



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes CAPITAL IMPROVEMENTS COMMITTEE

ALD. ROBERT BAUMAN, CHAIR

**Ald. Nik Kovac, Ald. Michael Murphy, Ghassan Korban,
Martin Matson, Mark Nicolini, and Mariano Schifalacqua**

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Thursday, April 3, 2014

9:00 AM

City Hall, Room 301-B

1. Review and approval of the minutes of the March 5, 2014 meeting.

Meeting convened: 9:02 A.M.

*Members present: Mr. Froh, Mr. Korban, Mr. Schifalacqua, Mr. Dennis Yaccarino
present for Mr. Nicolini, Ald. Bauman, Mr. Matson (arrived at 9:05 A.M.) and Ald.
Kovac (arrived at 9:15 A.M.)*

*Mr. Schifalacqua moved for approval of the minutes, seconded by Mr. Korban. There
were no objections.*

2. Communication transmitting the 2015 Capital Improvements Budget Requests.

--Overview from the Budget and Management Division

*Mr. Dennis Yaccarino presented an overview of the capital requests. He said that the
2015 capital requests totaled \$277 million. The levy supported request is \$141
million. He said the capital plan allows for approximately \$81.7 million and that it will
be challenging to match the identified needs with what the City can afford. The
enterprise fund requests totaled \$136 million.*

---City Assessor

Ms. Mary Reavey and Steve Miner present for the department.

*Ms. Reavey discussed the request for a new tax assessment software system. She
stated that the current system is antiquated and that a new system would create
efficiencies and increase system functionality. She said the system will interface with
other City systems and departments including the Treasurer, DNS and DPW. She
said that the department plans to purchase a software product and that both she and
a key member of her staff have experience with system replacement at other
municipalities. She said the cost estimated is based on costs incurred by similar
organizations that have recently purchased systems like this. She said that this will
be a two year project.*

---Comptroller

Mr. Martin Matson present on this item.

Mr. Matson distributed a handout titled "Comptroller's Request Updated 4/314" and

found in file 131718. Mr. Matson discussed the request for a new imaging system for the Comptroller's Office. He said that he would like to reduce the request from \$500,000 to \$370,000 and to use the request for the Records Center where the current eVault system exists. Mr. Matson said that he would like the Comptroller's office to be a test department for a city-wide imaging system. He described an example of how Workflow would improve efficiency and reduce costs. He said the request would fund the infrastructure that would allow Workflow to be implemented in the future and that the project could be replicated in other departments. He said that the current request only affects imaging in the Comptroller's office. He said the imaging system would work with Oracle databases because PeopleSoft is Oracle based. He said that information is accessed daily and that Milwaukee reviews a much higher number of grant and aid projects on a daily basis than its peer cities. Mr. Matson said that he was not sure if the project would result in staff changes or reductions.

---Dept. of Administration - Information and Technology Division (ITMD)

Nancy Olson - DOA-ITMD, Spencer Coggs and Jim Klajbor - Treasurer's Office present on this item.

Ms. Olson presented the capital request for the Dept. of Administration - ITMD. Ald. Bauman asked why some departments are requesting IT projects on their own. Ms. Olson said that departments which retain IT staff in their departmental budgets will request their own IT projects. She said there has been some IT consolidation. In 2013 DPW and Health Department were consolidated. The Port and DCD are scheduled for consolidation in 2014. Ms. Olson said that the Record Center which oversees the City's eVault is not part of ITMD.

Ms. Olson discussed the proposed tax collection for the Treasurer's Office. She said the current in-house system was built 1982 and that recruiting for system maintenance skills is very difficult. She said that it is one of the few systems still running on the IBM mainframe which will no longer be supported after December 31, 2013. She said that ITMD will freeze the mainframe environment until it can be replaced. Ms. Olson said that she expects to see operational savings from reductions in software and hardware maintenance. The system would provide enhanced functionality and provide data and resources to other departments. She said the RFP would include the features and functionalities that the City requires. She said there will be more opportunities for citizen interaction such as displaying old tax bills. Mr. Coggs said that the Treasurer's Office collects over \$750,000,000 in property taxes and sends out nearly 540,000 tax bills.

