

2009 - 2014 Capital Improvements Plan

State of Wisconsin

City of Milwaukee

Department of Administration
Budget and Management Division

Budget and Management Director
Mark Nicolini

Budget and Management Staff

Thomas Bell

Crystal Ivy

Renee Joos

Jennifer Meyer

Jake Miller

Eric Pearson

Dore Rozwadowski

David Schroeder

Erick Shambarger

Dennis Yaccarino

Table of Contents

	Page
Capital Investment Planning Process	1
Capital Improvement Financing	6
Making Critical Capital Investments	12
2009 - 2014 Capital Improvements Plan by Funding Source	14
2009 - 2014 Capital Improvements Plan by Function.....	15
2009 - 2014 Capital Improvements Plan by Department.....	16
Surface Transportation.....	17
Environment	22
Health and Safety	24
Economic Development	27
Culture and Recreation	31
General Government.....	32
Appendix	
2009 - 2014 Capital Improvements Plan	34

CAPITAL INVESTMENT PLANNING PROCESS

The 2009-2014 Capital Improvements Plan reflects the city's long range capital fiscal plan and citywide objectives as outlined in the Mayor's Strategic Outcomes. It incorporates the city's long range fiscal plan through the implementation of various capital financing strategies in addition to asset replacement and maintenance.

The capital improvements plan identifies projects for consideration, estimates costs, and identifies funding sources. A summary of the capital improvements planning process, as well as definitions of capital projects, is presented below.

Capital Planning Objectives

The 2009-2014 Capital Improvements Plan (CIP) supports four primary objectives:

1. Support the Mayor's Strategic Outcomes:
 - a. Make Milwaukee safe from crime.
 - b. Create early childhood conditions that lead to success.
 - c. Develop our workforce as a competitive advantage.
 - d. Nurture investment throughout the city.
 - e. Provide for a healthy environment.
2. Preserve the city's physical assets.
3. Achieve a stable debt levy by 2010-2011.
4. Use CIP projects to expand opportunities for city resident employment.

By contributing to these objectives, the CIP will efforts to protect public safety, public health, and the environment. It supports the operation of the regional economy through economic development and redevelopment in Milwaukee. In addition, the CIP will preserve the city's numerous and extensive physical assets, primarily its core street, sewer, and water infrastructure systems. By establishing a stable debt levy, the CIP contributes to fiscal sustainability, ensuring that planned investments are affordable and do not exceed the city's ability to fund capital investments.

Meeting these objectives requires making difficult choices. The CIP identifies commitments in the planning years of 2010 through 2014 that are realistic to maintain from a budget and finance perspective. By developing the CIP with careful consideration of expected debt levy and fiscal capacity constraints, funding in the planning years is realistic, not simply based on good intentions. However, the CIP is a dynamic document that will require adjustments over time. Adjustments to the planned funding will only be made if they are allowed by the city's fiscal capacity and are consistent with strategic outcomes.

Program Assumptions

The 2009-2014 Capital Improvements Plan estimates future costs based on present value (in 2009 dollars) and generally does not adjust for inflation. This is comparable to other local taxing jurisdictions, which do not adjust for inflation in their capital improvement plans.

Property tax levy supported borrowing is limited to approximately \$62 million annually to allow for the stabilization of the debt service tax levy.

Planning Process

The capital improvements planning process includes development of a one year budget and a six year plan. The six year plan is reviewed annually by city departments and the Budget and Management Division as part of the overall budget process.

Each year city departments prepare and submit a one year budget and a six year capital improvements plan to the Budget and Management Division in late April. Capital requests are reviewed and recommendations are made to the Mayor. The Mayor submits the executive city budget, which includes that year's capital improvements, to the Common Council. The Common Council's Finance and Personnel Committee reviews the executive budget, holds additional public hearings, and submits its recommendations to the full Common Council. After the Common Council and the Mayor approve the budget, the adopted capital improvements budget is established as the initial year of the six year capital improvements plan.

Planning for the "Out" Years

The value of any capital plan can be evaluated in how well it enables the city to anticipate future capital commitments. Through planning, the city can avoid system failures and corresponding fiscal stresses. A long term horizon is essential to this planning process, yet it is the most challenging aspect of planning. The city will continue to focus on improving its ability to plan for projects in the last several years of the six year plan.

Capital Project Definition

A capital project includes the purchase, construction, enhancement, or maintenance of physical infrastructure systems or facilities. These include bridges, streets, alleys, sidewalks, street lighting, traffic control, parking facilities, port facilities, sewer system, water system, public buildings and related equipment, underground conduit and manholes, communication systems, major equipment purchases, boulevards, trees, and recreation facilities. In addition, a capital project may enhance economic development through job creation, business formation, and housing production.

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

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

Oversight of Capital Projects

The city employs a decentralized approach to capital project management and oversight. In the recent past, large capital projects have presented administrative challenges. These include budget overruns and contention regarding controlling decision making authority for changes to the original capital project plan. While individual departments are granted expenditure authority for some projects, the Department of Public Works Operations Division, Facilities Development and Management Section works as the project manager for facility design and construction. This split of authority and responsibility has caused difficulties in communication between DPW and "customer" departments for accountability, accurate estimation of project expenditures, and design/construction changes. With city infrastructure projects, there has been issues of accurately tracking a "total project" cost, which may include not only street paving, but also project related curb/gutter, sidewalks, street lighting, traffic controls, street tree planting/landscaping, sewer, and water projects.

A key capital management issue is improving the control of and reducing the financial risk associated with large capital projects. Large one time capital projects can make it difficult to reach the debt levy goals if their costs are not accurately estimated and controlled within these estimates. Improved oversight, monitoring and control of these projects through a coordinated effort by multiple city departments, is critical to ensuring that capital goals will be met. The city has implemented and is in the process of developing a number of different management/monitoring programs to address these challenges.

Accountability In Management (AIM)

AIM is a systematic management process that reviews and analyzes service data on a regular basis through critical questioning and discussion in a group setting in order to identify strategies for improving service results. Through monthly meetings with major departments, AIM involves the Mayor, department managers, and the AIM analysis team to set quantitative service goals, discuss recent performance toward meeting those goals and strategize ways for improving services. The use of accurate, real time data on service performance allows the Mayor and his staff to target resources in a timely manner, identify and solve problems in a proactive manner, improve communication among departments, and reduce the time needed to respond to problems.

Through AIM, Project Status Reports have been developed for major capital projects to monitor whether they are on budget and on schedule. These reports have been developed and refined to promote better capital project monitoring. The reports identify and track three fundamental components: completing projects on time, maintaining expenditures within budget, and ensuring that the project scope (technical objectives) is clear and completed to specifications, essentially capital management.

These projects are reviewed throughout the design and construction phases. Any deviation that occurs to the project's scope, approved budget, estimate versus received bid, or anticipated timeline are fully discussed to determine their impact to the city's finances, other projects' funding and timing, and impact to the residents who will ultimately utilize the infrastructure.

DPW Oracle Database (ODB) Project

Starting in the mid-1970's, Department of Public Works staff developed a number of computer systems in order to support their work functions. Running on terminals to the city mainframe, they were used for various tasks such as keeping an inventory of city infrastructure of pavements, sewers and water mains, to retrieve property owner information from the city property files, to estimate grading quantities for paving projects, and to document the application for state aids for paving and sewers.

Subsequently, as technology changed, many of the applications were redeveloped in new computer operating languages and applications. In the 1980's and 1990's new processes were developed, primarily in dBase, to assist the Project Programming, Estimating, Special Assessments, Street Construction, Walk Construction, and Contract Offices in processing the city paving program. DPW has been converting these applications to web based programs using an Oracle database (ODB).

DPW also implemented an application that will track a project from its conception through its final billing and assessments. Through the city's website, residents, policymakers, employees, and contractors will find up to date project information by clicking on highlighted street segments through the Map Milwaukee application. This application can be modified to provide additional information if users or Council members desire such information. Such information that will be available includes:

- Pavement type
- Pavement history
- Bid information and links
- Current project status and project schedule
- All related project costs, including sewer, water, forestry, street lighting, and/or signal work
- Work planned by outside utilities (gas, electric, phone)
- Project construction cost and timeline estimates through closeout
- Public hearings and Common Council file history

One of the keys to provide current project information to the public is the conversion of the paving construction applications, including development of a new process for partial payment preparation and review based on information from daily site inspector reports. This procedure will replace a paper based review and authorization process with one that is expected to be nearly completely electronic, incorporating explicit authorization tracking

through e-mails, links, and electronic signatures. The process will begin in Infrastructure Construction and proceed to Infrastructure Accounting, the DPW Contract Office, Infrastructure Administration, and DPW Administration Accounting. DPW is also incorporating functions to include scheduling, estimating, and contracting water and sewer projects in the near future and has recently released a request for proposals to engage an outside vendor to provide a project management tool and interface to the ODB that will produce usable project timeline/ milestone completion through Gantt charting.

With the data provided through the new databases and web application, DPW will be able to more accurately build paving estimates, track project and contractor progress, track and analyze material volume and costs estimates versus actuals, and project change orders and variances.

Large Scale Project Identification

The Administration, Common Council, DPW, and Comptroller worked together to draft Common Council File 061597, which defines “large scale projects” that need identification in the annual budget, along with additional reporting. These large scale projects include any capital project in which all components of the project total \$2 million or more, regardless of funding source. These funding sources include city borrowing or cash, enterprise funds, or grant and aid sources. Starting in 2009, the annual budget identifies capital projects with an estimated cost of \$2 million or greater and will provide updates to the Mayor through the AIM process and the Council through committee communications. Table A identifies these large scale projects to be funded in 2009 by all funding sources associated with the projects, including grant and enterprise funds.

Table A

2009 LARGE SCALE PROJECTS FUNDING BY SOURCE							
	CITY FUNDED CONSTRUCTION	GRANT FUNDS	SEWER ENTERPRISE	WATER ENTERPRISE	STREET LIGHTING	CONDUIT/ MANHOLES	PROJECT TOTAL
N 76TH ST(W CENTER ST TO W APPLETON AV)	\$901,800	\$8,819,200	\$430,000	\$945,000	\$231,000	\$40,000	\$11,367,000
N 27TH ST (W ST PAUL AV TO W HIGHLAND BLVD)	\$375,000	\$2,125,000	\$0	\$0	\$220,000	\$120,000	\$2,840,000
W BLUEMOUND RD (ZOO TO MAYFAIR RD)	\$245,000	\$2,345,055	\$0	\$0	\$3,000	\$10,000	\$2,603,055
W BROWN DEER RD (N 91ST ST TO N 124TH ST)	\$25,000	\$2,300,000	\$0	\$0	\$0	\$0	\$2,325,000
S HOWELL AV (E/W HOWARD AV TO E WILBUR AV AND S CHASE AV - S HOWELL AV TO E OHIO AV)	\$420,000	\$3,680,000	\$58,000	\$0	\$97,000	\$230,000	\$4,485,000
W LISBON (SOO LINE ROW TO N SHERMAN BL)	\$476,000	\$1,888,000	\$0	\$0	\$14,000	\$50,000	\$2,428,000
W LOOMIS RD (W FARDALE AV TO S 51ST ST)	\$75,000	\$10,925,000	\$0	\$0	\$0	\$0	\$11,000,000
W OKLAHOMA AV (S 60TH ST TO S 72ND ST)	\$790,000	\$3,160,000	\$0	\$0	\$14,000	\$20,000	\$3,984,000
W FOREST HOME AV (S 43RD ST TO HWY 100)	\$376,000	\$5,964,000	\$0	\$0	\$0	\$0	\$6,340,000
W FOREST HOME AV BRIDGE OVER KINNICKINNIC RIVER	\$25,000	\$1,838,000	\$0	\$250,000	\$10,000	\$0	\$2,123,000
W HAMPTON AVE BRIDGE OVER LINCOLN CREEK	\$402,000	\$1,608,000	\$0	\$0	\$10,000	\$10,000	\$2,030,000

SIX YEAR CAPITAL PLAN BY FUNCTION

The CIP provides an overview of the 2009-2014 capital improvements by function, including the major initiatives and policy issues. The seven functional areas include Surface Transportation, Environmental, Health and Safety, Economic Development, Culture and Recreation, General Government, and Intergovernmental Grants and Aids. These areas relate to the Mayor’s Strategic Outcomes, including making Milwaukee safe from crime, providing for a healthy environment, and nurturing investment throughout the city.

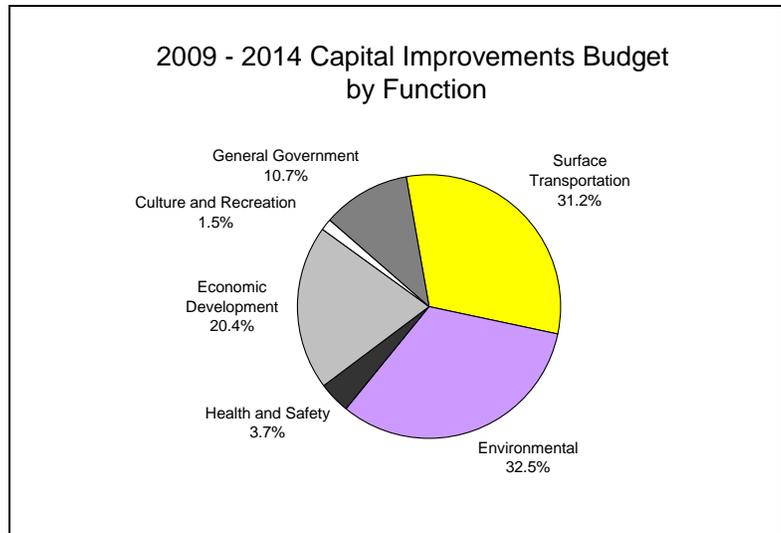
Figure 1 provides a breakdown of the capital improvement plan by its six functional areas. Environmental projects include sewer and water mains, environmental remediation, and forestry and boulevard projects.

- Health and Safety projects include major capital equipment and facilities for the Police, Fire, and Health Departments.
- Surface Transportation projects include streets, alleys, sidewalks, bridges, parking facilities, street lights, and traffic control facilities.
- Culture and Recreation projects include library facilities, recreational facilities, and the Municipal Art Fund.
- Economic Development projects include Tax Increment Districts, Business Improvement Districts, neighborhood commercial districts, and Port of Milwaukee equipment, facilities, and improvements.
- General Government projects include maintenance and remodeling of city buildings and facilities, communications and control systems, major capital equipment, and other miscellaneous projects.

Funding for Environmental projects constitute the largest functional area at 32.5% of total funding. At 31.2%, Surface Transportation projects make up the second largest component of the six year plan. Economic Development is the third largest functional area at 20.4% of total funding. The fourth largest functional area is General Government comprising 10.7% of funding. Health and Safety projects comprise 3.7% of total funding while the smallest functional area is Culture and Recreation, which amounts to 1.5% of total funding.

The grants category includes unassigned funding authority for grants that are not specifically budgeted. Grant funding for specific capital projects, such as major streets and bridges, is included in their respective functional areas. Table 2 (see page 15) summarizes capital projects in the six year plan by functional area.

Figure 1



CAPITAL IMPROVEMENT FINANCING

The 2009-2014 Capital Improvements Plan includes a list of projects, which the city intends to fund over the next six years and an explanation of how it will finance these projects. The financing goals and strategies used by the city as well as a description of the various funding sources utilized to fund the capital plan are discussed in this section.

The overall capital plan financing decisions will affect what residents and businesses pay in taxes in future years. Future tax levy amounts are affected both through direct tax levy funding of capital projects and through tax levy support of debt service costs resulting from capital borrowing. It is essential for policymakers to consider the future tax levy impacts of capital budgets and financing. While the capital improvements plan does not obligate the city to fund all the projects identified for 2010 through 2014, the costs of planned capital projects need to be considered when reviewing the plan.

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 the most cost effective and fiscally sustainable manner. To achieve this objective, the city has established three specific capital financing goals:

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

The 2009-2014 Capital Improvements Plan dedicates a total of \$1.35 billion to the city's capital budget (including Parking, Sewer Maintenance, Water Works, and intergovernmental grants). This sum reflects the city's intention to maintain its existing infrastructure in a manner that will not only support Milwaukee's economic vitality today, but also ensures that the next generation inherits a city that remains physically and economically sound.

