

# 2012 Proposed Capital Improvements Budget



## Capital Improvements Committee Briefing

September 29, 2011

# 2012 Capital Improvements Goals:



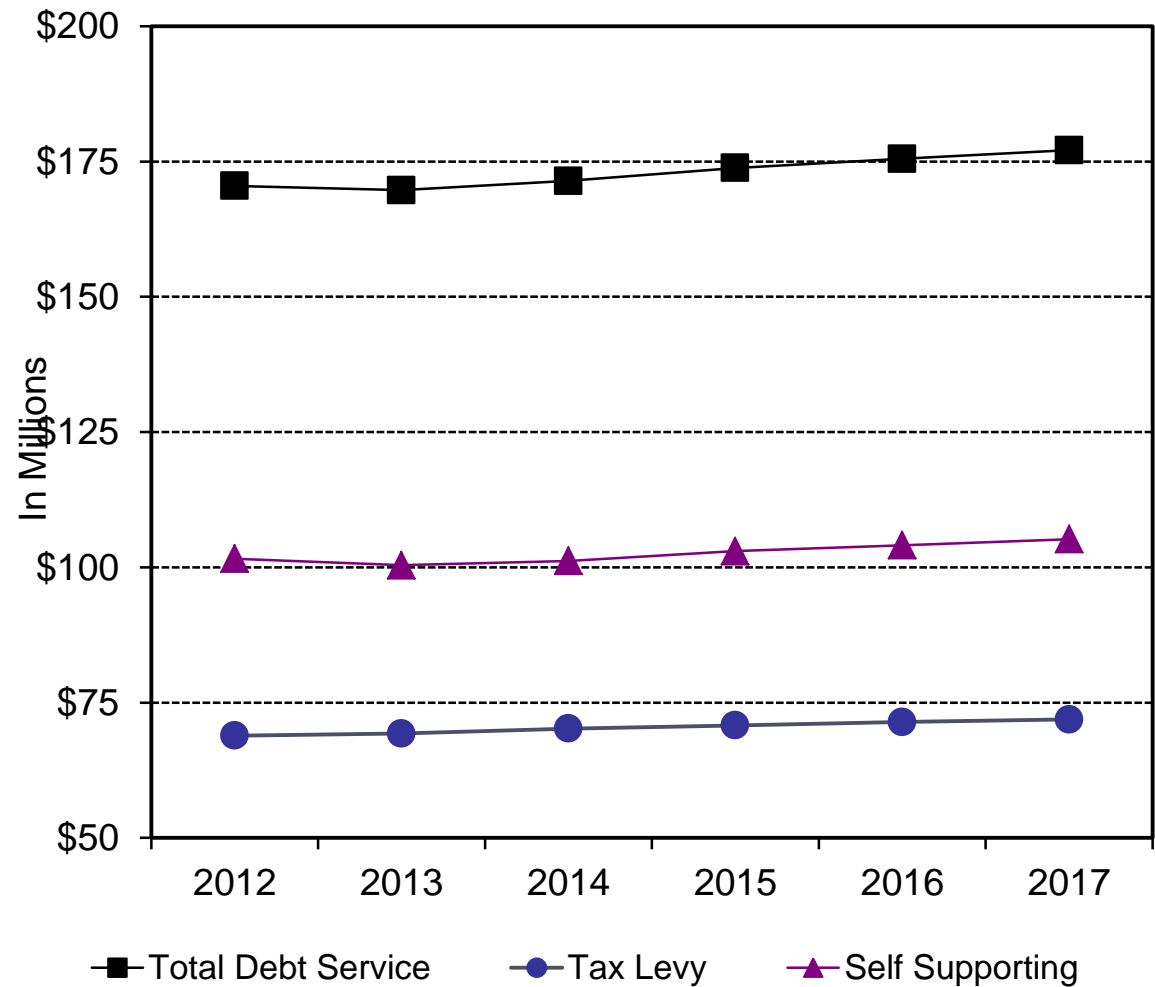
1. Identify 6-year capital improvement needs and prioritize within available funding levels.
2. Develop investment strategies to ensure favorable results from city capital investments and avoid accelerated depreciation.
3. Match capital borrowing to debt retirements in order to manage the debt levy and enhance the city's financial flexibility.



