



CAPITAL IMPROVEMENTS PLAN

Presentation to the Capital Improvements
Committee

October 15, 2009
DOA-BMD



Presentation Overview

- What drives the current CIP process
 1. Capital Improvement Objectives
 2. Planning Process Calendar
 3. Capital Financing Goals & Limitations
 4. Significant needs vs. available funds
- 2009-14 CIP Overview
- 2010 Proposed Capital Budget Overview
 - Building Block for 2010-2015 CIP
- Capital Planning and the CIC



Capital Improvement Objectives

1. Support Strategic Goals

- Building safe & healthy neighborhoods;
- Increasing investment & economic vitality throughout Milwaukee;
- Improving workforce development & connecting more citizens to family supporting jobs;
- Sustaining, enhancing & promoting Milwaukee's natural environmental assets.

2. Preserve the City's assets

3. Achieve a stable debt levy



Capital Improvement Planning Process – Current Calendar

March – Departments sent forms, instructions, and CIP tables for capital requests.

April – Departments submit capital requests to Budget Office.

May – Requested capital budget composed of department requests and submitted with rest of budget.

September – Mayor proposes budget.

November – Council adopts budget.

December – Final budget documents completed, CIP out years development completed over coming weeks.



Capital Project Definition

Capital improvements typically meet one or more of the following criteria:

- Renovation or restoration of buildings, structures, facilities, and integral equipment items whose cost exceeds \$25,000.
- Construction of new or replacement buildings or structures at a cost exceeding \$25,000 including planning and design costs.
- Remodeling of office and shop areas.
- Durable equipment with an original unit cost of \$50,000 or more.
- Equipment and furnishings which are to be purchased as a part of a capital project.
- Replacement equipment (an integral part of a building, structure, or facility), which costs \$25,000 or more.

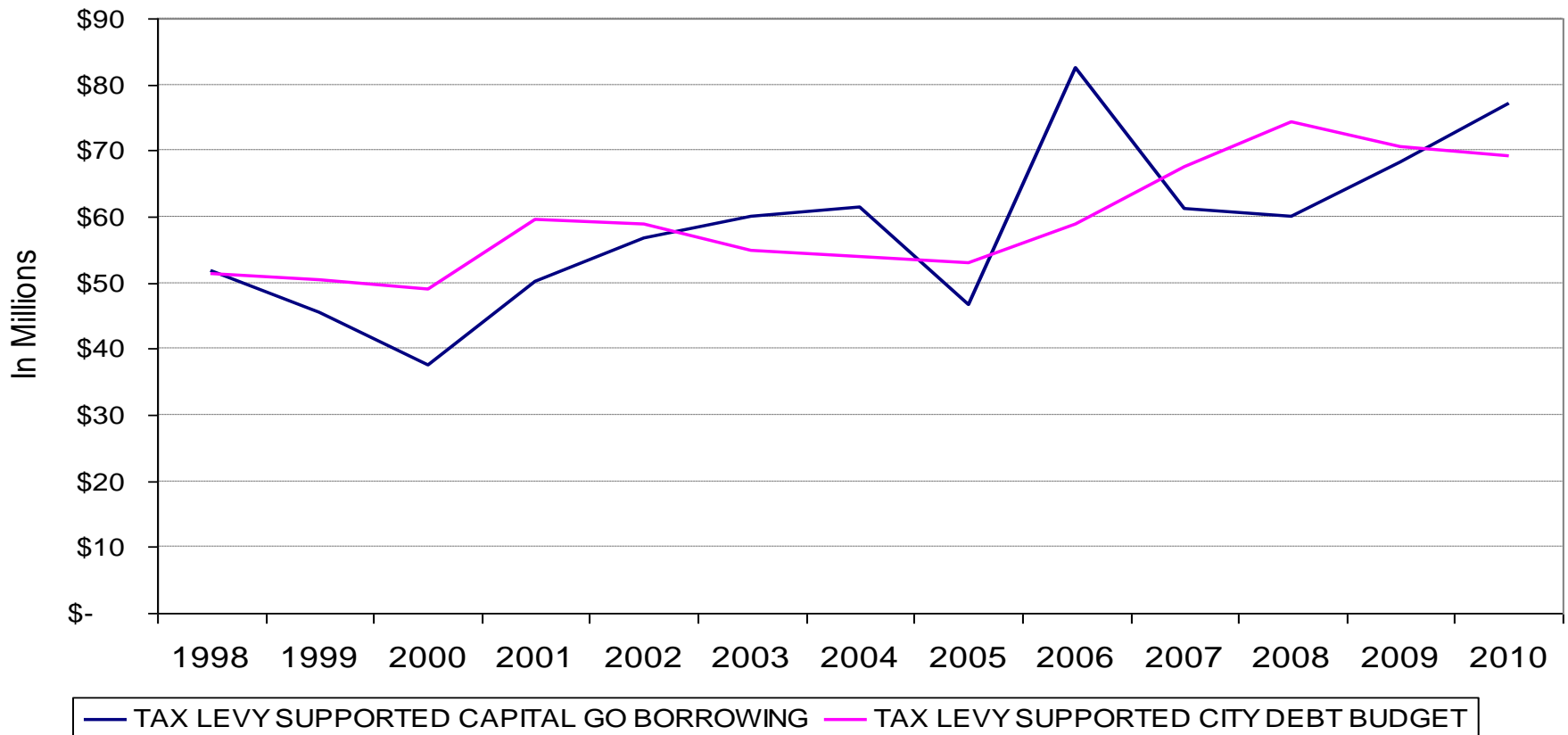


Capital Financing Goals

The primary objective of the 2009-2014 Capital Improvements Plan is to protect and enhance the city's infrastructure and assets in a fiscally sustainable manner. To achieve this objective, the city has established three specific capital financing goals:

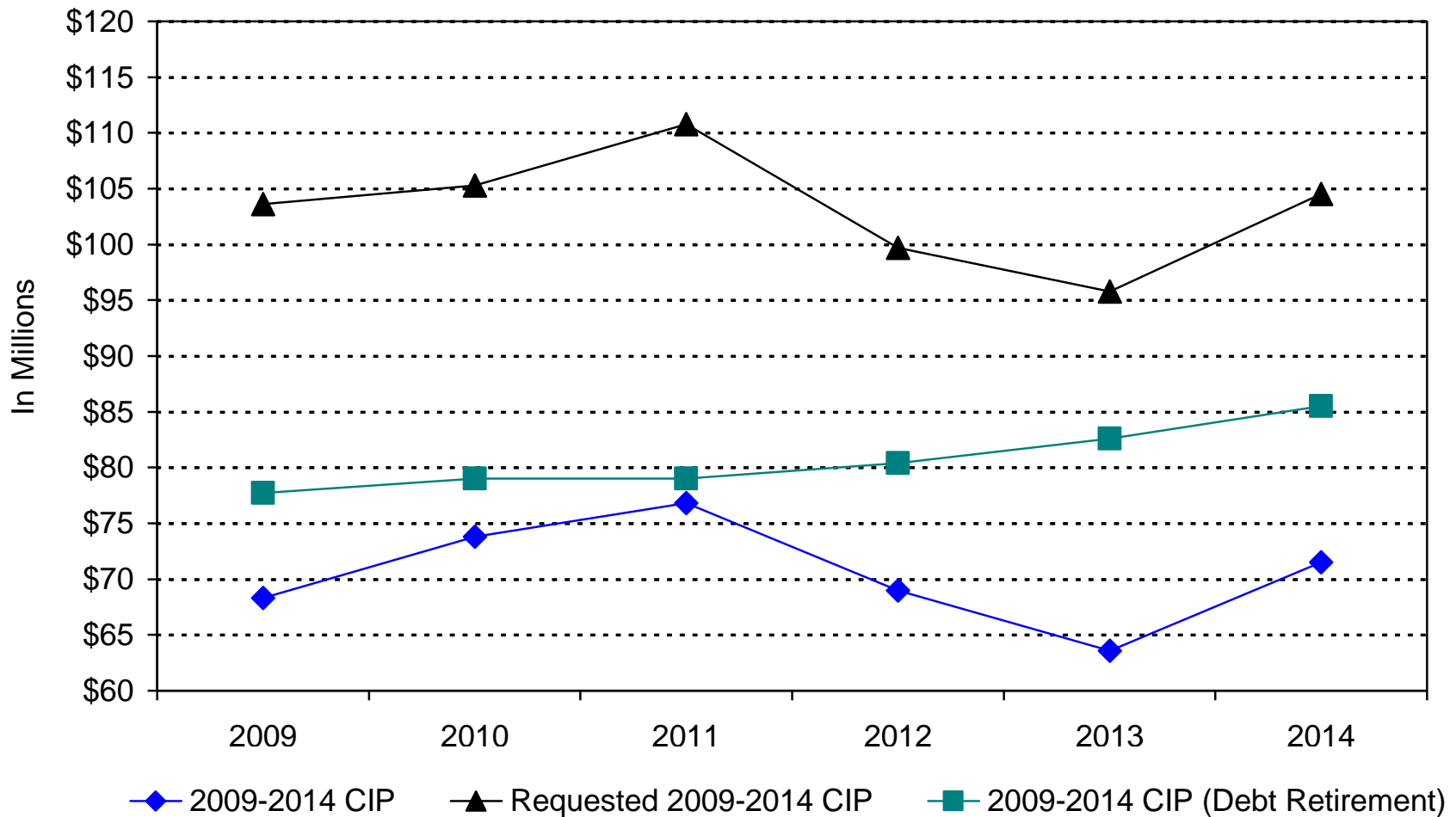
- To fund adequately the city's infrastructure and general capital needs.
- To control the city's overall debt burden.
- To control tax levy supported capital spending so as to assist the city in maintaining core services while enhancing its competitive position.