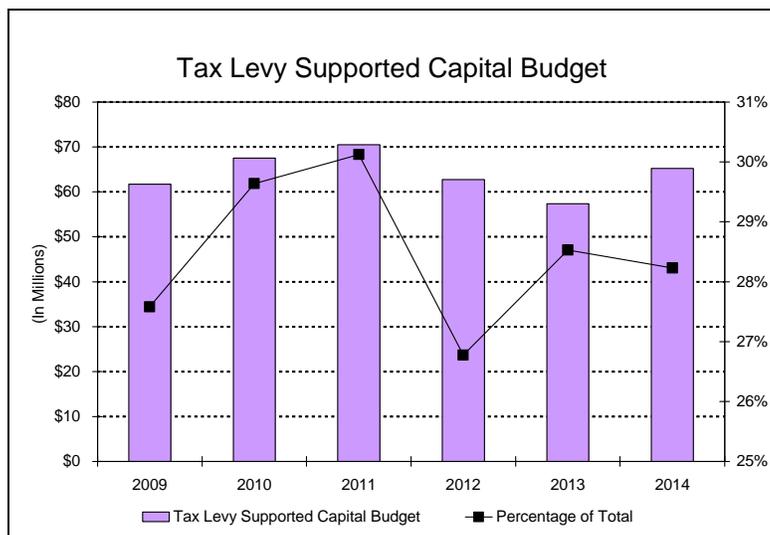
To achieve the second goal of stabilizing the city's debt burden, the 2009-2014 capital plan controls general obligation borrowing to an extent that a stable debt service tax levy should be realized by 2010-2011. Although controlling the amount of outstanding debt is an important goal, policymakers also remain pledged to use long term debt instruments, when appropriate, to spread the cost of capital expenditures across multiple generations of taxpayers. Large non-recurring projects, such as the recent City Hall restoration, are more appropriately funded with long term debt. Such projects have long useful lives and, as a result, benefit several generations of taxpayers. Intergenerational equity is an important goal for any municipality that plans for the long run.

The third goal of controlling tax levy capital spending in order to maintain core operating services will be achieved by moderating growth in the tax levy supported capital budget (specifically, tax levy cash and tax levy supported debt; self-supported debt is excluded) and by pursuing alternatives for financing capital needs. In 2009, the tax levy supported portion of the capital budget totals approximately \$60 million. In the planning years of 2010-2014, the annual tax levy supported capital budget averages approximately \$62.7 million. To compensate for inflationary price increases and other cost increases over time, the city must continue to find more cost effective methods for meeting its capital needs.

Non-property tax resources finance almost three-fourths of the city's capital needs. These sources include Enterprise Funds (Parking, Sewer, and Water), special assessments, tax incremental financing, developer revenues, and intergovernmental aids. Since 2000, the Sewer Maintenance Relay Capital Program has been financed by the Sewer Maintenance Fund. The transfer of the Sewer Capital Maintenance Program to the Sewer Fund was intended to capture all costs related to maintenance of the city sewer system on the Sewer User Fee. Remaining sewer capital programs related to system expansion were transferred from the tax levy funded portion of the capital budget to the Sewer Fund in 2008.

Intergovernmental grants and aids are of particular importance to the city, especially in the area of transportation projects, which make up 17.9% of total city funding in the 2009-2014 capital plan. Most of the intergovernmental grants to the city help to finance major street projects, bridge projects, and the Port's Pier Berth and Channel Improvements Program. These funds typically come from the state and federal government, while the city is usually required to finance a portion of the cost. In the case of major bridge and street projects, the city is typically required to finance between 12.5% and 20% of the design and construction costs. In return, the county, state, and federal governments finance most of the remaining costs.

Figure 2



Tax Incremental Districts (TIDs) represent yet another important funding source for city capital projects. Since the mid-1970's, the city has created 72 TID projects. Funding provided in the 2009 capital budget, as well as in the last five years of the 2009-2014 Capital Improvements Plan, will finance existing TID projects created before changes in budgeting provided all authority upfront, provide funding for projects currently in the initial stages of planning, and allow for city involvement in potential developments under discussion.

CAPITAL FINANCING STRATEGIES

The primary financial strategy of the capital improvements plan is to control levy supported general obligation borrowing, while minimizing the risk of deferred maintenance. This should enable the city to achieve a stable debt service levy by 2010. Between 2000 and 2009, the debt service tax levy increased 44% (\$21.6 million). This large increase in the tax levy needed for debt service limits the city's ability to devote levy dollars to core operating services. Achieving a stable debt levy without drastically deferring capital maintenance will allow the city to allocate a larger share of its limited resources to operating services.

The City of Milwaukee will continue to seek alternatives to levy supported borrowing as a way to finance capital projects. The 2009 capital budget includes \$6.6 million of new capital financing through the introduction of a Motor Vehicle Registration Fee (MVR fee). Through the 2009 budget amendment process, the Milwaukee Common Council passed an ordinance (Common Council File 080034) which imposed a \$20 annual MVR fee on every motor vehicle registered in Wisconsin and kept in Milwaukee. This ordinance change also included the adjustment of recovery ratios for certain assessable improvements (known as special assessments for property owners). The change has eliminated the special assessments for paving (street) improvements and reduced the special assessments for alley improvements from 90% to 60% recovery and sidewalk improvements from 70% to 50% recovery. This financing change also provided funds for additional street maintenance activities.

The 2009-2014 capital plan reflects five capital financing strategies. These are the following:

1. Reduce levy supported general obligation borrowing to by maintaining newly issued general obligation borrowing at or below projected debt retirements. The goal is to achieve a stable debt service tax levy by 2010-2011. This will make the capital plan financially sustainable.
2. Only borrow for Milwaukee Public School's self-supporting debt. Through the years, the city has provided substantial support to MPS through borrowing for facilities improvements. This financial burden on the city's general obligation borrowing has been reduced by only borrowing for self-supporting debt since 2008.

3. Focus facilities and systems projects on essential repair and refurbishment. The primary objective is to preserve existing assets, if necessary, to continued operations rather than to expand facilities and systems beyond what is either operationally necessary or financially realistic. This will require using performance and corrective maintenance data to prioritize capital funding for facilities.
 4. Improve capital project risk management. Planning and monitoring of capital projects will be improved to ensure that major capital projects are completed on time and within budget. This will involve discussing the status of major capital projects through the Mayor's Accountability in Management (AIM) initiative.
 5. Diversify capital financing. The city cannot rely on general obligation borrowing and the property tax levy to fund its capital improvement projects. The 2009-2014 Capital Improvements Plan includes several methods of diversifying capital financing, including:
 - The previously mentioned Motor Vehicle Registration Fee to replace or reduce special assessments and increase street maintenance activities.
 - A Storm Water Fee to fund sewer capital projects through the Sewer Fund.
 - Using leases for the Water Works and Sewer Maintenance Enterprise Funds to assist in financing the Department of Public Works facility at the former Tower Automotive site.
 - Transferring prior general obligation debt payments for sewer capital to the Sewer Fund, to be paid through the Sewer Fee.
 - Using surplus revenue in the Port Enterprise Fund to finance maintenance projects in their annual operating budget, thereby reducing the amount of new general obligation borrowing and property tax levy that is needed for Port capital projects.
-

DEBT FINANCING STRATEGIES

Another key capital financing objective is to maintain Milwaukee's strong general obligation bond ratings. Maintaining strong bond ratings reduces the overall cost of borrowing to the city, thereby reducing the amount of property taxes needed to support capital spending. As of January 2009 the city received strong ratings from the bond rating agencies: an AA+ from Fitch's Investor's Services, an Aa2 rating from Moody's Investors Services (with a negative watch tied to reserve balances), and an AA rating from Standard and Poor's. The city's strong ratings reflect a substantial Public Debt Amortization Fund, control in issuing new debt, growth in taxable property values, and rapid debt payout. Although all the bond rating agencies indicate that the city's debt levels are moderately high, the debt remains affordable and is offset by the capital financing policies employed by the city. Appropriately managing future debt levels will continue to be an important goal for the city.

Debt Structure

One especially important debt financing strategy used by the city relates to how it structures its debt issuances. The general policy of the city relating to general obligation bonds is to issue 15 year, level principal payment bonds. This policy produces higher payments in the early years of a bond issue but produces lower total financing costs. As a result of this rapid debt amortization schedule, 55% of principal is retired in five years and 81% is retired in ten years.

One area of the capital improvement budget which is financed through a different debt structure is Tax Incremental Districts (TIDs). In 1998, the city began to implement a new debt structure for TID projects that was designed to eliminate a timing problem which required the city tax levy to help support these normally self-supported projects. The TID financing structure stretches out the maturity schedule of the bonds to 17 years (two years longer than the typical GO bond term used previously) and capitalizes interest (principal and interest payments are deferred) in the first two years of the bond's life. Although this new structure adds to the total amount of debt service to be repaid, it significantly reduces the cost impact of any new TID borrowing for two years. This in turn allows time for increments of newly created TIDs to be sufficient to cover financing costs.

In an effort to reduce outstanding debt, the city is modifying its approach to financing sewer capital. The Sewer Maintenance Fund will be applying to utilize the State of Wisconsin's Clean Water Fund. The Clean Water Fund is administered by the Department of Natural Resources and provides below market interest loans to communities to

finance storm water control projects. Any sewer capital projects that do not qualify for this funding will be financed with general obligation debt. The Sewer Fund, in turn, will make payments to cover the debt service. This financing strategy will reduce costs, as Clean Water Funds and general obligation bonds have a lower interest rate than revenue bonds and do not have other "reserve" requirements that increase costs.

Sewer Debt Transfer

The 2009 budget includes a \$9.3 million transfer from the Sewer Maintenance Fund to the Debt Fund for sewer related general obligation debt service. This payment will retire principal on general obligation debt associated with the sewer capital program. This transfer payment occurs on an annual basis, the amount of the payment in future years based on outstanding debt service requirements. The transfer amount will be reviewed annually in the context of the city's larger financial picture.

Public Debt Amortization Fund

Another important debt financing strategy used by the city involves use of the city's Public Debt Amortization Fund (PDAF). This fund was created in 1925 in State Statute Chapter 67.101. The Public Debt Commission is custodian of the fund which is to be administered on a daily basis by the city's Comptroller as Secretary of the Commission. Under state statutes, two minimal restrictions on Fund draws exist:

1. The amount used may not exceed 40% of the balance in the Fund as of the preceding December 31.
2. The Commission may not decrease the Fund below \$2 million.

The Public Debt Commission has developed purposes of the fund and criteria for its utilization.

Purpose of Fund

1. Proper management and payment of public debt.
2. Preserve the credit worthiness of the city.
3. Moderate debt service tax rate but not to the detriment of the previous two purposes.

Utilization Criteria

1. Minimum Balance - midpoint of 10% of tax levy supported GO debt outstanding and the annual tax levy supported debt service.
2. Maximum Balance - midpoint of 10% of GO debt outstanding and annual debt service.
3. Withdrawal to prevent an equalized debt service tax rate increase of 5% about the prior year.
4. Withdrawal to prevent an equalized debt service tax rate increase 3% of the most recent three year average.
5. Withdrawal equal to the amount of replenishment.

The unsegregated balance in the PDAF at the end of 2007 is \$49.9 million, which is \$1.2 million higher than the 2006 balance. In recent years, withdrawals have been slightly less than the amount of replenishment. For 2003 through 2009, the PDAF withdrawal was \$4 million to \$7.4 million annually. The Fund replenishes from revenue that includes interest earned by assets of the fund, one-third of the general interest earnings of the city, and one-third of interest received on delinquent personal property taxes.

Of course, the PDAF policy and subsequent withdrawals were made prior to the state initiation of property tax freezes in 2006 and just after the freezing of state shared revenue in 1995. Increases in state mandated property tax exemptions have caused a larger share of the city's property tax cost to be allocated to the residential sector. PDAF withdrawal policies should be flexible enough to accommodate these changing fiscal circumstances.

From a political perspective, significant increases in debt service in a context of operating service reductions are problematic. A key policy question relative to the PDAF is whether moderating annual debt levy increases should receive more priority. State levy limits have imposed a cap on annual tax levy increases, with an adjustment for debt service, to approximately 2.1% for 2009. It appears that departures from existing PDAF withdrawal policy would be required to achieve a similar limit to debt service increases during the six year planning period.

CASH FINANCING STRATEGIES

One financing strategy the city has used is cash financing of recurring infrastructure projects and limiting debt financing for capital improvements to only those projects which occur at irregular intervals and benefit future as well as current taxpayers. The goal was to decrease overall debt and ultimately reduce costs and resulting tax levies for what are, in effect, annual recurring replacement projects. The Common Council adopted a resolution in 1986 that gradually converts funding for recurring infrastructure preservation projects from borrowing to cash financing. Recurring infrastructure includes local streets, alleys, sidewalks, street lighting, traffic control, communications, underground conduits, and recreational facilities. With the adoption of this resolution, the city committed itself to financing 100% of recurring infrastructure replacement with cash by the year 2006.

The 2006 capital budget suspended the Infrastructure Cash Conversion (ICC) policy goal to institute a change in overall philosophy to managing capital and debt levy impacts. The focus has changed from the basic ICC goal of funding an increasing amount of cash for a defined set of projects considered recurring infrastructure to the larger issue of controlling all capital debt. Through the years, even while the cash percentage for the defined ICC projects increased, overall capital borrowing also increased at an unsustainable rate. This created a situation of significant annual increases to the debt service levy, impacting the city's ability to fund other programs. The capital budget will continue to move in the direction of limiting debt issuance to debt retirements to better stabilize the debt service levy. This debt financing policy should more effectively stabilize the amount of debt service, thereby achieving the city's goals.

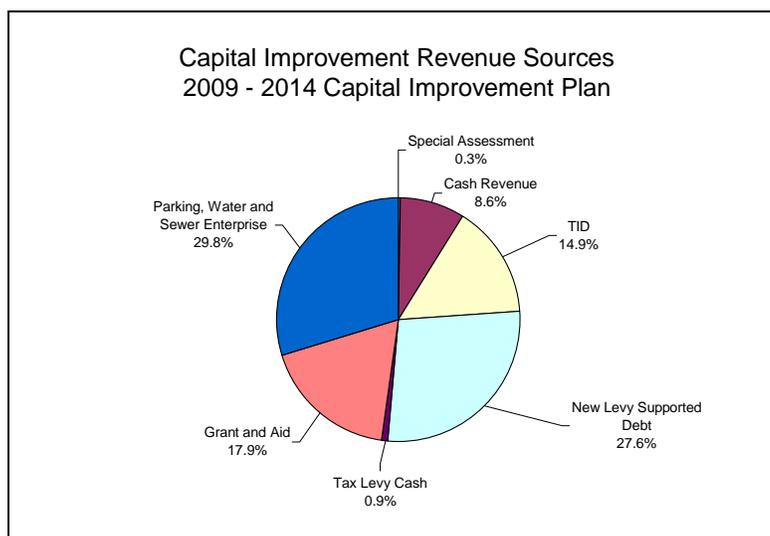
STRATEGY IN ACTION: SOURCES OF FUNDING FOR THE 2009 - 2014 CAPITAL IMPROVEMENTS PLAN

All projects identified in the 2009-2014 Capital Improvements Plan are fully funded through a variety of sources. These sources include tax levy supported debt, Tax Incremental Districts, special assessments, cash revenues, tax levy, self-funded (primarily user fees) and grants and aids. Figure 3 illustrates the percentage of the six year plan financed by each funding source. Use of these diverse funding resources is wholly consistent with the financing strategies discussed earlier.

The specific sources of funding for the 2009-2014 Capital Improvements Plan are described in the following sections. In addition, Table 1 (see page 14) details how the six year plan is financed.

Tax Levy Supported Debt: The six year plan estimates the amount of funds that must be borrowed to finance capital projects. This amount does not include special assessments or tax incremental financing since they are considered self-sustaining, though they are funded through general obligation borrowing. In the six year plan, \$373.3 million, or 27.6% of the total capital budget is expected to be borrowed, excluding \$205.5 million in special assessment and tax incremental borrowing. As shown in Table 1 (see page 14) tax levy supported debt averages \$62.2 million per year. These amounts of general obligation borrowing are lower than projected debt retirements. Adjustments to further lower the tax levy supported debt will continue to be examined and explored during the six year plan. Through steady decreases in borrowing, the city will reduce the levy supported debt budget and the total debt burden borne by taxpayers.

Figure 3



Tax Incremental Districts: Tax Incremental Districts are considered self sustaining and have been funded through issuance of general obligation debt. Self sustaining debt refers to the use of borrowed proceeds to generate a stream of revenues that will offset related principal and interest payments. After a Tax Incremental District is established, debt instruments are issued to finance public improvements to aid development within the district. The increase, or increment in real property taxes after a district is established, is set aside and used to retire debt contracted by the authority. As shown in Figure 3, \$201.3 million or 14.9% of total capital funding is provided to fund Tax Incremental Districts.

Special Assessments: Special assessments are also considered self-sustaining debt even though they are issued as general obligation debt. When certain infrastructure improvements are made, such as repaving a street (until 2009) or installing a new sewer, part of the cost is charged to the abutting property owners as special assessments. The property owners may pay either the entire amount when the bill is received, have the assessment placed on the next tax bill, or pay the amount over six years, with interest charged for the final five years. If the latter option is chosen, the interest cost to the city is offset by the interest charged to the property owners. However, regardless of how the property owner pays the special assessment, the city borrows the funds as general obligation debt to finance the project. As Figure 3 shows, \$4.3 million, or 0.3% of capital projects are financed through special assessments.

