



# MEMORANDUM

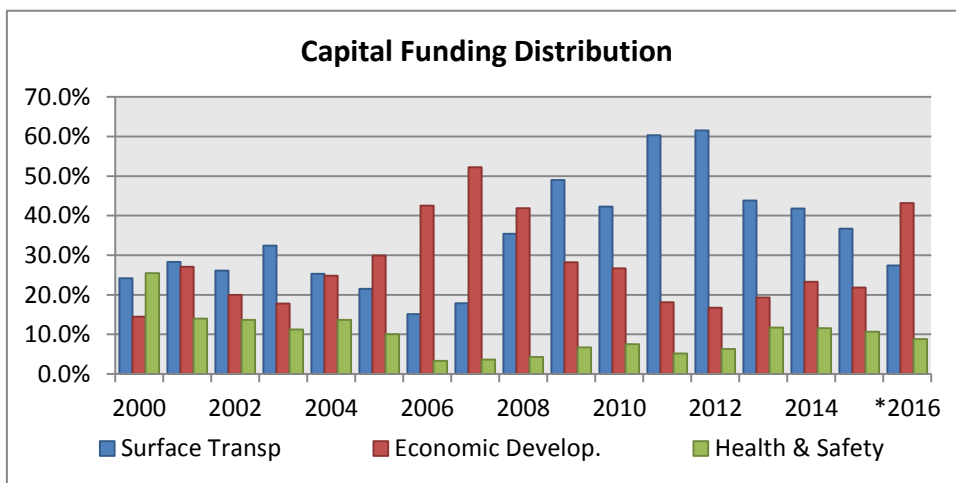
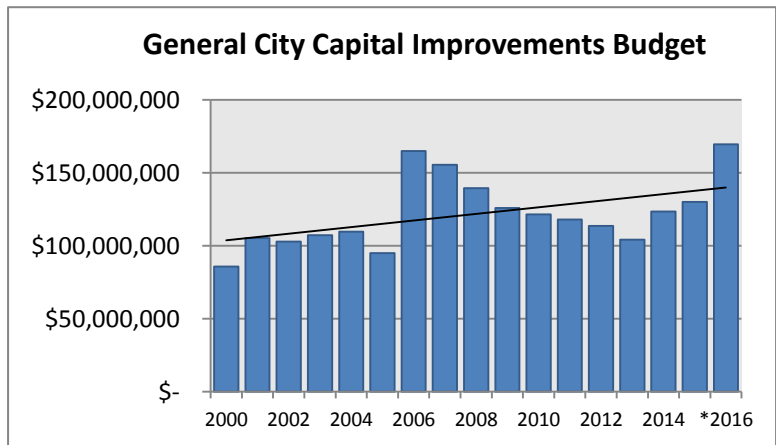
## LEGISLATIVE REFERENCE BUREAU

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**To:** Capital Improvements Committee  
**From:** Kathleen Brengosz, Fiscal Planning Specialist, x3926  
**Date:** September 30, 2015  
**Subject:** Highlights of the 2016 Proposed Capital Budget

The total capital plan in the 2016 Proposed Budget is \$273.2 million. This is an increase of \$29.21 million from the 2015 Budget. The increase is driven primarily by the inclusion of \$13 million to begin the construction of Phase 1 of the City Hall Foundation project, and an increase of \$28.9 million in the Department of City Development for Tax Incremental Districts. Capital investments in economic development as a percentage of the total capital budget have been increasing.

Many of the **core infrastructure** programs were funded at levels lower than requested, and below 2015 Budget levels. The most significant reductions were in the Local Bridge program (reduced by \$4.8 million from the request) and the Alley program (reduced \$1.5 million from the request). The High Impact program received \$7.5 million. The Local Street program is \$2.5 million less than 2015 but much of the difference will be made up with Local Road Improvement funds from the state.



There were reductions in several DPW – Facilities accounts. Most of the reductions were to offset the City hall Foundation project.

Nearly \$7 million has been provided for large scale **IT projects**. These projects account for 7% of the levy supported general obligation debt in the 2016 Proposed Budget.

<b>Project</b>	<b>Dept.</b>	<b>Amount</b>	<b>Status</b>
Land Management System (LMS)	DOA-ITMD	\$0	On-going
Tax Collection Software	DOA-ITMD	\$1,150,000	On-going
Assessment Software	Assessor	\$556,000	On-going
Record Management System (RMS)	Police	\$1,100,000	On-going
Upgrade CAD System	Police	\$1,300,000	New
Radio Dispatch Console Upgrades	Police	\$1,900,000	New
Fire Digital Radio System	Fire	\$400,000	New
Fire Record Management System	Fire	\$550,000	New
		<b>\$6,956,000</b>	

The 2016 Proposed Budget includes \$2.1 million for the continuation of the PAB Renovation, a reduction of \$5.2 million from the request. The reduction offset much of the Police Department's IT funding. The construction schedule for the PAB has been adjusted and the project is now expected to be completed in 2021. The 2016 Proposed Budget provides **no funding** for the following building projects:

<b>Project</b>	<b>Dept.</b>	<b>Requested Amount</b>
Fire Repair Shop	Fire	\$18,000,000
City Hall, 8th Floor	City Attorney	\$3,100,000
City Hall, Room 307	City Clerk	\$438,000
City Hall, Room 205	City Clerk	\$1,900,000

The 2016 Proposed Budget continues support for the **Strong Neighborhoods Program**. Capital funding for 2016 is provided in DNS and DCD. Funding for demolitions increases significantly from 2015.

<b>Dept.</b>	<b>Account</b>	<b>2015</b>	<b>2016</b>
DNS	Code Compliance Loans	\$500,000	\$500,000
DNS	Concentrated Blight Elimination	\$1,319,000	\$2,200,000
DCD	In rem Property	\$3,250,000	\$1,330,000
DCD	Rental Housing Rehab Program	\$1,000,000	\$0
DCD	STRONG Loans	\$0	\$1,500,000
DCD	Housing Infrastructure Preservation	\$450,000	\$450,000
DCD	Commercial in rem	\$500,000	\$250,000
DPW	Vacant Lot Beautification	\$200,000	\$0
		<b>\$7,219,000</b>	<b>\$6,230,000</b>

The 2016 Proposed Budget includes three **new capital accounts** that were not requested by the departments.

<b>Account</b>	<b>Dept.</b>	<b>Amount</b>
STRONG Home Loans	DCD	\$1,500,000
MKE Plays	DPW Facilities	\$250,000
Lead Paint Prevention/Abatement	Health	\$340,000
		<b>\$2,090,000</b>

Proposed **enterprise funding** increased by less than \$500,000 from 2015. The Proposed Budget includes \$5 million of required authority in the Parking Fund's Permanent Improvement Reserve account. Milwaukee Water Works expects to borrow \$11.67 million for 2016, an increase of \$938,000 from 2015. Funding for sewer mains was reduced slightly, but the reduction was largely offset by an increase in the Flood Mitigation account.

I am still reviewing the capital budget and working with the departments to determine the effects of the Proposed Budget. Additional information will be available in the Legislative Reference Bureau budget write-ups as well as at the Finance and Personnel Budget hearings which will begin on Tuesday, October 6<sup>th</sup>.

If you have questions or would like additional information on specific capital accounts or projects please contact me.