

Aldermanic Amendments to the Proposed 2015 Executive Budget

Presented Under Article IV, Section 9, Subsection 2
of the Common Council Procedure and Rules

2015 24-HR AMENDMENT PACK

Common Council Meeting of November 7, 2014



**RESUBMITTED AMENDMENTS TO THE 2015 PROPOSED EXECUTIVE BUDGET
24-HOUR RULE PACKET**

<u>Agenda Number</u>		<u>BUDGET</u>	<u>LEVY</u>	<u>RATE</u>	
	2015 PROPOSED EXECUTIVE BUDGET	1,514,937,709	256,870,620	10.630	
	<u>AMENDMENT DESCRIPTION</u>	<u>BUDGET</u> <u>EFFECT</u>	<u>LEVY</u> <u>EFFECT</u>	<u>RATE</u> <u>EFFECT</u>	<u>VOTE</u>
15	Reduce funding in the Professional Services account in the Parking Fund by \$175,000; add to Recreational Facilities capital account.	175,000	175,000	0.007	2:3
40	Increase Contingent Borrowing Authority by \$100 million.	0	0	0.000	N/O*

*presented, but not offered.

DEPARTMENT	BUDGET EFFECT	TAX LEVY EFFECT	TAX RATE EFFECT PER \$1,000
CAPITAL, PARKING	\$+175,000	\$+175,000*	\$+0.007*

*There will be no tax levy impact if revenue is recognized by the Comptroller

AMENDMENT INTENT

This amendment would increase cash levy funding for the Department of Public Works' Recreational Facilities capital account by \$175,000 and reduce funding in the Parking Fund's Professional Services account by \$175,000.

BACKGROUND

There are currently 2 capital accounts that are used to fund improvements at recreational facilities. The ADA Compliance Program capital account includes \$215,000 for recreational facilities. The proposed sites for 2015 are 67th & Spokane and Fountain Park. The other capital account, the Playground Improvement Challenge Fund, is a matching fund created in 2013. The 2015 Budget doesn't include any new funding, but there is carryover borrowing authority available that could be used if a neighborhood group came forward in 2015.

In 2012, 2013 and 2014, recreational facilities were also funded, in part, by the Municipal Garage/Outlying Facility capital account. That account is not funded in the proposed budget. Prior to 2012, there was a dedicated Recreational Facilities capital account. The most recent funding in that accounted averaged around \$350,000 annually.

DISCUSSION

1. The \$175,000 from the Parking Fund's Professional Services account represents the payment from the City to the Bradley Center to help offset capital costs at that facility. The first annual payment of a 5 year commitment was made in 2014.
2. Although budgeted funding for recreational facilities has increased from 2011 through 2014, funding has been trending downward since 2000.
3. Proposed funding for recreational facilities may not reflect actual funding available for that purpose because since 2012, recreational facilities have had to compete with other capital projects within the ADA Compliance and the Municipal Garage accounts. The Capital Improvements Committee has recommended that funding for recreational facilities be provided in a separate capital account.

EFFECT

1. This amendment requires revenue recognition by the Comptroller. If revenue is not recognized, the tax levy effect of the amendment will be as stated below. If revenue is recognized by the Comptroller, the tax-levy effect will be \$0.
2. The budget effect of this amendment is \$+175,000.
3. The tax-levy effect of this amendment is \$+175,000.

COMMITTEE VOTE(2-3): In Favor: Kovac, Hamilton,
Opposed: Dudzik, Witkowski, Coggs

Prepared by: Kathleen Brengosz
Legislative Reference Bureau
Revised: November 3, 2014

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

By Ald. Murphy, Kovac, Bauman

CAPITAL IMPROVEMENTS BUDGET, PARKING FUND

Add \$175,000 to the Recreational Facilities capital account funded through cash levy. Offset the levy impact by reducing funding for the Parking Fund's Professional Services account by \$175,000 and increasing the Parking Fund Transfer to the General Fund by the same amount. This amendment will require revenue recognition by the Comptroller. If revenue fails to be recognized, the tax levy effect of this amendment will be as stated. If revenue is recognized, the amendment will have no tax levy effect.

