



REPORT

LEGISLATIVE REFERENCE BUREAU

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24. DPW— Infrastructure, 2015

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24. DPW—Infrastructure

\$39,051,738

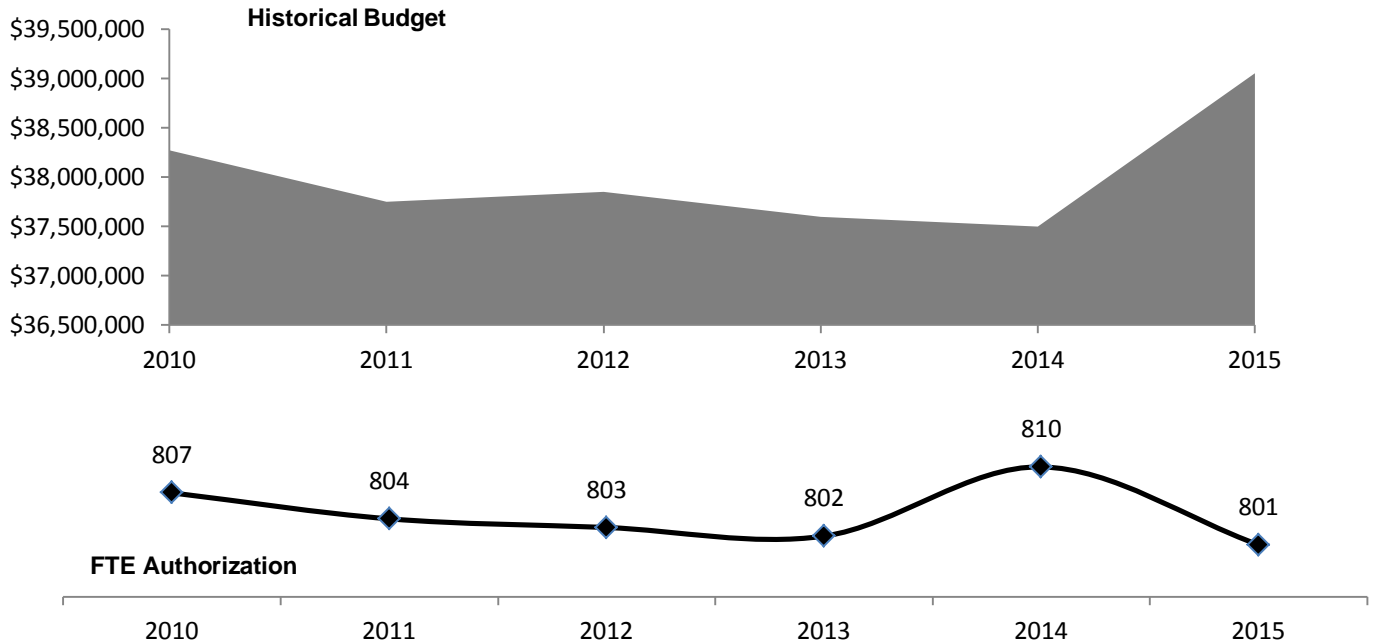
Proposed Department Budget

\$1,554,753

Nominal Change in Proposed Department Budget

4.15%

Percent Change in Proposed Department Budget



-1.1%

Percent Change in FTE 2014 to 2015 Proposed

-9

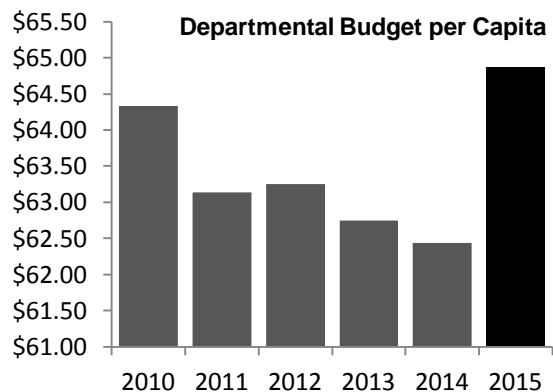
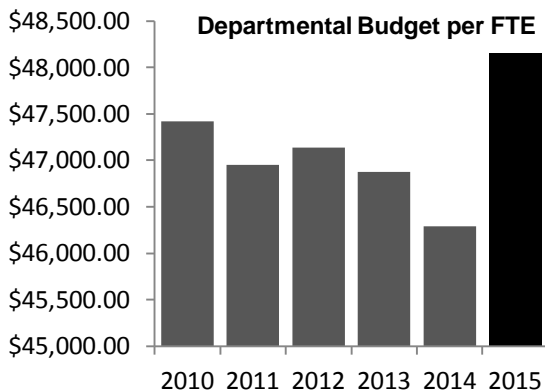
Nominal Change in FTE 2014 to 2015 Proposed

32

Vacant Positions

55%

% Eligible for Retirement within 10 years (includes all DPW)



3-4

Number of years of backlog in the scattered site sidewalk program

60%

Percentage of street lights converted from series circuits to multiple circuits since the project began in the 1950's

4

Number of sections in the newly reorganized Infrastructure Services Division

93%

Percentage decline in grant funding available for bridge replacements since 2013

14

Number of projects completed in 2014 using High Impact funds.

\$590 million

Total 6-year capital request for Core Infrastructure programs (including grant & aid and special assessment funding)

23

Number of audible pedestrian signals that have been installed since 2013

\$2.5 million

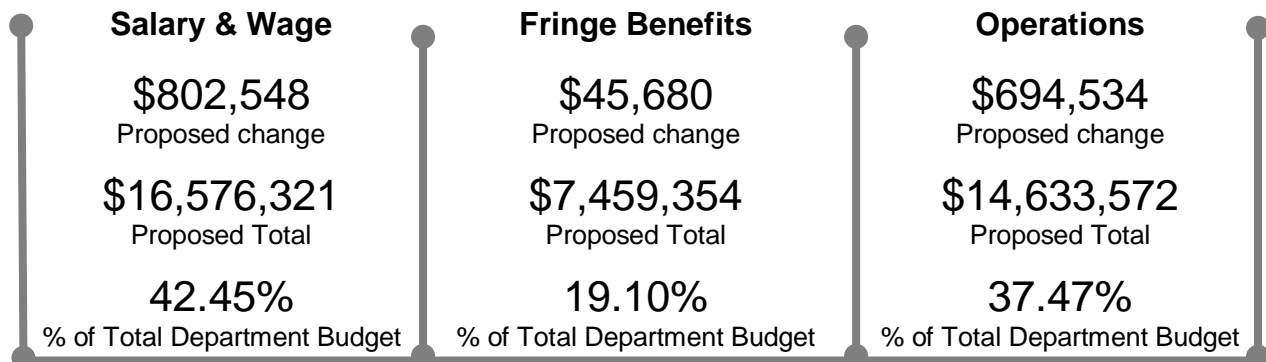
Additional funding made available for paving local streets from amendments to Tax Incremental Districts (since 2012).

25

Number of transitional job positions that will provide support for DPW's street maintenance activities

\$6.3 million

Amount of anticipated revenue from the Motor Vehicle Registration fee.



II. INITIATIVES AND PROGRAMS.

1. Organizational Changes Implemented

The Department has implemented a reorganization of its staff. Infrastructure Services has been comprised of 6 functional units; Administration, Transportation, Construction, Streets & Bridges, Electrical Services, and Facilities. The new organizational structure has 4 functional units; Administration, Transportation Infrastructure, Transportation Operations and Bridges & Buildings.

2. Transitional Jobs Program

The Common Council approved an initiative (See Common Council File Number 140111) between DPW, the Milwaukee Area Workforce Investment Board, Inc. and the United Migrant Opportunity Services, Inc. to place 75 MAWIB or UMOS program participants within DPW to perform various infrastructure maintenance activities for up to 1,040 hours per participant, with MAWIB and UMOS as the employers-of-record and DPW as the host worksite. Participants were placed after all seasonally laid-off employees were recalled.

DPW anticipates using transitional workers in 2015. Workers will primarily be assigned to pothole-patching crew, but some may be assigned to concrete, asphalt or crack filling crews. DPW estimates 26 weeks of work for 25 positions.

3. High Impact Paving Program.

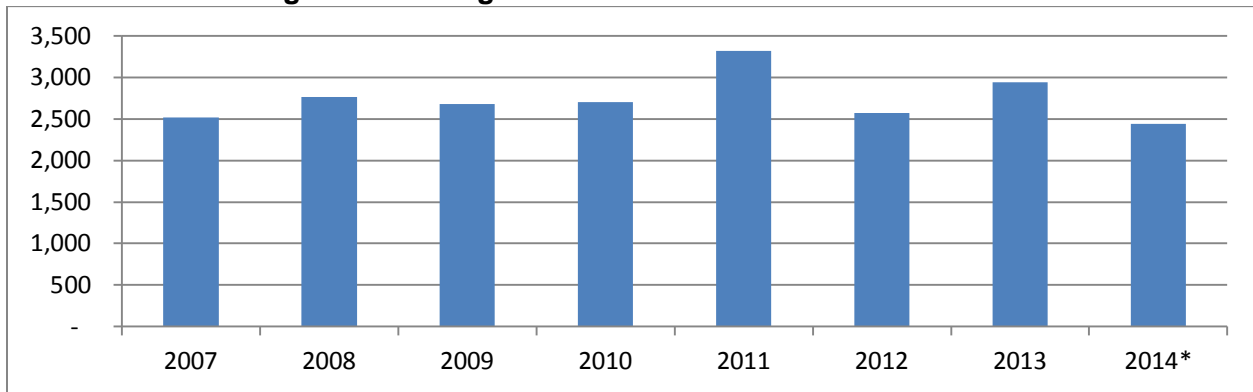
Funding for street resurfacing projects through the Division's High Impact Paving (HIP) program will decrease from \$3 million in 2014 to \$2 million in 2015. To select streets appropriate for HIP program funding, the Division focuses on projects which do not require complex reconstruction, such as curb removals, traffic control upgrades or street lighting work. Further, the Division targets streets with high-traffic volume, in established commercial or employment corridors, where extended major reconstruction projects would typically have a detrimental impact on businesses. Because there are no assessments associated with these projects, they can be estimated and bid in a short amount of time. To help address the backlog of streets in poor condition, the Department will use the HIP approach to paving for a portion of the local street program.

4. Street Lighting Circuit Conversion.

In the 2015 Proposed Budget, Infrastructure Services is expected to expend \$1 million on replacing series circuits with multiple circuits. This program is aimed at reducing electrical maintenance costs and electrical outages. The number of single/double area outages each year is largely dependent on weather, but Division management has noted an increasing trend in outages as the system ages. Table 24.1 shows the number of area outages since 2007.

Responding to area outages remains the highest priority, as these have the largest impact on city neighborhoods. Response time goals are aimed at re-lighting an area. If more extensive underground circuit repairs are required, a temporary repair will be completed, and the permanent repair work will be deferred. Table 24.2 lists total response times for 2012 and 2013.

Table 24.1. Street Light Area Outages Since 2007.



*As of Sept 2014

The Department investigated out-sourcing some activities associated with the paving program and generally found that it was not cost-effective. The principal factor was the contractor’s material costs. Currently, underground conduit for street lighting is included in Federal Aid paving projects and Freeway Mega-Projects.

Table 24.2. Response Time to Street Lighting Outages in 2012-2013.

Outage Type	Response Time Goal	Total Outages		% Complete Within Goal	
		2013	2012	2013	2012
Area Wide*	24 Hours	2,943	2,574	99.13%	99.7%
Single Unit	30 Days	1,898	2,983	75.17%	80.0%
Alley	72 Hours	2,487	2,992	99.17%	99%

*Three or more lighting units.

5. Business and Resident Assistance During Construction.

Project information is currently available to city residents online. This includes location, type of project, status, assessment costs and work days, public hearing information, and bid notice information. Projects can be queried in Map Milwaukee using the “street paving program” layer.

The Division also provides assistance to businesses in preparing for major construction projects. Projects with a significant number of businesses affected are identified and assigned a community liaison. Additionally, workshops and webinars are used as education tools; these have been well-utilized. The Division has found that proactive communication before work begins has been the most successful approach to limiting the impact construction projects have on affected businesses. The City does not provide liaison services for projects which are sponsored by other governmental entities.