1998 - 2010 Tax Levy Supported Capital Borrowing and Debt Budgets



NOTE: Borrowing amounts do not include MPS capital related borrowing which occurred through 2007. City Debt budget does include tax levy supported MPS related debt service for prior capital improvements and current cash flow borrowing.

2009 - 2014 Tax Levy Debt Service Projections





Capital Alternative Financing Strategies

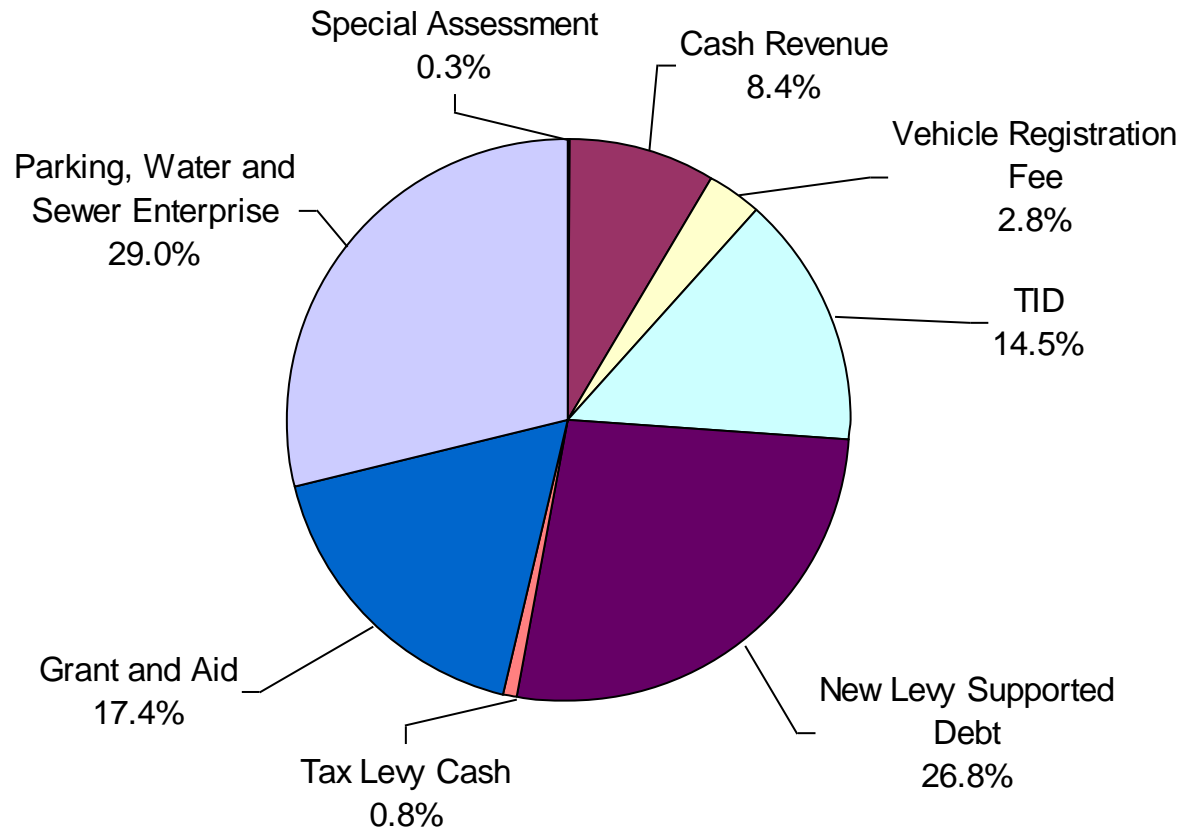
The City of Milwaukee will continue to seek alternatives to levy supported borrowing as a way to finance capital projects. Recent improvements to the City's position include the following:

- DPW Tower Site is supported by lease payments from the Water and Sewer Enterprise Funds.
- Motor Vehicle Registration Fee implemented to replace most assessments, support street replacement debt service & increase current funding, and maintenance activities.
- Stormwater Management Fee utilized in 2010 to fund tree planting and production and the EAB program.
- Port of Milwaukee projects funding through its operating special funds accounts.
- MPS borrowing limited to programs that are supported by MPS reimbursements.
- Examine feasibility of user charges as a cash financing tool for certain major equipment.

