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MEMORANDUM

TO: Administration & Finance Committee

FROM: Peggy Steeno, Finance Director

DATE: October 17, 2017

RE: Follow-Ups from the October 9th Budget/Capital Improvement Program (CIP) Discussion

As a follow-up to the first budget/CIP discussion, this memo, along with the accompanying attachment, is in response to the questions and requests for information from the Committee. Below are the details of each question, and the corresponding response:

- o Streetscaping – Related to the 2018 CIP - \$1,039,000 National Avenue
The Committee requested information on the following: (1) what, exactly, is included in the \$1,039,000; (2) what does the Council currently have the option to change; and (3) what is irreversible, i.e. what has the City already fully committed to.
- (1) There is approximately \$1,039,000 included in the 2018 CIP for Streetscaping items as noted on the chart below. Please note that the ‘Not Streetscaped’ column outlines the cost of each item as it would have been completed prior to the implementation of streetscaping initiatives, approved in the Corridor Plan, for this project.

National Avenue Streetscaping Items

	Streetscaped	Not Streetscaped	Difference
Electrical Wiring	\$64,545.80	\$64,545.80	\$0.00
Light Poles	\$220,200.00	\$69,900.00	\$150,300.00
Trees/Plants	\$111,142.50	\$111,142.50	\$0.00
Hardscape	\$395,624.00	\$73,265.00	\$322,359.00
Furniture	\$70,800.00	\$0.00	\$70,800.00
Bike Markings	\$41,284.00	\$33,100.00	\$8,184.00
Construction Management	\$135,539.45	\$52,793.00	\$82,746.45
Total	\$1,039,135.75	\$404,746.30	\$634,389.45

- (2) If Council is contemplating making changes at this point in the process, it must be noted that any changes will likely result in additional costs and extra time to complete the design/project. In addition, all changes are subject to acceptance by the WIS DOT since the project is being completed as a State Contract, and the flexibility that was once available with WIS DOT projects is no longer predictable.
- (3) While nothing is fully irreversible, since the design phase is essentially complete, if the WIS DOT agrees that the changes can be made, there would likely be additional design costs as well as possible time delays that the City would need to pay WIS DOT to implement the

changes at this time. While the exact amount is unknown, it is estimated that it could cost approximately \$20,000, reducing the savings noted above, if the changes are accepted by the WIS DOT.

- Streetscaping – Related to future years' CIP's

The Committee requested information regarding the streetscaping costs included in the current plans for future years.

Please see Attachment 1 which includes the current plans for 2019 – 2026. Please note the Streetscaping line which contains costs for 2019 and 2020, as well as the Street Lighting Line, which also includes some upgraded lights that are called for in the Streetscaping Plan. If Council is contemplating making changes to the plans for 2019 and 2020, that would need to be voted on no later than next spring so that staff is able to make the adjustments as part of the regular design process, preventing extra costs from being applied at a later date.

- Bike/Pedestrian Improvements included in the 2018 CIP

The Committee requested specific details as to what the \$25,000 included in the 2018 CIP is to be spent on.

This CIP item is a placeholder, per the Bike and Ped Plan, which calls for \$25,000 to be spent in each of the next five years, for a total of \$125,000, for bike and pedestrian amenities in the City. The specific plan is for Engineering to determine the where to implement these improvements. The preliminary plan for 2018, if the funds are approved, is to complete bike lane striping on Cleveland Avenue, from 99th Street to 101st Street, and 112th Street to 124th Street.

- Police Audio Recording in the 2018 Budget and the 2018 CIP

The Committee discussed this item at the meeting, and had their questions answered, however there is a funding clarification that needs to be made.

The cost of this system, \$39,557, is included in CIP as 'No funding source Identified', however this item is also included in the 2018 Recommended Police Department Operating Budget. So, the total of the items in the 'No Funding Source Identified' in 2018 CIP = \$712,500 rather than the \$752,057 listed in the current draft.

- Alley Street Lighting Improvements in the 2018 CIP - \$84,000

The Committee requested information this CIP item in regard to the reason for the project and the payback period in energy savings if applicable.