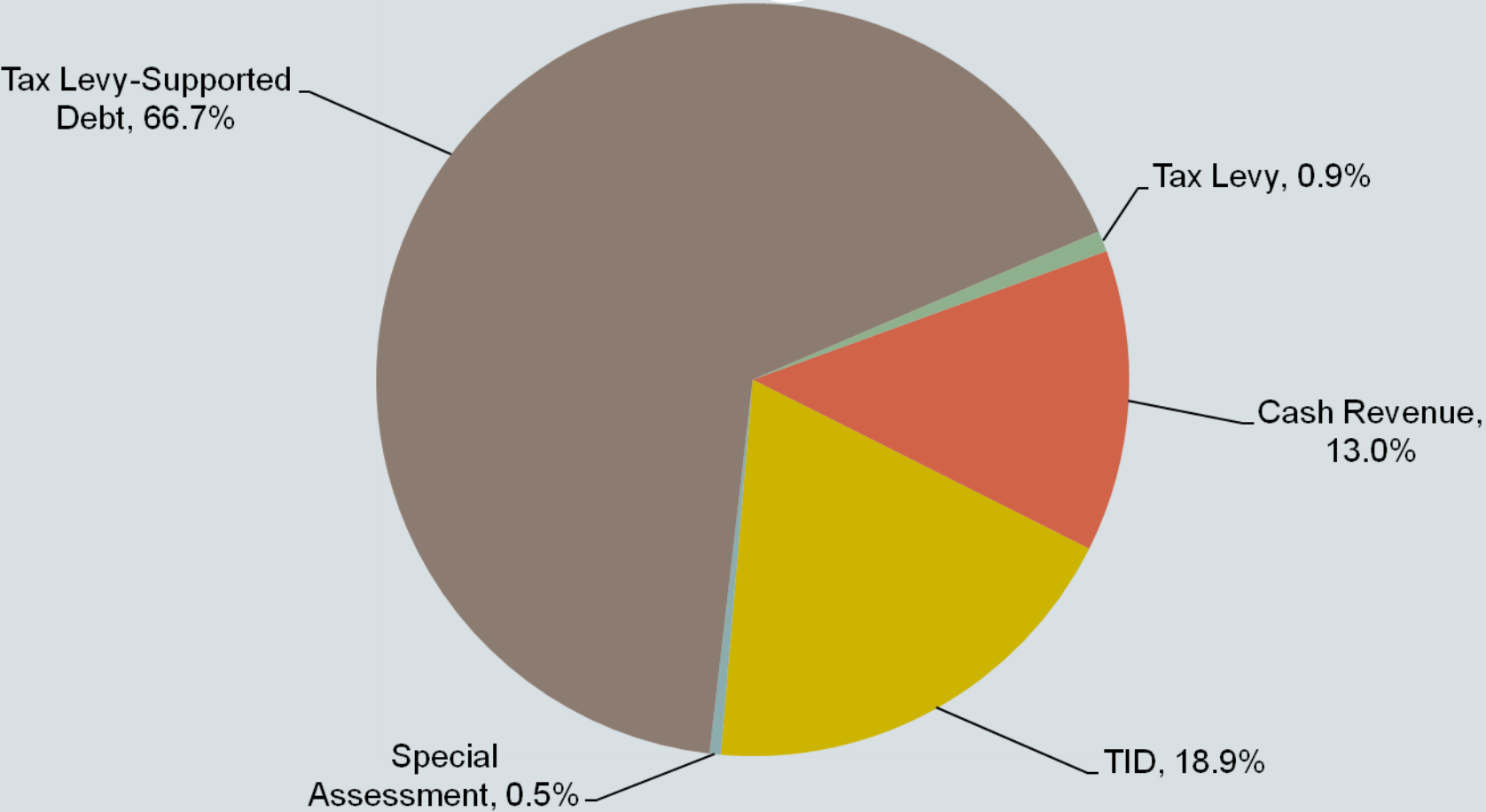
## 2012 Capital Improvements Financing Goals:

1. 3-Year levy supported average = \$75 million.
2. Use service linked revenues for Capital investments where feasible (Fleet equipment, Port projects).

