%
City Attorney	-	3,000,000	-	0.0%
City Development	43,100,000	53,350,000	52,850,000	25.0%
Election Commission	-	ı	80,000	0.0%
Common Council City Clerk	95,000	7,790,000	-	0.0%
Emergency Communication	113,000	1	-	0.0%
Employee Relations	-	870,000	-	0.0%
Fire Department	6,260,000	31,690,000	3,247,000	1.5%
Fire & Police Commission	-	1	-	0.0%
Health Department	-	3,910,000	300,000	0.1%
Library	3,470,000	10,750,000	2,635,000	1.2%
Municipal Court	760,000	375,000	100,000	0.0%
Neighorhood Services	4,064,000	4,104,000	3,300,000	1.6%
Police Department	20,835,000	16,170,000	8,300,000	3.9%
Port Milwaukee	3,589,714	8,240,000	6,350,000	3.0%
Public Works	95,137,544	161,277,649	113,262,649	53.5%
Total	\$ 196,884,258	\$ 323,913,649	\$ 211,614,649	100%

## **Levy-Supported Borrowing**



## **Levy-Supported Borrowing**

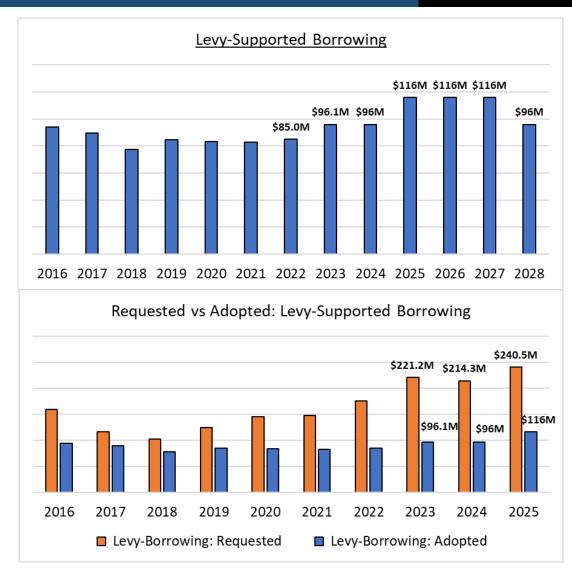
- \$116 million
- Increase of \$20 million from 2024

## **Borrowing Level vs Capital Needs**

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

## **Prioritizing Capital Needs**

- Leverage outside funding such as State & Federal street aid
- Investing in city facilities
- Reducing fleet age



## Infrastructure - Streets Program



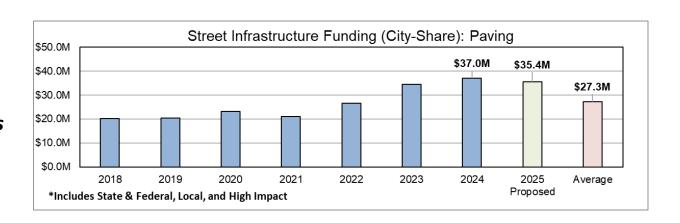
Project	Cash Levy	Borrowing	Assessments	Cash Revenues	Grant & Aid	Total
Paving - State & Federal	\$ -	\$ 23,425,000	\$ 10,000	\$ -	\$ 11,323,732	\$ 34,758,732
Paving - Local Reconstruction	-	5,500,000	500,000	-	-	6,000,000
Paving - Local High Impact	-	6,000,000	•	-	-	6,000,000
New Streets	-	200,000	150,000	-	-	350,000
Alley Reconstruction	-	400,000	180,000	-	-	580,000
Sidewalks, Curb, and Gutter	-	1,500,000	375,000	-	-	1,875,000
Total	\$ -	\$ 37,025,000	\$ 1,215,000	\$ -	\$ 11,323,732	\$ 49,563,732

## **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 at least 50% of project costs

## **Local Paving Program**

- City maintains 987 lane miles of local streets
- Local streets are generally not eligible or State & Federal funding requiring the city to cover 100% of project costs



## Infrastructure - Streets Outlook



Description	2026	2027	2028	2029	2030	2	2026-2030
State & Federal Aid	\$ 53,646,866	\$ 53,646,866	\$ 53,646,866	\$ 53,646,866	\$ 53,646,866	\$	268,234,329
Local Match - 37%	19,783,837	19,783,837	19,783,837	19,783,837	19,783,837	\$	98,919,185
Local Match - 50%	26,823,433	26,823,433	26,823,433	26,823,433	26,823,433	\$	134,117,165