See also CAPITAL PROJECTS, Section VII.

III. EXPENDITURES.**Table 24.3. Changes in Expenditure Amounts by Account.**

Expenditure Account	2013 Actual	2014 Adopted Budget	% Chng.	2015 Proposed Budget	% Chng.
Salaries and Wages	\$16,135,834	\$15,776,773	-2.2%	\$16,576,321	5.1%
Fringe Benefits	\$7,436,065	\$7,413,674	-0.3%	\$7,459,345	0.6%
Operating Expenditures	\$14,430,090	\$13,939,038	-3.4%	\$14,633,572	5%
Equipment Purchases	\$294,642	\$370,500	25.8%	\$382,500	3.2%
Special Funds	\$0	\$0	0%	\$0	0%
Total Operating Budget	\$38,296,631	\$37,496,985	-2.1%	\$39,051,738	4.2%

1. Budget Summary.

The total 2015 Proposed Budget is \$39,051,738, an increase of \$1,554,753 (4.2%) from the 2014 Adopted Budget amount of \$37,496,985.

2. Personnel Costs.

Personnel costs in the Proposed Budget are \$24,035,666, an increase of \$848,219 (3.7%). Salaries and wages increase \$802,548 (5.1%). Fringe benefits increase \$45,671 (0.6%).

The largest increase in personnel cost is related to the removal of the furlough deduction (\$372,518). Overtime costs increased by \$260,000 (37.4%) to reflect recent experience. The capital improvements deduction decreased by \$239,318 (1.8%). There was also an adjustment to the PCA that increased salaries by \$23,723.

3. Operating Expenditures.

Operating Expenditures in the Proposed Budget are \$14,633,572, an increase of \$694,534 (5.0%) from the 2014 Adopted Budget amount of \$13,939,038.

The largest nominal budget line item increase is the Reimburse Other Departments item which increased \$224,300 (4.3%). Property Services increased by \$149,000 (8.0%), Other Operating Supplies increased by \$84,000 (13.4%) and Energy increased by \$70,572 (3.3%). The department requested \$190,000 more for Energy than was proposed.

4. Equipment Purchases.

Equipment purchases in the Proposed Budget are \$382,500, an increase of \$12,000 (3.2%) from the 2014 Adopted Budget amount of \$370,500. Major equipment purchases are associated with infrastructure projects and facilities maintenance, and these purchases fluctuate each year based on number of projects planned and replacement cycles for the equipment.

5. Special Funds.

The Division's one special fund, the City Hall Renewable Energy Program, was funded through the Energy Efficiency and Renewable Energy capital account in 2014 and 2015. The Division thought it best to keep expenses for the facilities' environmental effort consolidated under one account. The 2012 and 2013 budgets provided \$12,000 to this special fund, which was created to pay a premium of \$1,000 per month on 100,000KW of renewable resource energy from We Energies.

IV. PERSONNEL.

Table 24.4. Changes in Full-Time Equivalent (FTE) and Authorized Positions.

Position Category	2013 Actual	2014 Budget	Change	2015 Proposed Budget	Change
O&M FTEs	286.46	321.41	+34.95	312.41	-9
Non-O&M FTEs	310.74	307.13	-3.61	307.13	0
Total Authorized Positions	802	810	+8	801	-9

1. Personnel Changes.

The total number of authorized positions in the department under the Proposed Budget is 801, a decrease of 9 authorized positions from the 2014 Adopted Budget.

- The 2015 Proposed Budget eliminated 7 Public Works Inspector II positions. Public Works Inspectors are seasonal employees who provide quality assurance and documentation services for paving, sewer and water projects. These positions are currently vacant and have not been filled in recent years.
- The position of Security Operations Manager has been consolidated with another position in the Bridges & Buildings Section.
- The position of Communications Assistant V in the old Facilities Section has been reclassified as a Traffic Sign Worker II in Transportation Operations.

Table 24.5. Summary of Position Changes, 2015.

	Nbr	Title of Position	Reason for Change
	-7	Public Works Inspector II	Reduced to reflect recent actual expenditures
	-1	Security Operations Manager	Consolidation of position
	-1	Custodial Worker II/City Laborer	Eliminated
	-1	Communication Asst V	Reclassification
	+1	Traffic Sign Worker II	
	-9	Net Change	

2. Vacancies.

There are currently 32 vacant positions in the Division compared to 40 at this time in 2013. The Division budgets for savings in personnel costs due to turn-over and vacancies in each decision unit (Administration, 4.1%; Transportation Infrastructure, 2.0%; in Transportation Operations, 2.5%; and Bridges & Buildings, 3.0%) The average adjustment for the department is 2.6%.

Table 24.6. Summary of Vacancies¹ (Non-Seasonal Employees) as of Oct. 1, 2014.

	Nbr	Title of Position	Date Vacant	
Administration	5	Engineering Technician IV	12/2013 – 7/2014	Fill 3 by end of 2014
	1	Engineering Technician VI	7/2014	Fill by end of 2014
	1	Civil Engineer II	7/2014	Interviews late Sept 2014
	1	Civil engineer III	6/2014	Fill by end of 2014
	1	Engineering Drafting Tech IV	7/2014	Applications due 10/3/14
Transportation	1	Engineering Technician V	12/2010	Fill by end of 2014
	3	Engineering Technician IV	7/2013 – 2/2014	
	2	Engineering Technician II	5/2013	
	1	Mgmt. Civil Engineering Senior	6/2014	
	1	Administration Assistant II	7/2013	
Streets & Bridges	1	Bridge Operator Supervisor	6/2009	
	1	Bricklayer	6/2013	
	2	Inventory Assistant II	7/2014 – 9/2014	Accepting applications
	1	Street Operations Supervisor	3/2014	Classification study underway
	1	Carpenter	7/2011	Testing complete
Elec. Serv.	1	Communications Assistant V	12/2012	Reclassified
	1	Utility Worker	12/2013	
Facilities	1	Architect III	12/2013	Fill in 2015
	1	Sewer Mason	12/2013	Transfer to Elec Services
	1	Sewer Operations Supervisor	12/2013	
	1	Communications Assistant V	12/2012	
	2	Custodial Worker II	11/2013 – 8/2014	Fill in 2015
	1	Security Operations Manager	2/2014	Holding open
	32	Net Change		

¹ Vacancies are listed in the old organizational structure

3. Seasonal Staffing.

Table 24.7 provides staffing levels for seasonal workers and projected levels for 2015. This is an estimate used to establish budgetary funding levels and can vary. Seasonal staff is used for a variety of purposes including the repair of pavement cuts, repairs to street lighting, and inspection services for paving and utility construction.

Table 24.7 Staffing of Seasonal Positions, 2013, Current and 2014 Projections.

Type of Position	Weeks of Work		Number of Positions	
	2014	2015	2014	2015
Seasonal Asphalt Positions	30	30	30	30
Seasonal Concrete Positions	30	30	36	36
Seasonal Electrical Services	32	32	27	27
Transitional Workers	26	26	25	25

4. Transitional Staffing.

DPW anticipates using transitional workers in 2015. Workers will primarily be assigned to pothole-patching crews, but some may be assigned to concrete, asphalt or crack filling crews. DPW estimates 26 weeks of work for 25 positions.

V. SPECIAL PURPOSE ACCOUNTS (SPA).

None.

VI. REVENUES.

The Proposed Budget estimates that \$4,960,000 in revenues will be generated by the Division, an increase of \$510,550 (11.5%) from the 2014 Adopted Budget estimate of \$4,449,500. An additional \$6.3 million in revenue will be available from the Motor Vehicle Registration fee, an increase of \$50,000 (0.8%) from the 2014 estimate of \$6,250,000.

Table 24.8. Changes in Revenue by Category.

Revenue Account	2012 Actual	2013 Actual	2014 Adopted Budget	% Change	2015 Proposed Budget	% Change
DPW-Infrastructure Division	\$5,263,317	\$3,590,992	\$4,272,500	+19.0%	\$4,738,000	+10.9%
DPW-ISD Facilities-Rent	\$242,186	\$222,896	\$177,000	-20.6%	\$222,000	+25.4%
Vehicle Registration Fee	\$6,256,684	\$6,338,316	\$6,250,000	-1.3%	\$6,300,000	+0.8%

The Motor Vehicle Registration Fee (MVR) fee went into effect December 1, 2008, for vehicles customarily kept in the city. Revenues from the \$20 annual MRV fee on specified vehicles may only be used to defray City costs for transportation-related purposes, including costs related to design, construction, operation and maintenance of streets, alleys, bridges, public way lighting, traffic signs and signals, traffic calming installations and special assessments. A minimum of 10% of the annual MVR fee revenues must be specifically allocated to street maintenance activities. \$1 million has been set aside in the Local Street Program for maintenance.

VII. CAPITAL PROJECTS.

The Proposed Budget provides \$90.4 million in capital funding for projects and programs in the Infrastructure Services Division, a decrease of \$8.7 million (8.8%) from the 2014 Budget. The programs have been divided into 2 sections, Core Infrastructure and Facilities. Each section will be discussed separately.

CORE INFRASTRUCTURE.

The Proposed Budget includes \$85.7 million in funding for 12 capital programs relating to bridges, streets, alleys, street lighting, traffic control, underground conduit and electrical manholes, a decrease of \$8.3 million (8.8%) from the 2014 Budget. The largest reduction (\$5.0 million) is in the Major Street Program. However, several other programs have significant decreases, including Major Bridges, the High Impact Paving program, and the Traffic Control Program. Capital funding for 2015 Core Infrastructure Programs is summarized in Table 24.9 and the discussion that follows.

The total capital investment in ISD programs can vary significantly from year to year because of fluctuations in the amount of grant funding available for the Major Bridge and the Major Street programs. Total grant funding for 2015 has decreased from 2014 by \$7.2 million. Grant funding for Major Bridges decreased by \$640,000 (61.5%). Total grant funding for streets and bridges has declined by nearly \$37 million from 2012.

The amount budgeted in the Local Street Program is the same as in 2014. Funds available for local streets in 2015 will be somewhat lower however because Local Road Improvement Program (LRIP) funds, which are budgeted in the Major Streets account, are only available in even-numbered years. LRIP funds typically add approximately \$2 million to the City's capacity to improve local roads.

The 2015 Proposed Budget also provides \$2 million for a High Impact paving program. The High Impact program will target high-volume streets in commercial corridors which may be eligible for state or federal funding but for which funding is not available. \$2 million of this program was financed with cash in the 2014 Budget; in the 2015, the amount is \$350,000.

The key challenge in providing capital funding for ISD is the inter-relatedness of the programs. Increases in the paving program drive increases in workload for other programs such as traffic control and underground conduit. If additional funding is not provided for those programs, backlogs or inefficient use of resources may result. For example, additional paving projects will require resources from the street-lighting program to be directed toward re-cabling individual streets as part of the street reconstruction project and away from the projects that transition the street-lighting system from series circuitry to multiple circuits.

Table 24.9. Capital Program Summary, 2015.

Program	2015 Proposed Budget	2014 Adopted Budget	Increase (decrease)	% Chng.	6-year Request
Major Bridges ¹	\$500,000	\$1,300,000	(\$800,000)	-61.5%	\$21,660,000
Local Bridges	\$8,810,000	\$9,815,000	(\$1,005,000)	-10.2%	\$62,065,000
Major Streets ¹	\$44,998,907	\$49,993,000	(\$4,994,093)	-10.0%	\$252,097,595
Local Streets ²	\$13,500,000	\$13,500,000	\$0	0%	\$95,200,000
High Impact Street	\$2,000,000	\$3,000,000	(\$1,000,000)	-33.3%	\$8,000,000
New Streets	\$0	\$350,000	(\$350,000)	-100%	\$1,050,000
New Streets - Developer	\$400,000	\$400,000	\$0	0%	\$2,400,000
Alley Program ²	\$2,025,000	\$1,675,000	\$350,000	20.1%	\$12,650,000
Sidewalk Program ²	\$1,800,000	\$1,425,000	\$375,000	26.3%	\$12,125,000
Street Lighting Program	\$8,860,000	\$9,300,000	(\$440,000)	-4.7%	\$66,395,000
Traffic Control Program	\$700,000	\$1,993,000	(\$1,293,000)	-64.9%	\$17,005,000
Underground Conduit & Manhole Program	\$1,000,000	\$500,000	\$500,000	100%	\$30,900,000
Underground Electrical Manhole Reconstruction Program	\$1,100,000	\$750,000	\$350,000	46.7%	\$8,255,000
Total	\$85,693,907	\$94,001,000	(\$8,307,093)	-8.8%	\$589,802,595

¹ Includes grant and aid funding; ² Includes special assessment funding.

