



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

CAPITAL IMPROVEMENTS COMMITTEE

ALD. ROBERT BAUMAN, CHAIR

Ald. Milele Coggs, Ald. Mark Borkowski, Ghassan Korban,

Jeff Mantes, Martin Matson, and Mark Nicolini

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Monday, October 17, 2016

9:00 AM

City Hall, Room 301-B

1. Review and approval of the minutes of the Sept. 2nd meeting.

Meeting convened: 9:04 A.M.

The September minutes were not ready for review.

Also present: Kathy Brengosz

Bill Christianson - Budget Office

Present 4 - Borkowski, Korban, Nicolini and Matson

Excused 2 - Bauman and Coggs

2. Discussion and recommendations for the Mayor's Proposed 2017 Budget.

Ms. Brengosz passed out materials for the committee's review which were its spring recommendations as well as what was budgeted in 2016, the committee's recommendations and the mayor's proposed budget. There is also a graph that shows the historic funding of core infrastructure programs. This meeting is for the committee to discuss what was heard during the budget meetings during the past two weeks and if the body wanted to make any recommendations during the budget hearings. The total capital budget is \$195.4 million and the enterprise portion is \$71.3 million.

Mr. Korban asked what recommendations were not included as part of the budget.

Ms. Brengosz said the biggest issue seems to be the lack of funding for the City Attorney's Office, which the committee had recommended. There is a proposed file to use contingent borrowing for the City Attorney's Office proposed by the budget office.

Mr. Nicolini said another difference is that in the DPW Infrastructure Division adjustments were less than the committee recommended, but he does not feel they are that impactful as there are balances in Street Lighting that can be used to continue work in 2017 (\$5 million of carryover in street lighting, \$2 million in underground conduit and \$500,000 in underground communications/manhole repair program).

Mr. Nicolini also noted that one project related to air handlers (chillers) at the central library was delayed after consultation with library staff. The project cost is \$1-\$2 million and the library felt they could move through another year or two without replacement. There is \$13 million in the budget for City Hall foundation work. That recommendation for the foundation was in the Committee's report. Mr. Nicolini also said the Mayor supports the introduction of a separate resolution to provide funding the City Attorney's Office in contingent borrowing. The Mayor's Office prefers vote the project up or down separately, rather than roll it into the budget. \$1.7 million was

already approved for system projects and it was felt that is time to get the project completed and it is appropriate for the City Attorney's Office to be at City Hall. The Mayor would like to move on completing this.

Ms. Brengosz said it would be appropriate for this body to have a recommendation on this issue. Mr. Matson feels that no matter what happens with the 8th floor, we have to borrow for it so why not have this committee urge the Finance chair to move the file forward? Mr. Matson said that the committee should go on record asking that this file be moved forward, which Mr. Korban agreed with.

Ald. Coggs arrived at 9:17 A.M.

Ald. Coggs said the committee can do what it wishes, but that will not influence her decision to schedule the 8th floor project file. She met with Commissioner Korban and the Council President, and at that time, she and the President thought it was agreed that the 8th floor project would be part of the 2017 budget. She feels that this was misrepresented to her and the Council President. Mr. Matson withdraws his request and asks if Ald. Coggs will make this part of the 2017 budget. Mr. Korban was present at that meeting in a supporting role and he does not get involved with the budgeting and where does the money come from, just for the record.

Mr. Matson moved that the committee recommend an amendment to the 2017 budget to include the 8th floor remodeling. All voted for approval with Ald. Coggs abstaining. Mr. Nicolini discussed proposed changes in the City's special assessment policy. The first proposed change would extend the repayment period for special assessments from six years to ten years. The change is being proposed primarily to help property owners manage the cost of replacing lead service lines. The policy would cover all types of special assessments, including paving projects and hazardous tree removals.

Ms. Brengosz said that property owners would still have the option of paying their special assessment in full to avoid any interest charges. The second proposed change would increase the cost recovery ratio for sidewalks and alleys from 30% to 50%. He said that alleys especially serve essentially a private purpose so asking property owners to pay a larger portion of the cost seemed reasonable. Mr. Korban said that at the current funding level, the change would allow for the construction of approximately 2 additional alleys. Ms. Brengosz said that since the early 1990s, the actual assessment rate for alley reconstruction has varied between \$19 and \$50 per lineal foot. Mr. Christiansen said the current proposal would set the assessment rate at \$45 per lineal foot.

Mr. Nicolini discussed the committee's recommendation letter from Ald. Kovac to the Budget Office. Items included the City Hall foundation work, which has been budgeted for over numerous years; the 8th floor of City Hall, which would free up office space in the Zeidler building; and the neighborhood library program which will continue work on Mill Road and King Library. Mr. Nicolini thinks this is a strong budget for core infrastructure. It contains \$8 million each high impact and local street paving projects.

Mr. Nicolini said challenges in the future may include a higher level of state and federal funding for highways, which would require a 20% local match, and the need is to raise appropriations in 2018 for street lighting. The proposed budget includes \$500,000 for energy efficiency projects at the Fire Dept. repair shop because the Budget Office doesn't anticipate a major investment to replace the shop within the next 5 years. The city is nearing the end of the Police Dept. records management project. \$1.7 million in funding is included for that project. The other challenge facing the budget is the need to decrease the amount of city debt issued each year. Mr. Nicolini said that levy supported borrowing has increased over the last three years from \$74 million to over \$90 million per year. Unless policy makers are willing to tolerate large increases in future debt service, the annual debt will need to be reduced Mr. Nicolini thinks Ald. Kovac would find the budget relatively responsive to his concerns. Ms. Brengosz thinks the increased borrowing does have an impact on the levy and that is appropriate

for the committee to have a recommendation on.

Mr. Matson asked why the Industrial Road project was not included in the 2017 Proposed Budget. Mr. Korban said that it will be at least another year before the City may need to take some action. Mr. Nicolini said even though Direct Supply has agreed to pay half of the cost (up to an inflation adjusted cap) of relocating the Industrial Road facility, it is important to remember that the City share will likely be between \$5 million and \$6 million.

Ms. Brengosz will draft a letter including the committee's recommendation to support the City Attorney's moving to the 8th floor of City Hall, noting that the Industrial Road project is on the radar, increase appropriations for street lighting and also being cognizant of the increased debt service on the levy. The committee supported that.

Present 5 - Borkowski, Coggs, Korban, Nicolini and Matson

Excused 1 - Bauman

Meeting adjourned: 9:40 A.M.

This meeting can be viewed in its entirety through the City's Legislative Research Center at <http://milwaukee.legistar.com/calendar>.