

SPONSOR(S): ALD. COGGS, STAMPER, MURPHY, KOVAC,  
BOHL, BAUMAN

AMENDMENT 2B

DEPARTMENT	BUDGET EFFECT	TAX LEVY EFFECT	TAX RATE EFFECT PER \$1,000
CAPITAL IMPROVE. BUDGET	\$-3,020,000	\$+0	\$+0.000
CITY DEBT	\$-60,400	\$-60,400	\$-0.002
TOTAL	\$-3,080,400	\$-60,400	\$-0.002

### AMENDMENT INTENT

This amendment will provide \$1,000,000 of new borrowing authority for the Rental Housing Rehabilitation Program, provide \$500,000 of new borrowing authority for the STRONG Homes Loan Program, and provide \$1,400,000 for the High Impact Paving. The amendment will reduce new borrowing authority for the Fire Repair Shop Annex capital account by \$2.9 million and reduce new borrowing authority for the City Hall 8<sup>th</sup> Floor Remodeling project by \$3.12 million.

The amendment will also create a footnote making expenditure of funds contingent upon adoption of a resolution by the Common Council.

### BACKGROUND

#### **City Hall 8<sup>th</sup> Floor**

The offices of the City Attorney moved from City Hall in 2006 to accommodate the City Hall Restoration project. The City Attorney is currently located on the 7<sup>th</sup> and 10<sup>th</sup> floors of the Zeidler Municipal Building. The 8<sup>th</sup> floor of City Hall is currently vacant. The Fire and Police Commission makes occasional use of the 8<sup>th</sup> floor space for testing purposes. Capital funding to upgrade mechanical and electrical systems as well as to reconfigure the offices on the 8<sup>th</sup> floor has been requested by the City Attorney each year since 2011. Funding was provided in 2014 (\$1,758,000) to begin the design for the new of the HVAC, mechanical and electrical systems.

#### **Fire Department Repair Shop – Annex**

The existing fire repair shop on South 1<sup>st</sup> Street and West Virginia Street was constructed in 1929. In addition to garage space for vehicle repair, the building also houses a number of shops (carpentry, painting, welding etc.) to do specialized work on firefighting apparatus. The Fire Department maintains nearly 200 vehicles including fire engines, ladder trucks, ambulances, general fleet vehicles and specialty rescue equipment. The shop is outdated and not designed to accommodate the size and the number of vehicles being serviced there. In addition, the facility lacks storage space for the Department's reserve fleet.

#### **STRONG Homes Loan Program**

The STRONG Home Loan program would assist owner occupants of 1-4 family properties in making essential repairs to their homes. The program would help address the gaps that currently exist in home rehabilitation resources for Milwaukee Homeowners. The 2015 Proposed Budget includes \$500,000 in the Department of City Development's *in rem* Property account for the STRONG Homes Loan Program. This amendment will provide an additional \$500,000 to the *in rem* Property account.

## **High Impact Paving Program**

The High Impact Paving Program was first funded in the 2013 Budget. The program targets streets that have high traffic volumes and which serve commercial or employment corridors. The goal is to expedite street improvements that will have an immediate benefit to adjacent businesses and to prolong the lives of pavement that are still in fair condition. Streets are improved with an asphalt overlay and can typically be constructed in a few days. High Impact projects cost approximately one third less per mile than conventional paving. The treatment is expected to extend pavement life by about 7 years. There are no special assessments associated with High Impact projects.

## **DISCUSSION**

1. This amendment will eliminate funding for the renovation of the 8<sup>th</sup> floor of City Hall and reallocate the proposed for the Fire Department's new Repair Shop Annex among 3 capital accounts; the Rental Housing Rehabilitation Program, the STRONG Homes Loan Program and the High Impact Paving Program.
2. The Rental Housing Rehabilitation Program is a new capital account that will provide funding to rehabilitate City-owned houses for the purpose of providing low-income housing to residents who are currently on the Housing Authority's waiting list. Expenditure would be contingent upon the adoption of a resolution by the Common Council.
3. To date, no construction has taken place on the 8th floor of City Hall. The Department of Public Works anticipates bidding the project as a single phase. If funding is not provided in 2015, construction would be delayed until at least 2016. The Department would be able to use existing funds to engage a firm to update the architectural design to reflect staffing changes in the City Attorney's office and to begin the design of the new HVAC, mechanical and life safety systems. As a practical matter, the design of the HVAC and mechanical systems cannot be completed until the final floor plan is approved.
4. The elimination of funding for the fire Department's Repair Shop Annex would prevent the Fire Department from realizing operational savings and efficiencies in its vehicle and equipment maintenance operations.
5. The existing repair shop was designed for much smaller and far fewer vehicles than the Fire Department currently has in its fleet. The garage has a very limited number of bays where the ceilings are high enough to tilt the cabs of engines and ladder trucks for service. The lack of space contributes to extended out-of-service times for vehicles. Higher out-of-service times for front line vehicles require the Department to maintain a larger reserve fleet than would otherwise be necessary. The reserve ratio for fire engines is nearly 3 to one; for ladder trucks it is approximately 2 to one. The Department estimates that it spends approximately \$80,000 per year (3,100 staff hours) retrieving reserve equipment from various locations around the City.
6. The Fire Repair Shop Annex is expected to be a 3-year project. The total estimated cost of the Annex is \$10.7 million. The cost of constructing the Annex is less than constructing a stand-alone repair facility at a new location because some repair functions would remain in the existing shop. The existing facility is in need of capital maintenance with an

estimated cost of \$5.65 million that should be undertaken at some point in the future if the building is to remain in use.