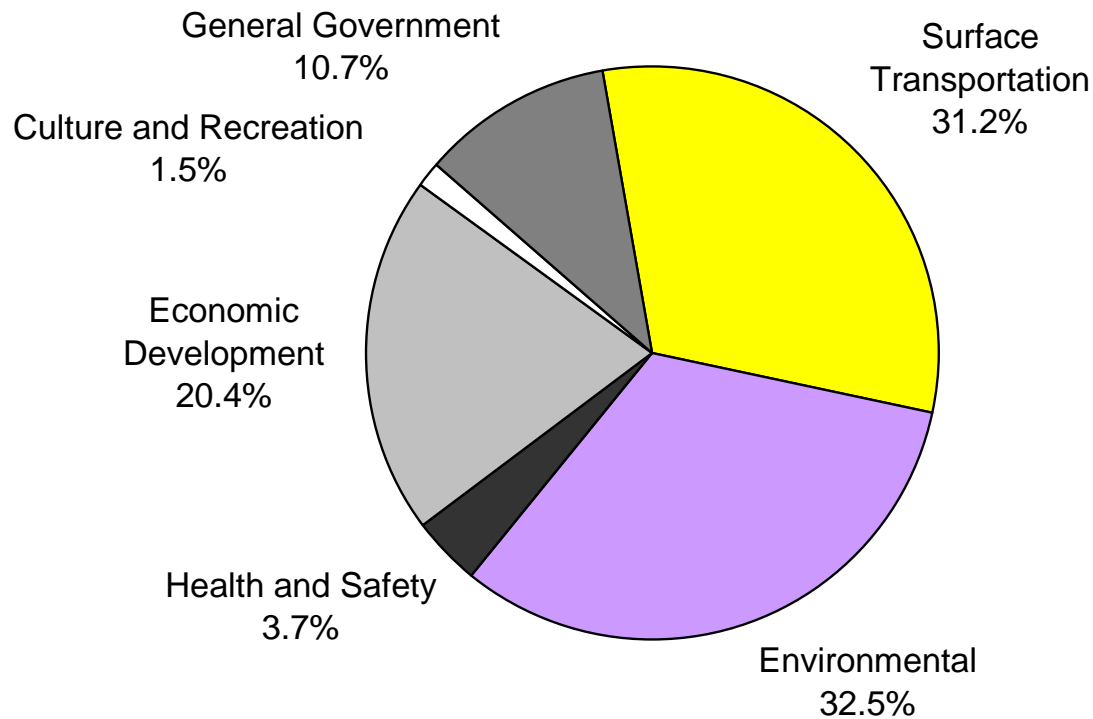


2009-2014 Capital Improvements Plan

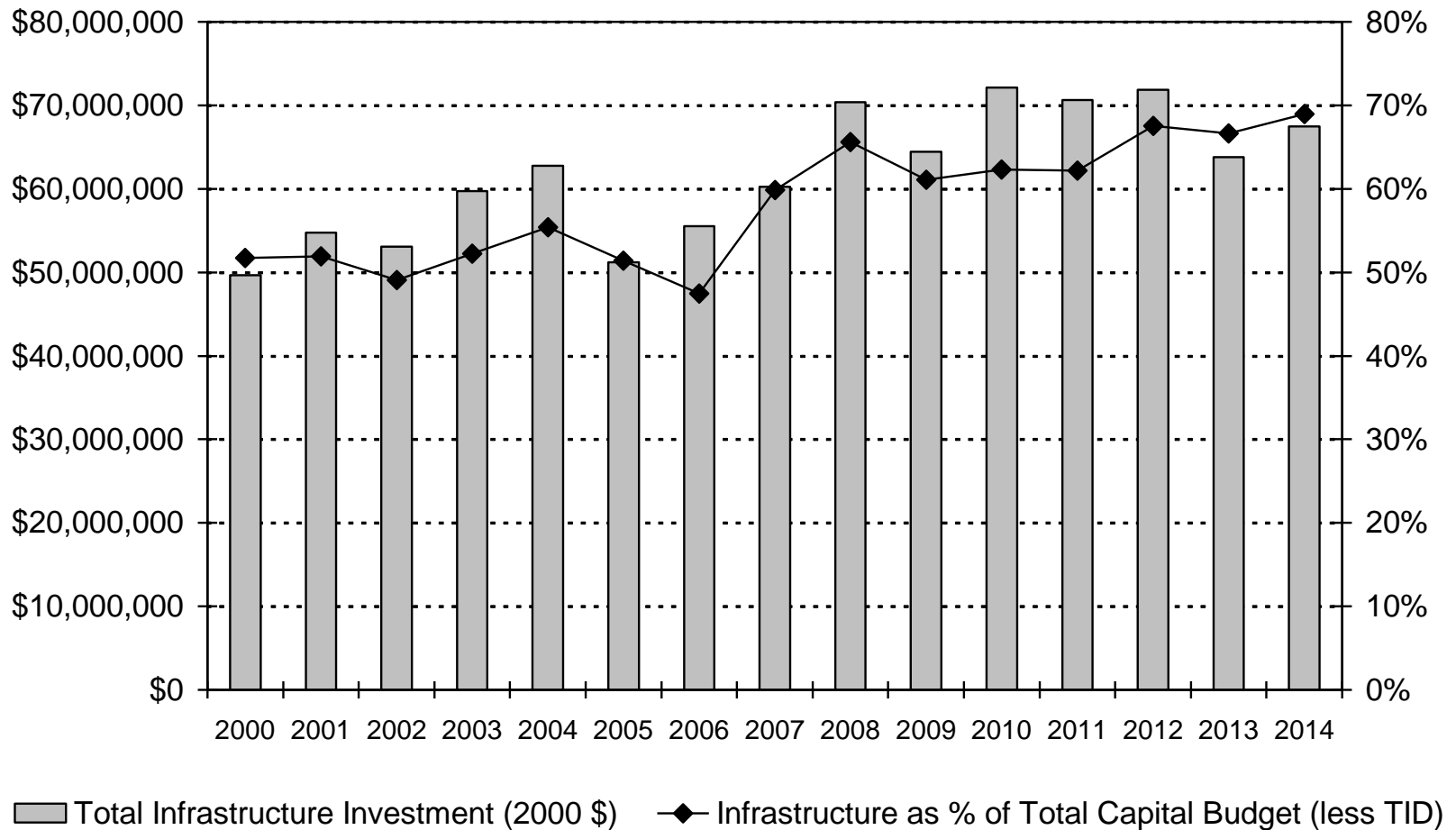
Capital Improvement Revenue Sources 2009 - 2014 Capital Improvement Plan



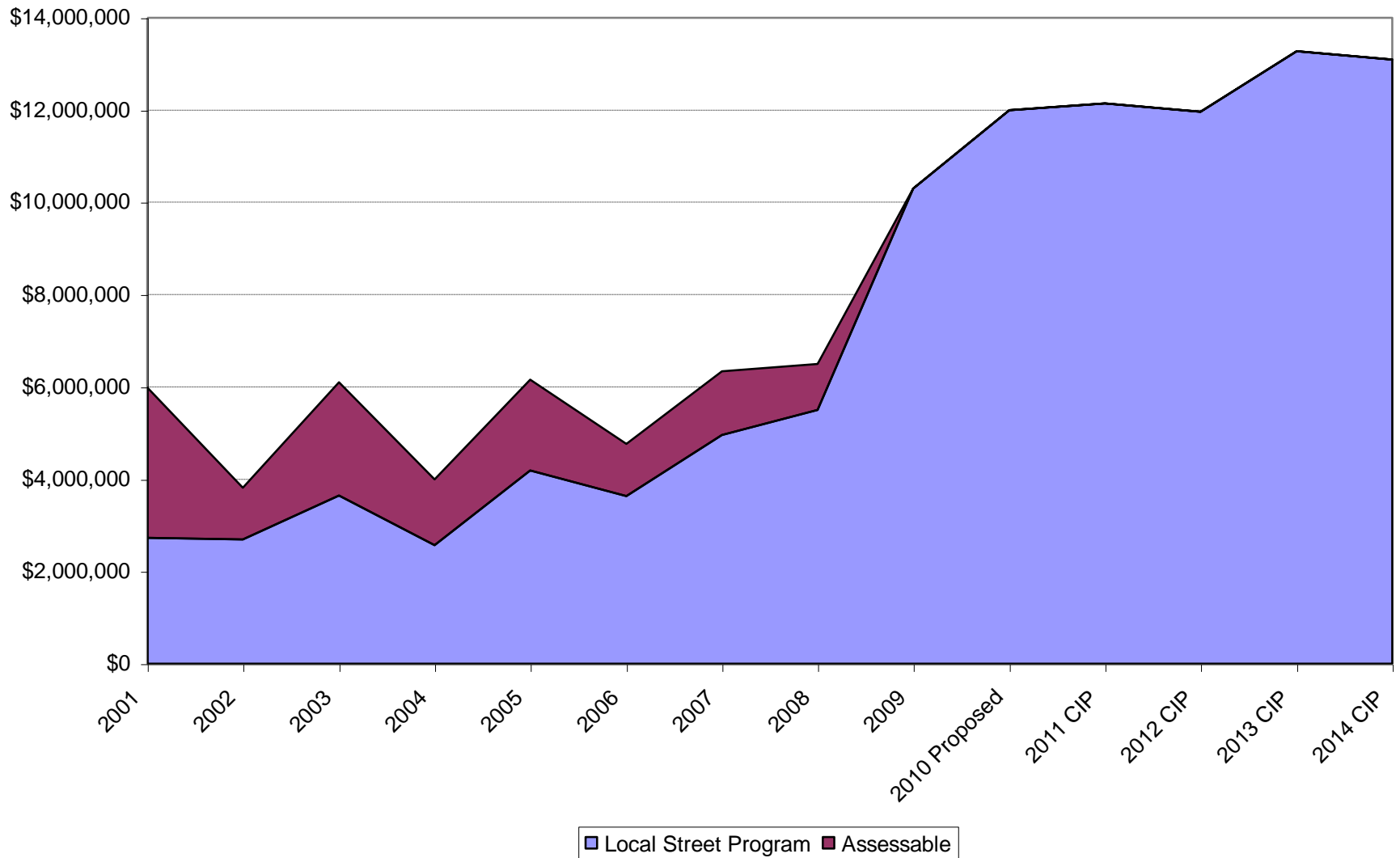
2009 - 2014 Capital Improvements Budget by Function



Capital Budget Investments in Infrastructure Systems (In Real Dollars)