Cash Revenues: A portion of capital projects are financed through cash revenues, including general (or unassigned) grants and aids, developer financing, vehicle registration fee, and other sources of revenue. The grant fund provides funding authority for grants and aids that may be received throughout the year but is not specifically included in the capital improvements plan on a project specific basis. Developer financed projects occur when a private developer requests the city to expand street or sewer systems. These projects are fully financed by the developer who enters into a formal agreement with the city. In the six year plan, \$116.8 million, or 8.6% of all capital projects are funded through cash revenues. This source of funding averages \$19.4 million in the six year plan.

Tax Levy: Tax levy funding of capital projects totals \$11.8 million, or 0.9% of total funding over the six year plan. As shown in Table 1 (see page 14), total tax levy funding is projected to average \$2 million each year.

Self Funded: These projects include those financed through the Parking Fund, Sewer Maintenance Fund, and Milwaukee Water Works. The Parking Fund was established to account for revenues received from parking operations. Parking revenues are used to defray all costs related to these operations, including debt service costs on various parking obligations. Milwaukee Water Works and Sewer Maintenance Fund capital improvement projects are fully financed by their respective user fees. In total, \$403 million, or 29.8% of capital projects are funded through the Parking Fund, Sewer Maintenance Fund, and Milwaukee Water Works.

Grants and Aids: In the six year plan, funding provided through grants and aids totals over \$241.6 million, or 17.9% of total funding. This funding is received from the state and federal governments, primarily for bridge and street paving programs. Grants and aids funding fluctuates dramatically from a high of \$49.3 million in 2014 to a low of \$26.8 million in 2013.

2009 - 2014 CAPITAL IMPROVEMENTS PLAN: MAKING CRITICAL CAPITAL INVESTMENTS

The 2009-2014 Capital Improvements Plan includes the 2009 capital budget, which was adopted by the Common Council in November 2008 and planned capital expenditures for 2010-2014. The six year Capital Improvements Plan (CIP) is not a formally adopted plan and does not appropriate funds but functions as a capital spending guide. Capital appropriations for the last five years of the plan are made through adoption of the annual capital budget.

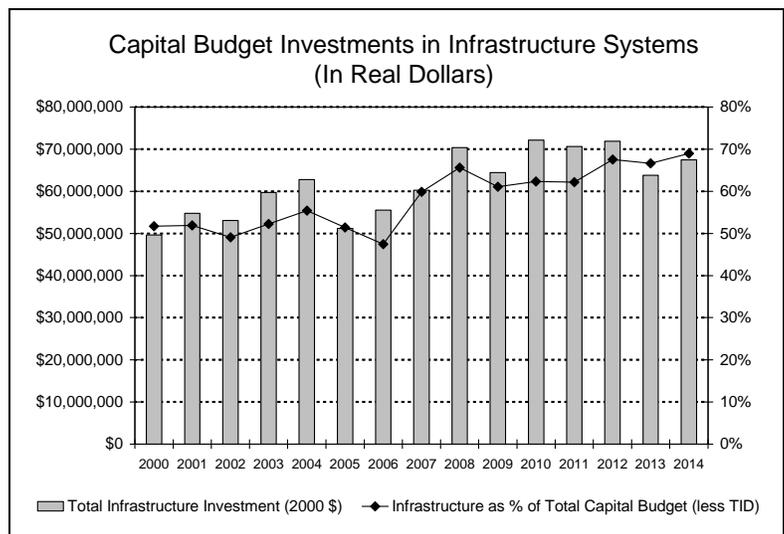
The capital improvement plan is a planning document that assists policymakers in their review and analysis of the city's capital needs. The plan summarizes the type, amount and purpose of capital spending, as well as how capital is financed. This enables analysis of not only approved capital spending in 2009 but also a more comprehensive review of planned capital spending over the next six years. This section shows planned infrastructure investments and the amount of investment in preserving and expanding the city's capital assets.

THE CAPITAL BUDGET FOCUS: STRENGTHENING INFRASTRUCTURE

An important function of local government is maintaining basic infrastructure systems. These systems, sewers, water mains, streets, bridges, alleys, sidewalks, and street accessories (traffic signals and streetlights), are essential to the economic viability of any city.

The City of Milwaukee invests significant resources in its infrastructure systems. Figure 4 shows the capital budget for infrastructure in real terms for the years 2000-2014 (intergovernmental grants and aids is excluded). As the chart demonstrates, the real dollar amount budgeted for infrastructure has remained relatively stable, with the exception of 2005 and 2006.

Figure 4



The percentage of total capital expenditure dedicated to infrastructure expansion and replacement decreased in 2005 and 2006 and then increases to a relatively constant percentage from 2007 through 2014. The decline in 2005 is due to the completion of funding for the West Canal Street Reconstruction and Expansion and a large provision for the Department of Public Works (DPW) Menomonee Valley Facilities Relocation to facilitate economic development. The decline in 2006 is due to the DPW Menomonee Valley Facilities Relocation and the City Hall Restoration Project. Due to the large increase in TID funding starting in 2006 because of a different approach by providing all authority upfront, TID budgets were excluded when calculating the infrastructure's percentage of the total capital budget.

The 2009-2014 Capital Improvements Plan continues to maintain the real dollar value of the annual infrastructure maintenance and expansion budget. The impact of this level of commitment to infrastructure is quite substantial.

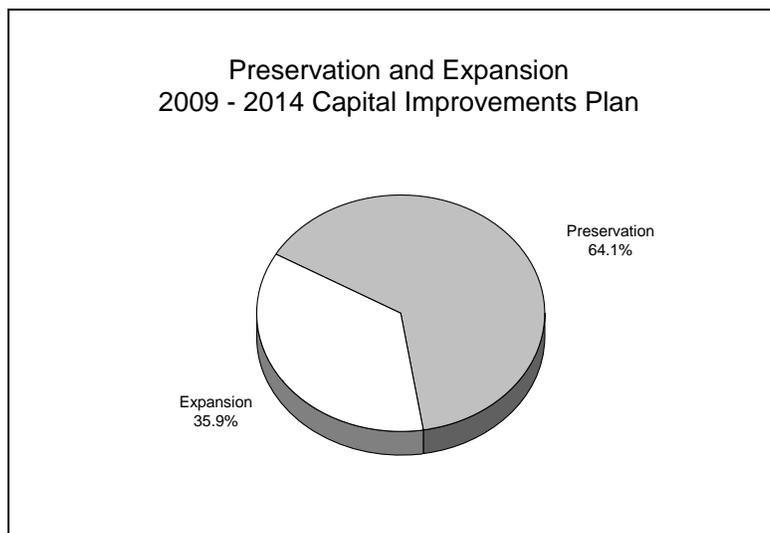
PRESERVATION vs. EXPANSION

Capital projects are classified into two categories: Preservation and Expansion. Preservation refers to capital improvement projects whose major objective is to reconstruct, rehabilitate, or otherwise restore an existing system or facility to full functionality. In contrast, Expansion refers to projects whose primary objective is to construct a

new system or to expand an existing system or facility to meet increased demands or to enhance development. The CIP focuses primarily on asset Preservation, a result of investing in necessary maintenance of existing assets combined with limited financial resources to pursue significant enhancement.

Figure 5 illustrates the proportion of capital projects that either preserve or expand capital infrastructure. The 2009-2014 Capital Improvements Plan (including grants and aids and self-funded projects) allocates \$867.1 million or 64.1% the total budget, to preserve the city's existing infrastructure. A total of \$484.9 million, or 35.9%, is allocated to expand public facilities. Expansion projects primarily include economic development related projects and new street and sewer construction projects. Preservation projects include maintenance and replacement of existing systems and facilities.

Figure 5



Additional enhancement projects will be considered for the 2009-2014 Capital Improvements Plan if they are offset by other reductions and also meet some of the following characteristics:

- Compliance with a legal mandate;
- Elimination of a major risk to public health or safety;
- Leverage of operational savings or quantifiable productivity improvements;
- Generation of increased city revenue; and
- Implementation of job creation or economic development.

SIX YEAR CAPITAL PLAN BY DEPARTMENT

Table 3 (see page 16) shows the 2009-2014 Capital Improvements Plan by Department. The table also shows totals for city funded capital improvement projects, as well as for self funded projects, including the Parking Fund, the Sewer Maintenance Fund, and the Milwaukee Water Works (which are not funded directly by property taxes).

The following sections of this document provide an overview of the 2009-2014 Capital Improvements Plan by function. These sections show specific capital projects and funding amounts in the appropriate functional category. An analysis of each project category is provided, including the major initiatives and policy changes brought about by the 2009 adopted capital budget as well as those proposed in the 2010-2014 capital plan.

Table 1
2009 - 2014 Capital Improvements Plan by Funding Source

DEPARTMENT	2009 ADOPTED BUDGET	2010 BUDGET PLAN	2011 BUDGET PLAN	2012 BUDGET PLAN	2013 BUDGET PLAN	2014 BUDGET PLAN	TOTAL SIX YEAR PLAN
TOTAL CAPITAL IMPROVEMENTS PLAN	\$223,867,979	\$227,883,884	\$234,030,219	\$234,268,119	\$200,962,000	\$231,002,000	\$1,352,014,201
LESS:							
Enterprise Funds (Parking, Water, Sewer)	\$61,482,000	\$71,990,000	\$70,815,000	\$72,080,000	\$63,535,000	\$63,080,000	\$402,982,000
Special Assessments	150,300	587,100	711,100	819,100	940,100	1,050,100	4,257,800
Cash Revenues	19,390,000	19,890,000	19,390,000	19,390,000	19,390,000	19,390,000	116,840,000
Tax Incremental Districts (Excluding Cash Revenue)	36,268,614	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	201,268,614
Grants & Aids (Including Enterprise Funds' Grant & Aids)	44,836,000	34,878,000	39,619,000	46,255,000	26,762,000	49,275,000	241,625,000
REMAINING EXPENDITURES TO BE FINANCED	\$61,741,065	\$67,538,784	\$70,495,119	\$62,724,019	\$57,334,900	\$65,206,900	\$385,040,787
Cash	\$1,764,320	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$11,764,320
Debt	\$59,976,745	\$65,538,784	\$68,495,119	\$60,724,019	\$55,334,900	\$63,206,900	\$373,276,467
SUMMARY OF FINANCING SOURCES							
Tax Levy Supported Debt	\$59,976,745	\$65,538,784	\$68,495,119	\$60,724,019	\$55,334,900	\$63,206,900	\$373,276,467
Tax Incremental Districts	36,268,614	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	201,268,614
Special Assessments	150,300	587,100	711,100	819,100	940,100	1,050,100	4,257,800
Cash Revenues	19,390,000	19,890,000	19,390,000	19,390,000	19,390,000	19,390,000	116,840,000
Tax Levy	1,764,320	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	11,764,320
TOTAL CITY FUNDING	\$117,549,979	\$121,015,884	\$123,596,219	\$115,933,119	\$110,665,000	\$118,647,000	\$707,407,201
Enterprise Funds (Parking, Water, Sewer)	\$61,482,000	\$71,990,000	\$70,815,000	\$72,080,000	\$63,535,000	\$63,080,000	\$402,982,000
*****Grants & Aids*****	44,836,000	34,878,000	39,619,000	46,255,000	26,762,000	49,275,000	241,625,000
TOTAL CAPITAL INVESTMENT	\$223,867,979	\$227,883,884	\$234,030,219	\$234,268,119	\$200,962,000	\$231,002,000	\$1,352,014,201

Table 2
2009 - 2014 Capital Improvements Plan by Function

FUNCTIONAL AREA	2009 ADOPTED BUDGET	2010 BUDGET PLAN	2011 BUDGET PLAN	2012 BUDGET PLAN	2013 BUDGET PLAN	2014 BUDGET PLAN	TOTAL SIX YEAR PLAN
SURFACE TRANSPORTATION							
Streets	\$45,580,200	\$33,860,845	\$40,001,100	\$40,404,100	\$28,795,100	\$58,840,100	\$247,481,445
Alleys	300,100	400,000	400,000	400,000	400,000	400,000	2,300,100
Bridges	10,473,000	16,810,000	14,065,000	20,600,000	11,365,000	12,100,000	85,413,000
Street Accessories	8,840,000	8,990,000	9,140,000	9,740,000	8,890,000	9,290,000	54,890,000
Sidewalks	800,000	1,185,000	1,320,000	1,455,000	1,590,000	1,725,000	8,075,000
Parking	2,936,000	800,000	1,650,000	1,150,000	1,025,000	550,000	8,111,000
Subtotal	\$68,929,300	\$62,045,845	\$66,576,100	\$73,749,100	\$52,065,100	\$82,905,100	\$406,270,545
ENVIRONMENTAL							
Sewer System	\$31,600,000	\$37,370,000	\$38,370,000	\$37,890,000	\$38,900,000	\$34,500,000	\$218,630,000
Water System	27,096,000	33,820,000	30,795,000	33,040,000	23,610,000	28,030,000	176,391,000
Sanitation	0	700,000	5,000,000	1,000,000	1,000,000	1,000,000	8,700,000
Forestry	3,407,000	2,943,000	2,643,000	2,743,000	2,743,000	2,768,000	17,247,000
Environmental Remediation	200,000	308,000	313,000	319,000	324,000	329,000	1,793,000
Subtotal	\$62,303,000	\$75,141,000	\$77,121,000	\$74,992,000	\$66,577,000	\$66,627,000	\$422,761,000
HEALTH AND SAFETY							
Fire	\$2,807,500	\$3,400,200	\$4,858,000	\$6,016,200	\$5,214,500	\$4,476,500	\$26,772,900
Police	6,664,000	2,458,000	2,497,000	2,027,000	2,066,000	2,045,000	17,757,000
Public Health	864,000	800,000	600,000	600,000	600,000	533,000	3,997,000
Subtotal	\$10,335,500	\$6,658,200	\$7,955,000	\$8,643,200	\$7,880,500	\$7,054,500	\$48,526,900
ECONOMIC DEVELOPMENT							
TIDs	\$40,658,614	\$37,390,000	\$37,390,000	\$37,390,000	\$37,390,000	\$37,390,000	\$227,608,614
Business Improvements	337,000	3,750,000	1,750,000	750,000	750,000	750,000	8,087,000
Development District Funds	2,849,000	2,691,419	2,691,419	2,167,419	2,175,000	2,175,000	14,749,257
Port of Milwaukee	2,950,000	3,650,000	2,500,000	1,800,000	3,000,000	1,900,000	15,800,000
Subtotal	\$46,794,614	\$47,481,419	\$44,331,419	\$42,107,419	\$43,315,000	\$42,215,000	\$266,244,871
CULTURE AND RECREATION							
Libraries	\$4,194,000	\$2,365,000	\$2,726,000	\$2,287,000	\$1,533,000	\$2,359,000	\$15,464,000
Recreational Facilities	300,000	576,240	560,000	596,000	638,000	678,000	3,348,240
Municipal Art Fund	25,000	25,000	25,000	25,000	25,000	25,000	150,000
Subtotal	\$4,519,000	\$2,966,240	\$3,311,000	\$2,908,000	\$2,196,000	\$3,062,000	\$18,962,240
GENERAL GOVERNMENT							
Maintenance and Remodeling	\$5,594,000	\$9,423,400	\$9,583,400	\$7,893,400	\$5,203,400	\$5,313,400	\$43,011,000
Underground Conduits and Manholes	600,000	650,000	700,000	750,000	750,000	800,000	4,250,000
Communications and Control	712,000	950,000	952,300	625,000	625,000	625,000	4,489,300
DPW Capital Equipment	5,940,000	5,500,000	6,000,000	6,500,000	6,550,000	6,600,000	37,090,000
VRP Fund Transfers	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	39,600,000
Other Projects	3,240,565	2,167,780	2,600,000	1,200,000	900,000	900,000	11,008,345
Subtotal	\$22,686,565	\$25,291,180	\$26,435,700	\$23,568,400	\$20,628,400	\$20,838,400	\$139,448,645
GRANTS & AIDS - Special Projects	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000	\$8,300,000	\$49,800,000
GRAND TOTAL	\$223,867,979	\$227,883,884	\$234,030,219	\$234,268,119	\$200,962,000	\$231,002,000	\$1,352,014,201