This project is being recommended due to the future energy savings that can be obtained by retrofitting the City's existing alley street lights with LED fixtures. The energy savings per year, once the new lights are installed, is estimated to be approximately \$36,557. Assuming a Focus on Energy Rebate of approximately \$11,340, in conjunction with replacing the existing 756 lights, this lowers the cost of the project from \$84,000 to \$72,660, and puts the payback period for this project at 1.99 years.

- Standard Citywide Street Lighting Improvements in the 2018 CIP - \$200,000

The Committee requested information this CIP item in regard to the reason for the project and the payback period in energy savings if applicable.

This project is being recommended due to a substantial need to replace our standard street lighting and the accompanying circuits throughout the City because they are antiquated, dangerous, and beyond the end of their practical useful life. The cost to replace the approximately 7,600 street lights, along with the needed wiring, circuits, and transformers, is currently estimated at about \$38,000,000. While there are energy and maintenance savings

that will be achieved through replacing the entire system, valued at about \$422,000 per year once the entire system is replaced, due to the substantial cost of the project, the time it takes for the savings to pay for the cost of the project is almost 90 years.

○ Street Lighting Funding Options

The Committee requested information on funding options, including the possibility of creating a Street Lighting Utility, to pay for the large replacement project identified above.

Staff is gathering information on this and will bring information to the October 30th Meeting so that this item can be discussed in further detail.

○ Details regarding capital accumulation funds in the 2018 Operating Budget

The Committee requested information on the total amount of requests, included in the 2018 Recommended Operating Budget, which are designated as funds to be set aside for future years' projects.

Staff is analyzing this information and will bring the results to the October 30th Meeting.

○ Overall Funding of 2018 CIP

The Committee requested information on possible funding sources for the items included in the 2018 Recommended CIP as 'No Funding Source Identified'.

Staff is analyzing this information and will bring the results to the October 30th Meeting.

○ Update on information still needed from the Department of Revenue for the 2018 Budget

The Committee understands that staff is waiting on a few critical pieces of information regarding the expenditure restraint program and the assessed value calculation to be able to provide the remainder of the information, including the tax rate needed to fulfill all of the needs identified in the 2018 Recommended Budget.

Staff will forward this information to the Committee as soon as it becomes available.

○ Recommended Utility Rates for 2018

The Committee understands that staff is continuing to evaluate Utility Funds, specifically the impact of related capital improvement projects being contemplated.

Staff will provide an update to the Committee at the October 30th Meeting in regard to the recommended Utility Rates for 2018.

○ Possible Change in Budgeted Revenue Make-Up and Amount of Fund Balance Applied to 2018 Recommended Operating Budget

Staff provided information to the Committee regarding additional transportation aids that were unknown at the time the 2018 Recommended Operating Budget was released, as well as a request to continue to work on the Revenue make-up to put the City in a better overall financial position.

Staff will provide an update to the Committee at the October 30th Meeting on this item.

Please let me know if you have questions or need additional information regarding any of the above noted items, or any other matter related to the recommended 2018 Operating Budget and Capital Improvement Program, as we proceed through this years' process. It is staff's goal to maintain a running list of outstanding items, as well as to provide the Committee with all requested information timely and accurately so that final decisions can be made on the 2018 Operating Budget and Capital Improvement Program at the Council Meeting on November 21st.