1. Currently-Funded Projects.

Major Bridge Program, \$500,000.

The Proposed Budget includes \$500,000 in funding for the Major Bridge Program, a decrease of \$800,000 (61.5%) from the 2014 Budget.

Major bridges are those bridges that are part of the major arterial and connector infrastructure within the city and are eligible for federal or state aid. The City's share of these major bridge projects is normally 20%. Funding for this program is fluid, largely dependent on when projects are scheduled in the grantor funding cycle. Anticipated grant funding in 2015 is \$400,000, a decrease of \$640,000 (61.5%) from 2014.

Table 24.10. Bridge Construction, 2014-2015.

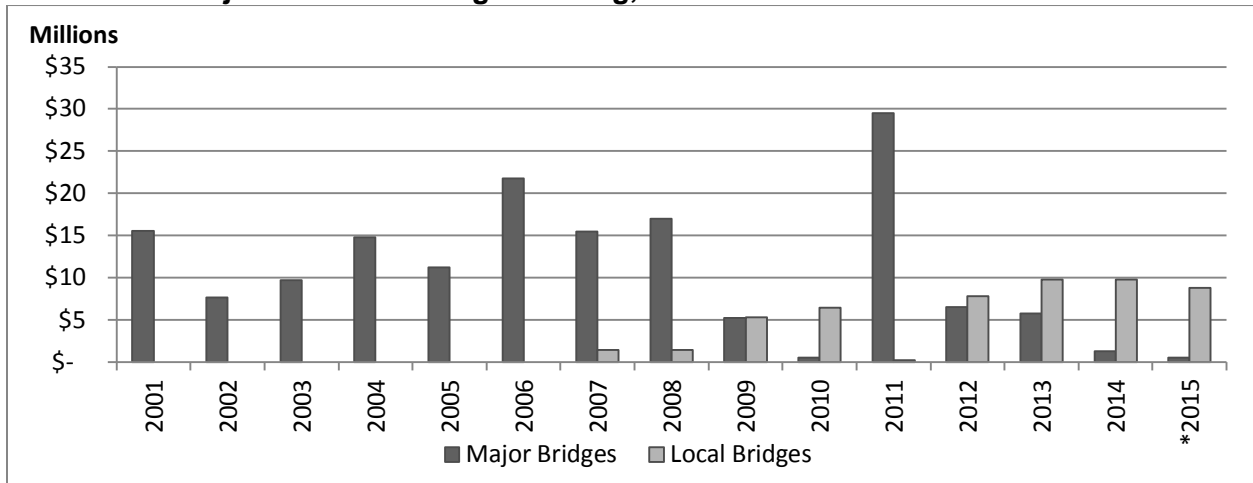
Bridges Proposed for Construction in 2015	Construction Start	Opened
Broadway Bascule over the Milwaukee River (paint)	May 2015*	Aug. 2015*
Becher Street Bridge over the KK River (Rehab)	May 2015*	Aug. 2015*
Whitnall Avenue Bridge over UPRR (Replace)	April 2015*	October 2015*
North Avenue Bridge over CP RR	June 2015*	Nov. 2015*
Bridge Construction in 2014		
45 th Street Bridge over the Menomonee River	June 2014	Nov. 2014*
27 th Street Bridge over the KK River	April 2014	Nov. 2014*
1 st Street Bridge over the KK River;	May 2014	Nov. 2014*
Lisbon Avenue Bridge over the CP RR	June 2014	Nov. 2014*
Granville Road Bridge over Little Menomonee (removal)	Sept. 2014	Nov. 2014*
St. Paul Avenue Bridge over the Milwaukee River	July 2013	June 2014
**Hank Aaron State Trail Ped Bridge @ 6 th Street Viaduct	Sept. 2013	May 2014

*Estimate; **new bridges.

Local Bridge Program, \$8,810,000.

The Proposed Budget includes \$8,810,000 in funding for the Local Bridge Program, a decrease of \$1.0 million (10.2%) from the 2014 Budget. Funding for this program has increased substantially since it was created in 2007.

Table 24.11. Major and Local Bridge Funding, 2001 to 2015.



*Proposed Budget.

Structures within the Local Bridge Program are essentially all those bridges within the city that are not eligible for federal and/or state aid or where federal and state aid is not available or is insufficient. This program now includes high-cost movable bridges, which receive a lower priority for WisDOT aid due to the high cost associated with the projects. City funding for this program covers maintenance work, structural repairs, painting, mechanical upgrades, inspection

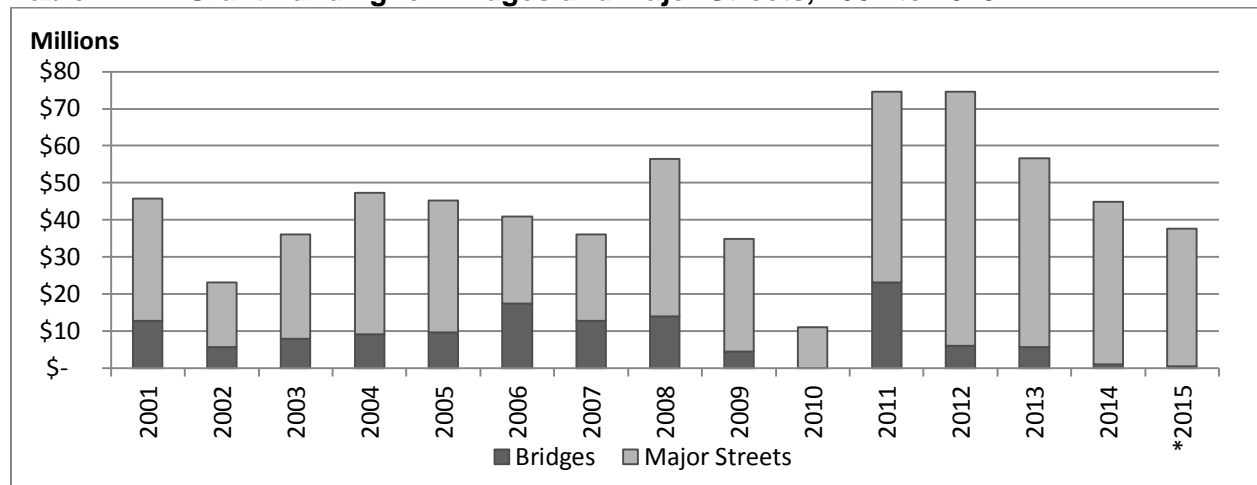
and engineering for the City’s entire bridge system.

The City’s investment in its bridge infrastructure has improved the condition of the system. In the late 1980s, 51 bridges had a sufficiency rating of less than 50; today there are 14. This represents approximately 8% of the City’s bridges. Although the City’s efforts have improved bridge condition, the system overall continues to age, with many bridges being at or near the end of their projected useful lives. Unless structural changes in transportation funding are made at the state level, grant and aid funding will likely remain difficult to obtain, and this program will require significant local funding.

Due to the complexity of bridge projects, bridges are often constructed in a year other than the year of initial funding. Therefore, large amounts of bridge funding in a particular year may not correspond to a large amount of construction in that year. Below is a list of recent and proposed bridge construction activities from both the Major Bridge and Local Bridge accounts.

A more extensive list of recent bridge work can be found in Appendix B.

Table 24.12. Grant Funding for Bridges and Major Streets, 2001 to 2015.



*Proposed Budget.

Major Street Program, \$44,998,907.

Arterials and collectors are eligible for county, state and federal funding and are part of the City’s Major Street Program. Funding programs include the State Transportation, Connecting Highways, State Trunk Highways, County Trunk Highways, Highway Safety Improvement and Local Road Improvement programs. Because 2015 is an odd-numbered year, Local Road Improvement Program funds will not be available.

Funding for this program is highly variable because it is dependent on receiving state and federal aid. Uncertainties in funding for the transportation bill at the federal level make it especially difficult to project funding levels for this program in future years. The \$37,207,907 in grant funding that is expected in 2015 is less than what has been received in each of the previous 4 years, but it is still \$9.7 million above the average amount for the years from 2000 through 2010. Although the funding can be volatile, the grant funding has been trending upward. Anticipated grant funding for Major Streets in 2015 is \$904,000 million (2.4%) below the 10-year average.

The following major streets are scheduled for construction in 2015:

- W. Morgan Avenue from W. Forest Home Avenue to S 43rd Street
- S. 27th Street from W Drexel Avenue to W. College Avenue
- N. Teutonia Avenue from W. Ruby Avenue to W Capitol Drive
- S. Howell Avenue from E./W. Layton Avenue to E./W. Howard Avenue

Recent Construction Activity:

- S. 27th Street from W. Howard Avenue to Union Pacific Railroad (2014)
- W. Appleton Avenue (Hwy 41) from W. Capitol Drive to N. 107th Street (2014)
- W. Hampton Avenue from N. Teutonia Avenue to N Green Bay Avenue (2014)
- S. Howell Avenue (STH 38) from W. Ryan Road to W. Grange Avenue (2014)
- N. Mayfair Road from W. Burleigh Street to W. Silver Spring Drive. (2014)
- N. 27th Street from W. St. Paul Avenue to W. Highland Boulevard (2013)
- W. Capitol Drive from N. 84th Street to N. Mayfair Road (2013)
- N. 107th Street from W. Brown Deer Road to the City Limits (2013)

Local Street Program, \$13,500,000.

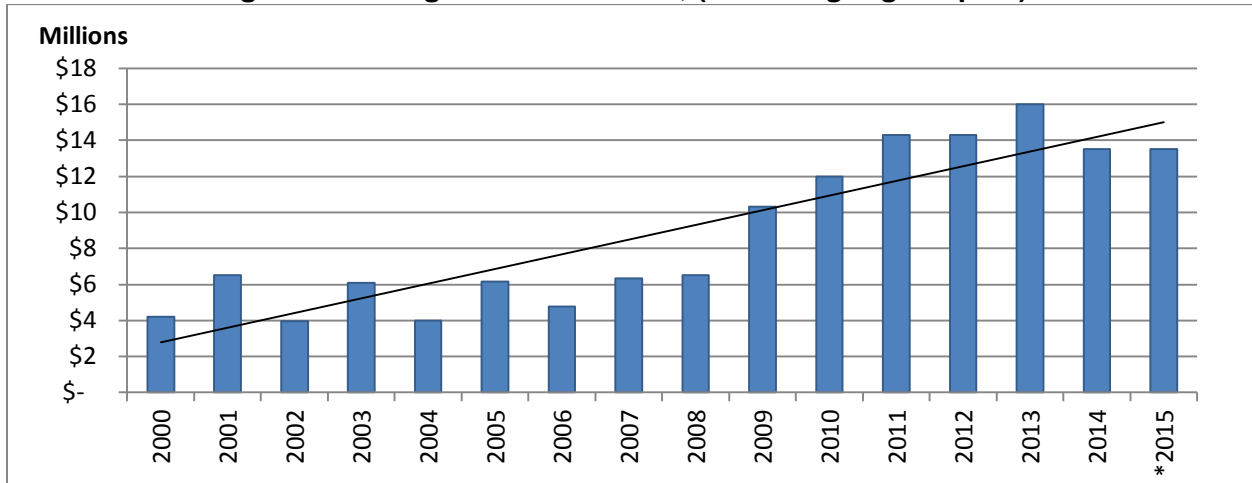
The Proposed Budget allocates \$13.5 million in capital funding for local street resurfacing and reconstruction, the same amount as the 2014 Budget. Funding for this program has increased substantially since 2000.