Table 3
2009 - 2014 Capital Improvements Plan by Department

DEPARTMENT	2009 ADOPTED BUDGET	2010 BUDGET PLAN	2011 BUDGET PLAN	2012 BUDGET PLAN	2013 BUDGET PLAN	2014 BUDGET PLAN	TOTAL SIX YEAR PLAN
CITY FUNDED CAPITAL PROJECTS							
Special Projects	\$15,825,000	\$15,825,000	\$15,825,000	\$15,825,000	\$15,825,000	\$15,825,000	\$94,950,000
Administration, Department of	1,656,920	912,900	1,700,000	300,000	0	0	4,569,820
City Attorney	0	0	0	0	0	0	0
Common Council City Clerk	350,000	0	0	0	0	0	350,000
Department of City Development	43,844,614	43,831,419	41,831,419	40,307,419	40,315,000	40,315,000	250,444,871
Election Commission	40,000	0	0	0	0	0	40,000
Fire & Police Commission	150,000	0	0	0	0	0	150,000
Employee Relations	0	0	0	0	0	0	0
Fire Department	2,807,500	3,400,200	4,858,000	6,016,200	5,214,500	4,476,500	26,772,900
Health Department	864,000	800,000	600,000	600,000	600,000	533,000	3,997,000
Library	4,144,000	2,365,000	2,726,000	2,287,000	1,533,000	2,359,000	15,414,000
*****Grants & Aids*****	50,000	0	0	0	0	0	50,000
Municipal Court	683,645	354,880	0	0	0	0	1,038,525
Police Department	6,664,000	2,458,000	2,497,000	2,027,000	2,066,000	2,045,000	17,757,000
Port of Milwaukee	1,500,000	1,250,000	1,000,000	1,000,000	1,300,000	1,100,000	7,150,000
*****Grants & Aids*****	1,450,000	2,400,000	1,500,000	800,000	1,700,000	800,000	8,650,000
DPW Administrative Services	350,000	550,000	500,000	625,000	625,000	625,000	3,275,000
DPW Infrastructure (including special assessment)	31,707,300	37,717,845	35,807,100	36,194,100	35,028,100	42,980,100	219,434,545
DPW Operations	15,263,000	19,850,640	24,551,700	19,051,400	16,458,400	16,688,400	111,863,540
*****Grants & Aids*****	34,886,000	24,178,000	29,819,000	37,155,000	16,762,000	40,175,000	182,975,000
TOTAL CITY FUNDED CAPITAL PROJECTS	\$125,849,979	\$129,315,884	\$131,896,219	\$124,233,119	\$118,965,000	\$126,947,000	\$757,207,201
TOTAL GRANTS & AIDS	\$36,386,000	\$26,578,000	\$31,319,000	\$37,955,000	\$18,462,000	\$40,975,000	\$191,675,000
NON-CITY FUNDED CAPITAL PROJECTS							
Parking	\$2,936,000	\$800,000	\$1,650,000	\$1,150,000	\$1,025,000	\$550,000	\$8,111,000
Sewer Maintenance Fund (includes Grants & Aids)	31,600,000	37,370,000	38,370,000	37,890,000	38,900,000	34,500,000	218,630,000
Water Works	27,096,000	33,820,000	30,795,000	33,040,000	23,610,000	28,030,000	176,391,000
TOTAL NON-CITY FUNDED CAPITAL PROJECTS	\$61,632,000	\$71,990,000	\$70,815,000	\$72,080,000	\$63,535,000	\$63,080,000	\$403,132,000
GRAND TOTAL CAPITAL INVESTMENT	\$223,867,979	\$227,883,884	\$234,030,219	\$234,268,119	\$200,962,000	\$231,002,000	\$1,352,014,201

SURFACE TRANSPORTATION

The Surface Transportation capital projects support two of Mayor Barrett's Strategic Outcomes:

- Nurturing investment throughout Milwaukee to make the city an attractive place to own a home and operate a business.
- Provide for a healthy environment so that environmental conditions positively affect urban quality of life, public health, and economic competitiveness.

Capital improvements that support Surface Transportation consist of projects involving streets, alleys, bridges, street accessories, sidewalks, and parking structures. The objective of the surface transportation capital program is to provide safe, attractive, and efficient surface public ways and infrastructure systems. Funding for these systems is determined primarily through the use of condition criteria, including age, structural adequacy, maintenance problems, construction projects, citizen complaints, and aldermanic requests. These criteria are used to assess the condition of the infrastructure system, plan budgets in a cost effective manner, and predict annual preservation effort requirements.

Surface Transportation projects are funded through special assessments, federal and state grants and aids, revenue from developers, city borrowing, and the property tax levy. Surface Transportation projects total \$406.3 million, or 30.1% of the total six year capital improvement plan, making Surface Transportation the second largest functional category of capital spending. Figure 7 shows the 2009-2014 capital projects plan for the Surface Transportation. Funding will increase from 2010-2012 and then fall by 30% in 2013 due to reductions in state and federal aids for streets and bridges. The Surface Transportation budget increases to \$82.9 million in 2014. The 2009 budget provides \$68.9 million in funding for Surface Transportation projects.

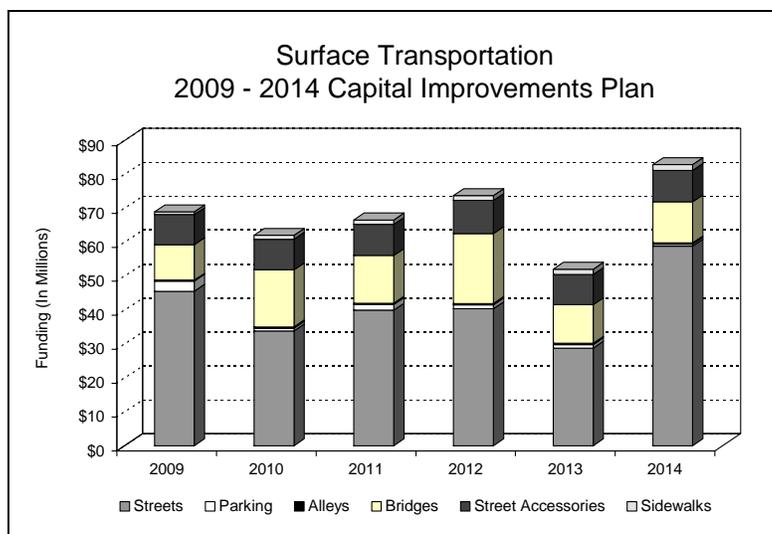
Streets

A key component of supporting Mayor Barrett's economic development goals is maintaining adequate public infrastructure, including public streets and roads. The city's Street Reconstruction and Resurfacing capital improvement programs preserve and improve the city's street infrastructure network. The city has 1,418 miles of freeways, highways, arterial streets, collectors, and local roads. About 122 miles of roadway, including the freeway and most highways, are the responsibility of other governmental units. The city's 1,295 miles of arterial roads, collectors, and local roads have an estimated replacement value of nearly \$1.6 billion. They include 279.5 miles of arterials, 72.2 miles of collectors, and 970 miles of local roads. Preserving this substantial infrastructure asset provides an effective means of transporting vehicles, people, and commodities safely and efficiently, while minimizing adverse environmental impacts.

The number of street miles of road completed each year has dramatically decreased over the past ten years. The five year average for street resurfacing or reconstruction, from 1998 to 2002, was 7.7 miles per year. The miles of street reconstructed or resurfaced fell to 3.8 miles per for the period from 2003 to 2007. That represents a 50% reduction in the average number of miles of street resurfaced or reconstructed each year compared to the period of 1998 to 2002.

This pace of construction resulted in an average replacement cycle for the city's 970 mile network of local streets of 106 years (as identified by a 2008 Comptroller Audit). The

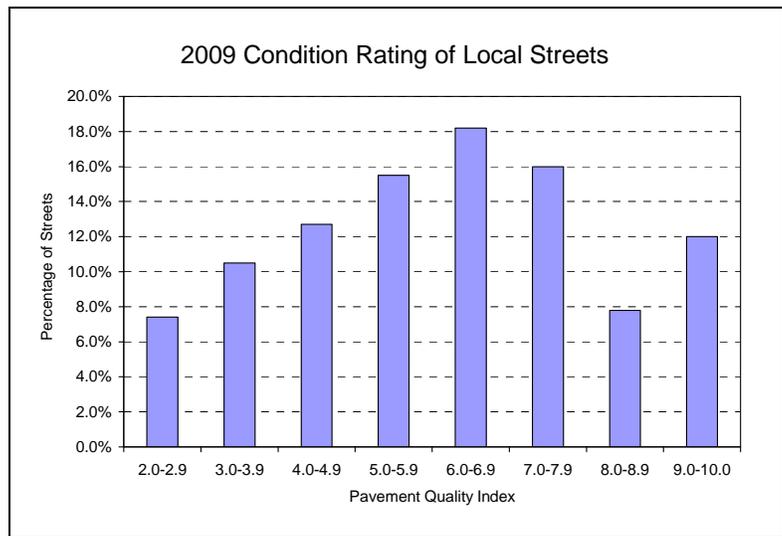
Figure 7



ideal local street replacement cycle is 50 years. To address this deficiency, the city's six year plan for local provides funding to increase the average miles of street resurfacing or reconstruction to 12.70 miles. The final year of the plan provides funding to complete 15.3 miles of street. This significant funding increase brings the average replacement cycle to 59 years by the end of the plan.

Street related capital improvement projects account for the largest portion (60.9%) of the Surface Transportation plan. The six year plan includes \$247.5 million for street improvements. Street related projects include major street improvements, such as: state and/or federal aided street reconstruction and resurfacing, street resurfacing by contract, and new street construction and developer financed streets. As Figure 7 illustrates, funding for streets peaks in 2014 at \$58.8 million. The peak is due to the combination of increases in local streets and major projects in the state or federally aided streets program. In the six year plan, grants and aids are expected to total \$140.2 million, or 56.7% of total funding for street related capital improvement projects.

Figure 8



Pavement Condition Index: The city's Pavement Management computer model is intended to predict pavement quality and life and the need for repair. Figure 8 represents the state of the system as of 2009 for those streets that are city maintained streets. Time and monitoring of PMA outputs compared to actual field conditions will be the ultimate indicator of the system's accuracy and value.

Pavement condition is measured through the Pavement Quality Index (PQI), which rates street conditions on a scale of 2 to 10. These ratings are based upon visual observations, historic records, and non-destructive testing on non-residential streets. PQI ratings are calculated for two general street categories: local and collector/arterial. Each category has a minimum acceptable PQI. A rating below the minimum indicates that the street segment requires rehabilitation or reconstruction. Based on previous street condition and age data and an older, less sophisticated version of a Pavement Management System (PMS), minimum PQI's of 4.0 for local streets and 5.5 for collector/arterial streets were established. Collector and arterial streets have a higher minimum than local streets due to their greater importance to a larger population base in providing access to goods and services and employment.

Paving Program Audit: In 2008, the City of Milwaukee Comptroller completed an audit of the Department of Public Works Residential Street Paving Program. The audit covered all activities associated with maintaining and replacing local residential streets. The audit did not comment on the condition, repair or maintenance of collectors and arterials streets or federal, state, or county highways with the city.

More specifically, the audit assessed DPW's process of assessing, maintaining, repairing, and replacement of local streets, DPW's program for planning and scheduling street work, and how the city project approval process impacts street replacement and property owner special assessments. The audit also provided recommendations to address deficiencies.

While the audit summary noted many observations, most significantly, it found that on average, City of Milwaukee streets are in fair condition but getting worse, there are a lack of clear standards defining the true maintenance and replacement needs of the city's residential street network, and ongoing paving needs greatly exceed allotted budgets.

The audit included recommendations to DPW and the City of Milwaukee:

1. Establish an accurate total for residential street totals.
2. Expand use of the Pavement Application (PMA) to develop a cost effective paving strategy.
3. Implement a paving performance monitoring and reporting process.
4. Develop a “preserve first” strategy to extend existing pavement life.
5. Establish a paving program oversight committee.

While the audit did not focus on existing financial conditions that impact the city’s ability to increase funding for local streets to audit recommended levels, the 2009 budget does increase funding to \$10.3 million for the Resurfacing Reconstruction program, which will resurface or reconstruct approximately 15 miles of local streets. Approximately \$2 million of these funds will be used for capital maintenance (not represented in the Local Streets Resurfacing/Reconstruction Funding 2009-2014 Plan table below). This level of funding represents a significant increase in funding over the \$4 million 2004 budget and the \$6.5 million 2008 budget, demonstrating the city’s commitment to investing and improving its transportation infrastructure.

The six year capital plan for local streets will enable the city to maintain its streets at a safe and drivable level (see Table 4). The plan allows the city to complete an average of 12.7 miles of resurfacing or reconstruction per year. In addition, Infrastructure Services will complete approximately 37 miles of street maintenance annually. The final year of the plan will produce a 59 year replacement cycle. This represents a significant improvement over the current replacement cycle.

The Department of Public Works has already addressed other recommendations of the audit including determining the most accurate number of miles of streets and exploring expansion of PMA usage to better identify potential maintenance strategies. With the elimination of residential street assessments in 2009, DPW will focus street reconstruction funding to streets based on condition and needs, eliminating the process of having the adjoining property owners approve the project. Previously, this created numerous instances in which the worst condition streets were bypassed for reconstruction and a street with a higher rating was reconstructed instead. This also negatively impacted DPW’s maintenance budgets by having them maintain these worst rated streets.

Street Lighting

Street lighting supports Mayor Barrett’s goal of building safe and healthy neighborhoods. The six year plan for street lighting includes approximately \$49 million for street lighting, which accounts for 12% of total funding for Surface Transportation. Annual funding for this purpose averages \$8.15 million throughout the six year plan. The 2009 budget provides \$7.9 million for street lighting.

Table 4

Local Street Resurfacing/Reconstruction Funding 2009-2014 Plan									
Source of Funds	2007 Experience	2008 Budget	2009 Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2009-2014 Average
City Funding (1)	\$3,636,454	\$4,154,566	\$8,300,000	\$7,753,745	\$9,140,000	\$8,960,000	\$10,280,000	\$10,100,000	\$9,088,958
Assessable (2)	\$593,946	\$4,033,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LRIP (3) State Funding	\$0	\$1,067,445	\$0	\$1,067,445	\$0	\$1,067,445	\$0	\$1,067,445	\$533,723
City Match	\$0	\$533,700	\$0	\$1,067,445	\$0	\$1,067,445	\$0	\$1,067,445	\$533,723
Assessable Match	\$533,000	\$533,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Totals	\$4,763,400	\$10,323,111	\$8,300,000	\$9,888,635	\$9,140,000	\$11,094,890	\$10,280,000	\$12,234,890	\$10,156,403
Cost Per Mile	\$750,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Expected Miles Completed	10.57	12.90	10.38	12.36	11.43	13.87	12.85	15.29	12.70
Replacement Cycle (years)	85	70	87	73	79	65	70	59	72

(1) City funds do not include funds for capital street maintenance.
(2) Enough carryover assessable authority.
(3) LRIP is included in the Major Streets Program.

The 2009-2014 capital plan includes funding to upgrade and improve the efficiency of the city's street lighting system. Specifically, \$1.2 million is being dedicated to the upgrade of street lighting substations in the 2009-2012 capital budgets. Upon completion, a potential problem can be diagnosed before it occurs, which will allow crews to be more efficient management of the system.

Additionally, approximately \$6 million is budgeted in the 2009-2014 CIP for circuitry upgrades. Some of the city's street lighting circuitry is as old as 70 years. The circuitry upgrades will reduce the number of lighting outages and as a result will reduce overall street lighting maintenance costs.

The city is ever researching and considering new technologies that produce savings in installation, equipment, maintenance, and energy usage. Light Emitting Diode (LED) technology has the potential to reduce energy use by as much as 90% over the current street lamp design. The city's traffic control signals were converted to LED's with significant energy reductions experienced. While this technology is not available for street lighting, several manufacturers are developing products that may be ready for testing in the near future. As LED's evolve into a more workable product, the technology will be continually reviewed for use in the street lighting system.

Bridges

Bridges are a key component in supporting Mayor Barrett's economic development goals of maintaining adequate public infrastructure. The Major Bridge program preserves and maintains a bridge system that ensures the safe and efficient movement of vehicles, people, and commodities. Funding for bridge projects accounts for \$85.4 million, or 21% of total Surface Transportation funding in the six year plan. This total includes \$42.6 million in city funding and \$42.8 million in state and federal funds. State and federal transportation aids provide approximately 50% of total funding for bridges. Funding for bridges peaks in 2012 at \$20.6 million as a result of a \$6 million increase in state and federal funding. The decrease in subsequent years is the result of less overall grant funding.

The 2009 budget provides total funding of \$13.4 million, including \$4.4 million in operating and \$9 million in grant and capital funds. Operating funds will be used to provide normal bridge maintenance while the grant and capital funds will provide major repairs, reconstruction or rehabilitation.

Bridge conditions are measured using a sufficiency rating ranging from 0 to 100. Ratings are conducted every two years through physical bridge safety inspections. Bridges with a rating below 50 are inspected annually. In 2007, 88.3% of the rated bridges had a sufficiency rating above 50. Currently, 18 bridges have sufficiency ratings less than 50. The six year capital plan addresses 12 of these bridges. The remaining six bridges are safe and operable, but non-safety related issues such as design in street and sidewalk capacity contribute to their lower sufficiency rating.