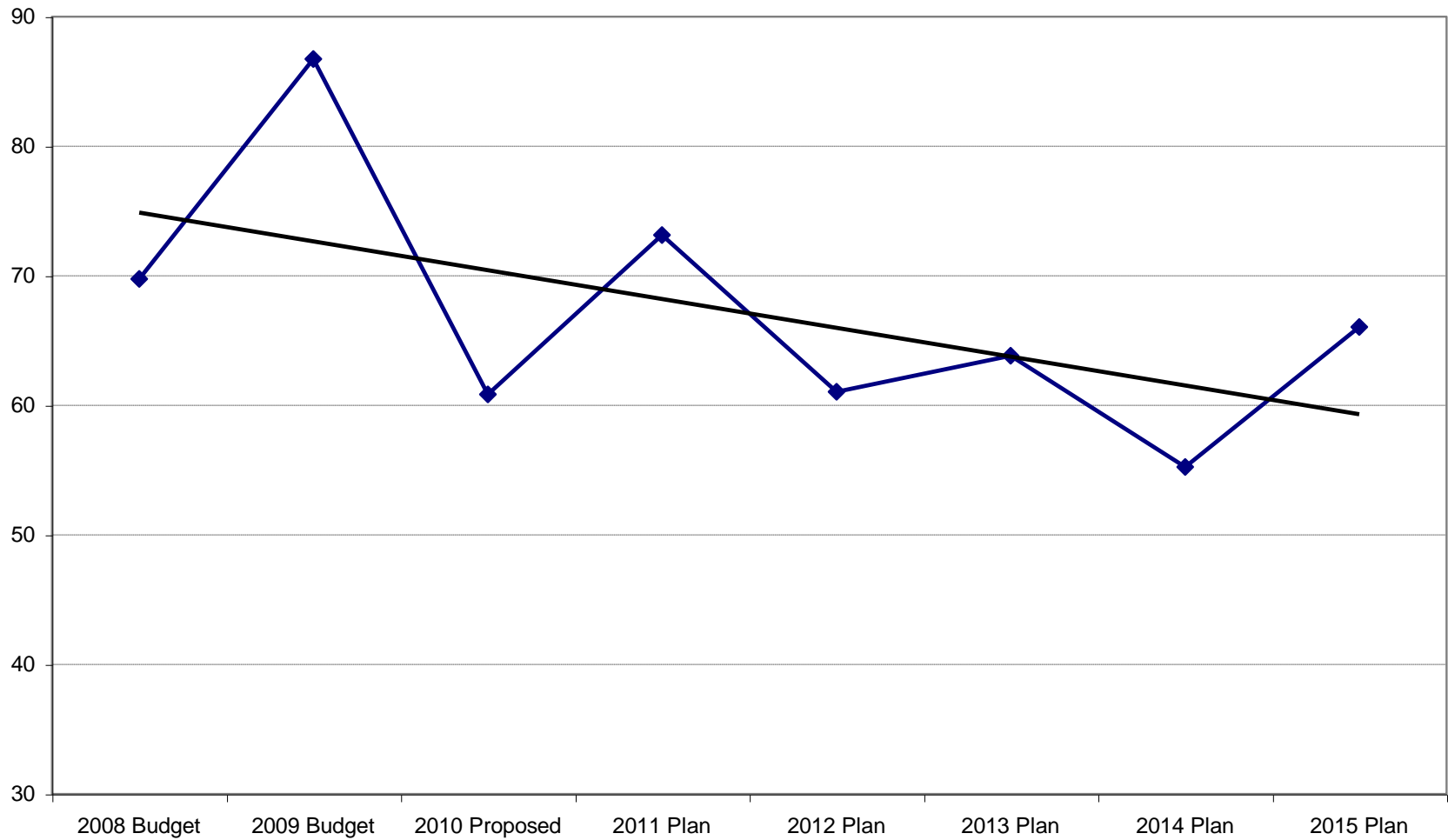


Local Street Capital Funding (nominal \$)

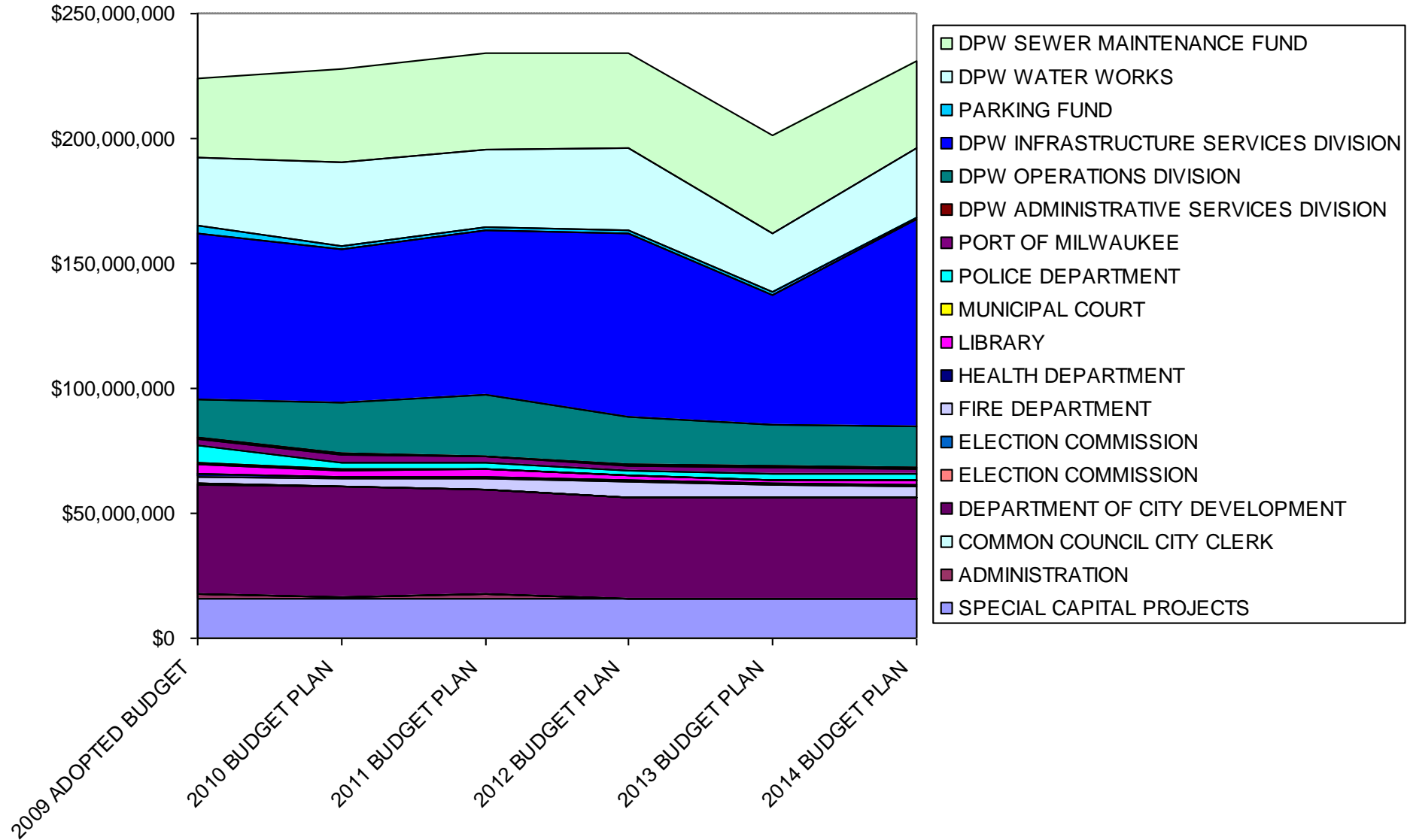


Local Street Replacement Cycle (Years)

