

Date: July 6, 2010

To: Members of the Capital Improvements Committee

From: Kathleen Brengosz

Re: Summary of 2011 Capital Requests Using Newly Proposed Categories

As discussed at the May 26th committee meeting, prior to evaluation, the individual requests will be divided into the following categories:

- Enterprise Funds
- Public Buildings
- Parks, Recreation & Open Spaces
- Street Improvements
- Major Vehicle Replacement
- Special Projects and Economic Development

For the purposes of this summary requests within each category were divided into on-going programs and short term projects to get a better sense of the recurring capital needs for each category.

Summary of Results

- Short range projects represent over 40% of the total number of requests but only 19% of the current funding requests.
- Nearly 25% of the requests received don't fit into the categories defined by the committee at the May 26, 2010 meeting. These requests are primarily for technology related projects and Port of Milwaukee programs. Funding for these requests represents 2% of the total requests.
- In the Special Project and Economic Development category only 3 requests would be classified as "special projects". The remaining requests are related to economic development. In addition, all but one of the economic development requests are related to an on-going program. The differences in how these requests would be evaluated suggest that it may be useful to divide Special Projects and Economic Development into two separate categories.
- The Enterprise Fund, Street Improvement and Major Vehicles Replacement categories are largely program driven.
- The number of Public Building requests is evenly divided between programs and projects. Funding requests are divided almost equally between on-going building maintenance (31%), departmental remodeling (31%), and other building projects (38%).
- Approximately 53% of the requested funding for 2011 relates directly to basic infrastructure (sewers, water treatment and distribution, street improvements)

Recommendations

- Divide the Special Projects and Economic Development category into two separate categories. This will separate requests that may have different general purposes and will facilitate more thorough evaluation of requests that are a of one time nature.
- Create the additional categories of Technology Projects and Port of Milwaukee.

- Within each category create a benchmark rate of return (15% - 20%) or payback period (3-5 years) to give priority to the requests that will provide the greatest economic benefit to the City.
- Requests which do not meet the benchmark return should be evaluated giving a higher priority to projects that have the greatest positive effect on the City's operating budget, promote the preservation existing infrastructure and support regulatory compliance.
- Solicit information from the departments using standard forms that support the committee's criteria for evaluating requests
- Schedule departmental presentations of capital budget requests within a single meeting cycle. This will allow the committee to review the requests more thoroughly and to follow up with the departments before submitting recommendations to the budget office.

2011 Capital Requests by Category

All Requests			2011		6 Yr	
	#	%	Amt	%	Amt	%
Enterprise Funds	21	18%	\$ 68,610,000	29%	\$ 328,225,000	28%
Public Buildings	34	29%	25,031,949	11%	107,371,649	9%
Parks, Recreation & Open Spaces	3	3%	1,779,500	1%	12,279,500	1%
Street Improvements	15	13%	46,524,100	20%	273,945,215	23%
Major Vehicle Replacement	5	4%	16,777,300	7%	103,495,791	9%
Spec Projects & Econ Development	11	9%	70,410,388	30%	321,177,116	28%
Other	28	24%	4,840,000	2%	20,778,930	2%
Total	117		\$ 233,973,237		\$1,167,273,201	

Programs			2011		6 Yr	
	#	%	Amt	%	Amt	%
Enterprise Funds	16	14%	\$ 62,835,000	27%	\$ 309,970,000	27%
Public Buildings	16	14%	7,704,600	3%	73,849,300	6%
Parks, Recreation & Open Spaces	3	3%	1,779,500	1%	12,279,500	1%
Street Improvements	13	11%	46,424,100	20%	73,395,215	23%
Major Vehicle Replacement	4	3%	16,707,300	7%	103,425,791	9%
Spec Projects & Econ Development	7	6%	52,526,000	22%	58,351,000	22%
Other	8	7%	1,310,000	1%	7,855,000	1%
Total	67	57%	\$ 89,286,500	81%	\$1,039,125,806	89%

Projects			2011		6 Yr	
	#	%	Amt	%	Amt	%
Enterprise Funds	5	4%	\$ 5,775,000	2%	\$ 18,255,000	2%
Public Buildings	18	15%	17,327,349	7%	33,522,349	3%
Parks, Recreation & Open Spaces	0	0%	-	0%	-	0%
Street Improvements	2	2%	100,000	0%	550,000	0%
Major Vehicle Replacement	1	1%	70,000	0%	70,000	0%
Spec Projects & Econ Development	4	3%	17,884,388	8%	62,826,116	5%
Other	20	17%	3,530,000	2%	12,923,930	1%
Total	50	43%	\$ 44,686,737	19%	\$ 28,147,395	11%