Ms. Olson discussed the remaining capital requests. She said that an increasing number of applications are looking to use the City's mapping capabilities. The MapMilwaukee and GIS project would allow the department to update the public internet MapMilwaukee and COMPASS as well as create an intranet environment to allow sensitive data to be protected in City applications. She said that most software available today has GIS capabilities. Ms. Olson said that the Workplace Safety project was partially funded in 2013 and that the life safety systems and the floor plan have been updated. She said that the consolidation effort has added more employees to the 4th floor of the 809 building. The 2015 funding would update lighting, environmental controls, the conference room and common areas. Ms. Olson said that there are three IT upgrade projects proposed for 2015; the Lagan employee mobile application which would allow City employees to get and complete work orders in the field, network switch upgrades, and upgrades for the City's website software. Ms. Olson said that approximately 1,400 mobile devices access the City's email system. Funding for mobile security and management would increase the security of those devices and simplify their maintenance.

---Election Commission

Mr. Neil Albrecht presented the request from the Election Commission for new voting equipment. Mr. Albrecht said that the current Optek Eagle tabulators were designed in the early 1990s and had an anticipated lifespan of 15 years. He said the City has using them for 21 years. Mr. Albrecht said that in the most recent election where turnout was under 10% there were approximately six machine shutdowns or jams. He said that turnout will be much higher in the 2016 elections and that machine breakdowns could result in long lines at polling places. He said that the new machines will still use paper ballots because touchscreen machines tend to have higher levels of voter confusion and dissatisfaction. He said he hoped to have the new machines in place for the 2015 elections to give poll workers the opportunity to become familiar with the machines before the busier 2016 election cycle. Ald. Bauman asked if it could wait until 2017. Mr. Albrecht said that he would have concerns about using the current equipment for a presidential election because of the volume of ballots. Mr. Albrecht said that the City owns about 300 of the Optek Eagles, 60 of which are used for central count processing of presidential election absentee ballots. He said that when the City began to use a central count process for absentee ballots additional machines were purchased from Detroit. He said the request includes just two tabulators for central counting because those machines will be larger and have more capabilities such as being able to accept ballots from any of the 327 wards.

---City Clerk

*Mr. Jim Owczarski present on this item.
Mr. Owczarski discussed the four requests for the City Clerk's Office. He requested funding for the Capital Improvements Committee, Phase 2 of the Channel 25 Digital Conversion Project, repairs and minor improvements to Room 307 in City Hall, and a renovation project for Room 205 in City Hall.
He said that his department is working with Purchasing on the Digital Conversion project. He said that both Room 307 and Room 205 had been requested in previous budget years. He said that problems with the mechanical systems in both spaces are the primary driver of the requests. He also said that cost estimates were provided by DPW.*

---City Attorney

Mr. Paul Fredrich (Dept. of Public Works - Facilities) and Atty. Vincent Moschella presented the capital request for the remodeling project on the 8th Floor of City Hall. Mr. Fredrich said that they physical renovation has not started yet. He said that DPW plans to hire Quorum Architects as a sole source to develop a demolition plan and do the mechanical design. Quorum is the designer of the floor plan that the City Attorney is requesting. Ald. Bauman asked if the 2014 funding would be carried over into 2015. Mr. Fredrich replied that he expected much if it to be used in 2014. Ald. Kovac asked about maintaining public access to the library space. Mr. Moschella said that maintaining public access to the library would eliminate between 25% and 33% of the usable space. Ald. Kovac asked if the design had been altered to accommodate scheduled events that may be open to the public. Mr. Moschella said that the concepts of office space and grand public space are incompatible. He added that all the staff will not fit on the 8th floor if the library space is not utilized for offices. He also said that it is inefficient to manage the operations of the department when they are in separate locations. Ald. Kovac asked if staffing levels had increased. Mr.