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

Capital Improvements Budget	\$+175,000	\$+175,000	\$+0.007
<u>Parking Fund Budget</u>	\$+0	\$+0	\$+0.000
Total	\$+175,000	\$+175,000	\$+0.007

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
450.36-12	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS DPW-INFRASTRUCTURE SERVICES DIVISION Immediately following the line: New Borrowing Insert the following lines and amount: "Recreational Facilities Citywide" "Cash Levy"	--	--	--	\$+175,000
450.42-3	SECTION I.C.2. SOURCE OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET Property Taxes Cash Levy	--	--	\$1,162,000	\$+175,000
480.4-2	SECTION I.G.1. BUDGET FOR PARKING OPERATING & MAINTENANCE EXPENSES OPERATING EXPENDITURES Professional Services	--	--	\$6,800,000	\$-175,000
480.6-2	TRANSFER TO GENERAL FUND	--	--	\$17,000,000	\$+175,000

SPONSOR(S): ALD. DAVIS

AMENDMENT 40
PRESENTED, NOT OFFERED

DEPARTMENT	BUDGET EFFECT	TAX LEVY EFFECT	TAX RATE EFFECT PER \$1,000
BORROWING AUTHORIZATIONS	\$+0	\$+0	\$+0.000

AMENDMENT INTENT

The intent of this amendment is to provide an additional \$100 million in contingent borrowing authority to be available if needed to potentially provide funding for any new downtown sports venue.

BACKGROUND

1. Contingent Borrowing is borrowing for a public purpose not contemplated at the time the budget is adopted.
2. The 2015 Proposed Budget provides \$200,000,000 in contingent borrowing authority.
3. The BMO Harris Bradley Center opened in 1988.
4. The Milwaukee Bucks are under an NBA deadline to replace the BMO Harris Bradley Center, which the NBA says lacks the space and amenities newer NBA arenas provide, by 2017.

DISCUSSION

1. The cost of replacing the BMO Harris Bradley Center has been estimated at \$400 to \$500 million.
2. Milwaukee Bucks' owners Marc Lasry and Wesley Edens have stated they will contribute \$100 million towards the construction of a new arena and former Bucks owner Herb Kohl has also stated that he will contribute an additional \$100 million.
3. The Milwaukee Metropolitan Association of Commerce's Cultural and Entertainment Capital Needs Task Force is currently studying the funding needs for Milwaukee area cultural and entertainment assets, including a new sports venue.
4. At this time, the level of City participation, if any, in the cost of the construction of new sports venue has not been determined.

EFFECT

1. This amendment increases the amount of contingent borrowing authority provided in the 2015 Budget by \$100 million, bringing the total to \$300 million. Since contingent borrowing authority is, by definition, for a public purpose that is unknown at the time of

budget adoption, there would be no indication in the 2015 Budget that this money is intended to be used to fund a new sports venue.

2. This amendment makes it possible for the City to issue an additional \$100 million in general obligation bonds or short-term notes in 2015, but does not obligate the City to do so. Therefore, the amendment has no impact on the 2015 Budget, tax levy or tax rate.

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

By Ald. Davis

BORROWING AUTHORIZATIONS

Provide an additional \$100 million in contingent borrowing authority. The intent is to have this additional contingent borrowing authority available to fund the city's share of any new downtown sports venue.

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

Borrowing Authorizations

\$+0

\$+0

\$+0.000

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		NUMBER TO BE CHANGED	AMOUNT OF CHANGE	AMOUNT TO BE CHANGED	AMOUNT OF CHANGE
570.1	SECTION II. BORROWING AUTHORIZATIONS D. Contingent Borrowing Contingent borrowing.	--	--	\$200,000,000	\$+100,000,000