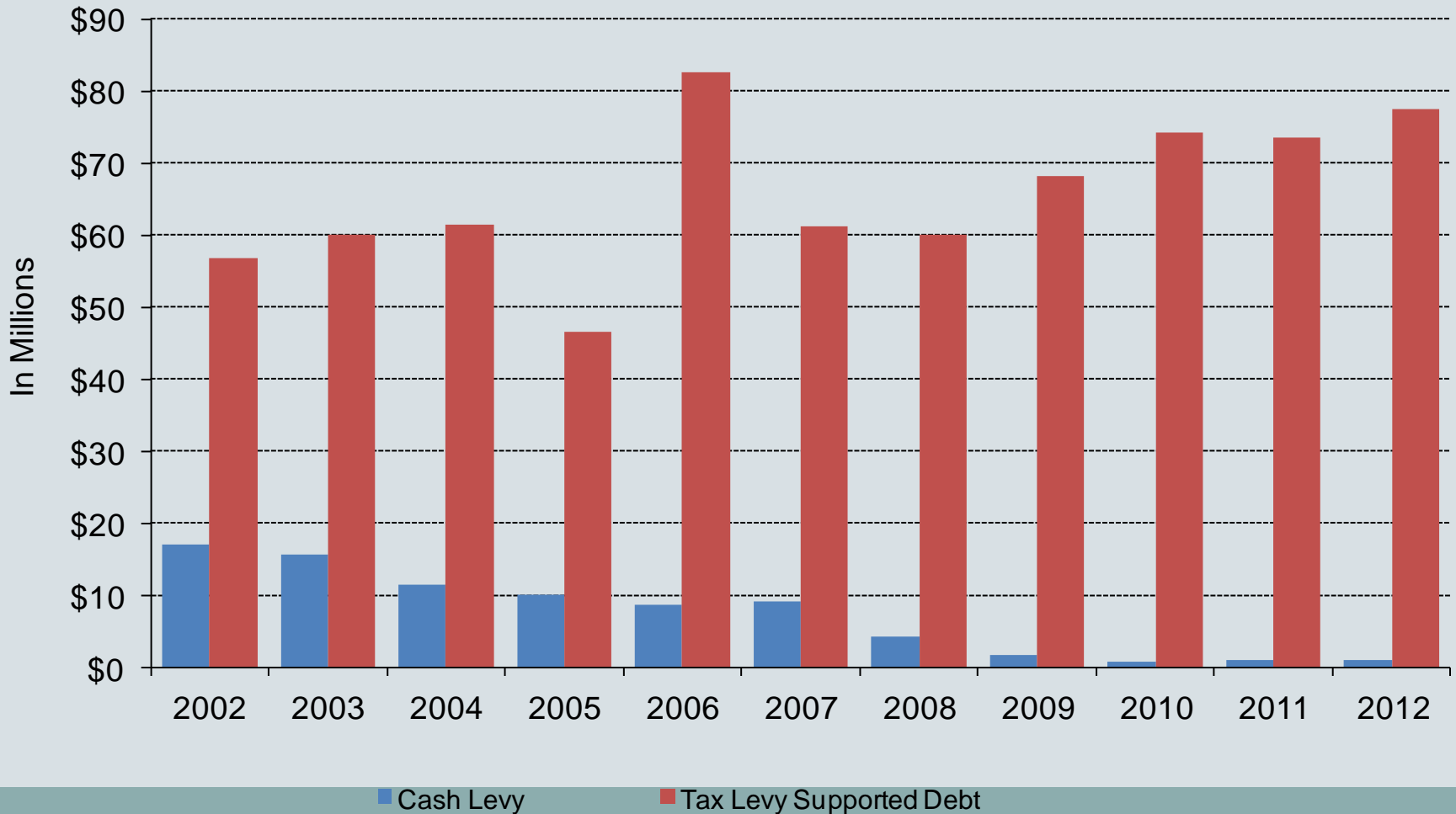
## Debt Service



# 2012 Proposed Source of Funds for Capital Improvements (non-enterprise)



# Tax Levy and Debt Financing for Capital Improvements 2002-12



# Enterprise Project Financing



1. Forestry from the Sewer Maintenance Fund Transfer to general fund
  - Allocates portion of storm water charge to tree production/planting & EAB preventive measures (cash finance): \$2,807,000
2. TID Finance
  - Self-sustaining GO debt - \$22,000,000
  - Developer financed - \$4,251,000
3. Enterprise funds
  - Sewer Maintenance Program: ~ 9% cash-financed
  - Milwaukee Water Works: traditionally cash, will rely on debt in 2012 & 2013
  - Parking: debt financed

*(See Next Slide)*

# Enterprise Fund 2012 Capital



Sewer Maintenance Fund Total: \$40,640,000

New Borrowing: \$34,200,000

Cash: \$3,800,000

Grant Funding: \$2,640,000

Milwaukee Water Works: \$9,320,000

New Borrowing: \$8,690,000

Other Financing: \$630,000

Parking Fund Total: \$790,000 (New Borrowing)

# 2012 Proposed Capital Improvements



## Financial Concerns:

1. City fiscal constraints
  - > \$80 m decline in CPIU-U-adjusted value of Shared Revenue since 2003
  - 70% of 2013 levy projected for non-discretionary items
2. Decline in State funding for Bridge Program
  - \$15 m average 2000-'11; \$3.5 m projected for '12-'17
3. Milwaukee Water Works rate issues
4. Sewer Maintenance Fund – private property impacts on system operations
5. Future of City Hall project