Moschella said yes. Ald. Kovac requested details of past staffing levels. Mr. Korban asked Mr. Fredrich if the department will be able to do the work scheduled for 2014 without knowing what the final floor plan will look like. Mr. Fredrich said yes, adding that most of the work scheduled for 2014 was for the demolition of the existing interior and the installation of the head end of the HVAC system. He said that the walls would be part of Phase 2 or Phase 3. Mr. Moschella said that the request is for 2015 is the funding which would get into the details of the floor plan. Ald. Bauman suggested removing funding from the budget until the floor plan issue is settled. Mr. Schifalacqua asked if the premise that all the attorneys need to be together on a single floor was still valid. Mr. Moschella said he believed it was.

---Municipal Court

Ms. Sheldyn Himle presented the request from the Municipal Court for an upgrade to the Court's website and automated tracking system. She said that this is a mission critical system that has reached the end of its ten year life expectancy. She said it is expected to be a two year project.

---Port of Milwaukee

Mr. Paul Vornholdt presented seven capital requests for the Port of Milwaukee. He described four of them, dockwall rehabilitation, roadway paving, port security and pier berth and channel improvements as maintenance of effort. Mr. Vornholdt said the rail track and service upgrades are related to the need to upgrade the weight of the rails to meet current standards and to address flooding. These improvements will make rail service more reliable for tenants. He said that the Port is attempting to leverage the \$500,000 that has already been budgeted by applying for \$1.8 million WisDOT grant. He said funding may be used to add track to the lake classification yard because the Port has a tenant who might be able to utilize the increased capacity. He said that requested terminal resurfacing is related to deferred maintenance.

---Dept. of Neighborhood Services

Mr. Art Dahlberg presented the capital requests for the Department of Neighborhood Services (DNS).

Mr. Dahlberg discussed the conversion of the Anderson Tower Garage. He said that staffing increases have been related to a reorganization in the Residential Enforcement Nuisance Control area and the creation of Special Enforcement. Mr. Dahlberg said that DNS has employees at four locations. He said there are 70 employees at the Anderson Tower and that it is important for work teams to be co-located.

Mr. Dahlberg described the Development Center remodeling project. He has the project was partially funded in 2014 and that Phase 2 is being proposed for 2015. He said the project will improve customer service by allowing two managers to have a direct line of sight to the service counter so they can better monitor activities there. Mr. Dahlberg discussed the proposed conversion of microfilmed records to scanned images. He said there are over 7.7 million permit records stored on microfilm. The equipment used to store and access the microfilm is no longer manufactured and parts are hard to find. He said that digital storage would improve public access to the images. He said the microfilm is accessed regularly by the public. He said the intent is to contract with a private firm to convert the images.

---Dept. of City Development

Recess: 10:30 A.M.

Reconvened: 10:52 A.M.

Ms. Martha Brown presented the Dept. of City Development (DCD) capital requests. She said that DCD is requesting \$25.3 million for 2015, about 80% of which relates to Tax Increment Financing. She said \$5.3 million is for other capital needs.

Ald. Kovac asked if the department tracked retail that was maintained or attracted by the City's investment in DCD's capital programs. Ms. Brown said no. She said there may be an opportunity for the Business Districts to track it for themselves. She suggested that property value appreciation might be a useful metric for evaluating the effectiveness of the City's investment. Mr. Korban asked how money is allocated to projects. She replied that funding is allocated based on the cost of the project. She said that design standards make it unlikely that any one project would use all of the funding available in any given year.

Ms. Brown said that the Healthy Neighborhoods program is a partnership with the Greater Milwaukee Foundation. That provides funding for resident initiated projects in nine designated areas. She said the department reserves one third of the City's contribution for small scale projects in neighborhoods other than the designated healthy neighborhoods. She said the nine neighborhoods were determined by the Greater Milwaukee Foundation.

