



**City
of
Milwaukee**

**INTERDEPARTMENTAL CORRESPONDENCE
LEGISLATIVE REFERENCE BUREAU**

Memorandum

To: Ald. Michael J. Murphy, Ald. Joseph A. Dudzik and Ald. James A. Bohl, Jr.
From: Michael Talarczyk, Legislative Fiscal Analyst
Date: May 8, 2009
Re: Motion Amending Common Council Procedures and Rules for Committee Assignments of Capital Improvement Projects

Attached is a draft motion amending the Common Council's Procedures and Rules relating to the committee assignments of capital improvement projects. As initially articulated, this motion would require capital improvement projects with initial estimated costs of at least \$500,000 and a proposed "change in scope" greater than 10% of this initial cost to come before the Finance and Personnel committee. This memorandum serves as an addendum to the draft resolution, providing brief clarification on two issues.

As written, this motion sets the parameters for Finance and Personnel committee review of capital improvement projects at "*changes to cost exceeding the larger of 10 percent or \$50,000*". This "clean" phrasing effectively captures the intent of the \$500,000/10 percent parameter while also including large dollar changes to projects with initial projected costs below \$500,000. As an example, this motion will not only include a project with an initial estimated cost of \$500,000 that has increased to \$555,000, but also a project with initial projected costs of \$200,000 that has doubled to \$400,000. The motion, as written, includes smaller dollar projects with large dollar changes under the added purview of the Finance and Personnel committee.

Second, as written, this motion will embrace all capital improvement projects that meet the 10 percent/\$50,000 change threshold, whether those changes are city dollars or not. That being said, this may serve as a good "check", as city participation is not always readily apparent. For example, File #081582 relates to a revised project agreement for the replacement of the West Forest Home Avenue Bridge over the Kinnickinnic River "*with 100% federal and/or state aid*" and a "*total cost of the project at \$4,472,500, which is an increase of \$2,295,000.*" While on the surface this project may appear to have no city financing, in reality municipal participation has increased from the \$78,750 approved in File #041289 to the \$122,500 disclosed in the revised project agreement attached to File #081582. As another example, File #081667 relates to a revised project agreement for the improvement of East State Street from North Edison Street to North Prospect Avenue, with "*90% federal and/or state aid*" and an "*estimated total cost of the project at \$1,978,500, which is an increase of \$1,374,300.*" In this case, city participation increases from the \$20,550 approved in File #950972 to the \$180,375 disclosed in the revised project agreement.