Table 4

2009 - 2014 Capital Improvements Plan for Surface Transportation							
Project Title	2009 Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan	Six Year Plan
Street Improvements Program							
Major Streets City Portion (Federal and State Aided)	\$4,230,000	\$6,760,000	\$4,970,000	\$5,200,000	\$4,045,000	\$11,465,000	\$36,670,000
Assessments	100	77,000	91,000	89,000	100,000	100,000	457,100
*****Grants & Aids*****	30,450,000	16,670,000	23,200,000	23,555,000	11,770,000	34,575,000	140,220,000
New Streets Construction	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
Local Street Reconstruction and Resurface	10,300,000	9,753,745	11,140,000	10,960,000	12,280,000	12,100,000	66,533,745
Assessments	100	100	100	100	100	100	600
New Streets Developer Financed	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000
Total Street Improvements Program	\$45,580,200	\$33,860,845	\$40,001,100	\$40,404,100	\$28,795,100	\$58,840,100	\$247,481,445
Alley Program							
City Funding	\$300,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,300,000
Assessments	100	0	0	0	0	0	100
Total Alley Program	\$300,100	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,300,100
Bridge Program							
Major Bridge Program State and Federal Aided	\$762,000	\$2,877,000	\$1,171,000	\$500,000	\$1,248,000	\$1,400,000	\$7,958,000
*****Grants & Aids*****	4,436,000	7,508,000	6,619,000	13,600,000	4,992,000	5,600,000	42,755,000
Major Bridge Program Local	5,275,000	6,425,000	6,275,000	6,500,000	5,125,000	5,100,000	34,700,000
Total Bridge Program	\$10,473,000	\$16,810,000	\$14,065,000	\$20,600,000	\$11,365,000	\$12,100,000	85,413,000
Street Lighting Program							
City Funding	\$7,850,000	\$8,000,000	\$8,150,000	\$8,750,000	\$7,900,000	\$8,300,000	\$48,950,000
Total Street Lighting Program	\$7,850,000	\$8,000,000	\$8,150,000	\$8,750,000	\$7,900,000	\$8,300,000	\$48,950,000
Traffic Control Program							
Traffic Control Improvements	\$990,000	\$990,000	\$990,000	\$990,000	\$990,000	\$990,000	\$5,940,000
Total Traffic Control Program	\$990,000	\$990,000	\$990,000	\$990,000	\$990,000	\$990,000	\$5,940,000
Sidewalk Program							
City Funding	\$650,000	\$675,000	\$700,000	\$725,000	\$750,000	775,000	\$4,275,000
Assessments	150,000	510,000	620,000	730,000	840,000	950,000	3,800,000
Total Sidewalk Program	\$800,000	\$1,185,000	\$1,320,000	\$1,455,000	\$1,590,000	\$1,725,000	\$8,075,000
Parking Program							
1000 North Water Parking Structure	\$560,000	\$0	\$125,000	\$0	\$0	\$0	\$685,000
MacArthur Square Parking Structure	290,000	300,000	650,000	0	0	0	1,240,000
Parking Facility Maintenance	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000
Multi-Space Parking Meters	1,300,000	0	0	0	0	0	1,300,000
Milwaukee/Michigan Parking Structure	0	0	0	400,000	375,000	0	775,000
Fourth and Highland Parking Structure	0	250,000	300,000	0	400,000	300,000	1,250,000
Second and Plankinton Parking Structure Repairs	0	0	325,000	500,000	0	0	825,000
Tow Lot Office Expansion	536,000	0	0	0	0	0	536,000
Total Parking Program	\$2,936,000	\$800,000	\$1,650,000	\$1,150,000	\$1,025,000	\$550,000	\$8,111,000
Surface Transportation Totals							
City Funding	\$30,557,000	\$36,080,745	\$33,996,000	\$34,225,000	\$32,938,000	\$40,730,000	\$208,526,745
Assessments	150,300	587,100	711,100	819,100	940,100	1,050,100	4,257,800
Revenue	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000
*****Grants & Aids*****	34,886,000	24,178,000	29,819,000	37,155,000	16,762,000	40,175,000	182,975,000
Enterprise (Parking Fund)	2,936,000	800,000	1,650,000	1,150,000	1,025,000	550,000	8,111,000
Grand Total Surface Transportation	\$68,929,300	\$62,045,845	\$66,576,100	\$73,749,100	\$52,065,100	\$82,905,100	\$406,270,545

ENVIRONMENT

The capital programs in the Environmental section of the capital improvement plan support three of Mayor Barrett's Strategic Outcomes, including:

- Nurturing investment throughout Milwaukee to make the city an attractive place to own a home and operate a business.
- Create early childhood conditions that lead to success.
- Provide for a healthy environment so that environmental conditions positively affect urban quality of life, public health, and economic competitiveness.

Environment related capital programs include the sewer system, water facilities, sanitation, forestry, and environmental remediation. The objectives of the Environmental capital programs are to enhance the long term environmental health of Milwaukee by reducing lake and river pollution, protecting human health and the local ecosystem, and maintaining the cleanliness and beauty of city neighborhoods. Funding for Environmental projects is determined by a wide range of criteria, including condition, age, maintenance problems, state and environmental regulations, citizen complaints, and aldermanic requests. When possible, replacement of environment related infrastructure is coordinated with the paving program.

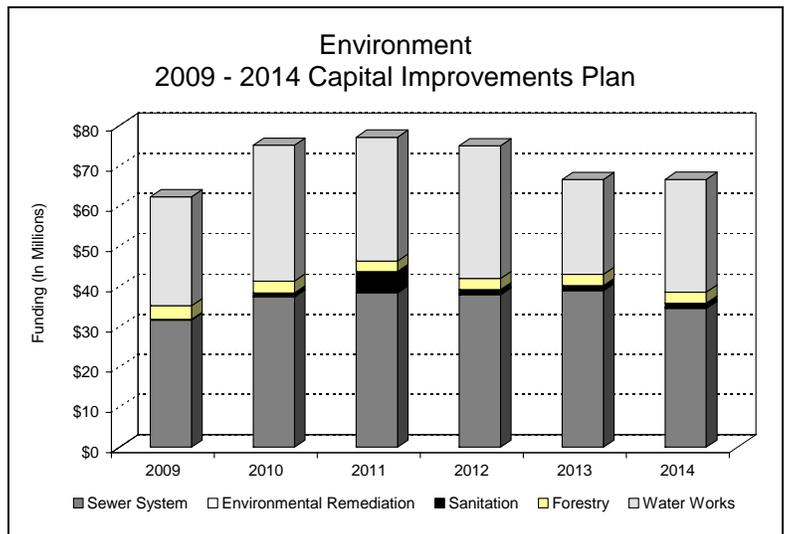
In 2009, Environmental projects are funded through city borrowing, revenue from developers, and user fees. The 2009-2014 Capital Improvements Plan provides \$422.8 million, or 31.3% of total capital funding, for environment related projects, making Environmental projects the largest functional category in the six year plan. Figure 9 shows projected costs of Environment related capital projects.

Sewer Enterprise Fund

The six year plan includes \$218.6 million in funding for sewer system projects, which accounts for 51.7% of total funding for Environment related projects. The Sewer program includes relief and relay sewers, expansion of capacity sewers, and storm water quality and I&I reduction projects. As Figure 9 shows, funding for sewers fluctuates between \$31.6 million in 2009 and \$38.9 million in 2013. The Sewer Maintenance Fund's capital program and projects are financed through a user fee. The sewers program will focus on improving Milwaukee's sewers throughout the life of the plan. The largest portion of sewer capital expenditures, 79.1%, will go towards relief and relay sewers, which reconstruct current sewer mains.

The City of Milwaukee maintains 2,446 miles of public sewers, which connect to hundreds of miles of privately owned sewer laterals, the Milwaukee Metropolitan Sewer District (MMSD) system, and sewer systems of surrounding communities. New state regulations are placing more responsibility on municipalities for reducing pollution in storm water. The 2009-2014 plan calls for replacement of at least 17 miles of sewers annually and Inflow and Infiltration (I&I) projects including manhole inspections, rehabilitation, and correction leaks in select sewer basins. The plan also plans to reduce or store excess flow in seven broken sewersheds between 2009 and 2013.

Figure 9



Water Works Enterprise Fund

Capital improvement funding for the Milwaukee Water Works totals approximately \$176.4 million over the six year plan and accounts for 41.7% of total funding for Environmental capital projects. Of this amount, \$99.9 million is appropriated for the water main program, which includes distribution and feeder mains and \$21.4 million is provided for treatment improvements. The remaining \$55 million finances improvements at buildings, pumping stations, storage facilities, and backup power generation.

The Milwaukee Water Works is a municipally owned water utility regulated by the State of Wisconsin Public Service Commission (PSC) and the Wisconsin Department of Natural Resources. From its Howard Avenue and Linnwood Plants, Water Works pumps and treats more than 41 billion gallons of water annually from Lake Michigan with 35 billion gallons in metered sales. It delivers this water through 1,960 miles of mains to approximately 831,000 customers. In addition to water sales to Milwaukee residents and businesses, Water Works provides wholesale water services to Milwaukee County institutions, eight suburbs, We Energies and provides water and billing services to West Milwaukee. Water Works also provides retail service to three suburbs. The 2009-2014 plan funds about 14 miles of water main replacement annually.

Table 5

2009 - 2014 Capital Improvements Plan for the Environmental Program							
Project Title	2009 Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan	Six Year Plan
Sewer Program							
Sewer Relief and Relay Program	\$24,000,000	\$28,000,000	\$29,000,000	\$30,000,000	\$31,000,000	\$31,000,000	\$173,000,000
Storm Water Quality Projects	2,700,000	2,500,000	2,500,000	2,500,000	2,500,000	0	12,700,000
*****Grants & Aids*****	150,000	0	0	0	0	0	150,000
Pump Facility Projects	450,000	500,000	500,000	500,000	500,000	500,000	2,950,000
SCADA Upgrade Project	600,000	0	0	0	0	0	600,000
I&I Reduction Projects	3,700,000	6,370,000	6,370,000	4,890,000	4,900,000	3,000,000	29,230,000
Total Sewer Program	\$31,600,000	\$37,370,000	\$38,370,000	\$37,890,000	\$38,900,000	\$34,500,000	\$218,630,000
Water Program							
Water Main Program Distributions Mains							
Distribution Water Main Program	\$12,980,000	\$15,600,000	\$15,100,000	\$15,100,000	\$15,100,000	\$15,100,000	\$88,980,000
Developer Financed	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
Feeder Mains Program	3,500,000	1,100,000	1,120,000	1,140,000	1,160,000	1,180,000	9,200,000
Subtotal	\$16,780,000	\$17,000,000	\$16,520,000	\$16,540,000	\$16,560,000	\$16,580,000	\$99,980,000
Building Improvements	\$700,000	\$1,570,000	\$650,000	\$550,000	\$150,000	\$350,000	\$3,970,000
Treatment Improvements	1,550,000	3,250,000	4,600,000	4,500,000	3,500,000	4,000,000	21,400,000
Pump Facilities	3,440,000	6,800,000	2,950,000	4,850,000	2,400,000	5,100,000	25,540,000
Storage Facilities	3,826,000	600,000	6,000,000	0	200,000	2,000,000	12,626,000
Meter Repair Shop Improvements	300,000	100,000	75,000	100,000	100,000	0	675,000
Backup Power Generation	500,000	4,500,000	0	6,500,000	700,000	0	12,200,000
Total Water Program	\$27,096,000	\$33,820,000	\$30,795,000	\$33,040,000	\$23,610,000	\$28,030,000	\$176,391,000
Forestry Program							
Concealed Irrigation and Landscaping City Boulevards	\$582,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$3,082,000
Planting Program	1,500,000	1,275,000	1,525,000	1,625,000	1,625,000	1,650,000	9,200,000
Boulevard Plan	525,000	550,000	0	0	0	0	1,075,000
Emerald Ash Borer Readiness and Response	800,000	618,000	618,000	618,000	618,000	618,000	3,890,000
Total Forestry Program	\$3,407,000	\$2,943,000	\$2,643,000	\$2,743,000	\$2,743,000	\$2,768,000	\$17,247,000
Sanitation Program							
Environmental Headquarters Modifications	\$0	\$700,000	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$3,700,000
Industrial Road Facility Relocation	0	0	5,000,000	0	0	0	5,000,000
Total Sanitation Program	\$0	\$700,000	\$5,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$8,700,000
Environmental Remediation Program							
Environmental Remediation	\$200,000	\$308,000	\$313,000	\$319,000	\$324,000	\$329,000	\$1,793,000
Total Environmental Remediation Program	\$200,000	\$308,000	\$313,000	\$319,000	\$324,000	\$329,000	\$1,793,000
Grand Total Environmental Program	\$62,303,000	\$75,141,000	\$77,121,000	\$74,992,000	\$66,577,000	\$66,627,000	\$422,761,000

HEALTH AND SAFETY

The capital programs in the Health and Safety section of the CIP support three of Mayor Barrett's Strategic Outcomes. These programs support the following outcomes:

- Making Milwaukee safe from crime to leverage tremendous opportunities for investment, quality of life, and personal well being.
- Create early childhood conditions that lead to success.
- Provide for a healthy environment so that environmental conditions positively affect urban quality of life, public health, and economic competitiveness.

Capital projects in the Health and Safety category involve the Fire, Police, and Health Departments, the primary providers of public health and safety services. The projects described in this section provide these departments with more useful, efficient, aesthetic settings for many of their interactions with Milwaukee residents.

In 2009, Health and Safety projects are funded through city borrowing and the property tax levy. Funding for Health and Safety totals \$48.8 million and accounts for 3.6% of total capital funding.

Figure 10 shows projected funding levels for Health and Safety capital projects. As the remainder of this section explains, most of that funding improves facilities for the Fire, Police, and Health departments.

Fire

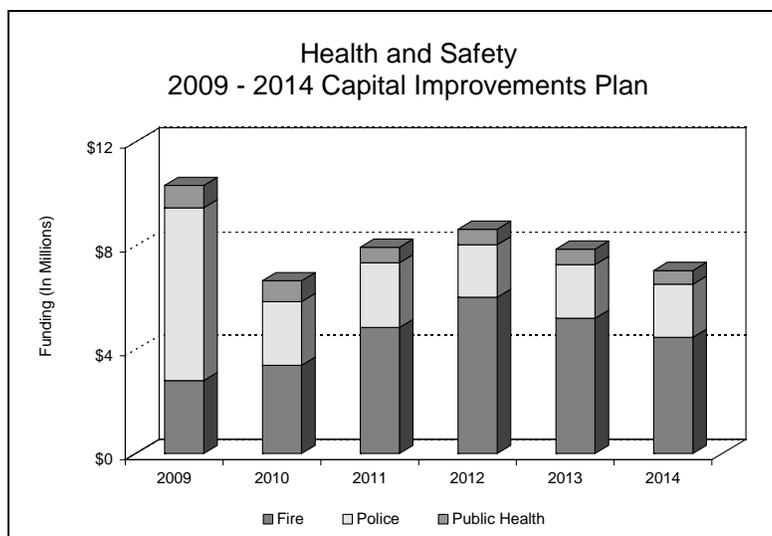
Funding for Fire Department capital improvement projects totals \$26.8 million over six years, or 55.2% of total Health and Safety funding. Funding includes the replacement of one engine house in future years, while the majority of Fire Department capital funding is for fire major capital equipment.

The 2009-2014 capital plan includes \$18.8 million to continue the Equipment Replacement program initiated in the 2001 budget. In 2002, acquisition of replacement fire equipment was shifted from the operating budget to the capital budget because fire equipment, including pumper trucks, ladder trucks, and paramedic ambulances, are long lived, high value assets. Their long life, combined with their large unit costs, makes these equipment items capital assets.

Police

The six year plan provides \$17.8 million, or 36.6% of total Health and Safety funding for Police Department capital improvement projects. The largest project is the remodeling of the Police Administration Building (PAB), accounting for \$8.7 million in the six year plan. The PAB was built in 1970 and until 2001 had not undergone any major remodeling since its original construction. The electrical and mechanical systems are inadequate to support the needs of modern technology and current staffing levels. The continuing project includes asbestos abatement, redesign of plumbing, electrical, ventilation, and cabling runs within each floor.

Figure 10



The six year plan also includes \$1.9 million to continue repairs and maintenance projects for the six other District Stations (District 1 is contained within the PAB). Many of these facilities were built in the 1950's and have received minimal upgrades through the years. These funds will be mainly used for HVAC replacement/upgrades, roof replacements, and necessary upgrades/reconfiguration of other building systems.

