



Office of the Comptroller
October 12, 2007

W. Martin Morics, C.P.A.
Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Michael J. Daun
Special Deputy Comptroller

Mr. Jeffrey J. Mantes
Commissioner of Public Works
841 N. Broadway, Room 501
Milwaukee, WI 53202

Subject: Audit of the Paving Program

Commissioner Mantes:

Alderman James Bohl has requested an audit of the maintenance and replacement program for local City streets. We are ready to begin the audit and would like to start as soon as possible. The enclosed memorandum covers the scope and objectives for this audit.

Please provide a contact person for an initial audit meeting. If there are any questions, please contact me or Auditing Manager James Michalski at 286-2225.

Sincerely,

W. MARTIN MORICS
Comptroller

c: Alderman Bohl ✓
Alderman Bauman
Alderman Dudzik

WMM:jtm
Ref: DpwPavingProgramAuditAnnouncement

Memorandum

Date: October 12, 2007
To: W. Martin Morics
Michael J. Daun
Through: Craig D. Kammholz
From: James T. Michalski
Re: Local Streets Audit

Audit of Maintenance and Replacement Programs for Local Streets

Alderman James Bohl sponsored a resolution to appropriate funding for a study of DPW street maintenance and reconstruction activities. The Public Works Committee asked the Comptroller's Office whether any aspects of the proposed study could be addressed through an audit. After requesting and receiving some preliminary information from DPW, we informed the Committee on 9/12/07 that an audit was warranted and could be conducted by our Office with outside technical consulting assistance. The Committee held the resolution file in favor of pursuing the audit. Alderman Bohl followed-up with a 9/12/07 letter to the Comptroller requesting the audit. We wish to announce and begin this audit as soon as possible.

Background

A recent analysis by our Financial Advisory Division disclosed that there are 1,293 miles of City streets, including 351 miles of major arterial/collector streets and 942 miles of local residential streets. The analysis indicates that at the rate the City has been replacing its streets over the last five years the average local residential street would be replaced after 182 years. This replacement cycle is three times the estimated useful life of 60 years for local streets. For arterial streets the replacement cycle appears to be 71 years, or nearly three times the useful life of 25 years.

In 2004 we issued a report titled Inventory of DPW Infrastructure Databases which stated that,
"A comprehensive audit of the Paving Program should be conducted, given the significant financial, operational and public consequences that could result from infrastructure maintenance deferral."

Scope

On 9/13/07 we met with Aldermen Bohl, Bauman and Dudzik to discuss the audit. Based on that discussion, our Office decided to focus the audit on local/residential streets. The audit will evaluate the paving maintenance and replacement program for local streets. Some general information on the arterial/collector streets and alleys will be obtained for report background. An outside engineering consultant will assist us in the audit.

Objectives

1. Develop a descriptive inventory and profile on the condition of local streets.
2. Evaluate the DPW program for assessing local street condition and determining maintenance, repair and replacement needs.
3. Evaluate the DPW program for planning and scheduling street work.
4. Evaluate the City approval process for local street projects, particularly the impact of property owner special assessments.
5. Evaluate the impact of City budgets on the preservation of local streets, including the potential consequences of under funding.
6. Identify possible cost-effective alternatives for managing and operating the City local streets program.

c: Alderman Bohl
Alderman Bauman
Alderman Dudzik
Commissioner Mantes

Ref: DpwPavingProgramAuditScope



Copy to Dick

COMPTROLLER

2007 SEP 14 AM 8:18

JAMES A. BOHL JR.
Alderman, 5th District

September 12, 2007

W. Martin Morics, Comptroller
City of Milwaukee, Room 401
200 East Wells Street
Milwaukee, WI 53202

RE: AUDIT OF STREET RECONSTRUCTION AND RESURFACING

Dear Comptroller *W. Morics* Morics:

The Comparative Revenue and Expenditure Report you conducted showed that the replacement cycle (3-year average) for local streets from 2003 to 2005 was 162 years. As indicated in the report, Department of Public Works noted that repaving and resurfacing is now being done with asphalt rather concrete, life expectancy for streets which are repaved or resurfaced with asphalt is likely to be in the range of 25 to 35 years.

The replacement cycle of 162 years for local street replacement is not acceptable. This cycle is the result of the combination of the decrease in residential street reconstruction projects resulting from objections by the affected property owners, and the reduction in the City's preventive street maintenance and repair work.

Since, it is imperative that City of Milwaukee streets be adequately maintained and replaced in a timely manner. I am hereby requesting that your office conduct a financial and operational audit of the Department of Public Works, Street Maintenance and Replacement Programs. A thorough, impartial review of the Department of Public Works done by your office is essential in assisting the members of the Common Council in making informed decisions regarding the future of the way the City maintains and replaces its streets.

Thank you for your assistance in this matter. Please feel free to contact me to discuss this request.

Sincerely,

Jim Bohl, Alderman
5th Aldermanic District

JB:so