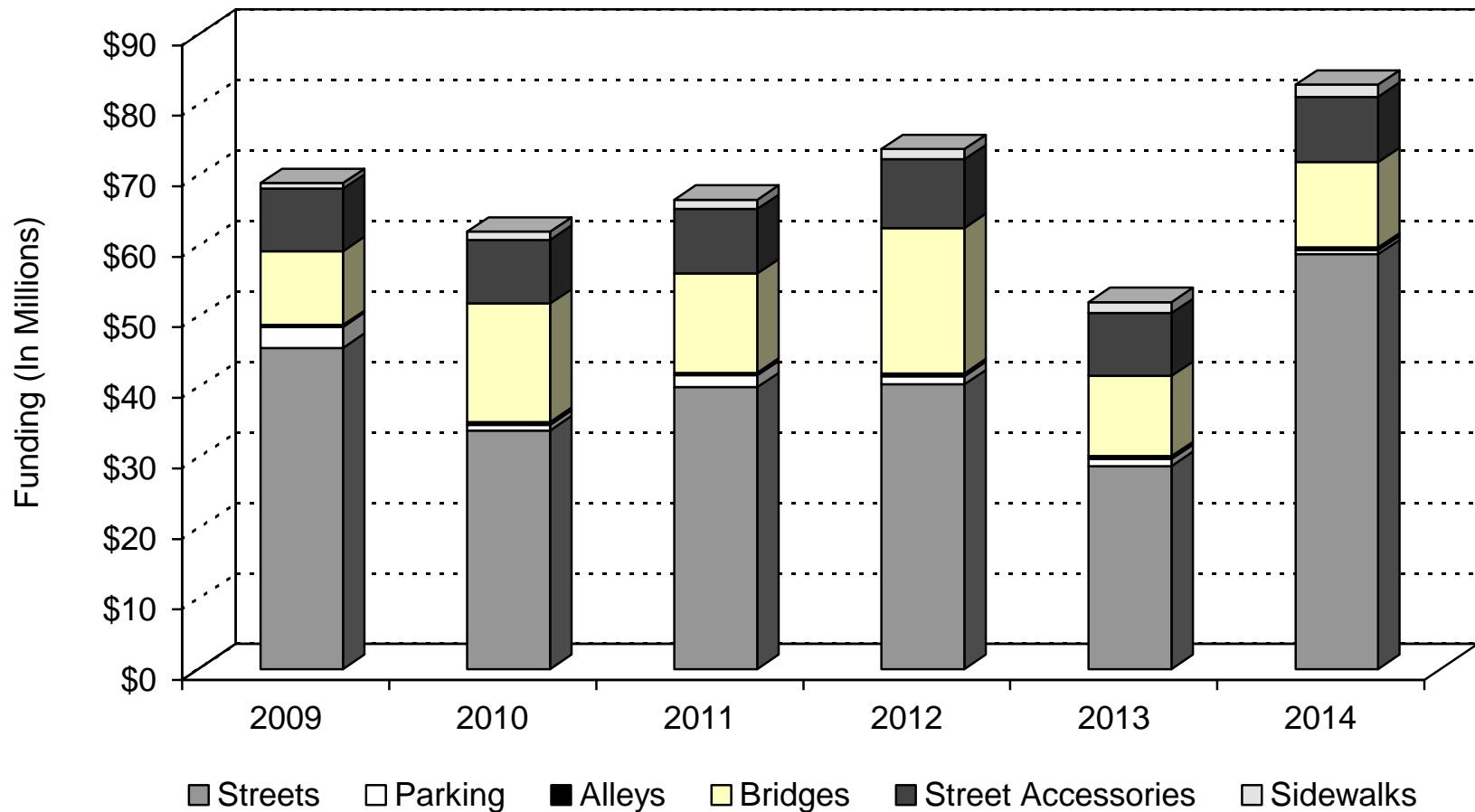
Including Trend



2009-2014 CIP Funding by Department

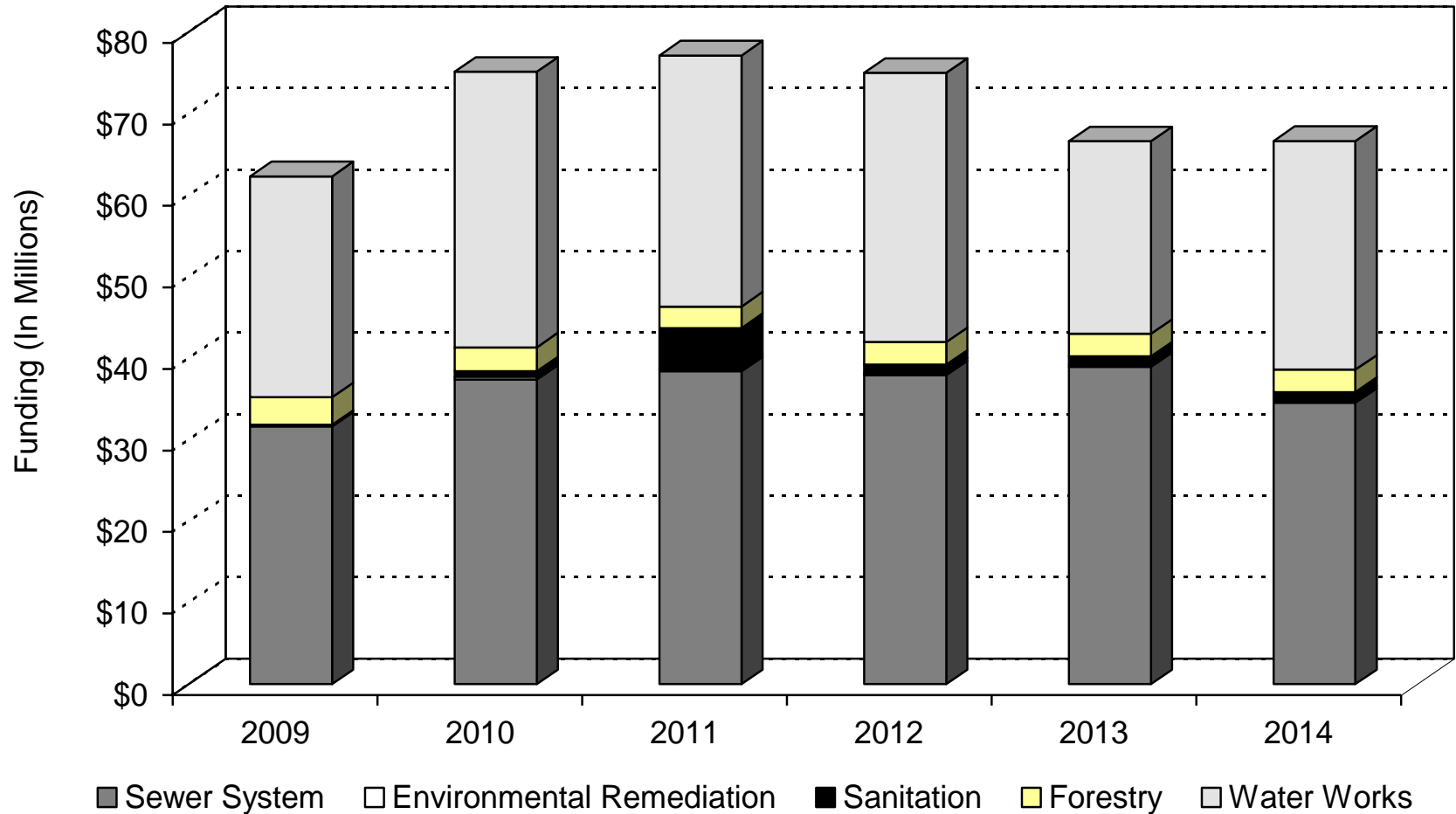


Surface Transportation 2009 - 2014 Capital Improvements Plan