The 2009 adopted capital budget contains \$5 million for the replacement of the current 9-1-1 system. PlantCML has distributed an end of life announcement for the Palladium product. The end of life notice includes an "end of support" date of December 31, 2009. As of that date, software support for the Palladium product through PlantCML will no longer be available for purchase. The current support renewal has been changed to only include the Palladium software, as the hardware support is no longer possible due to various manufacturers discontinued parts. MPD has started planning for system replacement with biweekly meetings with the Fire and Public Works departments. MPD has also conducted product research, is in the process of hiring a consultant to assist in RFP development and vendor selection, and is developing a project implementation timeline. The replacement system will address the rapid changes in communications technology, deal with wireless Internet Protocol (IP) based devices, and change from the current technology to an IP network. The MPD's Avaya phone system will also require upgrades when the new 9-1-1 system is implemented.

Health

Health Department capital improvement projects include maintenance of its public health centers. Funding for health projects totals approximately \$4 million, or 8.2% of total Health and Safety funding in the capital plan. This funding level in combination with grants that the department receives is necessary to effectively maintain the department's facilities.

The Health Department's capital program has two major components: facility maintenance and information technology (IT) improvements. The department has three health centers located strategically throughout the city to best serve client populations. These centers provide a wide range of health services including WIC (women, infants, and children) medical services; immunizations for infants, children, and adults; screening for high blood pressure, breast and cervical cancer, assessment, counseling, and referral for treatment of various medical conditions. They also provide Sexually Transmitted Disease and Tuberculosis clinics.

The Health Department performed a comprehensive assessment of the capital needs for its three health center buildings. The buildings are generally old, with challenging issues associated with modern uses and requirements that they were not originally designed to accommodate. While these facilities have been adapted to serve their clients properly and efficiently, recently imposed requirements such as access for the disabled and retro-fitting for more efficient heating and cooling and fire suppression create significant, ongoing capital needs. The department has spent numerous years upgrading the structural components of each building to provide sound infrastructure that along with maintenance will extend the useful life of the buildings.

Capital funding also continues under the title Public Health Information Network for continuing development of the Wisconsin Electronic Disease Surveillance System (WEDSS). WEDSS is a co-development project between the Health Department and the State of Wisconsin Department of Health and Family Services. WEDSS represents a significant technological advancement in the electronic reporting of communicable diseases by medical providers and laboratories to local public health agencies in the region. This system will strengthen and enhance rapid reporting and response by the Health Department and merge a number of separate databases for a more comprehensive reporting system.

Table 6

2009 - 2014 Capital Improvements Plan for Health and Safety							
Project Title	2009 Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan	Six Year Plan
Fire Department Projects							
Engine House Renovations	\$0	\$0	\$740,000	\$2,000,000	\$0	\$0	\$2,740,000
Fire Repair Shop Design and Constructions	250,000	0	0	0	0	0	250,000
Major Capital Equipment	1,745,000	2,565,000	3,282,800	3,231,400	4,337,500	3,587,500	18,749,200
Fire Facilities Maintenance Program	712,500	725,200	725,200	784,800	756,000	756,000	4,459,700
Auxiliary Power Supply	100,000	110,000	110,000	0	121,000	133,000	574,000
Total Fire Department Projects	\$2,807,500	\$3,400,200	\$4,858,000	\$6,016,200	\$5,214,500	\$4,476,500	\$26,772,900
Police Department Projects							
Police Administration Building Remodeling	\$954,000	\$1,300,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$8,654,000
District Station Repairs	100,000	350,000	350,000	350,000	350,000	350,000	1,850,000
Evidence Storage Warehouse	0	295,000	205,000	0	0	0	500,000
Automated Fingerprint Analysis System	0	400,000	300,000	0	0	0	700,000
911 System Replacement	5,000,000	0	0	0	0	0	5,000,000
4715 West Vliet Street Renovation	550,000	0	0	0	0	0	550,000
Radio and Communications Upgrades	60,000	113,000	42,000	77,000	116,000	95,000	503,000
Total Police Department Projects	\$6,664,000	\$2,458,000	\$2,497,000	\$2,027,000	\$2,066,000	\$2,045,000	\$17,757,000
Health Department Projects							
Mechanical Systems Maintenance	\$246,000	\$40,000	\$70,000	\$70,000	\$130,000	\$73,000	\$629,000
Exterior Building Maintenance	228,000	145,000	155,000	155,000	190,000	180,000	1,053,000
Interior Building Maintenance	290,000	465,000	225,000	225,000	280,000	280,000	1,765,000
Public Health Information Network	100,000	150,000	150,000	150,000	0	0	550,000
Total Health Department Projects	\$864,000	\$800,000	\$600,000	\$600,000	\$600,000	\$533,000	\$3,997,000
Grand Total Health and Safety Projects	\$10,335,500	\$6,658,200	\$7,955,000	\$8,643,200	\$7,880,500	\$7,054,500	\$48,526,900

ECONOMIC DEVELOPMENT

Economic Development capital programs support three of Mayor Barrett’s Strategic Outcomes, including:

- Nurturing investment throughout Milwaukee to make the city an attractive place to own a home and operate a business.
- Developing Milwaukee’s workforce as a competitive advantage to enable residents to qualify for quality jobs throughout the region.
- Provide for a healthy environment so that environmental conditions positively affect urban quality of life, public health, and economic competitiveness.

Market forces that are beyond the direct control of public officials are the most important determinants of economic growth and activity in Milwaukee. However, the city does play a key role as a facilitator in creating the proper environment, urban design, and business climate within which the private sector can innovate, grow, and prosper. Economic Development capital spending should be used to increase the overall attractiveness of the city for private sector investment.

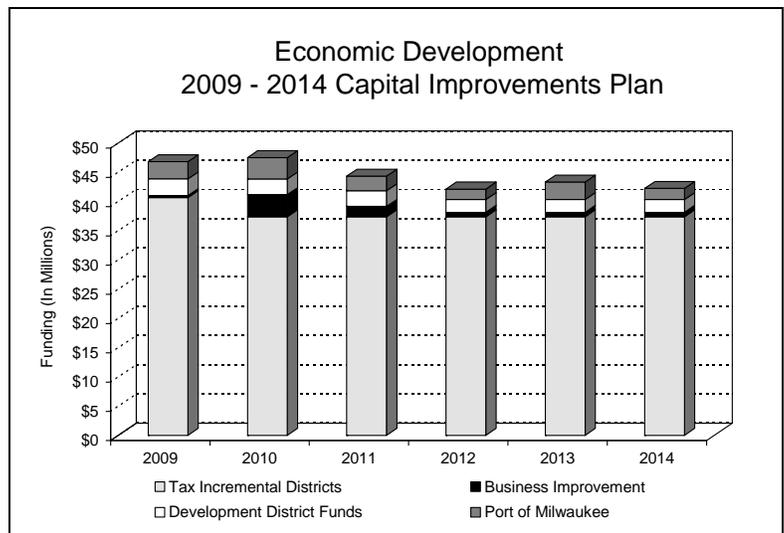
Economic Development capital improvement projects consist of Tax Incremental Districts, Business Improvement Districts, Development District Funds, targeted business loans, and Port improvements. These projects are funded through city borrowing, the property tax levy, developer revenues, tax increment financing and grants and aids. The six year plan includes approximately \$266.2 million, or 19.7% of total funding for Economic Development projects. Figure 11 shows projected funding levels in the 2009-2014 Capital Improvements Plan.

While Economic Development is primarily supported through direct capital projects, the City of Milwaukee also uses capital projects to support Economic Development through other means. This is accomplished primarily by integrating workforce development with Economic Development projects. This is done through the following programs:

- Residential Preference Program (RPP), which requires resident employment for Department of Public Works (DPW) projects, and
- Emerging Business Enterprise Program (EBEP), which requires participation of emerging businesses in construction projects.

Both programs support the local workforce and local businesses. The Resident Preference program was established in 1991. The program requires that all contracts administered by the Department of Public Works Commissioner contain a provision that 25% of the work hours be performed by residents of a designated area of the city. The designated area corresponds with the Community Development Block Grant area. The RPP has exceeded the established program goals in each year of its existence. The average total hours per contract equals 24.7% since the program’s inception. The RPP total hours for 2007 equaled 33.5% of total hours worked. DPW partners with community agencies, Esperanza Unida, Big Step Inc., and the Milwaukee Urban League to assist contractors in identifying qualified resident workers. Over 2,000 workers have been certified.

Figure 11



The purpose of the Emerging Business Enterprise Program (EBEP) is to assist and protect the interest of individuals who are at a disadvantage and to enhance opportunities for these individuals to successfully compete in a free market as individual business owners. EBEP requires that 18% of all City of Milwaukee total contract dollars spent on construction, services, professional services, and supplies utilize EBE firms. The program has exceeded this goal in most years. In addition to EBE participation in all City of Milwaukee contracts, the EBEP works to increase the participation level of emerging businesses, assists in emerging business development programs, and works to identify and eliminate barriers that deny business enterprises equal opportunities.

These programs will continue to utilize capital project and program requests in a manner that best supports the Mayor's investment and workforce community outcomes.

Tax Incremental Districts (TIDs)

The capital budget appropriates general obligation borrowing to finance public improvements and loans in Tax Incremental Districts. The resulting developments are anticipated to increase property value. Debt service and interest are

subsequently paid back with the incremental taxes generated through the district's increased property values. Of the total amount of funding for Economic Development in the 2009-2014 capital plan \$227.6 million or 85.5% is for TIDs.

Due to the unpredictability of future TID needs, the 2009-2014 capital plan provides \$37.4 million annually for TID development, except for 2009, in which \$40.7 million in funding is provided. TID debt is generally considered self-supporting since revenues will eventually pay back expenditures. Each year, TID borrowing authority is provided to fully finance up front new TIDs (a budgeting practice that began in 2006 versus the earlier budgeting practice of funding the TID capital account based on that particular year's expenditure needs), along with capitalized interest and authority for developer revenues. This change in how the budget represents TID financing will not affect how TIDs are created and approved.

Table 7

Summary of Active Tax Incremental Districts					
TID #	Project Name	Year Created	Property Value When Created in 2008 Dollars	Property Value as of 2008	Percent Real Property Value Increase
15	27th & North Ave.	1991	962,053	4,395,900	357%
17	Curry-Pierce	1992	1,017,573	2,266,800	123%
18	New Covenant	1992	184,609	2,645,000	1,333%
20	Florida Yards	1993	4,507,294	15,945,200	254%
21	North Avenue Jobs Bank	1993	2,547,692	10,697,100	320%
22	Beer-line "B"	1993	11,564,664	155,371,000	1,243%
23	City Hall Square	1994	7,051,438	29,389,400	317%
24	Riverworks Industrial Center	1994	34,123,597	59,893,700	76%
27	Clarke Square Mega Mart	1995	2,358,976	10,058,000	326%
28	City Homes	1995	1,437,311	12,789,800	790%
30	Library Hill	1996	19,301,528	42,864,600	122%
34	Third Ward Riverwalk	1997	7,763,409	81,031,000	944%
35	27th and Wisconsin	1998	2,959,649	1,512,200	-49%
37	Grand Avenue	1998	79,670,774	120,738,400	52%
38	S 5th St and W Grange	2000	250	29,200	11,577%
39	City Center Hilton	2000	29,836,179	55,122,000	85%
40	West North Ave.	2000	4,913,391	23,981,900	388%
41	Harley Riverwalk	2000	12,529,660	122,199,200	875%
42	Capital Court	2000	8,899,942	81,781,700	819%
44	Locust/ Walnut Residential	2001	44,938,739	113,933,000	154%
45	Wilson Commons	2001	1,856,005	17,404,000	838%
46	New Arcade Project	2001	17,943,085	47,646,500	166%
47	875 E. Wisconsin	2002	25,290,031	80,853,900	220%
48	Park East Freeway Removal	2002	54,244,590	70,708,700	30%
49	Cathedral Place	2002	2,456,622	59,160,200	2,308%
50	Solar Paint	2002	359	3,033,400	844,781%
51	Granville Station	2003	11,758,071	25,302,000	115%
52	Sigma-Aldrich Corp.	2003	11,965,415	26,061,200	118%
53	Menomonee Valley	2004	5,416,465	29,563,700	446%
54	Stadium Business Park	2004	1,308,440	18,145,900	1,287%
55	Holt Plaza	2004	11,461,391	27,947,100	144%
56	Erie/Jefferson Riverwalk	2004	10,210,622	127,836,400	1,152%
57	Menomonee Valley East/Har	2005	0	12,338,800	
58	20th & Walnut	2005	5,239,959	4,332,400	-17%
59	Bronzeville	2005	50,734,403	61,456,200	21%
60	Amtrak	2005	2,439,515	4,406,500	81%
61	Chase	2005	4,508,512	4,823,200	7%
62	DRS Power & Technology	2006	5,691,994	4,993,600	-12%
63	Falk/Rexnord	2006	9,473,948	13,947,900	47%
64	Direct Supply	2006	15,333,717	25,139,100	64%
65	N. 20th & W. Brown St.	2006	3,439,567	3,522,200	2%
66	Metcalfe Homes	2007	52,389,978	55,021,200	5%
67	The Brewery	2007	9,624,523	7,160,000	-26%
68	First Place	2007	58,713,130	32,694,200	-44%
69	New Avenue Comm. Center	2007	0	0	
70	735 N. Water St.	2007	15,725,209	14,690,100	-7%
71	Mitchell St.	2008	75,252,500	75,252,500	0%
Totals			\$739,046,780	\$1,800,086,000	144%

Table 7 provides a summary of the active TIDs. In addition to creating self-supporting TIDs, the City of Milwaukee also directly invests capital funds to support Economic Development. Through the Advanced Planning Fund, Neighborhood Commercial District Street Improvement Fund, Development Fund, and Business Improvement Districts (BIDs), capital funds are used to leverage and support neighborhood development plans, brownfield remediation grants, enhancement grants, façade grants, BID streetscape improvements, job retention and development, and other redevelopment and revitalization projects.

Business Improvement

Business improvement capital funding consists of the Business Improvement District Loan Fund and the Neighborhood Commercial District Street Improvement Fund. Business improvement funding totals \$4.1 million or 1.7% of Economic Development capital projects over the six year plan.

Port of Milwaukee

The Port of Milwaukee contributes to the goal of increasing investment and economic vitality throughout the city. The Port plays a role in nurturing investment in Milwaukee by stimulating trade and business and by serving as a regional transportation and distribution hub for Southeastern Wisconsin. The Port links waterborne, rail, and ground transportation in an accessible location close to downtown. As a result, the Port's tenants and customers are able to ship and receive products to and from all parts of the world.

The Port administers 467 dry acres of city owned property at or near the lakefront. The 2009-2014 Capital Improvement Plan provides \$15.8 million of funding to maintain and improve these facilities through harbor dredging, dockwall rehabilitation, pier, berth, and channel improvements, and surface improvements to rail tracks, paving, electrical service, security, and major equipment. Funding these improvements is often necessary to match Harbor Assistance Grants that are awarded to the Port.

Table 8

2009 - 2014 Capital Improvements Plan for Economic Development							
Project Title	2009 Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan	Six Year Plan
City Development Projects							
Tax Increment Districts	\$40,658,614	\$37,390,000	\$37,390,000	\$37,390,000	\$37,390,000	\$37,390,000	\$227,608,614
Business Improvement Districts	0	500,000	500,000	500,000	500,000	500,000	2,500,000
Neighborhood Commercial District Street Improvement Fund	337,000	250,000	250,000	250,000	250,000	250,000	1,587,000
Development District Fund	1,800,000	1,500,000	1,500,000	1,500,000	1,800,000	1,800,000	9,900,000
Advance Planning Fund	125,000	175,000	175,000	175,000	175,000	175,000	1,000,000
30th Street Industrial Corridor	0	3,000,000	1,000,000	0	0	0	4,000,000
Healthy Neighborhoods Initiative	200,000	0	0	200,000	200,000	200,000	800,000
ADA Riverwalk Construction	724,000	1,016,419	1,016,419	292,419	0	0	3,049,257
Total City Development Projects	\$43,844,614	\$43,831,419	\$41,831,419	\$40,307,419	\$40,315,000	\$40,315,000	\$250,444,871
Port of Milwaukee Projects							
Secured Ferry Terminal Parking	\$0	\$0	\$0	\$100,000	\$0	\$100,000	\$200,000
Harbor Maintenance Dredging	0	0	150,000	0	200,000	0	350,000
*****Grants & Aids*****	0	0	600,000	0	800,000	0	1,400,000
Cargo Handling Equipment	500,000	0	0	0	0	500,000	1,000,000
Analyze and Upgrade Sewer System	0	0	0	0	250,000	0	250,000
Dockwall Rehabilitation	150,000	250,000	250,000	250,000	250,000	150,000	1,300,000
Pier Berth and Channel Improvements	200,000	600,000	200,000	200,000	200,000	200,000	1,600,000
*****Grants & Aids*****	800,000	2,400,000	800,000	800,000	800,000	800,000	6,400,000
Surface City Heavy Lift Dock Extension	0	250,000	0	0	0	0	250,000
Rail Track and Service Upgrades	0	0	100,000	0	100,000	0	200,000
*****Grants & Aids*****	0	0	100,000	0	100,000	0	200,000
Port Security	400,000	0	100,000	100,000	100,000	0	700,000
*****Grants & Aids*****	650,000	0	0	0	0	0	650,000
Roadway Paving	0	150,000	200,000	200,000	0	0	550,000
Rehab Electrical Service South Harbor	0	0	0	0	100,000	0	100,000
Terminal Resurfacing	250,000	0	0	150,000	0	150,000	550,000
Port Facility Systems	0	0	0	0	100,000	0	100,000
Total Grants & Aids Port of Milwaukee	\$1,450,000	\$2,400,000	\$1,500,000	\$800,000	\$1,700,000	\$800,000	\$8,650,000
Total City Funding Port of Milwaukee	\$1,500,000	\$1,250,000	\$1,000,000	\$1,000,000	\$1,300,000	\$1,100,000	\$7,150,000
Total Port of Milwaukee	\$2,950,000	\$3,650,000	\$2,500,000	\$1,800,000	\$3,000,000	\$1,900,000	\$15,800,000
Grand Total Economic Development Funding	\$46,794,614	\$47,481,419	\$44,331,419	\$42,107,419	\$43,315,000	\$42,215,000	\$266,244,871

CULTURE AND RECREATION

The capital programs in the Culture and Recreation section of the six year capital improvement plan support two of Mayor Barrett’s Strategic Outcomes, including:

- Nurturing investment throughout Milwaukee to make the city an attractive place to own a home and operate a business.
- Create early childhood conditions that lead to success.

