

LRB – FISCAL REVIEW SECTION ANALYSIS

SEPTEMBER 18, 2002 AGENDA

ITEM 10, FILE 020771

FINANCE & PERSONNEL COMMITTEE

TERRI GABRIEL

File Number 020771 is a resolution relating to the 2002 Capital Improvements Budget deferred projects and programs.

Background

1. The 2002 Capital Improvements Budget is the initial year of a six-year capital improvements plan.
2. The 2002 Capital Improvements Budget totals \$102,842,313, a decrease of \$2,406,076 or approximately 2.3% from the 2001 Budget.
3. The tax levy-supported portion of the capital budget, which includes tax levy cash resources and tax levy-supported general obligation debt is \$73,806,220.
4. On January 22, 2002, Governor Scott McCallum presented his Budget Reform Act of 2002 (budget bill) to the Wisconsin State Legislature, which included his proposal to phase out the current State Shared Revenue program over the next three years to remedy the state's \$1.1 billion budget deficit.
5. According to a report from the Office of the Comptroller, the Governor's proposal results in a reduction of \$23.3 million or 9.4% of the City's shared revenues for 2002.
6. CCFN 011615 authorized the suspension of certain 2002 Capital Improvement expenditures until the state legislature approved the budget bill and the Governor signed it.
7. On July 26, 2002, the Governor signed the budget bill, which:
 - Retains the state's Expenditure Restraint Program (ERP)
 - Reduces the shared revenue aid to local governments by approximately \$40 million, i.e., from \$1.039 billion to \$9.997 million for 2004 and 2005.
8. CCFN 020601 authorized the release from suspension of certain 2002 Capital Improvement expenditures and indefinitely suspended other capital improvement projects, including \$2,100,000 to renovate the Police Administration Building.

Discussion

1. This file authorizes the City of Milwaukee to release from suspension the 2002 capital improvement expenditure for the Police Administration Building renovation.

Fiscal Impact

1. Adoption of this file would release from suspension \$2,100,000 in borrowing for renovation of the Police Administration Building.

cc: Marianne Walsh
Laura Engan
Chief Arthur L. Jones
John Ledvina
W. Martin Morics

Prepared by Terri Gabriel
Fiscal Review Analyst-Senior
LRB – Fiscal Review Section
414-286-8532