### **State & Federal Paving Program**

- \$268.2 million in signed agreements through 2030
- Local match = 37% to 50%
- Average = \$23.8 million (20% 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 +2,300 lane miles of city streets without capitalizing on State & Federal Aid
- Deferring local projects or forgoing acceptance of State & Federal increases future costs

## Infrastructure - Street Improvements



Project	Cash Levy	Borrowing	Assessments	Cash Revenues	Grant & Aid	Total	
Street Lighting	\$ -	\$ 10,000,000	\$ 500,000	\$ -	\$ -	\$ 10,500,000	
Traffic Control Facilities	1	3,340,000	-	-	-	3,340,000	
Street Light Knockdowns	-	3,000,000	-	-	-	3,000,000	
Multimodal Transportation	-	1,375,000	-	-	-	1,375,000	
Conduit & Manholes	-	1,200,000	-	-	-	1,200,000	
Electrical Manholes	-	1,000,000	-	-	-	1,000,000	
Bike Infrastructure	-	750,000	-	-	-	750,000	
Total	\$ -	\$ 20,665,000	\$ 500,000	\$ -	\$ -	\$ 21,165,000	

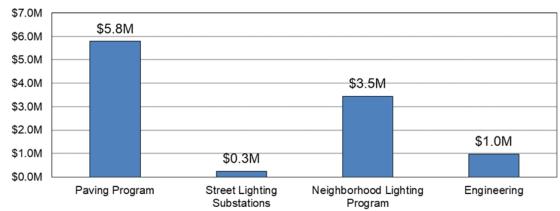
### **Street Improvements**

Funding for Traffic Control Facilities, Multimodal Transportation,
 Conduit & Manholes, & Electrical Manholes are tied to proposed street projects in 2025

### **Street Lighting**

- Decrease of 34% or \$5.4 million
- 77,000 streets lights city-wide
- 12,000 LED conversions in 2025
- Replacement of circuits serving 550 fixtures in 2025
- Fee = \$9,922,000 or \$43.20 per household

#### **Street Lighting Program by Function**



## Capital - Facilities



Project	Cash Levy	Borrowing	Assessments	Cash Revenues	Grant & Aid	Total
Fire Facilities Programs	\$ -	\$ 1,247,000	\$ -	\$ -	\$ -	\$ 1,247,000
Health Facilities Programs	-	300,000	1	1	-	300,000
Police Facilities Programs	-	3,000,000	1	1	-	3,000,000
Library - Central	-	2,100,000	1	-	-	2,100,000
Library - Neighborhood	-	535,000	ı	1	-	535,000
ISD - City Facilities	250,000	6,803,750	1	46,250	-	7,100,000
Total	\$ 250,000	\$ 13,985,750	\$ -	\$ 46,250	\$ -	\$ 14,282,000

#### **Public Health & Safety Facilities: \$4,547,000**

- Fire Department District Station roof replacements
- Police Department Data Communications building boilers, chillers, VAV, Fire Suppression, and Police Academy upgrades

### Milwaukee Public Library: \$2,635,000

- Central Library fire suppression system upgrade & modernization
- Zablocki Library roof and window replacement

### **General City Facilities: \$7,100,00**

- 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 - Equipment



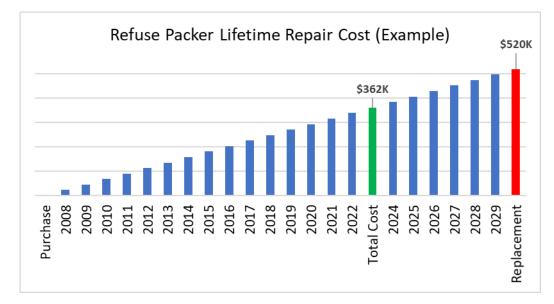
Project	Cash Levy	Borrowing	Assessments	Cash Revenues	Grant & Aid	Total
Capital Equipment - Fire	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000
Capital Equipment - Police	-	2,000,000	-	-	-	2,000,000
Capital Equipment - Fleet	-	4,300,076	-	3,849,924	-	8,150,000
Total	\$ -	\$ 8,300,076	\$ -	\$ 3,849,924	-	\$ 12,150,000