Culture and Recreation capital improvement projects include public libraries, recreational facilities, and the Municipal Art Fund. In 2009, these projects are funded through grants, city borrowing, and the property tax levy. In the 2009-2014 capital plan, approximately \$19 million, or 1.4% of total funding, is provided for Culture and Recreation projects. Figure 12 shows the 2009-2014 Capital Improvements Plan for these projects.

The city invests in Culture and Recreation in order to strengthen the city’s neighborhoods and to enhance the city’s role as the “cultural hub” of the metropolitan area. Public libraries and recreational facilities provide stability to city neighborhoods by creating places for residents to learn and play close to home. By maintaining and upgrading its cultural and recreational facilities, Milwaukee is able to enhance the quality of life for all city residents.

Figure 12

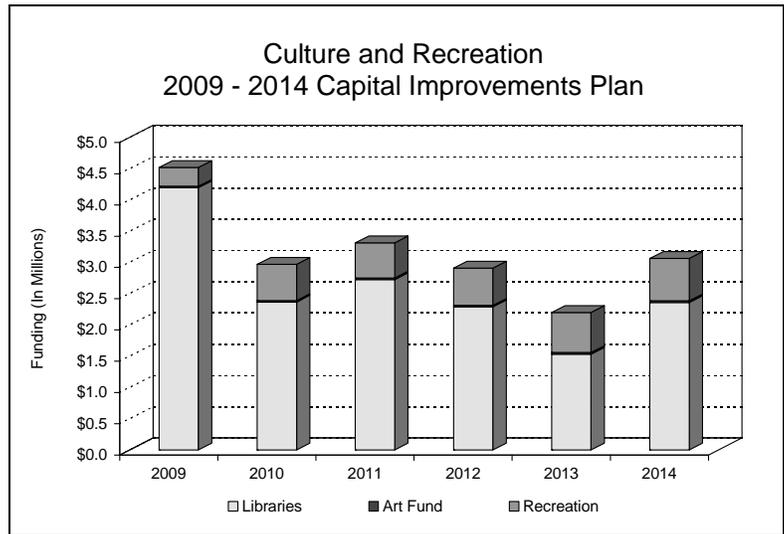


Table 9

2009 - 2014 Capital Improvements Plan for Culture and Recreation							
Project Title	2009 Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan	Six Year Plan
Library Projects							
RFID System	\$2,000,000	\$750,000	\$750,000	\$0	\$0	\$0	\$3,500,000
Central Library Improvements Fund	1,144,000	940,000	726,000	1,537,000	1,533,000	2,359,000	8,239,000
Grants and Aids	50,000	0	0	0	0	0	50,000
Neighborhood Library Improvements Fund	0	175,000	1,250,000	750,000	0	0	2,175,000
Villard Library Project	1,000,000	500,000	0	0	0	0	1,500,000
Subtotal Library	\$4,194,000	\$2,365,000	\$2,726,000	\$2,287,000	\$1,533,000	\$2,359,000	\$15,464,000
Municipal Art Fund	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$150,000
Recreational Facilities	300,000	526,240	560,000	596,000	638,000	678,000	3,298,240
Hartung Redevelopment Phase I	0	50,000	0	0	0	0	50,000
Total Projects	\$4,519,000	\$2,966,240	\$3,311,000	\$2,908,000	\$2,196,000	\$3,062,000	\$18,962,240

GENERAL GOVERNMENT

The capital programs in the General Government section of the capital improvement plan support one of Mayor Barrett’s Strategic Outcomes:

- Making Milwaukee safer from crime to leverage tremendous opportunities for investment, quality of life, and personal well being.

General Government capital improvement projects consist of maintenance and remodeling of city owned buildings and facilities and other special capital projects, as well as operation and maintenance of the city’s underground conduit and communication systems. These projects and programs maintain buildings, equipment, and facilities in proper condition and configuration for employees to meet the city’s service delivery and public safety outcomes.

In the six year plan, approximately \$139.4 million is provided for these purposes, which accounts for 10.3% of total capital funding. Figure 13 shows projected funding levels for General Government capital improvement projects for 2009-2014. The city strategically invests in city owned facility improvements to provide optimal service levels to city residents, workers, and visitors. There are three major categories of facility improvements: facility maintenance for 160 city buildings, major capital equipment replacement, and information technology/communication infrastructure improvements.

The city’s buildings and associated facilities include a wide range of structures and office buildings such as City Hall, salt domes, public parking structures, sanitation refuse transfer facilities, and forestry nursery buildings. Police stations, fire stations, libraries, public health centers, water filtration and distribution systems, sewerage relay systems, and Port of Milwaukee facilities have specific uses and are largely maintained under those departments.

Maintenance and Remodeling

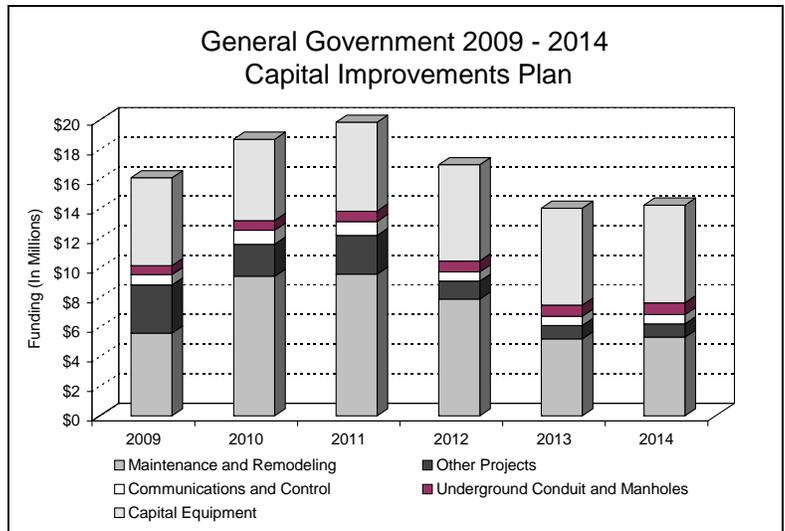
The Department of Public Works Operations Division is responsible for maintenance and repair of approximately 160 city buildings. In addition, the division provides architectural and mechanical planning and design services for most city remodeling projects.

Criteria used to determine maintenance and remodeling needs include:

- Age and condition;
- Safety and security;
- Accessibility;
- Space needs;
- Organizational needs;
- Technological and communication needs
- Current and future needs of city departments; and
- Operational savings or service delivery improvements generated by a project.

A computerized Facilities Condition Index (FCI) aids in evaluating building conditions and prioritizing maintenance and repair needs. The citywide FCI is used to develop an overall cyclical maintenance program and concentrate more resources on preventative maintenance programs.

Figure 13



In 2008, the Department of Public Works (DPW) conducted a comprehensive facility condition assessment. DPW staff performed extensive on site inspections to determine the physical condition of 109 city buildings and recreational facilities. A thorough visual inspection of all infrastructure, structural, electrical, mechanical, and roof components in each building was performed. Maintenance, repair, equipment replacement, and safety needs were identified and detailed. Cost estimates for needed maintenance and improvements were based on standard pricing for similar buildings. This information will be used to determine if a facility should be repaired, replaced, or consolidated. Such information will be used to prioritize capital projects.

The six year plan provides approximately \$9.3 million for remodeling and construction projects. This includes remodeling of office space; ADA projects and upgrade of interior systems such as the HVAC, plumbing and electrical systems, and exterior building repairs. These projects are 6.8% of the General Government capital improvement projects.

Funding in the 2009–2014 Capital Improvements Plan totals \$13.5 million for foundation repairs and replacement of the hollow sidewalks around City Hall. Due to the expected construction timeline of the City Hall Restoration program, the walks could not be replaced until restoration of the building was complete. Initial funding for this project began in 2008. This project addresses the structural deterioration of the hollow, vaulted sidewalks around City Hall and includes funding for the necessary structural analysis, removal of the hollow walk, foundation repairs, membrane water proofing, and sidewalk and hollow walk replacement.

Major Capital Equipment

Durable equipment items with a per unit cost of \$50,000 or more are included in the capital budget. This provides for timely replacement of equipment that is beyond economical repair to maintain service delivery levels to residents. Over 1,500 pieces of “major” equipment used by several Department of Public Works divisions are included in this program, ranging from dump trucks and garbage packers to street sweepers. Equipment need and utilization are closely scrutinized to determine if replacement is necessary. Funding to purchase capital equipment is \$39.6 million, or 28.4% of General Government funding during the six year plan.

Table 10

2009 - 2014 Capital Improvements Plan for General Government							
Project Title	2009 Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan	Six Year Plan
Remodeling/Construction Projects							
ADA Compliance Program	\$0	\$295,400	\$295,400	\$295,400	\$295,400	\$295,400	\$1,477,000
City Hall Complex Remodeling	0	650,000	650,000	750,000	750,000	850,000	3,650,000
Municipal Garage/Outlying Facilities Development Program	240,000	350,000	500,000	500,000	500,000	500,000	2,590,000
City Clerk License Division Remodeling	350,000	0	0	0	0	0	350,000
Election Commission Office Remodeling	40,000	0	0	0	0	0	40,000
Fire & Police Commission Office	150,000	0	0	0	0	0	150,000
Space Planning Alterations and Engineering	155,000	160,000	166,000	172,000	178,000	184,000	1,015,000
Total Remodeling/Construction Projects	\$935,000	\$1,455,400	\$1,611,400	\$1,717,400	\$1,723,400	\$1,829,400	\$9,272,000
Maintenance Projects							
Facility Systems Program	\$1,500,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$13,500,000
Facility Exterior Program	825,000	825,000	825,000	825,000	825,000	825,000	4,950,000
MacArthur Square Plaza Remediation	534,000	243,000	247,000	251,000	255,000	259,000	1,789,000
City Hall Hollow Walk Structural Repairs	1,800,000	4,500,000	4,500,000	2,700,000	0	0	13,500,000
Total Maintenance Projects	\$4,659,000	\$7,968,000	\$7,972,000	\$6,176,000	\$3,480,000	\$3,484,000	\$33,739,000
Communications and Manholes							
Public Safety Communications	\$350,000	\$500,000	\$500,000	\$625,000	\$625,000	\$625,000	\$3,225,000
Two-Way Radio Replacement	362,000	450,000	452,000	0	0	0	1,264,000
Underground Electrical Manhole Reconstruction	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
Underground Conduit and Manhole	400,000	450,000	500,000	550,000	550,000	600,000	3,050,000
Total Communications and Manhole Projects	\$1,312,000	\$1,600,000	\$1,652,000	\$1,375,000	\$1,375,000	\$1,425,000	\$8,739,000
Other Projects							
Major Capital Equipment	\$5,940,000	\$5,500,000	\$6,000,000	\$6,500,000	\$6,550,000	\$6,600,000	\$37,090,000
Vehicle Registration Fee Transfer	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	39,600,000
Other Projects	3,240,565	2,167,780	2,600,000	1,200,000	900,000	900,000	11,008,345
Total Other Projects	\$15,780,565	\$14,267,780	\$15,200,000	\$14,300,000	\$14,050,000	\$14,100,000	\$87,698,345
Grand Total General Government Projects	\$22,686,565	\$25,291,180	\$26,435,400	\$23,568,400	\$20,628,400	\$20,838,400	\$139,448,345

2009 - 2014 Capital Improvements Plan

	2009 ADOPTED BUDGET	2010 BUDGET PLAN	2011 BUDGET PLAN	2012 BUDGET PLAN	2013 BUDGET PLAN	2014 BUDGET PLAN	TOTAL DRAFT SIX YEAR PLAN
SPECIAL CAPITAL PROJECTS							
Municipal Art Fund	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$150,000
*****Grants & Aids*****	8,300,000	8,300,000	8,300,000	8,300,000	8,300,000	8,300,000	49,800,000
Housing Trust Fund	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000
Energy Challenge Fund	500,000	500,000	500,000	500,000	500,000	500,000	3,000,000
Vehicle Registration Fee (Debt Service and General Fund Transfers)	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	39,600,000
TOTAL SPECIAL CAPITAL PROJECTS	\$15,825,000	\$15,825,000	\$15,825,000	\$15,825,000	\$15,825,000	\$15,825,000	\$94,950,000
ADMINISTRATION							
FMIS/Fusion Upgrade	\$1,217,600	\$598,400	\$0	\$300,000	\$0	\$0	\$2,116,000
HRMS/Fusion Upgrade	0	0	1,700,000	0	0	0	1,700,000
Server Consolidation/Storage Area Network	75,000	0	0	0	0	0	75,000
Tape Backup	0	150,000	0	0	0	0	150,000
Server Virtualization	67,500	25,000	0	0	0	0	92,500
Map Milwaukee Upgrade and Expansion	191,820	78,500	0	0	0	0	270,320
Microsoft.net Development Environment	0	61,000	0	0	0	0	61,000
Document Services Storage	105,000	0	0	0	0	0	105,000
TOTAL ADMINISTRATION	\$1,656,920	\$912,900	\$1,700,000	\$300,000	\$0	\$0	\$4,569,820
CITY ATTORNEY							
City Attorney Remodeling Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CITY ATTORNEY	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COMMON COUNCIL CITY CLERK							
License Division Remodeling	\$350,000	\$0	\$0	\$0	\$0	\$0	\$350,000
TOTAL COMMON COUNCIL CITY CLERK	\$350,000	\$0	\$0	\$0	\$0	\$0	\$350,000
DEPARTMENT OF CITY DEVELOPMENT							
Neighborhood Commercial District Street Improvement Fund	\$337,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,587,000
Business Improvement Districts	0	500,000	500,000	500,000	500,000	500,000	2,500,000
Tax Incremental Districts	40,658,614	37,390,000	37,390,000	37,390,000	37,390,000	37,390,000	227,608,614
Development Fund	1,800,000	1,500,000	1,500,000	1,500,000	1,800,000	1,800,000	9,900,000
Advance Planning Fund	125,000	175,000	175,000	175,000	175,000	175,000	1,000,000
30th Street Industrial Corridor	0	3,000,000	1,000,000	0	0	0	4,000,000
Healthy Neighborhoods Initiative	200,000	0	0	200,000	200,000	200,000	800,000
ADA Riverwalk Construction	724,000	1,016,419	1,016,419	292,419	0	0	3,049,257
TOTAL DEPARTMENT OF CITY DEVELOPMENT	\$43,844,614	\$43,831,419	\$41,831,419	\$40,307,419	\$40,315,000	\$40,315,000	\$250,444,871
ELECTION COMMISSION							
Office Remodeling	\$40,000	\$0	\$0	\$0	\$0	\$0	\$40,000
TOTAL ELECTION COMMISSION	\$40,000	\$0	\$0	\$0	\$0	\$0	\$40,000
FIRE & POLICE COMMISSION							
FPC Office Remodeling	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
TOTAL FIRE & POLICE COMMISSION	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
DEPARTMENT OF EMPLOYEE RELATIONS							
Worker's Compensation System	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEPARTMENT OF EMPLOYEE RELATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FIRE DEPARTMENT							
Engine House Renovations	\$0	\$0	\$740,000	\$2,000,000	\$0	\$0	\$2,740,000
Fire Repair Shop Design and Construction	250,000	0	0	0	0	0	250,000
Major Capital Equipment	1,745,000	2,565,000	3,282,800	3,231,400	4,337,500	3,587,500	18,749,200
Fire Facilities Maintenance Program	712,500	725,200	725,200	784,800	756,000	756,000	4,459,700
Auxiliary Power Supply	100,000	110,000	110,000	0	121,000	133,000	574,000
TOTAL FIRE DEPARTMENT	\$2,807,500	\$3,400,200	\$4,858,000	\$6,016,200	\$5,214,500	\$4,476,500	\$26,772,900