7. The Fire Department has developed a conceptual plan for a stand-alone facility at a new location. The estimated cost, excluding land acquisition, is \$15.1 million. Moving the repair shop to a new location would make the existing site available for redevelopment. It would also commit the City to higher upfront costs, limit flexibility for staging construction and capital expenditures, and be more disruptive to the Department's repair and maintenance operations.
8. This amendment would increase the overall amount of City funding for reconstruction and resurfacing activities in the Department of Public Works by \$1.4 million. It will allow for the improvement of approximately 4.5 additional miles of High Impact projects.

### **EFFECT**

1. This amendment will reduce the Capital Improvements budget by \$3,020,000 and reduce the City Debt budget by \$60,400.
2. The total budget effect of this amendment is \$-3,080,400.
3. The tax-levy effect of this amendment is \$-0.002.



OBJECTIVE, OVERALL BUDGET LEVY EFFECT OF THIS POSSIBLE AMENDMENT TO THE 2015 PROPOSED BUDGET

By Ald. *Coggs, Stamper, Murphy, Kovac, Bohl, Bauman*

CAPITAL IMPROVEMENTS, CITY DEBT, BORROWING AUTHORIZATIONS

Eliminate \$2.9 million in borrowing funding for the Fire Repair Shop-Annex Construction capital account. Eliminate \$3.12 million in new borrowing from the City Hall - 8th Floor Remodel capital accounts. Increase borrowing funding for the STRONG Homes Loan Program by \$500,000 and increase borrowing funding for the High-Impact Streets Program by \$1.5 million. Create a new Rental Housing Rehabilitation Program capital account with borrowing funding of \$1 million. Create a footnote making expenditure of funds contingent upon adoption of a resolution by the Common Council.

BUDGET EFFECT      TAX LEVY EFFECT      TAX RATE EFFECT (PER \$1,000 A.V.)

Capital Improvements Budget	\$-3,020,000	\$+0	\$+0.000
<u>City Debt Budget</u>	<u>\$-60,400</u>	<u>\$-60,400</u>	<u>\$-0.002</u>
Total	\$-3,080,400	\$-60,400	\$-0.002

BMD-2 PAGE AND LINE NUMBER	DETAILED AMENDMENT	CHANGE IN 2015 POSITIONS OR UNITS COLUMN		CHANGE IN 2015 AMOUNT COLUMN	
		NUMBER TO BE CHANGED	AMOUNT OF CHANGE	AMOUNT TO BE CHANGED	AMOUNT OF CHANGE
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS				
	CITY ATTORNEY				
450.8-5	City Hall - 8th Floor Remodel New Borrowing	--	--	\$3,120,000	\$-3,120,000
	DEPARTMENT OF CITY DEVELOPMENT				
450.10-25	In Rem Property Program New Borrowing	--	--	\$2,000,000	\$+500,000
450.10-26	Immediately following the lines: "Cash Revenues"				
	Insert the following lines and amounts: "Rental Housing Rehabilitation Program (A)" "New Borrowing"	--	--	--	\$+1,000,000
	"(A) Expenditure of funds contingent upon adoption of a resolution by the Common Council."				
	FIRE DEPARTMENT				
450.16-13	Fire Repair Shop- Annex Construction New Borrowing	--	--	\$2,900,000	\$-2,900,000

OBJECTIVE, OVERALL BUDGET LEVY EFFECT OF THIS POSSIBLE AMENDMENT TO THE 2015 PROPOSED BUDGET

By Ald. Coggs, Stamper, Murphy, Koval, Bohl, Bauman

CAPITAL IMPROVEMENTS, CITY DEBT, BORROWING AUTHORIZATIONS CONT'D

BMD-2 PAGE AND LINE NUMBER	DETAILED AMENDMENT	CHANGE IN 2015 POSITIONS OR UNITS COLUMN		CHANGE IN 2015 AMOUNT COLUMN	
		NUMBER TO BE CHANGED	AMOUNT OF CHANGE	AMOUNT TO BE CHANGED	AMOUNT OF CHANGE
	DPW-INFRASTRUCTURE SERVICES DIVISION				
450.30-24	B.2. STREETS - HIGH IMPACT PROGRAM New Borrowing	--	--	\$1,650,000	\$+1,500,000
	SECTION I.C.2. SOURCE OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET				
450.41-13	New Authorizations - City Share	--	--	\$93,584,000	\$-3,020,000
	SECTION I.D.1. BUDGET FOR CITY DEBT				
460.1-7	Bonded Debt (Interest - expense)	--	--	\$40,537,793	\$-60,400
	SECTION II. BORROWING AUTHORIZATIONS				
	B. Renewal and Development Projects				
570.1	Subtotal Renewal and Development Projects.	--	--	\$5,619,000	\$+1,500,000
	C. Public Improvements				
570.1	1. Public buildings for housing machinery and equipment.	--	--	\$27,570,000	\$-3,120,000
570.1	4. Purchase of sites for and construction of engine houses, fire stations reconstruction, remodeling, planning, design and site acquisition.	--	--	\$4,384,000	\$-2,900,000
570.1	8. Street improvements and construction.	--	--	\$36,736,000	\$+1,500,000