Ms. Brown said that the \$500,000 in the Façade capital account will also fund a city wide White Box program and the Retail Investment fund. Ald. Bauman asked about the amount of carryover in several of the DCD capital accounts. Mr. Schroeder said the large carryover amounts were caused by the department spending down the balance in the Development Fund. He said the combined expenditure from the Development Fund and the Façade account was \$580,000 in 2013. Ald. Bauman asked if there are enough requests from businesses to justify the level of funding.

Ms. Brown said that the recession had affected business owners' ability to make use of some DCD programs because they are matching grants. She said that the department has begun taking applications online which should improve access to the program. Ald. Bauman asked for a 3 year summary of the Façade program, including projects, funding levels, expenditures and requests received.

Ms. Brown discussed several other capital programs. She said that the department is using four approaches to incentivize the sale and renovation of city owner tax foreclosed residential properties; forgivable loans for new owner occupant buyers, rental rehabilitation loans to investor buyers; building repairs at the homes enrolled in the lease to own program, and the establishment of partnerships with home ownership agencies that are involved in the sale of foreclosed properties. Ms. Brown said that the 2014 Budget included \$200,000 for a new capital program to make vacant lots assets to their neighborhoods. She said the department is working with the Office of Environmental Sustainability and DPW to finalize the plan for the deployment of the money. She expected the spending plan to be finalized in the next few weeks. Ms. Brown said that as part of the SNIP program the department is requesting \$500,000 to incentivize the renovation and sale of city owned commercial buildings by offering renovation loans for commercial properties.

---Milwaukee Water Works

Ms. Carrie Lewis presented the capital request for the Milwaukee Water Works. Ms. Lewis described the projects scheduled at the Linnwood plant including the replacement of the dielectrics, the replacement of the motor control centers and the replacement of steel piping. Ms. Lewis said that the utility is beginning to investigate the installation of a side stream ozone injector system to replace the current diffuser stone system. She said that side stream injection is the current technology and there may be operational benefits to upgrading. Funding in 2015 would allow the project to

move forward if the cost benefit analysis is positive. Ms. Lewis described another project that is being evaluated. This project would increase the efficiency of the coagulation and settling processes. She anticipated that there would be operational savings because the project would reduce the amount of chemicals that are needed to treat the water. Ms. Lewis said that the consolidation of the meter shops is about 40% complete.

Ald. Bauman stated that the Water Works should be investing more aggressively in its infrastructure and raising rates to pay for it. Mr. Yaccarino said it was important to carefully align capital investments with rate increases needs so the appropriate funding is available. Mr. Schifalacqua said that the water main replacement request should be based on the actual needs of the system. Ms. Lewis said that she believed 15 miles of main annual main replacement would be adequate to maintain the system in good condition. Ald. Bauman suggested increasing the water main request. Mr. Yaccarino said that if the water mains were increased, some other project would have to be postponed or the City would have to use a different source of funding such as borrowing. Ms. Lewis said the utility was criticized during the last rate case for not borrowing enough for main replacement. She also said that interest and the principal on debt are not recoverable through the rate. She said that whatever rate of return the utility asks for would be used to pay principal and interest on debt. Ms. Lewis said that if the water main request was increased to \$15 million that the utility has the capacity to use it in 2015.

---Sewer Maintenance Fund

Mr. Tim Thur discussed the capital requests for the Sewer Maintenance Fund. He said the department is requesting funds for six programs in 2015. He said the request includes \$1.75 million in grant funding from MMSD for a private property inflow and infiltration (I&I) program. He said that \$33 million has been requested for the sewer relay program. He said that miles replaced will be slightly lower because the large diameter projects which are scheduled cost more per foot. He said the department will still be above the goal of 27 miles per year.

Mr. Thur said that the I&I request was \$2 million less than anticipated because of a separate request for flood mitigation. Both requests are designed to reduce flooding and keep water out of the sanitary sewer system but the method is different enough that the department submitted a separate request.