Although the amount budgeted is the same as in 2014, funds available for local streets in 2015 will be somewhat lower than in 2014. The Local Road Improvement Program (LRIP) funds, which are budgeted in the Major Streets account, are only available in even-numbered years. LRIP funds typically add approximately \$2 million to the City's capacity to improve local roads.

Using traditional methods, DPW would normally anticipate being able to pave approximately 16 miles of local streets in 2015. The replacement cycle, based on 16 miles of annual replacement is approximately 62 years. In the local program, the actual number of miles that can be paved with a set amount of money has always been dependent on the pavement type of the project. Reconstructing a pavement with concrete is more expensive than rereconstructing with asphalt. In 2015, the department is developing a more focused preservation strategy. Methods used in the High Impact program on arterial streets will be used on some local streets as well. Using the High Impact approach on local streets will allow the department to maximize the number of streets that can be improved and will help address the backlog of streets that are in poor condition. The actual projects and the proportion of funding that would be used for preservation rather than full reconstruction are still being determined.

DPW used approximately \$200,000 in local road funding from 2013 to hire a consultant to do a condition survey of the entire street system. Using specialized equipment, the consultant determined the current Pavement Quality Index (PQI) of each street segment. The PQI is a standardized rating of pavement condition. The consultant began the survey in October 2013. The field survey was completed in June 2014. The consultant's findings have not been received. There is no current estimate of the number of miles of local streets that are in good, fair and poor condition.

Table 24.13. Budgeted Funding for Local Streets, (excluding High Impact) 2000 to 2015.



*Proposed Budget.

Amendments to Tax Incremental Districts provided some additional funding for paving projects. Amendments made to 3 TIDs in 2012 provided \$500,000 in additional funding for the paving program. An amendment to TID #42 (Midtown) in 2013 added \$1,445,000 and an amendment to TID #40 (North/Sherman) in 2014 added \$550,000 in funding for the paving program. One additional amendment is pending, TID #28 (City Homes) for \$250,000. Since 2012, a total of \$2,495,000 in paving related amendments have been approved by the Common Council.

The Common Council passed an ordinance (File Number 080034) which adjusted the recovery ratios for certain assessable improvements. The ordinance also established a Motor Vehicle Registration (MVR) Fee whose revenues would be used to defray City costs for transportation-related improvements. The 2015 Proposed Budget includes \$6.25 million in revenues from the fee which will be allocated to the General Fund to pay for street-related capital programs. Actual revenues received in 2013 were \$6,338,316. A portion of that revenue is offset by reduced special assessment funding.

By ordinance, a minimum of 10% of the MVR fee receipts must be allocated to street-maintenance activities. DPW has allocated \$1.0 million of the total budget for the local road program in 2015 for capital maintenance. This amount is equal to 15.9% of the anticipated revenue from the MVR. When the MVR was implemented, a provision was included that prohibited the fee from being raised until April, 2012. The fee has not been increased since it was first implemented.

High Impact Street Paving Program, \$2,000,000.

The High Impact Street Paving Program was first included in the 2013 Budget.

The Proposed Budget provides \$2 million for High Impact streets, a decrease of \$1 million (33.3%) from the 2014 Budget. High Impact streets serve businesses in commercial corridors. This program will target streets that may be eligible for state or federal aid, but for which aid is not currently available. The goal is to expedite street improvements that will have an immediate benefit to adjacent businesses and to prolong the lives of pavements that are still in fair condition.

Streets in this program are improved using an asphalt overlay. There are no assessments and projects can be estimated and bid in a short amount of time. Because there is no curb removal, the projects have a minimal impact on street-lighting and traffic-control facilities. Projects are typically constructed in a few days, minimizing impacts on businesses and traffic patterns.

Actual contract costs for streets constructed so far averages \$300,000 per mile.

Streets improved in 2013 using High Impact funds include:

- E. Kilbourn Avenue: The Milwaukee River – N. Marshall Street
- N. Jefferson Street: E. Kilbourn Avenue – E Wells Street
- N. Water Street: E. Mason Street – E. Kilbourn Avenue
- N. Water Street @ E. Clybourn Avenue
- E. Michigan Street: N. Water Street – N. Van Buren Street

Streets improved in 2014 using High Impact funds include:

- N. 60th St.- N/L of W. Center St. to S/L of W. Appleton
- N. 107th St.-N/L STH 145 Bridge to Pt. 900' +/- North
- N. Prospect Ave.-N/L of E. Kilbourn Ave. to S/L of E. Ogden Ave.
- N. Farwell Ave.-N. Prospect Ave.to E. Brady St.
- N. Jefferson St.- E. Wells St. to north side of E. Clybourn St. (excl INTERSECTIONS)
- N. 55th St./N. Hawley Rd.-W. Vliet St. to W. Lisbon Ave.
- N. Holton St.-E. Reservoir Ave. to E. North Ave.
- N. Humboldt Bl.-E. Meinecke Ave. to E. Keefe Ave.
- E. Brady St. - N. Farwell Ave. to E. Van Buren St.
- S. Kinnickinnic Ave. - I-794 to E. Lincoln Ave.
- S. Muskego Ave. - S. Cesar Chavez to W. Forest Home Ave.
- S. 2nd St.-W. National Ave. to W. Scott St.
- N. 16th St-W. Wisconsin Ave. to W. Kilbourn Ave. (scheduled for mid-October)
- N. Teutonia Ave.-W. Villard Ave. to W. Silver Spring Dr. (scheduled for mid-October)

New Street Construction – Developer-Funded, \$400,000.

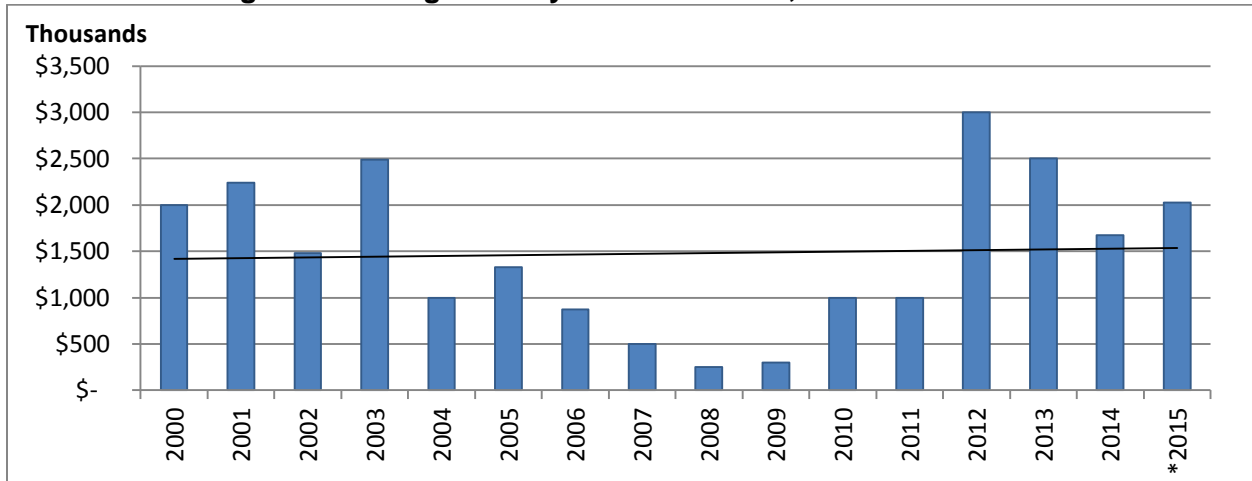
The Proposed Budget provides \$400,000 in funding for this program the same amount as was provided in the 2014 Budget. This program provides for the construction of streets required to serve platted subdivisions and planned developments with funding provided by the developer. This fund is also used for street paving projects that are partially in adjacent communities. Projects will typically be constructed and then billed to the participating community. This program was funded as requested.

Alley Program, \$2,025,000.

The Proposed Budget includes \$2,025,000 in funding for the Alley program, an increase of \$350,000 (20.9%) from the 2014 Budget. The current cost of constructing alleys averages \$700,000 per mile. The 2015 departmental request was \$50,000 less than the amount provided in the 2014 Budget.

The City's alley network is comprised of approximately 4,000 alleys totaling 400 miles in length. DPW generally considers the useful life of an alley to be 50 years. Using that standard, over 120 miles (30%) of the alley system are past their useful lives. Between 2000 and 2005, based on funds budgeted for the alley program, approximately 2 miles of alleys were replaced each year, resulting in a replacement cycle of nearly 200 years. Annual funding between 2006 and 2009 decreased by over 70%. Funding levels have recovered significantly since 2009. Maintaining a 50-year replacement cycle will take approximately \$2.5 million of funding each year.

Table 24.14. Budgeted Funding for Alley Reconstruction, 2000 to 2015.



*Proposed Budget

DPW let 30 alleys to contract in 2014 and anticipates letting between 25 and 30 alleys in 2015. Because of the long lead times for paving projects, the number of alleys constructed each year may not reflect the budgeted funding. Over time, DPW expends virtually all of its appropriated funding for alleys.

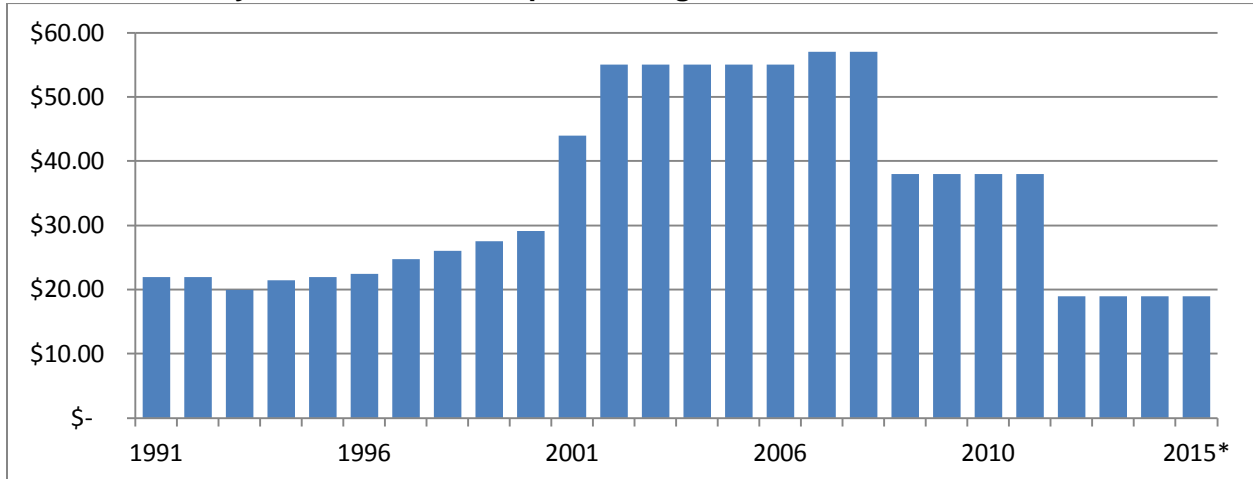
Until 2009, the cost of paving alleys was recovered through a special assessment at a rate of 90%. With the passage of the Motor Vehicle Registration Fee, the recovery rate was reduced to 60%. This reduced property owner resistance to alley-paving projects, but also increased the amount of City funding required to pave the same number of alleys. The recovery rate was further reduced to 30% in 2012. The department has not found it necessary to continue the pre-design postcard surveys to determine property owner support for alley projects. Thirty alleys received a public hearing in 2014. All of them were approved.

If there is not sufficient property owner support, the project will not move forward. Property owners may still object after the design is completed, as the project moves through the public hearing process. Since instituting this practice, deletions at public hearings for alley projects have been reduced to virtually zero. The 2012 Budget reduced the recovery rate to 30%. The current assessment rate of \$19 per frontage foot is nominally similar to the assessment rate in the early 1990s. See Table 24.15.

Policy decisions regarding the appropriate level of funding and cost recovery must take into consideration property owner expectations as well as the amount of funding available and the relative importance of other capital projects and programs. Alleys do not form the same type of transportation network that streets do, but in many neighborhoods, they serve the important

function of facilitating the removal of garbage by sanitation crews. In a climate of funding constraints, deferring replacement on alleys for a period of years can be an effective strategy for focusing limited infrastructure dollars where they will have the most impact.