### Public Safety Vehicles: \$4,000,000

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

## Fleet Vehicles: \$8,150,000

- General Fleet \$4,300,076
  - General Obligation Borrowing
  - Replacement of general fleet vehicles
  - One unit in and one unit out strategy
  - Goal is to reduce total fleet age and size
- Forestry Equipment \$3,849,924
  - Cash Revenue (From Sewer Fund)
  - Replacement of Forestry
  - Cash financing equipment reduces overall cost by avoiding interest and allows the city to utilize borrowing in other areas



- Annual Replacements = 8
- Annual Repair \$23K
- Current rate of replacement = 8.4 years by 2040

## **Capital - Major Projects**



Project	2023	2024	2025	2026	2027
ERP System Replacement	\$ 1,250,000	\$ 8,000,000	\$ 8,600,000	\$ 5,000,000	\$ 3,200,000
New Borrowing	1,000,000	8,000,000	8,600,000	5,000,000	3,200,000
Cash Levy	250,000	-	-	-	-
Cash Revenues	-	-	-	-	-
Grant & Aid	-	1	-	1	-
Joint Public Radio Upgrades	\$ 11,500,000	\$ 17,383,000	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000
New Borrowing	5,500,000	6,500,000	3,300,000	3,300,000	3,300,000
Cash Levy	-	9,900,000	-	-	-
Cash Revenues	6,000,000	1	-	1	-
Grant & Aid	-	983,000	-	1	-
Materials Recycling Facility	\$ -	\$ 206,174	\$ 9,387,649	\$ 26,312,352	\$ -
New Borrowing	-	-	-	9,733,742	_
Cash Levy	-	206,174	-	-	-
Cash Revenues	-	-	9,387,649	12,578,610	-
Grant & Aid	-	-	-	4,000,000	-
Total	\$ 12,750,000	\$ 25,589,174	\$ 21,287,649	\$ 34,612,352	\$ 6,500,000

T	otal Cost	Funded	R	emaining
\$	26,050,000	\$ 9,250,000	\$	16,800,000
	25,800,000	9,000,000		16,800,000
	250,000	250,000		-
	-	-		-
	-	1		-
\$	38,783,000	\$ 28,883,000	\$	9,900,000
	21,900,000	12,000,000		9,900,000
	9,900,000	9,900,000		-
	6,000,000	6,000,000		-
	983,000	983,000		-
\$	35,906,175	\$ 206,174	\$	35,700,001
	9,733,742	-		9,733,742
	206,174	206,174		-
	21,966,259	-		21,966,259
	4,000,000	-		4,000,000
\$	100,739,175	\$ 38,339,174	\$	62,400,001

#### **Major Capital Projects**

 Major projects and street infrastructure funding accounts for 69% of all borrowing in 2025

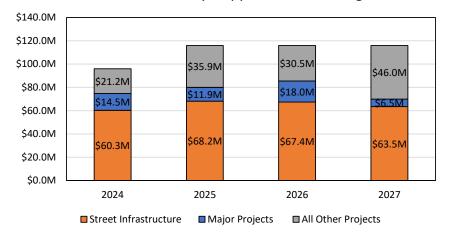
#### **Additional Projects**

Municipal Services Building, Fire Repair Facility, and CNG Filling Station

#### **Levy-Supported Borrowing**

Maintaining borrowing @ \$96 million would result in forgoing signed
 State & Federal street projects, reducing local paving, and further deferral major facility projects

#### 2024-2027: Levy-Supported Borrowing



## Capital - Raze & Revive



Project	Cash Levy	Borrowing	Assessments	Cash Revenues	Grant & Aid	Total
Raze & Revive	\$ -	\$ 3,300,000	\$ -	\$ -	\$ -	\$ 3,300,000
Total	\$ -	\$ 3,300,000	\$ -	-	\$ -	\$ 3,300,000

### **Raze & Revive Program Costs**

■ O+M = \$1,025,901 (Labor, equipment, fuel, & disposal)

Capital = \$3,442,697 (Utility disconnect, abatement, & contract costs)

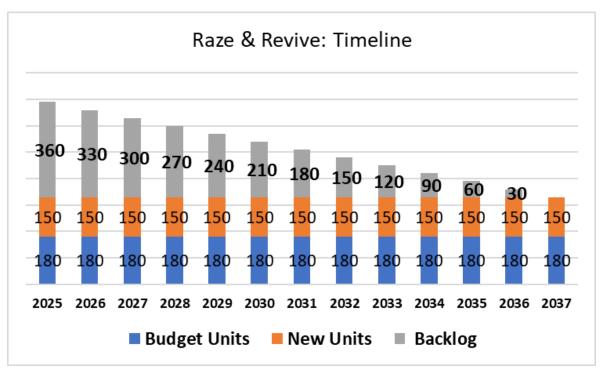
■ Total = \$4,468,598 / \$24,26 per unit

