



COMMITTEE ASSIGNMENTS

VICE CHAIR
Public Works Committee

MEMBER
Licenses Committee

JOE DUDZIK
Alderman, 11th District

May 6, 2011

Mark Nicolini, Budget Director
200 East Wells Street
Milwaukee, WI 53202

Re: Recommendations of the Capital Improvements Committee for the 2012 Capital Budget

Dear Mr. Nicolini:

Section 320-24 of the Milwaukee Code of Ordinances charges the Capital Improvements Committee to provide guidance regarding the formulation of the City's capital budget. The Committee is working to ensure that budgeted investments in capital assets and City infrastructure are adequate to maintain those assets in an acceptable condition. At the same time, the CIC recognizes that it is critical to analyze departmental spending to ensure that funding is used to achieve the highest possible return on investment, especially in these tight budgetary times. Merely perpetuating past funding practices is not an option anymore. The City must focus on the strategic use and maintenance of its infrastructure and assets.

The CIC believes that its top priority is to accurately assess the adequacy and suitability of future infrastructure and public building capital budgets. To do this, a meaningful, comprehensive set of condition ratings must be established and maintained as soon as possible. The City's goal should be to achieve current, accurate, automated condition databases within the next two years for the arterial and local streets network; sewer and water networks and their related facilities; and all City buildings, parking structures and related facilities.

To accomplish this goal the CIC recommends increasing the 2012 appropriations to accelerate the expansion of the public building physical condition database information system.

The Capital Improvements Committee further recommends that:

The City Information Management Committee undertake a study to determine the long term needs of the City relative to webcasting and the digital conversion of Channel 25.

The Port of Milwaukee provide a comprehensive inventory of its capital assets including a quantifiable condition assessment delineating the physical, functional and safety characteristics of each asset.

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That Milwaukee Public Schools provide an annual condition inventory for all of its facilities, beginning with its recreation and any other facilities for which the City has capital maintenance responsibility. MPS should also provide an annual update to the City regarding its plans for closure, consolidation or expansion of its capital facilities.

In addition to the above recommendations, the Capital Improvements Committee would like to provide the following comments relative to recommendations for specific requests:

The CIC recognizes and appreciates the efforts that have been made by the Milwaukee Water Works to manage their funds in the face of the economic uncertainties caused by the Public Service Commission's delay in reaching a decision regarding the 2009 application for a rate increase. The subsequent reduction in the rate has compromised the financial position of the Milwaukee Water Works and caused them to significantly reduce their investment in capital maintenance. Notwithstanding the recommendation to fund the Milwaukee Water Works at the level requested by the department, the Committee is compelled to note that it has grave concerns about the effect that such a severe reduction in capital investment will cause.

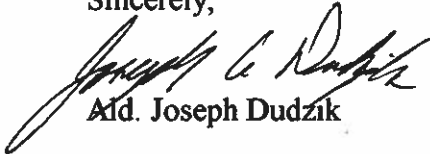
The CIC declined to include funding in its recommendations for the Milwaukee Public Library's northwest area library. The committee values the efforts of the Library Board in developing a strategic plan that will provide library services to City residents for years to come. The Committee has concerns however about embarking on a broad building plan without a commitment to consolidate or repurpose existing libraries. The benefits of the Board's plan are evident. However, those benefits will not be fully realized without the consolidation of existing libraries. If consolidation does not occur, the City will not see decreased operating costs as the plan proposes, but will be faced with servicing construction related debt while continuing to maintain and operate outdated facilities which collectively represent tens of millions of dollars in deferred maintenance. Without a firm commitment from the Library Board, the Administration and the Council to proceed with the consolidation, the Committee did not feel it was responsible to recommend moving forward with the construction of the proposed area library.

The CIC is mindful of budgetary constraints and recognizes the value of staging large projects over several years to minimize the annual budgetary impact. The Committee believes, however that extending the 8th Floor of City Hall Remodeling project beyond the two years required for construction will result in additional, unnecessary costs. The impact of the proposed increase in the 2012 appropriations, may be somewhat offset by the advantageous borrowing conditions that exist at this time.

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The Capital Improvements Committee will continue to work with departments throughout the summer to refine their requests and with the Administration to successfully manage the City's resources to make the City of Milwaukee an attractive place to live, work and do business.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph C. Dudzik". The signature is written in a cursive style with a large, sweeping initial "J".

Ald. Joseph Dudzik

Attachment

Cc: Ald. Hines
Ald. Murphy