# Core Infrastructure Programs (City funding amounts)

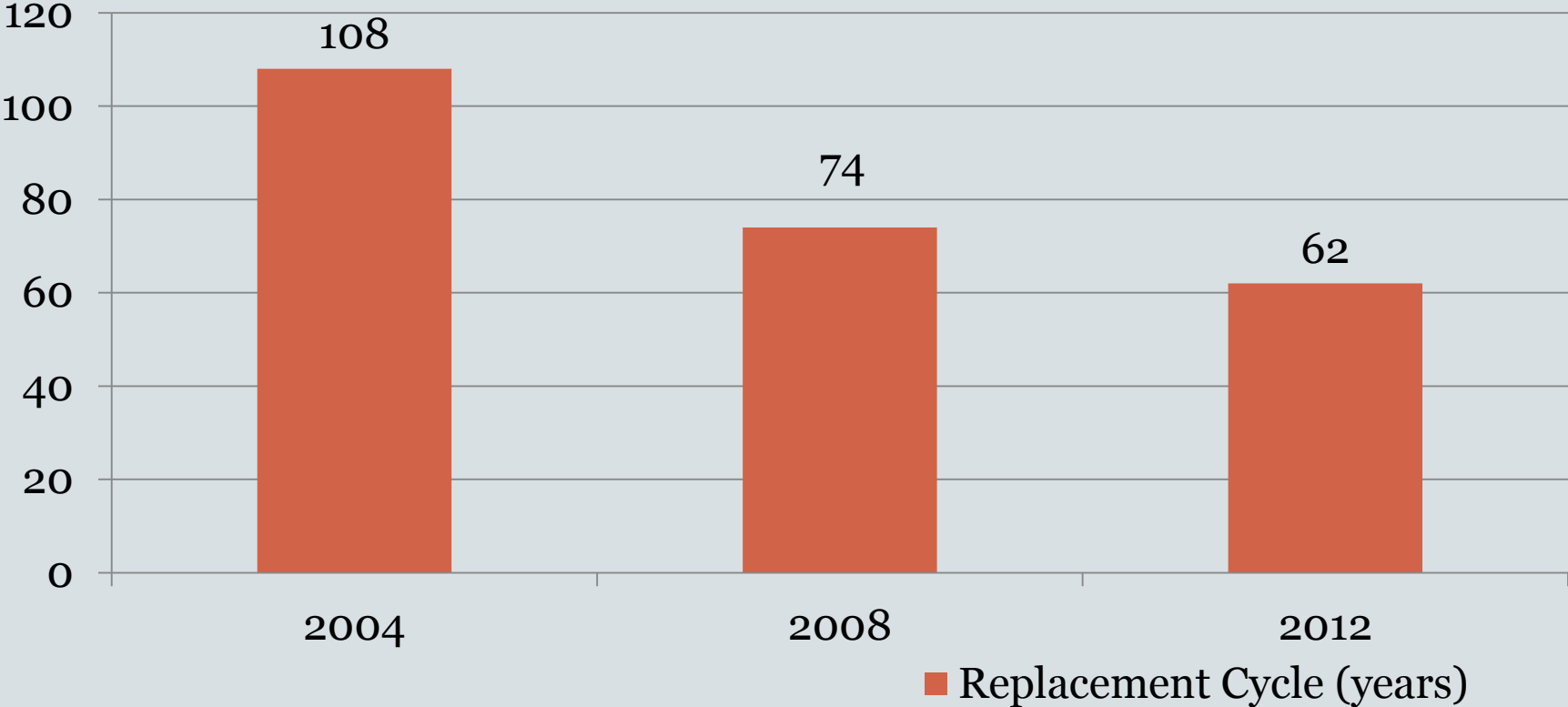


1. Major Streets: \$9,776,200
  - Federal stimulus supported major progress
  - Current replacement cycle of 46 years
2. Local Streets: \$13,000,000
  - ~ 16 miles (with LRIP) in 2012
  - 62-year replacement cycle
  - 50-year replacement cycle by 2016
3. Bridge Program: \$8,282,000
  - \$7.0 million for Pleasant Street
  - Revised 6-year plan includes 3 moveable bridge projects

# City Funding – Local and Major Streets 2004 to 2011



# Local Streets Replacement Cycle



# Core Infrastructure Programs



4. **Street Lighting: \$8,220,000**
  - Includes \$1 million for series circuitry conversion
  - \$2.2 m for Neighborhood Lighting program
  - \$4.3 million driven by paving projects
5. **Traffic Controls: \$2,303,000**
  - Slow-down to some federal MUTCD mandates
6. **Conduit/Manholes: \$1,456,500**
  - Includes essential & Greenfield Ave redevelopment conduit projects (\$1,156,500) and 50% increase for manhole improvements (\$300,000)

# Core Infrastructure Programs



7. Alleys: \$800,000 City-financed
8. Sidewalks: \$1,000,000 City-financed

Alleys and sidewalks remained funded at 2011 levels.  
Goal is to increase funding by 2016 for these two programs.