### **In-House Demolition**

- DPW-Operations
- 90 units
- Residential

### **Contracted**

- Neighborhood Services (4 Contractors)
- 90 units
- Commercial & multi-Family



## **Capital – South Shore Cruise Dock**



Project	Cash Levy	Borrowing	Assessments	Cash Revenues	Grant & Aid	Total
Pier, Berthm and Channel	\$ -	\$ 500,000	\$ -	\$ -	\$ 800,000	\$ 1,300,000
Terminal & Facility Maintenance	-	200,000	-	-	-	200,000
Cruise Ship Terminal	-	5,000,000	-	-	-	5,000,000
Roadway Paving	-	100,000	-	-	-	100,000
Rail Track & Service Upgrades	-	300,000	•	-	•	300,000
Port Utilities	-	250,000	-	-	-	250,000
Total	\$ -	\$ 6,350,000	\$ -	-	\$ 800,000	\$ 7,150,000

#### **South Shore Cruise Dock**

■ Total Cost = \$17 million

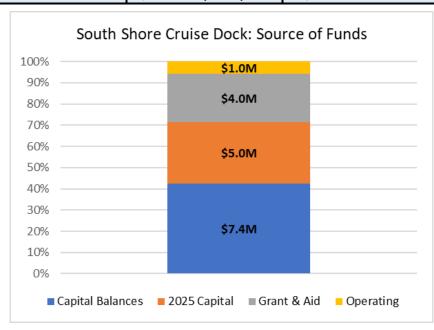
#### **Cost Increase**

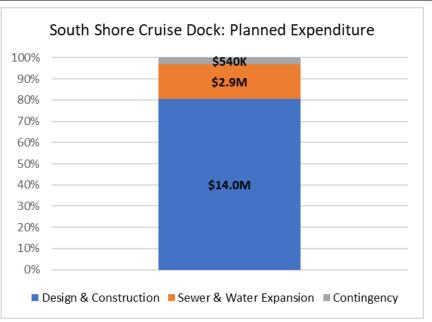
- Sewer & Water Expansion
- Design scope changes

#### **Economic Impact**

Regional Revenue: \$2,230,000Port Revenue: \$340,000

Regional Jobs: 660





# **Capital – Forestry Capital**



Project	Cash Levy	Borrowing	Assessments	Cash Revenues	Grant & Aid	Total
Concealed Irrigation	\$ -	\$ -	\$ -	\$ 420,000	\$ -	\$ 420,000
Tree Planting & Production	-	-	-	1,500,000	ı	1,500,000
Stump Removal	-	-	-	1,250,000	ı	1,250,000
Emerald Ash Borer	-	-	-	930,000	-	930,000
Total	\$ -	\$ -	-	\$ 4,100,000	\$ -	\$ 4,100,000

### **Concealed Irrigation**

60 deep taps

### **Tree Planting & Production**

- Replace 3,400 diseased or dead street trees
- Replace 478 construction related tree removals

### **Stump Removal**

Contracted removal: 2,870In-House removal: 300Grant: 491

■ Total: 3,661 (3,300 new stumps annually and a backlog of 2,515)

#### **Emerald Ash Borer**

Program goal is to treat one-third of the city's 25,792 ash trees each year

## **Capital - Enterprise Funds**



## **Transportation Fund: \$2.3 million**

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

## **Sewer Maintenance Fund: \$27 million**

- Sewer Relief & Relay Program
- I&I Reduction Projects
- Flood Mitigation
- Pump& Channel Projects

## Water Works: \$50 million

- Water Distribution System Projects
- Linnwood Treatment Plan Improvements
- Pump & Storage Facilities Improvements

# Capital – Looking Forward



## **Levy-Supported Borrowing**

- ☐ Annual borrowing requests constantly tops \$200 million
- □ \$95 million requested for Street Infrastructure and Facilities
  - \$96 million = deferral of facilities upgrades, local road projects, and inadequate funding for major fleet replacements
  - Replacing aging facilities and capitalizing on State & Federal road aid not in the picture

## 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)
  - Future Facilities: Electrical Services Building, Materials Recycling Facility, CNG Filling Station, and Fire Repair Facility
- ☐ 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