Table 24.15. Alley Assessment Rates per Frontage Foot, 1991 to 2015.



*Proposed Budget

Disinvestment in alleys can, however, lead to an overall decline in the appearance of a neighborhood and adversely affect property values. Investment in alley improvements can increase the perception of safety and accessibility. This may in turn encourage other neighborhood investments and improvements. This could be especially beneficial in neighborhoods struggling with high numbers of vacant and foreclosed homes.

Increased investment in alleys could also create jobs and opportunities for smaller contractors. It is important to note, however, that although their size makes alley projects manageable for small contractors, alleys are technically much more difficult to design and construct than most streets. Using inexperienced contractors may result in drainage and access issues in newly-paved alleys.

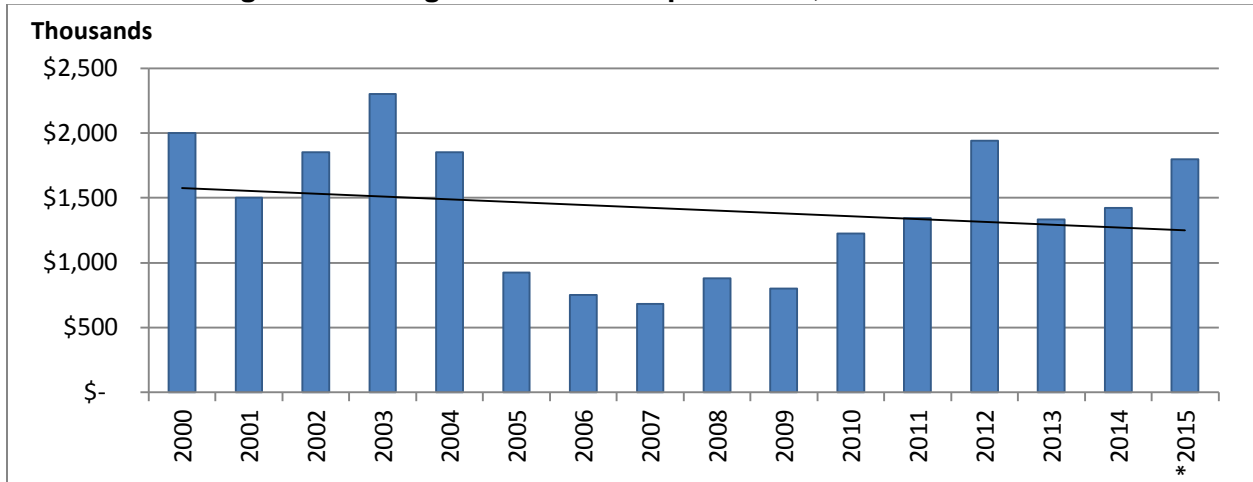
Sidewalk Replacement Program, \$1,800,000.

The Proposed Budget provides \$1.8 million for this program, an increase of \$375,000 (26.3%) from the 2014 Budget. The purpose of the sidewalk-replacement program is to eliminate cracked, spalled and out-of-grade sidewalk in the public way. In 2007, a detailed field sidewalk survey was completed which represented 5% of all sidewalks in random streets throughout the city. This survey indicated that as much as 18% of the 68 million square feet of sidewalk in the city may be defective. This program has been used to maintain the city’s sidewalk system since 1963.

DPW’s goal is to maintain an annual program of between 300,000 and 350,000 square feet of sidewalk replacements. The proposed level of funding will only provide for the replacement of between 270,000 and 310,000 square feet of sidewalk. Although significant increases have been made in this program in the last 5 years, the investment trend in sidewalks since 2000 has been downward. The Capital Improvements Committee recommended funding of \$1,750,000, an increase of \$400,000 from the department’s requested funding.

This capital account funds 2 separate sidewalk replacement programs. The larger of the 2 programs replaces sidewalks in a systematic, area-by-area manner. The goal of this program is to replace between 300,000 and 350,000 square feet of sidewalk each year. The average annual area-wide walk replacement for the last 5 years is 189,000 square feet.

Table 24.16. Budgeted Funding for Sidewalk Replacement, 2000 to 2015.

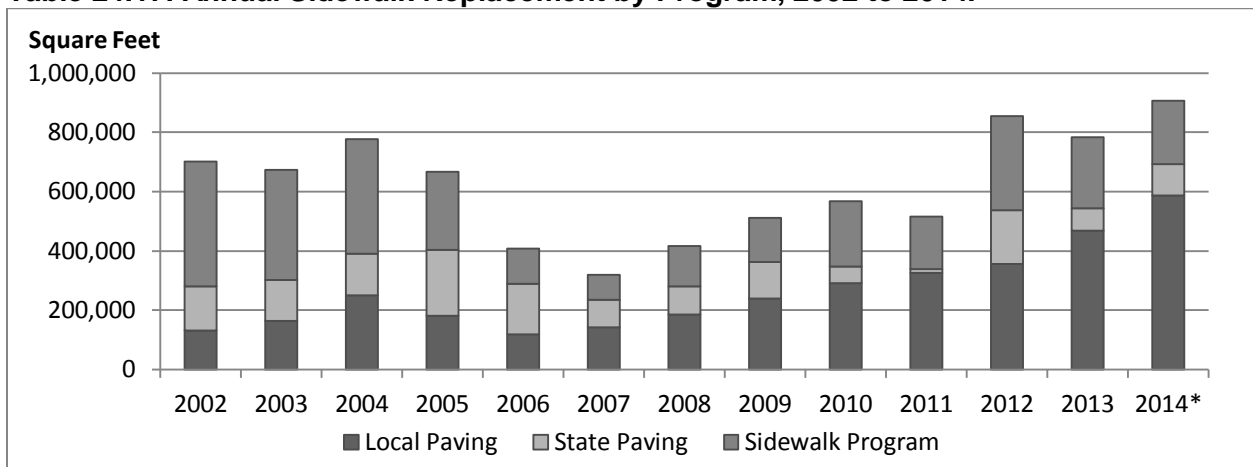


*Proposed Budget.

The second program, called “Scattered Sites” replaces defective sidewalks around the city as they are requested by property owners. DPW budgets approximately \$200,000 each year in capital authority to replace sidewalks through this program. This level of funding allows the City to complete work at approximately 100 properties each year.

In October 2011, there was a backlog of 520 properties. The backlog has persisted, and the current estimate wait to have sidewalk replaced through the Scattered Site Program is between 3 and 4 years. Approximately \$500,000 is proposed for scattered sites in 2015.

Table 24.17. Annual Sidewalk Replacement by Program, 2002 to 2014.



*Estimated amounts.

Historically, the assessment rate per square foot for scattered site walk replacement was higher than the rate for sidewalk replaced on a regular paving contract. Beginning in 2013, the

assessment rate was reduced to match the assessment rate for concrete walk in the area-wide program.

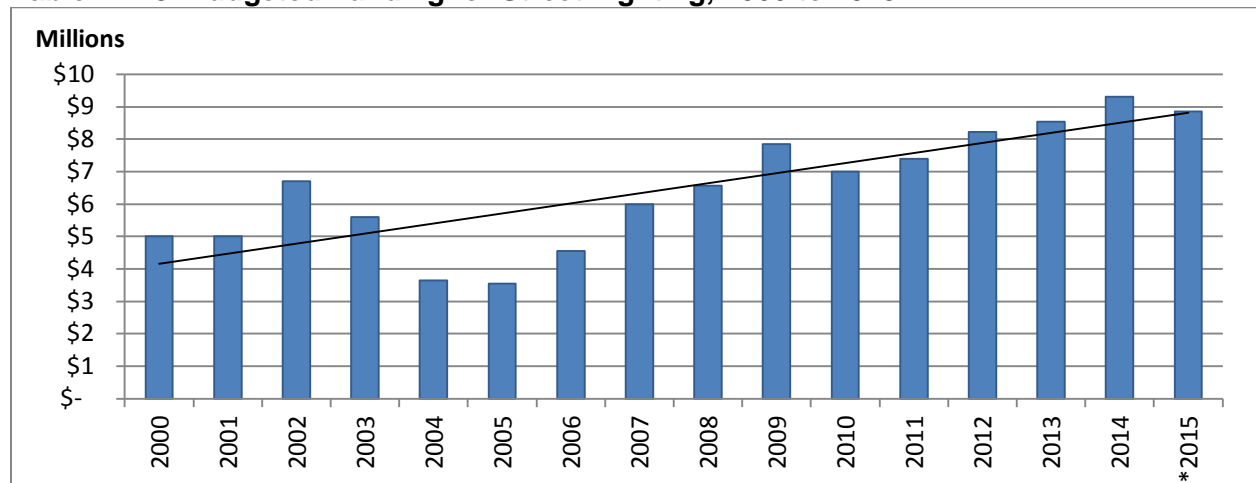
The Sidewalk Replacement Program is not the only means by which sidewalks are replaced in the city. Additional sidewalks routinely get replaced in conjunction with local and major street improvement projects. The average annual walk replacement since 2009 for these programs has been 335,000 square feet and 90,500 square feet, respectively.

Paving projects done on local streets have contributed a greater percentage to the overall walk replacement rate in recent years.

Street Lighting Program, \$8,860,000.

The Proposed Budget provides \$8,860,000 in capital funding for the Street Lighting program, a decrease of \$440,000 (4.7%) from the 2014 Budget. Approximately half (\$4.8 million) will be allocated to paving-related improvements, \$1.0 million will be used for the series circuit conversion project.

Table 24.18. Budgeted Funding for Street Lighting, 2000 to 2015.



*Proposed Budget.

Funding in this program is used to replace deteriorated poles, defective cable, outdated circuitry, aging electrical substations and other lighting equipment, and to modernize the street-lighting control system. The City currently maintains nearly 68,000 street lights and over 8,800 alley lights.

Approximately 46% of the department’s requested budget for street-lighting in 2015 is related to the paving program. The frequency of area outages and single/double outages has been increasing steadily due to the City’s aging street-lighting infrastructure. The City’s street-light system is a combination of series and multiple circuitries. The series circuitry, which is the older technology, represents approximately 39% of the system, and is becoming increasingly unreliable. It is also more difficult to repair, requiring more time, specialized knowledge and unique parts which are becoming more difficult to obtain. The City began transitioning to multiple circuits in the 1950’s. The department intends to allocate \$1,000,000 towards the series circuit conversion project in 2015.

One of the main challenges with the conversion project is that series circuits cannot be replaced one block at a time. Each series circuit, which consists of multiple blocks, must be replaced in its entirety. A study done by the LaFollette School of Public Affairs in 2009 evaluated various funding alternatives for transitioning from series to multiple circuitries. The report estimated that replacing the remaining series circuitry over the next 6 years would cost between \$120 million and \$131 million. This was determined to be the least cost-effective of the alternatives evaluated. Maintaining the status quo and continuing to fund the conversion program with \$1 million per year is the most cost-effective method in the short-run, but it is not a long-term solution. As the failure rate increases, costs related to repairs – including parts and overtime – will continue to rise. Excessive outage could increase tax payer dissatisfaction, decrease the perception of neighborhood safety and have an impact on crime.

“Replacement of Control” continues as part of the City’s Street Lighting Control System Improvement Project. This involves replacing the existing hard-wired control system at substations and enclosures with a radio-based computerized communications system. This improvement provides backup in the event of a communications system failure, allows monitoring of street-lighting operation, provides intrusion alarms and provides diagnostics to identify and assist with troubleshooting in response to street-lighting system problems. DPW began to replace the controllers in 2006. It was originally a 4-year project. Funding cuts and resource diversions that were required because of ARRA-funded paving projects and the increase in the local paving program have delayed the completion of this project. The system has 250 substations and enclosures. The master control system is currently operational at 62 stations. A contract for the installation of 13 additional substations will be let in late 2014 or early 2015.

Traffic Control, \$700,000.

The Proposed Budget provides \$700,000 for the Traffic Control program, a decrease of \$1.3 million (64.8%) from 2014. Funding was reduced for 2015 because the department has a carryover balance that will allow them to continue its operations. Although proposed funding in 2015 is somewhat less than in 2014, overall, funding for this program has increased significantly since 2008.