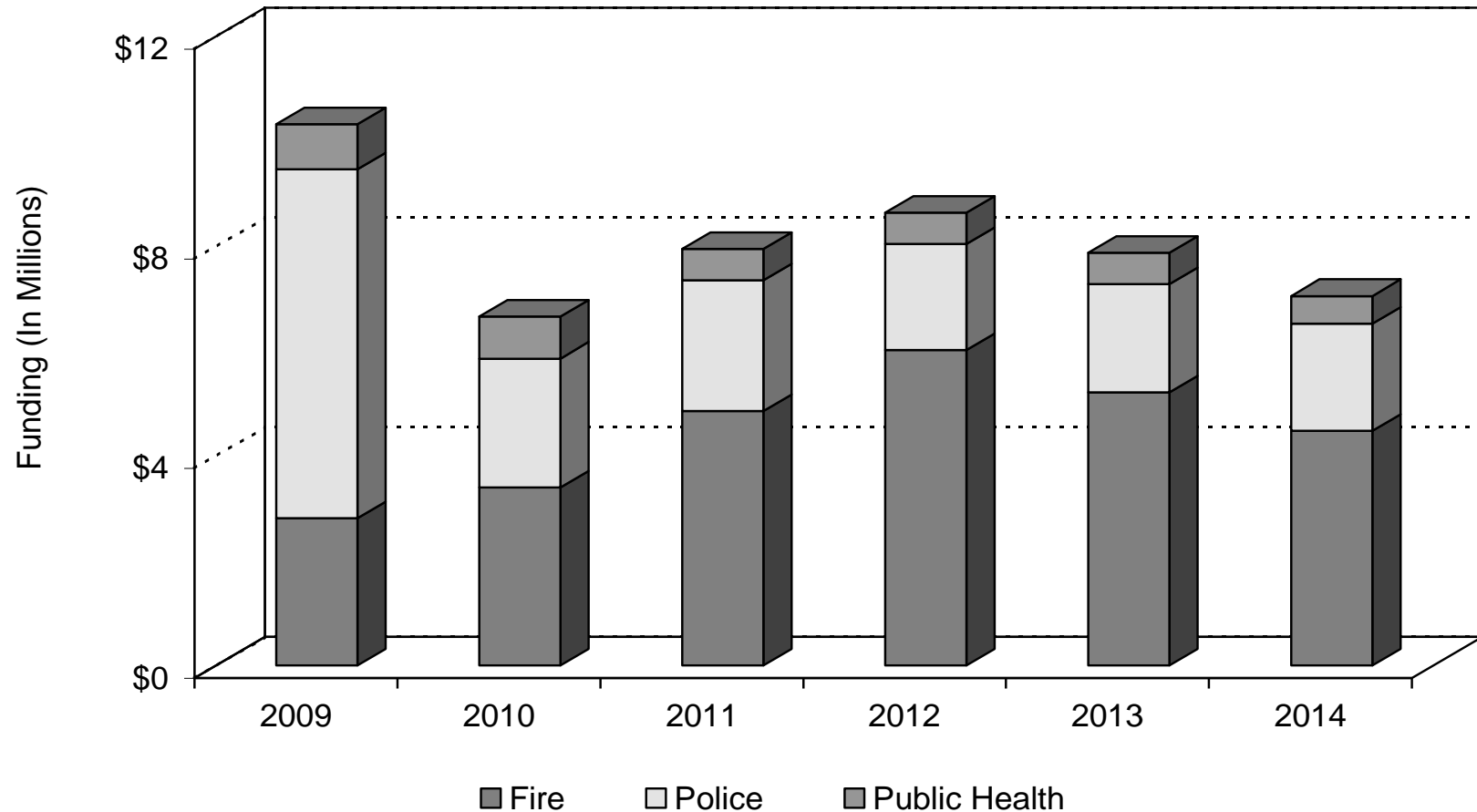


Environment

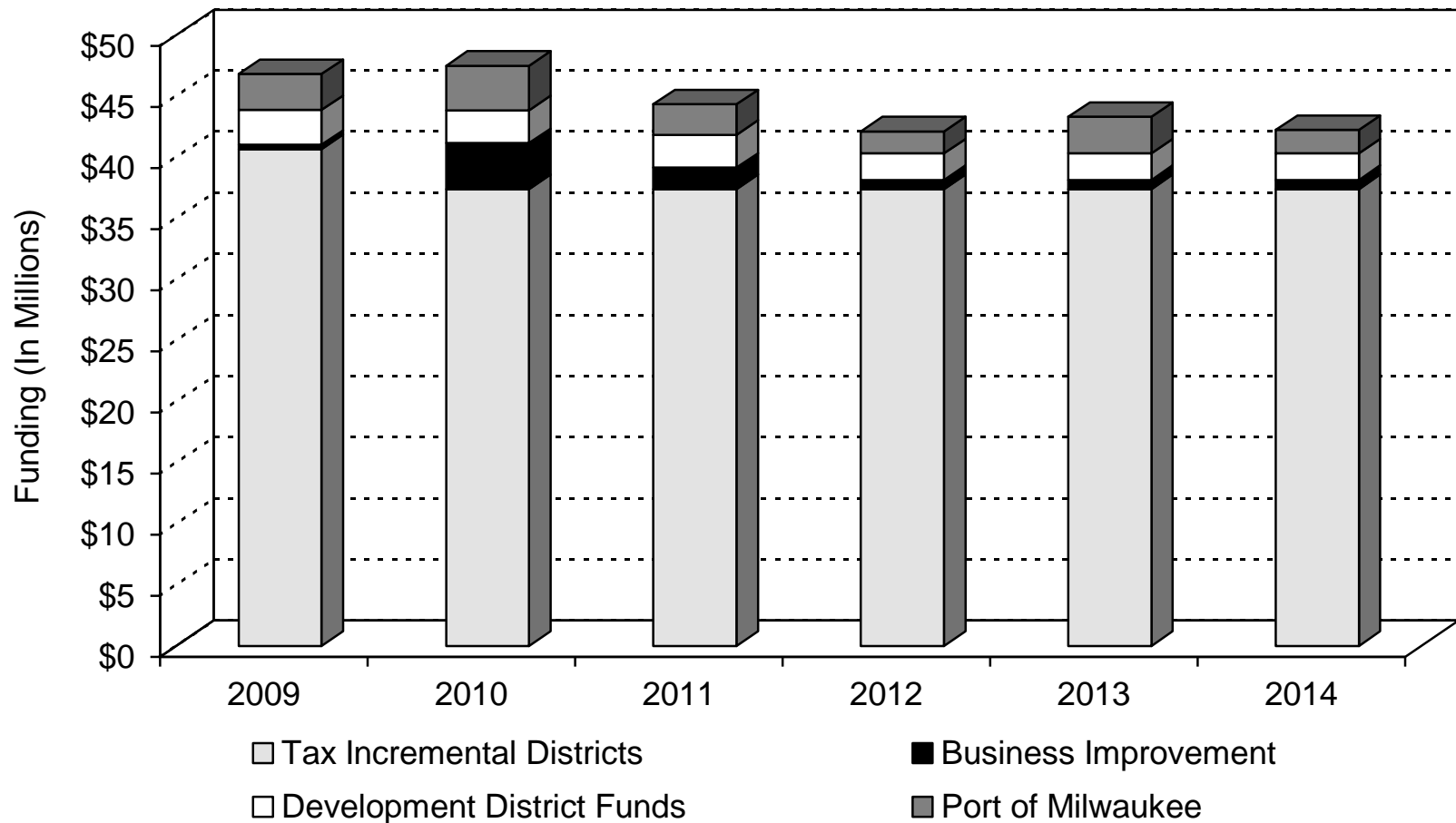
2009 - 2014 Capital Improvements Plan



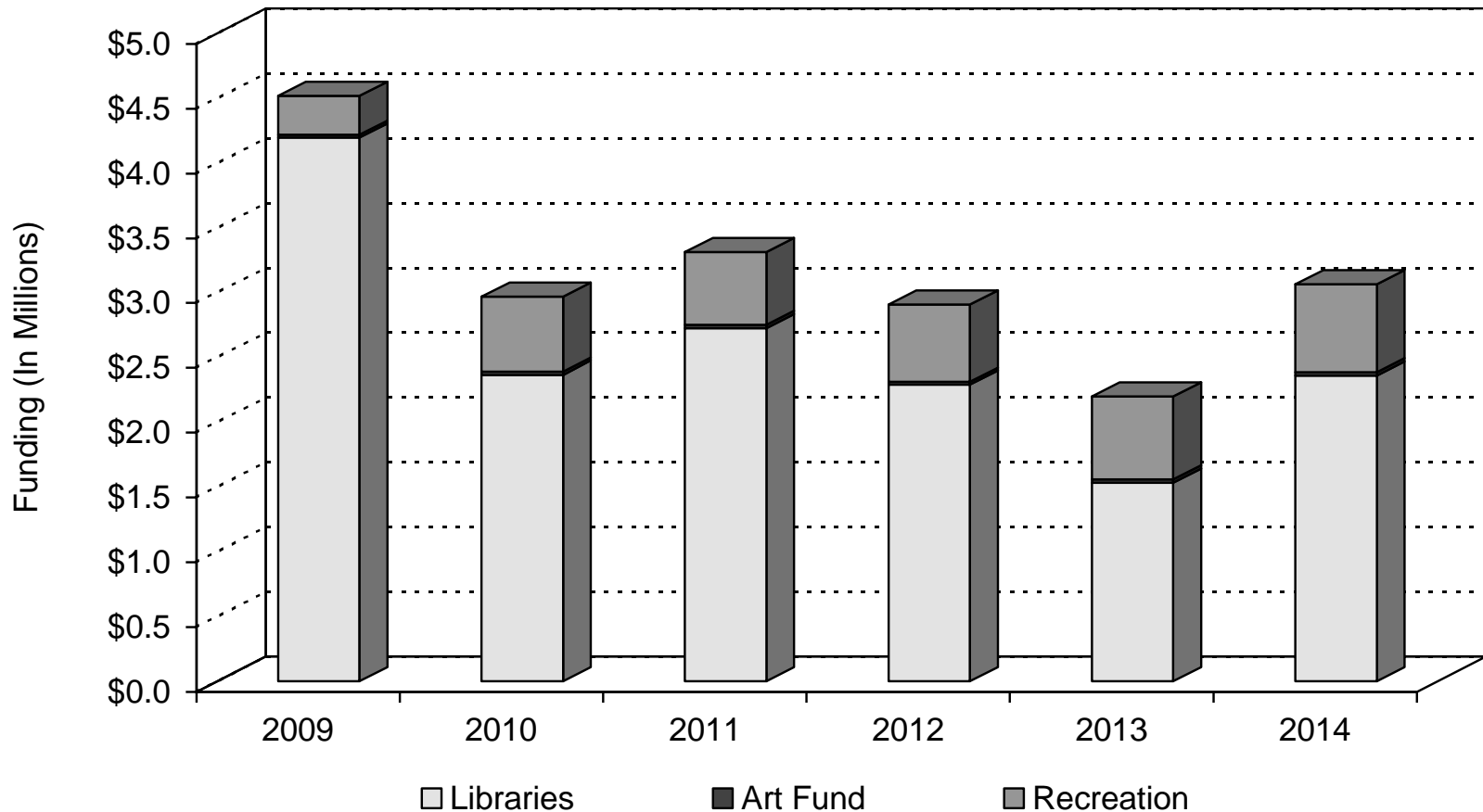
Health and Safety 2009 - 2014 Capital Improvements Plan