	2009 ADOPTED BUDGET	2010 BUDGET PLAN	2011 BUDGET PLAN	2012 BUDGET PLAN	2013 BUDGET PLAN	2014 BUDGET PLAN	TOTAL DRAFT SIX YEAR PLAN
HEALTH DEPARTMENT							
Mechanical Systems Maintenance	\$246,000	\$40,000	\$70,000	\$70,000	\$130,000	\$73,000	\$629,000
Exterior Building Maintenance	228,000	145,000	155,000	155,000	190,000	180,000	1,053,000
Interior Building Maintenance	290,000	465,000	225,000	225,000	280,000	280,000	1,765,000
Public Health Information Network	100,000	150,000	150,000	150,000	0	0	550,000
TOTAL HEALTH DEPARTMENT	\$864,000	\$800,000	\$600,000	\$600,000	\$600,000	\$533,000	\$3,997,000
LIBRARY							
RFID System	\$2,000,000	\$750,000	\$750,000	\$0	\$0	\$0	\$3,500,000
Central Library							
Central Library Improvements Fund	\$1,144,000	\$940,000	\$726,000	\$1,537,000	\$1,533,000	\$2,359,000	\$8,239,000
*****Grants & Aids*****	50,000	0	0	0	0	0	50,000
Neighborhood Libraries							
Neighborhood Library Improvements Fund	\$0	\$175,000	\$1,250,000	\$750,000	\$0	\$0	\$2,175,000
Villard Library Project	1,000,000	500,000	0	0	0	0	1,500,000
*****Total Grants & Aids*****	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Total City Funding	\$4,144,000	\$2,365,000	\$2,726,000	\$2,287,000	\$1,533,000	\$2,359,000	\$15,414,000
TOTAL LIBRARY	\$4,194,000	\$2,365,000	\$2,726,000	\$2,287,000	\$1,533,000	\$2,359,000	\$15,464,000
MUNICIPAL COURT							
Court Case Management System	\$544,325	\$354,880	\$0	\$0	\$0	\$0	\$899,205
IT Disaster Recovery	139,320	0	0	0	0	0	139,320
TOTAL MUNICIPAL COURT	\$683,645	\$354,880	\$0	\$0	\$0	\$0	\$1,038,525
POLICE DEPARTMENT							
Police Administration Building Remodeling	\$954,000	\$1,300,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$8,654,000
District Station Repairs	100,000	350,000	350,000	350,000	350,000	350,000	1,850,000
Evidence Storage Warehouse	0	295,000	205,000	0	0	0	500,000
Automated Fingerprint Analysis System	0	400,000	300,000	0	0	0	700,000
9-1-1 System Replacement	5,000,000	0	0	0	0	0	5,000,000
4715 West Vliet Street Renovation	550,000	0	0	0	0	0	550,000
Radio and Communications Upgrade	60,000	113,000	42,000	77,000	116,000	95,000	503,000
TOTAL POLICE DEPARTMENT	\$6,664,000	\$2,458,000	\$2,497,000	\$2,027,000	\$2,066,000	\$2,045,000	\$17,757,000
PORT OF MILWAUKEE							
Secured Ferry Terminal Parking	\$0	\$0	\$0	\$100,000	\$0	\$100,000	\$200,000
Harbor Maintenance Dredging	0	0	150,000	0	200,000	0	350,000
*****Grants & Aids*****	0	0	600,000	0	800,000	0	1,400,000
Cargo Handling Equipment	500,000	0	0	0	0	500,000	1,000,000
Analyze and Upgrade Sewer System	0	0	0	0	250,000	0	250,000
Dockwall Rehabilitation	150,000	250,000	250,000	250,000	250,000	150,000	1,300,000
Pier Berth and Channel Improvements	200,000	600,000	200,000	200,000	200,000	200,000	1,600,000
*****Grants & Aids*****	800,000	2,400,000	800,000	800,000	800,000	800,000	6,400,000
Surface City Heavy Lift Dock Extension	0	250,000	0	0	0	0	250,000
Rail Track and Service Upgrades	0	0	100,000	0	100,000	0	200,000
*****Grants & Aids*****	0	0	100,000	0	100,000	0	200,000
Confined Disposal Facility	0	0	0	0	0	0	0
New Crane/Heavy Lift Equipment	0	0	0	0	0	0	0
Port Security	400,000	0	100,000	100,000	100,000	0	700,000
*****Grants & Aids*****	650,000	0	0	0	0	0	650,000
Demolish and Rehab Facilities	0	0	0	0	0	0	0
Rail/Water Transfer Facility	0	0	0	0	0	0	0
Roadway Paving	0	150,000	200,000	200,000	0	0	550,000
Rehab Electrical Service South Harbor Tract	0	0	0	0	100,000	0	100,000
Terminal Resurfacing	250,000	0	0	150,000	0	150,000	550,000
Port Facility Systems	0	0	0	0	100,000	0	100,000
*****Total Grants & Aids*****	\$1,450,000	\$2,400,000	\$1,500,000	\$800,000	\$1,700,000	\$800,000	\$8,650,000
Total City Funding	\$1,500,000	\$1,250,000	\$1,000,000	\$1,000,000	\$1,300,000	\$1,100,000	\$7,150,000
TOTAL PORT OF MILWAUKEE	\$2,950,000	\$3,650,000	\$2,500,000	\$1,800,000	\$3,000,000	\$1,900,000	\$15,800,000

	2009 ADOPTED BUDGET	2010 BUDGET PLAN	2011 BUDGET PLAN	2012 BUDGET PLAN	2013 BUDGET PLAN	2014 BUDGET PLAN	TOTAL DRAFT SIX YEAR PLAN
DPW ADMINISTRATIVE SERVICES DIVISION							
Public Safety Communications	\$350,000	\$500,000	\$500,000	\$625,000	\$625,000	\$625,000	\$3,225,000
Hartung Redevelopment Phase I	0	50,000	0	0	0	0	50,000
TOTAL DPW ADMINISTRATIVE SERVICES DIVISION	\$350,000	\$550,000	\$500,000	\$625,000	\$625,000	\$625,000	\$3,275,000
DPW OPERATIONS DIVISION							
Sanitation and Forestry Projects							
Environmental Headquarters Modifications	\$0	\$700,000	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$3,700,000
Industrial Road Facility Relocation	0	0	5,000,000	0	0	0	5,000,000
Concealed Irrigation and General Landscaping City Boulevards	582,000	500,000	500,000	500,000	500,000	500,000	3,082,000
Planting Trees Shrubs and Evergreens (Paving) Various Sites	1,500,000	1,275,000	1,525,000	1,625,000	1,625,000	1,650,000	9,200,000
Boulevard Plan	525,000	550,000	0	0	0	0	1,075,000
Emerald Ash Borer Readiness and Response	800,000	618,000	618,000	618,000	618,000	618,000	3,890,000
Subtotal Sanitation and Forestry Projects	\$3,407,000	\$3,643,000	\$7,643,000	\$3,743,000	\$3,743,000	\$3,768,000	\$25,947,000
Buildings and Fleet Projects							
City Hall Hollow Walk Structural Repairs	\$1,800,000	\$4,500,000	\$4,500,000	\$2,700,000	\$0	\$0	\$13,500,000
MacArthur Square Plaza Remediation	534,000	243,000	247,000	251,000	255,000	259,000	1,789,000
Environmental Remediation Program	200,000	308,000	313,000	319,000	324,000	329,000	1,793,000
ADA Compliance Program	0	295,400	295,400	295,400	295,400	295,400	1,477,000
Facilities Exterior Program	825,000	825,000	825,000	825,000	825,000	825,000	4,950,000
City Hall Complex Remodeling	0	650,000	650,000	750,000	750,000	850,000	3,650,000
Municipal Garages/Outlying Facilities Remodeling	240,000	350,000	500,000	500,000	500,000	500,000	2,590,000
Facilities Systems Program	1,500,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	13,500,000
Recreational Facilities Program	300,000	526,240	560,000	596,000	638,000	678,000	3,298,240
Major Capital Equipment (\$50,000 or More)	5,940,000	5,500,000	6,000,000	6,500,000	6,550,000	6,600,000	37,090,000
Two-Way Radio Replacement	362,000	450,000	452,300	0	0	0	1,264,300
Space Planning Alterations and Engineering	155,000	160,000	166,000	172,000	178,000	184,000	1,015,000
Subtotal Buildings and Fleet Projects	\$11,856,000	\$16,207,640	\$16,908,700	\$15,308,400	\$12,715,400	\$12,920,400	\$85,916,540
TOTAL DPW OPERATIONS DIVISION	\$15,263,000	\$19,850,640	\$24,551,700	\$19,051,400	\$16,458,400	\$16,688,400	\$111,863,540
DPW INFRASTRUCTURE SERVICES DIVISION							
Underground Conduit and Manholes	\$400,000	\$450,000	\$500,000	\$550,000	\$550,000	\$600,000	\$3,050,000
Major Bridge Program - State and Federal Aided	762,000	2,877,000	1,171,000	500,000	1,248,000	1,400,000	7,958,000
*****Grants & Aids*****	4,436,000	7,508,000	6,619,000	13,600,000	4,992,000	5,600,000	42,755,000
Major Bridge Program Local	5,275,000	6,425,000	6,275,000	6,500,000	5,125,000	5,100,000	34,700,000
Street Improvements City Portion of State and/or Federal Aided Projects	4,230,000	6,760,000	4,970,000	5,200,000	4,045,000	11,465,000	36,670,000
*****Special Assessments*****	100	77,000	91,000	89,000	100,000	100,000	457,100
*****Grants & Aids*****	30,450,000	16,670,000	23,200,000	23,555,000	11,770,000	34,575,000	140,220,000
New Street Construction	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
Street Reconstruction and Resurface	10,300,000	9,753,745	11,140,000	10,960,000	12,280,000	12,100,000	66,533,745
*****Special Assessments*****	100	100	100	100	100	100	600
Alley Reconstruction and Resurface	300,000	400,000	400,000	400,000	400,000	400,000	2,300,000
*****Special Assessments*****	100	0	0	0	0	0	100
Sidewalk Replacement Program (Contract and Scattered Sites)	650,000	675,000	700,000	725,000	750,000	775,000	4,275,000
*****Special Assessments*****	150,000	510,000	620,000	730,000	840,000	950,000	3,800,000
New Streets Developer	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000
Street Lighting Program Citywide	7,850,000	8,000,000	8,150,000	8,750,000	7,900,000	8,300,000	48,950,000
Traffic Control Facilities Citywide	990,000	990,000	990,000	990,000	990,000	990,000	5,940,000
Underground Electrical Manholes (Communications, Traffic Control, Street Lighting) Reconstruction Program	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000

	2009 ADOPTED BUDGET	2010 BUDGET PLAN	2011 BUDGET PLAN	2012 BUDGET PLAN	2013 BUDGET PLAN	2014 BUDGET PLAN	TOTAL DRAFT SIX YEAR PLAN
*****Total Grants & Aids*****	\$34,886,000	\$24,178,000	\$29,819,000	\$37,155,000	\$16,762,000	\$40,175,000	\$182,975,000
*****Total Special Assessments*****	\$150,300	\$587,100	\$711,100	\$819,100	\$940,100	\$1,050,100	\$4,257,800
Total City Funding (includes Special Assessment)	\$31,707,300	\$37,717,845	\$35,807,100	\$36,194,100	\$35,028,100	\$42,980,100	\$219,434,545
TOTAL DPW INFRASTRUCTURE SERVICES DIVISION	\$66,593,300	\$61,895,845	\$65,626,100	\$73,349,100	\$51,790,100	\$83,155,100	\$402,409,545
GRAND TOTAL DPW GRANTS & AIDS	\$34,886,000	\$24,178,000	\$29,819,000	\$37,155,000	\$16,762,000	\$40,175,000	\$182,975,000
GRAND TOTAL DPW CITY FUNDING	\$47,320,300	\$58,118,485	\$60,858,800	\$55,870,500	\$52,111,500	\$60,293,500	\$334,573,085
GRAND TOTAL DEPARTMENT OF PUBLIC WORKS	\$82,206,300	\$82,296,485	\$90,677,800	\$93,025,500	\$68,873,500	\$100,468,500	\$517,548,085
BUDGETED GRANTS & AIDS FUNDING	\$36,386,000	\$26,578,000	\$31,319,000	\$37,955,000	\$18,462,000	\$40,975,000	\$191,675,000
SUBTOTAL CITY FUNDED CAPITAL PROJECTS	\$125,849,979	\$129,315,884	\$131,896,219	\$124,233,119	\$118,965,000	\$126,947,000	\$757,207,201
PARKING FUND							
1000 North Water Parking Structure Repairs	\$560,000	\$0	\$125,000	\$0	\$0	\$0	\$685,000
MacArthur Square Parking Structure Repairs	290,000	300,000	650,000	0	0	0	1,240,000
Parking Facility Maintenance	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000
Multi-Space Meters	1,300,000	0	0	0	0	0	1,300,000
Milwaukee/Michigan Parking Structure Repairs	0	0	0	400,000	375,000	0	775,000
Fourth and Highland Parking Structure Repairs	0	250,000	300,000	0	400,000	300,000	1,250,000
Second and Plankinton Parking Structure Repairs	0	0	325,000	500,000	0	0	825,000
Tow Lot Office Expansion	536,000	0	0	0	0	0	536,000
TOTAL PARKING FUND	\$2,936,000	\$800,000	\$1,650,000	\$1,150,000	\$1,025,000	\$550,000	\$8,111,000
DPW WATER WORKS							
Distribution System	\$12,880,000	\$15,500,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$88,380,000
Distribution System Assessable	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Development Out-of-Program Agreement Various Locations	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
Feeder Main Program	3,500,000	1,100,000	1,120,000	1,140,000	1,160,000	1,180,000	9,200,000
Linwood Plant Building Improvements	250,000	1,020,000	200,000	250,000	150,000	150,000	2,020,000
Linwood Plant Treatment Improvements	1,050,000	3,150,000	2,600,000	4,200,000	2,500,000	2,000,000	15,500,000
Howard Plant Building Improvements	450,000	550,000	450,000	300,000	0	200,000	1,950,000
Howard Plant Treatment Improvements	500,000	100,000	2,000,000	300,000	1,000,000	2,000,000	5,900,000
Pump Facilities Improvements	3,440,000	6,800,000	2,950,000	4,850,000	2,400,000	5,100,000	25,540,000
Storage Facilities Improvements	3,826,000	600,000	6,000,000	0	200,000	2,000,000	12,626,000
Meter Shop Improvements	300,000	100,000	75,000	100,000	100,000	0	675,000
Backup Power Generation	500,000	4,500,000	0	6,500,000	700,000	0	12,200,000
TOTAL DPW WATER WORKS	\$27,096,000	\$33,820,000	\$30,795,000	\$33,040,000	\$23,610,000	\$28,030,000	\$176,391,000
DPW SEWER MAINTENANCE FUND							
Sewer Relief and Relay Program	\$24,000,000	\$28,000,000	\$29,000,000	\$30,000,000	\$31,000,000	\$31,000,000	\$173,000,000
Storm Water Quality Projects	2,700,000	2,500,000	2,500,000	2,500,000	2,500,000	0	12,700,000
*****Grants & Aids*****	150,000	0	0	0	0	0	150,000
Pump Facility Projects	450,000	500,000	500,000	500,000	500,000	500,000	2,950,000
SCADA Upgrade Project	600,000	0	0	0	0	0	600,000
I&I Reduction Projects	3,700,000	6,370,000	6,370,000	4,890,000	4,900,000	3,000,000	29,230,000
*****Total Grants & Aids*****	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
Total City Funding	\$31,450,000	\$37,370,000	\$38,370,000	\$37,890,000	\$38,900,000	\$34,500,000	\$218,480,000
TOTAL DPW SEWER MAINTENANCE FUND	\$31,600,000	\$37,370,000	\$38,370,000	\$37,890,000	\$38,900,000	\$34,500,000	\$218,630,000
GRAND TOTAL GRANTS & AIDS	\$36,536,000	\$26,578,000	\$31,319,000	\$37,955,000	\$18,462,000	\$40,975,000	\$191,825,000
GRAND TOTAL CAPITAL IMPROVEMENT PLAN CITY FUNDING	\$187,331,979	\$201,305,884	\$202,711,219	\$196,313,119	\$182,500,000	\$190,027,000	\$1,160,189,201
GRAND TOTAL CAPITAL IMPROVEMENT PLAN	\$223,867,979	\$227,883,884	\$234,030,219	\$234,268,119	\$200,962,000	\$231,002,000	\$1,352,014,201