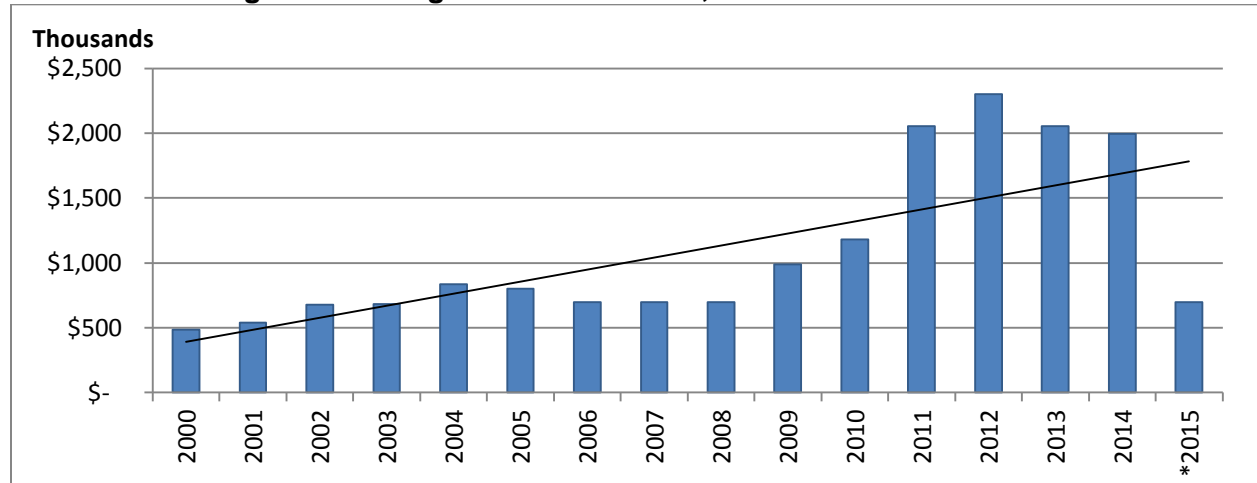
This program provides for the upgrade, replacement and installation of traffic control devices as needed to accommodate traffic pattern changes, provide conformity with national standards, comply with City ordinances, and use technological advances to improve traffic flow. Traffic control devices are installed and maintained to conform to the federal Manual on Uniform Traffic Control Devices (MUTCD). Technology-based improvements and techniques are constantly being incorporated in City traffic-control systems to improve traffic flow and reduce vehicle emissions.

Typically about 25% of the traffic-control program is paving-related. The new High Impact paving program which targets high-traffic volume streets has not had a significant impact on the traffic control program. That is because High Impact streets are asphalt overlays that do not have curb removal.

In December 2009, the Federal Highway Administration issued a final rule adopting changes to the 2003 MUTCD. These changes became effective on January 15, 2010. The changes were adopted and incorporated into the state statues. The changes mandate upgrades and improvements to traffic control signs, signals and pavement-marking systems in the city. In

August 2011, the FHWA proposed amendments to the MUTCD that would eliminate most of the deadlines for replacing street signs, including the 2018 deadline for replacing street name signs.

Table 24.19. Budgeted Funding for Traffic Control, 2000 to 2015.



*Proposed Budget.

A MUTCD revision in May, 2012 removed all fully-defined compliance dates for meeting sign retro-reflectivity requirements. The revision also requires the establishment of a management plan to maintain sign retro-reflectivity. DPW adopted a Traffic Sign Retro-reflectivity Policy on November 29, 2011. The policy establishes the program that the department will follow to meet Federal Highway Administration standards for sign retro-reflectivity as set forth in the 2009 MUTCD. DPW anticipates meeting the retro-reflectivity standards in 2017 or 2018.

New sign standards include increased retro-reflectivity and changes in size, placement and content. DPW estimated that over 40% of existing signs will need to be replaced to meet the new standards. Changes in traffic signal standards include signal mounting, location, size, type and configuration. DPW has developed a schedule for phasing in the mandated upgrades. Different components of the traffic control system will be phased in on slightly different schedules. MUTCD sign upgrades represent approximately 30% of the requested budget for this program.

Underground Conduit & Manhole Program, \$1,000,000.

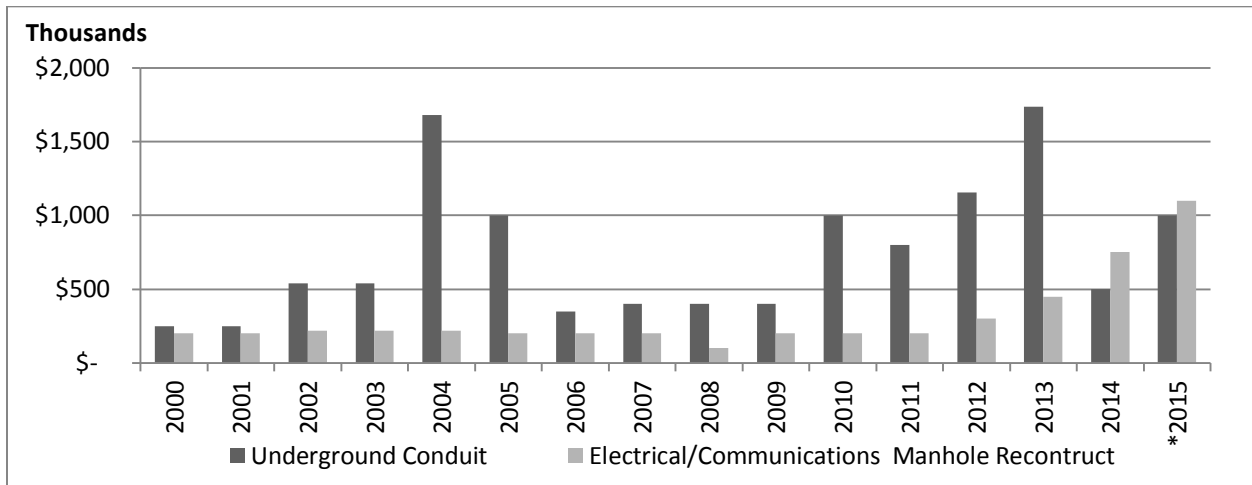
The Proposed Budget includes \$1,000,000 for the Underground Conduit and Manhole program, an increase of \$500,000 (100%) from the 2014 Budget.

The installation of a permanent underground electrical conduit and manhole system provides secure weatherproof public safety cable and circuit networks for multiple City agencies. The system ensures a reliable route for City communication cables to be installed into all existing and proposed City buildings, provides a reliable route for traffic control at signalized intersections and is used for street-lighting cable circuits. Typically, 100% of the underground conduit and manhole program is driven by the paving program.

An increase in 2010 funding for this program was directly related to a significant increase in street projects driven by ARRA grants. Funding has increased steadily since 2011 to reflect the increased workload caused by the increase in funding for the Local Street Program. Projects

related to the Zoo Freeway Project were included in the 2013 Budget.

Table 24.20. Budgeted Funding for Underground Conduit & Electrical Manholes, 2000 to 2015.



*Proposed Budget.

Underground Electrical Manhole Reconstruction Program, \$1,100,000

The Proposed Budget includes \$1.1 million in funding to replace electrical manholes, an increase of \$350,000 (46.7%) from the 2014 Budget.

This program funds the reconstruction of existing manholes located in street right-of-way that provide the necessary entrance networks for all of the communications, traffic control and street lighting cable circuits that serve the City’s governmental buildings and agencies. There are presently 7,551 active manholes in the system.

In 2013 the department began a systematic inspection program for its electrical manholes. In 2013 and 2014, 1,345 and 1,457 manholes, respectively, were inspected. The department estimates that an additional 1,540 manholes will be inspected in 2015. As of March 2014, 111 manholes have been identified that need to be replaced, 22 manholes require deck roof replacement and 263 manholes require chimney or corbel repair. The extent of the repairs required is expected to increase as the manhole inspection program continues. Contracted manhole repairs in 2013 and to date in 2014 are \$102,000 and \$107,000, respectively,

In 2014, 4 positions within DPW were reclassified to create a crew that will perform repairs on electrical and communications manholes. This expected to result in significant savings. Those positions are expected to be filled early in 2015.

2. Unfunded Capital Requests.

(See Facilities section for unfunded DPW – ISD requests related to buildings.)

3. Project Updates.

There are no significant projects relating to core infrastructure that are not part of an on-going program.

4. Future Capital Requests.

There are no anticipated out year requests relating to core infrastructure that are not part of an on-going program.

New Street Construction.

The Proposed Budget provides no funding for this program; \$350,000 of funding was provided in the 2014 Budget. This program provides funding for the construction of unimproved streets to serve residential, commercial or industrial area. These projects are sponsored by the City, with a portion of the cost being recovered by special assessments levied against abutting properties. Typically, a request is made by the adjacent property owner. No capital request was received from the department for 2015. It is anticipated that the department will request funds for this program in future years as the need arises.

FACILITIES.

The Proposed Budget includes 7 capital improvement items for City building and facilities programs totaling \$4,668,000, a decrease of \$417,000 (8.2%) from the 2014 Budget.

Most DPW - Facilities capital programs are financed with general obligation borrowing. In the past, a small portion of the Facilities capital program has been financed with cash. The Proposed Budget does not provide any cash financing. The Environmental Remediation program is funded with \$50,000 of revenue from the Sewer Maintenance Fund. The remainder of DPW Facility's capital programs are financed, in 2015, with general obligation debt.

The Proposed Budget does not include any capital funding for the City Hall Hollow Walk/Structural Repair project.

1. Currently-Funded Projects.

ADA Compliance Program, \$215,000.

The Proposed Budget includes \$215,000 of funding for the ADA Compliance program, a decrease of \$125,000 (36.8%) from the 2014 budget.

This on-going program provides funding for building alteration projects to comply with the Americans with Disabilities Act Accessibility Guidelines, respond to new and updated regulations, and improve access to City facilities for the disabled. Alteration projects provide access to building entrances, restrooms, public telephones, drinking fountains, lobbies, meeting rooms and office space in the City Hall complex as well as outlying City facilities. Since 2000, \$3.76 million has been budgeted for this program. The 6-year capital request is \$1,490,000. The estimated cost to bring all City facilities into compliance with the ADA Guidelines is \$6.6 million.

In the spring of 2011, the City participated in the U.S. Department of Justice's (DOJ) Project Civic Access (PCA) program. Through this program, the DOJ works cooperatively with state and local governments to ensure that they are in compliance with the Americans with Disabilities Act. Staff from the DOJ inspected all City facilities and will issue a report of their findings. The City will generally have 2 years to address deficiencies noted in the report. The

City has funded various ADA compliance programs through the years, and DPW staff believe the DOJ report will not present unexpected challenges. If significant upgrades are required, the DOJ will work with municipalities to extend compliance dates to avoid undue financial hardship. As of October 2014, the report has not been received from the DOJ.

2012 was the first year that funding for ADA improvements to recreational facilities was included in this program. In the past, ADA improvements to recreational facilities were funded through a separate Recreational Facilities Program. The Recreational Facilities program has not been funded since 2012.

In 2015, ADA Compliance funds are proposed to make upgrade to 67th & Spokane and Fountain Park. In 2014, N. 90th Street & W. Bender Road and S. 16th Street & W. Edgerton Avenue were upgraded to meet comply with the ADA.

Energy Efficiency & Renewable Energy Initiative, \$100,000.

The 2014 Proposed Budget includes \$100,000 of funding for the Energy Efficiency & Renewable Energy Initiative, a decrease of \$50,000 (33.3%) from the 2014 Budget.

This program, established in 2011, will be used to match grant funding for projects which will reduce the City's energy use. The City has established a goal of reducing energy consumption by 15%. Energy reduction in DPW facilities has exceeded 25%. This program has received \$150,000 in funding each year since 2011. The 6-year capital request is \$1.2 million.

Projects for 2014 included an LED light upgrade at DPW Field Headquarters.

Environmental Remediation Program, \$150,000.

The 2015 Proposed Budget includes \$150,000 of funding for the Environmental Remediation program, a decrease of \$50,000 (25%) from the 2014 budget.