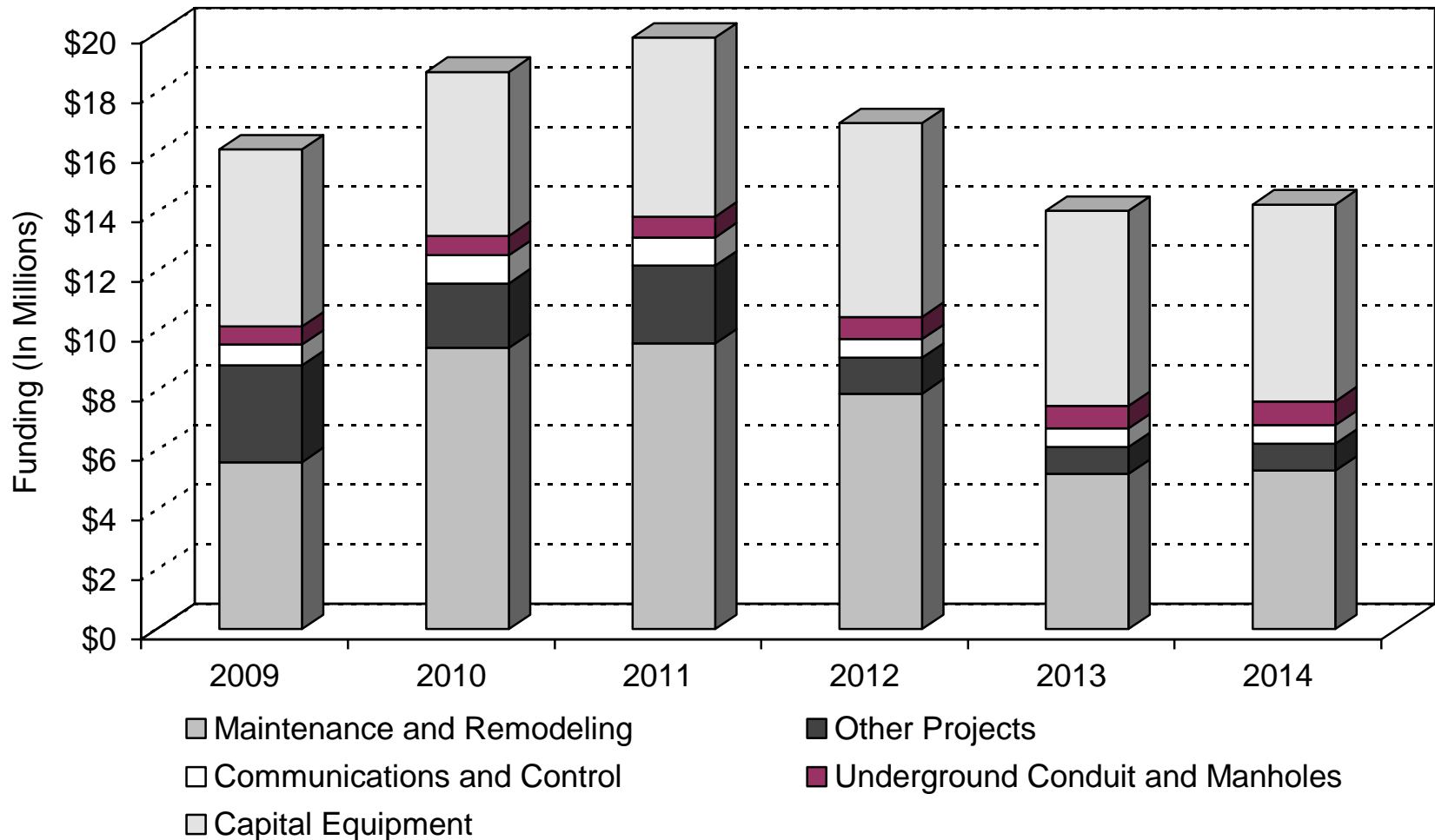
Economic Development 2009 - 2014 Capital Improvements Plan



Culture and Recreation 2009 - 2014 Capital Improvements Plan



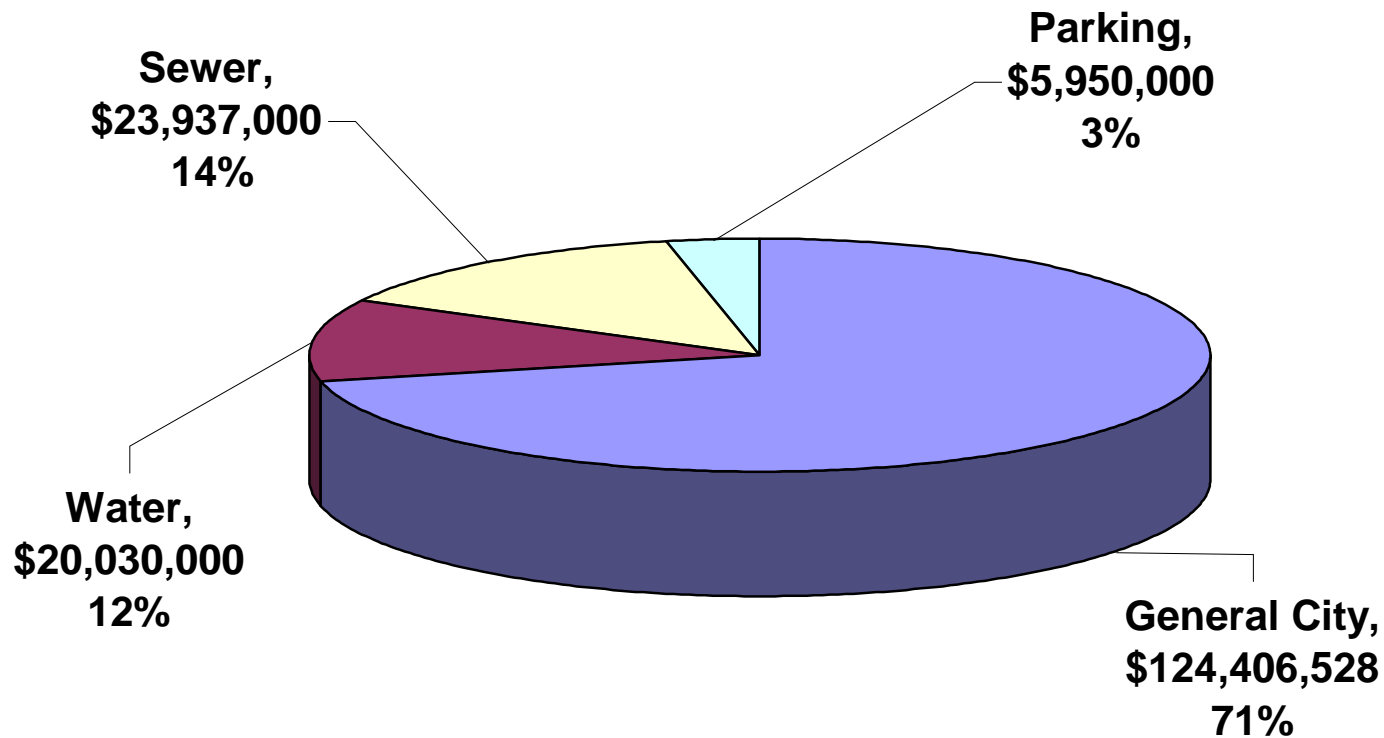
General Government 2009 - 2014 Capital Improvements Plan