# Core Infrastructure Programs



9. Sewer Maintenance Fund: \$40,640,000
  - 29 miles of sewer work (15 replacement/14 relining)
  - 90-year replacement cycle
  - \$400,000 channel restoration project
  - Private property partnership with MMSD (\$2.64 million)
10. Milwaukee Water Works: \$9,320,000
  - Virtually no new funding for Water Mains due to existing authority available & financial shortfall
  - 2012 focus is on Facility Improvements & back-up Power generation
11. Forestry Programs: \$3,194,000
  - \$1,584,000 for Tree Production & Planting
  - \$923,000 for EAB Protection
  - \$447,000 for Concealed Irrigation

# Major Projects



1. 8<sup>th</sup> Floor of City Hall - City Attorney's Office
  - \$1,600,000 for Phase I (\$4.8 m Total Project)
2. Police Administration Building
  - \$5,460,000 (\$58 m. estimated through 2019)
3. DPW - Facilities Capital Accounts:
  - \$3,502,900
4. DPW Fleet Equipment:
  - \$6,000,000

# 2012 Capital Request - Proposed



	<b><u>REQUESTED</u></b>	<b><u>PROPOSED</u></b>
New Borrowing	\$101,911,450	\$ 77,492,600
TID	22,000,000	22,000,000
Assessable	1,601,100	546,100
Cash Levy	845,000	1,025,000
Cash Revenues	<u>14,045,500</u>	<u>15,058,000</u>
	\$141,003,050	\$116,121,700