The goal of this on-going program is to provide a safe environment for the public and City employees. Activities include asbestos removal and lead abatement in City-owned buildings; the monitoring of closed landfills and contaminated sites; repairs to petroleum storage tanks; and upgrades and repairs to storm water management systems and equipment.

This program received \$50,000 less than was requested. Since 2000, nearly \$5.7 million has been budgeted for this program. The 6-year capital request is \$1.65 million.

Facilities Exterior, \$2,008,000.

The 2015 Proposed Budget includes \$2,008,000 of funding for the Facilities Exterior program, a decrease of \$80,000 (3.8%) from the 2014 Budget. Since 2000, \$12.54 million has been budgeted for this program. The 6-year capital request is \$24.6 million. The requested funding for this program was reduced by \$2.6 million (56.6%).

This on-going program maintains City facilities in a water-tight, energy-efficient and safe condition. Typical activities include roof repairs, tuck pointing, caulking and sealing, window, entry door and overhead door replacement, yard and lot paving, exterior lighting improvements, foundations, and other miscellaneous facility exterior maintenance items.

Recent projects have included EPDM roof replacements; asphalt pavement repairs at Lincoln and Central garage; overhead door replacements; and the inspection of the water tank at the Anderson Municipal Building.

Facilities Systems Program, \$1,480,000.

The 2015 Proposed Budget includes \$1,480,000 of funding for the Facilities Systems program, a decrease of \$285,000 (16.2%) from the 2014 budget. Since 2000, \$30.6 million has been budgeted for this program. The 6-year capital request is \$17.3 million. The requested funding was reduced by \$1.3 million (47%).

This on-going program is used to sustain the operating systems of approximately 95 City-owned buildings. Operating systems include heating, ventilating and air-conditioning, plumbing, fire protection, electrical distribution, lighting, chillers, boilers, computerized facility management, security and life safety. Programming decisions are made using the Facilities Condition Information System which provides condition data on City buildings.

Table 24.21. Capital Program Summary, 2015.

Program	2015 Proposed Budget	2014 Adopted Budget	Increase (decrease)	% Chng.	6-year Request
ADA Compliance program	\$215,000	\$340,000	(\$125,000)	-36.8%	\$1,490,000
City Hall Remodeling	\$0	\$191,000	(\$191,000)	-100%	\$17,440,000
Energy Efficiency & Renewable Energy	\$100,000	\$150,000	(\$50,000)	-33.3%	\$1,200,000
Environmental Remediation	\$150,000	\$200,000	(\$50,000)	-25%	\$1,650,000
Facilities Exterior	\$2,008,000	\$2,088,000	(\$80,000)	-3.8%	\$24,623,800
Facilities Systems	\$1,480,000	\$1,765,000	(\$285,000)	-16.2%	\$17,297,500
Muni Garages & Outlying Facilities Remodeling	\$0	\$86,000	(\$86,000)	-100%	\$10,500,000
Space Planning Alterations & Engineering	\$375,000	\$205,000	\$170,000	82.9%	\$1,705,000
Playground Challenge Fund	\$0	\$0	(\$60,000)	-100%	\$0
Northpoint Lake Tower	\$340,000	\$,000	\$340,000	----	\$740,000
Total	\$4,668,000	\$5,085,000	(\$417,000)	-8.2%	\$76,646,000¹

¹ The total does not include capital requests that were not funded in 2014. The total 6-year capital request for DPW Facilities is \$106.8 million.

Space Planning Alterations and Engineering, \$375,000.

The Proposed Budget includes \$375,000 of funding for the Space Planning Alterations and Engineering program, an increase of \$170,000 (82.9%) from the 2014 Budget. Since 2000, \$2.0 million has been budgeted for this program. The 6-year capital request is \$1.7 million. This program has been funded with cash, but in the Proposed Budget it is financed with general obligation debt.

This program provides funds for architectural and engineering services related to office space studies, including the preparation of preliminary plans and cost estimates for proposed projects, and unscheduled interior office alterations for City departments. It also provides funding for the inspection of the City buildings which are the responsibility of DPW and the maintenance of condition data for those buildings.

Funding has increased for 2015 because the Space Planning account now includes projects that previously would have been funded out of the City Hall Complex Remodeling account.

Playground Challenge Fund, \$0.

The 2015 Proposed Budget includes no funding for the Playground Challenge fund, a decrease of \$60,000 (100%) from the 2014 Budget. There was no capital request for 2014 or 2015. This program was created by the 2013 Budget with funding of \$100,000 to provide matching funds for corporate partnerships, foundation contributions and neighborhood fund raising activities to support recreational facilities.

Funds were used in 2013 to make improvements to the Merrill Park parking lot and the softball diamond trail.

2. Unfunded Capital Requests.**City Hall Foundation & Hollow Walk.**

Significant repair and restoration work is needed to address age-related deterioration of key elements of City Hall, including wood foundation piles, pile caps, below-grade hollow sidewalk walls, and structural concrete beams and sidewalk. Funding for this project has been deemed critical to the long-term stability of the structure. Capital funding began in 2008 with \$1.2 million for professional design services. \$1.8 million, \$2.7 million and \$3.2 was allocated in 2009, 2010 and 2011, respectively. Funding of \$5,840,000 was requested for 2012. Due to concerns regarding the failure of the new terra cotta, the 2012 Budget did not include funding for this project.

The City contracted with Facilities Value Management (FVM) in June 2010 to provide owner representative services. It was anticipated that a design/build firm would be selected in early 2011. The project was placed on hold on March 1, 2011 by Common Council File Number 101367 in response to the failure of a terra cotta piece on the south tower of City Hall on February 17, 2011.

On July 24, 2012, Common Council File Number 120362 authorized DPW to move forward with Task I of the foundation project. The design/build team began Task I which included an investigation of the wood piles, water recharge and hollow sidewalk systems and a preliminary

engineering report of their findings with proposed repair options, cost estimates and schedules. A revised project schedule is being developed at this time.

In February 2012, \$2,600,000 was transferred from this account to the City Hall Restoration account (Common Council File Number 111320). DPW believes that adequate funding remains to fund the project through 2015. Construction is anticipated to begin in 2016. Additional funding will be required at that time. It is unknown at this time what the total cost of this project will be.

City Hall Remodeling, \$440,000.

The Proposed Budget includes no funding for the City Hall Remodeling program, a decrease of \$191,000 (100%) from the 2014 budget. Average annual funding since 2010 has been \$207,400. The 6-year capital request is \$1.49 million.

This program had been used for various architectural and mechanical remodeling work in the City Hall Complex, including projects necessary to comply with State of Wisconsin energy and safety building code requirements. Since 2008, funding for this program has been greatly reduced. The result is that this account has come to serve largely the same purpose as the Space Planning account. To provide the department with additional flexibility and to reduce duplicative accounts, funding for the 2 programs was consolidated under the broader title.

Municipal Garages/Outlying Facilities Remodeling, \$500,000.

The Proposed Budget includes no funding for the Municipal Garages/Outlying Facilities Remodeling program, a decrease of \$86,000 (100%) from the 2014 Budget. Since 2000, \$8.2 million has been budgeted for this program. The 6-year capital request is \$10.5 million.

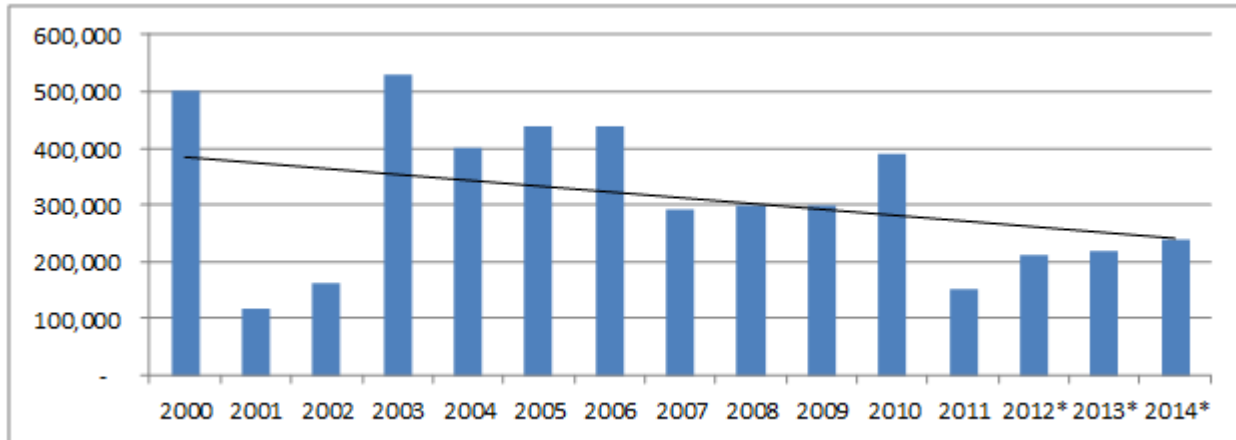
This program was designed to provide funding for the basic functional needs of DPW's municipal garage facilities, many of which have surpassed their useful lives. Because of their age, many of the garages do not accommodate the use of modern diagnostics in a current repair environment. The program specifically addresses the replacement of major operational systems – hydraulic lifts, material handling equipment and pneumatic systems – that do not comply with current safety code provisions. The program also addressed the functional and operational needs of other outlying facilities. In 2015, these projects will be addressed by other capital programs.

Recreational Facilities Program.

The Proposed Budget provides no capital funding for this program. This program has been used for the improvement of neighborhood recreation facilities. The 2012 Budget moved funding from the Recreational Facilities Program to the ADA Compliance Program and the Municipal Garages/Outlying Facilities Program. The average budgeted funding from 2007 through 2010 has decreased approximately 36% from the budgeted average of the years 2001 through 2006. The Municipal Garages/Outlying Facilities Program did not receive funding in the Proposed Budget.

Because of the way funding is requested for the 6-year program, there is no way of determining projected funding for recreational facilities through 2020. The Capital Improvements Committee has recommended that funding for recreational facilities be returned to a separate program.

Table 24.22. Budgeted Funding for Recreational Facilities, 2000 to 2015.



*Amount allocated in other capital accounts for recreational facilities.

3. Project Updates.

Municipal Service Building Relocation.

The Proposed Budget provides no capital funding for this program. The department no longer considers this an active project.

This program first received funding in 2012. To date, it has received \$150,000 of funding. The program was being used to identify and procure a location, and set up a program for a new facility which will replace the Municipal Service Building (1540 W. Canal St.) and the Traffic Sign Shop (1430A W. Canal St.). Relocation is being considered due to the age and required maintenance costs of the facility as well as the potential economic benefit of the facility being converted to private use.

The facility portion of the study has been completed. Combining this facility at the current DPW Field Headquarters (N. 35th Street and W. Capitol Drive) would require the site to expand an additional 6 acres. A building addition of 102,000 square feet would also have to be constructed. The estimated cost would be \$20.6 million. Approximately 180 employees would have to be relocated if this facility is closed.

4. Future Capital Requests.

MacArthur Square Plaza Remediation.

A 2005 engineering condition report outlined major deficiencies to all elements of the Plaza, including landscaping, irrigation, pool and fountain, architectural and structural elements, plumbing and electrical lighting. Cost estimates for restoration range between \$16 million and \$19.2 million. Since 2008, \$1.5 million has been budgeted for the MacArthur Square Plaza. Carryover borrowing authority will be used to maintain MacArthur Square as a safe, functioning structure. Long-range restoration has not addressed.

Funding was requested in 2012 to replace the waterproofing that protects the parking structure beneath the plaza. The funding provided in 2011 was used to restore the concrete deck, lighting, handrails and stonework on the lower plaza explanatory text here. DPW anticipated

requesting an additional \$251,000 for 2014; however, that request has been moved to 2016.

Building Exterior Façade Restoration.