The committee discussed the benefits and limitations of relining sewers. Mr. Thur said that the diameter loss is nominal and that the liner for an 8" sanitary sewer would be about 6mm thick. Mr. Korban said that the loss of diameter is offset by improved hydraulics. Mr. Thur said that if the host pipe is extremely deteriorated or has settled, it will not be a good candidate for lining. Mr. Thur said it appears that liners may last close to 75 years. He said most sewers are 9 or 10 feet deep so they are always below the frost line.

The committee discussed the I&I program. Mr. Thur said that the City program addresses the sewer mains and the manholes. He said that MMSD has a private property program that addresses the laterals on private property. The City has done two projects using the MMSD program. Mr. Thur said that for the lateral work, a cleanout is installed two or three feet from the house and the lateral is lined from the main to the cleanout. The average cost is \$6,100 per house. The average lateral length is 50 feet. Mr. Thur said the price is lower than it was a few years ago but not as low as we would like it to be. He said lining the main sewers and the laterals in the Cooper Park area reduced flow by 47%. Mr. Thur said that Wauwatosa has done some lateral lining and grouting and they are seeing similar flow reductions. Flow reduction data is not available yet for the Clemens neighborhood project.

Mr. Thur described the pilot foundation drain disconnection project in the Cooper park area. He said the voluntary program will cover four blocks. Property owners will be

asked to disconnect foundation drains from the sanitary sewer and install a sump pump. Mr. Thur said that every year, between 70 and 80 homes disconnect their foundation drains because of other related work on their property.

Mr. Thur discussed the flood mitigation project in the Dineen park area. He said the City is partnering with Milwaukee County and MMSD to construct a 25 year, level protection retention pond in Dineen Park for high flow. Mr. Thur said the project may be constructed in 2015. He said that a 50 year level protection facility would have required the removal of the lagoon and that residents wanted to keep the lagoon. He said that there was no other viable solution to the flooding issues. Mr. Polenske said that this is a major positive shift in Milwaukee County's policy for working with the City to manage storm water issues.

Mr. Thur said that the channel maintenance program is for sections of river channel for which the City has responsibility. He said that MMSD has jurisdiction over most of the rivers and streams. But there are some smaller, upstream segments that fall on the community to maintain.

---Dept. of Public Works - Parking

Ms. Cindy Angelos discussed the capital requests for DPW –Parking. She said that capital projects are planned at five parking garages for 2015. She said that projects and the 2nd Street structure will include the modernization of the west elevator, membrane replacement and a façade inspection. She said the elevator project will be very similar to the recent replacement of the east elevators. Ms. Angelos said projects at the 4th and Highland structure include the installation of a backup electrical backup system, the re-cabling of two elevators, the replacement of 10 windows on the south wall and a façade inspection. MacArthur Square includes basement level repairs, joint caulking, painting and restriping. For 1000 N. Water Street the request includes the cabling of four elevators. The façade inspection is the responsibility of the condo association. The Milwaukee/Michigan structure may require slab replacement and a façade inspection is required.

Ms. Angelos discussed the single space credit card meter pilot project. She said the meters, which are on loan from Duncan meter, have been installed in three small areas. Approximately 70 meters were installed. She said that each meter has a battery and a modem. The batteries are expected to last about a year. The meters do not print receipts. She said that the credit card mechanism fits inside the existing meter housing. She anticipates that the meters will be used to infill areas where there are not enough spaces to justify the installation of a LUKE meter. Ms. Angelos said that the request will provide for 1,300 meters each year. She said that the meters will not be installed where meter use is not high. Ald. Kovac asked if these meters would allow the City to implement a smart pricing policy. Ms. Angelos said the meters can be programmed for smart pricing but that the pricing policy would have to be clearly posted on signs. Ald. Kovac said that the Brady Street pilot area is the ideal test case for adjustable pricing.

Ald. Kovac commented that in addition to the \$175,000 from the Parking Fund that the City is contributing to the Bradley Center, the City is also spending \$137,000 to maintain the structure.

Meeting adjourned: 12:15 P.M.

This meeting will be webcast live at www.milwaukee.gov/channel25.

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