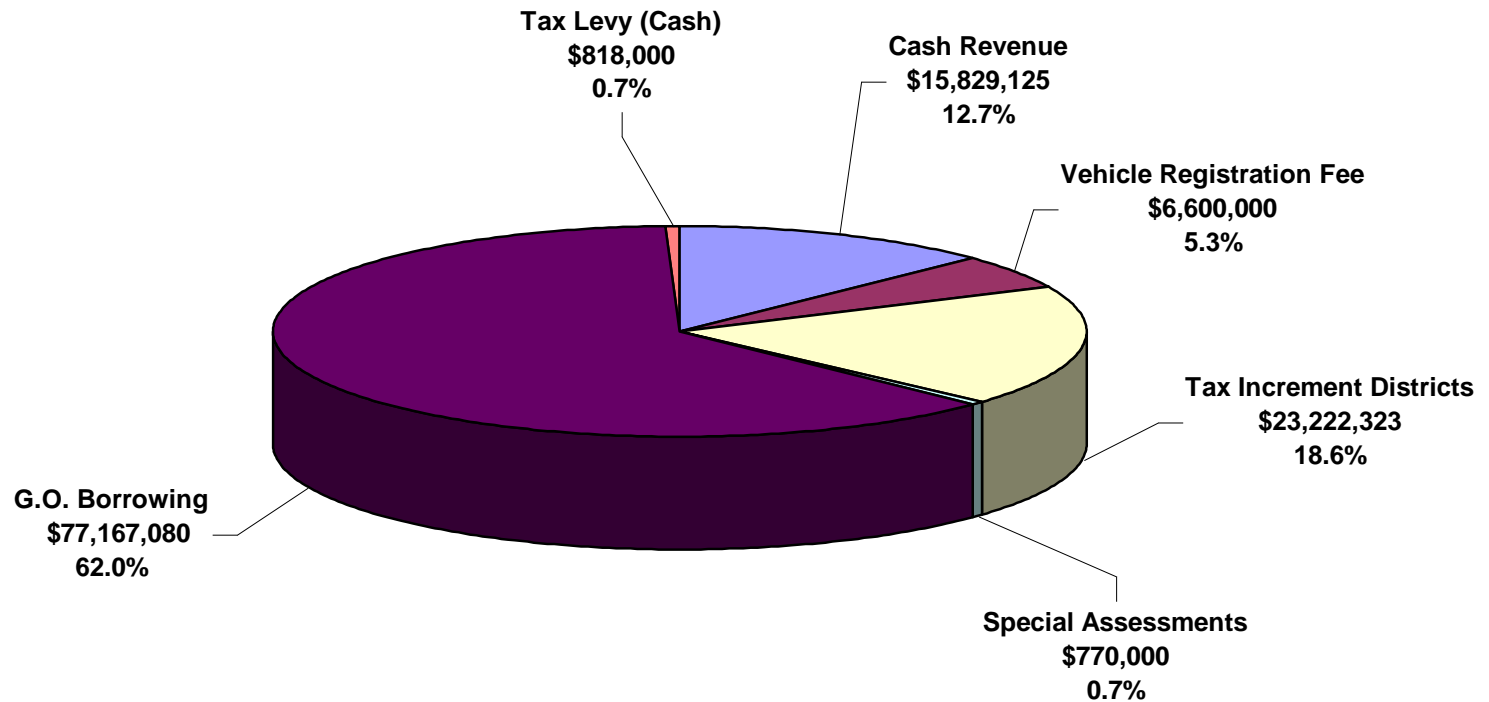


2010 Proposed Capital Budget – Starting Point for the 2010-2015 Capital Improvements Plan

**2010 Proposed Total City Capital Budget
Including Enterprise Funds
Total: \$174,323,528**



2010 Proposed General City Capital Budget By Funding Source Total: \$124,406,528



2010 Proposed Streets Capital Programs

Program	2009	2010	Change	Percentage
Street Improvements-State/Federal Aided Projects	4,230,100	4,924,000	693,900	16.4%
New Street Construction	200,000	250,000	50,000	25.0%
Street Reconstruction and Resurface	10,300,100	12,001,000	1,700,900	16.5%
New Streets Developer	400,000	400,000	0	0.0%
Total Capital Funding	15,130,200	17,575,000	2,444,800	16.2%

Excludes Grant Funding: \$10,936,200 in 2010

Street Replacement Cycle – 2010 Calculation

<u>Source of Funds</u>	<u>2010 Plan</u>
2010 Appropriation	\$12,000,000
Administration	-\$800,000
Preventative Maintenance	-\$1,300,000
City Funding	\$9,900,000
Assessable	\$1,000
LRIP State Funding	\$2,135,000
Available Carryover	\$500,000
Total Funding	\$12,536,000
Cost Per Mile	\$800,000
Expected Miles Completed	15.67
Replacement Cycle (years)	61

* 960 miles of local streets

NOTES:

- Preventative Maintenance is excluded because it is considered preservation.
- Amounts do not include grants.
- LRIP funding is awarded every other year, requires city match.

Other Infrastructure Related Capital Programs

Program	2009	2010	Change	Percentage
Alley Reconstruction and Resurface	300,100	1,000,000	699,900	233%
Sidewalk Replacement Program	800,000	1,225,000	425,000	53%
Street Lighting Program Citywide	7,850,000	7,000,000	(850,000)	-11%
Traffic Control Facilities Citywide	990,000	1,182,500	192,500	19%
Underground Electrical Manholes	200,000	200,000	0	0%

NOTE: Above amounts include assessable.

Proposed DPW Facilities Capital

2010 PROPOSED FACILITIES CAPITAL	
City Hall Complex Remodeling	80,000
Space Planning - Facilities	160,000
Recreation Facilities Citywide	388,240
Facility Systems Program	685,000
Environmental Remediation Program	100,000
ADA Compliance Program	95,000
Facilities Exterior Upgrades Program	1,409,700
Municipal Garages/Outlying Facilities	295,000
ZMB Lower Parking Floor Restoration	86,500
City Hall Foundation & Hollow Walk	2,700,000
Total Capital Funding	5,999,440



2010 Proposed Capital Budget Significant Projects/Programs

- Unified Call Center - \$950,000
- FMIS Upgrade Phase II - \$598,400
- City Attorney Remodel Phase I - \$2,287,500
- Tower Site - \$7,000,000
- Fire Facilities - \$1,125,000
- Fire Equipment - \$3,571,000
- Library RFID Phase II - \$1,500,000
- Central Library Improvements - \$825,000
- Villard Library Project - \$1,750,000



2010 Proposed Capital Budget Significant Projects/Programs – Cont'd

- MPD PAB - \$1,300,000
- MPD AFIS - \$2,300,000



Capital Program Specialist functions

- Provide data, information, and analysis needed by the CIC to develop the 6-year CIP
- Develop and confirm cost estimates provided in departmental requests
- Monitor implementation and completion of projects/programs approved in the annual capital budget
- Assist CIC in development of reports
 - Quarterly progress reports
 - Infrastructure and facilities condition reports
 - 6-year CIP costs and financing
- Other duties as assigned by the CIC



Capital Budget Planning & Capital Improvements Committee

- S. 320-49-4-a-2 provides significant limits on the components of the City's Capital Budget under the CIC's purview:

“Infrastructure networks and facilities comprising this reports shall include the following systems: city sewerage, storm water management, streets, street lights, traffic control, underground conduit and wired communications, water treatment and distribution, city buildings, bridges, alleys, sidewalks, parking, harbor, and urban forestry.”
- The 2010 Proposed Capital Budget includes \$29 million of levy supported projects not included in this definition of the Committee's purview.



Capital Budget Planning & Capital Improvements Committee (cont'd)

- On a recurring basis, \$20 - \$25 million of the \$70 - \$74 million of levy-support available under the current CIP is allocated to “non-CIC” components.
- CIC budget request will need to take into account the impact that capital budget components outside its purview have on the total CIP financing.
- The CIC will also need to review and discuss borrowing targets currently set forth by the current CIP and how changes will impact future debt service tax levies.