This program corrects façade deficiencies in City-owned buildings. Section 275-32-13 of the code, passed in 2001, requires the owner of any building 5 stories or greater to complete a critical exam to determine if the façade of the building is in a safe condition. DPW received \$385,000 in 2011 to begin Phase I of the repairs on the Zeidler Municipal Building. An inspection revealed that the glass and clear wall sections of the building are in adequate condition and do not require remedial work. The masonry at the corners of the building needed restoration which took place in 2012 with funding carried over from 2011. No funding has been provided in this account since 2011. DPW anticipates making requests in 2015-2017 to fund repairs to the 809 Building and the Police Administration Building.

VIII. ISSUES TO CONSIDER.

1. Organizational Changes Implemented

The department has implemented a reorganization of its staff. Infrastructure Services has been comprised of 6 functional units; Administration, Transportation, Construction, Streets & Bridges, Electrical Services, and Facilities. The new organizational structure has 4 functional units; Administration, Transportation Infrastructure, Transportation Operations and Bridges & Buildings.

2. Space Planning Issues Associated with the City Hall Foundation Repair Project.

In its review of the 2014 and 2015 capital requests, the Capital Improvements Committee noted a lack of coordination regarding the use of space at City facilities. There are a number of departments that have made requests to have offices remodeled, reconfigured or relocated. At this time there is no authoritative body that monitors departmental needs and no comprehensive plan to allocate space in the City's facilities. The Committee suggested that it would be beneficial to have a plan which would allow individual requests and proposals to be evaluated within a framework of the overall needs of the City, especially in light of the staff relocations that will be required as part of the City Hall Foundation Repair project.

3. Funding Street Repairs.

In 2013, the Mayor's Proposed Budget transferred \$500,000 from the Sewer Maintenance Fund to partially offset the cost of curb and gutter replacement. While this transfer was ultimately cut from the 2013 budget, the issue of funding for the city's aging infrastructure remains.

In 2008, the City implemented a Motor Vehicle Registration fee of \$20 per vehicle. The fee is expected to generate \$6.25 million in revenue for street repairs in 2014. A corresponding shift away from special assessments has cut street construction costs by lowering property owner opposition to projects and increasing the number of designed and drafted projects which are ultimately completed. Despite these gains, the shift in emphasis away from special assessments has offset some of the MVR fee revenue and further complicated funding.

As infrastructure maintenance, repair, and reconstruction needs continue to rise, consideration will need to be given to other means of increasing revenues or cutting costs. Consideration

should also be given to the appropriate level of funding and cost recovery. Any policy must take into consideration property owner expectations as well as the amount of funding available and the relative importance of other capital projects and programs.

4. Replacement Cycle Considerations.

Using a replacement cycle based on average useful pavement life has limitations when trying to determine adequate funding levels. The issue is complex: new technologies in repair and maintenance are emerging, different pavement types have different useful lives, regular maintenance can extend the useful life of a street, and utility cuts can shorten it. For instance, the City's High Impact Paving (HIP) program has used paving technology which rejuvenates existing asphalt, increasing a street's life by 7 years. How such technologies are accounted for when determining replacement cycles will need to be studied carefully.

DPW has hired a consultant to perform a condition survey of the entire street system. Using specialized equipment, the consultant determined the current Pavement Quality Index of each street segment. The PQI is a standardized rating of pavement condition. The survey began in October 2013; results are expected before the end of the year.

5. Increase the Motor Vehicle Registration Fee

In 2008, the City implemented a Motor Vehicle Registration fee of \$20 per vehicle (Common Council File Number 080034). The fee was expected to generate \$6.6 million annually in revenue for street repairs. The Proposed Budget anticipates receiving \$6.3 million in revenue in 2015. Actual receipts in 2013 were \$6,333,316. When the fee was implemented, a provision was included that prohibited the fee from being raised until April, 2012. The fee has not been raised since it was implemented. When the fee was created, most of the special assessments related to paving projects were eliminated. This reduced the amount of additional revenue available for paving projects by approximately half. There are approximately 300,000 vehicles registered in the city. A \$5 increase to the fee would generate nearly \$1.5 million in additional revenue. Because the special assessments associated with paving projects would not be reduced further, each dollar increase in the fee will allow proportionally more paving-related work to be done.

6. Street Lighting Circuit Conversion Funding.

As the street-lighting system ages, it has required an increase in repairs. Replacement of deteriorated poles, defective cable, outdated circuitry, aging electrical substations and other lighting equipment has resulted in increasing costs for the City. The frequency of area outages and single/double outages has increased steadily as the system has aged.

Funding has likewise increased significantly in the street-lighting program over the last 10 years, but technical complexities with the conversion and pressures from the paving program have made progress challenging. At the current level of funding, it will take decades to complete the conversion. In the meantime, failure rates will increase, and costs related to repairs will continue to rise.

Prepared by: Kathy Brengosz, Fiscal Planning Specialist x3926
Budget Hearing Date: October 13, 2014
Last Updated: October 8, 2014

Appendix A: Capital Budgets.

							Proposed
Major Bridges	2009	2010	2011	2012	2013	2014	2015
Borrowing	\$762,000	\$0	\$6,354,000	\$500,000	\$100,000	\$260,000	\$100,000
Grants & Aid	\$4,436,000		\$23,116,000	\$6,035,000	\$5,655,000	\$1,040,000	\$66,667
Revenue		\$500,000					
Total	\$5,198,000	\$500,000	\$29,460,000	\$6,535,000	\$5,755,000	\$1,300,000	\$166,667
							Proposed
Local Bridges	2009	2010	2011	2012	2013	2014	2015
Borrowing	\$5,275,000	\$6,425,000	\$200,000	\$7,782,000	\$9,785,000	\$9,815,000	\$10,010,000
Total	\$5,275,000	\$6,425,000	\$200,000	\$7,782,000	\$9,785,000	\$9,815,000	\$,000
							Proposed
Major Streets	2009	2010	2011	2012	2013	2014	2015
Borrowing	\$4,230,100	\$4,730,000	\$8,314,100	\$9,776,200	\$435,000	\$6,214,000	\$7,451,528
Special Assessment	\$100	\$194,000	\$100	\$1,000	\$1,000	\$1,000	\$390,000
Grants & Aid	\$30,450,000	\$10,936,200	\$51,505,230	\$68,556,800	\$50,900,000	\$43,778,000	\$37,207,907
Total	\$34,680,100	\$15,860,200	\$59,819,430	\$78,334,000	\$51,336,000	\$49,993,000	\$45,049,435
							Proposed
Local Streets	2009	2010	2011	2012	2013	2014	2015
Borrowing	\$10,300,000	\$12,000,000	\$14,291,600	\$14,297,500	\$14,500,000	\$12,500,000	\$12,800,000
Special Assessment	\$100	\$1,000	\$100	\$100	\$1,000,000	\$1,000,000	\$1,200,000
Total	\$10,300,100	\$12,001,000	\$14,291,700	\$14,297,600	\$16,000,000	\$13,500,000	\$14,000,000
							Proposed
High Impact Paving	2009	2010	2011	2012	2013	2014	2015
Cash						\$2,000,000	
Borrowing					\$1,000,000	\$1,000,000	\$3,000,000
Special Assessment						\$0	
Total					\$1,000,000	\$3,000,000	\$3,00,000
							Proposed
Alley Paving	2009	2010	2011	2012	2013	2014	2015
Borrowing	\$300,000	\$800,000	\$800,000	\$2,400,000	\$1,625,000	\$1,625,000	\$1,225,000
Special Assessment	\$100	\$200,000	\$200,000	\$600,000	\$875,000	\$50,000	\$400,000
Total	\$300,000	\$1,000,000	\$1,000,000	\$3,000,000	\$2,500,000	\$1,675,000	\$1,625,000

Appendix A. Continued.

							Proposed
Sidewalk Replacement	2009	2010	2011	2012	2013	2014	2015
Borrowing	\$650,000	\$900,000	\$1,000,000	\$1,478,000	\$1,000,000	\$1,000,000	\$1,350,000
Special Assessment	\$150,000	\$325,000	\$345,000	\$464,500	\$333,000	\$425,000	\$450,000
Total	\$800,000	\$1,225,000	\$1,345,000	\$1,942,500	\$1,333,000	\$1,425,000	\$1,800,000
							Proposed
Street Lighting	2009	2010	2011	2012	2013	2014	2015
Cash						\$800,000	\$0
Borrowing	\$7,850,000	\$7,000,000	7,400,000	\$8,220,000	\$8,540,000	\$8,500,000	\$8,860,000
Total	\$7,850,000	\$7,000,000	\$7,400,000	\$8,220,000	\$8,540,000	\$9,300,000	\$8,860,000
							Proposed
Traffic Control Program	2009	2010	2011	2012	2013	2014	2015
Cash							
Borrowing	\$990,000	\$1,182,500	\$1,912,250	\$2,303,000	\$2,055,000	\$1,993,000	\$700,000
Total	\$990,000	\$1,182,500	\$1,912,250	\$2,303,000	\$2,055,000	\$1,993,000	\$700,000
							Proposed
UG Conduit & Manholes	2009	2010	2011	2012	2013	2014	2015
Cash							
Borrowing	\$400,000	\$1,000,000	\$800,000	\$1,156,500	\$1,736,700	\$500,000	\$1,000,000
Total	\$400,000	\$1,000,000	\$800,000	\$1,156,500	\$1,736,700	\$500,000	\$1,000,000
							Proposed
UG Conduit & MH Reconst.	2009	2010	2011	2012	2013	2014	2015
Borrowing	\$200,000	\$200,000	\$200,000	\$300,000	\$450,000	\$750,000	\$1,100,000
Total	\$200,000	\$200,000	\$200,000	\$300,000	\$450,000	\$750,000	\$1,100,000

Appendix B: Recent Bridge Construction

Bridges Proposed for Construction in 2015	Construction Start	Opened
Broadway Bascule over the Milwaukee River (paint)	May 2015*	Aug. 2015*
Becher Street Bridge over the KK River (Rehab)	May 2015*	Aug. 2015*
Whitnall Avenue Bridge over UPRR (Replace)	April 2015*	October 2015*
North Avenue Bridge over CP RR	June 2015*	Nov. 2015*
Bridge Construction in 2014		
45 th Street Bridge over the Menomonee River	June 2014	Nov. 2014*
27 th Street Bridge over the KK River	April 2014	Nov. 2014*
1 st Street Bridge over the KK River;	May 2014	Nov. 2014*
Lisbon Avenue Bridge over the CP RR	June 2014	Nov. 2014*
Granville Road Bridge over Little Menomonee (removal)	Sept. 2014	Nov. 2014*
St. Paul Avenue Bridge over the Milwaukee River	July 2013	June 2014
**Hank Aaron State Trail Ped Bridge @ 6 th Street Viaduct	Sept. 2013	May 2014
Bridge Construction in 2013		
Pleasant Street Lift Bridge	2012	July 2013
**Hank Aaron State Trail Ped Bridge @ 6 th Street Viaduct	Sept. 2013	May 2014
St. Paul Avenue over the Milwaukee River	July 2013	June 2014*
**Hank Aaron State Trail Ped Bridge @ S. 33 rd Ct	2012	July 2013
**Hank Aaron State Trail Ped Bridge over CP RR	2012	July 2013
Capitol Drive Bridge over Menomonee River	May 2103	Nov. 2013
**Marsupial Trestle Bridge (1870 N. Commerce)	Jan. 2013	Aug. 2013
**KK River Trail Ped Bridge over Chase Ave	Nov. 2012	Oct. 2013
Bridges Constructed in 2012		
Wisconsin Avenue Bridge over the Milwaukee River	2011	Aug. 2012
Juneau Ave Bridge over the Milwaukee River	2011	Nov. 2012
Pleasant Street Lift Bridge	Sept 2012	July 2013
**Hank Aaron State Trail Ped Bridge @ S. 33 rd Ct	June 2012	July 2013
**Hank Aaron State Trail Ped Bridge over CP RR	June 2012	July 2013
**KK River Ped Bridge over Chase Ave	Nov. 2012	Oct. 2013
Bridges Constructed in 2011		
County Line Road Bridge over the Little Menomonee River		July 2011
Clybourn Ave. Lift Bridge		July 2011
Wisconsin Avenue Bridge over the Milwaukee River	2011	Aug 2012
Juneau Avenue Bridge over the Milwaukee River	2011	Nov 2012

*Estimate; **new bridges.