City of West Allis - Capital Improvement Plan 2016-2025

CAPITAL IMPROVEMENTS - CONSTRUCTION										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Local Streets	\$1,920,000	\$349,000	\$3,027,000	\$2,131,000	\$1,238,000	\$3,491,000	\$2,090,000	\$2,061,000	\$2,090,000	\$2,061,000
Proposed Additional Funding Required - Local Streets	\$385,000	\$0	\$1,001,000	\$487,000	\$1,755,000	\$1,807,000	\$1,897,000	\$1,992,000	\$2,092,000	\$2,197,000
Major Streets	\$1,039,000	\$4,739,000	\$6,261,000	\$2,632,000	\$1,622,000	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<i>Streetscaping</i>	\$0	\$712,000	\$91,000	\$1,010,000	\$0	\$0	\$0	\$0	\$0	\$0
Pavement Repair	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Alleys	\$0	\$0	\$579,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sidewalks	\$168,000	\$0	\$99,000	\$146,000	\$115,000	\$117,000	\$120,000	\$120,000	\$120,000	\$120,000
Bike Trails	\$581,000	\$1,349,000	\$600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bridges	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000
Storm Sewer	\$1,500,000	\$1,500,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000
Proposed Additional Funding Required - Storm Sewer	\$200,000	\$200,000	\$666,000	\$900,000	\$945,000	\$992,000	\$1,042,000	\$1,094,000	\$1,149,000	\$1,206,000
Sanitary Sewer	\$2,750,000	\$2,750,000	\$2,850,000	\$2,850,000	\$2,850,000	\$2,850,000	\$2,850,000	\$2,900,000	\$2,900,000	\$2,900,000
Sanitary Sewer For Hwy 100 Reconstuct	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000
Proposed Additional Funding Required - Sanitary Sewer	\$200,000	\$200,000	\$716,000	\$975,000	\$1,024,000	\$1,075,000	\$1,129,000	\$1,185,000	\$1,244,000	\$1,306,000
Water Mains	\$1,500,000	\$1,500,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,850,000	\$1,850,000	\$1,850,000
<i>Private Lead Service Line Replacement</i>	\$0	\$1,892,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proposed Additional Funding Required - Water Main	\$250,000	\$250,000	\$683,000	\$900,000	\$945,000	\$992,000	\$1,042,000	\$1,094,000	\$1,149,000	\$1,206,000
Street Lighting	\$223,000	\$920,000	\$589,000	\$645,000	\$576,000	\$448,000	\$300,000	\$300,000	\$300,000	\$300,000
Parking Lots*	\$15,000	\$0	\$380,000	\$100,000	\$50,000	\$75,000	\$90,000	\$100,000	\$100,000	\$100,000
Traffic Signals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessment Clerk Salary	\$85,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$11,066,000	\$16,621,000	\$21,242,000	\$16,486,000	\$14,820,000	\$15,657,000	\$15,360,000	\$15,756,000	\$16,544,000	\$16,806,000
Enterprise Funds	\$6,400,000	\$6,400,000	\$8,365,000	\$9,075,000	\$9,214,000	\$9,459,000	\$9,613,000	\$9,923,000	\$10,592,000	\$10,768,000
Special Assessments	\$935,000	\$1,572,500	\$2,059,000	\$1,061,000	\$913,000	\$1,523,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Proposed Additional Special Assessments	\$135,000	\$0	\$407,000	\$107,000	\$811,000	\$776,000	\$815,000	\$856,000	\$899,000	\$944,000
Adjoining Municipality Funds	\$0	\$752,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Aid	553,000	3,946,000	6,496,000	2,258,000	0	0	0	0	0	0
Total Public Works (Bond Funding)	\$3,043,000	\$3,950,000	\$3,915,000	\$3,985,000	\$3,882,000	\$3,899,000	\$3,832,000	\$3,877,000	\$3,953,000	\$3,994,000

2017: Bike Share Station Construction (Federal Congestion Mitigation & Air Quality Funds = 80%), Private Donations
 2018: Cross Town Connector Bike & Pedestrian Bridge (Federal Congestion Mitigation & Air Quality Funds = 80%)
 2018: National Avenue: 70th to 76th (Federal Surface Transportation Program - Urban Funds = 80%)
 2018: National Avenue: 92nd to 95th (Federal Surface Transportation Program - Urban Funds = 80%)
 2019: Cross Town Connector Bike & Pedestrian Trail (Federal Congestion Mitigation & Air Quality Funds = 80%)
 2022: STH 100 Reconstruction - Watermain and Sanitary Sewer

*Parking Lots :
 2017 Police West Lot - Crack Repair
 2019 - Library (\$260,000)
 2019 - 72nd - 73rd St/Madison - Greenfield Lot (\$90,000)
 2019 - City Hall Lot (\$30,000)
 2020 - Senior Center Lot
 2021 - 71-72nd/Greenfield-Orchard Lot
 2022 - 73rd-74th/Greenfield-Orchard Lot
 2023 - 74th-75th/Greenfield-Orchard Lot
 2024 - 75th - 76th/Madison-Greenfield Lot
 2025 - Repairs